

explore st.louis

October 10, 2021

Mr. Nimrod Chapel, Jr.
President
NAACP Missouri State Conference
311 W. Dunklin
Jefferson City, MO 65101

Dear Mr. Chapel,

I write in response to the letter sent to you by Mr. Pruitt of the St. Louis City branch of the NAACP regarding a St. Louis County matter. As a courtesy, I also copy Mr. John Bowman of the St. Louis County branch, although he does not appear to be in receipt of the original letter.

Mr. Pruitt incorrectly writes that Explore St. Louis (or "CVC") and I have done "somewhat of an about face" on the agreement that 35% of the excess hotel-motel tax would be used on a North County project. That is untrue and in fact, it is the exact opposite. We supported Councilwoman Erby's amendment regarding the North County funds and continue to support the project concept to this day.

However, first to provide context and to help you understand Explore St. Louis' role in this matter, I refer you to section 7 of Missouri Statute 67.657:

7. Notwithstanding any provision of subsection 6 of this section to the contrary, funds deposited in the county convention and recreation trust fund pursuant to subsection 5 of this section in excess of amounts payable as the county's share of any rent, fees or charges payable pursuant to any contract, agreement, lease or sublease provided for in subsection 3 of this section, including reasonable reserves for future payments of such amounts, shall not be appropriated or paid except for funding of the regional convention and sports complex authority or for regional convention and tourism purposes to the regional convention and visitors commission established by section 67.601 if it is providing management and operations services for a facility of the regional convention and sports complex authority of which the state of Missouri, the city, and St. Louis County are lessees pursuant to a contract, agreement or sublease with such lessees.

The above provision of the statute was created by the legislature to provide funding from St. Louis City, St. Louis County and the State of Missouri, for the construction of a domed stadium, now known as the Dome at America's Center, which is owned by the Regional Convention and Sports Authority, as an expansion to the existing Cervantes Convention Center, which is owned the City of St. Louis. It should be noted that the original funding for the Dome and Convention Center expansion was done with the approval of the lodging industry, using a hotel-motel tax to benefit the tourism industry and with the assurance that our organization would provide fiduciary oversight that any excess funds be spent in support of growing tourism for our region. That responsibility is our sole role in this process.

Over the years, the CVC board has been asked to provide the approval for the use of these tax proceeds for various projects including Busch Stadium, the soccer fields at Creve Coeur Park, the ballfields in Hazelwood tied to the proposed Mills Mall redevelopment, and the expansion and improvements to the convention center. Explore St. Louis does not own any of these facilities, nor does it build them. In each case, the board of CVC after significant due diligence, approved the use of the funds and agreed to a partial funding mechanism, after determining the appropriate tourism benefits.



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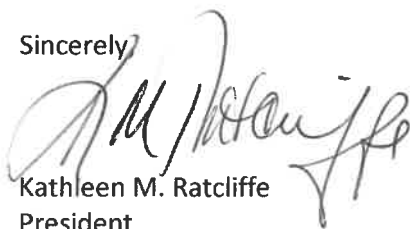
In the case of the North County project, we were asked by Councilwoman Erby on the night the convention center bill was due for final passage to agree to a proposed use of 35% of the excess County Trust Fund for a North County project. A bill substitute to the convention center ordinance had been prepared. Although no plan for a North County facility was presented, CVC agreed to support the additional language to the convention center bill, with the understanding that any new facility would need to generate new tourism activity. That evening Councilwoman Erby introduced the substitute bill which was voted out and approved by the County Council the following week.

Subsequent to its passage, Mrs. Erby was besieged by numerous parties wanting the County to buy property for the facility. We offered to assist Councilwoman Erby by hiring a consultant at CVC expense to conduct a gap analysis and help to define a project that could generate new tourism activity, as required by statute, and could also be used by local sports clubs, teams, schools and the community at large. The pandemic sidelined many things for us and our industry, so its delivery was significantly delayed as a result. As part of our assistance in vetting potential concepts, CVC presented an idea for a facility that meets defined needs. However, the final project decision rests with the County. The CVC stands ready to assist St. Louis County with further work on a North County project, if the County desires.

As I wrote out the outset, it is important for all to understand CVC's legal role. We did not build Busch Stadium, nor the soccer fields in Creve Coeur Park. If the Hazelwood/Mills project materializes, we will not be building it nor are we building the convention center project. The construction of those projects all rest with the respective owners. We merely have a statutory obligation to oversee the appropriate use of the lodging taxes.

Councilwoman Erby was a champion for the convention center project, the people of her district and the tourism industry as a whole, including those who work within it. She was the sponsor for the convention center bill and carried it through the County legislative process. Consequently we chose to support her proposed North County facility language addition to the convention center ordinance. It's our hope that the County Council will respect her support for the convention center project to advance the final financing documents that have been presented to them by the County's finance team and that they will also begin the necessary steps to further the North County project she desired.

Sincerely,

A handwritten signature in dark ink, appearing to read 'K. Ratcliffe', is written over the printed name and title.

Kathleen M. Ratcliffe
President

KMR/b

cc: Hon. Rita Heard Days, Adolphus Pruitt, John Bowman, Bob Wallace, Andrew Leonard