



# ***2020 VISION***

**An Equitable Economic  
Development Framework for St. Louis**

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The plan would not have been possible without them.



# #7 Equitable Economic Development

What does equity mean for St Louis?

## WHAT DOES EQUITY MEAN FOR ST LOUIS?

**Equity** for St. Louis means an environment for equal opportunity that produces just and positive outcomes for all people of various races, nationalities, genders, sexualities, ages, and abilities.

In particular, any effort to address the economic challenges facing the city must include the participation of all people, especially those who have been historically excluded.



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# EXECUTIVE SUMMARY

# INTRODUCTION

## Overview

The last decade has provided many reasons for celebration and optimism in the City of St. Louis. Since 2010, St. Louis has grown its jobs base every year. According to the most recent complete annual data, city employment growth was faster than national growth for only the second time since the Great Recession.<sup>1</sup> In addition to these economic measures, there are other visible signs of success: Downtown has added 5,000 residents; NGA is building a new 100-acre campus in North City; Square, the San Francisco-based mobile payment platform developed by two St. Louis natives, is building offices in the former Post-Dispatch building and is expected to anchor the “North of Washington” innovation corridor; Cortex continues to add significant new physical developments, including a \$115 million building at 4210 Duncan Ave.; the Arch Grounds received \$380 million worth of enhancements; Union Station is now home to the St. Louis Aquarium and the Wheel, a 200-foot-tall Ferris wheel; the Brickline Greenway will link 17 neighborhoods across the city; and MLS has awarded St. Louis a franchise, which will begin play in 2022 in a new stadium in Downtown West.<sup>2 3 4 5 6</sup>

In addition to these high-profile developments, neighborhoods across the city have experienced transformations – 16 out of the city’s 79 neighborhoods gained population from 2000 to 2010, according to nextSTL.<sup>7</sup> New tools to support neighborhood investment (e.g., Choice Neighborhoods), local organizational capacity (e.g., CDCs, neighborhood organizations, and faith-based groups, among many others) and data capacity (e.g., Regional Data Alliance, Vacancy Collaborative) support these revitalizations. The city’s neighborhoods are one of its strongest assets and provide the city with one of its biggest competitive advantages.

Despite this litany of accomplishments and seemingly bright outlook, other measures – high job density but low job growth, and profound inequities in access to opportunity and prevalence of poverty among residents – paint a bleaker picture. Yet, there is strong reason to believe that the battle to contend in a global economy and the fight for economic equity are not two separate struggles, but one. Addressing the single challenge of equitable urban economic growth requires the commitment and capacities of a broad set of public, private, philanthropic, university, and community stakeholders employing a range of tools to address foundational issues of place, prosperity, and people.

At the request of the Board of Aldermen, the St. Louis Development Corporation (SLDC) – the economic development agency for the City of St. Louis – commissioned this Equitable Economic Development Strategic Framework. The framework is intended to link other related economic development plans, thereby creating a unified approach to equitable economic growth in the city: “The purpose of [this framework] is to position the city on a path toward a resilient economy by casting the vision that SLDC, the city and its public, private and institutional partners can coalesce around and act upon to drive investment and growth in the city.”

Ultimately, this framework seeks to position St. Louis to compete regionally and globally in its key economic clusters, catalyze the transformation and growth of St. Louis’ neighborhoods through a commitment to “quality of place” throughout the city, capitalize on core economic strengths to unlock the opportunity for all to thrive, and maintain a more sustainable tax base driven by commercial and residential investment and renewed population growth.

1 QCEW-UDP; Mass Economics analysis

2 Project interviews and roundtables

3 Developer plans \$115M Cortex building. (2019, June 17). St. Louis Business Journal. <https://www.bizjournals.com/stlouis/news/2019/06/17/developer-plans-115m-cortex-building.html>

4 Stoss Unveils New Chouteau Greenway Plan for St. Louis. (2020, January 20). ArchDaily. <https://www.archdaily.com/931927/stoss-unveils-new-chouteau-greenway-plan-for-st-louis>

5 Garth, G. (2018, June 29). Gateway Arch: An American classic gets a major overhaul. USA Today. <https://www.usatoday.com/story/travel/destinations/2018/06/29/gateway-arch-national-park-st-louis/744274002/>

6 Johnson, G. (2019, February 11). St. Louis Wheel Approved for Union Station. NextSTL. <https://nextstl.com/2019/02/st-louis-wheel-approved-for-union-station/>

7 Understanding Population Change and Density in St. Louis (UIC & nextSTL @ PXSTL). (2014, September 17). NextSTL. <https://nextstl.com/2014/09/pxstl/>

**“If the [framework] is utilized properly, it can be a process for coordination and unity across the city and can help serve as a bridge to break through decades of divisions to bring groups together... with a centralized focus.”**

# GUIDING PROPOSITIONS

As the Advisory Committee emphasized from the outset, race, place, poverty and opportunity must be the core concepts for understanding the city’s economic trajectory – and they must form the foundation for a framework that lays out a more equitable, vibrant, and resilient economic future. Throughout this process, a wide range of demographic and economic variables (see Ch. 2: Economic and Demographic Report) were evaluated to inform the creation of the following 12 Guiding Propositions (see Figure ES-1):

**Figure ES-1. Guiding propositions**



# GOALS OF THE ECONOMIC DEVELOPMENT STRATEGIC FRAMEWORK:

As the city embarks on a journey toward a more prosperous and equitable future, progress must be tracked and measured using economic, place-based, and population-based indicators. Taking into account advisory committee input and community outreach, ten specific and measurable goals were developed in support of these objectives:

**1** Achieve annual growth in employment and payroll among key industry clusters that meets or exceeds their national growth rates.

**2** Reduce St. Louisan's poverty rates – across all racial/ethnic groups – to below their respective national rates; increase median household incomes – across all racial/ethnic groups – above the U.S. (adjusted for cost of living differential).

**3** Close the unemployment and wage gap between Black/African Americans and their white counterparts, as well as other disadvantaged racial/ethnic groups.

**4** Increase the availability of middle-wage opportunities in the city's job base.

**5** Attain enough employer commitments to adopt workplace policies that: diversify the workforce, increase worker retention, and provide access to wraparound services so that at least half of all job holders in the city work for employers that have committed to such policies.

**6** Reduce vacancy rates and promote vibrancy on commercial corridors, especially in underserved neighborhoods.

**7** Promote anti-displacement by increasing home and business ownership opportunities for people of color and other under-represented populations.

**8** Slow, then reverse, population decline – particularly among Black/African American residents and households with school-aged children

**9** Increase the quality and capacity of neighborhood organizations, CDCs, and business associations to represent and respond to resident and other local stakeholder interests.

**10** Strengthen the city's fiscal outlook by responding to post-COVID industry and workplace trends, increasing revenues (overall and per capita), maximizing the efficiency of incentive use and expenditures by promoting job and housing density, and building a budget surplus.

Specific metrics to track each of these goals are presented in Ch. 6: Metrics.



# THE RELATIONSHIP OF THIS FRAMEWORK TO OTHER PLANNING EFFORTS

Over the eighteen months in which this framework was developed, other strategic and planning efforts in the city were also underway, including for Chouteau (now Brickline) Greenway, Cortex, Downtown, the region, and for the geospatial economic cluster, both around the NGA West site and in the broader region. This framework was developed in coordination with those efforts and is intended as a complementary effort that leaves the strategic imperatives for those specific areas to the individual planning initiatives. At the same time, this report is intended to provide a unifying framework to shape existing and future planning and strategic efforts for the City of St. Louis.

Research has established the importance of neighborhood characteristics in shaping economic outcomes of residents (Chetty et al., 2016; Chetty and Hendren, 2018).<sup>8</sup> Although the framework presented in this report is not meant as a set of neighborhood plans, it should be complementary to civic and public sector efforts to improve quality of life and opportunity in the city's neighborhoods. These efforts, in fact, abound in St. Louis and will be augmented in coming years by neighborhood planning efforts from the City's Planning and Urban Design Agency. These plans will cover a standard set of topics related to neighborhood characteristics including land use and zoning, housing, sustainability, economic development, safety, and equity, as well as secondary and focus areas of most relevance to the specific neighborhood.<sup>9</sup>

The strategies reflect the needs and opportunities of specific places or in the case of the regional efforts, opportunities to accelerate growth across the region with collaboration and improved planning. In the case of this citywide framework, this is realized as a strategy for broad-based opportunity that aligns specific sets of assets – density of jobs, population, amenities, and higher education institutions to grow existing clusters in the central corridor, as well as investments in industrial parks, transportation assets (rail and intermodal facilities, the river, major highways), and business supports and workforce providers to promote growth in manufacturing and distribution across the city. One of the most critical assets in the city today is its neighborhoods, home to vibrant communities that must be at the forefront of any planning and growth efforts.

Other city and regional plans must prioritize inclusive job creation, hiring and retention practices, and entrepreneurship that explicitly works to close racial gaps in employment, business ownership, and wealth. This focus has become even more of an imperative with the economic costs of COVID. These costs have fallen disproportionately on Black/African American and Latinx workers and business owners, who are enduring much higher unemployment rates,<sup>10</sup> are more likely to own firms in industries disproportionately harmed by COVID, and have had significantly less support from initiatives like the Payroll Protection Program.<sup>11</sup> In neighborhood planning, as in this framework, the focus on racial equity must also inform strategies for

housing, commercial corridor development, and creation of household and community assets. While the strategies in this framework are still important and relevant for addressing fundamental challenges facing the city, the COVID-19 pandemic may expedite timelines for some strategies and warrant additional crisis response.

In that spirit, economic development efforts must look for and advance opportunities to collaborate across geographies and governmental units where it makes sense. This can be at the scale of neighborhoods or employment districts with, for example, greater collaboration between creative firms located in Downtown and Midtown; between urban nodes and broader regional strategies, such as in creation of a software tech node in the city that coordinates with other regional nodes to support the growth and evolution of emerging opportunities in agtech, cybersecurity, fintech, and geospatial; and between the City of St. Louis and the State of Missouri around, for example, establishing state funding and tools to accelerate development of land assets in North St. Louis and along the riverfront to support the processing and distribution of output from farms and ranches in Missouri, as well as the larger agricultural production region.

In developing this plan, strategies need to be rooted in the current fiscal reality. The short-term fiscal benefits of new development projects are often outweighed by the cost of offering property tax abatements (at least for the first decade) to make projects financially viable, leaving earnings taxes as the primary contributor to city revenues. This may no longer be the right model. Although the City of St. Louis contends that employees of firms located in the city who have or are working from home as a result of COVID are not entitled to a refund of their earnings taxes,<sup>12</sup> long-term trends post-COVID – greater desirability of non-

8 Chetty, Raj, Nathaniel Hendren, and Lawrence Katz. 2016. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Project." *American Economic Review* 106 (4); Chetty, Raj, and Nathaniel Hendren. 2018. "The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects." *Quarterly Journal of Economics* 113 (3).

9 "Neighborhood Plans: Minimum Submittal Requirements for Adoption," Adopted by City of St. Louis Planning Commission. July 1, 2020.

10 In May 2020, Black/African Americans comprised one-fifth of the unemployed population in Missouri but in 2018 made up only 11% of the population ages 16 and older (U.S. Census Bureau American Community Survey 2018 1-year release; Missouri Department of Labor)

11 Matthews, C. (2020, April 30). Small-business loan program discriminates against women and minorities, lawsuit alleges. *MarketWatch*. <https://www.marketwatch.com/story/small-business-loan-program-discriminates-against-women-and-minorities-lawsuit-alleges-2020-04-30>

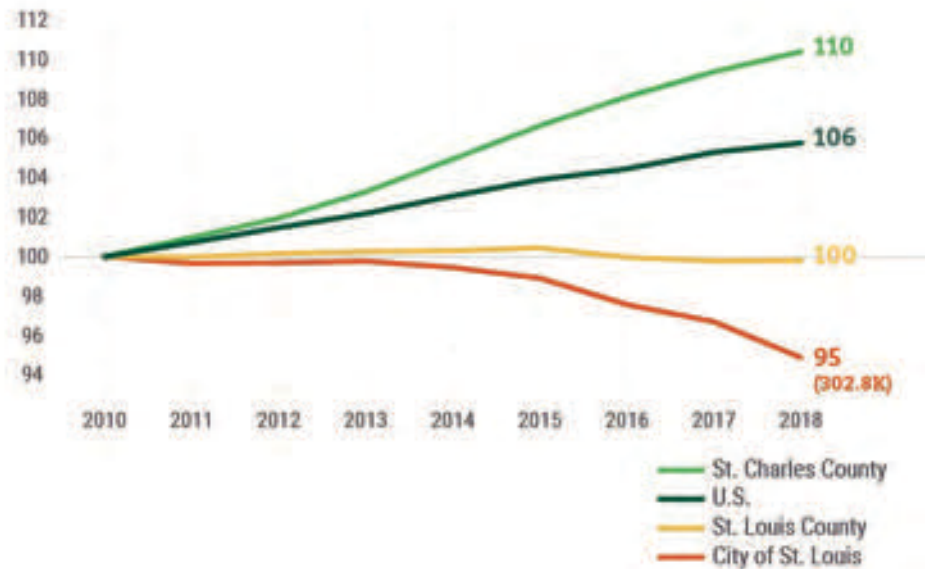
12 Schlinkmann, M. (2020, June 12). Working from home instead of in the city? Don't expect a break from paying the St. Louis earnings tax. *St. Louis Post-Dispatch*. [https://www.stltoday.com/business/local/working-from-home-instead-of-in-the-city-don-t-expect-a-break-from-paying/article\\_ddc57bb7-7709-5534-8524-1c414e5f7ef4.html](https://www.stltoday.com/business/local/working-from-home-instead-of-in-the-city-don-t-expect-a-break-from-paying/article_ddc57bb7-7709-5534-8524-1c414e5f7ef4.html)

# OVERVIEW OF ST. LOUIS ECONOMY AND DEMOGRAPHICS

urban locations and increased adoption of work-from-home practices – could work against even nominal growth in earnings taxes, which currently account for about one-third of city revenue. However, these same pressures could actually be beneficial if they accelerate the development of local and state tools to assemble and clean land and create marketable turn-key sites that can support growth in physical economy activities like manufacturing, as well as adoption of new and evolving models of food retail and distribution. Making better use of land in the city can also help boost commercial property tax revenues, which currently account for only a small portion of city revenues.

As this report lays out in detail, the city has had and is facing challenges associated with land use, job growth, racial disparities, and fiscal conditions. These challenges unfold in a city with a national reputation in economic clusters like biotech and geospatial but also agricultural technology and distribution, creative industries, and across all types of entrepreneurship. With 3,230 jobs per square mile, the density of economic activity is 28 times that of the rest of the region (and over 60 times that of the areas outside of St. Louis County). The average wage associated with a job within city boundaries is \$61.2K, more or less identical to the average for jobs in St. Louis County and about \$4,000 more than the average for all U.S. jobs. Beyond these strong economic measures, the city also has a number of enviable cultural amenities: it is home to professional sports teams in baseball, hockey, and in 2022, soccer, and millions of people visit the city for events, conventions, and cultural activities. Yet, discussions about the city too often resort to framings focused exclusively on deficiencies, a habit that ultimately hurts initiatives big and small, neighborhood and regional. It is the hope that the information and structure provided in this report can be used to help shift this narrative.

**Figure ES-2.** Population indexed to 2010 levels



Source: U.S. Census Bureau American Community Survey, 2010-2018 1-year release; Mass Economics analysis

Note: MSA data for 2012 and prior years includes Washington County, but MSA data for 2013 and later years excludes Washington County; for consistency, MSA and rest of MSA geographies were excluded.

The City of St. Louis sits on 61.9 square miles along 19 miles of Mississippi River shoreline. The city's population declined over the second half of the 20th century and has continued to decline into the 21st century. (See Figure ES-2.)

The north side of the city has experienced sustained population loss (-10K) while the south side (+3.6K) and central corridor (+2.0K) grew from 2010 to 2017 (see Figures

ES-3 and ES-4).<sup>13</sup> The city is majority non-white, and the bulk of the city's population loss has been concentrated among Black/African American residents and families with school-aged children. At the same time, the city is aging and gaining highly-educated millennials.<sup>14</sup>

<sup>13</sup> These geographies are frequently used to partition the city. Although useful for understanding dynamics within the city, they are limiting in that they fail to capture most of the nuance around demographic and economic trends at a neighborhood scale.

<sup>14</sup> U.S. Census Bureau American Community Survey 2010-2018 1-year release



# City Geographies

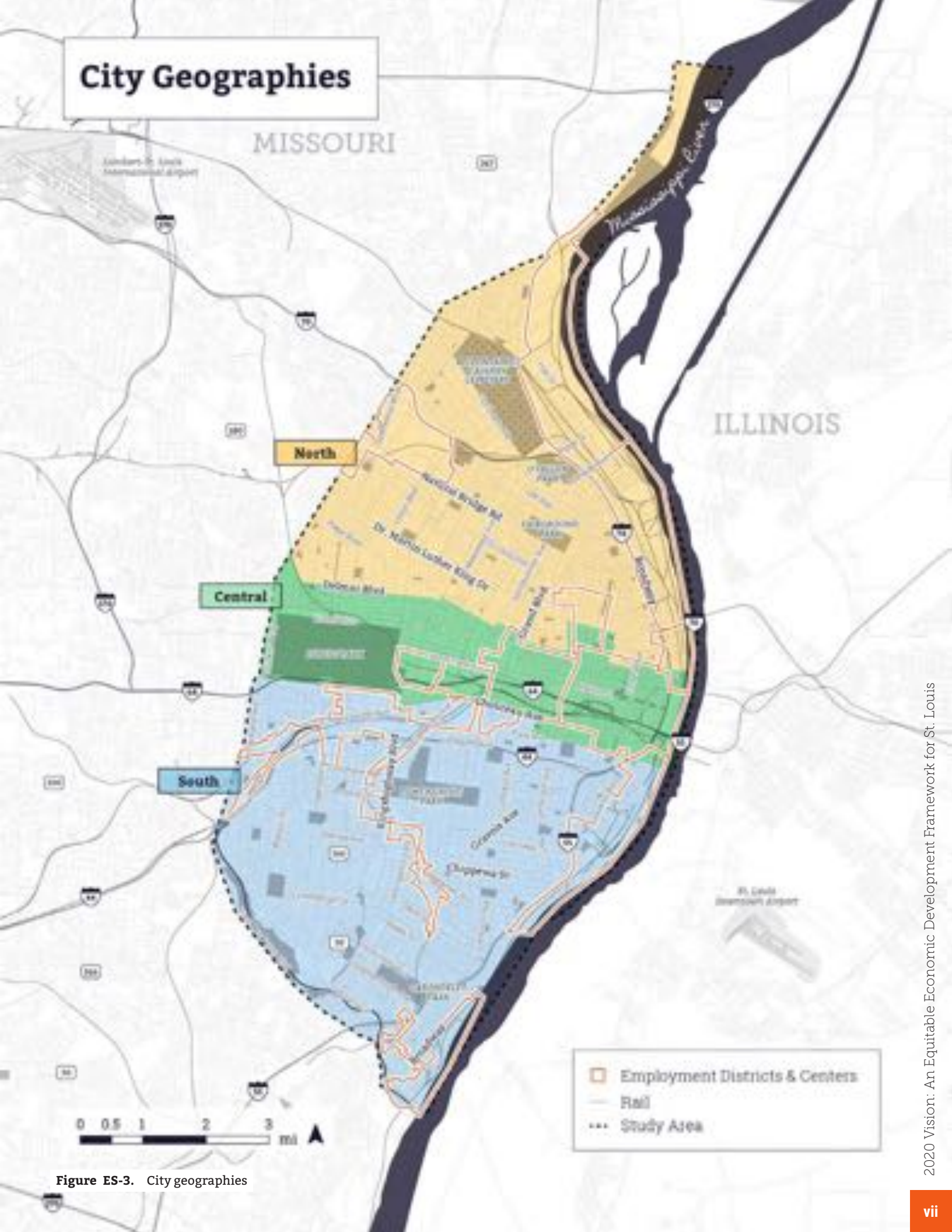
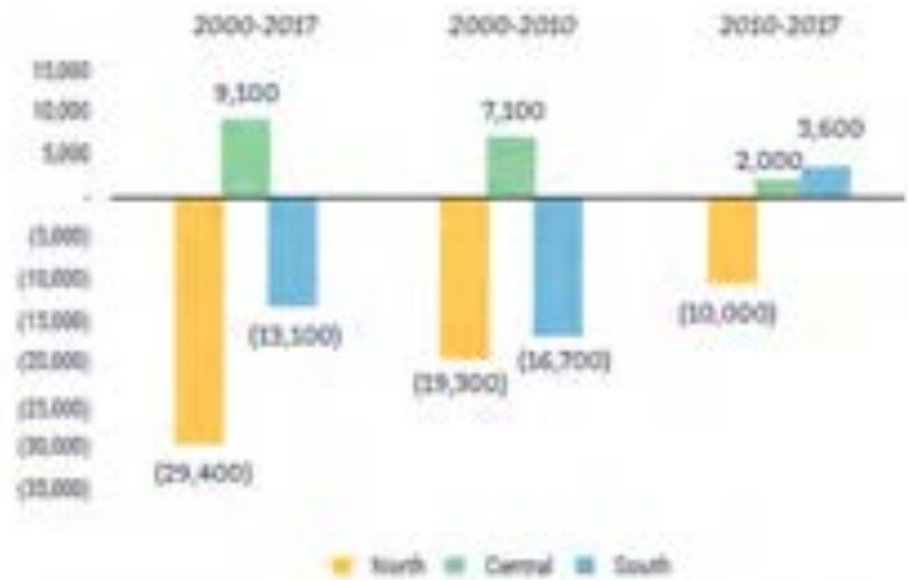


Figure ES-3. City geographies

The city is critical to regional prosperity. Although the city contains less than 1% of the land area of the St. Louis, MO-IL MSA, St. Louis accounts for 11% of the regional population, 17% of private sector jobs, and 19% of generated wages.<sup>15</sup> With 200K private sector jobs (and an 30K jobs in the public sector), the city boasts an enviable private sector job density – the highest among all Missouri counties – as well as high wages. The biggest industries in the City of St. Louis are Hospitals (29.4K jobs in 2018); Food Services and Drinking Places (16.7K jobs); Professional, Scientific, and Technical Services (16.7K jobs); and Educational Services (13.3K jobs).<sup>16</sup> Although job growth in the city lagged St. Louis County, the rest of the region, and the U.S. from 2010 to 2018, it grew faster than all three from 2017 to 2018. (See Figure ES-5.)

**Figure ES-4.** Population change, 2000-2017

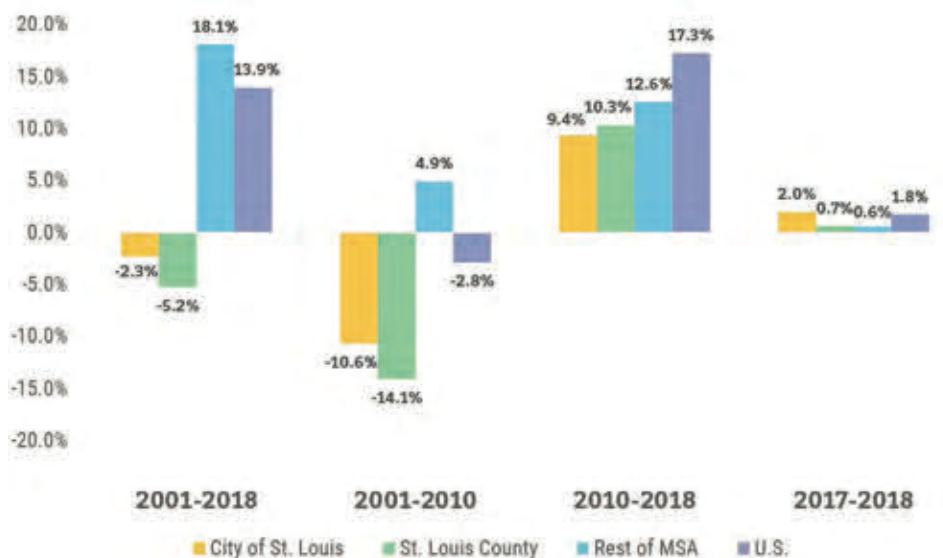


Source: U.S. Census Bureau, Decennial Census 2000, 2010; American Community Survey 2017 5-year release

15 QCEW-UDP; U.S. Census Bureau American Community Survey 2018 1-year release; Mass Economics analysis

16 QCEW-UDP

**Figure ES-5.** Private sector job growth, 2001-2018



Source: QCEW-UDP, 2001-2018; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

On average, city wages are higher than the rest of the region; the average city wage is \$61.2K, compared to \$53.1K in the rest of the region (including St. Louis County) and \$57.2K nationally.<sup>17</sup> Job holders in the city also earn more across educational attainment levels (although workers with a bachelor's degree earn more in St. Louis County).<sup>18</sup> The city's economic growth has been accompanied by a shift towards industries with higher education requirements: in 2018, about 35% of the city's jobs require at least a bachelor's degree compared to under 29% nationally while in 2010, only 31% of the city's jobs required at least a bachelor's degree compared to 29% nationally.<sup>19</sup> Barring an intentional strategy – i.e., this framework – the city's economy will continue to produce jobs that are inaccessible to a significant portion of the city's residents.

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17 QCEW

18 QWI

19 QCEW-UDP

St. Louis is also a city of great economic disparity. Although city resident incomes are growing, average household income in the city still lags the rest of the region by over \$20K. The overall unemployment rate in the city is high by both regional and national standards. While white residents report lower unemployment than the region and nation, Black/African American residents and residents of other races/ethnicities experience significantly higher rates.<sup>20</sup> In addition, Black/African American job holders face a sizeable wage gap compared to white job holders, earning on average just 48% of what white job holders earn.<sup>21</sup> These disparities vary dramatically across the city: the poverty rate on the north side of the city (37%) far exceeds the poverty rate in the central corridor (23%) and south side of the city (20%). North of Delmar, almost all residents live in a census tract with at least 25% poverty, compared to around half of residents in the central corridor and less than one-third of residents south of Chouteau Ave.<sup>22</sup>

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20 U.S. Census Bureau American Community Survey 2018  
1-year release

21 QWI

22 U.S. Census Bureau American Community Survey 2017  
5-year release

A thriving central core is important as it provides unique opportunities for businesses and employment and, like many cities across the nation, serves as a gateway for talent and creativity. But St. Louis must equally focus on opportunities across the city in areas often overlooked for new investment and growth. This work is dedicated to addressing these challenges by focusing on business clusters that provide equitable job opportunities, in places that contain important jobs but are often inaccessible to nearby residents, and in neighborhoods where training and workforce is often a critical need.



# The Impact of Race

44% White  
45% Black/African American

Almost half of St. Louisans are Black/African American.

(As a comparison, 12% of the citizens in our country are Black/African Americans.)

North St. Louis has 93% Black/African American St. Louisans.

- City of St. Louis
- Rest of the MSA
- North St. Louis



More Black/African American St. Louisans are home-renters than White St. Louisans.

(Percent of renter occupied housing units)



St. Louis ranks 18/97 among the 97 largest U.S. cities in terms of INCOME INEQUALITY.

A Black/African-American employee makes on average

48% of a white employee.



Between 2010 and 2018, the DECLINE in the City's Black/African-American population (-20,300) was the major driver of the City's total loss of 16,300 residents.



Improving **OPPORTUNITIES** for **Black/African-American St. Louisans** is **CRITICAL TO STABILIZING** the City's population and economy.

Source: U.S. Census Bureau American Community Survey 2010, 2014 (3-year release), 2017 (5-year release), 2018 (5-year release); The Brookings Institution, ORL (Rural Economics Analysis)

Figure ES-6. The impact of race

# STRATEGIES

Strategies aimed at addressing the ten goals listed above are organized around three major strategic areas:

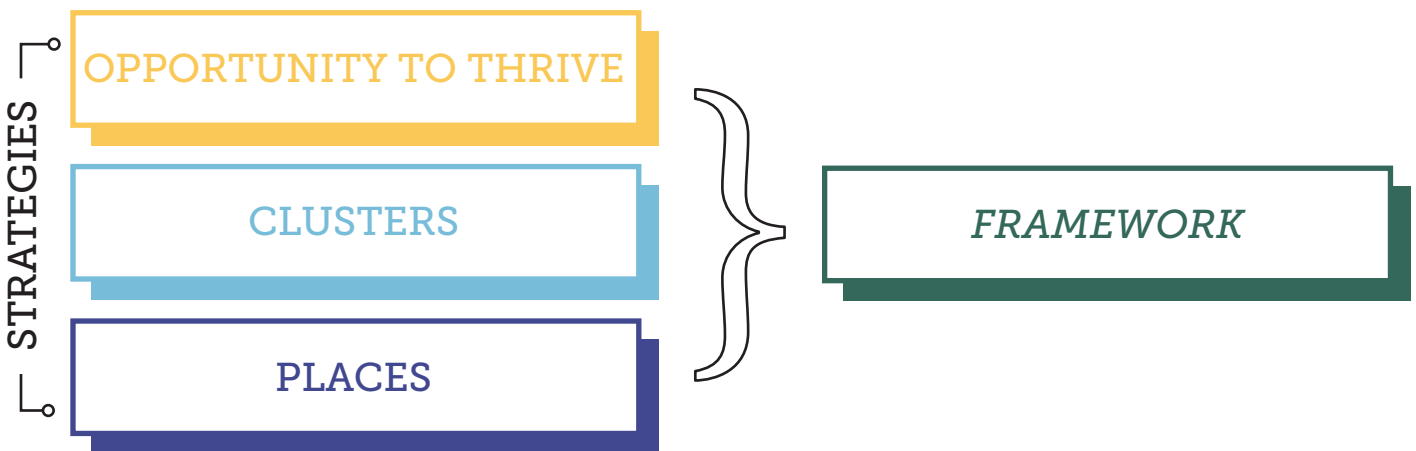
**Opportunity to Thrive:** Identifies the types of supports needed to translate economic growth into higher and more stable incomes and opportunities – and increased household wealth – for St. Louisans and eventually to support population growth in the city;

**Clusters:** Identifies the sets of industries that can provide the foundation for significant growth in jobs and entrepreneurship, with a focus on clusters that can provide quality opportunities for St. Louisans of all educational attainment levels; and

**Places:** Recognizes that conditions and opportunities vary across the city and that a place-based approach is necessary to create a high quality of life for all residents.

These areas are used to classify the strategies but are by no means siloes – and in practice, many strategies are interconnected and cut across two or three areas. This sequence from opportunity to thrive, to clusters, to places does not imply prioritization of one section over another, but rather reflects the linkages across the strategic areas: equitable growth requires vibrant corridors and districts across the city that can support a wide range of jobs; these jobs must be accompanied by supports that increase opportunities for St. Louisans from all neighborhoods and racial groups for stable and prosperous careers; and jobs and careers must translate asset building, especially homeownership and equity, for households.

Figure ES-7. Framework strategies



## Opportunity to Thrive Strategies

What follows is an overview of the proposed strategies for each section of the report. While only the high-level strategies are listed below, each strategy in the full text is accompanied by a series of action items to guide implementation. The framework is designed to be actionable and to retain and build on the city's assets and existing strengths, rather than starting anew. Its strategies are structured to provide detail on specific tactics, including roles of specific organizations (SLDC alongside other economic development organizations in the city and region), timing of implementation, potential funding, goals, and evaluation metrics. These are designed to provide SLDC staff, the city, and their partners with a playbook for implementing the strategies in each of the three strategic areas (opportunity to thrive, clusters, and place). Strategies in these areas work in tandem to make the city more attractive to current and prospective residents, workers, entrepreneurs, businesses, and leaders.

The City of St. Louis has a tremendous asset base, owing in large part to its residents, entrepreneurs, and workforce. They are integral to its identity and contribute to neighborhood vitality, character, and quality of life and require special focus and attention in this framework – and the city must ensure that they have an opportunity to thrive. The following sections lay out an approach to enable population retention and growth, support diverse entrepreneurs and entrepreneurship opportunities, and engage employers around workplace practices to support inclusive growth. The final section examines how SLDC and others can build capacity to actually measure “opportunity to thrive” across and within the city.

### Population Retention and Growth

The city's population has been declining for decades, and today, the city is just over one-third of its peak. The city's population loss has been concentrated among Black/African American residents, as well as families with children. The number of Black/African American residents of the city declined by 13%, or just over 20K, from 2010 to 2018. Black/African American families with children declined by 24% from 2010 to 2018, far outpacing the decline in St. Louis County and the nation.<sup>23</sup> To address population loss, St. Louis must actively work to retain existing residents, grow the Black/African American middle class, and attract newcomers from across the U.S. and globe.

- **Strategy 1:** Support homeownership opportunities and retention in targeted neighborhoods
- **Strategy 2:** Develop an anti-displacement policy in collaboration with the Vacancy Collaborative and its Anti-Displacement Working Group
- **Strategy 3:** Develop a plan to retain and grow the city's Black/African American middle class
- **Strategy 4:** Coordinate a marketing approach for the city, tailored separately for current and prospective residents

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23 U.S. Census Bureau American Community Survey 2010-2018 1-year release

## Diverse Entrepreneurs and Entrepreneurship Opportunities

St. Louis is a diverse, so-called “majority-minority” city, but this is not reflected in statistics around entrepreneurship and business ownership. Despite having the highest share of Black/African American-owned firms among the 100 largest American cities – in 2017, 34% of privately-held firms with employees in St. Louis were Black/African American-owned – the city ranks near the bottom for levels of employment per firm, payroll per firm, and revenue per firm for MBEs, WBEs, and privately-held firms with employees, in general.<sup>24</sup> Although the city has a well-developed ecosystem for innovation and entrepreneurship, it must continue to evolve to support new priorities, including business models for neighborhood retail and amenities, a vibrant business-to-business cluster with diverse ownership, and a focus on one of the most staggering challenges facing entrepreneurs in the city, namely access to capital.

- **Strategy 1:** Re-conceptualize SLDC’s diversity programming beyond certification and enforcing MWBE construction contracting requirements
- **Strategy 2:** Help improve the capital stack and lending outcomes for MWBE firms and develop business supports for MWBE firms
- **Strategy 3:** Create programs for more efficiently matching local small businesses to affordable space opportunities throughout the city and broadly disseminate information about these efforts to MWBEs and would-be entrepreneurs from diverse communities
- **Strategy 4:** Create a business formalization program for small-scale businesses and identify market places or pop-ups in commercial corridors

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<sup>24</sup> Annual Business Survey, 2018 (note: reference year is 2017); Mass Economics analysis

### Employer Practices

Entry-level and middle-wage jobs are an imperative for broad-based opportunity in the city. Entry-level and middle-wage jobs (in, for example, healthcare) help build and restore the middle class and, with proper employer practices around retention, can support job tenure and other factors that increase opportunities and wages. Although middle-wage jobs grew by almost 10% from 2010 to 2018 in the St. Louis MSA, middle-wage occupations in the city experienced practically no growth. Employer practices and workforce programs must be better aligned and responsive to the needs of both businesses in growing clusters and job seekers by involving businesses and service providers in program development and implementation.

- **Strategy 1:** Create St. Louis employer consortium focused on workforce practices to support entry-level and middle-wage employees
- **Strategy 2:** Establish a Lab Tech initiative among members of the employer consortium
- **Strategy 3:** Create new non-profit employee support organization
- **Strategy 4:** Integrate one-stop centers in employment centers to coordinate services
- **Strategy 5:** Improve transit options to nearby neighborhoods
- **Strategy 6:** Develop a messaging strategy and platform for communicating existing and emerging economic opportunities in the city

### Measuring Outcomes

High quality data are central to this framework. They helped identify opportunities and shape strategies and will be critical in terms of tracking progress, creating public accountability, and correcting a course of actions when required by changing conditions. While the importance and value of the existing, publicly-available sources of local data cannot be understated, there is an undeniable dearth of data on sub-city, e.g., neighborhood, outcomes or measures on outcomes associated with specific projects. Addressing this gap is critical, especially for measuring outcomes by race,<sup>25</sup> which is central to tracking the progress of this framework and for creating a more inclusive and equitable economy in St. Louis. The importance of data also extends to neighborhood outcomes and vitality. Data points collected by SLDC to track outcomes of this framework—about half of which can be collected at the neighborhood or sub-neighborhood level—and data collected by individual organizations across the city can be combined with models of neighborhood vitality, including social and economic outcomes for residents, to create a neighborhood vitality index.

<sup>25</sup> Lindsey, N., Colon-Smith, A., & Aufiero, C. (15 June 2020). SLDC Equitable Development Plan Draft.

### Civic Data Capacity

- **Strategy 1:** Increase capacity at key civic and business organizations to develop new sources of high-quality data on outcomes by race and place
- **Strategy 2:** Create capacity to collectively store and access data on inclusion and capacity

### Tracking Neighborhood Outcomes

- **Strategy 1:** Create a St. Louis Neighborhood Vitality Index (NVI)



## Cluster Strategies

Following the principles outlined above, target clusters and strategies for the equitable economic development framework for the City of St. Louis were selected based on their fit with the city's existing economic assets and strengths, as well as their potential to become strengths with key interventions; opportunities to collaborate with regional partners; and their ability to generate broad-based economic opportunity in St. Louis. The requirement that strategies meaningfully increase economic opportunity for a broad set of St. Louis residents and workers means that target clusters must represent opportunities for growth in the number of inclusive job opportunities; and that new investments or strategic direction by SLDC and/or its partners can drive better outcomes. The first criterion—*increase in number of inclusive job opportunities—eliminates so-called “local” clusters like healthcare, for which demand is largely limited by things like population and income, as well as many of the life sciences clusters, which tend to create jobs almost exclusively for workers with at least a four-year degree. This criterion ensures that the ultimate goal of the framework—to provide a roadmap for SLDC and its partners to create a more vibrant and equitable economy in the City of St. Louis—remains the focus.*

The second criterion—that the growth trajectory can be altered in a fundamental way—*eliminates industries and clusters for which there are already significant organizing efforts underway and there is limited opportunity to add complementary capacity. This criterion is critical for ensuring that limited public sector and nonprofit resources are deployed in ways that will maximize their impact on St. Louis residents and workers. Based on these criteria, the following clusters were selected as the focus of this inaugural inclusive growth framework:*

### City-Building

Despite being a nontraditional cluster, city-building is arguably one of the most foundational clusters, centered on the city's physical assets and engaging local talent – especially the capacity of local minority- and women-owned businesses (MWBES) – to restore and revitalize said assets. City-building activities range in scale from site-level redevelopment and construction all the way up to city planning and visioning on a grand scale, incorporating initiatives like home repair funds and blight remediation. Today, the City of St. Louis boasts several major national development firms, and the expertise of these firms should be leveraged while also cultivating small-scale developers. The city-building vision embodies inclusive value creation, and a successful city-building cluster will provide opportunities for minority-owned firms, residents of color, and historically disadvantaged or left-behind neighborhoods to build equity and opportunity across the City of St. Louis.

- **Strategy 1:** Equip SLDC to proactively cultivate the city-building cluster around organized geographies
- **Strategy 2:** Build new and expand existing small developer and construction firm capacity via training, financing, TA, and programming supports
- **Strategy 3:** Invest in the expansion of existing workforce development programs for the construction industry
- **Strategy 4:** Develop a resident arts program to place rehab-able properties into the hands of owner-occupied live/work artist studios/residences

**THE IMPROVEMENT, REMEDIATION, AND STRENGTHENING OF THE PHYSICAL AND BUILT ENVIRONMENT TO MEET CITY DEVELOPMENT GOALS TOGETHER COMPRISE WHAT WE TERM A “CITY-BUILDING” CLUSTER OF ACTIVITIES, FIRMS, AND WORKERS. FOR THE PURPOSES OF THE FRAMEWORK, THE CITY-BUILDING CLUSTER INCLUDES THE FOLLOWING ACTIVITIES: CITY PLANNING AND VISIONING; PROPERTY REPAIRS AND RENOVATIONS; BLIGHT, VACANCY, AND LAND REMEDIATION; REAL ESTATE DEVELOPMENT; AND CONSTRUCTION ACTIVITY.**

- **Strategy 5:** Develop a retail incubator with corresponding logistics hub, with a potential focus on a resilient food production and distribution cluster
- **Strategy 6:** Create local “Priority Zones” in which rezoning, permitting, and other processes are expedited and development fees are waived
- **Strategy 7:** Explore and expand ways to test and apply geospatial capabilities and insights to support city planning priorities

THE TDL CLUSTER CAN BE BROKEN INTO THREE DISTINCT SEGMENTS: DISTRIBUTION, TRANSPORTATION, AND SUPPLY CHAIN AND LOGISTICS. DISTRIBUTION REFERS TO THE HANDLING AND MOVEMENT OF GOODS; TRANSPORTATION REFERS TO THE SHORT- AND LONG-DISTANCE TRANSPORTATION OF MATERIALS BY TRUCK, RAIL, BOAT, OR PLANE; AND SUPPLY CHAIN AND LOGISTICS (SCL) REFERS TO THE PLANNING AND MANAGEMENT OF THE FLOW OF GOODS.

### Transportation, Distribution, and Logistics (TDL)

St. Louis' under-utilized land and widespread vacancy, including of industrial properties, is a key potential asset in growing the city's transportation, distribution, and logistics (TDL) segment of the economy and, in the process, strengthening the cluster in the region and improving competitiveness against peers. Today, however, lack of focus and commitment, as well as a shortage of tools to address land issues, has resulted in a TDL cluster in the city that is relatively small and not keeping pace with national growth. These conditions stymie opportunities not only in TDL itself but also in complementary activities ranging from agricultural distribution and processing to new retail delivery models. The City of St. Louis needs a TDL cluster that can utilize currently unproductive land, support middle-wage job opportunities, and serve as an asset, not an impediment, to complementary cluster development. The development of TDL has taken on new importance with the acceleration of new retail and distribution in response to COVID and the potential for localization of supply chains, especially in healthcare-related products, which will require new types of local TDL capacity.

- **Strategy 1:** Equip SLDC to grow and support the TDL cluster
- **Strategy 2:** Utilize the land assembly fund to cover acquisition, predevelopment and site preparation costs for targeted areas
- **Strategy 3:** Using the Industrial Preservation Area (BIPA), streamline development processes for TDL businesses in targeted areas

THE MANUFACTURING SECTOR IS AN IMPORTANT CONTRIBUTOR TO EMPLOYMENT AND ENTREPRENEURSHIP IN ST. LOUIS CITY. THE SMALLER MANUFACTURING ESTABLISHMENTS WITH FEWER THAN 100 EMPLOYEES ACCOUNT FOR ABOUT 40% OF THESE JOBS. IN THE LITERATURE, THESE ARE REFERRED TO AS "URBAN MANUFACTURERS."\* AS A CLUSTER, URBAN MANUFACTURERS CAN INCLUDE THINGS LIKE CRAFT AND ARTISANAL ACTIVITIES, FASHION AND APPAREL, WOODWORKING AND FURNITURE MAKING, AND SMALL-SCALE FOOD PRODUCTION, AMONG MANY OTHER TYPES OF ACTIVITIES.

## Manufacturing

Manufacturing provides a broad set of benefits to the St. Louis economy: small and mid-sized firms have led a renaissance in once-vanishing industries like textiles, apparel, and leather goods that complement the city's existing strength in fashion; the capability to engage in production can only enhance some of the city's other key creative clusters like design and media; and the vitality of manufacturing plays an important role in the "St. Louis Makes" and "STL Made" branding efforts and more broadly, showcases the city's economy in a way that can be used in national attraction and local retention efforts. But the greatest promise of the cluster might lie in possibilities for inclusive growth, including support for middle-wage job opportunities for workers without four-year degrees and creation of a next generation of ownership that is as racially and ethnically diverse as St. Louis itself. As with TDL, changes brought on by COVID and responses to the pandemic increase the importance of and opportunities for greater local and regional manufacturing capability.

- **Strategy 1:** Equip SLDC to grow and support the manufacturing cluster
- **Strategy 2:** Create Design-Build District(s) leveraging the Industrial Preservation Areas and ecosystem of wraparound services geared toward manufacturers
- **Strategy 3:** Organize a collective of manufacturers and educators to develop a pro-manufacturing campaign geared toward potential future workers
- **Strategy 4:** Organize workforce training and apprenticeship programs serving city residents to expand the manufacturing workforce in the city
- **Strategy 5:** Provide programming that includes training, financing and support services to assist in succession planning for small- to mid-sized manufacturers

\* Mistry, N., and Byron, J. (2011). The Federal Role in Supporting Urban Manufacturing. What Works Collaborative. <https://www.urban.org/sites/default/files/publication/26966/1001536-The-Federal-Role-in-Supporting-Urban-Manufacturing.PDF>

**“SOFTWARE TECH” IS AN OCCUPATIONAL CLUSTER THAT CAPTURES THE FULL SPECTRUM OF SOFTWARE DEVELOPMENT AND MAINTENANCE ACTIVITIES FROM PROGRAMMING, TO DEVELOPMENT, TO TESTING, TO ADMINISTRATION AND MAINTENANCE, TO CUSTOMER SUPPORT. THERE IS NO STANDARD DEFINITION OF SOFTWARE TECH, AND ITS ACTIVITIES CUT ACROSS INDUSTRIES AND OCCUPATIONS.**

## Software Tech

Dominance in a technology segment does not assure large-scale job creation or anything other than meager opportunity creation for workers without advanced degrees. The development of a robust software tech cluster aims to ensure that technology segments in which St. Louis is or can be on the cutting edge—e.g., agtech, cybersecurity, financial services, geospatial, healthcare innovation—will translate into broad-based prosperity. By coordinating the city’s and region’s already considerable workforce, training, and education assets, especially in outreach and training efforts in disadvantaged communities, the software tech cluster can help generate thousands of middle-wage jobs that can be filled by a workforce that reflects the city’s deep and diverse talent base. With emerging regional initiatives on advanced business services,<sup>26</sup> software tech in the City of St. Louis could be a key node in a broader set of regional capabilities around tech-focused business supports.

<sup>26</sup> Economic Baseline Analysis (STL Economic Development Strategy). (2020).

- **Strategy 1:** Equip SLDC to support the software tech cluster in the city
- **Strategy 2:** Coordinate with workforce, training, and education (WTE) providers to size projected demand in the cluster, determine roles, establish channels of communication, and maintain accountability in training workers to meet short- and long-term software tech workforce demand
- **Strategy 3:** Formalize a software tech cluster organization, TechSTL

THE “BUSINESS-TO-BUSINESS” (B2B) CLUSTER IS COMPOSED OF FIRMS THAT PROVIDE A BROAD RANGE OF SUPPORT ACTIVITIES TO BUSINESSES (AS OPPOSED TO CONSUMERS, AS B2C FIRMS LIKE GROCERIES AND DAYCARES DO). CLIENTS ARE OFTEN ANCHOR INSTITUTIONS OR LARGE, PUBLICLY TRADED FIRMS THAT SELL SPECIALIZED GOODS AND SERVICES IN NATIONAL AND GLOBAL MARKETS, WHILE B2B FIRMS THEMSELVES ARE OFTEN SMALL OR MID-SIZED, PRIVATELY-HELD ENTITIES. UNLIKE SPECIALIZED SUPPLIERS THAT ARE PART OF ONE OR A SMALL NUMBER OF SPECIFIC NATIONAL OR GLOBAL SUPPLY CHAINS—SAY, MAKERS OF PARTS FOR AIRPLANE ENGINES—B2B FIRMS OFTEN PROVIDE SOMEWHAT STANDARD PRODUCTS AND SERVICES ACROSS A RANGE OF CLIENTS IN A TRADE AREA NO BIGGER THAN A MULTI-COUNTY METROPOLITAN AREA.

### Business-to-Business (B2B)

A vibrant business-to-business cluster (B2B) in the City of St. Louis will provide the rich support services sought after by firms looking to invest or relocate while creating new entrepreneurship and job opportunities for the residents of St. Louis. Today, the B2B cluster in the city is about 20% smaller than we would expect given the amount of economic activity, with white collar-type support activities weaker than more blue-collar activities. With understanding of the cluster’s importance and targeted growth strategies, St. Louis can capture its proportionate share of future regional B2B growth, adding thousands of jobs and supporting resident opportunity and revenue generation within the city. By explicitly supporting existing and would-be minority- and women-owned entrepreneurs in the B2B space, cluster growth can help close the racial gaps in business ownership and revenue and middle-wage job holding.

- **Strategy 1:** Equip SLDC to develop the B2B cluster, including B2B-specific technical assistance and resources
- **Strategy 2:** Coordinate a collective local B2B program
- **Strategy 3:** Create a tailored capital strategy for MWBE firms in B2B
- **Strategy 4:** Support the development of shared spaces for White Collar B2B in mixed-use neighborhoods and Blue Collar B2B in industrial districts

THE GEOSPATIAL CLUSTER CAPTURES ACTIVITIES CREATING, UTILIZING, AND ANALYZING SPATIAL (E.G., GEOGRAPHIC) DATA ACROSS A VARIETY OF DISCIPLINES. THE 2016 ANNOUNCEMENT THAT THE NATIONAL GEOSPATIAL-INTELLIGENCE AGENCY (NGA) WEST FACILITY (KNOWN AS NEXT NGA WEST, OR N2W) WOULD STAY IN ST. LOUIS AT A NEW 100-ACRE CAMPUS IN NORTH CITY AT THE CORNER OF JEFFERSON AND CASS ENSURES THAT THE ROUGHLY 3,100 DIRECT JOBS ASSOCIATED WITH THE FACILITY WILL STAY IN THE CITY. JUST AS IMPORTANT, THE RELOCATION OF THE NGA HEADQUARTERS COULD ACT AS A FOUNDATION FOR THE CREATION OF A GEOSPATIAL CLUSTER THAT SUPPORTS THOUSANDS OF NEW JOBS IN APPLIED AREAS FROM PRECISION AGRICULTURE, TO URBAN PLANNING, TRANSPORTATION AND LOGISTICS, AND FINTECH, ESTABLISHING A KNOWLEDGE BASE THAT CAN EASILY BE TRANSFERRED TO OTHER DISCIPLINES AND BUILD UP STRENGTH IN RELATED INDUSTRIES.\*

## Geospatial

Academic, business, civic, and philanthropic leaders from across the city and the region are working diligently to make St. Louis one of the national hubs for geospatial technologies. At the heart of these efforts is the creation of a roadmap for industry growth, as well as talent attraction and creation, including preparing the city's K-12 students for futures in geospatial technology. At its broadest, geospatial offers an opportunity to "transition St. Louis into the 'Fourth Industrial Revolution,'" characterized by "the merging of physical and digital worlds."<sup>27</sup> Beyond this is a more prosaic but also critical opportunity: to leverage the new \$1.75B NGA building ("N2W") at Jefferson and Cass in North City—and the thousands of workers who will travel there each day—to support new housing and commercial investments to create opportunities for St. Louis residents to engage in the revitalization as workers, residents, and business owners. It is critical that St. Louis adopt strategies that will ensure N2W serves to support vibrancy in the surrounding neighborhoods and not stand as a fortress, like some secure federal facilities.

<sup>27</sup> TEconomy, "GeoFutures Advisory Committee: Pre-Read Briefing Materials," January 23, 2020

- **Strategy 1:** Ensure that the neighborhoods surrounding NGA are included in planning and programming efforts related to NGA and geospatial more broadly
- **Strategy 2:** Prioritize physical development, including new and infill development, alongside anti-displacement surrounding NGA
- **Strategy 3:** Create strong connections between N2W, nearby neighborhoods and Downtown

\*Project interviews and roundtables

LIKE GEOSPATIAL, HOSPITALITY AND TOURISM (H+T) IS A CLUSTER THAT REQUIRES SUPPORTS IN TERMS OF PHYSICAL DEVELOPMENT IN ORDER TO CONTRIBUTE TO THE CITY'S GROWTH. ALREADY A MAJOR SOURCE OF ENTREPRENEURSHIP AND JOBS, H+T EMPLOYS PEOPLE IN ACTIVITIES SUCH AS ACCOMMODATIONS, AMUSEMENT PARKS, CULTURAL AND EDUCATIONAL EVENTS, GAMING, SPECTATOR SPORTS, AND TOURISM-RELATED SERVICES.

## Hospitality and Tourism

The Hospitality and Tourism cluster supports thousands of jobs in the City of St. Louis. The firms, entrepreneurs, and workers who make up the cluster provide the goods and services that make tourists' time in the city memorable and enjoyable. The cluster has strong leadership and a vision for the necessary assets needed to attract additional events and tourists. In this framework, however, the cluster is asked to play an additional role: to collaborate with a broad range of stakeholders to accelerate the growth and transformation of downtown amenities (retail, restaurants) to improve quality of life for residents and workers alike, and to support residential investment and growth. At the heart of a vibrant and growing Downtown St. Louis must lie a symbiotic evolution of tourism, amenities, and residential activity. The recent Design Downtown STL strategy provides a detailed roadmap for supporting this evolution.

- **Strategy 1:** Implement a retail, entertainment and tourism growth and attraction initiative with emphasis on Downtown
- **Strategy 2:** Develop strategic programming for businesses with a high proportion of revenue from tourism, tailoring streams of programming to MWBEs and small firms
- **Strategy 3:** Support the development of a new hotel, consistent with the findings from the St. Louis Hotel Market Analysis

## Supporting St. Louis Businesses and Regional Partnerships

The city's strengths should be considered within the context of the larger regional economy to provide perspective on distinctive and mutual city-region strengths and consider how those should shape the city's growth strategies. We identify two functional roles that SLDC (and where relevant, other city EDOs) should play with regard to boosting cluster specializations in general and supporting employment districts/centers and commercial corridors: general business support functions and regional economic development partnerships.

### Supporting St. Louis Businesses

- **Strategy 1:** Establish a robust Business Retention and Expansion (BRE) program, which will complement target cluster initiatives
- **Strategy 2:** Grow the SLDC toolbox to better manage the needs of the business community

### Supporting Regional Partnerships

- **Strategy 1:** Bolster business attraction efforts by strengthening regional partnerships
- **Strategy 2:** Develop internal expertise in an existing or emerging regional specialization cluster



# Place Strategies

St. Louis is a large and diverse city that historically developed around commerce and job growth – first along the river and later around freight rail and highways. Like other cities, jobs and businesses often concentrate around key assets like infrastructure, major institutions, access to employees or other similar businesses. To provide a much clearer picture of city employment, this framework identified and evaluated different geographies where the city’s jobs and businesses are concentrated, a necessary step in understanding the specific challenges facing businesses in different places and to identify current land utilization and opportunities for change.

The strategies that follow highlight the opportunities for place-based investment to help stimulate equitable job growth and improve access to services and employment. Although there are some neighborhoods in the city that are economically and racially diverse, the history of racial segregation in St. Louis is still visible today, and place-based initiatives aim to disrupt this legacy and increase economic opportunities in historically disadvantaged areas. To address the cross-cutting challenges that impact many different places within St. Louis, the first strategies relate to planning, management and land assembly. The remainder of this chapter is dedicated to the application of these policies and identification of potential investment to employment districts, employment centers and commercial corridors across the city.

## Planning & Management

As with many cities, coordinating resources, investments and planning across political boundaries, organizational boundaries and public and private entities can be difficult. In St. Louis, there are a large number of entities engaged in some form of planning including developers, community groups, advocacy organizations, SLDC, the city, the county, and regional organizations and non-profits. This has resulted in many documents that outline specific issues and needs with respect to racial equity, education, resiliency and greenways, to name a few. Some of these strategies are focused heavily on transforming the physical experience of the city (the Greenway, for instance) while others focus on organizational and policy change. The places where employment is concentrated in the city need to be shaped with a similar rigor and logic as the places where economic activity can be strengthened and expanded.

- **Strategy 1:** Create additional district redevelopment plans to coordinate public and private investment
- **Strategy 2:** Protect industrial use in targeted areas

## Land Assembly

Land assembly involves gathering vacant and underutilized property into one developable site and is critical to the physical and economic revitalization of the city. As one local stakeholder noted, “Without new approaches, we should assume this level of vacancy and blight for the next 40 years.”<sup>28</sup> To help move the conversation forward regarding land acquisition with respect to the key clusters identified in this strategy, initial “opportunity sites” were identified for each employment district and center. Opportunity sites are defined as collections of vacant and/or underutilized properties that are adjacent to one another and could be assembled into larger, developable properties. (See map below for a preliminary set of sites.)

- **Strategy 1:** Maintain a list of critical opportunity sites
- **Strategy 2:** Create a land assembly fund to acquire and bank land for development

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28 Project interviews and roundtables



# Opportunity Sites

Source: Interface Studio & Mass Economics

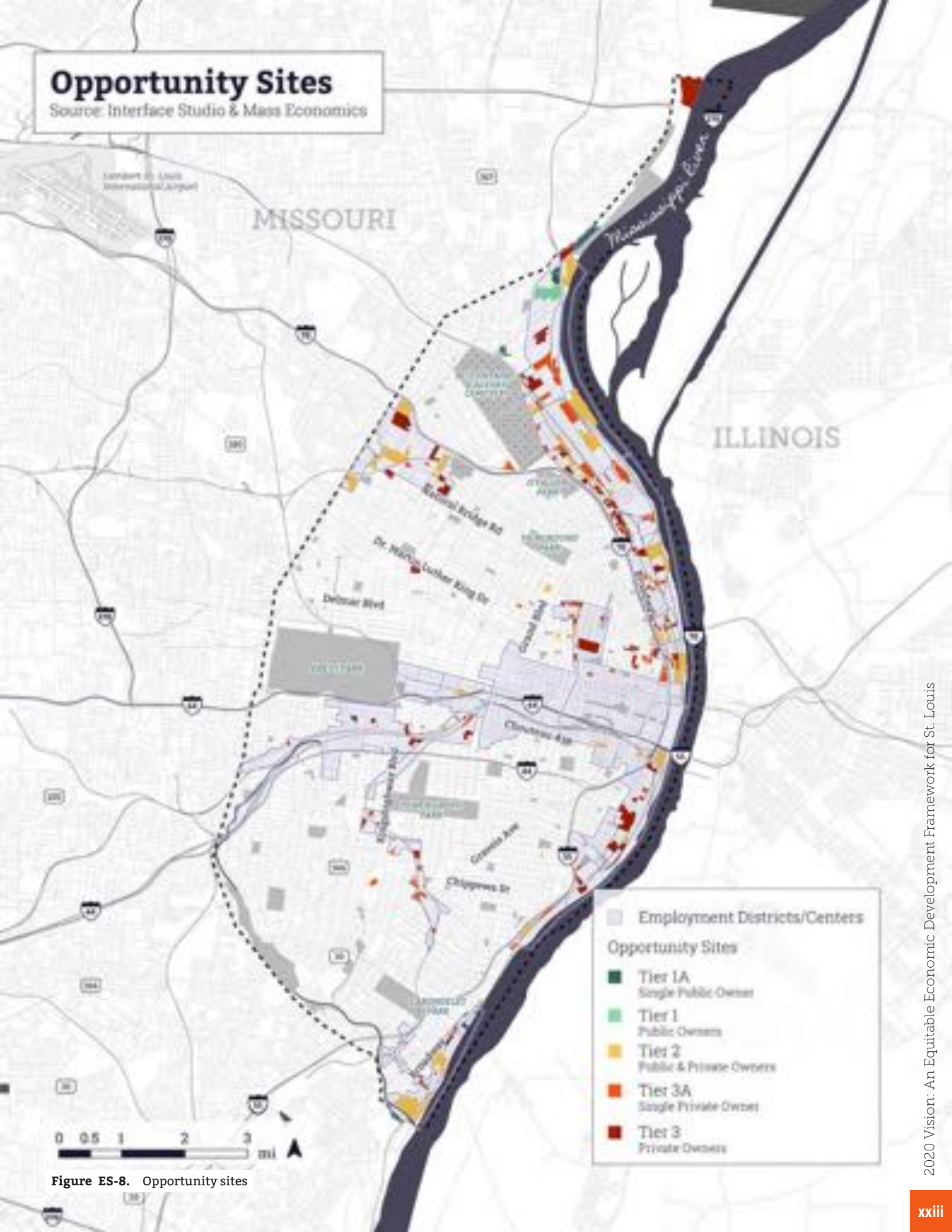


Figure ES-8. Opportunity sites

# Employment Districts & Centers & Commercial Corridors

Source: Interface Studio, 2019.



Figure ES-9. Employment Districts & Centers & Commercial Corridors



# EMPLOYMENT AREAS

# KEY PRIVATE INDUSTRIES

**YELLOW SECTORS** ARE GROWING CITYWIDE

<b>1</b>	Carondelet/ Patch	   	Transportation & Logistics Metals & Chemicals Food Processing & Manufacturing Real Estate & Construction
<b>2</b>	Central West End	   	Health Services Hospitality & Tourism Business Services Education & Training
<b>3</b>	Clayton-Sarah	   	Business Services Household Goods & Services Transportation & Logistics Real Estate & Construction
<b>4</b>	Downtown Core	  	Business Services Marketing & Publishing Hospitality & Tourism
<b>5</b>	Laclede's Landing	 	Business Services Hospitality & Tourism
<b>6</b>	Mark Twain/I-70	   	Government Transportation & Logistics Food Processing & Manufacturing Community & Civic Organizations
<b>7</b>	Midtown	  	Education & Training Business Services Health Services
<b>8</b>	Near North Riverfront	 	Transportation & Logistics Food Processing & Manufacturing
<b>9</b>	North Riverfront	 	Transportation & Logistics Real Estate & Construction
<b>10</b>	Route 66 Area	   	Metals & Chemicals Real Estate & Construction Transportation & Logistics Community & Civic Organizations
<b>11</b>	South	   	Transportation & Logistics Real Estate & Construction Automotive Services Education & Training
<b>12</b>	South Riverfront/ Kosciusko	 	Food Processing & Manufacturing Education & Training
<b>13</b>	Near Northside	<b>EMERGING AREA</b>	Geo-spatial Intelligence Pharmaceuticals

Figure ES-10. Key private industries in employment areas

## Employment Districts

Employment Districts refer to places of major employment with one or more business clusters and supporting infrastructure, as well as adjacent land uses that support businesses and employees, including commercial retail, housing, entertainment, etc. While employment districts include residential uses, they are different than neighborhoods and retail streets. While no less important, neighborhoods and retail corridors are typically comprised of smaller businesses with smaller footprints. Employment Districts, due to the high number of concentrated employees and large buildings, often require special considerations to manage access, loading, truck traffic and parking. Recognizing the importance of commercial corridors across St. Louis, a special section of this work is devoted to identifying a range and diversity of corridors across the city to focus investment, support small businesses and improve neighborhoods.

### Downtown and Laclede's Landing

**Vision:** A full, detailed vision for Downtown, which includes a portion of the Laclede's Landing District shown in this document, is documented in the Design Downtown STL Master Plan. As described in the last adopted plan for Downtown – Downtown Now – Downtown is an “economic hub and commercial engine,” “a cultural and celebratory heart,” and is the “public face for the region.”<sup>29</sup> The Downtown Now plan recognized that “Downtown St. Louis has the opportunity to be a place where leading edge high technology business occurs”<sup>30</sup> and also emphasizes the need for more housing. This vision remains central to the future of Downtown and Laclede's Landing.

29 Downtown Now, 1999

30 Downtown Now, 1999

## Near Northside

**Vision:** The next phase of the development of the Near Northside will be driven by the development of the N2W headquarters which will infuse North St. Louis with thousands of jobs. The N2W headquarters itself will be one of the country's major assets for geospatial jobs. With the investment, the district will expand with new housing to the north and east and a mix of new commercial and institutional uses along Jefferson Avenue. New transit and the Greenway will serve to link this investment with Downtown, Midtown and surrounding communities. NGA's new approach to innovation will increase its engagement with private sector firms, establishing St. Louis as a growing center for geospatial and technology jobs. Innovation activity in this district will also leverage nearby industrial land for particular cluster applications (e.g., TDL).

New space will serve the growing tech sector including new start-ups related to the NGA headquarters underway just to the north. The area's creative economy will grow around media, design and publishing, and the amenities associated with new housing will serve to further strengthen Downtown's role as the center for hospitality and tourism in the region and state. New development in Laclede's Landing will help achieve housing goals and bring additional attractions and workspaces to serve growing companies. Critically, Downtown will diversify its business mix and focus on inclusive entrepreneurship by supporting legacy and existing businesses and supporting the needs of start-ups and growing businesses of all kinds.

- **Strategy 1:** Grow and diversify private sector jobs Downtown
- **Strategy 2:** Promote new retail and services in targeted areas in accordance with Design Downtown STL
- **Strategy 3:** Reuse ground floor commercial space for small business development and the creative sector
- **Strategy 4:** Promote the integration of new residential growth in Downtown and Laclede's Landing to support economic activity
- **Strategy 5:** Further enhance connections between Downtown and Laclede's Landing and expand marketing efforts
- **Strategy 6:** Evaluate new industrial mixed-use and flex space districts in Laclede's Landing
- **Strategy 1:** Develop space to support tech and NGA start-ups
- **Strategy 2:** Create strong connections between NGA, nearby neighborhoods and Downtown
- **Strategy 3:** Encourage new housing infill development
- **Strategy 4:** Plan for institutional and commercial uses along Jefferson Avenue
- **Strategy 5:** Continue to promote the reuse of Pruitt-Igoe for jobs-intensive development

### Supporting Districts (Central West End, Midtown, Clayton-Sarah)

**Vision:** Central West End, Clayton-Sarah and Midtown will continue to drive job growth in the city with a continued focus on healthcare, business and financial services and education, as well as growing specializations in bioscience, software, and technology that will help to define the city's economic future. Continued housing growth will provide opportunities for employees to live nearby and create demand for additional services and amenities. The Foundry will be the newest attraction for the central corridor's hospitality industry, and the creative and performing arts already bring residents from throughout the region to the city. The vision is to connect the area's medical and educational institutions with creative and tech jobs to create a vibrant, mixed-use central corridor.

- **Strategy 1:** Coordinate key stakeholders / organizations in Midtown
- **Strategy 2:** Support ongoing planning for Cortex (more mixed-use)

### Employment Centers

Employment Centers are places of employment with multiple businesses but without nearby retail stores, restaurants, housing, entertainment, etc. These are almost entirely industrial in use with some large format commercial uses. They require specific attention given the needs of these business with respect to infrastructure (rail access, Port activities, major roads and highways) and logistics including truck traffic and loading.

#### Carondelet/Patch

**Vision:** Carondelet is a dense and diverse community of residents and businesses. It combines traditional industrial jobs around transportation, distribution, and logistics and food processing with artisanal manufacturing and production. South Broadway has been improved to better serve residents and industrial operations and is home to creative and small businesses. Carondelet will remain the "capital of weird" in St. Louis and express its individuality through improved branding, historic architecture, and public art.

- **Strategy 1:** Assemble and market key sites for industrial development
- **Strategy 2:** Improve South Broadway and targeted cross streets as front doors to the districts
- **Strategy 3:** Create landscape buffers to protect nearby residential and community uses
- **Strategy 4:** Identify key infrastructure challenges

### Mark Twain/I-70

**Vision:** Mark Twain/I-70 is envisioned as an industrial jobs center offering well-paying industrial job opportunities in the heart of North St. Louis. Mark Twain/I-70's access to freight infrastructure and I-70 as well as its proximity to the St. Louis Lambert International Airport will establish a hub for transportation, distribution, and logistics (TDL) activities. New and legacy businesses in urban manufacturing, business-to-business (B2B) services, construction and other industrial uses will reinforce Mark Twain/I-70 as one of the city's largest and most important industrial centers. Strategic land assembly efforts will open up development opportunities on multiple sites that will increase job density and economic activity. To the south and west, new green spaces will help buffer homes from the impacts of nearby industrial users. Natural Bridge Avenue will provide a valuable interface between Mark Twain/I-70 and surrounding communities where stores and services provide amenities for employees and residents and a one-stop pilot project connects residents and employees to services.

- **Strategy 1:** Improve Natural Bridge Avenue, Union Avenue, and Goodfellow Boulevard as the "front doors" of the district
- **Strategy 2:** Upgrade key intersections
- **Strategy 3:** Create landscape buffers to protect nearby residential and community uses
- **Strategy 4:** Assemble and market key sites for industrial development
- **Strategy 5:** Create a local business association

## North and Near North Riverfront

**Vision:** The vision as documented in the 2012 North Riverfront Commerce Corridor Land Use Plan states that these areas will: “attract high-quality jobs by targeting emerging industries and innovative businesses; fully leverage its central location in the region and access to river, rail and highway infrastructure; significantly increase the quantity and diversity of products shipped through the area; provide quality services and unique amenities to remain competitive with emerging inter-modal hubs; leverage the environmental, and recreational assets of the Confluence Greenway Mississippi River corridor to add value for area businesses, improve conditions for employees and provide compatible uses for recreational users and; be a sustainable business community through improvements and initiatives that demonstrate a commitment to the triple bottom line: the economic, environmental and social value they bring to the local area and St. Louis region.” Given the research conducted on clusters and the economy during this process, this vision remains relevant with the added emphasis that the Near North and North Riverfront represent the primary opportunity in the city to boost employment in TDL. The riverfront offers a confluence of transportation infrastructure and facilities that is the foundation for increased activity in this cluster. Food and beverage processing could also expand along the river, capitalizing on agricultural traffic along the river, vacant and under-utilized land, and proximity to infrastructure.

- **Strategy 1:** Improve North Broadway, Hall and targeted cross streets as front doors to the districts
- **Strategy 2:** Vacate targeted streets to create larger sites and create value
- **Strategy 3:** Assemble and market key sites for industrial development
- **Strategy 4:** Focus landscaping and tree planting around I-70
- **Strategy 5:** Change use recommendations for the “Market District” district
- **Strategy 6:** Create a North Riverfront Community Improvement District (CID)

## Route 66 and South St. Louis

**Vision:** Route 66 and South St. Louis employment centers will serve as vibrant centers for urban manufacturing, construction, B2B services and commercial offices and retail. These jobs centers are integrated into the fabric of surrounding communities and provide quality jobs for residents. Approximately one-fifth of the city’s urban manufacturing employment is located in the Route 66 employment center – the highest share among the employment districts and employment centers. The South employment center has the highest percent of total jobs in urban manufacturing (just under one third of its jobs are in urban manufacturing).<sup>31</sup> Both employment centers offer opportunities for redevelopment and new employment to reinforce their important role in the city’s economy.

- **Strategy 1:** Improve Manchester and targeted cross streets as front doors to Route 66
- **Strategy 2:** Integrate new signage to promote each district
- **Strategy 3:** Improve key intersections
- **Strategy 4:** Assemble and market key sites for industrial development
- **Strategy 5:** Protect industrial use

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31 Source: YTS, 2018; Mass Economics analysis



## South Riverfront/Kosciusko

**Vision:** South Riverfront/Kosciusko will build on its legacy of food and beverage manufacturing businesses and proximity to Souard Market to become the city's capital of food and beverage manufacturing. Freight rail and port facilities will continue to make the South Riverfront attractive for TDL, and the area will continue to expand jobs in local construction and business services. South Broadway between Geyer and Miller Streets, adjacent to the district, is an excellent location for smaller commercial and industrial businesses, as well as retail and restaurants to serve local employees and residents.

- **Strategy 1:** Improve South Broadway and targeted cross streets as front doors to the districts
- **Strategy 2:** Assemble and market key sites for industrial development
- **Strategy 3:** Create a local business association

## Commercial Corridors

Commercial Corridors refer to places of commerce and employment that extend multiple blocks and serve local neighborhood and/or regional shopping and service needs outside of larger employment districts and centers. These corridors have been identified through multiple information sources, including the St. Louis Strategic Land Use Plan, citywide land use maps, employment data, and local knowledge from multiple stakeholders. For this plan, commercial corridors are defined as commercial or mixed-use blocks that are not located within a larger employment districts and centers. (See Figure ES-9 above.)

There is no one vision for commercial corridors across the city as each corridor has its own history, personality, and current needs. The commercial corridors in St. Louis are the front doors for the city's communities. As such, they need creative strategies that both support the needs of nearby communities and provide job opportunities for residents. Commercial corridors should indeed remain central to providing a home for locally-serving retail and commercial services where possible. However, these corridors should also showcase the creativity and resolve of the city and its residents by providing locations for greening, stormwater management, community gardening, community uses, new housing, and small offices that provide a range of job opportunities in the city. Commercial corridor revitalization can also be aided by attraction of other small- and mid-sized businesses, which add to foot traffic and consumer activity during day-time hours. Longstanding issues of disinvestment and inequity cannot be ignored in this context. To help address these concerns, data analysis was designed to help identify a diverse range of commercial corridors from across the city for early-stage action and investment. For each corridor, a menu of potential improvements will be identified through partnerships with nearby neighborhood leaders and business owners.

- **Strategy 1:** Annually measure the health of commercial corridors across all St. Louis neighborhoods
- **Strategy 2:** Create a new Main Streets initiative
- **Strategy 3:** Align investments along commercial corridors to best support surrounding communities and existing and small business owners

# CURRENT CRISES: A CALL TO ACTION

Concurrent with strategy development was the emergence of COVID-19. Missouri recorded its first known case in March 2020 in St. Louis County,<sup>32</sup> and the city experienced its first case shortly thereafter.<sup>33</sup> The COVID-19 pandemic has impacted (and killed) workers, businesses, and livelihoods across the globe, disrupting revenue streams and supply chains for many small businesses and entrepreneurs. COVID-19 has wrought immediate and debilitating economic and social consequences – especially in light of its disproportionate impact on people of color – and it will leave a lasting mark on the St. Louis economy and its residents. Of course, priorities must shift as we respond to this crisis. This means that sources of support for proposed action items may change, or that action items may be delayed as other initiatives take priority. From February to May 2020, the unemployed population in the City of St. Louis increased 237%,<sup>34</sup> higher than the increase in Missouri overall (157%).<sup>35</sup> As of this writing, the pandemic's peak unemployment rate surpassed that of the Great Recession in both the City of St. Louis and the U.S.<sup>36</sup>

The devastating impacts of COVID-19 have already been widely experienced, and they will continue to be felt for months, if not years. It

has been estimated that over 40% of the jobs eliminated during the pandemic will be lost forever.<sup>37</sup> In many cases, revenue streams – for both the public and private sectors – have been decimated and will require significant federal assistance to stabilize their balance sheets (and the public sector will continue to be called upon in the coming months and years to provide financial and other forms of aid to recovering private sector businesses and communities). Some business models have been completely dismantled with shelter-in-place orders and limited travel. Conventions and sporting events are main attractions and drivers of revenue for Downtown businesses in the hospitality and tourism cluster, and actual and anticipated cancellation of events poses huge challenges for these businesses.<sup>38</sup> As of this writing, multiple conventions had been cancelled, and although major league baseball (MLB) had scheduled a 60-game season, games will be played without fans in the stadia, muting most if not all of the usual economic impact of the Cardinals.

In response to the pandemic, consumer preferences and needs are changing dramatically, in some cases, upending traditional supply chains and in others, like restaurant and grocery, remaking retail and distribution models. In the wake of local and state re-openings across the country, firms will be required to adopt COVID-19 safety

precautions for their workers and customers; for manufacturing firms, this may involve adding shifts or adapting their assembly lines to properly distance workers from one another. For firms across a wide range of industries, there will be increased demand for personal protective equipment (PPE) for workers and customers alike. Ultimately, these shifts raise concerns about business livelihood in a post-COVID world and how businesses can remain relevant in the “new normal.” SLDC and the City of St. Louis must proactively engage businesses and entrepreneurs in the city to understand their current and evolving needs and how public support should be directed.

In addition to these COVID-induced hardships for businesses, this period has illuminated the magnitude of racial disparities in the city, the region, and across the U.S. It is well-documented that people of color have experienced worse COVID-19 outcomes, owing in large part to weaknesses and biases in the healthcare system, high concentrations of employment in frontline and “essential” worker roles, overwhelmingly deficient policies around paid sick time and access to childcare, and environmental injustices that lead to higher rates of complicating, pre-existing conditions (e.g., asthma),<sup>39</sup> all of which derive from generations of systemic racism. The first COVID-19 fatality in the City of St. Louis was a Black/African American woman, Jazmond Dixon – with no pre-existing conditions except her skin color.<sup>40</sup>

32 Governor Parson, state, and local officials confirm first case of COVID-19 to test “presumptive positive” in Missouri. (2020, March 7). <https://governor.mo.gov/press-releases/archive/governor-parson-state-and-local-officials-confirm-first-case-covid-19-test>

33 Miller, L. (2020, March 16). City of St. Louis Announces First COVID-19 Case. Riverfront Times. <https://www.riverfronttimes.com/newsblog/2020/03/16/first-case-of-covid-19-announced-in-st-louis-city>

34 The number of unemployed people went from 6.1K in February 2020 to 20.5K in May 2020, out of a labor force of 152K in May 2020.

35 BLS Local Area Unemployment Statistics

36 Missouri Department of Labor

37 Barrero, J. M., Bloom, N., & Davis, S. J. (2020). COVID-19 Is Also a Reallocation Shock (Working Paper No. 2020–59). Becker Friedman Institute for Economics at UChicago. [https://bfi.uchicago.edu/wp-content/uploads/BFI\\_WP\\_202059.pdf](https://bfi.uchicago.edu/wp-content/uploads/BFI_WP_202059.pdf)

38 The Church of God in Christ 2020 conference was canceled. See: Merrilees, A. (2020, June 1). Church of God in Christ conference, which draws tens of thousands to St. Louis, canceled due to COVID-19. St. Louis Post-Dispatch. [https://www.stltoday.com/lifestyles/health-med-fit/coronavirus/church-of-god-in-christ-conference-which-draws-tens-of-thousands-to-st-louis-canceled/article\\_7ba97c17-a354-55fe-88df-1c6e2bdd03f.html](https://www.stltoday.com/lifestyles/health-med-fit/coronavirus/church-of-god-in-christ-conference-which-draws-tens-of-thousands-to-st-louis-canceled/article_7ba97c17-a354-55fe-88df-1c6e2bdd03f.html)

39 COVID-19 in Racial and Ethnic Minority Groups. (n.d.). Centers for Disease Control and Prevention. <https://www.cdc.gov/coronavirus/2019-ncov/need-extra-precautions/racial-ethnic-minorities.html>

40 Davis, C. (2020, March 27). Jazmond Dixon, The First In St. Louis To Die Of COVID-19, Had Mom At Her Side. St. Louis Public Radio. <https://news.stlpublicradio.org/post/jazmond-dixon-first-st-louis-die-covid-19-had-mom-her-side#stream/0>



**“NEVER ALLOW A GOOD CRISIS TO GO TO WASTE. IT’S AN OPPORTUNITY TO DO THE THINGS YOU ONCE THOUGHT WERE IMPOSSIBLE.”\***

COVID-19 also threatens the diversity of business ownership, already a challenge in the City of St. Louis. As of this writing, resources have been and continue to be assembled for small businesses; to call out a few, the City of St. Louis has provided emergency financial support, as well as personal protective equipment to small businesses; Invest STL has created the Neighborhood Solidarity Fund to provide grants to small businesses in areas affected by COVID in the City of St. Louis, St. Louis County, and East St. Louis; and a joint effort between SLDC, the St. Louis Economic Development Partnership, the St. Louis County Port Authority, and area banks has led to the development of the Small Business Resource Fund to provide interest-free loans to businesses experiencing hardship due to the pandemic.

This period of crisis is an opportunity. Amidst the COVID-19 pandemic, the Black Lives Matter movement has elevated public awareness of police brutality against Blacks/African Americans, demanding justice. Never before has the public been so conscious of racial disparities – and so poised for action and change. The city’s response to COVID-19 today and in the coming weeks and months will affect its residents, workers, businesses,

and economy for decades. Through Black Lives Matter and the response to COVID-19, the landscape of potential partners has and will continue to evolve. New organizations have formed, and others have scaled and mobilized support for equitable economic development in the city.

Going forward, SLDC and the City will need to be more accountable than ever before. Longstanding partners may also be shifting short- or long-term priorities and programming as their institutions respond to COVID-19. SLDC and the City must leverage this changing landscape of partners by engaging coalitions of residents and other groups for implementation, using these partners to establish new and strengthen existing accountability mechanisms for implementation. If equity is not integral to the city’s post-COVID recovery, the disproportionate impact of the pandemic on people of color in St. Louis will erase any gains made on inclusion and will only exacerbate the racial/ethnic inequalities in the city. Implementation and post-COVID recovery will occur in a time of unprecedented public involvement and transparency of government actions, creating an opportunity to redress the inequalities in the city and permanently embed equity into the city’s economic trajectory.

\*Emanuel, R. (2020, March 25). Let’s make sure this crisis doesn’t go to waste. Washington Post. <https://www.washingtonpost.com/opinions/2020/03/25/lets-make-sure-this-crisis-doesnt-go-waste/>

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THE  
OPPORTUNITY  
IN ST. LOUIS  
TODAY

# OVERVIEW

**“If the [framework] is utilized properly, it can be a process for coordination and unity across the city and can help serve as a bridge to break through decades of divisions to bring groups together... with a centralized focus.”**

The last decade has provided many reasons for celebration and optimism in the City of St. Louis. Since 2010, St. Louis has grown its jobs base every year. According to the most recent complete annual data, city employment growth was faster than national growth for only the second time since the Great Recession.<sup>1</sup> In addition to these economic measures, there are other visible signs of success: Downtown has added 5,000 residents; NGA is building a new 100-acre campus in North City; Square, the San Francisco-based mobile payment platform developed by two St. Louis natives, is building offices in the former Post-Dispatch building and is expected to anchor the “North of Washington” innovation corridor; Cortex continues to add significant new physical developments, including a \$115 million building at 4210 Duncan Ave.; the Arch Grounds received \$380 million worth of enhancements; Union Station is now home to the St. Louis Aquarium and the Wheel, a 200-foot-tall Ferris wheel; the Brickline Greenway will link 17 neighborhoods across the city; and MLS has awarded St. Louis a franchise, which will begin play in 2022 in a new stadium in Downtown West.<sup>2,3,4,5,6</sup>

In addition to these high-profile developments, neighborhoods across the city have experienced transformations – 16 out of the city’s 79 neighborhoods gained population from 2000 to 2010, according to nextSTL.<sup>7</sup> New tools to support neighborhood

investment (e.g., Choice Neighborhoods), local organizational capacity (e.g., CDCs, neighborhood organizations, and faith-based groups, among many others) and data capacity (e.g., Vacancy Collaborative) support these revitalizations. The city’s neighborhoods are one of its strongest assets and provide the city with one of its biggest competitive advantages.

Despite this litany of accomplishments and seemingly bright outlook, other measures paint a bleaker picture. The city started the 21st century with a decade of significant net job loss, and the number of private jobs in the city declined every year from 1995 to 2006.<sup>8</sup> In 2018, the City of St. Louis ranked 12th in job density among U.S. counties, with approximately 3,200 jobs per square mile; however, of the top 50 U.S. counties by job density in 2018, the city ranked 39th in private sector job growth from 2010 to 2018 (9.4%). The city’s growth lagged St. Louis County (10.3%) and the rest of the region (12.6%) during this period and grew at just over half the U.S. rate (17.3%).<sup>9</sup> These trends, showing how the city’s economy has fallen behind, are stark but illuminating and make the case for intentional and strategic efforts to support economic growth in the City of St. Louis.

8 QCEW-UDP; Mass Economics analysis

9 QCEW-UDP; Mass Economics analysis

1 QCEW-UDP; Mass Economics analysis

2 Project interviews and roundtables

3 Developer plans \$115M Cortex building. (2019, June 17). *St. Louis Business Journal*. <https://www.bizjournals.com/stlouis/news/2019/06/17/developer-plans-115m-cortex-building.html>

4 Stoss Unveils New Chouteau Greenway Plan for St. Louis. (2020, January 20). *ArchDaily*. <https://www.archdaily.com/931927/stoss-unveils-new-chouteau-greenway-plan-for-st-louis>

5 Garth, G. (2018, June 29). Gateway Arch: An American classic gets a major overhaul. *USA Today*. <https://www.usatoday.com/story/travel/destinations/2018/06/29/gateway-arch-national-park-st-louis/744274002/>

6 Johnson, G. (2019, February 11). *St. Louis Wheel Approved for Union Station*. nextSTL. <https://nextstl.com/2019/02/st-louis-wheel-approved-for-union-station/>

7 Understanding Population Change and Density in St. Louis (UIC & nextSTL @ PXSTL). (2014, September 17). nextSTL. <https://nextstl.com/2014/09/pxstl/>

Intertwined with these discouraging growth trends are profound inequities that have compounded over time. Poverty and opportunity sharply demarcate racial groups and neighborhoods, and disinvestment and population loss continue to impact the city's primarily Black/African American neighborhoods. One-third of all Black/African Americans in the city live in poverty, despite the city's recent growth in resident incomes. The poverty rate for Black/African Americans is three times higher than that of white residents and 1.5 times the national poverty rate for Black/African Americans. Overall unemployment rates in the city are high by both regional and national standards. Rates for Black/African American residents are double the citywide average and six times higher than the unemployment rate for white residents.<sup>10</sup> Furthermore, the racial wage gap is dramatic: Black/African Americans working in the City of St. Louis earn just 48% of their white counterparts.<sup>11</sup> These statistics confirm the necessity – not to mention urgency – of embedding equity into the city's economic outlook.

Yet, there is strong reason to believe that the battle to contend in a global economy and the fight for economic equity are not two separate struggles, but one. Addressing the single challenge of equitable urban economic growth requires the commitment and capacities of a broad set of public, private, philanthropic, university, and community stakeholders employing a range of tools to address foundational issues of place, prosperity, and people.

At the request of the Board of Aldermen, the St. Louis Development Corporation – the economic development agency for the City of St. Louis – commissioned this Equitable Economic Development Strategic Framework. The framework is intended to link other related economic development plans, thereby creating a unified approach to equitable economic growth in the city: "The purpose of [this framework] is to position the city on a path toward a resilient economy by casting the vision that SLDC, the city and its public, private and institutional partners can coalesce around and act upon to drive investment and growth in the city."

Ultimately, this framework seeks to position St. Louis to compete regionally and globally in its key economic clusters, catalyze the transformation and growth of St. Louis' neighborhoods through a commitment to "quality of place" throughout the city, capitalize on core economic strengths to unlock the opportunity for all to thrive, and maintain a more sustainable tax base driven by commercial and residential investment and renewed population growth. Specifically, the framework aims to:

1. Exceed the national growth rate in jobs and payrolls among our key industries,
2. Close existing opportunity, employment, wage, entrepreneurship, and wealth gaps for people of color, and
3. Achieve sustainable long-term tax revenue growth for the city.

**THE PURPOSE IS TO POSITION THE CITY ON A PATH TOWARD A RESILIENT ECONOMY BY CASTING THE VISION THAT SLDC, THE CITY AND ITS PUBLIC, PRIVATE AND INSTITUTIONAL PARTNERS CAN COALESCE AROUND AND ACT UPON TO DRIVE INVESTMENT AND GROWTH IN THE CITY.**

<sup>10</sup> U.S. Census Bureau American Community Survey, 2018 1-year release; Mass Economics analysis

<sup>11</sup> QWI, 2018; Mass Economics analysis

# PROPOSITIONS

As the Advisory Committee emphasized from the outset, race, place, poverty and opportunity must be the core concepts for understanding the city's economic trajectory – and they must form the foundation for a framework that lays out a more equitable, vibrant, and resilient economic future. Throughout this process, a wide range of demographic and economic variables (see Ch. 2: Economic and Demographic Report) were evaluated to inform the creation of the following 12 Guiding Propositions:

## Broad-based cluster growth:

The city must continue to grow jobs in its traditionally strong clusters, many of which are also regional strengths, as well as support clusters that leverage the city's specific asset base.

## Entry-level and middle-wage job focus:

City-specific clusters should have a focus on creating entry-level and middle-wage jobs.

## Workforce:

Workforce and educational programs must be better aligned and responsive to the needs of both businesses in growing sectors and job seekers.

## Place-based employment and development across the City:

The geography of inclusive business and job growth must build upon the needs, assets, and opportunities, and where necessary, also support adjacent community development.

## Diverse entrepreneurship and entrepreneurship opportunities:

The city's strong entrepreneurial ecosystem must continue to evolve to support new priorities: business models for neighborhood retail and amenities and vibrant businesses with diverse ownership.

## Economic opportunities for all:

Increased access to jobs, higher wages, real estate ownership and appreciation, and business ownership must be a priority for the city's underinvested neighborhoods and its residents, which have been chronically disconnected from economic opportunities.

## Population retention and growth:

In addition to growing the number and quality of jobs, St. Louis must increase its residential population by retaining existing residents, re-growing the black middle class in the city, and retaining and attracting talent from across the globe.

## Diverse and distributed leadership:

New models of distributed leadership must be representative of the population of St. Louis, with outreach and focus on the diverse voices of leadership across race, gender, geography and generation.

## Public sector capacity:

Implementing an equitable economic development framework will require adequate funding for key public sector functions related to planning, real estate development, infrastructure, and business support.

## Investment and capacity alignment across sectors:

Public, private and philanthropic investments must be aligned around key strategies and places within the city. Investments must include a mix of signature projects and longer-term capacity building.

## City fiscal health and investment:

Advancing equitable economic growth in St. Louis must contribute to improving the city's fiscal health by increasing the tax base in ways that are equitable and growth-sustaining.

## The story of the City of St. Louis:

Advancing equitable economic growth in St. Louis begins with a clear understanding of the value of the city's human capital, innovation, education, technology, and entertainment assets and their existing and potential contribution to the city, regional, and state economies.



# GOALS OF THE ECONOMIC DEVELOPMENT STRATEGIC FRAMEWORK:

As the city embarks on a journey toward a more prosperous and equitable future, progress must be tracked and measured using economic, place-based, and population-based indicators. Taking into account advisory committee input and community outreach, ten specific and measurable goals were developed in support of these objectives:

- 1 Achieve annual growth in employment and payroll among key industry clusters that meets or exceeds their national growth rates.
- 2 Reduce St. Louisan's poverty rates – across all racial/ethnic groups – to below their respective national rates; increase median household incomes – across all racial/ethnic groups – above the U.S. (adjusted for cost of living differential).
- 3 Close the unemployment and wage gap between Black/African Americans and their white counterparts, as well as other disadvantaged racial/ethnic groups.
- 4 Increase the availability of middle-wage opportunities in the city's job base.
- 5 Attain enough employer commitments to adopt workplace policies that: diversify the workforce, increase worker retention, and provide access to wraparound services so that at least half of all job holders in the city work for employers that have committed to such policies.
- 6 Reduce vacancy rates and promote vibrancy on commercial corridors, especially in underserved neighborhoods.
- 7 Promote anti-displacement by increasing home and business ownership opportunities for people of color and other under-represented populations.
- 8 Slow, then reverse, population decline – particularly among Black/African American residents and households with school-aged children
- 9 Increase the quality and capacity of neighborhood organizations, CDCs, and business associations to represent and respond to resident and other local stakeholder interests.
- 10 Strengthen the city's fiscal outlook by responding to post-COVID industry and workplace trends, increasing revenues (overall and per capita), maximizing the efficiency of incentive use and expenditures by promoting job and housing density, and building a budget surplus.

Specific metrics to track each of these goals are presented in Ch. 6: Metrics.

# PROCESS

Executing this vision will require a coordinated effort among public, private and philanthropic actors. As was noted in the Board of Alderman ordinance calling for an Economic Development Strategy, “If the [framework] is utilized properly, it can be a process for coordination and unity across the city and can help serve as a bridge to break through decades of divisions to bring groups together... with a centralized focus.” In short, the skills and energy of the people of St. Louis are the primary building blocks upon which an equitable prosperity framework must be developed. At the same time, the prosperity and well-being of St. Louisans is the ultimate goal to which all of the framework’s strategies and actions are oriented.

This framework is being developed in parallel with several other economic development planning initiatives currently underway within St. Louis. These include:

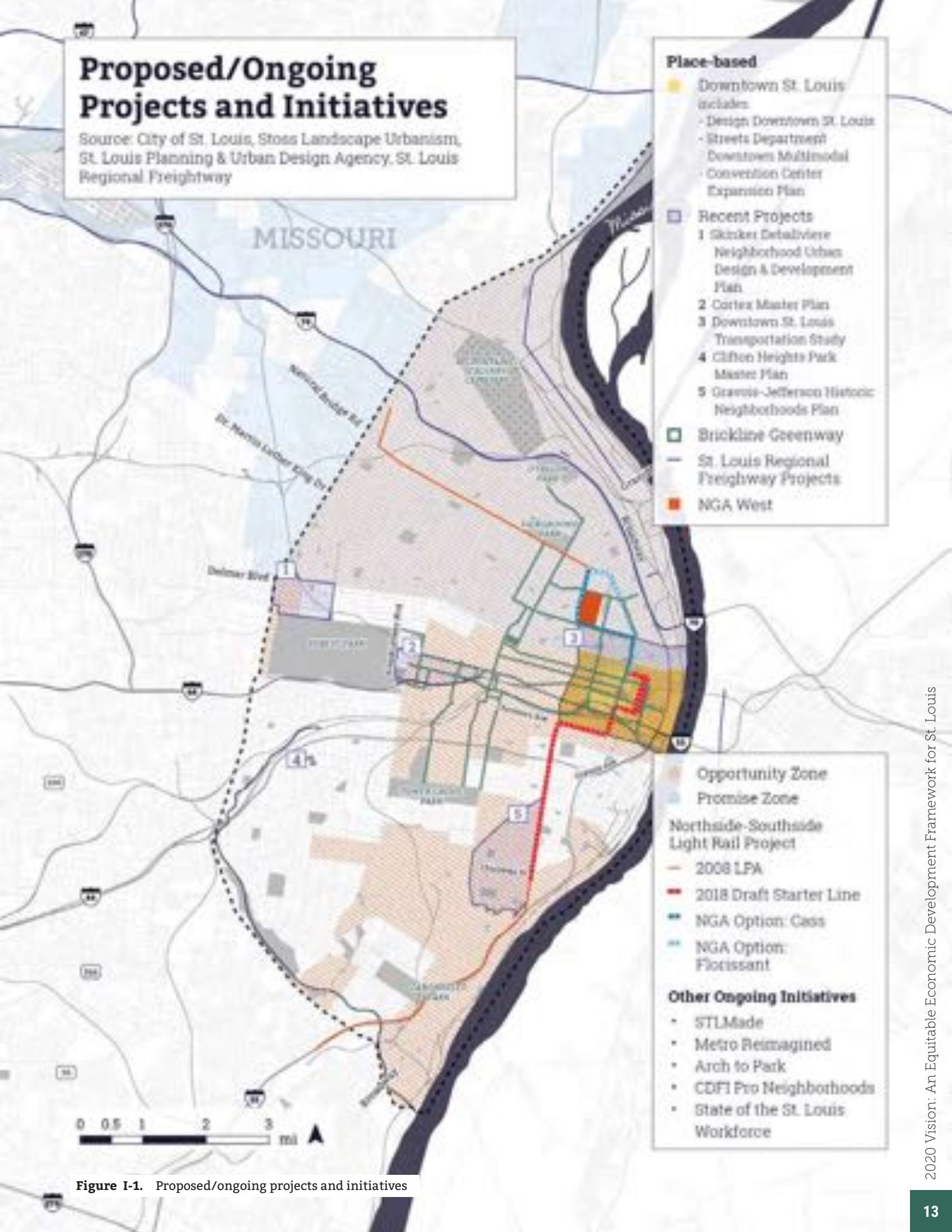
- › Design Downtown STL
- › Brickline Greenway Plan
- › Metro North-South Transit Oriented Development Plan
- › Cortex Revised Strategic Plan
- › GeoFutures Geospatial Strategic Plan
- › St. Louis Metropolitan Economic Development Strategy

While each initiative has a specific focus within the city, there has been an intentional effort to share information and coordinate between plans for the common purpose of moving the city forward. Where appropriate, this framework does propose complementary strategies and tactics (i.e., action items) to support the goals of those plans. In short, this project intentionally created a framework that can absorb the outputs from other planning efforts rather than a fixed set of strategies that must be revisited each time a new strategic effort is undertaken in St. Louis. A graphic of proposed and ongoing projects and initiatives is presented in Figure I-1.

The project was also overseen by a 40+-member advisory committee that represents public, private, philanthropic and faith-based sectors across the city, and had representation across race and gender that closely matched the city’s demographic make-up. Although committee members skewed older than the city’s population and workforce, there was significant representation from younger leaders. Advisory committee members attended four working meetings during which they served as a sounding board for project analyses and strategy development and offered ideas on equitable growth opportunities in the St. Louis economy. The advisory committee was chaired by June McAllister Fowler (Senior Vice President, BJC Healthcare), Reverend Michael Fulton Jones, Sr. (Executive Director, Friendly Temple Missionary Baptist Church), Chris Shearman (Executive Director, Lutheran Development Group), and Travis Sheridan (President, Venture Café Global). In addition to their shared roles with the rest of the advisory committee, the chairpersons participated in public engagement activities with the consulting team and provided advisory services throughout the project.

# Proposed/Ongoing Projects and Initiatives

Source: City of St. Louis, Stoss Landscape Urbanism, St. Louis Planning & Urban Design Agency, St. Louis Regional Freighway



- Place-based**
- **Downtown St. Louis** includes:
    - Design Downtown St. Louis
    - Streets Department
    - Downtown Multimodal
    - Convention Center Expansion Plan
  - **Recent Projects**
    - 1 Skinker Detailviewe Neighborhood Urban Design & Development Plan
    - 2 Cortex Master Plan
    - 3 Downtown St. Louis Transportation Study
    - 4 Clifton Heights Park Master Plan
    - 5 Gravois-Jefferson Historic Neighborhoods Plan
  - **Brickline Greenway**
  - **St. Louis Regional Freighway Projects**
  - **NGA West**

- Opportunity Zone**
- Promise Zone**
- Northside-Southside Light Rail Project**
  - 2008 LPA
  - 2018 Draft Starter Line
  - NGA Option: Cass
  - NGA Option: Flotissant
- Other Ongoing Initiatives**
  - STLMade
  - Metro Reimagined
  - Arch to Park
  - CDFI Pro Neighborhoods
  - State of the St. Louis Workforce



Figure I-1. Proposed/ongoing projects and initiatives



# ENGAGEMENT

In an effort to garner the broad support needed, an extensive public input phase was conducted in which the consulting team met with hundreds of residents and businesses leaders, including:

- › Over 225 residents across the city at two public open houses,
- › 20 neighborhood meetings,
- › A dozen roundtables with business and neighborhood leaders, and;
- › 100+ interviews with stakeholders and experts in economic clusters, entrepreneurship, capital, neighborhood development, vacancy, and land development.

## Public Outreach Summary January 2019 - December 2019

3	Advisory Committee meetings
4	Board of Aldermen briefings
12	Group Discussions
+100	Stakeholder Interviews
+200	People from 5 Neighborhood Meetings
225	People from 2 Open Houses
267	Online Survey Responses
1,300	Mayor's Business Luncheon attendees
1	Video
~15	Neighborhood/Business Meetings
4~5	High School Discussion Groups
+	Media Outreach Board of Aldermen & Advisory Committee meetings Digital survey and comment forms

Figure I-2. Public outreach summary



Figure I-3. July Open House social media graphics

## Public Engagement Approach

Public and stakeholder engagement is critical to the success of a citywide economic development strategy. Meaningful community input is necessary to develop the priorities, tactics and outcomes of the framework, but the community will also be partners in its implementation. This framework can help guide and inform economic development decisions and investments, but in order to be successful, it needs partnership from the City of St. Louis residents, stakeholders and businesses. As with any effort of this magnitude, the ultimate success of the strategy will hinge upon the support of key partners who regularly work to make this city a better place.

Over the development of the framework there were many ways for the public to provide input.

### Public Engagement Goal

Our commitment is to authentically engage the city's diverse communities and identify actionable strategies that will better distribute opportunity, jobs, and income across the city.

### Public Engagement Objectives

- › Collect data about the city's economy and people - both qualitative and quantitative - to help determine cluster, place-based and equitable priorities and strategies.
- › Bring together the key stakeholders – residents, business leaders, employers, developers, non-profits, major institutions, the city and many more – to shape the plan, its strategies and ultimately drive its implementation.
- › Provide a cross-section of opportunities for community voices to engage - digital, in-person, at events and where residents meet.
- › Incorporate community priorities, experiences and ideas into the framework development process.
- › Educate and broaden the discussion about the city's economic potential and the value of a citywide equitable framework.



- ▲ July Open Houses (top & middle)
- ◀ Neighborhood meeting activities in a box (bottom)





# Our Process

The project team adopted a multi-pronged approach to direct community engagement and education, giving the public multiple opportunities, locations, and access points to learn about the framework and provide feedback. This approach included online platforms, an advisory committee, interviews, district discussions, roundtables, public events, and a public comment period on the penultimate draft. (See Figure I-4).

## Online Platforms

In order to provide ongoing engagement opportunities, a complete communications platform was developed. These outlets included both digital and paper options for information and feedback in order to allow wider participation.

- › Framework website

[www.stleconomicdevelopmentstrategy.com](http://www.stleconomicdevelopmentstrategy.com)

A website was created in 2019 as an online repository for project information. The website featured a project timeline, map, video, explanation of community input process, description of the Advisory Committee, photos from the open houses and presentations given at neighborhood meetings and Advisory Committee meetings. Individuals could submit comments and messages about the development strategy with the "Contact" form.

- › Email Newsletters

Another way that community members learned about project updates was by signing up for the email newsletter or receiving updates via SLDC. SLDC keeps an email list of over 3,500 email addresses and provided regular updates on the project through their monthly newsletter. The project team sent out two rounds of email updates to advertise the July 2019 open houses and an additional email notice to promote the August - September online survey. The email notices had over 3,000 opens and an average open rate of 31%.

- › Social Media

The project utilized the SLDC's Facebook and Twitter accounts to promote the website, public open houses and online survey.

Overall project timeline

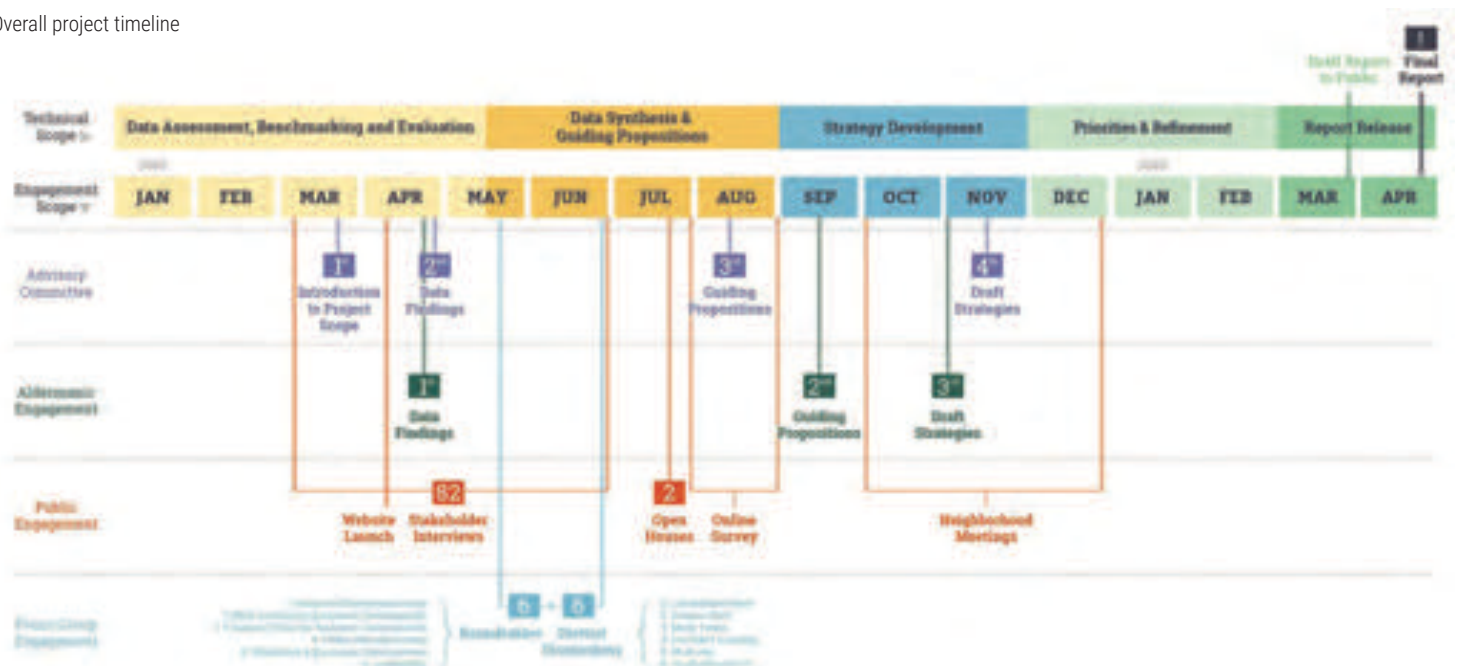


Figure I-4. Project timeline



## Advisory Committee

To help provide context, additional information, distribute project updates and prioritize framework guidelines, SLDC formed an advisory committee that included City of St. Louis residents, business owners, organizational representatives, and community leaders. These individuals represented industry clusters that could be featured in the framework, as well as key neighborhoods and development corridors. Finally, faith-based organizations, utilities, major employers, educational institutions, developers and community development and neighborhood organizers were identified and asked to participate.

### Advisory Committee Members

- › Amelia Bond, *St. Louis Community Foundation*
- › Marc Bowers, *St. Louis Makes*
- › Zack Boyers, *US Bank CDC*
- › Kevin Bryant, *Kingsway Redevelopment LLC*
- › Antoinette Carroll, *Creative Reaction Lab*
- › Dedric Carter, *Washington University in St. Louis*
- › Jenny Connelly-Bowen, *Community Builders Network*
- › Rodney Crim, *St. Louis Economic Development Partnership*
- › Peter Czajkowski, *Stifel*
- › June Fowler, *BJC*
- › Jenifer Garcia, *Garcia Properties*
- › Laura Gilbert, *SLACO/Commerce Bank/RISE CDC*
- › Brooks Goedeker, *Saint Louis University*
- › Tori Gonzalez, *Justine Petersen*
- › Karin Hagaman, *Grand Center*
- › Patty Hagen, *T-Rex*
- › Jason Hall, *Arch to Park*
- › Carlos Huddleston, *Gonzalez Companies*
- › Brian Hurd, *Rise CDC*
- › Christian Johnson, *MultiPass Ventures*
- › Reverend Michael Jones, *Friendly Temple Baptist Church*
- › Mike Kearney, *Ameren*
- › Missy Kelly, *Downtown STL*
- › Sadik Kukic, *Bevo CID*
- › Dennis Lower, *Cortex*
- › Sal Martinez, *Employment Connection*
- › Kiku Obata, *Kiku Obata & Company*
- › Brian Pratt, *Green Street*
- › Neal Richardson, *US Bank/Dream Builders for Equity*
- › Ron Roberts, *Development Synergy Partners*
- › Felicia Shaw, *Regional Arts Commission*
- › Chris Shearman, *Lutheran Development Group/Gelateria*
- › Travis Sheridan, *Venture Cafe*
- › Steve Smith, *Lawrence Group*
- › Dwayne Smith, *Harris-Stowe State University*
- › Jonathan Smith, *Saint Louis University*
- › Sean Spencer, *Tower Grove South CDC*
- › Keithen Stallings, *Bayer*
- › Ellen Theroff, *Spire*
- › Susan Trautman, *Great Rivers Greenway*
- › Randy Vines, *STL-Style*



During Carondelet/South Broadway and East Delmar district discussions.

**The advisory committee met on the following dates:**

- › March 29, 2019: Kick-off meeting to introduce the project, discuss committee expectations and discussion the following questions:
  - › What does a citywide equitable economic development strategy need to be successful?
  - › What are the key things particular to St. Louis that need to be considered in structuring and implementing an economic development strategy for the City?
  - › What are the top 3-5 metrics for equitable economic development in the City?
- › April 25, 2019: Review of initial economic and demographic data and discussion of economic nodes and assets throughout the City
- › July 25, 2019: Review and discussion of public engagement findings to date, including stakeholder interviews, district discussions and public open houses. Brainstorming and refinement exercise for equitable guiding propositions.
- › November 15, 2019: Reveal and discussion of framework first draft.

**Interviews**

Over the course of the project and particularly during the fact-finding phase, the project team met with and interviewed 110 stakeholders, residents and business owners to introduce the purpose of the framework, find out about local economic conditions, assets and challenges and hear their ideas and concerns. These interviews were critical to help the team understand the specific challenges that impact economic development across the city.

**District Discussions**

District discussions were an opportunity to introduce the framework to stakeholders in identified employment districts. Stakeholders included property owners, residents, organizational leaders, elected officials and community members who have a vested interest in the equitable economic and social future of their neighborhood/area. District discussions allowed team members to get a fuller understanding of what the data was showing, as well as hear ideas, concerns and challenges to economic growth.

District discussion participants were selected through feedback from SLDC, area elected officials, property owner listings and neighborhood groups.

- › May 22 – Carondelet/South Broadway @ 6721 S. Broadway Avenue
- › May 23 – East Delmar @ Legacy Bar and Grill
- › June 11 – North Riverfront/Laclede’s Landing @ William A. Kerr Foundation
- › June 12 – Midtown/Grand Center @ Cafe Ventana
- › June 12 – Mark Twain/I-70 Industrial Park @ MOKAN
- › June 26 – South Riverfront/Soulard @ Joanie’s Pizzeria



Welcome card for July Open Houses



## Roundtables and Student Focus Groups

### › Roundtables

In order to get a more complete understanding of how various industry ecosystems worked and hoped to grow in the future, the project team organized and executed a number of cluster-oriented roundtables with industry leaders in St. Louis. These roundtables aided the project team in identifying existing and emerging growth prospects, opportunities for inclusive growth, long-term visions, biggest challenges, and areas of potential assistance and support.

- > Coordinating Physical Planning
- > Financial Tools for Inclusive Development in St. Louis
- > Inclusive Entrepreneurship
- > Land and Vacancy
- > NGA and Inclusive Economic Development in St. Louis
- > Redevelopment Bank
- > Software Tech
- > Urban Manufacturing
- > Workforce and Economic Development in St. Louis

An additional roundtable was hosted with executive leadership in the city.

### › High School Focus Groups

To gain a different perspective on economic opportunities and possibilities in St. Louis, four focus groups were held at area high schools: Clyde C. Miller Career Academy, Central Visual Performing Arts High School and Sumner High School. At these focus groups, 32 high school juniors

and seniors were asked about their perception of economic opportunity and their career goals.

- > 11/12: Sumner High School
- > 11/13: Clyde C. Miller Career Academy
- > 11/19: Central Visual Performing Arts High School
- > 11/20: Clyde C. Miller Career Academy

The high school students reflected on what kinds of jobs and opportunities they wished they could access and citywide barriers to prosperity. High school juniors and seniors perceived a lack of connections or exposure to industries and personal motivation and attitude as barriers to success. They believed that mentorship opportunities, having support throughout the training and education process and advice to narrow down or explore different career options are needed in order to be successful in a career.

High school students were asked what jobs are currently in demand in St. Louis. Students believed nursing and health care positions, food delivery, teachers and game designers to be in demand. Most high school students shared that they are hoping to go to college outside of the St. Louis area and are not planning on returning to the St. Louis area. Students shared that they feel opportunities for higher education, employment and entertainment are outside of St. Louis. Vacancy, littering and blighted neighborhoods were mentioned as signs of lacking economic prosperity and opportunity.

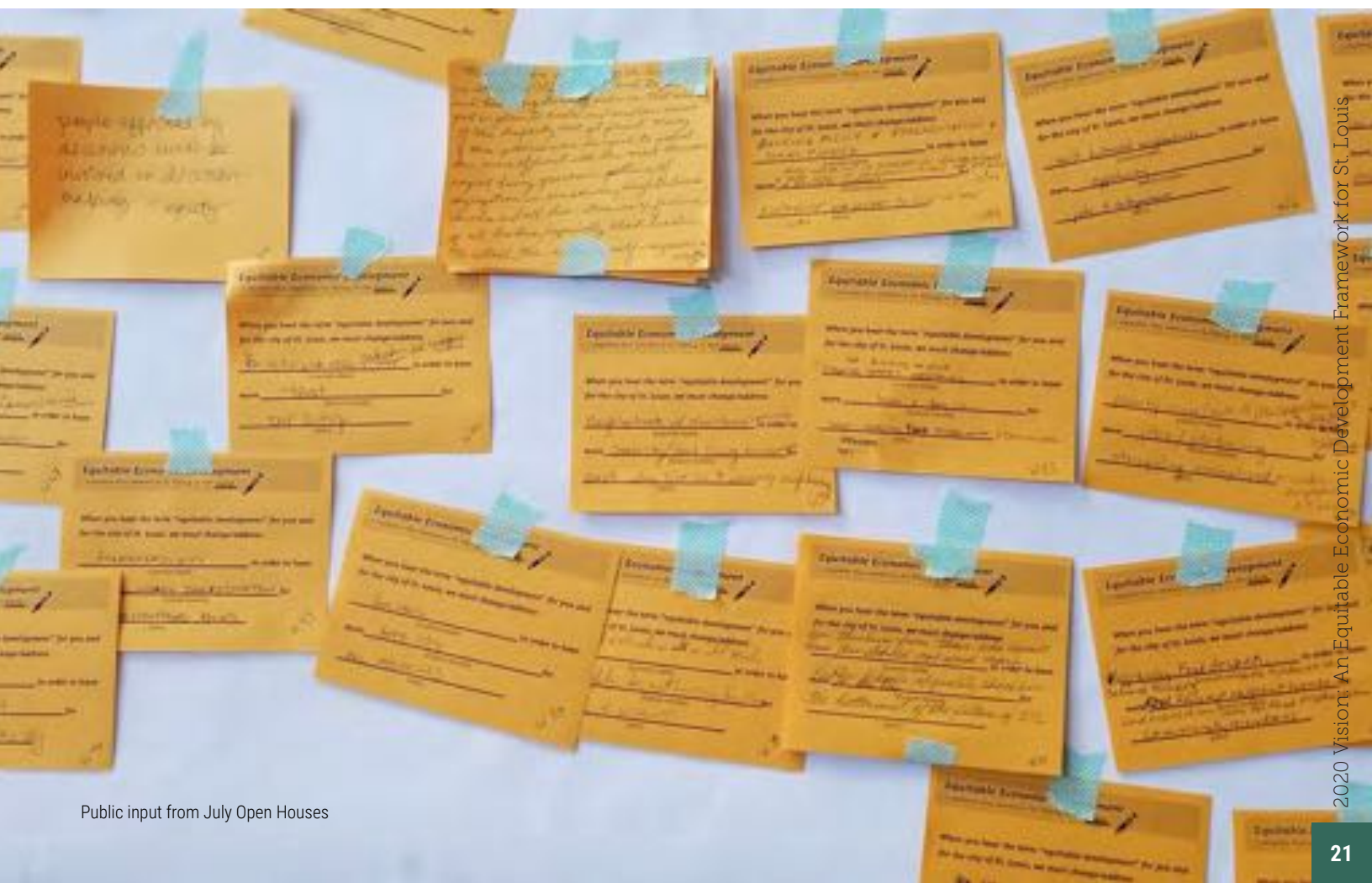
## Public Events

### › July 2019 Open Houses

Two open houses were hosted in July 2019 to share information about the project and collect feedback from community members and neighborhood leaders. The open houses took place at the Sheet Metal Workers Union Hall in South City and Vashon High School in North City and lasted three hours. Participants could come and go as they wished. Aldermen were invited to attend in the hour prior to the public to discuss project developments with team members.

Over 250 community members participated in the open houses. Community members learned about the open house through social media, yard signs, traditional media coverage, email to their neighborhood association and community organizations. Participants engaged with a series of exhibits with questions about how they utilize different parts of the city. Participants provided feedback and ideas about what they would like to see in each commercial corridor and employment district. Participants also learned about community resources like STL Made, Urban League of Metropolitan St. Louis, and Great Rivers Greenway, and heard from representatives of other city projects. Due to the fact that two open houses were organized, the feedback and comments were tabulated separately in the accompanying graphics.





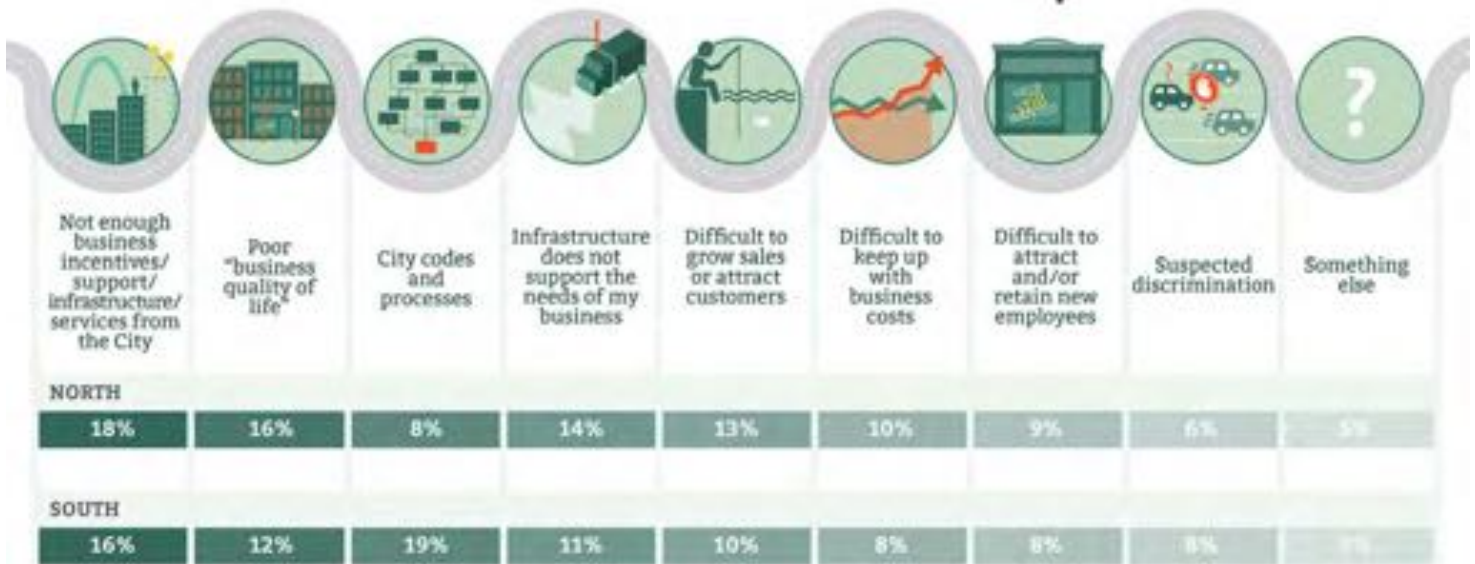
Public input from July Open Houses



5

## WHAT BARRIERS HAVE YOU FACED?

On the road to  
operating a  
business



5

## WHAT BARRIERS HAVE YOU FACED?

On the road to  
job and career  
opportunities



Figure I-5. July Open House: "What barriers do you face?" activity results

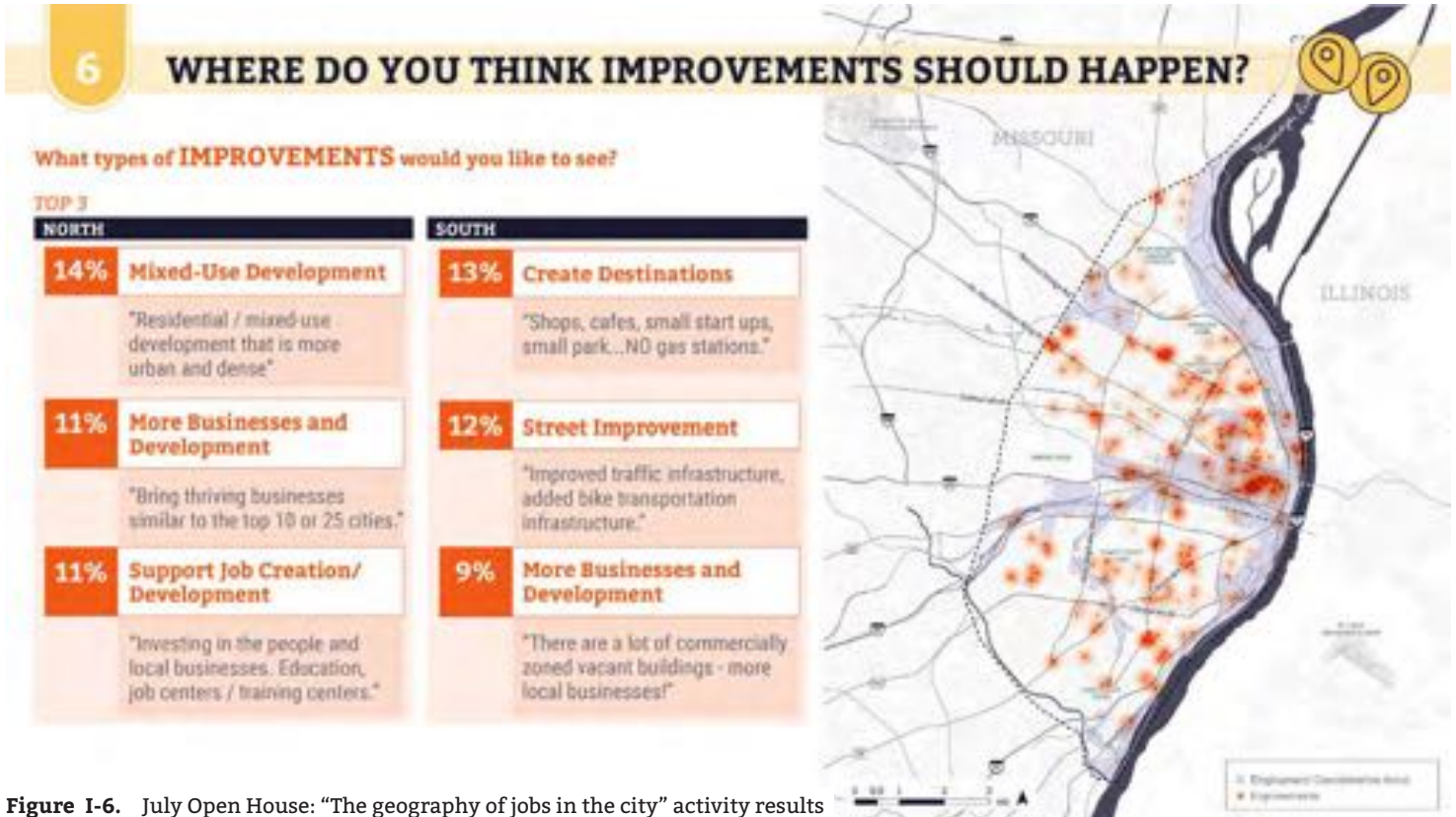


Figure I-6. July Open House: "The geography of jobs in the city" activity results



July Open House: "The geography of jobs in the city" activity cards and participants filling out their responses



7

## WHAT DOES EQUITY MEAN FOR ST. LOUIS?

When asked what **EQUITABLE DEVELOPMENT** means for them and for the city of St. Louis, participants responded...



Figure I-7. July Open House: "Equitable Economic Development" activity results



## WHAT DOES EQUITY MEAN FOR ST. LOUIS?

1 Our working definition for EQUITY means...

**Equity** for St. Louis means *creating an environment for equal opportunity that produces just and positive results for people of various races, nationalities, genders, sexualities, ages, incomes and abilities.*

In particular, any plan to advance economic development in the city must boldly address the racial disparities of income, employment, business participation and ownership inequality that limit prosperity for all. In this instance, equitable economic development for St. Louis means working to create, retain and support jobs and businesses, and increase wealth and entrepreneurship for all St. Louisans, especially people of color, women, and other groups traditionally marginalized from economic opportunity.

2 Tell us what you think.

Grab a postcard and help us define what EQUITY means by completing this sentence:

When you hear the term "equitable development" for you and for the city of St. Louis, we must change/address \_\_\_\_\_ in order to have more \_\_\_\_\_ for \_\_\_\_\_.



OVER 250 COMMUNITY MEMBERS PARTICIPATED IN THE OPEN HOUSES.

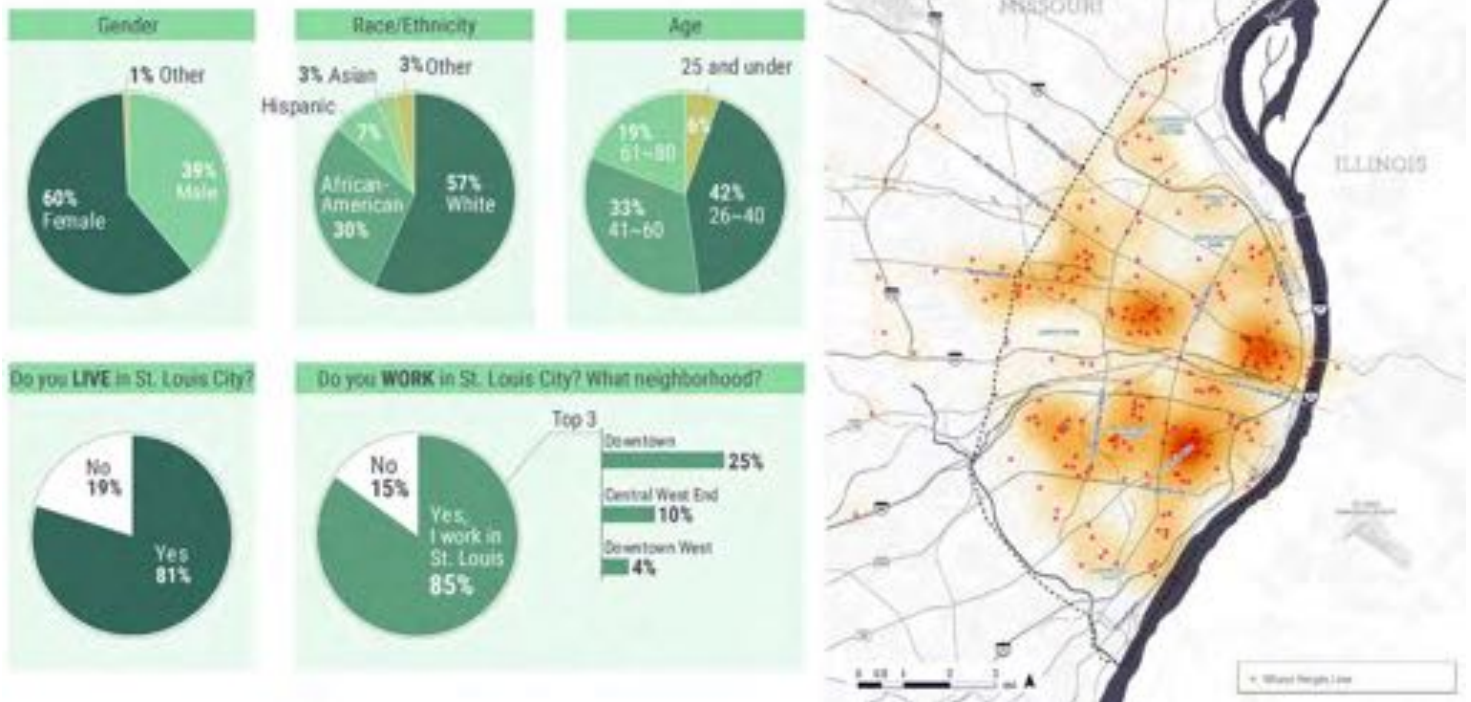


Figure I-8. July Open House: Demographic and location results of participants



**PUBLIC AND STAKEHOLDER ENGAGEMENT IS CRITICAL TO THE SUCCESS OF A CITYWIDE ECONOMIC DEVELOPMENT STRATEGY. MEANINGFUL COMMUNITY INPUT IS NECESSARY TO DEVELOP THE PRIORITIES, TACTICS AND OUTCOMES OF THE FRAMEWORK, BUT THE COMMUNITY WILL ALSO BE PARTNERS IN ITS IMPLEMENTATION.**

› **Online MetroQuest Survey**

In addition to in-person participation, an online survey mirrored the open house materials and feedback. About 175 participants completed the online survey to share what they would like to see in each commercial corridor and employment district.

› **Neighborhood Meeting Presentations**

To further educate the public about this project, we visited nine neighborhood meetings throughout the City of St. Louis. Neighborhood meetings were selected based on available meeting dates and proximity to economic districts and corridors that did not host District Discussions. These meetings included neighborhood, ward and community events.

During the presentation or events, community members had an opportunity to learn about the project and share feedback and ideas. At each neighborhood meeting, residents heard a presentation about the goals, framework and timeline of the project. The presentation highlighted twelve guiding propositions established during the July open houses and stakeholder interviews. Attendees at the neighborhood meetings had the opportunity to fill out a demographic survey, complete "Idea", "Story Share" and "Equitable Development" cards and sign up for project updates. From these neighborhood meetings, we received an additional 125 demographic surveys and valuable recommendations and ideas to inform the strategy development process.

- > 10/1: National Night Out at Kingsway West/CWE (50 people)
- > 10/12: O'Fallon Neighborhood Association (15 people)
- > 10/16: Ward 17 Economic Development Town Hall (100 people)
- > 10/24: Fox Park Neighborhood Association (40 people)
- > 10/26: Riverview West Business Association (10 people)
- > 10/26: Ward 4 monthly meeting (30 people)
- > 11/4: Wellston Loop Community Development Corporation (14 people)
- > 11/5: Downtown Dutchtown Business Association (DT2) (8 people)
- > 11/5: Benton Park Neighborhood Association (53 people)

## Public Input on the Penultimate Draft

A draft of the equitable economic development framework was made available for public comment in August 2020. The framework primarily deals with strategies that would be implemented by the economic development, community development and workforce development agencies working in the city. While the strategies were developed to be comprehensive, feedback from the public comment period reaffirmed the importance of topics – housing, education, local planning, city and regional governance, transit and accessibility, crime, and reparations to the Black/African American community, among others – that fall outside the scope of this framework, despite their undeniable importance to inclusive economic growth. These factors are discussed at a high level below:

**Housing:** The framework devotes several strategies to housing-related topics, such as homeownership and anti-displacement, and calls for housing development in or near commercial corridors and employment districts. It also discusses the lens through which public agencies like SLDC evaluate housing developments and prioritize different types of housing, especially affordable housing. However, this document does not provide a deeper analysis or assessment of what types of housing should be prioritized in which neighborhoods. Recent work on housing issues in St. Louis includes the Community Development Administration's 2020-2024 Consolidated Plan and 2020 Annual Action Plan, which "assesses market conditions, affordable housing, and community development needs in the City of St. Louis and establishes data-driven, place-based priorities for investment in community development."<sup>12</sup>

**Education:** Education is another issue that has obvious implications for economic development and workforce readiness, as well as resident attraction and retention. The city's schools are often viewed as under-resourced compared to the county's, making it hard for the city to retain young families with children, especially Black/African Americans. Initiatives like the Opportunity Trust are already making headway to improve school quality across the region, and the city's racial and ethnic diversity offers a huge opportunity for culturally diverse, language immersive, and innovative school experiences. The framework identifies opportunities to engage with area high schools, including presenting the annual "State of the City Economy" to students, communicating new and emerging opportunities in manufacturing, and establishing a trade-oriented high school. However, interventions that address school operations and quality are not directly covered in the framework.

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12 City of St. Louis 2020-2024 Consolidated Plan & 2020 Annual Action Plan. (2019). Community Development Administration. [https://www.stlouis-mo.gov/government/departments/community-development/documents/upload/CityofStLouis\\_2020-2024ConsolidatedPlan\\_and\\_2020AnnualActionPlan\\_2019-11-15.pdf](https://www.stlouis-mo.gov/government/departments/community-development/documents/upload/CityofStLouis_2020-2024ConsolidatedPlan_and_2020AnnualActionPlan_2019-11-15.pdf)

**Local Planning:** Planning efforts and collaboration with the city’s Planning & Urban Design Agency are critical to the strategies throughout this report. The framework takes a place-based approach to economic development in the Places chapter and assesses the needs of different employment districts and centers and commercial corridors at a high level, but it does not make a comprehensive evaluation of the city’s neighborhoods or their planning needs. The Planning & Urban Design Agency is scheduled to undertake neighborhood planning initiatives in the near future, which will fill some of these gaps. Calls for a new citywide land use plan, which were heard throughout the creation of this report, would also address some of these issues.

**Governance:** City and regional governance has been the topic of much debate in recent years, most visibly in the Better Together initiative that sought to merge the governments of the City of St. Louis and St. Louis County. Other concerns have been raised about the city’s own governance structure, recommending it transition from a mayor-council to a council-manager structure. While these governance topics are outside the scope of this framework, they are important to the future of the city and region and would undoubtedly affect framework implementation.

**Transit and Accessibility:** Another important topic that falls outside the extent of this work is physical accessibility. The City of St. Louis is known for its car dependency, but as the city embraces opportunities for growth, this approach will no longer be sustainable and support for public transit must increase. Metro’s Rapid Transit Connector Study, part of the implementation of “Moving Transit Forward,” the agency’s long-range transit plan, recognizes the importance of transit and assessed two potential bus rapid transit (BRT) routes: Downtown St. Louis to Chesterfield along I-64, and Downtown St. Louis to the North County Transit Center. These routes will be integral to regional accessibility and job access.

**Crime:** Crime was one of the most common concerns raised by residents and business owners. The primary reason why the framework does not directly address crime reduction is because it is not a policing/public safety document. Nevertheless, there are efforts being made by the Police Department and others to address crime in the city. The role that this plan plays in reducing crime is to address the underlying causes of poverty, which contribute to criminal activity. However, the framework recognizes the need for community-driven public safety, as well as a reduction in crime and reliance on the police, and the commercial corridors strategies call for a collaborative approach to mining best practices and sharing knowledge about crime reduction interventions.

**Reparations:** The economic and demographic report charts recent trends in the city, illustrating dramatic racial and spatial divides. Although reparations are not discussed in the framework, this report does strive to embody the imperative of racially equitable and inclusive economic growth. Strategies aim to prioritize Black/African American residents, entrepreneurs, and neighborhoods, identifying the need to create a plan to retain and grow the city’s Black/African American middle class, support future generations of diverse entrepreneurs, and accelerate investments in long-disinvested areas across the city. As discussed previously, recent trends have illuminated stark racial disparities in coronavirus mortality rates, which combined with the so-called “digital divide,” are likely to generate additional disparities in education, income supports, and access to basic consumer goods. As part of the strategy to support the city’s Black/African American middle class, the framework calls for a convening of local employers and philanthropy to make a commitment to end the digital divide and support universal broadband investment in Black/African American neighborhoods. While these strategies do not constitute reparations by any means, the data and strategies in the framework could be used in future discussions about how to best support the city’s Black/African American residents and pursue reparative outcomes.



A participant at a July Open House



# STRATEGIES

Strategies aimed at addressing the ten goals listed above are organized around three major strategic areas:

**Opportunity to Thrive:** Identifies the types of supports needed to translate economic growth into higher and more stable incomes and opportunities – and increased household wealth – for St. Louisans and eventually to support population growth in the city;

**Clusters:** Identifies the sets of industries that can provide the foundation for significant growth in jobs and entrepreneurship, with a focus on clusters that can provide quality opportunities for St. Louisans of all educational attainment levels; and

**Places:** Recognizes that conditions and opportunities vary across the city and that a place-based approach is necessary to create a high quality of life for all residents.

These areas are used to classify the strategies but are by no means siloes – and in practice, many strategies are interconnected and cut across two or three areas. This sequence from opportunity to thrive, to clusters, to places does not imply prioritization of one section over another, but rather reflects the linkages across the strategic areas: equitable growth requires vibrant corridors and districts across the city that can support a wide range of jobs; these jobs must be accompanied by supports that increase opportunities for St. Louisans from all neighborhoods and racial groups for stable and prosperous careers; and jobs and careers must translate asset building, especially home ownership and equity, for households.

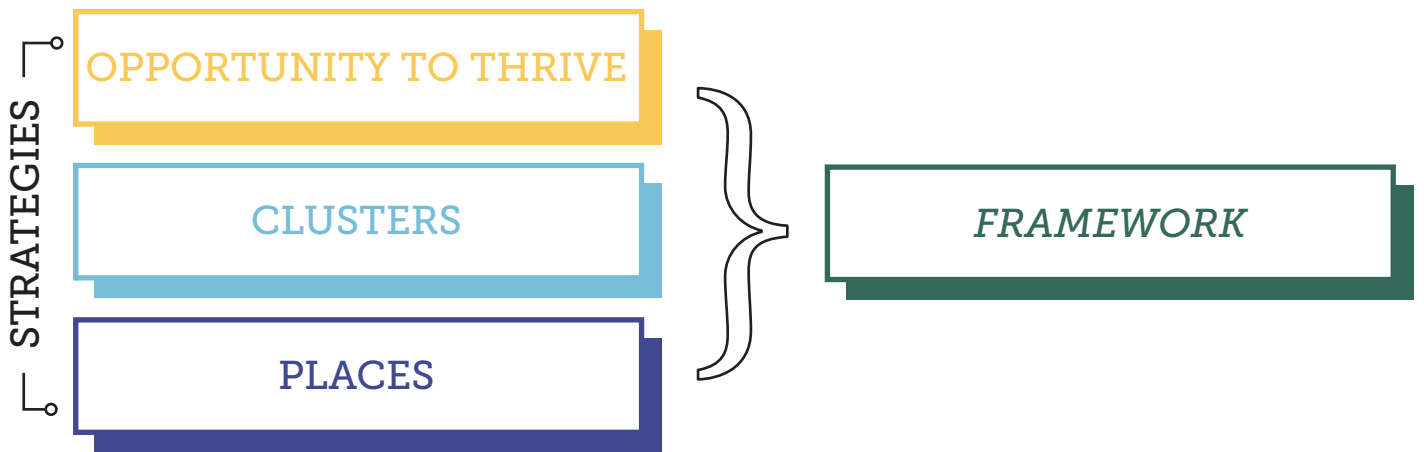


Figure I-9. Framework organization



# IMPLEMENTATION

From the high-level propositions and goals, down to strategies and action items, the framework is designed to be actionable and to retain and build on the city’s existing strengths, partnerships, and opportunities to share and collaborate, rather than starting anew. Its strategies are structured to provide detail on specific tactics, including roles of specific organizations (SLDC alongside other economic development organizations in the city and region) and potential partners, timing of implementation, potential funding, goals, and evaluation metrics. These are designed to provide SLDC staff, the city, and their partners with a playbook for implementing the strategies in each of the three strategic areas (opportunity to thrive, clusters, and places) and expand opportunities for collaborating and sharing. Strategies in these areas work in tandem to make the city attractive to current and prospective residents, workers, entrepreneurs, businesses, and leaders.

While this level of detail and guidance is critical for shaping day-to-day priorities and decision-making at SLDC (and, where relevant, its partners), the stakes, of course are much larger: collectively, the strategies and action items are meant to transform the St. Louis economy into one that is more equitable and prosperous, generates higher tax revenues, and supports population retention and growth.

THE FRAMEWORK IS DESIGNED TO BE ACTIONABLE AND TO RETAIN AND BUILD ON THE CITY’S EXISTING STRENGTHS, RATHER THAN STARTING ANEW.

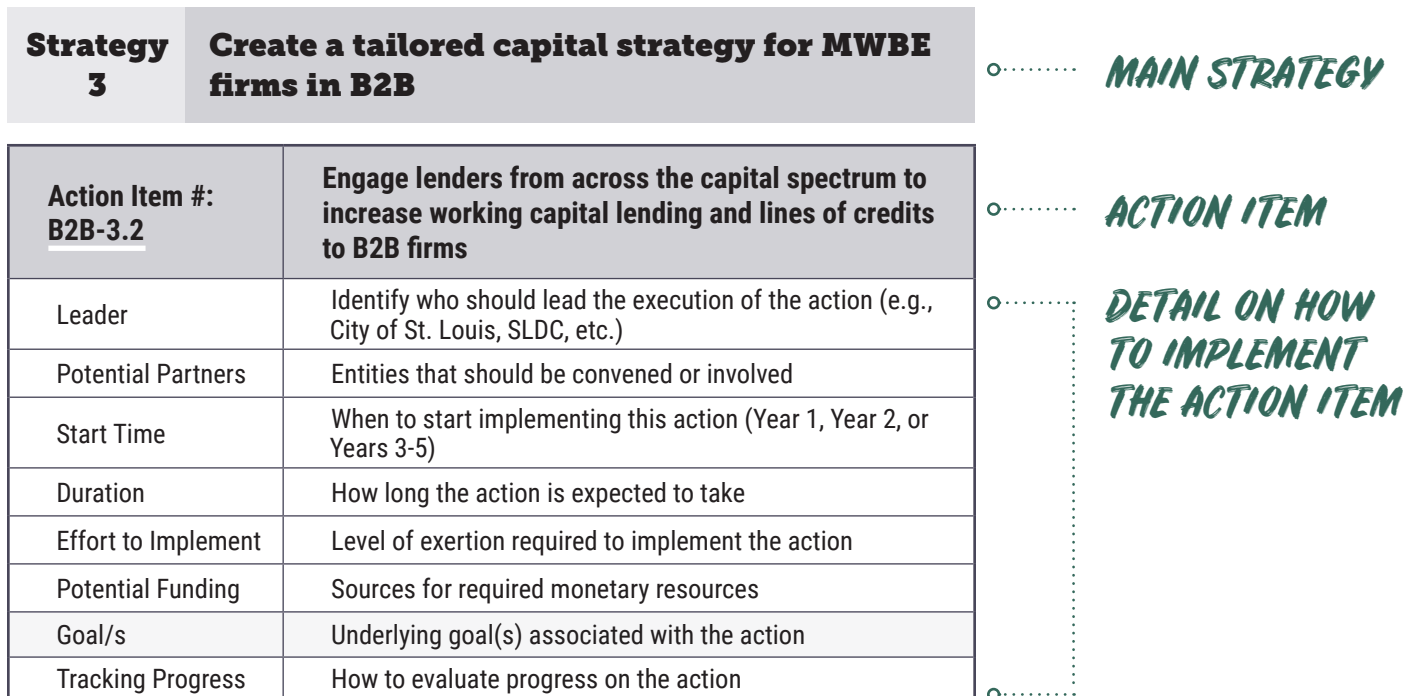


Figure I-10. Guide on how to read the strategies

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2

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**ECONOMIC AND  
DEMOGRAPHIC  
REPORT**

# POPULATION OVERVIEW

ST. LOUIS IS CRITICAL TO REGIONAL PROSPERITY BUT IS ALSO A CITY OF GREAT ECONOMIC DISPARITY.

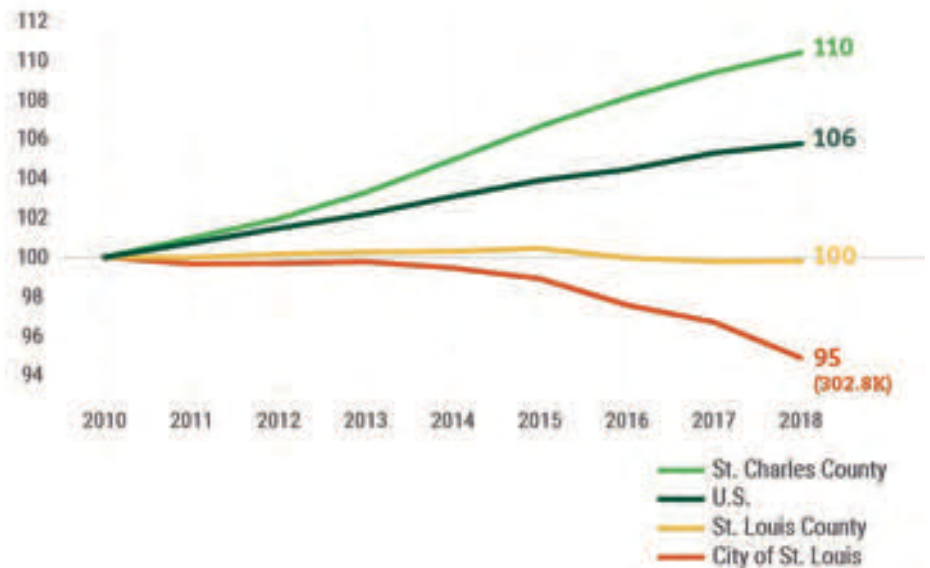
Although today it is considered a medium-sized city, the City of St. Louis once had among the country's largest urban populations. By the late 19th century, it was the country's fourth largest city, and by the mid-20th century, it had reached a population of over 850,000.<sup>1</sup> Since then, the city has experienced sustained population decline,

and there is some evidence that decline has accelerated in recent years. In 2018, the American Community Survey (ACS) estimated the city's population at 302.8K, a decline of 5.8K from 2017, 16.3K from 2010, and almost 550K less than its peak.<sup>2</sup> (See Figure ED-1.) The upcoming 2020 decennial census will provide a more accurate picture of population trends over the course of the last decade.

<sup>1</sup> A Brief History of St. Louis. (n.d.). Retrieved from City of St. Louis website: <https://www.stlouis-mo.gov/visit-play/stlouis-history.cfm>

<sup>2</sup> U.S. Census Bureau American Community Survey 2010, 2017, and 2018 1-year release

**Figure ED-1.** Population indexed to 2010 levels



Source: U.S. Census Bureau American Community Survey, 2010-2018 1-year release; Mass Economics analysis

Note: MSA data for 2012 and prior years includes Washington County, but MSA data for 2013 and later years excludes Washington County; for consistency, MSA and rest of MSA geographies were excluded.

# The Impact of Race

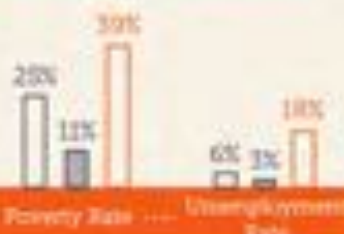


**Almost half of St. Louisans are Black/African American.**

(As a comparison, 12% of the citizens in our country are Black/African Americans.)

North St. Louis has **93%** Black/African American St. Louisans.

- City of St. Louis
- Rest of the MEA
- North St. Louis



More Black/African American St. Louisans are home-renters than White St. Louisans.

(Percent of renter occupied housing units)



St. Louis ranks **18/97** among the 97 largest U.S. cities in terms of **INCOME INEQUALITY**.

A Black/African-American employee makes on average

**48%** of a white employee.



Between 2010 and 2018, the **DECLINE** in the City's Black/African-American population (-20,300) was the major driver of the City's total loss of 16,300 residents.



Improving **OPPORTUNITIES** for **Black/African-American St. Louisans** is **CRITICAL TO STABILIZING** the City's population and economy.

Source: U.S. Census Bureau American Community Survey 2010, 2014 (3-year release), 2017 (5-year release), 2018 (5-year release); The Brookings Institution, GWL Urban Economics Analysis



Sub-geographies within the city exhibit different population and economic trends. To understand these, we look at the “north” portion of the city, which is north of Delmar; “central corridor,” which refers to the area between Delmar and Chouteau Ave./I-64; and “south,” which refers to the area south of Chouteau Ave./I-64. (See Figure ED-2.)\*

As of 2017, approximately 28% of the city’s population lived in the north; 16% lived in the central corridor; and the remaining 56% lived in the south.<sup>3</sup> Since the 2000 Census, the central corridor has seen net population growth, while the north has experienced persistent population decline. After declining between 2000 and 2010, the south has added population.<sup>4</sup>

**\*Note:** These geographies are frequently used to partition the city. Although useful for understanding dynamics within the city, they are limiting in that they fail to capture most of the nuance around demographic and economic trends at a neighborhood scale.

<sup>3</sup> U.S. Census Bureau, American Community Survey 2017 5-year release

<sup>4</sup> U.S. Census Bureau, American Community Survey 2017 5-year release



Examples of “north” (bottom-right), “central corridor” (bottom-left), and “south” (top-right) sub-geographies.



# City Geographies

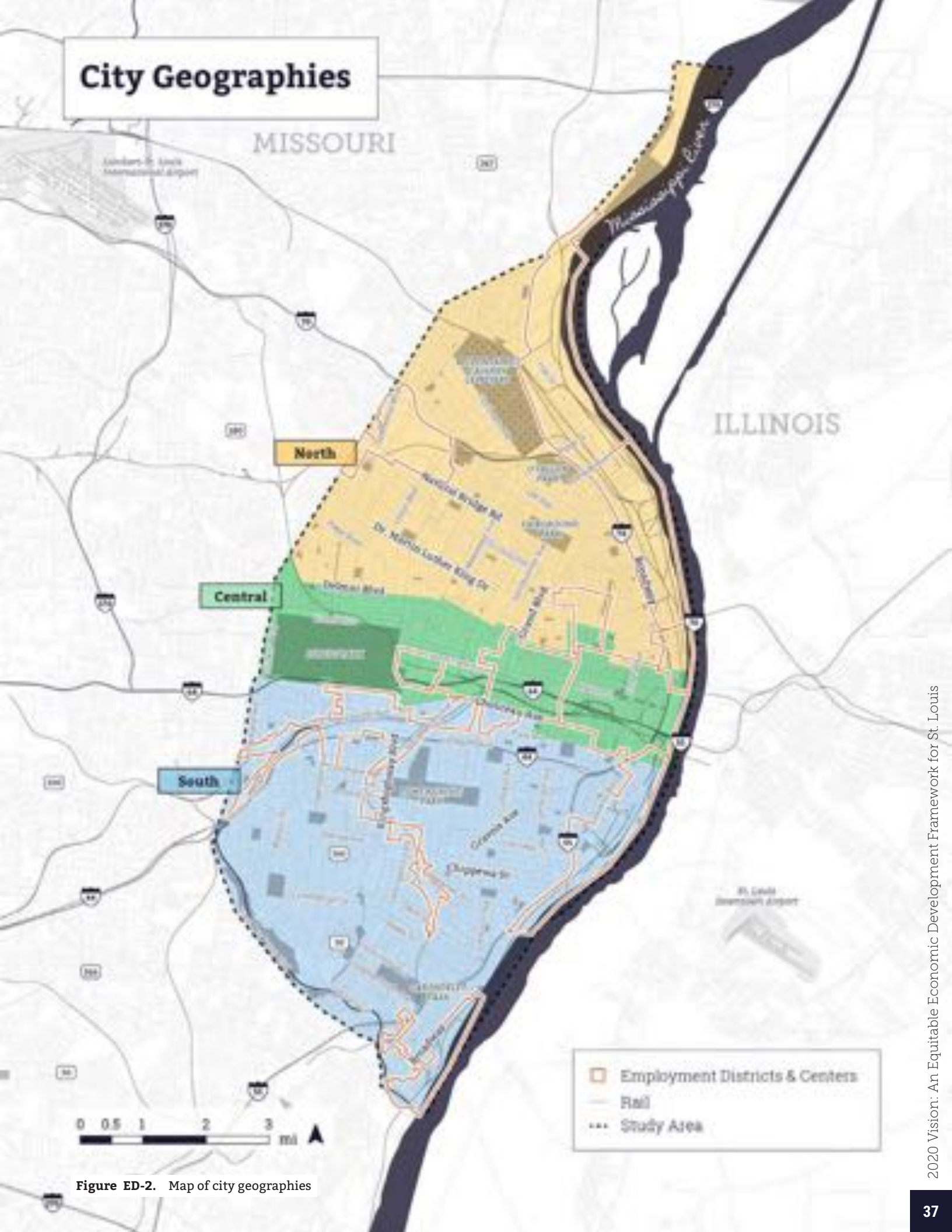


Figure ED-2. Map of city geographies

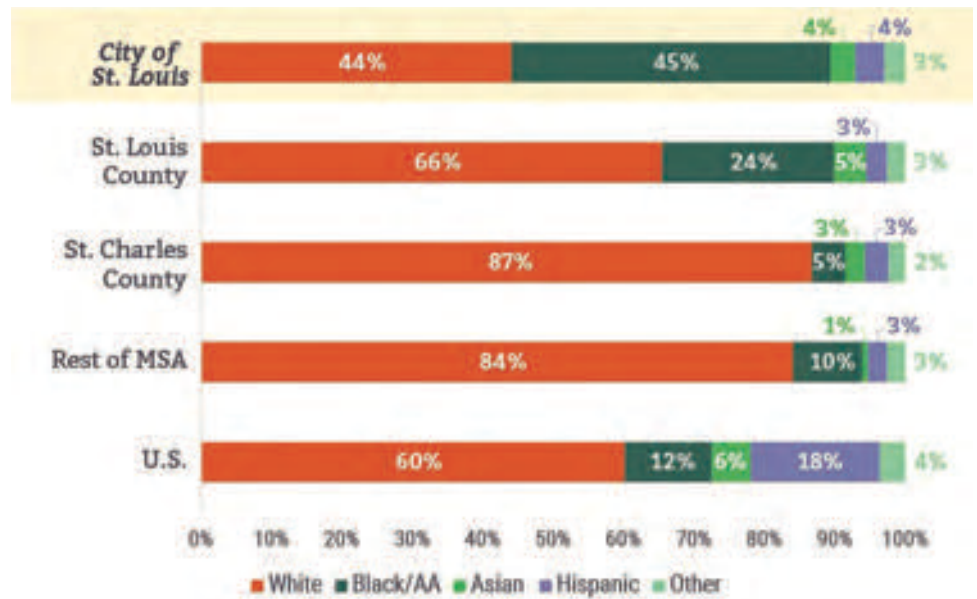


## Race/ethnicity

The city is more racially diverse than the region or the U.S. As of 2018, there were 137.1K Black/African American residents, 133.7K white residents, 12.5K Hispanic residents, 10.7K Asian residents, and 8.9K residents that identified as other races or two or more races.

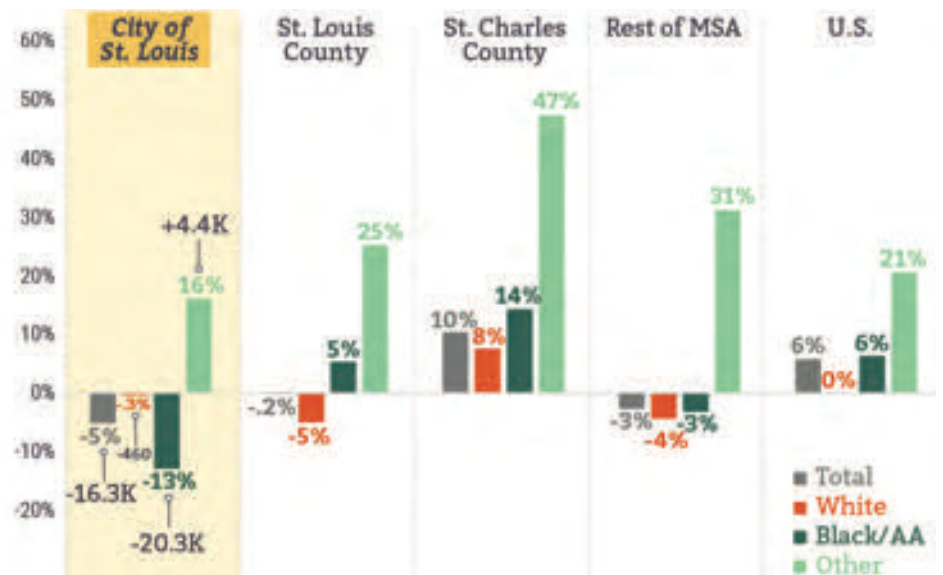
The city contains 11% of the MSA's total population and comparatively higher shares of the MSA's Black/African American, Asian, and Hispanic populations (27%, 14%, and 15%, respectively). From 2010 to 2018, the city's overall population decline was primarily driven by the loss of Black/African American residents. The city lost 13% of its Black/African American population (over 20.3K residents), largely stemming from population outflows from the north part of the city. (See Figures ED-3 and ED-4.)

**Figure ED-3.** Race and ethnicity, 2018



Source: U.S. Census Bureau American Community Survey, 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis and St. Charles Counties

**Figure ED-4.** Growth by racial/ethnic group, 2010-2018



Source: U.S. Census Bureau American Community Survey, 2010 and 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis and St. Charles Counties; the MSA definition changed in 2013 to exclude Washington County, which represents a fraction of a percent of the MSA population.

**Figure ED-5.** City race/ethnicity, 2017



Although the city as a whole is diverse and no single racial/ethnic group claims a majority, the sub-geographies show areas of profound segregation. (See Figure ED-5.) The north is overwhelmingly Black/African American, and the south is majority white. The central corridor has a similar racial/ethnic composition as the city overall and is relatively diverse even at sub-geographies: only 8% of the corridor’s population lives in a census tract where at least 75% of residents are one racial/ethnic group compared to 37% in the south and 96% in the north. (See Figure ED-6).

Source: U.S. Census Bureau American Community Survey, 2017 5-year release; Mass Economics analysis

**Figure ED-6.** City population living in tracts with a racial/ethnic majority, 2017

Geography	Total Population (K)	% of Population Living in Census Tracts with at least 75% Population in One Racial/Ethnic Group
City of St. Louis	314.9	49%
North	87.8 (28%)	96%
Central Corridor	49.8 (16%)	8%
South	177.3 (56%)	37%

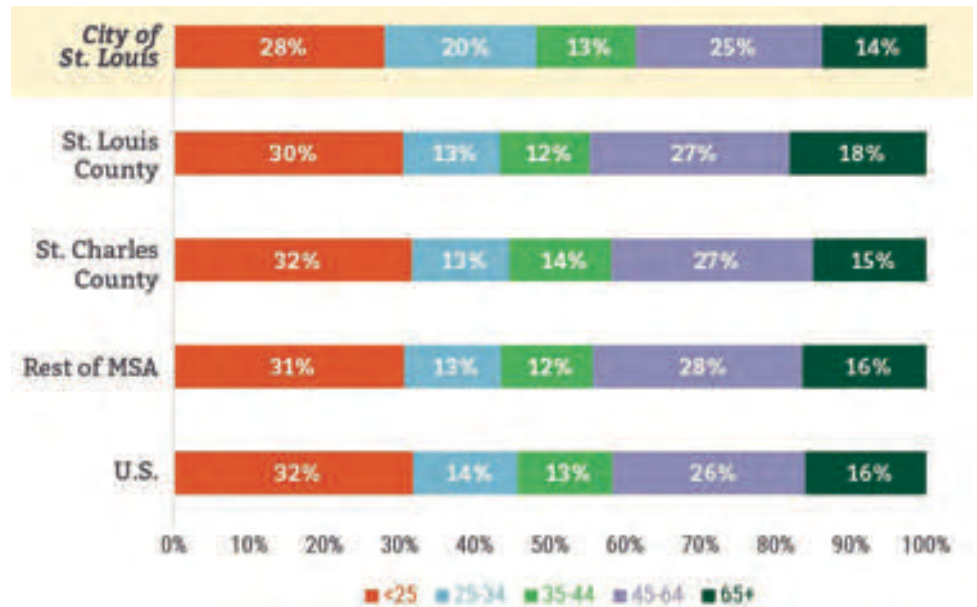
Source: U.S. Census Bureau American Community Survey, 2017 5-year release; Mass Economics analysis

# Age

The City of St. Louis is simultaneously aging and gaining millennials. In 2018, the largest group of city residents was under the age of 25 (28%), followed by ages 45-64 (25%). From 2010 to 2018, the group under the age of 25 decreased by 20%, coinciding with a loss of families, while the group ages 25-34 increased by 6% and the group ages 65 or higher increased by 18%. In 2010, the median age in the City of St. Louis was 33.7, and in 2018, the median age in the city was 36.4.<sup>5</sup> (See Figures ED-7 and ED-8.)

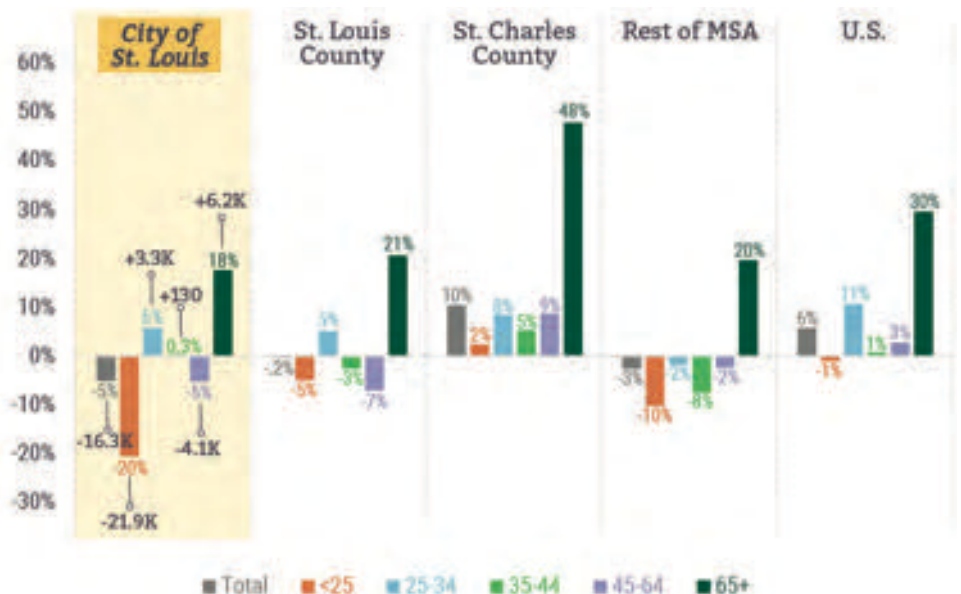
<sup>5</sup> U.S. Census Bureau American Community Survey 2010 and 2018 1-year release

**Figure ED-7.** Age distribution, 2018



Source: U.S. Census Bureau American Community Survey, 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis and St. Charles Counties

**Figure ED-8.** Growth by age group, 2010-2018



Source: U.S. Census Bureau American Community Survey, 2010 and 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis and St. Charles Counties; the MSA definition changed in 2013 to exclude Washington County, which represents a fraction of a percent of the MSA population.



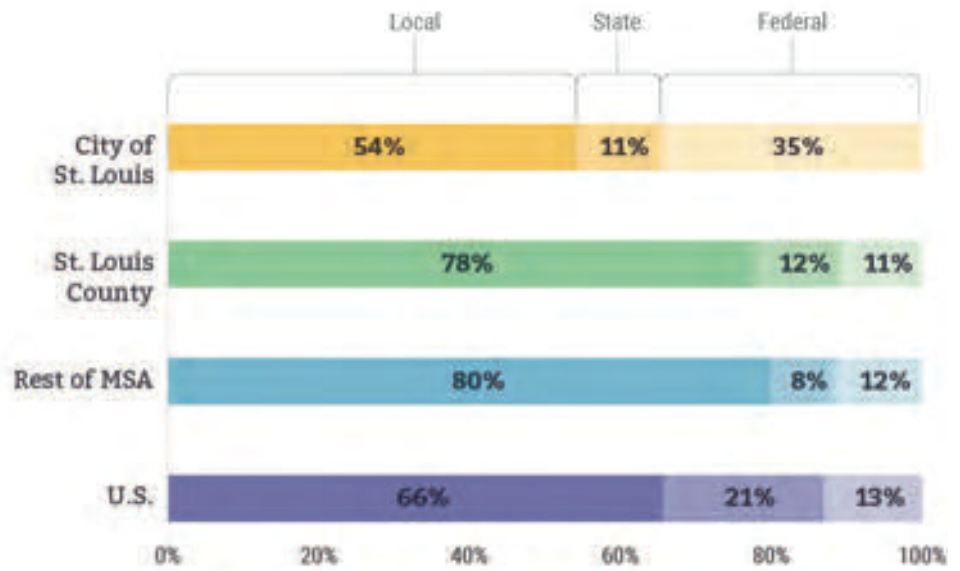
# ECONOMY

## Overview

In 2018, the City of St. Louis was home to 200K private sector jobs, representing 17% of the region's jobs. The city's biggest industries are Hospitals (29.4K jobs), followed by Food Services and Drinking Places (16.7K jobs) and Professional, Scientific, + Technical Services (16.7K jobs). The 15 largest industries represent over 72% of the city's total jobs, and together, added 22.2K jobs to the city's economy from 2010 to 2018.<sup>6</sup>

Beyond its 200K private sector jobs, the city is home to an additional 30K jobs in the public sector. Like the rest of the region and U.S., the majority of the city's public jobs are in local government, but a higher share of the city's public jobs is at federal agencies (35%) than the rest of the region (11%) and the U.S. (13%). (See Figure ED-9.) St. Louis is home to numerous federal agencies, including the Federal Reserve Bank of St. Louis and the National Geospatial-Intelligence Agency (NGA).

**Figure ED-9.** Public sector jobs, 2018



Source: QCEW; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

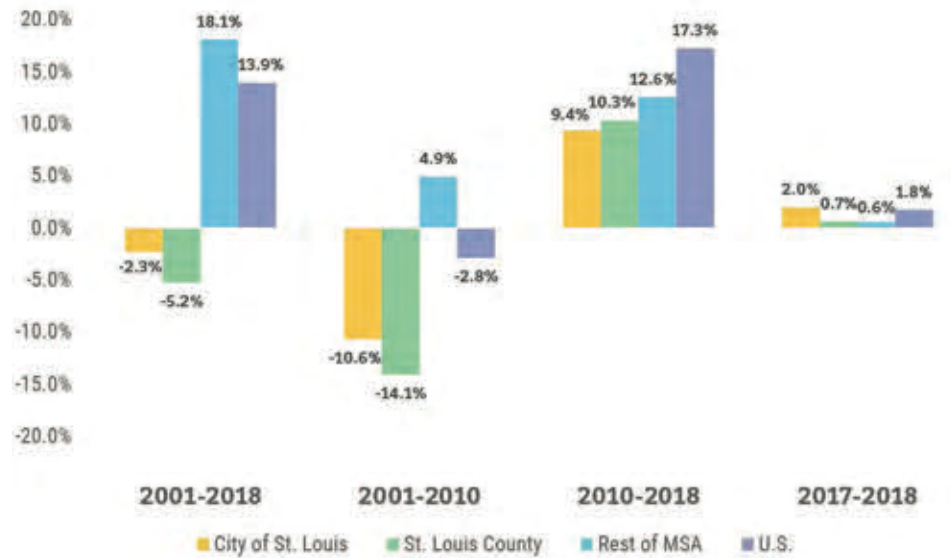
6 QCEW-UDP

## Job growth

The number of jobs in the city has increased, especially in recent years. From 2010 to 2018, the number of private sector jobs in the city grew by 9.4% overall. The city's job growth lagged St. Louis County and the rest of the region from 2010 to 2018, but did outpace the region and U.S. in the most recent year for which there are data (2017 to 2018). (See Figure ED-10.)

While the number of private sector jobs increased from 2010 to 2018, the city's public sector jobs declined by 10.9%, more than in St. Louis County, which declined by 7.9%; the rest of the region, which declined by 1.5%; and the nation, which declined by just 0.2%. From 2010 to 2018, the biggest declines in the city occurred in state employment, which fell by 22.5%, or approximately 900 jobs. But for St. Louis County, the rest of the MSA and the U.S., the largest declines occurred in federal employment, which fell overall by 17.8% in the county, 9.8% in the rest of the region, and 6.2% in the U.S. (See Figure ED-11.)

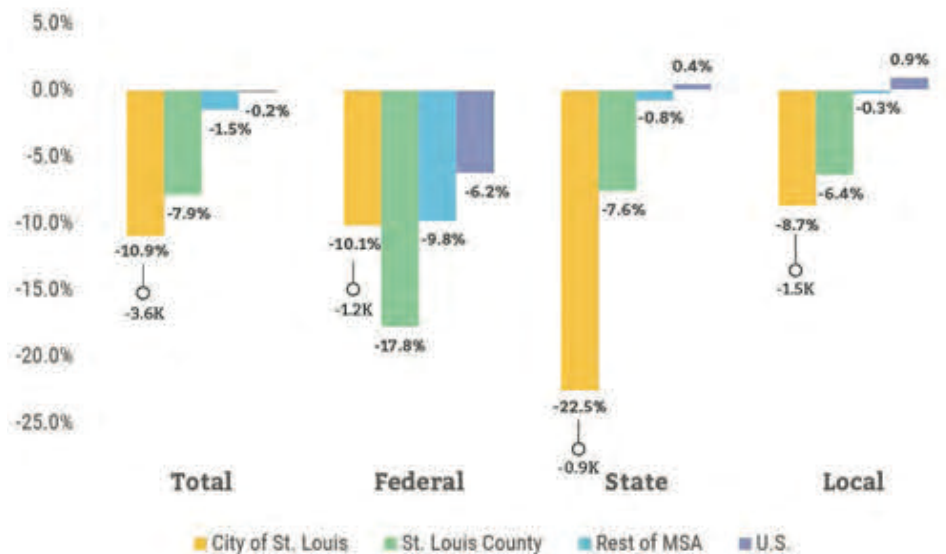
**Figure ED-10.** Private sector job growth, 2001-2018



Source: QCEW-UDP, 2001-2018; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

**Figure ED-11.** Public sector job growth, 2010-2018



Source: QCEW-UDP, 2010-2018; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

## Clusters

In addition to individual industries, cities and other economic areas can be described by their largest “clusters,” which are sets of related industries (e.g., the automotive cluster consists of metal mills and foundries, automotive parts, and motor vehicle assembly).<sup>7</sup> Approximately 80% of the city’s jobs are in its top fifteen clusters, and in eleven of these, the city has more jobs than would be expected for an economy its size, i.e., the location quotient (LQ) is greater than 1.0.<sup>8</sup> The city’s biggest cluster is Local Health Services, which employs 38.8K people. The cluster is growing slower than the city’s total economy and slower than the national growth rate, but it is still a strength for the city (LQ=1.4). Its second-largest cluster is Local Hospitality Establishments, which employs 16.6K people. The cluster is not a strength for the city (LQ=0.8), and it grew slower than the cluster did nationally and grew slower than the total economy. (See Figure ED-12.)

7 Automotive. (n.d.). US Cluster Mapping. <https://clustermapping.us/cluster/automotive>

8 A location quotient (LQ) is a statistic that measures a geography’s specialization (e.g., City of St. Louis) relative to a larger geography (in our data and most commonly, the nation). An LQ of 1 means the specific geography has the number of jobs that would be predicted for an economy of its size. An LQ less than 1 means the specific geography has fewer jobs than would be expected. An LQ greater than 1 means the specific geography has more jobs than would be expected for an economy of its size. This would be described as a “strength.” LQs are valuable because they can be compared across geographies with different-sized economies, enabling assessments of whether a given geography is weak or strong in a specific occupation, industry, or cluster.

The local health care sector is a huge employer, but because its growth more or less depends on population trends, it is typically not the target in economic cluster strategies. However, health care is a critical sector for realizing the improved equity outcomes central to an equitable economic framework. Recognizing that, as well as the industry’s leadership role over the years in various aspects of community development and resident vitality, health care employers are assumed to be central to several of the major initiatives in this framework: the

**Figure ED-12.** Largest clusters by employment in the city, 2018

Cluster	Jobs 2018	LQ 2018	Job Growth 2010-2018	Faster Growth than U.S.?
Local Health Services	38.8K	1.4	7%	No
Local Hospitality Establishments	16.6K	0.8	6%	No
Business Services	16.0K	1.2	22%	No
Local Community + Civic Organizations	11.9K	1.9	84%	Yes
Education + Training	11.4K	3.9	73%	Yes
Blue Collar B2B Off-Site	9.3K	1.0	-4%	No
Blue Collar B2B On-Site	8.2K	0.7	-5%	No
White Collar B2B	7.2K	0.6	20%	No
Local Real Estate, Construction, Development	7.2K	0.6	4%	No
Financial Services	6.6K	2.3	36%	Yes
Hospitality + Tourism	6.6K	1.3	0%	No
Local Financial Services	5.9K	1.3	0%	No
Food Processing + Manufacturing	5.8K	3.3	5%	No
Local Commercial Services	4.5K	1.9	-6%	No
Local Utilities	3.9K	2.6	-24%	No
<b>Total Economy</b>	<b>200K</b>	<b>NA</b>	<b>9.4%</b>	<b>No</b>

Source: QCEW-UDP, 2010-2018; Mass Economics analysis

creation of a St. Louis employer consortium to promote equity, inclusion, job quality, and economic opportunity the City; the establishment of an employee support organization that links workers to needed social and economic supports; and the development of a lab tech initiative to expand job opportunities in health care.

## Wages

National data tends to suggest some degree of real wage stagnation over the last 50 years, especially for lower-earning workers,<sup>9</sup> but more recent trends suggest small real wage growth. From 2010 to 2018, wages at jobs located in the city (+3.6%) did not grow as quickly as in St. Louis County (+7.3%), the rest of the region (+3.8%) or the U.S. (+7.4%). (See Figure ED-13.) Still, as of 2018, wages of jobs located in the city were 7% higher than the average for all U.S. jobs. Even with slower recent growth, average wages in the City of St. Louis are very high by regional and national standards, though slightly lower than in St. Louis County.

The city's wage premium compared to the rest of the region and U.S. holds across all educational levels. The wage premium between the city and the rest of the region, and the city and the U.S., is highest for job holders with less than a bachelor's degree. City wages exceed those of the county, region, state, and U.S., except for workers with at least a bachelor's degree in St. Louis County. Workers in St. Louis County with at least a bachelor's degree earn on average \$101.5K, approximately \$10.9K more than similarly credentialed workers at jobs in the city.<sup>10</sup> (See Figure ED-14.)

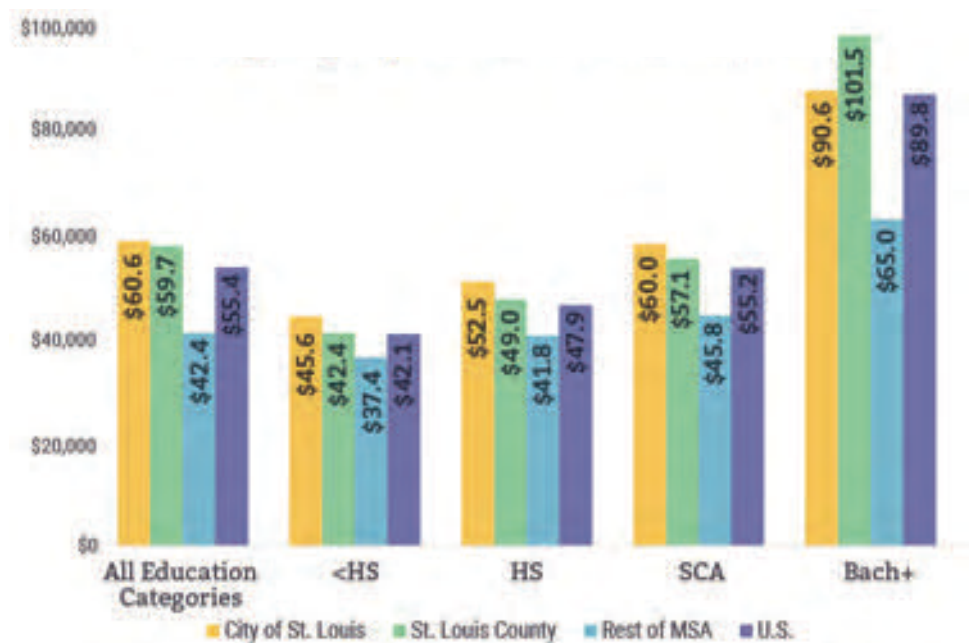
**Figure ED-13.** Private sector wage growth, 2010-2018

	2010 (constant 2018 \$K)	2018 (\$K)	Overall Growth	Wage Relative to U.S., 2010	Wage Relative to U.S., 2018
City of St. Louis	\$59.0	\$61.2	+3.6%	+10.9%	+7.0%
St. Louis County	\$57.2	\$61.4	+7.3%	+7.4%	+7.4%
Rest of MSA	\$40.4	\$41.9	+3.8%	-24.1%	-26.7%
U.S.	\$53.2	\$57.2	+7.4%	NA	NA

Source: QCEW-UDP, 2010-2018; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

**Figure ED-14.** Average wages by educational attainment, 2018



Source: QWI, 2018; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

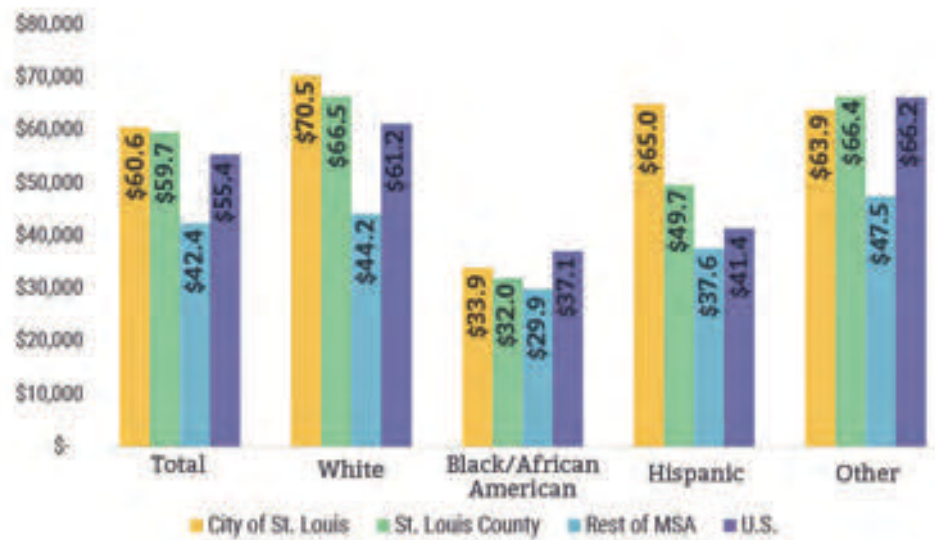
9 Donovan, S., & Bradley, D. H. (2019). Real Wage Trends, 1979 to 2018 (No. R45090). Congressional Research Service. <https://fas.org/sgp/crs/misc/R45090.pdf>

10 Wage data are from 2Q2018



Critically, however, although city wages exceed national wages for white, non-Hispanic and Hispanic job holders, they lag the U.S. for Black/African American and other non-white, non-Hispanic job holders. Across racial/ethnic groups, the largest wage gap is between Black/African American and white workers. In 2018, the gap between white and Black/African American wages at jobs in the city was \$36.5K, indicating that Black/African Americans were earning only 48% of white earnings. The wage gap in the city is significantly higher than the national average (61%). (See Figure ED-15.)

**Figure ED-15.** Average wages by race/ethnicity, 2018



Source: QWI, 2018; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

## Educational requirements

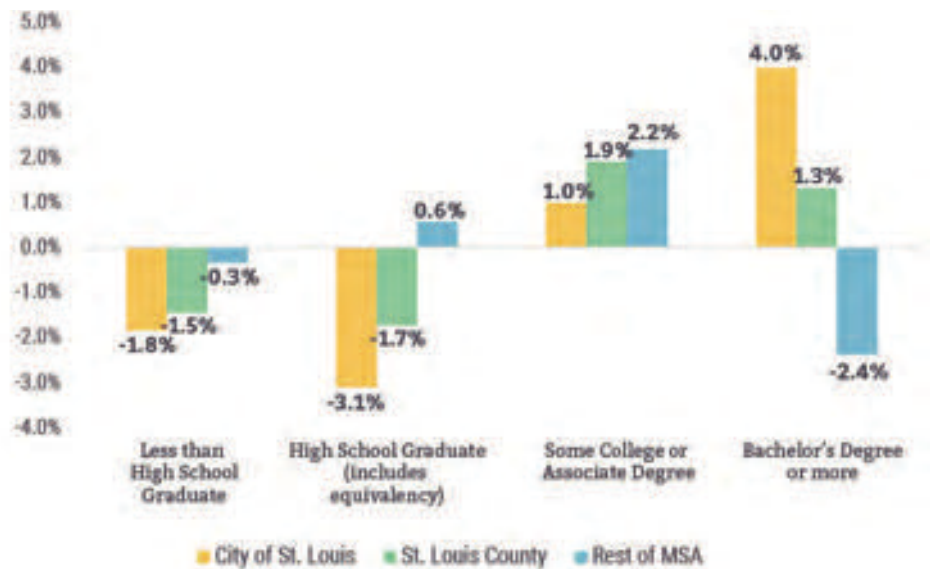
In 2018, a significantly higher portion of jobs in the industries in the city required at least a bachelor's degree than in the U.S. overall (35% vs. 29%), and fewer jobs require a high school diploma or less (33% vs. 38%). (See Figure ED-16.) Since 2010, education requirements for jobs in the city have increased significantly, shifting the job base toward industries requiring at least a bachelor's degree. (See Figure ED-17.)

**Figure ED-16.** Education requirements, 2018

Education Requirements, 2018	City of St. Louis	U.S.
% Less than high school diploma	8.5%	10.2%
% High school diploma	24.4%	28.2%
% Some college, or Associate's degree	32.2%	32.7%
% Bachelor's degree or higher	34.9%	28.8%

Source: QCEW-UDP, 2018; BLS Employment Projections Program; Mass Economics analysis

**Figure ED-17.** Percentage point change in education requirements, 2010-2018



Source: QCEW-UDP, 2018; BLS Employment Projections Program; Mass Economics analysis

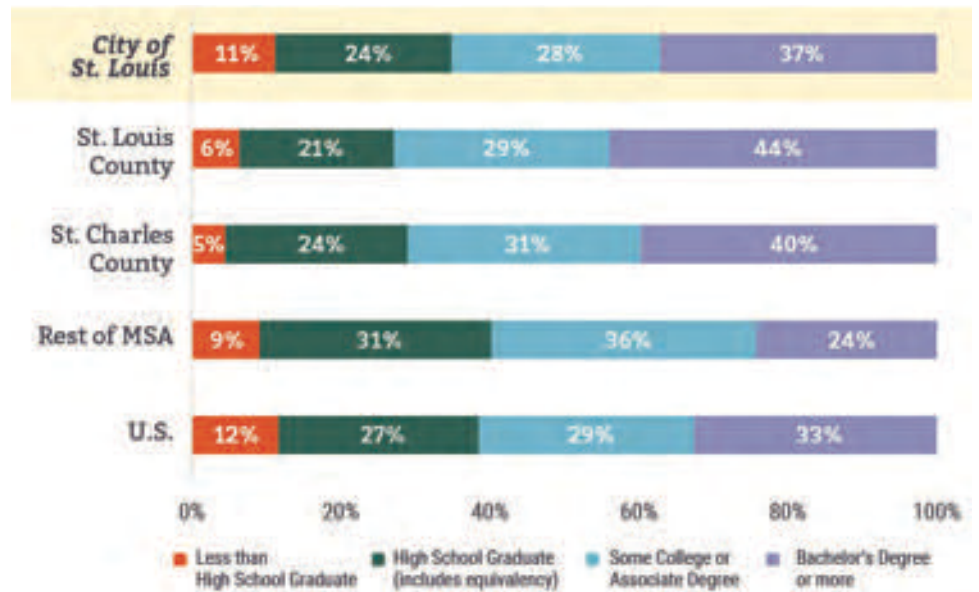
Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

# WORKFORCE

## Educational attainment

In 2018, 37% of the city population 25 years and older had at least a bachelor's degree, greater than the US average of 33%; and a slightly smaller percentage of city residents (11% versus 12% for the U.S.) did not have a high school degree. Gains in educational attainment are occurring nationally, but the rate of increase has been higher in the city. From 2010 to 2018, the number of city residents with less than a high school degree decreased by 38%, and the number of residents with at least a bachelor's degree increased by 34%. (See Figures ED-18 and ED-19.)

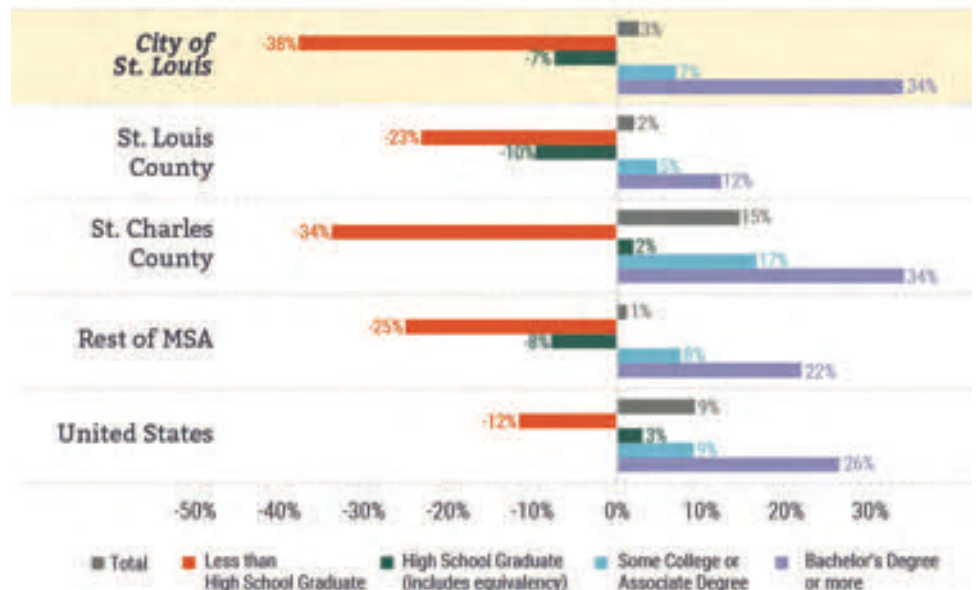
**Figure ED-18.** Educational attainment of residents 25 years and older, 2018



Source: QCEW-UDP, 2001-2018; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

**Figure ED-19.** Growth by level of educational attainment, 2010-2018



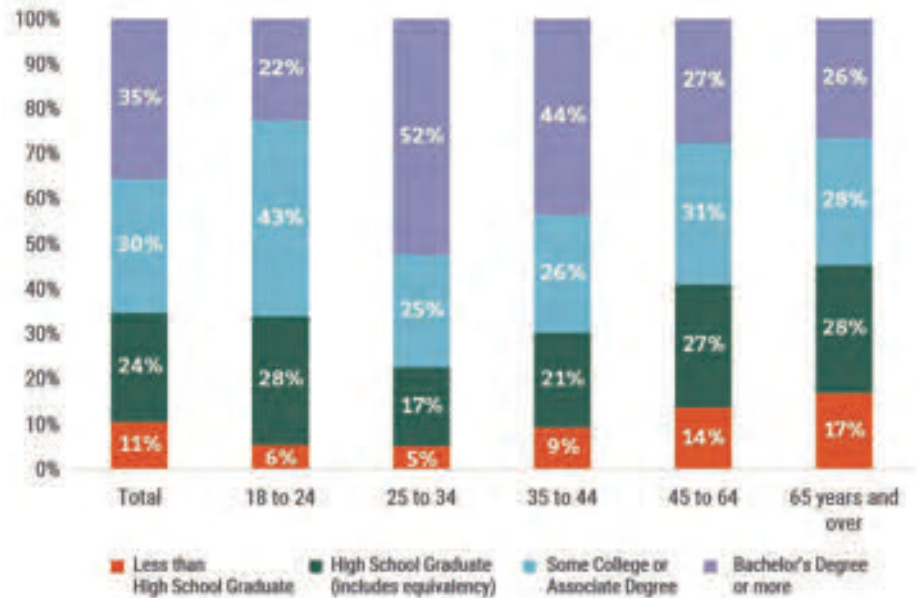
Source: U.S. Census Bureau American Community Survey 2010 and 2018 1-year release; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis and St. Charles Counties; the MSA definition changed in 2013 to exclude Washington County, which represents a fraction of a percent of the MSA population

Among city residents, millennials tend to have the highest educational attainment. Over half of residents ages 25 to 34 have at least a bachelor's degree compared to just over one-quarter of residents ages 45 and older. Older residents are also far more likely to have not graduated from high school (about 15% of residents 45 and older compared to only 5% of 25- to 34-year olds. (See Figure ED-20.)

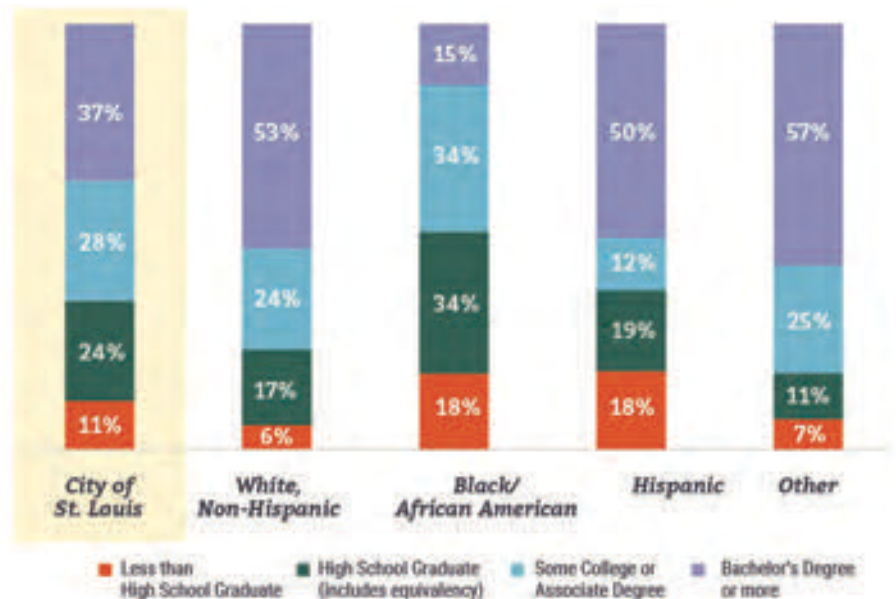
Educational attainment varies by race/ethnicity, and by city geography. About three times the share of Black/African American St. Louisans have less than a high school diploma compared to white, non-Hispanic St. Louisans (18% vs. 6%). Only one-sixth of Black/African Americans have at least a bachelor's degree compared to over half of white, non-Hispanic residents (15% vs. 53%). (See Figure ED-21.)

**Figure ED-20.** City educational attainment by age, residents ages 18 and older, 2018



Source: U.S. Census Bureau American Community Survey 2018 1-year release; Mass Economics analysis

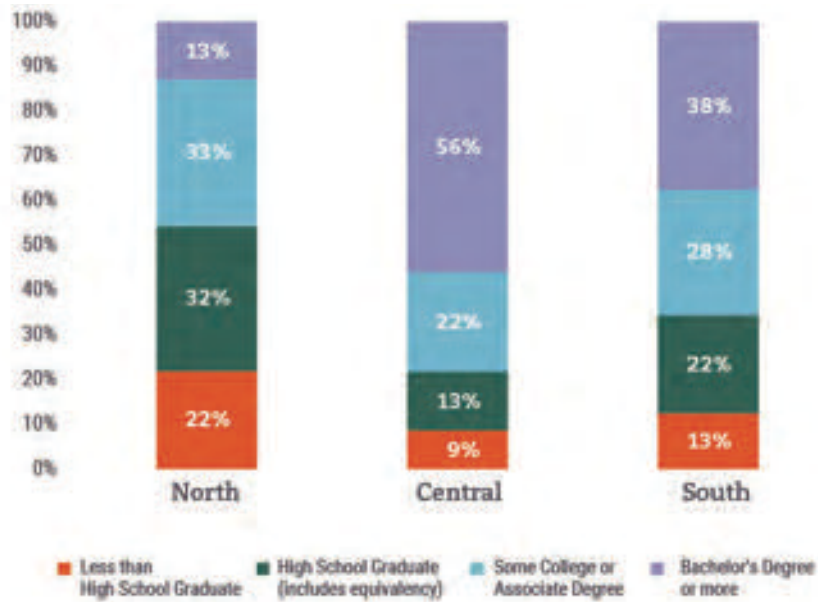
**Figure ED-21.** City educational attainment by race, residents ages 25 and older, 2018



Source: U.S. Census Bureau American Community Survey 2018 1-year release; Mass Economics analysis



**Figure ED-22.** City educational attainment, residents ages 25 and older, 2017



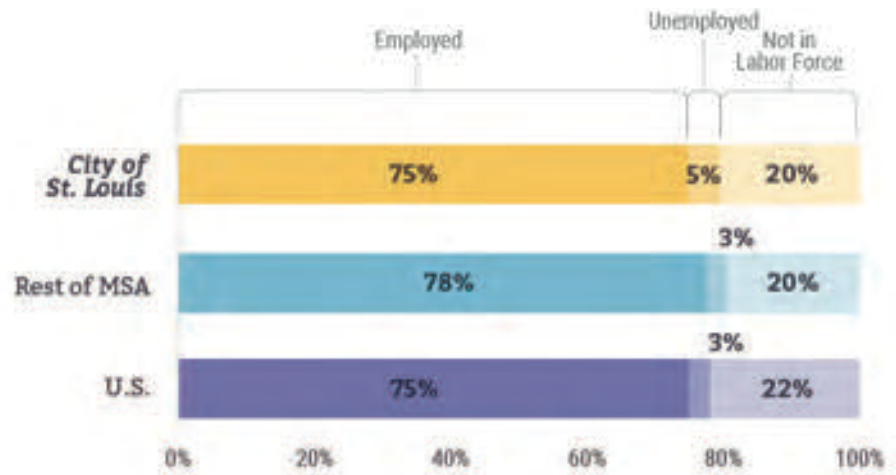
Highly educated residents tend to live in the central corridor or southern portion of the city; in the central corridor, over half (56%) of residents have at least a bachelor's degree, compared to 38% of residents of the south. In the north, only 13% of residents have at least a bachelor's degree – less than half the city's overall share. (See Figure ED-22.)

Source: U.S. Census Bureau American Community Survey 2017 5-year release; Mass Economics analysis

## Labor market outcomes

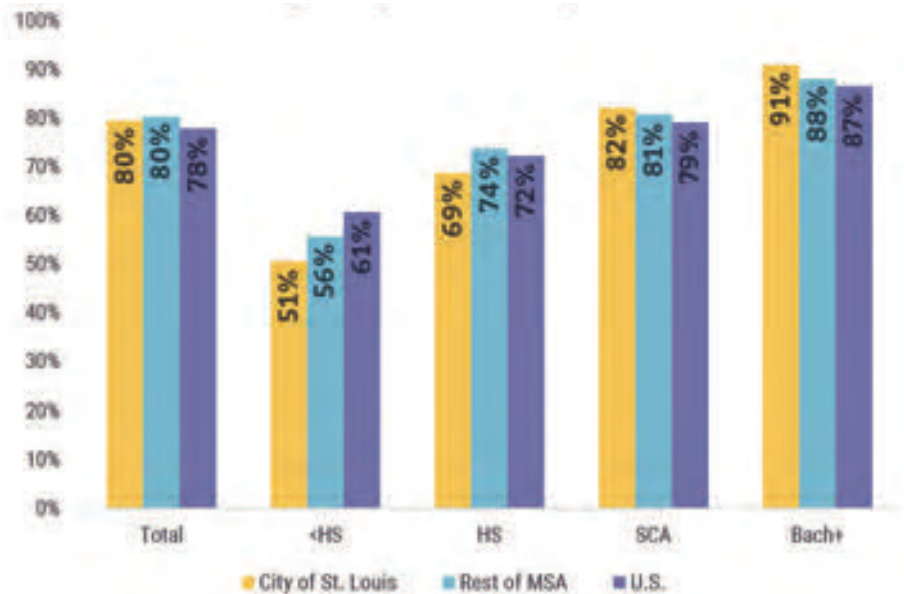
Compared to the U.S., the city has an identical percentage of employed residents, a higher percentage of unemployed residents, and a lower proportion of residents who are out of the labor force. This varies by education level: workers without at least a high school degree are far less likely to be in the labor force than is typical nationally (51% versus 61%) while workers with at least some college have higher labor force participation rates. (See Figures ED-23 and ED-24.)

**Figure ED-23.** Employment status, 25-64-year olds, 2018



Source: U.S. Census Bureau American Community Survey 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

**Figure ED-24.** Labor force participation, 25-64-year olds, 2018

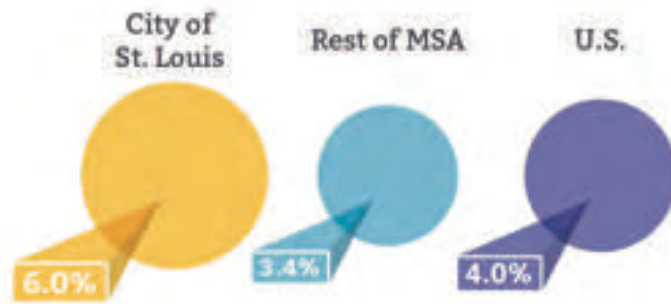


Source: U.S. Census Bureau American Community Survey 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

In the past two years, unemployment has reached record lows in the City of St. Louis.<sup>11</sup> While this is an encouraging trend, unemployment rates are still almost two times higher than the rest of the region and are 50% higher than the national unemployment rate. (See Figure ED-25.)

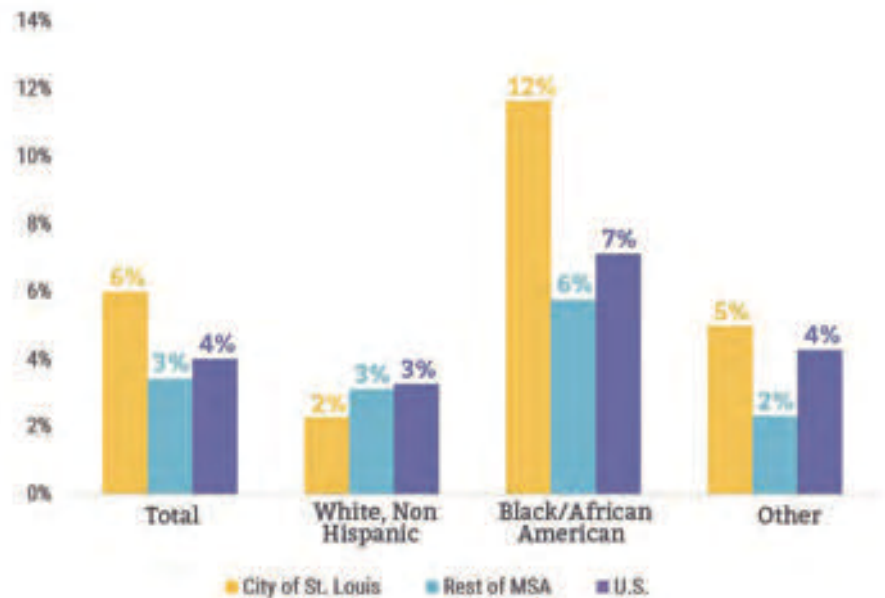
The city's unemployment rate also underscores race- and place-based disparities. The unemployment rate for Black/African Americans is 12%, almost six times the rate for white residents, and the unemployment rate in the north is over three times the unemployment rate in the south. (See Figures ED-26 and ED-27.)

**Figure ED-25.** Unemployment rate, 25-64-year olds, 2018



Source: U.S. Census Bureau American Community Survey 2018 1-year release and 2017 5-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

**Figure ED-26.** Unemployment rate by race, 25-64-year olds, 2018



Source: U.S. Census Bureau American Community Survey 2018 1-year release and 2017 5-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

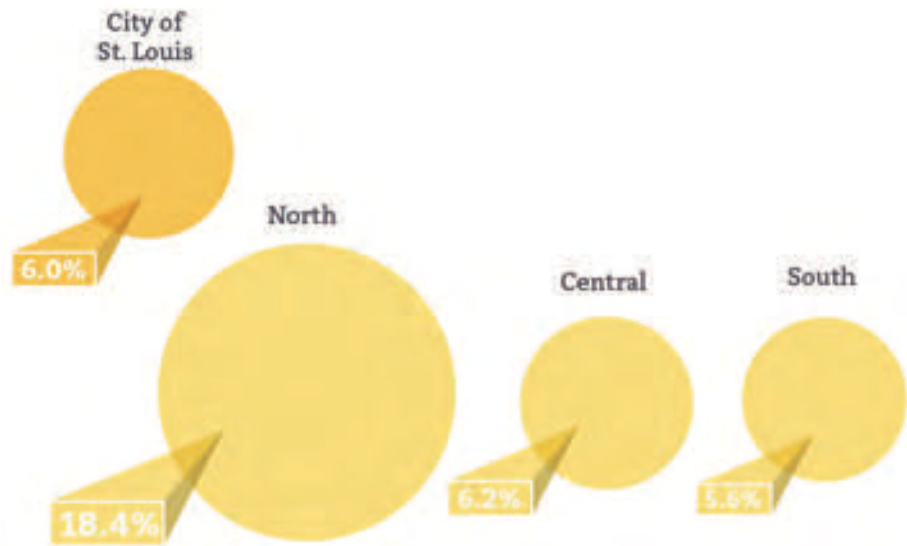
<sup>11</sup> U.S. Bureau of Labor Statistics. Unemployment Rate in St. Louis City, MO. Retrieved from FRED, Federal Reserve Bank of St. Louis website: <https://fred.stlouisfed.org/series/MOSSURN>

Educational attainment alone cannot explain racial disparities in unemployment rates across racial groups in St. Louis. As shown in Figure ED-28, at each level of educational attainment, unemployment rates for working aged (25-64-year old) Black/African American city residents are significantly higher than for whites with similar education levels. These gaps are significant at every level of educational attainment. In relative terms, the gap is highest for labor market participants with four-year degrees (8.4% of Black/African Americans are unemployed versus 2.4% for whites, 3.4X higher); in absolute terms, the gap is highest for working residents without a high school degree (29.1% of Black/African Americans are unemployed versus 9.6% for whites, over 19 percentage points higher). These gaps are so stark that Black/African Americans with some college, which includes associates degrees, have unemployment rates that are about 20% higher than whites without a high school diploma (11.6% versus 9.6%), and Black/African Americans with four-year degrees have higher unemployment rates than whites with only a high school diploma (8.4% versus 6.0%).<sup>12</sup> These data challenge notions that racial differences in economic outcomes are driven primarily by educational attainment levels and underscore the importance of addressing differential access to opportunity, employment, and wealth across racial groups in St. Louis.<sup>13</sup>

<sup>12</sup> A similar pattern holds for poverty rates: at every level of educational attainment, Black/African Americans are significantly more likely to live in poverty than white residents.

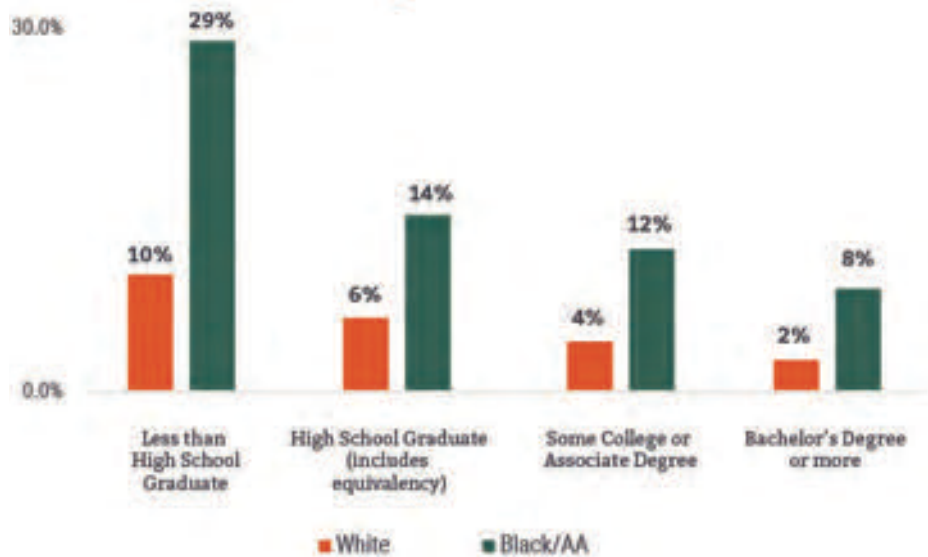
<sup>13</sup> U.S. Census Bureau American Community Survey IPUMS 2018 5-year release

**Figure ED-27.** Unemployment rate by geography, 25-64-year olds, 2017



Source: U.S. Census Bureau American Community Survey 2018 1-year release and 2017 5-year release; Mass Economics analysis

**Figure ED-28.** City unemployment rate by race/ethnicity and educational attainment, 25-64-year olds, 2018



Source: U.S. Census Bureau American Community Survey IPUMS, 2018 5-year release; Mass Economics analysis



# Commutes



Biking is an option to commute across the city but there should be safer routes.

Approximately 40% of St. Louis residents work in St. Louis. Transit reliance varies by geography; while only 10% of residents, on average, commute by transit, 22% of residents in the northern part of the city rely on transit to get to work. Residents in the northern part of the city have longer commute times than the rest of the city and a higher share of commutes over 60 minutes. On average across the city, 21% of households do not have access to a vehicle, and 11% of households with workers do not have access to a vehicle.<sup>14</sup>

<sup>14</sup> LEHD-OTM, 2002-2015; U.S. Census Bureau American Community Survey 2017 5-year release



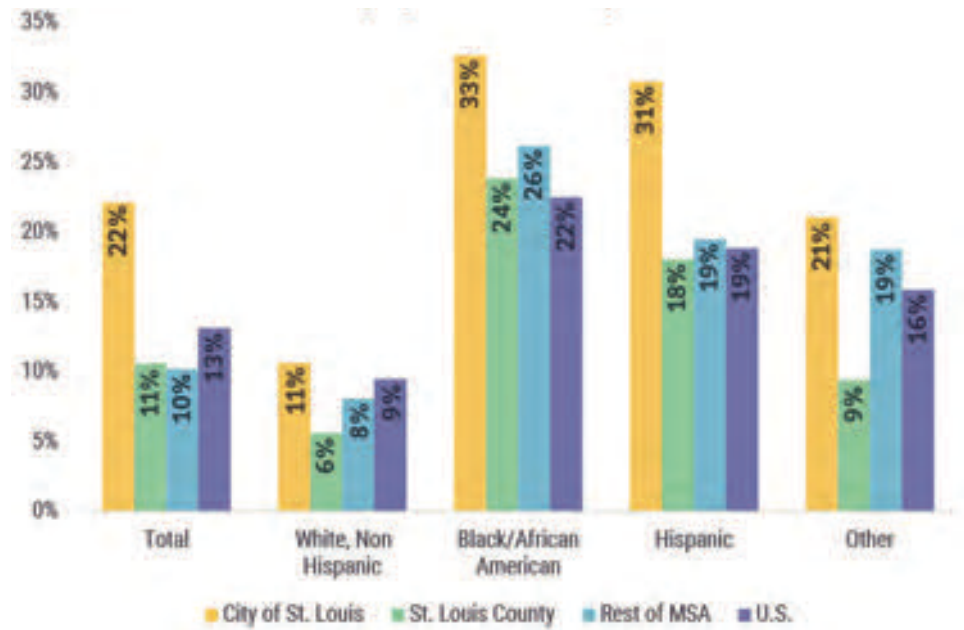
MetroBus runs throughout the city and transit reliance varies by geography.

**TRANSIT RELIANCE VARIES BY GEOGRAPHY; WHILE ONLY 10% OF RESIDENTS, ON AVERAGE, COMMUTE BY TRANSIT, 22% OF RESIDENTS IN THE NORTHERN PART OF THE CITY RELY ON TRANSIT TO GET TO WORK.**

## Poverty and income

In 2018, the poverty rate in the City of St. Louis was 22%, over two times the rate in the rest of the region and notably higher for people of color. The poverty rate for Black/African American residents is 33%, the highest among any racial or ethnic group. For white, non-Hispanic residents, the poverty rate is 11%. Poverty rates are highest in the north, but the shrinking number of residents in the north means that in absolute numbers, more people are living in poverty in the south (35.0K versus 31.3K in the north). Overall, about half of the city's residents live in census tracts with a poverty rate that is at least 25%, but in the northern part of the city, 94% of the residents live in census tracts with a poverty rate of at least 25%. (See Figures ED-29, ED-30, and ED-31.)

**Figure ED-29.** Poverty by race/ethnicity, 2018



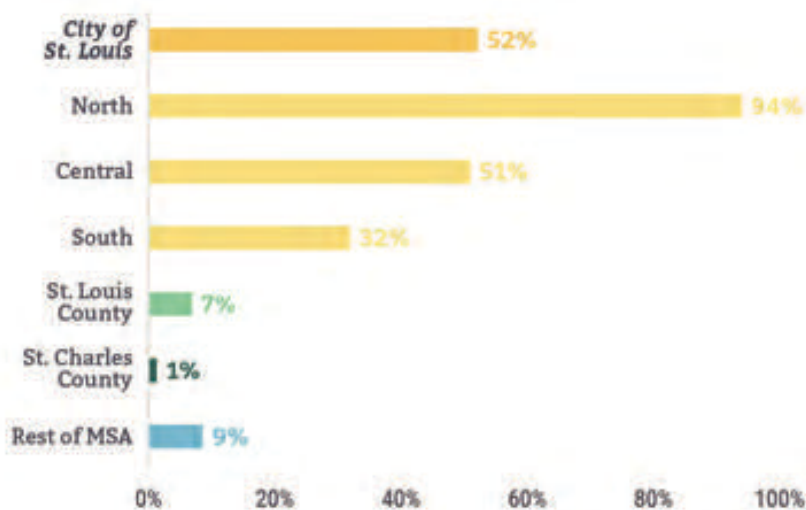
Source: U.S. Census Bureau American Community Survey, 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

**Figure ED-30.** Poverty rate by geography, 2017

Geography	Poverty Rate	Number of People Living in Poverty
North	37%	31.3K
Central	23%	10.2K
South	20%	35.0K

Source: U.S. Census Bureau American Community Survey 2017 5-year release; Mass Economics analysis

**Figure ED-31.** Percent of population living in census tracts with  $\geq$  25% poverty, 2017



Source: U.S. Census Bureau American Community Survey, 2017 5-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

**Figure ED-32.** Average household income, 2010 and 2018 (in constant 2018 \$)

Average Household Income	2010 (adjusted to 2018 \$)	2018	Growth
City of St. Louis	\$53.0K	\$63.8K	20.4%
Rest of MSA	\$81.1K	\$89.3K	10.2%
U.S.	\$78.2K	\$87.9K	12.3%

Source: U.S. Census Bureau American Community Survey 2010 and 2018 1-year release  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis; the MSA definition changed in 2013 to exclude Washington County, which represents a fraction of a percent of the MSA population

**Figure ED-33.** Distribution of households by income bracket, 2010 and 2018

	Number of households		Share of households earning $<$ \$20K			Share of households earning \$100K+		
	2010	2018	2010	2018	% Change	2010	2018	% Change
City of St. Louis	142K	144K	32%	24%	-24%	10%	18%	76%
Rest of MSA	970K	993K	16%	13%	-23%	22%	30%	40%
U.S.	115M	122M	19%	15%	-22%	20%	29%	47%

Source: U.S. Census Bureau American Community Survey 2010 and 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis; the MSA definition changed in 2013 to exclude Washington County, which represents a fraction of a percent of the MSA population

Although average household income in the city in 2018 lagged the rest of the region and U.S. (\$63.8K vs. \$89.3K in the rest of the region and \$87.9K in the U.S.), it grew at twice the rate of the rest of the MSA from 2010 to 2018. One factor driving the increase in household incomes is the growth in the number of high earners in St. Louis.<sup>15</sup> In 2010, 10% of households in the City of St. Louis were earning at least \$100K (in nominal terms), which had risen to 18% by 2018, higher growth (1.8x) than in the rest of the region (1.4x) or U.S. (1.5x). (See Figures ED-32 and ED-33.) In 2018, the ratio between the mean income of the top 20% of earners in the City of St. Louis and the mean income of the bottom 20% of earners was almost 21 compared to under 16 in St. Louis County.<sup>16</sup>

<sup>15</sup> O'Dea, J. (2019, September 26). St. Louis still getting smaller, but richer, too. St. Louis Post-Dispatch. Retrieved from [https://www.stltoday.com/news/local/metro/st-louis-still-getting-smaller-but-richer-too/article\\_d78b0717-83f2-5f27-8418-2399edb5abb8.html](https://www.stltoday.com/news/local/metro/st-louis-still-getting-smaller-but-richer-too/article_d78b0717-83f2-5f27-8418-2399edb5abb8.html)

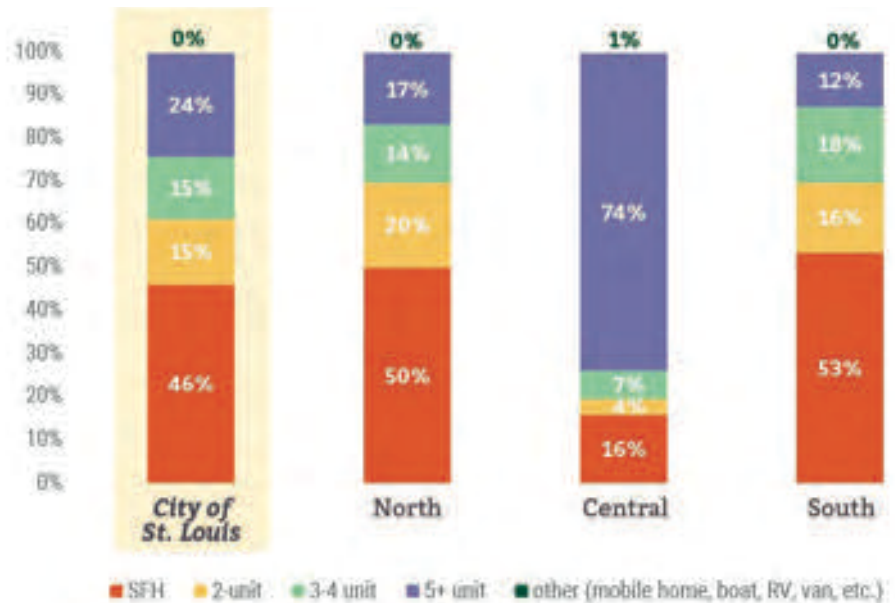
<sup>16</sup> *Income Inequality in St. Louis city, MO.* (n.d.). [FRED Economic Data]. <https://fred.stlouisfed.org/series/2020RATIO029510>; *Income Inequality in St. Louis County, MO.* (n.d.). FRED Economic Data. <https://fred.stlouisfed.org/series/2020RATIO029189>

# HOUSING

## Housing stock

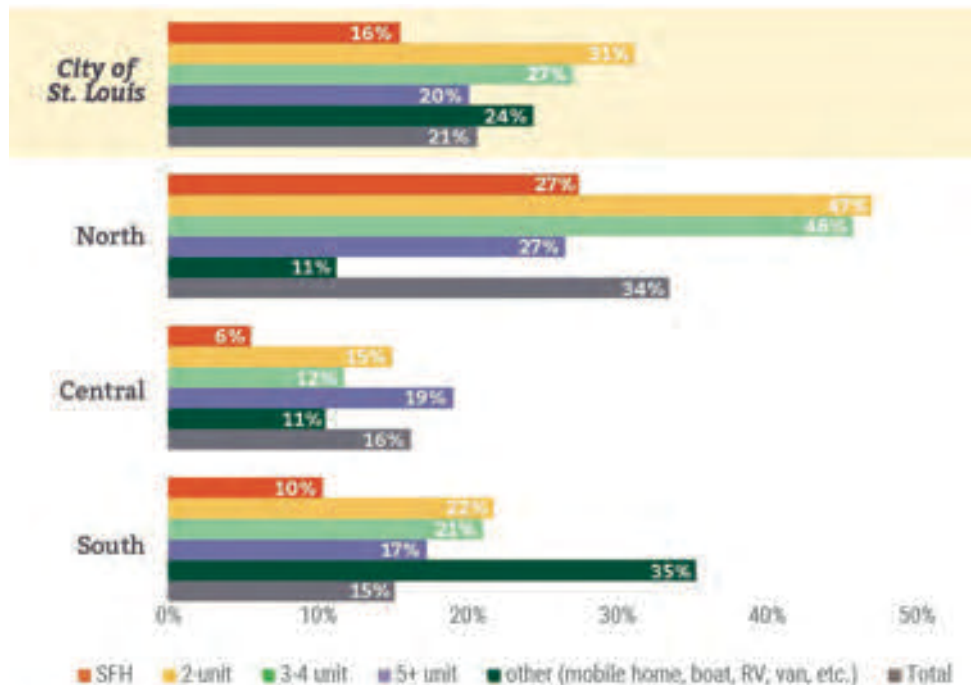
About half the residential structures in the City of St. Louis are single-family homes (SFHs), but the housing stock in the central corridor is heavily skewed toward multi-unit structures. Total residential vacancy rates are highest in the north, and vacancy rates are lowest for SFHs. (See Figures ED-34 and ED-35.)

**Figure ED-34.** City units in structure, 2017



Source: U.S. Census Bureau American Community Survey, 2017 5-year release; Mass Economics analysis

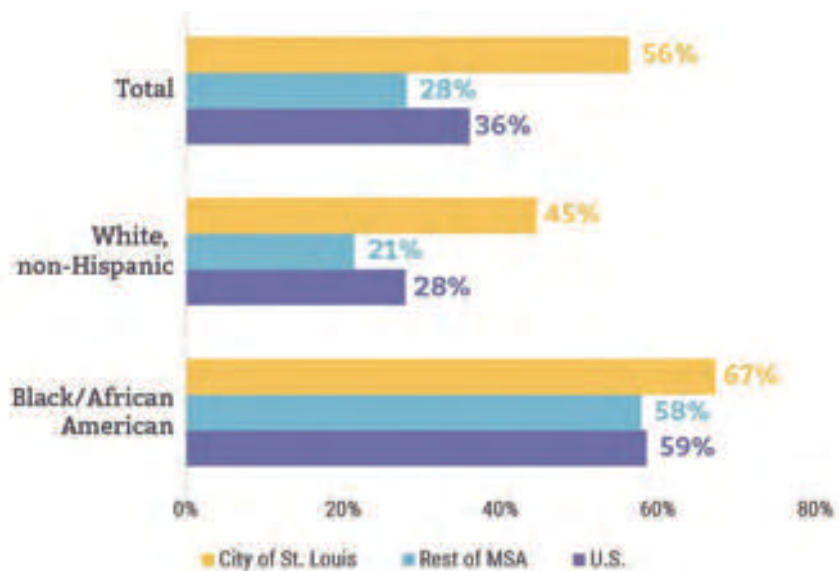
**Figure ED-35.** City vacancy rate, 2017



Source: U.S. Census Bureau American Community Survey, 2017 5-year release; Mass Economics analysis



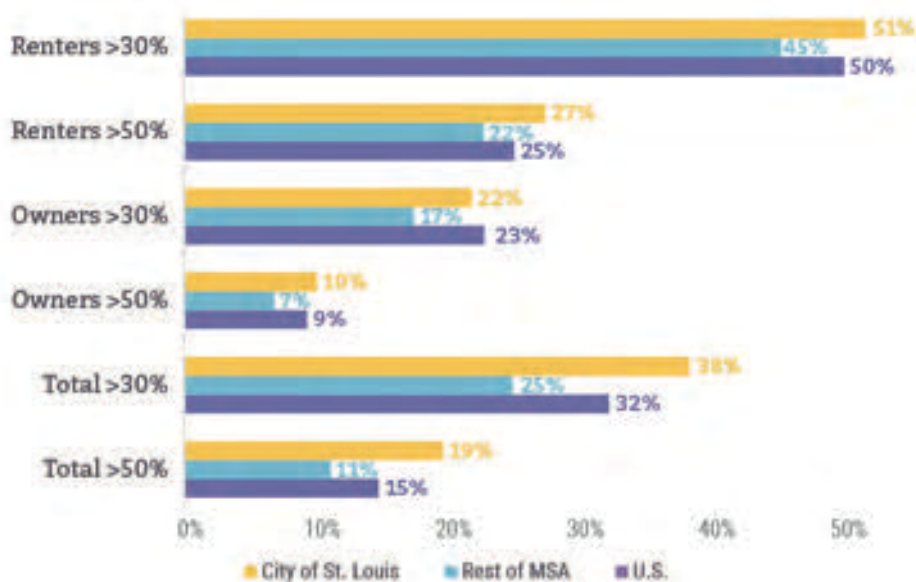
**Figure ED-36.** Percent of housing units occupied by renters, 2018



Source: U.S. Census Bureau American Community Survey, 2017 5-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis; the MSA definition changed in 2013 to exclude Washington County, which represents a fraction of a percent of the MSA population

Over half the housing units in the city are occupied by renters compared to only about one-third in the rest of the MSA and U.S. Compared to 2010 levels, increasingly more housing units in the city, region, and U.S. are occupied by renters. Black/African American-occupied housing units are more likely to rent than white-occupied housing units. (See Figure ED-36.)

**Figure ED-37.** Share of income spent on housing, 2018



Source: U.S. Census Bureau American Community Survey, 2018 1-year release; Mass Economics analysis  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis; the MSA definition changed in 2013 to exclude Washington County, which represents a fraction of a percent of the MSA population

## Housing cost burden

Renters are significantly more housing cost-burdened than owners. More than half of all renters in the city spend at least 30% of their income on housing; this figure is comparable to the U.S. average (50%) but higher than the rest of the region (45%). Over one-quarter (27%) of renters spend at least half of their income on housing. Comparatively, only 22% of owners spend at least 30% of their income on housing and only 10% spend at least 50% of their income on housing. (See Figure ED-37.)

Housing cost burden is most extreme in the northern part of the city. Numerous tracts in the north – but also significant pockets of the south – have at least half of housing units spending over 30% of income on housing. (See Figure ED-38.)

# Housing Cost Burden

Source: ACS 2017 5-year est., Mass Economics Analysis

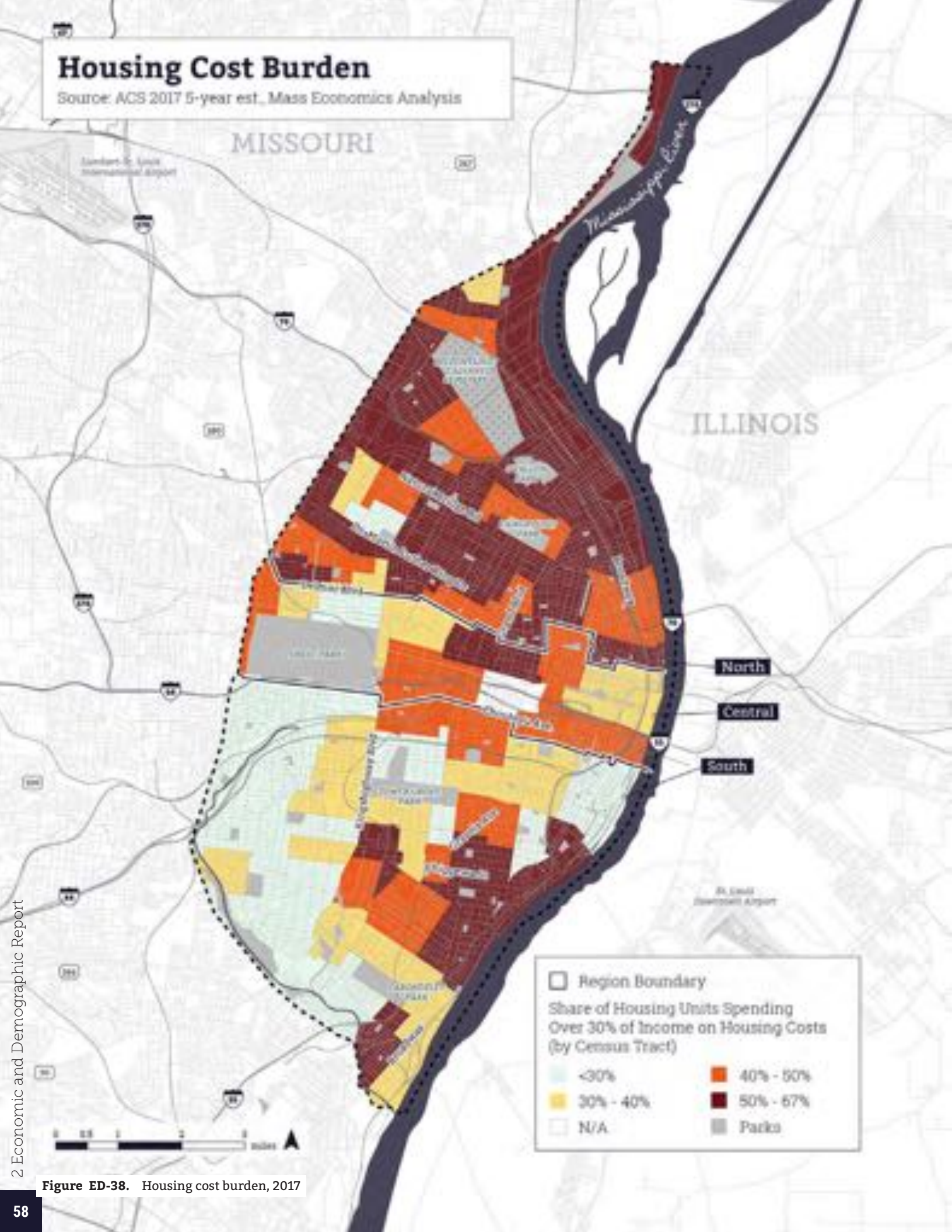


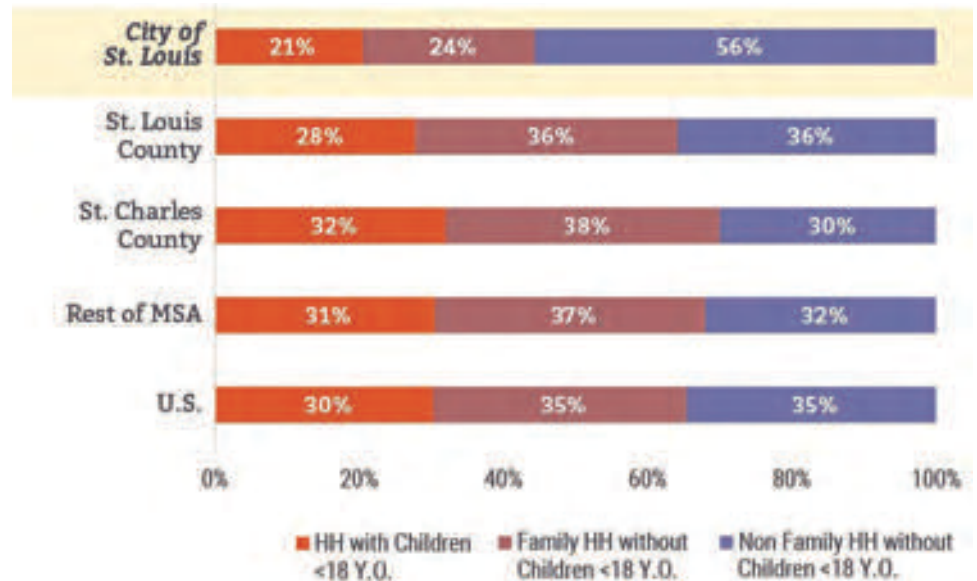
Figure ED-38. Housing cost burden, 2017

## Household type

In 2018, most of the city's households were non-family (i.e., people living alone or with unrelated roommates) without school-aged children. Just over one-fifth of households were families with children under the age of 18, and under one-quarter of households were families without children. This composition reflects a drop-off in family households with school-aged children, which declined in the city by 12% from 2010 to 2018. While family households with school-aged children declined across the region and U.S., the city experienced the steepest decline. (See Figures ED-39 and ED-40.)

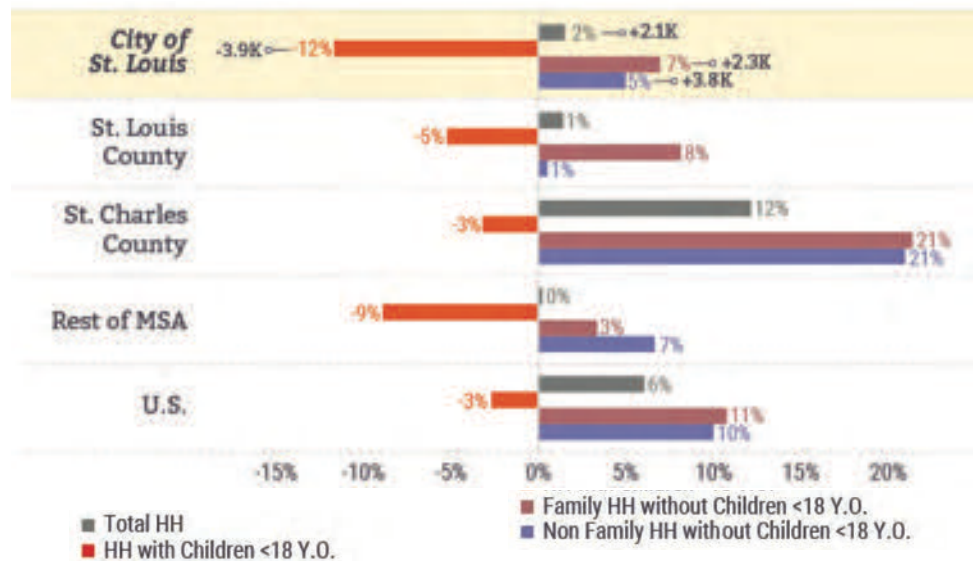
The loss of families with children in the City of St. Louis has been concentrated among Black/African American families. Overall, the city lost 4.8K Black/African American families with children under 18, a decline of 24% from 2010 levels. The number of families with children increased for families of other races, including white families; the increase in white families in the city is a contrast to trends nationally and in St. Louis County, which both experienced declines in white families with children. (See Figure ED-41.)

**Figure ED-39.** Household type, 2018



Source: U.S. Census Bureau American Community Survey, 2018 1-year release; Mass Economics analysis.  
 Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis and St. Charles Counties

**Figure ED-40.** Growth by household type, 2010-2018



Source: U.S. Census Bureau American Community Survey, 2010 and 2018 1-year release; Mass Economics analysis  
 Note: Refers to the portion of the MSA without the City of St. Louis and St. Louis and St. Charles Counties; the MSA definition changed in 2013 to exclude Washington County, which represents a fraction of a percent of the MSA population



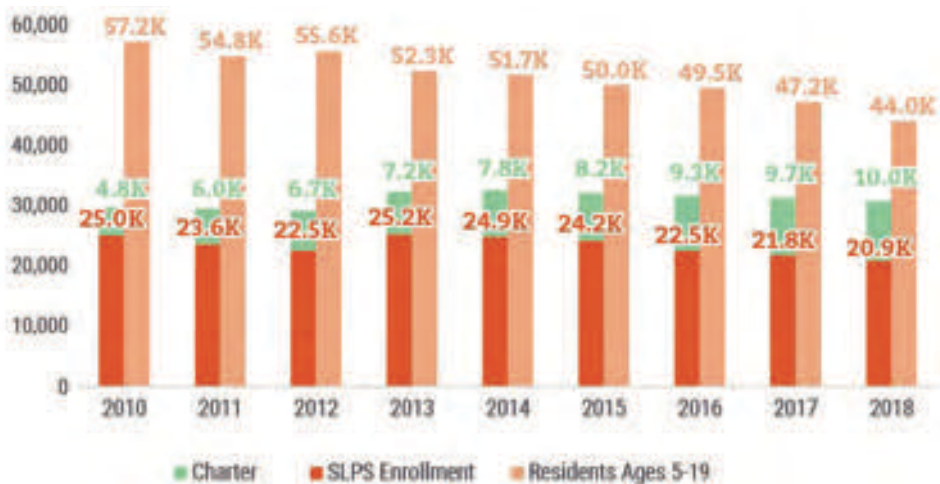
**Figure ED-41.** Delta (% change) in total family households with children under 18 years old, 2010-2018

	Total	White (Including Hispanic)	Black/African American (Including Hispanic)	Other ([Total] - [White] - [Black/African American])
<b>City of St. Louis</b>	<b>-3.6K (-11%)</b>	60 (1%)	<b>-4.8K (-24%)</b>	+1.2K (94%)
<b>St. Louis County</b>	<b>-6.8K (-6%)</b>	<b>-8.0K (-10%)</b>	<b>-2.0K (-6%)</b>	+3.2K (38%)
<b>U.S.</b>	<b>-1.0M (-3%)</b>	<b>-1.2K (-5%)</b>	<b>-341.0K (-6%)</b>	+531.7K (10%)

Source: U.S. Census Bureau American Community Survey 2010 and 2018 1-year release; Mass Economics analysis

The changing composition of the city's households goes hand in hand with a changing demand for services. Along with a decline in city residents ages 5 to 19, the St. Louis Public Schools (SLPS) district has experienced declining enrollment levels, but Charter school enrollment in the city has surged. In 2010, SLPS enrolled approximately 25,000 students; by 2018, its enrollment had dropped to under 21,000. During the same period, Charter school enrollment in the city more than doubled, growing from 4.8K in 2010 to 10.0K in 2018. Despite the drop in SLPS enrollment, a greater share of city residents ages 5 to 19 were enrolled in SLPS in 2018 than in 2010 (47% in 2018 vs. 44% in 2010). (See Figure ED-42.)

**Figure ED-42.** SLPS and Charter school enrollment in the city compared to number of city residents ages 5-19, 2010-2018



Sources: Missouri Department of Elementary and Secondary Education; District Demographic Data. (2019, September 21). Retrieved from Missouri Department of Elementary and Secondary Education website: [https://apps.dese.mo.gov/MCDS/Reports/SSRS\\_Print.aspx](https://apps.dese.mo.gov/MCDS/Reports/SSRS_Print.aspx). U.S. Census Bureau American Community Survey, 2010-2018 1-year release; Mass Economics analysis



# LAND

## Overview

The City of St. Louis spans 39,600 acres – approximately 62 square miles – and represents about 0.7% of the MSA’s land area. The city is much denser than St. Louis County and the rest of the St. Louis MSA, with a population density of about 4,890 people per square mile, far surpassing the County’s 1,960 people per square mile and the rest of the MSA’s 190 people per square mile. After adding in employment to create an activity density based on both jobs and population, the city’s density advantage becomes even more apparent: the City of St. Louis has approximately 8,120 residents and jobs per square mile, compared to 3,060 in St. Louis County and 240 in the rest of the region. (See Figure ED-43.)

**Figure ED-43.** Employment and population density, 2018

Geography	Population 2018	Private Jobs 2018	Land Area (sq. mi.)	Population Density	Activity (Population + Employment) Density
City of St. Louis	302.8K	200.1K	61.9	4,890	8,120
St. Louis County	996.9K	556.0K	507.8	1,960	3,060
Rest of MSA	1,504.9K	416.0K	8,053.5	190	240

Source: U.S. Census Bureau American Community Survey, 2018 1-year release; QCEW-UDP; Mass Economics analysis

Note: Rest of MSA refers to the portion of the MSA without the City of St. Louis and St. Louis County

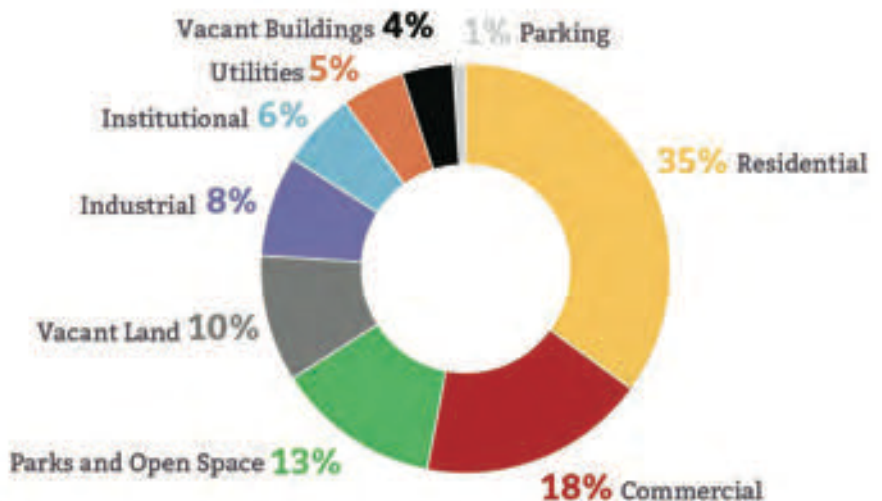
## Land use

Much of the city’s land does not generate tax revenue. About 40% of the city’s land is tax-exempt, with 7.3% owned by nonprofits and 32.5% consisting of parks or government-owned land.<sup>17</sup> The plurality of the city’s land is used for residential purposes (35%), followed by commercial uses (18%), and parks and open space (13%).<sup>18</sup> (See Figures ED-44, ED-45, and ED-46.)

<sup>17</sup> City of St. Louis parcel assessor data; Vacancy Collaborative, Vacancy Portal; Mass Economics analysis

<sup>18</sup> According to St. Louis County parcel assessor data, about 19% of the County’s land is tax-exempt, about half the City’s share. The majority of the County’s land is used for residential purposes (60%), followed by commercial uses (13%). It is worth noting that the St. Louis County land use data is not perfectly comparable to the City of St. Louis land use data, as the project team validated the city data by conducting on-the-ground surveys.

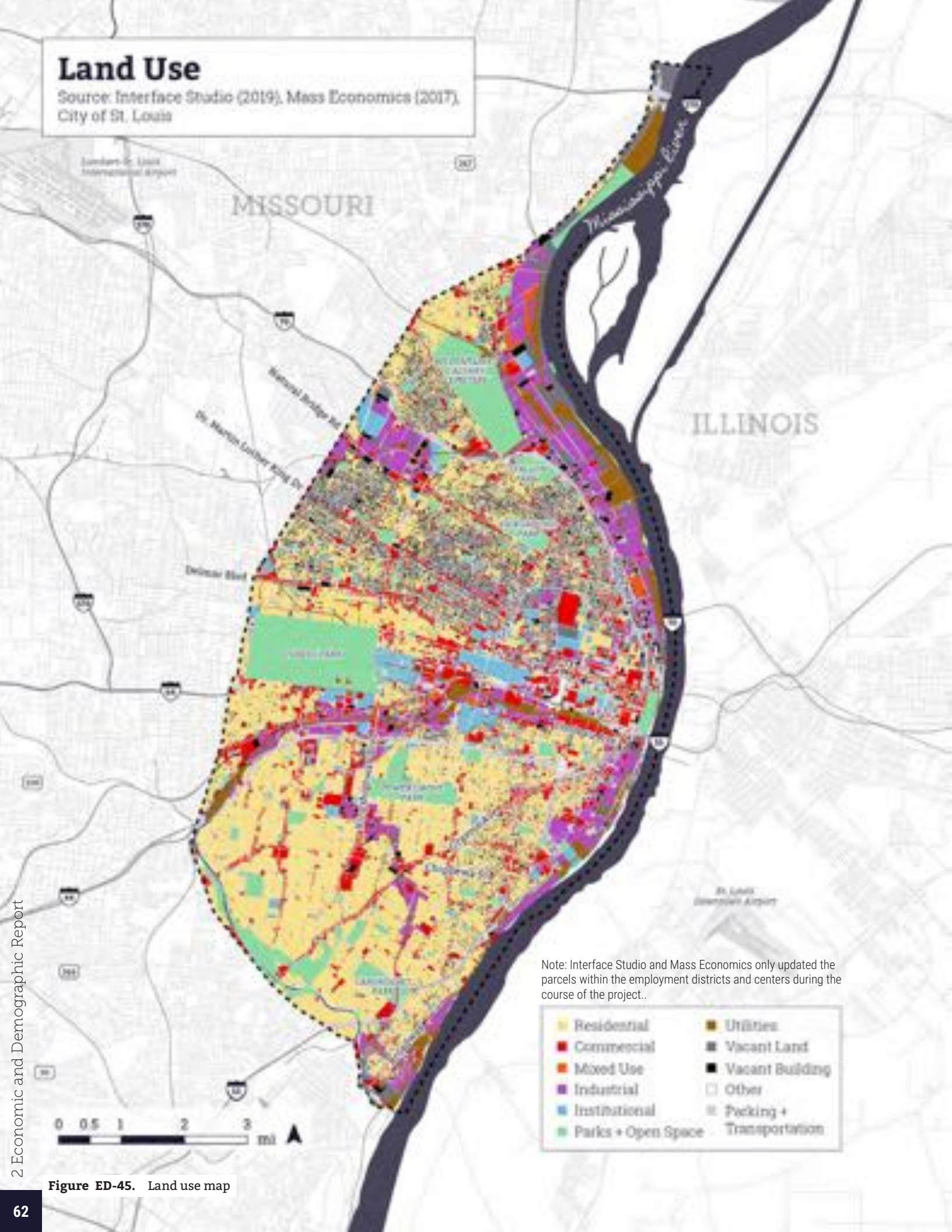
**Figure ED-44.** Land use chart



Source: City of St. Louis; Mass Economics (2017); Interface Studio (2019)

# Land Use

Source: Interface Studio (2019), Mass Economics (2017), City of St. Louis



Note: Interface Studio and Mass Economics only updated the parcels within the employment districts and centers during the course of the project.

Figure ED-45. Land use map



# Public Ownership

Source: City of St. Louis

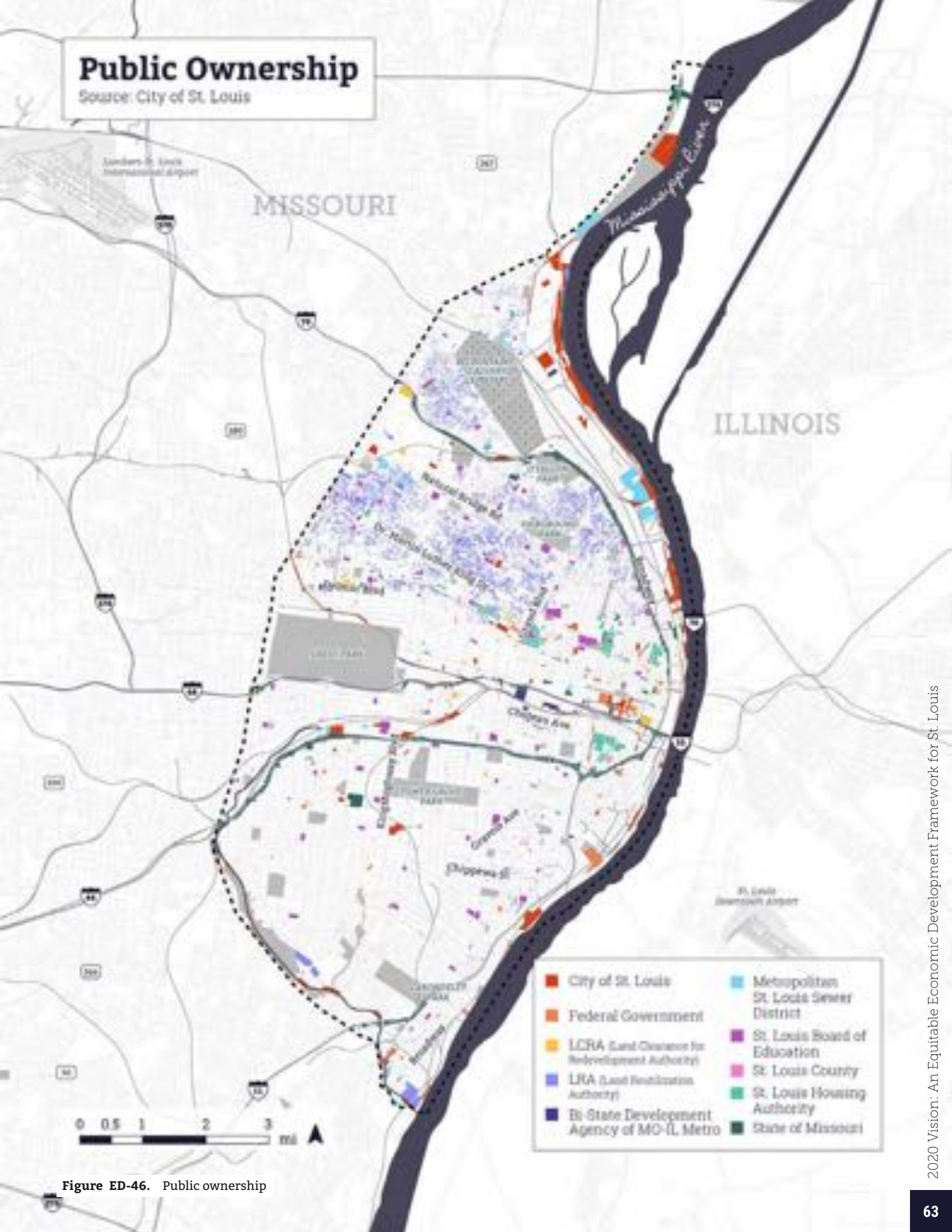


Figure ED-46. Public ownership

## Vacancy

Vacancy affects a large portion of the city's fabric. Although there are vacant parcels across the city, the bulk of the vacancy is concentrated in the north. (See Figure ED-48.)

For the City of St. Louis, an added challenge arises from the fact that almost all the city's vacant parcels are less than one-half acre in size. (See Figure ED-47.) These smaller parcels – many of which are scatter-site residential – would have to be assembled in order to undertake larger-scale development, adding barriers to the development process and potentially deterring prospective developers. Much of the vacancy is proximate to active residential uses, which brings down property values, reduces home equity (thereby limiting access to capital for education and other opportunities), and creates dis-amenities for neighboring households.

**Figure ED-47.** Vacant parcel distribution by size in the city

Vacant Parcel Size	Parcel Count	Share of Vacant Parcels
Less than half an acre	27,653	97.6%
0.5 – 1 acre	317	1.1%
1 – 2 acres	184	<1%
2 – 5 acres	131	<1%
5 – 10 acres	36	<1%
10 – 20 acres	16	<1%
20 – 30 acres	6	<1%
Greater than 30 acres	2	<1%

Source: Interface Studio (2019), Mass Economics (2017), City of St. Louis



# Vacancy

Source: Interface Studio (2019), Mass Economics (2017), City of St. Louis

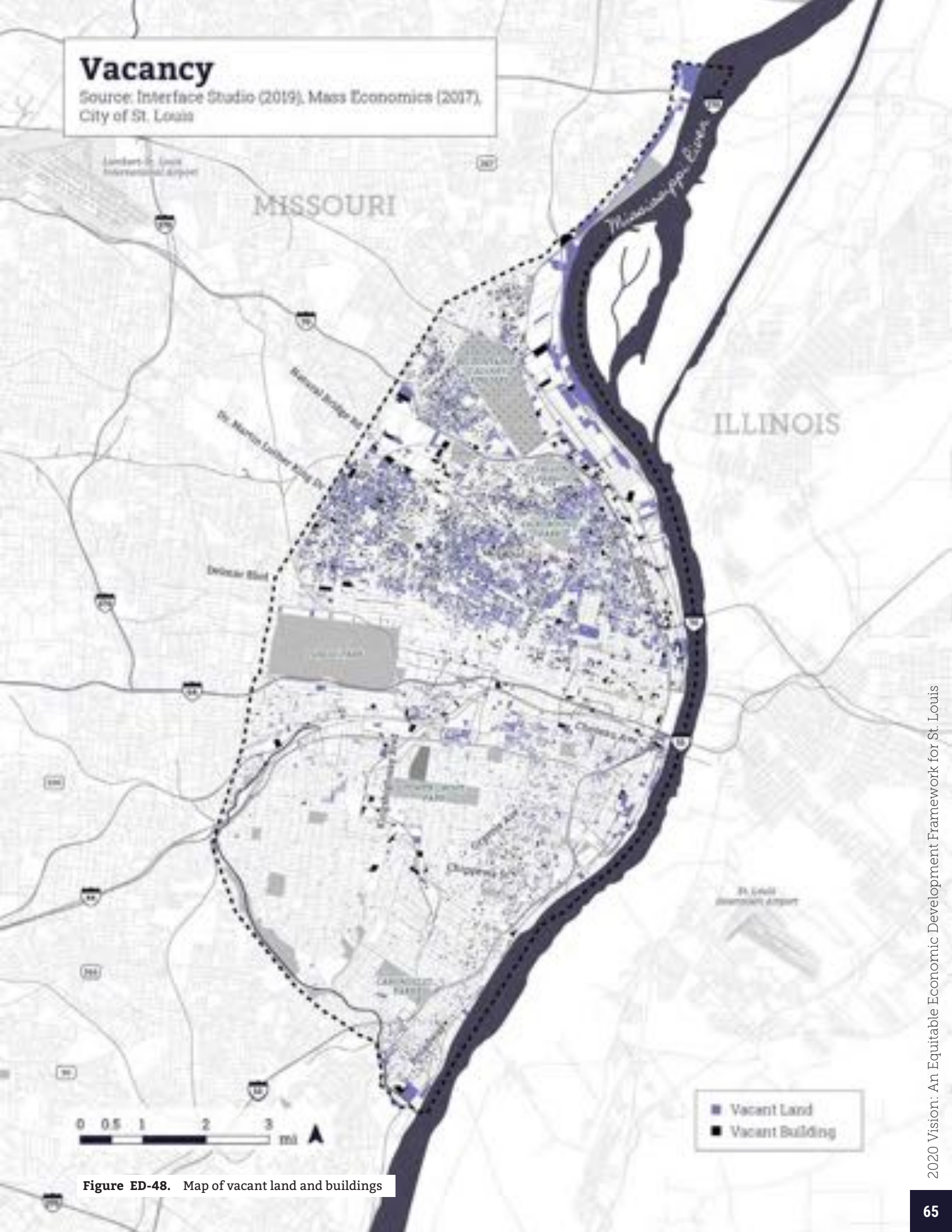
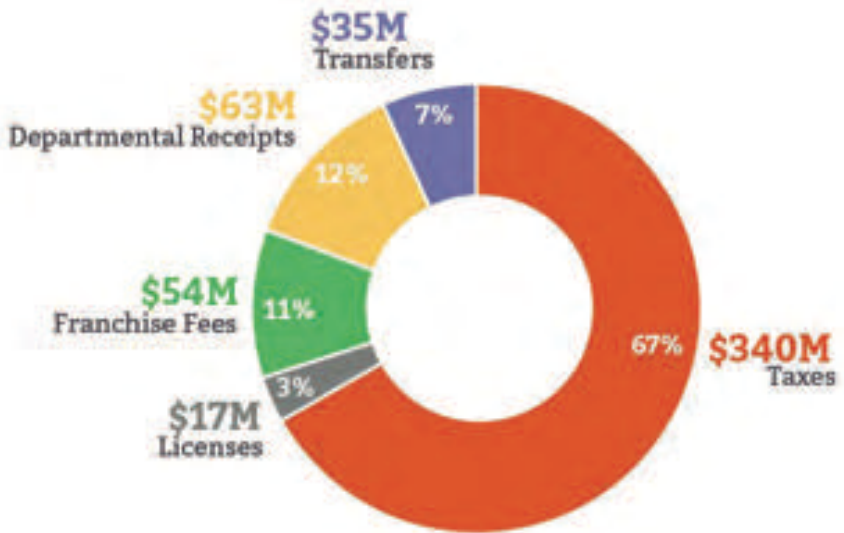


Figure ED-48. Map of vacant land and buildings

# FISCAL CONDITIONS

In 2018, the City of St. Louis employed 6.7K people and maintained a budget of \$1.1 billion, which consists of the general fund (\$513.1 million), special revenue and other funds (\$319.0 million), and enterprise funds (\$226.4 million).<sup>19,20</sup> Two-thirds of the city's general fund revenues come from taxes, with the remainder coming from departmental receipts, franchise fees for utilities, and transfers and licenses. (See Figure ED-49.) The city has several primary sources of tax revenues. Earnings taxes are a 1% tax on earnings for city residents and nonresidents working in the city, and corporations pay a 1% tax on profit; property taxes are paid on real and personal property; sales taxes are paid on qualifying retail transactions in the city; and payroll taxes are a 0.5% tax paid by for-profit employers on gross compensation of employees working in the city.<sup>21,22,23,24</sup>

**Figure ED-49.** Distribution of city general fund revenues, 2018



Source: Revenue Estimates; FY 2020. (2019). City of St. Louis, Missouri

19 Comprehensive Annual Financial Report. (2018). [https://www.stlouis-mo.gov/government/departments/comptroller/documents/upload/CityofStLouisMO\\_CAFR-FY18.PDF](https://www.stlouis-mo.gov/government/departments/comptroller/documents/upload/CityofStLouisMO_CAFR-FY18.PDF)

20 Executive Summary: FY2019 Annual Operating Plan. (n.d.). City of St. Louis Budget Division. <https://www.stlouis-mo.gov/government/departments/budget/documents/upload/FY19-AOP-Executive-Summary-as-adopted.pdf>

21 Earnings Tax [22]. (n.d.). Retrieved from City of St. Louis website: <https://www.stlouis-mo.gov/government/departments/collector/earnings-tax/index.cfm>

22 Comprehensive Annual Financial Report. (2018). City of St. Louis, Missouri. [https://www.stlouis-mo.gov/government/departments/comptroller/documents/upload/CityofStLouisMO\\_CAFR-FY18.PDF](https://www.stlouis-mo.gov/government/departments/comptroller/documents/upload/CityofStLouisMO_CAFR-FY18.PDF)

23 Project interviews and roundtables

24 Executive Summary: FY2020 Annual Operating Plan. (n.d.). City of St. Louis Budget Division. <https://www.stlouis-mo.gov/government/departments/budget/documents/upload/FY20-AOP-Executive-Summary-ALL.pdf>

Earnings taxes are the biggest source of tax revenue, making up 34% of general fund revenues in 2018, followed by property tax (12%), sales (11%), and payroll (7%). The remaining 4% of tax revenues come from gasoline taxes, automobile sales tax, and intangible taxes.<sup>25</sup> Of earnings, property, and sales tax revenues, earnings tax revenues are the least volatile.<sup>26</sup>

25 Revenue Estimates, FY 2020. (2019). City of St. Louis, Missouri. <https://www.stlouis-mo.gov/government/departments/budget/upload/FY20-Revenue-Book.pdf>

26 According to a presentation prepared by the City of St. Louis to the Ways and Means Committee, earnings tax revenues show steady annual growth rates over 3-year, 5-year, and 10-year horizons. See: City of St. Louis Earnings Tax Discussion. (2016, January). Presented at the Ways and Means Committee. Retrieved from <https://www.stlouis-mo.gov/government/departments/budget/documents/upload/Earnings-Tax-Presentation-to-Ways-and-Means-1-13-16-2.pdf>

Personnel-related expenses (salaries, benefits, and pensions) are one of the largest areas of general fund expenditures. (See Figure ED-50.) Although the number of people employed by the City of St. Louis declined from 7.1K in 2010 to 6.6K in 2018, overall city pension costs increased from \$60.7M to \$84.8M over the same period.<sup>27</sup>

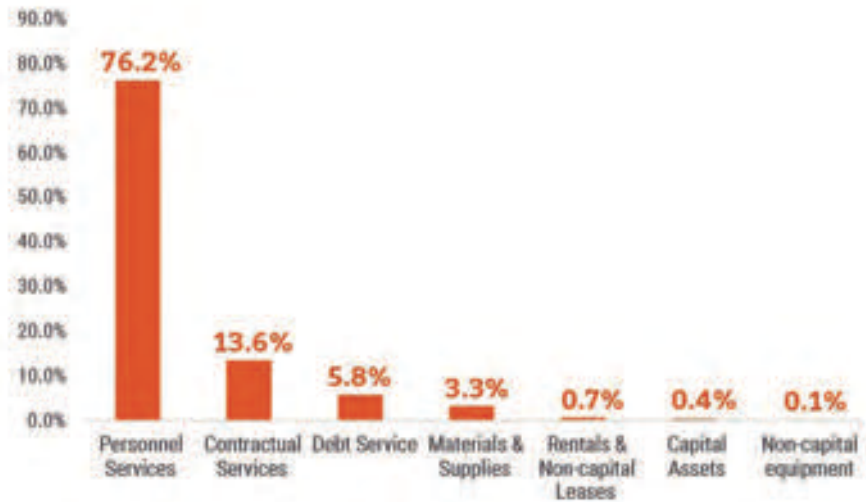
27 City of St. Louis Proposed FY2020 Annual Operating Plan, Presented to the Ways and Means Committee, May 14, 2019, <https://www.stlouis-mo.gov/government/departments/budget/documents/upload/FY2020-Budget-Presentation-to-W-M.pdf>.

The city's revenue base is structured in a way that links employment growth with revenues, but population loss and low levels of city retail sales may constrain the city's revenue growth opportunities. The city's increased budgetary reserves (6% in FY 2020 budget) show a sustained commitment to fiscal solvency, but potential concerns range from a national recession, to deferred capital maintenance, to outdated fee structures and high pension costs.<sup>28,29</sup>

28 City of St. Louis, MO Office of the Comptroller. (2019). Long Range Financial Plan Update. Retrieved from <https://www.stlouis-mo.gov/government/departments/comptroller/documents/upload/St-Louis-Long-Range-Financial-Plan-2019.pdf>

29 Executive Summary: FY2020 Annual Operating Plan. (n.d.). City of St. Louis Budget Division. <https://www.stlouis-mo.gov/government/departments/budget/documents/upload/FY20-AOP-Executive-Summary-ALL.pdf>

**Figure ED-50.** Major expenditure accounts for the city's general fund, 2018



Source: City of St. Louis Expenditure Data, 2018; Mass Economics analysis

While not concentrated on the city's finances, implementation of the framework in this plan will nonetheless support the city's fiscal condition and bolster its primary revenue streams. Opportunity to thrive is a central component of the strategies; linking city residents to quality job opportunities and improving residential quality of life and economic opportunity can increase earnings and payroll taxes, as well as local spending and sales tax revenues. The framework's focus on clusters and job growth stands to increase earnings and payroll taxes, and

the central role of land utilization supports revenues derived from property taxes and could reduce public and private costs associated with maintaining vacant and blighted land. Similarly, the focus on place and intentionally organizing activity around the employment centers and districts will amplify activity density and potentially reduce costs to provide services. Focusing on all three areas – opportunity to thrive, clusters, and place – simultaneously can help to slow and eventually reverse population decline.



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3

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**OPPORTUNITY  
TO THRIVE**



**“Our greatest assets are our neighborhoods and people.”**

From Advisory Committee Meeting #3

## INTRODUCTION

The City of St. Louis has a tremendous asset base, owing in large part to its residents, entrepreneurs, and workforce, but these assets require special focus and attention in the city’s Equitable Economic Development Framework. The city’s population has been declining for decades, and today, the city is just over one-third of its peak size. To address population loss, St. Louis must retain existing residents, grow the Black/African American middle class, and attract newcomers from across the U.S. and globe.

St. Louis is a diverse, so-called “majority-minority” city, but this is not reflected in statistics around entrepreneurship and business ownership. Despite having the highest share of Black/African American-owned firms among the 100 largest American cities – in 2017, 34% of privately-held firms with employees in St. Louis were Black/African American-owned – the city ranks near the bottom for levels of employment per firm, payroll per firm, and revenue per firm for MBEs, WBEs, and privately-held firms with employees, in general. Although the city has a well-developed ecosystem for innovation and entrepreneurship, it must continue to evolve to support new priorities, including business models for neighborhood retail and amenities, a vibrant business-to-business cluster with diverse ownership, and a focus

on one of the most staggering challenges facing entrepreneurs in the city, namely access to capital.

Entry-level and middle-wage jobs are an imperative for broad-based opportunity in the city. Entry-level and middle-wage jobs help build and restore the middle class and, with proper employer practices around retention, can support job tenure and other factors that increase opportunities and wages. Although middle-wage jobs grew by almost 10% from 2010 to 2018 in the St. Louis MSA, middle-wage occupations in the city experienced practically no growth. Employer practices and workforce programs must be better aligned and responsive to the needs of both businesses in growing sectors and job seekers by involving businesses and service providers in program development and implementation.

The strategies in this section aim to build and sustain long-term wealth for city residents and entrepreneurs, especially Black/African Americans, through asset development, ownership of homes and businesses, and economic opportunity across a range of skillsets. The final section examines how SLDC and others can build capacity to actually measure “opportunity to thrive” across and within the city.



A participant at a July Open House



# POPULATION RETENTION AND GROWTH

## Overview

**“Small business requires population - [you] can’t have a main street when everything is vacant lots.”**

The city’s residents are integral to its identity and contribute to neighborhood vitality, character, and quality of life. Population levels also play a fundamental functional role for the city, dictating federal and state funding and bolstering the city’s tax base and ability to provide important public services. Population loss also coincides with vacancy; both vacancy and the depletion of a customer base are key issues that negatively impact existing businesses. In the words of an interviewee, “small business requires population – [you] can’t have a main street when everything is vacant lots.”<sup>1</sup>

While a full set of population retention- and growth-based strategies goes beyond the scope of an economic development framework, identifying and implementing related strategies that can slow or reverse population decline can be an important component of inclusive growth and support existing and potential new businesses across the city. These strategies must be tailored to specific areas through complementary neighborhood initiatives. Furthermore, these strategies must coordinate investments in job growth and neighborhoods to help retain and support the Black/African American middle-class, as the city is losing a sizeable number of Black/African American residents and families.

<sup>1</sup> Project interviews and roundtables

The City of St. Louis has been losing population since somewhere between 1950, when the census registered a population of 856,796, and 1960, when the city’s population count had fallen to 750,026.<sup>2</sup> The city’s population has continued to decline and at last official count (2018) was 302,838, just over one-third of its peak population.<sup>3</sup> Led by population loss in the city, in 2018, the region descended from the top 20 metro areas by population,<sup>4</sup> but it later regained its position as 20th when the numbers were updated.<sup>5</sup> From 2010 to 2018, the city lost over 16K residents, and the city lost nearly 6K residents from 2017 to 2018, the biggest year-over-year loss since 2010 (see Ch. 2: Economic and Demographic Report). These losses are geographically concentrated on the north side of the city. From 2010 to 2017, the central corridor and south sides experienced a collective growth of over 5K residents, but the north side lost 10K residents during the same period (see Figure PRG-1).

<sup>2</sup> *Population history of St. Louis from 1830–1990*. (n.d.). Retrieved from <http://physics.bu.edu/~redner/projects/population/cities/stlouis.html>

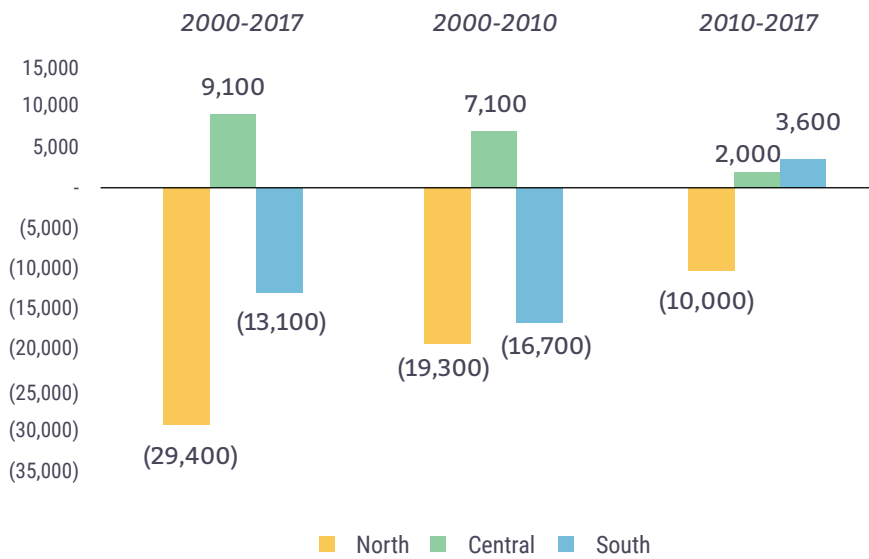
<sup>3</sup> U.S. Census Bureau Population Estimates, 2018; *A Brief History of St. Louis*. (n.d.). City of St. Louis. Retrieved from <https://www.stlouis-mo.gov/visit-play/stlouis-history.cfm>

<sup>4</sup> Edgell, H. (2018, March 22). *Census bureau: St. Louis no longer among top 20 most populous metro areas*. St. Louis Public Radio. <https://news.stlpublicradio.org/post/census-bureau-st-louis-no-longer-among-top-20-most-populous-metro-areas>

<sup>5</sup> O’Dea, J., and Schlinkmann, M. (2019, April 19). *Census: St. Louis city lost, St. Charles County gained and St. Louis County stayed the same*. *St. Louis Post-Dispatch*. [https://www.stltoday.com/news/local/metro/census-st-louis-city-lost-st-charles-county-gained-and/article\\_738cfe8f-a15e-5da8-9ad7-a38d8027ea71.html](https://www.stltoday.com/news/local/metro/census-st-louis-city-lost-st-charles-county-gained-and/article_738cfe8f-a15e-5da8-9ad7-a38d8027ea71.html)



**Figure PRG-1.** Population change, 2000-2017



These population changes have produced variation in population density trends across the city, widening the spread between neighborhood conditions in the north and south. Many of the census tracts on the north side of the city are lower density and losing population while many tracts on the south side of the city are higher density and gaining population (see Figure PRG-2).

Source: U.S. Census Bureau, Decennial Census 2000, 2010; American Community Survey 2017 5-year release

# Population Change Typology

Source: Mass Economics

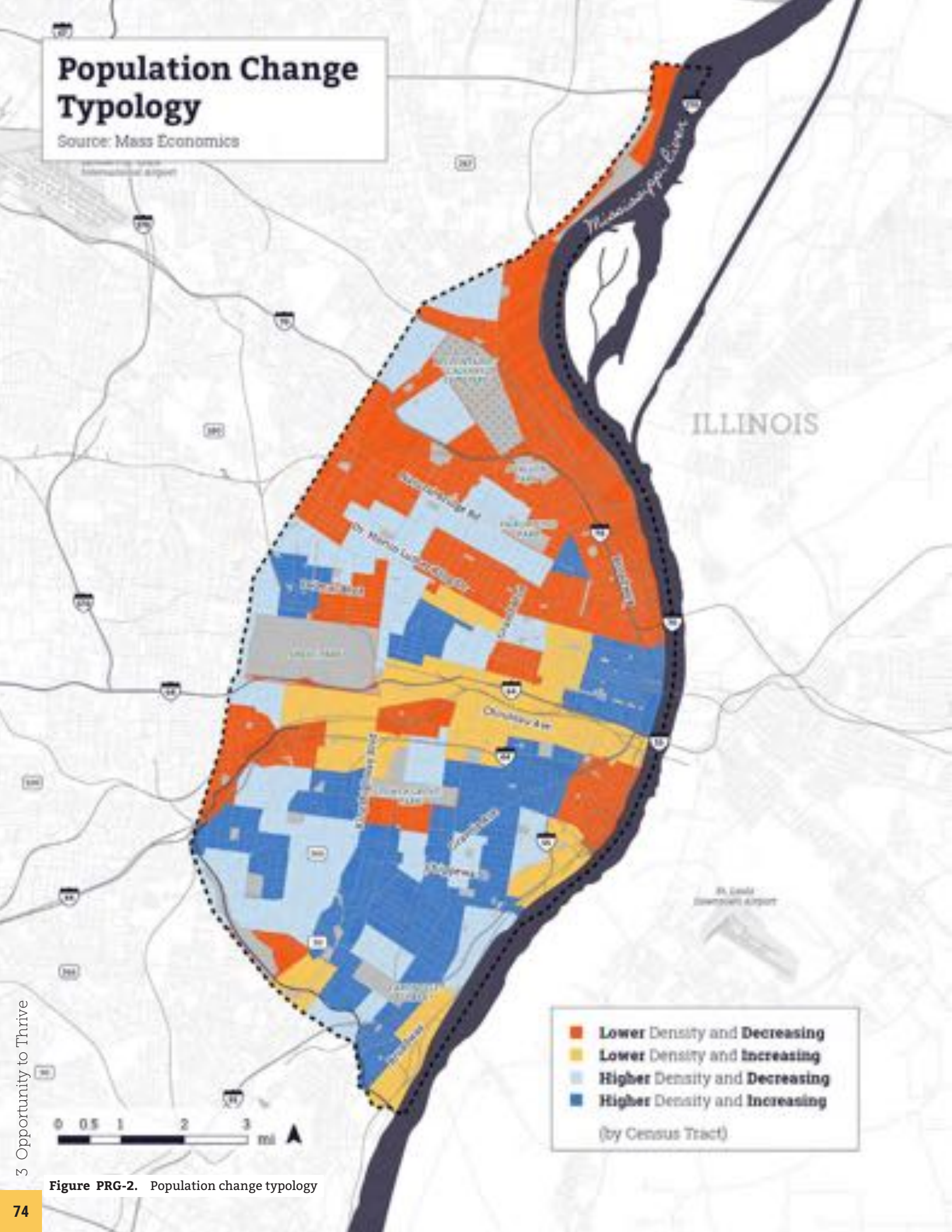
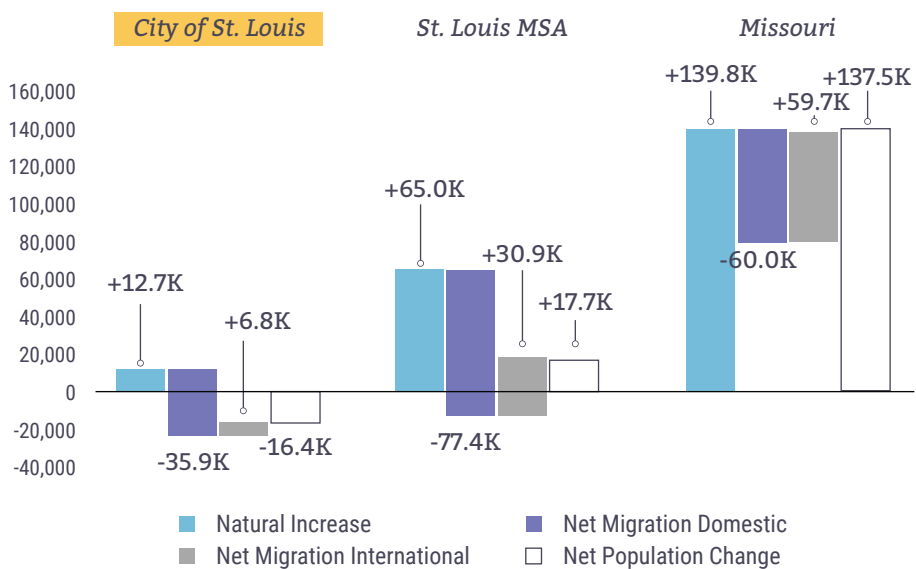


Figure PRG-2. Population change typology

**Figure PRG-3.** Components of population change, 2010-2018



Source: U.S. Census Bureau American Community Survey, PEPTCOMP, 2010-2018

The city experienced a natural increase in population of 12.7K from 2010 to 2018, but it lost 35.9K residents to net domestic outmigration during this period. In fact, the city, region, and state are all losing residents through net domestic outmigration, and the city and region experienced far higher net domestic outmigration than their natural increases in population (see Figure PRG-3)

In 2018, approximately 7% of the city's population and 5% of the MSA's population was foreign-born.<sup>6</sup> Immigrants represent an increasingly larger share of the national population, with the share of foreign-born residents climbing from about 11% in 2000 to 14% in 2018.<sup>7,8</sup> The region has a comparatively high share of refugees despite

lagging the national foreign-born rate, and the city became the adopted home of many Bosnian immigrants seeking refuge during the Bosnian Civil War.<sup>9</sup> Recently, the St. Louis Economic Development Partnership rolled out an initiative to increase the number of foreign-born residents in the region, called the St. Louis Mosaic Project.<sup>10</sup> Given its focus on new rather than existing residents and, in the words of an alderwoman, the fact "that they spend resources on immigrants when they could rebuild poor black communities," the initiative is considered highly controversial.<sup>11</sup> Amidst population loss, the city's residents are aging and becoming more highly

**IN FACT, THE CITY, REGION, AND STATE ARE ALL LOSING RESIDENTS THROUGH NET DOMESTIC OUTMIGRATION, AND THE CITY AND REGION EXPERIENCED FAR HIGHER NET DOMESTIC OUTMIGRATION THAN THEIR NATURAL INCREASES IN POPULATION.**

educated. From 2010 to 2018, the biggest loss by age group was among residents under the age of 25 (decreased by 21.9K), and the biggest gain by age group was among residents ages 65 and older (increased by 6.2K), followed by gains in residents ages 25 to 34 (increased by 3.3K).<sup>12</sup> The number of residents 25 years and older with at least a bachelor's degree increased by 34% from 2010 to 2018, and in 2018, more than half (52%) of residents ages 25 to 34 held at least a bachelor's degree.<sup>13</sup>

Increasing educational attainment matches broader trends around resident income. Although average household income in the city lags the rest of the region and national average, the city's average household income grew by 20.4% from 2010 to 2018 (in real terms), two times the rate for the rest of the region and over 1.6 times the rate for the

6 U.S. Census Bureau American Community Survey 2018 1-year release

7 U.S. Immigrant Population and Share over Time, 1850-Present. (n.d.). Migration Policy Institute. Retrieved from <https://www.migrationpolicy.org/programs/data-hub/us-immigration-trends>

8 U.S. Census Bureau American Community Survey 2018 1-year release

9 Gilsinan, K. (2013, February 15). Why Are There So Many Bosnians in St. Louis? *CityLab*. <https://www.bloomberg.com/news/articles/2013-02-15/why-are-there-so-many-bosnians-in-st-louis>

10 *About Us*. (n.d.). St. Louis Mosaic Project. Retrieved from <https://www.stlmosaicproject.org/about-us.html>

11 Fernandez Campbell, A., Flores, R., Stamm, S., and National Journal. (2014, August 27). St. Louis Is Growing More Diverse—Just Not in the Black Half of Town. *The Atlantic*. <https://www.theatlantic.com/politics/archive/2014/08/st-louis-is-growing-more-diverse-just-not-in-the-black-half-of-town/431244/>

12 U.S. Census Bureau American Community Survey 2010-2018 1-year release

13 U.S. Census Bureau American Community Survey 2010-2018 1-year release

U.S.<sup>14</sup> In 2018, the city's share of residents earning over \$100K was 1.8 times 2010 levels, exceeding the rate for the rest of the region (1.4 times 2010 levels) and the U.S. (1.5 times 2010 levels).<sup>15</sup> (See Ch. 2: Economic and Demographic Report.)

Despite these overall gains in resident income, growth has not been shared across racial groups. As shown in Ch. 2: Economic and Demographic Report, median earnings for residents ages 16 and older with earnings in the past 12 months have increased, growing by 21% in real terms from 2010 to 2018. This growth far outpaces the overall growth for St. Louis County (6%), the region (6%), and the nation (7%). But further inspection of these gains highlights fundamental divergences within the region: in the city, white, non-Hispanic residents experienced a growth rate of 25%, compared to just 9% for Black/African American residents while in St. Louis County, white, non-Hispanic residents experienced a growth rate of 3%, compared to 11% for Black/African American residents.

These trends underscore the racial divide in both opportunities and quality of life in the city. The city's population loss has been concentrated among Black/African American residents, as well as families with children. The number of Black/African American residents of the city declined by 13%, or just over 20K, from 2010 to 2018, and the number of households with children under the age of 18 declined by 12%, or 3.9K, from 2010 to 2018. Black/African American families with children declined by 24% from 2010 to 2018, far outpacing the decline in St. Louis County and the nation. (See Ch. 2: Economic and Demographic Report.)

<sup>14</sup> U.S. Census Bureau American Community Survey 2010-2018 1-year release

<sup>15</sup> U.S. Census Bureau American Community Survey 2010-2018 1-year release

Membership in the middle class bifurcates along racial lines in the city. Black/African Americans comprise a disproportionately small share of the city's middle-class households (44% overall vs. 29% of middle-class), which have incomes between 80% and 300% of the national median household income.<sup>16</sup> Half of white, non-Hispanic households are middle class in St. Louis compared to one in four Black/African American households.<sup>17</sup> (The number of middle-class households of other races/ethnicities is small by comparison and is relatively proportional to its share of households overall; households of other races/ethnicities represent 8% of city households and 7% of the city's middle-class households, or 3.8K.) (See Figure PRG-4.)

<sup>16</sup> Middle-class household definition adapted from: Detroit Future City, "Growing Detroit's African-American Middle-Class: The Opportunity for a Prosperous Detroit," 2019

<sup>17</sup> U.S. Census Bureau American Community Survey 2017 5-year release

Middle-class households are an important unit of analysis for both population retention and growth. Middle-class accessibility goes hand in hand with access to economic opportunity, and it's a critical aspiration for both retaining population and attracting newcomers. Like the population overall, middle-class households are dispersed throughout the city but concentrated in the south. (See Figures PRG-5 and PRG-6.) Overall, the city would have approximately 14.4K more middle-class households if its middle-class household rate were the same as the MSA rate, and it would have 8.6K more Black/African American households if at the MSA rate. Using the average household size of 2.16 people per household in 2017, these additional households would correspond to approximately 31.1K more people overall and 18.6K more Black/African American residents.<sup>18</sup>

<sup>18</sup> U.S. Census Bureau American Community Survey 2017 1-year release

**Figure PRG-4. Middle-class households**

Households	Total	White, Non Hispanic	Black/African American	Other
# of City Households	139.7K	68.1K	61.0K	10.6K
% of City Households	100%	49%	44%	8%
Middle-Class Households	53.3K	34.1K	15.4K	3.8K
% of City Middle-Class Households	100%	64%	29%	7%
% of Households that are Middle Class	38%	50%	25%	36%
% of Households that are Middle Class in Rest of MSA	54%	56%	39%	50%
Additional Middle-Class HHs at MSA Rate	*14.4K	4.3K	8.6K	1.5K

Source: U.S. Census Bureau American Community Survey 2017 5-year release

\*: 14.4K reflects the sum of the racial deltas



# Race & Ethnicity

Source: ACS 2017 (5-Year Estimates), US Census Bureau

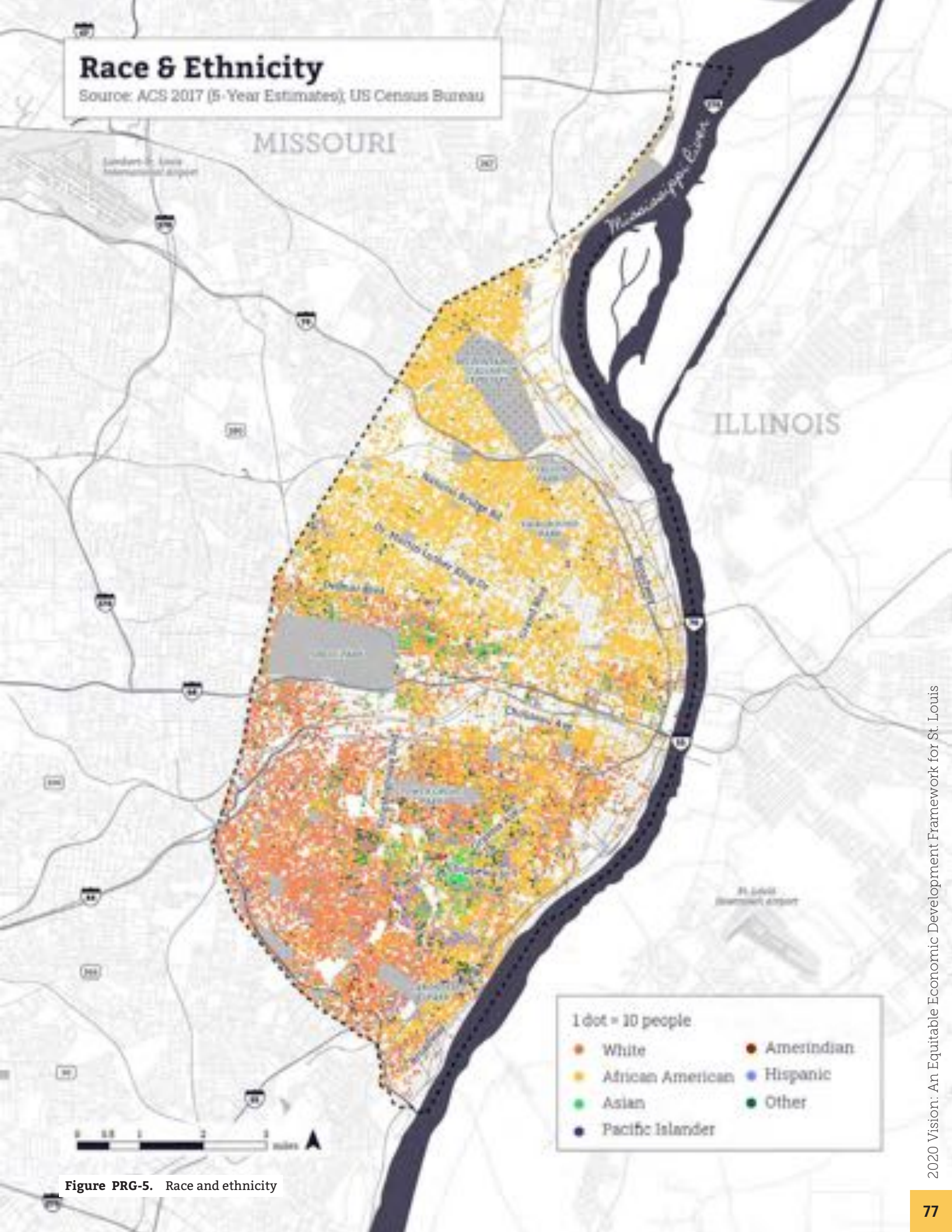


Figure PRG-5. Race and ethnicity



# Middle Class Households

Source: ACS 2017 5-year est., Mass Economics Analysis

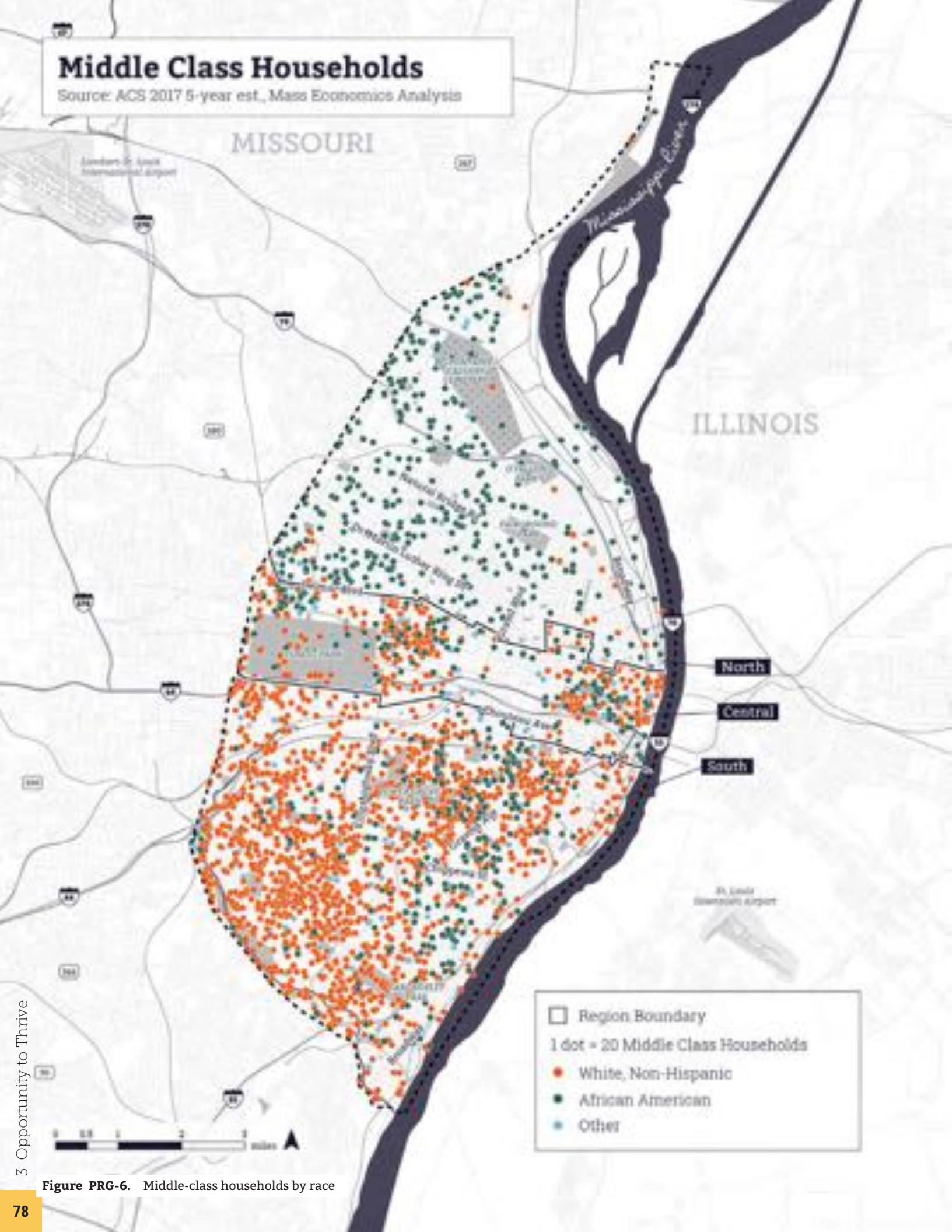


Figure PRG-6. Middle-class households by race

## Growth and Retention Opportunities

Not only is economic opportunity stratified by race, but neighborhood amenities and services, which affect larger quality of life considerations, are also uneven. The changing demographics of the city's residents imply a changing demand for city services. For example, the loss of families with children coincides with declining SLPS enrollment although declining SLPS enrollment also reflects increases in Charter school enrollment (see Ch. 2: Economic and Demographic Report). The aging population and growth in the pre-retirement cohort may require new services (and desire new amenities) altogether. Economic opportunity may exist for job holders in the city, but it often eludes residents – and increasingly, residents represent a smaller share of job holders in the city. In 2017, 24.4% of job holders in the City of St. Louis also lived the city, down from 30.4% in 2002 (though these shares also reflect the fact that the number of jobs is increasing and the number of residents is decreasing).<sup>19</sup> Among Missouri counties, nowhere are the disparities between job holders and residents as great as they are in the City of St. Louis. Job holders earn on average over \$18K more than residents, a bigger gap than any other county in Missouri.<sup>20</sup>

The current population dynamics paint a complicated picture of how long-term residents have been left behind by the city's economy and reinforce the uneven quality of life across the city, both of which may be intensified by ongoing population loss. These dynamics have prompted a cycle of net out-migration among Black/African American residents, as well as families with children, and perpetuate a growing education-, asset-, and ultimately resource-based divide among residents.

The strategies presented in this section do not attempt to address the full spectrum of factors – e.g., schools, crime, safety, city services, infrastructure, and transportation options, to name a few – on which quality of life depends. Instead, these strategies focus on resident incomes and asset building – and the fact that wealth building is not a zero-sum game<sup>21</sup> – as a key way to retain and grow population. For the purposes of this framework, “resident” is an umbrella term that includes individuals, households, and communities, and asset building can be achieved through access to high-quality jobs and assets, as well as stabilizing and growing the value of these assets.

Asset building depends in large part on homeownership. Building assets through homeownership relies on value appreciation prospects<sup>22</sup> and, even more fundamentally, on prospective buyers being able to purchase the types of housing that they want, where they want to live, with the neighborhood amenities that they desire. The type, quality, and location of residential real estate products available for purchase in the City of St. Louis are not always aligned with what prospective buyers seek; as expressed during an interview, “the only way to grow population is to have housing people want.”<sup>23</sup> Furthermore, accurate and timely property information must be accessible to prospective buyers, which, unfortunately, is not always the case in parts of the city that could be considered distressed markets.

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22 In fact, home values fluctuate dramatically based on the racial make-up of the neighborhood, which has implications for home value appreciation and wealth building opportunities. See: Perry, A., Rothwell, J., and Harshbarger, D. (2018). *The Devaluation of Assets in Black Neighborhoods: The case of residential property. Metropolitan Policy Program at Brookings.* [https://www.brookings.edu/wp-content/uploads/2018/11/2018.11\\_Brookings-Metro\\_Devaluation-Assets-Black-Neighborhoods\\_final.pdf](https://www.brookings.edu/wp-content/uploads/2018/11/2018.11_Brookings-Metro_Devaluation-Assets-Black-Neighborhoods_final.pdf)

23 Project interviews and roundtables

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19 LEHD-OTM

20 For residents ages 16 and older with earnings. Sources: QCEW, 2017; U.S. Census Bureau American Community Survey 2017 5-year release; Mass Economics analysis

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21 Project interviews and roundtables

**“The only way to grow population is to have housing people want.”**

Housing demands, vacancy, and prices vary spatially across the city and by product type (e.g., single-family homes vs. small multi-unit buildings vs. higher-density apartments and condos). It’s important to ensure that the city maintains a diversity of affordable housing types and sizes based on different demands. Recent housing developments include Habitat for Humanity St. Louis’ five affordable single-family homes in the Gate District West neighborhood, and plans for 250 energy-efficient homes in the St. Louis Park Place neighborhood near NGA (stalled as of this writing).<sup>24</sup>

St. Louis is relatively affordable by national standards, but anecdotally, there seems to be a shortage of “middle” housing in the city that can support the middle class. Compared to the rest of the region, more of the city’s homes are at or below \$125K (39% in the city vs. 29% in the rest of the region). Fewer

homes in the city are priced at a mid-range level, from \$125K to \$500K (57% in the city vs. 65% in the rest of the region). (See Figure PRG-7.) Overall, both renters and owners in the city experience a greater housing cost burden than renters and owners in the rest of the region (see Ch. 2: Economic and Demographic Report), and often, prospective buyers turn to the suburbs where there is a greater range of housing options in their price range.<sup>25</sup> Just under half (46%) of housing units in the city are single-family homes, and they are in high demand: in the city overall, single-family units have the lowest vacancy rate across housing types.<sup>26</sup>

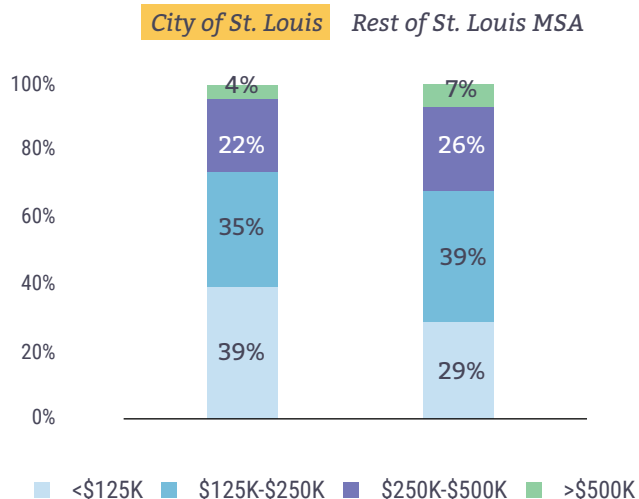
Addressing this problem will require not only changes in development policies to support the types of housing residents want, but also the availability of financial tools that can be used to cover gaps by neighborhood and/or product type. Already, there are several financial tools that can be used to support residents in their quest for housing options. The **Gateway Neighborhood Mortgage** provides homebuyers with a second

24 Habitat for Humanity to build five new homes near SLU. (2019, January 24). St. Louis American. [http://www.stlamerican.com/business/business\\_news/habitat-for-humanity-to-build-five-new-homes-near-slu/article\\_b36330ea-1f78-11e9-ac47-df87a01f91de.html](http://www.stlamerican.com/business/business_news/habitat-for-humanity-to-build-five-new-homes-near-slu/article_b36330ea-1f78-11e9-ac47-df87a01f91de.html); Lincoln, A. (2020, July 7). New development of homes near NGA site remains a standstill. KMOV4. [https://www.kmov.com/news/new-development-of-homes-near-nga-site-remains-a-standstill/article\\_a3524bb2-c0be-11ea-9502-ab769db1a432.html](https://www.kmov.com/news/new-development-of-homes-near-nga-site-remains-a-standstill/article_a3524bb2-c0be-11ea-9502-ab769db1a432.html)

25 Project interviews and roundtables

26 U.S. Census Bureau American Community Survey 2018 1-year release

**Figure PRG-7.** Distribution of home values, 2018



Source: U.S. Census Bureau American Community Survey 2018 1-year release



mortgage that can be used to cover the “appraisal gap,” or the difference between the appraised value of the home and the cost to make necessary renovations.<sup>27</sup> The **State of Missouri** has a “circuit breaker” policy that lowers property tax payments for residents with disabilities and seniors.<sup>28</sup> However, this policy is a tax credit and operates like a refund rather than an upfront reduction, so it doesn’t alleviate the financial hardship of the initial payment. There are also various **homeowner repair funds** (e.g., the City’s Healthy Home Repair Program<sup>29</sup>) that low-income residents can access for necessary home repairs. In addition, **Washington University and BJC Healthcare** offer down payment assistance for employees looking to buy a home in select city neighborhoods.<sup>30</sup>

Community asset building revolves around the presence of amenities that support a high quality of life for residents and preservation of affordable community assets – e.g., land, schools, building stock, community organizations, small businesses – in perpetuity. These types of amenities build community identity, foster neighborhood pride among residents, and ultimately go hand-in-hand with neighborhood capacity. A lack of such amenities can be a deterrent for future residents and can instigate population loss in these corridors. Maintaining the affordability of commercial space is an imperative for the wellbeing of commercial corridors,<sup>31</sup> which attract and support

residents with myriad business-to-consumer (B2C) needs like coffee shops, bars, and restaurants.

A particular segment of the population that the city must work to retain is its young people, both college students and non-college students. There are an estimated 67.3K students enrolled across public and independent higher education institutions in the City of St. Louis – Harris-Stowe State University, St. Louis Community College, St. Louis University (SLU), University of Missouri-St. Louis (UMSL), and Washington University – of which 47.6K (71%) are enrolled full-time.<sup>32</sup> While some of these students are local, many hail from other places; for example, nine out of ten undergraduates at Washington University move to St. Louis from another state.<sup>33</sup> Retaining more students can help build the city’s population, as well as add to its diverse young talent pool. For example, with its STEM focus, Harris-Stowe is an important part of growing Black/African-American technology talent in St. Louis. In order to retain these students in the city longer term, they must be encouraged to experience and develop ties to the city, which, due to concerns around safety, some institutions have historically been less inclined to support.<sup>34</sup>

In addition to growing the number and quality of jobs, St. Louis must increase its residential population by retaining existing residents, growing the Black/African American middle-class, and retaining and attracting talent from across the globe. The “magic wand” of population growth cannot be understated.<sup>35</sup>

**A PARTICULAR SEGMENT OF THE POPULATION THAT THE CITY MUST WORK TO RETAIN IS ITS YOUNG PEOPLE, BOTH COLLEGE STUDENTS AND NON-COLLEGE STUDENTS.**

**“The magic wand is population growth – [we] have to figure out how to be the most welcoming city in America. [We] need to be attractive to all people, skills, ages, demographics.”**

27 Abello, O. P. (2019, August 19). *Breaking Through and Breaking Down the Delmar Divide in St. Louis*. Next City. <https://nextcity.org/features/view/breaking-through-and-breaking-down-the-delmar-divide-in-st-louis>

28 *Property Tax Credit*. (n.d.). Missouri Department of Revenue. Retrieved from <https://dor.mo.gov/personal/ptc/>

29 *Healthy Home Repair Program*. (n.d.). City of St. Louis. Retrieved from <https://www.stlouis-mo.gov/government/departments/community-development/home-repair.cfm>

30 The following neighborhoods are permitted: Academy, parts of the Central West End, DeBaliviere Place, Forest Park Southeast, Fountain Park, Lewis Place, University City Northeast, Parkview Gardens, Skinker-DeBaliviere, Vandeventer, Visitation Park, and West End. See: *Live Near Your Work Program*. (2019, May 2). BJC Healthcare and Washington University. <https://lmyw.wustl.edu/about/>

31 Project interviews and roundtables

32 Missouri Department of Higher Education and Workforce Development, Enrollment Report for Missouri Public and Comprehensive Independent Institutions

33 University Facts. (n.d.). Washington University in St. Louis. Retrieved from <https://wustl.edu/about/university-facts/>

34 Project interviews and roundtables

35 Project interviews and roundtables

## Strategies and Action Items

### Strategy 1 Support homeownership opportunities and retention in targeted neighborhoods

Although homeownership is one of the foremost ways that households generate wealth, for various reasons – racist lending policies, higher value appreciation prospects in white communities versus communities of color, and neighborhood conditions plagued by blight – not all households or communities have been able to benefit from homeownership. Streamlining the process of buying a home and making it easier to maintain supports not only individual and household asset building, but also the long-term well-being of neighborhoods and communities. This framework does not identify specific neighborhoods that should be targeted for housing, but housing near commercial corridors and proximate to employment districts is critical for supporting local businesses and enabling job accessibility; in an era of limited resources, incentives and public investment must be similarly coordinated.

<b>Action Item #: PRG-1.1</b>	<b>Create a task force to understand the supply and demand (by sub-market and real estate product) for “middle-market” housing</b>
Leader	SLDC
Potential Partners	Community agencies, developers, realtor groups
Start Time	Year 1
Duration	3 months
Effort to Implement	Low
Potential Funding	Local philanthropy, SLDC
Goal/s	Produce a market analysis report measuring the demand and supply for middle-market housing by neighborhood, the existing supply gap, and identifying potential policies that can be implemented
Tracking Progress	Completed report
<b>Action Item #: PRG-1.2</b>	<b>Launch a pilot project to bring new middle market housing supply online in a targeted area identified by the task force as an area of high need, potentially combining with the Greenlining Fund</b>
Leader	SLDC
Potential Partners	Lutheran Development Group, community agencies, neighborhood groups, other developers
Start Time	Year 2
Duration	9 months
Effort to Implement	Medium
Potential Funding	Tax incentive programs
Goal/s	Identify a policy proposal and develop a low-cost pilot to determine efficacy of attracting new middle-income housing supply to target areas
Tracking Progress	Identification of projects, objectives, metrics for measuring success or failure, and action steps to implementation

<b>Action Item #: <u>PRG-1.3</u></b>	<b>Building on the state’s existing first-time homebuyer program,* use the task force to expand opportunities for a first-time homebuyer program</b>
Leader	City
Potential Partners	Beyond Housing, CDFI Coalition, Commerce Bank, Community Builders Network, Enterprise Bank and Trust, Housing Partnership, Justine Petersen, Metro St. Louis Community Reinvestment Act Association, Prosperity Connection, SLACO, SLEFI, local community development organizations, neighborhood associations, real estate groups, SLDC
Start Time	Year 1
Duration	Ongoing
Effort to Implement	High
Potential Funding	City, or local or national philanthropy
Goal/s	Make it easier for prospective homebuyers to buy a home
Tracking Progress	Presence of task force; task force attendance

\* *First-time homebuyers and veterans.* (n.d.). Missouri Housing Development Corporation. <http://www.mhdc.com/homes/firstplaceloans/>

STREAMLINING THE PROCESS OF BUYING A HOME AND MAKING IT EASIER TO MAINTAIN SUPPORTS NOT ONLY INDIVIDUAL AND HOUSEHOLD ASSET BUILDING, BUT ALSO THE LONG-TERM WELL-BEING OF NEIGHBORHOODS AND COMMUNITIES.

<b>Action Item #: PRG-1.4</b>	<b>Meet with a coalition of employers to explore the potential for a large-scale employer-assisted homebuyer program (similar to that already established by BJC and WashU)</b>
Leader	SLDC
Potential Partners	Community Development Administration, SLACO
Start Time	Year 1
Duration	6 months
Effort to Implement	High
Potential Funding	City, or local or national philanthropy
Goal/s	Support homeownership opportunities in targeted areas; make it easier for prospective homebuyers to buy a home
Tracking Progress	Number of employee housing vouchers awarded to employees
<b>Action Item #: PRG-1.5</b>	<b>Evaluate public funding sources and incentives that can be offered to employers to encourage participation in the employer-assisted homebuyer program</b>
Leader	SLDC
Potential Partners	Beyond Housing, CDFI Coalition, Commerce Bank, Enterprise Bank and Trust, Housing Partnership, Justine Petersen, Mayor's Office, Metro St. Louis Community Reinvestment Act Association, Prosperity Connection, SLACO, SLEFI, real estate groups
Start Time	Year 1
Duration	6 months
Effort to Implement	High
Potential Funding	Local or national philanthropy, CDFIs
Goal/s	Determine available funding sources
Tracking Progress	List of programs and incentives



<b>Action Item #: <u>PRG-1.6</u></b>	<b>Conduct outreach with (and/or create curriculum for) real estate appraisers and brokers, increasing their education and awareness of neighborhoods and market conditions across the city and supporting widespread homeownership opportunities</b>
Leader	Community Development Administration
Potential Partners	Planning & Urban Design Agency, SLACO, local community development organizations, neighborhood associations, real estate groups, SLDC
Start Time	Year 1
Duration	6 months
Effort to Implement	Medium
Potential Funding	Local or national philanthropy
Goal/s	Bolster homeownership opportunities across the city; undertake widespread engagement for actors involve in home buying
Tracking Progress	Number of appraisers and brokers engaged through this process; the development of curriculum
<b>Action Item #: <u>PRG-1.7</u></b>	<b>Investigate the prospects for creating, assembling, and holding land for residential uses, perhaps targeting infill areas in need of appraisal comps [note: overlaps with Vacancy Collaborative goal]*</b>
Leader	SLDC
Potential Partners	LRA, SLACO, Vacancy Collaborative, neighborhood associations, real estate groups
Start Time	Year 1
Duration	1 year
Effort to Implement	High
Potential Funding	SLDC
Goal/s	Support homeownership in target areas; create value through existing SLDC land assets
Tracking Progress	Recommendation on how to operationalize

\*St. Louis Vacancy Collaborative: 2019-2021 Work Plan. (n.d.). [https://www.stlvacancy.com/uploads/1/2/7/4/127463804/work\\_plan.pdf](https://www.stlvacancy.com/uploads/1/2/7/4/127463804/work_plan.pdf)

<b>Action Item #: PRG-1.8</b>	<b>Consider creating a pipeline of developer-ready sites through the LRA inventory and utilizing this pipeline to establish affordable and/or mixed-income housing</b>
Leader	SLDC
Potential Partners	Ameren, LRA, Planning & Urban Design Agency, SLACO, CDCs, developers, neighborhood organizations
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Affordable Housing Trust Fund, SLDC
Goal/s	Build developer capacity and create affordable housing in target neighborhoods; test in batches of 10-15 homes; join forces with other shovel-ready site preparation work; coordinate with other initiatives to offer sites to neighborhood residents and/or groups first
Tracking Progress	Number of developments undertaken by neighborhood



Vacant houses sit empty and unkept



Vacant storefronts sit unoccupied and abandoned on a commercial corridor

## Strategy 2

## Develop an anti-displacement policy in collaboration with the Vacancy Collaborative and its Anti-Displacement Working Group

Neighborhoods adjacent to employment districts and corridors will require a unique set of tools to help residents build housing and other assets, as well as prevent displacement of existing residents and businesses in the wake of potential increased investment.

One approach is strategic land banking for community wealth building, in which LRA-owned properties are assembled and made available to community organizations. Building off of this strategic land banking, a next step is to roll out a community land trust model for St. Louis. Community land trusts designate a community group as a long-term land owner. As land owner, the trust oversees the use of the land and can be held accountable to keeping the land affordable in perpetuity.<sup>36</sup> Under a community land trust, the community can own the land and execute their short- and long-term visions. One of the biggest barriers to rolling out a community land trust is cost, so initial funding will need to be secured.<sup>37</sup> While areas with LRA-owned properties could be piloted for the land trust, eventually, neighborhoods with and without LRA-owned properties could participate in this model.

Related to the collective ownership model of the community land trust, the potential for a shared equity homeownership model – including cooperatives, affordability-preserving covenants, and community land trusts<sup>38</sup> – should be pursued. According to a recent report from the Lincoln Institute for

Land Policy, “Shared equity homeownership programs make homes affordable to lower income families by investing public resources to reduce the initial prices, and then they keep the prices affordable to all future homeowners through resale.” The same report found that the outcomes of shared equity homeownership are largely positive and support the housing needs of lower-income people.<sup>39</sup> One of the most prominent examples of a shared equity homeownership model is Co-op City in New York. Co-op City offers residential units for purchase well below New York City market rates, and it houses 35K people in over 15K apartments of different sizes and types. Residents “are refunded only the amount they paid in the first place,” and there are income thresholds for buyers.<sup>40</sup>

Generally, St. Louis’ housing market is affordable for middle-income households. However, there are some pockets, such as Downtown and the Central West End, where housing prices tend to be out of reach for middle-income professionals. While efforts have been made and should continue to provide affordable housing, most middle-income workers do not qualify for such programs, leaving a need for housing supply that is affordable for households making 80% to 120% of area median family income (AMI),<sup>41</sup> between \$65,040 and \$97,560.

39 Wang, R., Cahen, C., Acolin, A., and Walter, R. J. (2019). *Tracking Growth and Evaluating Performance of Shared Equity Homeownership Programs During Housing Market Fluctuations (Working Paper WP19RW1)*. Lincoln Institute of Land Policy. [https://www.lincolnst.edu/sites/default/files/pubfiles/wang\\_wp19rw1\\_rev\\_0.pdf](https://www.lincolnst.edu/sites/default/files/pubfiles/wang_wp19rw1_rev_0.pdf)

40 Hughes, C. J. (2016, February 24). Co-op City for Affordability and Open Spaces. *The New York Times*. <https://www.nytimes.com/2016/02/28/realestate/co-op-city-for-affordability-and-open-spaces.html>

41 CDA Income Limits. (n.d.). City of St. Louis. <https://www.stlouis-mo.gov/government/departments/community-development/residential-development/income-limit.cfm>

36 *Community Land Trusts (CLTs)*. (2012, June 21). Community-Wealth.org. <https://community-wealth.org/strategies/panel/clts/index.html>

37 Project interviews and roundtables

38 Davis, J. E. (2017). *Affordable for good: Building inclusive communities through homes that last* (Shelter Report, p. 94). Habitat for Humanity. <https://www.habitat.org/sites/default/files/ShelterReport2017.pdf>

### PRECEDENT

#### CO-OP CITY

The Bronx, NY



Photo: Co-op City Times  
thecity.nyc



These trends call attention to the need for more affordable and middle-income housing, as well as the need to review and update the city’s AMI definition. Middle-income housing policies, like those implemented elsewhere (e.g., San Diego<sup>42</sup>) should be explored. Other anti-displacement efforts should also be pursued, including an emergency tax relief program, providing support to ongoing anti-displacement efforts in the community, and contributing to commercial corridor revitalization (see Figure PRG-8, as well as the Commercial Corridor strategies in Ch. 5: Places). Future work should also explore the prospects for a basic income pilot.

42 Garrick, D. (2019, April 18). San Diego moving forward with middle-income housing incentive. *San Diego Union-Tribune*. <https://www.sandiegouniontribune.com/news/politics/story/2019-04-18/san-diego-moving-forward-with-middle-income-housing-incentive>

<b>Action Item #: PRG-2.1</b>	<b>Support ongoing efforts from Green City Coalition, Washington University, and Missouri Dept. of Conservation to create the St. Louis Community Land Trust*</b>
Leader	SLDC
Potential Partners	Green City Coalition, Legal Services of Eastern Missouri, LRA, Missouri Department of Conservation, Vacancy Collaborative, WashU
Start Time	Year 2
Duration	1 year
Effort to Implement	High
Potential Funding	Community/philanthropic funding, Affordable Housing Trust
Goal/s	Serve as a liaison between community groups, philanthropic partners and government agencies to accomplish community affordable housing goals
Tracking Progress	Convene meeting of partners; identify goals and share with community; secure funding; establish legal structure of CLTs; identify target areas; acquire properties



Vacant and abandoned homes along Delmar Ave.

\*St. Louis Community Land Trust: Case Statement. (2020). The Rome Group and Green City Coalition. [https://www.greencitycoalition.org/uploads/8/7/1/3/87139164/clt\\_casestatement.pdf](https://www.greencitycoalition.org/uploads/8/7/1/3/87139164/clt_casestatement.pdf)



<b>Action Item #: PRG-2.2</b>	<b>Conduct groundwork for land banking and community land trust efforts:</b>
PRG-2.2.1	Assess neighborhood capacity and interest
PRG-2.2.2	Evaluate LRA-owned properties for potential contribution to the Land Trust
Leader	SLDC
Potential Partners	Community Builders Network, Green City Coalition, Legal Services of Eastern Missouri, LRA, Missouri Department of Conservation, Vacancy Collaborative, WashU
Start Time	Year 2
Duration	1 year
Effort to Implement	High
Potential Funding	Community/philanthropic funding, Affordable Housing Trust
Goal/s	Establish CLT and ensure its solid legal and financial position to obtain and manage properties for the purpose of securing affordable housing; use the land trust to support other community goals (e.g., property stabilization, crime reduction)
Tracking Progress	Secure funding; establish legal structure of CLTs; identify target areas; acquire properties



LRA-owned properties: 5356 Ridge Ave (left), 5223 Terry Ave (middle), 4560 Red Bud Ave (right)  
 Source: <https://www.stlouis-mo.gov/government/departments/slhc/real-estate/lra-owned-property-search.cfm>

REFERENCE

★ **VACANCY COLLABORATIVE**  
St. Louis, MO



<https://www.stlvacancy.com/>



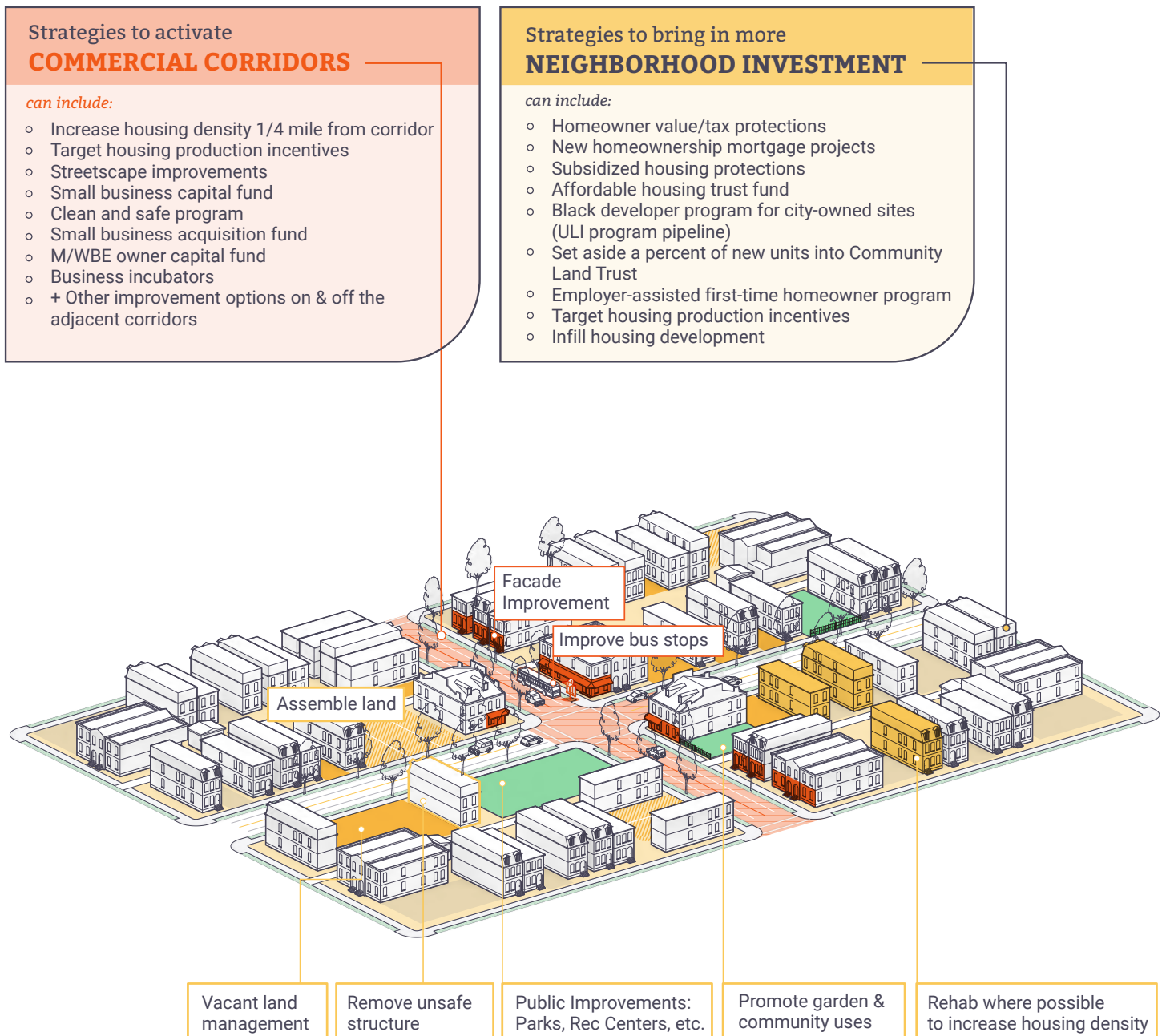
<b>Action Item #: PRG-2.3</b>	<b>Conduct further research on whether other shared equity homeownership models – affordability covenants and cooperatives – should be used to supplement the housing offered through the community land trust</b>
Leader	City
Potential Partners	LRA, Planning & Urban Design Agency, SLACO, Vacancy Collaborative, SLDC
Start Time	Year 2
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Internal, or local and national philanthropy
Goal/s	Establish permanently affordable housing; evaluate the viability of different models
Tracking Progress	Assessment of best shared equity homeownership model
<b>Action Item #: PRG-2.4</b>	<b>Develop an emergency tax assistance fund for residents that covers both renters and homeowners</b>
Leader	City, Community Development Administration, SLDC
Potential Partners	Invest STL, Legal Services of Eastern Missouri, Vacancy Collaborative
Start Time	Year 1
Duration	12-24 months
Effort to Implement	High
Potential Funding	Local philanthropy
Goal/s	Promote anti-displacement; protect residents against unforeseen financial hardship; expand into a revolving fund associated with the circuit breaker policy that eligible property owners can access for assistance with initial payments and repay with the circuit breaker credit
Tracking Progress	Established fund

<b>Action Item #: PRG-2.5</b>	<b>Re-evaluate AMI standards for affordable and mixed-income housing requirements and adjust city standards to meet local needs</b>
Leader	City, Community Development Administration, SLDC
Potential Partners	Invest STL, Legal Services of Eastern Missouri, Vacancy Collaborative
Start Time	Year 2
Duration	12-24 months
Effort to Implement	High
Potential Funding	Local philanthropy
Goal/s	Ensure that affordable housing standards reflect the current demand and needs of residents; reduce housing cost burden
Tracking Progress	Updated standards
<b>Action Item #: PRG-2.6</b>	<b>Perform a nexus study to determine how new developments in the city can be used to fund affordable housing or increase the number of affordable units</b>
Leader	Affordable Housing Commission, City, Community Development Administration
Potential Partners	Legal Services of Eastern Missouri, LRA, SLACO, SLDC
Start Time	Year 2
Duration	12 months
Effort to Implement	Medium
Potential Funding	Affordable Housing Trust Fund, local philanthropy
Goal/s	Increase the affordable housing stock, including on- and off-site units; support sustainable funding streams for affordable housing
Tracking Progress	Completed study

<b>Action Item #: <u>PRG-2.7</u></b>	<b>Support the anti-displacement framework being developed by the Green City Coalition through the Community Land Trust steering committee and Anti-Displacement Working Group</b>
Leader	Vacancy Collaborative
Potential Partners	LRA, Planning & Urban Design Agency, SLACO, Vacancy Collaborative, SLDC
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Establish actionable anti-displacement mechanisms; preserve community affordability
Tracking Progress	Working group participation
<b>Action Item #: <u>PRG-2.8</u></b>	<b>Explore the possibility of engaging philanthropy to support a guaranteed or universal basic income pilot in the city</b>
Leader	Mayor's Office
Potential Partners	Planning & Urban Design Agency, SLDC
Start Time	Year 2
Duration	6-12 months
Effort to Implement	Medium
Potential Funding	Outreach and exploration funded internally; funding for pilot from local or national philanthropy
Goal/s	Increase resident quality of life and reduce financial hardship
Tracking Progress	Outreach to potential philanthropies and/or partners



**Figure PRG-8.** Strategies to activate commercial corridors and bring in more neighborhood investment



REFERENCE

★ **THE OPPORTUNITY TRUST**  
St. Louis, MO



<https://theopportunitytrust.org/>



**THERE MUST BE A COORDINATED CITYWIDE EFFORT AROUND GROWING THE BLACK/AFRICAN AMERICAN MIDDLE CLASS THROUGH A WORKING GROUP AND/OR TASK FORCE.**

**Strategy 3 Develop a plan to retain and grow the city's Black/African American middle class**

The city's population loss is due in large part to its loss of Black/African American residents, and population retention strategies must focus on how to grow the Black/African American middle class. In part, this can be achieved through targeted efforts to align job growth and investment, including initiatives to elevate (and reduce disparities in) the quality of life across the city and improve the provision of city services, like elementary and secondary education.

Already, strides have been taken to improve the region's educational institutions, often mentioned as one of the main reasons for the city's population loss.<sup>43</sup> The Opportunity Trust is dedicated to improving the quality of the city and region's school systems. Specifically, its "goal ... is to grow the percentage of children attending world-class schools in St. Louis City from 10% to over 40% and ensure another 3,000 students in targeted districts of St. Louis County are in world-class schools," and it has raised over \$30 million.<sup>44</sup> Initiatives like this present a huge opportunity for place-making, as high-quality schools can be a population magnet, and for building the Black/African American middle class by reducing race- and place-based disparities in education and preparing the future workforce.

Many of the potential action items to address this are covered in Ch. 5: Places (e.g., Employment District and Commercial Corridor strategies), entrepreneurship

strategies in this chapter and Ch. 4: Clusters, and workforce strategies in this chapter (e.g., broad-based job growth focused on entry-level and middle-wage jobs). In addition to these strategies, there must be a coordinated citywide effort around growing the Black/African American middle class through a working group and/or task force, seeking to answer questions such as: Where is the Black/African American middle class now and where has it been historically? What are the key issues for Black/African American lower-middle class and how can they be supported? How can amenities and quality of life be restored and elevated in Black/African American middle-class neighborhoods? Answers to questions such as these should inform the city's efforts to support and uplift Black/African American residents and redress the disparate outcomes of past policies and practices on Black/African American residents, particularly males.

Although it was reported that "there are not a lot of models here," there are examples of successful place-based redevelopment models, in particular ones that have cultivated and strengthened Black/African American middle-class neighborhoods.<sup>45</sup> Friendly Temple, located on Dr. Martin Luther King Drive in the Wells-Goodfellow neighborhood, has a housing and community development team and has played a significant role in the development of surrounding areas.

43 Project interviews and roundtables

44 *Building a 21st Century Public School System: Strategic Overview.* (2020). The Opportunity Trust.

45 Project interviews and roundtables

<b>Action Item #: <u>PRG-3.1</u></b>	<b>Create a citywide working group focused on growing the Black/African American middle class and use the task force to develop next steps and establish target growth numbers</b>
Leader	Regional Chamber, Urban League
Potential Partners	Center for the Acceleration of African-American Business, Friendly Temple, Invest STL, Planning & Urban Design Agency, SLACO, faith-based institutions and other community anchors, SLDC
Start Time	Year 1
Duration	12-24 months
Effort to Implement	High
Potential Funding	Local or national philanthropy
Goal/s	Utilize collective input to develop targets around Black/African American middle-class growth; create short-, mid-, and long-term action plan
Tracking Progress	Number of new Black/African American middle-class households
<b>Action Item #: <u>PRG-3.2</u></b>	<b>Use the working group to partner with community members and institutions in historically Black/African American neighborhoods and support them on community-led planning initiatives</b>
Leader	City
Potential Partners	Center for the Acceleration of African-American Business, Community Builders Network, Faith, For the Sake of All, Friendly Temple, Planning & Urban Design Agency, Regional Chamber, SLACO, Vacancy Collaborative, faith-based institutions and other community anchors, SLDC
Start Time	Year 1
Duration	On-going
Effort to Implement	High
Potential Funding	Local or national philanthropy, TIF, Community Improvement District, City
Goal/s	Support community-led planning initiatives and growth
Tracking Progress	Number of community institutions engaged, number of new local plans

**“The red line is pink now - [it’s] not gone, [and] there are still barriers, but it’s better”**

<b>Action Item #: PRG-3.3</b>	<b>Scope potential redevelopment areas to support Black/African American middle-class neighborhoods</b>
Leader	Board of Aldermen, City, Planning & Urban Design Agency, SLACO, working group, SLDC
Potential Partners	Black Caucus, Community Builders Network, Friendly Temple, North Star Collaborative, faith-based institutions and other community anchors
Start Time	Year 1
Duration	2 years
Effort to Implement	High
Potential Funding	Local or national philanthropy, TIF, Community Improvement District, City
Goal/s	Provide city support for community-led redevelopment efforts; lay the groundwork for eventually identifying 5-8 block areas to focus on; identify potential anchor businesses and other credit tenants to enhance bank financing
Tracking Progress	Identify redevelopment area(s)
<b>Action Item #: PRG-3.4</b>	<b>Focus marketing efforts for tools such as the Gateway Neighborhood Mortgage Program (“Greenlining Fund”), home-buyer repair funds, and first-time homebuyer programs on Black/African American middle-class households around the city and region</b>
Leader	Board of Aldermen, City, Planning & Urban Design Agency, SLACO, working group, SLDC
Potential Partners	Community Development Administration, Friendly Temple, Invest STL, North Star Collaborative, CDFIs
Start Time	Year 2
Duration	6-12 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Tailor and target tools to support Black/African American middle-class neighborhoods
Tracking Progress	Frequency of program/tool usage in Black/African American middle-class neighborhoods



<b>Action Item #: PRG-3.5</b>	<b>Engage local employers and philanthropy about making a commitment to end the “digital divide” and prioritizing Black/African American neighborhoods for universal broadband investment</b>
Leader	Board of Aldermen, City, Planning & Urban Design Agency, working group, SLDC
Potential Partners	Community Builders Network members, Invest STL, SLACO, employers
Start Time	Year 2
Duration	12-24 months
Effort to Implement	High
Potential Funding	Employer investment or local philanthropy
Goal/s	Eradicate the place- and race-based “digital divide”; promote reinvestment and catalyze other infrastructure investment in Black/African American neighborhoods
Tracking Progress	Number of employers engaged; secured funding for broadband investment in Black/African American neighborhoods

**Strategy 4**

**Coordinate a marketing approach for the city, tailored separately for current and prospective residents**

Coordinated recruiting and consistent storytelling should be used to retain current residents, including young people and college students, as well as attract people to the city, including those coming from outside the region (and outside the country). The St. Louis region should be an attractive place for young people – its amenities, affordability, unique and vibrant neighborhoods, and relative proximity to other cities are examples of some of the draws – but this story needs to be packaged and tailored to this demographic. In Philadelphia, the Campus Philly initiative, started in 2002, is a broad-based effort to keep more of the city’s college students. The initiative has been successful; from 2000 to 2017, the city’s growth in residents ages 25-34 with a bachelor’s degree was 115%, surpassed only by Washington, D.C.<sup>46</sup>

Through the St. Louis Regional Business Chamber’s Project 250, St. Louis has a similar initiative. Project 250 consists of “attract,” “employ,” “engage,” and “retain” events to encourage college students from within a 250-mile radius to locate in greater St. Louis after graduating. As part of “engage,” Project 250 offers visits to destinations throughout the region on “Hello STL Day.”<sup>47</sup> Project 250 could be tailored specifically to live-work opportunities for recent college graduates in the city, and its programming could be expanded to offer greater exposure to the city’s neighborhoods and amenities.

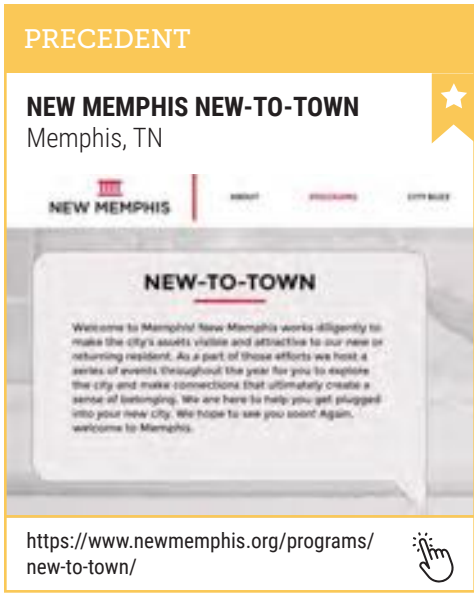
<b>Action Item #: PRG-4.1</b>	<b>Building on Project 250, consider creating a special focus on city live-work opportunities for recent college graduates</b>
Leader	Regional Chamber
Potential Partners	City, Commercial District Coalition, Harris-Stowe, International Institute, Mosaic Project, St. Louis Community College, St. Louis Midtown Redevelopment Corporation, St. Louis Realtors Urban Affairs Committee, SLU, STLMADE, Story Stitchers, UMSL, Vacancy Collaborative, WashU, SLDC
Start Time	Year 2
Duration	24+ months
Effort to Implement	Medium
Potential Funding	Regional Chamber
Goal/s	Utilize consistent storytelling to attract new people to the City; increase the city’s live-work numbers
Tracking Progress	Number of new residents; ease of attracting people to the city (qualitative)

<sup>46</sup> Philadelphia Renaissance: College student retention drives growth in the city and region. (2019). Campus Philly. [https://campusphilly.org/wp-content/uploads/2019/04/CampusPhilly-PhiladelphiaRenaissance2019-web.pdf#utm\\_source=Website&utm\\_medium=AboutUs&utm\\_campaign=PhiladelphiaRenaissanceReport&utm\\_term=040919](https://campusphilly.org/wp-content/uploads/2019/04/CampusPhilly-PhiladelphiaRenaissance2019-web.pdf#utm_source=Website&utm_medium=AboutUs&utm_campaign=PhiladelphiaRenaissanceReport&utm_term=040919)

<sup>47</sup> Project interviews and roundtables; Project 250. (n.d.). St. Louis Regional Chamber. Retrieved from <https://www.stlregionalchamber.com/project-250>

\* New-to-Town. (n.d.). New Memphis. Retrieved from <https://www.newmemphis.org/programs/new-to-town/>

<b>Action Item #: PRG-4.2</b>	<b>Create a concierge or “first friend” service modeled on the New Memphis New-To-Town programming that (re-)introduces new and long-term residents to different neighborhoods of the city</b>
Leader	TBD
Potential Partners	City, Commercial District Coalition, Community Builders Network, Explore St. Louis, International Institute, Mosaic Project, Regional Chamber, St. Louis Realtors Urban Affairs Committee, STLMADE, Story Stitchers, Vacancy Collaborative, SLDC
Start Time	Year 2
Duration	24+ months
Effort to Implement	Medium
Potential Funding	National and local philanthropy; hotel tax
Goal/s	Expose new residents to different parts of the city; support local businesses across the city
Tracking Progress	Number of new residents utilizing the program



# DIVERSE ENTREPRENEURS AND ENTREPRENEURSHIP OPPORTUNITIES

## Overview

The City of St. Louis is very diverse compared to the rest of the region and the U.S. About 56% of the city's population is non-white compared to 23% in the rest of the region and 40% in the U.S. Today, about 45% of St. Louis residents are Black/African American and another 11% are Hispanic, Asian, or member of other racial/ethnic groups.<sup>48</sup> (See Figure DE-1.)

The city, however, is not quite as diverse when it comes to entrepreneurship and business ownership, especially for larger, scaled businesses with employees. Annual Business Survey data for 2017 provides the most current snapshot of MWBEs in the City of St. Louis.<sup>49</sup> While racial minorities made up just over half (50.4%) of the working age population (25-64 year olds) in St. Louis in 2017, MBEs made up 41% of privately-held firms with employees, up significantly

from 2012 (22%).<sup>50</sup> Women made up about 51% of the working age population in the city, but WBEs accounted for only 31% of privately-held firms with employees, slightly higher than the share in 2012 (23%). About 42% of the city's working age population is Black/African American, and Black/African American-owned firms account for 34% of privately held firms with employees.<sup>51,52</sup>

Although these statistics show under-representation relative to the working age population overall, the growth in share of MBEs and WBEs since 2012 is encouraging and the data confirm that St. Louis actually has more diverse business ownership than

ST. LOUIS IS VERY DIVERSE COMPARED TO THE REST OF THE REGION AND THE U.S. HOWEVER, IT IS NOT NEARLY AS DIVERSE WHEN IT COMES TO ENTREPRENEURSHIP AND BUSINESS OWNERSHIP, ESPECIALLY FOR LARGER, SCALED BUSINESSES.

50 It is important to note that these statistics and rankings do not – and due to data limitations, cannot – take the differing industry mix of firms by sex, race, and ethnicity into account. They are, however, controlled by the number of working age residents or reflects rates to allow for cross-geography comparisons.

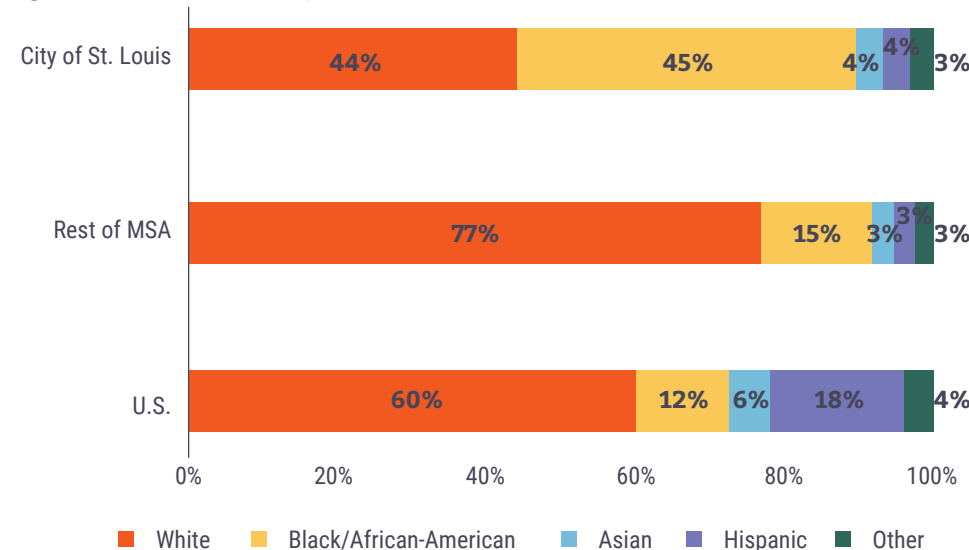
51 Survey of Business Owners, 2012; Annual Business Survey, 2018 (note: reference year is 2017); U.S. Census Bureau American Community Survey 2017 5-year release

52 There are only 86 cities (out of the top 100) with data for Black/African American-owned, privately-held firms with employees. Rankings for Black/African American-owned firms are based on measures for these 86 cities.

48 U.S. Census Bureau American Community Survey 2018 1-year release

49 The Annual Business Survey data product from the U.S. Census Bureau replaces both the Annual Survey of Entrepreneurs (available from 2014 to 2016, and discontinued in 2016) and the Survey of Business Owners (available every 5 years, with the latest release in 2012).

Figure DE-1. Race/ethnicity of residents 2018



Source: U.S. Census Bureau American Community Survey 2018 1-year release



**OUT OF THE TOP 100 US CITIES BY POPULATION, ST. LOUIS RANKS 1ST FOR BLACK/AFRICAN AMERICAN-OWNED FIRMS AS A SHARE OF ALL PRIVATELY HELD FIRMS WITH EMPLOYEES BUT NEAR THE BOTTOM FOR NUMBER OF EMPLOYEES PER FIRM AND REVENUE PER FIRM**

other American cities; among the 100 largest US cities, the City of St. Louis ranks first for the share of businesses that are Black/African American-owned, first for share of businesses that are WBEs, and 14th for MBEs.<sup>53</sup> These findings are supported by other recent analysis of startup activity, showing that the St. Louis region has the highest share of women-owned startups (“less than two years in business”) out of the top fifty largest MSAs.<sup>54</sup>

But the city is significantly more challenged when it comes to measures around MWBE firm size and revenues – that is, measures associated with firm growth and scaling – and in these areas, its rankings drop considerably. Out of the 100 largest cities, it ranks in the bottom ten for employees per firm and payroll per firm for WBEs, MBEs, and all privately-held firms with employees. Although average wages for employees at WBEs are relatively high (\$45.4K), ranking 11th out of the 100 largest cities, average wages at MBEs are much lower (\$28.2K, ranked 66th). Average wages for employees at Black/African American-owned firms in the city are less than half the levels at white-owned firms (\$17.7K vs. \$42.8K) and rank 82nd.

Revenues per firm are also low. In general, privately-held firms earn about \$1.5 million in annual revenue, putting the city third from the bottom among the top 100 cities. A closer examination reveals massive gaps in firm revenues by sex, race, and ethnicity: among privately-held firms with employees in St. Louis, the gaps range from 2.6X (firm revenues for male-owned firms vs. WBEs), to 8.6X (non-MBEs vs. MBEs), to 22.2X (white-owned firms vs. Black/African American-owned firms). Across almost all ownership

categories, revenues per firm in St. Louis hover at the bottom.<sup>55</sup> (See Figure DE-2.)

While these measures contextualize the City of St. Louis on a national scale, these challenges also play out within the region. Although the City of St. Louis reports higher shares of MBEs, WBEs, and Black/African American-owned firms than the region (and average wages for MBEs and WBEs exceed those in the region overall), its MBEs and WBEs tend to be smaller and have lower levels of revenue and payroll per firm. Revenues per firm for MBEs in the city are slightly over half of regional levels (54%) while revenues per firm for WBEs are more encouraging at 94% of regional levels. Black/African American-owned firms in the City of St. Louis earn just 10% of Black/African American-owned firm revenues in the nation, and 58% of the MSA value. The city also reports larger gaps between average firm size at MBEs and non-MBEs, WBEs and male-owned firms, and Black/African American-owned and white-owned firms than the region and the U.S. The average number of employees at a non-MBE firm in the city is over 4X the number at an MBE firm, nearly double the gap in the region (2.2X), and the average number of employees at a white-owned firm is almost 6X the number at a Black/African American-owned firm, almost 5X the gap in the U.S. Male-owned businesses in the city have about 2.2X the number of employees at a WBE firm, still slightly larger than the gaps in the region (1.8X) and U.S. (1.4X). These measures, which illustrate the extraordinary capital and scaling hardships that face entrepreneurs of color and female entrepreneurs, point to the outstanding need for greater support (e.g., startup and working capital, technical assistance, etc.), especially for Black/African Americans, in order to expand business opportunities for St. Louis entrepreneurs. (See Figure DE-3.)

<sup>53</sup> U.S. Census Bureau American Community Survey 2017 5-year release; Annual Business Survey, 2018 (note: reference year is 2017)

<sup>54</sup> Zacharias, J. (2019). Cities with the Most Female Entrepreneurs. Seek Business Capital. <https://www.seekcapital.com/blog/cities-with-the-most-female-entrepreneurs>

<sup>55</sup> Hispanic-owned, privately-held firms with employees rank 13th among 96 cities with data, but there are only about 100 firms in the City of St. Louis

**Figure DE-2.** City of St. Louis MWBE values and rankings against the top 100 largest cities for privately-held firms with employees, 2017

Type of firm/rank	all privately-held firms	MBEs	non-MBEs	WBEs	male-owned firms	Black/AA-owned firms	white-owned firms
Ratio of Firms to Population (000s)	49	40	59	30	59	40	58
Rank	7	2	36	3	10	1	21
Employees per Firm	9	3	13	5	11	2	13
Rank	95	99	63	100	89	85	59
Payroll per Firm (\$K)	\$365.0	\$83.7	\$554.8	\$227.9	\$462.2	\$38.4	\$548.2
Rank	93	99	59	93	90	86	55
Average Employee Wage (\$K)	\$41.0	\$28.2	\$42.9	\$45.4	\$41.1	\$17.7	\$42.8
Rank	54	66	55	11	65	82	51
Revenue per Firm (\$K)	\$1,529.8	\$279.4	\$2,393.9	\$774.5	\$1,997.4	\$106.9	\$2,371.3
Rank	97	99	72	99	93	86	63
<b>Number of Cities (Out of Top 100) with Data</b>	<b>100</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>86</b>	<b>100</b>

Source: U.S. Census Bureau American Community Survey 2017 5-year release; Annual Business Survey, 2018 (note: reference year is 2017); Mass Economics analysis

**Figure DE-3.** MWBE summary table for privately-held firms with employees for City of St. Louis, the region, and the U.S., 2017

	all privately-held firms	MBEs	non-MBEs	WBEs	male-owned firms	Black/African American-owned firms	white-owned firms
<b>Share of Firms</b>							
City of St. Louis	100%	41%	59%	31%	69%	34%	61%
St. Louis MSA	100%	18%	82%	25%	75%	12%	83%
U.S.	100%	19%	81%	21%	79%	2%	87%
<b>Employees/Firm</b>							
City of St. Louis	8.9	3.0	12.9	5.0	11.2	2.2	12.8
St. Louis MSA	11.2	5.7	12.3	7.4	13.2	3.6	12.3
U.S.	11.5	8.8	12.2	8.9	12.9	9.7	11.9
<b>Payroll/Firm (\$K)</b>							
City of St. Louis	\$365.0	\$83.7	\$554.8	\$227.9	\$462.2	\$38.4	\$548.2
St. Louis MSA	\$446.8	\$144.6	\$507.4	\$239.1	\$570.2	\$64.1	\$501.7
U.S.	\$478.2	\$290.6	\$524.1	\$316.8	\$570.8	\$291.2	\$505.0
<b>Average Wage (\$K)</b>							
City of St. Louis	\$41.0	\$28.2	\$42.9	\$45.4	\$41.1	\$17.7	\$42.8
St. Louis MSA	\$40.0	\$25.4	\$41.2	\$32.3	\$43.3	\$17.8	\$40.9
U.S.	\$41.6	\$33.0	\$43.1	\$35.6	\$44.3	\$29.9	\$42.4
<b>Revenue per Firm (\$K)</b>							
City of St. Louis	\$1,529.8	\$279.4	\$2,393.9	\$774.5	\$1,997.4	\$106.9	\$2,371.3
St. Louis MSA	\$2,218.0	\$513.0	\$2,503.3	\$823.8	\$2,941.6	\$184.7	\$2,467.9
U.S.	\$2,317.9	\$1,381.1	\$2,550.1	\$1,313.6	\$2,878.6	\$1,031.0	\$2,449.1

Source: Annual Business Survey, 2018 (note: reference year is 2017); Mass Economics analysis

## Diverse Entrepreneurs Opportunities

**MANY MWBES FACE SIGNIFICANT CAPITAL CHALLENGES. IN 2014, JUST UNDER THREE-QUARTERS (74%) OF BLACK/AFRICAN AMERICAN-OWNED BUSINESSES AND ABOUT TWO-THIRDS (67%) OF ALL MINORITY-OWNED BUSINESSES RECEIVED OWNER-FUNDING FROM PERSONAL SAVINGS, RETIREMENT ACCOUNTS, HOME EQUITY LOANS, OR OTHER FUNDS FROM WHICH THE OWNER BORROWS PERSONALLY, COMPARED TO ONLY 53% FOR WHITE-OWNED FIRM.**

The St. Louis region's innovation and entrepreneurship ecosystem is well regarded in many science and technology clusters (e.g., agtech, life sciences, fintech), but project interviewees expressed concern about diversity and inclusion in some of these fields.<sup>56</sup> Overall, there was dissatisfaction with the degree of success to date but also commitment to improving inclusion and diversity in innovation and entrepreneurship in the city.<sup>57</sup> Organizations like BioSTL have dedicated resources to diversifying these fields but comprehensive and current demographic data on founders does not yet exist. Encouragingly, a number of innovation (ISOs) and entrepreneurship support organizations (ESOs) are developing processes to better measure outcomes around diversity and inclusion. For example, members of the St. Louis Equity in Entrepreneurship Collective, a regional effort made up of over 150 representatives from BioSTL, Cortex, CIC, CET, Venture Café, BioGenerator, Arch Grants, ITEN, T-REX, and numerous other non-profit and government entities, are collaboratively reassessing their operational definitions of equity and inclusion, their inclusion strategies (across capital, talent, training and mentoring, wayfinding, etc.) and metrics to evaluate and track outcomes. The Regional Chamber also offers a Diverse Business Accelerator to help scale minority-owned firms.<sup>58</sup> As illustrated in the most recent (2017)

national examination of lending patterns for small businesses, many MWBEs face significant capital challenges. In 2014, just under three-quarters (74%) of Black/African American-owned businesses and about two-thirds (67%) of all minority-owned businesses received owner-funding from personal savings, retirement accounts, home equity loans, or other funds from which the owner borrows personally, compared to only 53% for white-owned firms. MWBEs are also more likely to receive funding from friends and families: 22% of all MBEs, 19% of Black/AA-owned businesses, and 14% of WBEs received this type of capital compared to 12% of male-owned and 11% of white-owned firms. The data suggest that a greater reliance on personal wealth and friends and family wealth could be due to fewer options for traditional borrowing: of business owners that applied to banks for a loan, about 75% of both male-owned and white-owned small business applicants were approved compared to only 67% of female, 61% of minority, and 47% of Black/African American applicants. Among business owners who received a loan from a bank, 42% of male and 39% of white applicants received a loan for more than \$100K compared to only 33% of female and 31% of Black/African American applicants.<sup>59</sup>

Similar patterns appear likely to affect MWBEs in St. Louis City, where overall small business lending is only about 58% the U.S. rate (29 loans per 1K jobs versus 49). The gap is even larger for small loans of <\$100K (26 loans per 1K jobs versus 46) and for loans to businesses with <\$1M in revenue (13 loans per 1K jobs versus 25). (See Figure DE-4.)

<sup>56</sup> Project interviews and roundtables

<sup>57</sup> Project interviews and roundtables

<sup>58</sup> The cluster strategies presented in the earlier sections reflect a deliberate attempt to increase the share of middle-wage jobs in the St. Louis City economy. The middle-wage job share in the target clusters is 21%, compared with 9% in the rest of the job base today. However, strong middle-wage job creation in St. Louis City is a necessary but not sufficient condition for ensuring a broad-based prosperity that improves the lives of St. Louisans across racial groups, socioeconomic status, level of formal education, and neighborhood. For middle-wage job to improve the lives of less-advantaged workers, employers and intermediaries must ensure that middle-wage employment opportunities are a source of stability and opportunity and where possible, entry-level positions provides entrée into middle-wage jobs and careers. Getting this right requires focusing on the workplace itself as a crucial site for translating the City's economic growth into inclusive and equitable opportunities for income and wealth creation.

<sup>59</sup> Board of Governors of the Federal Reserve System. (2017). *Report to the Congress on the Availability of Credit to Small Businesses*. Retrieved from <https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm>

Maintaining the affordability of commercial space in the City of St. Louis can also be a significant challenge for entrepreneurs and start-ups looking for their first space and for later-stage companies looking to expand.<sup>60</sup> Cortex, which has dedicated a significant amount of space for young companies, is widely viewed as affordable only for very small firms that do not require much space and for venture-backed and other financially robust entities.<sup>61</sup> There are significant opportunities for the (re)development of vacant and underutilized parcels and land assemblies to support the construction and/or rehab of commercial/industrial space in the City of St. Louis. In addition, small business incubators that offer wraparound

supports and TA and are located in the city's commercial corridors could help support individual entrepreneurs and start-ups, as well as help businesses with at least a few employees grow and expand. Addressing information gaps and biases – unconscious or otherwise – with regards to what real estate products and space are available (and to whom they're shown) is another important issue affecting minority- and women-owned businesses.<sup>62</sup> Supporting diverse businesses is an imperative, as it bolsters entrepreneurship opportunities broadly and also stands to expand job opportunities for a diverse workforce.

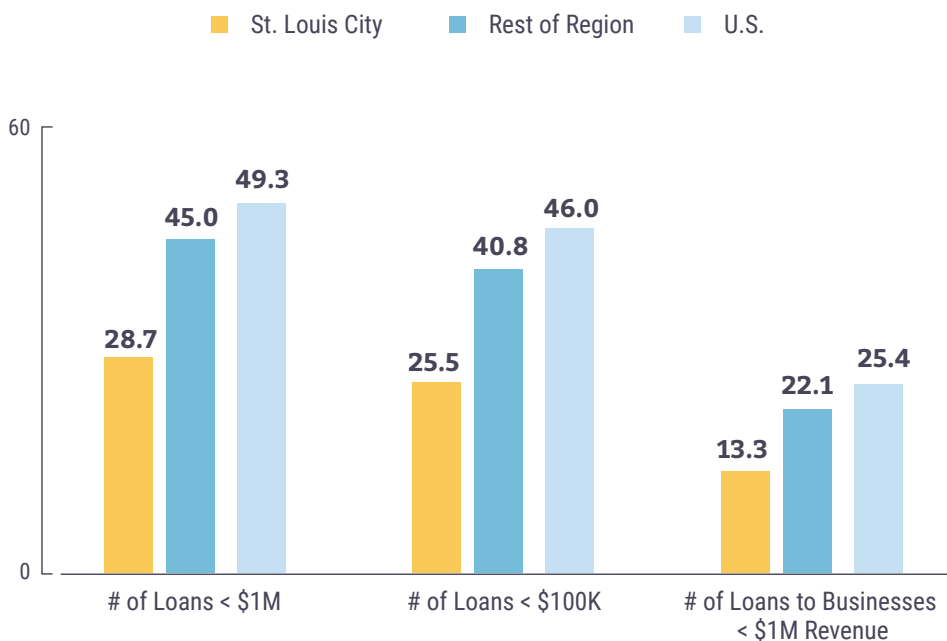
**MAINTAINING THE AFFORDABILITY OF COMMERCIAL SPACE IN THE CITY OF ST. LOUIS CAN ALSO BE A SIGNIFICANT CHALLENGE FOR ENTREPRENEURS AND START-UPS LOOKING FOR THEIR FIRST SPACE AND FOR LATER-STAGE COMPANIES LOOKING TO EXPAND.**

60 Project interviews and roundtables

61 Project interviews and roundtables

62 Project interviews and roundtables

**Figure DE-4.** Small business lending in St. Louis per 1K jobs, 2015-2017



Source: FFIEC-CRA loan data, 2015-2017; QCEW-UDP, 2017



## Strategies and Action Items

<b>Strategy 1</b>	<b>Re-conceptualize SLDC’s diversity programming beyond certification and enforcing MWBE construction contracting requirements</b>
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Although SLDC does certify MWBEs and maintain MWBE contracting requirements, SLDC should expand these requirements so that they apply to more activities (i.e., purchasing) beyond construction contracts to increase the number of MWBE firms with which it contracts. In addition, it should adopt stricter enforcement policies to ensure that the requirements are actually being upheld. Recent studies affirm that there are still low levels of government contracts with minority-owned firms. Some cities have remedied this with enforcement; in Philadelphia, minority contracting requirements are strictly enforced, and in the last three years, “Philadelphia has disbarred three vendors from working with the city that violated minority contracting regulations.”<sup>63</sup>

SLDC should also ensure that minority- and women-owned businesses are not deterred from seeking certification because the process is too cumbersome. Beyond this, SLDC should consider tracking metrics around MWBE programming to determine whether the programs are effective and providing sufficient support to MWBE businesses.

63 Burrell, C. (2020, February 20). *Disparities In Government Contracting Hurt Minority-Owned Businesses*. NPR.Org. <https://www.npr.org/2020/02/20/807126443/disparities-in-government-contracting-hurt-minority-owned-businesses>

<b>Action Item #: <u>DE-1.1</u></b>	<b>Expand MWBE (sub-)contracting requirements and adopt stricter enforcement policies to ensure that the requirements are being met</b>
Leader	SLDC
Potential Partners	City (Disadvantaged, Minority, and Women Owned Business Enterprises), Missouri Office of Equal Opportunity, SLATE
Start Time	Year 1
Duration	3-12 months
Effort to Implement	High
Potential Funding	N/A
Goal/s	Prioritize local MWBEs for SLDC contracts; track, aggregate, and disseminate diversity reports
Tracking Progress	Number of SLDC contracts awarded to MWBE firms
<b>Action Item #: <u>DE-1.2</u></b>	<b>Conduct survey of minority- and women-owned businesses to get their feedback on the process and revise accordingly</b>
Leader	SLDC
Potential Partners	African, Asian, Black, Bosnian, and Hispanic Chambers of Commerce; City (Disadvantaged, Minority, and Women Owned Business Enterprises)
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Reduce administrative barriers to companies seeking MWBE certification; survey both certified MWBEs and firms without MWBE certification that considered getting certified; revise and streamline the certification process to become MWBE-certified based on their feedback
Tracking Progress	Number of minority- and women-owned businesses asked for feedback on the certification process, number of firms that gain MWBE certification

<b>Action Item #: DE-1.3</b>	<b>Working with partners, track metrics that gauge the health of the city's MWBEs and the effectiveness of programs that serve these businesses</b>
Leader	SLDC
Potential Partners	African, Asian, Black, Bosnian, and Hispanic Chambers of Commerce; St. Louis Equity in Entrepreneurship Collective
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Develop holistic set of inclusion metrics and the necessary organizational infrastructures to track outcomes
Tracking Progress	Development of inclusion metrics and years tracked

SLDC SHOULD ALSO ENSURE THAT MINORITY- AND WOMEN-OWNED BUSINESSES ARE NOT DETERRED FROM SEEKING CERTIFICATION BECAUSE THE PROCESS IS TOO CUMBERSOME.

## Strategy 2

## Help improve the capital stack and lending outcomes for MWBE firms and develop business supports for MWBE firms

The city's small business lending environment is woefully weak and underperforming and, for MWBE applicants that face lower loan approvals, the situation is even worse; MWBE applicants are disproportionately forced to dip into personal savings, take out home equity loans, or try to get capital from friends and families.<sup>64</sup> While the \$10M Contractor Loan Fund program – a revolving loan fund supporting MWBE construction contractors in the City of St. Louis – is a good, if underutilized,<sup>65</sup> start, a MWBE loan fund to support a broader set of firms would help address some of the capital challenges. SLDC can evaluate other national initiatives that seek to increase capital for minority-owned businesses and disseminate findings to local ESOs. For example, InvestNOLA is New Orleans Business Alliance initiative that provides business supports, mentoring, and growth opportunities for MWBE firms.<sup>66</sup>

<sup>64</sup> Board of Governors of the Federal Reserve System. (2017). *Report to the Congress on the Availability of Credit to Small Businesses*. Retrieved from <https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm>


<sup>65</sup> Project interviews and roundtables; Contractor Loan Fund. (n.d.). <http://clfstl.org/index.php>

<sup>66</sup> InvestNOLA. (n.d.). New Orleans Business Alliance. Retrieved from <https://www.nolaba.org/investnola/>

Action Item #: <u>DE-2.1</u>	Convene working group to consider the Invest NOLA model and to adapt the model for St. Louis
DE-2.1.1	Engage the CDFI collaborative in identifying where bias exists in financial underwriting and eliminating the notion of race as risk
DE-2.1.2	Identify which high-growth industries are the best fit for St. Louis to support with the program
DE-2.1.3	Determine guiding principles of the program
DE-2.1.4	Identify and procure funding for the program
Leader	SLDC
Potential Partners	CDFI Coalition, Federal Reserve Bank of St. Louis, Justine Petersen, LDC, Regional Chamber, SLEDP, WEPOWER, MWBE firms, select capital providers and commercial loan officers
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Understand and document the capital needs and gaps facing MWBE firms in St. Louis; understand and provide input on proposals to modernize the requirements of the Community Reinvestment Act (CRA); identify best practices among local capital providers; develop presentation of St. Louis MWBE firms' capital gaps and needs for sharing and working with local capital providers; expand and increase MWBE lending
Tracking Progress	Attendance at convenings, completion of presentation that documents MWBE firms' capital challenges and needs in St. Louis, number and dollar value of loans made (by type, size, term, etc.)

**PRECEDENT**

**INVESTNOLA**  
New Orleans, LA



<https://www.nolaba.org/investnola/>

<b>Action Item #:</b> <b>DE-2.2</b>	<b>Develop a mentorship program and/or resource network between MWBE business owners and members of the advisory team, STL Angel Network and other local business executives</b>
Leader	SLDC
Potential Partners	Justine Petersen, SBA, CDFIs, lenders, national or local philanthropy
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	CDFIs, federal/state/local government, local or national philanthropy
Goal/s	Increase access to financial guidance and mentorship for MWBE businesses
Tracking Progress	Number of MWBE entrepreneurs receiving guidance

**PRECEDENT**

**The 800 Initiative**  
Memphis, TN



[the800.org/index.html](http://the800.org/index.html)

<b>Action Item #:</b> <b>DE-2.3</b>	<b>Collaborate with local universities to develop and make available a 6-month executive education program for entrepreneurs of color</b>
Leader	SLDC
Potential Partners	SLU, WashU, WEPOWER, national or local philanthropy
Start Time	Year 2
Duration	12-18 months
Effort to Implement	Medium
Potential Funding	CDFIs, federal/state/local government, local or national philanthropy, universities
Goal/s	Provide formal educational training for program participants; tailor the program to customer acquisition; engage with and learn from national models, such as the 800 Initiative, Interise's Streetwise 'MBA,' Cincinnati's Minority Business Accelerator, and CO.LAB's CO.STARTERS
Tracking Progress	Number of entrepreneurs enrolled



<b>Action Item #: <u>DE-2.4</u></b>	<b>Deploy the growth capital consortium that will launch an entrepreneurs-of-color fund offering innovative loan capital products where repayment terms are tied to growth benchmarks of participating business applicants</b>
Leader	SLDC
Potential Partners	CDFI working group, Invest STL, Justine Petersen, SBA, CDFIs, lenders, national or local philanthropy
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	CDFIs, federal/state/local government, local or national philanthropy
Goal/s	Increase access to capital for MWBE businesses; include both equity and debt capital to support entrepreneurs of color, leveraging loan loss reserves, loan guarantees, and risk reduction strategies to ensure a responsive and equitable capital market
Tracking Progress	Number and dollar value of loans made (by type, size, term, etc.)
<b>Action Item #: <u>DE-2.5</u></b>	<b>Build out multiple on-ramps to apply to the program; have staff and the advisory team provide vetting functions to funnel investment-ready entrepreneurs into the pipeline</b>
DE-2.5.1	Adopt policies and procedures for connecting entrepreneurs that are selected for the program to appropriate resources, including investors and lenders
DE-2.5.2	Adopt policies and procedures for connecting entrepreneurs that are not selected for the program to the local network of technical assistance and capital providers
Leader	SLDC
Potential Partners	Invest STL, Justine Petersen, SBA, CDFIs, lenders, national or local philanthropy
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	CDFIs, federal/state/local government, local or national philanthropy
Goal/s	Increase access to capital for MWBE businesses
Tracking Progress	Number and dollar value of loans made (by type, size, term, etc.)

<b>Action Item #: DE-2.6</b>	<b>Launch a marketing campaign for the program branded in the national and global capital market to attract social purpose investing and CRA investments</b>
Leader	SLDC
Potential Partners	Justine Petersen, SBA, CDFIs, lenders, national or local philanthropy
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	CDFIs, federal/state/local government, local or national philanthropy
Goal/s	Grow awareness of the program locally and nationally
Tracking Progress	Number of unique visits to program website
<b>Action Item #: DE-2.7</b>	<b>Create a MWBE working group to identify and resolve barriers that exist in accessing funds from the Contractor Loan Fund</b>
Leader	SLDC
Potential Partners	City
Start Time	Year 1
Duration	12 months
Effort to Implement	High
Potential Funding	N/A
Goal/s	Increase utilization of contractor loan fund; ensure that the fund has sufficient funding and personnel
Tracking Progress	Number of businesses utilizing contractor loan fund

**Strategy  
3**

**Create programs for more efficiently matching local small businesses to affordable space opportunities throughout the city and broadly disseminate information about these efforts to MWBEs and would-be entrepreneurs from diverse communities**

Finding affordable commercial space for entrepreneurs and start-ups and later-stage companies looking to expand can be challenging for firms – both due to information gaps and availability of real estate product. Addressing this issue through transparent data, business real estate matching programs, innovative land models, and small business incubators can help attract, retain, and support local small businesses in the City of St. Louis. Action items relevant to this strategy are addressed in the Place, commercial corridor, city-building, and other sections of the report.

**“We have accelerators, incubators, and co-working spaces but as firms start to scale up, [they] need something bigger and newer, with newer amenities. We don’t have that graduation space.”**

Small businesses in the city vary in scale, location and type ▼

South Public Market on South Broadway



Small businesses fronting Natural Bridge Ave. near Goodfellow Blvd.



Rockwell Beer Company on South Vandeventer Ave.



<b>Action Item #: DE-3.1</b>	<b>Develop a mobile-friendly online platform where businesses can search for property owner-submitted spaces in the city</b>
Leader	SLDC
Potential Partners	Commercial District Coalition, Regional Chamber (specifically its Diverse Business Accelerator program), neighborhood associations
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Support local and diverse entrepreneurs and (MWBE) small business owners in the city's commercial corridors; regularly update the platform and provide option for automated matching notifications; use the Business Assistance Center to conduct outreach and relay information through in-person or non-digital channels where needed
Tracking Progress	Number of businesses helped



**Strategy 4      Create a business formalization program for small-scale businesses and identify marketplaces or pop-ups in commercial corridors**

Related to these real estate challenges facing entrepreneurs and small business owners is a need for business formalization support. SLDC should seek to understand the regulatory and administrative challenges facing entrepreneurs, then create a business formalization program and continue to support businesses’ real estate needs by marketing available spaces along commercial corridors.

<b>Action Item #: <u>DE-4.1</u></b>	<b>Convene a working group to identify ways that permitting and regulatory functions of local government can be streamlined for formalizing new neighborhood-based businesses</b>
Leader	SLDC
Potential Partners	City, Commercial District Coalition, Legal Services of Eastern Missouri’s Economic Development Project, SLU Law Entrepreneurship and Community Development Clinic, Square One, WashU Entrepreneurship and Intellectual Property Clinic, small businesses
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Identify best practices to reduce regulatory burden on small businesses
Tracking Progress	Feedback from small business community
<b>Action Item #: <u>DE-4.2</u></b>	<b>Create a business formalization program</b>
Leader	SLDC
Potential Partners	City, Commercial District Coalition, Invest STL, St. Louis Makes, STLMADE, WEPOWER’s Elevate/Elevar Accelerator
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Help formalize small, unincorporated businesses
Tracking Progress	Number of formalized businesses

FINDING AFFORDABLE COMMERCIAL SPACE FOR ENTREPRENEURS AND START-UPS AND LATER-STAGE COMPANIES LOOKING TO EXPAND CAN BE CHALLENGING FOR FIRMS – BOTH DUE TO INFORMATION GAPS AND AVAILABILITY OF REAL ESTATE PRODUCT.

<b>Action Item #: DE-4.3</b>	<b>Market spaces that can be used for pop-ups along commercial corridors</b>
Leader	SLDC
Potential Partners	City, Invest STL, St. Louis Makes, STLMADE, WEPOWER's Elevate/Elevar Accelerator
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Find (temporary or shared) space to support new business growth
Tracking Progress	Number of businesses in pop-ups or marketplaces throughout the city

# EMPLOYER PRACTICES

## Overview

After years of decline, regions across the U.S. have seen increases in middle-wage jobs, defined as good-paying jobs for workers without four-year degrees.<sup>67</sup> Despite this growth, there are still too few middle-wage jobs nationally, as well as in many local labor markets. Between 2010 and 2018, middle-wage jobs (defined as occupations paying between \$35K and \$50K nationally in 2018) only grew by 11% across the U.S. while low and high wage jobs both grew by about 15%.<sup>68</sup> Middle-wage occupations grew the most in the St. Louis MSA (almost 10%), followed by low wage jobs (9%) and high wage jobs (7%).<sup>69</sup> In the City of St. Louis, middle-wage occupations essentially flatlined, growing only two-fifths of a percent while high wage jobs grew by 6% and low wage jobs grew by 4%.<sup>70</sup> Creation, attraction, and retention of middle-wage jobs in the city is critical for generating broad-based opportunities.

The cluster strategies present a deliberate attempt to increase the share of middle-wage jobs in the St. Louis City economy. The middle-wage job share in the target clusters is 21%, compared with 9% in the rest of the job base today.<sup>71</sup> However, strong middle-wage job creation in St. Louis City is a necessary but not sufficient condition for ensuring a broad-based prosperity that improves the lives of St. Louisians across racial groups, socioeconomic status, level of formal education, and neighborhood. For middle-wage jobs to improve the lives of less-advantaged workers, employers and intermediaries must ensure that middle-wage

employment opportunities are a source of stability and opportunity and where possible, entry-level positions provides entrée into middle-wage jobs and careers. Getting this right requires focusing on the workplace itself as a crucial site for translating the city's economic growth into inclusive and equitable opportunities for income and wealth creation.

Equitable workplace cultures combined with employer retention and advancement practices can play a significant role in shaping the economic trajectory of less-advantaged workers. Discussion of economic outcomes tends to focus on the role of formal education in shaping employment and wages and for good reason: college graduates make an average of about \$30,000 more than workers with only a high school degree and are much less susceptible to unemployment when economic growth slows.<sup>72,73</sup> But exclusive focus on education overlooks other factors that shape employment and wage outcomes such as total work experience, years with a specific employer (i.e., job tenure), quality of job match, and skills acquisition of the job, factors that are especially important for workers without four-year degrees.<sup>74</sup> Notably, these factors can be strongly influenced by employer practices that focus on retention, learning, and advancement for entry- and middle-wage workers. Such practices can create more stable and well-

paying employment opportunities for St. Louisians, while having the added benefit of expanding the pool of workers available to employers and reducing turnover, two key goals of workforce policy. Additionally, with increased perception of job security, workers are more likely to invest in job-specific skills, benefitting both workers and firms.<sup>75</sup>

Practices that improve retention can be especially important for supporting income growth for workers of color. Nationally, Black/African American and Hispanic workers are significantly more likely to have lower tenure at their current jobs than white workers.<sup>76</sup> (See Figure EP-1.) (Although data are not available for individual cities, it seems unlikely that St. Louis is an exception to this pattern.) In project roundtables, local experts also emphasized the potential for better on-boarding and retention practices to overcome issues with bias in the workplace. One practitioner commented, "We ran into

75 Lazear, Edward P. "Firm-Specific Human Capital: A Skill-Weights Approach," *Journal of Political Economy*, Vol. 117, No. 5 (October 2009), pp. 914-940

76 *Employee Tenure in 2018*. (2018). Bureau of Labor Statistics. <https://www.bls.gov/news.release/pdf/tenure.pdf>

72 Abel, J. R., and Deitz, R. (2019). *Despite Rising Costs, College is Still a Good Investment* (Liberty Street Economics). Federal Reserve Bank of New York. [https://libtystreeteconomics.newyorkfed.org/2019/06/despite-rising-costs-college-is-still-a-good-investment.html?mod=article\\_inline](https://libtystreeteconomics.newyorkfed.org/2019/06/despite-rising-costs-college-is-still-a-good-investment.html?mod=article_inline)

73 At the peak of the Great Recession, the unemployment rate for job seekers with four-year college degrees was 5.0% compared to 9.0% for those with some college, 11.2% for those with no more than a high school degree, and 15.6% for those with less than a high school degree. See: *Is the dramatic increase in the national unemployment rate spread equally across demographic groups or have some been hit harder than others?* (2010, August). Federal Reserve Bank of San Francisco. <https://www.frbsf.org/education/publications/doctor-econ/2010/august/unemployment-rate-demographics/>

74 Dustmann, C., and Meghir, C. (2005). "Wages, Experience and Seniority," *The Review of Economic Studies*, 72(1), 77-108.

67 Sommers, P., and Osborne, D. (2009). *Middle-Wage Jobs in Metropolitan America* (Metro Economy Series). Metropolitan Policy Program at Brookings. [https://www.brookings.edu/wp-content/uploads/2016/06/0610\\_employment\\_report.pdf](https://www.brookings.edu/wp-content/uploads/2016/06/0610_employment_report.pdf)

68 BLS OES data, 2010-2018

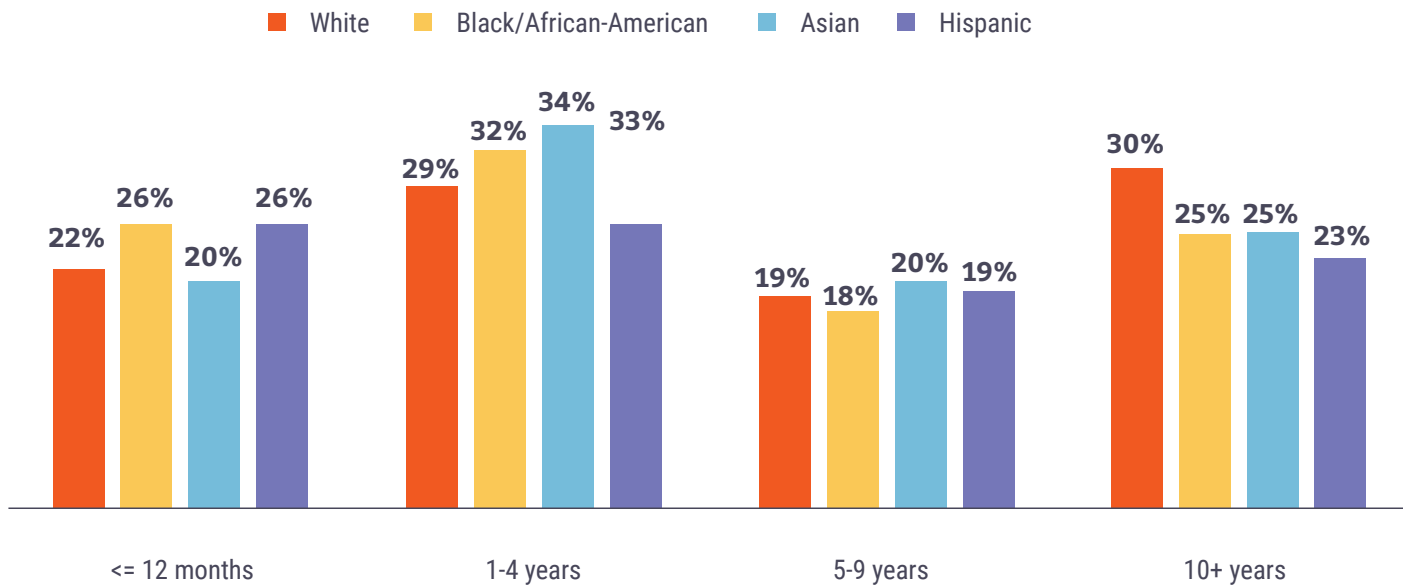
69 BLS OES data, 2010-2018

70 MERIC OES data, 2010-2018

71 QCEW 2018; Note data for target clusters includes all clusters other than software tech and geospatial, both of which lack industry definitions.

PRACTICES THAT IMPROVE RETENTION CAN BE ESPECIALLY IMPORTANT FOR SUPPORTING INCOME GROWTH FOR WORKERS OF COLOR.

**Figure EP-1.** Job tenure by race for employed wage and salary workers ages 16 and older, U.S., 2018



Source: BLS, Employee Tenure, 2018

**“Even when you get in the door and have leadership support, it’s not always trickling down in an authentic way to make it a positive experience on both sides.”**

problems where big corporations gave us money and said they wanted interns, but the actual supervisors questioned: ‘Who is this 19-year-old black guy?’ More broadly, this expert noted, “Even when you get in the door and have leadership support, it’s not always trickling down in an authentic way to make it a positive experience on both sides.”

Employers can also play a critical role

providing wraparound supports that allow the most economically and socially vulnerable workers to find and hold jobs and move towards economic self-sufficiency. Local experts believe that in strong labor markets, like those of the late 2010s, such practices can be the key to translating economic growth into broad-based prosperity. Noting the challenges that some workers face with issues like housing and transportation, one practitioner noted, “With so much demand, we can just provide training to increase supply, [but it] doesn’t always equate to an easy win.”<sup>77</sup>

77 Project interviews and roundtables



## Strategies and Action Items

We propose several initiatives to improve labor market outcomes for low- and middle-income St. Louisans. The first is the creation of a St. Louis employer consortium to promote equity, inclusion, job quality, and economic opportunity. This group would act to create and stabilize workplace opportunities for a broad range of St. Louisans through measures like adopting inclusive hiring practices; creating stronger linkages with the City's education and training institutions;<sup>78</sup> establishing retention-oriented on-boarding processes; creating mentoring practices for entry-level and middle-wage workers; developing early-tenure career ladders; and holding diversity trainings and working towards bias-free workplaces. Establishment of a group like this would be relatively cutting edge but examples do exist. Portland Means Progress, for example, brings together corporations committed to bridging the racial divide with programming and practices but with less emphasis on the experiences and progression of entry-level and middle-wage workers than we propose for St. Louis.<sup>79</sup>

For at least three reasons, healthcare institutions might be best positioned to champion and play a leadership role in an employer consortium. First, healthcare is likely the largest source of low- and middle-skill employment. The largest hospitals collectively employ tens of thousands of workers—BJC alone has almost 30,000

employees, many in the city or region<sup>80</sup> — and a recent report notes that “more than half of the job postings for healthcare are for middle-skill jobs.”<sup>81</sup> While many healthcare organizations work closely with workforce development intermediaries on training and placement, to our knowledge, none provides on-site wraparound services to employees. Second, healthcare institutions have a kind of dual mandate around providing stable, good quality jobs. As employers, healthcare institutions have been adding jobs much faster than the rest of the US economy, putting pressure on them to adopt new practices to recruit and retain labor.<sup>82</sup> At the same time, hospitals and providers are beginning to take seriously the link between community conditions and the business of healthcare; some are addressing so-called “social determinants of health” through programs and practices that address social conditions (e.g., poverty, unemployment, substandard housing) associated with poor population health and higher healthcare costs.<sup>83</sup> Third, the city's healthcare institutions have a history of moral leadership on community and social issues. For example, WashU's School of Medicine has a senior leadership committee looking at issues of diversity and inclusion including in staff hiring; BJC recently raised its minimum wage to \$15 per hour “to help our team members and their families better meet their financial needs” and “to remain competitive as an employer.”<sup>84</sup>

80 *St. Louis Book of Lists*. St. Louis Business Journal.

81 *State of the St. Louis Workforce*. (2018). St. Louis Community College. <https://www.stlcc.edu/workforce/st-louis-workforce/sslw2018-report-download.aspx>

82 Project interviews and roundtables

83 See e.g., Lagasse, J. (2018, May 23). *Social determinants shown to reduce healthcare spending*. Healthcare Finance News. <https://www.healthcarefinancenews.com/news/social-determinants-shown-reduce-healthcare-spending>

84 *Actions and Progress*. (n.d.). Washington University School of Medicine in St. Louis. Retrieved from <https://medicine.wustl.edu/about/diversity-inclusion/actions-progress/>; Kirn, J. (2019, October 2). BJC HealthCare to boost minimum wage to \$15 an hour. *St. Louis Business Journal*. <https://www.bizjournals.com/stlouis/news/2019/10/02/bjc-to-boost-minimum-wage-to-15-an-hour.html>

78 Data from a recent report suggest that among high schools in the Promise Zone, those located in St. Louis City have much lower average placements rates for career technical students. See Figure 11 in Econometrica, Inc., “St. Louis Promise Zone Workforce Development Connectivity Gap Analysis and Needs Assessment,” prepared for U.S. Department of Housing and Urban Development Office of Field Policy and Management, April 15, 2019

79 *Portland Means Progress*. (n.d.). Portland Means Progress. Retrieved from <https://portlandmeansprogress.com>

### PRECEDENT

#### PORTLAND MEANS PROGRESS

Portland, OR

portland  
means  
progress.

<https://portlandmeansprogress.com>



## PRECEDENT

## THE SOURCE

Grand Rapids, MI


<https://grsource.org/>


Building on the previous initiative, a second, “lab tech” initiative will help resolve some of the existing workforce challenges in healthcare. As healthcare is one of the major industries in both the city and region, this initiative would expand and enhance existing training programs for lab workers; high turnover among lab workers is often viewed as a “pain point” for employers.<sup>85</sup> Lab Tech would leverage the employer partnerships formed in the consortium and convene major healthcare employers, training providers, and other ecosystem partners to align current programs with demand for workers.

The third initiative is creation of a nonprofit to provide wraparound services to workers at employer sites. This impetus for this initiative comes from leaders from the city’s education and workforce providers, which emphasize the unique role that only employers can play in shaping the experiences and success of workers, especially those in challenging economic or family circumstances. These experts noted the valuable role that employers can play in providing the wraparound services to employees and potential employees facing challenges with housing, transport, childcare, or other factors that shape workplace success. As one expert noted, “Where are the employers? We can do the training, bring the programs, etc., but North St. Louis outcomes are still different. One piece is training for wraparound services. Where are the employers?”<sup>86</sup>

<sup>85</sup> Project interviews and roundtables

<sup>86</sup> Project interviews and roundtables

The direct engagement of employers in wraparound on-site services for employers is uncommon but successful models exist.<sup>87</sup> These initiatives generally create a non-profit, often supported by a combination of employer contributions and national philanthropic support, that works directly with individual employees to help them access the public and private services needed to stabilize their financial and personal lives, whether food, housing, transportation, credit counseling, or education. The SOURCE, a non-profit based in Grand Rapids, Michigan, is one model; it is funded by area employers, and its services are available to the workers of participating employers. It engages a variety of other regional service providers, and they provide assistance to workers through funding, programs, classes, and individual consultations.<sup>88</sup> One study found that providing these services on-site at employers reduced turnover by 40%;<sup>89</sup> as one leader of an employee support organization explained, “It’s easy to walk away from places that don’t have an investment in you. It’s harder to walk away if you think there’s a possibility to grow and be a valued employee in their environment.”<sup>90</sup> As an added benefit,

<sup>87</sup> See <https://www.worklabinnovations.org/>. Project Quest, one of the country’s most successful intermediaries, provides wraparound services but not at individual employer sites; see: Schwartz, N. (2019, August 19). Job Training Can Change Lives. See How San Antonio Does It. *New York Times*. <https://www.nytimes.com/2019/08/19/business/economy/worker-training-project.html?emc=rss&partner=rss>.

<sup>88</sup> *About—The Source*. (n.d.). The SOURCE. Retrieved from <https://grsource.org/about/>

<sup>89</sup> Project interviews and roundtables

<sup>90</sup> Project interviews and roundtables

participating employers often come to better understand and empathize with the needs of disadvantaged employees and respond by furthering inclusive and equitable employment practices, e.g., adopting evidence-based hiring methods or providing more scheduling flexibility to accommodate childcare commitments.<sup>91,92</sup>

The fourth set of initiatives involves the availability of wraparound services and transportation access. Together, these initiatives aim to eliminate obstacles that workers may be facing (and could be contributing to high turnover).

The last set of initiatives involves a commitment to better communicating existing and emerging opportunities in the city economy to relevant education and training providers, including workforce agencies, education and training providers (including K-12), cluster leaders, and the general public. Already, the city boasts an extensive workforce development ecosystem, consisting of efforts from the Regional Chamber, St. Louis Job Corps Center, and Employment Connection, among many others.

**“Where are the employers? We can do the training, bring the programs, etc., but North St. Louis outcomes are still different. One piece is training for wraparound services. Where are the employers?”**

91 A recent Rockefeller Foundation study identifies specific workplace needs of “opportunity youth,” defined as “young people ages 18-24 who face barriers to economic participation,” including transportation, flexible hours, and computer skills training. *The State of Entry-Level Employment in the U.S.: A study examining the potential effectiveness of impact hiring on youth unemployment.* (2017). Rockefeller Foundation and Edelman Intelligence. <https://assets.rockefellerfoundation.org/app/uploads/20170320171306/Impact-Hiring-Survey-Results.pdf>

92 Project interviews and roundtables



Source: St. Louis Job Corps has hundreds of openings, from St. Louis Public Radio (March 2016)

**ALREADY, THE CITY BOASTS AN EXTENSIVE WORKFORCE DEVELOPMENT ECOSYSTEM, CONSISTING OF EFFORTS FROM THE REGIONAL CHAMBER, ST. LOUIS JOB CORPS CENTER, AND EMPLOYMENT CONNECTION, AMONG MANY OTHERS.**

**Strategy  
1****Create St. Louis employer consortium focused on workforce practices to support entry-level and middle-wage employees**

Workforce and training practitioners identify the lack of deep engagement on the part of most employers as a critical issue in advancing equitable opportunity and note the importance of day-to-day practices around things like employee on-boarding and mentoring in attracting and retaining employees.

To make permanent the emphasis on inclusive middle-wage job opportunities, we propose tying SLDC incentives and supports to the creation of middle-wage careers, defined as jobs that currently provide a target level of wages and benefits, as well as entry-level jobs tied to a set of employer supports that stabilize employment and provide opportunities for advancement. This practice follows leading cities like Indianapolis, Portland, and San Diego while placing greater emphasis on a broader set of workforce practices – inclusive hiring practices, broadened cultural competencies, retention-oriented on-boarding practices, early-tenure career ladders, and provision of wraparound services (e.g., subsidized/affordable child care) – than wage rates alone. We propose that SLDC link incentives and other supports to creation of middle-wage jobs, as well as adoption of workplace practices created by the employer consortium. Over time, the hope and expectation is that major employers across St. Louis will adopt these practices, regardless of whether they receive incentives or not.

<b>Action Item #: <u>EP-1.1</u></b>	<b>Convene major employers (BJC, WashU, etc.) and develop a public, signed commitment letter that explicates the policies to be adopted by the undersigned</b>
Leader	SLDC
Potential Partners	BJC, WashU, other major employers
Start Time	Year 1
Duration	Ongoing
Effort to Implement	High
Potential Funding	SLDC
Goal/s	More middle-wage job opportunities and supports
Tracking Progress	Composition of jobs created through SLDC incentives; signed commitment letter
<b>Action Item #: <u>EP-1.2</u></b>	<b>Develop an equity model to complement the existing financial scorecard that ties incentives to middle-wage job creation and supports for entry-level and middle-wage workers</b>
Leader	SLDC
Potential Partners	Community Development Administration, Forward Through Ferguson, Planning & Urban Design Agency, SLACO, Vacancy Collaborative, neighborhood and economic development partners, public advocacy groups
Start Time	Year 1
Duration	6-9 months
Effort to Implement	Low to medium
Potential Funding	N/A
Goal/s	Create an objective standard for the evaluation of a project's contributions to equitable economic growth in the city; prioritize investment in historically disinvested parts of the city; incorporate an assessment of affordability for housing developments
Tracking Progress	Creation of model, number of projects awarded incentives for entry-level and middle-wage jobs created



## Strategy 2

### Establish a Lab Tech initiative among members of the employer consortium

Building on the employer consortium, an important area of convening is around the lab professions within healthcare. Graduates of existing training programs are often in high demand, as (by some estimates) the workforce turns over by one-third each year. But trainees may have trouble getting to the programs or require other services, like childcare.<sup>93</sup> In addition to improved transportation access and benefits, existing programs may benefit from “right-sizing” (shortening the program length to reduce barriers to participants), better coordination between employers, and outreach to high school students to expose them to the Lab Tech career path.

<sup>93</sup> Project interviews and roundtables

<b>Action Item #: <u>EP-2.1</u></b>	<b>Assemble healthcare partners and others to conduct a study on short-, medium-, and long-term workforce training needs, program structure and curriculum, and worker retention strategies</b>
Leader	BJC, Cortex, Mercy, SSM, St. Louis Community College
Potential Partners	T-REX, TechSTL, Venture Café, SLDC
Start Time	Year 1
Duration	6 months
Effort to Implement	Medium
Potential Funding	Participating employers
Goal/s	Leverage software tech strength in related occupational areas; grow entry-level and middle-wage job opportunities in lab professions; reduce turnover among Lab Tech workforce
Tracking Progress	Completed study

### Strategy 3

## Create new non-profit employee support organization

Creation of a St. Louis-based employee support organization could advance multiple important goals of an equitable economic development framework simultaneously: increasing the pool of labor available to employers, reducing firm-level turnover, improving employment and wage outcomes for entry-level and middle-skilled workers, reducing racial gaps in economic opportunities and outcomes, providing opportunities for the re-entering population, and linking with anti-poverty programs in ways that reduce short-term stress on individuals and families and longer term, reduce one critical source of poverty, namely stable, well-paying work opportunities.

Employment Connection is a St. Louis-based organization that addresses a similar, but more truncated, set of challenges: namely, providing wraparound services to help new workers in their first 90 days of employment, a period in which non-work challenges like housing can create high turnover rates. In addition to increasing retention, a benefit for employees but also employers, Employment Connections can help diversify workplaces by bringing under-represented populations into less diverse workplaces.<sup>94</sup>

Action Item #: EP-3.1	Convene a working group to evaluate the need and cost/benefit of creating such a non-profit
Leader	Major employers, SLDC
Potential Partners	Employment Connection, WorkLife Partnership, major employers and philanthropies
Start Time	Year 1
Duration	On-going
Effort to Implement	High
Potential Funding	National philanthropy, employers
Goal/s	Creation of employee support organization or expansion of capacity at existing program; utilization by major employers; applications to numerous industries (e.g., health care, construction and related fields); increase the pool of labor available; reduce firm-level turnover; reduce racial gaps in economic opportunities and improve employment wages for entry-level and middle-skill workers
Tracking Progress	Number of employees with access to services

94 Project interviews and roundtables

## Strategy 4

### Integrate one-stop centers in employment centers to coordinate services

Employers routinely coordinate services and activities when it is in their best interest as a company. There are some services that can be difficult for individual companies to provide themselves including day care or workforce training. During this process, residents and some business owners have expressed a disconnection between employment centers and nearby neighborhoods both physically and socially. The idea is to pilot a program to create two employment "one-stop centers," located on a commercial corridor adjacent to an employment center. The center would provide a range of services potentially including day care services, workforce programs, job postings, community information, meeting space and other programs to be determined. We propose two pilot locations:

- › Along Natural Bridge Avenue to serve Mark Twain/I-70 businesses;
- › and along S. Broadway / S. 7th to serve businesses in the South Riverfront employment center.

Action Item #: <u>EP-4.1</u>	Conduct a feasibility study to program and implement pilot centers in Mark Twain/I-70 and South Riverfront
Leader	SLDC
Potential Partners	SLATE, employers
Start Time	Year 1
Duration	3-5 years
Effort to Implement	Medium
Potential Funding	Private and philanthropic support, employers
Goal/s	Safe, comfortable transit shelters for employment districts
Tracking Progress	Number of employees utilizing the one-stop centers





## Strategy 5

### Improve transit options to nearby neighborhoods

Access to employment, particularly within employment centers that are almost entirely industrial or commercial in use, is a critical aspect of ensuring equitable outcomes for the existing and future city's residents. For example, 22% of residents in North St. Louis take transit to work (compared to 10% citywide) and these residents have significantly higher commute times. The actual time it takes to get to work in Mark Twain/I-70 or the Near North Riverfront, for instance, can be up to 30 minutes or more by bus even if you live in North St. Louis. In addition, many transit stops, particularly at or adjacent to employment centers, are uncomfortable and, at times, unsafe due to their location next to fast-moving traffic. This is a barrier that needs to be addressed and overcome. New bus headways (shorter wait times for buses) proposed by the Metro Reimagined process and the potential MetroLink expansion can be real benefits, but this planning work must be coordinated with potential improvements within each Employment District and Center to ensure that these places are easily accessible to workers across the city.

<b>Action Item #: EP-5.1</b>	<b>Ensure that MetroLink and MetroBus proposals link to employment districts and centers</b>
Leader	Bi-State Metro Transit, East-West Gateway Council of Governments
Potential Partners	Planning & Urban Design Agency, SLDC
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	New transit services and investments linked to employment and business growth nodes
Tracking Progress	Inclusion of employment districts and centers in future Metro planning documents
<b>Action Item #: EP-5.2</b>	<b>Improve transit shelters</b>
Leader	Bi-State Metro Transit
Potential Partners	East-West Gateway Council of Governments, Planning & Urban Design Agency, employers, SLDC
Start Time	Year 1
Duration	1 year
Effort to Implement	Medium
Potential Funding	Bi-State Metro Transit, private employers, SLDC
Goal/s	Safe, comfortable transit shelters for employment districts
Tracking Progress	Number of riders using the shelters; change in transit ridership

# Metro Reimagined 2018

Source: Metro St. Louis, 2018 via GIS Online



Figure EP-3. Metro Reimagined



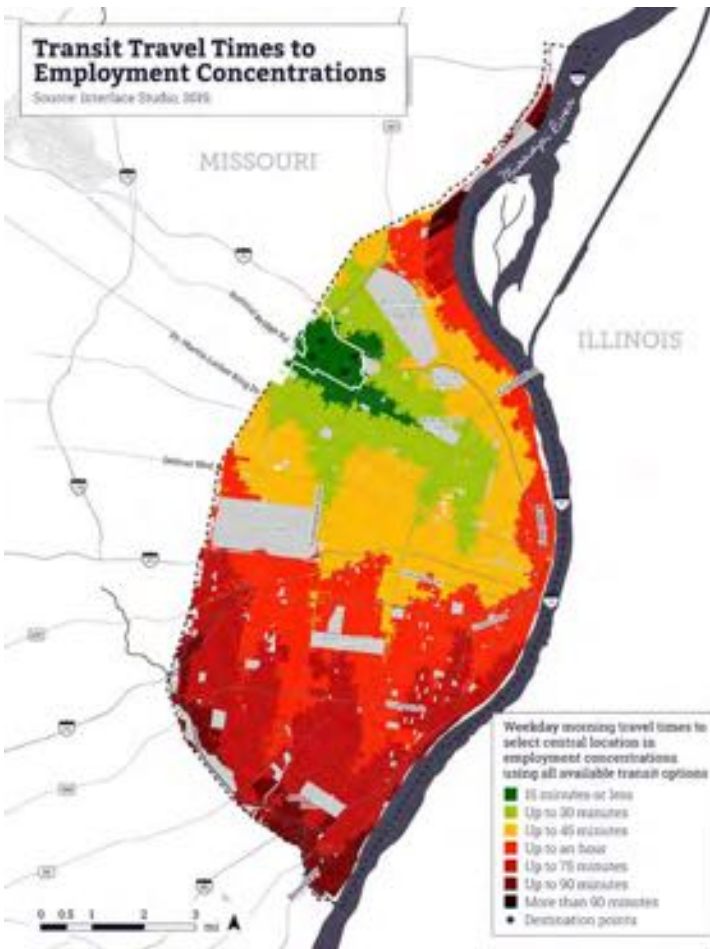


Figure EP-4. Transit travel time to Mark Twain/I-70 employment center

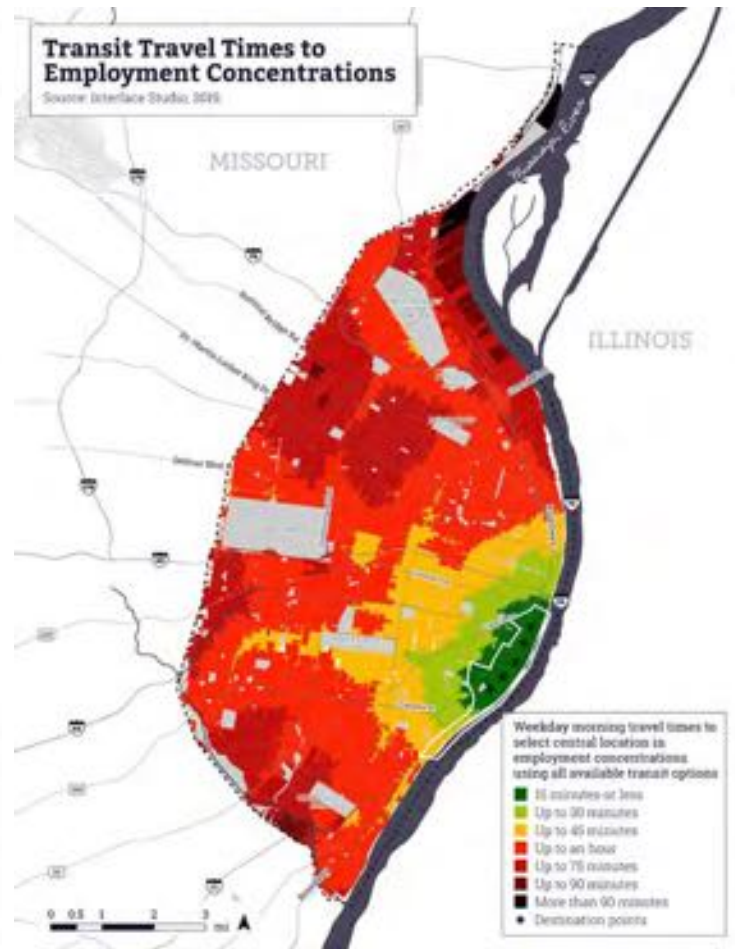


Figure EP-5. Transit travel time to South Riverfront employment center



Some MetroBus stops don't have a bus shelter and are unsafe.

## Strategy 6

## Develop a messaging strategy and platform for communicating existing and emerging economic opportunities in the city

Advancing equitable economic growth in St. Louis begins with a clear understanding of the value of the city's human capital, innovation, education, technology, and entertainment assets and their existing and potential contribution to the city, regional, and state economies. SLDC's commitment to report annually on economic conditions and trends in the city provides an important opportunity to communicate existing and emerging economic opportunities in the city. By telling the story of St. Louis and its economy and people to city residents—especially the students who will be tomorrow's business owners, workers, and leaders—and regional and state partners, SLDC and its partners can better support the well-being of the city's residents, forge stronger ties with neighborhoods, and foster cooperation at all levels of government. This type of outreach must focus on young residents – even students in elementary and middle, as well as high schools – and empower them to shape their futures alongside the city's.

<b>Action Item #: EP-6.1</b>	<b>Host an annual conference on the St. Louis economy, potentially as an extension to the Mayor's Business Luncheon</b>
Leader	SLDC
Potential Partners	City Hall, major employers, workforce and training providers
Start Time	Year 2
Duration	One day annually
Effort to Implement	Medium
Potential Funding	Local philanthropy, sponsors
Goal/s	Communicate information about the city's economy
Tracking Progress	Conference sponsorship and participation; presentation and panel quality
<b>Action Item #: EP-6.2</b>	<b>Share industry and occupation data with workforce providers</b>
Leader	SLDC
Potential Partners	AllianceSTL, Employment Connection, Regional Chamber, St. Louis Community College, St. Louis Job Corps Center, St. Louis Public Schools, SLU, other educational partners
Start Time	Year 1
Duration	Four meetings per year
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Complement existing data held by workforce providers
Tracking Progress	Flag workforce training gaps, shape programs offerings of education and workforce providers



<b>Action Item #: EP-6.3</b>	<b>Engage the re-entering population about economic opportunities in the city</b>
Leader	Employment Connection, St. Louis Job Corps Center, faith-based organizations
Potential Partners	SLDC
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Align the re-entering population with demand for workforce
Tracking Progress	Labor force participation and unemployment of the re-entering population

BY TELLING THE STORY OF ST. LOUIS AND ITS ECONOMY AND PEOPLE TO CITY RESIDENTS, **ESPECIALLY THE STUDENTS WHO WILL BE TOMORROW'S BUSINESS OWNERS, WORKERS, AND LEADERS**, SLDC AND ITS PARTNERS CAN BETTER SUPPORT THE WELL-BEING OF THE CITY'S RESIDENTS, FORGE STRONGER TIES WITH NEIGHBORHOODS, AND FOSTER COOPERATION AT ALL LEVELS OF GOVERNMENT.

Action Item #: <b>EP-6.4</b>	Present "State of the City Economy" report at area middle and high schools
Leader	City Hall, SLDC
Potential Partners	Better Family Life, Board of Aldermen, Boys and Girls Club, CollegeBound, Girls, Inc., Girl Scouts of Eastern Missouri, Mayor's Office, Save Our Sons, SLATE, St. Louis Public Schools and Charter schools, St. Louis Regional Chamber, UrbanLeague, corporate sponsors
Start Time	Year 2
Duration	Annually at each high school (both SLPS and Charter, offered at private high schools)
Effort to Implement	Medium
Potential Funding	Internal, corporate sponsors
Goal/s	Educate and engage high school students on trends and opportunities in the local economy
Tracking Progress	SLPS support, student attendance and engagement, development of internships, externships, and apprenticeships



Central Visual and Performing Arts High School  
 Source: St. Louis Post Dispatch

# MEASURING OUTCOMES

High-quality data are central to this framework. They helped identify opportunities and shape strategies and will be critical in terms of tracking progress, creating public accountability, and correcting a course of actions when required by changing conditions. Measures for tracking progress are included with each action item, and are summarized in Ch. 6: Metrics, a section on metrics to evaluate the city's progress on meeting the goals of the framework. In terms of public accountability, SLDC will annually update the report's comprehensive data appendix. Data and data expertise will also be central to updating strategies to reflect emerging opportunities in clusters, place, and opportunities for economic advancement and wealth creation. Building on this foundation, the following sections lay out strategies to support civic data capacity, and measure and track neighborhood outcomes.

Although the proposed strategies and action items were developed using a data-driven approach and rely on a variety of federal, state, and local sources of data, feedback on the framework rightly pointed out that the existing approach to data analytics and metrics relies solely on existing sources of data and does little to generate new information.<sup>95</sup>

While the importance and value of the existing, publicly-available sources of local data cannot be understated – for example, the Vacancy Collaborative publishes a highly curated dataset of vacancy in the city; the City of St. Louis maintains an open data portal; and with Forward Through Ferguson, the Equity in Entrepreneurship Collective is planning an equity audit – there is an undeniable dearth of data on outcomes by race, for sub-city geographies (e.g., neighborhoods, commercial corridors), and for specific projects. Many groups recognize the value and importance of having high-quality local data, but they are often held back by capacity (staff resources and technical expertise) and lack of a trusted third-party or intermediary to house data.<sup>96</sup> Addressing this gap is critical, especially for measuring outcomes by race,<sup>97</sup> which is central to tracking outcomes associated with this framework and for creating a more inclusive and equitable economy in St. Louis.

THE EXISTING  
APPROACH TO DATA  
ANALYTICS AND  
METRICS RELIES SOLELY  
ON EXISTING SOURCES  
OF DATA AND DOES  
LITTLE TO GENERATE  
NEW INFORMATION

<sup>95</sup> Lindsey, N., Colon-Smith, A., & Aufiero, C. (15 June 2020). SLDC Equitable Development Plan Draft.

<sup>96</sup> Project interviews and roundtables

<sup>97</sup> Lindsey, N., Colon-Smith, A., & Aufiero, C. (15 June 2020). SLDC Equitable Development Plan Draft.

# CIVIC DATA CAPACITY

## Strategies and Action Items

**Strategy 1 Increase capacity at key civic and business organizations to develop new sources of high-quality data on outcomes by race and place**

In addition to proposing expanded internal data capabilities at SLDC in order to track and report framework outcomes to its constituents – an effort that will utilize existing data sources almost exclusively – we propose steps to improve the amount and quality of data collected by organizations across the city. While there are important efforts at data collection already underway – and the number of such efforts is a testament to the community’s commitment to data – there does not yet exist a coordinated effort to expand civic capacity around data that can help evaluate progress associated with this framework and other efforts to improve inclusion and equity. The Regional Data Alliance serves a critical role in establishing a common data infrastructure for the city and region, and given that there are already successful models of data strategy, collection, and analytics across the city and region (e.g., the city’s Equity Indicators, the Vacancy Collaborative’s Vacancy Portal, Ferguson Commission Report) and plans to continue building this capacity (e.g., the Regional Data Exchange, St. Louis Equity in Entrepreneurship Collective’s equity assessment, the St. Louis Community Foundation’s Center for Civic Research and Innovation), St. Louis should be a national leader in generating high quality, hyper-local data to document outcomes by race and neighborhood and utilizing this data to understand conditions by race and place across the city.

<b>Action Item #: CDC-1.1</b>	<b>Create a working group of local civic organizations, data experts, and funders</b>
Leader	Regional Data Alliance, SLDC
Potential Partners	BioSTL, Center for Civic Research and Innovation, Cortex, Forward Through Ferguson, Invest STL, Rise Community Development, SLEDP, SLU, St. Louis Equity in Entrepreneurship Collective, Vacancy Collaborative, WashU
Start Time	Year 1
Duration	1 year
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Create a community vision or “data agenda” for local data capacity and coordination around collecting and tracking inclusion outcomes
Tracking Progress	Presence of a working group and attendance at convenings
<b>Action Item #: CDC-1.2</b>	<b>Develop curricula to build staff skillsets and where necessary, identify and make key hires</b>
Leader	Civic Data Capacity working group
Potential Partners	SLDC
Start Time	Year 1
Duration	Initially 1 year, but ongoing
Effort to Implement	High
Potential Funding	Internal
Goal/s	Support SLDC’s current and future data management responsibilities
Tracking Progress	Number of staff receiving training; number of new hires



<b>Action Item #: CDC-1.3</b>	<b>Organize, design, and implement projects to improve data on outcomes by race and place</b>
Leader	Civic Data Capacity working group
Potential Partners	City, SLDC
Start Time	Year 2
Duration	12-18 months
Effort to Implement	High
Potential Funding	Local philanthropy
Goal/s	Pilot and test data collection and tracking options and iterate to find the best process; use projects to develop data collection and analysis protocols that will be applied to all future projects
Tracking Progress	Number of test projects

**Strategy  
2**

**Create capacity to collectively store and access data on inclusion and equity**

After establishing a working group to coordinate existing data efforts, next steps include identifying an organizational home for locally collected data and establishing a sustainable funding source.

<b>Action Item #: <u>CDC-2.1</u></b>	<b>Identify an organization or consortium to serve as a repository of locally-generated data on inclusive outcomes</b>
Leader	Civic Data Capacity working group
Potential Partners	City, SLDC
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Local and national philanthropy
Goal/s	Adopt consistent practices in data collection and management in the city and region; ensure that data management protocols are established for both quantitative and qualitative data; disseminate learnings and best practices around methods and techniques for improving the amount and quality of outcomes data by race and place
Tracking Progress	Identification of an organization to house locally-generated data
<b>Action Item #: <u>CDC-2.2</u></b>	<b>Create and implement a funding model that could be based on philanthropic support and/or fee-for-service</b>
Leader	Civic Data Capacity working group
Potential Partners	City, local philanthropy, SLDC
Start Time	Year 2
Duration	1 year
Effort to Implement	Medium
Potential Funding	Local and national philanthropy; earned income
Goal/s	Establish a sustainable funding model that will enable both short- and long-term data capacity
Tracking Progress	Identification of a sustainable funding model

# TRACKING NEIGHBORHOOD OUTCOMES

Research has established the importance of neighborhood characteristics in shaping economic outcomes of residents (Chetty et al., 2016; Chetty and Hendren, 2018).<sup>98</sup> Although the framework presented in this report is not meant as a set of neighborhood plans, it should be complementary to civic and public sector efforts to improve quality of life and opportunity in the city's neighborhoods. These efforts, in fact, abound in St. Louis—for example, the creation of new Community Improvement Districts (Dutchtown, near Cherokee Street; Soulard; Bevo); adding staff at the Riverview West Florissant Development Corporation; developing the Great Streets Plan for a portion of Gravois in Bevo Mill; and creating a

redevelopment plan for the Imperial site in the 27th Ward, among many others—and will be augmented in coming years by neighborhood planning efforts from the City's Planning and Urban Design Agency. These plans will cover a standard set of topics related to neighborhood characteristics including land use and zoning, housing, sustainability, economic development, safety, and equity, as well as secondary and focus areas of most relevance to the specific neighborhood.<sup>99</sup> In addition to these data points, it's important to assess how neighborhood organizations engage with residents and businesses (e.g., providing programming on topics such as financial or healthcare literacy) and how neighborhood capacity can be supported to do so.

**THE FRAMEWORK SHOULD BE COMPLEMENTARY TO CIVIC AND PUBLIC SECTOR EFFORTS TO IMPROVE QUALITY OF LIFE AND OPPORTUNITY IN THE CITY'S NEIGHBORHOODS**

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98 Chetty, Raj, Nathaniel Hendren, and Lawrence Katz. 2016. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Project." *American Economic Review* 106 (4); Chetty, Raj, and Nathaniel Hendren. 2018. "The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects." *Quarterly Journal of Economics* 113 (3).

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99 "Neighborhood Plans: Minimum Submittal Requirements for Adoption," Adopted by City of St. Louis Planning Commission. July 1, 2020.

## Strategies and Action Items

**Strategy 1**      **Create a St. Louis Neighborhood Vitality Index (NVI)**

Of the metrics proposed for evaluating the progress of this framework (see Chapter 6: Metrics), over half can be collected at the neighborhood or sub-neighborhood level. These as well as data collected by individual organizations across the city (described above) can be combined to create a neighborhood vitality index (NVI) to track conditions and change across individual neighborhoods and help identify priorities for neighborhood investments and initiatives.

<b>Action Item #: TNO-1.1</b>	<b>Create a working group of CDCs, neighborhood civic organizations, data experts, and SLDC staff to create an NVI framework</b>
Leader	Lutheran Development Group, Invest STL, Rise Community Development
Potential Partners	Planning & Urban Design Agency, SLACO, Tower Grove Neighborhoods CDC, members of the Civic Data Capacity working group, SLDC
Start Time	Year 1
Duration	12-18 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Create a vision for the NVI and identify measures that should be included; from outreach and engagement with neighborhoods, identify data points that are most critical to neighborhoods and support resident and business quality of life (e.g., prevalence of absentee landlords, crime, etc.)
Tracking Progress	Presence of a working group and attendance at convenings
<b>Action Item #: TNO-1.2</b>	<b>Using existing data, develop preliminary rankings of need and analytics to understand neighborhood conditions and remaining data needs</b>
Leader	SLDC
Potential Partners	NVI working group, Planning & Urban Design Agency
Start Time	Year 2
Duration	1 year
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Establish neighborhood baselines; coordinate with commercial corridor health tracking
Tracking Progress	List of preliminary rankings of need



<b>Action Item #: TNO-1.3</b>	<b>Identify data gaps and work with neighborhood organizations, universities, and other interested parties to collect data</b>
Leader	SLDC
Potential Partners	Board of Aldermen, NVI working group, Planning & Urban Design Agency, SLU, UMSL, WashU
Start Time	Year 2
Duration	12-18 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Utilize civic data capacity to improve understanding of neighborhood needs and neighborhood-level data
Tracking Progress	Neighborhood outreach on data gaps
<b>Action Item #: TNO-1.4</b>	<b>Finalize and make public the inaugural NVI along with a five-year plan for updates and data improvements</b>
Leader	SLDC
Potential Partners	Board of Aldermen, NVI working group, Planning & Urban Design Agency
Start Time	Year 2
Duration	12-18 months
Effort to Implement	High
Potential Funding	Local philanthropy
Goal/s	Communicate the value of the NVI as a tool for understanding neighborhood needs; ensure transparency with communities and the public about how the NVI was constructed
Tracking Progress	Publishing the NVI

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4



*CLUSTERS*



# OVERVIEW AND CONTEXT

A decade ago, virtually any US city looking to grow jobs and incomes would have simply adopted the cluster strategies developed for its regional economy. However, with advances in economic data, improved understanding of urban and regional economic dynamics, and the success of new models for supporting employment growth in cities and their districts and corridors,<sup>1</sup> leading-edge practitioners have come to appreciate that strategies for urban economic growth should focus on the specific firms, assets, trends, clusters, and opportunities within cities, which are often distinct from its regional strengths. In fact, the economic strengths in most urban areas are not strengths in the rest of their regions, making it all the more important to explicate strategies at both

the city and regional scales.<sup>2</sup> This chapter identifies those opportunities for the City of St. Louis. Also in this chapter is a discussion of strategies that are regional in nature and how the City of St. Louis can take advantage of those opportunities.

In traditional regional strategies, only so-called “traded” clusters, e.g., automotive or pharmaceuticals, that serve national and global markets are considered growth targets. Clusters that serve smaller market areas (neighborhoods or metropolitan areas) are seen as zero-sum from the perspective of the region, and they are generally ignored in regional economic development strategies. However, the development of the equitable economic growth framework for the City of St. Louis requires understanding potential opportunities to grow place-based, neighborhood-serving clusters like grocery stores, daycares, retailers and restaurants; and metropolitan-serving clusters, primarily business-to-business (B2B) supports like facilities management, warehousing, and temporary help services. (See Figure O-1 for a description of the three types of clusters.)

1 Atlanta BeltLine. (n.d.). Retrieved from <https://beltline.org>; Detroit Future City Strategic Framework. (n.d.). Detroit Future City. Retrieved from <https://detroitfuturecity.com/strategic-framework/>; Economic Development Strategic Plan. (2019). <http://fortworthtexas.gov/ecodev/edplan/StrategicPlanUpdate-Aug2019.pdf>; Inclusive Economic Opportunity Districts Program. (n.d.). Local Initiatives Support Corporation. Retrieved from <https://www.lisc.org/indianapolis/what-we-do/opportunity/inclusive-economic-opportunity-districts-program/>; Newark launches multifaceted economic development strategy initiative. (n.d.). TAPinto. Retrieved from <https://www.tapinto.net/towns/newark/articles/newark-launches-multifaceted-economic-development>

2 For economic clusters that reflect strengths in the core county, 57% are not shared strengths with the rest of the MSA (based on 20 MSA-core county pairs with a total n = 368 clusters that are strengths in the core counties). For clusters that reflect strengths in the rest of the MSA, 64% are not shared strengths with the core county (based on 20 MSA-core county pairs with a total n = 456 clusters that are strengths in the rest of the region). Source: UDP, 2016; Mass Economics analysis

**Figure O-1.** Overview of neighborhood, metropolitan-serving, and traded clusters

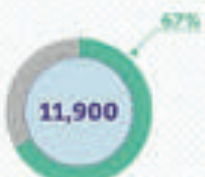
Cluster	Follows:	Proximity Preferences
Neighborhood	Population and income	Seeks activity – foot traffic, lights on, etc.; will co-locate even with seeming competitors (e.g., restaurant rows, malls)
Metropolitan-Serving	Affordable land, industrial space, and highway connections	Easy access to customers; will co-locate with other B2B firms when sharing or seeking similar real estate assets
Traded	Key assets (e.g., transport nodes, research hub), other firms	Thrives on density of assets and firms in own and related industry segments



# ST. LOUIS HAS A MIXTURE OF JOBS THAT OFFER OPPORTUNITIES FOR RESIDENTS

The most important industries that have the potential to grow in the City include:

Healthcare is the largest employment cluster in St. Louis



## ST. LOUIS ALSO HAS A GROWING NUMBER OF JOBS IN NEW CLUSTERS.

These represent important additions to the City's economy and job opportunities for residents, such as:

**3,000+ jobs**  
and growing

**GEOSPATIAL, SOFTWARE & AGRICULTURE TECH**

WGA, computer programmers and technicians, lab technicians, data technicians, customer support, public relations, retail security, software engineers, robotics, GIS analysts, geographers, geologists, graphic designers, food scientists, biochemists, engineers.



THE FRAMEWORK AND STRATEGIES PRESENTED IN THIS CHAPTER ARE SHAPED BY ORGANIZATIONAL AND CONTEXTUAL FACTORS, AS WELL AS THE BROADER AIMS OF THE EQUITABLE ECONOMIC DEVELOPMENT FRAMEWORK.

In the case of St. Louis, neighborhood- and metropolitan-serving clusters are both important for contributing to growth and equity. Neighborhood clusters that serve consumer needs (B2C) are fundamental to quality of life for city residents (and visitors) and growing the population, as well as to commercial corridor revitalization efforts and supporting the long-term growth of one of the city's largest traded clusters, Hospitality and Tourism. Metropolitan-serving clusters are also foundational to an equitable growth framework: the scope and quality of local B2B offerings act as an incentive or deterrent to growing and attracting start-up firms<sup>3</sup> and B2B firms themselves are critical sites of inclusive opportunity. Nationally, revenue of minority-owned businesses (MBEs) and women-owned businesses (WBEs) are approximately four times higher in metropolitan-serving than in traded clusters, which tend to have fewer privately-held firms and of those, fewer tend to be minority owned.<sup>4</sup> An equitable economic development framework for St. Louis must work to promote optimal distribution and growth of neighborhood-serving clusters; aim to grow and retain B2B firms to provide goods and services to meet demands of city and metropolitan-area businesses; and create capital and technical assistance supports to ensure that B2B opportunities are open to a diverse set of local entrepreneurs. In addition, of course, the cluster strategy must identify opportunities to grow firms and jobs in traded clusters – the critical drivers of long-term urban and metropolitan economic growth.

This chapter lays out a framework for equitable firm and employment growth organized around clusters, i.e., “geographically proximate group[s] of interconnected companies, suppliers, service providers and associated institutions in a particular field, linked by externalities of various types.”<sup>5</sup> A cluster approach is

useful for identifying sets of industries that are related and can benefit from similar interventions and provides an analytic framework that is more wieldy by organizing ~1,000 industries into about 70 clusters.<sup>6</sup> The industry cluster approach is not always well-suited for analyzing some emerging opportunities, especially in technology areas like geospatial and agtech, which defy easy mapping to industries or occupations and in fact, can be associated with dramatically different activities, economic and otherwise, from place to place. For these clusters, activities and opportunities are described according to occupational and/or functional categories.

The framework and strategies presented in this chapter are shaped by organizational and contextual factors, as well as the broader aims of the equitable economic development framework. While the framework does not focus on a cluster-based growth strategy at the generalist economic development organizations (EDOs) level, those EDOs are charged with regional growth, and the city and SLDC will continue to engage and devote staff in activities that focus on regional clusters that enhance city jobs and businesses. In addition, the city and region have a strong set of organizations with a focus on a specific cluster, including agtech (e.g., Danforth Plant Science Center), biosciences (e.g., BioSTL), geospatial (e.g., the emerging GeoFutures structure), hospitality and tourism (e.g., Explore STL), and transportation, distribution, and logistics (e.g., St. Louis Regional Freightway). Given these conditions, we believe that a city-centered economic development framework organized around clusters can utilize and strengthen existing cluster initiatives. Longer term, this approach leaves room for SLDC to share its expertise, as well as data and methods underlying this framework, to support new regional efforts to organize around clusters, such as the recently-announced plan to develop a region-wide

3 Edward L. Glaeser, *Entrepreneurship and the City*, Working Paper 13551, National Bureau of Economic Research. Cambridge, MA: October 2007

4 Teresa M. Lynch, “Cities in the Innovation Economy,” presented at Innovation and the City conference, September 27, 2016, Cambridge MA.

5 *Cluster Mapping Methodology*. (n.d.). U.S. Cluster Mapping.

Retrieved from <https://clustermapping.us/content/cluster-mapping-methodology>

6 *Cluster Mapping Methodology*. (n.d.). U.S. Cluster Mapping. Retrieved from <https://clustermapping.us/content/cluster-mapping-methodology>

growth plan on so-called advanced industry clusters.

The requirement that strategies meaningfully increasing economic opportunity for a broad set of St. Louis residents and workers means that target clusters must represent opportunities for growth in the number of inclusive job opportunities; and that new investments or strategic direction by SLDC and/or its partners can drive better outcomes. The first criterion—increase in number of inclusive job opportunities—eliminates so-called “local” clusters like healthcare, for which demand is largely limited by things like population and income, as well as many of the life sciences clusters, which tend to create jobs almost exclusively for workers with at least a four-year degree. This criterion ensures that the ultimate goal of the framework—to provide a roadmap for SLDC and its partners to create a more vibrant and equitable economy in the City of St. Louis—remains the focus.

The second criterion—that the growth trajectory can be altered in a fundamental way—eliminates industries and clusters for which there are already significant organizing efforts underway and there is limited opportunity to add complementary capacity. This criterion is critical for ensuring that limited public sector and nonprofit resources are deployed in ways that will maximize their impact on St. Louis residents and workers. The cluster strategies presented here are of course, strongly shaped by the distinct economic specializations and opportunities in the City of St. Louis. As discussed in the next section, the city’s economic opportunities are generally distinct from those in the rest of the metropolitan area, but there are important exceptions – e.g., biosciences, healthcare, and financial services – and opportunities for the city to better participate in regional specializations – e.g., transportation, distribution, and logistics. As such, SLDC should have a tailored role in each proposed cluster initiative—as lead, partner, or support organization—depending on existing capacity at other EDOs as well as the roles played by City of St. Louis firms, assets, and organizations in the larger regional cluster.

The selection of cluster targets for the city’s equitable economic development framework was also shaped by existing initiatives and plans. In a world of constrained resources, such as the one in which urban economic development is effectuated, a new strategic framework does not need to replace existing cluster capacity, but rather strategically support it. For example,

- › **Bioscience:** The bioscience cluster in the city and across the region is led by one of the country’s most celebrated cluster support organizations (e.g., BioSTL), with operations in the Cortex district, which serves as a global model for innovation districts, as well as a prime example of transit-oriented development (TOD). As significant new physical developments are added in Cortex, Cortex itself is undergoing a strategic planning process; we assume that the recommendations from that process will govern the district and its clusters.
- › **Downtown District and the Greenway:** Similarly, we reference Downtown and proposed Greenway alignments but rely on these ongoing planning processes to drive most of the strategies.
- › **EDOs:** The city is also well represented by regional EDOs in functional areas like the regional St. Louis Economic Development Partnership (SLEDP) and AllianceSTL, as well as efforts geared toward international attraction (GlobalSTL).

These efforts can be strengthened by the strategies outlined in this framework, but certainly the capacities do not need to be recreated for St. Louis City to prosper. The fact that a cluster is not profiled does not necessarily mean that it is not important but signifies that it already has strong cluster leadership and programming. Also, as was mentioned previously, there is significant activity being undertaken by SLDC and other entities, including: Community Development Administration, Planning & Urban Design Agency, Affordable Housing Trust Fund (AHTF), Land Reutilization Authority (LRA), the Port Authority, Mississippi River Cities and Towns Initiative (MRCTI), and others at the city that will continue, grow, and have activities/staff that will be integrated into this framework.

Because this framework is focused on outcomes—economic growth, social and racial inclusion, fiscal stability—the initiatives are designed to be opportunistic and goal-oriented. Some, like development of a software tech cluster, are multi-year initiatives that require building out new cluster capacity; others, like the TDL strategy, are designed to better leverage existing capacities and assets (e.g., land) and strong community leadership (e.g., St. Louis Regional Freightway) to accelerate short- and long-term inclusive job creation in the city. For some initiatives, implementation will likely require creation of permanent new organizational capacities at SLDC; for others, it is recommended that SLDC design and prototype capacities, then consider spinning them off as a new organization or a new program in an existing organization; others still will require SLDC to create new partnerships (strategic, financial, etc.) with existing external organizations.

The following cluster strategies are shown in three sections. The first section covers clusters for which SLDC should play a **leading role** and includes the city-building, transportation, distribution, and logistics (TDL), manufacturing, software tech, and business-to-business (B2B) clusters. The second section covers clusters for which SLDC should serve as **partner** and includes the geospatial and hospitality and tourism (H+T) clusters. The third section covers regional clusters, for which SLDC should play a **supporting role**. Strategies for each cluster are high-level and are supported by action items. Action items identify who should lead the execution of the action (“leader”); entities that should be convened or involved (“potential partners”); when the action should be initiated (“start time”), categorized as Year 1, Year 2, or Years 3-5; how long the action is expected to take (“duration”); the level of exertion required to implement the action (“effort to implement”); sources for required monetary resources (“potential funding”); the underlying goal(s) associated with the action (“goal/s”); and how to evaluate progress on the action (“tracking progress”).

# LEAD CLUSTERS

ALL FIVE LEAD CLUSTERS REPRESENT IMPORTANT OPPORTUNITIES FOR INCLUSIVE GROWTH AND ENTREPRENEURSHIP, AND THESE CLUSTERS REQUIRE THE COORDINATION, ORGANIZATION, AND CAPABILITIES THAT ARE INHERENT TO SLDC.

The development of city-building, TDL, manufacturing, software tech, and B2B will require SLDC to take a lead role in cluster development. All five clusters represent important opportunities for inclusive growth and entrepreneurship, and these clusters require the coordination, organization, and capabilities that are inherent to SLDC.

The coordination and organization required by the city-building cluster across activities and entities makes SLDC a logical leader. A central theme of the city-building cluster is that revitalizing the city's physical assets is fundamental to improving quality of life and asset-building opportunities for residents, and creating foundational supports for inclusive economic outcomes. SLDC's capabilities, tools, and programs make it especially well-suited to the city-building agenda. In light of the fact that city-building also requires city planning and visioning, the Planning and Urban Design Agency and other city leadership must also be deeply engaged in supporting the cluster.

In order for the TDL cluster to be successful, SLDC leadership is necessary. SLDC should partner with existing organizations (e.g., the Regional Freightway) and develop a specific focus on the cluster's growth in the city, amplifying efforts to undertake land assembly work in the city around the riverfront. TDL also provides an opportunity to marry innovation and industry, especially across underutilized vacant land on the north side of the side.

SLDC should champion the manufacturing cluster because of its real estate capacity, as well as broader functions. Support for manufacturing should include business and workforce supports, as this is a particular opportunity to bolster on-the-job training and foster MWBE entrepreneurship (referring to all minority- and/or women-owned businesses, with or without certification).

As a cluster that cuts across both industries and occupations, the natural decentralization of software tech across industries means that SLDC leadership is paramount. Software tech creates broad-based opportunity and promises to build up an important skillset for workers in the city and region. Under SLDC leadership, the cluster can be organized; in turn, SLDC will gain the organizational capacity to support local attraction and expansion efforts among software tech firms.

Although the B2B cluster is sizeable in the City of St. Louis, it is underperforming. In general, B2B firms experience unique challenges, and in order for the cluster to thrive, both demand- (revenue opportunities) and supply-side issues (e.g., working capital availability) must be addressed. Real estate that meets the specific needs of B2B firms can help with both demand- and supply-side challenges, by providing firms a location closer to customers and offering opportunities for shared services. In light of SLDC's expertise on real estate development and familiarity with business supports and small business lending, it is a natural leader for this cluster and is positioned to provide long-term, stable leadership on cluster initiatives.





# City-Building

## Cluster Vision

Despite being a nontraditional cluster, city-building is arguably one of the most foundational clusters, centered on the city's physical assets and engaging local talent – especially the capacity of local MWBEs – to restore and revitalize said assets. City-building activities range in scale from site-level redevelopment and construction all the way up to city planning and visioning on a grand scale, incorporating initiatives like home repair funds and blight remediation. Today, the City of St. Louis boasts several major national development firms, and the expertise of these firms should be leveraged while also cultivating small-scale developers. The city-building vision embodies inclusive value creation, and a successful city-building cluster will provide opportunities for minority-owned firms, residents of color, and historically disadvantaged or left-behind neighborhoods to build equity and opportunity across the City of St. Louis.

## Cluster Overview

A number of the City of St. Louis' greatest challenges and opportunities—vacant and blighted land, residential construction that almost uniformly requires subsidy, struggling commercial corridors that lower quality of life in neighborhoods—are linked to physical development and some of the city's most significant assets are physical ones – including land, infrastructure, and building stock. If productive, these assets can help ensure a high quality of life for residents and businesses, serve as amenities for current and future generations, generate significant revenue for the city, and create opportunities for jobs and entrepreneurship. The improvement, remediation, and strengthening of the physical and built environment to meet city development goals together comprise what we term a “city-building” cluster of activities, firms, and workers.

For the purposes of this chapter, the city-building cluster includes the following activities: city planning and visioning; property repairs and renovations; blight, vacancy, and land remediation; real estate development; and construction activity. Different indicators on city-building provide somewhat different pictures but in general point to a city-building cluster that could be more of a growth engine for the city's physical and economic development.

## City planning and visioning

While construction and development efforts are implied in city-building activities, city-building, at its core, requires planning. Although city planning is a municipal function, it is also an act of strategic visioning, coordination, and action around desired end goals. City planning will govern the execution of these city-building activities. City planning efforts may involve coordinating data-driven efforts and gathering information on potential indicators of blight (e.g., prolonged vacancy, absentee owners, water disconnections); establishing funding streams; improving code enforcement; streamlining development processes, like permitting and rezoning, and fast-tracking projects that are beneficial to the city and its communities; enforcing the city laws around rampant illegal dumping; and, more broadly, guiding development activity and serving as a steward of the city's land assets. For example, commercial corridors anchor their surrounding neighborhoods and have the potential to elevate local quality of life; city planning serves an integral role in this.

City planning gestures support for new development,<sup>7</sup> which is a critical first step for the city-building cluster. This type of visioning is important at both a neighborhood and city scale; organizations like the **Creative Reaction Lab**, which provides opportunities for young people of color to participate in and drive community visioning, support these efforts.<sup>8</sup> The new **½ Cent Economic Development Sales Tax** supports several end goals related to planning, such as the North-South MetroLink expansion and neighborhood revitalization (including planning grants for community-led planning efforts) through the City of St. Louis' Community Development Administration (CDA).<sup>9</sup>

7 Project interviews and roundtables

8 *Creative Reaction Lab*. (n.d.). Creative Reaction Lab. Retrieved from <http://www.creativereactionlab.com>

9 *Economic Development Sales Tax Summary*. (n.d.). <https://www.stlouis-mo.gov/government/departments/mayor/>



### Repairs and renovations

The city's long history means that it has an aging building stock – and, as a result, ample opportunities for restoration and a sizeable need for home repairs. CDA offers the **Healthy Home Repair Program**, which provides “home repair assistance for low to moderate income households.”<sup>10</sup> Despite the existence of home repair programs, funds, and other resources, they are often insufficient and unable to fully address necessary home repairs in communities that are underserved. In addition, income caps may prevent some low- and moderate-income homeowners earning just over the income threshold from accessing these funding sources, despite their potential need for such resources. Homes for sale in weak market areas may also have an “appraisal gap” if a property requires additional repairs beyond what it is appraised for and an interested buyer can only get a loan up to the appraisal value. The recent **Gateway Neighborhood Mortgage**, or “Greenlining Fund,” attempts to address this on an entry-level scale in targeted neighborhoods.<sup>11</sup> For commercial properties, SLDC offers façade improvement grants through the **Neighborhood Commercial District Improvement Program**.<sup>12</sup>

documents/upload/Economic-Development-Sales-Tax-Summary.pdf

10 Healthy Home Repair Program. (n.d.). Retrieved from City of St. Louis website: <https://www.stlouis-mo.gov/government/departments/community-development/home-repair.cfm>

11 Joint Collaboration Launches “Gateway Neighborhood Mortgage.” (n.d.). Retrieved from City of St. Louis website: <https://www.stlouis-mo.gov/government/departments/sldc/news/joint-collaboration-launches-gateway-neighborhood-mortgage.cfm>

12 SLDC Launches New and Improved Façade Grant Program. (2018, July 11). City of St. Louis. <https://www.stlouis-mo.gov/government/departments/sldc/news/sldc-launches-new-and-improved-facade-grant-program.cfm>

### Blight and vacancy

In some cases, a structure may be too dilapidated for repair or restoration. A consequence of the city's older building stock coupled with net out-migration is blight, which refers to properties (both with and without structures) in poor condition. There are several approaches to blight remediation, including the demolition of the blighted structure, strategic code enforcement, databases to manage blighted properties, land banks to hold blighted properties and resolve ownership challenges, and property conversion to functional green space.<sup>13</sup> In the City of St. Louis, blight remediation approaches will vary – and have historically varied – across the city. By some accounts, the city's blight remediation efforts have been largely divided by geography, reinvesting in the central corridor and reserving demolitions for the north side.<sup>14</sup>

13 Schilling, J., and Pinzón, J. (2016). *The Basics of Blight: Recent Research on Its Drivers, Impacts, and Interventions*. VPRN Research & Policy Brief, (2), 30.

14 Allen, M. R. (2019, August 19). *Downtown St. Louis Is Rising; Black St. Louis Is Being Razed*. CityLab. <https://www.citylab.com/perspective/2019/08/square-expansion-st-louis-demolition-blight-vacant-dorsey/596299/>

Importantly, the disparities in land condition on the north and south sides of the city – a consequence of racism, redlining, restrictive covenants, and other discriminatory behavior embedded in both practice and policy across all levels of government – suggest that their land absorption rates will differ.<sup>15</sup> Blight remediation approaches should be tailored to these conditions and markets. In addition, resources need to be targeted in a way that reflects the differences in land absorption rates in different parts of the city while also working to achieve community-desired outcomes through new (and just) approaches. Blight remediation comes with a potential upside and can help support larger efforts to return properties to the tax rolls, increasing revenue for the city. It also stabilizes neighborhoods by restoring property values in surrounding areas.<sup>16</sup>

15 Land absorption rates refers to the rate at which vacant land is developed and occupied.

16 PD&R Edge. (n.d.). *Mitigating Neighborhood Blight*. Retrieved from U.S. Department of Housing and Urban Development's Office of Policy Development and Research website: <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-012218.html>

Blight often results from long-term vacancy or abandonment. Estimates indicate that over 28.3K parcels, both with and without buildings, across the city are vacant.<sup>17</sup> In 2019, the Interdisciplinary Environmental Clinic at Washington University published a report on Environmental Racism in the City of St. Louis. The report enumerates some of the challenges facing the city due to high vacancy rates (e.g., illegal dumping, worsened air quality resulting from mold growth, etc.), in addition to showing that residents of color are subject to notably worse health and environmental outcomes than white residents.<sup>18</sup>

17 Note: This figure slightly exceeds the City's approximation of 20,000-26,000 vacant parcels citywide. Source: Interface Studio (2019), Mass Economics (2017), City of St. Louis

18 Interdisciplinary Environmental Clinic at Washington University School of Law. (2019). *Environmental Racism in St. Louis*. Retrieved from <https://assets.documentcloud.org/documents/6367937/2097-STL-EnvirRacism-Report-04-Web.pdf>

There are numerous initiatives underway related to the city's vacancy. In addition to the **Mayor's Vacancy Plan** (2018)<sup>19</sup> and other recent studies on vacancy,<sup>20</sup> the **Vacancy Collaborative** has made significant strides to increase the understanding of the city's vacancy problems through the Vacancy Portal data platform. The Vacancy Collaborative consists of civic, public, private, and neighborhood leaders that convene around six working groups.<sup>21</sup> **Legal Services of Eastern Missouri** has also sought to address vacancy in the city through its Neighborhood Vacancy Initiative, which assists residents and communities with property titles, litigation, and other vacancy prevention tools.<sup>22</sup> The state's **Abandoned Housing Act** enables neighborhood organizations to gain rights to long-standing vacancies and restore them to productive use.<sup>23</sup> The **Land Reutilization Authority (LRA)** has several programs for vacant properties: the Dollar House Pilot Program for vacant houses

19 Krewson, L. (2018). A Plan to Reduce Vacant Lots and Buildings. Retrieved from City of St. Louis website: <https://www.stlouis-mo.gov/government/departments/mayor/initiatives/vacancy.cfm>

20 St. Louis Land Bank Assessment. (2017). U.S. Environmental Protection Agency. [https://www.stlouis-mo.gov/government/departments/slhc/documents/upload/St-Louis-Land-Bank-Assessment-Final-Report-February-2017-Draft-FINAL\\_STL\\_REVIEW.pdf](https://www.stlouis-mo.gov/government/departments/slhc/documents/upload/St-Louis-Land-Bank-Assessment-Final-Report-February-2017-Draft-FINAL_STL_REVIEW.pdf); Graziani, K., & Alexander, F. (2016). Developing a Shared Vision and Strategies to Address Vacancy and Abandonment in the City of St. Louis. Center for Community Progress. [https://www.communityprogress.net/filebin/20160707\\_STL\\_Report\\_Draft\\_FINAL\\_STL\\_REVIEW.pdf](https://www.communityprogress.net/filebin/20160707_STL_Report_Draft_FINAL_STL_REVIEW.pdf)

21 Working groups include: Reinvestment and Reuse; Vacancy and Prevention; Anti-Displacement; Marketing and Engagement; Stabilization, Maintenance, and Demolition; and Data Analysis. See: *General Information*. (n.d.). STL Vacancy Collaborative. <https://www.stlvacancy.com/general-info.html>; Working Groups. (n.d.). STL Vacancy Collaborative. <https://www.stlvacancy.com/working-groups.html>

22 Neighborhood Vacancy Initiative. (2018, May 3). Legal Services of Eastern Missouri. <https://lsem.org/neighborhood-vacancy-initiative/>

23 Malkus, D. (2018). *A Guide to Understanding and Addressing Vacant Property in the City of St. Louis*. SLU Law, Rise, Tower Grove Neighborhoods Community Development Corporation. [https://www.greencitycoalition.org/uploads/8/7/1/3/87139164/vacantlandstrategyguid\\_draftfinal\\_singlesheets\\_.pdf](https://www.greencitycoalition.org/uploads/8/7/1/3/87139164/vacantlandstrategyguid_draftfinal_singlesheets_.pdf)

(offers single-family homes for \$1), and the Garden Lease and Mow to Own Programs for vacant lots (the former offers LRA-owned lots for lease five years for \$5 total, and the latter offers LRA-owned lots for sale through "sweat equity" lot maintenance).<sup>24</sup> The recently-passed **Proposition NS** ("Neighborhood Stabilization") dedicates funding from a small property tax increase to stabilize and maintain vacant structures to protect them from further deterioration.<sup>25</sup> The **Green City Coalition** works with neighborhoods to convert vacant and abandoned properties to new community green spaces that both absorb stormwater and serve as neighborhood amenities.<sup>26</sup> The Coalition has also played a large role in ongoing community land trust efforts (see Ch. 3: Opportunity to Thrive, Strategy 2).

24 Dollar House Pilot Program. (n.d.). Retrieved from City of St. Louis website: <https://www.stlouis-mo.gov/government/departments/slhc/real-estate/dollar-house-program.cfm>; Garden Lease Program. (n.d.). Retrieved from City of St. Louis website: <https://www.stlouis-mo.gov/government/departments/slhc/real-estate/garden-lease.cfm>; Mow To Own Program. (n.d.). Retrieved from City of St. Louis website: <https://www.stlouis-mo.gov/government/departments/slhc/real-estate/mow-to-own-program.cfm>

25 O'Dea, J. (2020, January 8). All those crumbling, vacant buildings in St. Louis? Now there's somebody who's going to fix them. *St. Louis Post-Dispatch*. [https://www.stltoday.com/business/local/all-those-crumbling-vacant-buildings-in-st-louis-now-there/article\\_1a079541-fb5a-57ea-9f3c-451154775010.html](https://www.stltoday.com/business/local/all-those-crumbling-vacant-buildings-in-st-louis-now-there/article_1a079541-fb5a-57ea-9f3c-451154775010.html)

26 Vollman, A. (2019, April 18). Green City Coalition is transforming vacant St. Louis city lots into park space. *St. Louis Magazine*. <https://www.stlmag.com/api/content/bb62276e-5c7d-11e9-bea4-12f1225286c6/>

**Real estate development**

Anecdotal measures, such as the number of cranes in the skyline, suggest that the city's current development trails other cities, such as Chicago.<sup>27</sup> But intense pockets of construction activity exist across the city, including nodes around Cortex, Ballpark Village, and Union Station. This is further demonstrated by the office market in the city and region; although smaller in terms of total square footage, the region's office market is developing space at the same rate as Atlanta and Pittsburgh (see Figure CB-1).

In 2018, the city issued 5.3K total permits across all project types, of which the plurality (2.4K) were for residential projects – both new construction and rehab. The neighborhood with the highest share of total permits issued was the Central West End (9% of all permits), followed by Downtown (6%) and Tower Grove South (5%). The total value of all permits in 2018 was \$1.2 billion, much higher than the 2010 total (\$821.5 million in constant 2018 dollars).<sup>28</sup>

27 Nicklaus, D. (2019, December 2). St. Louis lacks a growth mentality, construction executives complain. *St. Louis Post-Dispatch*. Retrieved from [https://www.stltoday.com/business/columns/david-nicklaus/st-louis-lacks-a-growth-mentality-construction-executives-complain/article\\_e0dbcb85-d7a6-5baa-a1cf-8b3e9572f82a.html](https://www.stltoday.com/business/columns/david-nicklaus/st-louis-lacks-a-growth-mentality-construction-executives-complain/article_e0dbcb85-d7a6-5baa-a1cf-8b3e9572f82a.html)

28 City of St. Louis Building Permits by Neighborhood

**Figure CB-1.** Peer regions and total office market statistics

Sub-total	Under Development as % of Total Inventory, Region	Under Development as % of Total Inventory, City
Nashville	8.9%	16.6%
Chicago	2.8%	4.7%
St. Louis	2.5%	3.8%
Atlanta	2.5%	4.6%
Pittsburgh	2.5%	3.3%
Phoenix	2.3%	1.6%
Dallas	2.1%	1.5%
Minneapolis-St. Paul	2.0%	3.7%
Boston	2.0%	0.8%
Miami	1.6%	0.0%
Columbus	1.5%	2.6%
Philadelphia	1.0%	0.3%

Source: JLL Office Insights, 2019 Q1

The city has seen important adaptive reuse projects in recent years, including the Armory, Bowood Farms, the City Foundry, and Woodward Lofts.<sup>29,30</sup> The economics of adaptive reuse don't always support these projects, which in some cases are driven more by a developer preferences than the anticipated returns.<sup>31</sup> Depending on the circumstances, including the project's scale and end use, adaptive reuse projects can leverage federal and/or state historic preservation incentives or tax credits.<sup>32</sup>

29 Eleven Most Enhanced Places, 2007. (n.d.). Retrieved from Landmarks Association of St. Louis, Inc. website: [https://www.landmarks-stl.org/enhanced\\_and\\_endangered/2007\\_most\\_enhanced/](https://www.landmarks-stl.org/enhanced_and_endangered/2007_most_enhanced/)

30 Part-Four: A Revival Built on Adaptive Reuse. (2019, October 3). Retrieved from Cushman and Wakefield St. Louis website: <http://cushwakestlouis.com/part-four-a-revival-built-on-adaptive-reuse/>

31 Previous Mass Economics projects and analytics

32 Historic Preservation Tax Credit Programs. (n.d.). Retrieved from City of St. Louis website: [https://www.stlouis-mo.gov/government/departments/planning/cultural-resources/national-](https://www.stlouis-mo.gov/government/departments/planning/cultural-resources/national-register-historic-places/Historic-Preservation-Tax-Credit-Programs.cfm)

Although Missouri has been praised for its extensive historic tax credit program – the biggest in the nation for “number of projects and amount of money invested in projects that utilized the credits” – the dollar amount of credits has been reduced in recent years, and the program has been criticized for its drawn-out design review period.<sup>33</sup>

register-historic-places/Historic-Preservation-Tax-Credit-Programs.cfm

33 Barker, J. (2019, January 19). Historic tax credit bottleneck stalling redevelopment projects, delaying reimbursement. *St. Louis Post-Dispatch*. [https://www.stltoday.com/business/local/historic-tax-credit-bottleneck-stalling-redevelopment-projects-delaying-reimbursement/article\\_5a1ac2a4-84f1-5afc-9a80-b1d1de171819.html](https://www.stltoday.com/business/local/historic-tax-credit-bottleneck-stalling-redevelopment-projects-delaying-reimbursement/article_5a1ac2a4-84f1-5afc-9a80-b1d1de171819.html)

**“Construction and home repair [jobs like] skilled welders, installers, roofers ... as long as people have a home, those jobs will be in demand. We need some trained youth workers. [We] would like to see [a] way for people to do development work.”**

### *Construction industry*

City-building activities support businesses and jobs in construction. Although several of the largest construction firms in the country are located in the St. Louis region, the construction sector – as measured by QCEW industry data – is currently weak in the city. In 2018, the construction sector employed 6.7K people in the City of St. Louis and had a location quotient (LQ) of 0.6, indicating that the industry has 40% fewer jobs than would be expected for an economic area of its size.<sup>34</sup> Although the construction sector is relatively weak, there are several efforts underway that aim to foster greater coordination in the industry, provide workforce development for construction industries, and build localized developer capacity across the city.

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34 Source: QCEW-UDP; Mass Economics analysis

“Yeah, I Built That” is a construction career pathway initiative developed by the **St. Louis Construction Forum**.<sup>35</sup> **Employment Connection** offers a construction-oriented apprenticeship program targeted to residents of two neighborhoods on the north side of the city.<sup>36</sup> **Dream Builders 4 Equity** is a youth mentorship program focused on rebuilding and restoring properties.<sup>37</sup> **MOKAN (St. Louis Construction Contractors Assistance Center)** offers a variety of training and development programs, as well as pre-apprenticeship programs;<sup>38</sup> and **Building Union Diversity (BUD)** offers a no-cost pre-apprenticeship program for construction industries.<sup>39</sup> Though focused more broadly on real estate, the Real Estate Diversity Initiative (REDI) is a professional development course in real estate sponsored by the **Urban Land Institute (ULI) St. Louis**.<sup>40</sup>

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35 Who We Are. (n.d.). Retrieved from Yeah I Built That website: <https://www.yeahibuiltthat.org/who-we-are/>

36 Employment Connection working to increase the pipeline of minority construction workers. (2020, January 28). *St. Louis American*. [http://www.stlamerican.com/business/business\\_news/employment-connection-working-to-increase-the-pipeline-of-minority-construction/article\\_2821f4b4-41ee-11ea-84e0-3fa28996fb2e.html](http://www.stlamerican.com/business/business_news/employment-connection-working-to-increase-the-pipeline-of-minority-construction/article_2821f4b4-41ee-11ea-84e0-3fa28996fb2e.html)

37 Dream Builders 4 Equity – Building Social Equity Through Financial Equity. (n.d.). Retrieved from <https://dreambuilders4equity.org/>

38 MOKAN St. Louis Construction Contractors and Assistance Center. <http://www.mokanccac.org/>

39 About BUD. (n.d.). BUD Program: Building Union Diversity. <https://budprogram.com/about-bud/>

40 Real Estate Diversity Initiative (REDI). (n.d.). Retrieved from ULI St. Louis website: <https://stlouis.uli.org/events/real-estate-diversity-initiative-redi/>

### Cluster Growth Opportunities

The promise of the city-building cluster lies in inclusive equity and value creation for residents, entrepreneurs, firms, and communities. City-building is predicated on the notion that the city has numerous latent assets whose value simply needs to be restored or strategically uncovered or recovered. Although the execution of city-building activities can be undertaken by a range of local and global firms, city-building presents a special opportunity for local, St. Louis-based firms – especially MWBE firms – that have the knowledge, networks, and dexterity to respond to efforts as they arise. In addition to smaller local firms, the city is also home to national leaders and several large-scale construction firms, whose efforts can be directed toward local initiatives that support the city-building cluster.

As a cluster, city-building has an intentionally broad definition and encompasses a range of industries, such as Construction; Architecture, Planning, and Engineering; and Real Estate Management and Services. Despite low growth and activity levels among construction firms in the City of St. Louis, its accessibility and high wages make it a promising opportunity; 86% of Construction jobs require less than a bachelor's degree, compared to 65% in the city overall. Although less accessible and declining, the Architecture, Planning, and Engineering sub-cluster is a strength in the city and offers even higher average wages – almost \$30K higher than the citywide average. Finally, Real Estate Management and Services is an accessible sub-cluster, although it is declining and offers lower wages. (See Figure CB-2.)

The following strategies illustrate how to organize and establish the city-building cluster, strengthening its overall coordination as well as developing capabilities in city-building activities. Under SLDC's leadership, city-building activities can be centrally organized alongside the development of supportive policies. This coordination can support new specializations, e.g., workforce development, large-scale visioning and planning efforts, and development across the city.

**Figure CB-2.** Overview of city-building opportunity

Measure	Construction Sector	Architecture, Planning, and Engineering	Real Estate Management and Services	Total City Economy
Jobs, 2018 (K)	6.7	2.3	1.8	200.1
Location Quotient (LQ)	0.6	1.1	e	N/A
Projected Additional Jobs, 2028	690	120	110	11,900
Jobs Requiring Less than a Bachelor's Degree (%)	86%	42%	71%	65%
Average Wage (\$K)	\$72.1	\$89.7K	\$46.5K	\$61.2
Geography	Citywide	Citywide	Citywide	Citywide
Examples of Types of Jobs	Construction workers, general contractors, specialty contractors, etc.	Architects, planners, engineers, surveying and inspectors	Lessors of RE, property managers, RE agents, brokers and other RE transaction supports	N/A

Source:QCEW-UDP; Mass Economics analysis

Note: These estimates are based on industry data and exclude public sector employment



## Strategies and Action Items

### **Strategy 1 Equip SLDC to proactively cultivate the city-building cluster around organized geographies**

City-building is a unique cluster in that it includes both public and private sector activities, across a range of industries. There are numerous city-building activities already taking place in the city and region, but the nature of the cluster means that these activities are largely fragmented. In order to roll out a coordinated city-building approach to support the restoration of the city's physical assets, an important first step is to ensure that the cluster has organized leadership and coordination across separate, currently disconnected entities. This involves organization and coordination, process improvement, and creating new and leveraging and improving existing tools. These actions aim to increase capacity across the city, especially at the neighborhood level.

**“We need to do things en masse [to affect appraisals and make projects financially feasible] and that means the city has to be in the planning process.”**

<b>Action Item #: <u>CB-1.1</u></b>	<b>Organize teams within SLDC and convene partners to coordinate city-building activities, such as code enforcement, process mapping; the use, sale, and holding of land among public bodies; and potential city-building demonstration projects</b>
Leader	SLDC
Potential Partners	AHTF, Buildings Dept., Community Development Administration, Construction Forum, LRA, Metro, Metropolitan Sewer District, MODOT, Planning & Urban Design Agency, SLACO, SLATE, St. Louis Public Schools, Vacancy Collaborative, community organizations, developers
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	SLDC, city, state and philanthropic sources
Goal/s	Establish knowledge base around city-building and real estate development deal making, enable productive convenings of actors that support city-building activities, coordinate SLDC efforts with construction industry discourse on new development, effectively combine the management of public land assets into one process
Tracking Progress	Staff dedicated to identifying sites, performing market analysis, and pitching to potential investors; representation from diverse actors; establish working group with partner public agencies; categorize public properties based on their current and projected use by public entity who owns them

<b>Action Item #: <u>CB-1.2</u></b>	<b>Improve the communication channels and increase collaboration opportunities between the public and city departments</b>
Leader	SLDC
Potential Partners	Community Development Administration, Community Builders Network, Forward Through Ferguson, Planning & Urban Design Agency, SLACO, Vacancy Collaborative, neighborhood and economic development partners, public advocacy groups
Start Time	Year 1
Duration	Ongoing
Effort to Implement	High
Potential Funding	Internal
Goal/s	Increase government transparency; expand engagement around development
Tracking Progress	Number of people engaged; web traffic
<b>Action Item #: <u>CB-1.3</u></b>	<b>Create a high-level process map of the existing code enforcement system followed by a more detailed process map of mechanisms and processes, identifying “pain points” and areas of improvement</b>
Leader	SLDC
Potential Partners	Buildings Dept., Vacancy Collaborative
Start Time	Year 1
Duration	6 months
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Simply the code enforcement process for property owners; more easily identify non-compliant property owners, including absentee landlords
Tracking Progress	Completed process maps

<b>Action Item #: CB-1.4</b>	<b>Establish specialty incentive agencies, as permitted by state law: Residential Renovation Loan Commission, which can utilize tax-foreclosed properties for affordable housing; and the Urban Agriculture Zone, which can support agriculture activities on vacant lots</b>
Leader	SLDC
Potential Partners	Legal Services of Eastern Missouri, Vacancy Collaborative
Start Time	Year 2
Duration	12-24 months
Effort to Implement	High
Potential Funding	TBD
Goal/s	Reuse (and reinvest in) vacant and/or foreclosed properties; support neighborhood stabilization
Tracking Progress	Established two new agencies
<b>Action Item #: CB-1.5</b>	<b>Ensure that key state incentives (e.g., Historic Tax Credits) are available for developers in the city; track their usage locally</b>
Leader	SLDC
Potential Partners	City, local developers
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Ensure the accessibility and availability of state-offered incentives
Tracking Progress	Tax credit amount awarded to the city

<b>Action Item #: <u>CB-1.6</u></b>	<b>Undertake a cost-benefit analysis on the use of single-family abatements</b>
Leader	SLDC
Potential Partners	University partner (e.g., SLU's Urban Planning and Development department, UMSL's Community Innovation and Action Center, or others)
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Understand the value of single-family abatements and their potential to be used to support housing development in target areas; propose potential modifications to current incentive reform approaches that support infill and rehab opportunities
Tracking Progress	Completed analysis
<b>Action Item #: <u>CB-1.7</u></b>	<b>Establish a shared, publicly accessible data center that compiles population, income and relevant market data on housing, retail, foreclosures, vacancy, land assets, and other neighborhood amenities</b>
Leader	Planning & Urban Design Agency, Regional Data Alliance, Rise Community Development, SLDC
Potential Partners	Center for Civic Research and Innovation, City Chief Technology Officer, Commercial District Coalition, Vacancy Collaborative, neighborhood CDCs, realtors
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	SLDC
Goal/s	Build on the foundation provided by the Regional Data Alliance; provide data services to neighborhood groups; conduct outreach to potential developers and investors; develop a go-to public resource for developers, potential investors, and internal staff to utilize when making investment decisions
Tracking Progress	User-friendly web interface design, process established for regularly updating and maintaining data, data gathering and imputation process from data partners

<b>Action Item #: CB-1.8</b>	<b>Establish a publicly accessible, mobile-friendly database of LRA and other publicly held properties to ensure equitable access to real estate information and disseminate the information to community groups and developers [note: overlaps with Vacancy Collaborative goal*]</b>
Leader	SLDC
Potential Partners	City, LRA, SLACO, Vacancy Collaborative, community organizations, developers (also could engage national networks, e.g., National Land Bank Network)
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	SLDC, potential partners
Goal/s	Establish a process for transparent, long-term information sharing around vacancy goals; consider previewing the data to neighborhood residents and groups, allowing them the right of first refusal for available properties
Tracking Progress	Number of parcels tracked in database; accessibility of database compared to existing property lists; number of people (or organizations) reached through sharing channels
<b>Action Item #: CB-1.9</b>	<b>Support the development of a comprehensive database of home repair funds and requirements [note: overlaps with Vacancy Collaborative goal**]</b>
Leader	Community Development Administration
Potential Partners	Carondelet Community Betterment Federation, Healthy Homes Coalition, Legal Services of Eastern Missouri, SLACO, St. Louis Senior Fund, United Way, Urban League, Vacancy Collaborative, home repair providers, neighborhood associations, SLDC
Start Time	Year 1
Duration	6 months
Effort to Implement	Low
Potential Funding	SLDC
Goal/s	Create a comprehensive resource for internal (SLDC) and external (public) use; summarize in a clear, easy-to-use, and up-to-date matrix showing sources of funding (breaking out conventional and government or nonprofit lenders) and requirements for each
Tracking Progress	Presence of a database

Note: \*See: "Increase opportunities and capacity for small-scale redevelopment, reuse, and reinvestment" and "Manage vacant properties comprehensively (i.e., strategic stabilization, maintenance, deconstruction, demolition, and sale) and increase transparency." St. Louis Vacancy Collaborative: 2019-2021 Work Plan. (n.d.). [https://www.stlvacancy.com/uploads/1/2/7/4/127463804/work\\_plan.pdf](https://www.stlvacancy.com/uploads/1/2/7/4/127463804/work_plan.pdf)

Note: \*\*See: "Understand tools to prevent vacancy; facilitate development of additional tools." St. Louis Vacancy Collaborative: 2019-2021 Work Plan. (n.d.). [https://www.stlvacancy.com/uploads/1/2/7/4/127463804/work\\_plan.pdf](https://www.stlvacancy.com/uploads/1/2/7/4/127463804/work_plan.pdf)



<b>Action Item #: CB-1.10</b>	<b>Broaden potential funding sources (e.g., development fees, Payments in Lieu of Taxes) that can be used for home repairs and increase overall funding for home repair funds</b>
Leader	Community Development Administration
Potential Partners	Carondelet Community Betterment Federation, Healthy Homes Coalition, Invest STL, Legal Services of Eastern Missouri, SLACO, St. Louis Senior Fund, United Way, Urban League, Vacancy Collaborative, home repair providers, neighborhood associations, SLDC
Start Time	Year 2
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Support neighborhood stabilization efforts; enable residents to conduct necessary repairs; promote anti-displacement; utilize home repair funds to support other objectives (e.g., energy efficiency); evaluate the prospects for restoring retired programs, such as the GreenHELP program*
Tracking Progress	Number of funding sources and dollar amount contribution to home repair funds

\*The GreenHELP program provided low-interest loans for home energy efficiency improvements and was retired at the end of 2018


<b>Action Item #: CB-1.11</b>	<b>Amend the state constitution to allow the roll-out of residential property tax reductions or abatements for existing resident</b>
Leader	City, Community Development Administration, SLDC
Potential Partners	Carondelet Community Betterment Federation, Healthy Homes Coalition, Legal Services of Eastern Missouri, SLACO, St. Louis Senior Fund, United Way, Urban League, Vacancy Collaborative, home repair providers, neighborhood associations
Start Time	Year 2
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Promote anti-displacement and neighborhood stabilization; could initially target toward residents that perform home repairs using a home repair fund
Tracking Progress	Number of homeowners using home repair funds; number of delinquent property tax payments

<b>Action Item #: CB-1.12</b>	<b>Develop a large-scale materials transfer station for building materials in the city and create incentives for developers to use local, salvaged building materials in new and infill construction</b>
Leader	Green City Coalition
Potential Partners	Employment Connection, EPA Region 7, Missouri Department of Natural Resources, Regional Business Council, SLATE, Vacancy Collaborative
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Fund through local or national philanthropy
Goal/s	Establish a location where materials from demolished structures in the city can be salvaged and stored for use in future redevelopment projects; create incentives for developers to utilize deconstructed building materials
Tracking Progress	Identification of proper location(s), acquisition of site, security of funding, build-out of space, awareness of station among developers
<b>Action Item #: CB-1.13</b>	<b>Utilize land assembly fund for strategic land assembly and site prep purposes along primary corridors</b>
Leader	SLDC
Potential Partners	CDFI Coalition, Community Builders Network, Invest STL, LRA, Planning & Urban Design Agency, Vacancy Collaborative, financial institutions, philanthropy and business communities
Start Time	Year 2
Duration	Ongoing
Effort to Implement	High
Potential Funding	City, philanthropy, Prop NS for building stabilization
Goal/s	Proactively target government and philanthropic resources in target, underinvested neighborhoods
Tracking Progress	Identification and acquisition of sites; preparation of RFPs and solicitation of developer proposals; execution of contracts and proceeding of construction

<b>Action Item #: CB-1.14</b>	<b>Offer tailored support to CDCs, providing financing and/or wraparound services and developing programming to support neighborhood capacity</b>
Leader	SLDC
Potential Partners	Community Builders Network, Commercial District Coalition, Invest STL, neighborhood institutions (e.g., faith-based organizations)
Start Time	Years 3-5
Duration	Ongoing
Effort to Implement	High
Potential Funding	Local philanthropy
Goal/s	Build neighborhood capacity and improve quality of life; enable neighborhoods across the city to innovate; understand potential problems (e.g., crime, absentee landlords) and craft local responses; create programs for residents to “adopt” neighborhood maintenance and responsibilities, modeled off of programs like Soak It Up in Philadelphia
Tracking Progress	Development and usage of such programming and services

**PRECEDENT**

★ **SOAK IT UP ADOPTION PROGRAM**  
Philadelphia, PA



<https://water.phila.gov/adoption/>

## Strategy 2 Build new and expand existing small developer and construction firm capacity via training, financing, TA, and programming supports

One key to establishing sustainable, organic neighborhood development is the presence of a healthy and diverse ecosystem of small to mid-size developers and investors that combine passion for redeveloping neighborhoods with sufficient skill in redevelopment. Cultivating such an ecosystem of developers and advocates is essential to reigniting growth in long-struggling areas. There are already strong examples of training for developers, like ULI's REDI program and Dream Builders 4 Equity. The state's Abandoned Housing Act has also been used to support small-scale developer capacity by enabling neighborhood organizations to team up with local developers to renovate properties.<sup>41</sup> These programs could be enhanced by incorporating neighborhood-specific expertise around community needs and potential opportunity properties.

Given the range of entities, from developers, to community groups, to non-profits and many others, involved in the city-building ecosystem, the following actions underscore the importance of knowledge exchange. This includes best practices for certain types of site development (e.g., how to redevelop former school sites<sup>42</sup>), how to tap into certain streams of financing (e.g., historic tax credits), and understand how new development would affect the community and how it can be undertaken in a way that provides the most community benefit.

41 Project interviews and roundtables

42 See, for example, case studies on school site redevelopments in Kansas City and Atlanta: Reuse Strategy and Action Plan: Ladd School Site. (2013). Kansas City Public Schools; Mulvihill, D. (1999). Bass Lofts. ULI Development Case Studies.

<b>Action Item #: CB-2.1</b>	<b>Establish dedicated financing streams (including lines of credit and pre-development funds) for city-building activities and business training for MWBE firms through existing programs, lenders, and TA providers</b>
Leader	SLDC
Potential Partners	Gateway CDFI, IFF, MOKAN Institute, Promise Zone staff, RedDough/Prosperity Connection, St. Louis Community Bank
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Local CDFIs
Goal/s	Address the capital challenges facing MWBE firms; provide TA and simplify application processes
Tracking Progress	Number of financing streams developed; number of MWBE firms capitalized
<b>Action Item #: CB-2.2</b>	<b>Create a mentorship program between large and small MWBE developers and construction firms for training and scaling purposes</b>
Leader	SLDC
Potential Partners	Community Builders Network, Irresistible Community Builders, MOKAN, Promise Zone staff, SLATE, ULI-St. Louis, Vacancy Collaborative, industry and union partners
Start Time	Year 2
Duration	Ongoing
Effort to Implement	High
Potential Funding	N/A
Goal/s	Provide opportunities for existing MWBE and small development and construction firms to support cluster growth; leverage strong, local construction firms and their reputations to grow the next generation of firms; develop incentives for both sides to participate; use SLDC to arrange connections and serve as a networker and convener
Tracking Progress	Number of firms supported, firm growth (e.g., number of employees added, new revenues, etc.)

<b>Action Item #: <u>CB-2.3</u></b>	<b>Support, expand, and coordinate existing developer training programs by incorporating neighborhood-specific curriculum and offering trainings for developers, CDCs and neighborhoods groups [note: overlaps with Vacancy Collaborative goal]*</b>
Leader	SLACO, ULI, SLDC
Potential Partners	AHTF, Community Development Administration, CDFI Coalition, Promise Zone staff, Ranken Tech, Vacancy Collaborative, community partners (e.g., Tower Grove Neighborhoods CDC, Park Central)
Start Time	Year 2
Duration	24+ months
Effort to Implement	High
Potential Funding	External funding from philanthropy, Invest STL, SLDC, city and state
Goal/s	Build up developer expertise in historically under-developed neighborhoods, include matchmaking services to connect developers with local and/or MWBE construction firms; cover topics like financing and district designations; engage with and learn from national models (e.g., small-scale developer training offered by the Incremental Development Alliance)
Tracking Progress	Number of developments by neighborhood; number of developers receiving training

\*St. Louis Vacancy Collaborative: 2019-2021 Work Plan. (n.d.). [https://www.stlvacancy.com/uploads/1/2/7/4/127463804/work\\_plan.pdf](https://www.stlvacancy.com/uploads/1/2/7/4/127463804/work_plan.pdf)

<b>Action Item #: <u>CB-2.4</u></b>	<b>Create a residential rehabber collective or incubator to align developers, resources, materials, labor, and other assistance</b>
Leader	SLDC
Potential Partners	AHTF, Community Development Administration, CDFI Coalition, SLACO, ULI-St. Louis, Vacancy Collaborative, community partners
Start Time	Year 1
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Build up and support residential rehabbers; coordinate resources; facilitate the reuse and redevelopment of vacant sites
Tracking Progress	Established collective



## Strategy 3 Invest in the expansion of existing workforce development programs for the construction industry

Workforce training programs are the critical point of entry to the city-building cluster and the equitable growth opportunities it embodies. There are numerous examples of training programs tailored to different city-building activities. SLDC should support these efforts and track ongoing cluster trends to help prioritize programs by need.

Action Item #: <u>CB-3.1</u>	Support and expand existing workforce development efforts and career pathways in construction and related fields and foster linkages between these programs and other city-building opportunities
Leader	Employment Connection, Construction Forum, SLATE, SLDC
Potential Partners	International Institute, MOKAN, Ranken Tech, industry and union partners
Start Time	Year 2
Duration	24+ months
Effort to Implement	High
Potential Funding	City, Community Development Administration, SLATE, SLDC, State and philanthropic sources
Goal/s	Increase the visibility and success of existing workforce development programs for the construction industry; engage programs such as "Yeah, I Built That," St. Louis Carpenters Joint Apprenticeship Program, the Building Union Diversity Program, and the Pre-Apprenticeship Program
Tracking Progress	Number of people in construction workforce development programs and becoming employed in that industry
Action Item #: <u>CB-3.2</u>	Use annual trends in the development and construction industries to prioritize place-based and need-based workforce development programs
Leader	Construction Forum, Employment Connection, SLATE, SLDC
Potential Partners	International Institute, MOKAN, Ranken Tech, industry and union partners
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	City, Community Development Administration, SLATE, SLDC, State and philanthropic sources
Goal/s	Better coordinate workforce training with demand and other market considerations
Tracking Progress	Program refinement on an annual basis

\* Employment Connection working to increase the pipeline of minority construction workers. (2020, January 28). St. Louis American. [http://www.stlamerican.com/business/business\\_news/employment-connection-working-to-increase-the-pipeline-of-minority-construction/article\\_2821f4b4-41ee-11ea-84e0-3fa28996fb2e.html](http://www.stlamerican.com/business/business_news/employment-connection-working-to-increase-the-pipeline-of-minority-construction/article_2821f4b4-41ee-11ea-84e0-3fa28996fb2e.html)

**Strategy  
4**

**Develop a resident arts program to place rehab-able properties into the hands of owner-occupied live/work artist studios/residences**

As an expansion to the existing \$1 House program, SLDC and LRA should establish a program specifically designed to redevelop a cluster of homes and/or small commercial spaces into artist live/work studio. This type of program has been successfully modeled in places like Paducah, KY, where it was shown that with the proper branding and advertising, artists can be drawn from all parts of the globe for the prospect of having their own residence and studio space at the cost of the rehab of the property. When clustered into a neighborhood community, this type of program can enhance the character of the place that will transform the neighborhood into a vibrant attraction for locals and tourists alike.

<b>Action Item #: <u>CB-4.1</u></b>	<b>In targeted areas, identify undervalued and city-owned residential and/or small commercial properties that can be acquired and repurposed for live/work studios</b>
Leader	SLDC
Potential Partners	Invest STL, LRA, Regional Arts Commission, SLACO, Vacancy Collaborative, community organizations, developers
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	SLDC
Goal/s	Identify properties in the LRA database that are suitable for residential arts program; coordinate with neighborhood groups to establish community plans for implementation
Tracking Progress	Identification and acquisition of targeted clusters of residential and small commercial/mixed-use properties in key corridors for residential arts program
<b>Action Item #: <u>CB-4.2</u></b>	<b>Develop an RFP process for getting properties into the hands of artists that have documented financing and plans for rehabbing and occupying buildings</b>
Leader	SLDC
Potential Partners	Invest STL, LRA, Regional Arts Commission, SLACO, Vacancy Collaborative, community organizations, developers
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	SLDC
Goal/s	Transform underutilized properties into assets for promoting artisan-based entrepreneurship and neighborhood revitalization
Tracking Progress	Number of sales by neighborhood; number of properties returned to tax rolls

## Strategy 5 Develop a retail incubator with corresponding logistics hub, with a potential focus on a resilient food production and distribution cluster

In concert with the residential development side of city-building, it's also important to focus on the adjoining commercial corridors that are a huge city-building opportunity, as they can strengthen the quality of life of surrounding neighborhoods (see Ch. 5: Places). As part of commercial corridor development, a retail pop-up incubator (like the one that exists at Lake St. Louis) could be piloted in a storefront in a high-traffic/high-spend neighborhood to support entrepreneurial opportunities in a range of fields, such as restaurants and grocers, light manufacturing, artisan production, and fashion. Resilient food production and distribution, as proposed for Downtown St. Louis in the Design Downtown STL plan, may be an emerging opportunity for the retail incubator. The incubator could be paired with a logistics hub, helping to meet the shipping and supply chain needs of the retailers and relieving freight-related pressures in the city.<sup>43</sup>

43 Freight Can't Wait: Eight strategies to keep delivery trucks rolling. (2019, November). American Planning Association, Planning. <http://www.planning.org/planning/2019/nov/freightcantweight/>

Action Item #: <b>CB-5.1</b>	Engage retail experts to determine feasible location(s) for nodes and real estate
Leader	SLDC
Potential Partners	Promise Zone staff, SLEDP, retail brokers, developers
Start Time	Year 1
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Identify and rank prospective locations
Tracking Progress	Participation of key retail players; metrics-based evaluation process for identifying locations
Action Item #: <b>CB-5.2</b>	Pilot retail pop-up initiatives in alternate locations to gauge likelihood of incubator success
Leader	SLDC
Potential Partners	African, Asian, Black, Bosnian, and Hispanic Chambers of Commerce; Commercial District Coalition; Community Builders Network members; International Institute Community Development Corporation; Invest STL; Missouri Main Street; Promise Zone staff; SLEDP; Vacancy Collaborative; WEPOWER's Elevate/Elevar Accelerator; developers; neighborhood associations
Start Time	Year 1
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Initially SLDC and from the potential partners and over time could consider being self-funding through TIF (pending participation of a major anchor); local or national philanthropy, such as Invest STL
Goal/s	Create a marketplace for entrepreneurs and small business owners
Tracking Progress	Number of participating businesses, gross sales, sales tax revenue generated

<b>Action Item #: <u>CB-5.3</u></b>	<b>Secure location and funding to build out retail incubator</b>
Leader	SLDC
Potential Partners	African, Asian, Black, Bosnian, and Hispanic Chambers of Commerce; Commercial District Coalition; Community Builders Network members; International Institute Community Development Corporation; Invest STL; Missouri Main Street; Promise Zone staff; SLACO; SLEDP; Vacancy Collaborative; WEPOWER's Elevate/Elevar Accelerator; developers; neighborhood associations
Start Time	Year 1
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Local or national philanthropy, such as Invest STL; in certain corridors, could be self-funding through TIF (pending participation of a major anchor)
Goal/s	Location and financing set
Tracking Progress	Project ready for RFP
<b>Action Item #: <u>CB-5.4</u></b>	<b>Pursue a public-private partnership to enable cooperative warehouse, shipping and handling facility (logistics hub) for retail incubator tenants</b>
Leader	SLDC
Potential Partners	Commercial District Coalition, Community Builders Network members, Missouri Main Street, Promise Zone staff, SLACO, SLEDP, Vacancy Collaborative, WEPOWER's Elevate/Elevar Accelerator, developers, neighborhood associations
Start Time	Year 2
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Local or national philanthropy, such as Invest STL; in certain corridors, could be self-funding through TIF (pending participation of a major anchor)
Goal/s	Create a cooperative distribution and warehousing operation to support online sales and operations of retail incubator tenants
Tracking Progress	Number of participating businesses, gross sales, sales tax revenue generated

## Strategy 6

## Create local “Priority Zones” in which rezoning, permitting and other processes are expedited and development fees are waived

An important part to city-building is ensuring that historically disinvested and under-developed neighborhoods are prioritized for new and infill city-building opportunities, including housing and other community amenities. The selection of priority zones should strongly take into consideration the existing efforts of community partners. For example, the Lutheran Development Group and Incarnate Word Foundation leverages neighborhood partners, including faith-based groups, to support housing development and revitalization efforts.<sup>44</sup> Friendly Temple has built housing and other neighborhood amenities, including a recreation center and childcare.<sup>45</sup> Friendly Temple also facilitates community lending and is home to a Midwest BankCentre branch,<sup>46</sup> which has made a strong commitment to lending to minority communities and is headed by the region's sole Black/African American CEO of a bank.<sup>47</sup>

44 Kukuljan, S. (2019, July 9). *Lutheran Development Group buys Dutchtown apartments, plans affordable housing*. St. Louis Business Journal. <https://www.bizjournals.com/stlouis/news/2019/07/09/developer-acquires-dutchtown-apartments-with-plans.html>; Lutheran Development Group. (n.d.). <https://www.ldgstl.org/>

45 Moore, D. (2010, February 7). *Urban magnet: Friendly Temple hopes new housing will turn neighborhood around*. St. Louis Post-Dispatch. [https://www.stltoday.com/news/local/urban-magnet-friendly-temple-hopes-new-housing-will-turn-neighborhood/article\\_00d3fac4-7079-5807-b89e-0d5705138e56.html](https://www.stltoday.com/news/local/urban-magnet-friendly-temple-hopes-new-housing-will-turn-neighborhood/article_00d3fac4-7079-5807-b89e-0d5705138e56.html)

46 *Community Impact Report*. (2018). Midwest BankCentre. <https://www.midwestbankcentre.com/assets/files/kj0VAMif/Midwest%20AR%202018%2016%20PG%20AR%2017x11%20F19240.pdf>

47 King, C. (2018, October 3). *Orvin T. Kimbrough to become region's only black bank CEO*. St. Louis American. [http://www.stlamerican.com/business/business\\_news/orvin-t-kimbrough-to-become-region-s-only-black-bank/article\\_b5624c1a-c789-11e8-be0c-d7ea51ab0449.html](http://www.stlamerican.com/business/business_news/orvin-t-kimbrough-to-become-region-s-only-black-bank/article_b5624c1a-c789-11e8-be0c-d7ea51ab0449.html)

<b>Action Item #: <u>CB-6.1</u></b>	<b>Determine economic need-based criteria in a manner similar to that used to create the tax abatement maps for residential projects under \$1 million</b>
Leader	Planning & Urban Design Agency, SLDC
Potential Partners	University urban planning and economics departments
Start Time	Year 1
Duration	6 months
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Develop evaluation criteria
Tracking Progress	Establish analytical team; review practices from other cities
<b>Action Item #: <u>CB-6.2</u></b>	<b>Coordinate with with partners to draft policy and requisite ordinances designating and implementing “Local Priority Zone” status</b>
Leader	SLDC
Potential Partners	Board of Aldermen, Buildings Dept., Legal Dept., Planning & Urban Design Agency
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Draft policy that spells out criteria for determining eligible areas and benefits available to said areas (e.g., expedited permitting, waived fees, etc.)
Tracking Progress	Policies drafted; ordinances drafted



<b>Action Item #: <u>CB-6.3</u></b>	<b>Present to public and Board of Aldermen for discussion and passage</b>
Leader	SLDC
Potential Partners	Legal Dept., Board of Aldermen
Start Time	Year 1
Duration	12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Establish Priority Zones via municipal legislation
Tracking Progress	Find bill sponsor, present to Committee, present to full Board

## Strategy 7 Explore and expand ways to test and apply geospatial capabilities and insights to support city planning priorities

The city's geospatial cluster is already prominent. With the relocation of the NGA headquarters, the cluster's momentum is unprecedented.<sup>48</sup> The cluster is important source of employment, and it can and should be leveraged to elevate the city's planning processes, establish St. Louis as a frontrunner in the geospatial space, and make the city a planning testbed for advanced geospatial technology and insights (e.g., adaptive traffic lights).<sup>49</sup>

<sup>48</sup> Project interviews and roundtables

<sup>49</sup> *Geospatial Emergence in St. Louis*. (2020, January 30). Venture Cafe.

<b>Action Item #: CB-7.1</b>	<b>Utilize partnerships with local universities, software businesses and NGA to identify prime opportunities for applying geospatial insights to solving city planning problems</b>
Leader	SLDC
Potential Partners	City, City Chief Technology Officer, Cortex, ESRI, GeoFutures coalition, NGA, Planning & Urban Design Agency, Regional Data Alliance, T-REX, universities
Start Time	Year 2
Duration	6 months
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Identify and rank city planning problems that can most benefit from geospatial planning
Tracking Progress	Coalition formed; objectives identified, problems defined; development of other metrics for how geospatial data can be used for planning purposes (e.g., reduction in illegal dumping incidents)
<b>Action Item #: CB-7.2</b>	<b>Building on the models from previous GlobalHack events,* organize the Hackathon around solving city problems and using city and open source geospatial data</b>
Leader	SLDC
Potential Partners	City, City Chief Technology Officer, Cortex, ESRI, GeoFutures coalition, NGA, Planning & Urban Design Agency, Regional Data Alliance, T-REX, universities
Start Time	Year 2
Duration	24+ months
Effort to Implement	Low
Potential Funding	Philanthropic partners
Goal/s	Attract broad-based talent to improve efficiency of city services and enforcement of city policies; develop substantial prizes and promote the Hackathon throughout the region and beyond as a way of establishing the city's reputation as a global leader in geospatial innovation
Tracking Progress	Number of hackathon participants; amount of corporate engagement

\* Project interviews and roundtables



# Transportation, Distribution, and Logistics (TDL)

## Cluster Vision

St. Louis' under-utilized land and widespread vacancy, including of industrial properties, is a key potential asset in growing both the city's transportation, distribution, and logistics (TDL) segment of the economy and in the process, strengthening the cluster in the region and improving competitiveness against peers. Today, however, lack of focus and commitment, as well as a shortage of tools to address land issues, has resulted in a TDL cluster in the city that is relatively small and not keeping pace with national growth. These conditions stymie opportunities not only in TDL itself but also in complementary activities from agricultural distribution and processing to new retail delivery models. The City of St. Louis needs a TDL cluster that can utilize currently unproductive land, support middle-wage job opportunities, and serve as an asset, not an impediment, to complementary cluster development, leveraging the city's assets, capacity for innovation, and locational advantage. The development of TDL has taken on new importance with the acceleration of new retail and distribution in response to COVID and the potential for localization of supply chains, especially in healthcare-related products, which will require new types of local TDL capacity.

## Cluster Overview

TDL has been closely affiliated with the city throughout its history because of its location on North America's largest river. In fact, St. Louis is the northernmost port on the Mississippi River that does not freeze over and is accessible to ships without having to navigate canal locks.<sup>50</sup> As of 2018, its port was the 19th largest in the U.S. by cargo tonnage overall and 8th largest by domestic cargo tonnage, with over 37M tons of cargo volume.<sup>51</sup> It is also the 2nd highest inland

port in terms of total tonnage.<sup>52</sup> Additionally, the ports in the St. Louis area boast barge capacity measures that are 2.5X the next most efficient port.<sup>53</sup> According to the Port of New Orleans CEO Gary LaGrange, "The St. Louis region is the envy of the barge industry."<sup>54</sup>

In addition to its robust port assets, St. Louis' impressive transportation infrastructure includes five Class I railroads (one of only a handful of cities nationwide with 5+ Class I railroads, and the St. Louis region is actually served by six Class I railroads), numerous intermodal terminals, and a robust highway system. Unlike many of its competitors, the city is served by five interstates: I-55 running north-south and I-70, I-270, I-64, and I-44 running east-west. Both the interstates and railroads have low levels of congestion/traffic compared to Chicago, which makes St. Louis more competitive in the TDL cluster.<sup>55</sup> According to Bureau of Transportation Statistics data, Lambert International Airport ranks 57th among U.S. airports in terms of freight and mail cargo volumes with over 158M pounds shipped in and out of the airport in 2018.<sup>56</sup> However, these volumes could increase significantly with the development of additional TDL firms on sites within the City of St. Louis and adjacent to the airport.<sup>57</sup>

Another competitive advantage of the TDL

cluster in St. Louis is the flexibility of its freight infrastructure.<sup>58</sup> The region's TDL infrastructure is considered highly flexible because of its ability to handle different materials and the ease of switching between modes; for example, shippers can quickly change freight modes (e.g., barge to rail or barge to truck, rail to truck, etc.) as tariffs on products (e.g., soybeans) or fuel costs fluctuate, enabling them to achieve real-time cost and time savings.<sup>59</sup>

The TDL cluster can be broken into three distinct segments: distribution, transportation, and supply chain and logistics. Distribution refers to the handling and movement of goods; typically, this will involve the distribution of products that come into St. Louis as bulk cargo or packaged goods and leave in the same packaging. These activities are most commonly associated with the retail and e-commerce models and include huge distribution centers. The distribution segment employs approximately 41.1K employees in the St. Louis MSA.<sup>60</sup>

Transportation refers to the short- and long-distance transportation of materials by truck, rail, boat, or plane. Included in Transportation are truck and delivery drivers, locomotive operators and railroad support workers, ship operators, and airplane pilots and support workers. Within the City of St. Louis, the river terminals and barge operators are an extremely important component of the TDL cluster and value chain. Although there are a few to the north, most of the city's river terminals are located to the south of the McKinley Bridge (see Figure TDL-1). State-generated OES data suggest that the city has about 3.5X the number of "Captains, Mates, and Pilots of Water Vessels" expected for an economy of St. Louis'

BY%20CARGO%20TONNAGE.xlsx

52 St. Louis Region's Inland Port System Climbs to #2 Spot for Total Tonnage. (2020, February 24). Retrieved from The Freightway website: <https://www.thefreightway.com/st-louis-regions-inland-port-system-climbs-to-second-spot-for-total-tonnage/>

53 America's Third Largest Inland Port. (n.d.). Retrieved from The Freightway website: <https://www.thefreightway.com/advantages/americas-third-largest-inland-port/>

54 America's Third Largest Inland Port. (n.d.). Retrieved from The Freightway website: <https://www.thefreightway.com/advantages/americas-third-largest-inland-port/>

55 Project interviews

56 U.S. Department of Transportation, Bureau of Transportation Statistics T-100 data, 2018

57 Project interviews and roundtables

58 Project interviews and roundtables

59 Project interviews and roundtables

60 BLS OES data; Mass Economics analysis

50 America's Third Largest Inland Port. (n.d.). Retrieved from The Freightway website: <https://www.thefreightway.com/advantages/americas-third-largest-inland-port/>

51 2018 U.S. PORT RANKINGS BY CARGO TONNAGE. (2018). [American Association of Port Authorities (AAPA)]. <http://aapa.files.cms-plus.com/2018%20U.S.%20PORT%20RANKINGS%20>



# River Terminals/Operators & Intermodal Freight Facilities

Source: NTAD, 2018

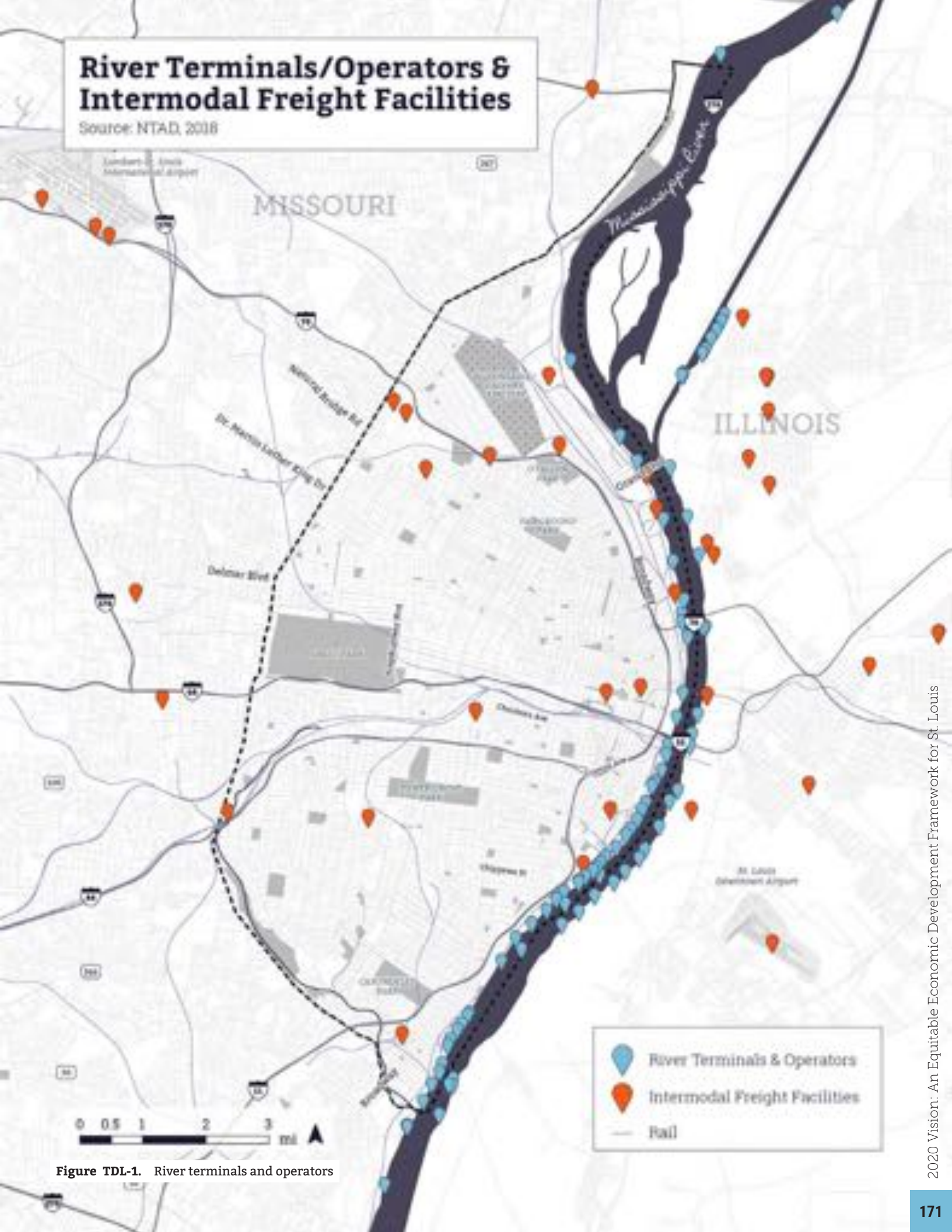


Figure TDL-1. River terminals and operators



size.<sup>61</sup> The Transportation segment employs approximately 31.1K employees across the St. Louis MSA.<sup>62</sup>

Supply chain and logistics (SCL) refers to the management of goods, from procurement and purchasing, to freight agents and packaging, to development of algorithms to minimize travel times. Included in SCL are buyers, purchasing, cargo, and freight agents and managers and other value added activities, like logisticians, but also overnight delivery of prepared foods and consumer goods. The SCL segment employs approximately 10.1K employees in the St. Louis MSA, but is not a target growth area in this framework, which focuses instead on growing opportunities by creating land assets that currently don't exist in the city.<sup>63</sup>

These three segments have distinct job requirements but both the distribution and transportation segments offer highly accessible jobs to workers. Sixty-five percent of distribution jobs only require a high school diploma or less, compared to 35% of jobs economy-wide, but distribution wages are only about \$36K (versus \$50K overall). The transportation segment offers higher wages (\$46K) than distribution and 61% of its jobs are still accessible to those with only a high school diploma or less. Work in SCL, however, tends to be highly skilled, with 40% of jobs in the six most common occupations requiring at least a bachelor's degree and 76% requiring at least some college, compared to only two-thirds overall. (See Figure TDL-2.) SCL wages, at \$76K, are over 1.5X the economy average wage.

Growth in these segments has diverged in surprising ways from 2010 to 2018. (See Figure TDL-3.) The distribution segment in the region outperformed the U.S., growing by 33% (versus 27%) and adding approximately 10.1K jobs. The transportation segment, however, only grew by 2% in the region (adding only about 600 jobs) while growing 17% in the U.S. Like the transportation segment, the supply chain and logistics segment also underperformed the U.S., growing by about half (8%) the U.S. rate of 16% and adding about 800 jobs in the region. The U.S. Bureau of Labor Statistics projects both the distribution and transportation segments to grow nationally by about 3.6% over the next ten years (adding thousands of jobs), but the SCL segment, driven by projected declines for Buyers and Purchasing Agents and Procurement Clerks, is projected to decline slightly overall by less than 1%.<sup>64</sup>

61 Missouri Economic Research and Information Center; BLS OES data; Mass Economics analysis

62 BLS OES data; Mass Economics analysis

63 BLS OES data; Mass Economics analysis

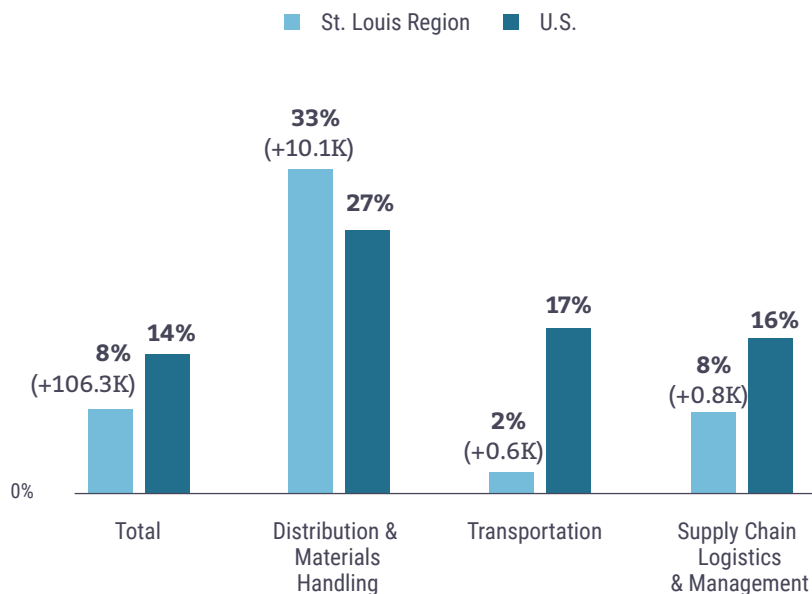
64 BLS OES, 2018; BLS Employment Projections Program; It is worth noting that the rest of the SCL occupations are all projected to grow

**Figure TDL-2.** Education requirements for TDL cluster segments in St. Louis MSA

TDL Cluster Segment	% Less than high school	% High school or equivalent	% Some college or Associates	% Bachelor's Degree or more
Distribution and Materials Handling	19%	46%	28%	7%
Transportation	15%	46%	30%	9%
Supply Chain Logistics and Management	3%	20%	37%	40%
Total Economy	9%	26%	33%	32%

Source: BLS OES and Employment Projections Program, 2018; Mass Economics analysis

**Figure TDL-3.** Growth of TDL occupation clusters in the St. Louis region, % (Number of jobs), 2010-2018



Source: BLS OES, 2010-2018; Mass Economics analysis

### Cluster Growth Opportunities

Although TDL is not a strength in the city, it employs over 10K and is highly accessible to workers with lower levels of education. (See Figure TDL-4.) With world-class, flexible TDL infrastructures, a strong, regional cluster organization (the Freightway), nationally known anchors helping to develop the TDL workforce,<sup>65</sup> and some of the best developers in the nation,<sup>66</sup> the most important challenge and opportunity for supporting TDL growth in the City of St. Louis is the availability of appropriate sites. One interviewee noted that “land assembly has always been one of the big challenges in St. Louis... [and the] city needs an actual systematic plan for parcel

assembly.”<sup>67</sup> TDL is among the most land-intensive clusters, and its land and building requirements have been increasing rapidly over time.<sup>68</sup> TDL users generally need five-acre sites at minimum, but 10-30 acre sites are preferred and new, major distribution hubs (with 1M-2M sq. ft. of warehouse space) often target 50 to 200 acre sites.<sup>69</sup> (See Ch. 5: Places for a review of the city’s opportunity sites.)

St. Louis’ vacant and underutilized land – particularly on and near the riverfront, but also elsewhere in the city, like at Mark Twain Industrial Park – offer tremendous potential upside for the TDL cluster. In turn, the productive use of the city’s land assets can

**“...land assembly has always been one of the big challenges in St. Louis... [and the] city needs an actual systematic plan for parcel assembly.”**

65 Washington University’s Olin Business School offers a Master’s degree in Supply Chain Management and Ranken Tech is nationally known for their workforce development models and track record of partnerships with large firms. Source: Project interviews and roundtables

66 Project interviews and roundtables

67 Project interviews and roundtables

68 Project interviews and roundtables; previous Mass Economics projects and analytics

69 Project interviews and roundtables; previous Mass Economics projects and analytics

support middle-wage job creation, as well as activity in complementary clusters. SLDC has two critical roles – described in more detail below – to support the growth of the TDL cluster, including creating the land assets TDL needs through the assembly of public and private parcels into developable sites and developing new policies and funding streams to reduce risks and support TDL development in the City of St. Louis.

One option is the patient capital note, which has been utilized by the Port of Cincinnati to assemble and redevelop vacant industrial land. The five-year notes can be used on “capital projects related to site acquisition and repositioning.” The Port of Cincinnati has an overall goal of repurposing 500 acres of city using up to \$60M in patient capital notes and quickly identified and funded projects after raising \$8.8M from philanthropic, corporate, and high net worth investors.<sup>70</sup> The success of this model shows the potential of impact investing on land repurposing and creation of high-quality local jobs.

Complementing a development entity that finances projects is the ability of SLDC itself to identify potential assemblies of public and private land holdings with an assembled value that exceeds the value of the independent holdings. This intelligence, along with strategic land acquisitions and ability to work with the city to create land assets by dissolving roads, repurposing public buildings, etc., could create equity to finance individual assemblies and developments.<sup>71</sup>

**Figure TDL-4.** Overview of TDL opportunity

Measure	TDL Cluster	Total City Economy
Jobs, 2018 (K)	10.6	227.3
Location Quotient (LQ)	0.7	n/a
Projected Additional Jobs, 2028	330	13,200
Jobs Requiring Less than a Bachelor’s Degree (%)	88%	64%
Average Wage (\$K)	\$47.0	\$54.7
Geography	Carondolet/Patch, South Riverfront/Kosciusko, North and Near North Riverfront, Mark Twain	n/a
Examples of Types of Jobs	Truck Drivers, laborers and material movers, logisticians, buyers and purchasing agents	n/a

Source: BLS OES, Mass Economics Analysis

Note: These estimates are based on occupation data and include public sector employment

For at least three reasons, the TDL cluster presents a timely opportunity that is well-suited to the City of St. Louis’ assets. TDL is a complement to manufacturing, as well as evolving food and retail models, which increasingly have a digital component and, while instituted in response to the pandemic, may represent the “new normal” for some

activities and businesses, even after the pandemic subsidies. Furthermore, sales tax regulations associated with online purchasing are evolving and likely to continue to evolve; sales tax revenue could eventually be tied to distribution capacity. Finally, TDL offers an opportunity to innovate models of land use to make more of the city’s land productive.

<sup>70</sup> *Patient Capital Fund*. (n.d.). The Port - Cincinnati. Retrieved from <https://www.cincinnatiport.org/what-we-offer/impact-investing/patient-capital-fund/>; *Port Authority uses Impact Investing to drive Industrial Revitalization*. (2017, July 10). The Port - Cincinnati. <https://www.cincinnatiport.org/impact-investing-to-drive-industrial-revitalization/>

<sup>71</sup> Previous Mass Economics project for the Atlanta BeltLine, “TAD Optimal Land Use Analysis,” 2018.

## Strategies and Action Steps

### Strategy 1 Equip SLDC to grow and support the TDL cluster

In order to support the cluster, SLDC must be prepared to expand staff knowledge and intentionally build TDL into the business retention and expansion (BRE) program, discussed in more detail later in this chapter. Important considerations include current and future real estate needs, an inventory of firms in the cluster, and tracking the potential impact of the cluster on the environment. SLDC should also support efforts to expand the Port Authority's boundaries, which will open up access to new programs and funding streams, and other city and regional infrastructure improvement efforts. Already, the city and region are considered competitive when it comes to winning federal grants, and these efforts should continue to be supported.<sup>72</sup>

<sup>72</sup> From 2009 to 2020, the city ranked 9th out of 428 counties in terms of amount awarded per square mile (\$619.5K), higher than the region's average (\$11.3K, ranking 65th out of 111 metropolitan and micropolitan statistical areas receiving at least two TIGER/BUILD grants). Source: USDOT TIGER and BUILD grant data, 2009-2020; Mass Economics analysis

<b>Action Item #:</b> <b>TDL-1.1</b>	<b>Hire a TDL expert at SLDC</b>
Leader	SLDC
Potential Partners	AMIC (Advanced Manufacturing Innovation Center, Freightway, Port Authority, RAMP (Regional Advanced Manufacturing Partnership), SLEDP
Start Time	Year 1
Duration	3-6 months
Effort to Implement	Medium
Potential Funding	City, SLEDP, SLDC
Goal/s	High quality hire with expertise that extends to manufacturing
Tracking Progress	List of strong potential candidates, vetted by industry contacts
<b>Action Item #:</b> <b>TDL-1.2</b>	<b>Incorporate TDL into the business retention and expansion program</b>
Leader	SLDC
Potential Partners	SLEDP
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Low
Potential Funding	City, SLEDP, SLDC
Goal/s	Aim to meet with firms with 100+ employees at least annually, and for those with 50 to 100 employees bi-annually, and those with less than 50 employees once every three years
Tracking Progress	BRE survey results inputted into CRM system

<b>Action Item #: TDL-1.3</b>	<b>As part of the larger BRE program, understand the current and potential future implications for land use and distribution/warehousing building design by convening regular meetings of industry and real estate partners</b>
Leader	SLDC
Potential Partners	City; Port Authority; real estate developers; TDL, commercial, and industrial businesses
Start Time	Year 2
Duration	Indefinite annual or quarterly meetings
Effort to Implement	Medium
Potential Funding	Fund through local or national philanthropy
Goal/s	Gain awareness of current and future site and building needs; integrate learnings of TDL demands into the creation of parcel assemblies into sites for TDL firms; apply learnings to other industry clusters (e.g., agtech) and relevant cluster organizations (e.g., 39N, World Trade Center, Bi-State Development's Freightway Initiative)
Tracking Progress	Attendance at convenings; updated profiles of TDL demands by specific users
<b>Action Item #: TDL-1.4</b>	<b>Establish database of TDL businesses by industry subsector and employment</b>
Leader	SLDC
Potential Partners	AllianceSTL, Regional Chamber, SLEDP
Start Time	Year 1
Duration	6 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Capture an accurate and continuously updated picture of the manufacturing sector in the City of St. Louis
Tracking Progress	Database list comports with external sources, and a mechanism is established for regular updates



<b>Action Item #: <u>TDL-1.5</u></b>	<b>Develop an environmental equity scorecard to evaluate current and future TDL and manufacturing developments and monitor racial disparities in public health related to these industries</b>
Leader	SLDC
Potential Partners	Department of Health, Missouri Coalition for the Environment, Sierra Club, SLACO, Vacancy Collaborative, WashU Environmental Law Clinic
Start Time	Year 2
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Reduce the environmental and neighborhood impact of new industrial development; eliminate racial disparities in public health
Tracking Progress	Development of an evaluative environmental scorecard
<b>Action Item #: <u>TDL-1.6</u></b>	<b>Expand the existing Port District, which will afford more opportunities for the use of port-related development tools: PID's, AIM Zones, Port Security Grants, FEMA reimbursement, and issuance of bonds that can assist business expansion</b>
Leader	Port Authority
Potential Partners	Board of Alderman
Start Time	Year 1
Duration	2 years
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Add wards/districts/corridors in which Port Authority development tools can be utilized
Tracking Progress	Aldermanic board bills passed

<b>Action Item #: TDL-1.7</b>	<b>Support ongoing city and regional initiatives related to freight infrastructure</b>
Leader	SLDC
Potential Partners	Freightway, IDOT, MODOT, Port Authority, Streets Dept., Terminal Railroad Association
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Low
Potential Funding	Internal
Goal/s	Provide support as needed to ensure that the city and region maintain high-quality infrastructure that supports the current and future needs of the cluster
Tracking Progress	Participation in city and regional discussions about freight infrastructure

## Strategy 2

## Utilize the land assembly fund to cover acquisition, predevelopment and site preparation costs for targeted areas

Many TDL activities have onerous land requirements, and growth of the TDL cluster within the City of St. Louis will require the creation of large-scale, multi-acre sites facilitated by the land assembly fund (see Ch. 5: Places – Land Assembly, Strategy 2). Although daunting, the public sector can and must carry out much of the legwork associated with land assembly by conducting preliminary site feasibility studies for current opportunity sites: addressing current and future infrastructure needs, coordinating public agencies and land holdings, and tracking future assembly opportunities. In light of recent legislation changes around the sales tax treatment of distribution centers, it is important that these activities remain flexible and responsive as legislation evolves.<sup>73</sup>

<sup>73</sup> Brown, L. (2017, January 26). Amazon to begin charging sales tax in Missouri. *St. Louis Post-Dispatch*. [https://www.stltoday.com/business/local/amazon-to-begin-charging-sales-tax-in-missouri/article\\_6f9bb7b9-53b8-5b88-9a80-cc3f022b51a8.html](https://www.stltoday.com/business/local/amazon-to-begin-charging-sales-tax-in-missouri/article_6f9bb7b9-53b8-5b88-9a80-cc3f022b51a8.html)

<b>Action Item #: <u>TDL-2.1</u></b>	<b>Convene financial, legislative and philanthropic partners to design a holding trust and funding mechanism(s) for the land assembly fund:</b>
TDL-2.1.1	Assess the viability of patient capital notes to finance land assembly and site prep.
TDL-2.1.2	Continue investigating opportunities for the Port Authority to leverage state incentives to support industrial activity and work with the state of Missouri to create (where necessary) and expand programs that encourage land assembly
Leader	SLDC
Potential Partners	Arch to Park, Board of Aldermen, CDFI Coalition, Community Builders Network, Invest STL, Mayor's Office, Port Authority, Vacancy Collaborative, CDFIs, financial institutions and local lenders, other philanthropic partners
Start Time	Year 1
Duration	12 months
Effort to Implement	High
Potential Funding	Philanthropic and government sources
Goal/s	Establish sustainable structure and funding for the land assembly fund
Tracking Progress	Full participation of financial and philanthropic partners; operational and capitalized land assembly fund

<b>Action Item #: <u>TDL-2.2</u></b>	<b>Create an annual list of top large sites to support the growth of TDL and other key clusters</b>
Leader	SLDC manufacturing expert
Potential Partners	AllianceSTL, Port Authority, commercial brokers
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	SLDC; potential fee model to support longer-term
Goal/s	Establish an accurate inventory of available spaces and an annual list of key acquisition activities; assess strategic use of Port Authority's condemnation powers, where necessary; prioritize sites while taking into account Port Authority development plans
Tracking Progress	Quality and utilization of inventory
<b>Action Item #: <u>TDL-2.3</u></b>	<b>Provide "shovel ready" sites for TDL</b>
TDL-2.3.1	Assemble parcels to provide sufficient space for larger industrial businesses
TDL-2.3.2	Remove environmental constraints such as geotechnical corrections or environmental contamination
TDL-2.3.3	Prioritize larger sites for TDL purposes and smaller sites for uses determined by the working group
TDL-2.3.4	Provide clear land records and clean titles to properties
TDL-2.3.5	Advertise available sites to make them easy for developers and businesses to find
TDL-2.3.6	Invest in strategic industrial assets
Leader	Redevelopment Fund
Potential Partners	SLDC, Vacancy Collaborative
Start Time	Year 2
Duration	Ongoing
Effort to Implement	High
Potential Funding	Philanthropic and government sources
Goal/s	Utilize funds to assemble and prep sites to enable future development
Tracking Progress	Site acquisition, site cleanup, utility placement, master planning, RFP to solicit master developer(s), number of sites created, acreage of sites created, building square footage supported, number of jobs supported, new taxes generated

<b>Action Item #: <u>TDL-2.4</u></b>	<b>Undertake a market study on designated areas to determine where investments should be targeted and advantages to city sites (including site characterization and market assessment)</b>
Leader	SLDC
Potential Partners	AllianceSTL, Regional Chamber, SLEDP
Start Time	Year 2
Duration	6 months
Effort to Implement	Medium
Potential Funding	Local philanthropy, Community Improvement District, areawide TIF
Goal/s	Prioritize areas for near-term investments; consider how longer-term trends could affect site selection (e.g., climate change, disaster recovery) and plan accordingly
Tracking Progress	Completed study
<b>Action Item #: <u>TDL-2.5</u></b>	<b>Evaluate the prospects for industrial community development corporations (CDCs) that can seek out external funding and hold real estate</b>
Leader	SLDC
Potential Partners	AllianceSTL, Regional Chamber, SLACO, SLEDP
Start Time	Years 3-5
Duration	6 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Create local partners for Community Improvement Districts
Tracking Progress	Determined feasibility and utility of industrial CDCs



### Strategy 3

## Using the Industrial Preservation Area (BIPA), streamline development processes for TDL businesses in targeted areas

City planning officials must continue to evolve their understanding and acceptance of how modern production activity is adaptable to urban settings. Boston's Back Streets program, established in 2001, provides a template that St. Louis can follow. The program started as an industrial land preservation initiative that branched out to include business support services oriented specifically to industrial businesses including start-ups. At its core, Back Streets led to the designation of protected industrial districts and established an industrial parcel replacement requirement for the rezoning of non-designated industrial sites. A similar program is proposed here to streamline development processes for TDL businesses.

Action Item #: <u>TDL-3.1</u>	Determine geographic target areas and policy guidelines for expedited permitting of TDL businesses
Leader	SLDC
Potential Partners	Buildings Dept., Planning & Urban Design Agency
Start Time	Year 2
Duration	6 months
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Promote manufacturing growth and consolidation of industry into target districts
Tracking Progress	Number of businesses filing for permits in target areas



# Manufacturing

## Cluster Vision

Manufacturing provides a broad set of benefits to the St. Louis economy: small and mid-sized firms have led a renaissance in once-vanishing industries like textiles, apparel, and leather goods that complement the city's existing strength in fashion; the capability to engage in production can only enhance some of the city's other key creative clusters like design and media; and the vitality of manufacturing plays an important role in the "St. Louis Makes" and "STL Made" branding efforts and more broadly, showcases the city's economy that can be used in national attraction and local retention efforts. But the greatest promise of the cluster lies in the possibilities for creating a next generation of ownership that is as racially and ethnically diverse as the city itself.

## Cluster Overview

The Manufacturing sector is an important contributor to employment and entrepreneurship in St. Louis City, supporting 18,000 jobs in 2018. The smaller manufacturing establishments with fewer than 100 employees account for about 40% of these jobs. In the literature, these are referred to as "urban manufacturers."<sup>74</sup> As a cluster, urban manufacturers can include things like craft and artisanal activities, fashion and apparel, woodworking and furniture making, and small scale food production, among many other types of activities. Despite gradual losses across the country, if we consider small urban manufacturers as a single cluster, its 7,500 jobs in would be the city's third largest traded cluster, trailing only business services and education. Because of their size, these establishments often have specific and unique challenges stemming from limited resources for functions such as managerial

and human resources staff, product development, market analysis, etc.<sup>75</sup> In St. Louis, smaller manufacturers are also more likely to locate outside of industrial districts, creating challenges with "neighborhood-level pressures such as conflicting transportation priorities, nuisance ordinances, and land use conversion pressure."<sup>76</sup>

Manufacturing remains a source of inclusive opportunity in the City of St. Louis, with high average wages (\$74K vs. \$61K for the total economy) and just under half (48% vs. 33% for the total economy) of all jobs filled by workers with no more than a high school diploma.<sup>77</sup> Manufacturing is also a rich source of entrepreneurship, with privately-held firms (i.e., not publicly traded firms) in St. Louis accounting for about 55% of sector employment, a rate that is dramatically higher among smaller firms.<sup>78</sup> Because of this, small-scale manufacturing is also an under-appreciated and, in some cases, squandered source of wealth: with selling prices of manufacturing firms currently at about one times revenue, we estimate that the total value of privately-held manufacturing firms in the city is about \$2.7B, about 40% (\$1.1B) of which is associated with firms with fewer than 100 employees.<sup>79</sup> Manufacturing

activities also provide local economic benefits because of high multipliers and as one local expert notes, "Manufacturing is one of the last sectors where [a firm] can enter small and scale."<sup>80</sup>

Manufacturing is important to the overall equitable economic development strategy for other reasons, as well. First, although manufacturing employment has declined in St. Louis since 2010 despite solid national growth,<sup>81</sup> slowing or reversing the decline would provide as much or more benefit to the city and its residents than adding a similar number of jobs in a new sector because of its inclusive underpinnings, entrepreneurial nature, and potential economic impact. Second, although manufacturing has been much less dynamic than the rest of the economy with only about 10% of employment at firms having been started in the last decade compared to 20% for the total economy,<sup>82</sup> older firms have the virtue of much lower failure rates, suggesting that at least some existing firms could be stabilized or grown with relatively

75 Foggin, M. (2018). *The State of Urban Manufacturing: Milwaukee City Snapshot*. Urban Manufacturing Alliance. <https://www.urbanmfg.org/wp-content/uploads/2018/05/Urban-Manufacturing-Alliance-State-of-Urban-Manufacturing-Milwaukee-City-Snapshot.pdf>; Next Street Financial and Mass Economics, City of Boston Small Business Plan, March 2016; *St. Louis Makes*. (n.d.). Retrieved from <https://stlouismakes.org/>

76 Coffin, Sarah L. "Urban Manufacturing in St. Louis: How we understand the small to midsized market." Saint Louis University, Urban Planning and Development Program: School of Social Work, January 2, 2020.

77 QCEW/UDP 2018; BLS Employment Projections Program

78 Survey of Business Owners, 2012

79 In order to estimate revenues at privately held (i.e., not

publicly traded firms) manufacturing firms in the City of St. Louis, the project team combined QCEW and Survey of Business Owner data. First, we utilized the U.S. Census Bureau's SBO 2012 data to identify the share of mfg. jobs at privately held firms in the City of St. Louis; we applied this share to the 2018 QCEW jobs data to create a current mfg. jobs at privately held firms estimate. Then, using national SBO data, we split our mfg. jobs at privately held firms estimate for the City of St. Louis by the national firm size break out for privately held mfg. firms from the SBO. Next, we calculated the national sales per employee for mfg. firms broken out by firm size. Then we multiplied our broken-out privately held mfg. jobs estimate by the firm-size-specific sales per employee numbers to generate revenue estimates for privately held mfg. firms by firm size breakouts in the City of St. Louis. We then inflation-adjusted the 2012 SBO revenue estimates into 2018 dollars and summed the results to generate City of St. Louis manufacturing and urban manufacturing (emp <100) revenue estimates; What's My Manufacturing Business Worth? (2018, May 22). Manufacturing. Net. <https://www.manufacturing.net/supply-chain/blog/13122858/whats-my-manufacturing-business-worth>

80 Innovate St. Louis and Innovation in Process, "Strategic Plan to Promote Advanced Manufacturing in the St. Louis Region," March, 2013; Project interviews and roundtables

81 Across the U.S., employment in manufacturing grew 10% between 2010 and 2018 versus 17% for the entire economy; in St. Louis, the numbers were -8% and +9%. Source: QCEW/UDP

82 U.S. Census Bureau, QWI 2017

74 Mistry, N., and Byron, J. (2011). *The Federal Role in Supporting Urban Manufacturing*. What Works Collaborative. <https://www.urban.org/sites/default/files/publication/26966/1001536-The-Federal-Role-in-Supporting-Urban-Manufacturing.PDF>



modest interventions.<sup>83</sup> Third, maintaining manufacturing employment is critical to the stability of the city's employment centers and districts; in over half of the thirteen centers/districts, manufacturing accounts for at least 20% of total employment.<sup>84</sup> These firms often complement commercial and mixed-use activities, and, in some areas, like the Route 66 employment district, legacy and new manufacturing activities are part of the community fabric and identity.

Tactically, shoring up manufacturing can require interventions that are much more modest in scope and cost than those required to recruit new firms or grow new industries. Across the manufacturing spectrum are experienced entrepreneurs and firms that have survived multiple economic downturns, and there is a foundational infrastructure to serve these businesses. For example, St. Louis Makes focuses on helping mid-sized manufacturing firms scale products and top-line revenue and profits, with specific programs aimed at addressing management challenges and succession issues. Created by MADE and Third Degree Glass Factory, the Delmar Maker District (DMD) supports the space needs of "makers, artists, designers, and entrepreneurs" and helps streamline how these makers can bring their products to market.<sup>85</sup> St. Louis University (SLU) has researchers focused on larger scale manufacturing issues and policy approaches for stabilizing or growing the cluster. The Fashion Fund established the Fashion Incubator, a 24-month engagement to support young firms in the fashion industry.<sup>86</sup> The rich entrepreneurial ecosystem in the city and region has various programs for

businesses looking for capital and creating more equitable economic opportunity (e.g., SBA, Justine Petersen, etc.).<sup>87</sup> If focused on small urban manufacturing, these resources could support growth that could help shrink social and geographic gaps.

### Manufacturing Activities

Manufacturing in St. Louis city roughly bifurcates into two groups. (See Figure M-1.) In the first group are the largest industries by employment—chemicals, food, and beverage and tobacco products. Collectively, these three industries account for about 10,800 jobs, of which only 22% are in establishments with fewer than 100 employees. These industries are major exporters – firms include, for example, Anheuser-Busch – with an average (weighted) location quotient of 2.5. (A location quotient, or LQ, measures a cluster's concentration in a given geography relative to the U.S.) Although dominated by the big players, these industries include, of course, smaller firms that would be classified under urban manufacturing.

The second group includes all of the manufacturing industries in which at least one-third of jobs are at small establishments. These industries range from fabricated metal and machinery to apparel and textile products. Apparel employs over 300 people in the city and is a good example of linking design and production, also providing inclusive opportunities for harder-to-employ workers. Collectively, they employ about 6,300 workers, of which 73% (~4,600) work at small establishments. The average location quotient is 0.4, suggesting that exports account for a much smaller proportion of sales than for the first set of industries.

In terms of establishment types, small urban manufacturers can be categorized as micro, small, established, or competitive. Moves into higher categories are associated with more employees and/or higher revenue, but most critically, increased revenue per employee. (See Figure M-2.) Nationally, entrepreneurial ecosystems tend to be overweight in generic offerings like business planning or smaller firms and often ignore larger, established firms that are assumed to have reached their growth aspirations or potential.<sup>88</sup> St. Louis Makes is an exception, with a focus on helping established firms (>\$2M in sales). As programming for manufacturing is developed, it is critical to support the pipeline of smaller firms but to also recognize the great potential for substantial growth in the city's manufacturing establishments in the 20 to 100 employee range.

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<sup>88</sup> Next Street Financial and Mass Economics, City of Boston Small Business Plan, March 2016; Mass Economics, "Assessment of Innovation and Entrepreneurship Ecosystem." Report prepared for New Economy Initiative of Southeast Michigan, November, 2018.

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<sup>83</sup> *Report to the Congress on the Availability of Credit to Small Businesses.* (2017). Board of Governors of the Federal Reserve System. <https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm>

<sup>84</sup> QCEW/UDP, 2018 and YTS, 2018; Mass Economics analysis

<sup>85</sup> *What is the Delmar Maker District?* (2019, September 6). MADE STL. <https://madestl.com/delmar-maker-district-faq/>

<sup>86</sup> *Incubator.* (n.d.). Saint Louis Fashion Fund. Retrieved from <https://www.saintlouisfashionfund.org/incubator>

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<sup>87</sup> Project interviews and roundtables

**Figure M-1.** City of St. Louis urban manufacturing summary table, 2018

Industry	Total Employment	Location Quotient	Est. % of Jobs at Small Estab.	Est. % of Jobs at Larger Estab.
<b>Group 1</b>				
Chemical Manufacturing	4,420	3.3	28%	72%
Food Manufacturing	3,510	1.4	20%	80%
Beverage and Tobacco Product Manufacturing	2,900	6.5	14%	86%
<b>Group 1 totals</b>	<b>10,830</b>	<b>2.5</b>	<b>22%</b>	<b>78%</b>
<b>Group 2</b>				
Fabricated Metal Product Manufacturing	1,360	0.6	69%	31%
Machinery Manufacturing	700	0.4	79%	21%
Furniture and Related Product Manufacturing	670	1.1	45%	55%
Printing and Related Support Activities	630	0.9	85%	15%
Paper Manufacturing	500	0.9	57%	43%
Electrical Equipment, Appliances, Components	460	0.7	34%	66%
Primary Metal Manufacturing	350	0.6	100%	0%
Plastics and Rubber Products Manufacturing	340	0.3	100%	0%
Apparel Manufacturing	310	1.7	100%	0%
Nonmetallic Mineral Product Manufacturing	230	0.3	100%	0%
Textile Product Mills	210	1.1	100%	0%
Transportation Equipment Manufacturing	190	0.1	68%	32%
Wood Product Manufacturing	160	0.3	47%	53%
Leather and Allied Product Manufacturing	130	2.9	100%	0%
Computer and Electronic Product Manufacturing	80	0.0	100%	0%
<b>Group 2 totals</b>	<b>6,320</b>	<b>0.4</b>	<b>73%</b>	<b>27%</b>

Source: QCEW/UDP for total employment; YTS data for urban manufacturing estimates



### Cluster Growth Opportunities

Urban manufacturing employs 7.4K people and is a slight strength in the city (see Figure M-3). Urban manufacturing can be thought of as a target cluster not because of shared industry ties but because of common challenges, including those related to operating in relatively activity-dense environments (compared with greenfield models); reliance on craft or small batch production; business operation challenges associated with private ownership, weakly developed management structures, and scale; and workforce challenges associated with recruiting and training workers in a sector of the economy that is often viewed/assumed/seen as stagnant. Addressing these operational issues is the key to stabilizing or even growing small-scale manufacturing employment in St. Louis.

**“Urban manufacturing offers deep potential to transfer ownership to diverse owners. There are lots of opportunities but we have to get people with the purse strings to understand this.”**

**Figure M-2.** Urban manufacturing segments

Segment	Definition	% of Establishments	% of Revenue	% of Employment
Micro	<10 employees and <\$0.5M sales	19%	1%	3%
Small	>10 employees or (>=\$0.5M to <\$2M) sales	36%	4%	17%
Established	10 to 49 employees or (>=\$2M to <\$10M) sales	27%	11%	27%
Competitive	50 to 99 employees or >=\$10M sales	18%	84%	53%

Source: YTS data; Mass Economics analysis

**Figure M-3.** Overview of urban manufacturing opportunity

Measure	Urban Manufacturing Cluster	Total City Economy
Jobs, 2018 (K)	7.4	200.1
Location Quotient (LQ)	1.06	n/a
Projected Additional Jobs, 2028	-210	11,900
Jobs Requiring Less than a Bachelor's Degree (%)	79%*	65%
Average Wage (\$K)	\$74.0*	\$61.2
Geography	Route 66, Mark Twain, North and Near North Riverfront, South Riverfront/Kosciusko, Carondelet/Patch, South	n/a
Examples of Types of Jobs	Furniture making, woodworking, apparel manufacturing	n/a

Source: QCEW-UDP, YTS; Mass Economics analysis

Note: These estimates are based on industry data and exclude public sector employment; projected additional jobs are based on the manufacturing sector overall and assume the same share of urban manufacturing jobs in 2028

\*: Measures refer to manufacturing sector overall

## Strategies and Action Steps

### Strategy 1 Equip SLDC to grow and support the manufacturing cluster

Urban manufacturing firms often struggle to find the right real estate to start or expand a business, and the market is generally under-served by commercial brokers. SLDC should address these issues by creating in-house expertise on urban manufacturing and consolidating information about real estate options, incentive zones, etc. for these firms and providing information on available supports to firms looking to expand within the city. This expertise should be curated to include other manufacturing initiatives, such as the Fashion Manufacturing Initiative proposed in the St. Louis Garment District Report.<sup>89</sup>

<sup>89</sup> Garment District Placemaking Initiative. (2019). Downtown STL. [https://downtownstl.org/wp-content/uploads/190218\\_STL\\_Garment\\_District\\_Report\\_comp\\_email.pdf](https://downtownstl.org/wp-content/uploads/190218_STL_Garment_District_Report_comp_email.pdf)

Action Item #: <u>M-1.1</u>	Incorporate manufacturing into the business retention and expansion program
Leader	SLDC
Potential Partners	Missouri Enterprise, SLEDP
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Aim to meet with manufacturers with 100+ employees at least annually, and for those with 50 to 100 employees bi-annually, and those with less than 50 employees once every three years; gain awareness of current and future site and building needs
Tracking Progress	BRE survey results inputted into CRM system
Action Item #: <u>M-1.2</u>	Establish database of manufacturing businesses by industry subsector and employment
Leader	SLDC
Potential Partners	AllianceSTL, Regional Chamber, SLEDP, St. Louis Makes
Start Time	Year 1
Duration	6 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Capture an accurate and continuously updated picture of the manufacturing sector in the City of St. Louis
Tracking Progress	Database list comports with external sources, and a mechanism is established for regular updates

<b>Action Item #: M-1.3</b>	<b>Develop incentives to bring manufacturers to the region, starting with outreach to companies already headquartered in St. Louis with offshore manufacturing operations</b>
Leader	SLDC
Potential Partners	GlobalSTL, Missouri Enterprise, SLEDP, St. Louis Makes
Start Time	Year 2
Duration	12-18 months
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Attract manufacturers to the region; encourage reshoring of manufacturing activities; expand cluster opportunities while growing area businesses
Tracking Progress	Roll-out of manufacturer-specific incentives; number of manufacturers attracted; number of area businesses that reshore their manufacturing activities

## Strategy 2

## Create Design-Build District(s) leveraging the Industrial Preservation Areas and ecosystem of wraparound services geared to manufacturers

THE CITY MUST PRIORITIZE THE DEVELOPMENT OF A PHYSICAL PLACE WHEREIN MANUFACTURING INNOVATION AND GROWTH IS ENCOURAGED AND WELL-RESOURCED.

The city must prioritize the development of a physical place wherein manufacturing innovation and growth is encouraged and well-resourced. This requires more than just land and buildings where successful manufacturers can scale-up their businesses; it also requires the same ecosystem-building embrace that the city has historically afforded technology companies, relocating corporations, or scaling businesses of any type.

A recent study from SLU's urban planning program estimates that about one in three manufacturing establishments in the city lies "outside of formalized industrial corridors," typically on "single, scattered industrial sites that are either nonconforming with current zoning designations...or zoned for industrial use but vulnerable to rezoning pressure."<sup>90</sup> These locations are challenging for firms for multiple reasons, some of which are likely to hamper potential growth. For establishments on the edge of industrial districts that are converting, SLU notes that investment and expansion are limited "over fears that they will get kicked out before realizing a return on their investments." Offering tools (e.g., real estate services to find new sites) and incentives (e.g., grants for moving costs, tax abatements, a city sales tax exemption on manufacturing items) combined with programming would help to retain and stabilize these firms, strengthen preferred industrial districts, and open land in areas transitioning away from industrial for new and infill development.

On the capital side, manufacturers often have unique capital needs with higher needs for financing around site acquisition and build-out. Among SBA 7(a) loans, St. Louis manufacturing companies only receive 32 loans per 100K manufacturing jobs versus just under 37 nationally. Nationally, 62% of 7(a) loans made to manufacturing firms are for amounts of over \$100K as compared to only 53% for other firms (a percent difference of 18%). Over a quarter of 7(a) loans to manufacturing firms are for over \$500K versus less than a fifth for other firms – a 29% difference.

Finally, proximity between design and production teams is another of the key factors to the success of urban manufacturing districts. This proximity can greatly aid in speed-to-market, which can critically improve a fledgling product/company's overall financial viability.

The importance of co-locating design and production capacities is magnified with the prospect of "mass customization" and hyper-localization brought on by evolving 3D printing technology. Under this new manufacturing paradigm, the familiar practice of specialized mono-production transitions to more flexible manufacturing systems capable of producing wider ranges of small-batch products just-in-time and under a single roof. These newer, cleaner manufacturing platforms begin to blur the line between design and production and further reduce the need for warehousing.

<sup>90</sup> Coffin, Sarah L. "Urban Manufacturing in St. Louis: How we understand the small to mid-sized market." Saint Louis University, Urban Planning and Development Program: School of Social Work, January 2, 2020.

<b>Action Item #: M-2.1</b>	<b>Prioritize the development of a physical place, such as the Near North Riverfront, Baden (consumer goods), and Mark Twain Neighborhoods where manufacturing innovation and growth is encouraged and well-resourced</b>
Leader	SLEDP, SLDC
Potential Partners	Planning & Urban Design Agency, St. Louis Makes
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Increase the density and use of industrial areas in targeted areas
Tracking Progress	Density of industrial uses within target areas
<b>Action Item #: M-2.2</b>	<b>Establish buffers surrounding identified manufacturing districts to address potential land use conflicts and upgrade existing infrastructure within these districts</b>
Leader	Board of Public Service
Potential Partners	Board of Aldermen, Planning & Urban Design Agency, SLDC
Start Time	Year 2
Duration	5-10 years
Effort to Implement	Medium
Potential Funding	External (e.g., federal transportation grants)
Goal/s	Create land use transitions from core industrial land uses to other, less intensive commercial and mixed uses; make infrastructure upgrades to support current industrial needs, e.g., internet service, water and sewer services, general road network improvements to relieve traffic congestion, etc. (modeled after Chicago's program*), following the Freightway plan
Tracking Progress	Density of industrial uses within target areas

\* Industrial Corridor Modernization Initiative. (2019, May 20). City of Chicago Planning and Development. [https://www.chicago.gov/city/en/depts/dcd/supp\\_info/repositioning-chicago-s-industrial-corridors-for-today-s-economy.html](https://www.chicago.gov/city/en/depts/dcd/supp_info/repositioning-chicago-s-industrial-corridors-for-today-s-economy.html)



<b>Action Item #: M-2.3</b>	<b>Determine geographic target areas and policy guidelines for expedited permitting of manufacturing businesses</b>
Leader	SLDC
Potential Partners	Buildings Dept., Planning & Urban Design Agency
Start Time	Year 2
Duration	6 months
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Promote manufacturing growth and consolidation of industry into target districts
Tracking Progress	Number of businesses filing for permits in target areas
<b>Action Item #: M-2.4</b>	<b>Design a system of wraparound services targeted to manufacturers and deliver programing and services for lower middle market (≤\$50mil revenue) manufacturing firms</b>
M-2.4.1	Create and deliver programming that is 80% focused on lower middle market new product development, business development (including channel management) and product management, with the remaining 20% of resources focused on entrepreneur support and new business creation
M-2.4.2	Provide services to guide manufacturers to available business incentives as part of the city's BRE program
M-2.4.3	Provide low interest and high-speed (limited paperwork) loan funds ranging from \$20K-\$250K
M-2.4.4	Orchestrate supplier-to-business matchmaking and to arrange meet-ups for learning and connecting
M-2.4.5	Recruit existing manufacturers to the new manufacturing district
Leader	St. Louis Makes
Potential Partners	SLDC
Start Time	Year 2
Duration	24+ months
Effort to Implement	High
Potential Funding	Internal and philanthropic sources
Goal/s	Increase in density of industrial districts
Tracking Progress	Growth in revenues and payrolls of manufacturing businesses

<b>Action Item #: <u>M-2.5</u></b>	<b>Build on partnerships with colleges and universities in the region plus large manufacturers to promote the creation of an industrial product design program in the city</b>
M-2.5.1	Develop a classroom competition with area university engineering programs where students will have the opportunity to develop innovative industrial product designs
M-2.5.2	Develop a competitive research grant program for area universities and technical schools to submit proposals to work with large manufacturers to develop new and innovative industrial product designs
Leader	SLDC
Potential Partners	Missouri Enterprise, St. Louis Makes, universities (e.g., Ranken, SLU, UMSL, WashU), manufacturers
Start Time	Year 2
Duration	12+ months
Effort to Implement	High
Potential Funding	Philanthropic sources
Goal/s	Promote innovation in design and development of new manufactured products in St. Louis
Tracking Progress	New manufacturing-related patents filed for new products

**Strategy 3 Organize a collective of manufacturers and educators to develop a pro-manufacturing PR campaign geared toward potential future workers**

Workforce approaches for urban manufacturing must address three factors. The first is the common difficulty of finding workers, which beyond the tight labor markets that challenges all employers, is generally ascribed to a popular view of manufacturing as dirty and repetitive. As Brookings noted in 2011, “Tackling the workforce predicament [in urban manufacturing] requires confronting a systemic, cultural problem: manufacturing suffers from a poor public image.” A second challenge is the continued reliance of small manufacturers on social networks to find new workers, an approach that is not only ineffective, as evidenced by chronic shortages, but exclusionary in the sense that heavy reliance on social networks will tend to replicate the existing demographic

characteristics of workers and over the long-term, of owners, as well. The third challenge is the broad range of technical skills needed in urban manufacturing in a single city: the cluster is composed of a large number of small firms with distinctive product lines, production techniques, and skill requirements.

Solving these issues simultaneously will likely require aggregating individual firm attempts to solve the first two issues by creating a collective story about St. Louis small urban manufacturing, work that intermediaries like St. Louis Makes, Ranken Tech, and St. Louis Community College have already started, combined with formal outreach to high schools, community organizations, workforce development intermediaries,

etc. There are already models of success—urban areas like Brooklyn have built a hip, youth-oriented national image in part of their embrace of artisan production and small-scale manufacturing. In the case of St. Louis, reasonable costs, land availability, and modest congestion could allow a scaling that eludes denser, higher-cost American cities. Recognition of urban manufacturing as an important economic cluster with growth potential in the city, investments by SLDC in creating internal expertise, and collaboration with existing organizations can likely solve these challenges. Given challenges with recruitment and the economic and moral imperative to provide opportunities across racial and socioeconomic groups, urban manufacturing could also benefit from a common front-door organization that recruits trainees and coordinates relationships with employers.

<b>Action Item #:</b> <b>M-3.1</b>	<b>Establish a STL Manufacturing Alliance in collaboration with STL Makes and organize a Workforce PR working group</b>
Leader	St. Louis Makes, SLDC
Potential Partners	Manufacturers
Start Time	Year 2
Duration	9 months
Effort to Implement	Medium
Potential Funding	Business membership fees
Goal/s	Coordinate the efforts of disparate manufacturing companies to address common workforce needs
Tracking Progress	Activity and commitment of group members

**“Tackling the workforce predicament [in urban manufacturing] requires confronting a systemic, cultural problem: manufacturing suffers from a poor public image.”**

<b>Action Item #: M-3.2</b>	<b>Develop a messaging strategy geared toward high school career counselors and parents of youth to combat outdated stereotypes about manufacturing work and to convey the benefits of a career in manufacturing</b>
Leader	St. Louis Makes
Potential Partners	Ranken Tech, SLATE, St. Louis Public Schools, SLDC
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Local or national philanthropy, donated time
Goal/s	Improve public image of urban manufacturing; expand and diversify employees
Tracking Progress	Number of participating businesses, number and diversity of urban manufacturing employees
<b>Action Item #: M-3.3</b>	<b>Expand upon national Manufacturing Day efforts by hosting factory tours for high school students in partnership with the local school districts and community colleges</b>
Leader	SLDC
Potential Partners	St. Louis Community College, St. Louis Makes, St. Louis Public Schools
Start Time	Year 2
Duration	6 months
Effort to Implement	Medium
Potential Funding	Business sponsorships
Goal/s	Ensure that St. Louis is an active participant in Manufacturing Day
Tracking Progress	Number of students attending; number of businesses participating

<b>Action Item #: <u>M-3.4</u></b>	<b>Take manufacturing into the classroom by organizing manufacturing guest speaker visits to schools and developing a PR video to distribute to schools and counselors</b>
Leader	SLDC
Potential Partners	St. Louis Makes, St. Louis Public Schools and Charter schools, manufacturing businesses
Start Time	Years 3-5
Duration	Ongoing
Effort to Implement	High
Potential Funding	Business sponsorships, local or national philanthropy
Goal/s	Increase the reach with the manufacturing message strategy to a broad swath of middle and high school students in the city
Tracking Progress	Number of schools participating, number of businesses participating
<b>Action Item #: <u>M-3.5</u></b>	<b>Establish a summer manufacturing camp, such as the Guitar Manufacturing Camp, originally held at Purdue University, where students can learn first-hand about manufacturing while making their own guitars*</b>
Leader	SLDC
Potential Partners	Missouri Works Training, St. Louis Makes, manufacturers, universities
Start Time	Years 3-5
Duration	12 months
Effort to Implement	High
Potential Funding	Local or national philanthropy, federal grants
Goal/s	Build enthusiasm for manufacturing among high school students by providing hands-on experience with product manufacturing; apply learnings from other competitions held in St. Louis, like FIRST Robotics
Tracking Progress	Number of students enrolled, number of businesses participating

\* Earl, B. (2012, June 18). Purdue hosts guitar-building camp for high schoolers. The Exponent. [https://www.purdueexponent.org/campus/article\\_e9a6b03e-cffe-57d6-91a3-96666519dba5.html](https://www.purdueexponent.org/campus/article_e9a6b03e-cffe-57d6-91a3-96666519dba5.html)



## Strategy 4

## Organize workforce training and apprenticeship programs serving city residents to expand the manufacturing workforce in the city

A common, coordinated approach to workforce recruitment must coexist with an individualized approach to training to accommodate the wide range of training needs that exist across urban manufacturers in St. Louis. Solving this may require a combination of public and philanthropic efforts. The State of Missouri has programs that can potentially support customized apprenticeships including Missouri Works Training, which allows firms themselves to determine who will deliver the training. Some of the eight business sectors currently supported by the program have overlap with urban manufacturing (e.g., automotive, advanced manufacturing), and it may be possible to petition to include small-scale manufacturing as a target cluster.<sup>91</sup> In addition, the State recently added an Office of Apprenticeship and Work-Based Learning, which could have interest in supporting training options for urban manufacturing.<sup>92</sup>

There are also models that combine recruitment and training. Chicago-based Jane Addams Resource Corporation (JARC) works with SME manufacturers on creating in-house apprenticeships, as well as with high schools and technical colleges to identify prospective workers. JARC helps design firm-specific apprenticeships that address specific technology needs and provides on-site trainers. The JARC model can be coordinated with social services offerings to address housing, transportation, and other challenges that could undermine completion of training, especially for disadvantaged populations.<sup>93</sup> Another model is YouthBuild, a national organization that works with low-income youth to gain construction-related skills, recruits trainees and helps with soft skill development, as well as working with employers and unions in placing graduates in jobs.<sup>94</sup>

<sup>91</sup> *Missouri Works Program*. (n.d.). City of St. Louis. <https://www.stlouis-mo.gov/government/departments/sldc/economic-development/financing/missouri-works-program.cfm>

<sup>92</sup> *Summit celebrates Registered Apprenticeship opportunities in Missouri*. (n.d.). [13 November 2019]. Department of Higher Education and Workforce Development. <http://www.missouripartnership.com/wp-content/uploads/2016/09/Missouri-Works-Training-Program.pdf>

<sup>93</sup> Lowe, N. (2015, December 15). *Reskilling Urban Manufacturing: Workforce Solutions from the Inside Out*. *Metropolitcs.org*. <https://www.metropolitiques.eu/Reskilling-Urban-Manufacturing.html>; project interviews and roundtables

<sup>94</sup> Project interviews and roundtables

### PRECEDENT



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<b>Action Item #: <u>M-4.1</u></b>	<b>Coordinate with SLATE and area manufacturers to develop a train-to-hire program to better align training with employment opportunities</b>
Leader	SLATE
Potential Partners	St. Louis Makes, manufacturers, SLDC
Start Time	Year 1
Duration	12+ months
Effort to Implement	High
Potential Funding	Federal and state workforce funding
Goal/s	Align training programs with industry needs; ensure that workforce preparation takes into account activities headed for automation and provides technical training that can withstand automation pressures
Tracking Progress	Number of residents trained and hired
<b>Action Item #: <u>M-4.2</u></b>	<b>Develop a Manufacturing Workforce Committee to focus on strengthening the interactions between industry and education</b>
Leader	SLATE
Potential Partners	St. Louis Makes, St. Louis Public Schools, industry, manufacturers, universities and higher education, SLDC
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Federal and state workforce funding, local or national philanthropy
Goal/s	Develop strong communication between educators and industry
Tracking Progress	Number of businesses and schools participating in regular meetings; attendance at meetings

<b>Action Item #: <u>M-4.3</u></b>	<b>Work with local employers, high schools, and community colleges to develop more hands-on curriculum.</b>
Leader	St. Louis Makes, SLDC
Potential Partners	Missouri Works Training, Ranken Tech, SLATE, St. Louis Community College, The Collective Thread
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Federal/state Departments of Education; local or national philanthropy
Goal/s	Coordinate workforce and apprenticeship programs; build the urban manufacturing workforce; cultivate tactile and technology skills with industrial tech programs
Tracking Progress	Number of trainees and number of trainees placed
<b>Action Item #: <u>M-4.4</u></b>	<b>Promote the creation of a trade-oriented high school, similar to other specialty career-focused high schools in St. Louis, such as the Collegiate School of Medicine and Bioscience, or the Central Visual and Performing Arts High School</b>
Leader	SLDC
Potential Partners	St. Louis Makes, St. Louis Public Schools
Start Time	Years 3-5
Duration	24 months
Effort to Implement	High
Potential Funding	Local or national philanthropy
Goal/s	Develop a specialty/Charter school focused on preparing students for a career in manufacturing
Tracking Progress	School administrator and manufacturing firm interest and participation

<b>Action Item #: M-4.5</b>	<b>Encourage a renewed emphasis on applied research in various engineering disciplines among universities, including new materials and robotics</b>
Leader	SLDC
Potential Partners	Manufacturers, universities
Start Time	Year 2
Duration	12+ months
Effort to Implement	High
Potential Funding	University and industry funding
Goal/s	Enhance the connection between local university engineering programs and industrial application for local companies; work in partnership with local industries that can tap the research and talent resources of universities to improve competitiveness and reinforce their rootedness in the community
Tracking Progress	University and business participation

**Strategy  
5**

**Provide programming that includes training, financing and support services to assist in succession planning for small- to mid-sized manufacturers**

The market value of urban manufacturing firms in the City of St. Louis is in the billions of dollars and yet, as in most places, succession planning is not always a priority among business owners nor are there strong ecosystem supports in place. Although great data do not exist, surveys and interviews point to broad challenges with securing the next generation of ownership in urban manufacturing. Nationally, a 2019 PWC survey found that less than 20% of family-owned firms have a formal succession plan; locally, interviews with urban manufacturers in St. Louis found they “rarely had succession plans and were generally too small to attract potential buyers as owners approached retirement”

Training programs for new business owners already exist; for example, CET’s Square One program has two coursework streams for entrepreneurs. These programs may indirectly support succession planning by providing critical knowledge for new business owners, but they may need to be adapted to (or supplemented by) succession-planning specific information. Furthermore, the value proposition needs to be articulated for existing owners, who may be uninterested in or unwilling to participate in time-intensive trainings. Next-generation ownership models should include traditional as well as cooperative models and employee stock ownership (ESOP) plans.

<b>Action Item #: <u>M-5.1</u></b>	<b>Find funding partners and develop a financial incentive to encourage participation in existing training programs, such as the Square One program offered through Cortex and St. Louis Makes</b>
Leader	SLDC
Potential Partners	Manufacturing Alliance, SLATE, St. Louis Makes
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Local or national philanthropy
Goal/s	Lower the financial barriers to participation in Square One training for small entrepreneurial manufacturers
Tracking Progress	Number of manufacturers enrolling and attending courses
<b>Action Item #: <u>M-5.2</u></b>	<b>Develop a program to help organize the establishment of Employee Stock Ownership Programs or other mechanisms for aiding in the transfer of ownership from retiring owners to a more equitable broad-based ownership by employees</b>
Leader	SLDC
Potential Partners	Bar Association of Metropolitan St. Louis, Missouri Enterprise, St. Louis Makes
Start Time	Year 2
Duration	18 months
Effort to Implement	High
Potential Funding	Local or national philanthropy
Goal/s	Diversify ownership of small local manufacturing firms, and ensure successful transition of ownership for retiring business owners
Tracking Progress	Growth of employee and minority ownership of city manufacturing businesses



<b>Action Item #: <u>M-5.3</u></b>	<b>Organize and deliver curriculum on business valuation/succession models, and provide succession planning services, including assistance around purchasing and consolidating manufacturing companies around the Midwest</b>
Leader	St. Louis Makes
Potential Partners	Bar Association of Metropolitan St. Louis, Missouri Enterprise, Ranken Tech, SLATE, SLDC
Start Time	Year 1
Duration	Ongoing
Effort to Implement	High
Potential Funding	Philanthropic then fee-for-service; donated time and space
Goal/s	Increase number of urban manufacturing firms with solid business valuation; increase business transitions; increase diversity of business ownership
Tracking Progress	Number of participating businesses, diversity of next generation owners



# Software Tech

## Cluster Vision

Dominance in a technology segment does not assure large-scale job creation or anything other than meager opportunity creation for workers without advanced degrees. The development of a robust software tech cluster aims to ensure that technology segments in which St. Louis is or can be on the cutting edge—e.g., agtech, cybersecurity, financial services, geospatial, healthcare innovation—will translate into broad-based prosperity. By coordinating the city’s and region’s already considerable workforce, training, and education assets, especially in outreach and training efforts in disadvantaged communities, the software tech cluster can help generate thousands of middle-wage jobs that can be filled by a workforce that reflects the city’s deep and diverse talent base. The development of the software tech workforce can support broader citywide and regional business attraction and retention efforts, and these efforts go hand-in-hand with other efforts to support the city’s technological capacity (e.g., broadband capabilities).

## Cluster Overview

“Software tech” is an occupational cluster that captures the full spectrum of software development and maintenance activities from programming to development to testing to administration and maintenance to customer support. There is no standard definition of software tech and its activities cut across industries and occupations, making it difficult to size the cluster. Using the definition presented in Figure ST-1, we estimate that across the U.S., software tech employs about 4.3 million people across 14 occupations. From 2010 to 2018, jobs in software tech have grown by about 3.1% per year, almost twice as fast as the rest of the national economy (1.6%).

With the continuation of a decades-long shift from mechanical to digital processes and software serving as the foundational

**Figure ST-1.** Software tech occupation cluster definition

Occupation	U.S. Jobs 2018 ('000)	Job Growth '10-'18
Software Developers, Applications	903	81%
Computer User Support Specialists	631	44%
Computer Systems Analysts	588	19%
Software Developers, Systems Software	405	7%
Computer + Information Systems Managers	391	36%
Network + Computer Systems Administrators	366	10%
Computer Programmers	230	-31%
Computer Network Support Specialists	181	29%
Computer Network Architects	153	43%
Web Developers	127	59%
Database Administrators	110	6%
Information Security Analysts	108	92%
Computer Hardware Engineers	61	-9%
Computer + Information Research Scientists	30	21%
<b>Total Software Tech</b>	<b>4,286</b>	<b>28%</b>
<b>Total Economy</b>	<b>144,733</b>	<b>14%</b>

Source: BLS OES; Mass Economics analysis

Note: These estimates are based on occupation data and include public sector employment

element of key new technologies (AI, robotics, machine learning), strong growth in software tech is expected to continue.<sup>95</sup> The U.S. Bureau of Labor Statistics projects that over the next decade, jobs in software tech occupations will grow by 12.2%, much faster than overall national job growth rate of 5.2%. Beyond individual occupations, software skills in general are shaping job content across occupations with 83% of jobs now considering programming skills somewhat to extremely important, up from 75% in 2010.<sup>96</sup> As programming and software

skills are increasingly demanded across all occupations, it is almost impossible to over-train a workforce in these skills.

Software tech is a critical opportunity for the City of St. Louis for three reasons in addition to its expected growth: the cluster creates relatively broad-based opportunity; software tech skills are critical to a range of the city’s and region’s core industries and clusters; and there is significant potential to better organize software tech—it is currently not a target for any of the generalist or cluster-focused EDOs—and leverage new organizational capacity to support attraction and expansion efforts in the city.

<sup>95</sup> BLS OES; BLS Employment Projections Program; Mass Economics analysis

<sup>96</sup> O\*NET Databases v24.1 (Nov 2019) and v15.0 (July 2010); Mass Economics analysis. Note that the average and median importance score for programming increased 8.7% between

2010 and 2019.



**IN GENERAL, WORKERS IN SOFTWARE TECH HAVE HIGHER LEVELS OF EDUCATION BUT ABOUT 30% OF TODAY'S SOFTWARE TECH JOBS REQUIRE NO MORE THAN A TWO-YEAR DEGREE.**

In general, workers in software tech have higher levels of education but about 30% of today's software tech jobs require no more than a two-year degree. In four of the fourteen occupations, over 40% of workers do not have a four-year degree; collectively, these occupations have grown across the region at almost 20% since 2010. One industry veteran noted, "The best programmers at my company I taught straight out of high school...you can give an 18-year-old a book and let them Google stuff and they solve problems for twenty years."<sup>97</sup> There is also growing interest in opening opportunities to workers without technical degrees and even without any kind of four-year degree. LaunchCode, a national training program founded and still based in St. Louis, uses 16- and 20-week curricula to prepare people without computer science training for

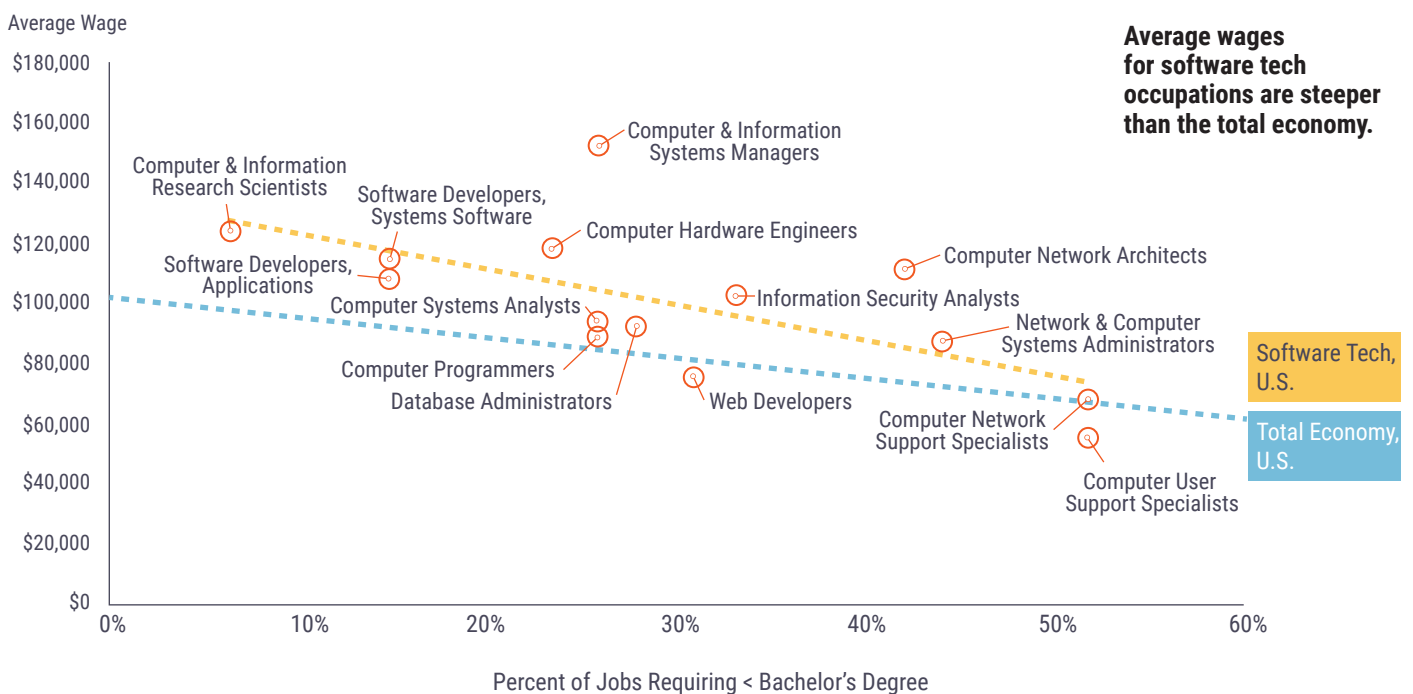
successful careers in software and reports that about 45% of participants do not have a four-year degree and almost 10% did not graduate from high school.<sup>98</sup> LaunchCode also provides growth opportunities for junior software developers through programs like the Tech Leadership Fellows, which offers mentorship, leadership, and other professional development skills.<sup>99</sup> In addition to offering career paths for workers without four-year degrees, the cluster pays higher than average wages even in occupations with lower average educational requirements (see Figure ST-2).

<sup>98</sup> LaunchCode Annual Report. (2016). <https://www.launchcode.org/annualreport/2016>

<sup>99</sup> Become a Tech Leadership Fellow. (n.d.). LaunchCode. <https://www.launchcode.org/leadership-program#:~:text=LaunchCode%20Tech%20Leadership%20Fellows%20guide,their%20own%20professional%20development%20goals.>

97 Project interviews and roundtables

**Figure ST-2. Average wage versus educational requirements, U.S., 2018**



Source: BLS OES; BLS Employment Projections Program; Mass Economics analysis

Software tech is foundational to some key city and regional cluster strengths. The region's finance and fintech clusters have been at the forefront of software processing technologies for decades: Advantage Capital was an early (2004) investor in FleetCor Technologies, a billion-dollar publicly traded company that provides fleet card processing software to the trucking industry; O'Fallon is home to one of MasterCard's five global tech hubs, with 3,000 employees working on software systems and "making sure payments around the globe are safe and simple for all" of the card's users;<sup>100</sup> and Square, the mobile payment platform and one of the best-known companies in fintech, was developed by two St. Louis natives – and while based in Silicon Valley, it has a significant presence at Cortex and is building a downtown office with space for up to 1,400 employees.<sup>101</sup> The primacy of software activities in the city's and region's finance sector is evident in Figure 3 which shows the region's securities, commodities, funds, and trusts industry has 2.3 times more

software workers than the national industry average and non-depository credit and related activities, which includes clearing credit card transactions, has just over twice (2.1) as many.

However, the software tech story goes well beyond the finance sector. St. Louis is home to World Wide Technology, headquartered in Maryland Heights, which provides IT services and generated over \$11 billion in sales in 2018.<sup>102</sup> World Wide Technology also owns Asynchrony Labs, a tech firm located downtown.<sup>103</sup> Three other industry groups have at least 500 software tech employees and well-above average utilization of software skills: automotive rental and leasing (likely because of Enterprise headquarters activities) employs software tech workers at 43 times the national industry average; agricultural chemicals employs 37 times more; and aircraft and parts, almost five times (4.8) more. Hospitals, too, demand software tech occupations and employ 1.8K people in software tech in the region. Overall, software tech employment is about 15% higher than we would expect in a U.S. regional economy the size of the St. Louis MSA. (See Figure ST-3.)

**“Software and back office are things that St. Louis is good at and they create mid-tier salaried jobs.”**

100 Noto, A. (2018, September 13). *Mastercard teams with Microsoft on payments platform*. New York Business Journal. <https://www.bizjournals.com/newyork/news/2018/09/13/mastercard-teams-with-microsoft-on-cross-border.html>; Faust, V. (2017, December 18). *MasterCard's tech center in O'Fallon ready to handle large volume of Christmas purchases*. Fox2 Now. <https://fox2now.com/2017/12/18/mastercards-tech-center-in-ofallon-ready-to-handle-large-volume-of-christmas-purchases/>

101 Stevenson, S. (2019, August 5). *5 things to know about Square's move to downtown St. Louis*. <https://www.stlmag.com/api/content/89cc8b7e-b7a2-11e9-a543-12f1225286c6/>

102 *World Wide Technology*. (n.d.). Forbes. Retrieved from <https://www.forbes.com/companies/world-wide-technology/>

103 *WWT Acquires Agile Software Development Consulting Firm Asynchrony*. (n.d.). Retrieved from <https://www.wwt.com/press-release/wwt-acquires-agile-software-development-consulting-firm-asynchrony>



**Figure ST-3.** Software tech occupations by industry in the St. Louis region vs. U.S.

Industry	St. Louis Region Emp	% of STL Region Software Tech Cluster	% of U.S. Software Tech Cluster	St. Louis Region : U.S. Ratio
Computer systems design and related services	10,600	24%	31%	0.8
Securities, commodities, funds, trusts, and other financial investments	2,100	5%	2%	2.3
Hospitals	1,800	4%	3%	1.5
Aircraft and parts	1,700	4%	1%	4.8
Wired telecommunications carriers	1,600	4%	2%	2.0
Insurance carriers and related activities	1,500	3%	4%	0.9
Management, scientific and technical consulting services	1,500	3%	3%	1.2
Banking and related activities	1,500	3%	3%	1.1
Colleges, universities, and professional schools, including junior colleges	1,300	3%	4%	0.9
Non-depository credit and related activities	1,300	3%	1%	2.1
Automotive equipment rental and leasing	1,100	3%	0%	43.1
Business support services	630	1%	1%	1.9
Architectural, engineering, and related services	580	1%	2%	0.7
National security and international affairs	570	1%	1%	1.0
Elementary and secondary schools	530	1%	1%	0.9
Agricultural chemicals	510	1%	0%	37.5
Telecommunications, except wired telecommunications carriers	490	1%	1%	0.9
Construction	480	1%	1%	1.9
Other health care services	400	1%	1%	1.3
Mail-order houses	390	1%	0%	5.8

Source: ACS-IPUMS 2017 5-year release; Mass Economics analysis

Software tech will be critical for realizing the full economic value of the new national federal geospatial N2W site in North City, the design of which will be part of an effort to create stronger bridges between the work of the 3,100 staffers at N2W and the private sector; and for growing cybersecurity jobs, which will benefit from proximity to N2W. Already, T-REX has established a Geospatial Innovation Center, known as Geosaurus. Leaders at Cortex have identified cybersecurity as a significant growth opportunity and expect to launch a Global Center for Cybersecurity at Cortex and collaborate with SLU's Geospatial Institute on a geospatial consortium.<sup>104</sup>

Despite the city's and region's immense strengths and opportunities in the software tech cluster, it is trending in the wrong direction in terms of both overall growth and creation of broad-based opportunity. As shown in Figure ST-4, the number of jobs in software tech nationally increased by 28% between 2010 and 2018, growth in the region was only 8%, meaning the region lost out on about 9,000 potential software tech jobs. This performance is even more disappointing when we consider the implications for

inclusion: across the U.S., job growth was more or less identical across educational levels of workers (high school or less, some college, and bachelors or advanced degree). Job growth in the St. Louis region greatly underperformed in each of these categories.

Although it is difficult to measure occupations below the regional level, MERIC-produced estimates suggest that performance in the City of St. Louis itself was even weaker, with software tech employment growing by only 3% since 2010.<sup>105</sup> Moreover, these data also suggest that the only growth that occurred in the city was for occupations that require at least a four-year degree. (See Figure ST-4.)

<sup>105</sup> The Missouri Economic Research and Information Center (MERIC) produces Occupational Employment and Wage Estimates (OES) data for sub-regional geographies – including the City of St. Louis data, utilized here – by using the BLS-OES micro data and the Local Employment and Wage Information System (LEWIS) program. These OES micro data are the same back-end data utilized by the BLS to create the published national, state, and regional estimates and are “apples to apples,” with the BLS published numbers according to MERIC staffers.

**DESPITE THE CITY'S AND REGION'S IMMENSE STRENGTH AND OPPORTUNITIES IN THE SOFTWARE TECH CLUSTER, IT IS TRENDING IN THE WRONG DIRECTION IN TERMS OF BOTH OVERALL GROWTH AND CREATION OF BROAD-BASED OPPORTUNITY.**

The dramatically worse performance of the City of St. Louis relative to the region, as well as the industries in which software tech occupations are concentrated in the region, suggest that St. Louis and the region are highly competitive in software tech that is embedded in larger corporate entities, but less competitive in the types of small- and mid-sized software firms that tend to be drawn to urban areas. This hypothesis is consistent with concerns among local experts that there is not enough reasonably-priced space for mid-sized tech firms in the city.<sup>106</sup>

<sup>104</sup> Ruff, C. (2019, December 13). *Cortex CEO Dennis Lower Reflects On A Decade Of Building St. Louis Into A Tech Hub*. St. Louis Public Radio. <https://news.stpublicradio.org/post/cortex-ceo-dennis-lower-reflects-decade-building-st-louis-tech-hub#stream/0>; Project interviews and roundtables

<sup>106</sup> Project interviews and roundtables

**Figure ST-4.** Growth in software tech jobs by geography, 2010-2018

	Total	<=High School	Some College	Bachelors/+
<b>U.S.</b>	28%	27%	27%	28%
<b>MSA</b>	8%	12%	11%	7%
<b>City of St. Louis (est.)</b>	3%	-5%	-4%	7%

Source: BLS OES; BLS Employment Projections Program; MO Economic Research and Information Center; Mass Economics analysis

### Cluster Growth Opportunities

Software tech is a critical for St. Louis because, as an occupational cluster, it stands to leverage the industry strengths of the city and region to provide middle- to high-wage jobs across a range of skillsets. (See Figure ST-5.) While St. Louis may be at the forefront of advancements in certain clusters (e.g., geospatial), this position doesn't guarantee that new jobs will be generated across the spectrum of worker skills and abilities. The promise of software tech is that support jobs can be created across tech specializations – such as fintech, geospatial, and agtech, to name a few. If developed correctly, a robust software tech cluster can translate into a large number of middle-wage jobs, including for people without a bachelor's degree.

Multiple specific strategies for software tech growth are presented below; each of these falls under a single meta-strategy, namely recognizing software tech as an occupational cluster that cuts across key industry clusters—aerospace, agtech, consumer services, cybersecurity, finance, geospatial—and must be organized as such. Absent such organization, it is difficult to see how the scale of the workforce needed to support the potential growth of the individual clusters—aerospace, agtech, etc.—will be developed.

Using lessons from successful cases nationally, we know that cluster organizations have to be industry-focused and expert driven; utilize quantitative and qualitative information to understand the cluster; and have a focused (and limited) set of strategic priorities.<sup>107</sup> Based on the software tech activities and growth trajectory in St. Louis and the broader region, a software tech

organization must work to: define the cluster; identify the current constraints behind the anemic growth in the city; map the full range of new growth opportunities; identify the scale and type of workforce skills needed to realize these opportunities; coordinate workforce development and training resources to meet these demands; and establish feedback loops for employers and industry experts to constantly refine curricula to meet changing skill requirements.

The establishment of a cluster organization and cluster identity will also help with talent attraction. Mid-sized cities and regions often suffer in talent recruitment because of what is seen as limited career growth options and it is true that in general, the largest urban economies offer richer, deeper career pathway options than smaller metros. However, understanding and presenting St. Louis software tech as a cluster—and one that as recently as 2010 was a size that we

would expect in a metropolitan area that is 30% bigger—will help address some of these recruitment issues.

In terms of cluster funding, successful clusters tend to bring in resources from local, state, and federal public sector, as well as corporate, philanthropic, and sometimes university sources and over time, rely on a diversified set of funding. In the case of Software Tech, the growth and inclusion opportunity should be sufficient to fund the first few years with philanthropic dollars and perhaps federal funding. (State funding options seem limited but worth exploring.) Within about 18-24 months, the value of the cluster to the corporate sector should have been made clear; at that point, the cluster should shift to a diversified funding model, with strong reliance on either corporate donations or a fee-for-service model that monetizes placements and hiring.

**Figure ST-5. Overview of software tech opportunity**

Measure	Software Tech Cluster	Total City Economy
Jobs, 2018 (K)	8.9	227.3
Location Quotient (LQ)	1.3	n/a
Projected Additional Jobs, 2028	1,100	13,200
Jobs Requiring Less than a Bachelor's Degree (%)	29%	64%
Average Wage (\$K)	\$93.2	\$54.7
Geography	Central West End, Clayton-Sarah, Downtown Core, Midtown, NGA Area, Midtown	n/a
Examples of Types of Jobs	Computer and information systems managers and research scientists, computer systems and information security analysts, computer programmers, software and web developers, database administrators	n/a

Source: BLS OES; Mass Economics analysis  
 Note: These estimates are based on occupation data and include public sector employment

107 Zeuli, K., O'Shea, K., and Nijhuis, A. (2017). *Building Strong Clusters for Strong Urban Economies: Insights for City Leaders from Four Case Studies in the U.S. Initiative for a Competitive Inner City*. [http://icic.org/wp-content/uploads/2017/06/JPMC-Cluster-Report\\_Building-Strong-Clusters\\_FINAL\\_v2.pdf](http://icic.org/wp-content/uploads/2017/06/JPMC-Cluster-Report_Building-Strong-Clusters_FINAL_v2.pdf); Donahue, R., Parilla, J., and McDearman, B. (2018). *Rethinking Cluster Initiatives* (p. 52). Metropolitan Policy Program at Brookings. [https://www.brookings.edu/wp-content/uploads/2018/07/201807\\_Brookings-Metro\\_Rethinking-Clusters-Initiatives\\_Full-report-final.pdf](https://www.brookings.edu/wp-content/uploads/2018/07/201807_Brookings-Metro_Rethinking-Clusters-Initiatives_Full-report-final.pdf)

## Strategies and Action Steps

### Strategy 1 Equip SLDC to support the software tech cluster in the city

In order to provide an overview of the cluster and identify potential members of the cluster advisory committee, SLDC should compile an overview baseline assessment of employment and occupation trends, major employers, workforce, training, and education (WTE) providers, potential funders, etc. By creating a coherent cluster definition and sizing the current economic impact of the cluster, SLDC can draw attention to the opportunity and begin to understand the challenges that are slowing cluster growth.

Longer term, the focus of the software tech cluster organization, tentatively titled, TechSTL, will be on understanding and coordinating the demand (employer) and supply (workforce, education, and training providers) sides. In recruiting potential advisory committee members, SLDC should make clear that data sharing will be strongly encouraged as part of cluster membership, including requests for employers to share projected workforce needs and for WTE providers to share enrollment, completion, and placement information. While data sharing need not be a mandatory requirement, as it could deter key employers from participating, that it is considered a recommended contribution to TechSTL should be made clear from initial outreach.

<b>Action Item #:</b> <b>ST-1.1</b>	<b>Develop internal expertise around the software tech cluster, organize the cluster and recruit software tech advisory committee, and hold software tech cluster kick-off meeting</b>
Leader	SLDC
Potential Partners	Claim Academy, Cultivation Capital, Danforth Plant Science Center, LaunchCode, SixThirty, SLEDP, SLU, WashU, diverse representation from corporates (e.g., Square, Microsoft)
Start Time	Year 1
Duration	3-12 months
Effort to Implement	High
Potential Funding	TBD
Goal/s	Establish knowledge base around software tech, leveraging ongoing city and regional initiatives (e.g., St. Louis Metro Economic Development Strategy); prepare for future cluster profile development; enable productive convenings of actors that support software tech; receive feedback on cluster trends, cluster challenges, cluster opportunities; postulate credible hypotheses regarding cluster slow-down since 2010; update cluster profile
Tracking Progress	Staff dedicated to developing internal software tech expertise; representation from diverse actors; attendance at convenings; number of first-choice candidates who serve; advisory committee engagement (attendance at meetings, etc.); amount and quality of information on trends, challenges, and opportunities

<b>Action Item #: ST-1.2</b>	<b>Develop profile of the St. Louis software tech cluster, identifying and profiling small-, medium- and large firms that have demand for software tech services or can provide these services</b>
Leader	SLDC
Potential Partners	Claim Academy, Cultivation Capital, LaunchCode, SixThirty, corporates (e.g., Square, Microsoft)
Start Time	Year 1
Duration	2-3 months
Effort to Implement	Medium
Potential Funding	TBD
Goal/s	Completed presentation
Tracking Progress	Completed presentation
<b>Action Item #: ST-1.3</b>	<b>Hire dedicated software tech expert at SLDC, focused on second-stage businesses and real estate</b>
Leader	SLDC
Potential Partners	Software tech advisory committee
Start Time	Year 1
Duration	1-3 months
Effort to Implement	High
Potential Funding	Internal
Goal/s	Hire person with start-up/second-stage experience and real estate familiarity
Tracking Progress	Quality and timing of hire



<b>Action Item #: <u>ST-1.4</u></b>	<b>Incorporate software tech into the business retention and expansion program</b>
Leader	SLDC
Potential Partners	SLEDP
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Low
Potential Funding	Internal
Goal/s	Aim to meet with companies that have 100+ employees at least annually, and for those with 50 to 100 employees bi-annually, and those with less than 50 employees once every three years; gain awareness of current and future site and building needs
Tracking Progress	BRE survey results inputted into CRM system
<b>Action Item #: <u>ST-1.5</u></b>	<b>Under the direction of the new SLDC hire, identify flexible, scalable real estate product with the necessary infrastructures that can support cluster growth</b>
Leader	SLDC
Potential Partners	LRA, SLEDP
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Low
Potential Funding	TBD
Goal/s	Develop and regularly maintain a database of available real estate options available for software tech businesses
Tracking Progress	Quality and utilization of inventory, software companies matched with available spaces

## Strategy 2

### **Coordinate with workforce, training, and education (WTE) providers to size projected demand in the cluster, determine roles, establish channels of communication, and maintain accountability in training workers to meet short- and long-term software tech workforce demand**

Software Tech is comprised of 14 occupations related to computer programming, systems, and software. These occupations span a range of industries, serving both primary and support functions. The widespread relevance of Software Tech occupations – and the fact that the cluster includes both jobs that are known today, as well as jobs that will be developed in the future – means that it is no small feat to project potential demand for workers and the skillsets that might be required. However, growing the cluster in St. Louis and the region will require reasonably accurate short-term (0-2 years) and medium-term (2-5 years) forecasts. An added challenge comes from the fact that the prospective workforce includes not only new entrants to the cluster, but also the current Software Tech workforce that may be in need of upskilling.<sup>108</sup>

There are multiple methods for developing demand forecasts based on the willingness of employers, especially major employers, information on projected local hiring and characteristics of current workforce. Although firms are generally reluctant to share any information related to competitive position, cluster organizations have been successful in getting firms to share information under the proviso that demand projections would aggregate information and not reveal data from individual firms. Processes for creating such projects have been developed by local and national organizations, e.g., the U.S. Chamber of Commerce's Talent Pipeline Management program. Absent willingness of firms to share information, cluster groups can

utilize various local and national data sources (e.g., Burning Glass, federal industry and occupation data) to create projections and monitor demand conditions.

There is potential for significant short-term equity and efficiency gains from better coordination of the WTE resources related to software tech. Currently, each of the major training programs recruits and assesses independently, creating relatively high time and information barriers for many would-be workers in software tech and uneven utilization of WTE resources, with some programs chronically at capacity or over-subscribed and other programs that are underutilized. These inefficiencies, we suspect, impose the greatest harm on would-be workers with lower access to financial resources or more day-to-day demands on their time and resources.

This strategy must also include a coordinated effort to secure better outcomes for disadvantaged populations in Software Tech: 1) setting targets for enrollment, graduation, placement, and retention for women, people of color, and residents of low-income communities; 2) developing and disseminating best practices for on-boarding workers from these communities; and 3) by providing referrals and access points to wraparound services in the training and early employment phases.

A common digital portal and information sharing across WTE providers will also be a critical first step in tracking demand, utilization, completion, and system capacity and setting collective training targets for different occupations and skill sets. Over the medium-term, coordination across the WTEs can be used to identify and address capacity gaps that are slowing software cluster growth in the city and region.

108 Project interviews and roundtables

<b>Action Item #: <u>ST-2.1</u></b>	<b>Develop Software Tech working group of business, education, philanthropic and government leaders and establish goals, division of work, regular meeting schedule and accountability structure for the partnership</b>
Leader	SLDC
Potential Partners	Claim Academy, Family and Workforce Centers of America, LaunchCode, NPower St. Louis, public schools and community colleges
Start Time	Year 2
Duration	2-3 months
Effort to Implement	Medium
Potential Funding	Internal sources
Goal/s	Agile, active working group that regularly meets and participates in solving problems related to workforce needs in the software tech industry cluster; initial coordination and information sharing agreements; creation of common digital portal
Tracking Progress	Number and diversity of WTE participants, depth of coordination and information sharing; functionality and timing of website completion
<b>Action Item #: <u>ST-2.2</u></b>	<b>Collaborate with St. Louis Community College to conduct regional demand study estimating short- and long-term software tech workforce demand</b>
Leader	SLDC
Potential Partners	St. Louis Community College
Start Time	Year 2
Duration	9 months
Effort to Implement	Medium
Potential Funding	Local philanthropy; federal funding (e.g., US EDA i6 grant)
Goal/s	10-15 slide deck on method, rationale, data requirements, etc.; short-term (0-2 years) and medium-term software tech worker demand projections by occupation and, if possible, industry; 10-12 slide summary deck
Tracking Progress	Amount of employer data in methods; consensus on methods to be used; completion time of project

<b>Action Item #: ST-2.3</b>	<b>Create a common application portal for training programs</b>
Leader	SLDC
Potential Partners	Claim Academy, Family and Workforce Centers of America, LaunchCode, NPower St. Louis, public schools and community colleges (including St. Louis Community College)
Start Time	Year 2
Duration	6-12 months
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Streamline application processes so that overflow applicants can be absorbed by other programs
Tracking Progress	Presence of a common application portal; number of citywide (or regionwide) applicants ultimately enrolled in training programs

## Strategy 3 Formalize a software tech cluster organization, TechSTL

Substantial cluster-building work—in the form of strategies 1 and 2—will have been completed in the first two years of the initiative and a strong understanding of the leaders, on both the employer and WTE sides, will have emerged. At this point, the software cluster initiative should be formalized, tentatively under the name TechSTL, and spun out of SLDC as a stand-alone initiative to focus on continually improving systems for workforce demand and supply projections; develop strategies to meet existing or emerging WTE system capacity gaps; and integrate TechSTL with business attraction efforts.

Action Item #: <u>ST-3.1</u>	Determine partners and leadership structure for TechSTL
Leader	SLDC
Potential Partners	Cortex, ITEN, software tech advisory committee, T-REX, Venture Café
Start Time	Year 1
Duration	6 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Strong, standalone organization with a strong board and operational capacity of a BioSTL
Tracking Progress	Bylaws of a formalized cluster organization
Action Item #: <u>ST-3.2</u>	Determine 5-year budget and funding to launch TechSTL
Leader	SLDC
Potential Partners	Cortex, software tech advisory committee, T-REX, Venture Café
Start Time	Years 2
Duration	6 months
Effort to Implement	Medium
Potential Funding	Corporate donations or earned revenue; pro bono legal services
Goal/s	Establish a budget and funding sources
Tracking Progress	Identification and security of funding



<b>Action Item #: ST-3.3</b>	<b>Formally launch independent TechSTL organization</b>
Leader	SLDC
Potential Partners	Cortex, software tech advisory committee, T-REX, Venture Café
Start Time	Years 3-5
Duration	6 months
Effort to Implement	Medium
Potential Funding	Corporate donations or earned revenue; pro bono legal services
Goal/s	Strong, standalone organization with a strong board and operational capacity of a BioSTL
Tracking Progress	Presence of a formalized cluster organization

SOFTWARE TECH IS CRITICAL FOR ST. LOUIS BECAUSE, AS AN OCCUPATIONAL CLUSTER, IT STANDS TO LEVERAGE THE INDUSTRY STRENGTHS OF THE CITY AND REGION TO PROVIDE MIDDLE- TO HIGH-WAGE JOBS ACROSS A RANGE OF SKILLSETS.



Source: Venture Café St. Louis



## B2B

### Cluster Vision

A vibrant business-to-business cluster (B2B) in the City of St. Louis will provide the rich support services sought after by entrepreneurs while creating new entrepreneurship and job opportunities for the residents of St. Louis. Today, the B2B cluster in the city is about 20% smaller than we would expect given the amount of economic activity, with white collar-type support activities weaker than more blue-collar activities. With understanding of the cluster’s importance and targeted growth strategies, St. Louis can capture its proportionate share of future regional B2B growth, adding thousands of jobs and supporting resident opportunity and revenue generation within the city. By explicitly supporting existing and would-be minority- and women-owned entrepreneurs in the B2B space, cluster growth can help close the racial gaps in business ownership and revenue and middle-wage job holding.

### Cluster Overview

The “business-to-business” (B2B) cluster is composed of firms that provide a broad range of support activities to businesses (as opposed to consumers, as B2C firms like groceries and daycares do). Clients are often anchor institutions or large, publicly traded firms that sell specialized goods and services in national and global markets, while B2B firms themselves are often small or mid-sized, privately held entities. Unlike specialized suppliers that are part of one or a small number of specific national or global supply chains—say, makers of parts for airplane engines—B2B firms often provide somewhat standard products and services across a range of clients in a trade area no bigger than a multi-county metropolitan area. Because of these demand and locational patterns, B2B firms are present in all local economies but often take on distinctive characteristics based on the dominant traded industries in the metropolitan economy in which they operate.

B2B firms can engage in physical (e.g., product assembly, repair, storage, transport) or digital/ managerial activities like payroll support, data services, and staffing. In the physical or “blue-collar” realm, B2B activities can take place off-site at the location of the client (e.g., facilities maintenance), on-site at the B2B firm itself (e.g., wholesaling), or a combination (e.g., repair services). In general, B2B activities in the digital-managerial or “white-collar” realm take place at the B2B firm. (See Figure B2B-1.)

B2B has been growing for decades as once large, vertically integrated firms continue to outsource functions from catering and facilities maintenance, to data services and logistics. Since 2010, employment in B2B industries across the U.S. has grown by 21%, 1.2 times the rate of total U.S. employment. B2B is expected to grow in the next decade, as well, with growth projected at about the same rate as the rest of the U.S. economy

(8%) with projected growth of 5% in blue-collar on-site, 10% in blue-collar off-site, and 10% in white-collar B2B sub-clusters.<sup>109</sup>

The B2B cluster is a substantial—but somewhat underperforming—contributor to job creation and entrepreneurship in the City of St. Louis. Overall, the B2B cluster accounts for over 24.7K St. Louis jobs, about one in eight of the jobs in the city, and over \$1.1B in wages and because of high entrepreneurship rates, significant owner wealth creation. There is, however, room for growth: the cluster’s location quotient (LQ) in the City of St. Louis is only 0.8, meaning there are 20% fewer jobs in B2B than we would expect for an American city of this size. (See Figure B2B-2.) LQs for the Blue Collar B2B On-Site and White Collar B2B sub-clusters are both low (0.7 and 0.6, respectively) in the city

109 QCEW/UDP, 2010-2018; BLS Employment Projections Program; Mass Economics analysis

**Figure B2B-1.** B2B sub-clusters

Sub-Cluster	Segment
Blue Collar B2B Off-Site	Facilities Management Local Transportation and Logistics Local Trucking Other Business Services Repair and Servicing Waste
Blue Collar B2B On-Site	Rental and Leasing Warehousing and Storage Wholesale – Auto Wholesale – Construction Wholesale – Consumer and Business Wholesale – Energy/Chemical Wholesale – Food Wholesale – Healthcare Wholesale – Other Industrial Wholesale – Support
White Collar B2B	HR Services Professional Services Real Estate



while Blue Collar B2B Off-Site sub-cluster—which includes facilities management, repair and servicing, and local transportation and logistics—has an LQ of just over 1 (1.04).<sup>110</sup>

In addition to the supports it provides for other local businesses and the significant jobs it generates, the B2B cluster is also critical for creating broad-based opportunity. The cluster routinely provides middle-wage jobs for workers without college degrees: the Blue Collar sub-clusters offers \$45.8K average wages in the city and 47% of jobs accessible to workers with no more than a high school diploma, and the White Collar sub-cluster offers \$47.5K average wages and 36% of jobs accessible to workers with no more than a high school diploma. (See Figure B2B-3.) The B2B cluster has also historically

created important opportunities for minority- and women-owned businesses (MWBs), accounting for 32% of total MBE revenue and 34% of total WBE revenue.<sup>111</sup>

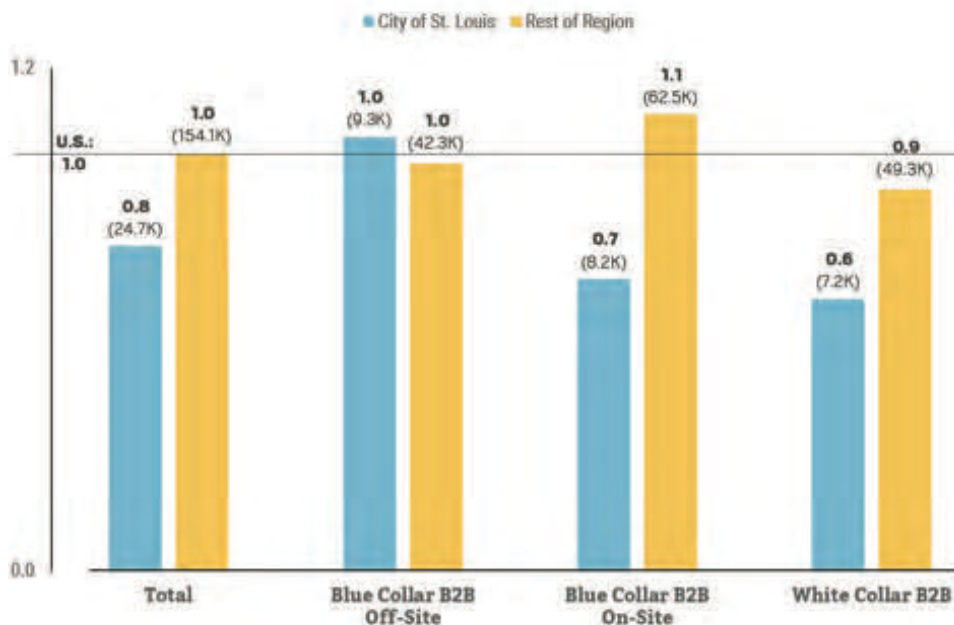
Given the importance of B2B to inclusive prosperity in St. Louis, it is unfortunate that cluster growth in the post-recession period has trailed the rest of the region and the U.S. Since 2010, B2B cluster employment has grown only 1.5% in the City of St. Louis compared 18% in the rest of the region and 21% nationally. (See Figure B2B-4.) The divergence in growth is most pronounced in Blue Collar B2B Off-Site, which declined by 4% in the city while growing 20% nationally. This poor performance was driven by declines in the Facilities Management (-340

jobs, -5%), Waste (-140 jobs, -20%), and Local Transportation and Logistics (-130 jobs, -54%) segments, all of which grew by at least 20% nationally. Both the Other Business Services and Repair and Servicing segments grew in the city, with the latter segment's growth actually surpassing the U.S. and rest of region – growing by over 30% compared to the U.S.'s 6%. The Blue Collar B2B On-Site sub-cluster also declined in the city (-5%) while growing 15% in the U.S. Six of the ten segments lost at least 100 jobs (various wholesaling segments and the rental and leasing segment) but Warehousing and Storage and Wholesale – Healthcare both added over 100 jobs, with the latter growing by almost 380% since 2010. The City of St. Louis was most competitive in White Collar B2B activities, and while it underperformed compared to the U.S., it grew at a rate comparable to the rest of the region. Within the sub-cluster, the Real Estate segment declined by 10% but HR Services grew by 33% (+890 jobs) and Professional Services grew by 40% (+510 jobs) – over 2X the U.S. rate. Had the B2B cluster overall grown at U.S. rates from 2010 to 2018, the city would have an additional 4.7K jobs in 2018.

110 QCEW/UDP, 2018; Mass Economics analysis

111 Survey of Business Owners, 2012; Mass Economics analysis

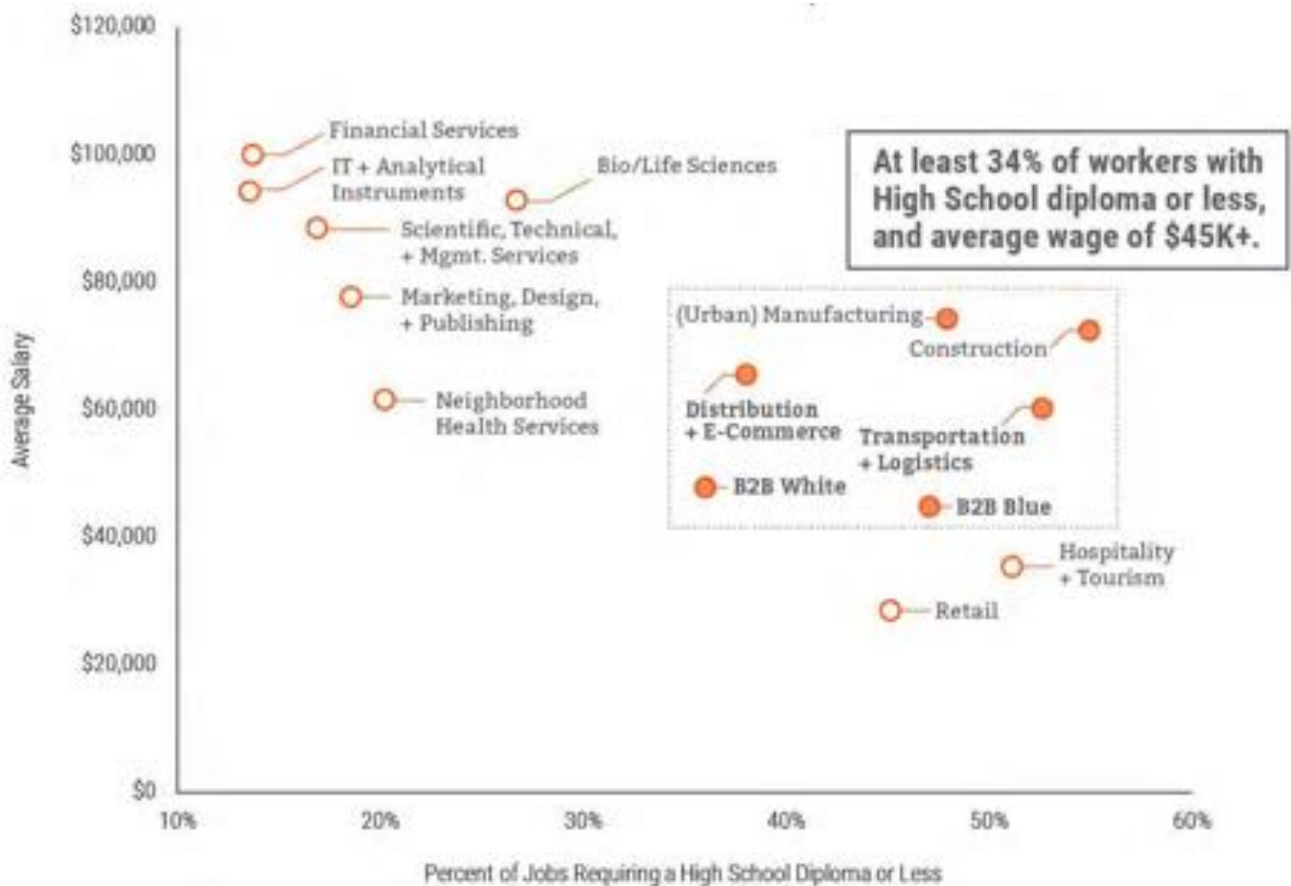
**Figure B2B-2. B2B LQ (Number of jobs), 2018**



Source: QCEW/UDP, 2018; Mass Economics analysis

**THE B2B CLUSTER IS CRITICAL FOR CREATING BROAD-BASED OPPORTUNITY AND ROUTINELY PROVIDES MIDDLE-WAGE JOBS FOR WORKERS WITHOUT COLLEGE DEGREES.**

**Figure B2B-3.** Average wage vs. educational requirements in City of St. Louis, 2018



Source: QCEW/UDP, 2018; BLS Employment Projections Program; Mass Economics analysis

**Figure B2B-4.** B2B growth, 2010-2018

Segment	City of St. Louis	Rest of Region	U.S.
Blue Collar B2B Off-Site	-4%	13%	20%
Blue Collar B2B On-Site	-5%	20%	15%
White Collar B2B	20%	21%	28%
<b>B2B Total</b>	<b>1.5%</b>	<b>18%</b>	<b>21%</b>

Source: QCEW/UDP, 2018; Mass Economics analysis



### Cluster Growth Opportunities

Despite the wide range of industries, activities and firm characteristics included in B2B there are important commonalities that define the cluster: type of clients, regional market areas, high labor intensity, and unique working capital challenges. These characteristics must shape the types of technical assistance (TA) developed and delivered to B2B firms in order to support their growth. The first commonality relevant to TA is that B2B blue-collar activities, which account for 65% of B2B employment in the U.S., are labor-intensive. In B2B blue-collar segments nationally, wages account for 48% of value added (VA), 20% higher than in nationally- and globally-traded industries. In the B2B off-site segment, wages account for 68% of VA nationally, and in the B2B on-site segment, wages account for 43% of VA nationally.<sup>112</sup> These characteristics mean that the ability to project workforce needs and hire and manage staff will be a critical component of firm growth and profitability.

Second, because of their position relative to lead firms—B2B firms are often third- or fourth-tiers in supply chains or sub-contractors to sub-contractors in project

hierarchies—the time between a firm's work and actual payment is often unusually long. Combined with the labor-intensity of B2B segments, and state and federal requirements to pay employees on 15- to 30-day cycles, unfavorable payment terms mean that working capital challenges are a structural condition for firms across the cluster. These challenges are exacerbated for B2B firms that have little in the way of physical capital (e.g., equipment) against which to secure loans or lines of credit. Because of these characteristics, availability of high-quality working capital options (see discussion of capital challenges below) and extensive training in cash flow management are even more critical to B2B than to small businesses generally.

A third feature of B2B and other firms that operate in lower tiers of supply chains is a high likelihood that a B2B firm has to manage a large number of customers relative to revenue and that significant growth will require a broad-based marketing strategy. Many programs aimed at supporting small- and mid-sized firm growth, however, focus on managing significant growth from one client by helping firms with, say, bonding for large construction projects or rapidly expanding their workforce to capture significantly larger contracts from existing clients. For B2B firms,

technical assistance should instead provide guidance on marketing to and managing a relatively large number of small- and mid-sized clients.

Cluster-specific technical assistance for B2B firms will not require new TA providers but the development of new curricula and materials that can be distributed to the city's existing small business infrastructure (e.g., Center for Emerging Technology, Missouri Small Business Development Center, SCORE St. Louis).

Many growth initiatives for local firms, including MWBEs, focus on the demand side, with things like “buy local” campaigns and efforts to steer anchor procurements to local and/or under-represented entrepreneurs. Supporting inclusive B2B growth will certainly benefit from demand-side initiatives, which aim to increase the number of contracts and total revenue at local businesses, but these efforts work best when integrated with supply-side programs that aim to improve operations and growth capacity of individual firms in B2B segments. These different approaches are illustrated in Figure B2B-5, where columns (circled in red) represent demand-side initiatives and rows (circled in green) represent supply-side initiatives.

112 QCEW/UDP, 2018; Mass Economics analysis

**Figure B2B-5.** B2B is related to but distinct from procurement programs

B2B Activity	Procurement			
	Eds	Meds	Corporate	Vertical A
Data Processing + Housing	\$	\$\$	\$\$	-
Computer Services	\$	\$	\$\$	-
Catering + Food Wholesalers	\$\$	\$\$	\$	-
Equipment Wholesalers	\$	\$	\$\$	-
<b>B2B</b> Facilities Management	\$\$	\$\$	\$	-
Repair + Serving	\$	\$\$	\$	-
Etc.	-	-	-	-

Note: The red ovals encompass demand-side initiatives; the green ovals encompass supply-side initiatives

Demand-side initiatives provide multiple benefits, including demonstrating success for large buyers reluctant to source from St. Louis firms, matching growth opportunities with the supports needed for B2B firms to scale successfully, and linking St. Louis suppliers with the city and region's largest traded cluster firms (and, as a result, opening global markets for smaller St. Louis firms). Large institutions in St. Louis have demonstrated their support for the local business community through a variety of individual local sourcing efforts. Washington University's purchasing and construction spend in the region amounted to \$518M in 2018 (\$229M on construction and \$289M on goods and services)<sup>113</sup> and the university has an Office of Supplier Diversity, chartered with the intention of supporting diverse local businesses.<sup>114</sup> The office maintains a

public database of small business vendors, including firms beyond St. Louis, that tracks MBE and veteran ownership status, among other metrics.<sup>115</sup> Other civic institutions conduct vendor registrations, and institutions supported by the Metropolitan Zoological Park and Museum Taxing District, which levies property taxes in a portion of the region for the St. Louis Zoo, Missouri Botanical Garden, and the Museums of Art, Missouri History, Natural History, and Science,<sup>116</sup> cite their intention to "[contract] with qualified businesses within the District (comprised of St. Louis and St. Louis County) whenever possible."<sup>117</sup> While these initiatives are a strong first step, they must be amplified and coordinated across the landscape of large institutions in St. Louis to maximize their support for B2B firms in St. Louis.

In order to support B2B cluster growth in the City of St. Louis, the city's challenged small business and B2B business lending environment must be dramatically improved. There are some indicators that would suggest that lending activity would be strong in the city: St. Louis ranks ninth among the top 50 cities for total bank deposits per capita.<sup>118</sup> However, overall small business lending in St. Louis is about 58% the U.S. rate (29 loans per 1K jobs vs. 49) and the gap is even larger for loans of <\$100K (55%, 26 vs. 46) and for loans to businesses with <\$1M in revenue (53%, 13 vs. 25).<sup>119</sup> (See Figure B2B-6.) In a study of small business capital flows, JPMorgan Chase found that the median cash buffer for small businesses was 27 days; these challenges are especially acute for labor-intensive businesses – like B2B – which had a cash buffer of only 23 days versus 38 days for capital intensive businesses.<sup>120</sup>

113 Washington University in St. Louis. (n.d.). Economic Impact on the St. Louis Region. Retrieved from Government and Community Relations website: <https://governmentrelations.wustl.edu/community-relations/economic-impact-on-the-st-louis-region/>

114 Washington University in St. Louis. (n.d.). Supplier Diversity. Retrieved from Resource Management website: <https://resourcemanagement.wustl.edu/supplier-diversity/>

115 Project interviews and roundtables

116 City of St. Louis. (2019). *Comprehensive Annual Financial Report*. Retrieved from [https://www.stlouis-mo.gov/government/departments/comptroller/documents/upload/CityofStLouisMO\\_CAFR-FY19.pdf](https://www.stlouis-mo.gov/government/departments/comptroller/documents/upload/CityofStLouisMO_CAFR-FY19.pdf)

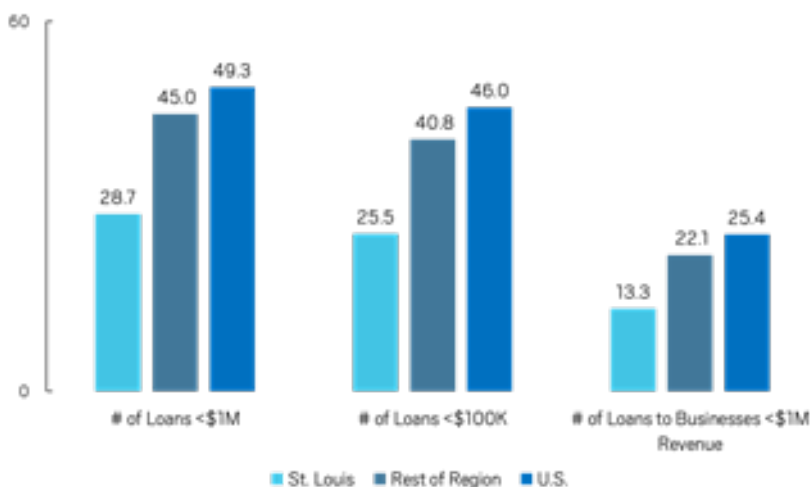
117 Saint Louis Zoo. (n.d.). Vendor Opportunities. Retrieved from <https://www.stlzo.org/about/contact/vendoropportunities>

118 FDIC, Summary of Deposits; Mass Economics analysis

119 FFIEC-CRA loan data, 2015-2017; QCEW-UDP, 2017; Mass Economics analysis

120 *Cash is King: Flows, Balances, and Buffer Days*. (2016). JPMorgan Chase and Co. Institute. <https://www.jpmorganchase.com/corporate/institute/document/jpmc-institute-small-business-report.pdf>

**Figure B2B-6.** Small business lending in St. Louis per 1K jobs, 2015-2017



Source: FFIEC-CRA loan data, 2015-2017; QCEW-UDP, 2017; Mass Economics analysis

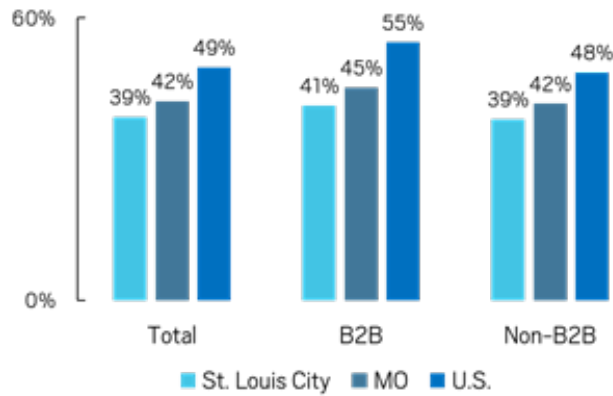
B2B firms, however, have distinct capital demands compared to all small businesses. Based on national SBA 7(a) data, lending to B2B businesses skew towards working capital (despite making up only 16% of U.S. jobs, 19% of revolving loans and 18% of loans with terms <=84 months are made to B2B firms) and micro loans (18% of loans for <=\$25K are made to B2B firms).<sup>121</sup> Among SBA 7(a) loans to B2B firms, the lending rate per 100K jobs in St. Louis is only 56% of the U.S. rate (29 vs. 52).<sup>122</sup> The limited SBA lending that does occur in St. Louis is skewed away from the very capital that B2B firms prefer nationally: only 41% of loans made to B2B firms have terms <=84 months compared to 55% in the U.S. and only 7% are for amounts less than \$25K (compared to 20% nationally).<sup>123</sup> (See Figures B2B-7 and B2B-8.)

121 SBA 7(a) and 504 loan data, 2015-2018; Mass Economics analysis

122 SBA 7(a) loan data, 2015-2018; QCEW-UDP, 2018; Mass Economics analysis

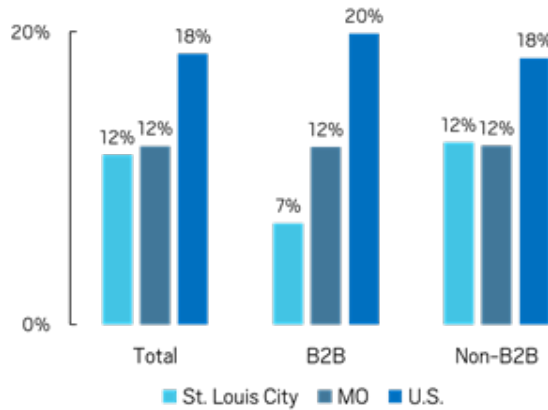
123 SBA 7(a) loan data, 2015-2018; Mass Economics analysis. It is worth noting that the share of revolving loans made to B2B firms in St. Louis is actually almost the same as the U.S. share (37.9% vs. 38.3%)

**Figure B2B-7.** Share of Loans <= 84 Months Term



Source: SBA 7(a) loan data, 2015-2018; Mass Economics analysis

**Figure B2B-8.** Share of Loans <\$25K, 2015-2018



Source: SBA 7(a) loan data, 2015-2018; Mass Economics analysis

**Figure B2B-9.** Overview of B2B opportunity

Measure	B2B Cluster	Total City Economy
Jobs, 2018 (K)	24.7	200.1
Location Quotient (LQ)	0.8	n/a
Projected Additional Jobs, 2028	840	11,900
Jobs Requiring Less than a Bachelor's Degree (%)	76%	65%
Average Wage (\$K)	\$46.3	\$61.2
Geography	n/a	n/a
Examples of Types of Jobs	Wholesaling, repair and servicing, HR services, real estate	n/a

Source: QCEW-UDP; Mass Economics analysis

Note: These estimates are based on industry data and exclude public sector employment

## Strategies and Action Steps

**Strategy 1 Equip SLDC to develop the B2B cluster, including B2B-specific technical assistance and resources**

The unique position of B2B firms and presence of common challenges means that internal B2B expertise is an imperative. Internal expertise should be developed through a B2B working group that leverages the knowledge base of local B2B firms and other facets of the business services ecosystem. In response to some of the unique conditions facing B2B firms, additional sub-groups should be convened around their capital needs and MWBE growth. Innovation clusters – like biosciences and tech – should be engaged to find opportunities for industry-specific B2B growth; this will also support B2B-related entrepreneurship in these areas. Finally, real estate and land assembly opportunities for B2B should be considered; potential benefits of shared space for B2B firms include shared equipment, flexibility to grow or shrink in the same building, shared administrative staff, shared delivery/shipment schedules, shared costs (e.g., insurance, telecom, utilities), opportunities for firm referrals, and an internal support network.

<b>Action Item #: B2B-1.1</b>	<b>Develop internal expertise around the B2B cluster, on subjects such as start-ups, capital needs, real estate needs, and TA</b>
Leader	SLDC
Potential Partners	Justine Petersen, SLEDP, St. Louis Equity in Entrepreneurship Collective, St. Louis area BSOs
Start Time	Year 1
Duration	3-12 months
Effort to Implement	High
Potential Funding	N/A
Goal/s	Establish knowledge base around B2B; prepare for future programming and technical assistance needs; enable productive convenings of actors that support B2B
Tracking Progress	Staff dedicated to developing internal B2B expertise; representation from diverse actors; attendance at convenings
<b>Action Item #: B2B-1.2</b>	<b>Sponsor existing conferences geared toward minority entrepreneurs and support the development of new such events</b>
Leader	SLDC
Potential Partners	Balsa Foundation, BioSTL, Cortex, International Institute, SLEDP
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Support early-stage minority entrepreneurs; establish partnerships to coordinate on inclusion goals
Tracking Progress	Attendance at events; number of entrepreneurs awarded funding or other support

## Strategy 2 Coordinate a collective local B2B program

Given the number and strength of St. Louis anchors and traded cluster firms, a collective local procurement effort could have a profound bottom-line impact on St. Louis-based B2B firms. Coordinating their purchasing needs could allow local firms to be engaged to support the needs of the city and region's biggest anchors. Already, individual anchors are considering how to support local businesses and residents – for example, Washington University is developing an “In St. Louis, For St. Louis” initiative<sup>124</sup> - but these efforts are largely individual.

The Detroit-to-Detroit (D2D) program links up big purchasers (part of a 17-member Buyers' Council) with smaller firms,<sup>125</sup> and the program was born out of a major purchasers study that estimated the potential spending by type of the Buyers' Council. Included in this strategy are action items to present alternatives to the current MWBE certification program, which is too onerous for the non-construction firms that make up the vast majority of enterprises owned by racial/ethnic minorities and women. Two paths are proposed: addition of a non-construction certification alternative within the Lambert Airport certification program; and a corporate certification program for small- and mid-sized contracts with an annual maximum threshold (amount TBD). These alternatives can help identify and expand the pool of MWBE suppliers that do business with anchor and corporate entities in the city and region.

Action Item #: <u>B2B-2.1</u>	Conduct market research to catalogue major purchasers in the city and their purchasing needs, learning from previous regional analyses on contracting and spending*
Leader	SLDC
Potential Partners	Anchors (BJC, SLU, SSM Health, WashU, etc.), federal/state/local government, largest traded cluster firms
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Fund study (estimated \$30-40K) through local or national philanthropy and funding to implement the Buyers' Council activities
Goal/s	Understand procurement trends and project demand for B2B in St. Louis
Tracking Progress	Completed study and Buyers' Council activities

\* Missouri Defense Supply Chain Analysis. (2017, July). STLPartnership. <https://stlpartnership.com/missouri-defense-supply-chain-analysis/>

<sup>124</sup> Project interviews and roundtables

<sup>125</sup> Detroit Major Purchaser Survey. (2013). Mass Economics. <http://masseconomics.com/projects/detroit-major-purchaser-survey/>



<b>Action Item #: <u>B2B-2.2</u></b>	<b>Create a B2B working group from representatives of B2B firms, anchor institutions, and existing BSOs, with a sub-group focused on supporting inclusive B2B firm growth</b>
Leader	SLDC
Potential Partners	Center for the Acceleration of African-American Business, Justine Petersen, Regional Chamber, St. Louis Equity in Entrepreneurship Collective, large anchor institution procurement officers, St. Louis area BSOs
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Assess and propose additional requirements for MWBE contracting, establish network of MWBE B2B firms within and without the city, establish more flexible and faster payment terms
Tracking Progress	Working group attendance and participation, development of new requirements for MWBE contracting and payment, presence of formal MWBE B2B network
<b>Action Item #: <u>B2B-2.3</u></b>	<b>Coordinate with innovation cluster leaders in biosciences and tech to grow city-sourced B2B within these specific industry segments</b>
Leader	SLDC
Potential Partners	BioSTL, St. Louis Equity in Entrepreneurship Collective
Start Time	Year 1
Duration	6 months
Effort to Implement	Medium
Potential Funding	Potential partners
Goal/s	Increase number of MWBE B2B firms serving bioscience cluster (e.g. facilities management, equipment repair and servicing, etc.), adapt learnings to other tech and innovation clusters
Tracking Progress	New contracts and revenues for MWBE B2B firms

<b>Action Item #: B2B-2.4</b>	<b>Create MWBE certification alternatives</b>
Leader	Lambert Airport, St. Louis Equity in Entrepreneurship Collective, SLDC
Potential Partners	Corporates
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	SLDC
Goal/s	Creation of alternative certifications and increase in number of certified MWBEs
Tracking Progress	Certification creation, number of MWBEs certified

**Strategy  
3**

**Create a tailored capital strategy for MWBE firms in B2B**

According to the most recent (2017) national examination of lending patterns for small businesses, in 2014, nearly three-quarters of male-owned small businesses applicants were approved for a loan as compared to only 61% or female or minority applicants and 47% for Black/African American applicants.<sup>126</sup> For B2B firms, these capital challenges are especially acute and revolve around the accessibility of working capital that can be used to sustain firm operations. A deficit of working capital means that B2B firms struggle to stay afloat while executing larger contracts prior to receiving payment. While applicable to all city residents, an effort to increase credit scores – potentially modeled on the Boston Builds Credit program – could help B2B business owners more easily access capital.

126 Board of Governors of the Federal Reserve System. (2017). *Report to the Congress on the Availability of Credit to Small Businesses*. Retrieved from <https://www.federalreserve.gov/publications/2017-september-availability-of-credit-to-small-businesses.htm>

<b>Action Item #: B2B-3.1</b>	<b>Conduct a survey of B2B businesses in the city to determine capital stack and other financial gaps creating the most common barriers in the industry</b>
Leader	SLDC
Potential Partners	Balsa Foundation, CDFI Coalition, Community Builders Network, Justine Petersen, LDC, Regional Chamber, SLEDP, B2B firms, select capital providers, St. Louis area BSOs
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Low
Potential Funding	TBD
Goal/s	Understand and document the capital needs and gaps facing B2B firms in St. Louis; identify best practices amongst capital providers; develop presentation of St. Louis B2B firms' capital gaps and needs for sharing and working with local capital providers
Tracking Progress	Completion of surveys that documents B2B firms' capital challenges and needs in St. Louis
<b>Action Item #: B2B-3.2</b>	<b>Engage lenders from across the capital spectrum to increase working capital lending and lines of credits to B2B firms</b>
Leader	SLDC
Potential Partners	B2B Working Group, Balsa Foundation, CDFI Coalition, Community Builders Network, LDC, SLEDP, lenders
Start Time	Year 2
Duration	0-3 months
Effort to Implement	Medium
Potential Funding	TBD
Goal/s	Expand and increase B2B lending
Tracking Progress	Number and dollar value of loans made (by type, size, term, etc.)

<b>Action Item #: B2B-3.3</b>	<b>Coordinate with banking, philanthropic, and major purchaser partners to develop working capital loan fund</b>
Leader	SLDC
Potential Partners	CDFI Coalition, City, Community Builders Network, Invest STL, SLEDP, national or local philanthropy
Start Time	Year 2
Duration	Ongoing
Effort to Implement	High
Potential Funding	Local or national philanthropy, federal/state/local government, CDFIs
Goal/s	Increase access to working capital for B2B businesses
Tracking Progress	Number and dollar value of loans made (by type, size, term, etc.)
<b>Action Item #: B2B-3.4</b>	<b>Create a citywide credit building program modeled on Boston Builds Credit and building on the International Institute's credit building program* to increase business owner credit scores and to build a pipeline of businesses for the working capital loan fund</b>
Leader	SLDC
Potential Partners	African, Asian, Black, Bosnian, and Hispanic Chambers of Commerce; CDFI Coalition; Community Builders Network; International Institute Community Development Corporation; Regional Chamber; financial coaches; financial institutions; local or national philanthropy (e.g., United Way Greater St. Louis); policy makers
Start Time	Year 1
Duration	Ongoing
Effort to Implement	High
Potential Funding	Financial institutions; local or national philanthropy
Goal/s	Improve credit scores of St. Louisan residents and business owners
Tracking Progress	Number of business owners participating in program, increased credit scores

\* Economic Development. (n.d.). International Institute Saint Louis. <https://www.iistl.org/economic-development/>

**Strategy  
4**

**Support the development of shared spaces for White Collar B2B in mixed-use neighborhoods and Blue Collar B2B in industrial districts**

Real estate and land assembly opportunities for B2B are also important. Potential benefits of shared space for B2B firms include shared equipment, flexibility to grow or shrink in the same building, shared administrative staff, shared delivery/shipment schedules, shared costs (e.g., insurance, telecom, utilities), opportunities for firm referrals, and an internal support network. SLDC should support the development of real estate for shared spaces for White Collar B2B (in downtown, or in mixed use areas) and Blue Collar B2B (in industrial employment districts/centers) by compiling and assessing the real estate needs and locational preferences for B2B firms and educating the market on the types of real estate that would support B2B firms and other potential needs (e.g., incentives).

<b>Action Item #: <u>B2B-4.1</u></b>	<b>Coordinate B2B land assembly efforts with other efforts and reserve small- to mid-sized industrial parcels for potential B2B infill</b>
Leader	SLDC
Potential Partners	City, LRA, federal/state/local government, other public land owners
Start Time	Year 2
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Consider creating a REIT, a Program-Related Investment from philanthropy, or other investment vehicles to fund this effort
Goal/s	Assembled sites ready for development with publicly released RFPs
Tracking Progress	Number of sites created, acreage of sites created, building square footage supported, number of jobs supported, amount of property taxes collected
<b>Action Item #: <u>B2B-4.2</u></b>	<b>Communicate the city's willingness to use incentives to developers in order to promote the creation of affordable B2B shared spaces near major purchasers</b>
Leader	SLDC
Potential Partners	Board of Aldermen, Mayor's Office
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Develop a clear message and communication strategy for conveying the city's goals to developers, clearly explaining the type of support that the city is willing to provide to support the desired activity
Tracking Progress	Number of developers engaged; number of project applications





# PARTNER CLUSTERS

The city is home to several important clusters in which SLDC should assume a “partner” role, including geospatial and hospitality and tourism (H+T). Already, these clusters show strong cluster leadership and have formal organizations that develop and implement strategies, but each would benefit from SLDC’s tools and expertise to drive the physical development each of the clusters needs to realize significant growth. SLDC’s primary role should focus on developing physical and other support assets through things such as land assembly, infrastructure development, incentives, and support for housing and amenities.

## Geospatial

### Cluster Vision

Academic, business, civic, and philanthropic leaders from across the city and the region are working diligently to make St. Louis one of the national hubs for geospatial technologies. At the heart of these efforts is creation of roadmap for industry growth, as well as talent attraction and creation, including preparing the city’s K-12 students for futures in geospatial technology. At its broadest, geospatial offers an opportunity to “transition St. Louis into the “Fourth Industrial Revolution,” characterized by “the merging of physical and digital worlds.”<sup>127</sup> Beyond this is a more prosaic but also critical opportunity: to leverage the new \$1.75B NGA building (“N2W”) at Jefferson and Cass—and the thousands of workers who will travel there each day—to support new housing and commercial investments to create opportunities for St. Louis residents to engage in the revitalization as workers, residents, and business owners. It is critical that St. Louis adopt strategies that will ensure N2W serves to support vibrancy in the surrounding neighborhoods and not stand as a fortress, like some classified federal facilities.

### Cluster Overview

The 2016 announcement that the National Geospatial-Intelligence Agency (NGA) West facility (known as Next NGA West, or N2W) would stay in St. Louis at a new 100-acre campus in North City at the corner of Jefferson and Cass ensures that the roughly 3,100 direct jobs associated with the facility will stay in the city. Just as important, the relocation of the NGA headquarters could act as a foundation for the creation of a geospatial cluster that supports thousands of new jobs in applied areas from precision agriculture, to urban planning, transportation and logistics, and fintech, establishing a knowledge base that can easily be transferred

to other disciplines and build up strength in related industries.<sup>128</sup> It has also been reported that NGA will spearhead a Corporate Accelerator with the Missouri Technology Corporation (MTC), presenting a huge opportunity for area start-ups.<sup>129</sup>

The move to North City coincides with a sea change in how NGA engages the private sector. With the proliferation of affordable new sensing technologies, improvements in data mining techniques, increases in processing speed, and reduced costs of information storage, the amount of data generated globally—and the amount collected by NGA—have grown by orders of magnitude.<sup>130</sup> Today, there are a huge number of sources of data, each generating almost unimaginable volumes of information—sensors on agricultural equipment alone have generated trillions of data points—requiring a new type of geospatial agency with much deeper connections to the private sector.<sup>131</sup> One official estimated that N2W would need six million staff today to analyze the entirety of its current data.<sup>132</sup>

128 Project interviews and roundtables

129 BioSTL. “Job alert: @MoTechCorp is hiring a Strategic Project Manager, based in #STL. One project involves working with @NGA\_GEOINT & MTC’s partners to launch an NGA-sponsored Corporate Accelerator located in St. Louis. More info and to apply: missouritechnology.com #STLjobs #hiring.” 5 August 2020, 9:27 AM. Tweet.

130 The Past, Present, and Future of Geospatial Data Use. (2018, February 1). Trajectory Magazine. <https://trajectorymagazine.com/past-present-future-geospatial-data-use/>

131 Geo-Resolution 2019: The 21st Century Geospatial Ecosystem,” Saint Louis University, April 9th, 2019. For other agricultural estimates, see: Meola, A. (2016, December 20). *Why IoT, big data & smart farming are the future of agriculture.* *Business Insider.* <https://www.businessinsider.com/internet-of-things-smart-agriculture-2016-10>

132 “Geo-Resolution 2019: The 21st Century Geospatial Ecosystem,” Saint Louis University, April 9th, 2019

127 TEconomy, “GeoFutures Advisory Committee: Pre-Read Briefing Materials,” January 23, 2020



### Cluster Growth Opportunities

The potential upside of geospatial-related economic activity is enormous. Because of the scale of information being handled, NGA officials understand that they will need to create more open relationships with private sector actors. In the past, the extreme sensitivity of NGA responsibilities—a broad range of activities linked to providing precise geographic and navigational data, largely for military and foreign affairs purposes—has been reflected in the physical design of NGA sites, which present as fortresses to the outside world.

The new site, while still laser-focused on security, will include non-secure areas, including workspaces for contractors. The great openness of N2W and the anticipated value of proximity to its staff has already attracted potential suppliers to downtown, the closest developed tech node to the new site. To meet the new demand, T-REX has created a geospatial resource and innovation center that will “prioritize accelerating early-stage geospatial startups and providing support for workforce development.”<sup>133</sup>

The scale and scope of geospatial data being generated have led some to describe it as “a new kind of infrastructure.” Speaking at the April 2019 Geo-Resolution conference at SLU, Jack Dangermond, founder of ESRI, noted that geospatial capacity evolves from measuring with maps, to visualizing with maps, to analytics, to strategy design, to decision support, to action and that the “process and framework is evolving to become a new kind of infrastructure, like [the] web itself.”<sup>134</sup> These foundational elements, both of data as infrastructure, and of the necessary emergence of entirely

new tools to handle the scale of information being generated, potentially puts St. Louis at the center of transformation. It is easy, of course, to overstate the potential opportunity associated with geospatial, but the greater risk likely lies in underestimating the transformative potential of the cluster in St. Louis City and the broader region. This is especially true because of the potential applications of geospatial to existing economic strengths in the city and region, including agtech, cybersecurity, fintech, and urban development/analytics.<sup>135</sup>

The geospatial cluster is already well-organized. In 2019 alone, a baseline assessment of cluster assets and opportunities was completed; St. Louis University hosted a conference, “Geo-Resolution 2019: The 21st Century Geospatial Ecosystem”; a St. Louis delegation attended the GEOINT Symposium in San Antonio, where Mayor Krewson gave a keynote address; T-REX started construction on its geospatial resource and innovation center and hired a director; Arch Grants committed to providing grants to five early-stage geospatial tech companies annually; and a lead cluster organization, GeoFutures, was established to attract investment and develop the workforce needed for “St. Louis to be seen as the international hub of innovation and expertise in the geospatial industry, period.”<sup>136</sup> In addition, the U.S. Geospatial

Intelligence Foundation (USGIF) administers the St. Louis Area Working Group (SLAWG), “a group of industry, government, academic and community partners with a goal to clarify pathways for education and training for geospatial careers and certifications in the St. Louis region.”<sup>137</sup> T-REX, the incubator and coworking space located in downtown, has a program dedicated to geospatial, known as Geosaurus. Initiatives are underway to make geospatial curriculum accessible to area students (e.g., NGA’s Partners in Education program provides mentorship and teaching, and GatewayGIS offers STEM-related tutoring and exposure to geospatial software).<sup>138,139</sup>

This is remarkable progress in developing

<sup>137</sup> USGIF St. Louis Area Working Group (SLAWG). (n.d.). Retrieved from <https://esrifederal.maps.arcgis.com/apps/MapSeries/index.html?appid=d683fe75b7ef454195d93b90e430789f>

<sup>138</sup> *Partners in Education*. (n.d.). National Geospatial-Intelligence Agency. Retrieved from [https://www.nga.mil/Partners/Academic\\_Opportunities/Pages/Partners-in-Education.aspx](https://www.nga.mil/Partners/Academic_Opportunities/Pages/Partners-in-Education.aspx)

<sup>139</sup> Davis, C. (2019, May 23). *High School Students To Get Instruction In A Hot Field—Geospatial Training*. <https://news.stlpublicradio.org/post/high-school-students-get-instruction-hot-field-geospatial-training>

<sup>135</sup> St. Louis is home to some of the country’s most important urban development groups (U.S. Bank’s community development entity, McCormack Baron Salazar, Stifel) as well as key data organizations (ESRI, Federal Reserve Bank of St. Louis) and dedicated university resources.

<sup>136</sup> *St. Louis Delegation to GEOINT: The Future of Geospatial is STLmade*. (n.d.). AllianceSTL. Retrieved from <https://alliancestl.com/st-louis-delegation-to-geoint-the-future-of-geospatial-is-stlmade/>; Ruff, C. (2019, October 10). St. Louis Geospatial Leaders Launch GeoFutures To Shape Growing Industry. <https://news.stlpublicradio.org/post/st-louis-geospatial-leaders-launch-geofutures-shape-growing-industry>; *Arch Grants to Provide Equity-Free Funding to 5 Geospatial Startups in 2020*. (n.d.). Entrepreneur Quarterly. Retrieved from <https://eqstl.com/arch-grants-to-provide-equity-free-funding-to-5-geospatial-startups-in-2020/>; Project interviews and roundtables; Rubbelke, N. (2019, July 31). NGA veteran tapped to lead T-REX’s new geospatial center. *St. Louis Business Journal*. <https://www.bizjournals.com/stlouis/news/2019/07/31/nga-veteran-tapped-to-lead-t-rex-s-new-geospatial.html>

<sup>133</sup> Project interviews and roundtables; Rubbelke, N. (2019, July 31). NGA veteran tapped to lead T-REX’s new geospatial center. *St. Louis Business Journal*. <https://www.bizjournals.com/stlouis/news/2019/07/31/nga-veteran-tapped-to-lead-t-rex-s-new-geospatial.html>

<sup>134</sup> “Geo-Resolution 2019: The 21st Century Geospatial Ecosystem,” Saint Louis University, April 9th, 2019

the organizational structures to support geospatial needs. This progress must be matched by a strategy for physical (as well as talent) development around the N2W site and activities to ensure cluster growth (around the site but also regionally), as well as social and economic equity. For geospatial to reach its potential, it needs to have a center of gravity. In a study of successful cluster initiatives, Brookings notes:

Most of the cluster initiatives profiled have created a physical center to serve as visible proof that the region is a major hub for the cluster and to provide a space that facilitates knowledge spillovers between firms, academic researchers, and related enterprises. While companies and assets involved in the cluster are often scattered throughout each region, these centers tie them together. These centers may take the form of a single building, an urban district, or a suburban campus.<sup>140</sup>

It may be too soon to determine the precise form that this center of gravity will take, though ideally, it would involve NGA, T-REX, and Cortex as connected nodes. If the area around N2W does not develop but N2W remains an island with little off-site activity, geospatial cluster identity and growth will almost certainly suffer. Without deliberate action, this outcome might be more likely than not. Experts interviewed for this project expressed concern that without intentional physical development around N2W, the site could take on the worst characteristics of secure federal facilities, standing as a fortress surrounded by a sea of parking lots, with movement around the site limited to heavy car traffic at the start and end of each work day.<sup>141</sup>

Such an outcome would also be a disservice to the neighborhoods around NGA. In the words of one local stakeholder, “NGA needs a place-based strategy—I can’t say this enough—and need the city to prioritize this area. Downtown needs help but not like the Near North Side does.”<sup>142</sup> Development and operations of N2W must prioritize economic opportunity and quality of life considerations for residents in adjacent neighborhoods. N2W represents a massive investment, and the benefits of the investment should be channeled to residents of the surrounding community. The investment is shrouded in valid community concerns that N2W “doesn’t feel like it’s for us” – and without intentionality around inclusion, “residents won’t see impact of this transformative investment.”<sup>143</sup>

141 Project interviews and roundtables

142 Project interviews and roundtables

143 Project interviews and roundtables

140 Donahue, R., Parilla, J., and McDearman, B. (2018). Rethinking Cluster Initiatives. Metropolitan Policy Program at Brookings. [https://www.brookings.edu/wp-content/uploads/2018/07/201807\\_Brookings-Metro\\_Rethinking-Clusters-Initiatives\\_Full-report-final.pdf](https://www.brookings.edu/wp-content/uploads/2018/07/201807_Brookings-Metro_Rethinking-Clusters-Initiatives_Full-report-final.pdf)

**Figure G-1.** Overview of geospatial opportunity

Measure	Geospatial Cluster	Total City Economy
Average Wage (\$K)	Higher	\$61.2
Geography	Central West End, Clayton-Sarah, Downtown Core, Midtown, NGA	n/a
Examples of Types of Jobs	Surveying and mapping, mapping services, and satellite telecommunications	n/a

Source: QCEW-UDP; Mass Economics analysis

Note: These estimates are based on industry data and exclude public sector employment

**“NGA is a way to pilot new programs.”**

## Strategies and Action Steps

**Strategy 1**    **Ensure that the neighborhoods surrounding NGA are included in planning and programming efforts related to NGA and geospatial more broadly**

In order for the community to be engaged in planning efforts, there must be a sustainable revenue source that provides dollars for land acquisition, housing rehabilitation and development, community initiatives, and public improvements, as well as an on-the-ground entity able to work with the community to plan and carry out improvements.

Through the engagement process for this project, local stakeholders emphasized the critical nature of inclusive and equitable outcomes around the new NGA project, as well as the potential for the N2W investment and operations to be truly transformative. There were three areas of emphasis: education and training that would link St. Louisans to direct and indirect jobs created in geospatial; inclusive neighborhood transformation; and a commitment from the outset of designing systems and measuring outcomes to ensure that all St. Louisans, including the city's Black/African American community, benefits from N2W. As one local stakeholder expressed the urgency of inclusive outcomes: "Shame on us if we don't do this right."<sup>144</sup>

<b>Action Item #:</b> <b>G-1.1</b>	<b>Consider a Community Improvement District (CID) or other arrangements to help fund a dedicated Community Development Corporation (CDC) for the community</b>
Leader	SLDC
Potential Partners	Commercial District Coalition, Community Builders Network, GeoFutures coalition, Invest STL, Justine Petersen, Metropolitan St. Louis Equal Housing and Opportunity Council, North Newstead Association, Planning & Urban Design Agency, SLEDP, St. Louis Promise Zone,
Start Time	Year 1
Duration	3-5 years
Effort to Implement	High
Potential Funding	Invest STL, GeoFutures, local and national philanthropy
Goal/s	Create a dedicated funding source to enhance community capacity
Tracking Progress	Creation of effective CDC operating within SLDC with sufficient funding for key functions around planning, real estate development, infrastructure, and business supports

144 Project interviews and roundtables



“The analysts I’ll need in 2030 are in seventh grade today.”

<b>Action Item #: <u>G-1.2</u></b>	<b>Support the ongoing development and implementation of K-12 geospatial curriculum and internship models to prepare St. Louisans for jobs in geospatial</b>
Leader	GeoFutures coalition
Potential Partners	Gateway Global AYBA, NGA, SLU, St. Louis Public Schools and Charter schools, T-REX, USGIF, SLDC
Start Time	Year 1
Duration	12-24 months
Effort to Implement	Low
Potential Funding	Local or national philanthropy, Invest STL, GeoFutures
Goal/s	Dissemination of curriculum in SLPS and Charter schools and creation of geospatial courses adopted by SLPS and Charter schools, with emphasis targeted on Gateway STEM Academy; utilize the city’s geospatial opportunity to establish itself as a leader of GIS curriculum development and certification programs
Tracking Progress	Development of curriculum; number of schools and students receiving training; number of people getting geospatial jobs as a result of the training
<b>Action Item #: <u>G-1.3</u></b>	<b>Roll out a skills-based hiring framework based on the newly developed geospatial training and internship models that makes cluster jobs accessible to those without a bachelor’s degree</b>
Leader	GeoFutures coalition
Potential Partners	Gateway Global AYBA, NGA, SLU, St. Louis Public Schools and Charter schools, T-REX, USGIF, SLDC
Start Time	Years 3-5
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Create linkages between geospatial curricula and cluster employers; create geospatial job opportunities for the un- and under-employed
Tracking Progress	Number of firms utilizing a skills-based hiring framework

<b>Action Item #: <u>G-1.4</u></b>	<b>Support NGA in identifying its supplier needs and work on outreach to MBEs and WBEs, map the opportunities likely to be generated by NGA and related supplier investment, and make these efforts transparent to the community</b>
Leader	New community development corporation (CDC) in the areas surrounding NGA ("Geo-Cortex"), SLDC
Potential Partners	GeoFutures coalition, NGA, T-REX
Start Time	Years 3-5
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Connect NGA procurement and supplier opportunities to local businesses
Tracking Progress	Creation of NGA supplier needs network
<b>Action Item #: <u>G-1.5</u></b>	<b>In concert with other ongoing efforts, engage the ISO/ESO ecosystem to prepare neighborhoods and residents for NGA-related opportunities, perhaps by creating an innovation lab that can support engagement and convenings around topics such as smart cities</b>
Leader	New CDC, SLDC
Potential Partners	GeoFutures coalition, NGA, T-REX, ISO/ESO ecosystem
Start Time	Years 3-5
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Ensure that community residents and businesses are positioned to respond to NGA-related opportunities
Tracking Progress	Number of local residents and businesses engaged

**Strategy 2** **Prioritize physical development, including new and infill development, alongside anti-displacement surrounding NGA**

To ensure both growth and equity, we propose that SLDC and other city EDOs build on current activities and develop a place-based strategy that prioritizes physical development surrounding NGA. (See Ch. 5: Places.) Project Connect is an ongoing effort that aims to coordinate planning and development efforts around NGA, identifying five key nodes, or “demonstration areas,” for tailored development processes and goals.<sup>145</sup> Building on such efforts, physical development near NGA must support off-site and spin-off activity around the N2W site to increase the potential geospatial-related economic upside, while also benefitting current residents living in and nearby the NGA district.

<sup>145</sup> Project Connect Action Plan. (2017). City of St. Louis. [https://www.stlouis-mo.gov/government/departments/sldc/project-connect/upload/ActionPlan\\_FINAL\\_Printable-3.pdf](https://www.stlouis-mo.gov/government/departments/sldc/project-connect/upload/ActionPlan_FINAL_Printable-3.pdf)

<b>Action Item #: G-2.1</b>	<b>Support the existing residents of the areas surrounding NGA and prioritize quality of life and opportunity considerations, including anti-displacement, by supporting and/or hosting events to engage residents</b>
Leader	Project Connect, SLDC
Potential Partners	Community Builders Network members, Forward Through Ferguson, GeoFutures coalition, Invest STL, Mayor’s Office, NGA, Old North St. Louis Restoration Group, Planning & Urban Design Agency, SLACO, SLEDP, neighborhood associations, CDCs
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Local and national philanthropy
Goal/s	Provide opportunities for residents to engage with N2W
Tracking Progress	Number of residents engaged

<b>Action Item #: G-2.2</b>	<b>Implement the Project Connect Development Plan for the areas surrounding NGA</b>
G-2.2.1	Plan for and support commercial uses along Jefferson Ave. and on streets bordering the N2W site
G-2.2.2	Support the reuse of Pruitt-Igoe for jobs-intensive traded cluster development that supports overall job growth in the neighborhood, city, and region, preferably related to opportunities created by N2W
G-2.2.3	Encourage new mixed-income housing infill development around N2W
G-2.2.4	Acquire land for future development along Jefferson Ave. and establish clear expectations for density and land uses
Leader	City, new CDC, SLDC
Potential Partners	Metropolitan St. Louis Equal Housing and Opportunity Council, SLEDP, developers
Start Time	Year 1
Duration	24 months
Effort to Implement	High
Potential Funding	Work through Land Strategy
Goal/s	Develop plan and obtain site control of key parcels to support the growth of the geospatial cluster in the city; create jobs and amenities (e.g., commercial, retail) to promote NGA community – N2W worker interaction, off-site activity, and help attract geospatial/tech entrepreneurs (that demand amenities, third places, etc.); reuse Pruitt-Igoe site for good and accessible jobs-intensive development; create proximate housing assets that will support future growth
Tracking Progress	Number of opportunity development parcels identified; creation of development plan; eventual occupancy of developed parcels by geospatial firms; put out RFPs including requirements on job accessibility and mixed-use activity; number of fast-tracked rezoning, permitting processed for commercial developments on targeted streets; put out an RFP including requirements on job intensity, job accessibility, mixed-use activity, and/or local hiring; presence of a plan for housing development

<b>Action Item #: G-2.3</b>	<b>Develop and track a set of equity indicators related to all aspects of N2W: construction, hiring, neighborhood development, housing, entrepreneurship opportunities, and quality of life improvements for existing residents</b>
Leader	GeoFutures coalition
Potential Partners	Forward Through Ferguson, Invest STL, Mayor’s Office, Planning & Urban Design Agency, Project Connect, SLEDP, SLDC
Start Time	Year 1
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Local and national philanthropy
Goal/s	Creation of equity indicators and tracking mechanisms (coordinate with current city Equity Indicators and tracking metrics)
Tracking Progress	Adoption of indicators and tracking



**Strategy 3 Create strong connections between N2W, nearby neighborhoods and Downtown**

As a federal facility with high security precautions, the NGA headquarters is designed as a self-contained campus. While necessary to ensure compliance with federal requirements, strong connections to nearby neighborhoods and employment districts are necessary. Such connections should build on existing efforts, including the Missouri Department of Transportation’s off-site improvements along 20th and 22nd and the north-south MetroLink expansion, incorporate the findings from the Metro TOD study, and support and grow the Project Connect effort on transportation and development surrounding NGA. The potential Greenway alignments along St. Louis Ave. will help to integrate N2W into a larger network of connections. Jefferson is a critical opportunity to connect with the central core and is already proposed for street improvements and future transit service. In addition, clear connections along 20th Street and 14th Street (from Florissant) are necessary to provide clear connections to Downtown. These connections should include bike lanes and clear wayfinding but a shuttle should also be considered that provides regular connections between NGA, Downtown and Cortex.

<b>Action Item #: G-3.1</b>	<b>Champion the NGA area for the initial build-out of the Brickline Greenway, and develop transit, a shuttle, bike lanes, and wayfinding to improve connections between NGA, Downtown, T-REX, Cortex, Harris-Stowe State University, and other key nodes, as well as between Cortex and areas north of Delmar</b>
Leader	Bi-State Development, Board of Public Service, Great Rivers Greenway, Planning & Urban Design Agency, SLDC
Potential Partners	City, GeoFutures coalition, philanthropy
Start Time	Year 1
Duration	12-24 months
Effort to Implement	High
Potential Funding	N/A
Goal/s	Establish NGA as a Greenway node; create connections between NGA and other city nodes; connect to Grand Blvd.
Tracking Progress	Number and diversity of connections by mode



# Hospitality and Tourism

## Cluster Vision

The Hospitality and Tourism cluster supports thousands of jobs in the City of St. Louis. The firms, entrepreneurs, and workers who make up the cluster provide the goods and services that make tourists' time in the city memorable and enjoyable. The cluster has strong leadership and a vision for the necessary assets needed to attract additional events and tourists. In this framework, however, the cluster is asked to play an additional role: to collaborate with a broad range of stakeholders to accelerate the growth and transformation of downtown amenities (retail, restaurants) to improve quality of life for residents and workers alike, and to support residential investment and growth. At the heart of a vibrant and growing Downtown St. Louis lies a symbiotic evolution of tourism, amenities, and residential activity.

## Cluster Overview

Like geospatial, hospitality and tourism (H+T) is a cluster that requires supports in terms of physical development in order to contribute to the city's growth. Already a major source of entrepreneurship and jobs, H+T employs 6.6K people in the City of St. Louis in activities such as accommodations, amusement parks, cultural and educational events, gaming, spectator sports, and tourism related services. H+T has a location quotient (LQ) of 1.3, implying that it has 30% more employment than expected for an economy of its size.<sup>146</sup> Among H+T sub-clusters, the city's biggest strength relative to the US average is spectator sports (LQ = 4.5), but accommodations is the biggest sub-cluster by number of jobs (~3,500). (See Figure HT-1.)

<sup>146</sup> QCEW/UDP; Mass Economics analysis

In addition to being accessible for workers at a range of skill levels, H+T also offers inclusive entrepreneurship opportunities. Almost half (45%) of all H+T jobs in the city require at most a high school diploma, the same as the nation, and over three-quarters (77%) of all H+T jobs in the city require less than a bachelor's degree. Nationally, over one-quarter (27%) of privately-held H+T firms are MBEs (versus only about 18% economy-wide), and just under one-fifth are WBEs (about 1% point lower than economy-wide).<sup>147</sup>

## Cluster Growth Opportunities

Although H+T is a strength for the city, from 2010 to 2018, the cluster experienced no employment growth in the city despite national growth of 18%. This performance is surprising, given the rich cultural and entertainment assets in the city and strong cluster leadership stemming from Explore St. Louis. Famously, many of the city's cultural attractions are free—among US cities, only Washington D.C. has more no-cost venues.<sup>148</sup>

<sup>147</sup> SBO, 2012; Mass Economics analysis

<sup>148</sup> Table of Experts: Tourism and business meetings. (2016, May 19). *St. Louis Business Journal*. Retrieved from <https://www.bizjournals.com/stlouis/feature/table-of-experts/table-of-experts-tourism-and-business-meetings.html>

The City of St. Louis is home to numerous cultural attractions like the Gateway Arch National Park (over 2 million visitors in 2018),<sup>149</sup> St. Louis Zoo (approximately 3 million visitors each year), and St. Louis Science Center (over 993 thousand visitors on-site in 2018), as well as high-performing professional baseball and hockey teams (and will soon be home to a professional soccer team). The City Museum boasts the title of being "one of the world's 50 coolest places."<sup>150</sup> In 2018, over 26 million people visited the city and were estimated to generate \$5.8 billion in spending.<sup>151</sup> The city is also a destination for large-scale conventions: in 2019, the top five conventions were expected

<sup>149</sup> Stats Report Viewer. (n.d.). Retrieved from <https://irma.nps.gov/STATS/SSRSReports/Park%20Specific%20Reports/Monthly%20Public%20Use>; Fact Sheet. (n.d.). Retrieved from Saint Louis Zoo website: <https://www.stlzoo.org/about/contact/pressroom/factsheet>; Saint Louis Science Center. (2018). Opening Minds to Science: The Saint Louis Science Center's Report to the Community. Retrieved from St. Louis Science Center website: [https://issuu.com/saintlouissciencecenter/docs/slsc\\_opening\\_minds\\_to\\_science\\_2018](https://issuu.com/saintlouissciencecenter/docs/slsc_opening_minds_to_science_2018)

<sup>150</sup> Hahn, V. S. (2019, December 6). City Museum, "the world's largest playground," makes list of 50 coolest places in the world. *St. Louis Post-Dispatch*. [https://www.stltoday.com/lifestyles/city-museum-the-world-s-largest-playground-makes-list-of/article\\_24f5a1f6-5578-56a5-84d1-7e6d3366da35.html](https://www.stltoday.com/lifestyles/city-museum-the-world-s-largest-playground-makes-list-of/article_24f5a1f6-5578-56a5-84d1-7e6d3366da35.html)

<sup>151</sup> About Us. (2011, February 25). Retrieved from Explore St. Louis website: <https://explorestlouis.com/about-us/>

**Figure HT-1.** H+T sub-clusters

H+T Sub-Cluster	Location Quotient, 2018	Jobs, 2018
Spectator Sports	4.5	1,050
Cultural and Educational Entertainment	3.0	900
Accommodations and Related Services	1.3	3,510
Gaming Facilities	1.3	800
Other Tourism Attractions	0.4	200
Tourism Related Services	0.3	120
Amusement Parks and Arcades	0.0	<10

Source: QCEW-UDP; Mass Economics analysis



# Firm Clusters by Sector: Hospitality & Tourism

Source: YTS data, Mass Economics analysis.

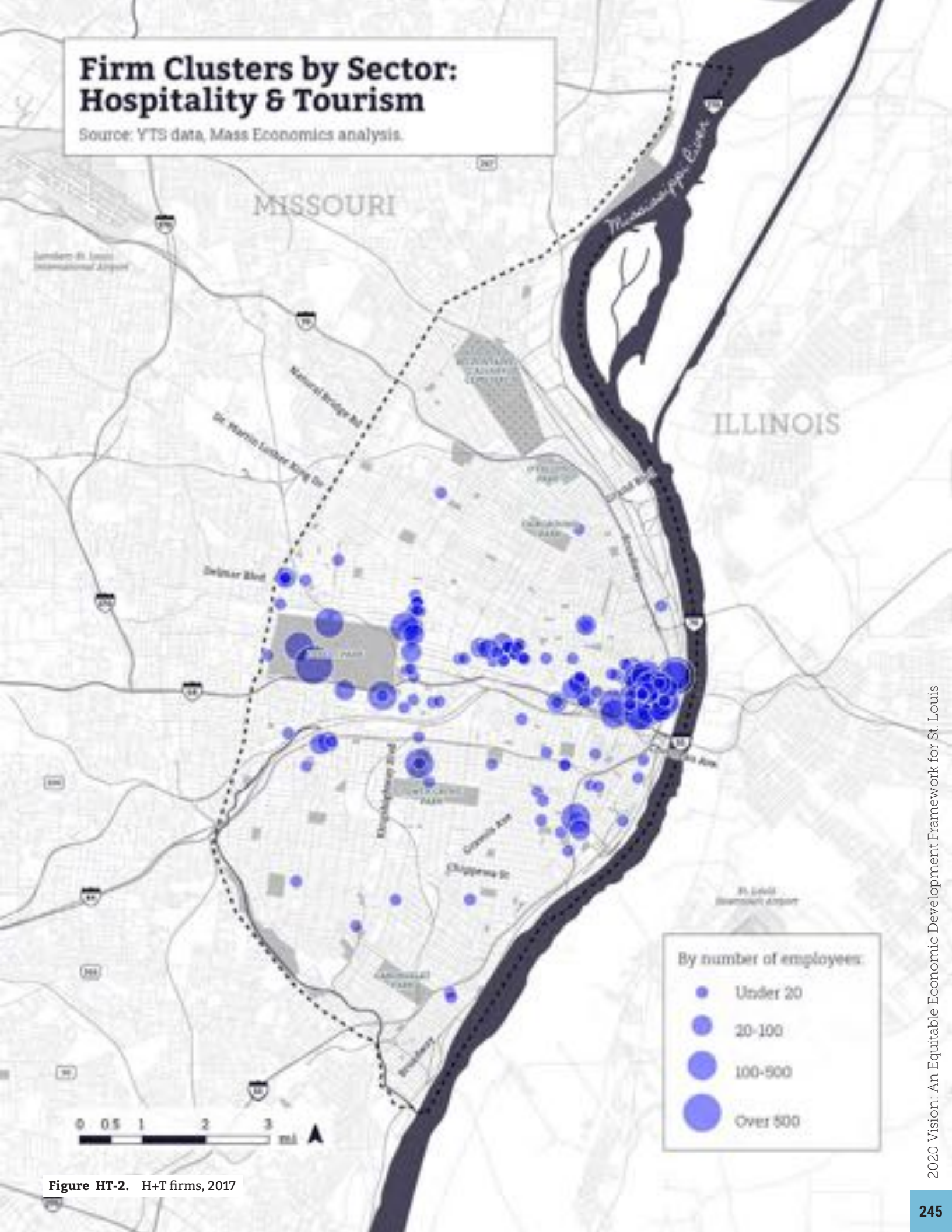


Figure HT-2. H+T firms, 2017

**“It’s kind of a forgotten industry - they need us to support everything else they want to do - but it’s not a focus, and there needs to be more of a focus on that partnership.”**

to host over 115K people and contribute over \$75 million in direct spending, over the course of just 29 days.<sup>152</sup>

Many of the city’s H+T assets are located in Downtown (see Figure HT-2). These assets are increasing in quality and quantity: the grounds surrounding the Arch have undergone hundreds of millions of dollars-worth of updates and enhancements,<sup>153</sup> the convention center is expanding, Union Station has undergone extensive renovations, new hotels have recently opened or are under construction, major league soccer will arrive in 2020, the second phase of Ballpark Village will soon be completed, and in 2019, the Cardinals re-took their position as second-highest in MLB attendance.<sup>154</sup> These changes will have a positive effect on visitor counts

but will not address a fundamental limiting factor in translating visitors to economic impacts: the amount of time and money out-of-town visitors spend on each trip; and the number of (non-work) trips by residents of the city and region; and the amount of money spent on work- and non-work trips by local and regional visitors.

All of these are challenged by the number and quality of Downtown amenities (retail, restaurants, services).<sup>155</sup> The core driver of each of these issues is the relative lack of housing and amenities Downtown, a phenomenon that is not unique to St. Louis. As one local expert summarized: “Increasing residential activity has to be part of helping tourism,”<sup>156</sup> as this residential activity supplements the demand from tourists for restaurants and other activity and further increases cluster growth. There are also opportunities to support smaller firms within H+T, including restaurants and retailers, that are located throughout the city.

152 St. Louis’ largest conventions and group events. (2019, February 8). Retrieved from St. Louis Business Journal website: <https://www.bizjournals.com/stlouis/subscriber-only/2019/02/08/st-louis-largest-conventions-and-group.html>

153 Garth, G. (n.d.). Gateway Arch: An American Classic gets a major overhaul. USA Today. <https://www.usatoday.com/story/travel/destinations/2018/06/29/gateway-arch-national-park-st-louis/744274002/>

154 MLB Attendance Report. (2019). ESPN.com. <http://www.espn.com/mlb/attendance>; Moran, E. (2019, August 14). Cards’ Offseason Changes Help Attendance Numbers. Front Office Sports. <https://frntofficesport.com/st-louis-cardinals-attendance/>

155 Project interviews and roundtables

156 Project interviews and roundtables

**Figure HT-3.** Overview of H+T cluster opportunity

Measure	H+T Cluster	Total City Economy
Jobs, 2018 (K)	6.6K	200.1
Location Quotient (LQ)	1.3	n/a
Projected Additional Jobs, 2028	270	11,900
Jobs Requiring Less than a Bachelor’s Degree (%)	77%	65%
Average Wage (\$K)	\$71.8K	\$61.2
Geography	Downtown Core, Laclede’s Landing	n/a
Examples of Types of Jobs	Concierge, casino workers, museum archivists, curators	n/a

Source: QCEW-UDP

Note: These estimates are based on industry data and exclude public sector employment



## Strategies and Action Steps

**Strategy 1**    **Implement a retail, entertainment and tourism growth and attraction initiative with emphasis on Downtown**

At present, H+T demand fluctuates with major sporting events and other periodic events. Given the fact that many of the H+T assets are located Downtown and that the daily population of Downtown largely consists of workers, Downtown commercial activity, especially retail, must be tailored to these conditions, as well as responsive to the needs and interests of other groups experiencing Downtown (e.g., residents, various types of tourists). The unique demand profile of Downtown is being studied within the Design Downtown STL project and recommendations will be made for early wins to grow Downtown amenities within a changing retail landscape nationally. These efforts must be supported by SLDC and revisited as Downtown population, employment, and tourism continues to evolve.

Retail has obvious implications for commercial corridor vitality and neighborhood quality of life, but it can also catalyze new development: retail is a critical factor for real estate developers and can make or break the value of their deal.<sup>157</sup> As a functional area, retail cultivation can be supported by other SLDC activities, including the development and dissemination of regional data and information. The Data Center, a data platform focused on Southeast Louisiana, has been leveraged by retailers interested in gaining insights into prospective sites.<sup>158</sup>

SLDC should spearhead a retail-oriented working group with the intention of building up the retail options in the city, leveraging the expertise of economic development agencies and real estate brokers alike to bring more retailers to the city.

<b>Action Item #: HT-1.1</b>	<b>Undertake a retail market study for downtown by demand and establishment type, focused on pedestrian experience, corridors, and connections and taking into account the different groups and demand by time of day/week/season</b>
Leader	Downtown CID, Downtown STL, Explore STL
Potential Partners	SLDC
Start Time	Year 1
Duration	3-12 months
Effort to Implement	Medium
Potential Funding	Local or national philanthropy, SLDC
Goal/s	Establish conditions for downtown retail establishments to thrive
Tracking Progress	Number of downtown visitors, local spend

157 Project interviews and roundtables

158 *The Data Center*. (n.d.). The Data Center. Retrieved from <https://www.datacenterresearch.org/>

GIVEN THE FACT THAT MANY OF THE H+T ASSETS ARE LOCATED DOWNTOWN AND THAT THE DAILY POPULATION OF DOWNTOWN LARGELY CONSISTS OF WORKERS, DWNTOWN COMMERCIAL ACTIVITY, ESPECIALLY RETAIL, MUST BE TAILORED TO THESE CONDITIONS, AS WELL AS RESPONSIVE TO THE NEEDS AND INTERESTS OF OTHER GROUPS EXPERIENCING DOWNTOWN.

<b>Action Item #: HT-1.2</b>	<b>Create a retail-oriented working group tasked with attracting new retail establishments and expanding the use of existing data platforms to support retail development</b>
Leader	SLDC
Potential Partners	Missouri Partnership, Regional Data Alliance, SLEDP, commercial real estate brokers, local CDCs, Community Improvement Districts, Transportation Development Districts, etc.
Start Time	Year 1
Duration	12 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Expand the local retail options in the city; coordinate with other commercial corridor activity to improve neighborhood quality of life; support the workforce needs of H+T, including transportation, job training, and language accessibility for immigrants
Tracking Progress	Diversity of working group membership; attendance at working group sessions
<b>Action Item #: HT-1.3</b>	<b>Hire staff to focus on downtown development and Design Downtown STL implementation</b>
Leader	SLDC
Potential Partners	Downtown STL, Explore STL
Start Time	Year 1
Duration	Ongoing
Effort to Implement	High
Potential Funding	Local and national philanthropy, SLDC
Goal/s	Create internal capacity focused on downtown
Tracking Progress	Hiring of new staff

**Strategy  
2**

**Develop strategic programming for businesses with a high proportion of revenue from tourism, tailoring streams of programming to MWBEs and small firms**

Given the fact that businesses focused on tourism also rely on worker and resident spending, SLDC should work with these businesses to create programming around how to maximize their revenues from specific events and provide guidance on other ways to diversify their revenue streams. This type of programming should have a focus on MWBE and racially/ethnically diverse firms and take into account challenges that might be unique to smaller firms.

<b>Action Item #: <u>HT-2.1</u></b>	<b>Provide a multi-week class on operating a stable and profitable hospitality and tourism business with a focus on operating practices to adapt to the large daily, weekly, and seasonal fluctuations in activity in the Downtown area</b>
Leader	Downtown STL
Potential Partners	Explore STL, International Institute, St. Louis Community College, SLDC
Start Time	Year 1
Duration	3-12 months
Effort to Implement	High
Potential Funding	Local or national philanthropy
Goal/s	Help businesses dependent on tourism maximize their revenues from key events, diversify revenue sources, etc.
Tracking Progress	Number of businesses served

**Strategy 3 Support the development of a new hotel, consistent with the findings from the St. Louis Hotel Market Analysis**

Released in September 2019, the St. Louis Hotel Market Analysis evaluated the hotel-related needs of downtown St. Louis, as well as the Cortex/Central West End. One of the main findings of the study is that Downtown requires another hotel near the convention center.<sup>159</sup> SLDC should act on these findings and support the development of a new, 700+-room hotel in walking distance to the Convention Center.

159 Analysis of the St. Louis Hotel Market. (2019). Land Clearance for Redevelopment Authority of the City of St. Louis. <https://www.stlouis-mo.gov/government/departments/slhc/documents/upload/2019-St-Louis-City-Hotel-Market-Analysis.pdf>

<b>Action Item #: HT-3.1</b>	<b>Building on the findings from the St. Louis Hotel Market Analysis, attract a new hotel to Downtown to support the convention center</b>
HT-3.1.1	In collaboration with the Convention and Visitors Commission (CVC), develop an RFP for a 700-900-room Headquarters Hotel
HT-3.1.2	Incorporate the parking study results into the RFP
HT-3.1.3	Advertise the RFP broadly and reach out directly to large hotel brands, with an emphasis on flags that are currently not in the St. Louis market
HT-3.1.4	Based on conversations with developers, financiers, hotel chains and legislative leaders, devise parameters for incentives to use in negotiating with bidders
HT-3.1.5	Utilizing public input, select a hotel developer and execute a redevelopment agreement with the developer
Leader	SLDC
Potential Partners	Downtown STL, Explore STL
Start Time	Year 1
Duration	12-24 months
Effort to Implement	Medium
Potential Funding	Downtown CID
Goal/s	Support potential users of the convention center, make the convention center an attractive venue for large-scale events
Tracking Progress	Development of a new hotel

# SUPPORTING ST. LOUIS BUSINESSSES AND REGIONAL PARTNERSHIPS

An overview of the city’s cluster activities and specializations was provided in Chapter 2: Economic and Demographic Report, and additional detail on key individual clusters was provided throughout this chapter. It is worth considering these strengths in the context of the larger regional economy, to provide perspective on distinctive and mutual city-region strengths and consider how those should shape the city’s growth strategies.

As shown in Figure R-1, of the 51 traded clusters defined by the U.S. Cluster Mapping Project at Harvard Business School, only three are specializations (i.e., with an LQ >1) in both the city and the region: only biopharmaceuticals, downstream chemical products, and footwear have a greater share of total employment than the national average in both geographies. And one of these, footwear, is a tiny cluster, with only about 300 jobs across the region and 16.7K

across the entire U.S. The City of St. Louis has 11 additional specializations (lower right quadrant) that are not shared by the rest of the region while the rest of the region has 14 specializations (upper left quadrant) that are not shared by the city. These data illustrate why the idea of “regional” specializations—based on data that aggregate activities in an urban core like the City of St. Louis, with smaller urban or suburban towns and cities – can lead to sub-optimal development strategies.

In general, it is important to differentiate between distinctive and shared growth opportunities. For example, as discussed in detail later in this chapter, although agtech to date has grown largely outside the city, the cluster could evolve and grow in St. Louis if the city’s fintech capabilities and other assets (e.g., TDL assets) became more central to the cluster. This co-evolution seems much less

likely in say, the aerospace and automotive clusters, which have about 25,000 jobs outside the city but only 300 in the city itself.

The data do confirm that a cluster understood to be central to the city’s and region’s economies— biosciences—is in fact, important in both geographies. And some clusters that show specialization outside the city but not currently in St. Louis itself, like transportation and logistics, reflect an under-utilization of city assets and could, with the right strategies, grow significantly in the city. Given this range of possibilities for cluster evolution, it is not the case that a city-focused strategy will necessarily lead to greater divergence between the city and the surrounding areas, but only that an understanding of city growth opportunities must be based on information that provides an accurate view of local conditions and trends.

Based on this context, we identify two functional roles that SLDC (and where relevant, other city EDOs) should play with regard to boosting cluster specializations in general. These can be grouped into general business support functions and regional economic development partnerships. Regarding regional initiatives, for example, by tightening functional collaboration, which in many areas is already reasonably strong, both the city and broader region are more likely to be successful in national and global business attraction and firm retention and growth.

**Figure R-1. Overview of specializations for the city and rest of region**

Specialization (Traded Clusters)				
Rest of MSA	Specialized	<ul style="list-style-type: none"> <li>Aerospace Vehicles and Defense</li> <li>Automotive</li> <li>Communications Equipment &amp; Services</li> <li><b>Distribution and Electronic Commerce</b></li> <li><b>Insurance Services</b></li> <li>Leather and Related Products</li> <li>Lighting and Electrical Equipment</li> </ul>	<ul style="list-style-type: none"> <li><b>Metalworking Technology</b></li> <li>Nonmetal Mining</li> <li>Plastics</li> <li><b>Printing Services</b></li> <li><b>Production Technology &amp; Heavy Machinery</b></li> <li><b>Transportation and Logistics</b></li> <li>Upstream Metal Manufacturing</li> </ul>	<ul style="list-style-type: none"> <li><b>Biopharmaceuticals</b></li> <li><b>Downstream Chemical Products</b></li> <li>Footwear</li> </ul>
	Not Specialized	<ul style="list-style-type: none"> <li>Agricultural Inputs &amp; Services</li> <li>All Other Crop &amp; Animal Production</li> <li>Coal Mining</li> <li><b>Construction Products &amp; Services</b></li> <li>Downstream Metal Products</li> <li>Fishing and Fishing Products</li> <li>Forestry</li> <li><b>Information Technology &amp; Analytical Instruments</b></li> <li>Jewelry and Precious Metals</li> <li><b>Knowledge Creation/Research &amp; Development</b></li> <li>Livestock Processing</li> </ul>	<ul style="list-style-type: none"> <li>Medical Devices</li> <li>Metal Mining</li> <li>Music &amp; Sound Recording</li> <li>Oil &amp; Gas Production and Transportation</li> <li><b>Paper and Packaging</b></li> <li>Recreational &amp; Small Electric Goods</li> <li>Textile Manufacturing</li> <li>Trailers, Motor Homes, and Appliances</li> <li>Video Production &amp; Distribution</li> <li>Vulcanized &amp; Fired Materials</li> <li>Water Transportation</li> <li>Wood Products</li> </ul>	<ul style="list-style-type: none"> <li>Apparel</li> <li><b>Education + Training</b></li> <li>Environmental Services</li> <li><b>Financial Services</b></li> <li><b>Food Processing and Manufacturing</b></li> <li><b>Furniture</b></li> <li><b>Hospitality and Tourism</b></li> <li><b>Marketing, Design, and Publishing</b></li> <li><b>Performing Arts</b></li> <li>Tobacco</li> <li><b>Upstream Chemical Products</b></li> </ul>
		Not Specialized	City of St. Louis	Specialized

Source: QCEW-UDP; Mass Economics analysis

Note: **Bolded** clusters have at least 500 employees in the City of St. Louis; clusters reflect Porter-defined traded clusters



# SUPPORTING ST. LOUIS BUSINESSES

## Strategies and Action Items

### **Strategy 1** Establish a robust Business Retention and Expansion (BRE) Program, which will complement target cluster initiatives

Among all 138 economic development agencies located in the St. Louis region, business attraction and retention is one area in which the city is disproportionately under-represented, so this must be an important function for SLDC. A strong BRE program is potentially more impactful than a business attraction program. Not only does BRE offer similar potential for job creation, it also fosters a climate that is supportive of business growth. It is difficult to recruit a new company if existing businesses are not thriving, especially if they have a negative attitude about the local business climate. In addition to creating a supportive business climate, a robust BRE program must also help mitigate risks and vulnerabilities facing existing employers.

In collaboration with the city, SLDC needs a high-level hire who is tasked solely with business retention efforts and should create a protocol for prioritizing BRE efforts, taking into account factors such as risk of downsizing or relocating, growth potential, and whether a company is one of the city's target industries. Relationships must be cultivated not only with local business leaders, but also with executive leadership (e.g., CEOs, CFOs, global real estate directors) of St. Louis' major employers whose headquarters may be located elsewhere. Beyond the companies themselves, connections must also be made with relevant professional service providers bringing a

Action Item #: <b>SB-1.1</b>	<b>Establish the BRE program by making a high-level hire tasked solely with business retention</b>
Leader	SLDC
Potential Partners	AllianceSTL, Regional Chamber, SLEDP, World Trade Center, other BRE programs (e.g., Ameren, Spire)
Start Time	Year 1
Duration	0-3 months
Effort to Implement	High
Potential Funding	SLDC
Goal/s	Kick off the BRE program
Tracking Progress	New hire

different understanding of the company's needs and challenges, such as accounting firms, legal firms, marketing/PR firms, and commercial real estate professionals. The program should coordinate BRE efforts among organizations to fully leverage available resources and relationships and to exchange vital information. Focus should be on the SLDC and city relationships (including the Mayor's office), but should also extend to the local business relationships maintained by the St. Louis Economic Development Partnership (SLEDP), the Hispanic Chamber, and others.

<b>Action Item #: SB-1.2</b>	<b>Coordinate with economic development partners to establish protocol for identifying and visiting target companies</b>
SB-1.2.1	Identify companies at risk of relocating or downsizing (e.g., because of a recent merger/acquisition)
SB-1.2.2	Identify companies with the potential for a major expansion
SB-1.2.3	Create a master document of the major employers (more than 50 employees) within each of the city's and region's target industries and emerging opportunities and their corresponding contacts
SB-1.2.4	Develop detailed knowledge base of targeted companies by mining information from various sources (e.g., key leadership at each target company, relevant professional service providers, including accounting, legal and marketing/PR firms, and commercial real estate professionals)
SB-1.2.5	Deploy dedicated staff members to engage target companies and establish relationships once target companies are identified
SB-1.2.6	Cultivate relationships with executive leadership (e.g., CEOs, CFOs, Real Estate Directors, HR Directors) of St. Louis' major employers whose headquarters are located elsewhere
SB-1.2.7	Design (or purchase) a survey instrument that gathers information on key cluster assets, workforce skills and availability, innovation and entrepreneurship supports, commercial real estate needs, municipal services, and growth opportunities and threats, among other key items
SB-1.2.8	In areas of especially high vacancy, conduct special outreach with businesses currently located downtown and any concerns around retention
Leader	SLDC
Potential Partners	AllianceSTL, GlobalSTL, Missouri Partnership, SLEDP
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	City of St. Louis
Goal/s	Utilize a strong BRE program to improve the city's business climate and grow jobs at target companies, including anchor institutions
Tracking Progress	Number of target companies selected; presence of dedicated staff to undertake corporate outreach

<b>Action Item #: SB-1.3</b>	<b>Implement regular walking survey days along commercial corridors with a brief questionnaire</b>
Leader	SLDC
Potential Partners	Board of Aldermen, Commercial District Coalition, Planning & Urban Design Agency, Trailnet, business associations, other economic development partners
Start Time	Year 1
Duration	Ongoing
Effort to Implement	High
Potential Funding	City, SLDC
Goal/s	Gauge the needs and document concerns of businesses in employment districts and centers across the city; improve business retention; tailor the survey to different types of commercial corridors; cap the length of the survey at ten questions so that it is easy to respond to; issue it regularly; gauge a variety of business quality of life concerns (e.g., pavement condition)
Tracking Progress	Undertaking the walking surveys; compiling responses to questionnaire

## Strategy 2

## Grow the SLDC toolbox to better manage the needs of the business community

**Data and information:** SLDC should collaborate with EDOs across the region – SLEDP, AllianceSTL, Chamber, Invest STL – and local city and county governments to create a sophisticated, shared data capacity and system for tracking the local economies, building on the framework established by the St. Louis Regional Data Alliance. This should include a formal, enforceable data-sharing agreement and a consensus on the local, state, and federal data sources, economic cluster definitions, and occupational categories to be tracked.

**Real estate development:** City and regional economic development strategies often overlook a critical growth factor: specialized real estate assets that meet the needs of specific clusters or firms at different stages of growth. As a city and region, St. Louis is actually a national leader in the development of these types of assets with specialized facilities for plant and life sciences; a globally-recognized innovation district; and recent assembly of the N2W site for the new federal geospatial intelligence center.

Even with regional capabilities and track record of success,<sup>160</sup> further developing capabilities in and focus on specialized real estate assets could accelerate economic growth in the city. We propose two distinct efforts for this. The first, discussed in detail in the next sections, is for SLDC to develop internal cluster expertise to identify real estate gaps in target clusters, identify at a high level the real estate investments and increased staffing with experience needed to meet these gaps, and manage RFP processes to identify local and national developers to create real estate solutions. This marrying of cluster and real estate expertise would create a strong match between SLDC capabilities and the development needs of the city and move SLDC from reactive to proactive development, an outcome supported across the organization.<sup>161</sup>

<sup>160</sup> There is a well-stocked regional toolbox, including programs and initiatives at AllianceSTL, Global STL, and SLEDP, including immigrant entrepreneur support, advanced manufacturing, international trade, business retention and support, and cross-jurisdictional expertise that SLDC can leverage.

<sup>161</sup> Project interviews and roundtables

The second action area is regional coordination to ensure that as economic clusters evolve, existing and potential new firms can find the real estate options they need to invest and/or grow. Currently, according to local experts, there are a number of real estate challenges that are slowing retention, growth, and attraction efforts in the city, including lack of cheaper space around Cortex for second-stage bioscience and tech firms; too few quality options for small- and mid-sized firms that want to grow in or move to the City of St. Louis; and challenges across the entire region with finding >100-acre sites.<sup>162</sup> Although the city already has a Location One Information Service (LOIS) website,<sup>163</sup> it would be valuable to expand this resource and marry this information with broader economic cluster information. In the first phase, participating organizations will identify real estate needs for key clusters and growth opportunities; in the second phase, funding sources for a real estate/development fund will need to be identified.

<sup>162</sup> Project interviews and roundtables

<sup>163</sup> *Sites and Buildings Search*. (n.d.). City of St. Louis. Retrieved from <https://www.stlouis-mo.gov/government/departments/slde/sites-and-buildings.cfm>

<b>Action Item #: <u>SB-2.1</u></b>	<b>Establish a common customer relationship management (CRM) platform for SLDC and its economic development partners to track all leads and prospects, including compliance of companies receiving incentives and business engagement, and use the platform to manage a shared survey tool for companies related to BRE efforts</b>
Leader	SLDC
Potential Partners	AllianceSTL, GlobalSTL, Missouri Partnership, SLEDP
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	SLEDP, SLDC
Goal/s	Coordinate city and regional BRE efforts, foster economic development ecosystem actors' relationships with corporates, consolidate corporate outreach efforts
Tracking Progress	Establishment of a CRM platform, number of companies tracked through such a platform, development of a survey
<b>Action Item #: <u>SB-2.2</u></b>	<b>Create a market-ready portfolio of relevant buildings and sites in the city that can quickly be shared with companies who indicate their commercial real estate needs during business visits</b>
Leader	AllianceSTL, Regional Chamber, SLDC
Potential Partners	Cluster experts (e.g., BioSTL, St. Louis Freightway), real estate and finance expertise, interested private parties
Start Time	Year 1
Duration	6 months
Effort to Implement	High
Potential Funding	Local philanthropy – see land assembly strategy
Goal/s	Identification and funding of transformative real estate investments
Tracking Progress	Sites assembled, developed, and occupied



<b>Action Item #: SB-2.3</b>	<b>Hire a retail expert to support commercial corridors and commercial real estate needs</b>
Leader	SLDC
Potential Partners	Real estate experts and brokers, anchor retail tenants
Start Time	Year 1
Duration	6-12 months
Effort to Implement	High
Potential Funding	Local philanthropy
Goal/s	Support the development of commercial corridors and effectively implement retail-related strategies (e.g., retail incubator, Main Streets, etc.)
Tracking Progress	New hire

# SUPPORTING REGIONAL PARTNERSHIPS

## Strategies and Action Items

### Strategy 1 **Bolster business attraction efforts by strengthening regional partnerships**

**Business attraction:** Regional attraction efforts should provide would-be investors with the full range of location and real estate options available in the St. Louis metropolitan area. Organizationally, these efforts can be coordinated under regional bodies that cover the full geography of a region, an approach that can help reduce intra-regional competition, discourage incentives for intra-regional moves, and provide a single front door for businesses considering the St. Louis region. At the same time, there can be information and communication costs associated with regional approaches, which often discourage deep expertise about specific areas. As one local stakeholder noted, "I'm worried about whether having [a regional organization] do standard economic development [functions] for the city is good. These are becoming geographically tighter—you don't want business attraction far away."<sup>164</sup>

We propose two action items to address these issues. The first is the creation of an SLDC regional business development support position to manage the creation of materials and help formalize existing coordination and collaboration efforts between SLDC, SLEDP, and the other regional business attraction entities. This approach will complement the cooperative ethos of regional business attraction efforts with rich and timely information from an organization with deeper staffing levels dedicated to economic development in the City of St. Louis. It will

be good for the city, which will benefit from a more formalized approach to business attraction, but also regional efforts, which need to better leverage the City of St. Louis, home to many of the region's most valuable 21st century economic assets.<sup>165</sup> Second although not discussed in detail in this section, another important action item related to business attraction is real estate, which appears in the real estate section.

**Exports and foreign direct investment:** Exports and foreign direct investment (FDI) are important to the St. Louis city and regional economies. A 2016 export plan for the region noted that the metropolitan area exported about \$16.1B in goods and services, of which \$2.6B was estimated to come from firms located in the City of St. Louis. St. Louis County's exports (\$6.9B) were about 2.5 times higher, in part because of high export activity in the automotive and aeronautical clusters (\$3.6B), industries with little presence in the city. FDI is also important to local economies. With the \$66B acquisition of Monsanto by German conglomerate Bayer in 2018, Missouri had more FDI than any other US state, and the City of St. Louis and St. Louis County recently collaborated on a plan to attract FDI. These efforts certainly matter to the city's and region's growth trajectory: the most recent work on globalization and regional economies estimates that FDI and exports together support about 12% of employment in the St. Louis metropolitan area.

Both the FDI and export plans show the importance of collaboration of regional actors in participating in global markets, and these efforts should remain regional. In addition to supporting these existing efforts, SLDC and other city EDOs can support foreign investment and trade attraction by working with Global STL, AllianceSTL, the Missouri Partnership, the World Trade Center, site selection consultants, and any other cluster-focused initiatives to help identify and engage the assets that can attract global firms to the St. Louis region: strategic partners, product validators, first customers, introductions to researchers, etc. The (proposed) SLDC regional business attraction support staff should support these efforts by working with key regional entities like BioSTL, AllianceSTL, and World Trade Center St. Louis to identify and catalogue the types of assets that can help attract global firms to locate in the St. Louis region. Certainly, a large portion of these firms will locate outside the city, but SLDC and other city EDOs should recognize that even those investments will benefit the city in myriad ways and, more broadly, that collaborating with regional EDOs and supporting regional growth should be a priority of city-focused EDOs.

164 Project interviews and roundtables

165 Project interviews and roundtables

<b>Action Item #: <u>R-1.1</u></b>	<b>Staff a regional business development support position representing the city</b>
Leader	SLDC
Potential Partners	AllianceSTL, Missouri Partnership, Regional Chamber, SLEDP
Start Time	Year 1
Duration	2-3 months
Effort to Implement	High
Potential Funding	Internal
Goal/s	High-quality hire
Tracking Progress	Pre-staffing: quality of staffing, completion time of recruitment and staffing; post-staffing: regularly scheduled meetings with the regional EDOs, participation in relevant domestic and international business recruitment meetings, regional business attraction outcomes
<b>Action Item #: <u>R-1.2</u></b>	<b>Coordinate data and capacity across EDOs in the region by using existing data strengths to develop a common economic development data platform</b>
Leader	SLDC
Potential Partners	AllianceSTL, Regional Chamber, Regional Data Alliance, SLEDP
Start Time	Year 2
Duration	Ongoing
Effort to Implement	High
Potential Funding	SLDC and partners; potential for revenue from customized data sales
Goal/s	Use existing data to create initial data sets to be released in 2020; secure funding agreements in 2020
Tracking Progress	Number of collaborating entities; timeliness of data release; utilization of data across region

<b>Action Item #: <u>R-1.3</u></b>	<b>Identify pipelines, responsibilities, communications systems, and information sharing using the Cooperation Agreement as a baseline</b>
Leader	SLDC
Potential Partners	AllianceSTL, Downtown STL, Missouri Partnership, Regional Chamber, SLEDP
Start Time	Year 1
Duration	3-12 months
Effort to Implement	High
Potential Funding	TBD
Goal/s	Maintain coordination across agencies
Tracking Progress	Number of participating entities, number of items that have been consolidated or streamlined, presence of a coordinated platform
<b>Action Item #: <u>R-1.4</u></b>	<b>Cooperate with regional partners to inventory and catalogue regional assets that can be leveraged to attract global firms, and create a regional inventory of assets</b>
Leader	SLDC
Potential Partners	AllianceSTL, GlobalSTL, Missouri Partnership, SLEDP, World Trade Center (specifically its FDI Steering Committee and, potentially, its forthcoming "Accelerating the Accelerators" effort)
Start Time	Year 2
Duration	Ongoing
Effort to Implement	High
Potential Funding	SLDC
Goal/s	Showcase the region's numerous assets that can be used to attract global firms, as well as talent
Tracking Progress	Completed inventory

<b>Action Item #: R-1.5</b>	<b>Develop a policy and procedure for evaluating potential sites submitted by partners within the region in response to Requests for Information (RFI) from site selectors and corporations</b>
Leader	Coalition of Economic Development Partners
Other Potential Partners	AllianceSTL, EDOs and Municipal and County Economic Development Departments throughout the region
Start Time	Year 2
Duration	18+ months
Effort to Implement	Very High
Potential Funding	N/A
Goal/s	Develop a protocol for limiting inter-regional competition that is agreed upon by a super majority of economic development and political leaders/entities; enable the coalition of partners to evaluate each proposal based on the requirements of the RFI and identify a singular site to submit from the region to the issuing firm
Tracking Progress	Open communication between leadership throughout the region
<b>Action Item #: R-1.6</b>	<b>Develop a regional business attraction marketing campaign</b>
Leader	AllianceSTL
Potential Partners	SLEDP, SLDC
Start Time	Year 2
Duration	9 months
Effort to Implement	Medium
Potential Funding	Business community
Goal/s	Develop a marketing campaign and messaging strategy targeted towards corporate decision makers and site selectors for companies within desired industry clusters
Tracking Progress	Positive responses to campaign from intended targets



## Strategy 2 Develop internal expertise in an existing or emerging regional specialization cluster

On an annual or biannual basis, SLDC should evaluate its internal cluster expertise and identify areas that need strengthening based on city and regional trends. Many of these areas of expertise, as proposed below, should be for clusters that are city-centered. However, SLDC should also develop cluster expertise where it can help grow a regional cluster that could evolve to have a city footprint. We propose that the initial regional cluster for which SLDC should develop expertise is agtech.

Agtech is currently centered outside the city in Creve Coeur, home of Bayer (formerly Monsanto), the Danforth Center (the largest independent plant science institute in the world), and 39 North, a planned 600-acre plant science innovation district.<sup>166</sup> In addition, the U.S. Department of Agriculture (USDA) has two offices in the city. The St. Louis agtech cluster was recently featured in Brookings "Rethinking Cluster Initiatives" project, which highlighted the key roles of BioSTL, the Danforth Center, the Partnership, and other regional entities under the umbrella of the BioSTL Coalition to "collaborate effectively without a single driver or hierarchical structure" and "[set] the strategic vision for the cluster." The St. Louis region's agtech cluster is known globally; as one observer noted, "Agtech is perhaps the only area that doesn't require a specialized deal [to attract external investment]. Just the ecosystem itself is enough: innovation, access to growers, research, talent."<sup>167</sup>

The City of St. Louis currently plays a relatively small role in the larger regional agtech cluster. It is home to Missouri Botanical Gardens, a globally-recognized botanical research site, as well as angel and venture funds that finance agtech, but only a few agtech-related firms.<sup>168</sup> Longer-term, however, five factors suggest that the scale of the potential impact makes it a critical cluster for the St. Louis City economy. The first is the scale of change underway in agriculture, from rapid growth in smart farming technologies to potentially dramatic shifts in farm production out of California due to water concerns into the more water-abundant interior U.S. and with it, an acceleration of specialty crop production in the St. Louis regional foodshed.<sup>169,170</sup> This shift would result in dramatically increased demand for both food processing and manufacturing capacity and also food-related TDL activity. Second, the strength of the geospatial cluster and its likely continued growth in St. Louis positions the city for significant growth in precision agricultural applications.<sup>171</sup> Third, given the

city's existing specializations, the agtech/fintech nexus seems relatively undeveloped; local experts note that there has been some organized activity (e.g., a hackathon) and a few agtech/fintech firms, but the full potential may not have been tapped. And if more specialty crop production moves to the agricultural areas around St. Louis, as could happen with significant declines in California production, local interest in agtech/fintech could accelerate.<sup>172,173,174</sup> Fourth, a 2019 i6 grant from the U.S. Economic Development Agency (EDA) will support BioGenerator in creating a proof-of-concept center for agtech companies at Helix Center in Creve Coeur, with support from programming located in Cortex. These direct linkages could help expose promising ventures to the city and provides a recognizable agtech asset with roots in the city.<sup>175</sup> Finally, with the announcement that Sam Fiorello will be the successor to Dennis Lower as the new leader of Cortex, the City of St. Louis gains one of the region's leading agtech champions.

<sup>168</sup> *Missouri: The Global Leader in Agtech*. (n.d.). Missouri Partnership. <https://www.missouripartnership.com/wp-content/uploads/2018/01/Agtech.pdf>; Project interviews and roundtables

<sup>169</sup> A 2014 study found that "only one tenth of one percent of cropland in the 100-mile radius [around St. Louis] is dedicated to non-commodity fruits and vegetables." See: *St. Louis Foodshed Study Evaluates the Evolution of Industrial Food Production*. (2014, November 19). Missouri Coalition for the Environment. <https://moenvironment.org/st-louis-foodshed-study-evaluates-the-evolution-of-industrial-food-production/>

<sup>170</sup> Evanoff, T. (2019, July 17). *Is Memphis the next California for farming? Conservationists want to find out*. The Commercial Appeal. <https://www.commercialappeal.com/story/money/2019/07/17/farming-world-wildlife-fund-memphis-mississippi-delta-next-california-for-vegetables/1638160001/>

<sup>171</sup> Oisebe, P. R. (2012, October 9). Geospatial Technologies in Precision Agriculture. *GIS Lounge*. <https://www.gislounge.com/geospatial-technologies-in-precision-agriculture/>; TEconomy, 2019; Agriculture. (n.d.). GPS.gov. Retrieved from <https://www.gps.gov/applications/agriculture/>

<sup>172</sup> Clay, J. (2018, January 30). *The Next California*. Brink – The Edge of Risk. <https://www.brinknews.com/the-next-california/>

<sup>173</sup> Project interviews and roundtables.

<sup>174</sup> Of course, using technology to solve market entry problems could accelerate the growth in specialty crop production in areas that have traditionally focused on commodity production.

<sup>175</sup> Will more closely integrate Creve Coeur and city; project interviews and roundtables; Nicklaus, D. (2019, July 30). Arch Grants and BioGenerator get \$750,000 each to help entrepreneurs. *St. Louis Post-Dispatch*. [https://www.stltoday.com/business/columns/david-nicklaus/arch-grants-and-biogenerator-get-each-to-help-entrepreneurs/article\\_df7e976e-f8ed-5dfb-a832-12ddf8f663f1.html](https://www.stltoday.com/business/columns/david-nicklaus/arch-grants-and-biogenerator-get-each-to-help-entrepreneurs/article_df7e976e-f8ed-5dfb-a832-12ddf8f663f1.html)

<sup>166</sup> Johnson, B., and Ward, C. (n.d.). Bioscience as a Foundation for Transforming St. Louis. *Bridges, Spring 2016*. Retrieved from <https://www.stlouisfed.org/publications/bridges/spring-2016/bioscience-as-a-foundation-for-transforming-st-louis>

<sup>167</sup> Project interviews and roundtables

<b>Action Item #: R-2.1</b>	<b>Develop internal SLDC expertise on agtech</b>
Leader	SLDC
Potential Partners	Cluster experts (e.g., BioSTL, Danforth Center, 39N)
Start Time	Year 1
Duration	Ongoing; adjust and refine annually or biannually
Effort to Implement	High
Potential Funding	Local or national philanthropy, EDA Grant
Goal/s	Development of staffer cluster expertise, identification of cluster opportunities in the city
Tracking Progress	Long-term cluster development in the city and region

**“St. Louis can beat the world in agtech. Everything is here.”**

# LIST OF FIGURES

## Overview and Context

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5



*PLACES*



# INTRODUCTION

The St. Louis Equitable Economic Development Framework is dedicated to expanding equitable economic opportunities for all current and future city residents and strategically focusing on activities that result in growth of jobs, neighborhoods, job training, and city population. As such, the framework must be grounded in the issues that impact businesses, employees, and residents every day.

The conditions that impact job and business growth vary significantly from one corner of the city to another. The ability to expand an existing business in St. Louis, create a new small business, move a new business into the city, retain and attract employees and/or access a job are all deeply connected to the character and quality of the place. Some places in St. Louis are entirely industrial while others are small, neighborhood-serving commercial corridors. Some places are successful and fully occupied employment hubs while others are adversely affected by vacant and underutilized property. Each place has a personality that may be ideal for certain economic activity and jobs, but not others. The opportunity is to align potential business activity with the places that will help them to thrive. All corners of St. Louis will benefit from this approach.

This is particularly true for existing businesses that often face a number of challenges from hiring to deteriorating infrastructure. These employers have invested in their locations and are committed to the areas they serve. A targeted approach to improvement that takes into account their needs would reduce the “business quality of life” challenges that takes time away from fulfilling their goals. Better places will better position existing businesses for success by helping to attract customers, expand, or more effectively serve the needs of nearby neighborhoods.

The opportunities for new businesses in the city as identified in this document have different physical needs. Facility size, proximity to other similar businesses (or suppliers), available infrastructure, access to transit and the range and type of amenities for employees all factor into decisions about where to work, start or expand a business. To support the needs of existing businesses and realize many of the cluster strategies, St. Louis needs to take a place-based approach to economic development.

In discussing places in St. Louis, we cannot overlook the impact of racism and racial segregation still visible today that creates significant inequities in both investment and job opportunities for people of color. As noted in other chapters of this document, north St. Louis is over 93% Black and has experienced the greatest overall decline in population and jobs across the City. Communities such as Bevo Mill, Carondelet and Dutchtown in south St. Louis represent some of the City’s most ethnically diverse communities and face significant challenges with respect to poverty and unemployment. An equitable approach to economic development must disrupt this legacy and increase economic opportunities in historically disadvantaged areas.

This plan recognizes that some of the greatest opportunities for reinvestment reside within and next to the city’s historically redlined areas, including the north and south riverfronts. Other areas, such as the Mark Twain/I-70 industrial district and many neighborhood retail corridors, have also experienced decline in the context of nearby population loss and disinvestment. This work explicitly highlights the need and opportunity to invest in these places and identifies a range of actions to help re-purpose empty land and connect nearby communities with job opportunities.





EACH PLACE HAS A PERSONALITY THAT MAY BE IDEAL FOR SOME ECONOMIC ACTIVITY AND JOBS BUT NOT OTHERS. THE OPPORTUNITY IS TO ALIGN POTENTIAL BUSINESS ACTIVITY WITH THE PLACES THAT WILL HELP THEM TO THRIVE.

St. Louis, 1933  
Source: [www.stltoday.com](http://www.stltoday.com)

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# BACKGROUND

**THE CITY OF ST. LOUIS HAS THE HIGHEST CONCENTRATION OF JOBS PER SQUARE MILE IN THE STATE OF MISSOURI.**

St. Louis is a large and diverse city that historically developed around commerce and job growth – first along the river and later around freight rail and highways. Today, the City of St. Louis spans 39,600 acres – approximately 62 square miles – and represents about 0.7% of the MSA's land area. The City of St. Louis has the highest concentration of jobs per square mile in the state of Missouri. It contains 3.2K jobs per square mile, nearly three times the density in St. Louis County (1.1K jobs per square mile) and six times the density in Jackson County (520 jobs per square mile). These factors establish St. Louis as the authentic urban place within the region both historically and today.

Like other cities, jobs and businesses often concentrate around key assets like infrastructure, major institutions, access to employees or other similar businesses. To provide a much clearer picture of city employment, this framework identified and evaluated different geographies where the city's jobs and businesses are concentrated. This is necessary to understand the specific challenges facing businesses in different places and to identify current land utilization and opportunities for change. By improving and branding specific geographies for different types of jobs and businesses, the city will send clear signals to the market about the expectations for private investment.

To help better understand the location and distribution of jobs in St. Louis, an analysis of land use patterns, job locations, business types, vacancy and proposed and recent investments was completed. This analysis identified 13 main employment districts and centers (see Figure B-1) that account for 60% of the city's jobs on only about one-quarter of the city's land. For those districts and centers that do not already have a recognized name, one was provided to help quickly refer to the data, challenges, and opportunities in each place. Many of the remaining private sector jobs in the city are stretched along the city's commercial corridors. Employment districts and centers, and commercial corridors are not limited to the existing neighborhood boundaries of the city. Rather, these geographies have the potential to provide job opportunities for multiple neighborhoods.

This study distinguishes employment "districts" from employment "centers" to acknowledge the different conditions and strategies required to improve a place that is mixed-use (districts) as opposed to those that are largely industrial and commercial.

**Figure B-1.** Employment and population density

	Population, 2018	Private Jobs, 2018	Land Area (sq. mi.)	Population Density	Activity Density (Population & Employment)
<b>City of St. Louis</b>	302.8K	200.1K	61.9	4,890	8,120
<b>St. Louis County</b>	996.9K	556.0K	507.8	1,960	3,060
<b>Rest of MSA</b>	1,504.9K	416.0K	8,053.5	190	240

Source: U.S. Census Bureau American Community Survey 2018 1-year release; QCEW-UDP



# Employment Districts & Centers

Source: Interface Studio, 2019

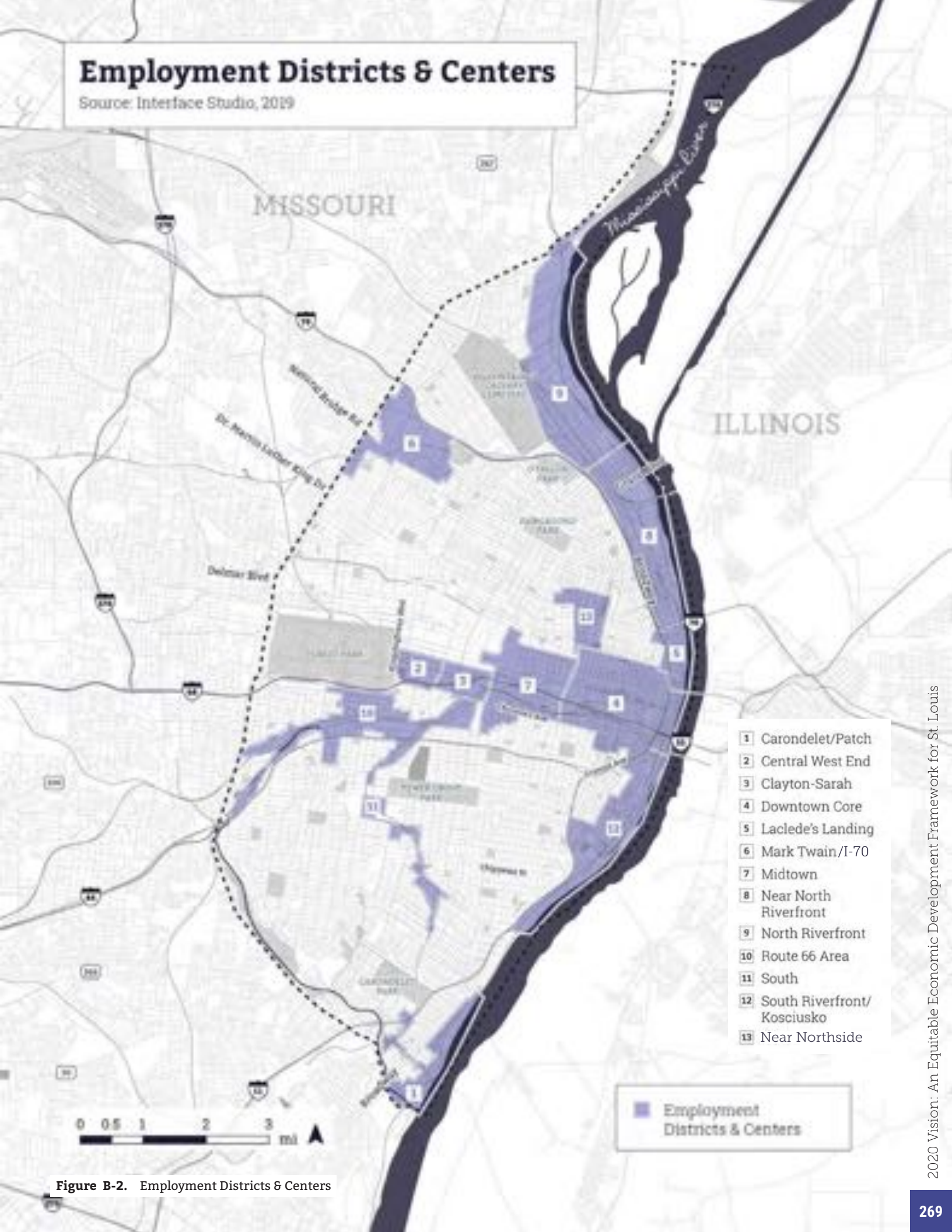


Figure B-2. Employment Districts & Centers

## EMPLOYMENT DISTRICTS

PLACES OF EMPLOYMENT WITH ONE OR MORE BUSINESS CLUSTERS AND SUPPORTING INFRASTRUCTURE, AS WELL AS ADJACENT LAND USES THAT SUPPORT BUSINESSES & EMPLOYEES, INCLUDING COMMERCIAL RETAIL, HOUSING, ENTERTAINMENT, ETC. THESE AREAS ARE IDENTIFIED AS MIXED-USE IN CHARACTER.

**Employment Districts** refer to places of employment with one or more business clusters and supporting infrastructure, as well as adjacent land uses that support businesses and employees, including commercial retail, housing, entertainment, etc. Employment districts include residential uses but are different than neighborhoods and retail streets. While no less important, neighborhoods and retail corridors are typically comprised of smaller businesses with smaller footprints. Employment Districts in contrast, include a high number of concentrated employees and large buildings that require special considerations to manage access, loading, truck traffic and parking. Recognizing the importance of commercial corridors across St. Louis, a special section of this work is devoted to identifying a range and diversity of corridors across the City to focus investment, support small businesses and improve neighborhoods. These areas are identified as mixed-use in character and include:

- › **The Central West End** (as an employment district) is bounded by Kingshighway Boulevard, Forest Park Avenue, Tower Grove Avenue, and Chouteau Avenue. Central West End is 240 acres and holds 28,300 employees, which amounts to 120 jobs per acre.<sup>1</sup> In addition to jobs in healthcare, the district includes additional jobs related to Education and Training and Hospitality and Tourism.
- › **Clayton-Sarah** is located east of Central West End and encompasses Cortex. It is bounded by Forest Park Avenue, Spring Avenue, Chouteau Avenue, Manchester Avenue, and Boyle Avenue. In addition to the growing number of businesses at Cortex, Clayton-Sarah is also a center for Business Services and retail (e.g., IKEA).

- › **The Downtown Core** is bounded by Carr Street, Jefferson Avenue, Chouteau Avenue, Park Avenue, and the Mississippi River. With the completion of Union Station Aquarium and an MLS stadium, the Downtown Core will remain the centerpiece of the regional economy with key industries including Business and Financial Services, Marketing & Publishing, and Hospitality & Tourism.
- › **Laclede's Landing** is located immediately north of the Arch and is bounded by Eads Bridge, Mississippi River, Memorial Bridge, Cass Avenue, 7th Street, Cole Street, and 4th Street. Largely due to the Casino, Hospitality & Tourism is the largest industry.<sup>2</sup>
- › **Midtown** is located between the Downtown Core and Central West End/ Clayton-Sarah. Midtown includes major educational and health institutions, the city's arts and cultural uses in Grand Center and a growing number of retailers and small businesses along Locust Street. Education & Training, Financial and Business Services, Health Services, Commercial Services and the Performing Arts are Midtown's key industries.
- › **Near Northside** is an emerging employment district, where the NGA (National Geospatial-Intelligence Agency) West Headquarter is to locate. The district is bounded by 20th Street, Carr Street, Dr. Martin Luther King Drive, Elliott Avenue, Benton Street, and St. Louis Avenue and is surrounded by residential neighborhoods, a pharmaceutical company, and nearby schools.

<sup>1</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019; Note that employment number includes coworking space/self-employed employment estimates

<sup>2</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019

**Employment Centers** refer to places of employment with multiple businesses but without nearby retail stores, restaurants, housing, entertainment, etc. These areas are largely industrial or commercial and include:

- › **Carondelet and Patch** employment center is located at the southern tip of the city and is bounded by Dover Street, Mississippi River, the River des Peres Drainage Channel, and weaves through multiple commercial and industrial uses until the intersection of Interstate 55 and Germania Street. The employment center's key industries are manufacturing (e.g., food, furniture, metals, chemicals) or distribution-related. Development in this employment center needs to navigate the challenges of flooding and flood plain restrictions.
- › **Mark Twain/I-70** located near the intersection of the city's western boundary and I-70. Mark Twain/I-70's key industries include various manufacturing and TDL.
- › **Near North Riverfront** is bounded by the Mississippi River, Interstate 70, and Adelaide Avenue. This area includes the Municipal River Terminal near Market Street and is largely (44%) industrial. Key industries include TDL and food processing and distribution.
- › **North Riverfront** is located between the Near North Riverfront employment center and the northern edge of the city's boundary. TDL and real estate and construction-related activities are the key industries in this area.
- › **Route 66**, which tracks several rail lines, is surrounded by dense residential neighborhoods southwest of Forest Park to the north and south of Manchester Avenue and roughly bounded by Interstate 44, Vandeventer Avenue, 39th Street, and Oakland Avenue. Key industries of the Route 66 Area are largely industrial (metals, chemicals, construction, distribution) and it is home to about a fifth of the city's manufacturers.
- › **South Riverfront and Kosciusko** is located south of the Downtown Core and bounded by Mississippi River, Dakota Street, Chouteau Avenue, Broadway, and Interstates 55 and 44. The area is known as the home to Anheuser-Busch, which occupies a large share of its land. The district includes additional corporate campuses including Millipore-Sigma, as well as the existing NGA site. Food and beverage processing and manufacturing and TDL are key industries, but there remains some vacancy that could be redeveloped to support expansion of industrial and commercial activities.
- › **South St. Louis** is located to the south of Tower Grove Park. It includes a few of the city's main commercial corridors, including Kingshighway, Gravois Avenue, and Chippewa Street. Real estate and construction, and urban manufacturing (which makes up almost one third of jobs) are the key industries in this employment center.

## EMPLOYMENT CENTERS

PLACES OF EMPLOYMENT WITH MULTIPLE BUSINESSES BUT WITHOUT INTEGRATED RETAIL STORES, RESTAURANTS, HOUSING, ENTERTAINMENT, ETC. THESE AREAS ARE LARGELY INDUSTRIAL OR COMMERCIAL.



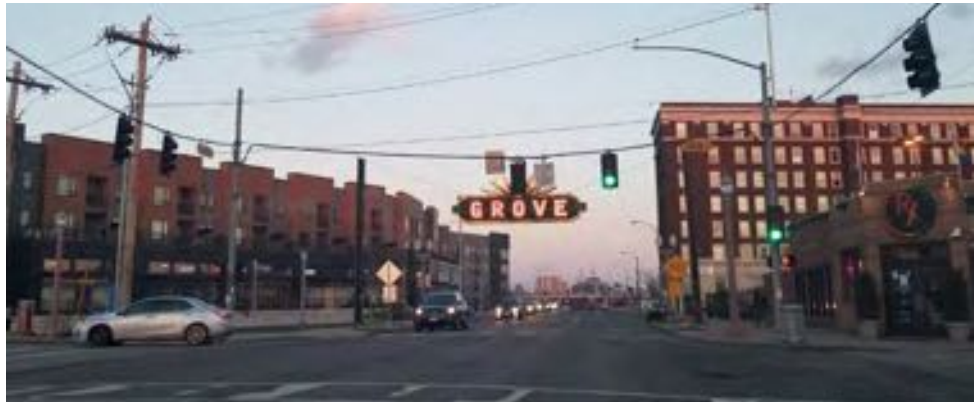
In addition to employment districts and centers, **Commercial Corridors** refer to places of commerce and employment that extend multiple blocks and serve local neighborhood and/or regional shopping and service needs. There are currently 1,407 acres of space zoned for commercial activity along these corridors outside of the employment districts and centers. The space zoned for commercial activity along these corridors has remained largely unchanged since the city's peak population of 850K.<sup>3</sup> With a population today of 302.8K,<sup>4</sup> the result is a high commercial vacancy rate (including vacant buildings and land) across all corridors of 15% with significant variation from one corridor to another.

3 A Brief History of St. Louis. (n.d.). Retrieved September 19, 2019, from city of St. Louis website: <https://www.stlouis-mo.gov/visit-play/stlouis-history.cfm>

4 U.S. Census Bureau American Community Survey 2018 1-year estimates



Natural Bridge Avenue between Union Boulevard & N Kingshighway Boulevard



The Grove

## COMMERCIAL CORRIDORS

PLACES OF COMMERCE AND EMPLOYMENT THAT EXTEND MULTIPLE BLOCKS AND SERVE LOCAL NEIGHBORHOOD AND/OR REGIONAL SHOPPING AND SERVICE NEEDS.



Union Boulevard near St. Louis Avenue



A core opportunity to improve the quality of the city's employment areas is to increase job density. Attracting investors, new businesses and employees to St. Louis is inhibited in some places due to physical deterioration, limited services and aging infrastructure that comes with the reduction in the number of businesses and employees in those districts. Similarly, potential public investments in infrastructure or commercial amenities like streetscape upgrades or lighting can be difficult to implement effectively because of the scattered pattern and levels of active commercial activity along commercial corridors and limited public capital available for such investments.

In the employment districts and centers, there are about 13.0 private jobs per acre, which is nearly 11 more jobs per acre than average across the rest of the city.<sup>5</sup> However, job densities overall are relatively low compared to other cities with similar uses and mix of industries. For instance, industrial warehouse development in other cities can often see job densities around 10 jobs per acre with flex and other manufacturing uses at even higher densities. While industrial uses will always have a much lower job density due to large foot-print buildings and infrastructure, there is clearly underutilized land and buildings across the city, which drives employment density below 5 jobs per acre in some districts.

**Figure B-4.** Employment Districts & Centers jobs summary, 2018

Employment Districts/Centers	Employment 2018	Acres	Job density 2018 (Jobs/acre)
Downtown Core	52,600	1,565	33.6
Central West End	28,300	236	119.9
Midtown	27,700	999	27.7
Route 66 Area	10,300	1,266	8.1
South Riverfront / Kosciusko	6,200	1,127	5.5
Near North Riverfront	4,400	1,368	3.2
Mark Twain/I-70	2,700	826	3.3
North Riverfront	2,700	1,951	1.4
Laclede's Landing	2,400	312	7.7
Clayton-Sarah	5,400	280	19.2
South	1,400	308	4.5
Carondelet / Patch	1,000	660	1.5
Near Northside	800	354	2.3
<b>Employment District/Centers Total</b>	<b>145,900</b>	<b>11,242</b>	<b>13.0</b>
Central Corridor Employment Areas*	114,000	3,080	37.0
Rest of City	58,600	28,380	2.1
<b>St. Louis City</b>	<b>204,500</b>	<b>39,622</b>	<b>5.2</b>

\*: Central Corridor Employment Areas are Downtown Core, Central West End, Clayton-Sarah, and Midtown  
Source: QCEW-YTS, Mass Economics Analysis

5 YTS data; QCEW-UDP; Mass Economics Analysis, 2019



# Job Density by Employment Districts

Source: YTS data, OCEW-UDP; Mass Economics analysis

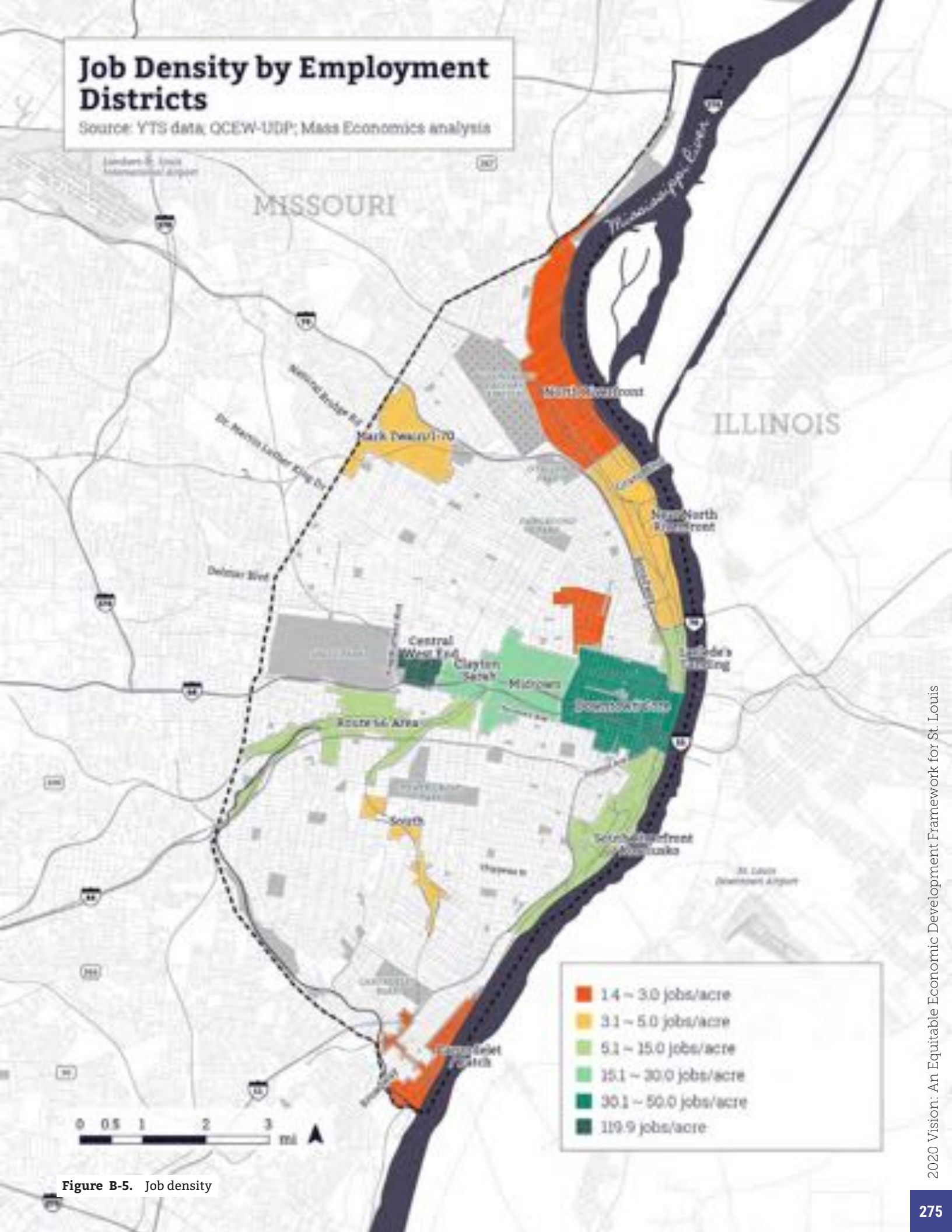


Figure B-5. Job density

**27% OF THE PARCELS WITHIN THE EMPLOYMENT DISTRICTS & CENTERS ARE CURRENTLY EITHER VACANT OR HAVE VACANT BUILDINGS.**

Within the 13 employment districts and centers, there are over 7,400 parcels; 27% of those parcels (approximately 2,000) are currently either entirely vacant or have vacant buildings. In addition, a parcel-by-parcel survey completed during this framework identified over 2,400 properties, or 6% of properties, within employment districts and centers as “underutilized.” Underutilized refers to properties where there is still some clear business activity but that the activity is visibly only using a portion of the available land. This assessment could not be made for buildings at this time so the number of underutilized properties is likely higher.

Vacancy and underutilization impact each district and center differently where some are nearly fully occupied (Central West End) and others are over 20% empty (North Riverfront). Along commercial corridors, there are some locations that are experiencing new investment and provide a large number of jobs. There are other corridors where the vacancy rate is over 30%, existing businesses struggle to attract customers, and there is poor to no maintenance of the surrounding empty properties. Currently, there are 1,738 vacant properties (15%) along the city’s commercial corridors.

**Figure B-6.** Vacant parcel distribution by size

Vacant Parcel Size	Parcel Count	Share of Vacant Parcels
Less than half an acre	27,653	97.6%
0.5 – 1 acre	317	1.1%
1 – 2 acres	184	<1%
2 – 5 acres	131	<1%
5 – 10 acres	36	<1%
10 – 20 acres	16	<1%
20 – 30 acres	6	<1%
30 acres and above	2	<1%

Source: Interface Studio (2019), Mass Economics (2017), City of St. Louis



Vacant Building on S Broadway near Carondelet-Patch District



Vacant Land in St. Louis Place



# Vacancy

Source: Interface Studio (2019), Mass Economics (2017), City of St. Louis

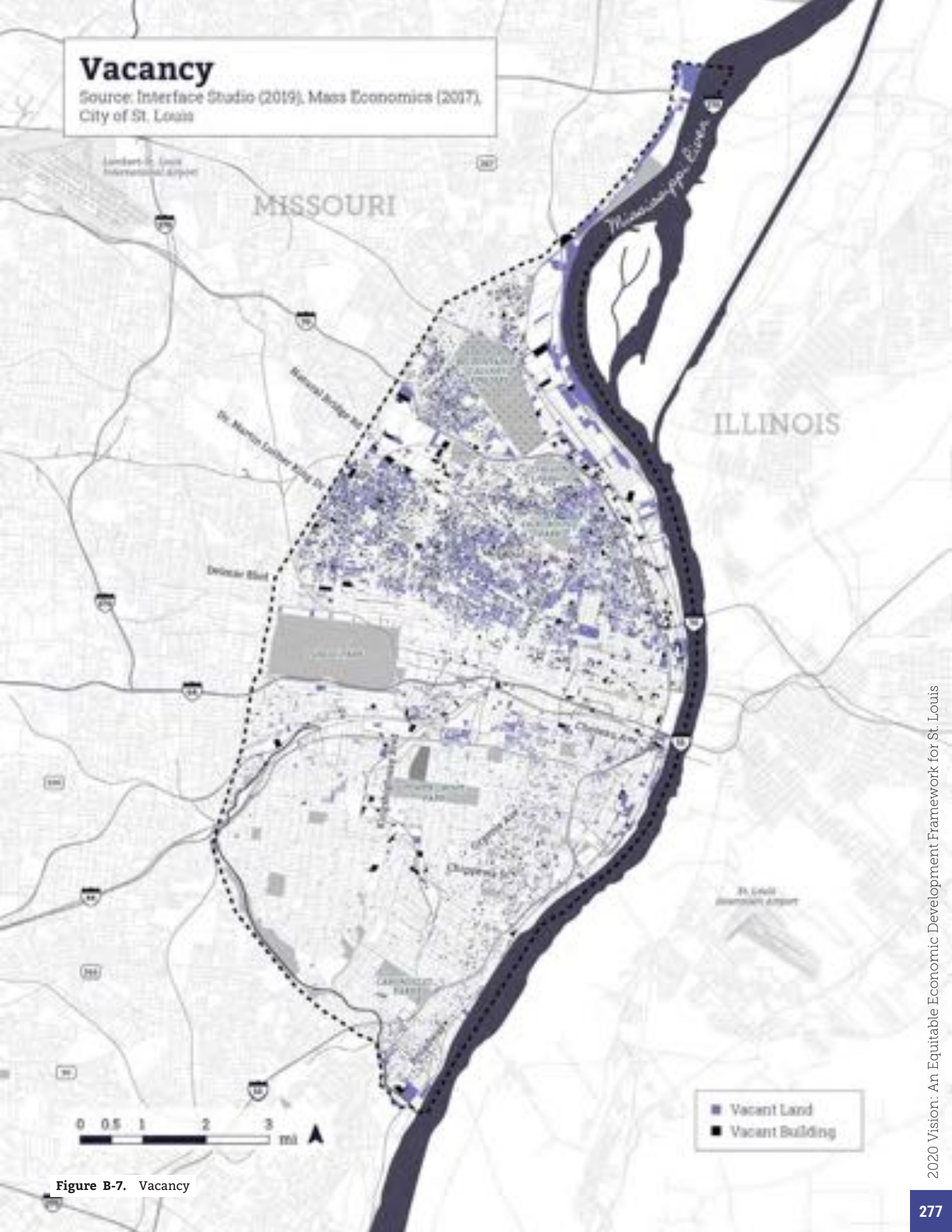


Figure B-7. Vacancy

**VACANT LAND OR BUILDINGS IN EMPLOYMENT DISTRICTS OR CENTERS THAT ARE GOOD CANDIDATES FOR ACQUISITION ARE OFTEN SADDLED WITH THE CHALLENGES OF PREVIOUS USES.**

Available land for redevelopment is one of the most significant challenges that prevents business expansion and attraction, particularly for companies in need of large sites. It is difficult to meet economic development objectives for specific clusters like manufacturing or transportation, distribution, and logistics (TDL) if the property is not already assembled and market-ready. If sites are not available or acquisition and assembly cannot be completed relatively quickly, it is often easier for companies to simply choose another location where there is available property that serves the needs of the business. In short, availability of turn-key sites has become an important part of cities' ability to attract businesses.

Vacant land or buildings in employment districts or centers that are good candidates for acquisition are often saddled with the challenges of previous uses, including the cost to potentially remediate the site for environmental contamination and improve the site to handle new uses including an investment in demolition, site work and new infrastructure. There are often difficult owners, or entirely absent ones, and the sites themselves may be too small or irregularly shaped to meet the needs of modern industrial or commercial users. There may also be concerns about crime near vacant or abandoned buildings and lots.

**Figure B-8.** Employment Districts & Centers land use and vacancy summary

Employment Districts/centers	Avg. Parcel size (acres)	Median parcel size (acres)	% of all parcels that are vacant	% of vacant parcels > 5 acres	% of parcel acres that are vacant	% of parcels industrial
<b>Carondelet / Patch</b>	1.0	0.3	22%	6%	18%	26%
<b>Central West End</b>	1.0	0.3	9%	0%	2%	0%
<b>Clayton-Sarah</b>	1.0	0.4	18%	0%	5%	11%
<b>Downtown Core</b>	0.7	0.3	14%	0%	7%	4%
<b>Laclede's Landing</b>	0.5	0.2	45%	0%	37%	7%
<b>Mark Twain/I-70</b>	2.4	0.8	29%	8%	17%	33%
<b>Midtown</b>	0.8	0.2	23%	0%	7%	7%
<b>Near North Riverfront</b>	1.1	0.3	47%	1%	19%	25%
<b>North Riverfront</b>	3.2	0.8	35%	13%	25%	42%
<b>Route 66</b>	1.2	0.5	11%	2%	4%	25%
<b>South</b>	1.6	0.8	15%	3%	10%	37%
<b>South Riverfront / Kosciusko</b>	1.8	0.6	19%	2%	10%	27%
<b>Near Northside</b>	0.2	0.1	67%	1%	28%	4%

Source: Interface Studio 2019, Mass Economics 2017, City of St. Louis

Of the vacant properties in employment districts and centers, only 36 are over 5 acres and only 4 properties are over 20 acres. For reference, many modern industrial businesses are seeking properties over 20 acres for new facilities. These numbers vary significantly from one district / center to another. In the Central West and Clayton-Sarah, there is very little vacancy not currently proposed for new development. In active employment centers like South St. Louis or Route 66, the vacancy rates are less than 15% and due mostly to vacant smaller properties. However, the North Riverfront and the Near North Riverfront exhibit vacancy rates over 30% and over 45% north of the Casino. This area has been the subject of many development proposals. Again, some of these high numbers are due to the small size of vacant parcels. The vacancy rate by total acreage also varies but only one district – Laclede’s Landing – exceeds 35% vacancy by acreage.

Along commercial corridors, land assembly is complicated by the existing small sizes of properties and the often small, local businesses that operate in the City. Most of these properties are small and difficult to develop on their own; as a result, re-use requires the acquisition of properties from multiple owners, some of whom have completely abandoned their property. The data reflect the reality on the ground. While there is vacancy and a lot of underutilized property, it is difficult to assemble enough land in the right places.

The strategies below highlight the opportunities for place-based investment to help stimulate equitable job growth and improve access to services and employment. To address the cross-cutting challenges that impact many different places within St. Louis, the first strategies relate to planning, management and land assembly. The remainder of this chapter is dedicated to the application of these policies and identification of potential investment to employment districts, employment centers and commercial corridors across the city.

% of land industrial	% of land institutional	% of land commercial	% of land mixed use	Character
35%	0%	12%	0%	Industrial with commercial along S. Broadway
0%	74%	4%	0%	Mixed-use: commercial, office, residential and institutional
11%	1%	34%	1%	Industrial, commercial and institutional
7%	8%	25%	5%	Mixed-use: commercial, office, residential, sports and entertainment
8%	5%	11%	2%	Mixed-use: commercial, office, residential and entertainment
50%	15%	19%	2%	Industrial
14%	40%	20%	2%	Mixed-use: commercial, office, residential and institutional
44%	0%	7%	1%	Industrial
42%	2%	4%	3%	Industrial
32%	12%	25%	1%	Industrial
56%	4%	16%	0%	Industrial, commercial retail
52%	7%	13%	0%	Industrial
11%	17%	1%	0%	Industrial, commercial office



# Primary Business Types in Employment Districts & Commercial Corridors

Source: Interface Studio, 2009.

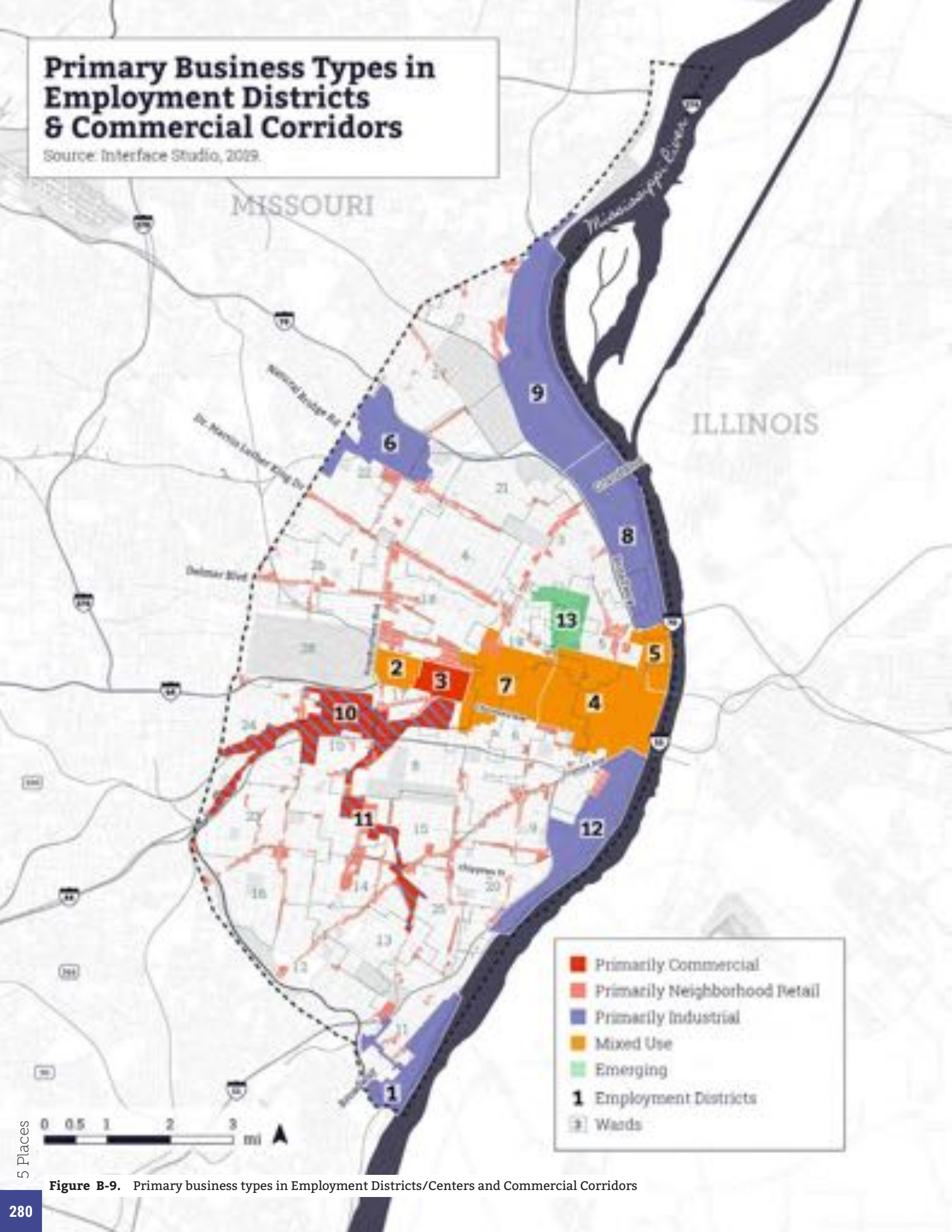


Figure B-9. Primary business types in Employment Districts/Centers and Commercial Corridors

# EMPLOYMENT AREAS

# KEY PRIVATE INDUSTRIES

**YELLOW SECTORS** ARE GROWING CITYWIDE

<b>1</b>	Carondelet/ Patch	   	Transportation & Logistics Metals & Chemicals Food Processing & Manufacturing Real Estate & Construction
<b>2</b>	Central West End	   	Health Services Hospitality & Tourism Business Services Education & Training
<b>3</b>	Clayton-Sarah	   	Business Services Household Goods & Services Transportation & Logistics Real Estate & Construction
<b>4</b>	Downtown Core	  	Business Services Marketing & Publishing Hospitality & Tourism
<b>5</b>	Laclede's Landing	 	Business Services Hospitality & Tourism
<b>6</b>	Mark Twain/I-70	   	Government Transportation & Logistics Food Processing & Manufacturing Community & Civic Organizations
<b>7</b>	Midtown	  	Education & Training Business Services Health Services
<b>8</b>	Near North Riverfront	 	Transportation & Logistics Food Processing & Manufacturing
<b>9</b>	North Riverfront	 	Transportation & Logistics Real Estate & Construction
<b>10</b>	Route 66 Area	   	Metals & Chemicals Real Estate & Construction Transportation & Logistics Community & Civic Organizations
<b>11</b>	South	   	Transportation & Logistics Real Estate & Construction Automotive Services Education & Training
<b>12</b>	South Riverfront/ Kosciusko	 	Food Processing & Manufacturing Education & Training
<b>13</b>	Near Northside	<b>EMERGING AREA</b>	Geo-spatial Intelligence Pharmaceuticals

Figure B-10. Key industries by Employment Districts/Centers



# PLANNING & MANAGEMENT

## Overview

### PLACES OF EMPLOYMENT NEED PROACTIVE PLANNING AND MANAGEMENT TO THRIVE AND SUPPORT EXISTING BUSINESSES

As with many cities, coordinating resources, investments and planning across political boundaries, organizational boundaries and public and private entities can be difficult. In St. Louis, there are a large number of entities engaged in some form of planning including developers, community groups, advocacy organizations, SLDC, the city, the county, and regional organizations and non-profits. This has resulted in many documents that outline specific issues and needs with respect to racial equity, education, resiliency and greenways, to name a few. Some of these strategies are focused heavily on transforming the physical experience of the city (the Greenway, for instance) while others focus on organizational and policy change. Places of employment need proactive planning and management to thrive and support existing businesses.

The City of St. Louis' Planning and Urban Design Agency (Planning Department) is responsible for maintaining the Strategic Land Use Plan but also coordinates on zoning changes and overlay districts. Recently, the Planning Department launched an initiative to update and undertake neighborhood plans across the city. This work will help to integrate the various initiatives that impact each neighborhood. The neighborhood and other recent plans that currently exist helped to shape the strategies outlined in this document. However, many employment districts, centers and commercial corridors currently lack clear guidance on where to invest or how to guide improvements.

Employment districts and centers need detailed action plans and a prioritized list of

actions and investments to help maximize their potential for job growth. Drawing on the data collected during this process, this planning must rely on an active dialogue with existing businesses and adjacent communities to set priorities for actions and investments that will grow the base of economic activity in each location. The plans must strive to further brand each place with a clear identity that can be reinforced and marketed to prospective employers, as has happened along South Grand Boulevard and Cherokee Street, for instance.

Of the city's employment districts and centers, Carondelet, Mark Twain/I-70, Near Northside, and the South Riverfront are most in need of redevelopment planning. The Near North- and North Riverfront have a detailed strategy completed in 2011 (the North Riverfront Commercial Corridor Land Use Plan). This document needs only an update to ensure the proposed investments in that document align with the needs of key clusters identified in this framework. The Near Northside has been the focus of the Project Connect and NGA relocation efforts. To date, there are efforts to build on the NGA relocation and focus on geospatial and other jobs in that employment center with GeoFutures and other efforts - see a description in Ch. 4: Clusters. Given the increasing investment in Midtown but also the multiple organizations guiding planning and development, Midtown needs coordination and strategic planning but not a full redevelopment effort at this time. Planning for Downtown is currently underway and the Central West End and Clayton-Sarah have plans that currently guide implementation and investment. Districts in South St. Louis - Route 66 and South - are more integrated into the surrounding fabric of commercial and residential uses and should be integrated into upcoming neighborhood plans.

# Key Clusters in Employment Districts & Centers

Source: Mass Economics, 2019

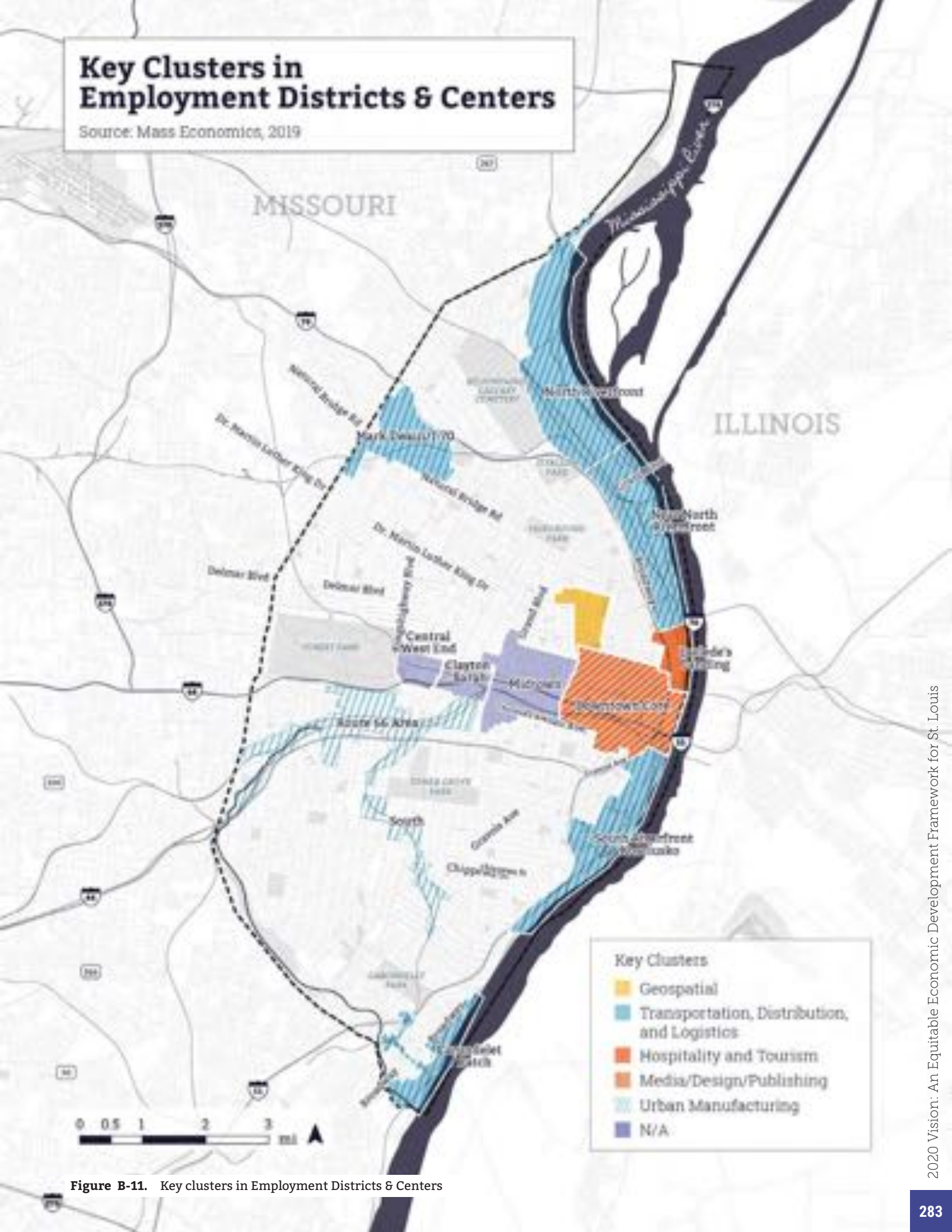


Figure B-11. Key clusters in Employment Districts & Centers

## Strategies and Action Items

### Strategy 1 Create additional district redevelopment plans to coordinate public and private investment

Redevelopment plans should identify specific land assembly opportunities, infrastructure investments, public realm improvements, and facilities to provide assistance with pre- and post-employment supports for workers to address critical issues like transportation and childcare. This framework has taken a major step in this direction by drafting a vision for each district / center and identifying potential locations to improve streets, intersections, façades and gateways. These specific design opportunities are outlined for each district and center in this chapter.

In order to reduce duplicative work and streamline the planning process, there should be a process to define a range of design standards for improvements that are needed across many districts and centers including lighting, wayfinding, streetscape, art and green buffers.

Action Item #: <u>PM-1.1</u>	Develop employment district design standards for lighting, wayfinding and green buffers
Leader	Board of Public Service, Planning & Urban Design Agency
Potential Partners	Bi-State Development; Board of Aldermen; Community Builders Network members; Commercial District Coalition; East-West Gateway Great Streets team; Great Rivers Greenway; local chapters of AIA, APA, and NOMA; Regional Arts Commission; ULI-St. Louis; community organizations; SLDC
Start Time	Year 1
Duration	2 years
Effort to Implement	Low
Potential Funding	Internal, Board of Aldermen
Goal/s	Clear design standards for district / center improvements
Tracking Progress	Completed and approved design standards

**PRECEDENT**


**WAYFINDING**  
Coimbra, Portugal



Providencia Design  
<https://www.behance.net/gallery/5131179/Coimbra-Stadium-signage-and-wayfinding-system>

**PRECEDENT**

**LIGHTING**  
El Paso, TX




Bill Fitzgibbons LLC  
<https://www.brianwanchophotography.com/blog/2019/06/the-el-paso-passage/>

<b>Action Item #: <u>PM-1.2</u></b>	<b>Release RFP for planning services to create district redevelopment plans (initial number based on available funding)</b>
Leader	Planning & Urban Design Agency, SLDC
Potential Partners	Invest STL, ULI-St. Louis, community organizations
Start Time	Year 1
Duration	1 year
Effort to Implement	High
Potential Funding	Economic Development Tax
Goal/s	Adopted district redevelopment plans
Tracking Progress	Number of completed redevelopment plans; number of RFPs issued
<b>Action Item #: <u>PM-1.3</u></b>	<b>Develop expedited permitting for districts with adopted redevelopment plans</b>
Leader	Board of Public Service, Buildings Dept., Business Assistance Center, SLDC
Potential Partners	Board of Aldermen, Commercial District Coalition, Community Builders Network members, Planning & Urban Design Agency, SLEDP (Regional Economic Development and Promise Zone staff), CDFIs providing real estate development support (e.g., IFF), local MWBE developers, regional business chambers
Start Time	Year 1
Duration	2 years
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Targeted investment and growth
Tracking Progress	Number of issued permits; time to issue permit (from application to approval); start rapid piloting and assessment at the start of Year 2

**PRECEDENT**

**GREEN BUFFER**  
San Francisco, CA



25th Street Ped Path  
<https://www.greenbenefit.org/25th-street-greening>

**Strategy  
2**

**Protect industrial use in targeted areas**

The city has many vibrant, employment-rich industrial areas. Many of these employment centers should be protected and receive regulatory support and market certainty that land use policy will remain industrial. There are some areas that may no longer be suitable for industrial use and instead transition to commercial or other uses, but it is important to clearly signal where these changes can occur. To help protect and expand industrial jobs in the city, the city has created Business Industrial Preservation Areas (BIPAs) and Business Industrial Development Areas (BIDAs) to reinforce such uses to the current Strategic Land Use Plan. The designated BIPAs and BIDAs should prohibit future non-industrial uses by providing regulatory certainty, restricting spot zoning changes or variances in the future; identify and coordinate capital and infrastructure needs in line with a redevelopment plan to ensure long-term economic viability for industrial users; and provide strong enforcement to disallow land uses inconsistent with industry.

<b>Action Item #: <u>PM-2.1</u></b>	<b>Develop a plan to review and strengthen the designation of BIPA and BIDA set by the City's Strategic Land Use Plan</b>
Leader	Planning & Urban Design Agency
Potential Partners	Board of Aldermen, Zoning, SLDC
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	Economic Development Tax
<b>Goal/s</b>	<b>Protect industrial use to enhance market certainty</b>
Tracking Progress	Number of properties protected as industrial use



<b>Action Item #: <u>PM-2.2</u></b>	<b>Conduct a wholesale zoning audit covering everything from the permissibility of garage-workshops in mixed-use neighborhoods to scrap yards in a dense commercial business area</b>
Leader	Zoning, external consultants
Potential Partners	Planning & Urban Design Agency, SLDC
Start Time	Year 1
Duration	12+ months
Effort to Implement	High
Potential Funding	Internal sources
Goal/s	Identify and develop plan to protect prime industrial areas from housing redevelopers and ensure that planned manufacturing areas do not become overbuilt with low job, land-intensive warehouses instead of actual production spaces; assess opportunities for inclusive zoning, form-based codes, and Accessory Commercial Units
Tracking Progress	Comprehensiveness of audit
<b>Action Item #: <u>PM-2.3</u></b>	<b>Designate protected industrial districts and establish an industrial parcel replacement requirement for the rezoning of non-designated industrial sites</b>
Leader	Planning & Urban Design Agency, Zoning
Potential Partners	SLDC, Board of Aldermen
Start Time	Year 2
Duration	9 months
Effort to Implement	High
Potential Funding	Internal sources
Goal/s	Implement zoning changes as necessary to protect zoning districts
Tracking Progress	Passage of legislation designating and protecting industrial districts

# LAND ASSEMBLY

## Overview

THE GREATEST CONCENTRATION OF OPPORTUNITY SITES IS LOCATED IN PREDOMINANTLY INDUSTRIAL DISTRICTS.

Land assembly involves gathering vacant and underutilized property into one, developable site and is critical to the physical and economic revitalization of the city. As one local stakeholder noted, "Without new approaches, we should assume this level of vacancy and blight for the next 40 years."<sup>6</sup> To help move the conversation forward regarding land acquisition with respect to the key clusters identified in this framework, initial "opportunity sites" were identified for each employment district and center. Opportunity sites are defined as collections of vacant and/or underutilized properties that are adjacent to one another and could be assembled into larger, developable properties. The process to identify sites accounts for environmental challenges like flooding and reflects specific opportunities to potentially vacate some smaller streets to create larger assemblies. The analysis integrates ownership information to help determine both the number and type of owners (public or private). There are 3 tiers of opportunity intended to describe a potential level of difficulty based solely upon the number and type of owners. Research around environmental conditions and specific owners is necessary to refine this initial opportunity sites analysis.

The result is 239 potential opportunity sites across the 13 employment districts and centers. Of those 239, just over 150 are less than 5 acres in size. Only 10 of those sites are entirely publicly-owned and 161 sites are entirely privately-owned. The greatest concentration of opportunity sites is located in predominantly industrial districts - Carondelet, Laclede's Landing, Mark Twain/I-70, Near North Riverfront, North Riverfront, Near Northside, and South Riverfront. In addition, there are significant opportunities to redevelop large, vacant buildings in the city. Many of the largest are located in Downtown including the AT&T building, Railway Exchange and the Jefferson Hotel. These specific opportunities are discussed in the new Downtown plan - Design Downtown STL. In general, building redevelopment must be addressed on a case by case basis to find the best match between the configuration and design of the building with potential tenants seeking that kind of space.

- › Tier 1A: All properties within each site are owned by one public entity.
- › Tier 1: All parcels within each site are publicly-owned. This may include multiple public entities.
- › Tier 2: Parcels within each site are of mixed-ownership – both public and private owners.
- › Tier 3A: All parcels within each site are owned by a single private owner.
- › Tier 3: Parcels within each site are privately-owned by multiple owners.

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6 Project interviews and roundtables

# Opportunity Sites

Source: Interface Studio & Mass Economics

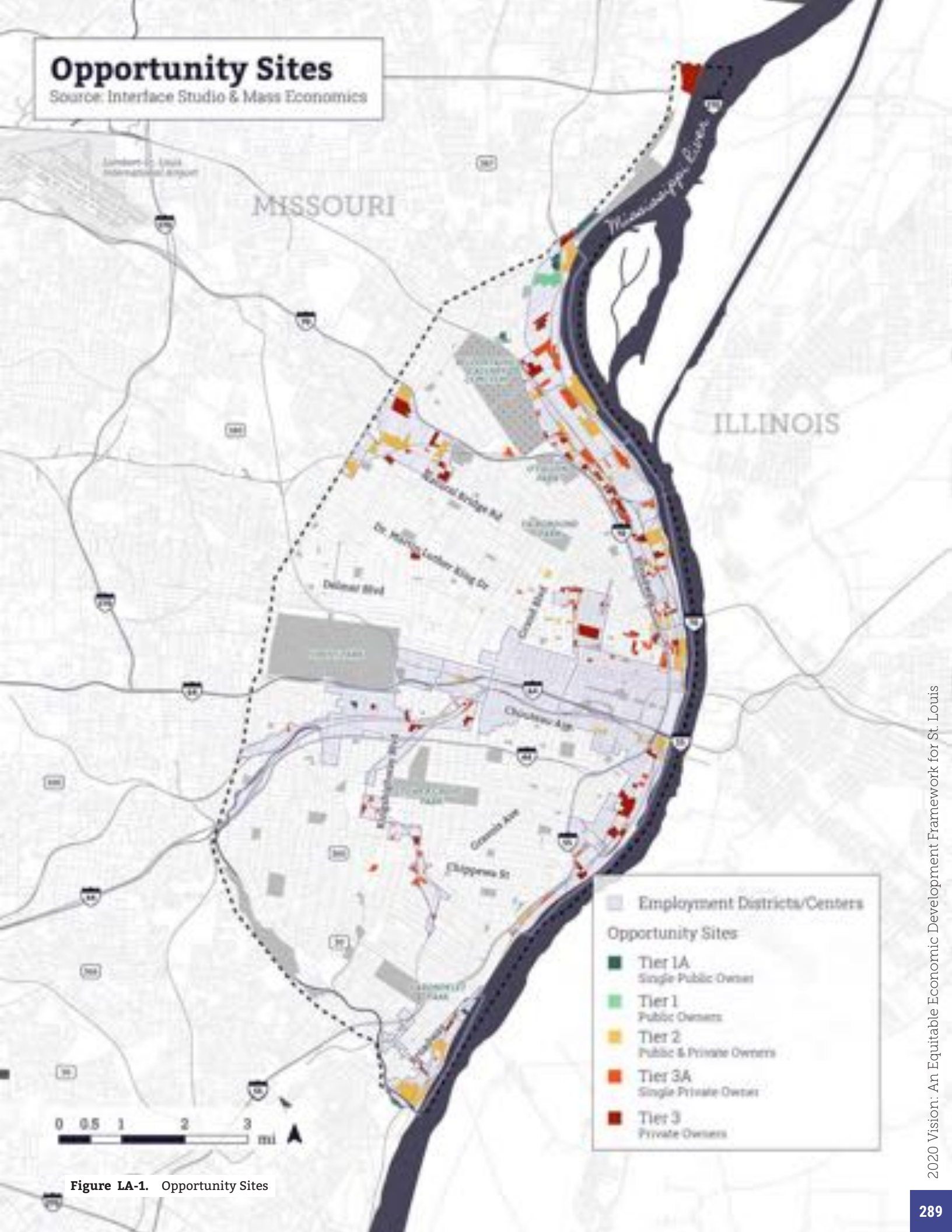


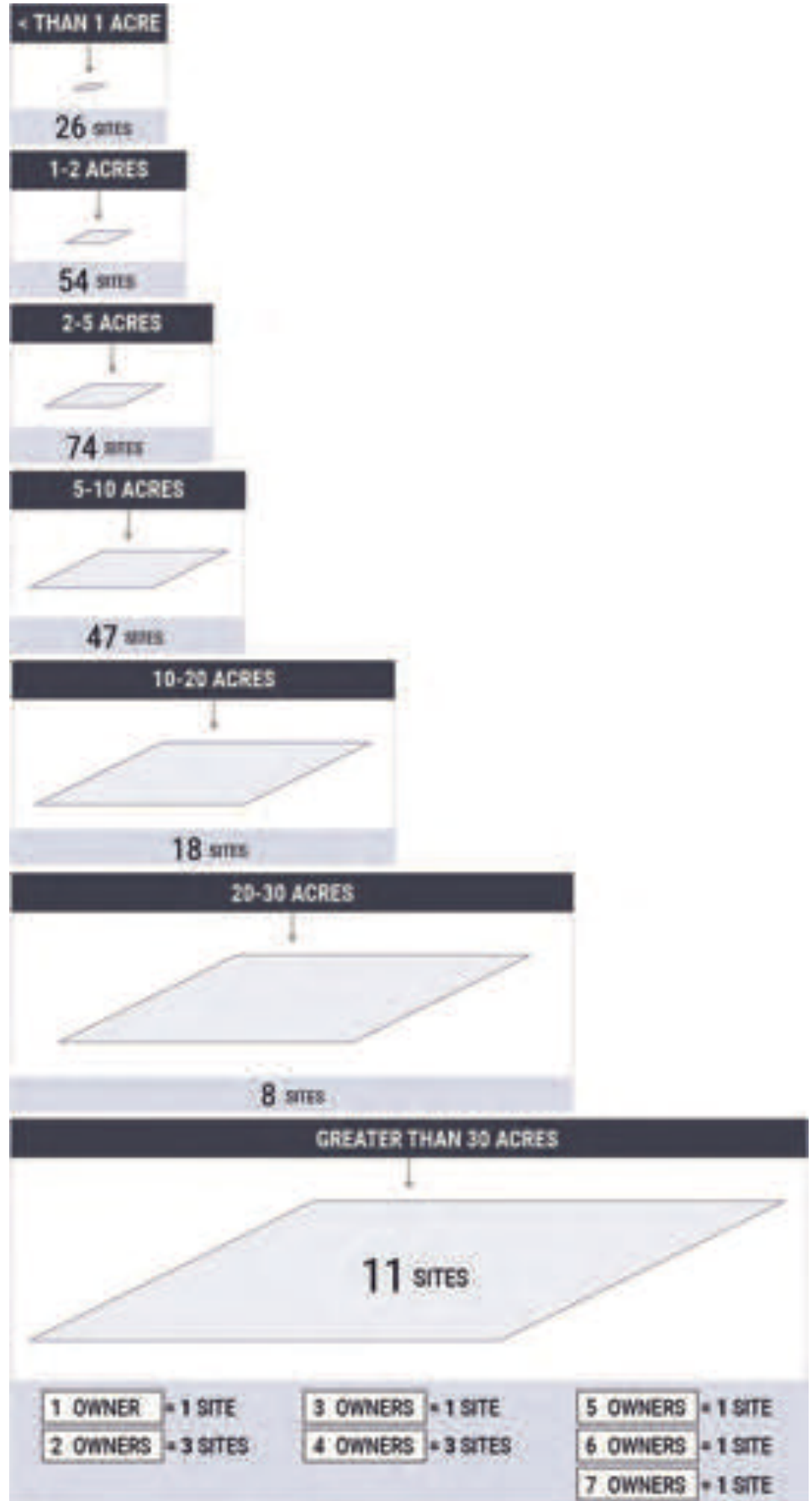
Figure LA-1. Opportunity Sites

**Figure LA-2.** Opportunity Sites by tier & size

	Parcel Count
<b>Tier 1A</b>	<b>9</b>
Less than 1 acre	1
2 – 5 acres	4
5 – 10 acres	2
10 – 20 acres	1
Greater than 30 acres	1
<b>Tier 1</b>	<b>1</b>
Greater than 30 acres	1
<b>Tier 2</b>	<b>67</b>
Less than 1 acre	5
1 – 2 acres	9
2 – 5 acres	22
5 – 10 acres	16
10 – 20 acres	5
20 – 30 acres	4
Greater than 30 acres	6
<b>Tier 3A</b>	<b>72</b>
Less than 1 acre	9
1 – 2 acres	21
2 – 5 acres	27
5 – 10 acres	8
10 – 20 acres	4
20 – 30 acres	3
<b>Tier 3</b>	<b>90</b>
Less than 1 acre	11
1 – 2 acres	24
2 – 5 acres	21
5 – 10 acres	21
10 – 20 acres	8
20 – 30 acres	1
Greater than 30 acres	4

Source: Interface Studio, Mass Economics

**Figure LA-3.** Opportunity Sites by size



**Figure LA-4.** Opportunity Sites by tiers, districts/centers, and size

	Less than 1 acre	1 - 2 acres	2- 5 acres	5 - 10 acres	10 - 20 acres	20 - 30 acres	Greater than 30 acres	Total
<b>Tier 1A</b>	1		4	2	1		1	9
Carondelet/Patch	1		1	1				3
Near North Riverfront			1					1
North Riverfront					1		1	2
Outside Districts/Centers			1	1				2
Route 66			1					1
<b>Tier 1</b>							1	1
North Riverfront							1	1
<b>Tier 2</b>	5	9	22	16	5	4	6	67
Carondelet/Patch						1	2	3
Clayton-Sarah				1				1
Downtown			4	3				7
Laclede's Landing	1	2	2	3	1			9
Mark Twain/I-70			1	3	1	2	1	8
Near North Riverfront	1	2	7	3	1	1		15
Near Northside	3	2	2					7
North Riverfront		3	1	2	1		3	10
Outside Districts/Centers			2	1				3
Route 66			1					1
South Riverfront/Kosciusko			2		1			3
<b>Tier 3A</b>	9	21	27	8	4	3		72
Carondelet/Patch	2	2						4
Downtown	1		2					3
Laclede's Landing	2	1	1		1			5
Mark Twain/I-70		1	1					2
Near North Riverfront	1	9	6	1		1		18
Near Northside	1		2					3
North Riverfront			3	2	3	2		10
Outside Districts/Centers		2	3	2				7
Route 66	1	1	1	1				4
South	1	4	5	1				11
South Riverfront/Kosciusko		1	3	1				5
<b>Tier 3</b>	11	24	21	21	8	1	4	90
Carondelet/Patch	1	2	5					8
Laclede's Landing	1	1		2				4
Mark Twain/I-70	1	1	1	3	2		1	9
Near North Riverfront	2	14	6	3	1			26
Near Northside	3	5	3				1	12
North Riverfront	2		2	3	2	1		10
Outside Districts/Centers	1			2	2		1	6
Route 66		1	1	3				5
South			2	1				3
South Riverfront/Kosciusko			1	4	1		1	7

Source: Interface Studio, Mass Economics



## Strategies and Action Items

### Strategy 1 **Maintain a list of critical opportunity sites**

The work completed to date to identify possible opportunity sites is an important starting point, but additional research is required to refine this list and take action. Regular management of this data and an annual review and summary is necessary to organize staff time and activities for each year. Already, the Regional Freightway has identified five sites in the city that overlap with the identified opportunity sites.<sup>7</sup>

<sup>7</sup> Featured Real Estate Sites Map. St. Louis Regional Freightway. <https://www.thefreightway.com/real-estate/>

Action Item #: <u>LA-1.1</u>	Create an annual list of top sites to support the growth of key clusters
Leader	LRA, SLDC
Potential Partners	Port Authority, SLEDP
Start Time	Year 1
Duration	1 year / ongoing
Effort to Implement	Medium
Potential Funding	Economic Development Tax
Goal/s	Database and an annual list of key acquisition activities
Tracking Progress	Annual proposed investments for top opportunity sites

### Strategy 2 **Create a land assembly fund to acquire and bank land for development**

A fundamental hurdle to land assembly is the cost of acquiring and preparing the land for development. There are not dedicated funds for this purpose so dollars need to be identified from existing city budget line items or created through new tools. (This public land assembly fund can be applied to various strategies and action items, e.g. the TDL cluster.) The LRA is empowered to undertake land acquisition, disposition and management for the city but due to funding limitations, LRA's work has been primarily focused on vacant residential property. This is common across cities that face challenges with the scale of vacancy. Land banks typically side-step vacant industrial or commercial property due to the added costs of preparing them

Action Item #: <u>LA-2.1</u>	Convene local leaders to design and capitalize a land assembly fund
Leader	SLDC
Potential Partners	Mayor's Office, Port Authority
Start Time	Year 1
Duration	2 years
Effort to Implement	High
Potential Funding	Patient capital notes, other private capital, earnings from land assemblies and sales
Goal/s	Create market-ready sites for development
Tracking Progress	Total dollars dedicated to capitalize assembly fund

<b>Action Item #: <u>LA-2.2</u></b>	<b>Expand current vacancy-related activities to address organizational and management plan for prioritizing industrial / commercial land assembly, cleaning title, developing disposition policies and establishing interim maintenance procedures</b>
Leader	SLDC
Potential Partners	LRA, Mayor’s Office, Planning & Urban Design Agency, Vacancy Collaborative
Start Time	Year 1
Duration	2 years
Effort to Implement	Medium
Potential Funding	Patient capital notes, other private capital, sales tax
Goal/s	Enable assembly of commercial and industrial land
Tracking Progress	Completed organizational plan

<b>Action Item #: <u>LA-2.3</u></b>	<b>Establish new sub-agency of SLDC to manage the fund, including board and bylaws</b>
Leader	SLDC
Potential Partners	Arch to Park, Board of Aldermen, Invest STL, CDFIs, financial institutions, other philanthropic partners, SLDC Board
Start Time	Year 2
Duration	12 months
Effort to Implement	High
Potential Funding	Philanthropic and government sources
Goal/s	Institute and equip the sub-agency to govern the operation of the land assembly fund
Tracking Progress	Community input on bylaws, support of Mayor’s office and Board of Aldermen, inclusions of banking partners to assist in evaluation of fund management

for disposition. Cleveland is one of the few cities with a land bank dedicated to industrial and commercial property – the Cleveland Industrial/Commercial Land Bank (ICLB). A dedicated fund and land bank for residential, industrial and commercial property in St. Louis would help to address the immense need around increasing housing density, job density and repurposing industrial land. This includes a critical policy decision regarding whether industrial/commercial land banking should take place as an expansion of LRA with increased level and staff dedicated to this purpose. A capitalized land assembly fund is needed to provide upfront dollars for assembly work, site preparation, and to hold land, where necessary, until property disposition can help to offset costs.

<b>Action Item #: <u>LA-2.4</u></b>	<b>Hire a manager to run the fund on a day-to-day basis</b>
Leader	New sub-agency
Potential Partners	Financial institutions, philanthropic partners, SLDC
Start Time	Year 2
Duration	6 months
Effort to Implement	Medium
Potential Funding	Philanthropic and government sources
Goal/s	Put an experienced, strategic manager in charge of daily operations
Tracking Progress	Strong list of high-quality candidates; banking and philanthropic partners included in selection process

# ST. LOUIS JOBS TAKE PLACE IN A DIVERSITY OF PLACES



Cortex in Clayton-Sarah



T-REX on Washington Ave.



Faultless at S Riverfront/Kosciusko



Pepsi Warehouse in Mark Twain/I-70



Cardinal Machine & Nipple Works, Inc. at 9th & Cass



The Schlafly Tap Room on Locust





Commercial Stores at Euclid & McPherson



Barnes Jewish Hospital



Commercial Stores at Dr. Martin Luther King & N Kingshighway



Furniture Store on Dr. Martin Luther King



Restaurant on Cherokee



Duke Manufacturing in Near North Riverfront

# EMPLOYMENT DISTRICTS

## DOWNTOWN CORE & LACLEDE'S LANDING

### Overview

The Downtown Core and Laclede's Landing are identified as two separate districts in this work; however, the traditional centerpiece of Laclede's Landing - south of the Casino - is included in the ongoing work of Design Downtown STL, the new plan for Downtown St. Louis. Given that Design Downtown STL is compiling detailed data and strategies for these areas and is not yet complete (estimated in October 2020), these two districts are discussed jointly.

#### Downtown Core

30% of the land in the Downtown Core is either commercial or mixed-use and the district includes many of the city's well-known assets including the Gateway Arch and the River, Citygarden, the Riverfront, the Convention Center, and the stadiums. With the completion of the St. Louis Aquarium at Union Station and recent commencement of the construction of an MLS stadium, the Downtown Core will remain the centerpiece of the regional economy. About 7% of parcels are entirely vacant but an ongoing challenge for the Downtown Core is the partial vacancy (empty storefronts or office space) that dampen the experience of being Downtown. Both vacant land and buildings are opportunities downtown. Two of the largest buildings in the region - the former AT&T building at 909 Chestnut (1.46 million square feet) and the Railway Exchange building at 615 Olive (1.24 million square feet) - are typically not included in office market summaries for Downtown.<sup>8</sup>

The district (1,570 acres) is currently home to 52,600 private-sector jobs and 12,600 public-sector jobs, which reflects a job density of over 33 private-sector jobs per acre.<sup>9</sup> Some of the key industries in the Downtown Core

are Business Services, Financial Services, Marketing & Publishing, and Hospitality & Tourism.

#### Laclede's Landing

13% of the land in Laclede's Landing is used as either commercial or mixed-use. The district has the highest percentage of vacancy (37%) of any employment district or center primarily due to the concentration of empty land and buildings stretching from Lumière Place Casino north to the Stan Musial Veteran's Memorial Bridge. Laclede's Landing has one of the few access points and views of the Mississippi River and recent proposals seek to create a new riverfront park to leverage this unique condition in the City.

The district includes 2,400 employees in 310 acres (about 7.7 jobs per acre) and includes Lumière Place Casino & Hotels. Hospitality & Tourism is by far the largest key industry in the district.<sup>10</sup> There are currently major development plans to expand entertainment uses but also to create significantly more housing.

<sup>10</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019

### District Vision

A full, detailed vision will be created for Downtown and Laclede's Landing as a part of Design Downtown STL. As described in the last adopted plan for Downtown which includes Laclede's Landing - Downtown Now - Downtown is an "economic hub and commercial engine," "a cultural and celebratory heart," and; is the "public face for the region."<sup>11</sup> The Downtown Now plan recognized that "Downtown St. Louis has the opportunity to be a place where leading edge high technology business occurs"<sup>12</sup> and also emphasizes the need for more housing. This vision remains central to the future of Downtown and Laclede's Landing. New space will serve the growing tech sector including new start-ups related to the NGA headquarters underway just to the north. The area's creative economy will grow around media, design and publishing and new housing will serve to further strengthen Downtown's role as the center for tourism in the region and the State. New development in Laclede's Landing will help achieve housing goals and bring additional attractions and workspaces to serve growing companies.

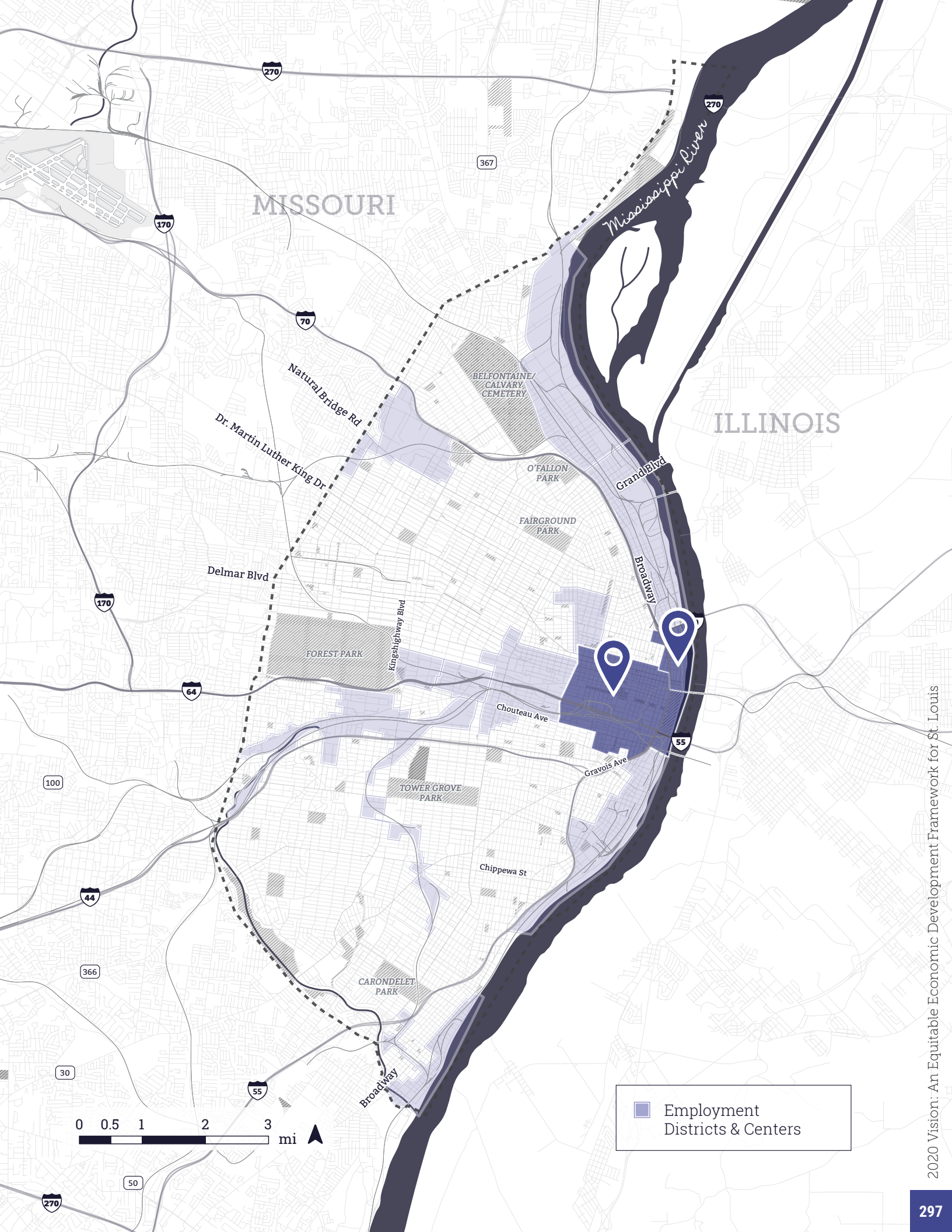
<sup>11</sup> Downtown Now, 1999

<sup>12</sup> Downtown Now, 1999

<sup>8</sup> St. Louis Business Journal, "St. Louis' largest office buildings"

<sup>9</sup> YTS data; QCEW-UDP; LEHD-OTM, 2015 (public-sector job number); Mass Economics Analysis, 2019; note that private employment number includes coworking space/self-employed employment estimates





MISSOURI

ILLINOIS

Mississippi River

Natural Bridge Rd

Dr. Martin Luther King Dr

Delmar Blvd

FOREST PARK

Kingshighway Blvd

TOWER GROVE PARK

CARONDELET PARK

Broadway

BELFONTAINE/  
CALVARY  
CEMETERY

O'FALLON  
PARK

FAIRGROUND  
PARK

Chouteau Ave

Gravois Ave

Chippewa St

Grand Blvd

Broadway

55

Employment  
Districts & Centers

0 0.5 1 2 3 mi

# DOWNTOWN CORE

## “I would describe Downtown Core as...”

**Abandoned** because of the suburban flight.

**Awake** because it's busy during the day and a little sleepy at night.

**Bland** because there is a bunch of development that all happened at once. Very generic.

**Changing** because of the citywide emphasis on economic equity for all.

**Critically important** because it is the real center and gateway to St. Louis but not doing well today.

**Decent.** Positive: ease of access. Negative: homelessness, parking challenges.

**Empty** because Wells Fargo takes up a lot of space. Market Street is too wide, need more restaurants/apartments/density.

**Good place to work** because there are good lunch spots and it is easy to walk around and commute.

**Growing** because of the new hotel development, convention center expansion.

**Likable** because there are a lot of things to do.

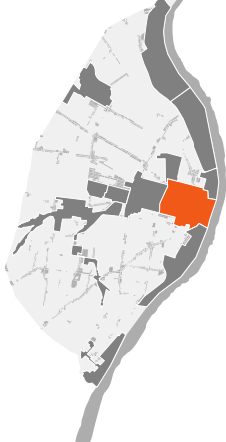
**Needing improvement** because there are too many homeless on the street.

**Room for potential** because it could be so much more than what it is now.

**Unkept** because the city doesn't invest in the street maintenance, crosswalk, lights, trash cans, etc.

**Vacant** because we are only putting up hotels and tourist attractions.

Source: July Open House public input



District Profile	
Size (acres)	1,570
Employees	52,600
Job Density	33.6
% Industrial (acres)	7%
% Vacant (acres)	7%
Number of Businesses	2,270
Largest Employment Clusters	
Clusters	Employees
Business and Financial Services	17,100
Local Commercial Services	8,200
Tourism	6,900
Local Utilities	3,200
Food and Beverage Manufacturing	2,700
Largest businesses	
Golden Products Corp.	
Nestle Purina Pet Care Co.	
Ameren	
Federal Reserve Bank St. Louis	
Blue Cross Blue Shield	
Noteworthy	
<ul style="list-style-type: none"> <li>The district (1,570 acres) is currently home to 52,200 private-sector jobs, which reflects a job density of over 33 jobs per acre. Some of the key industries in the Downtown Core are Business Services, Marketing &amp; Publishing, and Hospitality &amp; Tourism.</li> <li>Downtown has the largest number of jobs out of all employment districts and centers.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio; note that employment number includes coworking space/self-employed employment estimates







Figure DLL-1. Downtown Core aerial map

# LACLEDE'S LANDING

District Profile	
Size (acres)	310
Employees	2,400
Job Density	7.7
% Industrial (acres)	8%
% Vacant (acres)	37%
Number of Businesses	110
Largest Employment Clusters	
Clusters	Employees
Tourism	1,400
Marketing, Design, and Publishing	300
Food and Beverage Manufacturing	260
Business and Financial Services	100
Automotive and Motor Vehicle Services	80
Largest Businesses	
Lumière Place Casino & Hotels	
Four Seasons Hotel St. Louis	
Abstrakt Marketing Group	
Bissinger Karl Inc.	
Old Spaghetti Factory	
Noteworthy	
<ul style="list-style-type: none"> <li>• 60% of jobs are with Lumière Place Casino and Hotels</li> <li>• About 50% of parcels and 40% of the acres in Laclede's Landing are currently vacant - the majority of this vacancy is north of the casino</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio

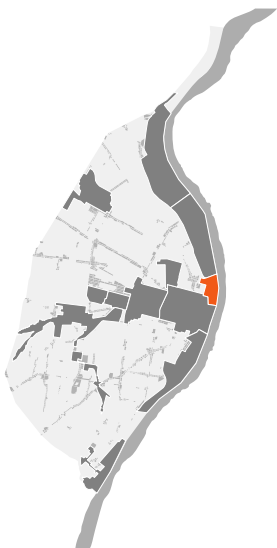






Figure DLL-2. Laclede's Landing aerial map



Note, as described above, a current planning process called Design Downtown STL is underway that covers Downtown and Laclede's Landing. Some of the suggested strategies and action items below may need to be adjusted and adapted as the Design Downtown STL Plan is finalized.

## Strategies and Action Items

### Strategy 1: Grow the level of private sector jobs Downtown

Downtown is a major employment center consisting of a wide range of private and public-sector jobs that represent over a third of all jobs in St. Louis. However, private-sector job growth lags behind other cities. Downtown has been suffering net job loss and shrinking square footage per employee, resulting in the high commercial office vacancy rate of 20% as of the end of 2019.<sup>13</sup> This vacancy rate does not include the two entirely vacant structures – the AT&T tower and Railway Exchange – which together account for over 2 million square feet of empty space. However, while Downtown has struggled to land major corporate tenants in recent years, there is significant momentum Downtown in terms of recent investment and new amenities. There is nowhere else in the country where one is in close proximity to four different professional sports teams, an aquarium, a casino and a major convention center and still able to actually afford commercial space. The opportunity is to encourage the reuse of empty commercial space for start-ups, T-REX graduates, NGA spin-off enterprises, entrepreneurs, makers and designers. To expand job growth, there needs to be an expanded range of economic activities to provide inclusive opportunities for a wide-range of backgrounds, skills and business models.

Action Item #: <u>DLL-1.1</u>	Work with the Design Downtown STL planning process to create a program to expand economic activity Downtown and reduce the commercial vacancy rate
Leader	SLDC, Downtown STL
Potential Partners	City
Start Time	Ongoing
Duration	6 months
Effort to Implement	High
Potential Funding	Building owners, developers, philanthropic sources
Goal/s	New jobs in a wide range of industries
Tracking Progress	Occupancy permits, Vacancy data

<sup>13</sup> Cushman and Wakefield, Market Beat: St. Louis Office Q4 2019



One of Downtown's big empty ground floor spaces

**Strategy  
2**

**Promote new retail and services in targeted areas in accordance with Design Downtown STL**

Retail best succeeds when concentrated with other retail and restaurants. In the early 2000s, Washington Avenue experienced a resurgence in retail and restaurant activity along with new housing. This complemented restaurants in Laclede’s Landing. Today, there is also Ballpark Village, Union Station, a proposed Innovation District and an MLS Stadium being constructed. It is important to clearly identify where retail should be concentrated in Downtown and Laclede’s Landing as there is a limit, even with new housing and tourism activity, to how much ground floor retail can be supported. For reference, Downtown Atlanta which has significantly more jobs and more residents, supports only a handful of retail corridors. Zoning changes will be outlined in Design Downtown STL as well as potential incentives to concentrate retail in designated areas and along identified corridors.

Action Item #: <u>DLL-2.1</u>	Align policy and incentives to target retail development and support
Leader	Downtown STL
Potential Partners	Planning & Urban Design Agency, Zoning, SLDC
Start Time	Ongoing
Duration	1 year
Effort to Implement	Medium
Potential Funding	TBD
Goal/s	Concentrated retail development
Tracking Progress	Occupancy permits, number of new retail establishments



Occupied, vacant, and under-construction storefronts along Washington Ave.

**Strategy 3**    **Reuse ground floor commercial space for small business development and the creative sector**

Given the limits and difficulty to developing retail, there remains an open question on how best to activate the large amount of first floors of mixed-use buildings. For small businesses, start-ups and those in the creative sector that are price sensitive, Downtown is a natural draw. To ensure Downtown remains home to a growing and vibrant creative and tech sector, there needs to be flexible, inexpensive spaces for business to start and grow into. SLDC and their partners should consider a program to assist with the conversion and leasing of ground floor spaces in existing and new buildings. Master leases can be an effective tool to help developers and private property owners fill these spaces and, in the case of new development, provide a credit-worthy option that banks are more likely to finance than a small, as yet unproven, start-up.

Action Item #: <u>DLL-3.1</u>	Research and develop a master lease and ground floor activation program
Leader	SLDC, Downtown STL
Potential Partners	Property owners
Start Time	Year 1
Duration	1 year
Effort to Implement	High
Potential Funding	Building owners, developers, philanthropic sources
Goal/s	Creative, inexpensive space for small businesses and start-ups
Tracking Progress	Occupancy permits, number of new retail establishments



Ground floor space along 1300 Washington Ave.



**Strategy  
4**

**Promote the integration of new residential growth in Downtown and Laclede’s Landing to support economic activity**

Tourism is central to Downtown’s economy. With new attractions at Union Station and the proposed MLS Stadium, this role is only strengthening. However, what holds tourism back is not the attractions or level of commitment and investment key partners have made in Downtown but the overall lack of pedestrian and street activity. The lack of people on the streets fuels negative perceptions around safety and impacts not just the tourism industry but also all other Downtown businesses. Housing in Downtown and Laclede’s Landing is critical to realizing economic goals in these districts but also for the city. New housing will add foot traffic, increase demand for retail and services and help to fully realize the vision of Downtown as a neighborhood. Further, a true Downtown neighborhood will help to further attract and retain tourists and support additional uses that serve tourists and residents alike including restaurants and stores.

<b>Action Item #: DLL-4.1</b>	<b>Build upon the existing financial incentive model to identify conditions under which tax incentives or other direct investment approaches could be utilized to stimulate new housing development</b>
Leader	SLDC
Potential Partners	Planning & Urban Design Agency
Start Time	Year 1
Duration	6 months
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Clarity of intent and communication with potential investors and the public
Tracking Progress	Number of new construction permits, number of residents/households



Downtown’s historic loft buildings that have been rehabbed into apartments

<b>Action Item #: <u>DLL-4.2</u></b>	<b>Through Design Downtown STL, identify the top three to five investments that would enhance the quality of living Downtown/Laclede's Landing</b>
Leader	Downtown STL
Potential Partners	SLDC
Start Time	Year 1
Duration	3 months
Effort to Implement	Medium
Potential Funding	Downtown STL
Goal/s	Identify investment priorities needed to grow resident population
Tracking Progress	Resident population, recent investment/project list
<b>Action Item #: <u>DLL-4.3</u></b>	<b>In collaboration with local partners, identify funding and implement investments identified in previous step</b>
Leader	SLDC
Potential Partners	Community Builders Network, Downtown STL
Start Time	Year 2
Duration	12-18 months
Effort to Implement	High
Potential Funding	Municipal, Community Improvement District or TIF revenues
Goal/s	Expanded housing for a range of incomes
Tracking Progress	New construction building permits, number of new residential units, percent of units below market rate



**Strategy  
5**

**Further enhance connections between Downtown and Laclede’s Landing and expand marketing efforts**

Although a lot of investment has been made to connect the two districts, there remains significant real and perceived barriers that divide these two districts. The highway overpasses and design of the street-level experience need to be enhanced to better support a free flow of people. This area within Downtown needs to manage traffic exiting the highway but there must be a balance to ensure that investments and improvements in one location are not isolated from the other. There are notable and recent improvements to the underpasses in past years. These investments set the stage for taking the next step to improve this important connection.

Following years of being disconnected from the rest of the City, in part due to the Arch Grounds Redevelopment, Laclede’s Landing has suffered. Cruising and concerns over crime are a critical issue for the local businesses and stakeholders seeking to revive the district, and the challenges must be taken on at the outset.

There is opportunity to take advantage of the proximity to the Arch, and the Lumière Casino to create a tourism strategy, combined with a mixed-use development strategy that will bring more activity to the streets. By strengthening local partnerships with developers, stakeholders and other investors, such as Downtown STL and Lumière Place, the city can reinvigorate this area by coordinating on reducing cruising activities, enhancing marketing and branding and organizing ongoing tours from the Arch to Laclede’s Landing to draw in more tourists to the area.

<b>Action Item #: <u>DLL-5.1</u></b>	<b>Convene local leaders to develop a marketing campaign for Laclede’s Landing</b>
Leader	Downtown STL
Potential Partners	Abstrakt Marketing, Convention Center, Laclede’s Landing CID, Laclede’s Landing Redevelopment Corporation, Lumière Place, developers
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	In-kind services, Downtown STL
Goal/s	Reignite and expand Laclede’s brand
Tracking Progress	Occupancy permits, new construction permits
<b>Action Item #: <u>DLL-5.2</u></b>	<b>Design and implement critical underpass enhancements to build upon recent investments to improve pedestrian and bicycle connectivity with Downtown</b>
Leader	Downtown STL
Potential Partners	Convention Center, Laclede’s Landing CID, Laclede’s Landing Redevelopment Corporation, Mayor’s Office, MODOT, developers
Start Time	Year 1
Duration	3-5 years
Effort to Implement	High
Potential Funding	Downtown STL, private donations
Goal/s	Create a visible, safe link between Downtown and Laclede’s Landing for pedestrians and cyclists in addition to the existing tunnel connection
Tracking Progress	Change in bicycle and pedestrian counts

THERE IS OPPORTUNITY TO TAKE ADVANTAGE OF THE PROXIMITY TO THE ARCH, AND THE LUMIÈRE CASINO TO CREATE A TOURISM STRATEGY, COMBINED WITH A MIXED-USE DEVELOPMENT STRATEGY THAT WILL BRING MORE ACTIVITY TO THE STREETS.



Pedestrians walking in front The Lou at Laclede's Landing



Highway underpass near Dr. M.L.K Dr. & 4th Street

**Strategy  
6**

**Evaluate new industrial mixed-use and flex space districts in Laclede’s Landing**

There are major plans on the boards for Laclede’s Landing stretching from the Eads Bridge north to the Stan Musial Veterans Memorial Bridge. Over the years there have been multiple plans to redevelop this area including the large amounts of vacant property north of the Casino. The current proposal includes a significant number of new units south of Lumière Place to complement those already brought online in recent years. Proposals for the area north of the Casino has consistently focused on a mix of housing, entertainment and offices. However, this is one of the few locations in the city where businesses could scale up with the right space in place. Without business migration space, small and start-up businesses, including local manufacturers, may find it difficult to find the right space to grow into. North of the casino-owned property is an excellent opportunity to develop new mixed-use commercial typologies that mix office with light industrial uses. These flex building products offer different spaces to accommodate a wide range of activity from design to prototyping to production. Reuse of this area in this way reflects its legacy as a center for industrial and commercial jobs.

Action Item #: <u>DLL-6.1</u>	Support planning for Laclede’s Landing and promote new commercial and light industrial products to support business migration space and potential maker space
Leader	SLDC
Potential Partners	Downtown STL, Laclede’s Landing CID, Laclede’s Landing Redevelopment Corporation, Lumière Place, private developers
Start Time	Year 1
Duration	3-5 years
Effort to Implement	High
Potential Funding	Internal, private dollars
Goal/s	Development of migration space for growing businesses
Tracking Progress	Total sq. ft. of new office / industrial space, number of employees, number of district businesses



Riverfront area under Martin Luther King Bridge in Laclede’s Landing

# EMPLOYMENT DISTRICT *NEAR NORTHSIDE*

**THE N2W HEADQUARTERS ITSELF WILL BE ONE OF THE COUNTRY'S MAJOR ASSETS FOR GEOSPATIAL JOBS.**

## Overview

The Near Northside is an employment district, where the NGA (National Geospatial-Intelligence Agency) West Headquarter (N2W) is under construction. Currently, the district is mostly vacant (28%) including residential neighborhoods, such as JeffVanderLou, St. Louis Place, Old North St. Louis, and Carr Square.

The Near Northside district is a 350-acre site that includes the proposed NGA site, a pharmaceutical company, and nearby schools. Although the district is not a current employment hub, the NGA West is expected to house more than 3,000 permanent jobs and support 1,100 construction jobs.<sup>14</sup>

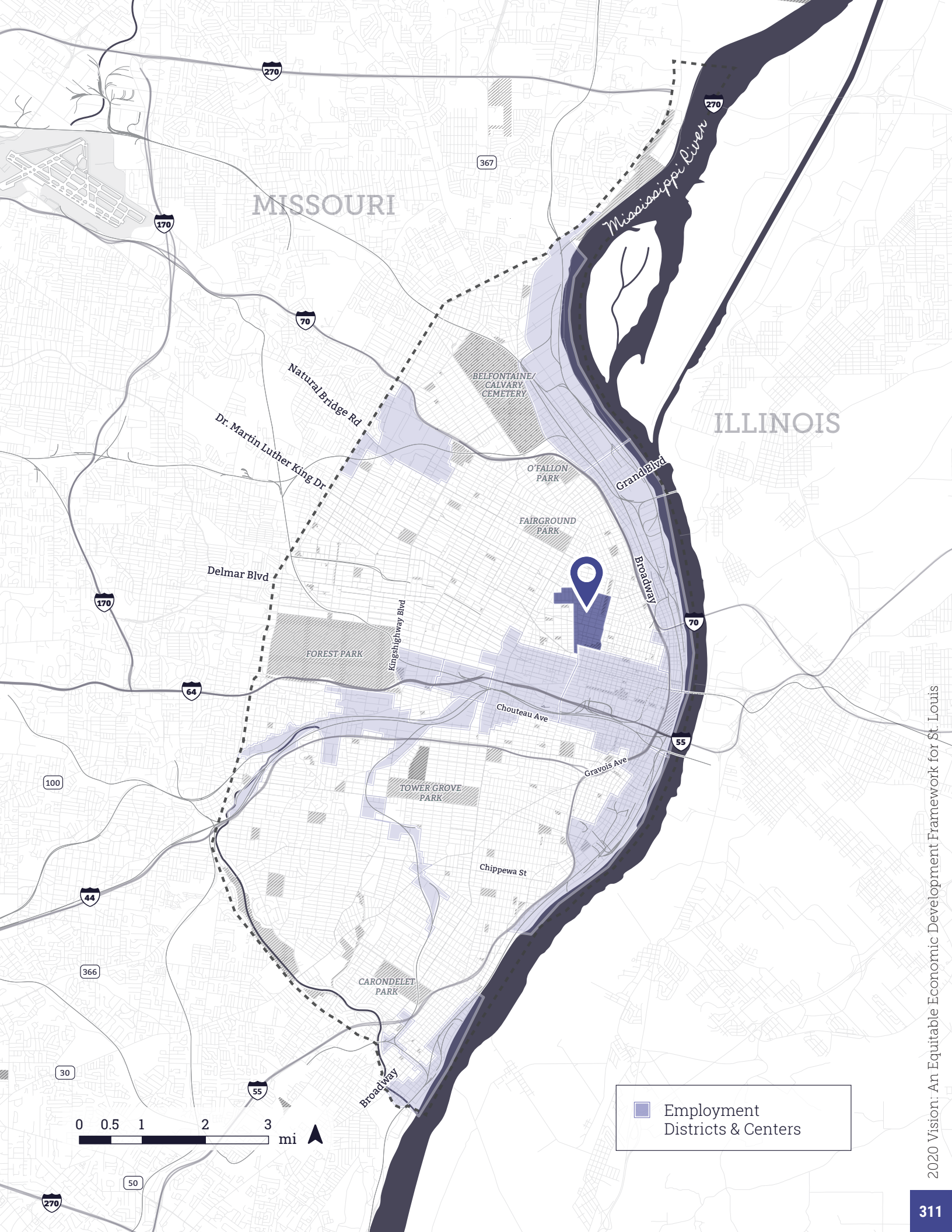
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<sup>14</sup> Construction. (n.d.). Next NGA West. <https://www.nextngawest.com/#/about/construction>

## District Vision

The next phase of the development of the Near Northside will be driven by the development of the N2W headquarters which will infuse North St. Louis with thousands of jobs. The N2W headquarters itself will be one of the country's major assets for geospatial jobs. With the investment, the district will expand with new housing to the north and east and a mix of new commercial and institutional uses along Jefferson Avenue. New transit and the Greenway will serve to link this investment with Downtown, Midtown and surrounding communities. NGA's new approach to innovation will increase its engagement with private sector firms, establishing St. Louis as a growing center for geospatial and technology jobs. Innovation activity in this district will also leverage nearby industrial land for particular cluster applications (e.g., TDL).





MISSOURI

ILLINOIS

Mississippi River

367

270

170

70

Natural Bridge Rd

BELFONTAINE/  
CALVARY  
CEMETERY

O'FALLON  
PARK

Grand Blvd

FAIRGROUND  
PARK

Dr. Martin Luther King Dr

Broadway

Delmar Blvd

FOREST PARK

Kingshighway Blvd

Chouteau Ave

70

64

Gravois Ave

55

100

TOWER GROVE  
PARK

Chippewa St

CARONDELET  
PARK

Broadway

Employment  
Districts & Centers

0 0.5 1 2 3 mi

50

270



# Connections to the Near Northside

- |  |  |
|--|--|
|  River            |  Recent Investments/<br>Proposed Projects |
|  Parks/open Space |  Proposed Chouteau<br>Greenway            |
|  Rail Corridor    |  Key Connections                          |
|  Metrolink        |  |
|  Key Surroundings |  |

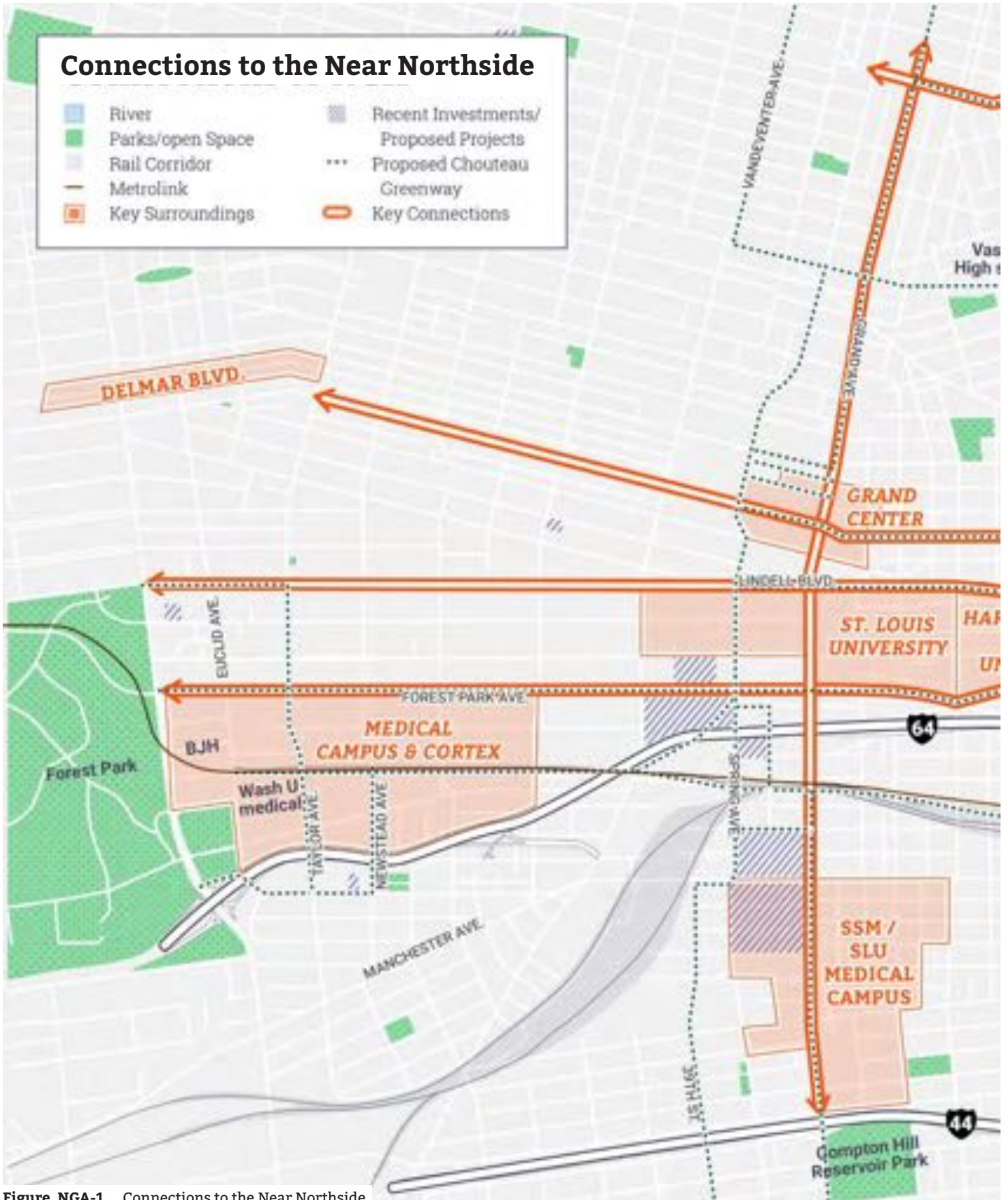
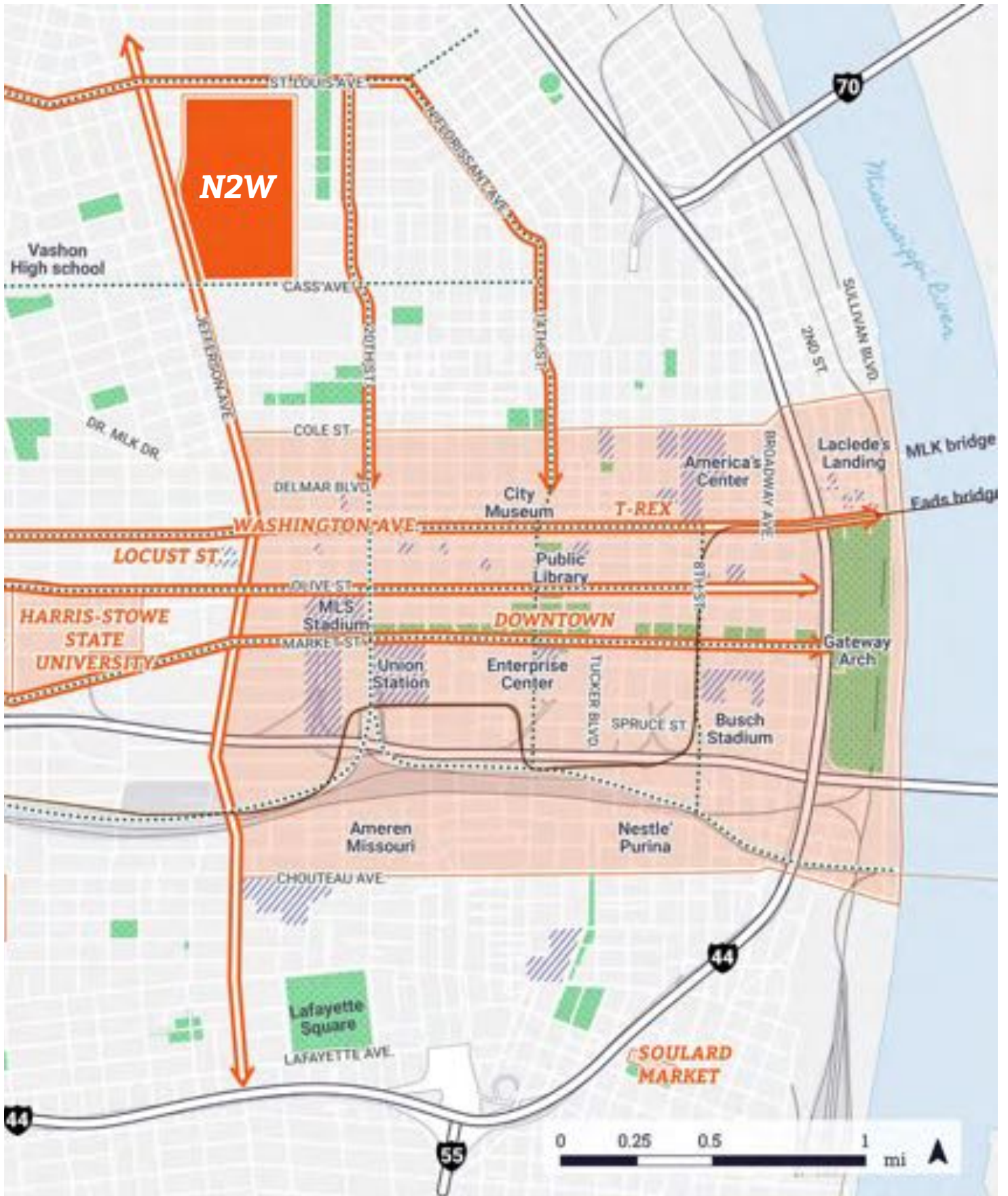


Figure NGA-1. Connections to the Near Northside





# NEAR NORTHSIDE

## “I would describe the Near Northside as...”

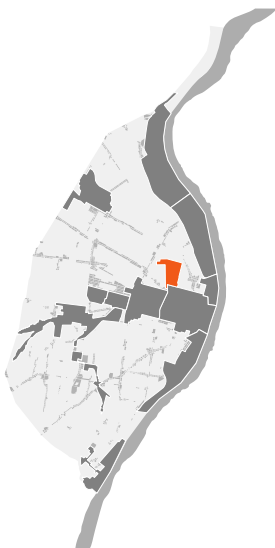
**Barren** because of the vacant lots, derelict buildings, overgrown weeds and jungle (Pruitt-Igoe), no life or energy.

**Industrial** because several homes and people were displaced.

Source: July Open House public input

District Profile	
Size (acres)	350
Employees	800
Job Density	2.3
% Industrial (acres)	11%
% Vacant (acres)	28%
Number of Businesses	50
Largest Employment Clusters	
Clusters	Employees
Chemicals and Metals	500
Local Community and Civic Organizations	50
Local Retailing of Clothing and General Merchandise	40
Vulcanized and Fired Materials	30
Local Education and Training	30
Largest Businesses	
Sensient Colors Inc.	
Faultless Healthcare Linen	
Connector Castings Inc.	
Ed Roehr Safety Products	
Trojan Iron Works	
Noteworthy	
<ul style="list-style-type: none"> <li>Although the district is not a current employment hub, the NGA West is expected to house more than 3,000 permanent jobs and support 1,100 construction jobs.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio



Source: St. Louis Post Dispatch

# Near Northside

Source: City of St. Louis, Interface Studio



**Figure NGA-2.** The Near Northside aerial map

Note: Some of the buildings shown on this aerial map have been removed/relocated for the new N2W campus.

## Strategies and Action Items

### Strategy 1 Develop space to support tech and NGA start-ups

Entrepreneurs in geospatial and tech seeking better utilization of NGA data will require land uses, space, and support to develop and expand their businesses. Currently, T-REX provides support, networking and coworking space for start-ups and is an important resource, in expanding a geospatial cluster in St. Louis. However, maximizing the economic impact of the new NGA site will require creating at least some of the characteristics associated with innovation and tech districts globally—24/7 activity, non-office places for work meetings, and socialization, and low-cost space for start-ups and second-stage firms.<sup>15</sup> Building this kind of an environment in the Near Northside district around the NGA headquarters will be extremely difficult. There is significant vacant land but currently a dearth of the types of amenities and services that Downtown already offers. Recent studies around NGA potential spin-off activities includes a potential market support for 100,000-120,000 square feet of office space.<sup>16</sup> This space, as well as future software tech space is best suited to north of Washington Avenue in Downtown between Jefferson Avenue and T-REX. This location offers development opportunities but also amenities nearby. Development here will help to reinforce recent investment on Tucker Blvd. for Square and other tech and innovation companies.

In addition to new development, there are opportunities to reuse empty ground floor spaces in existing buildings along and near to Washington Avenue in Downtown for software tech and geospatial businesses. A program, as described in the section about Downtown, to activate and “master lease” empty space would help to provide the physical infrastructure for new and growing start-ups.

Action Item #: <u>NGA-1.1</u>	Identify potential development parcels to support NGA activities
Leader	SLDC
Potential Partners	NGA, private developers
Start Time	Year 1
Duration	2 years
Effort to Implement	Medium
Potential Funding	Internal
Goal/s	Development plan to support the growth of the geospatial cluster in Downtown
Tracking Progress	Total amount of space for start-ups, number of new businesses, number of employees connected to NGA
Action Item #: <u>NGA-1.2</u>	Champion the NGA area for initial build out of the Greenway
Leader	Great Rivers Greenway, SLDC
Potential Partners	NGA, Planning & Urban Design Agency, neighborhood leadership
Start Time	Year 1
Duration	1 year / ongoing
Effort to Implement	Medium
Potential Funding	Philanthropy, capital campaign
Goal/s	Align the Greenway with investment in the Near Northside district for N2W and N2W-related companies of all sizes
Tracking Progress	The Greenway's final alignment and design

<sup>15</sup> Katz and Wagner; project interviews and roundtables

<sup>16</sup> Project interviews and roundtables



**Strategy  
2**

**Create strong connections between NGA, nearby neighborhoods and Downtown**

As a federal facility with high security precautions, the N2W headquarters is designed as a self-contained campus. While necessary to ensure compliance with federal requirements, strong connections to nearby neighborhoods and employment districts are necessary. Such connections should build on existing efforts, including the Missouri Department of Transportation’s off-site improvements along 20th and 22nd and the north-south MetroLink expansion, incorporate the findings from the Metro TOD study, and support and grow the Project Connect effort on transportation and neighborhood development in the surrounding Near Northside district. The potential Greenway alignments along St. Louis Ave. will help to integrate N2W into a larger network of connections. Jefferson Avenue is a critical opportunity to connect with the central core and is already proposed for street improvements and future transit service. In addition, clear connections along 20th Street and 14th Street (from Florissant) are also necessary to provide clear connections to Downtown. These connections should include bike lanes and clear wayfinding but bus rapid transit or a shuttle should also be considered that provides regular connections between NGA, Downtown and Cortex.



Northwest view of NGA Headquarter rendering, released in February 2020

Source: McCarthy HITT via <https://nextngawest.com/>

Action Item #: <u>NGA-2.1</u>	Seek funds to improve Jefferson Avenue, 20th and 14th Streets
Leader	Board of Public Service, Great Rivers Greenway, SLDC
Potential Partners	Planning & Urban Design Agency
Start Time	Ongoing
Duration	1 year / ongoing
Effort to Implement	Medium
Potential Funding	BUILD Program, private fundraising
Goal/s	Strong, physical connections between NGA/N2W and Downtown
Tracking Progress	Great Rivers Greenway project updates including Brickline Greenway alignments
Action Item #: <u>NGA-2.2</u>	Support continued land use planning around the NGA/ N2W headquarters
Leader	Project Connect
Potential Partners	GeoFutures, Planning & Urban Design Agency, SLDC
Start Time	Ongoing
Duration	1 year / ongoing
Effort to Implement	Low
Potential Funding	Economic Development Tax
Goal/s	A neighborhood of integrated support for the residents and commercial activities surrounding the NGA/N2W headquarters
Tracking Progress	Total investment in surrounding communities

**Strategy 3 Encourage new housing infill development**

The neighborhoods in the Near Northside district and surrounding the NGA – JeffVanderLou, Old North, Carr Square and St. Louis Place – experienced greater population percentage loss than any other area of St. Louis between 1950 and 2017.<sup>17</sup> The result is significant vacancy but also hope for the future through ongoing work by local non-profits. For instance, Old North has seen robust population growth (28% from 2000 to 2010), which is an opportunity to build upon. Besides the NGA, a Choice Planning grant was completed to seek funds to transform public housing in the community. Given this recent interest and planning work, when possible, infill housing and community improvements should be concentrated in St. Louis Place east of NGA and the other neighborhoods surrounding the NGA. This is an important opportunity to grow housing and local, equitable jobs around the city-building cluster. City-building presents a special opportunity for local, St. Louis-based firms that have the knowledge, networks, and dexterity to respond to the range of needs in the community and, to train and employ local residents in the skills necessary to improve their community.

As with potential infill development in JeffVanderLou, improvements should be identified and completed with local residents that have already helped to create the Project Connect Action Plan in 2017. This is an ideal location to focus rollout of tools like the greenlining fund spearheaded by Justine Petersen, Metropolitan St. Louis Equal Housing and Opportunity Council and SLDC. A local CDC with the capacity to guide this investment with residents is necessary to fully maximize the potential around NGA.

Action Item #: <u>NGA-3.1</u>	Identify arrangements to help fund dedicated investment by a local community development corporation for the community
Leader	SLDC
Potential Partners	GeoFutures, Justine Petersen, Metropolitan St. Louis Equal Housing and Opportunity Council, Planning & Urban Design Agency, SLEDP, St. Louis Promise Zone
Start Time	Year 1
Duration	3-5 years
Effort to Implement	High
Potential Funding	Philanthropic sources
Goal/s	Create a dedicated funding source to enhance community capacity
Tracking Progress	Amount of new investment, number of new housing units

**REFERENCE**

**PROJECT CONNECT ACTION PLAN, 2017**  
St. Louis, MO



[https://www.stlouis-mo.gov/government/departments/sldc/project-connect/upload/ActionPlan\\_FINAL\\_Printable-3.pdf](https://www.stlouis-mo.gov/government/departments/sldc/project-connect/upload/ActionPlan_FINAL_Printable-3.pdf)



<sup>17</sup> O'Dea, J. (2019, November 4). Small church steps up to help rebuild a broken north St. Louis neighborhood. St. Louis Post-Dispatch. [https://www.stltoday.com/news/local/metro/small-church-steps-up-to-help-rebuild-a-broken-north/article\\_409db978-bfcb-5768-b355-c151a2143da4.html](https://www.stltoday.com/news/local/metro/small-church-steps-up-to-help-rebuild-a-broken-north/article_409db978-bfcb-5768-b355-c151a2143da4.html)

Action Item #: <u>NGA-3.2</u>	Identify key development sites and housing resources to support new and rehabilitated housing
Leader	LRA in partnership with Project Connect
Potential Partners	GeoFutures, Justine Petersen, Metropolitan St. Louis Equal Housing and Opportunity Council, Planning & Urban Design Agency, SLEDP, St. Louis Promise Zone, SLDC
Start Time	Ongoing
Duration	3-5 years
Effort to Implement	High
Potential Funding	Economic Development Tax
Goal/s	Community reinvestment plan around NGA
Tracking Progress	Amount of new investment, number of new housing units

**Figure NGA-3.** Top 10 neighborhoods for population loss, 1950 - 2017

Neighborhood	Population Loss
▶ JeffVanderLou	-35,540
Central West End	-25,014
▶ St. Louis Place	-20,083
Near North Riverfront	-18,919
Greater Ville	-17,700
Wells Goodfellow	-17,163
Midtown	-17,090
West End	-15,594
Soulard	-15,071
▶ Carr Square	-14,088

▶ = neighborhoods adjacent to NGA

These neighborhoods in St. Louis lost the most total population relative to other neighborhoods in the city between 1950 and 2017, according to new research from Christopher Prener, assistant professor of sociology at St. Louis University.

Source: O’Dea, J. (2019, November 4). Small church steps up to help rebuild a broken north St. Louis neighborhood. St. Louis Post-Dispatch



Vacant houses and lots in JeffVanderLou neighborhood

**Strategy  
4**

**Plan for institutional and commercial uses along Jefferson Avenue**

One of the primary frontage streets for NGA is Jefferson Avenue that links the site with Downtown and Midtown to the South. The street itself is earmarked for improvements and potential future transit service. The land uses along Jefferson are primarily vacant. Just to the west of Jefferson north of Market Street is Sensient Colors and a handful of commercial and industrial businesses. These existing businesses, along with NGA, help to establish this area as a new employment district. To reinforce the existing businesses, vacancy along Jefferson is an opportunity for future commercial and small-scale industrial businesses as well as institutional offices and services particularly south of Cass between the Fire Department and concentration of public schools including Carr Lane Middle School and La Salle Middle School. These uses will provide potential job opportunities for nearby residents but any small-scale industrial businesses must be low-impact uses to ensure they are good neighbors to the JeffVanderLou community.

Action Item #: <u>NGA-4.1</u>	Acquire land for future development and establish clear expectations for density and land uses
Leader	SLDC
Potential Partners	Planning & Urban Design Agency
Start Time	Ongoing
Duration	3-5 years
Effort to Implement	High
Potential Funding	Land Assembly Fund
Goal/s	New employment opportunities and businesses along Jefferson Avenue
Tracking Progress	Amount of new investment, number of new businesses on Jefferson Avenue



Sensient Colors



Jefferson Ave. looking south to the NGA West campus construction site on the left



**Strategy  
5**

**Continue to promote the reuse of Pruitt-Igoe for jobs-intensive development**

A proposal has been in place to redevelop Pruitt Igoe for a hospital. A broader range of employment activities is also being considered that support the continued growth of the city's core clusters.

Action Item #: <u>NGA-5.1</u>	Support continued development for the future of Pruitt-Igoe
Leader	Private developer
Potential Partners	City, SLDC
Start Time	Ongoing
Duration	3-5 years
Effort to Implement	High
Potential Funding	N/A
Goal/s	Reuse of Pruitt Igoe site for quality jobs
Tracking Progress	Redevelopment activity, total investment



Pruitt-Igoe site before demolition

Source: <https://www.governing.com/topics/mgmt/gov-pruitt-igoe-st-louis-redevelopment.html>



Existing Pruitt-Igoe site

Source: Google Map Aerial, February 28 2020



# Near Northside Potential Strategy

Source: Interface Studio, Mass Economics

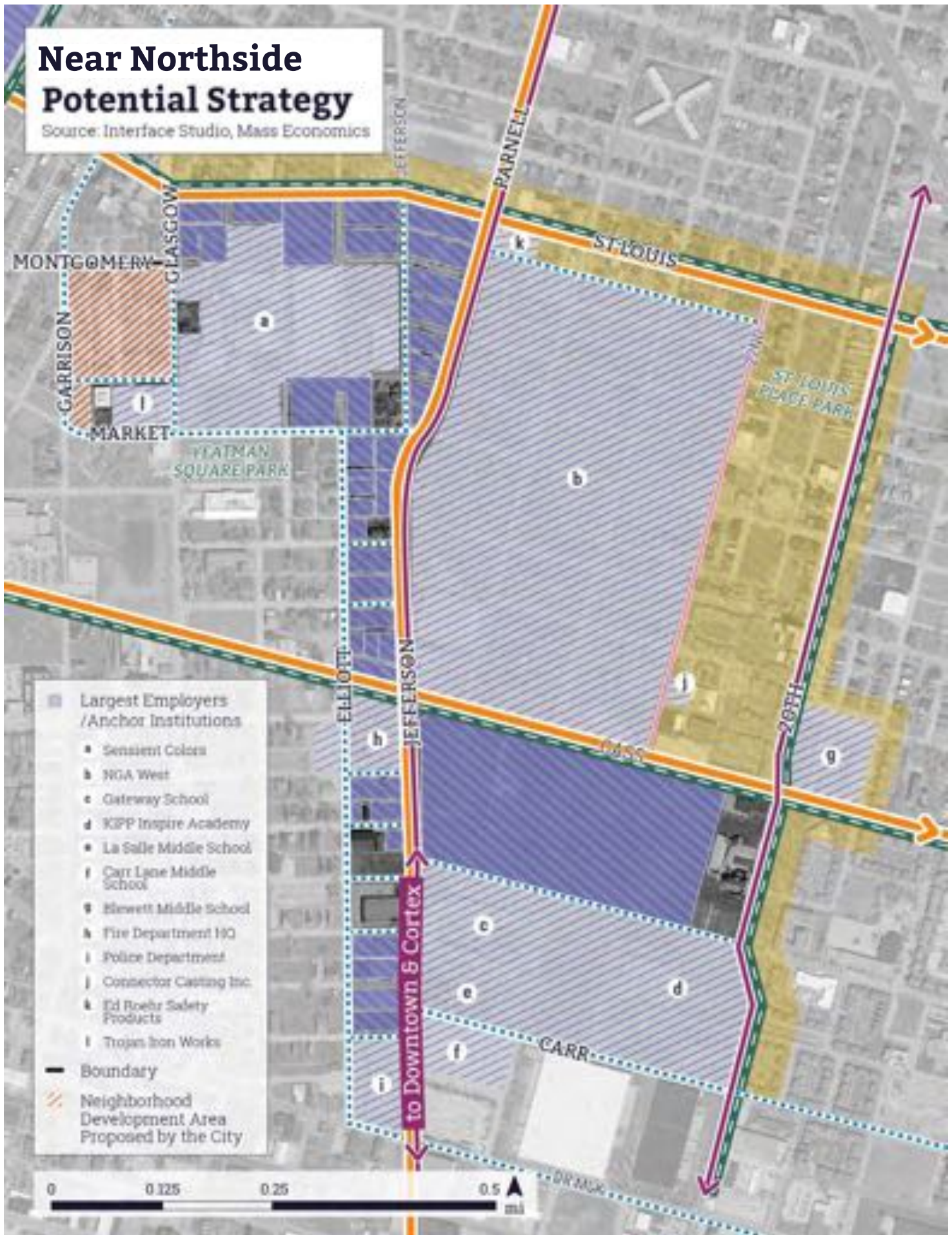
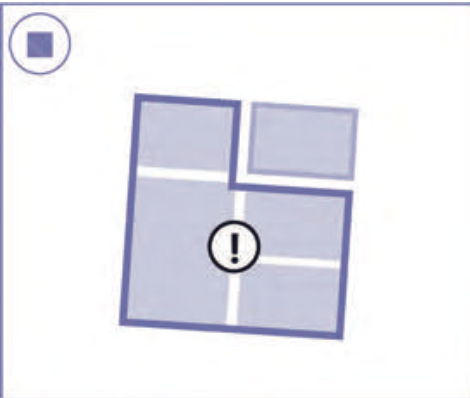


Figure NGA-4. Near Northside potential strategy





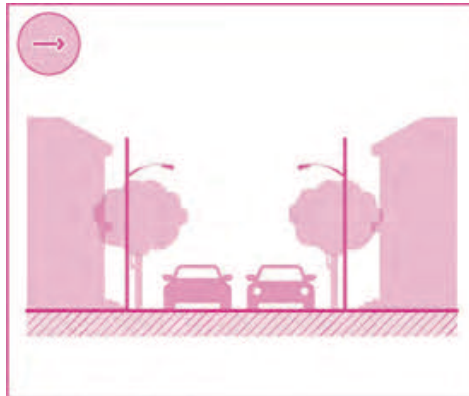
**Potential Opportunity & Investment**

Assemble land for potential development on a collection of multiple parcels that are currently vacant and/or underutilized.



**Front Door**

Front Door functions as main entrance to a district. Potential improvements include lighting, wayfinding, streetscape, façade improvements, landscaping and street surface upgrades.



**Neighborhood Connector**

Designed to establish clear connections between employment districts and adjacent neighborhoods. Potential improvements include wayfinding and landscaping.



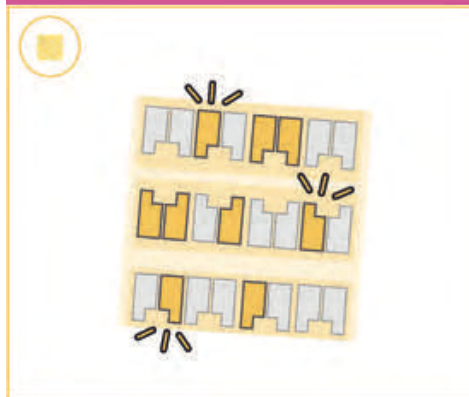
**Trail/Bike Path  
(e.g. Brickline Greenway)**

Provide pedestrian and/or bike-friendly infrastructure. These corridors serve as a part of Great Rivers Greenway trail network and includes the proposed Brickline Greenway alignment.



**Access Street**

Access Streets are intended to serve the needs of existing and new businesses and designed to accommodate truck access.



**Neighborhood  
Stabilization/Investment**

Rehabilitate structures and plan for infill development where possible to leverage nearby investment.



**Multi-modal  
(e.g. MetroLink Expansion)**

Multi-modal streets are designed to support multi-modal transportation and transit.

**Figure NGA-5.** Proposed improvements for the Near Northside

# SUPPORTING DISTRICTS

## CENTRAL WEST END, MIDTOWN, CLAYTON-SARAH

### Overview

The central corridor of St. Louis is critical to the city's economic present and future. The Downtown Core, the Central West End, Midtown and Clayton-Sarah account for a majority of city jobs. In the case of Central West End, Clayton-Sarah and Midtown, recent job growth and development are a product of focused investments and careful planning coupled with significant institutional backing. SLDC's role in these districts is one of support as there are many organizations and individuals actively engaged in planning and development. Due to the on-the-ground capacity and leadership, these three districts are discussed collectively.

#### Central West End

The Central West End is often referred to as the medical campus of the city. 74% of the parcels in this employment district are institutional, primarily hospitals and medical uses associated with Washington University in St. Louis and Barnes Jewish Hospital/BJC HealthCare System. There is no industrial land in the district it is almost entirely occupied with a vacancy rate of 2%.

Central West End is 240 acres and holds 28,300 employees, which amounts to 120 jobs per acre.<sup>18</sup> Central West End district has the highest job density compared to all the other employment districts and centers in the City. In addition to jobs in healthcare, the district includes additional jobs related to Education and Training and Hospitality and Tourism.

<sup>18</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019; note that private employment number includes coworking space/self-employed employment estimates

#### Clayton-Sarah

Clayton-Sarah is located east of Central West End and encompasses Cortex. About 11% of the land is industrial and the district has a large collection of railroads between the Grand and Cortex MetroLink stations. 5% of the land is currently vacant and many developments and proposals are underway.

There are about 19 jobs per acre (5,400 employees in 280 acres)<sup>19</sup> owing in part to some undeveloped land but also some large floorplate uses like IKEA. The district is also home to hundreds of additional self-employed workers. However, Cortex is a national best-practice with respect to innovation districts and spurring job growth in technology-related fields. It has been one the regional centers for job growth over the past decade. In addition to the growing number of businesses at Cortex, Clayton-Sarah is also a center for Business Services and retail (e.g., IKEA).

#### Midtown

The Midtown employment district is located between the Downtown Core and Central West End. 40% of the land in Midtown is institutional including Saint Louis University and Harris-Stowe State University. 14% of the land is industrial and 7% of the land is vacant.

Midtown is about 1,000 acres with 27,700 employees (almost 28 jobs per acre).<sup>20</sup> In addition to the major educational institutions, the city's arts and cultural uses are concentrated here—primarily in the Grand Center Arts District—and there is a growing number of retailers and small businesses along Locust Street. Education & Training, Financial and Business Services, Health Services, Commercial Services and the Performing Arts are Midtown's key industries.

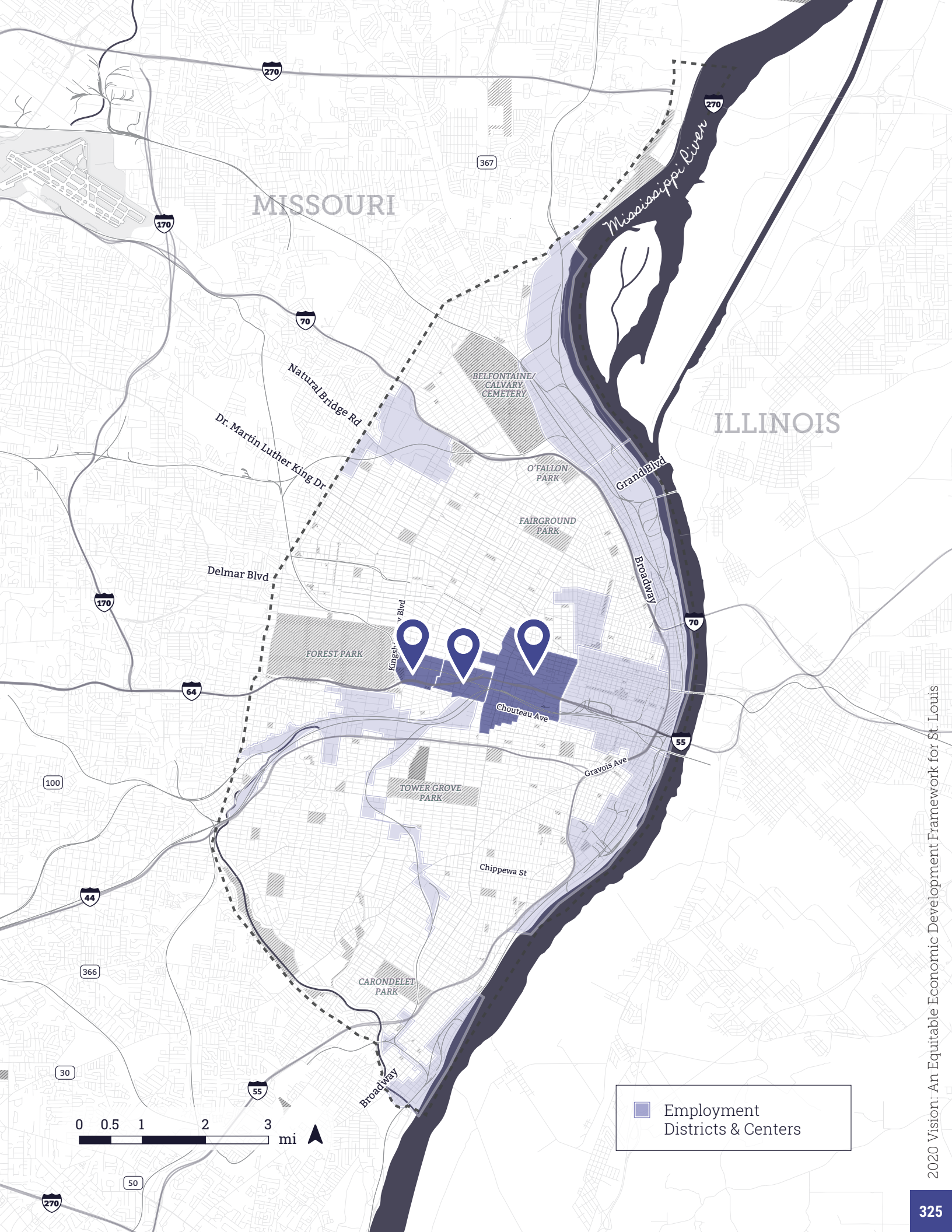
<sup>19</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019; Note that private employment number includes coworking space/self-employed employment estimates

<sup>20</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019

### District Vision

Central West End, Clayton-Sarah and Midtown will continue to drive job growth in the city with a continued focus on health care, business and financial services and education as well as growing specializations in bioscience, software, and technology that will help to define the city's economic future. Continued housing growth will provide opportunities for employees to live nearby and bring about additional services and amenities. The Foundry will be the newest attraction for the central corridor's hospitality industry and the creative and performing arts brings residents from throughout the region to the city. The vision is to connect the area's medical and educational institutions along with creative and tech jobs to create a vibrant, mixed-use central corridor.





MISSOURI

ILLINOIS

Mississippi River

Employment Districts & Centers

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# CENTRAL WEST END

## “I would describe Central West End area as...”

**Developing** because of the new projects in the area.

**Dynamic** because it is the home to focal point of high tech, especially med and biotech.

**Exciting and growing** because of the regional access to the near WU Medical Center.

**Gentrifying** because of the larger tech presence with fewer people of color involved in expansion.

**Inspiring** because it is essential to provide quality healthcare to our community and there are so many careers in this district.

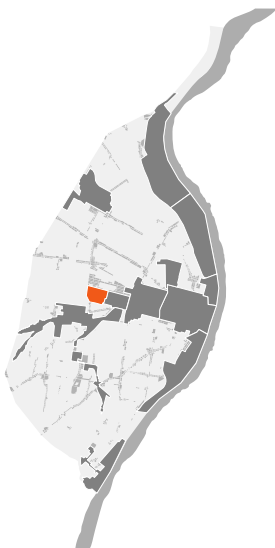
**St. Louis' Georgetown** because of the plethora of restaurants, great condos and apartments, proximity to park, central location.

**Tech-y** because it's a job center with lots of tech companies and lots of shiny buildings

**The healthiest area of St. Louis** because of the density, medical centers, universities, extra police patrols (security roaming by off duty cops).

**Vibrant** because of the health system, restaurants, public transportation, Forest Park.

Source: July Open House public input



District Profile	
Size (acres)	240
Employees	28,300
Job Density	119.9
% Industrial (acres)	0%
% Vacant (acres)	2%
Number of Businesses	2,200
Largest Employment Clusters	
Clusters	Employees
Local Health Services	25,500
Education Non-Local	1,300
Tourism	360
Local Education and Training	140
Food and Beverage Manufacturing	130
Largest Businesses	
Barnes-Jewish Hospital	
St. Louis Children's Hospital	
Dupont Nutrition & Health	
Rehabilitation Institute	
St. Louis College of Pharmacy	
Noteworthy	
<ul style="list-style-type: none"> <li>The Central West End is often referred to as the medical campus of the city. 74% of the parcels in this employment district are institutional, primarily hospitals and medical uses associated with Washington University and Barnes Jewish Hospital. There is no industrial land in the district it is almost entirely full with a vacancy rate of 2%.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio; Note that employment number includes coworking space/self-employed employment estimates







Figure CMC-1. Central West End aerial map

# MIDTOWN

## “I would describe Midtown as...”

**Missing pieces** because it has some strong economic activity, but still commercial vacancy and what is there caters to higher incomes.

**Uplifting** because the area is vibrant.

Source: July Open House public input

District Profile	
Size (acres)	1,000
Employees	27,700
Job Density	27.7
% Industrial (acres)	14%
% Vacant (acres)	7%
Number of Businesses	1,380
Largest Employment Clusters	
Clusters	Employees
Education Non-Local	8,900
Business and Financial Services	4,800
Local Health Services	3,100
Local Commercial Services	2,800
Local Community and Civic Organizations	1,600
Largest Businesses	
St. Louis University	
Wells Fargo Advisors LLC	
4M Building Solutions	
SSM Health St. Louis University Hospital	
Keeley L Paving & Construction Co.	
Noteworthy	
<ul style="list-style-type: none"> <li>• The top job clusters above represent 75% of Midtown’s total jobs</li> <li>• Only about 1/4 of the jobs available in Midtown are accessible to those with a high school diploma or less</li> <li>• The performing arts accounts for about 730 jobs in Midtown which is 44% of all performing arts jobs in the City</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio

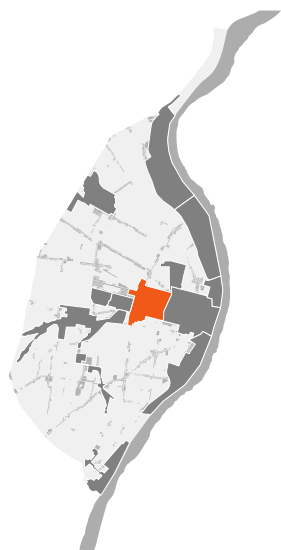






Figure CMC-2. Midtown aerial map

# CLAYTON-SARAH

Note: no public comments were related to Clayton-Sarah area.

District Profile	
Size (acres)	280
Employees	5,400
Job Density	19.2
% Industrial (acres)	11%
% Vacant (acres)	6%
Number of Businesses	130
Largest Employment Clusters	
Clusters	Employees
Business and Financial Services	260
Local Household Goods and Services	220
Food and Beverage Manufacturing	220
Transportation, Distribution, and Logistics	220
Tourism	180
Largest Businesses	
IKEA	
Ronnoco Coffee LLC	
Wildhorse Creek Coffee Roaster	
Microsoft Corp.	
Mid-America Coffee Services	
Self Employed at Cortex and CET	
Noteworthy	
<ul style="list-style-type: none"> <li>About 11% of the land is industrial and the district has a large collection of railroads between the Grand and Cortex MetroLink stations. 5% of the land is currently vacant and many developments and proposals are underway.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio; Note that employment number includes coworking space/self-employed employment estimates

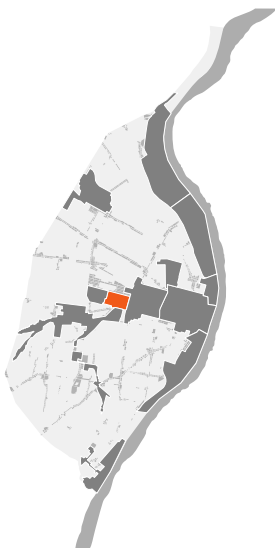






Figure CMC-3. Clayton-Sarah aerial map



## Strategies and Action Items

### Strategy 1

### Coordinate key stakeholders / organizations in Midtown

Central West End is guided by work by the Park Central Development CDC and the investment of strong institutional and private employers. A plan completed for the Cortex Innovation Community is guiding development in Clayton-Sarah and Cortex is currently engaged in strategic planning. In Midtown, there is the Grand Center CDC, major institutions including SLU and Harris-Stowe, major employers that operate major campuses (Wells Fargo) and a number of smaller developers that are transforming corridors like Locust Street. During this process, fifteen of these leaders in Midtown came together to discuss the area's future and role in the city's growth. The consensus was for greater coordination around planning, investments and physical improvements. This group expressed confusion about which organization is leading specific initiatives and noted that too often proposals are made without the benefit of an umbrella vision and plan.<sup>21</sup> There are so many organizations with specific missions and roles that a coordinating role is necessary to better accomplish shared goals.

Action Item #: <u>CMC-1.1</u>	Work with Cortex to create and staff a Midtown coordinating committee to meet twice a year
Leader	SLDC
Potential Partners	Cortex, Grand Center CDC, Harris-Stowe, St. Louis Midtown Redevelopment Corporation, Wells Fargo, private developers
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	TBD
Goal/s	Development of a shared list of actions for Midtown stakeholders
Tracking Progress	Updated list of committee members and meetings

21 Project interviews and roundtables



Potential partners/organizations

**Strategy  
2**

**Support ongoing planning for Cortex (more mixed-use)**

Original plans for Cortex include new housing. With the success of Cortex drawing national attention, it is important to develop a broader mix of uses for the area. New housing is needed to attract new services and amenities but also provide options for living within walking distance to work.

Action Item #: <u>CMC-2.1</u>	Support ongoing strategic planning for Cortex
Leader	Cortex
Potential Partners	SLDC
Start Time	Ongoing
Duration	1 year / ongoing
Effort to Implement	Low
Potential Funding	Cortex TIF
Goal/s	New mixed-use development to support Cortex
Tracking Progress	Building permits and various design proposals



Cortex  
Source: cortexstl.com



CIC at Cortex  
Source: cic.com/stlouis

# EMPLOYMENT CENTERS

## CARONDELET AND PATCH

**Carondelet will remain the “capital of weird” in St. Louis and express individuality through improved branding, its historic architecture and public art.**

### Overview

Located at the southern tip of the city, 35% of the land in Carondelet and Patch is industrial and 18% is vacant or has a vacant building. Of the vacant parcels, 6% are larger than 5 acres. The Carondelet and Patch neighborhoods surround this district with South Broadway acting as the main spine that divides the industrial and residential areas.

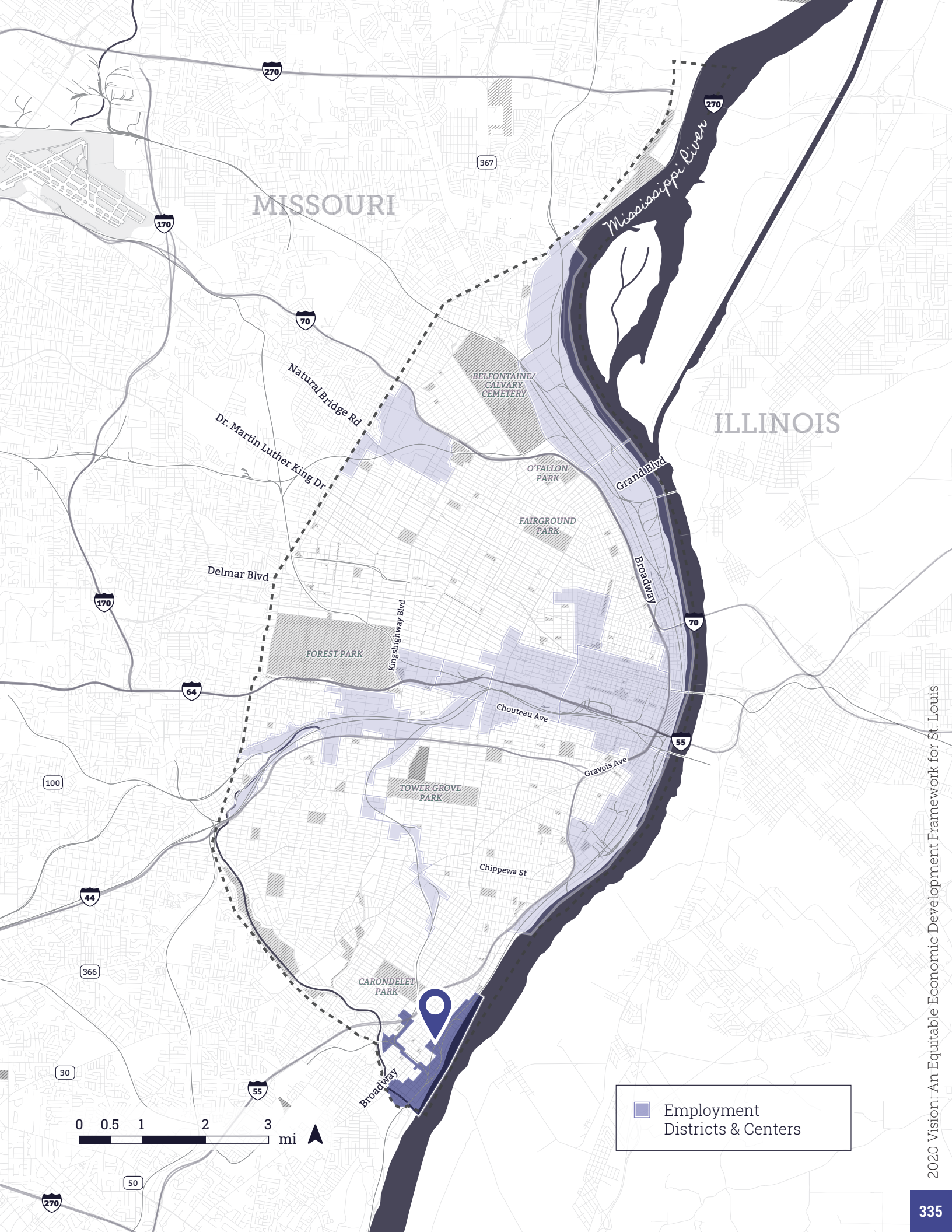
Carondelet and Patch is 660 acres and has about 1,000 employees<sup>22</sup> - roughly 1.6 jobs per acre. The employment center's key industries are manufacturing (e.g., food, furniture, metals, chemicals) or distribution-related and portions of the district are within the floodplain.

### District Vision

Carondelet is a dense and diverse community of both people and businesses. It combines traditional industrial jobs around transportation, distribution, and logistics (TDL) and food processing and artisanal manufacturing and production. S. Broadway is improved to better serve residents and industrial operations and serves as home to creative and small businesses. Carondelet will remain the “capital of weird” in St. Louis and express its individuality through improved branding, its historic architecture and public art. Strategies for this employment center will support efforts to further improve the neighborhood's commercial center along Ivory Avenue and Michigan Avenue.

<sup>22</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019





Employment Districts & Centers

# CARONDELET/PATCH

## “I would describe Carondelet/Patch area as...”

**Friendly** because of the park and families/housing.

**Industrial** because of railroad and industry.

**Intimidating** because there is so much vacant and abandoned property that is not being maintained.

**Quaint** because old/elderly residents, and not much “pop.” Now there’s a coffeehouse - new habitat homes.

**Vacant** because there are too many vacant properties.

Source: July Open House public input

District Profile	
Size (acres)	660
Employees	1,000
Job Density	1.5
% Industrial (acres)	35%
% Vacant (acres)	18%
Number of Businesses	70
Largest Employment Clusters	
Clusters	Employees
Transportation, Distribution, and Logistics	470
Real Estate, Construction, and Development	130
Food and Beverage Manufacturing	100
Downstream Metal Products	60
Local Industrial Products and Services	60
Largest Businesses	
ICL Performance Products LP	
Riviana Foods Inc	
US Durum Milling Inc	
Italgrani USA Inc	
Eagle Fleet & Services	
Noteworthy	
<ul style="list-style-type: none"> <li>• The top 3 job clusters in Carondelet are increasing in employment citywide (slightly)</li> <li>• Almost 40% of top industries here are available to those with a high school diploma or less</li> <li>• Half of the jobs can be done with no to short term on-the-job training</li> <li>• Carondelet has the lowest job density of all industrial / commercial districts - below 2 jobs per acre</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio

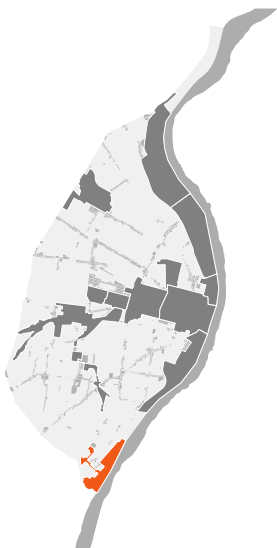






Figure CP-1. Carondelet/Patch aerial map

## Strategies and Action Items

**Strategy  
1**

**Assemble and market key sites for industrial development**

There are 18 opportunity sites in Carondelet, six of which are between 2 and 10 acres and three of which are over 20 acres. There are three sites that are entirely publicly-owned in the northern portion of the area but the remaining sites require acquisition from private owners, and many are along, or visible from, S. Broadway. The recent business park with one building developed occupies the largest, market-ready site for industrial development.

<b>Action Item #: <u>CP-1.1</u></b>	<b>Conduct research and preliminary outreach on parcels and parcel owners within potential assemblies to assess viability, timing, and necessary actions to help enable site development</b>
Leader	SLDC
Potential Partners	Carondelet Business Association, Planning & Urban Design Agency
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Collect necessary information to make decision on go/no-go for site assembly and take steps toward supporting development (e.g., parcel acquisition, release of competitive land assembly RFP)
Tracking Progress	Total investment, number of new businesses, number of employees

**Strategy  
2**

**Improve South Broadway and targeted cross streets as front doors to the districts**

All traffic serving industrial business on the river or smaller commercial business in the neighborhood uses S. Broadway. It is built like a traditional retail corridor but serves fast-moving thru-traffic and trucks. In short, it has many competing demands but serves none very well at the moment. There are a number of vacant buildings and lots and the sidewalks are very narrow. The wide street encourages fast-moving traffic which, according to local business owners, has led to some cars parked on-street to be totaled. Work has been done to upgrade crosswalks and improve the street’s curbs and sidewalks. There are opportunities to redesign S. Broadway to integrate public art and wayfinding that will help Carondelet to visibly realize it’s “capital of weird” brand.<sup>23</sup> Additionally, vacant spaces and blight fuel negative perceptions about safety and reinforce the real issues on the ground around homelessness and prostitution. Targeted blight removal and ongoing coordination with the local police officers is necessary to help business owners address these challenges.

23 Project interviews and roundtables

<b>Action Item #: CP-2.1</b>	<b>Develop an action and branding plan for S. Broadway</b>
Leader	SLDC
Potential Partners	Board of Public Service, Carondelet Community Betterment Federation, Patch Neighborhood Association, Planning & Urban Design Agency
Start Time	Year 2
Duration	1 year
Effort to Implement	Low
Potential Funding	Local Aldermen, SLDC
Goal/s	Completed action plan for S. Broadway
Tracking Progress	Periodic update on implementation of action plan
<b>Action Item #: CP-2.2</b>	<b>Target blight removal adjacent to S. Broadway</b>
Leader	SLDC
Potential Partners	Carondelet Business Association, Planning & Urban Design Agency, Vacancy Collaborative
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	City, local aldermen
Goal/s	Reduced vacancy and trash
Tracking Progress	Parcel-based vacancy data, street condition survey



Action Item #: <u>CP-2.3</u>	Activate and improve façades
Leader	SLDC
Potential Partners	Carondelet Business Association, Regional Arts Commission, local businesses
Start Time	Year 1
Duration	2 years
Effort to Implement	Medium
Potential Funding	Arts grant, business contributions
Goal/s	New, visible public art & improved façades
Tracking Progress	Installed art locations, façade-improved storefront locations



Street art placed on S Broadway (top) and S Broadway storefronts near Loughborough Ave. (bottom)

**Strategy  
3**

**Create landscape buffers to protect nearby residential and community uses**

Some industrial uses need space from residential ones. Truck access, noise and other issues can have severe negative impacts on homes. In Carondelet, there are a few locations where industrial uses are sitting immediately next to residential streets and homes. To help mitigate impacts, landscape buffers should be considered. Landscape buffers integrate new landscaping and tree plantings to help absorb noise and create clear delineations between different uses. With enough of the right kinds of plantings, they can also serve to reduce stormwater run-off and absorb carbon from cars and trucks. There are a number of streets where added attention to buffering industrial uses should be considered including Poepping Street, west of S. Broadway; portions of Primm Street; and portions of Alaska and Alabama Streets.

Action Item #: <u>CP-3.1</u>	Create site-specific landscape strategies
Leader	Green City Coalition, Parks Dept., Planning & Urban Design Agency, Zoning
Potential Partners	Board of Public Service, Forest Releaf of Missouri, Gateway Greening, LRA, Missouri Department of Conservation, Vacancy Collaborative
Start Time	Year 1
Duration	3-5 years
Effort to Implement	High
Potential Funding	Local aldermen
Goal/s	Investment / implementation strategy
Tracking Progress	Sq. ft. of new landscape buffer, amount invested

**Strategy  
4**

**Identify key infrastructure challenges**

A redevelopment plan for Carondelet and Patch is necessary to identify and prioritize specific infrastructure improvements that will serve the needs of local business and better protect business from flooding.

Action Item #: <u>CP-4.1</u>	Undertake a Carondelet redevelopment plan
Leader	Metropolitan Sewer District, SLDC
Potential Partners	Carondelet Business Association, Planning & Urban Design Agency
Start Time	Year 2
Duration	3-5 years
Effort to Implement	Medium
Potential Funding	Economic Development Tax
Goal/s	Prioritized improvement list
Tracking Progress	Amount invested in infrastructure



# Carondelet/Patch Potential Strategy

Source: Interface Studio, Mass Economics, City of St. Louis



Figure CP-2. Carondelet/Patch potential strategy



**Potential Opportunity & Investment**

Assemble land for potential development on a collection of multiple parcels that are currently vacant and/or underutilized.



**Front Door**

Front Door functions as main entrance to a district. Potential improvements include lighting, wayfinding, streetscape, façade improvements, landscaping and street surface upgrades.



**Neighborhood Connector**

Designed to establish clear connections between employment districts and adjacent neighborhoods. Potential improvements include wayfinding and landscaping.



**Access Street**

Access Streets are intended to serve the needs of existing and new businesses and designed to accommodate truck access.



**Green Buffer**

Green Buffers provide a landscaped separation between industrial uses, rail or highways and nearby neighborhoods.

Figure CP-3. Proposed improvements in Carondelet/Patch

# EMPLOYMENT CENTERS

## MARK TWAIN/I-70

MARK TWAIN/I-70 IS ENVISIONED AS AN INDUSTRIAL JOBS CENTER OFFERING WELL-PAYING INDUSTRIAL JOB OPPORTUNITIES IN THE HEART OF NORTH ST. LOUIS.

### Overview

The Mark Twain/I-70 employment center is located near the intersection of the city's western boundary. Almost 50% of the land use is industrial, and the average parcel size of 2.4 acres. 17% of the land here is currently vacant and 8% of these empty parcels are larger than 5 acres in size.

Mark Twain/I-70 includes 2,700 employees over 830 acres, a job density of approximately 3.2 jobs per acre.<sup>24</sup> The federal government is a major employer due to presence of the U.S. Army Reserve Center. Key industries include various manufacturing and TDL. Newer industrial and commercial businesses are centered along Brown Avenue, a security-controlled road through what was once the city's GM factory.

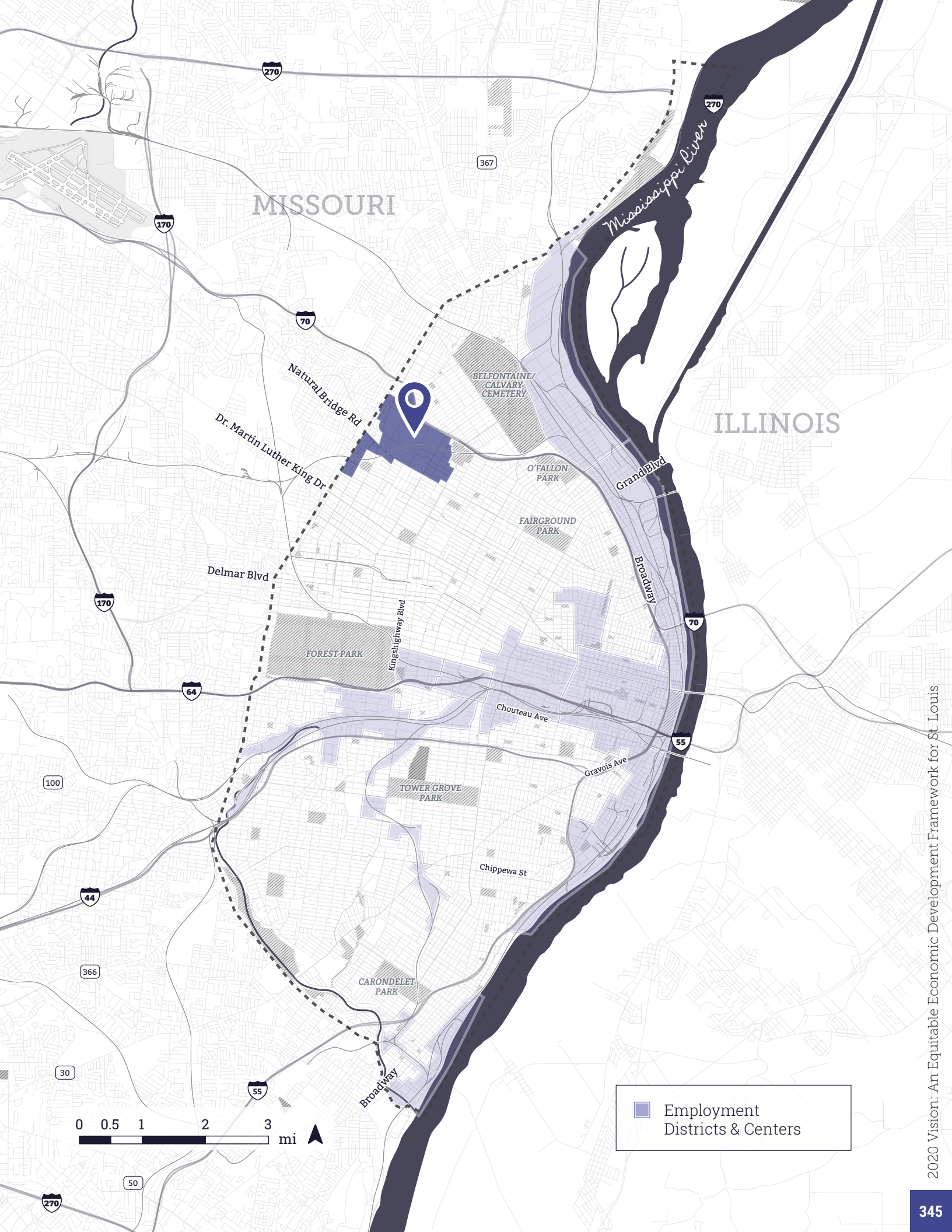
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24 YTS data; QCEW-UDP; Mass Economics Analysis, 2019

### District Vision

Mark Twain/I-70 is envisioned as an industrial jobs center offering well-paying industrial job opportunities in the heart of North St. Louis. Mark Twain/I-70's access to freight infrastructure and I-70 as well as its proximity to the St. Louis Lambert International Airport will establish a hub for transportation, distribution, and logistics (TDL) activities. New and legacy businesses in urban manufacturing, business to business (B2B) services, construction and general industrial will reinforce Mark Twain/I-70 as one of the city's largest and most important industrial centers. Strategic land assembly efforts will open up development opportunities on multiple sites that will increase job density and economic activity. To the south and west, new green spaces will help to buffer homes from the impacts of nearby industrial users. Natural Bridge Avenue will provide a valuable interface between Mark Twain/I-70 and surrounding communities where stores and services provide amenities for employees and residents and a one-stop pilot project connects residents and employees to services.





# MARK TWAIN/I-70

## “I would describe Mark Twain/I-70 as...”

**Complacent** because there are too many vacant structures. Food desert. Need more shops/restaurants and a community center.

**Crime-riddled** because of the political and corporate will (or the lack of).

**Descent** because it's near SLU and upkept I believe for that purpose.

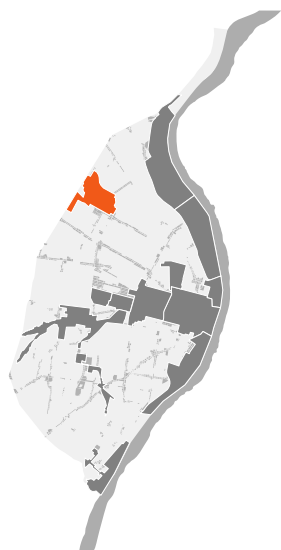
**Empty** because it lacks sufficient businesses and a coordinated effort to feel like a community in its design.

**Lacking** because there are no grocery stores, few quality schools, and crime/drugs/prostitution and very little development. We have POTENTIAL, but no \$.

**Needing businesses** because residents have to leave the area for practically every service. Unmet demands.

**Underdeveloped** because of the politics and budget.

Source: July Open House public input



District Profile	
Size (acres)	830
Employees	2,700
Job Density	3.3
% Industrial (acres)	50%
% Vacant (acres)	17%
Number of Businesses	140
Largest Employment Clusters	
Clusters	Employees
Transportation, Distribution, and Logistics	550
Furniture	390
Chemicals and Metals	370
Business and Financial Services	200
Automotive and Motor Vehicle Services	200
Largest Businesses	
Pepsi Beverages Co.	
ABB Inc.	
Titan Tube Fabricators	
Argo Products	
Gateway Rack Corp.	
Noteworthy	
<ul style="list-style-type: none"> <li>• Approximately 40% of the jobs in the top clusters are available to residents with a high school diploma or less.</li> <li>• 50-70% of jobs in these clusters require limited to no on-the-job training.</li> <li>• Mark Twain has a very low job density of about 4 jobs per acre including government employment.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio





# Mark Twain

Source: City of St. Louis, Interface Studio



Figure MT-1. Mark Twain/I-70 aerial map

## Strategies and Action Items

### Strategy 1

### Improve Natural Bridge Avenue, Union Avenue, and Goodfellow Boulevard as the “front doors” of the district

Mark Twain/I-70 is accessed by many different routes and therefore has a few different “front doors” that welcome employers and employees. To help attract private investment and employees, it is important that the area presents a good first impression. This is the reason “industrial parks” around the country focus on landscaping and public improvements. Front door improvements should be focused on Natural Bridge Avenue, Union Avenue and Goodfellow Boulevard where the primary traffic and access points to Mark Twain/I-70 are located. The opportunities include: new streetscape improvements along Natural Bridge Avenue that help to connect industrial businesses with important services like restaurants and the existing Schnucks; traffic calming, landscaping and wayfinding along Goodfellow Boulevard and Union Avenue; blight removal for highly visible properties; and public art on large, blank façades that face these major corridors.

Action Item #: <u>MT-1.1</u>	Develop and update (where applicable) design documents for each corridor
Leader	Board of Public Service, Planning & Urban Design Agency
Potential Partners	SLDC
Start Time	Year 2
Duration	2 years
Effort to Implement	Medium
Potential Funding	Local aldermen
Goal/s	Completed schematic design
Tracking Progress	Total public and private investment along each corridor
Action Item #: <u>MT-1.2</u>	Target blight removal adjacent to Mark Twain
Leader	Planning & Urban Design Agency, Streets Dept., SLDC
Potential Partners	Green City Coalition, Vacancy Collaborative
Start Time	Year 1
Duration	1 year
Effort to Implement	High
Potential Funding	City, local aldermen
Goal/s	Reduced vacancy and trash
Tracking Progress	Number of vacant structures demolished, total amount of trash removed, number of cleaned vacant parcels



Action Item #: <u>MT-1.3</u>	Activate blank façades
Leader	SLDC
Potential Partners	Regional Arts Commission, arts organizations, local businesses
Start Time	Year 1
Duration	3-5 years
Effort to Implement	High
Potential Funding	Arts grant, business contributions
Goal/s	New, visible public art
Tracking Progress	Installed art locations, façade-improved storefront locations



Existing storefronts along Natural Bridge Ave.

**PRECEDENT**

**STOREFRONT MURAL** ★  
San Francisco, CA

Often Wander by Celeste Byers  
<https://www.wescover.com/p/murals-by-celeste-byers-at-often-wander-PHKY6YyGKE>

**PRECEDENT**

**MURAL** ★  
Vyska, Russia

Evolution 2 by Misha Most  
<https://www.designboom.com/art/misha-most-evolution-2-largest-mural-in-the-world-russia-07-08-2017/>

**Strategy 2 Upgrade key intersections**

Natural Bridge Avenue acts as the primary east-west street with access to multiple Mark Twain/I-70 businesses. There are opportunities to improve key crossings with major north-south corridors including Goodfellow Boulevard, Union Avenue, Geraldine Avenue and N. Kingshighway Boulevard. In the short-term, key improvements include crosswalks and entryway signage to help brand Mark Twain/I-70. Later, the stations in the MetroLink expansion – potential stations are identified at Natural Bridge Avenue at Goodfellow Boulevard, Union Avenue and N. Kingshighway Boulevard – should be integrated into the design of the street in these locations and promote transit-oriented design principles that encourage higher development densities. In these locations, TOD designs should evaluate opportunities for new commercial and industrial spaces that offer a mix of spaces for small and growing businesses. Areas to the south of Natural Bridge Avenue away from existing industrial uses are better suited for housing.

Action Item #: <u>MT-2.1</u>	Identify specific improvements at each intersection
Leader	Board of Public Service, Streets Dept.
Potential Partners	Planning & Urban Design Agency, local businesses, SLDC
Start Time	Year 1
Duration	2 years
Effort to Implement	Medium
Potential Funding	Aldermen
Goal/s	Improvement plan
Tracking Progress	Total public investment at each intersection



Stores at Natural Bridge Ave. & Goodfellow Blvd.



Natural Bridge Ave. & N Kingshighway Blvd.



**Strategy 3 Create landscape buffers to protect nearby residential and community uses**

Truck access, noise and other issues can have severe negative impacts on residential living, creating a need to buffer certain industrial uses from residential ones. In Mark Twain/I-70, there are a few locations where industrial uses are sitting adjacent to residential streets and homes. To help mitigate impacts, landscape buffers that integrate new landscaping and tree plantings should be used to help absorb noise and create clear delineations between different uses. With enough of the right kinds of plantings, they can also serve to reduce stormwater run-off and absorb emissions from cars and trucks. There is limited space in some cases between Mark Twain/I-70 businesses and nearby residents so the ability to design wide buffers is limited. Three design strategies are needed: 1) portions of Hamilton Avenue should be redesigned to allocate some of the existing asphalt to space for landscaping and tree planting; 2) in partnership with property owners, new landscaping should be integrated on excess/unused industrial land facing Darby Street and Pennrose Avenue (west of Goodfellow Blvd.); and 3) more robust landscape treatment should be designed for areas around the existing Pennrose Park and Boys and Girls Club west of N. Kingshighway Blvd.

<b>Action Item #: MT-3.1</b>	<b>Create site-specific landscape strategies</b>
<b>Leader</b>	Green City Coalition, Parks Dept., Planning & Urban Design Agency, Zoning
<b>Potential Partners</b>	Board of Public Service, Forest Releaf of Missouri, Gateway Greening, LRA, Missouri Department of Conservation, Vacancy Collaborative
<b>Start Time</b>	Year 1
<b>Duration</b>	2 years
<b>Effort to Implement</b>	Medium
<b>Potential Funding</b>	Local aldermen
<b>Goal/s</b>	Investment / implementation strategy
<b>Tracking Progress</b>	Sq. ft. of new landscape buffer, amount invested

**Strategy  
4**

**Assemble and market key sites for industrial development**

There are 19 opportunity sites in Mark Twain/I-70, four of which are over ten acres. There are an additional six sites between five and ten acres. All of the sites require acquisition from private owners. To help facilitate development for industrial uses, two sites currently zoned for “regional commercial development” – one between Stratford Avenue and I-70 and the other along N. Kingshighway Blvd. between San Francisco and Farlin Avenues – should be re-zoned for industrial use. There is a concentration of opportunity sites between Union Avenue and N. Kingshighway Blvd. stretched along Geraldine Avenue. SLDC should consider 1) making strategic land acquisitions to “get ahead of the market” and own one or more parcels within these assemblies and 2) utilize a public, competitive land assembly RFP process and the promise of a fast-tracked re-zoning to incentivize the assembly of parcels across private owners. SLDC and the city should work with local property owners during the redevelopment plan for this area to evaluate the possibility of creating another controlled access industrial “park” similar to the Union 70 Center Business Park across Union Avenue.

<b>Action Item #: <u>MT-4.1</u></b>	<b>Re-zone existing commercial properties for industrial use</b>
Leader	Planning & Urban Design Agency, Zoning
Potential Partners	Aldermen, SLDC
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Rezoning
Tracking Progress	Number of properties re-zoned; neighborhood engagement around re-zoning in concert with neighborhood goals
<b>Action Item #: <u>MT-4.2</u></b>	<b>Develop a plan to create a controlled-access street for industrial businesses between Union and Kingshighway</b>
Leader	Board of Public Service, Streets Dept.
Potential Partners	Planning & Urban Design Agency, local businesses, SLDC
Start Time	Year 2
Duration	2 years
Effort to Implement	High
Potential Funding	TBD
Goal/s	Industrial park expansion plan
Tracking Progress	Existing industrial park survey - utilization, vacancy, ownership

<b>Action Item #: <u>MT-4.3</u></b>	<b>Conduct research and preliminary outreach on parcels and parcel owners within potential assemblies to assess viability, timing, and necessary actions to help enable site development</b>
Leader	SLDC
Potential Partners	Planning & Urban Design Agency
Start Time	Year 1
Duration	1 year
Effort to Implement	Medium
Potential Funding	TBD
Goal/s	Collect necessary information to make decision on go/no-go for site assembly and take steps towards supporting development (e.g. parcel acquisition, release of competitive land assembly RFP)
Tracking Progress	Number of new businesses, total number of employees, amount invested
<b>Action Item #: <u>MT-4.4</u></b>	<b>Identify land available for greening (available for clean and green initiatives to remove blight and improve the marketability of the area)</b>
Leader	Planning & Urban Design Agency
Potential Partners	Green City Coalition, Great Rivers Greenway, SLDC
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	Local aldermen, SLDC
Goal/s	Land set aside for greening
Tracking Progress	Existing parcel data - vacancy, utilization, ownership

**Strategy  
5**

**Create a local business association**

Due to major roads, freight rail and empty or underutilized land, Mark Twain/I-70 is largely a fragmented district. The Union 70 Center Business Park is the one identifiable management entity in the area. However, businesses in Mark Twain/I-70 face similar challenges including blight, aging infrastructure and attracting employees. A local business association would help to coordinate and prioritize local needs and advocate for the district with one voice. Completing a redevelopment plan for Mark Twain/I-70 is the opportunity to engage and recruit key business and property owners to the table as a more formally connected association. The association should meet quarterly and establish a primary point of contact with SLDC, local aldermen and partners.

Action Item #: <u>MT-5.1</u>	Develop clear roles and a responsibilities checklist for a business association
Leader	SLDC
Potential Partners	TBD
Start Time	Year 1
Duration	1 year
Effort to Implement	Medium
Potential Funding	TBD
Goal/s	Empower a local group of business and property owners to partner with SLDC
Tracking Progress	Updated list of businesses and representatives



Union Seventy Center directory





HY Robotics entrance at Union Blvd. & Brown Ave.

COMPLETING A REDEVELOPMENT PLAN FOR MARK TWAIN IS THE OPPORTUNITY TO ENGAGE AND RECRUIT KEY BUSINESS AND PROPERTY OWNERS TO THE TABLE AS A MORE FORMALLY CONNECTED ASSOCIATION.



Penrose St. & Geraldine Ave



Vacant Garrett & Company building on Union Blvd.

# Mark Twain/I-70 Potential Strategy

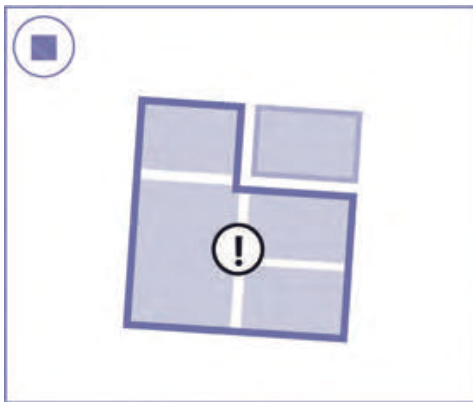
Source: Interface Studio, Mass Economics

- ⊗ Largest Employers/  
Anchor Businesses
- St. Louis Job Corp.
- US Rural Development
- Titan Tube Fabricators  
& Gateway Rack Corp.
- Argo Products
- Union Security Center
- Schnucks
- City Limit
- Boundary
- Rail



Figure MT-2. Mark Twain/I-70 potential strategy





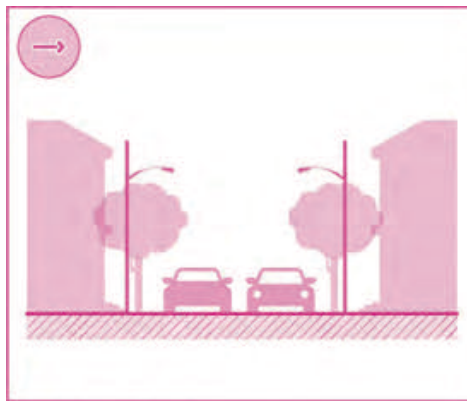
**Potential Opportunity & Investment**

Assemble land for potential development on a collection of multiple parcels that are currently vacant and/or underutilized.



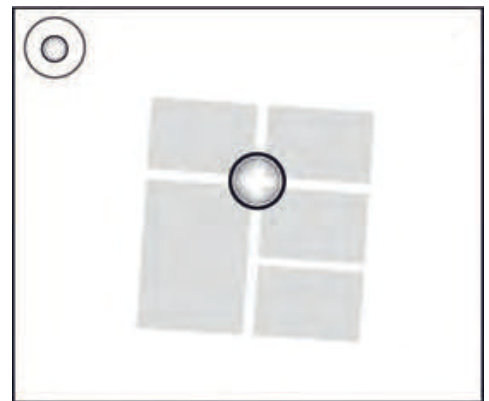
**Front Door**

Front Door functions as main entrance to a district. Potential improvements include lighting, wayfinding, streetscape, façade improvements, landscaping and street surface upgrades.



**Neighborhood Connector**

Designed to establish clear connections between employment districts and adjacent neighborhoods. Potential improvements include wayfinding and landscaping.



**Intersection Upgrade**

Intersections are upgraded with crosswalks and entryway signage.



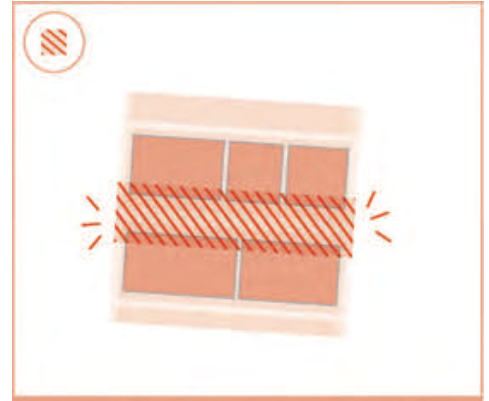
**Access Street**

Access Streets are intended to serve the needs of existing and new businesses and designed to accommodate truck access.



**Green Buffer**

Green Buffers provide a landscaped separation between industrial uses, rail or highways and nearby neighborhoods.



**Supporting Commercial Corridor**

Support and enhance the existing commercial activity through branding, signage, marketing and streetscaping.

**Figure MT-3.** Proposed improvements in Mark Twain/I-70

# EMPLOYMENT CENTERS

## NEAR NORTH RIVERFRONT AND NORTH RIVERFRONT

### Overview

This framework divides the “near North-“and North Riverfront” into two separate areas in that they offer different advantages and disadvantages. However, both are included within the 2011 North Riverfront Commercial Corridor Land Use Plan that includes detailed recommendations for development and infrastructure. To be consistent with that strategy, which remains the guiding document for the area, these areas are discussed together. The strategies and actions proposed here are built upon the foundation of that 2001 Plan and consistent with its vision and approach.

#### Near North Riverfront

The Near North Riverfront employment center includes the Municipal River Terminal near Market Street and is largely (44%) industrial. Nineteen percent (19%) of the area is identified as either vacant land or as having a vacant building. Only 1% of these vacant parcels are larger than 5 acres.

There are 4,400 employees in Near North Riverfront (1,370 acres) which amounts to about 3.2 jobs per acre.<sup>25</sup> The Municipal River Terminal and the rail infrastructure provide an easy access to shipping and transportation, allowing this area to become one of the city’s primary transportation, distribution, and logistics (TDL) locations. Agricultural product and food processing is another key industry of this employment center, and the Near North Riverfront is an important component of St. Louis’ AgCoast (along with the rest of the city’s riverfront).

<sup>25</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019

#### North Riverfront

Located in the north-east along the River the northern edge of the city’s boundary, the North Riverfront employment center is mostly industrial (42%) and 25% of the area is vacant. 13% of these vacant parcels are larger than 5 acres. Compared to other employment centers, North Riverfront has the largest average parcel size of 3.2 acres. North Broadway and Hall Street serve as the main arteries dividing this employment center and the city’s residential fabric.

Despite being the largest employment center in terms of acreage, the North Riverfront has the lowest job density (1.4 jobs per acre), with about 2,700 employees working on 1,950 acres.<sup>26</sup> TDL and real estate and construction-related activities are the key industries in this area, but there is also a sizable presence of automobile products and services with a few notable scrap yards. There are many freight and auto-related businesses with active rail crisscrossing the area.

<sup>26</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019

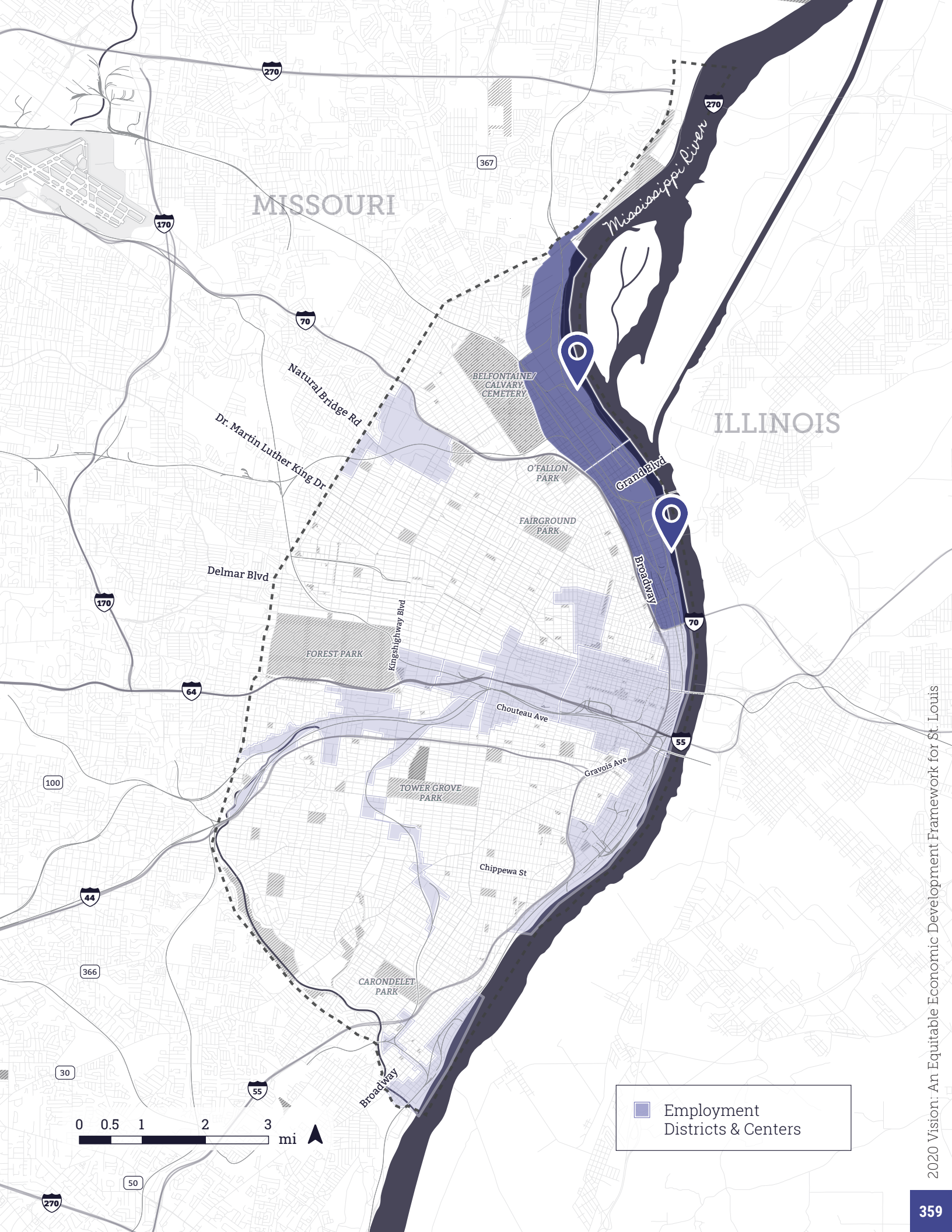
### District Vision

The vision as documented in the 2011 Land Use Plan states that these areas will:

*“attract high-quality jobs by targeting emerging industries and innovative businesses; fully leverage its central location in the region and access to river, rail and highway infrastructure; significantly increase the quantity and diversity of products shipped through the area; provide quality services and unique amenities to remain competitive with emerging inter-modal hubs; leverage the environmental, and recreational assets of the Confluence Greenway Mississippi River corridor to add value for area businesses, improve conditions for employees and provide compatible uses for recreational users and; be a sustainable business community through improvements and initiatives that demonstrate a commitment to the triple bottom line: the economic, environmental and social value they bring to the local area and St. Louis region.”*

Given the research conducted on clusters and the economy during this process, this vision remains relevant with the added emphasis that the Near North- and North Riverfront represent the primary opportunity in the city to boost employment in transportation, distribution, and logistics (TDL). The riverfront offers a confluence of highway, rail and port facilities that is the foundation for increased activity in this cluster. Food and beverage processing could also expand along the river, capitalizing on agricultural traffic along the river, vacant and under-utilized land, and proximity to infrastructure.





MISSOURI

ILLINOIS

Mississippi River

■ Employment Districts & Centers



# NEAR NORTH RIVERFRONT

## “I would describe Near North Riverfront as...”

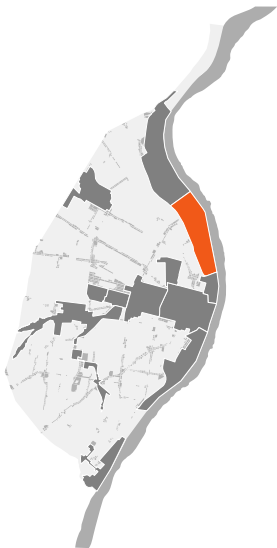
**A working riverfront** because of all the businesses located there and seeing their backyard.

**In need of economic development** because it is very close to the downtown and the river.

**Industrious** because of the historic warehouses, historic manufacturing facilities.

**Underutilized** because of the historic buildings that could be repurposed for residential, retail, and/or manufacturing.

Source: July Open House public input



District Profile	
Size (acres)	1,370
Employees	4,400
Job Density	3.2
% Industrial (acres)	44%
% Vacant (acres)	19%
Number of Businesses	180
Largest Employment Clusters	
Clusters	Employees
Chemicals and Metals	1,100
Transportation, Distribution, and Logistics	810
Food And Beverage Manufacturing	590
Agricultural Inputs and Services	260
Local Industrial Products and Services	230
Largest Businesses	
Duke Manufacturing Co.	
Proctor & Gamble MFG Co.	
Performance Foodservice	
Elantas PDG Inc.	
Middendorf Meat	
Noteworthy	
<ul style="list-style-type: none"> <li>• The Near North District contains over 1/3 of the City's jobs in Downstream Chemical Products and over 40% of the City's jobs in Biopharmaceuticals and Production Technology / Heavy Machinery</li> <li>• Of the top industries, almost 2/3 of the jobs require at least some college and on-the-job training.</li> <li>• The job density is very low at 3.4 jobs per acre but this is impacted by vacant properties and existing sewer / water treatment facilities.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio







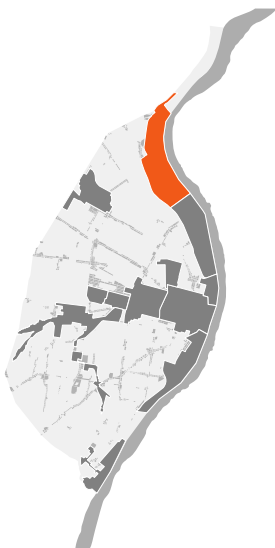
Figure N3R-1. Neare North Riverfront aerial map

# NORTH RIVERFRONT

## “I would describe North Riverfront as...”

**Dangerous** because of crime.

Source: July Open House public input



District Profile	
Size (acres)	1,950
Employees	2,700
Job Density	1.4
% Industrial (acres)	42%
% Vacant (acres)	25%
Number of Businesses	140
Largest Employment Clusters	
Clusters	Employees
Transportation, Distribution, and Logistics	1,300
Chemicals and Metals	320
Automotive and Motor Vehicle Services	300
Real Estate, Construction, and Development	190
Plastics	80
Largest Businesses	
Ups Freight	
XPO Enterprise Services Inc.	
Dial Corp.	
ABFFreight System Inc.	
Truck Centers	
Waste Management	
Noteworthy	
<ul style="list-style-type: none"> <li>• All of the top industries in the North District except Chemical Products have declined in employment since 2010.</li> <li>• 40-45% of jobs are accessible to those with a high school diploma.</li> <li>• The North Riverfront has the lowest job density in the City at 1.4 jobs per acre.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio







## Strategies and Action Items


The following strategies reflect critical strategies from the 2011 Plan to support key cluster growth and suggested changes to that plan in light of recent research.

### Strategy 1 Improve North Broadway, Hall and targeted cross streets as front doors to the districts

The Near North and North Riverfront employment centers are tucked between I-70 and the Mississippi River. Activity is most visible from I-70 (in specific locations), bridges and along N. Broadway and Hall Street that act as the primary north-south connector streets. To help attract private investment and employees, it is important that the area presents a good first impression. Front door improvements should be focused on N. Broadway, Hall and targeted east-west connector streets and should include: new streetscape, lighting and façade improvements along N. Broadway; landscaping and tree plantings on primary neighborhood connector streets; and wayfinding in critical locations to brand the district and promote local businesses.

**PRECEDENT**

**MURAL**  
St. Louis, MO: S Broadway



EYES OPEN by Peat Wollaeger  
<https://news.stlpublicradio.org/post/carondelet-neighborhood-sees-potential-public-art#stream/0>

<b>Action Item #:</b> <u>N3R-1.1</u>	<b>Revisit design documents for N. Broadway and identify locations for wayfinding and tree plantings on other front door streets</b>
Leader	Board of Public Service, Forestry, SLDC
Potential Partners	Green City Coalition, Parks Dept., Planning & Urban Design Agency
Start Time	Year 2
Duration	2 years
Effort to Implement	Medium
Potential Funding	Local Aldermen, transportation grant funding, bond issue
Goal/s	Completed schematic design
Tracking Progress	Total public and private investment along each corridor
<b>Action Item #:</b> <u>N3R-1.2</u>	<b>Activate blank façades along N. Broadway</b>
Leader	SLDC
Potential Partners	Regional Arts Commission, arts organizations, local businesses
Start Time	Year 1
Duration	2 years
Effort to Implement	High
Potential Funding	Arts grant, business contributions
Goal/s	New, visible public art
Tracking Progress	Installed art locations, façade-improved storefront locations

**Strategy  
2**

**Vacate targeted streets to create larger sites and create value**

TDL and many modern manufacturing businesses require large sites to operate. Part of the difficulty in acquiring larger sites along the riverfront is the collection of smaller properties that are broken up by short blocks and dead-ends, often near or off of N. Broadway. Vacating streets that are not important thoroughfares to nearby communities or the sole access points to existing businesses can create value 1) directly for the city by the creation of acres of newly developable land – on which it can collect tax revenue after it is privately developed as part of a site assembly; 2) by giving the city a “toe-hold” in a site assembly, which can be given away for free or at a discount to incentivize development and/or to extract concessions from developers – e.g., requiring X hundred jobs on the site within Y number of years; and 3) by connecting formerly separate parcels to form a larger or less irregularly shaped, more readily developable site assembly. Once the street is dissolved and the potential assembly is identified, the site could then be included as one of many in a public, competitive land assembly RFP process.

<b>Action Item #: N3R-2.1</b>	<b>Confirm which streets to vacate and provide notice to adjacent property owners – coordinate with land assembly process</b>
Leader	LRA, SLDC
Potential Partners	Board of Aldermen, North Broadway Business Association, Planning & Urban Design Agency, Streets Dept.
Start Time	Year 2
Duration	2 years
Effort to Implement	Medium
Potential Funding	Local aldermen
Goal/s	Completed schematic design
Tracking Progress	Total linear feet vacated, number of new development opportunities created



Intersection of N Broadway and Halls Ferry Rd.

**Strategy  
3**

**Assemble & market key sites for industrial development**

There are 93 opportunity sites within the Near North- and North Riverfront employment centers. 26 of these are larger than 10 acres, 10 are larger than 20 acres, and 5 are larger than 30 acres (all in the North Riverfront area). While there are some sites that are largely under public ownership, the majority of acquisition and assembly will be through private owners. These sites are critical to the future of TDL activity in the city, will require physical integration of rail infrastructure, and need careful research to determine the barriers and real cost to assemble.

<b>Action Item #: <u>N3R-3.1</u></b>	<b>Conduct research and preliminary outreach on parcels and parcel owners within potential assemblies to assess viability, timing, and necessary actions to help enable site development</b>
Leader	SLDC
Potential Partners	Planning & Urban Design Agency, Port Authority
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	Economic Development Tax
Goal/s	Collect necessary information to make decision on go/no-go for site assembly and take steps towards supporting development (e.g., parcel acquisition, release of competitive land assembly RFP)
Tracking Progress	Number of new businesses, total number of employees, amount invested



**Strategy  
4**

**Focus landscaping and tree planting around I-70**

The Near North and North Riverfront employment centers are largely contained and separated from nearby residential communities by I-70. Currently, I-70 creates a harsh edge to both the employment centers and the neighborhoods. It is also the first impression many visitors have to St. Louis arriving from the airport. Portions of the west side of I-70 are already planted with trees but there are opportunities to take this further and explore using excess space on frontage roads and in spaces between N. Broadway and the highway to plant new trees and upgrade landscaping. A dense tree canopy will help to provide a transformed corridor to the riverfront and city but also help to address air quality issues from highway traffic.

<b>Action Item #: <u>N3R-4.1</u></b>	<b>Identify land available for greening and coordinate with MODOT on possible options</b>
Leader	City
Potential Partners	Forest Releaf of Missouri, Missouri Department of Conservation, MODOT, SLDC
Start Time	Year 2
Duration	3-5 years
Effort to Implement	High
Potential Funding	East-West Gateway COG, local aldermen, SLDC
Goal/s	A renewed and green city entrance
Tracking Progress	Total investment, tree canopy coverage around I-70

**Strategy  
5**

**Change use recommendations for the “Market District” district**

The 2011 Plan identified a number of sub-districts that all provide land use recommendations. All of the sub-district recommendations align with the vision of the Near North- and North Riverfront except for the recommendation that residential uses be allowed within the Market Street district. Given that housing can threaten the economics of nearby industrial and commercial land, residential should be removed as an allowable use.

<b>Action Item #: <u>N3R-5.1</u></b>	<b>Add an addendum to the 2011 Plan</b>
Leader	City
Potential Partners	SLDC
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Edited NRCC Plan
Tracking Progress	NRCC Plan addendum process

**Strategy  
6**

**Create a North Riverfront Community Improvement District (CID)**

The 2011 Plan placed responsibility for implementation onto a proposed local CID that could guide activities. A group of property and business owners have continued to meet but a formal CID has yet to be established. SLDC and the Port Authority should collaborate to help create this CID which will likely require organizations with staff and capacity to rally property owners, including those owning rail infrastructure, to participate. This will likely require hiring staff internal to SLDC to assist in building capacity across different districts and centers.

<b>Action Item #: <u>N3R-6.1</u></b>	<b>Develop a fact sheet of potential revenue and benefits of a CID</b>
Leader	Port Authority, SLDC
Potential Partners	North Broadway Business Association, Planning & Urban Design Agency
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Make a clear case for the benefits of a CID
Tracking Progress	Funding sources, anticipated expenses and improvements
<b>Action Item #: <u>N3R-6.2</u></b>	<b>Conduct outreach to property owners</b>
Leader	Port Authority, SLDC
Potential Partners	North Broadway Business Association, Terminal Railroad Association
Start Time	Year 1
Duration	1 year
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Identify specific CID boundaries based upon property owner participation
Tracking Progress	List of property owners and businesses

# Near North Riverfront Potential Strategy

Source: Interface Studio, Mass Economics, City of St. Louis

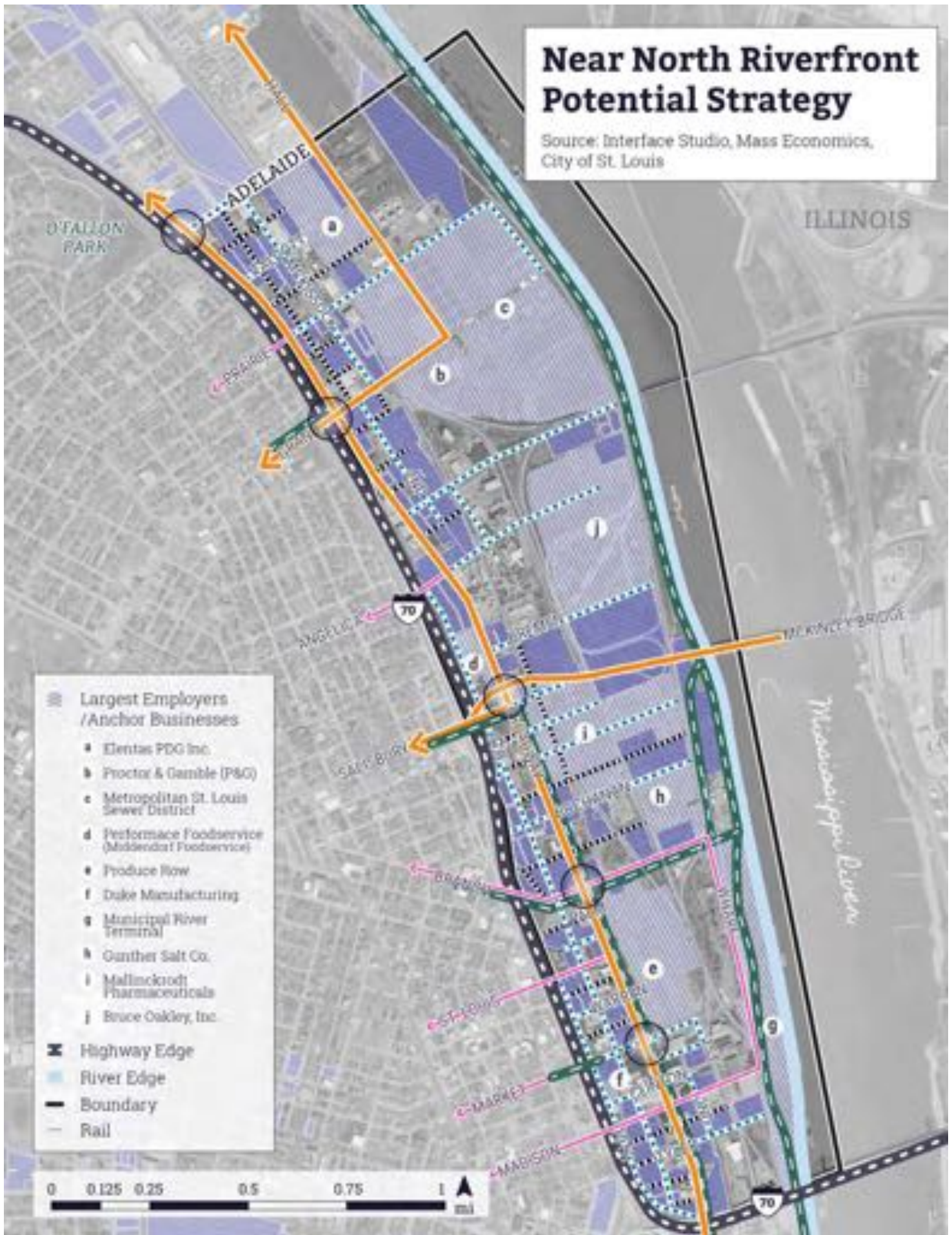
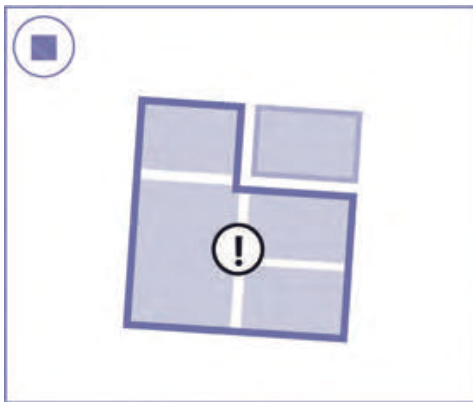


Figure N3R-3. Near North Riverfront potential strategy





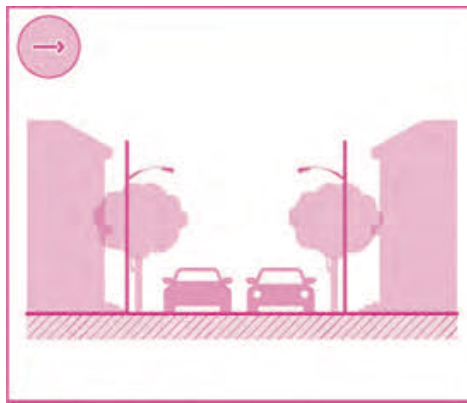
**Potential Opportunity & Investment**

Assemble land for potential development on a collection of multiple parcels that are currently vacant and/or underutilized.



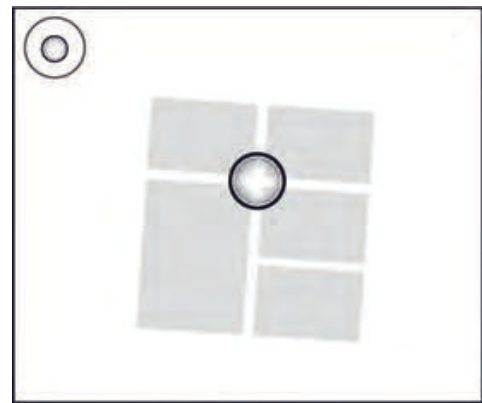
**Front Door**

Front Door functions as main entrance to a district. Potential improvements include lighting, wayfinding, streetscape, façade improvements, landscaping and street surface upgrades.



**Neighborhood Connector**

Designed to establish clear connections between employment districts and adjacent neighborhoods. Potential improvements include wayfinding and landscaping.



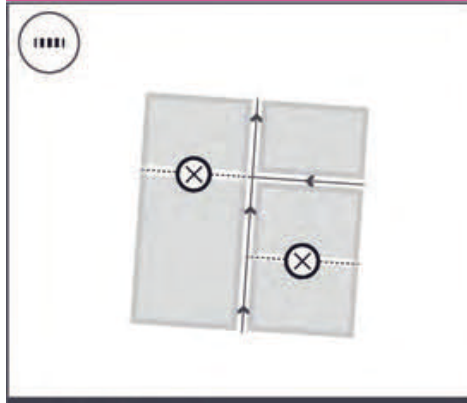
**Intersection Upgrade**

Intersections are upgraded with crosswalks and entryway signage.



**Access Street**

Access Streets are intended to serve the needs of existing and new businesses and designed to accommodate truck access.



**Street Closure**

Existing streets are closed for ease of access and efficient traffic flow.



**Trail/Bike Path  
(e.g. Brickline Greenway)**

Provide pedestrian and/or bike-friendly infrastructure. These corridors serve as a part of Great Rivers Greenway trail network and includes the proposed Brickline Greenway alignment.

**Figure N3R-4.** Proposed improvements in Near North Riverfront

# North Riverfront Potential Strategy

Source: Interface Studio, Mass Economics, City of St. Louis

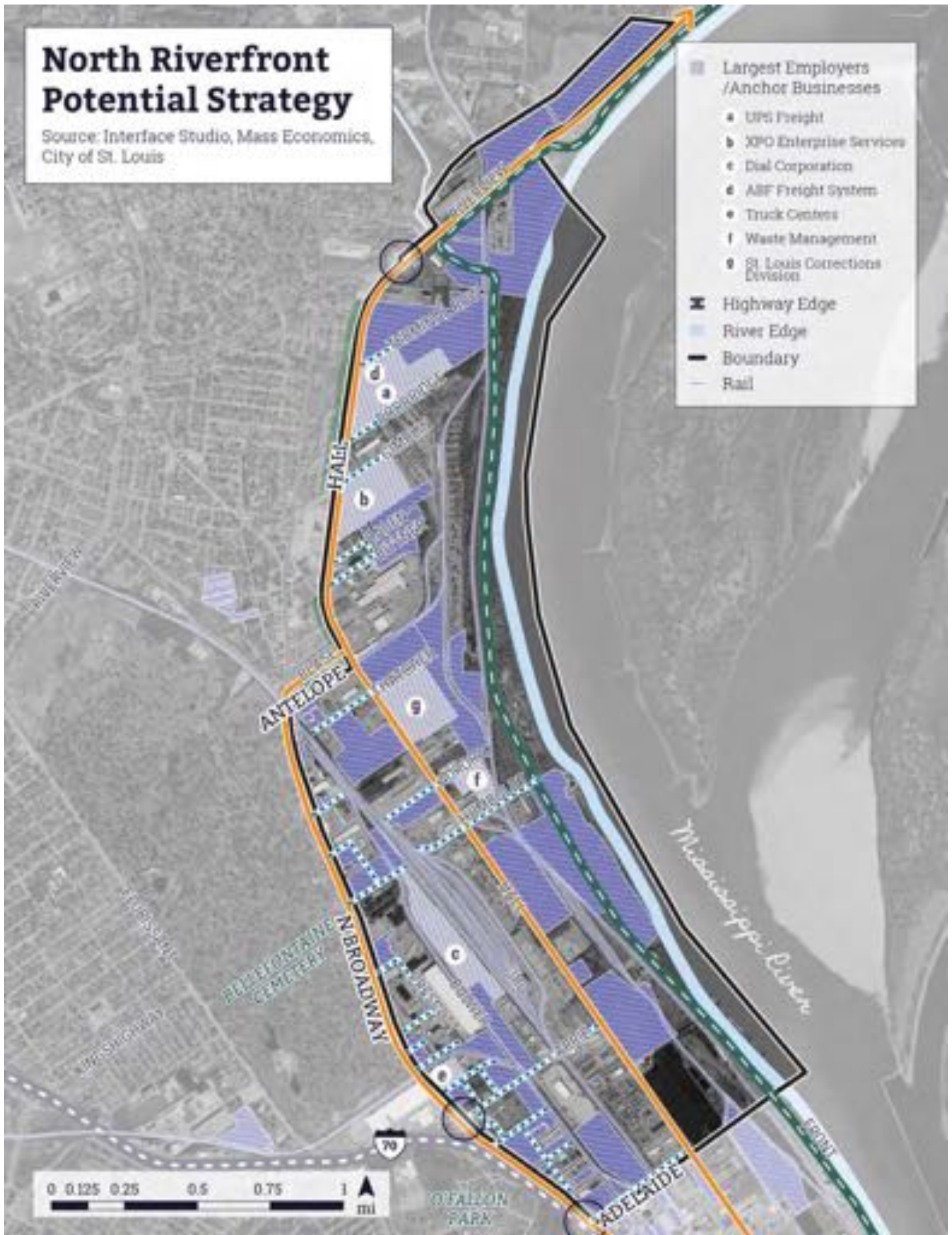
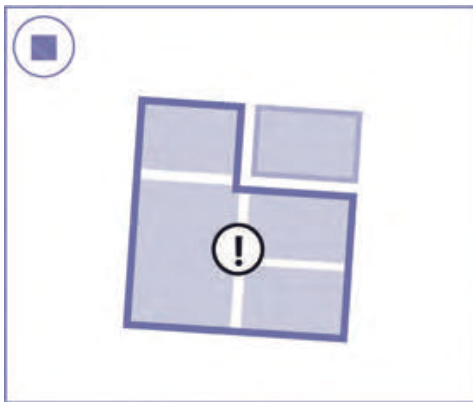


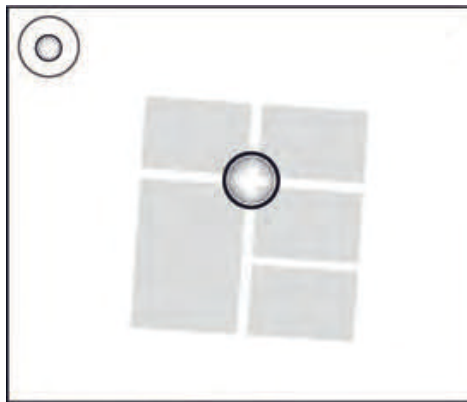
Figure N3R-5. North Riverfront potential strategy





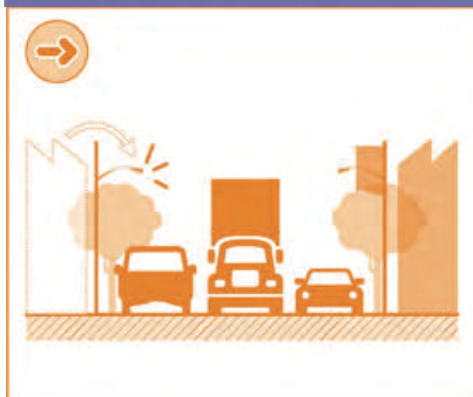
### Potential Opportunity & Investment

Assemble land for potential development on a collection of multiple parcels that are currently vacant and/or underutilized.



### Intersection Upgrade

Intersections are upgraded with crosswalks and entryway signage.



### Front Door

Front Door functions as main entrance to a district. Potential improvements include lighting, wayfinding, streetscape, façade improvements, landscaping and street surface upgrades.



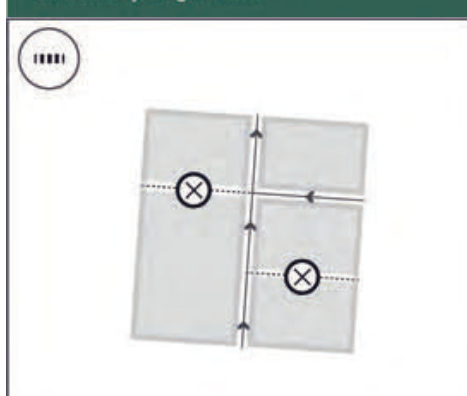
### Trail/Bike Path (e.g. Brickline Greenway)

Provide pedestrian and/or bike-friendly infrastructure. These corridors serve as a part of Great Rivers Greenway trail network and includes the proposed Brickline Greenway alignment.



### Access Street

Access Streets are intended to serve the needs of existing and new businesses and designed to accommodate truck access.



### Street Closure

Existing streets are closed for ease of access and efficient traffic flow.

Figure N3R-6. Proposed improvements in North Riverfront

# EMPLOYMENT CENTERS

## ROUTE 66 AND SOUTH ST. LOUIS

ROUTE 66 AND SOUTH ST. LOUIS EMPLOYMENT CENTERS WILL SERVE AS VIBRANT CENTERS FOR URBAN MANUFACTURING, CONSTRUCTION, B2B SERVICES AND COMMERCIAL OFFICES AND RETAIL.

### Overview

The Route 66 and South St. Louis employment centers share many characteristics including close proximity to surrounding communities. They are both a mix of industrial and commercial uses that follow freight rail lines and have much less vacancy than other historically industrial areas. Due to their similarities, Route 66 and South St. Louis are discussed jointly.

#### Route 66 Area

The Route 66 Area employment center is surrounded by dense residential neighborhoods south of Forest Park and west of Tower Grove Park. 32% of the land is used as industrial and only 4% of parcels are vacant. Compared to other employment centers, Route 66 Area has the lowest vacancy rate.

Route 66 Area includes 10,300 employees in 1,270 acres - the highest job density (8.1 jobs per acre) of all of the employment centers.<sup>27</sup> Key industries of the Route 66 Area are largely industrial (metals, chemicals, real estate and construction, distribution) and is home to about a fifth of the city's urban manufacturers. There is also a significant presence of community and civic organizations.

#### South St. Louis

South St. Louis is located just south of Tower Grove Park and includes a few of the city's main commercial corridors, including Kingshighway, Gravois Avenue, and Chippewa Street. About 56% of South St. Louis' land is industrial and 10% is vacant. 3% of the vacant parcels are larger than 5 acres and the average size of a parcel is 1.6 acres.

About 1,400 employees work in this 300-acre area (4.8 jobs/acre).<sup>28</sup> Real Estate & Construction and urban manufacturing (which makes up almost one third of jobs) are the key industries of this employment center.

### District Vision

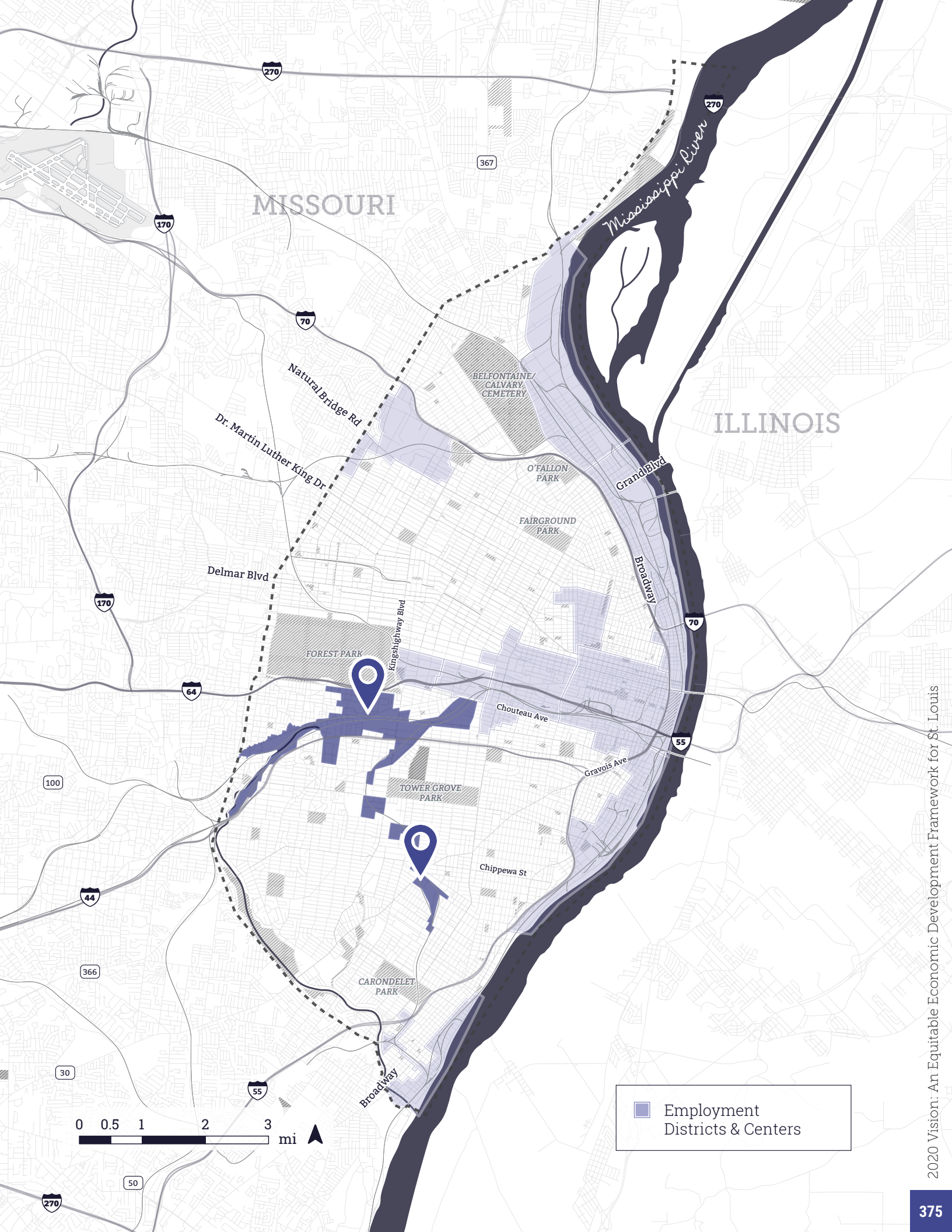
Route 66 and South St. Louis employment centers will serve as vibrant centers for urban manufacturing, construction, B2B services and commercial offices and retail. These jobs centers are integrated into the fabric of surrounding communities and provide quality jobs for residents. Approximately one fifth of the city's urban manufacturing employment is located in the Route 66 employment center – the highest share among the employment districts and employment centers. The South employment center has the highest percent of total jobs in urban manufacturing (just under one third of its jobs are in urban manufacturing).<sup>29</sup> Each employment center offers opportunities for redevelopment and new employment to reinforce their important role in the city's economy.

<sup>29</sup> Source: YTS, 2018; Mass Economics analysis

<sup>27</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019

<sup>28</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019





MISSOURI

ILLINOIS

Mississippi River

■ Employment Districts & Centers

0 0.5 1 2 3 mi

# ROUTE 66 AREA

## “I would describe Route 66 Area as...”

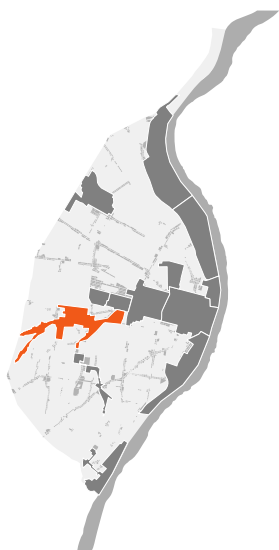
**Challenging** because it is convenient to live, with good housing stock and access to resources, but housing costs increase while wages do not.

**Changing** because of lots of renovation and commercial investment.

**Nice** because of food and daytime stuff.

**Residential** because of the amount of homes and relative lack of access to public transit.

Source: July Open House public input



District Profile	
Size (acres)	1,270
Employees	10,300
Job Density	8.1
% Industrial (acres)	32%
% Vacant (acres)	4%
Number of Businesses	740
Largest Employment Clusters	
Clusters	Employees
Transportation, Distribution, and Logistics	1,900
Chemicals and Metals	1,300
Real Estate, Construction, and Development	1,100
Tourism	930
Food and Beverage Manufacturing	810
Largest Businesses	
Cielo LLC	
Willert Home Products Inc.	
Catering St. Louis Inc	
Weissman's Designs For Dance	
Daniel & Henry Co.	
Tech Electronics Inc.	
Humane Society Of Missouri	
Noteworthy	
<ul style="list-style-type: none"> <li>The Route 66 Area employment center is surrounded by dense residential neighborhoods south of Forest Park and west of Tower Grove Park.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio







Figure R66-1. Route 66 Area aerial map

# SOUTH ST. LOUIS

## “I would describe South St. Louis as...”

**Booming** because it is vibrant, diverse, densely populated, and full of delicious food.

**Diverse** because it has a variety of restaurant/bar, entertainment, and recreation options

**Diverse** because there are lots of immigrants, Black, White, Asian, etc. I love it! Feels like a big city.

**Great** because it has a good mix of diversity of people and income.

**Great** because it's walkable.

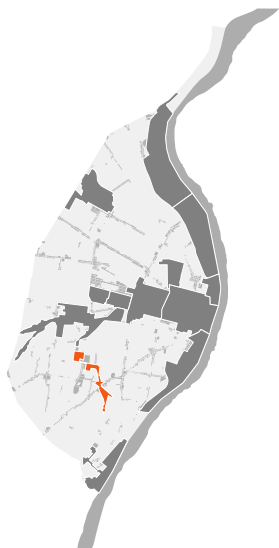
**International** because of all the people I meet and work with that are from various other countries and cannot speak the prominent language of the states.

**Stable** because there is new investment and business growth in pockets around my neighborhood.

**Vibrant** because it's diverse, foodie, active, mixed income and affordable.

**Vibrant** because of the walkability and diversity of people, thought, and businesses.

Source: July Open House public input



District Profile	
Size (acres)	300
Employees	1,400
Job Density	4.5
% Industrial (acres)	56%
% Vacant (acres)	10%
Number of Businesses	90
Largest Employment Clusters	
Clusters	Employees
Real Estate, Construction, and Development	330
Chemicals and Metals	260
Transportation, Distribution, and Logistics	210
Food and Beverage Manufacturing	90
Downstream Metal Products	80
Largest Businesses	
GMP Metal Products Co.	
David Sherman Inc.	
Guarantee Electrical Co.	
Lyon Sheet Metal Works	
Precoat Metals	
Noteworthy	
<ul style="list-style-type: none"> <li>• South St. Louis is located just south of Tower Grove Park and includes a few of the city's main commercial corridors, including Kingshighway, Gravois Avenue, and Chippewa Street.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio







Figure R66-2. South St. Louis aerial map

## Strategies and Action Items

### Strategy 1

### Improve Manchester and targeted cross streets as front doors to Route 66

Both employment centers are irregular, following freight rail lines and are accessed from many cross streets. Manchester Avenue is the one exception in Route 66 that provides access across many different industrial and commercial sites across the employment center. To make a good first impression, “front door” improvements should be focused on Manchester Avenue, which will help to connect to the energy along the Grove. The opportunities include wayfinding, façade improvements, public art and greening along the excess space adjacent to the rail.

Action Item #: <u>R66-1.1</u>	Develop design strategies and an action plan for Manchester Ave.
Leader	Park Central
Potential Partners	Planning & Urban Design Agency, SLDC
Start Time	Year 2
Duration	2 years
Effort to Implement	Medium
Potential Funding	Local aldermen, SLDC
Goal/s	Completed improvement plan
Tracking Progress	Total public and private investment along Manchester
Action Item #: <u>R66-1.2</u>	Activate blank façades along Manchester
Leader	SLDC
Potential Partners	Regional Arts Commission, arts organizations, local businesses, SLDC
Start Time	Year 2
Duration	2 years
Effort to Implement	Medium
Potential Funding	Arts grant, business contributions
Goal/s	New, visible public art
Tracking Progress	Installed art locations, façade-improved storefront locations

#### PRECEDENT

##### STOREFRONT MURAL

San Francisco, CA



Minnesota Street Project  
<https://www.properhotel.com/hotels/san-francisco/neighborhood/proper-culture/minnesota-street-project/>




**Strategy  
2**

**Integrate new signage to promote each district**


These legacy industrial and commercial districts are difficult to define. Unlike the North Riverfront or Downtown, they lack a clearly identifiable geography and are often overlooked. The names themselves – Route 66 and South St. Louis – emerged during this project, as they did not have recognized designations. To help signal to the market that these are working industrial and commercial areas that offer opportunities for business growth, new wayfinding is necessary to help brand and promote local businesses.


Action Item #: <u>R66-2.1</u>	Contract for wayfinding design services
Leader	SLDC
Potential Partners	City
Start Time	Year 2
Duration	2 years
Effort to Implement	Medium
Potential Funding	Local aldermen, SLDC
Goal/s	Completed wayfinding and branding action plan
Tracking Progress	Coordinate with design strategies and action plans

**PRECEDENT**


**WAYFINDING** 

Melbourne, Australia





Metropolitan Fire Brigade  
[https://drivenxdesign.com/mel14/project.asp?ID=13619&Category\\_ID=5989](https://drivenxdesign.com/mel14/project.asp?ID=13619&Category_ID=5989) 

**PRECEDENT**

**WAYFINDING** 

New York, NY



New York Numbers  
<https://www.instagram.com/p/1eodTEpyEk/> 



**Strategy 3 Improve key intersections**

Due to the close proximity of homes and industrial and commercial businesses, the streets are serving many demands from pedestrian crossing to truck traffic. Intersections are key pinch points that bring all of these demands together. Priority intersections include:

**Route 66**

- › Kingshighway & Shaw
- › Manchester & Macklind
- › Manchester & S Kingshighway
- › S Vandeventer & Tower Grove
- › S Vandeventer & Chouteau

**South St. Louis**

(This area is tightly surrounded by residential uses so there are many entry points and key intersections.)

- › Kemper & S Kingshighway
- › Fyler & Morganford
- › Fairview & Morganford
- › Maury & Oleatha
- › Alfred & Oleatha
- › Meramec & Chippewa
- › Chippewa, Grand, & Gravois
- › Bingham & Gustine
- › Itaska & Gustine

Action Item #: <u>R66-3.1</u>	Identify and design improvements for key intersections around Route 66 and South St. Louis
Leader	City
Potential Partners	Local businesses and residents, SLDC
Start Time	TBD
Duration	3-5 years
Effort to Implement	High
Potential Funding	City
Goal/s	Targeted intersection improvements
Tracking Progress	Total public and private investment for each intersection



Manchester & S Kingshighway



Chippewa & Gravois



**Strategy  
4**

**Assemble and market key sites for industrial development**

There are 25 opportunity sites within the Route 66 and South St. Louis employment centers. Only 6 of these sites are between 5 and 10 acres. Except for one publicly-owned site in Route 66, all of the acquisition and assembly will be through private owners.

Action Item #: <u>R66-4.1</u>	Conduct research and preliminary outreach on parcels and parcel owners within potential assemblies to assess viability, timing, and necessary actions to help enable site development
Leader	SLDC
Potential Partners	Planning & Urban Design Agency, Port Authority
Start Time	Year 1
Duration	1 year
Effort to Implement	Medium
Potential Funding	TBD
Goal/s	Collect necessary information to make decision on go/no-go for site assembly and take steps towards supporting development (e.g., parcel acquisition, release of competitive land assembly RFP)
Tracking Progress	Number of new businesses, total number of employees, amount invested

**Strategy  
5**

**Protect industrial use**

Both employment centers are comprised of smaller districts stretched around rail and major roads. Some of these subdistricts are commercial in use, some include concentrations of automobile-oriented retail. Others are clearly industrial in nature. To ensure these industrial pockets remain dedicated to non-retail business, seek zoning protections to limit non-industrial uses. As shown in the accompanying map, these areas include: Vandeventer west to Hampton Avenue and between I-44 and the rail in Route 66; and three locations in South St. Louis – 2 on either side of Chippewa and one to the west of S. Kingshighway Blvd.

Action Item #: <u>R66-5.1</u>	Change zoning to protect select industrial pockets of activity
Leader	City
Potential Partners	Local businesses, SLDC
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	Aldermen
Goal/s	Rezoning
Tracking Progress	Zoning update

# Route 66 Area Potential Strategy

Source: Interface Studio, Mass Economics,  
City of St. Louis

- Boundary
- Rail
- Protected Industrial Use Area


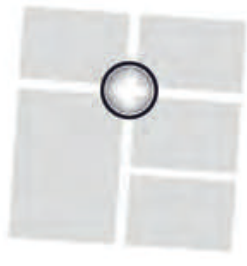


Figure R66-3. Route 66 Area potential strategy




**Potential Opportunity & Investment**

Assemble land for potential development on a collection of multiple parcels that are currently vacant and/or underutilized.

**Intersection Upgrade**

Intersections are upgraded with crosswalks and entryway signage.




**Front Door**

Front Door functions as main entrance to a district. Potential improvements include lighting, wayfinding, streetscape, façade improvements, landscaping and street surface upgrades.

**Figure R66-4.** Proposed improvements in Route 66 Area



# South St. Louis Potential Strategy

Source: Interface Studio, Mass Economics, City of St. Louis

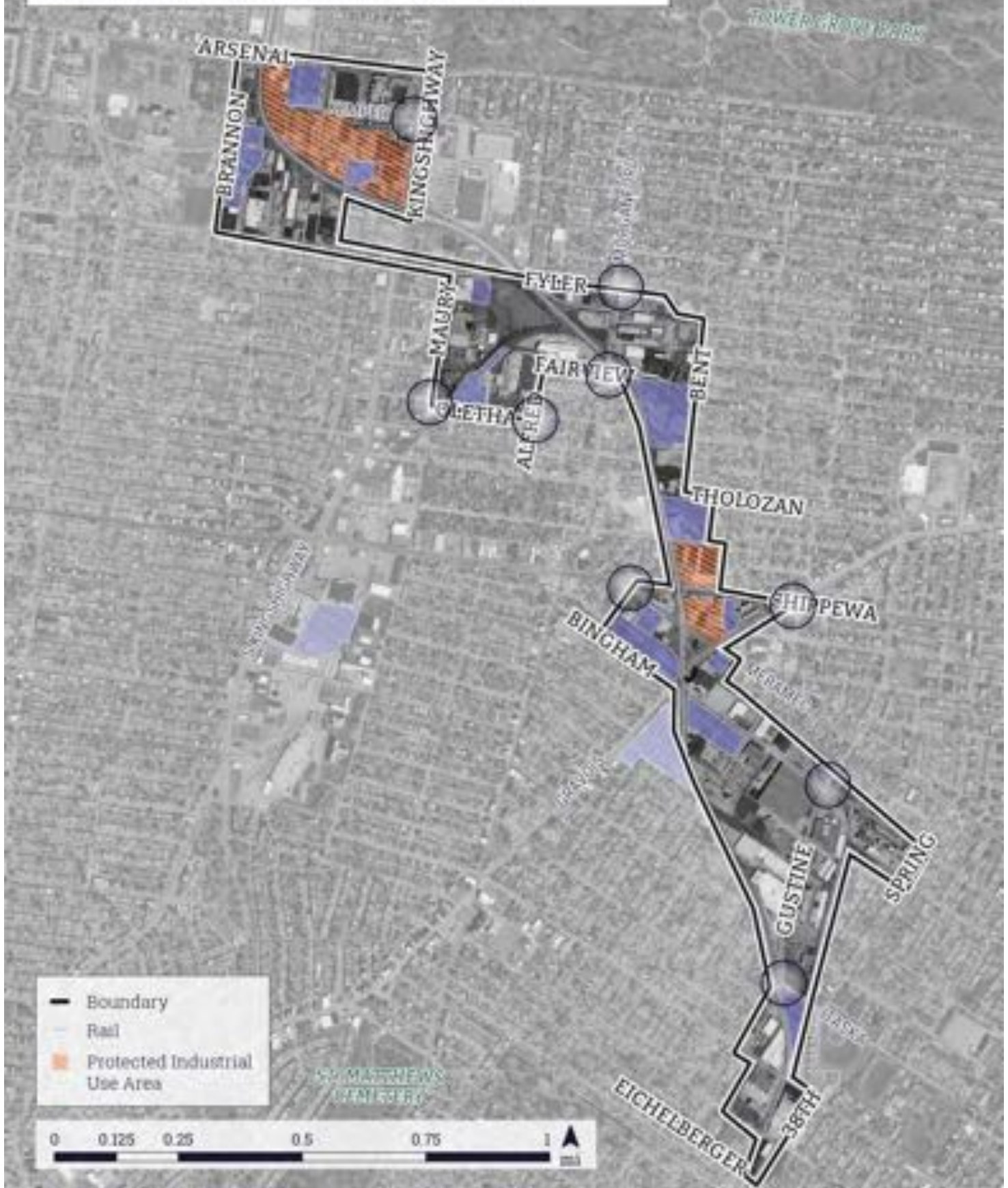


Figure R66-5. South St. Louis potential strategy

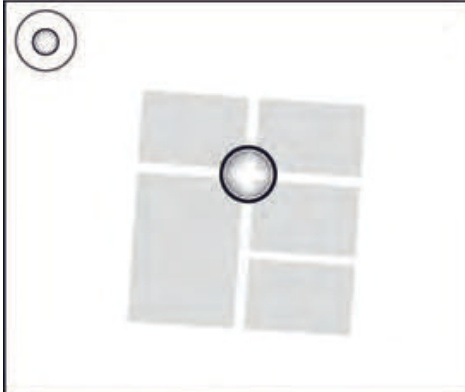




The diagram shows a grid of four rectangular parcels. A central intersection is highlighted with a white circle containing a black exclamation mark. A small square icon in a circle is located in the top-left corner of the diagram area.

**Potential Opportunity & Investment**

Assemble land for potential development on a collection of multiple parcels that are currently vacant and/or underutilized.



The diagram shows a grid of four rectangular parcels. A central intersection is highlighted with a white circle containing a black dot. A small circle icon in a circle is located in the top-left corner of the diagram area.

**Intersection Upgrade**

Intersections are upgraded with crosswalks and entryway signage.

**Figure R66-6.** Proposed improvements in South St. Louis

# EMPLOYMENT CENTERS

## *SOUTH RIVERFRONT / KOSCIUSKO*

### Overview

The South Riverfront and Kosciusko employment center is located south of the Downtown Core and is bounded by Mississippi River, Dakota Street, Chouteau Avenue, Broadway, and Interstate 55 and 44. 52% of the land is used as industrial and 10% of the area's land is identified as vacant. The area is known as the home to Anheuser-Busch, which occupies a large concentration of land. The district includes additional corporate campuses including Millipore-Sigma, as well as the existing NGA site. The move of NGA to a site in North St. Louis will almost certainly mean a decline in employment along the South Riverfront.

South Riverfront and Kosciusko is 1,130 acres and includes 6,200 employees.<sup>30</sup> This area has the highest job density (5.5 jobs/acre) of riverfront employment centers but this number remains low for comparable industrial districts across the country. Food and beverage processing and manufacturing and TDL are key industries, but there remains some vacancy that could be redeveloped to support expansion of industrial and commercial activities.

<sup>30</sup> YTS data; QCEW-UDP; Mass Economics Analysis, 2019

### District Vision

South Riverfront and Kosciusko will build on its legacy of food manufacturing businesses and proximity to Soulard Market to become the city's capital of food and beverage manufacturing. Freight rail and port facilities will continue to make the South Riverfront attractive for transportation, logistics, and distribution (TDL) and the area will continue to expand jobs in local construction and business services. S. Broadway between Geyer and Miller Streets is an excellent location for smaller commercial and industrial businesses, as well as retail and restaurants to serve local employees and residents. Investment in this area will help to provide job and business opportunities for the adjacent Dutchtown community that suffers from high poverty and unemployment rates.

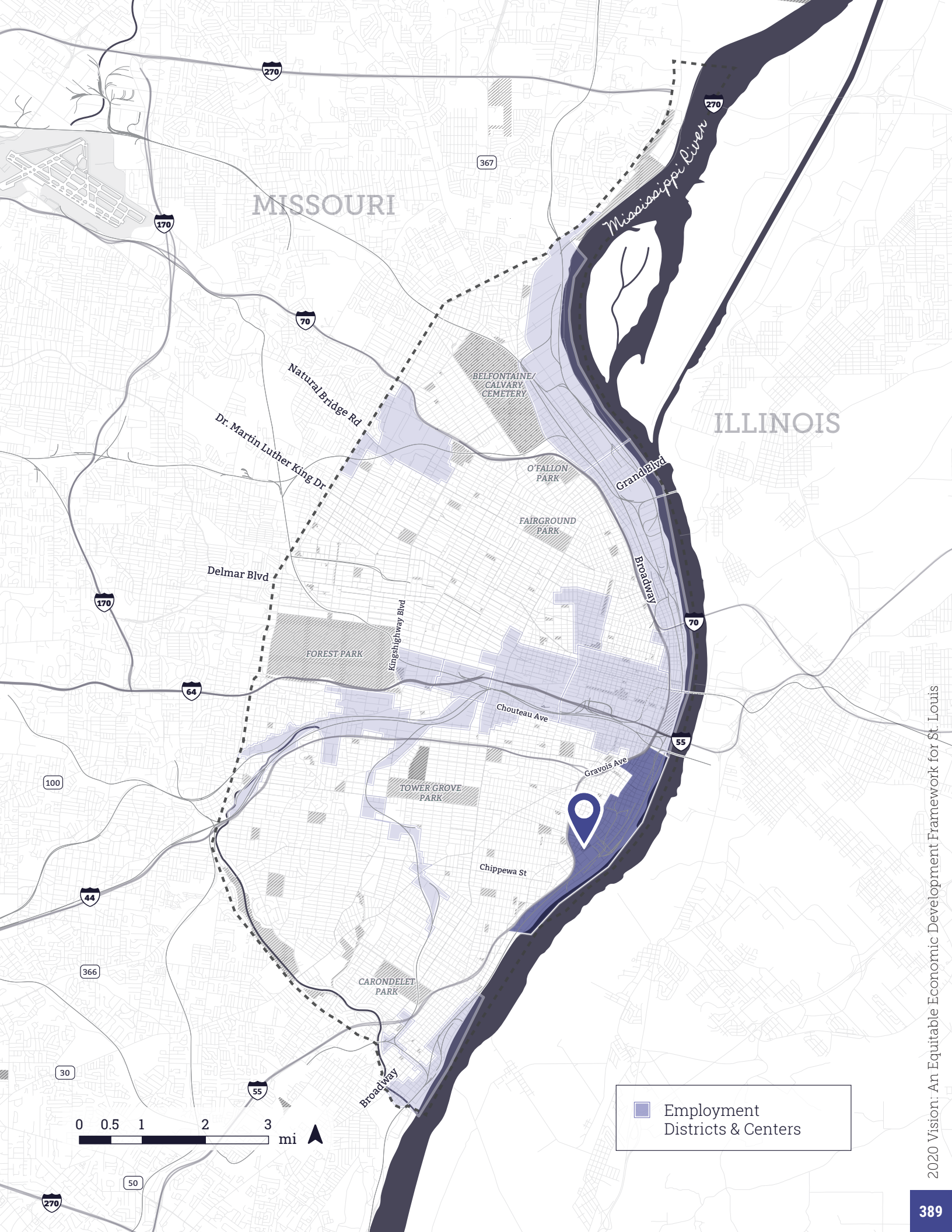


Budwesier on S Broadway



Kinder Morgan DCS on 1st Street





Employment Districts & Centers

# SOUTH RIVERFRONT/KOSCIUSKO

## “I would describe South Riverfront/Kosciusko as...”

**Friendly** because of the park and families/housing.

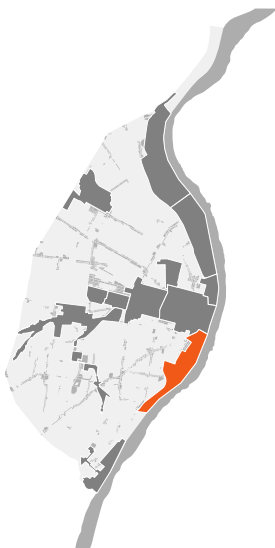
**Industrial** because of the railroad and industry.

**Intimidating** because there is so much vacant and abandoned property that is not being maintained.

**Surprising** because it seems like so much good is hidden in this district amidst the “working” industrial portion.

**Vacant** because there are too many vacant properties.

Source: July Open House public input



District Profile	
Size (acres)	1,130
Employees	6,200
Job Density	5.5
% Industrial (acres)	52%
% Vacant (acres)	10%
Number of Businesses	130
Largest Employment Clusters	
Clusters	Employees
Food and Beverage Manufacturing	2,200
Transportation, Distribution, and Logistics	1,400
Business and Financial Services	820
Local Commercial Services	470
Real Estate, Construction, and Development	390
Largest Businesses	
Anheuser-Busch (Budweiser Plant)	
YRC Freight	
Nooter Construction Co.	
Metal Container Corp.	
Patty Long Catering Inc.	
Clean The Uniform Co.	
Noteworthy	
<ul style="list-style-type: none"> <li>• Approximately 40% of the jobs in the top clusters (except Business Services) are available to residents with a high school diploma or less.</li> <li>• Over 50% of the primary jobs (except Business Services) require only limited on-the-job-training and approximately 90% of the jobs do not require prior experience in that field.</li> <li>• The South Riverfront has a very low job density of about 4 jobs per acre and thousands of jobs are about to relocate to the new NGA facility in North St. Louis.</li> </ul>	

Source: YTS data; QCEW-UDP; Mass Economics, Interface Studio







Figure SRK-1. South Riverfront/Kosciusko aerial map

## Strategies and Action Items

### **Strategy 1** Improve South Broadway and targeted cross streets as front doors to the districts

To help attract private investment and employees, it is important that the South Riverfront presents a good first impression. Front door improvements should be focused on S. Broadway/7th Blvd. and target east-west connector streets. The opportunities include: additional greening, lighting and façade improvements along S. Broadway; landscaping and tree plantings on primary neighborhood connector streets; and wayfinding in critical locations to further brand the district and promote local businesses. Improved crossings and signage at Soulard Market are particularly important to help establish stronger connections to the area’s wholesalers that are sometimes open to the public.

Action Item #: <u>SRK-1.1</u>	Revisit and expand the action plan for S. Broadway and identify locations for wayfinding and tree plantings on other front door streets
Leader	Board of Public Service
Potential Partners	Planning & Urban Design Agency, SLDC
Start Time	Year 2
Duration	2 years
Effort to Implement	Medium
Potential Funding	Local aldermen, SLDC
Goal/s	Completed action / improvement plan
Tracking Progress	Total public and private investment along each corridor



S Broadway vacant storefronts



Soulard Farmers Market



**Strategy  
2**

**Assemble & market key sites for industrial development**

There are 15 opportunity sites within South Riverfront & Kosciusko. Only 3 of these sites are over 10 acres but this does not include potential future opportunities with respect to the NGA campus which is under federal authority. There are no publicly-owned sites in this center.

Action Item #: <u>SRK-2.1</u>	Conduct research and preliminary outreach on parcels and parcel owners within potential assemblies to assess viability, timing, and necessary actions to help enable site development
Leader	SLDC
Potential Partners	Planning & Urban Design Agency, Port Authority
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	N/A
Goal/s	Collect necessary information to make decision on go/no-go for site assembly and take steps towards supporting development (e.g., parcel acquisition, release of competitive land assembly RFP)
Tracking Progress	Number of new businesses, total number of employees, amount invested

**Strategy  
3**

**Create a local business association**

Due to freight rail and some large campuses, the South Riverfront is fragmented. However, as expressed by the district's business owners, there are common challenges including blight, aging infrastructure, and employee attraction.<sup>31</sup> A local business association would help to coordinate and prioritize local needs and advocate for the district with one voice. Completing a redevelopment plan for South Riverfront is the opportunity to engage and recruit key business and property owners to the table as a more formally connected association. The association should meet quarterly and establish a primary point of contact with SLDC, local aldermen and partners.

Action Item #: <u>SRK-3.1</u>	Develop clear roles and a responsibilities checklist for a business association
Leader	SLDC
Potential Partners	TBD
Start Time	Year 1
Duration	1 year
Effort to Implement	Medium
Potential Funding	N/A
Goal/s	Empower a local group of business and property owners to partner with SLDC
Tracking Progress	Updated list of property owners and businesses

31 Project interviews and roundtables

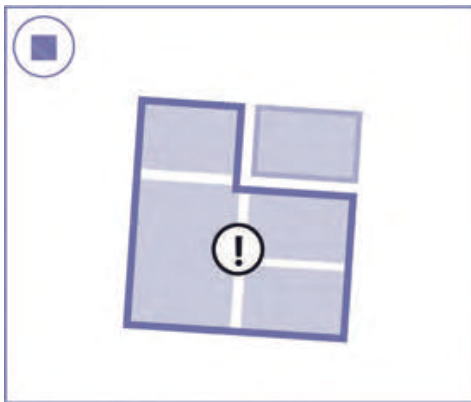
# South Riverfront / Kosciusko Potential Strategy

Source: Interface Studio, Mass Economics, City of St. Louis



Figure SRK-2. South Riverfront/Kosciusko potential strategy





### Potential Opportunity & Investment

Assemble land for potential development on a collection of multiple parcels that are currently vacant and/or underutilized.



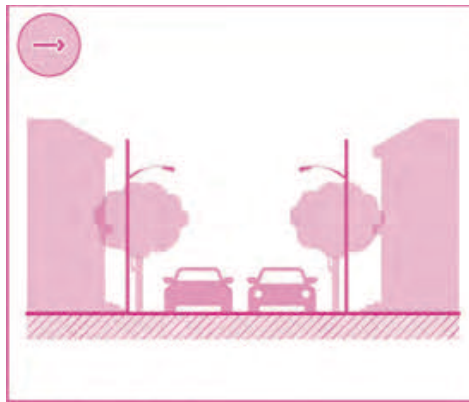
### Front Door

Front Door functions as main entrance to a district. Potential improvements include lighting, wayfinding, streetscape, façade improvements, landscaping and street surface upgrades.



### Access Street

Access Streets are intended to serve the needs of existing and new businesses and designed to accommodate truck access.



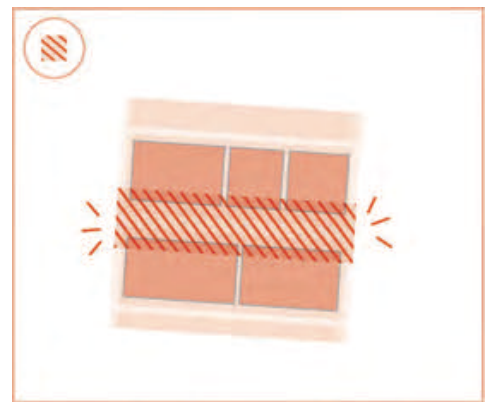
### Neighborhood Connector

Designed to establish clear connections between employment districts and adjacent neighborhoods. Potential improvements include wayfinding and landscaping.



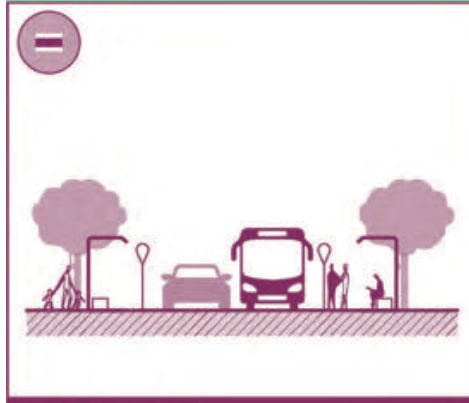
### Green Buffer

Green Buffers provide a landscaped separation between industrial uses, rail or highways and nearby neighborhoods.



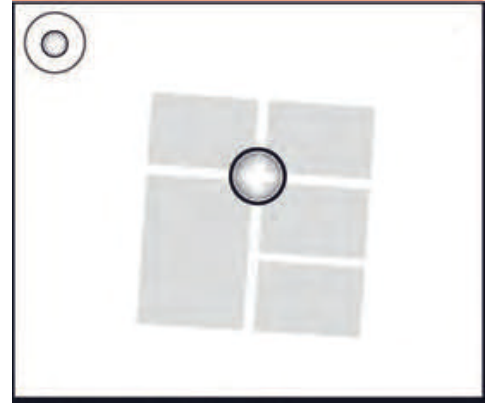
### Supporting Commercial Corridor

Support and enhance the existing commercial activity through branding, signage, marketing and streetscaping.



### Multi-modal (e.g. MetroLink Expansion)

Multi-modal streets are designed to support multi-modal transportation and transit.



### Intersection Upgrade

Intersections are upgraded with crosswalks and entryway signage.

Figure SRK-3. Proposed improvements in South Riverfront/Kosciusko

# COMMERCIAL CORRIDORS

## Overview

“Commercial corridors” refer to places of commerce and employment that extend multiple blocks and serve local neighborhood and/or regional shopping and service needs outside of larger employment districts and centers. These corridors have been identified through multiple information sources, including the St. Louis Strategic Land Use Plan, citywide land use maps, employment data, and local knowledge from multiple stakeholders. For this plan, commercial corridors are defined as commercial or mixed-use blocks that are not located within a larger employment districts and centers.

A series of analyses were designed to measure each corridor’s character, its commercial strength, and its potential for future commercial development. These analyses were combined to produce a measure of the ease with which commercial development could occur on commercial corridors, which is the basis for this section’s recommendations. Based on these analyses, a composite score was developed. This score is not intended to indicate where commercial development should and should not happen – those decisions must take into account additional information about local goals, context, and capacity.

Data for corridors were collected for the smallest unit of analysis possible, city blocks, which are demarcated according to intersections and street centerlines. Performing this analysis at the block level allows for the recombination of blocks into customized corridors, a capability that may be desirable in a city where some commercial corridors extend across the entire city and intersect with multiple other corridors along the way.

Two opposing factors shape the commercial corridor analyses and recommendations. Commercial activity cannot be supported at the level it was when St. Louis’s population was at its peak. However, the health of commercial corridors across the city is critical to the health of city neighborhoods. Some commercial corridors remain retail and restaurant hubs, but others are struggling due to the loss of jobs and population over many decades. Remaining stores and restaurants are often times proximate to empty buildings or land that discourage customers and new investment. These challenges are compounded by the shifting nature of retail activity in the United States, which has shed and is continuing to shed significant bricks-and-mortar investments. Despite all of these factors, there are opportunities to reinvest in these important corridors and good work is in place to address many of the challenges commercial corridors face across the City. The St. Louis Vacancy Collaborative’s 2019-2021 Workplan includes actions to build local capacity and plan for alternative uses for long-vacant property, which is so critical to stabilizing commercial corridors. In addition, the Community Builders Network organized a St. Louis Commercial District Coalition to “share best practices, collaborate and build exposure” for diverse commercial districts across the city. These efforts are important to expand and build upon.

Given the need to upgrade corridors to better serve local neighborhoods and provide business and job opportunities for residents, the city needs to be strategic about how to guide positive change along all corridors in the city and how to measure that change. This framework has developed a process to help identify and measure key characteristics along all commercial corridors in the city. It is a critical step toward understanding how to strategically deploy resources either to improve a corridor that is a shell of its former self or in helping to support small businesses in areas that are just beginning to see investment. A description of the methodology is included below, and this data work should be updated annually to measure progress and guide conversations about potential commercial corridor improvements.

Four measures make up the commercial corridor analysis presented in this plan: corridor character, commercial strength, commercial potential, and a combined commercial strength and potential score. The analysis identifies corridors across the city, including those that have experienced disinvestment, as opportunities for improvement and commercial activity. For instance, S. Grand Boulevard, Virginia Avenue, Chippewa Street and Meramec Street are all identified opportunities that with further improvement can support revitalization efforts in the Dutchtown community. Similarly, parts of N Florissant Avenue, Delmar Boulevard and Dr. Martin Luther King Drive are identified as opportunities in North St. Louis. Improvements to these major historical corridors will support many communities, including Old North St. Louis, The Ville, Kingsway East, and others that are located adjacent to these corridors.

# Employment Districts & Centers & Commercial Corridors

Source: Interface Studio, 2019.

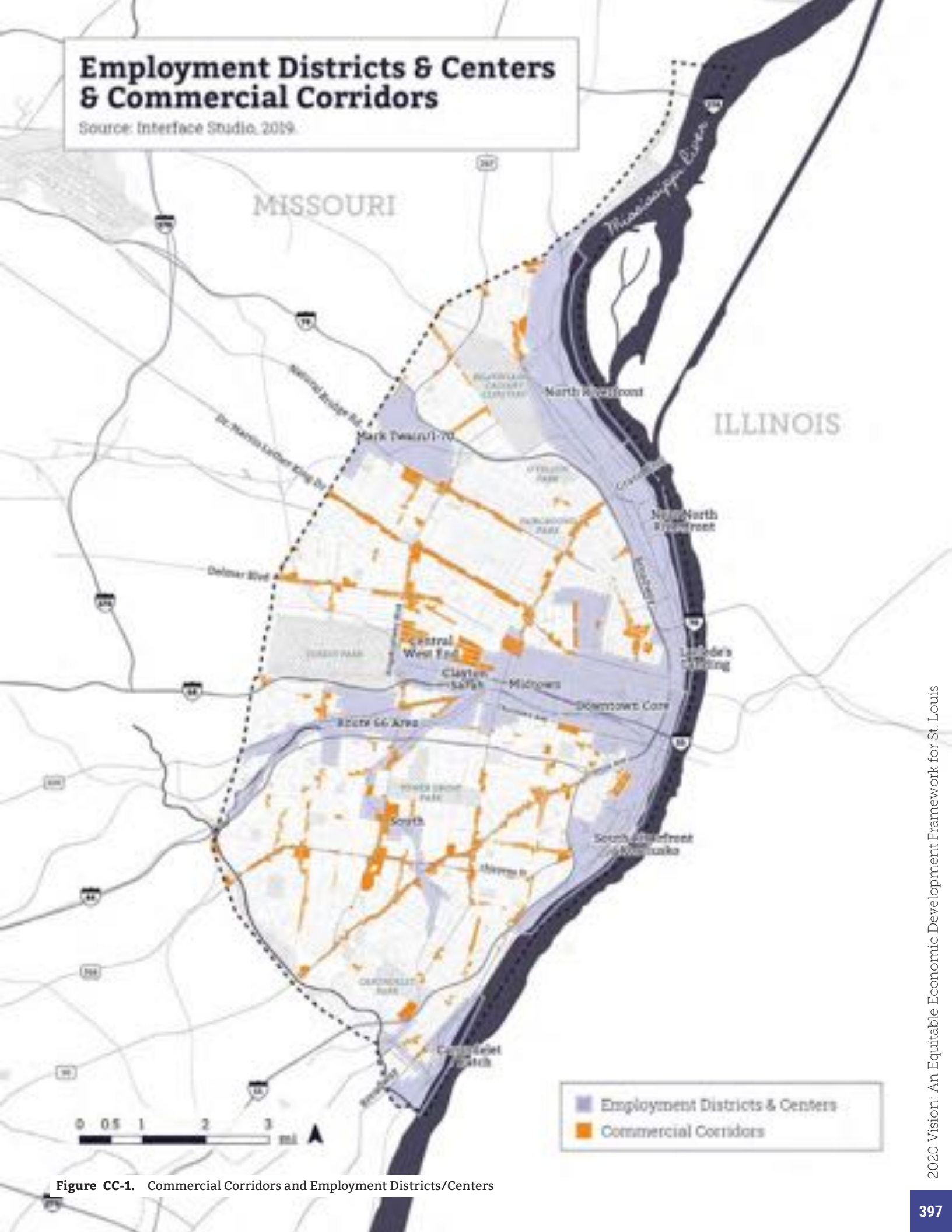


Figure CC-1. Commercial Corridors and Employment Districts/Centers



**A SERIES OF ANALYSES WERE DESIGNED TO MEASURE EACH CORRIDOR'S CHARACTER, ITS COMMERCIAL STRENGTH, AND ITS POTENTIAL FOR FUTURE COMMERCIAL DEVELOPMENT.**

### **Corridor Character**

Corridor character refers to whether a corridor is neighborhood-oriented or automobile-oriented. These terms are defined in reference to the design elements that make up the corridor, rather than to the particular commercial offerings. Neighborhood-oriented corridors are generally designed for walking; they include smaller buildings, more storefronts, and small building setbacks. Automobile-oriented corridors are designed primarily for cars; they feature large setbacks, larger commercial uses, and large surface parking areas.

This "corridor character" measure is made up of both quantitative and qualitative components. The quantitative measure is the average parcel size within each commercial block, where average sizes less than 0.4 acres are considered more likely neighborhood-oriented and average sizes greater than 0.4 acres are more likely automobile-oriented. This quantitative measure is combined with a qualitative assessment of on-the-ground conditions to confirm block designations. This allows for local knowledge to influence corridor designations, as parcel size alone cannot be considered an adequate measure.

The corridor character assessment is important, as it helps to contextualize the analyses that follow and explain the particular types of market potential that each corridor might have. Automobile-oriented corridors are suited to businesses that cater to pass-through traffic and become a destination when developments are large enough to include a major use like a grocery. Neighborhood-oriented commercial corridors, in contrast, often serve nearby residential areas and may become popular to outsiders due to destination retail or food options. There are examples of both walkable and auto-oriented commercial corridors across the City.



A neighborhood-serving business on Florissant Ave.



**CORRIDORS *within***  
EMPLOYMENT DISTRICTS



Viability tied to the health of the overall District

**CORRIDORS *adjacent to***  
EMPLOYMENT DISTRICTS



**Stand-Alone**  
**CORRIDORS**



**Auto-Oriented**

- Primary Drivers:
- Average Daily Traffic
  - Parcel Size
  - Proximity to Employment
  - Visibility
  - Competition



**Neighborhood-Serving**

- Primary Drivers:
- Character
  - Density
  - Housing Development
  - Walkability



Auto-oriented businesses on Broadway (left) and Gravois (right)

## COMMERCIAL CORRIDORS IN ST. LOUIS ARE THE FRONT DOORS FOR THE CITY'S COMMUNITIES.

### Commercial Strength Score

For this analysis, a commercial corridor is considered “strong” if it has low vacancy and either a high number of occupancy permits for retail/food service businesses or a high number of employees per acre relative to other corridors in the City. Vacancy was scored based on the proportion of parcels within each block that were vacant land or buildings. Employees per acre was calculated according to data on the number of employees reported to work at firms within 25 feet of a block.<sup>32</sup> Occupancy permits for food service or retail businesses were counted from 2015 to 2018.

Vacancy data are considered a high-quality indicator of commercial corridor health across all contexts; however, data on employees per acre and occupancy permits were also used to measure activity in different locations. The decision to score corridors based on either employees per acre or occupancy permits ensured that corridors would not be misrepresented by vacancy data alone. For instance, if a corridor has limited food and retail establishments but is close to an employment district or center and/or ongoing community revitalization initiatives, the data analysis would appropriately identify it as an area of relative strength.

---

<sup>32</sup> YTS, 2018

### Commercial Potential Score

For this analysis, a corridor is considered to have “commercial potential” if the community within a 10-minute walk has either high numbers of building permits for new construction or high-income density. Building permits for new construction were counted from 2015 to 2018. “Income density” is a combined measure of population density and median income that seeks to measure the spending potential of a community based upon the density and income of families living nearby. Both measures were calculated for the area within a 10-minute walk of every commercial corridor block.

To measure the potential of corridors for new commercial development, corridors were given the higher or two scores that were calculated for each: a score of all residential building permits since 2015 within a 10-minute walk of every commercial corridor or a score of income density within a 10-minute walk of every corridor.

Each of these data points seeks to call out different types of areas where there may be potential for commercial corridor development. Income density identifies neighborhoods that already have some level of stability and spending power, while the building permit measure will call out areas where there is a significant amount of new residential growth – where new affordable housing, community initiatives, or private investment is taking hold – regardless of population density or median income. By scoring blocks on whichever measure they perform better, this analysis results in potential growth opportunities in many different parts of the city including portions of Natural Bridge Avenue, Dr. Martin Luther King Drive, Delmar Boulevard, North Grand Avenue, and Gravois Avenue, among others.

# HOW ARE THE SCORES PUT TOGETHER?

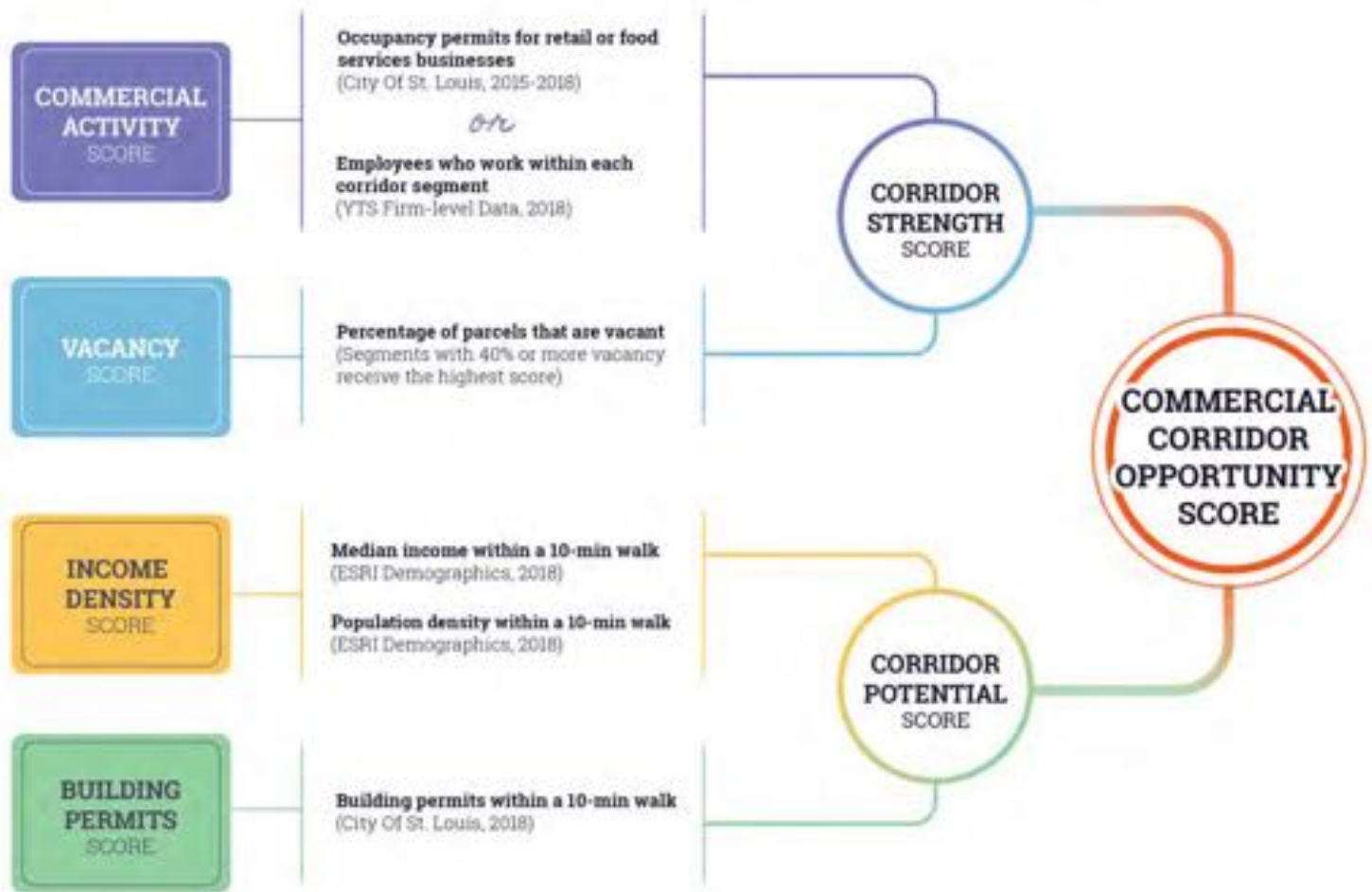


Figure CC-2. Commercial score calculation process

### Commercial Strength and Potential Score

The final measure of commercial strength and potential combines the two previous scores to understand whether corridors are strong, have commercial potential, both, or neither. The outcome of this analysis is intended to help guide further planning and future investment. As a framework, it is flexible and must be adjusted for characteristics that are harder to measure, like local capacity. For instance, it will be more difficult to bring new commercial development and services to areas of low commercial strength and potential, but this does not mean these corridors are not worthy of investment. The goal should be to work

with residents to develop a vision and action plan that will better enable these corridors to serve adjacent neighborhoods better than they do currently. With sustained action, the scoring for specific corridors will change, and local planning and investment should change accordingly.

The opportunity score can be used to help align the needs of different corridors with the right menu of improvements. Traditionally, commercial corridor improvements include planning and research, management, infrastructure and development. Not all types of activities and improvements are relevant for each corridor. A corridor with a lot of vacancy may indeed need some market research to determine what kinds of uses are possible but likely does not need parking management which is more often an issue for corridors with a lot of existing commercial activity. The opportunity score, along with an understanding of local capacity and ongoing or proposed investment, was used to identify four general types of commercial corridors in the City:



Figure CC-3. Commercial Corridor improvements



- › **Transform** – corridors that have experienced some of the most difficult challenges to quickly overcome. They are characterized by extremely high vacancy rates and with very little recent investment taking place in surrounding communities. These corridors are an opportunity to consider a wider range of activities from community greening and gardening to new housing. To help determine the specific vision, each is in need of specific corridor planning with local leadership and should seek to access city tools and services, including rezoning, land assembly, blight removal and cleaning.
  
- › **Stabilize** – corridors that have some existing commercial activity and serve nearby residents but also suffer from empty land and buildings. The need in these locations is to stabilize the commercial activity such that further vacancy and store closures can be prevented. New uses should be considered for empty commercial spaces including small offices and new small businesses. These corridors need a range of activities including cleaning and greening, market research, retail assistance (including merchandising and business planning for existing businesses), property improvements (façade grants and signage), infrastructure upgrades for sidewalks and crosswalks where appropriate, potential public art and land assembly for potential future development.

- › **Grow** – corridors that are beginning to see investment but additional assistance is needed to maximize this interest and provide opportunities for MWBE and small businesses. For instance, S. Grand Boulevard and Cherokee Street are already hubs for minority-owned businesses. The provided opportunities, which can spur more activities, can support and grow these areas. These corridors would benefit from the activities identified above along stabilize corridors but also demonstrate opportunities for new development. Incentives for new investment and development are necessary in these areas and added investment in streetscape design, marketing and tenant attraction is warranted.
  
- › **Preserve** – corridors that represent the strongest commercial and retail areas of the City. The intent is to ensure they remain strong locations for this activity. Some of these corridors are large enough to consider a CID management structure similar to the corridors that have already taken this step. Continued investments in infrastructure and streetscape will help these corridors to retain their businesses and attract customers.

## Vision

There is no one vision for commercial corridors across the city, as each corridor has its own history, personality, and current needs. The commercial corridors in St. Louis are the front doors for the city's communities. As such, they need creative strategies that support the needs of nearby communities and provide job opportunities for residents. Commercial corridors should indeed remain central to providing a home for locally-serving retail and commercial services where possible. However, these corridors should also showcase the creativity and resolve of the city and its residents by providing locations for greening, stormwater management, community gardening, community uses, new housing, and small offices that provide a range of job opportunities in the city. Commercial corridor revitalization can also be aided by attraction of second-stage and other small- and mid-sized businesses, which add to foot traffic and consumer activity during day-time hours. A menu of potential improvements will be tailored to the needs of each corridor through the assistance of nearby neighborhood leaders and business owners.

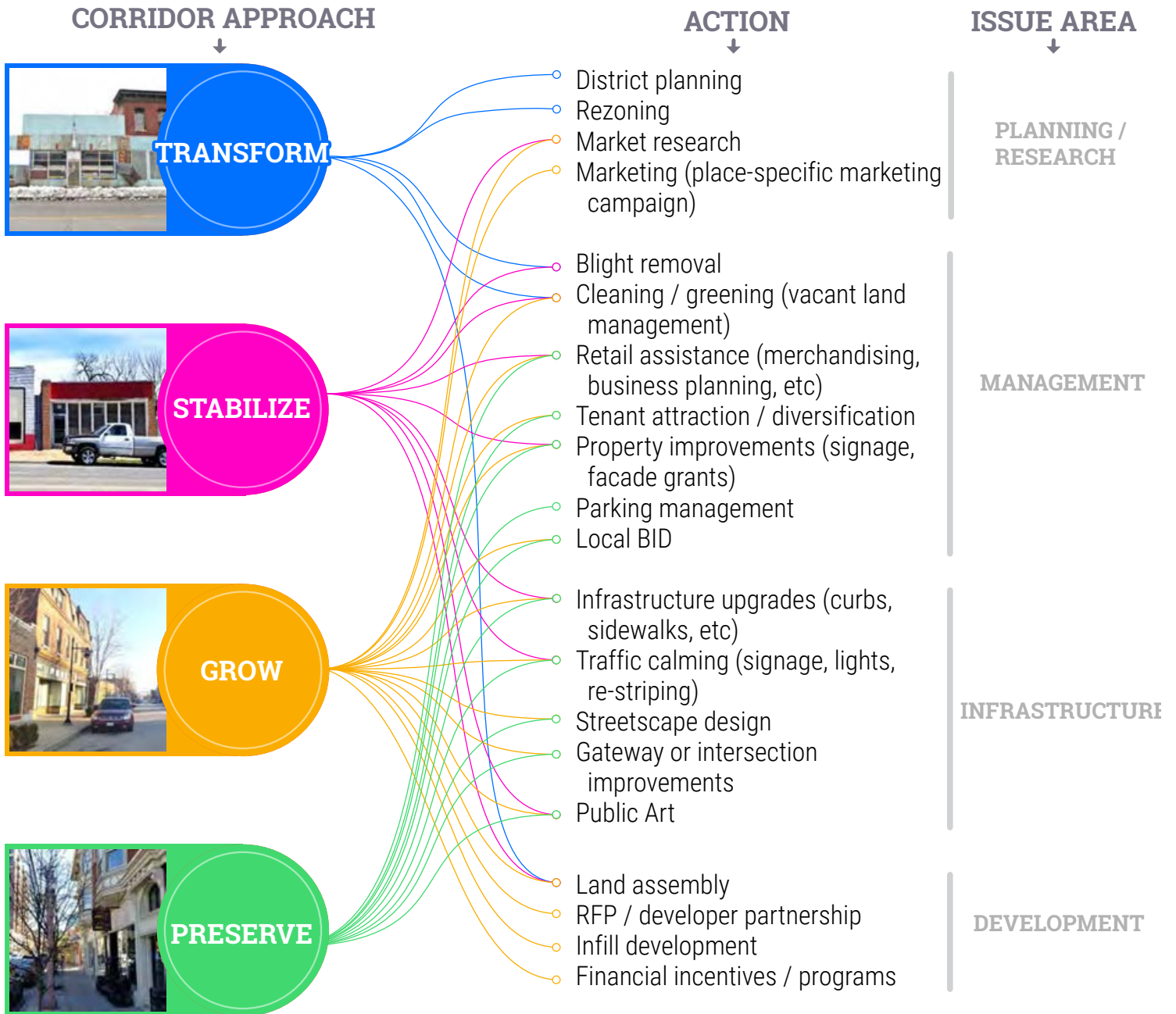


Figure CC-4. List of actions by Commercial Corridor type

## Strategies and Action Items

**Strategy 1** **Annually measure the health of commercial corridors across all St. Louis neighborhoods**

The data analysis undertaken to provide a picture of conditions along commercial corridors is not, and should not, be a one-time undertaking. Planning, improvements and private investments will change the character of different corridors. To ensure strategies are aligned with the needs and condition of commercial corridors, an annual data update is necessary. The main changes in the composite score described above should be clearly identified and discussed in an annual St. Louis commercial corridor summary.

Action Item #: <u>CC-1.1</u>	Undertake an annual commercial corridor data analysis and track conditions over time
Leader	Commercial District Managers, SLDC
Potential Partners	Commercial District Coalition, Planning & Urban Design Agency, Vacancy Collaborative, local CDCs
Start Time	Year 1
Duration	1 year
Effort to Implement	Low
Potential Funding	SLDC, Planning & Urban Design Agency
Goal/s	Annual commercial corridor update, coordinate findings with the new retail expert at SLDC
Tracking Progress	Updated commercial corridor analysis

**Strategy  
2**
**Create a new Main Streets initiative**

Successful commercial corridor programs in cities of all types rely on effective corridor management either through a high-capacity neighborhood community development corporation, a dedicated commercial businesses association or CID. Recognizing that different neighborhoods have very different capacities to undertake and guide revitalization activities, a city program is necessary to ensure equitable attention across commercial corridors. A Main Street program would help to provide dedicated staff based around distinct geographies in the city to work with local business owners, identify specific improvements and work to connect corridors with incentives and business development programs. The city once had such an initiative. Now with increasing development in different corners of St. Louis and transformative proposals like the Greenway, this is an ideal time to design a program to bring additional assistance to commercial corridors in need of improvement and business expansion.

Project interviews highlighted that (real or perceived) crime is one of the key challenges facing commercial corridors across the city, and local interventions to reduce crime are often very costly. One of the first initiatives for the Main Streets program should be to share knowledge and best practices about crime reduction strategies that have worked locally and nationally.

<b>Action Item #: <u>CC-2.1</u></b>	<b>Outline a Main Streets proposal including necessary funds and staffing</b>
Leader	Planning & Urban Design Agency, SLDC
Potential Partners	Board of Aldermen, Community Builders Network, Commercial District Coalition, Invest STL, Promise Zone staff, local CDCs
Start Time	Year 1
Duration	2 years
Effort to Implement	High
Potential Funding	Missouri Main Street Connection; local philanthropic match
Goal/s	Main Street program proposal tailored to the needs of different types of corridors across the city
Tracking Progress	Number of businesses served, change in employment within Main Street corridors
<b>Action Item #: <u>CC-2.2</u></b>	<b>Utilize the Main Streets program to share knowledge and best practices for crime reduction interventions along commercial corridors</b>
Leader	Planning & Urban Design Agency, SLDC
Potential Partners	Board of Aldermen, Community Builders Network, Commercial District Coalition, Invest STL, Promise Zone staff, local CDCs, universities
Start Time	Year 2
Duration	Ongoing
Effort to Implement	Medium
Potential Funding	Local philanthropy
Goal/s	Mine local and national best practices; gain insights from partners working in related disciplines; support corridor vitality
Tracking Progress	Number of identified and implemented interventions; reduction in real (or perceived) crime



**Strategy  
3**

**Align investments along commercial corridors to best support surrounding communities and existing and small business owners**

Given the number of commercial areas across the city, it will be important to focus planning and investments on a few key opportunities in each general type of corridor. This includes identifying priorities in "transform," "stabilize," "grow," and "preserve" corridors. Along with the data update, city and local leaders should evaluate identified opportunity areas and grassroots efforts each year. The Opportunity Trust, which aims to significantly increase the number of children attending world-class public schools, should be actively integrated into this discussion around where potential new school sites should be considered in the context of commercial corridor opportunities for growth and investment (e.g., Cleveland High School building and site). The following corridors should be considered and discussed as initial focus areas:

>

- Transform Corridors:**
- > N. Grand Blvd. from Delmar to Fairgrounds Park to leverage the proposed Brickline Greenway and from Fairground Park north to Florissant Avenue;
  - > Dr. Martin Luther King Blvd. from Euclid Avenue to N. Newstead Avenue;
  - > Florissant Avenue from St. Louis Avenue to 14th Street;
  - > N. Broadway from Halls Ferry Road to Christian Avenue; and
  - > S. Broadway from W. Tesson Street to Loughborough Avenue.



>

- Stabilize Corridors:**
- > Natural Bridge Avenue between N. Kingshighway Blvd. and Arlington Avenue;
  - > Dr. Martin Luther King Jr. Blvd. from Semple to Clara Avenues;
  - > W. Florissant Avenue from Riverview Blvd. to the city limits;
  - > Chippewa and S. Jefferson Avenue (includes St. Alexius Hospital and Lutheran School of Nursing); and
  - > Virginia Avenue from Bates to Walsh Streets (including the Virginia Theater)



>

**Grow Corridors:**

- > Delmar Blvd. from the Delmar Loop to N. Taylor Avenue;
- > Cherokee Street from Gravois Avenue to S. Broadway;
- > S. Grand Blvd. from Gravois Avenue to Meramec Street and over to Virginia Avenue;
- > Gravois Avenue from Taft Avenue to Bates Street; and
- > 14th Street Mall between St. Louis Avenue and Warren Street.



>

**Preserve Corridors:**

- > All corridors identified in the analysis with low vacancy.



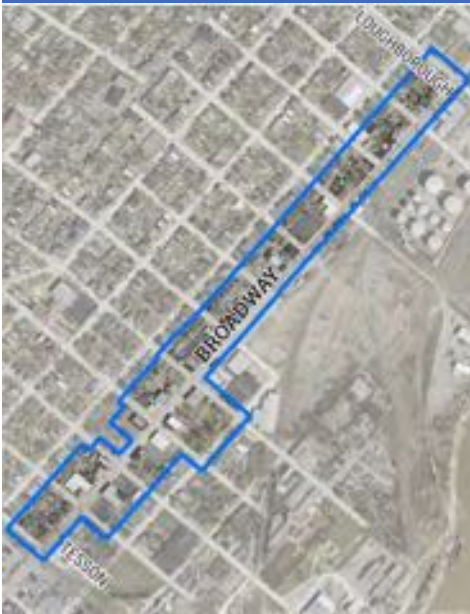
COMMERCIAL CORRIDOR REVITALIZATION CAN ALSO BE AIDED BY ATTRACTION OF SECOND-STAGE AND OTHER SMALL- AND MID-SIZED BUSINESSES, WHICH ADD TO FOOT TRAFFIC AND CONSUMER ACTIVITY DURING DAY-TIME HOURS.

<b>Action Item #: <u>CC-3.1</u></b>	<b>Identify opportunity areas and develop action plans</b>
Leader	Planning & Urban Design Agency, SLDC Commercial District Managers
Potential Partners	Community Builders Network members, Commercial District Coalition, Promise Zone staff, Vacancy Collaborative, local CDCs
Start Time	Year 1
Duration	1 year
Effort to Implement	Medium
Potential Funding	TBD
Goal/s	Targeted investment plan for specific corridors
Tracking Progress	Updated commercial corridor analysis
<b>Action Item #: <u>CC-3.2</u></b>	<b>Encourage second-stage businesses – those with 10 to 30 employees but also potential growth needs – and anchor institutions in need of new space to anchor different corridors (where space is available)</b>
Leader	SLDC
Potential Partners	Commercial District Coalition, Promise Zone staff
Start Time	Year 1
Duration	2 years
Effort to Implement	High
Potential Funding	TBD
Goal/s	Align business and corridor growth, establish anchors along commercial corridors
Tracking Progress	Updated commercial corridor analysis





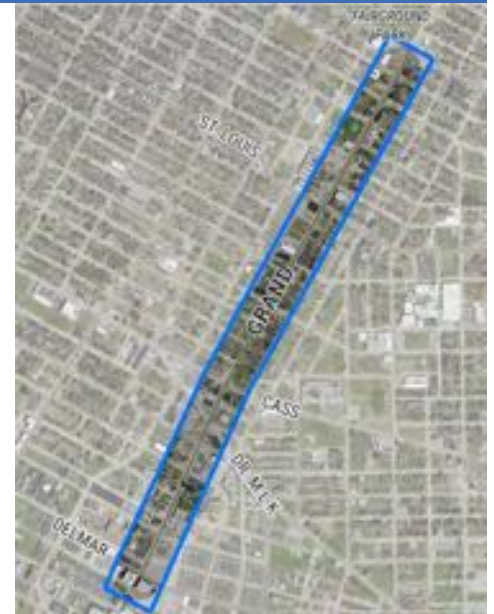
## Transform Corridors



**SOUTH BROADWAY NEEDS:**  
Marketing, building stabilization, land assembly, tenant attraction, blight removal

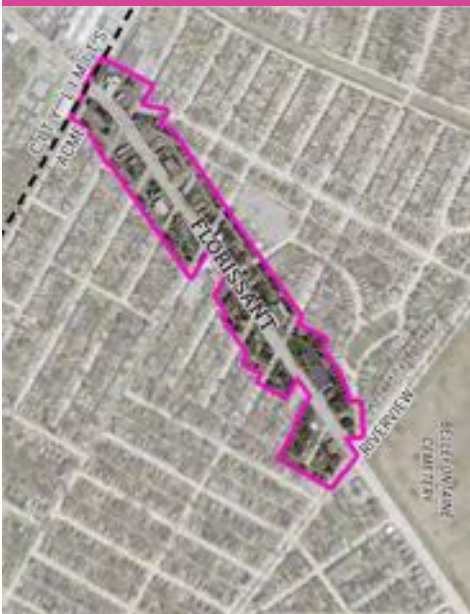


**FLORISSANT NEEDS:**  
Improved crosswalks, traffic calming, lighting, signage, marketing, art, new businesses, blight removal, additional housing



**GRAND NEEDS:**  
Integration of Brickline Greenway, corridor planning, blight removal and land assembly

## Stabilize Corridors



**FLORISSANT NEEDS:**  
Marketing, retail assistance, property improvements, traffic calming and signage, cleaning and greening



**NATURAL BRIDGE NEEDS:**  
Improved crosswalks, traffic calming, lighting, signage, blight removal.



**DR. MARTIN LUTHER KING NEEDS:**  
Tenant attraction, market research, signage, public art, land assembly

## Grow Corridors



### 14TH NEEDS:

Market research, retail assistance, tenant attraction, property improvements, targeted incentives, gateway improvements - clear connection to Brickline Greenway



### DELMAR NEEDS:

Improved crosswalks, traffic calming, lighting, signage, marketing, art, tenant attraction, land assembly, blight removal, infill development, additional housing nearby



### CHEROKEE NEEDS:

Marketing, retail assistance, tenant attraction, property improvements, streetscape design, public art, infill development, targeted incentives



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6

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*METRICS*

The following metrics can be used to track progress on the city's overarching equitable economic development goals.

<b>Achieve annual growth in employment and payroll among key industry clusters that meets or exceeds their national growth rates</b>		
<b>To measure</b>	<b>Metric</b>	<b>Data source</b>
Growth	# of firms and growth in key city and regional clusters	QCEW
	# of jobs and growth in key city and regional clusters	QCEW
	Total wages generated and growth	QCEW
Equity	Wage distribution of jobs in the City	QCEW
	Job holders by race/ethnicity	QWI
	Racial wage gap	QWI
<b>Increase the availability of middle-wage opportunities in the city's job base</b>		
<b>To measure</b>	<b>Metric</b>	<b>Data source</b>
Growth	# of jobs and growth by wage bucket (low, middle, high)	QCEW
	Educational attainment of job holders	QWI
Equity	Wage distribution of jobs in the City	QCEW
	Wages by race/ethnicity	QWI
<b>Attain enough employer commitments to adopt workplace policies that: diversify the workforce, increase worker retention, and provide access to wraparound services so that at least half of all job holders in the city work for employers that have committed to such policies</b>		
<b>To measure</b>	<b>Metric</b>	<b>Data source</b>
Growth	# of employers adopting good workplace practices and employment at each	Employer survey
	Job tenure <sup>1</sup>	Employer survey
Equity	Job holders by race/ethnicity	QWI
	Job tenure by wage and race/ethnicity at participating employers	Employer survey, SLEDP Mosaic Ambassador Companies survey

<sup>1</sup> Job tenure is reported as a special supplement in the Current Population Survey (CPS); however, small sample sizes likely make it unusable at the city geography

**Reduce St. Louisan's poverty rates – across all racial/ethnic groups – to below their respective national rates; increase median household incomes – across all racial/ethnic groups – above the U.S. (adjusted for cost of living differential)**

To measure	Metric	Data source
Growth	Poverty rate	ACS
	% of population living in census tracts with at least 25% (50%) poverty	ACS
	Median household income (change)	ACS
Equity	Poverty rate by race	ACS
	Income inequality (ratio between mean income of top 20th percentile and mean income of bottom 20th percentile)	ACS, FRED Economic Data (St. Louis FRB)
	Ratio of average job holder wage and average resident earnings	ACS, QCEW
	% of households that are middle class by race/ethnicity	ACS

**Close the unemployment and wage gap between Black/African Americans and their white counterparts, as well as other disadvantaged racial/ethnic groups**

To measure	Metric	Data source
Growth	% of residents that are employed	ACS
	% of residents that are employed in the City	LEHD-OTM
	Employment status by tract	ACS
	% of residents employed in the City by tract	LEHD-OTM
Equity	Labor force participation by race/ethnicity, tract	ACS
	Poverty rate by race/ethnicity, tract	ACS
	Unemployment rate by race/ethnicity, tract	ACS
	Median earnings by race/ethnicity, tract	ACS
	Distribution of earnings for residents	ACS
	Geographic accessibility to jobs	ACS
	Commute time by tract	ACS
	Diversity of job holders by industry and industry rank by average wage	QCEW; QWI

## Reduce vacancy rates and promote vibrancy on commercial corridors, especially in under-served neighborhoods

To measure	Metric	Data source
Growth	Commercial vacancy rates along commercial corridors	Third-party real estate sources, on-the-ground survey
	Residential vacancy (along and adjacent to commercial corridors)	ACS
	# of building permits along commercial corridors	City of St. Louis
	# of occupancy permits along commercial corridors	City of St. Louis
	# of business registration terminations (as a measure of business hardship)	MO DOR
	Business churn by type of establishment (occupancy permits relative to business closures)	City of St. Louis, MO DOR
	Daytime and nighttime population	ACS, QCEW
	Taxable sales	MO DOR
Equity	Vacant lot and buildings along commercial corridors (as a measure of business quality of life)	City of St. Louis
	Demolition rates by neighborhood	City of St. Louis
	Density of 311 calls by commercial corridor	City of St. Louis
	Density of transit stops serving corridors	MetroLink



**Promote anti-displacement by increasing home and business ownership opportunities for people of color and other under-represented populations**

To measure	Metric	Data source
Growth	Geographic mobility by race/ethnicity (% in same house as last year, % moved within city)	ACS
	Tenure (% homeowners)	ACS
	Permits for multi-family, single-family housing units	City of St. Louis
	New construction permits for commercial/industrial users	City of St. Louis
	Appraised value of land	City of St. Louis
	Foreclosure rate	City of St. Louis parcel sales dataset, ACS, third-party trackers (e.g., Zillow, RealtyTrac)
	Traditional bank lending per 1,000 jobs by loan size	FFIEC-CRA, SBA, QCEW
	Small business lending per 1,000 jobs by loan size	SBA, QCEW
Equity	Tenure by race/ethnicity (% minority home owners)	ACS
	% of households spending at least 30% (50%) of income on housing	ACS
	Foreclosure rate by tract, demographics	City of St. Louis parcel sales dataset, ACS, third-party trackers (e.g., Zillow, RealtyTrac)
	% minority ownership of businesses	ABS <sup>2</sup>
	% women ownership of businesses	ABS
	% immigrant ownership of businesses	ABS
	# of MBE firms	ABS
	# of MBE firms with employees	ABS
Number of evictions by neighborhood	St. Louis Sheriff's Office	
<b>Slow, then reverse population decline – particularly among Black/African American residents and households with school-aged children</b>		
To measure	Metric	Data source
Growth	Population change by age	ACS
	Population density	ACS
	Employment to population ratio	ACS, QCEW
Equity	Population change by race/ethnicity	ACS
	Population change by household type	ACS
	Population change by geography	ACS

2 ABS forthcoming; will be available annually

**Increase the quality and capacity of neighborhood organizations, CDCs, and business associations to represent and respond to resident and other local stakeholder interests**

To measure	Metric	Data source
Growth	#, # of employees, annual budget, # of clients served, of neighborhood organizations, CDCs, and business associations, by area	On-the-ground survey, IRS Exempt Organization 990 extract databases
Equity	# of organizations representing sub-geographies	On-the-ground survey, ACS, IRS Exempt Organization 990 extract databases

**Strengthen the city's fiscal outlook by responding to post-COVID industry and workplace trends, increasing revenues (overall and per capita), maximizing the efficiency of incentive use and expenditures by promoting job and housing density, and building a budget surplus**

To measure	Metric	Data source
Growth	General fund revenues	City of St. Louis CAFR
	Job density	QCEW
	Population and housing unit density	ACS
	Property tax revenue density	City of St. Louis CAFR
	Earnings tax revenue density	City of St. Louis CAFR
	Payroll tax revenue density	City of St. Louis CAFR
	Sales tax revenue density	City of St. Louis CAFR
	Total taxable sales	Missouri DOR
	Revenues per employee by major tax stream	City of St. Louis CAFR, LEHD-OTM, ACS, QCEW
	Revenues per resident by major tax stream	City of St. Louis CAFR, LEHD-OTM, ACS, QCEW
	Budgetary reserves	City of St. Louis CAFR
Equity	Expenditures by category, neighborhood demographics	City of St. Louis
	Population and housing unit density by race, income	ACS