

MIKE BOST
12TH DISTRICT, ILLINOIS

AGRICULTURE COMMITTEE
TRANSPORTATION &
INFRASTRUCTURE COMMITTEE
VETERANS' AFFAIRS COMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515-1312

1440 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-5661

302 W. STATE ST.
O'FALLON, IL 62269
(618) 622-0766

300 EAST MAIN STREET, SUITE 4
CARBONDALE, IL 62901
(618) 457-5787

July 9, 2018

Director Robert Cardillo
National Geospatial-Intelligence Agency
7500 GEOINT Drive
Springfield, VA 22150

Dear Director Cardillo:

I am writing regarding news reports that indicate land acquired by a developer and donated to the City of St. Louis for the National Geospatial-Intelligence Agency (NGA)'s new western headquarters may have been fraudulently obtained; and I urge you to suspend expending any federally-appropriated funds on the project until an appropriate review of these allegations and their impact on the integrity of the site selection process has taken place. Your prompt attention to this matter is greatly appreciated.

The St. Louis Post-Dispatch has reported that Paul McKee, a key developer responsible for helping acquire land parcels for the NGA-West campus is being sued by the State of Missouri for real estate tax credit fraud. The lawsuit includes three civil counts against the developer's company: tax credit fraud, breach of tax credit application and unjust enrichment.¹

Among the other charges against Mr. McKee, *The St. Louis Post-Dispatch* reported the developer has been accused by the City of St. Louis of being in default of an agreement between the city and Mr. McKee to develop property.² The article further states that St. Louis officials believe Mr. McKee's actions could negatively impact construction of the new NGA-West campus and negatively impact the city's reputation and bond rating, both of which are important for the development of amenities to support NGA personnel working at the campus.³

A financial institution linked with Mr. McKee, the Bank of Washington, has filed a counter lawsuit against the city stating that "false representations tricked it into agreeing to release its liens on the NGA property and allowing NorthSide to transfer the TIF revenues to support the

¹ Baker, Jacob, "Paul McKee's Northside Regeneration accused of tax fraud in lawsuit by Missouri attorney general," *St. Louis Post-Dispatch*, ["Missouri Attorney General Suit"], June 14, 2018, https://www.stltoday.com/business/local/paul-mckee-s-northside-regeneration-accused-of-tax-credit-fraud/article_e067f2a6-18ec-5d5f-8e54-ab7a2f2cba0c.html

² Baker, Jacob, "McKee Lender Bank of Washington sues St. Louis economic development agencies," *St. Louis Post-Dispatch*, ["Bank of Washington Lawsuit"] July 7, 2018, https://www.stltoday.com/business/local/mckee-lender-bank-of-washington-sues-st-louis-economic-development/article_3c749f08-6a5e-51d5-8ffd-1b5ee563e0a1.html

³ Missouri Attorney General Lawsuit, *supra* note 1.

project.”⁴ The bank’s lawsuit against the City of St. Louis further claims breach of contract over the future development of the NGA site and surrounding area intended to help support employees at the NGA-West campus.⁵

I remain greatly concerned that these allegations call into question the fairness of the site selection process. If the North St. Louis bid included lands that were fraudulently acquired, then the bid submitted by St. Clair County, Illinois was unfairly and unjustly undermined.

As a sensitive Department of Defense intelligence agency responsible for satellite mapping, NGA performs a critical mission in support of our warfighters. This is why it is especially important that the site location for NGA-West be determined based solely on the merits and with complete confidence in the accuracy of the information at hand. NGA-West employees, our warfighters, and the American taxpayers deserve certainty in knowing that the final NGA-West site chosen has been properly assessed and selected in accordance with the highest applicable standards.

Unfortunately, that may not have been the case. As noted by *The St. Louis Post-Dispatch* in multiple reports, Mr. McKee was allegedly using this tactic for some time and has claimed that without his involvement NGA would not have selected St. Louis to build the new campus.⁶

The pending state charges against Mr. McKee have also raised concerns among many of my constituents that the selection of North St. Louis was not made based on an objective basis and raised new concerns that land fraudulently obtained may have been used as part of their application. If true, then the selection process may have been compromised and St. Clair County may not have been competing on an even playing field.

Before the final site selection was made, St. Clair County made a truthful and compelling case for why it should be the new home to NGA-West. The security of NGA-West and the neighboring communities is of paramount importance, and St. Clair County more than met the minimum requirements for securing such an important agency. With over 182 acres of property and another 200 acres available for expansion, the costs of any remediation or mitigation required at the St. Clair County site are expected to be minimal. In addition, the county has agreed to pay mitigation and remediation costs.

The required Final Environmental Impact Statement (FEIS) for NGA-West campus also erred in cost assessments of the two sites, especially given the recent legal battles surrounding the land that NGA-West is planned to be placed upon. The FEIS claimed the cost to acquire and develop the St. Clair County site is almost 20 percent higher than the North St. Louis site. This finding requires a stronger analysis.

⁴ Bank of Washington Lawsuit, *supra* note 2.

⁵ *Id.*

⁶ Baker, Jacob, “Developer Paul McKee inflated property values to secure tax credits, St. Louis officials allege.” *St. Louis Post-Dispatch*, May 9, 2018 https://www.stltoday.com/business/local/developer-paul-mckee-inflated-property-values-to-secure-tax-credits/article_82d42ec0-184e-5bde-9302-2a22d279fff1.html

The St. Clair County site consists of undeveloped or production agriculture lands adjacent to Scott Air Force Base made available by the owner to NGA at no cost. It is shovel ready, with all above and below ground issues requiring mitigation or remediation have been identified and accounted for, again with the site owner willing to donate these costs. St. Clair County officials have indicated to me that the site is still available at the terms previously submitted.

The FEIS appears to indicate that the government had questions about the time or cost necessary to remediate the North St. Louis site. This uncertainty has only grown pending the legal issues revolving around Mr. McKee. Nevertheless, the FEIS concludes: "The estimate to acquire and develop the St. Clair County Site is almost 20 percent more, which provides a slight advantage to the St. Louis City Site." Again, given the above-mentioned factors, along with findings that construction costs for similar projects are on average three percent higher in St. Louis than St. Clair County, the FEIS cost estimate must be reassessed.

In closing, I believe the concerns raised more than justify a reconsideration of the decision to make North St. Louis home of the new NGA-West campus. I again urge you to restrict the use of any federally-appropriated funds on the new NGA-West campus until the full scope of Mr. McKee's alleged crimes are understood, including any impact they may have had on St. Clair County receiving fair consideration during the site selection process. I respectfully request a meeting with you at your earliest convenience to discuss these serious concerns.

Thank you for your service and consideration of this request.

Sincerely,

A handwritten signature in blue ink that reads "Mike Bost". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mike Bost
Member of Congress