

St. Louis Business Journal  
St. Louis City County  
St. Louis MO

20481 Weekly  
0 Sunday

March 7-13, 2008

# City doles out \$650,000 in grants to three projects

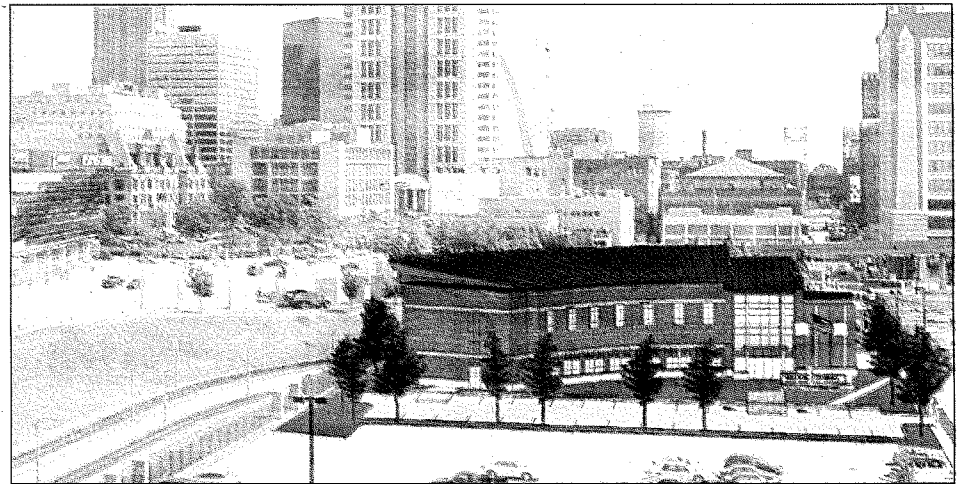
BY LISA R. BROWN  
lrbrown@bizjournals.com

A new \$10.5 million downtown headquarters for the Missouri Valley Conference (MVC) is one of three planned commercial projects getting a boost from excess revenue the city has available through the federal New Markets Tax Credit program.

The MVC received approval Feb. 26 for a \$200,000 forgivable loan from the St. Louis Development Corp. (SLDC) for its new \$10.5 million, 25,000-square-foot headquarters building planned for a vacant parking lot at 15th and Spruce streets, just south of the Scottrade Center. The intercollegiate athletic association, currently based in a 5,000-square-foot building it owns at 1818 Chouteau, has a portion of the downtown parking lot under contract from the city's Treasurer's Office for an undisclosed amount and plans to start construction this year.

"We've been planning this project for more than two years," said MVC Commissioner Doug Elgin. The MVC is currently pursuing funding for the project. "I would hope we could begin construction in late 2008 and open in late 2009 or early 2010," he said. Hastings & Chivetta is the architect; a general contractor and lender have not yet been selected.

The funding by the SLDC is part of a pool of \$1 million in excess fees the



The Missouri Valley Conference will receive \$200,000 to build its \$10.5 million headquarters downtown on a vacant lot south of the Scottrade Center.

agency charged developers in recent years to administer its \$52 million allocation of New Markets Tax Credits. After approving funding for the three projects, the SLDC has \$350,000 remaining to pass on to developers.

The SLDC, the St. Louis County Economic Council and Southwestern Illinois Development Authority were awarded \$52 million in New Markets Tax Credits from the U.S. Treasury in May 2004. New Markets Tax Credits recipients receive a 39 percent reduction in federal income taxes for up to seven years to pass on to private investors.

The SLDC already has approved forgivable loans for two other projects to

receive funding from the pool of excess revenue: Gilded Age and Koman Properties' planned \$30 million first phase of its Georgian Square retail development, across from Gilded Age's Georgian condominium project, will receive \$300,000. The developers have signed an agreement with Walgreens to locate on the site, said Gilded Age principal Chris Goodson. A City Market grocery store, a division of Supervalu, and a Starbucks are also planned for the development. "We're moving forward with the Walgreens, that will be built first," Goodson said.

The second project approved for funding is The Business Bank of St.

Louis' relocation of its loan servicing operation from its Clayton headquarters to a building at 300 N. Tucker Blvd. The SLDC approved a \$150,000 forgivable loan for the project. The Business Bank has signed an 11-year lease for 12,000 square feet of space. The bank will initially employ 30 people at the location when it opens and plans to have as many as 60 full-time employees within a year.

SLDC Executive Director Rodney Crim said re-investing the fees into new developments could boost the SLDC's chances of obtaining another allocation of New Markets Tax Credits. The SLDC is applying for \$70 million this year, after being turned down for additional credits in last year's funding round. The agency did not finalize the deals for at least 60 percent of the tax credits it was awarded in 2004, making it ineligible to receive additional tax credits in 2005 or 2006.

In the 2008 funding cycle, tax credits are available for \$3.5 billion in investments for developments in low-income communities through the federal program. Bids for the tax credits were due March 5. "This process is favorably recognized by the NMTC program — being able to revolve these fees into additional projects," Crim said. The state of Missouri, which applied last year through the Missouri Development Finance Board, opted not to reapply for the tax credits this year.