Appendix C

Economic Position of the City of St. Louis and Downtown St. Louis Within Metropolitan St. Louis

AND POTENTIALS FOR DOWNTOWN REAL ESTATE DEVELOPMENT

1990-2005

June 1, 1998

By:
Development Strategies
With The Concord Group

Metropolitan and Sub-Area Employment Trends and Projections, 1991-2005

Metropolitan St. Louis, consisting of 12 counties in Missouri and Illinois—including the City of St. Louis—employed 1,168,400 people (non-agricultural jobs) in 1991. This was a year which included substantial defense industry downsizing and was in the early throes of a national recession.

By 1997, however, employment had grown substantially to 1,284,800, or up about 10 percent. Projections by the State of Missouri in cooperation with the State of Illinois, indicate further employment growth to 1,385,000 in the year 2005, up another 7.8 percent.

Thus, employment is growing and will continue to do so. But the pace of growth is projected to slow in the coming years.

Table 1
Employment Trends And Projections
1991 TO 2005
St. Louis Metropolitan Area

Geographic Areas of the Metro Area	1991	1997	2005
Entire Metro Area	1,168,400	1,284,800	1,385,000
Metro East/Illinois	199,800	238,800	277,000
Metro West/Missouri	968,600	1,046,000	1,148,600
St. Louis County	562,700	620,400	675,200
Manchester/S.W.	55,700	61,800	67,500
South	60,700	69,100	77,400
Clayton/Mid-County	128,700	140,500	150,900
Airport/North	105,400	99,400	111,400
Far North	23,100	26,500	29,000
Bridgeton/N.W.	70,600	77,400	81,000
Olive/Westport	90,000	112,000	118,200
Chesterfield/Hwy 40	28,500	33,700	39,800
City of St. Louis	270,400	255,600	227,400
DOWNTOWN	92,400	88,100	83,300
Remainder of City	178,000	167,500	136,000
Remainder of Metro West	135,500	170,000	246,000

Sources: Missouri Division of Employment Security, St. Louis County Department of Planning, St. Louis Downtown Partnership, Development Strategies.

Within this overall growth pattern, there are numerous internal shifts occurring. Key among them has been and may continue to be declines in the number of jobs in the City of St. Louis, including the downtown area. While downtown job counts are, at best, good estimates, it is clear that the job trends are negative—barring future actions to bolster the downtown and city as more favorable locations for employing establishments.

The shifts, however, suggest that job *declines* will be generally isolated in the City itself. In the various areas shown on the above table, all are expected to increase in employment, including many of the older and more settled parts of St. Louis County. St. Louis County continues to be the principal location of jobs in the region (48 percent of all metro jobs are in the County). Continued growth in the County is attributable to its excellent location and infrastructure and the diversity of high quality locations coupled with aggressive economic development actions.

Likewise, job growth in Metro East is projected. Superior infrastructure systems, principally in the form of highways, make Metro East a strong contender for capturing regional growth. In the same way, the "collar counties" of Metro West have advantages encouraging job growth. Most importantly, these include residential growth which far outpaces the rest of the region (including Metro East) and, therefore, encourages employers to follow.

Demographic Trends

The St. Louis metropolitan area has experienced only modest population gains over the past several years. In fact, population growth rates trail employment growth rates as a higher and higher proportion of the population has been finding jobs. Based on local estimates and projections, the regional population increased from 2,493,600 in 1990 to 2,576,500 in 1998, for an overall growth rate of 4.4 percent (while employment increased about 10 percent between 1990 and 1997 alone). During this period, natural increase has been the chief cause of population increase while the region has experienced net out-migration of existing residents. This latter factor, however, has diminished over the decade such that there has actually been very slight in-migration since about 1994 although the net effect since 1990 is still negative.

Table 2

Population Of The St. Louis Metropolitan Area, 1980-2000

Jurisdiction	Census 1980	Census 1990	Estimate 1998	Forecast 2000
St. Louis City	453,100	396,700	351,000	341,300
St. Louis County	973,900	993,500	1,010,500	1,014,000
St. Charles County	144,100	212,900	266,900	281,500
Jefferson County	146,200	171,400	192,600	196,700
Franklin County	71,200	80,600	90,500	93,000
Lincoln County	22,200	28,900	34,500	36,700
Warren County	14,900	19,500	23,600	24,800
Sullivan in Crawford Co.		1,000	1,200	1,300
METRO WEST	1,825,600	1,904,500	1,970,800	1,989,300
Clinton County	32,600	33,900	35,500	35,900
Jersey County	20,500	20,500	21,600	22,200
Madison County	247,700	249,200	256,600	258,300
Monroe County	20,100	22,400	25,700	27,400
St. Clair County	267,500	262,900	266,300	269,000
METRO EAST	588,400	588,900	605,700	612,800
METRO AREA	2,414,000	2,493,400	2,576,500	2,602,100

Source: St. Louis Metropolitan Census Committee, Population Estimates Subcommittee, of the St. Louis Chapter of the American Statistical Association.

Despite slow population growth, the St. Louis area is experiencing substantial intra-regional shifts in population. Most of the gains are occurring to the west and south of the City of St. Louis, particularly in St. Charles County but also in Jefferson and St. Louis Counties. These three counties, in fact, accounted for 111 percent of the net growth in the region between 1990 and 1998.

The City of St. Louis, on the other hand, lost 45,700 residents between 1990 and 1998 (down 11.5%), the only county-level jurisdiction to lose population, and was clearly the source of much of the population shifting to the outlying counties. Some of the difficulty in projecting potential *employment* growth for the City, therefore, lies partly in the inability of the City to retain a resident population base.

Still, there are only two counties in the region which are “net job gainers” every day: St. Louis County and the City of St. Louis. Latest available cross-tabulated figures for these two are for 1995 when St. Louis County had 39,300 *more* jobs located within its borders than it had residents with jobs. The City of St. Louis had 112,500 *more* jobs than residents with jobs. In short, the other counties are “net bedroom communities” while St. Louis City and County are the major job centers relative to their populations.

Thus, the City of St. Louis is able to retain a strong job/economic base even in the face of population and employment decline. Whether this can continue has to be raised as an important issue, however, given the rate of both population and job declines in the City of St. Louis.

Strongest Historic Employment Growth Sectors for Metropolitan St. Louis

Before embarking on a projection of the employment and floor area growth potentials for downtown St. Louis, it is important to understand which sectors of the economy create the most jobs for the regional/metropolitan economy and whether these sectors represent significant sources of future growth, especially for downtown. The tables in this section, however, reflect only the Missouri portion of the metropolitan area due to limited availability of county-level SIC data (Illinois county data and SIC-based data are very hard to obtain in a timely manner). Thus, the term *metropolitan* in the following analysis refers only to the six counties and the City of St. Louis in Missouri.

Table 3 highlights the 30 sectors (based on 3-digit Standard Industrial Classification Codes) which showed the greatest *increase in number of jobs* in the metropolitan area between 1990 and 1997. Together, these 30 sectors added over 91,500 jobs to the Missouri/metropolitan economy during a period when only 60,100 net jobs were added. All other sectors, therefore, accounted for a net loss of some 31,300 jobs.

Leading the list of thirty is the *amusement and recreation* sector, adding nearly 8,650 jobs. This is a sector bolstered primarily by the emergence of the gaming industry in greater St. Louis since 1990. In Missouri alone, there are three key locations for gaming boats: downtown St. Louis, Maryland Heights in northwest St. Louis County, and the City of St. Charles. (There are also two boats in Illinois—Alton and East St. Louis.)

Private elementary and secondary schools was also a major growth sector, adding about 8,400 jobs. *Personnel supply services* (such as temporary agencies) and *computer and data processing services* round out the top four with about 8,000 and 6,600 additional jobs each.

At the bottom of the list, but still with strong growth are *commercial banks*, which have a major presence in Downtown St. Louis, and *services to dwellings and other buildings*, again a sector which can have a major importance for downtown where many large buildings need routine maintenance.

Table 3					
Strongest Historic Growth Sectors - St. Louis Metro Area, 1990-1997					
Missouri Portion of Metro Area					
Top 30 by Numerical Job Growth - Metro Area					
		Metro Area (Missouri Side Only)			
SIC	Sector Description	1990	1997	Job Growth	Pct. Growth
All	Total Jobs	986,456	1,046,565	60,109	6.1%
799	Misc. Amusement & Recreation Services	12,374	21,020	8,646	69.9%
821	Elementary & Secondary Schools (Pvt.)	24,713	33,121	8,408	34.0%
736	Personnel Supply Services	17,915	25,942	8,027	44.8%
737	Computer & Data Proc. Svcs.	7,459	14,050	6,591	88.4%
581	Eating & Drinking Places	65,865	71,449	5,584	8.5%
874	Management & Public Relations	4,414	9,584	5,170	117.1%
822	College and Universities	19,208	23,866	4,658	24.3%
451	Air Transportation, Scheduled	10,378	14,957	4,579	44.1%
808	Home Health Care Services	2,828	6,607	3,779	133.6%
809	Health & Allied Services, Nec	2,111	4,943	2,832	134.2%
621	Security Brokers & Dealers	5,169	7,869	2,700	52.2%
801	Offices of Physicians	10,769	13,073	2,304	21.4%
836	Residential Care	5,432	7,692	2,260	41.6%
835	Child Day Care Services	3,676	5,906	2,230	60.7%
805	Nursing & Personal Care Facilities	14,140	16,200	2,060	14.6%
871	Engineering & Architectural Services	7,216	9,065	1,849	25.6%
832	Individual & Family Social Services	4,696	6,460	1,764	37.6%
751	Auto Rentals, Leasing W/O Drivers	1,791	3,505	1,714	95.7%
804	Offices Of Other Health Practitioners	2,404	4,067	1,663	69.2%
173	Electrical Work	4,518	6,114	1,596	35.3%
632	Medical Service & Health Insurance	2,473	4,040	1,567	63.4%
596	Nonstore Retailers	1,437	2,879	1,442	100.3%
531	Department Stores	23,327	24,768	1,441	6.2%
922	Public Order and Safety	9,919	11,223	1,304	13.1%
738	Miscellaneous Business Services	12,049	13,332	1,283	10.6%
171	Plumbing, Heating, Air Conditioning	6,634	7,901	1,267	19.1%
162	Heavy Construction, Ex Highways	2,232	3,443	1,211	54.3%
175	Carpentering & Flooring	2,453	3,663	1,210	49.3%
602	Commercial Banks	12,300	13,509	1,209	9.8%
734	Services To Dwellings & Other Bldgs.	9,166	10,332	1,166	12.7%
	Total, top 30	309,066	400,580	91,514	29.6%
	All other sectors	677,390	645,985	-31,405	-4.6%

Sources: Missouri Division of Employment Security and Development Strategies.

There is a number of sectors on the above list which may not have important relevance for attracting downtown businesses. These include, for instance, the construction industry sectors *of heavy construction, electrical work, carpentering and flooring*, and *plumbing, heating, and air conditioning*. Such firms tend to need larger sites for equipment storage in not-so-dense locations. Likewise, some of the social and health service sectors might be inappropriate but, given these sectors' needs for office/clinic space and the diversity of downtown employment and residential populations, such sectors may, indeed, be attracted to a downtown location. It is interesting, also, that elementary and secondary schools are on the list as well as colleges and universities. A potential theme for downtown St. Louis is to be a center of education. If there is growth in these sectors, downtown might be able to capture an important share.

Next, we shift to the City's performance in these top 30 sectors (Table 4). Despite major job losses in the City between 1990 and 1997 of almost 24,000, these particular sectors, when taken as a whole, have proven to be assets for the City as well as the region. Of the 30 sectors, 23 showed job growth in the City with net job gains among all 30 of almost 11,300.

Table 4

Strongest Historic Growth Sectors - St. Louis Metro Area, 1990-1997

City of St. Louis Numbers within Metro Area Rankings

Top 30 by Numerical Job Growth - Metro Area

		St. Louis City			
SIC	Sector Description	1990	1997	Job Growth	Pct. Growth
All	Total Jobs	279,466	255,623	(23,843)	-8.5%
799	Misc. Amusement & Recreation Services	1,099	2,863	1,764	160.5%
821	Elementary & Secondary Schools	3,670	5,398	1,728	47.1%
736	Personnel Supply Services	3,512	4,833	1,321	37.6%
737	Computer & Data Proc. Svcs.	612	1,076	464	75.8%
581	Eating & Drinking Places	15,170	13,635	(1,535)	-10.1%
874	Management & Public Relations	1,105	1,313	208	18.8%
822	College and Universities	5,285	6,044	759	14.4%
451	Air Transportation, Scheduled	146	1,759	1,613	1104.8%
808	Home Health Care Services	764	545	(219)	-28.7%
809	Health & Allied Services, Nec	548	1,635	1,087	198.4%
621	Security Brokers & Dealers	2,684	3,903	1,219	45.4%
801	Offices of Physicians	1,923	2,136	213	11.1%
836	Residential Care	1,037	1,254	217	20.9%
835	Child Day Care Services	533	1,156	623	116.9%
805	Nursing & Personal Care Facilities	3,038	3,121	83	2.7%
871	Engineering & Architectural Services	1,805	1,992	187	10.4%
832	Individual & Family Social Services	2,472	2,865	393	15.9%
751	Auto Rentals, Leasing W/O Drivers	128	116	(12)	-9.4%
804	Offices Of Other Health Practitioners	282	262	(20)	-7.1%
173	Electrical Work	1,394	1,583	189	13.6%
632	Medical Service & Health Insurance	1,654	1,457	(197)	-11.9%
596	Nonstore Retailers	274	355	81	29.6%
531	Department Stores	3,744	3,900	156	4.2%
922	Public Order and Safety	4,338	4,662	324	7.5%
738	Miscellaneous Business Services	3,942	4,172	230	5.8%
171	Plumbing, Heating, Air Conditioning	1,423	1,078	(345)	-24.2%
162	Heavy Construction, Ex Highways	214	181	(33)	-15.4%
175	Carpentering & Flooring	237	376	139	58.6%
602	Commercial Banks	6,075	6,918	843	13.9%
734	Services To Dwellings & Other Bldgs.	4,759	4,539	(220)	-4.6%
	Total, top 30	73,867	85,127	11,260	15.2%
	All other sectors	205,599	170,496	-35,103	-17.1%

Sources: Missouri Division of Employment Security and Development Strategies.

This means, of course, that all other sectors—which, on net, lost jobs throughout the region—lost in the city, a net loss, in fact, of some 35,100 jobs from the city alone. Thus, the top 30 for the region are potentially “bright stars” also for the city but it may take more than working within these promising sectors to substantially improve the prospects for City growth.

Chief among the gainers in the City are *amusement and recreation services*, adding 1,764 jobs (again, gaming, but also job gains can be attributed to the TWA Dome and Kiel Center, both of which began downtown operations since 1990). The City also benefited in the *air transportation* sector when it attracted TWA’s headquarters and added a net of 1,759 jobs in the City.

Another strong gainer for the City was the *security brokers* sector, adding 1,219 jobs. Large and internationally successful firms like A.G. Edwards contribute most to this growth and are very important sectors for downtown St. Louis. The strength of the national economy and, in particular, the stock markets also contribute to this growth.

Thus, the City has been sharing, although not proportionally, in the region’s growth in the 30 sectors that added the most jobs during the 1990s. Of the overall metropolitan gain, St. Louis City captured 12.3 percent. Unfortunately, the City’s share of all jobs in the Missouri part of the metro area is closer to 25 percent, so the City is not gaining its “fair share” of such growth.

It is also important to note that the net job loss from all other sectors in the City (down 35,100) exceeded the net job loss for the metro area as a whole (down 31,400). Projections for future growth and job capture, therefore, are handicapped by these recent and powerful trends.

Strongest Historic Employment Growth Rates for Metropolitan St. Louis

While the above analysis covered those sectors with the strongest *number* of job gains, it is also important to look at those sectors with the fastest *rates* of gain—or percentage changes between 1990 and 1997. Table 5 lists the top 30 *growth rate* sectors for the Missouri part of the metropolitan area. These are not necessarily the same as the previous list.

Together, these 30 fastest growth rate sectors had a weighted rate of gain of 94.4 percent between 1990 and 1997 in the metro area compared to an overall growth rate of 6.1 percent for all jobs. This means that all other sectors of the economy grew at a net rate of just 2.1 percent. These top 30 growth rate sectors added two thirds of all net job growth in the region with 40,750 new jobs of the total net gain of 60,100 jobs. Keep in mind, however, that the top 30 sectors for *numerical* gain added over 91,000 jobs so some of the fastest *rates* do not necessarily translate to the largest numerical increases.

Leading the fastest growers is a manufacturing sector, *costume jewelry*, which grew by 619 percent between 1990 and 1997. This industry, however, had only 31 jobs in 1990 and grew to 223 jobs in 1997. Still, while this is a small manufacturing sector, it should not be discounted for a potential downtown presence. There are many functional downtown manufacturing locations, particularly for small and fast-growing businesses which may not require huge amounts of space. The costume jewelry industry may well be one of these which requires relatively smaller machinery for making relatively small articles.

Second on the list of the fastest growth rates in the *motion picture distribution* sector, growing 463 percent. Again, however, this is a relatively small sector. The third fastest growing sector is *logging camps and contractors* but this, too, is a very small sector and not one to count heavily on given the nature of the work and natural resources required.

Biggest job gainers in the most rapidly growing sectors *include computer and data processing services* (growing 88% and adding 6,600 jobs), *amusement and recreation services* (up 70% and 8,650 jobs), *management and public relations* (up 117% and 5,200 jobs), *home health care services* (up 134% and 2,800 jobs), and *health and allied services* (up 134% and 2,800 jobs). All of these also show up on the sectors with the largest job gains. All also have potential for adding rationally to the downtown employment base with some qualification regarding the health industry jobs—although there is no reason not to attempt to attract health industry employers to a more diversified downtown economy.

Table 5					
Strongest Historic Growth Sectors - St. Louis Metro Area, 1990-1997					
Missouri Portion of the Metro Area					
Top 30 by Percent Job Growth - Metro Area					
		Metro Area (Missouri Side Only)			
SIC	Sector Description	1990	1997	Job Growth	Pct. Growth
All	Total Jobs	986,456	1,046,565	60,109	6.1%
396	Costume Jewelry & Novelties	31	223	192	619.4%
782	Motion Picture Distribution & Services	62	349	287	462.9%
41	Logging Camps & Contractors	2	10	8	400.0%
654	Title Abstract Officers	67	267	200	298.5%
704	Organization Hotels & Lodging Places	9	31	22	244.4%
207	Fats & Oils	113	380	267	236.3%
379	Misc. Transportation Equip.	12	36	24	200.0%
829	Schools & Educational Services, nec	534	1596	1,062	198.9%
628	Security & Commodity Services	415	1001	586	141.2%
809	Health & Allied Services, Nec	2111	4943	2,832	134.2%
808	Home Health Care Services	2828	6607	3,779	133.6%
225	Knitting Mills	3	7	4	133.3%
874	Management & Public Relations	4414	9584	5,170	117.1%
473	Freight Transportation Arrangement	633	1344	711	112.3%
512	Drugs, Proprietaries, & Sundries	925	1948	1,023	110.6%
549	Misc. Food Stores	228	466	238	104.4%
253	Public Building & Related Furniture	566	1138	572	101.1%
596	Nonstore Retailers	1437	2879	1,442	100.3%
751	Auto Rentals, Leasing W/O Drivers	1791	3505	1,714	95.7%
794	Commercial Sports	656	1281	625	95.3%
961	Gov't Admin. Of Economic Programs	226	437	211	93.4%
329	Misc. Nonmetallic Mineral Prods.	163	313	150	92.0%
737	Computer & Data Proc. Svcs.	7459	14050	6,591	88.4%
639	Insurance Carriers, Nec	30	56	26	86.7%
552	Motor Vehicle Dealers (Used Only)	432	784	352	81.5%
415	School Buses	1444	2527	1,083	75.0%
965	Regulation of Misc. Business	364	623	259	71.2%
546	Retail Bakeries	1428	2439	1,011	70.8%
799	Misc. Amusement & Recreation Services	12374	21020	8,646	69.9%
804	Offices Of Other Health Practitioners	2404	4067	1,663	69.2%
	Total, top 30	43,161	83,911	40,750	94.4%
	All other sectors	943,295	962,654	19,359	2.1%

Sources: Missouri Division of Employment Security and Development Strategies.

Table 6 lists the same sectors as above but for job changes within the City of St. Louis. These top 30 sectors for the region added 80.2 percent more jobs in the City despite net job losses overall of 8.5 percent. This means that all other sectors declined by almost 11 percent in the City. The top 30 sectors with the highest rates of regional growth added 5,946 jobs to the City of St. Louis in the face of net job losses of 23,800. In other words, these fast growing sectors have proven to be important not only to the region but also to the City as it attempts to stabilize its job base.

Table 6
Strongest Historic Growth Sectors - St. Louis Metro Area, 1990-1997

City of St. Louis Growth Rates within Metro Area Rankings
Top 30 by Percent Job Growth - Metro Area

		St. Louis City			
SIC	Sector Description	1990	1997	Job Growth	Pct. Growth
All	Total Job	279,466	255,623	(23,843)	-8.5%
396	Costume Jewelry & Novelties	4	4	-	0.0%
782	Motion Picture Distribution & Services	44	67	23	52.3%
241	Logging Camps & Contractors	0	0	-	na
654	Title Abstract Officers	7	10	3	42.9%
704	Organization Hotels & Lodging Places	1	11	10	1000.0%
207	Fats & Oils Manufacturing	98	317	219	223.5%
379	Misc. Transportation Equip. Mfg.	0	0	-	na
829	Private Schools & Educational Svcs, NEC	59	367	308	522.0%
628	Security & Commodity Services	33	201	168	509.1%
809	Health & Allied Services, Nec	548	1635	1,087	198.4%
808	Home Health Care Services	764	545	(219)	-28.7%
225	Knitting Mills	3	7	4	133.3%
874	Management & Public Relations	1105	1313	208	18.8%
473	Freight Transportation Arrangement	169	271	102	60.4%
512	Drugs, Proprietaries, & Sundries	157	453	296	188.5%
549	Misc. Food Stores	48	29	(19)	-39.6%
253	Public Building & Related Furniture	0	0	-	na
596	Nonstore Retailers	274	355	81	29.6%
751	Auto Rentals, Leasing W/O Drivers	128	116	(12)	-9.4%
794	Commercial Sports	554	943	389	70.2%
961	Gov't Admin. Of Economic Programs	180	376	196	108.9%
329	Misc. Nonmetallic Mineral Prods.	59	25	(34)	-57.6%
737	Computer & Data Proc. Svcs.	612	1076	464	75.8%
639	Insurance Carriers, Nec	0	0	-	na
552	Motor Vehicle Dealers (Used Only)	113	136	23	20.4%
415	School Buses	578	1471	893	154.5%
965	Regulation of Misc. Business	179	228	49	27.4%
546	Retail Bakeries	314	277	(37)	-11.8%
799	Misc. Amusement & Recreation Services	1099	2863	1,764	160.5%
804	Offices Of Other Health Practitioners	282	262	(20)	-7.1%
	Total, top 30	7,412	13,358	5,946	80.2%
	All other sectors	272,054	242,265	-29,789	-10.9%

Sources: Missouri Division of Employment Security and Development Strategies.

Among the most rapidly growing sectors in the City is a familiar list: *amusement and recreation services, health and allied services, computer and data processing services*, and *private schools and educational services*. Added to the highest rate of gain for the City, however, *is school bus transportation services* which, while down the list for the metropolitan area, added 893 jobs in the City for a 155 percent job gain. This may be attributable to expansion of the desegregation busing program.

Projections of Numerical Job Growth in the Metropolitan Area

Projections by the States of Missouri and Illinois for the entire 12-county metropolitan area were summarized earlier but Table 7 breaks them down for the top 30 sectors for future expected growth, in the Missouri part of the region only, for comparison with the immediately preceding tables. These projections were made for the period 1994 to 2005 but Development Strategies adjusted the figures to represent 1997 to 2005 jobs gains in order to pick up where the earlier tables ended.

The top 30 sectors in terms of added numbers of jobs for the 1997-2005 period are expected to add just over 74,100 employed workers to the Missouri part of the region. This would represent an 18.4 percent growth rate compared to an overall growth rate of 10.4 percent for the entire Missouri/metro area. All the other sectors, therefore, would growth by a net amount of 4.9 percent and add 28,450 jobs. The top 30, therefore, represent 72 percent of all projected growth in the region between 1997 and 2005.

Leading the list of numerical job gainers would be *eating and drinking places* which would add almost 8,600 jobs and grow 12 percent. *Personnel supply services* would be the second fastest job gainer, adding almost 6,900 jobs and growing some 26 percent. In third place is *amusement and recreation services*, expected to add almost 6,000 jobs and grow another 28 percent.

All three of the above have strong potential for locating in downtown St. Louis. Clearly, if downtown is to be a place for 24-hour entertainment and recreation, it will need more restaurant workers, temporary and emergency employment workers, and amusement and recreation workers. As these are projected to be strong growth sectors, it behooves downtown to attempt to capture as large a share as possible as downtown St. Louis is positioning itself to be a regional center for entertainment and dining.

Joining *personnel supply services* high on the list is *computer and data processing services* and *miscellaneous business services*. All three of these already have a major presence in the City of St. Louis and, presumably, downtown. Therefore, they are candidates for aggressive attraction to the downtown employment center as downtown positions itself as an even stronger concentration of the region’s jobs.

In fact, almost all of the sectors shown on Table 7 can be targeted by downtown St. Louis in order to capture at least a “fair share” of growth. Exceptions might be jobs in *the manufacturing of motors vehicles and equipment* but, because there are industrial development corridors on the fringes of downtown St. Louis, and because greater St. Louis has relatively few firms in the auto equipment supply sector (as opposed to strictly auto assembly), downtown St. Louis can even be made attractive to this growth sector.

Table 8 shifts from projected *numerical* job growth to the projected *rate* of job growth, or percentage change for the period of 1997 to 2005. Here, the top 30 sectors would grow by a weighted average of 28.8 percent compared to the overall growth rate of 10.5 percent. They would add less than half of all net new jobs, however, at 48,900 out of a total of 102,600. This, again, indicates that fast growing sectors aren’t always those that add the most jobs.

Still, downtown can be positioned to capture a large portion of this growth. As a center of perhaps the most diverse economic concentration in the region, it can be made very attractive for a wide range of small businesses seeking support services and materials in close proximity and inexpensive spaces to help fuel rapid growth. At the same time, there should be made room downtown for larger enterprises, including those in manufacturing.

Table 7

Strongest Projected Growth Sectors - St. Louis Metro Area, 1997-2005

Missouri Portion of the Metro Area

Top 30 by Numerical Job Growth - Metro Area

		Metro Area (Missouri Side Only)			
SIC	Sector Description	1997	2005	Job Growth	Pct.Growth
All	Total Jobs	986,456	1,089,047	102,591	10.4%
581	Eating & Drinking Places	71,449	80,028	8,579	12.0%
736	Personnel Supply Services	25,942	32,794	6,852	26.4%
799	Misc. Amusement & Recreation Services	21,020	26,966	5,946	28.3%
371	Motor Vehicles And Equipment	14,601	19,659	5,058	34.6%
737	Computer & Data Proc. Svcs.	14,050	17,762	3,712	26.4%
738	Miscellaneous Business Services	13,332	16,854	3,522	26.4%
808	Home Health Care Services	6,607	9,671	3,064	46.4%
801	Offices Of Physicians	13,073	16,130	3,057	23.4%
806	Hospitals	49,372	52,250	2,878	5.8%
734	Services To Dwellings & Other Bldgs.	10,332	13,061	2,729	26.4%
805	Nursing & Personal Care Facilities	16,200	18,597	2,397	14.8%
809	Health & Allied Services, Nec	4,943	7,047	2,104	42.6%
874	Management & Public Relations	9,584	11,469	1,885	19.7%
871	Engineering & Architectural Services	9,065	10,848	1,783	19.7%
753	Auto Repair Shops	5,834	7,479	1,645	28.2%
421	Trucking & Courier Services, Ex. Air	14,304	15,907	1,603	11.2%
531	Department Stores	24,768	26,343	1,575	6.4%
621	Security Brokers & Dealers	7,869	9,422	1,553	19.7%
836	Residential Care	7,692	9,205	1,513	19.7%
804	Offices Of Other Health Practitioners	4,067	5,470	1,403	34.5%
701	Hotels, Motels, & Tourist Courts	10,866	12,177	1,311	12.1%
594	Misc. Shopping Goods Stores	7,729	9,020	1,291	16.7%
832	Individual & Family Social Services	6,460	7,730	1,270	19.7%
835	Child Day Care Services	5,906	7,067	1,161	19.7%
811	Legal Services, Total	7,315	8,467	1,152	15.7%
733	Mailing, Repro., Comm. Art, & Steno. Services	4,056	5,128	1,072	26.4%
573	Radio, TV, Computer & Music Stores	3,248	4,291	1,043	32.1%
872	Accounting, Auditing, & Bookkeeping	5,263	6,298	1,035	19.7%
751	Auto Rentals, Leasing W/O Drivers	3,505	4,493	988	28.2%
519	Misc. Nondurable Goods	3,998	4,958	960	24.0%
	Total, top 30	402,450	476,591	74,141	18.4%
	All other sectors	584,006	612,456	28,450	4.9%

Sources: Missouri Division of Employment Security and Development Strategies.

Table 8
Strongest Projected Growth Sectors - St. Louis Metro Area, 1997-2005
Missouri Portion of the Metro Area
Top 30 by Percent Job Growth - Metro Area

		Metro Area (Missouri Side Only)			
SIC	Sector Description	1997	2005	Job Growth	Pct. Growth
All	Total Jobs	986,456	1,089,047	102,591	10.4%
478	Misc. Transportation Services	242	365	123	50.8%
241	Logging Camps & Contractors	10	15	5	50.0%
808	Home Health Care Services	6,607	9,671	3,064	46.4%
654	Title Abstract Officers	267	390	123	46.1%
809	Health & Allied Services, Nec	4,943	7,047	2,104	42.6%
473	Freight Transportation Arrangement	1,344	1,857	513	38.2%
865	Political Organizations	27	37	10	37.0%
371	Motor Vehicles And Equipment	14,601	19,659	5,058	34.6%
804	Offices Of Other Health Practitioners	4,067	5,470	1,403	34.5%
769	Misc. Repair Shops & Related Services	1,924	2,547	623	32.4%
573	Radio, Tv, Computer & Music Stores	3,248	4,291	1,043	32.1%
799	Misc. Amusement & Recreation Services	21,020	26,966	5,946	28.3%
751	Auto Rentals, Leasing W/O Drivers	3,505	4,493	988	28.2%
753	Auto Repair Shops	5,834	7,479	1,645	28.2%
754	Auto Services, Ex. Repair	1,879	2,408	529	28.2%
752	Auto Parking	1,000	1,282	282	28.2%
735	Misc. Equipment Rental & Leasing	1,993	2,520	527	26.4%
733	Mailing, Repro., Comm. Art, & Steno. Services	4,056	5,128	1,072	26.4%
737	Computer & Data Proc. Svcs.	14,050	17,762	3,712	26.4%
734	Services To Dwellings & Other Bldgs.	10,332	13,061	2,729	26.4%
738	Miscellaneous Business Services	13,332	16,854	3,522	26.4%
736	Personnel Supply Services	25,942	32,794	6,852	26.4%
732	Consumer Credit Reporting & Collecting	2,184	2,761	577	26.4%
509	Misc. Durable Goods	2,458	3,097	639	26.0%
343	Plumbing & Heating Fixtures, Ex. Electric	93	117	24	25.8%
519	Misc. Nondurable Goods	3,998	4,958	960	24.0%
615	Business Credit Institutions	2,093	2,584	491	23.5%
616	Mortgage Bankers & Brokers	4,021	4,963	942	23.4%
614	Personal Credit Institutions	1,307	1,613	306	23.4%
801	Offices Of Physicians	13,073	16,130	3,057	23.4%
	Total, top 30	169,450	218,319	48,869	28.8%
	All other sectors	817,006	870,728	53,722	6.6%

Sources: Missouri Division of Employment Security and Development Strategies.

Top Sectors by Location Quotient Compared to the U.S. Economy

The above analysis by economic sector is valuable in describing where the growth is and where it is expected to be. But it doesn't explain which sectors represent particularly strong sectors for the St. Louis region—sectors in which St. Louis has a notable national presence. Table 9, therefore, lists the top 35 sectors by *location quotient*, ranked for 1997. Location quotients show how the percentage of jobs in each sector in the metro area compare to the percentage of all jobs in those sectors for the United States economy as a whole.

Table 9 **Top 35 Sectors by Location Quotients Compared to U.S. Economy** 1990 and 1997 for Metro Area and City's Job Share					
		Metro LQs (MO Side)		City's Job Share	
SIC	Sector Description	1990	1997	1990	1997
All	Total Jobs	986,456	1,089,047	28.3%	24.4%
821	Elementary & Secondary Schools	5.9	6.4	14.9%	16.3%
372	Aircraft And Parts Manufacturing	5.9	5.3	0.5%	0.6%
208	Beverages Manufacturing	5.0	5.2	80.9%	78.8%
286	Industrial Organic Chemicals Mfg.	5.5	4.6	28.9%	25.5%
358	Refrigeration & Service Mach. Mfg.	4.5	3.7	29.2%	18.3%
279	Printing Trade Services	3.4	3.6	22.8%	14.2%
253	Public Building & Related Furniture Mfg.	1.9	3.0	0.0%	0.0%
602	Commercial Banks	2.1	2.6	49.4%	51.2%
278	Blankbooks & Bookbinding Mfg.	2.6	2.3	37.3%	19.1%
822	Colleges And Universities	2.1	2.3	27.5%	25.3%
284	Soaps, Cleaners, & Toilet Goods Mfg.	2.1	2.2	44.6%	47.7%
502	Furniture & Home Furnishings Distrib.	2.2	2.2	37.8%	28.8%
615	Business Credit Institutions	1.9	2.2	40.9%	3.9%
204	Grain Mill Products Mfg.	2.7	2.2	76.7%	82.2%
415	School Buses Transportation Services	1.4	2.1	40.0%	58.2%
799	Misc. Amusement & Recreation Services	1.9	2.1	8.9%	13.6%
336	Nonferrous Foundries	1.5	2.1	3.5%	1.2%
495	Sanitary Services	2.6	2.1	27.4%	26.9%
444	Water Transportation Of Freight, nec	5.0	2.1	48.0%	61.1%
259	Misc. Furniture & Fixtures Mfg.	2.3	2.1	44.5%	37.2%
275	Commercial Printing	2.1	2.1	29.2%	26.8%
314	Footwear, Ex Rubber Mfg.	3.1	2.1	8.6%	6.5%
285	Paints & Allied Products Mfg.	2.0	2.1	59.7%	49.8%
153	Operative Building Construction	1.5	2.1	1.6%	2.3%
621	Security Brokers & Dealers	1.8	2.1	51.9%	49.6%
751	Auto Rentals, Leasing W/O Drivers	1.1	2.0	7.1%	3.3%
732	Consumer Credit Reporting & Collecting	1.9	2.0	15.8%	10.9%
341	Metal Cans & Shipping Containers Mfg	3.2	1.9	55.0%	28.3%
481	Telephone Communication	1.8	1.9	56.2%	42.0%
616	Mortgage Bankers & Brokers	2.7	1.9	5.5%	2.8%
411	Local & Suburban Transportation	2.6	1.9	76.7%	50.6%
458	Air Transportation Service	1.5	1.8	33.7%	32.3%
283	Drugs Manufacturing	1.7	1.8	38.7%	38.0%
566	Shoe Stores	1.8	1.8	38.3%	31.1%
371	Motor Vehicles and Equipment Mfg.	2.1	1.8	2.9%	3.9%

Source: Development Strategies.

On this basis, a location quotient (LQ) of 1.0 means that the proportion of jobs in the St. Louis economy for that sector is the same proportion as in the national economy. LQs greater than 1.0, therefore, indicate sectors where St. Louis has a greater "strength" than the U.S. economy while LQs less than 1.0 indicate sectors where St. Louis is less dominant. Of course, very high numbers, such as those at the top of Table 9, represent sectors where St. Louis is considered a national leader with a measure of a comparative advantage.

Illustrating this last point are four of the five top sectors that are represented in St. Louis by well known companies. *Aircraft manufacturing* has a very high LQ of 5.3 (although down from 5.9 in 1990) and is represented by Boeing Corporation (formerly McDonnell Douglas). *Beverage manufacturing* is a sector dominated in St. Louis by Anheuser-Busch Companies which controls nearly half of the beer market in the U.S. *Industrial organic chemicals* is represented by such firms as Monsanto and Mallinkrodt while *refrigeration manufacturing* is dominated by Hussman Refrigeration.

These sectors clearly represent the strengths of the St. Louis economy. Interestingly, however, despite four automobile assembly plants in the region, *the motor vehicles manufacturing* sector ranks 35th on the list of 35 with a location quotient of 1.8. This LQ so close to 1.0 suggests that St. Louis is represented rather fairly with regard to the auto industry in the nation. Still, this is a sector which garners a lot of attention because there are so few auto equipment *suppliers* in the region even though there are so many assembly plants. Perhaps St. Louis could increase this particular location quotient.

Greater St. Louis is also well known for its number and diversity of private and parochial schools. This economic strength is demonstrated by the leading sector on the location quotient list which is *private elementary and secondary schools* (SIC 821—public schools have an SIC beginning with the number 9) with a very high LQ of 6.4. In fact, this LQ is higher than in 1990, perhaps an indication of some shifts in student populations away from public schools.

While the sectors shown on Table 9 demonstrate where St. Louis has particular comparative advantages in the nation, not all of the sectors might be suitable for downtown locations. A great deal of the manufacturing represented on the list is in well-established sectors which would not consider a downtown location. Still, some of their office headquarters might make such a consideration. Of particular promise may be *commercial banks* (which also showed strong recent growth*), business credit institutions, amusement and recreation services* (again dominated recently by gaming if this sector can be built on for more growth), *security brokers and dealers*, *and mortgage bankers and brokers*. Such sectors represent classic downtown business establishments. That they also represent strong location quotients suggests them as good candidates for helping downtown strengthen its identity as the center of one of the nation's top metropolitan economies.

Business Clusters with Growth Potential in St. Louis

Business clusters are groups of economic sectors which, together, form collaborative or competitive relationships in order to increase production efficiency and competitiveness. In 1996, the St. Louis Regional Commerce & Growth Association retained economists at the University of Missouri-St. Louis to determine what key clusters exist in greater St. Louis and whether or not they are growth clusters. This analysis summarizes the resulting report.

Two general types of business clusters were identified:

- Single industry clusters consist of several firms in the same industry. Prominent U.S. examples are the clustering of computer firms in California's Silicon Valley and high technology firms in North Carolina's Research Triangle.

- Cross-industry clusters consist of a central or hub firm (or firms) and several input suppliers who cooperate by sharing information, technological expertise, and/or innovation.

Determination of the best St. Louis clusters followed this simplified methodology:

1. Calculation of employment concentrations into location quotients, as described above.

2. Grouping of individual sectors into preliminary clusters based on input linkages from econometric models.

3. Determination of the importance of the resulting clusters by analyzing employment growth trends and economic multipliers. The multipliers indicate how many times a single dollar expended by that

cluster in the metropolitan economy re-circulates in the metropolitan economy to produce additional income and jobs.

Key growing clusters for St. Louis include:

1. Bio/Medical cluster where annual growth projections for employment average 1.3% and where the economic multiplier is 3.04.

2. Food Processing cluster where annual growth projections for jobs average 0.7% and the multiplier is a large 3.61.

3. Health Services cluster where annual job growth is projected to be 1.6% and the multiplier is 1.52

4. Tourism cluster where annual average job growth would be 2.4% and the multiplier is 1.31.

5. Transportation and Distribution cluster where annual job growth is projected at 1.1% and the multiplier is 2.10.

It is important to point out that the study also found two declining clusters: aerospace/defense and metals manufacturing.

The above list obviously includes a number of the sectors which have been raised consistently in this report as strengths for the St. Louis area. The Food Processing cluster includes such sectors as beverages (e.g., Anheuser-Busch) and grain mill products manufacturing (which is on the top 35 sectors by location quotient). The Health Services cluster includes the several health care sectors listed on most of the previous tables. The Tourism cluster includes jobs in the amusement and recreation sector which is consistently shown as a St. Louis strength.

It is important to note that there are sectors which are critical to this region that are not included in the above list because they do not fit into the above definition of clusters but, nevertheless, are vital to the metropolitan economy. These include, for example, telecommunications, electrical power, and the water and sewer sectors. Clearly, however, none of the growth clusters could adequately exist without these latter clusters so the potential always exists to bolster the regional and downtown economy from these "support clusters" as well.

Visitation to the St. Louis Area and to Downtown St. Louis

The annual American Travel Survey (ATS) by the U.S. Department of Transportation provides and excellent starting point in evaluating the attractiveness of St. Louis as a place to visit. Conducted for about 170 metropolitan areas of the United States, the ATS is indicative of the relative ability of a region to attract visitors. As shown the above table, metropolitan St. Louis is a "net" gainer with respect to visitors who travel at least 100 miles to get to or depart from St. Louis. All regions have people who leave the region to visit elsewhere, and St. Louis is no exception.

In 1995, in fact, 8,349,000 residents traveled away from St. Louis at least 100 miles. But 9,140,000 people from other places visited St. Louis is in the same year, indicating that greater St. Louis gained a net of some 791,000 visitors. And visitors spend money when they travel. The survey indicates that the travel industry is likely to be a "net export" sector for St. Louis, meaning more money is attracted for spending in the region than leaves the region as residents spend their travel dollars in other places.

While reliable statistics on visits to specific parts of the St. Louis area are not available, data from the St. Louis Convention and Visitors Commission (CVC) suggests that downtown is a major benefactor from visitors. As shown on Table 11, 20 major attractions in the region (four are in Metro East, by the way) drew 38.2 million visitors (although many of them are not from out of town). Of these, the downtown attractions (the first seven on the list) attracted 16.0 million, or almost 42 percent of the total.

Table 10
Household Trips and Person Trips to and from the St. Louis Metropolitan Area, by Selected Trip Characteristics: 1995 (Source: U.S. Department of Transportation, American Travel Survey, 1997).

	Household Trips				Person Trips			
	Origin in area		Destination in area		Origin in area		Destination in area	
Trip characteristics	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total	5,590	100.0	6,042	100.0	8,349	100.0	9,140	100.0
Principal means of transportation								
Personal use vehicle	4,145	74.1	4,397	72.8	6,557	78.5	7,215	78.9
Airplane	1,315	23.5	1,473	24.4	1,640	19.6	1,724	18.9
Commercial airplane	1,288	23.0	1,448	24.0	1,607	19.2	1,698	18.6
Bus	109	2.0	136	2.3	118	1.4	158	1.7
Intercity bus	31	0.5	12	0.2	31	0.4	12	0.1
Charter or tour bus	77	1.4	81	1.3	86	1.0	88	1.0
Train	18	0.3	29	0.5	30	0.4	36	0.4
Ship, boat, or ferry	2	--	3	--	4	--	4	--
Other	--	--	3	0.1	--	--	3	--
Round-trip distance								
Less than 300 miles	1,116	20.0	1,991	33.0	1,746	20.9	3,438	37.6
300 to 499 miles	1,312	23.5	780	12.9	2,260	27.1	1,179	12.9
500 to 999 miles	1,493	26.7	1,763	29.2	1,998	23.9	2,580	28.2
1000 to 1999 miles	1,148	20.5	1,113	18.4	1,617	19.4	1,438	15.7
2000 miles or more	521	9.3	395	6.5	727	8.7	505	5.5
Mean (miles)	879	NA	791	NA	843	NA	730	NA
Median (miles)	542	NA	523	NA	508	NA	495	NA
Calendar quarter								
1st quarter	1,056	18.9	1,120	18.5	1,509	18.1	1,920	21.0
2nd quarter	1,533	27.4	1,349	22.3	2,329	27.9	1,965	21.5
3rd quarter	1,725	30.9	2,019	33.4	2,711	32.5	3,115	34.1
4th quarter	1,276	22.8	1,554	25.7	1,800	21.6	2,140	23.4
Main purpose of trip								
Business	1,616	28.9	1,902	31.5	1,806	21.6	2,158	23.6
Pleasure	3,177	56.8	3,016	49.9	5,315	63.7	4,984	54.5
Visit friends or relatives	1,690	30.2	1,693	28.0	2,785	33.4	2,598	28.4
Leisure	1,487	26.6	1,323	21.9	2,530	30.3	2,386	26.1
Rest or relaxation	485	8.7	300	5.0	806	9.7	454	5.0
Sightseeing	222	4.0	268	4.4	449	5.4	699	7.6
Outdoor recreation	487	8.7	124	2.1	808	9.7	219	2.4
Entertainment	253	4.5	358	5.9	411	4.9	593	6.5
Personal business	797	14.3	1,123	18.6	1,228	14.7	1,998	21.9
Other	--	--	--	--	--	--	--	--
Vacation and weekend trips								
Vacation trip	2,602	46.5	2,443	40.4	4,289	51.4	4,110	45.0
Weekend trip	2,638	47.2	2,129	35.2	4,154	49.8	3,225	35.3
1 or 2 nights away from home	1,604	28.7	1,331	22.0	2,484	29.8	1,980	21.7
3 to 5 nights away from home	1,033	18.5	798	13.2	1,670	20.0	1,245	13.6
Travel party type and size								
1 adult, no children under 18	3,464	62.0	3,594	59.5	3,464	41.5	3,594	39.3
2+ adults, no children under 18	1,229	22.0	1,412	23.4	2,436	29.2	2,739	30.0
1 adult, 1+ children under 18	271	4.8	365	6.0	642	7.7	968	10.6
2+ adults, 1+ children under 18	466	8.3	532	8.8	1,621	19.4	1,673	18.3
No adult, 1+ children under 18	161	2.9	139	2.3	187	2.2	166	1.8
Mean trvl. prty. size (hshd. mbrs.)	1.6	NA	1.6	NA	2.1	NA	2.1	NA
Nights away from home								
None	1,032	18.5	2,017	33.4	1,490	17.8	3,329	36.4
1 to 3 nights	3,250	58.1	2,888	47.8	4,912	58.8	4,174	45.7
4 to 7 nights	959	17.2	851	14.1	1,434	17.2	1,202	13.1
8 nights or more	349	6.2	287	4.8	512	6.1	435	4.8
Mean, excluding none (nights)	3.8	NA	3.6	NA	3.6	NA	3.6	NA
Type of lodging at destination								
One or more nights at dest.	4,492	100.0	3,986	100.0	6,767	100.0	5,758	100.0
Friend's or relative's home	1,767	39.3	1,661	41.7	2,763	40.8	2,590	45.0
Hotel, motel, or resort	1,937	43.1	2,078	52.1	2,795	41.3	2,878	50.0
Rntd. cabin, condo, or vac. home	231	5.1	12	0.3	367	5.4	15	0.3
Ownd. cabin, condo, or vac. home	252	5.6	4	0.1	405	6.0	7	0.1
Camper, trailer, recreational vehicle, tent	72	1.6	37	0.9	145	2.1	53	0.9
Other	234	5.2	193	4.8	291	4.3	216	3.8
Nights at destination								
Mean nights at destination	3.6	NA	3.6	NA	3.5	NA	3.6	NA
Friend's or relative's home	4.4	NA	4.1	NA	4.0	NA	4.2	NA
Hotel, motel, or resort	2.7	NA	2.9	NA	2.8	NA	2.7	NA

Trips of 100 miles or more, one way. Excludes travel outside the U.S. Data based on a sample and subject to sampling variability; see documentation. Symbol -- means "rounds to or represents zero." NA means "Not Applicable." NM means Data are not meaningful or data do not meet publication standards due to high sampling variability. Numbers are in Housands.

These figures not only demonstrate that greater St. Louis is a net travel destination. They reinforce the critical importance of downtown facilities for attracting and entertaining visitors. While downtown represents a very small portion of the land area of greater St. Louis, it appear to lure as many as 42 percent of all visitors—an amazing proportion. Making downtown as comfortable, convenient, and entertaining as possible greatly benefits not only the downtown itself but also the entire metropolitan area.

Table 11
St. Louis Attractions - 1996 Attendance

St. Louis Union Station	5,000,000	13.1%
Gateway Arch and Old Courthouse	3,550,546	9.3%
St. Louis Cardinals Baseball	2,654,708	6.9%
President Casino	1,900,000	5.0%
St. Louis Public Library	1,524,100	4.0%
St. Louis Blues Hockey	771,133	2.0%
St. Louis Rams Football	599,345	1.6%
Subtotal: Downtown	15,999,832	41.9%
Station Casino St. Charles	5,129,582	13.4%
Casino Queen	4,109,767	10.8%
Alton Belle Casino	2,519,551	6.6%
St. Louis Zoo	2,513,436	6.6%
Six Flags	1,800,000	4.7%
St. Louis Science Center	1,429,678	3.7%
National Shrine of Our Lady of the Snows	900,000	2.4%
Tower Grove Park	800,000	2.1%
Missouri Botanical Garden	723,964	1.9%
Saint Louis Art Museum	645,738	1.7%
Grant's Farm	551,379	1.4%
The Fox Theater	537,806	1.4%
Fairmount Park	537,242	1.4%
Subtotal: Rest of Region	22,198,143	58.1%
TOTAL REGION	38,197,975	100.0%

Source: St. Louis Convention & Visitors Commission, 1997-98.

Translating Economic Strengths to Commercial Real Estate Demands

A goal of the above presentation and analysis is to determine how much growth can be projected for downtown St. Louis in order for it to share more-or-less equally in future growth of the metropolitan economy. Past trends, however, should not be used as indicators of the future. If, indeed, past trends were indicative of the future, there would be little need to add to or substantially bolster the quality of the downtown real estate infrastructure. That is, if the employment base of the City of St. Louis and, by extension, downtown St. Louis, is eroding, then adding more and better space would only increase vacancy rates and add to the supply of deteriorating buildings.

At present, for instance, it is estimated that about 8.4 percent of all jobs in the Missouri portion of the metropolitan area are downtown. This is a decrease from about 9.5 percent in 1991 and would decrease further to 7.3 percent by the year 2005 if the trends projected on Table 1 persist. These trends also project that not only would downtown lose market share, it would actually decrease in employment size.

The translation of regional economic growth into improved real estate assets in downtown St. Louis must start with a premise, therefore, that downtown (and maybe the entire City) will be able to capture a stronger share of regional growth, perhaps even increasing downtown's proportion of regional employment. What brings about such a change is multi-faceted and not a purpose of this report; but it will likely include a combination of economic development initiatives, improvements in the image of downtown as a place to work, live, and recreate, changes in the approach to managing downtown affairs, and creating/improving an upgraded stock of real estate assets.

On a premise that downtown can turn the apparent tide toward fewer jobs in favor of net growth by the year 2005, it is valuable to project the potential implications of such a turnaround on the need for improved real estate assets. The opportunity is there. Between 1997 and 2005, the regional economy is projected to grow at a relatively healthy clip. The Missouri part of the metro area is projected to grow by 9.8 percent between 1997 and 2005 while the entire metro area would grow by some 7.8 percent in terms of numbers of jobs.

Given that downtown held about 9.5 percent of all Missouri/Metro jobs in 1991, the ability of downtown St. Louis to re-attain this standard by 2005 would mean that jobs in the downtown area would increase by 21,000 over 1997 numbers (up 24%) to a total of about 109,000 workers. This is a substantial increase for downtown St. Louis and would require about 2.5 times the growth rate of the Missouri side of the metro area.

Present Downtown Real Estate Inventory

Based on an extensive survey by the Downtown Partnership in 1997, downtown St. Louis has the an estimate 71,804,000 square feet of floor area in all its buildings, including schools, office structures, retail establishments, churches, museums, etc., as shown on Table 12. About 78.2 percent of this space is actually occupied, however; almost 22 percent is vacant.

Occupancy rates are not evenly distributed, ranging from a high of 100 percent for libraries, museums, recreational facilities, and public spaces to 99 percent for social service structures and churches to a low of just 2.1 percent for what is classified as “Class D” office space. The next lowest occupancy rate is 46.8 percent for loft buildings, indicating that more than half of such space might be available for unique downtown uses such as loft housing, artist studios, small manufacturing operations, and the like. Housing developments are also somewhat poorly occupied at about 78.5 percent, about the average for all floor area downtown.

Known as the greatest concentration of office space in the metropolitan region, offices make up only about a third of all floor area downtown. At over 24 million square feet, however, this actually is the single largest concentration of space (to this could be added almost 1.5 million square feet of government office space and another 210,000 square feet of offices in institutions). While St. Louis County, as a whole, has much more office space at 54.5 million square feet, no similar location in the County matches downtown St. Louis. Clayton/mid-County, for instance, has only about 11.2 million square feet while the largest concentration in the County, at 13.1 million, is along Olive Street and in the West Port area of northwest St. Louis County. Occupancy of downtown’s office space, however, is just 78.6 percent while it ranges well above 90 percent throughout St. Louis County and the rest of the region.

Despite this strength in office space, downtown’s central location does not give it a special advantage in terms of retail space. Combining a few of the categories on Table 10 (retail, restaurant, auto service), gross retail space downtown totals about 3.2 million square feet. There is more retail space in seven of eight subdistricts of St. Louis County than in downtown St. Louis. In fact, St. Louis County has about as much retail space, 56.8 million square feet, as it has office space, 54.5 million square feet. Retail space downtown totals only about 13 percent of office space.

Table 12			
Total Floor Area in Downtown St. Louis			
Category:	Total Area	Occupied	Occupancy
Business Property			
Auto Service	115,019	81,357	70.7%
Hotel	4,954,639	4,505,322	90.9%
Loft	7,762,449	3,634,041	46.8%
Mfg/warehse	7,433,869	5,286,276	71.1%
Class A Office	9,672,045	9,275,056	95.9%
Class B Office	7,511,665	6,630,987	88.3%
Class C Office	4,494,843	2,968,065	66.0%
Class D Office	2,392,664	50,699	2.1%
Subtotal: Office	24,071,217	18,924,777	78.6%
Parking	7,695,310	7,476,273	97.2%
Recreation	3,334,598	3,201,988	96.0%
Restaurant	480,401	392,549	81.7%
Retail	2,616,107	1,744,056	66.7%
Social Services	148,569	37,128	25.0%
Transportation	379,580	361,858	95.3%
Utilities	326,600	312,099	95.6%
TOTAL BUSINESS PROPERTY	59,318,358	45,957,725	77.5%
Government Property			
Office	4,591,088	3,403,001	74.1%
Public Service	1,467,597	1,467,597	100.0%
Recreation	163,680	163,680	100.0%
TOTAL GOVERNMENT	6,222,365	5,034,278	80.9%
HOUSING	4,651,493	3,652,552	78.5%
Institutional Property			
Libraries and Museums	195,321	195,321	100.0%
Office	209,573	194,863	93.0%
Recreation	38,802	38,802	100.0%
Schools	591,371	493,076	83.4%
Social Services	213,843	211,706	99.0%
TOTAL INSTITUTIONS	1,248,910	1,133,768	90.8%
Religious Property			
Churches	306,897	304,977	99.4%
Schools	55,944	44,570	79.7%
TOTAL RELIGIOUS	362,841	349,547	96.3%
TOTAL ALL PROPERTIES	71,803,967	56,127,870	78.2%

Source: Downtown Partnership Survey of 1997

Projecting Potential Office Space Demand in Downtown St. Louis

As noted earlier, trend line projections of employment in downtown St. Louis would probably not lead to a demand for more and improved commercial real estate offerings. On the other hand, if downtown St. Louis begins to re-capture a larger share of the region's employment, the need for space increases as the region's economic strength advances based on employment growth.

Returning to downtown's 1991 capture of all employment in the Missouri part of the metropolitan area could increase downtown jobs from a present 88,100 to about 109,000—or 9.5 percent of the Missouri/metro job base. Using the 56.1 million occupied square feet for all uses as shown on Table 10 , this means that every downtown worker represents and average of about 635 square feet of occupied floor area. The tremendous range of downtown buildings, of course, suggests that this is likely a fair average—especially when considering that this includes such buildings as convention and meeting facilities, churches, parking garages, and industrial buildings which tend to have very high average floor areas per employee.

Assuming that this figure of 635 square feet per worker, on a gross basis for occupied space, is a fair representation of the long term average for a place as diverse as downtown St. Louis, an increase in downtown employment from 88,100 to 109,000 would increase the occupancy from 56.1 million square feet to 69.2 million square feet. As it turns out, this increase in occupancy of about 13.1 million square feet would still not reach the total floor area inventory shown on Table 10 of 71.8 million square feet. It would, however, increase the occupancy rate to a very tight 96.4 percent, well above the 78.2 percent at present.

It is not fair to make such assumptions about re-occupancy of existing floor area, of course. Some of the existing inventory, in fact, is already highly occupied (e.g., government facilities, libraries and museums, recreation places, and even Class A office space which is about 96 percent occupied. As downtown grows, it is most likely to experience pressures to add new or vastly improved space rather than to simply re-occupy existing space. Moreover, as shown later, potential housing demand in the downtown area could utilize a substantial portion of the existing loft space and maybe some other older buildings for residential conversion. This would reduce the unused inventory thereby putting pressure on the market to create more space.

Thus, a more realistic, if still relatively gross, projection of the need for additional space would discount the likelihood of reusing certain types of space (e.g., Class D and some Class C office space, loft space which could be converted to housing, and so forth. Dropping all the Class D space, a third of the Class C space, and half of the loft space from consideration for employment growth, for example, would reduce the overhanging inventory from the present 15.7 million square feet to about 8.0 million square feet. Growth in employment to 109,000 by the year 2005 would require an additional 13.2 million square feet, well above this revised, and presently empty, inventory.

Such adjustments suggest that there could be a need, therefore, for around five million square feet of additional floor are in the downtown market if downtown is to be able to compete for additional share of the region's jobs. This number is probably even higher if downtown is to become truly competitive; the inventory of available space in suburban areas is not nearly as high as it is downtown so new real estate products in the suburbs will, in fact, be new. Thus, downtown's older structures would have to compete with new and, presumably, very functional 21st century buildings in the suburbs. Being competitive, therefore, may require that even more than five million *new* square feet be created.

When considering an objective of capturing more employment, it is best to first look at downtown's dominant employment purpose: office space. If a goal is to create more new space to become competitive, a great deal more new space will have to be created. Class A office space, for instance, is almost fully occupied at present, with less than 400,000 square feet available, or about four percent vacancy rate—barely enough for a healthy real estate market to be flexible. Class B office space has more capacity at about 900,000 square feet (under 12 percent vacancy) but this, too, would need additional capacity to absorb future growth. At present, one-third of the occupied downtown floor area is in office space. If the potential exists to capture almost 21,000 new jobs at 635 square feet per worker—or 13.2 million square feet—one third of this space should be in office space, or over 4 million square feet.

To remain competitive, therefore, a vast amount of office space needs to be created or sharply upgraded. Four million square feet of office space would represent, more or less, four additional buildings the size of the Metropolitan Square Building. While it would be unwise to predict that this much *new* space is necessary, or even necessary in separate buildings as large as Met Square, this simple approach to indicating a need to improve downtown's real estate competitiveness clearly suggests that a large amount of new office space will be necessary. Moreover, there is reason to think that a large amount of new office space is feasible when considering regional economic growth projections and the very tight supply of the better quality downtown office space.

The need to create more Class A office supply is further reinforced by recent absorption figures for Class A space in the metropolitan area. According to the St. Louis Chapter of the Society of Industrial and Office Realtors (SIOR), downtown St. Louis absorbed about 98,000 square feet of Class A space in 1997, or about 14 percent of all Class A absorption in the rental component of the region. At the same time, downtown absorbed about 30 percent of all Class B space which was occupied in 1997 (268,000 of 606,000 square feet). Combined, downtown captured 23 percent of these two classes of office demand.

Compared to a goal of capturing 9.5 percent of all jobs in the region, these absorption figures appear strong—suggesting that downtown has the ability to be competitive. But it must capture about 24 percent of the additional regional growth if it is to return to even 1991 capture rates, so the 1997 pace of absorption must continue for several more years at least. But, as noted, downtown is losing its absorbable inventory of space: only 400,000 square feet remain in Class A and 900,000 square feet in Class B. At 1997 absorption rates, these spaces could be completely full within four years—about enough time to build a new office structure and renovate additional existing space.

In short, downtown has reached a point where additions to the real estate inventory are necessary if downtown is to increase its competitiveness with regard to regional economic growth potential. Underutilized sites and buildings must be quickly identified for potential redevelopment and actions initiated to attract development. As noted, this planning should focus on the need for at least 5 million more square feet of new space downtown (to accommodate growth in non-office sectors, as well) and up to 8 million square feet of re-used space. Without such forethought, downtown will continue to become a less dominant center for the metropolitan economy with a commensurate diminishment in its role as the hub of greater St. Louis.

Potential Retail and Restaurant Floor Area Demand

Potential demand for retail floor area (including both shops and eating/drinking places) in downtown St. Louis emanates from three principal sources: downtown workers, visitors to the downtown area for purposes of attending events or participating in various activities, and residents of the metropolitan area. Based on present employment, visitation, and population, downtown ought to be able to support approximately 2,460,400 square feet of retail floor space, as determined below. In fact, downtown has an inventory of nearly 3.1 million square feet, according to the 1997 survey by the Downtown Partnership. Of that 3.1 million square feet, 2,136,600 was considered occupied by the Partnership.

Thus, downtown can support about 323,800 *more* square feet of retail space than is presently occupied but not as much as is inventoried.

Potential Demand Generated by Downtown Workers

According to the Downtown Partnership, about 88,100 people are employed in the larger downtown area. Based on previous surveys conducted by Development Strategies in St. Louis and in other large downtowns, we estimate that the average downtown worker would spend $21.50 per week (1998 dollars) in the downtown area for retail purchases if downtown offered all that it should reasonably be expected to offer in retail settings—and that retailing be reasonably convenient to the relatively short periods of time downtown workers have for eating and shopping.

Using an average of $245 per square foot for retail sales in a downtown St. Louis environment (source: *The Urban Land Institute's* Dollars & Cents of Shopping Centers, 1997), downtown workers should, therefore, be able to support approximately 386,600 square feet of retail space over the course of a year (see following table).

Potential Demand Generated by Downtown Visitors

Visitors come to a downtown environment to enjoy themselves—and spend money. Visitors consist of tourists, athletic spectators, theater goers, conventioneers, etc. Visitors, in fact, represent the vast majority of potential retail sales in the downtown area.

Based on summary data available from the St. Louis Convention and Visitors Commission, we estimate that downtown St. Louis attracts about 16,000,000 visitors a year. Also using the same source, we estimate that each of these visitors should be willing to spend an average of $13.42 per visit for eating and drinking plus another $13.24 for all other types of retail purchases. Over the course of a year, this would be able to support 1,741,200 square feet of retail space using the same average sales per square foot shown above.

Potential Demand Generated by St. Louis Area Residential Shopping

The propensity of residents to shop in downtown St. Louis declines with distance between downtown and residential neighborhoods. The following table considers four geographic areas: within one mile, between one and two miles, between two and three miles, and between three and 15 miles. Within this overall 15-mile radius reside an estimated 195,200 people (1997 estimate). This group is estimated to be willing to spend some $81,461,000 on retail purchases in downtown St. Louis in the course of a year. Again at $245 per square foot in sales, residents within 15 miles of downtown should be able to support about 332,600 square feet.

Potential for Changes in the Retail Space Inventory

As noted above, this combined floor area which should be supportable by current numbers of downtown workers and visitors plus area residents is 2,460,400 square feet. This is not to say that downtown is presently capturing all of the necessary sales to justify this supply of floor area, but it points out the *potential*. In fact, the Downtown Partnership's survey indicates that there are just 2,136,600 *occupied* retail square feet in the downtown area. This suggests that downtown is, indeed, failing to capture its potential—by almost 325,000 square feet.

This failure may be attributable to a number of factors which, in this paper, can only be speculated upon. One, clearly, is that downtown is simply failing to attract all the people that it should be able to attract, particularly among nearby residents. Moreover, the kinds of retail goods and services which people would like to buy may not be available or may not be conveniently available. For instance, a great deal of downtown's retail space is "hidden" in office buildings and has little or no face on the street. While office workers might patronize such facilities, visitors to the downtown area would not know that the spaces even existed. Many visitors are also downtown in the evenings and on weekends when most of downtown's retail stores are closed.

The demand potential also excludes any potential growth in the market segments. If downtown can attract more workers, there could be more shopping. If downtown could attract more visitors to more conventions or riverfront attractions or festivals, there could be more shopping. If the City of St. Louis could attract more residents and if residents once again considered downtown as a principal shopping area, there could be more shopping. Furthermore, a more coordinated retail environment with more accessible locations and hours could lead to more sales even within the current shopping base.

These are the challenges which face downtown planners; successful meeting of those challenges can surely lead to more retail sales and more retail floor area.

Potential Retail Demand Estimate DOWNTOWN ST. LOUIS	**All Retail, including Restaurants**
Downtown Workers	88,100
Potential Annual Spending - Downtown	$21.50 per week per person
Potential Annual Spending - Downtown	$1,075 per year per person
Available to be spent	$94,708,000 per year by all workers
Sales per square foot	$245 per year
Supportable square feet	386,600 square feet
Visitors to Downtown St. Louis	
Estimated Visitors	16,000,000 per year
Expenditures for food, per visitor	$13.42
Expenditures for other retail, per visitor	$13.24
Dollars available for retail purchases	$426,600,000
Sales per square foot	$245 per year
Supportable square feet	1,741,200 square feet
Resident Shopping in Downtown	
Population	195,191within 15 miles
Per Capita Income	$11,672
Total Income	$2,278,180,000
Proportion of Income for Retail Sales	45% blended average
Dollars available for Retail Purchases	$1,031,730,000
Share for Typical Downtown Retail	75%
Dollars Available for Downtown Retail	$773,799,000
Capture Rate for Downtown Spending	11% blended average
Downtown Spending Potential	$81,461,000
Average sales per square foot	$245 per year
Supportable square feet	332,600
TOTAL RETAIL SPACE POTENTIAL	**2,460,400 square feet**
Current Retail Space Inventory	3,096,500 square feet
Occupied Retail Space Inventory	2,136,600 square feet
Occupancy Rate	*69%*
Potential Added Occupancy	**323,800square feet**

Potential Housing Unit Demand

The office market analysis focused on employment growth and the need for floor area to accommodate future growth potential. A separate, although related, component of future growth potential is the housing market. For many years, downtown has been recognized as place where housing is in short supply, particularly for people seeking to living in dense and diverse urban environments. If downtown sets as a goal to become a 24-hour city with added retail and entertainment space as well as office space for "daytime" activity, a substantial increase in the amount and variety of housing is required.

Indeed, two recent studies confirm the opportunities for downtown housing. In 1994, Development Strategies assisted Downtown St. Louis, Inc. (which has since become the Downtown Partnership) in surveying downtown employees about their desire to reside downtown. The study concluded that a minimum of about 8,000 housing units in four downtown areas could be supported: Laclede's Landing, the Loft District, Cupples Station area, and the Union Station area.

In early 1998, a second study commissioned by St. Louis 2004 confirmed these earlier findings and helped set the stage for strategically developing housing in the downtown area. This study, by Zimmerman-Volk Associates, looked at three of the same areas—Laclede's Landing, the Loft District, and Cupples Station—while switching the focus from Union Station to an area on the south side of downtown around the Eugene Field House. Summarized findings of the Zimmerman-Volk Study are on the following table.

Summary of Zimmerman-Volk Associates Report

Zimmerman-Volk Associates (ZVA) identified four potential "first wave" sites for market-rate housing (Laclede's Landing, Washington Avenue Loft District, Cupples Station, and the Eugene Field House neighborhood). The four areas do not, however, address site specific development issues such as ownership objectives, site condition and environmental liability, nor financial feasibility. The core premise underlying ZVA's housing strategy is that "to retain existing households, or attract new ones, a city must provide appropriately-located, newly-constructed housing units." (ZVA, p.2). The four sites were chosen based on meeting the following criteria:

1. Advantageous adjacency

2. Building/land availability (assumes, for instance, that parking lots are excellent areas for residential construction)

3. Potential for expansion (housing should not be viewed as "stand-alone" project)

4. Anchors/linkages

The target market methodology identified types of households with a typical affinity for city living. The primary "draw" areas for downtown housing markets were defined as St. Louis City and St. Louis, Jefferson, St. Charles and St Clair counties. The report identified a pool of 9,290 urban-oriented households that currently live in these draw areas. ZVA predicts that a capture rate of 10 percent of the potential market—930 households in 1997/98—is quite achievable and that the "four "first wave" housing initiatives could attract up to 469 households a year to Downtown." (ZVA, p. 6).

Table 13 shows the housing market potential for the Downtown Study Area as a whole, and for each of the four "first wave" development areas. Shown is the depth of the <u>potential</u> market for market-rate housing. That is, of the 800,000 households living in St. Louis Metro Market Area, approximately 9,290 households represent the potential market for new housing units in the Downtown St. Louis Study area. Table 13 also shows the residential mixes necessary to capture the potential market. ZVA estimates that a capture rate of 10 percent of the potential market—or 930 households in 1997/98 is quite achievable. Table 14 shows a total of 469 household units, which equals a capture rate of 5 percent, which is significantly below the 10 percent capture rate (930 households) determined by ZVA.

Table 13 **Annual Housing Market Potential For New Construction And Adaptive Re-Use** **Downtown St. Louis Study Area**										
Area	Apts/ Lofts- Rental	*Percent*	Apts/ Lofts- For-Sale	*Percent*	Town- houses	*Percent*	Single- Family Detach	*Percent*	Total
STUDY AREA	2,700	*29%*	1,090	*12%*	910	*10%*	4,590	*49%*	9,290
Laclede's Landing	2,410	*57%*	990	*24%*	810	*19%*	--	--	4,210
Washington Avenue	1,400	*71%*	560	*29%*	--	--	--	--	1,960
Cupples Station	1,900	*100%*	--	--	--	--	--	--	1,900
Eugene Field House	2,700	*42%*	1,090	*17%*	910	*14%*	1,660	*26%*	6,360
4 Areas TOTAL	*8,410*		*2,640*		*1,720*		*1,660*		*14,430*

The above table is a replica of the table in the ZVA report. Italics represent where the table was modified by Development Strategies..

Note: Numbers indicate depth of potential market for new market-rate housing, NOT actual housing demand.

Note: While ZVA notes that the table represents the draw areas for the Downtown Study Area as a whole, and for each of the four "first wave" development areas, it does not fully explain how the four development areas relate to the study area or to each other.

ZVA estimates that the "first wave" of housing initiatives could attract up to 469 household units per year, as shown on Table 14. They also conclude that "significant additional initiatives could move forward, in addition to the 469, and still keep the capture rate around 10 percent (ZVA, p.6). The 469 units represent a 5 percent capture rate of the 9,290 potential households shown in 13.

Table 14 **Forecast Annual "First-Wave" Absorption**									
Area	Apts/ Lofts- Rental	*Percent*	Apts/ Lofts- For-Sale	*Percent*	Town- houses	*Percent*	Single Family Detach	*Percent*	**Total**
Laclede's Landing	143	*76%*	20	*11%*	24	*13%*	--	--	187
Washington Ave.	60	*71%*	24	*29%*	--	--	--	--	84
Cupples Station	100	*100%*	--	--	--	--	--	--	100
Eugene Field House	36	*37%*	20	*20%*	24	*24%*	18	*18%*	98
TOTAL	**339**		**64**		**48**	***10%***	**18**	**--**	**469**

ZVA recommends that the new market-rate housing be placed within the context of the St. Louis housing market. Potential rent and sale rates are positioned to fit within the affordability range of a significant number of the target households. ZVA predicts that "once the quality of the 'civic realm' is evident, higher rents/prices at sustainable adsorption, should be achievable." (ZVA, p. 9).

Table 15 Laclede's Landing Neighborhood (New Construction)			
Housing Type	**Rent/Price Range**	**Size Range**	**Rent/Price per sq. ft.**
Courtyard Apts (Rental)	$700-$1,100/month	750-1,250 sf	$.88-$.93 psf
Mansion Apts (Rental)	$850-$1,250/month	800-1,300 sf	$.96-$1.06 psf
Mansion Apts (For Sale)	$130,000-$175,000	1,250-1,700 sf	$103-104 psf
Rowhouses	$110,000-$155,000	1,100-1,500 sf	$100-$104 psf

ZVA's report points to the 11-acre parcel adjacent to Laclede's Landing is an ideal area for the first phases.

Table 16 Washington Avenue Loft District (Adaptive Re-Use/New Construction)			
Housing Type	**Rent/Price Range**	**Size Range**	**Rent/Price per sq. ft.**
Rental Lofts	$700-$1,400/month	1,000-2,000 sf	$.70psf
For-Sale Lofts (re-use)	$95,000-$200,000	1,000-2,500 sf	$80-$95 psf
Rental Apts	$650-$1,050/month	750-1,250 sf	$.84-$.87 psf
For-Sale Apts (new construction)	$85,000-$135,000	900-1,500 sf	$90-$94 psf

Table 17 Cupples Station (Adaptive Re-Use/New Construction)			
Housing Type	**Rent/Price Range**	**Size Range**	**Rent/Price per sq. ft.**
Rental Apts (Adaptive Re-Use)	$500-$1,200/month	500-1,500 sf	$.80-$1.00 psf
Rental Apts (new construction)	$600-$1,000/month	750-1,250 sf	$.80 psf

Table 18 Eugene Field House Neighborhood (New Construction)			
Housing Type	**Rent/Price Range**	**Size Range**	**Rent/Price per sq. ft.**
Mansion Apts (Rental)	$800-$1,200/month	800-1,300 sf	$.92-$1.00 psf
Mansion Apts (For-Sale)	$120,000-$165,000	1,250-1,700 sf	$96-97 psf
Rowhouses	$100,000-$145,000	1,100-1,500 sf	$96-97 psf
Single-Family Detached	$150,000-$195,000	1,500-2,000 sf	$98-$100 psf

Densities and lot widths:

- Apartment densities of up to 60 units per acre in new construction should be achievable in five to six-story courtyard buildings.
- Lots widths for the mansion builds should average 55 feet
- Lot widths for single family detached should range between 40 and 60 feet.
- Townhouse lots should average 24 feet, ranging between 20 and 28 feet wide.

Target Market Descriptions

ZVA uses a proprietary target market methodology to define housing markets and potential housing markets. The target market populations are derived from the housing preferences and lifestyle characteristics of households in a specific market draw area. For the purpose of the Downtown St. Louis study, ZVA determined a market draw area of 800,000 households in St. Louis City, and St. Louis, St.

Charles, Jefferson and St. Clair counties. The demographic characteristics analyzed include basic demographic data— income qualifications, age, education level, current median home value, etc. In addition, ZVA also looked at mobility rates and lifestyle patterns to determine what populations would be good targets for urban revitalization and downtown living.

ZVA actually maintains demographic profiles of 36 “target market populations”. Not all of the 36 target populations, however, are appropriate for downtown or city living. ZVA’s Downtown St. Louis Study shows that the majority of downtown target households come from just nine target populations.

Table 18 contains a summary of which household types (target market populations) have the strongest propensity to live in the Downtown St. Louis Area. The table also shows in which counties these target populations currently. ZVA estimates that approximately 10,720 households have the *potential* to live in Downtown St. Louis. This number decreases to 9,290, however, when the types and mix of housing are incorporated. For more detail on population breakouts by county, see the full report.

Each of the four study areas has three appendix tables in the full report. The first table in each set breaksout draw area households with the *potential* to move to the specific area (summarized below on Table 18). The second table in each set explains how the housing tenure (rent/for-sale) breaks out by household (see full report) and the third tables explain how the housing mix (flat/townhouses/single-family) for each area was determined.

Listed below are summary tables for which household types (target market populations) have the strongest propensity to live in each of the four study areas as well as the entire Downtown St. Louis area. These tables highlight the depth of the potential market and are not actual housing demand.

Table 18
Draw Area Households With The Potential To Move To The Downtown St. Louis Study Area

Household Type	St. Louis City	St. Louis County	Jefferson County	St. Charles County	St. Clair County	TOTAL
Empty Nesters	**1,010**	**3,400**	**70**	**20**	**70**	**4,570**
Blue-Collar Button-Downs	50	740	70	10	0	870
Post-War Pioneers	0	750	0	0	10	760
Families	**120**	**1,900**	**80**	**230**	**60**	**2,390**
Unibox Transferees	0	630	0	170	50	850
Full-Nest Suburbanites	0	710	0	30	0	740
Younger Singles and Couples	**1,780**	**1,960**	**10**	**10**	**0**	**3,760**
New Bohemians	830	100	0	0	0	150
Urban Strivers	550	110	0	0	0	660
The VIPS	0	620	0	0	0	620
TOTAL	**2,910**	**7,260**	**160**	**260**	**130**	**10,720**

WASHINGTON AVENUE LOFT DISTRICT

Table 19 highlights which household types (target market populations) have the strongest propensity to live in the Washington Avenue study area. ZVA estimates that approximately 5,450 households have the *potential* to live on Washington Avenue. Factoring in housing type, it indicates that Washington Avenue has an “annual market potential of 1,960 units. ZVA forecasts a “first wave” absorption of 84 units. The majority of the units, 71 percent, would be in the rental loft area and 29 percent would fall under the for-sale loft area.

Table 19 Draw Area Households With The Potential To Move To The Washington Avenue Loft District						
Household Type	St. Louis City	St. Louis County	Jefferson County	St. Charles County	St. Clair County	TOTAL
Empty Nesters	**220**	**2,890**	**70**	**10**	**20**	**3,210**
Blue-Collar Button-Downs	50	740	70	10	0	870
Post-War Pioneers	750	0	0	0	10	760
Families	**0**	**0**	**0**	**0**	**0**	**0**
Younger Singles and Couples	**1,130**	**1,110**	**0**	**0**	**0**	**2,240**
New Bohemians	830	100	0	0	0	930
Urban Strivers						
TOTAL	**1,350**	**4,000**	**70**	**10**	**20**	**5,450**

Note: This reflects potential market and not actual housing demand.

LACLEDE'S LANDING

Table 20 highlights household types (target market populations) which have the strongest propensity to live in Laclede's Landing. ZVA estimates that approximately 9,140 households have the potential to live in Laclede's Landing. Factoring in housing type, it indicates that Laclede's Landing has an "annual market potential of 4,210 units". ZVA forecasts a "first wave" absorption of 187 units. The majority of the units, 76 percent, would be in the rental apartments and 11 percent would fall under the for-sale apartments and 13% in townhomes.

Table 20 Draw Area Households With The Potential To Move To Laclede's Landing						
Household Type	St. Louis City	St. Louis County	Jefferson County	St. Charles County	St. Clair County	TOTAL
Empty Nesters	**1,010**	**2,870**	**70**	**20**	**60**	**4,030**
Blue-Collar Button-Downs	50	740	70	10	0	870
Post-War Pioneers	0	750	0	0	10	760
Families	**120**	**1,400**	**0**	**120**	**40**	**1,680**
Full-Nest Suburbanites	0	710	0	30	0	740
Unibox Transferees	0	320	0	80	30	430
Younger Singles and Couples						
New Bohemians	830	100	0	0	0	930
Urban Strivers	550	110	0	0	0	660
TOTAL	**2,910**	**7,260**	**160**	**260**	**130**	**10,720**

Note: This reflects potential market and not actual housing demand.

CUPPLES STATION

Table 21 highlights household types (target market populations) which have the strongest propensity to live in Cupples Station area. ZVA estimates that approximately 6,200 households have the potential to live in Cupples Station. Factoring in housing type, it indicates that Cupples Station has an "annual market potential of 1,900 units". ZVA forecasts a "first wave" absorption of 187 units. The majority of the units, 76 percent, would be in the rental apartments and 11 percent would fall under the for-sale apartments and 13% in townhomes.

Table 21 Draw Area Households With The Potential To Move To Cupples Station						
Household Type	St. Louis City	St. Louis County	Jefferson County	St. Charles County	St. Clair County	TOTAL
Empty Nesters	**880**	**1,300**	**70**	**10**	**0**	**2,260**
Blue-Collar Button-Downs	50	740	70	10	0	870
Rowhouse retirees	660	20	0	0	0	680
Families	**120**	**60**	**0**	**0**	**0**	**180**
Ethnic Families	120	60	0	170	50	180
Younger Singles and Couples	**1,780**	**1,960**	**10**	**10**	**0**	**3,760**
New Bohemians	830	100	0	0	0	930
Urban Strivers	550	110	0	0	0	660
TOTAL	**2,780**	**3,320**	**80**	**20**	**0**	**6,200**

Note: This reflects potential market and not actual housing demand.

EUGENE FIELD HOUSE NEIGHBORHOOD

Table 22 highlights household types (target market populations) which have the strongest propensity to live in the Eugene Field House area. ZVA estimates that approximately 10,720 households have the potential to live in the Eugene Field house area. Factoring in housing type, it indicates that Eugene Field House has an "annual market potential of 6,360 units". ZVA forecasts a "first wave" absorption of 187 units. The majority of the units, 76 percent, would be in the rental apartments and 11 percent would fall under the for-sale apartments and 13% in townhomes.

Table 21 Draw Area Households With The Potential To Move To Eugene Field House						
Household Type	St. Louis City	St. Louis County	Jefferson County	St. Charles County	St. Clair County	TOTAL
Empty Nesters	**1,010**	**3,400**	**70**	**20**	**70**	**4,570**
Blue-Collar Button-Downs	50	740	70	10	0	870
Rowhouse retirees	660	20	0	0	0	680
Families	**120**	**1,900**	**80**	**230**	**60**	**2,390**
Unibox Transferees	0	630	0	170	50	850
Younger Singles and Couples	**1,780**	**1,960**	**10**	**10**	**0**	**3,760**
New Bohemians	830	100	0	0	0	930
Urban Strivers	550	110	0	0	0	660
TOTAL	**2,910**	**7,260**	**160**	**260**	**130**	**10,720**

Note: This reflects potential market and not actual housing demand.

Table 23 Target Market Descriptions List of the main target populations that will move into the Downtown Study Area.	
Blue-Collar Button-Downs (county)	Median Age: 47.9, Median Income: $42,400 Median Housing value: $84,500 Home Owners: 76%, College Educated: 41%
Full-Nest Suburbanites	Median Age: 43.3 Median Income: $61,100 Median Housing Value: $138,000 Home Owners: 84% College Educated 64%
New Bohemian (currently living in City)	Median Age: 31.1 Median Income: $34,500 Median Housing Value: $203,200 Home Owners: 26% College Educated: 68%
Post-War-Suburban Pioneers (county)	Median Age: 59.7 Median Income: $46,000 Median Housing Value: $118,500 Home Owners: 75% College Educated 57%
Rowhouse Retirees (city)	Median Age: 58.7, Median Income: $33,600 Median Housing Value: $124,200 Home Owners: 44%, College Educated 35%
Unibox Transferees	Median Age: 42 Median Income: $55,200 Median Housing Value: $135,200 Home Owner: 72% College Educated: 66%
Urban Strivers (city)	Median Age: 35.8 Median Income: $37,000 Median Housing Value: $146,800 Home Owners: 50% College Educated 56%
VIPS(currently living in County)	Median Age: 41.9 Median Income: $59,300 Median Housing Value: $179,400 Home Owners: 67% College Educated: 73%

LACLEDE'S LANDING

Younger Singles and Couples
New Bohemian (currently living in City)
VIPS (currently living in County)

Empty Nesters and Retirees
Rowhouse Retirees (city)
Blue-Collar Button-Downs (county)

WASHINGTON AVE.

Younger Singles and Couples
New Bohemian (currently living in City)
VIPS (currently living in County)

CUPPLES STATION

Younger Singles and Couples
New Bohemian (currently living in City)
Urban Strivers (city)

Empty Nesters and Retirees
Blue-Collar Button-Downs (county)
Rowhouse Retirees (city)

EUGENE FIELD HOUSE

Younger Singles and Couples
New Bohemian (currently living in City)
VIPS (currently living in County)