

## VII. Exhibits and Appendices





# Exhibit 2

## MARKET ASSESSMENT OF THE STUDY AREA ST. LOUIS DOWNTOWN DEVELOPMENT ACTION PLAN AUGUST 1998

DESCRIPTION	RATING AND EVALUATION				
	RESIDENTIAL	INDUSTRIAL	OFFICE	RETAIL	
<p><b>LOCATION OF STUDY AREA</b> The study area is composed of Downtown St. Louis and the Midtown District. Roughly defined, this is the area bounded by Chestnut Avenue to the north, Jefferson Gateway to the south, Jefferson Avenue to the west and the Mississippi River to the east. The area has historically been the center of the region's trade and commerce. It is the primary site for high quality commercial buildings, national headquarters and conference centers. The area has experienced a steady migration of jobs and population, and is densely populated by many suburban residents as an undesirable and obsolete urban area. The school system is inferior to those in suburbs.</p> <p><b>PHYSICAL CHARACTERISTICS</b> The study area lies on generally flat land and is well suited to its development. The area is densely developed with office space, retail, and industry. The river has a tendency to flood during spring months, making recreational development along the waterfront difficult. There are views of the river and the Arch from various parts of the downtown. Some of the industrial land is contaminated.</p>	<p><b>Average (3.0)</b> Several locations within the downtown are appropriate for residential development. Among these are Washington Avenue, Cassiday's Landing, River View North and the Lake area. Certain locations in urban core, those near business centers, those near business hotels for the study of the urban experience at close proximity to downtown, many others may be appropriate for residential development. The area's proximity to the river is a major asset. The study and design of the school system will determine young families.</p>	<p><b>Excellent (4.0)</b> Historically, a center of office business the area is well positioned for office use.</p>	<p><b>Poor (1.0)</b> Suburban retail growth, the out migration of jobs and population have cut off demand for property of retail facilities. The city business, commerce of the central location, the opportunities to regain some decentralization, regional serving facilities.</p>	<p><b>Excellent (4.0)</b> The new convention center, which is largely underutilized due to insufficient hotel stock, makes downtown a prime candidate for hotel development.</p>	
<p><b>ACCESS</b> Regional access is provided by a well developed interstate system. Surface streets have access especially MetroLink provides excellent public transportation. International airport, 20 minutes away, is TRWA's hub. The City is a railroad hub that converges at downtown. The sub-work of trains carries cargo.</p> <p><b>VISIBILITY</b> Due to its status as the regional center, projects in the area receive a great deal of attention from media. Furthermore, employment, sporting and cultural attractions in downtown insure that redevelopment and new development efforts will not go unnoticed. The Interstate system provides exposure.</p>	<p><b>Average (3.0)</b> The existing office and residential stock present themselves as prime candidates for residential redevelopment. Waterfront areas and sites along other arteries such as the Mill make attractive residential development sites. However, the existing development of buildings will make new construction costly, an downtown site clean-up will be required.</p>	<p><b>Excellent (4.0)</b> The various modes of transportation will service new office users, their employees and clients/businesses well.</p>	<p><b>Average (3.0)</b> should pose no problems for development of new facilities on an undeveloped land. If a few space of existing structures can easily be converted/reconverted to retail use at some expense.</p>	<p><b>Average (3.0)</b> The confluence of Interstate, the surface street network and MetroLink provide excellent access from regional, community level and neighborhood audiences.</p>	<p><b>Excellent (4.0)</b> The confluence of Interstate and the airport provides excellent access for local, regional and national conventions, downtown.</p>
<p><b>OVERALL RATINGS</b></p>	<p><b>Good (3.5)</b></p>	<p><b>Excellent (4.0)</b></p>	<p><b>Average (3.0)</b></p>	<p><b>Very Good (3.5)</b></p>	

**Exhibit 3**  
**Potential Annual Demand for Market Rate Housing**  
**St. Louis MSA and Capture Potential for Downtown St. Louis**  
**Annual Average 1997 - 2002**

DEMAND POTENTIAL	RENTAL PROPERTIES	OWNERSHIP	
		1/ SINGLE FAMILY DETACHED	ATTACHED
<b>FROM NEW HOUSEHOLDS</b>			
Household Growth	2/ 5,567	10,903	2,726
Income Qualified Households	3/ 4,370	8,559	2,140
Propensity to Rent	4/ 1,267	-	-
Propensity to Own SFD	4/ -	6,847	-
Propensity to Own SFA	4/ -	-	428
New Product Preference	5/ 127	2,739	86
<b>FROM TURNOVER</b>			
Total Existing Households	6/ 284,304	556,844	139,211
Turnover of Rental Households	7/ 71,076		
Income Qualified Rental Households			
Turnover of Existing Owner Households	8/	38,979	9,745
Income Qualified Owner Households		30,599	7,650
New Product Preference	5/ 3,627	4,743	1,759
<b>TOTAL POTENTIAL DEMAND FROM NEW HOUSEHOLD GROWTH AND FROM TURNOVER</b>	<b>3,753</b>	<b>7,482</b>	<b>1,845</b>
<b>DOWNTOWN % CAPTURE POTENTIAL</b>	<b>22%</b>	<b>1%</b>	<b>16%</b>
<b>CAPTURE POTENTIAL FOR DOWNTOWN</b>	<b>+/-800</b>	<b>+/-75</b>	<b>+/-300</b>

1/ Includes single family detached and attached homes, apartments and condominiums

2/ In the St. Louis MSA, from 1997 to 2002

3/ Households with annual income of more than \$20,000

4/ Based on historical trends in the St. Louis marketplace and The Concord Group experience

5/ Based on product preferences in the MSA from 1990 through 1997

6/ At midpoint - year 2000

7/ Assumes 25% annual turnover of rental households

8/ Assumes 7% annual turnover of owner households

9/ Capture potential for downtown increases over time as a critical mass of product is established in the area

Source: Claritas; U.S. Bureau of the Census; Homebuilders Association; St. Louis Development Corporation

**Exhibit 4**  
**Potential Annual Demand for Industrial Space by Product Segment**  
**Based on New Employment Growth and Turnover**  
**St. Louis MSA and Capture Potential for Downtown St. Louis**  
**Annual Average 1998-2005**

**DEMAND FROM EMPLOYMENT GROWTH <sup>1/</sup>**

EMPLOYMENT CATEGORY	ANNUAL GROWTH 1998 - 2005	TYPICAL INDUSTRIAL CAPTURE	TYPICAL DISTRIBUTION BY PRODUCT TYPE		TYPICAL SQUARE FOOTAGE PER EMPLOYEE BY PRODUCT TYPE	
			PRODUCT TYPE	%	1998 - 2005	1998 - 2005
MANUFACTURING	812	80%	Heavy Manufacturing	20%	680	32,400
			Light Manufacturing	50%	700	214,100
			Warehousing/Distribution	25%	2,000	363,500
			Research & Development	3%	400	12,100
			Service Providers	0%	800	0
CONSTRUCTION	528	10%	Heavy Manufacturing	0%	680	0
			Light Manufacturing	0%	700	0
			Warehousing/Distribution	0%	2,000	0
			Research & Development	0%	400	0
			Service Providers	100%	800	41,600
TRANSPORTATION AND PUBLIC UTILITIES	168	80%	Heavy Manufacturing	0%	680	0
			Light Manufacturing	10%	700	5,000
			Warehousing/Distribution	10%	2,000	16,000
			Research & Development	3%	400	1,000
			Service Providers	75%	800	48,000
WHOLESALE/RETAIL TRADE	1,500	20%	Heavy Manufacturing	0%	680	0
			Light Manufacturing	0%	700	0
			Warehousing/Distribution	80%	2,000	561,000
			Research & Development	0%	400	0
			Service Providers	10%	800	28,000
SERVICES	8,780	10%	Heavy Manufacturing	0%	680	0
			Light Manufacturing	20%	700	122,600
			Warehousing/Distribution	10%	2,000	178,200
			Research & Development	0%	400	0
			Service Providers	70%	800	498,600
OTHER	680	10%	Heavy Manufacturing	0%	680	4,300
			Light Manufacturing	20%	700	12,500
			Warehousing/Distribution	60%	2,000	121,800
			Research & Development	1%	400	400
			Service Providers	2%	800	2,100
<b>TOTAL</b>	<b>12,680</b>					

**TOTAL DEMAND FROM EMPLOYMENT GROWTH IN ST. LOUIS MSA**

1998 - 2005	
Heavy Manufacturing	76,300
Light Manufacturing	351,000
Warehousing/Distribution	1,175,300
Research & Development	14,100
Service Providers	627,300
<b>TOTAL</b>	<b>2,225,000</b>

**DEMAND FROM ANNUAL TURNOVER**

	EXISTING OCCUPIED INDUSTRIAL SPACE	TURNOVER RATE <sup>2/</sup>	DISTRIBUTION BY PRODUCT TYPE		SUPPORTABLE SQ FTG BY PRODUCT TYPE	
			PRODUCT TYPE	%	1998 - 2005	1998 - 2005
<b>1998 - 2005 Average</b>	<b>212,202,000</b>	<b>2.8%</b>	Heavy Manufacturing	8%	1,081,800	
			Light Manufacturing	15%	796,400	
			Warehousing/Distribution	60%	2,386,100	
			Research & Development	5%	205,500	
			Service Providers	15%	796,400	

**SUMMARY OF POTENTIAL ANNUAL DEMAND**

PRODUCT TYPE	ANNUAL ADDITIONAL SUPPORTABLE SQUARE FEET 1998 - 2005
Heavy Manufacturing	1,081,800
Light Manufacturing	796,400
Warehousing/Distribution	2,386,100
Research & Development	205,500
Service Providers	796,400
<b>Total</b>	<b>5,266,200</b>
<b>DOWNTOWN ST. LOUIS POTENTIAL CAPTURE OF DEMAND <sup>4/</sup></b>	<b>12%</b>
<b>DOWNTOWN ST. LOUIS ANNUAL ABSORPTION POTENTIAL</b>	<b>632,304</b>

<sup>1/</sup> Wholesale & Retail Excludes  
<sup>2/</sup> Assumes that the average turnover of industrial space in the "market area" occurs once every 30 years  
<sup>3/</sup> Based on market trends  
<sup>4/</sup> Assumes 20% City capture from MSA growth and 25% downtown capture from City potential  
<sup>5/</sup> Assumes focused marketing effort on part of the City to attract new industrial users to area and that space is available

**Exhibit 5**  
**Potential Annual Demand for Office Use**  
**Based on Office Using Employment Growth and Turnover**  
**St. Louis MSA and Capture Potential for Downtown St. Louis**  
**Annual Average 1998 - 2005**

SOURCES OF DEMAND Usage Factors	ANNUAL DEMAND 1998-2005
<b>OFFICE DEMAND FROM NET EMPLOYMENT GROWTH</b>	
F.I.R.E. 1/ Annual Growth in Employment 2/	1,440
x Office Using Employment capture Rate 3/	<u>90%</u>
= Annual Growth in Office Using Employment	1,296
x Square Footage Factor 4/	<u>250</u>
= New Office Space Demand from F.I.R.E	324,000
Professional Services 5/ Annual Growth in Employment 2/	3,504
x Office Using Employment Capture Rate 6/	<u>85%</u>
= Annual Growth in Office Using Employment	2,978
x Square Footage Factor 4/	<u>250</u>
= New Office Space Demand from Professional Services	744,600
Other Services 7/ Annual Growth in Employment 2/	5,256
x Office Using Employment Capture Rate 8/	<u>25%</u>
= Annual Growth in Office Using Employment	1,314
x Square Footage Factor 4/	<u>250</u>
= New Office Space Demand from Professional Services	328,500
Other 9/ Annual Growth in Employment 2/	3,955
x Office Using Employment Capture Rate 10/	<u>15%</u>
= Annual Growth in Office Using Employment	593
x Square Footage Factor 4/	<u>250</u>
= New Office Space Demand from Professional Services	148,313
<b>TOTAL ANNUAL ST. LOUIS MSA OFFICE DEMAND POTENTIAL FROM NET EMPLOYMENT GROWTH</b>	<b>1,545,413</b>
<b>ADDITIONAL DEMAND FOR NEW OFFICE SPACE FROM ANNUAL TURNOVER IN EXISTING OFFICES</b>	
Estimated Existing Office Space in St. Louis MSA	43,000,000
x Turnover Factor 11/	<u>2%</u>
<b>TOTAL ST. LOUIS MSA DEMAND POTENTIAL FROM TURNOVER</b>	<b>860,000</b>
<b>TOTAL ST. LOUIS MSA DEMAND POTENTIAL</b>	<b>2,405,413</b>
<b>DOWNTOWN ST. LOUIS POTENTIAL CAPTURE OF DEMAND 12/</b>	<b>10%</b>
<b>DOWNTOWN ST. LOUIS ANNUAL ABSORPTION POTENTIAL</b>	<b>240,541</b>

1/ F.I.R.E. includes: Finance, Insurance and Real Estate

2/ Source: Woods & Pool Economics

3/ Based on market trends

4/ Assumes and average of 250 square feet per office using employee

5/ Source: Woods & Pool Economics

6/ Based on market trends

7/ Source: Woods & Pool Economics

8/ Based on market trends

9/ Includes Construction, Manufacturing, Trade, Transportation/Utilities & Communication and Government

10/ Based on market trends

11/ Based on market trends

12/ Assumes focused marketing effort on part of the City to attract new office users to area and that space is available