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When Preservation Equals Demolition

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St. Louis

FOR 108 years the neo-Classical style Century Building, with its 10-story marble facades accented by ornate friezes and pilasters, graced half a block in downtown St. Louis.

But after 15 years of fighting by local preservationists it was razed in February to make way for a garage.

The battle for the Century, with its familiar plot and cast of characters - preservationists squaring off against developers and politicians - resembled a typical preservation dispute. Yet it had an unusual twist: for the first time anyone involved can remember, the National Trust for Historic Preservation, the country's most powerful preservation group, sided with the wreckers. In fact the redevelopment project that led to the Century's demise was financed with the national trust's help.

Although the circumstances surrounding the Century are unusual, critics say the national trust, a private nonprofit organization with more than 200,000 members, has set a dangerous precedent.

For Carolyn Hewes Toft, the president of the Landmarks Association of St. Louis, which has become an improbable adversary of the trust, its position was a violation of its mission to preserve historic structures. Ms. Toft suggested that the national trust had lost its integrity and said that of all the demolitions she had witnessed, "this loss is by far the most difficult to accept."

Officials at the national trust said that its part in the demolition reflects the changing role of preservation, which they said includes fighting urban sprawl and reviving entire downtown areas, as well as saving historic buildings and sites.

Increasingly, the national trust is "using preservation as a tool for community revitalization," said Richard Moe, its president. Sacrificing the Century, he added, was in line with the trust's efforts to broker the renewal of historic but rundown neighborhoods like downtown St. Louis, even at the occasional expense of a treasured building.

But for many preservationists, like Michael Tomlan, the director of the graduate program in historic preservation at Cornell University, that price is too high. What the national trust did, Mr. Tomlan said, was wrong. "It's morally and in any number of senses ethically inappropriate. It violates preservation's Hippocratic oath: if you can't be supportive, for gosh sakes shut up."

Like the issues in most preservation battles, those surrounding the Century and downtown redevelopment here were complicated and played out over years as the parties jockeyed to influence the outcome.

The Century's fate was linked to the redevelopment of another building across the street, the Old Post Office, from the 1880's, which is the centerpiece of downtown renewal projects.

In 2001, when national trust officials were asked to consult on the transfer of the Old Post Office from federal to state ownership, they at first backed saving the Century. Missouri lined up two developers to restore, manage and lease the building for 99 years. Two tenants, Webster University and the state appellate courts, had already signed on.

But the tenants demanded parking within view of the Old Post Office for security reasons. The developers, Steven Stogel of the DFC Group and Mark Schnuck of the Desco Group, local companies, did not want to spend the money to build underground parking and insisted that the Century was the only nearby above-ground site big enough for 1,000 cars. City officials agreed.

Royce A. Yeater, the national trust's regional director for the Midwest, said he tried to persuade the developers and the city to consider alternative sites, but they were intransigent. "The minds were made up within the power structure," Mr. Yeater said in an interview. Mr. Stogel, the developer, said he studied all the alternatives offered, including an empty site directly north of the Old Post Office. "We reluctantly determined that we had to provide parking on the Century site," he said.

The national trust, making the restoration of the Old Post Office its priority, changed its position on the Century in January 2002, swinging in favor of a garage on the site to ensure its continuing involvement with the project, Mr. Yeater said.

Still, Mr. Yeater said, it was not an easy about-face for the national trust, which was founded by Congress in 1949 with a mandate to protect historic structures.

In a bid to stop or at least slow the demolition, the Landmarks Association of St. Louis filed four lawsuits challenging the project. And in October 2002, nine months after the national trust gave its nod to demolition, the Interior Department accepted the Landmarks Association's nomination of the Century to the National Register of Historic Places.

The national trust's commitment to the Old Post Office project deepened in December 2002, when Mr. Stogel, the developer, asked it to help finance the renovation through the National Trust Community Investment Corporation, its relatively new for-profit subsidiary.

The investment corporation was formed in 2000 to encourage preservation projects with tax credits. Since 2003 the Treasury has allocated about \$6 billion in so-called New Market tax credits to some 60 organizations, including the national trust, to be used as incentives for investors in depressed areas. So far the national trust's corporation has invested \$111 million in these tax credits in 19 projects, including the Dia Arts Foundation in an abandoned factory in Beacon, N.Y., which received \$6.5 million; and the Telegram Building in Portland, Ore., a historic newspaper building turned into a commercial complex, which received \$2.6 million. For the Old Post Office, the trust agreed in 2003 to allocate an \$8.7 million tax credit.

None of the other projects the corporation has financed has generated controversy on the scale of the Century, said John Leith-Tetrault, the president of the investment corporation.

"We know you don't make money on controversial projects," Mr. Leith-Tetrault said. (Since 2003 the corporation has handed back \$1.7 million in earnings to the national trust, after bearing the administrative costs of the tax-credit projects.)

Under Treasury Department rules, the national trust's investment corporation can charge up to 15 percent of its investment value as an administrative fee, an arrangement that some critics regard as a potential conflict between the nonprofit national trust's mission and its profit-oriented subsidiary. But Mr. Leith-Tetrault said its typical fee is 5 percent to 8 percent.

For the Century project the corporation charged the developers a fee of \$438,750, Mr. Leith-Tetrault wrote in an e-mail message. That money will pay for the national trust to monitor the project as an investor for the seven-year life of the tax credits. Mr. Leith-Tetrault said that making a profit was not a major objective in this case. "We feel very comfortable that the fee was more than reasonable," he said.

Officials at the national trust say critics are overreacting when they accuse it of subsidizing the Century's demolition. Mr. Moe said the trust is only helping to finance the \$45 million Old Post Office project. The garage, which will cost \$32 million more, is being paid for through the Missouri Development Finance Board.

Experts in historic preservation say the face-off in St. Louis highlights the difficult choices preservationists must make. "Often, unfortunately, in preservation to get something you have to give up something else," said Richard Longstreth, a professor of American studies and head of the historic preservation program at George Washington University. But he said it is important to ask "how much are you getting and how much are you losing?"

Mr. Moe said national trust officials believe the greater good was served by restoring the Old Post Office and revitalizing the surrounding area. "We're doing more of this kind of revitalization work than we did before," he said, "but we haven't changed our fundamental values."