

TRANSFORMING TAXES

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Historic Tax Credits are transforming Downtown and the City of St. Louis



Today, 9,500 residents live in 6,000 downtown housing units. Over 3,200 more units are in construction or under development and another 2,000 planned. There are 1,900 new hotel rooms, an urban grocery store, a new baseball stadium and world-class restaurants. No, this isn't Chicago, Los Angeles or even New York—this is the new downtown St. Louis.

The Paul Brown building, historically redeveloped by John Steffen and Matt O'Leary of Pyramid in downtown St. Louis, overlooks the Old Post Office Square and contains 222 apartments, 130 parking spaces and 20,000 square feet of first-floor retail. With distinctive



features such as an 18-foot barrel-vaulted ceiling in the lobby, marble floors, brass elevators, ornate plaster ceilings, a penthouse and rooftop swimming pool, the Paul Brown Lofts is just one of the many desirable residential developments attracting younger and older people alike to downtown.

The Missouri State Historic Tax Credit provides a tax credit of 25 percent of the eligible costs of renovation as incentive for the redevelopment of commercial and residential historic structures. Tax credits may be used by individuals, corporations, or partnerships and can also be sold.

To be eligible for the Missouri State Historic Tax Credit, a structure must be listed on the National Register of Historic Places or be contributing to a National or Local Historic District. The Missouri State Historic Preservation Office must approve all plans and the expenditures audited. The developer must spend \$4 for every \$1 of credit, and a state study shows the state receiving \$1.78 of tax revenue for every \$1 spent.

The exquisite Chemical building, the last building for redevelopment on Old Post Office Square, was recently sold to Civitas, a Los Angeles development group. Civitas is also redeveloping the A. D. Brown Building at 12th and Washington, renamed the Meridian, and was attracted to St. Louis because of the state historic tax credits.

Craig Heller of Loftworks brought to the area City Grocers, a full service grocery store, just one of the amenities accommodating the new influx of urbanites. Nationally renowned chef Larry Forgione, who opened the American Place restaurant in the Renaissance Grand Hotel, was featured on the cover of October's *Gourmet Magazine*. The streetscape along Washington Avenue and 10th Street is rapidly filling up with retail tenants. Rollin Stanley, director of planning and urban design for St. Louis, recently said at the Historic Preservation and Economic Development Coalition's annual fundraiser, "This is not about buildings, but about building a community."

The Historic Tax Credit program is a state-wide economic development engine changing the perception of St. Louis for both its residents and the nation. An entirely new community of people is working, living and socializing in a newly created downtown, building the community that Rollin Stanley was talking about.

Eric Friedman is president of Friedman Group, Ltd. Commercial Realtors and an original member of the Historic Preservation and Economic Development Coalition that passed the State Historic Tax Credits and Rebuilding Communities programs for small businesses and raises \$75,000 each year to make sure they are kept in place. Learn more at SaveHistoricTaxCredit.org, DowntownStLouis.org and creativeclass.org. □