



September 30, 2014

Dear members of the St. Louis County Council:

I want to take this opportunity to update you on our economic development plan and related communications plan in North St. Louis County. These efforts are critical to the entire region and were initially launched in spring 2014 to drive job and economic growth in North St. Louis County. This plan shifted to a crisis communications effort this past August due to the tragic events in Ferguson.

The events of August 9, 2014 and the resulting civil unrest have been tragic and difficult for everyone involved. The press coverage of our region has been unprecedented and almost uniformly negative. We are collectively facing an image crisis of global proportions. To put this in perspective, **in the last 52 days there have been more than 88,000 news stories nationally and internationally that resulted in more than 100 billion media impressions.**

Ferguson has become synonymous with St. Louis and St. Louis with Ferguson. These two names have been used interchangeably and it has had an immediate effect on economic development efforts. In the weeks that followed the riots in Ferguson, several companies put large business expansion plans on hold. As the lead economic development organization for St. Louis City and County, addressing this problem is one of our core responsibilities. This is why our board approved a \$100,000 crisis communications plan with communications firm Elasticity to address the fallout from the events in Ferguson.

The work was and remains critical. At this moment, we are working on several large-scale business expansion projects that could mean thousands of new jobs in St. Louis. All of these projects would be physically located in North County.

Additionally, there have been three significant business expansion projects in North St. Louis County announced in the just the last several weeks, including one last night from the Boeing Company:

1. **Boeing Company – 500 new jobs in Berkeley**
2. **Emerson – 145 jobs retained and 60 new jobs in Ferguson**
3. **Centene – 200 new jobs in Ferguson**

It has never been more critical to expertly communicate with these major employers. Our goal is to tell the world the full story of the St. Louis region, not just the small clips they have seen on the news.

With respect to some of the questions that have been raised about Devin James' involvement on this communications team, I can confirm he was a subcontractor working with Elasticity on this project. In total, he billed Elasticity for \$24,000 on an overall contract between the St. Louis Economic Development Partnership and Elasticity that had a value of up to \$100,000 based upon work actually performed. Last week Mr. James became the subject of several news reports, due to a prior felony conviction in his background of which we were unaware.

As a result of this information, we immediately instructed Elasticity to release Devin James from the project as their subcontractor, due to his lack of transparency. While we admire Mr. James' personal growth from difficult circumstances and commend him for his high quality work in Ferguson, it was the lack of information about his background that prompted us to make this move. Mr. James failed to inform us of the prior conviction. He also did not reveal this information to Elasticity when he was hired as a subcontractor. We are now examining and developing new vendor due diligence policies to prevent similar incidents in the future.

Stepping back from the specific attention focused on Mr. James, I want to bring your attention to several other ways in which we are actively assisting in the Ferguson recovery effort.

First, on August 28, in partnership with the State of Missouri, the St. Louis Regional Chamber and a consortium of local banks, we announced the Small Business Relief Program. The St. Louis Economic Development Partnership committed \$250,000 towards a \$1 million dollar fund to help these small businesses with no-interest loans to cover their immediate needs of lost revenue, property damage and inventory loss. The Partnership is coordinating and leading this effort and we have dedicated several staff members to personally work with each small business to facilitate these loans.

Second, we continue to conduct aggressive outreach to existing and prospective businesses in North St. Louis County. This work has never been more important as **over two million square feet of proposed industrial space, thousands of jobs and over half a billion dollars in investment are pending final approvals.**

Finally, we are redoubling our efforts in the area of workforce development and job training. We are creating broad-ranging partnerships to tackle the underlying problems of stubborn unemployment and a workforce that needs to be trained or retrained for the 21st Century economy. We want to help people get the skills they need to find a decent job. Emerson recently announced a major initiative in this area and just last week the Economic Development Partnership was awarded a \$2 million grant from the U.S. Department of Commerce - Economic Development Administration to expand our small business incubator in North County – StIVentureWorks in Wellston.

I hope this update provides you with broader look at how deeply we are committed to helping North County and the entire St. Louis region. There has never been a more important time to work together as a Region to tackle these difficult issues. Please do not hesitate to contact me personally if you would like to discuss this in more depth.

Sincerely,

Denny Coleman, CEcD, FM, HLM
CEO