



## *City of Arnold Media Advisory*

For Immediate Release

March 20, 2007

Re: Missouri Supreme Court Ruling

---

It is time to set the record straight. The City of Arnold was extremely pleased that the Missouri Supreme Court confirmed what this City and other cities throughout the state believed has been the law for decades – that statutory cities have the right to manage their affairs, including economic revitalization. No more, no less.

Over the last five years, as a city, Arnold has worked extraordinarily hard to make many public infrastructure improvements, maintain municipal services, rebuild our economic basis and provide a wide range of new opportunities for its residents and the visiting public. And we have succeeded through the determination of the City Council, and the hard work of the city staff and many volunteer residents. The City has worked to build or procure a new recreational center, library and community golf course. The opening of the junior college facilities provides additional educational opportunities for everyone. This summer, the City will complete an extraordinary amount of public transportation and infrastructure improvements. With the recently formed regional transportation district, we will plan for and undertake additional public transportation improvements necessary to meet the demands of our City now and for many years to come.

These gains, though, have not been without some division and rancor in our community. The City, both from a Council and staff standpoint, understood undertaking this revitalization process would require some difficult decisions. The recognition and removal of blight as part of this process is hard. The City committed to work with the affected property owners unlike any other community. To that end, we established a rigorous program to minimize the impact on affected property owners. As a City, we took the unprecedented step of establishing an advance purchase program to allow property owners to sell their properties in excess of fair market value to the City on a schedule that met the timetable and needs of the property owner, as opposed to the City or any other party. In that regard, the City expended more than ten million dollars.

The City of Arnold committed to this and other programs in a dignified and constructive manner, refusing to engage the media and limiting our actions to private dialogue. Perhaps the City should have been more public about its program and efforts, but we felt it more important to work with and satisfy the affected property owners than to engage in

a public relations campaign. We were determined to keep our pledge, and did. Unfortunately, the City's lack of a media campaign has fostered two years of gross misrepresentations by Dr. Tourkakis and others. *It is time to set this record straight.*

First, Dr. Tourkakis has not been truthful with regard to the amounts offered to him by the City. The doctor has repeatedly said that the City's maximum offer of approximately \$350,000 is not adequate. It is important for all to understand that the legal obligation of the City is to pay fair value for property. However, unprecedented commitment of the City has been to pay more than fair market value. Keep in mind that the doctor operates his business out of a converted home of approximately 1600 square feet that sits on approximately one-third of an acre. The City carefully reviewed similar properties and concluded that his home office had a value of approximately \$275,000. In short, that was the dollar amount the City could have used in its negotiations. Additionally, and contrary to the doctor's statements to the media, the City, through its representatives, has had numerous meetings and conversations with him and/or his counsel. On more than one occasion, the city committed unequivocally to pay Dr. Tourkakis \$750,000 for his property, an amount we believe to be almost three times its value. The doctor repeatedly rejected this offer.

Alternatively, the City offered, at its expense to build a new office for the doctor. The new office would have been substantially larger than the current former residential structure from which he currently operates. In fact, two locations were offered, both a short distance from his current home office. The offer was rejected with a demand for more space and parking even though our original offer was substantially more than he currently has.

Finally, Dr. Tourkakis has repeatedly suggested that he was unable to negotiate with the threat of litigation hanging over him. He has neglected to tell the media or the public that, in an extraordinary effort, the City offered to Dr. Tourkakis and his counsel to dismiss all of our legal actions and sit down with the doctor to find a solution to our issues. Although the dismissal could have jeopardized the City's position, we wanted to make every effort to resolve our conflict. To our complete surprise, the doctor rejected this opportunity, demanding an immediate cash payment of \$100,000 as a condition to any discussions.

The City has no intention of renewing any of these offers.

It is also important to note that all of this information has previously been shared with Judge Williams, the presiding judge in Jefferson County. Judge Williams allowed Dr. Tourkakis and his attorneys to select the remedy. They chose the path that has been rejected by the Missouri Supreme Court.

The delay and wasteful prosecution of this matter by Dr. Tourkakis and out of state groups that have no interest or concern for the City or its residents has cost the City and others hundreds of thousands of dollars, money which could have been spent in the constructive resolution of this dispute. It is a shame and wasteful. The City now fully expects the circuit court to enter its order to allow the City to proceed. The City will

finish the legal issues remaining under the law and proceed to complete the project we started several years ago. The efforts of delay, misrepresentations and falsehoods have failed.

For additional information, please contact Matt Unrein or Robert Sweeney at 296-2100.