

THE ADVOCATE

NEWSPAPER ARCHIVES

Rebuilding, repairing, reviving Bon Carre' facelift aims to revitalize once-dilapidated area

[Jcs Edition]

Advocate - Baton Rouge, La.

Author: CHAD CALDER

Date: Sep 7, 2003

Section: Business

When California developer Norie Harrower bought the former Bon Marche Mall in 1998 with promises to turn it into a vibrant, mixed- use center, he made it a point to include the adjacent, blighted Melrose East neighborhood.

Harrower said he felt the fortunes of the abandoned mall, which he redubbed Bon Carre, could not be separated from those of Melrose East.

He brought in call center operator Convergys Corp., which brought about 1,000 jobs to the area, and bought the run-down Van Gogh Apartments, in order to, as he put it in 1999, "buy a seat at the table." Harrower's plans to use Bon Carre as a means to uplift Melrose East, however, were seemingly cut short when a partner's bankruptcy drove away lenders and forced the project into foreclosure.

Bon Carre found new life after Research Park Corp., which runs the high-tech business incubator there, bought the property and took over its development in a high-profile deal involving the state.

But Melrose East's fortunes have been improving as well, albeit behind the scenes, thanks to the work of a pair of community development corporations and private property owners who see profit and potential in the neighborhood.

Melrose East CDC and Caleb CDC teamed up with New Orleans-based Kalliope LLC last year to buy and renovate three apartment complexes, a \$9 million project from public and private investment.

When Bon Carre Courts at Titian opens later this year, it will join Bon Carre Courts at Donmoor and Bon Carre Courts at Harry in bringing 182 new, clean and safe apartments to the neighborhood.

And Howard Gyler, a native Californian now living in Dallas, and two partners have bought and rebuilt two complexes - Monet Place and Cezanne Square - and are still renovating Degas Manor. Gyler expects to close a deal this month on a property to be known as Monet Manor.

When all is said and done, Gyler will have spent \$4.4 million to bring 173 newly renovated units - which lease from \$330 per month to \$555 per month - to Melrose East.

Kathy Laborde, president of Kalliope, said many other individual property owners have fixed their apartments as well, and Melrose East CDC has started a property managers group.

Gyler was elected to head the Melrose CDC's construction committee and will be in charge of contacting absentee landlords whose property could be targeted by the city-parish's new blight ordinance.

Gyler said he won't buy any properties he's involved in getting landlords to sell, citing ethical reasons.

"It was definitely meant to be a catalyst - to spring that neighborhood forward," Laborde said of the Bon Carre project. "If you're going to use that as one measure of success, it has hit a home run."She doesn't mind the competition.

"I'll gladly sit with a softer market if, in the end, we're all better off," she said.

Laborde said the new BREC facility at Florida and Ardenwood has helped put a new face on it as well.

Shirley Patty, who owns AND Properties with partner Eddie Warmack, managing 276 units, has been one of the most active property owners in Melrose East in recent years.

"It's making a difference," she said. "Everything looks nice. The curb appeal has improved 200 percent."Madlon Gage recently moved into a two-bedroom unit for \$410 a month at Bon Carre Courts at Donmoor. She left the area of Baton Rouge known as Easy Town as the city tore down dilapidated houses that had become drug dens.

Gage was impressed by the Melrose neighborhood and the apartments. "It was a whole lot better than I thought it would be," she said.

Gage works in Gonzales, but chose the Donmoor apartments because she wanted to stay in Baton Rouge.

"This is my home," she said. "My family is here."Erica Jackson, a 24-year-old single mother, has been living at the apartments for just over a year with her five children.

She said the apartments are quiet and clean and she has good neighbors.

"That's what I like to be around," she said. "That's what I like my kids to be around."Byron Turner, chief executive officer of Caleb CDC, said he sees the improvements as the product of good timing.

"Everything's just happening at the right time," he said.

Turner lived on Monet Drive in the early 1980s and left the U.S. Army a few years ago to come back to run Caleb.

"This whole area will be turned around," he said. "To see it come back, ... I'm just excited to be a part of it."Of course, Melrose East has been "reborn" many times during the last two decades - most notably shedding the nickname Mall City, which many associated with crime. And only time will tell if this effort will put the neighborhood's checkered past behind it for good.

Byron said there is still crime in Melrose East, but all interviewed praised the police for keeping a high profile and working with the community.

Patty said all property owners must be vigilant about making sure the neighborhood's "rotten apples" don't move back into the renovated apartments.

But turning run-down buildings with absentee landlords into new, clean apartment's with heavy security is pretty basic to improving the neighborhood's fortunes.

Gyler said that once the standards are raised and apartments fill up, businesses will start to fill the void the area has become.

"There's no one that delivers pizza in that neighborhood," he said. "How's that for basics?" Turner said some tenants have been evicted, usually for selling drugs, since the apartments were first opened last year. But he said it's natural that some would think the old ways are still acceptable.

"People want responsibility," he said of the existing tenants. "They want rules and they want them enforced."Turner said he thinks the poor and low-income people are unfairly stigmatized as not caring about their surroundings.

"They're real people who want the best in life," he said.

Laborde is no stranger to working with CDC's, having hooked up with Caleb a few years ago at another project, Mount Zion Homes. She got her start running the former First Commerce bank's CDC.

"It's constant hard work," she said. "There's a social reward. We are committed to give people a good place to live, and in return we expect them to be good tenants.

"You can build hotels and make a lot more money," she said. "I like cities. I don't like the fact that people live in the conditions they do, and I can do something about it." With the Bon Carre apartments, Caleb brings the property management experience and access to federal Housing and Urban Development grants - in this case \$344,000 - while Melrose CDC does the community outreach and Kalliope brings its private-sector expertise, overseeing and coordinating the renovations.

Gyler's investments, other than getting federal Section 8 rent subsidy money where applicable, is, as he calls it, "boring business." But Gyler said there's a lot of profit to be made in adding value to neighborhoods such as Melrose East, something he has done in Florida, Texas, Ohio and California.

"When I saw Melrose East, I never saw so much opportunity in one place," he said, "in terms of just the number of different properties that needed to have this work done." It took a little convincing when it came to funding, though.

A representative from one bank, which Gyler would not name, would only meet him in the neighborhood at 9 a.m., and even after that said a loan would only be possible if Gyler took out a life insurance policy for the value of the loan.

"Lots of people have told me my life has been in danger," he said. "I don't believe it. I haven't seen it." Gyler praised Regions Bank and American Gateway Bank for financing the project.

He said there are still plenty of opportunities there.

"There's going to need to be other investors," he said. "There's about 1,000 units in this neighborhood, and a lot of them need work." He realizes, however, that there are perception issues.

"Let's face it," he said, "it is considered a high-risk neighborhood." But Gyler has found the numbers always work if you invest enough to create a place in which people want to live.

"Prices in the last five months have gone up in ways that would knock your socks off," he said.

Gyler said Regions Bank told him the neighborhood was some of the fastest-appreciating real estate in Baton Rouge.

That assessment has borne out in Gyler's numbers as well. His first purchase, which closed Jan. 15, worked out to \$4,200 per unit; his second, on May 1, closed at an average of \$5,900 per unit. His deal later this month will close at about \$8,000 a unit.

He said two other deals in the neighborhood have closed at about \$13,000 per unit.

"You're talking about nine months," he said. "That's some serious money." Gyler said he is grateful to Laborde and the Melrose and Caleb CDCs for getting the ball rolling.

"It's a lot easier to go into a neighborhood when you're not the first," he said, "and I can't say I'm the first." Gyler praised Research Park Corp. President Eddie Ashworth's work at the development, now called Bon Carre Business Center. Gyler said progress in the development and in the neighborhood feed off one another.

Laborde said she was surprised and disappointed to see Bon Carre's future cast into doubt three years ago, but said there was little she could do but wait it out.

"It wasn't a big enough turn of events for me to say, 'Don't go forward,' but it was just kind of a hold-your-breath-and-maybe- something-good-will-happen thing." Still, it could have been worse.

"The fortunate thing was they finished the back of the mall," she said of Convergys storefront, which lies in stark contrast with Bon Carre's front.

"All things being equal, that was the best thing for us," she said.

Gyler said that despite the initial Bon Carre group's financial meltdown, Harrower's initial intention of the development helping Melrose East has come true.

"He was clearly visionary," Gyler said. "Hindsight is always 20-20, but if you look at what has happened in that community, he hit the nail on the head. And I've never met the gentleman." Even Jackson, the Bon Carre Courts at Donmoor resident who never lived in Melrose, sees the reputation some in the neighborhood have worked so hard to change as old news.

"It's changed," Jackson said. "It's not Mall City anymore, it's Bon Carre."

[Illustration]

Photo; Photo: Color Photo of: Dave Patin and Leroy Wayne installing an iron security door at Bon Carre' Courts at Titian Street; Byron Turner, chief executive officer of Caleb CDC and leasing agent Trenika Heard talking with applicants Courteney Spikes and Courteney Coleman; B.W. Photo of: Erica Jackson, a resident at Bon Carre' Courts at Donmoor (By John H. Williams)