



## **PLAN OF ACTION FOR MILLENNIUM HOTEL AND RAILWAY EXCHANGE BUILDING**

### **Report to St. Louis Mayor Tishaura O. Jones from the St. Louis Development Corporation and Greater St. Louis, Inc.**

#### **Background**

On May 17, 2024, St. Louis Mayor Tishaura O. Jones, St. Louis Metropolitan Police Department Chief Robert Tracy, St. Louis Circuit Attorney Gabe Gore, St. Louis Development Corporation CEO Neal Richardson, Greater St. Louis, Inc. CEO Jason Hall, and CEO of PGAV Planners Mike Konzen held a press conference on Washington Avenue to announce a public-private partnership focused on accelerating the work needed to revitalize the heart of the metro and make Downtown “Safe, Vibrant, and Beautiful.”

At the press conference, Mayor Jones asked SLDC and GSL to, within 120 days, develop a plan for bold action to address two properties that are holding Downtown back: the Railway Exchange Building and the Millennium Hotel. The following represents the collaborative plan of action to address the challenges posed by the vacant Railway Exchange Building and Millennium Hotel and use this opportunity to catalyze Downtown St. Louis to make it the safe, vibrant, and beautiful neighborhood the City and the St. Louis metro deserve.

#### **Properties**

This report focuses on three vacant properties in Downtown St. Louis: (1) the Millennium Hotel located at 200 South 4th Street and bounded by Spruce Street, South 4th Street, Walnut Street, and Memorial Drive (“200 South 4th Street”), (2) the historic Railway Exchange building located at 611 Olive Street and bounded by Olive Street, North 7th Street, Locust Street, and North 6th Street (“611 Olive Street”), and (3) Block 129 located to the south of the historic Railway Exchange Building and bounded by Pine Street, North 7th Street, Olive Street, and North 6th Street (“Block 129”). (*Note: This report also references the historic Wainwright Building located at 111 North 7<sup>th</sup> Street.*)

#### **Process**

GSL and SLDC were supported in the development of this plan by PGAV Planners – a Downtown St. Louis-based planning firm with expertise in urban planning and placemaking in downtowns around the world. To develop the report requested by Mayor Jones, representatives from SLDC, GSL, and PGAV met regularly, to analyze the history of the vacant properties as well as previous reports that have addressed the three sites, recent market conditions, and catalytic transformations in similar cities. The group also conducted analysis of comparable downtowns and structures, developed strategic principles, and reviewed plans focused on the revitalization of Downtown St. Louis: Design Downtown STL, the Economic Justice Action Plan, and the Urban Land Institute panel report on the Gateway Mall.

## Catalytic Opportunities

The redevelopment of these sites represents a once-in-a-generation opportunity to catalyze the development of currently vacant properties in a way that transforms Downtown into a stronger asset for the entire St. Louis metro.

This opportunity is about more than simply the development of three individual sites; it is about the reknitting of collaborative, community-based success in the core of our metro. While this process may be complex and non-linear, embracing aspirational ideas and ambitious goals, similar to past projects like Forest Park and the Gateway Arch, is essential.

## Precedents for Catalytic Action Downtown

When examining the transformative revitalization of Midwestern cities over the past 25 years, Detroit, Michigan, and Cincinnati, Ohio, emerge as prominent examples. Both cities faced substantial challenges including disinvestment and declining visitation. In response, both cities embarked on transformative urban redevelopment initiatives with community leaders in each city crafting strategic plans aimed at boosting private investment, attracting visitors, increasing residential populations, and stimulating economic growth in their downtowns.

In Detroit, the revitalization effort was driven by private sector initiatives, including key players such as Dan Gilbert's Bedrock Real Estate, and individual projects with public support. Cincinnati utilized a coordinated public-private partnership model, the Cincinnati Center City Development Corp, a coalition of local businesses and developers in Cincinnati, which resulted in comprehensive strategic transformation. Both cities also engaged in extensive rehabilitation of historic buildings alongside new construction projects.

Despite employing different approaches, Detroit and Cincinnati achieved significant successes and witnessed substantial gains in private investment, growth in residential communities, and overall economic improvement in their downtown areas and surrounding neighborhoods.

## Existing Conditions, Securing Local Site Control & Next Steps

The redevelopment of these sites is a crucial step towards the transformational revitalization of Downtown, and restoring the vibrancy of Downtown is critical to the economic success of the City and the broader region. As home neighborhood to over 10,000 St. Louisans, the workplace for tens of thousands of people across the metro, and the front door to the region for millions of tourists, convention-goers, and sports fans each year, Downtown is the economic engine for the metropolitan area.

**Downtown Market Conditions.** An important aspect in determining what may be feasible at these sites is reviewing the market conditions and the relation of submarkets within the overall market. These data highlight the opportunity that exists in Downtown St. Louis.

- According to an economic impact study commissioned by GSL in 2022, Downtown plays a pivotal role in the City's economy, contributing nearly 20% of the general fund revenue while receiving only about 5% of City-wide expenditures.
- Downtown generates 32% of the City's wages despite housing just over 3% of the population.
- Downtown's residential population has grown by more than 30% over the past decade, far outpacing regional population growth (2%).

- Downtown has also seen a 24% increase in new multi-family housing units since 2010 and contains 19% of the City's assessed property value within less than 4% of its land area.

**Millennium Hotel.** The Millennium Hotel is located at 200 South 4<sup>th</sup> Street and is a highly visible and strategically located property. The site is positioned between the Arch and Busch Stadium, key landmarks that are high-traffic destinations. This location presents an opportunity to create a significant connection that enhances the link between these attractions, as well as others, and creates a vibrant multi-modal environment for both locals and visitors.

Existing conditions. Despite its prime location, the Millennium Hotel has been vacant since January 2014 and is currently owned by a negligent, out-of-town entity.

- Years of vacancy under absentee ownership with minimal maintenance have resulted in deterioration of the buildings, including damage to cement, metal, and other building materials and water damage and mold, indicating deterioration of interior water lines and building components.
- Conditions of 200 South 4<sup>th</sup> Street are unsafe and constitute an economic and social liability that impacts not only the site itself, but also surrounding properties and the overall perception of Downtown.

Local Site Control. This site must be controlled by local owners who will keep it secure and advance plans for redevelopment that will benefit St. Louis.

- A local entity submitted an offer to purchase the Millennium Hotel, and that offer has been agreed to by the property's owner. The parties are currently finalizing details of the transaction, to be announced at a later date.

Next Steps. The following steps are already underway in anticipation of local control of the site being established:

- In an effort to progress multiple site control paths at once, a redevelopment plan for 200 South 4<sup>th</sup> Street is being drafted by SLDC. The redevelopment plan, once passed, will allow the site to be marketed with incentives and design criteria that will help shape the reactivation of this key block. The establishment of the redevelopment plan ahead of time helps future proposed developments save valuable time and build in certainty on what to expect from the City.
- The current draft of the redevelopment plan will not require demolition of the existing structures on the site. It will, however, allow for demolition. This flexibility will enable tailored approaches based on site-specific development needs that are in the best interest of the community.

**Railway Exchange & Block 129.** 611 Olive Street and Block 129 are located in the heart of Downtown St. Louis' Central Business District.

Existing conditions. This area that includes Railway Exchange and Block 129 meets the statutory definition of blighted area and suffers from serious public safety concerns including long-term vacancy, deteriorated building conditions, structural condemnations, and fire hazards.

- Vacant since 2014 and condemned in January 2023, 611 Olive Street, required further emergency condemnation in October 2023 due to fire damage.
- The parking garage in Block 129 was condemned in July 2021.
- The site has been plagued by criminal activity, illegal habitation, and safety risk which pose economic and social liabilities to Downtown, its residents, and the surrounding areas.

Local Site Control. The City is in the process of pursuing site control of 611 Olive Street (and Block 129).

- On August 20, 2024, the City – through the Land Clearance for Redevelopment Authority – sent an offer letter to the property owners of the Railway Exchange Building and Block 129, the full city block immediately south of the Railway Exchange, to purchase the property.
- Should the property owner not accept the City’s offer by September 20, 2024, the City intends to file a petition through the eminent domain process to take possession of the building, bringing it under local control.

Next Steps. With the City’s efforts to secure site control of Railway Exchange and Block 129, the following steps should be undertaken:

- Once the City has sufficient site control, the condemned parking garage on Block 129 needs to be demolished as soon as possible.
- With 611 Olive Street being integral to the long-term history of the City and a historically significant structure on the National Register of Historic Places, it must be fully secured and stabilized as soon as possible and then restored and revitalized.
- The site needs to be protected against vandalism and dangerous activities, potentially with the use of surveillance technology.
- This redevelopment effort will need to consider an adaptive reuse with a variety of users due to the sheer size of the building and the consideration that the previous uses are no longer independently viable.

***Wainwright Building.*** After Mayor Jones’ request to SLDC and GSL for a report on the Millennium Hotel and Railway Exchange, the State of Missouri listed for sale the historic Wainwright Building, located at 111 North 7<sup>th</sup> Street, also in Downtown’s Central Business District.

Local Site Control. Arch to Park Equity Fund LLC – a patient capital real estate investment fund coordinated by GSL – recently made an offer to purchase the Wainwright Building. That offer was accepted by the State, and due diligence and negotiations are currently underway.

- *Having this building under local control will positively contribute to the potential for other key catalytic properties and Downtown overall.*

### **Strategic Principles for All Sites**

Taken together, the redevelopment of all three vacant Downtown sites should:

- Serve as a catalyst for Downtown, the City, and the St. Louis metro.
- Create space that attracts locals and visitors and encourages repeated visits with extended stays.
- Enhance vibrancy throughout the day and evening.
- Have enduring appeal and be adaptable over time.
- Be thought of as a civic endeavor as much as a real estate investment.

### **Strategic Principles for Redeveloping Specific Properties**

Millennium Hotel (200 South 4<sup>th</sup> Street)

- Complements the Gateway Arch but does not compete with it.
- Serves as a beacon for the metro.
- Prioritizes job creation.

- Reknits the connections between Busch Stadium/Ballpark Village and the Arch Grounds and between Laclede's Landing and Gateway South.
- Development that is innovative, iconic, distinctive, world-class, aspirational, and dynamic.

#### Railway Exchange (611 Olive Street)

- Celebrate the History of the Building and its Significant Role.
- Preserves the building per Secretary of Interior standards.
- Provides stability for the Downtown core.
- Employs adaptive reuse.
- Includes an activated and transparent ground level façade.
- Reknits the connections between the Convention Center and Block 129.

#### Block 129

- Reknits the connections between 611 Olive Street, Wainwright Building, and Kiener Plaza.
- Is compelling and stands the test of time, becoming a new iconic destination for St. Louis.

### **Public-Private Partnership: Bringing All Tools to Bear**

The development of these sites will need to change the real estate fundamentals of this core of the region through a catalytic transformation. It will take a strong partnership between the public sector and private sector, as well as philanthropic and institutional interests, to work together toward transformative change. Public input will be critical to redevelopment of these properties to ensure these sites deliver for Downtown, the City of St. Louis, and the overall St. Louis metro.

Redevelopment of these sites will require creative solutions and passionate prolonged investments. Inventive developers will need to bring strong proposals to the table and public and quasi-public partners will need to step up to that same table with everything they have at their disposal. This cannot be a solely local discussion and must require regional, state, and federal level partnerships.

These sites are the key catalytic projects that are integral to the success of Downtown. While public financing sources are limited and the demand is massive, the location of these sites, the connections that they can strengthen, and their potential for positively impacting the entire metro require that they receive priority allocations of public financing as well as private, philanthropic, and institutional funding. The region cannot survive without a strong thriving Downtown, so we must view investment in Downtown as an investment in the Region.

In short, all available tools must be brought to bear.

### **Conclusion**

The City, SLDC, GSL, and other Downtown partners are dedicated to advancing the transformation of these sites and are committed to working in partnership with each other, the community, and the development community to achieve successful outcomes.

The May 17, 2024, establishment of the partnership between the City, SLDC, GSL, and other Downtown partners to focus on Downtown St. Louis and make it the safe, vibrant, and beautiful neighborhood at the

heart of the St. Louis metro has already had a significant impact on the trajectory of Downtown. Steps have already been taken to gain local control of the problem properties Mayor Jones called out. The private sector has already invested hundreds of millions of dollars in development projects Downtown.

By working collaboratively and with focus, this public-private partnership has shown how much progress can take place in just 120 days. With the momentum that exists, the time is now to aspire to something greater. This is the time to seize the opportunity to develop something that inspires all of us and delivers for Downtown, the City of St. Louis, and the entire metro.