SLDC
ST. LOUIS DEVELOPMENT CORPORATION

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Mr. L.B. Eckelkamp, Jr.
Chairman of the Board &
Chief Executive Officer
Bank of Washington
200 West Main Street
Washington, MO 63090
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Re: Response to January 6, 2026 Letter

Dear L.B.:

I write in response to your January 6, 2026 letter. That letter comes 17 years after the City granted NSR exclusive redevelopment rights over approximately 1,500 acres of property in North St. Louis. At the same time, the City committed $360 million in TIF funds to facilitate the redevelopment of that area. NSR also received $43 million in tax credits to assist it in the promised redevelopment efforts. Notwithstanding this background, you decry "the City's efforts to derail NSR's development efforts." Your persistence in blaming the City for NSR's failure to achieve any meaningful development despite receiving millions of dollars in tax credits and other public support is striking. I believe it is important - both for the public record and for any meaningful path forward - to correct several material misstatements and omissions in your correspondence.

At the outset, your letter frames the Bank of Washington and NSR as longstanding, singular catalysts for revitalization in North St. Louis. That narrative is not supported by the facts. NSR began acquiring properties in North St. Louis as early as 2004. Over the ensuing two decades, NSR acquired nearly ***1,700 parcels***, most of which are in worse condition today than when NSR acquired them. They remain vacant, dilapidated, condemned, overgrown, and the subject of sustained neighborhood outrage. During this same period, NSR received over ***$43 million in tax credits*** from the State of Missouri, funds statutorily required to be used for redevelopment of the project area.

Rather than utilizing the credits for their intended redevelopment purpose, they were instead used to inflate acquisition prices, enrich NSR, and service debt owed to the Bank. Indeed, the Bank has testified that its only source of repayment from NSR was a portion of the tax credit proceeds. The Bank has not received any payments on its loans to NSR since 2012 but has not taken any action during that time to collect the long overdue payments. That is ***not*** a failure attributable to the City.

Most significantly, sworn testimony at a City trial established that millions of dollars in tax credits were secured by fraud. Ultimately, the Missouri Attorney General's Office filed suit against NSR for tax credit fraud, a fact noticeably absent from your letter, yet central to understanding why NSR's redevelopment rights and incentives were lawfully terminated.

Contrary to your assertion, the City has ***never obstructed NSR's ability to sell property*** to bona fide developers. The primary impediment to interested developers was the inflated price demanded by NSR (and the Bank) for property it owned. That price inflation resulted from a strategy in which the Bank's liens were cross-collateralized across the portfolio, thereby requiring a payoff of all of the Bank's debt before a single parcel could be sold.

The fact remains that the real obstacle to development has always been NSR's refusal to sell the properties at fair market value. NSR has demanded prices that exceed credible appraisals and, in some cases, exceed values of properties in Clayton and Frontenac. If NSR and the Bank genuinely believe that buyers other than the City would pay the values suggested in the JLL appraisal, nothing has ever prevented them from consummating such sales.

The only projects NSR ever completed were a gas station, a grocery store and a three-bed hospital – two of which have since closed. Notably, the hospital never really opened, despite assurances made to SLDC regarding timing and operations. These projects were not obstructed by the City; they were actively supported, including through incentives and other cooperation. The suggestion that the City somehow "chilled" development ignores the fact that no meaningful development occurred even when NSR held exclusive rights and incentives.

For completeness, as you may recall, we also note that NSR's redevelopment rights were terminated only after multiple, independent Events of Default, including but not limited to:

- misuse of DALA tax credits;
- failure to commence redevelopment in multiple project areas;
- failure to pay real estate taxes;
- failure to maintain or demolish condemned structures;
- failure to engage required co-developers; and
- failure to disclose property transfers as contractually required.

The NGA Project

Your letter suggests that NSR deserves credit for bringing the NGA to the Northside. This revisionist history, like many of the statements in your letter, is simply false. To be sure, initial gestures to the NGA were made by NSR. However, the responsibility for completing the complex process was handled entirely by SLDC. In fact, the Bank did everything in its power to abort the deal by filing the still-pending lawsuit in Franklin County. That suit asked the Court to rescind the transfer of the NSR parcels in the NGA area and reimpose the Bank's liens. The Bank's desired result was obvious: do what the Bank wants, or it will kill the entire NGA project.

The Current Discussions

Your letter also mischaracterizes the history surrounding the City's current discussions about acquiring NSR's properties. The City did not seek to take "all properties" as a matter of policy. Rather, Chris McKee approached me indicating his family was considering divesting themselves of the NSR portfolio. In response, and as a practical starting point, the City requested a global listing of the parcels owned by NSR.

As for valuation, the City has repeatedly invited NSR and the Bank to substantiate their pricing with actual comparable sales. None have been produced. The City's unwillingness to accept unsupported figures does not render its valuation "flimsy"; it reflects adherence to accepted appraisal practice and frankly, statutory requirements governing eminent domain.

Your suggestion that the City should pay over $116 million to acquire NSR's properties is so extreme that no amount of negotiation would be realistic. We owe it to the long-suffering residents of North St. Louis to begin redevelopment efforts to abate the continuing decay that has been exacerbated by NSR's failures.

Given this history, the City will not reinstate the Redevelopment Agreement, restore incentives, or stay its lawful condemnation efforts. If NSR believes it can identify legitimate developers willing to purchase properties at defensible market values and undertake actual redevelopment, it is free to do so. In the meantime, the City will continue pursuing acquisition at fair market value, consistent with Missouri law and in furtherance of the long-overdue revitalization of North St. Louis.

Sincerely,

Otis Williams

Otis Williams
Interim President & CEO
St. Louis Development Corporation (SLDC)