

St. Louis goes all in on NGA

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St. Louis and the state of Missouri are prepared to spend \$130 million to keep the [National Geospatial-Intelligence Agency](#) (NGA).

In fact, the city has already spent more than \$7 million to show the federal government its site, just north of the former Pruitt-Igoe housing complex in north St. Louis, is viable. By contrast, its primary rival — St. Clair County in Illinois with its greenfield site near Scott Air Force Base — has spent \$100,000.

The cross-state competition, in which one side must risk significantly more resources, pits a city desperate to retain revenue and begin development of an impoverished area — especially after the Mississippi riverfront NFL stadium failed — against a county looking to further solidify the importance of and add jobs at Scott Air Force Base, which employs 7,500 military service members and 5,000 civilians.

The NGA, which collects, distributes and analyzes geospatial information for the Department of Defense and U.S. intelligence community, is moving its 3,100 jobs from a facility in Souldard and plans a \$1.6 billion replacement facility, dubbed NGA West, to open in 2021. Its director, [Robert Cardillo](#), will decide where to relocate in May after the Army Corps of Engineers makes a site recommendation in March.

The majority of the money already spent by the city went to a Kansas entity that foreclosed on some of controversial developer Paul McKee's land. The city needed it and all other parcels in the roughly 100-acre site; in order to make St. Louis attractive to the feds, the city must be the sole landholder.

St. Clair County's funds were for "engineering costs," according to St. Clair County Director of Economic Development Terry Beach.

Illinois leaders said the spy agency should relocate because of tactical considerations. The Defense Information Systems Agency and the United States Transportation Command, both headquartered at Scott, "rely on NGA's classified work products to carry out their essential national security missions," a document prepared by St. Clair County said. St. Louis leaders respond that NGA has many more clients, which are located all over the world.

St. Clair County would gift 182 acres to the federal government and said it could also give 200 additional acres. About 2.1 acres are forested wetland that would most likely have to be replaced, with permission from the Illinois Environmental Protection Agency, according to the Army Corps of Engineers' draft environmental impact statement, released last fall.

St. Louis would negotiate with the feds over a "fair-market value" purchase price for the city land. That's likely to be low, compared with other areas in the city, as vacant lots in the St. Louis Place neighborhood are often appraised for just a few hundred dollars.

St. Clair County Board Chairman Mark Kern, who did not respond to a request for an interview for this article, has also argued that his site does not require environmental remediation, demolition or archaeological costs.

St. Louis would have to demolish many structures, including the former Buster Brown Blue Ribbon Shoe Factory and homes within a historic district. The necessary steps for demolition, such as approval from St. Louis' Preservation Board, are being taken and are on schedule, according to project manager Russell Halliday of consultant MWH Global. The site would generate 85,650 cubic yards of solid waste before re-use or recycling, according to the Army Corps of Engineers.

Most contentious has been the use of eminent domain in the city's proposed site, which counts 47 owner-occupied residences, according to the city, plus churches and working businesses like Faultless Linen, a laundry facility that invested \$12 million to open at 1615 N. 25th St. more than three years ago.

The city has gone to court over 31 properties, and a court-appointed board is currently deciding that land's value. After that's determined, the city will likely have 90 days to purchase the properties for the court-approved prices.

A visit to the site last fall showed that those subject to eminent domain included elderly African-Americans — such as Annie Mae Washington of Benton Street — who said they could not afford to leave because of the low values of their properties.

Although the site, like much of north St. Louis, counts serious challenges, the federal government has recognized the potentially huge benefits of locating there.

Locating NGA in St. Louis Place would contribute “health and safety improvements, construction spending, induced employment, cleanup of existing hazardous contamination, land use improvements, and the reduction of weed species,” according to the Army Corps of Engineers.

St. Louis Mayor Francis Slay, who with St. Louis Development Corp. Executive Director Otis Williams visited NGA Director [Robert Cardillo](#) in Washington, D.C., earlier this year, said the city has made its strongest possible case.

“From an environmental standpoint, they will actually be able to take a site with this tremendous investment and help the landscape of the near north side in a big way,” Slay said.

NorthSide Regeneration developer McKee would get an unspecified payout for his land in the NGA site if the federal government picks St. Louis. McKee plans to execute an option for the remaining Pruitt-Igoe land, just south of the NGA site, where he wants to build a food market and urgent care facility.

Illinois leaders worry privately that political considerations associated with the unrest in Ferguson in 2014 could hurt their case. Further, Director of National Intelligence James Clapper, a member of the Obama administration, which has highlighted problems now associated with Michael Brown’s August 2014 death in Ferguson, oversees the NGA. Alternatively, Obama has strong ties to Illinois, and its congressional delegation, like Missouri’s, has lobbied hard to win the facility. U.S. Sen. Dick Durbin and U.S. Rep. Tammy Duckworth, both of Illinois, in February met with Obama while he was in Springfield to address the Illinois Legislature, according to a person familiar with the visit. Further, Kern, like Slay, has met with Cardillo in Washington.

U.S. Rep. Lacy Clay, D-St. Louis, hosted a tour of Missouri’s proposed NGA site Feb. 1 with U.S. Rep. Adam Schiff, D-California, a ranking member of the House Select Intelligence Committee.

Absent political considerations, Scott Air Force Base makes the most sense, said Mark Gunzinger, a senior fellow at the nonprofit Center for Strategic and Budgetary Assessments and former U.S. secretary of defense for forces, transformation and resources.

A council of top military leaders, including the chief of staff of the Air Force, in 2005 echoed Gunzinger’s sentiments by recommending that the NGA’s St. Louis and Arnold facilities be moved to Scott, though that plan never moved forward, as money was made available only to move the NGA’s eastern headquarters from Washington, D.C., to Springfield, Virginia, in 2011 at a cost of \$1.7 billion. Arnold’s facility would not be included in the 2021 move to either north St. Louis or Scott.

“I would ask, ‘Is there an opportunity for synergies, shared security, administrative, housing and so forth that they could share?’” Gunzinger said of an NGA move to Scott. “I would look to defray the cost of building out that site by using some capabilities already at the base, like water. That’s providing the taxpayer with the best value for the dollar.”

Even so, the government is now likely to consider a move’s effect on a struggling urban area, said Sarah Coffin, a faculty member in Saint Louis University’s Center for Sustainability who has studied the proposals. St. Louis is also competing for a \$30 million U.S. Department of Housing and Urban Development revitalization planning grant for an area close to the NGA site.

“If they decide to move NGA, the message is that the administration is not very friendly to urban areas,” Coffin said. “St. Clair County is not going to lose jobs if NGA stays in the city.” Gunzinger said if another Base Closure and Realignment Commission is convened, Scott is unlikely to face cuts or closure — even if it doesn’t have an adjacent NGA facility.

If NGA does leave the city, leaders don’t yet have a definite Plan B.

Could the city execute some of its options, develop some of the land? Who else could do so, given McKee’s inaction and high-profile financial problems? (Besides properties in the NGA zone, creditors have taken control of McKee developments in Hazelwood and Shiloh, Illinois.)

“We will always develop a secondary plan, but we aren’t prepared to talk about that at this moment,” Williams, at St. Louis Development Corp., said. “We feel very comfortable that the selection will be our site.”

Help came just in time

St. Louis’ bid to keep a major federal employer, the [National Geospatial-Intelligence Agency](#) (NGA), needed big-time help.

The cleanup of a nearly 100-acre site north of downtown would require big financial resources the city did not have on its own.

And with Missouri’s 2015 legislative session dying down, the state had not yet committed to help. An all-important assessment of the city’s bid and that of its primary rival — a site near St. Clair County’s Scott Air Force Base — was just months away.

On April 16, the Missouri Senate passed a bill allowing for so-called Super Tax Increment Financing at the former Chrysler Plant site in Fenton.

“Sen. Ron Richards looked over at me when the Chrysler thing passed and said, ‘That could be a good tool for the NGA,’” Sen. Joseph Keaveny, D-St. Louis, said.

Fourteen days later, the Senate approved similar legislation for the NGA site proposed by the city of St. Louis, and the House followed suit May 6, 21 days before the session adjourned. The law allows for up to 50 percent of state withholdings revenue from the NGA, or \$12 million

annually for 30 years, to go to the site's development. The city, for comparison, would contribute \$1.5 million annually for the same time period, with funds coming from withheld earnings taxes from NGA employees.

“We definitely needed (the state's portion) to pass in the last session,” said Otis Williams, executive director of St. Louis Development Corp., the lead on the city's push to retain the NGA's 3,100 jobs — and the \$2.4 million in earnings tax revenue they generate each year.

Williams said the state's action gave momentum to the local push for funding, in which city lawmakers in July approved taking out a \$20 million loan against publicly-owned buildings, at 1520 Market St. and 1415 N. 13th St. to finance land acquisition, among other things. The Army Corps of Engineers, which will make a site recommendation to the NGA in March, needed to see that all funding was in place, Williams said.