Arcade Presentation
New Partners for Smart Growth

February 3, 2017
Restored a 500,000 sq ft Downtown Gem
202 Affordable Artist Apartments
55,000 sq ft Commercial Space Leased to Webster University
129 Underground Parking Stalls
Lots of Unique Amenity Spaces
Dance & Yoga Studios
Fitness & Steam Room

Fitness on Demand
Killer Views
19th Floor Elevator Lobby
Background Context
Location in heart of Downtown
Grand Old Building from 100 years ago
Vacant over 30 years
Failed Condo Deal Ended in Foreclosure

http://stlouispatina.com/arcadewright-building/
City Stepped into Ownership to Insure Proper Redevelopment
Development Problems to Solve
Problem: Parking

Solution: St. Louis City Treasurer’s Office
Problem: Soft Commercial Market

Solution: Long Term Lease with Webster University
Problem: Rents Do Not Support Costs

Solution: Complicated Financial Structure - split project

- Arcade NMTC Condo Financing Structure
- Arcade LIHTC Condo Financing Structure
Arcade LIHTC Condo Financing Structure

- **USB LIHTC Fund 2014-5, LLC**
  - 79.98% Partnership Int.

- **St. Louis Leased Housing Associates LIHTC V, LLLP (Arcade LIHTC Condo)**
  - Landlord - Fee Owner
  - State HTC Investor 12.5% GP Membership Interest
  - 87.5% of Cash Flow
  - 50% of Residual
  - 50% of Losses
  - 1% of Cash Flow
  - 20% Partnership Int. in Landlord
  - 20% of Cash Flow
  - 20% of Losses
  - 90% / 10% flip at end of LIHTC period
  - 10% of Cash Flow
  - 10% of Residual
  - 10% of Losses

- **St. Louis Leased Housing Associates LIHTC V, LLC (Deferred Fee)**
  - 1% Partnership Int.
  - State HTC Investor 12.5% GP Membership Interest
  - 87.5% of Cash Flow
  - 50% of Residual
  - 50% of Losses
  - 1% of Cash Flow
  - 1% of Residual
  - 1% of Losses
  - 90% / 10% flip at end of LIHTC period

- **US Bancorp CDC 99% Partnership Int.**
  - Federal HTCs – 100%
  - Federal LIHTC – 20%

- **St. Louis Leased Housing Development LLIHTC V, LLC**
  - Special LP .01% Partnership Int.
  - 60% of Cash Flow
  - 60% of Residual
  - 20% of Losses
  - 1% of Cash Flow
  - 1% of Residual
  - 1% of Losses

- **Equity Investment**
  - 80% Fed LIHTCs
  - 10% of Cash Flow
  - 10% of Residual
  - 79.98% of Losses
Problem: Historic Investment On Hold
(Historic Boardwalk Hall Case)

Solution: Faith, Time, and IRS Guidance
Public/Private Partnership Makes Redevelopment Happen
Financial Partners

17 Groups is A Lot!

St. Louis Land Clearance for Redevelopment Authority

Industrial Development Authority

Baker Tilly

Enhanced Historic Credit Partners

Cornerstone

Boston Capital
Local Government Coordination

St. Louis Land Clearance for Redevelopment Authority

St. Louis City Board of Aldermen

Mayor Francis G. Slay

Industrial Development Authority

City Treasurer's Office
State/Federal Government Coordination

MISSOURI
Department of Economic Development

MISSOURI
Department of Natural Resources

U.S. Department of the Treasury

DOMINIUM
Development Team

- 75 Groups, Agencies and/or Individuals Came Together to make this Redevelopment a Reality
Construction Team

- Over 75 subcontractors
- Average 300 workers per day
- 16 months
- Overseen by Paric
What This Public/Private Partnership Accomplished
Restored Arcade to Original Luster
Completed On Time, On Budget
100% Leased in 5 months, 100% Occupied in 7 months
Questions?