

Developer/Sponsor

The DESCO Group and DFC Group, Inc.

Project Type

Historic Rehabilitation, Commercial and Retail Development

Square Footage

242,000 square feet

Investment

\$8.2 million

Description

The Old Post Office involves a \$53.6 million renovation of a historic national monument in downtown St. Louis. Originally constructed in 1884, the Missouri red granite and Maine gray granite building was once targeted for demolition but survived to become the catalyst for the redevelopment of a nine-block area in the heart of the city. This renovation was considered essential to the revitalization of the Old Post Office district in downtown St. Louis. Completed in March 2006, the Old Post Office's 242,000 square feet is now home to Webster University's downtown campus, offices for the Missouri Court of Appeals, and offers retail and multi-tenant office space. The project also includes a 1,050-space parking garage across the street to provide parking for building tenants, employees and the public.

Investment Type

Enterprise's investment provides a first mortgage loan for the acquisition and rehabilitation of the Old Post Office. The significant cost gap in retaining this historic building was filled by combining federal and state Historic Tax Credits with New Markets Tax Credits.

Market

The Old Post Office has long been recognized as key to the redevelopment of downtown St. Louis. The rebirth of this centrally located landmark has significance beyond the renewal of one building. Developers, planners, preservationists and politicians understood that revitalizing the Old Post Office would spur significant redevelopment for several blocks in all directions downtown. The building's history and its importance in the city's overall revitalization plan contributed to making this one of the most complex real estate deals in St. Louis history. Closing the transaction took four years, however, the promise of a renewed Old Post Office is creating a vibrant downtown that is exceeding expectations.



Community Impact

As one of four specific downtown areas targeted for redevelopment, the Old Post Office project is the catalyst for nearly 2 million square feet of historic renovation. Redevelopment activity in the surrounding area is happening at an amazing pace. In the nearby Washington Avenue loft district, vacant buildings are being retrofitted as lofts and a \$17.5 million streetscape renovation is underway. The momentum includes a hotel, casino and residential development in Laclede's Landing, and significant residential, retail and commercial development in the buildings immediately surrounding the Old Post Office. In all, the over \$286 million capital investment in the downtown area is expected to create more than 2,300 permanent jobs.

Developer

The DESCO Group and DFC Group, Inc., two local St. Louis developers, joined forces for the Old Post Office project. The DESCO Group, headed by president and CEO Mark Schnuck, is a full-service development, brokerage and real estate management firm. DFC Group, Inc. is a real estate investment and financial consulting firm led by Mr. Steven Stogel. Trivers Associates is the historical architect for the project.

Investor

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Enterprise is a leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. Enterprise leverages low-income housing, new markets and historic rehabilitation tax credits; short and long-term debt; and development services to capitalize projects that make a catalytic difference in communities. For over 25 years, Enterprise has privately raised over \$9 billion to finance more than 240,000 affordable rental and for-sale homes, create vital communities and help transform the lives of low-income Americans, particularly those at the lowest end of the economic scale. Currently, Enterprise is investing in communities at a rate of \$1 billion a year. Visit www.enterprisecommunity.com or www.enterprisecommunity.org to learn more about Enterprise's efforts to build communities and opportunity.