

Downtown building finally sells Deal on former Union Mission building expected to close in early June

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Italy has the Leaning Tower of Pisa. Norfolk has The Savoy.

The former hotel and jewelry store at 161 Granby St. leans slightly to the north. In February, Norfolk Fire-Rescue deemed the building, long-plagued with code enforcement violations, structurally unsound.

But city officials are hoping a Columbia, S.C.-based real estate development company can transform the 34,527-square-foot, eight-story building into a usable mixed-use space once again.

US Development, which specializes in historic landmark renovations, purchased the building from local developer Bobby Wright last week. The deal comes four years after the city first announced the company's plan to turn The Savoy and the former Union Mission building on Brooke Avenue into downtown apartments.

Though US Development would not disclose the sale price of The Savoy, the company's executive vice president said trouble securing financing delayed both purchases.

"Due to the financial crash in 2008, the financial process got bogged down for years," Jeffrey Pioreschi said.

Redeveloping The Savoy into 3,000 square feet of retail space on the ground floor and 36 apartments, a mix of studio, one and two bedrooms, on the upper floors, is estimated to cost US Development \$6.5 million to \$7 million. Virginia Community Capital, a Richmond-based bank, is funding a \$4.1 million construction loan for the project. Rental rates are expected to range from \$800 to \$1,200 a month.

The building was constructed in 1906 to 1907 as a commercial business and hotel. Paul-Gale-Greenwood jewelry store leased the ground and mezzanine levels and the hotel, which opened for the Jamestown Exposition, leased the upper floors.

PGG purchased the building from National Realty in 1909 for \$90,000 in gold and in 1919, Norfolk Bond & Mortgage Co. bought the building from PGG for \$350,000. Bankers Trust Co. signed a 15-year lease for the ground floor in 1920 and the property was officially named the Bankers Trust Building, according to research conducted by William Inge, building historian for the city.

US Development has not yet closed on the purchase of the former Union Mission.

That is expected to happen in early June. The company plans to convert the building, once a shelter for the homeless, into 1,900 square feet of ground-level retail space and 126 apartments, a mix of studio, one and two bedrooms. Rental rates will range from \$800 to \$1,600 a month.

Oppenheimer Multifamily Housing & Healthcare Finance Inc., a Pennsylvania-based lender, is financing a \$17.8 million loan for the \$23 million project.

Construction on the building, which US Development has renamed The Rockefeller, will begin first.

Construction on The Savoy, Pioreschi said, will begin four to five months later.nib