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City takes no action on Hammons extension ⁸⁰⁰⁻¹¹⁴

Future options pondered after deadline passes to start hotel construction.

By Amos Bridges
ABRIDGES@NEWS-LEADER.COM

City Council met in a lengthy closed session Wednesday night to discuss its options regarding a planned hotel on the former arena site downtown, but made no decision whether to buy back the land or grant hotelier John Q. Hammons more time.

Hammons' 2007 purchase of the 1.7 acre site included a promise to build a \$35-40 million hotel linking the nearby Springfield Expo Center and Jordan Valley Car Park.

A later modification to the deal set an April 1 deadline for construction to begin. With that deadline now passed, the city could decide to buy back the land for \$1.

Alternatively, the city could grant Hammons an extension or renegotiate the contract some

other way.

No formal action was taken Wednesday, city officials said, and no new contract has been drawn up.

"The midnight deadline tonight does not require us to take any action, it just allows us to," said city spokesman Mike Brothers, who fielded calls about the meeting Thursday. "They're looking at whether they want to or should exercise this option they have."

PUBLIC OR PRIVATE

Brothers, who was briefed on the Wednesday meeting but did not attend, said further discussions are likely before council makes a move.

None have been scheduled and whether those talks also occur behind closed doors has not been decided.

Mayor Jim O'Neal said he would prefer council's future conversations about the hotel

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contract be done in public, but wouldn't completely rule out further closed meetings.

"I want the meetings open as much as practically possible," he said. "But at this stage, I think we certainly needed to have a closed session for a variety of reasons that are legitimate."

The city referenced two exemptions in the state Sunshine Law in its notice of the Wednesday meeting — one allowing for closed-door talks about "leasing, purchase, or sale of real estate by a governmental body where public knowledge of the transaction might adversely affect the legal consideration therefor ...," and the other allowing closed meetings related to "legal actions, causes of action, litigation, privileged and confidential communications ..."

Although the council has the option to buy back the arena site, the sale price is set at \$1, calling into question whether the real estate exemption — which requires a possible adverse effect from disclosure — would apply.

City Attorney Dan Wichmer said he thinks the second exemption — which he

said allows council to have private conversations with an attorney — more appropriately covered the Wednesday discussion.

"We are discussing what council's options are in terms of actions they can take or might want to take ... what the terms of the agreement are ... and what effects may occur whether intended or unintended in a legal sense," he said.

Though he would not provide details, Wichmer said the discussion focused on the terms of the original contract with Hammons; the late 2007 modification extending the construction deadline to April 1; and the ramifications of several possible courses of action.

No one from Hammons Hotels attended the meeting, Wichmer said, but city officials shared conversations they have had with Hammons and his staff.

"It was a 'what if' discussion," Wichmer said. "All options, including possible modifications (to the contract), were topics. But it was in the nature of, 'What if? There was nothing definitive done last night.'"

Any action — such as a move to buy back the property, extend Hammons' deadline or otherwise modify the contract — would require a public discussion and vote, Wichmer said.

"Any action that will be taken will be done in open session."

CLOSED SESSION

O'Neal said he understands that some might fear the closed-door meetings are being used to cut a deal out of the public eye.

"That's not at all what's occurring ...," he said. "But

sometimes it's just most practical to do it this way."

O'Neal said he thinks closing the meeting was appropriate because "this is a renegotiation of a real estate contract."

"The discussions we had last night needed to be had in closed session because of the adverse effect (public disclosure could have) on the negotiation," he said.

Many council members are unfamiliar with the original deal — brokered before their elections — or the history of the property, O'Neal said, adding that it was important for members to be able to ask questions "without compromising our position" in any future negotiation.

"We didn't make any decisions," he said. "We were just briefed on a lot of the negotiations that have occurred and what our options are under the contract. We're still talking to people with the Hammons group ..."

"We want to work something out here and there's several options."

O'Neal pointed to difficulties financing the project as the source of the delay.

"Again, I think so much that's going on here is tied to getting commercial loans," he said. "It's the same story we heard from (Kevin) McGowan."

McGowan, whose renovation of the Heer's building has repeatedly been delayed, laid much of the blame on the commercial lending crunch during a recent public meeting with council.

"It's the economy," O'Neal said. "It makes things a little more difficult."

