

MISSOURI STATE PENITENTIARY REDEVELOPMENT COMMISSION  
Final  
MEETING MINUTES  
Open Session  
August 22, 2007

Call to Order: Chairman Dan Carr called the MSP Redevelopment Commission meeting to order at 1:00 p.m.

Introductions: Chairman Dan Carr provided background information about himself to the group. Introductions were made around the table for the benefit of the new Commissioners.

Roll Call: The Following Commission members were present. Michael Berry, Gene Bushmann, Dan Carr, Pam Neugebauer, Kathy Peerson, Darrell Roegner, John Sheehan, James Wunderlich. Quorum present. (Six members must be present to constitute a quorum - 1 vacancy.)

The Following Commission members were absent: Bob Meyer.

The Following Facilities Management, Design and Construction staff members were present: Director Dave Mosby, Deputy Director Walter Johannpeter, Lisa Cavender, Charlie Brzuchalski, Lynne Angle, Dianne Beasley, and Karen Witt. Deputy Commissioner of the Office of Administration, Rich AuBuchon, was also present.

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Charlie Brzuchalski provided a PowerPoint presentation to discuss the meeting agenda items.

Chairman Carr announced that the meeting will end by 3 p.m. and that the agenda will be followed.

- I. Approval of Minutes/Agenda
  - The minutes from the June 27, 2007, meeting (Open and Closed) were approved pending suggested changes.
  
- II. Status Update on MSP Caretaking / Interim Uses Management – Charlie Brzuchalski
  - Training is ongoing by Highway Patrol, Capitol Police, and the Missouri National Guard.
    - Gene Bushmann asked if there was any damage to any of the buildings that are being kept as part of the redevelopment project. Charlie B. stated that training is not allowed in Housing Units 1, 2, 3 or 4.
  - Relocation of Maintenance & Security Staff is underway.
  - Carpool Parking project is complete. Fleet vehicles are now located in the area.
  - MSP continues to be used for Equipment Storage.

- III. Review and Update on MSP Redevelopment Project Status – Charlie Brzuchalski
- Federal Courthouse Project – Charlie Brzuchalski
    - The Federal Courthouse project is continuing. Charlie B. will provide the exact dollar figure discussed at the next meeting.
    - Demolition Project Status
      - The walls are coming down. Housing Unit 7 is down. The harvest of items for salvage is ongoing, which includes the decorator stone. Mark Schreiber is looking at the salvaged items in a historical perspective. At least two semi trucks are onsite to haul off debris. The concrete and stone are crushed and stockpiled on site. Housing Unit 6 is starting to come down.
      - Hazardous abatement is underway to remove asbestos, lead, and hazardous solvents. Each item is being cleaned, which is a long process.
  - GSA Project Planning – Charlie B.
    - Dan Carr asked Charlie Brzuchalski for an update on the timeline for the project for both GSA and the State. The timeline should include how it is funded and include money for 2008 and 2010.
    - Charlie B. stated that GSA is in the conceptual design phase for the project. Three (3) concepts have been combined into one design concept. A conference call is scheduled on August 23 to discuss the blended concept. Charlie B. will participate in the conference call.
    - JE Dunn is the Construction Manager for the project to review design plans with the early cost estimate to select general contractors and various trade contractors. It is hoped that funding will be available by October 2008, the design complete, and be ready to begin construction at that time.
      - Senator Bond has requested the funding in the form of a budget request and will get an additional \$66M to the already appropriated \$5.6M for the project this budget cycle.
    - The plan is to occupy the facility between late 2010 and 2011.
    - The design concept resembles buildings already in the area to maintain the historical significance of the area.
    - Some parking will be onsite, separate parking for the judges, etc.
    - Parking - Gene Bushmann asked if an agreement had been reached with GSA on the cost of the parking garage. Charlie B. said that no agreement has been reached but negotiations are taking place with Brad Scott from GSA. GSA has authority to construct 102 spaces; the garage will have over 400 spaces. GSA has only indicated an interest in surface parking, but this is not ironclad.

- Michael Berry asked if it was in the best interest of the Commission to get a parking structure and asked when the answers would be available. Charlie B. stated that discussions are underway between the Mayor of Jefferson City and the Cole County Commissioner about how to partner in the construction of a parking garage. Currently trying to figure out how to determine the need.
- John Sheehan asked if there are other final contingencies from the City, County, or OA that need to be funded other than from GSA. Charlie B. stated that improvements to Lafayette Street are part of this. Currently in the process of ratifying soft budget numbers and will get a more definitive budget later...this does not include the interchange.
  - This is an item for the agenda for the next meeting – Parking Update
- Land Transfer – Dave Mosby asked for an update on when the land transfer can take place to GSA. Charlie B. stated that the MOU is in place, which indicates the timeframe as the end of October 2007. The research work is done and the title work is done. Further discussion with John Kuebler, attorney, will take place to verify this date.
- Dan Carr stated that one GSA project leads to another. Kansas City is an example; a courthouse was built which spurred further development. Discussions with GSA need to take place about additional uses to determine a position in the future.
- Any further discussion on the courthouse? None

#### IV. Pending Items from Previous Meetings – Charlie B.

- Master Developer Selection Process
  - John Sheehan suggested that a list of options be presented to the Commission members to make a decision on the Master Developer. A discussion of alternatives would be helpful in reaching a decision.
  - Charlie B. stated that a range of options have been reviewed. Master Developer is an entity that does the work to negotiate contracts, works on behalf of the Commission and markets the plan and gets other developers interested and acts as a partner with the Commission.
  - Following are the options for a Master Developer:
    - MSP Redevelopment Commission as the Master Developer – requires substantial redevelopment capability and expertise, requires substantial financial capacity, MSPRC retains revenues generated, provides maximum control for fulfillment of Master Plan, requires

careful risk management for all aspects of redevelopment, very intense and requires more time and effort than a volunteer commissioner can commit.

- MSP Redevelopment Commission with Master Developer as Agent – utilizes capability and expertise of the experienced Master Developers, Master Developer compensated on a fee basis, mitigates financial requirements for MSPRC, provides significant control for fulfillment of the Master Plan.
  - MSP Redevelopment Commission with Master Developer as Partner – utilizes capability and expertise of experienced Master Developers, Master Developer fulfills management requirements of project, financial responsibilities and revenues shared, provides MSP Redevelopment Commission with some control for fulfillment of Master Plan. MSP Redevelopment Commission has risk exposure for partner's actions.
  - MSP Redevelopment Commission as Project Developer at Risk - utilizes capability and expertise of experienced Master Developers, minimizes financial requirements for MSPRC, project revenues are retained by Master Developer, Provides control for fulfillment of Master Plan solely through contract agreements, minimizes risk exposure of MSPRC.
- Michael Berry stated that the Master Plan was built on the concept that the State owns the property. The Federal Government is now putting money into the property. Something different has to be done. It looks good on paper, but can not be supported. At some point, flexibility needs to be built into the plan. Charlie B. stated that the Master Plan started with a map from the market and from that the plan was put together. It was more driven by the market than anything else to determine a mixture of the development.
  - Dan Carr asked if the proposals come back to the Commission. Charlie B. stated that the RFQ does not do that. The RFQ gets firms in front of the Commission to determine qualifications. The RFP does get the proposals back to the Commission.
  - Michael Berry asked what happens when someone says they are willing to fund the project, and it is on the table.. then who makes the decision? Charlie B. stated that the decision is for the Commission to make on whether they want it or not. A structure is in place that utilizes funding from people and firms that are good at specific things for a good mixture.

- Gene Bushmann said that the issue is that the RFQ gets the qualifications of the firms, but the Commission needs to know what we are telling them. Are we asking for a Master Developer for some areas or for the entire project? Charlie clarified that the structure is for a Master Developer for the entire project from the RFQ.
- Pam Neugebauer asked about local contractors/developers that want to be involved. Charlie B. stated local firms are part of the RFQ.
- Charlie B. clarified that the commission wants the Master Developer to be at risk, which minimizes the exposure of risk to the MSP Redevelopment Commission. This also minimizes the financial requirements for the Commission. Project revenues are retained by the Master Developer. This method provides control and fulfillment of the Master Plan. The RFQ structure makes the responsibility clear and excludes the Commission from doing everything itself. Charlie B. asked if there were any other questions about the concept of the Master Developer.
- Dan Carr stated that a committee should be created to watch the needs to maintain cohesiveness with the Master Plan. Keep the RFQ simple. Also keep in mind that interest will be lost if the RFQ is too complicated. There is a lot going on in the market right now. Another question to ask is if the Commission is qualified to look at the developers' qualifications and responses from the process to make sure the right people are being chosen. Charlie B. stated that Planning Design Studios is willing to help the Commission evaluate the responses and offer their expertise in making that determination. Charlie said that the RFQ can be sent to anyone that the Commission would like it sent to. Michael Berry stated that the simplest way to do this is to look at the concept of contracting with someone else to do this function. The Commission is not uniquely qualified to do this on its own. Some organizations do this for a living. This option should be kept open. Also, the RFQ should be sent out nationally.
- Dan Carr asked if there was any additional discussion. John Sheehan asked if we were reviewing the options to make a determination on the Master Developer at this meeting. Charlie B. stated that the Commission Members should take these comments and any additional comments and think about it for discussion and approval at the next meeting. John Sheehan said that he would like to see all alternatives except the option for the Commission acting as its own Master Developer. These options should be included in the responses. Michael Berry

stated that the Commission needs to do something. He stated that he has learned more from failure than from all the meetings he attended when on the City Council working on the project to get a convention center in Jefferson City. It is ok to make mistakes. Dan Carr stated that he has seen the RFQ/RFP process work well. Will revisit at next meeting (agenda item).

#### V. Upcoming Agenda Items

- Budget for Commission – Looking at developing a budget for the Commission for July FY07/08. A committee will be appointed to develop a budget. John Sheehan, Gene Bushmann, and Pam Neugebauer were asked to be on the committee. The committee will work with Dave Mosby and Charlie B. to develop a budget. A meeting will be scheduled. The plan is to look beyond one year. Gene Bushmann again mentioned that the Commission has no money. John Sheehan stated that at some point, the Commission has to request funding from the State as in the past. Dave Mosby advised that he can not speak on behalf of the entire state, but that the Office of Administration (OA) doesn't mind partnering with the Commission, but the General Assembly is having problems with the redevelopment funding and wants to know where this whole project is going and when. The State has put in \$1M or \$1.5M a year so far; the General Assembly wants to know how much longer it is needed. The Commission needs to get a handle on a budget and look at other revenue streams to find funding and get into the infrastructure issues. The State continues to put on band aids to keep the lights on and offer security and interim use, which is marginally beneficial. Dan Carr stated that there are other incentives to develop a budget, such as staff positions to take off the burden of other people that support the Commission. Be ready to discuss positions at the next meeting (agenda item). Charlie B. stated that the Commission should have its own staff to support the Commission to replace OA staff currently supporting the Commission. These positions would include: Executive Director, Marketing Director, Technical Expertise, Project Manager, Project Administration, Secretary, and Treasurer. A timeline should include how many staff and when needed. This will also be discussed at the budget meeting.
  - Pam Neugebauer asked how long it takes for the RFQ/RFP process. Charlie B. stated that it takes 60 days for an RFP; the RFQ is stock information. Pam Neugebauer said that it would probably take about a year. No staff will be hired by that time period. Charlie B. advised that the Commission needs to take baby steps and needs to determine what staff is needed first and then move forward.
  - Michael Berry stated that real estate is the Commission's currency. Need money to hire staff. Sale of property will provide money. Looks like it could be about six (6) months to have some money after the Master Developer is hired.

- Gene Bushmann asked about having FMDC go back to the Legislature to request funding in the upcoming budget to get some amount of money. Dave Mosby stated that FMDC can do this, however, we have to give the General Assembly an explanation. The State has a \$20M liability in the MSP; it is in the State's interest to support the project. However, we have to make a case and need help from the Commission to make this case. There are questions about transferring the land, interim uses, and turning things around to get income streams. The General Assembly may put in some money outside of FMDC money which could become the Commission's money. This is the Commission's job. Dave Mosby will talk to the Division of Budget and Planning about the possibility. Gene Bushmann asked about the possibility of transferring some property to another agency like the Department of Natural Resources' budget for the museum. Dave Mosby stated that the other agency has to have an interest; they may not want to take it on. The Commission should plan to sit in the audience during the hearings.
  - Dan Carr asked about the City and County revenues. Michael Berry stated that both the city and county allocated sales tax revenues and are using the money for streets and a few other projects. The City and County are prepared to help. Charlie B. stated that the County sales tax will be used for the Lafayette Street Interchange. The City is very forthcoming in funding for project infrastructure. A block grant was also contributed to this. Charlie B. stated that Capital Improvement funds are being used also. Dan Carr stated that the committee needs to look at the budget soon.
  - Commercial Banking Provider – John Sheehan asked the status. Looking at when funds are available. This can be reviewed at the budget meeting.
- Election of Officers will be discussed at the next meeting. (agenda item)
  - Request for Attorney General Opinion – no response from the Attorney General's Office. Phone calls have been made to discuss.

Agenda for Next Meeting:

- Courthouse Project – Timeline
- Parking Update
- Source to Uses Timeline
- RFQ Process Approval
- Budget Requests FY08
- Project Schedule
- Commercial Banking Provider
- Draft Policy for Training, Photo and Video production
- Recommendations for MSPRC Staff Position Descriptions

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- Election of Officers
- Budget Committee

The minutes will be posted to the MSPRC web forum for review prior to the next meeting.

With no further business, the meeting was adjourned. No Closed Meeting.

**Next Meeting:**        **September meeting moved to October 3** from 1:00 p.m. to 4:00 p.m. at the Truman Building Room 850, Jefferson City, Missouri