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## Developer is challenged over workers' nationalities

By ***Nancy Cambria***

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O'FALLON — City, St. Charles County and state officials want the developer of a publicly-assisted housing project to provide its payroll records to show whether all of its workers are legal.

A traffic stop of a laborer who may be an illegal immigrant triggered the demand. The laborer was working for a project subcontractor.

Officials from O'Fallon, the St. Charles County Industrial Development Authority and the Missouri Housing Development Commission aimed their demand at Hennessey Development Inc. of Clayton. The company and its subcontractors are working on the \$20 million Southernside Apartment Complex at Highway 40 and Weldon Spring Road.

Executives from Hennessey Development insist that its workers are legal.

"We can't afford to take that chance," owner Pete Hennessey said. "If there were an issue, the feds would be all over it."

The incident marks the second time in less than two years in St. Charles County that an affordable-housing project using state and federal incentives has come under scrutiny for labor practices.

The 220-unit project is partly funded with \$13.5 million in tax exempt bonds approved by the St. Charles County Industrial Development Authority and state and federal tax credits totaling more than \$13 million over 10 years. The latter total was awarded by the Missouri Housing Development Commission.

"I really hope it's not what it looks like," said Greg Prestemon, executive director of the St. Charles County Economic Development Center, which administers the Industrial Development Authority. "The IDA is sick of having this kind of practice."

Hennessey said the state housing commission has been checking work eligibility status of all of its employees on the site and said he's sure the employee misunderstood the police officer's question. Both O'Fallon and local unions have been upset about the project, which is not a 100 percent union project, he said.

Southernside is the company's first affordable housing project. Hennessey Inc. specializes in luxury homes, and some moderate price in-fill housing. It has also developed two office complexes and two golf course and clubhouses. The company has no affiliation with O'Fallon's council president, Bill Hennessy.

On Tuesday, an O'Fallon police officer stopped the laborer just outside the work site for a minor driving infraction. The driver lacked a license and told the officer he was in the country illegally, working as a drywall on the apartment complex site for H & H Drywall of Oklahoma City. Administrator Robert Lowery Jr. said. The officer made a "rookie mistake" and failed to arrest the

man, Lowery said.

Members of the Carpenters District Council of Greater St. Louis and Vicinity, who have been picketing nearby, learned of the man's illegal status from the police officer and immediately made phone calls to various state and local officials, Lowery said.

Tom Heinsz, director of organizing, said his union had been picketing the construction site since late March because laborers on the site appeared to be working seven-day shifts from sunlight to sunset.

The incident this week is similar to events at another publicly funded affordable housing project in O'Fallon in the winter of 2006. In that case several illegal workers with a subcontractor based in Texas were discovered working on the O'Fallon Lakes apartment complex on the city's western border. That project, spearheaded by Gundaker Commercial Group, was also awarded millions in tax credits and tax exempt bonds.

At the time, state Treasurer Sarah Steelman, a housing development commission member, said illegal labor practices on housing commission projects was intolerable. The commission then enacted a variety of safeguards for future contracts.

Steelman said she is reviewing the Southernside project.

"If there is a developer who is using ineligible workers, I don't think they should be able to use state tax credits," she said. "We made it very clear in our policies after the incident in O'Fallon in 2006."

Like O'Fallon Lakes, Southernside is intended to provide housing for service employees at reduced rent. It is the first to be built along the rapidly growing Highway 40 technology corridor and was intended to house workers for the new Progress West HealthCare Center and a variety of corporate headquarters, Lowery said.

Hennessey Inc. was the first developer to be awarded bonds by the Industrial Development Authority after O'Fallon Lakes, and the developers are now subject to payroll audits at the Industrial Authority's discretion, Prestemon said.

Lowery and Prestemon said those new regulations are hard to enforce and that the city, county and state have no ability to do anything punitive to contractors and developers who disregard labor laws and exploit illegal workers.

"Hennessey has not been cooperative with us," Lowery said. "Our requests to meet with him and our requests for payroll records have gone unanswered."

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