

THURSDAY MARCH 20, 2008 Last modified: *Wednesday, March 19, 2008 10:56 PM CDT*

Old North St. Louis project gets \$17.5M, surpasses minority inclusion goals

American staff

Last week Enterprise Community Investment, Inc., U.S. Bank, McCormack Baron Salazar and the St. Louis-based Regional Housing and Community Development Alliance (RHCD) announced a \$17.5 million federal New Markets Tax Credit investment in Crown Square, the redevelopment of the former 14th Street pedestrian mall and surrounding blocks.



Crown Candy Kitchen, a North St. Louis confectionary landmark restaurant, has anchored the neighborhood for generations. It is located north of Crown Square and is the namesake of the redevelopment.

Stephen Acree, president and executive director of RHCD, said his non-profit agency would have set minority-inclusion goals for the redevelopment, even if the public financing within the city limits had not required it.

He said the agency does a lot of development in "distressed areas," where "one of the purposes of the project is economic uplift."

Acree said, "It's important to have people out there on the job who look like the people who live there, regardless of any government requirement."

With the inclusion goals set forth in the Mayor's Executive Order, Acree said, the partnership had to submit a plan for minority-owned business inclusion and women-owned business inclusion before financing could close.

Acree said RHCD, which is responsible for inclusion goals on the project, exceeded the 25/5 percent goals for MBE/WBE inclusion.

Acree said of the more than \$16 million in construction, 26.2 percent would go to minority-owned businesses (that's \$4.25 million in contracts), while 9.75 percent would go to women-owned businesses (that's more than \$1.5 million in contracts). He said 60 percent of the work had been contracted as of Monday.

Acree said minority-owned firms working on the project include BAM Construction, Johnson Flatwork, B & P Construction, Demo Engineering, JBHutch Construction, New Vision Contracting, T & T Demolition, BlackJack Electrical, J. Williams HVAC, Mr. Heating/Cooling, Adams Landscaping, Marvin Peebles Masonry, Town & Country Masonry, L.C. Painting, NEB Contracting, Platinum Enterprises, B.E. Scaife Plumbing, Mechanical Solutions, Scales Plumbing, Person Roofing and Slay Plumbing.

Acree said Jack Thomas, director of the City's MBE/WBE program, had approved the level of minority participation.

"Crown Square represents the high point in our ongoing collaboration with the neighborhood CDC, Old North St. Louis Restoration Group," said Acree.

"It re-creates the 'town center' of the Old North St. Louis community, re-opening 14th Street and reconnecting the local commercial district with the surrounding neighborhood."

Acree said revitalization efforts also include the installation of new street and pedestrian lighting, public green spaces and landscaping, and a transit plaza that will facilitate ease of use and transfer of vehicular, pedestrian, bicycle and public bus transportation.

"It also solidifies an important goal of neighborhood residents - to maintain the economic diversity of the community in a sustainable way," Acree said.

The Crown Square development features another component being developed by RHCD, which includes 42 affordable apartments in 16 buildings financed through tax-exempt bonds, historic tax credits and other subsidies. RHCD is also developing North Market Place, a neighboring mixed-income, for-sale housing community of 41 single-family homes south of Crown Square.

Crown Square is slated to include a visual and performing arts center, which would be the first facility of its kind in the community. The center is expected to house a variety of arts and educational programs for local residents and will be run by a collaboration of arts and education groups in St. Louis.

Crown Square is located in a high-priority area designated for preservation by the City of St. Louis' Strategic Land Use Plan. Additionally, it complements St. Louis' Comprehensive Plan as well as the objectives of the "Plan for the Neighborhoods of the Fifth Ward" adopted by the City Planning Commission.

The original 14th Street mall was a failed pedestrian-oriented commercial district that served as the heart of the Old North St. Louis neighborhood. The collapse of the mall accelerated the abandonment of the neighborhood, which was driven by decades of migration of city residents to the suburbs.

This critical financing will help to create 33,500 square feet of mixed-use commercial office, retail and restaurant space and 38 market-rate residential apartments in the Old North St. Louis neighborhood. The \$20.1 million project involves the historic rehabilitation of 11 buildings of the former 14th Street pedestrian mall, which has already begun construction, with completion anticipated in April 2009.

"The commercial component of this project will create 80 to 110 new permanent jobs and 125 to 150 construction jobs, the first significant new employment opportunities in Old North St. Louis in many years," said Charles R. Werhane, vice chairman and chief operating officer, Enterprise Community Investment, Inc.

Werhane said the project also offers additional job growth and retention opportunities for materials suppliers, appliance distributors and other construction-related businesses and trades.

The financing for Crown Square includes federal, state and local subsidies, including a \$730,000 Community Development Block Grant from the City of St. Louis, and will leverage \$17.5 million in total New Market allocation provided by Enterprise (\$12.5 million) and McCormack Baron Salazar (\$5 million).

More than \$11.4 million in financing comes from a combination of federal historic tax credit equity, state historic tax credit equity and NMTC equity from U.S. Bank. In addition, Enterprise's Community Loan Fund made a \$1 million loan to an RHCDA affiliate for the Crown Square development.

-- CLOSE WINDOW --