

# Mehlman floats \$100 million second phase for Crescent

Seeks \$15 million TIF for Clayton development

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Mark Mehlman's yet unnamed development would include new office space and a hotel.

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Mark Mehlman's luxury condo project under construction in Clayton, The Crescent, may soon have a \$100 million retail, hotel and office development next door.

Mehlman, principal of St. Louis-based **Mark S. Mehlman Realty**, presented plans to Clayton officials Dec. 12 for a mixed-use development on property adjacent to The Crescent. The plans call for an outdoor retail center totaling 100,000 square feet; 102,000 square feet of offices; a 100-room boutique hotel; a 755-car garage; and a two-story, 18,000-square-foot bank with a drive-through.

Mehlman has the 2-acre parcel under contract for an undisclosed amount from **Clayton Land Co.** The property is directly east of Mehlman's \$72 million Crescent project at 155 Carondelet Plaza, which is expected to be completed in fall 2007.

The office component of Mehlman's proposed development would front Forsyth. The boutique hotel, which does not yet have an operator, would be located along Carondelet Plaza with ground floor retail, adjacent to an anchor retail tenant and other shops. The V-shape design of the project would create an open-air pedestrian retail center in the middle.

Mehlman said the high level of interest in the 26,000 square feet of retail space at The Crescent reflects the demand for more retail near the development on the east side of Clayton. The area has seen several projects proposed or built in recent years, including Chicago-based Orchard Development Group's \$150 million mixed-use development.

"This piece of property sits in a very key location," Mehlman said. "We just need to get people circulating and walking down Forsyth. Developing The Crescent was the catalyst."

Mehlman has requested \$20 million in public subsidies for the proposed mixed-use project, including \$15 million in tax increment financing (TIF) and additional subsidies through the

creation of a Transportation Development District and a Community Improvement District. The city of Clayton has never issued a TIF before.

Armstrong Teasdale attorney Jim Mello, who is representing Mehlman on the project, said the developer was able to secure \$80 million in private financing for the project but added that it would not be feasible without public subsidies.

"Unless you get that kind of magnitude in one location, you're not going to be able to establish downtown Clayton as a retail destination," Mello said.

St. Louis-based **Schwetye Architects** has been tapped to design the village. A lender and general contractor have not yet been selected.

Clayton officials said the project needs further review. "This is very exciting and a very forward-thinking project," Mayor Ben Uchitelle said at the discussion session Dec. 12. "We've all been seeking to increase our retail, so (the proposal) has huge positives."

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