Lindenwood has $4 million deal to acquire subdivision

St. Louis Business Journal - by Laurie Sybert

Lindenwood University President Dennis Spellmann continues to expand beyond education by undertaking development projects in the area around the St. Charles campus.

The university recently spent $4 million to purchase 69 units in the Powell Terrace subdivision adjacent to the university. The property will provide the right-of-way for a portion of a proposed two-mile roadway connecting Fairgrounds Avenue to the intersection of First Capitol Drive and West Clay Street. The university's purchase would provide a half-mile section of the loop, from Boone Avenue to Oak Street.

The university is also planning a town center commercial development on 27 acres it owns at the northeast corner of West Clay and First Capitol.

The proposed road would connect the city's $33 million, 150,000-square-foot convention center and the $40 million, 300-room Embassy Suites, set to open in 2005 on Fairgrounds Avenue, to the proposed town center.

The connector road has been something the city has talked about needing for at least 10 years, said Ward 9 Alderman Kevin Riggs.

"It would be a connector loop similar to the Chesterfield Parkway in Chesterfield," Riggs said. "This is the first domino in a lot of redevelopment."

Closing on the Powell Terrace property is expected in four to six weeks, Spellmann said. Lindenwood
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will use money from its capital improvement budget for the purchase. Spellmann has proposed that the university hire a management company to run the multi-family units and then sell the property to the city at no additional cost when they are ready for road construction.

"We've agreed to hold this property interest free. We're kind of giving back to the community and investing in St. Charles," Spellmann said. "Increasingly, universities around the country are taking part in the economic revitalization of areas around them."

James O'Connor, city administrator for St. Charles, said the connector road is needed to improve traffic flow through the center of the city, which should spur further development.

"We have budgeted some money for design of the road in 2006. Right now we don't have any money budgeted for the acquisition of land," O'Connor said.

O'Connor said the city has not yet reached any formal agreement with the university on the Powell Terrace property.

Larry Muench, Ward 2 alderman in St. Charles, said the university has been a facilitator to development in the First Capitol area.

"They have done a lot in bringing people together to see that the area is developed across from the university. That's such a key to First Capitol being redeveloped," Muench said. "There's no funding for this project yet. We still have to meet with the university and talk over details."

The university plans to recruit a developer for its 27-acre site, though no timetable has been set, Spellmann said.

Currently much of the property in the town center site is used as student housing. In order to start the commercial development, Lindenwood needs to complete more on-campus dormitories. Two 185-student dormitories are set to open in January. Construction is set to begin in March on two more 185-student dorms.

The university plans to work with the city when it comes to selecting a developer for the town center.

"We want brick buildings that fit with the campus. The neighbors want a first-rate grocery store and we want some shops within walking distance of the campus. The students want things like a Starbucks and a good bookstore," said Spellmann, a former city planner. "We want more than just a big store and a
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parking lot. The city needs a new downtown since the old downtown is now a historic district."

Lindenwood also is planning to build a fine arts center at the southern edge of the university.

"We're not getting into the retail business," he said. "Our business is education. But we're working with the community to make sure the city remains vital," he said.

lsybert@bizjournals.com