I. Introduction

This assessment provides a base set of facts of the St. Louis economy and current economic development activities that was produced with the purpose of informing the St. Louis regional plan for sustainable development, OneSTL. The OneSTL planning team will use the assessment to evaluate how transportation and housing can support expansion of jobs and in developing a regional vision and goals.

The assessment includes the following components:

1. An overview of the St. Louis regional economy including data and maps on key job sectors, location of jobs and employment centers in the region.
2. A summary of stakeholders' views and priorities regarding the economy based on information gathered from stakeholders and residents throughout the process thus far.
3. A catalogue of some of the current economic development initiatives, studies and activities underway in the St. Louis region.

The assessment will also be used to further discussions with the business community in the St. Louis region. Initial meetings were held with leadership at the Regional Chamber and Growth Association and Leadership Council Southwestern Illinois during preparation of the assessment. It is recognized that additional feedback and involvement from these organizations, as well as others in the private sector will be beneficial to the regional planning process.

II. Summary

Compared to other major regions, St. Louis is in the middle of the pack with respect to many characteristics, including education levels, income growth and poverty rates. The recent recession hurt St. Louis about as much as it did the nation as a whole, as measured by changes in employment levels and housing prices. St. Louis is like many regions struggling to redefine its niche in the global marketplace after decades of losing manufacturing jobs and corporate headquarters.

However, St. Louis has unique assets with which to respond to its economic challenges, many of which are related to its geographic location. It is near the confluence of the continent's largest navigable rivers, the convergence point of four Interstate highways and five Class I railways, and is located strategically in the middle of the country. Additionally, the biomedical sciences and health care fields are strong, several globally significant development activities are underway, and recent strategic planning has identified clusters, targets and recommendations for economic growth in the region.

The St. Louis region has been wrestling with many of the same issues for ten, twenty, thirty and even a hundred years. Over time well-organized efforts have been undertaken to address these issues and steer St. Louis back on track. Yet, the region continues to experience minimal population growth, debate its fragmented local governance structure, struggle with racial disparity and is challenged by a continued loss of manufacturing jobs.
Through the regional planning effort residents and regional leaders have stressed the importance of a strong economy for the sustainability of the region. This needs to be reflected in One STL.

The assessment concludes with the following recommended goals or objectives for the regional plan:

- Identify ways to strengthen working relationships among local governments, economic development agencies, East-West Gateway and other partners to coordinate economic development efforts and create new quality jobs in all parts of the St. Louis region.

- Develop a capacity building program that assists local governments in developing an economic development strategy that is good for them as well as their neighboring communities.

- Leverage transit investments by supporting TOD.

- Support the Regional Chamber & Growth Association (RCGA) and Leadership Council Southwestern Illinois in their existing regional efforts and work with them to facilitate a regional economic development approach.

- Be involved in RCGA’s Cluster Forums as they work to align, link and leverage regional assets to promote business-driven growth, identify roadblocks to cluster growth, identify niches with the greatest potential for growth and develop strategies to accelerate growth in the five identified sectors.

- Align goals, performance measurements and metrics used by other organizations in the region including those outlined by RCGA in the Greenprint and the categories RCGA plans to attract in its efforts to be in the top 10 of the 20 largest U.S. metropolitan areas on indicators of regional vitality, economic health, and the creation of community wealth.
III. Overview

The East-West Gateway Regional Transportation Plan’s statistical supplement, State of the System, includes a broad overview of key data helpful to understanding the St. Louis economy. The report was completed recently, 2011, therefore it is referred to as a source for this broad overview with more detailed data on the St. Louis economy following.

A. Regional Transportation Plan: State of the System

The report can be found in its entirety on EWG’s website

Specific to this discussion, see the report for tables, maps and a corresponding discussion of the following key points:

Population Trends (Page 2)

- In 2010, the population of the St. Louis 8-county region was 2.6 million, reflecting an increase of over 800,000 residents since 1950.
- Population has shifted around the region, primarily due to residents moving away from the urban core to more suburban and rural portions of the region.
- Between 1950 and 2000, population grew 41.5 percent, while the urbanized (land) area grew more than 250 percent, depicting a much lower density settlement pattern.
- The Population Forecast 2010-2040 Map (Page 6) depicts continued population gains in the outlying counties and population loss in the city of St. Louis and most of St. Louis County.
- The St. Louis region is aging faster than the nation as a whole.
- Over the next 30 years, the number of individuals age 65 and over will increase from 13 percent of the population to 21 percent in 2040.
- The working age population (18 to 64) will be smaller in terms of absolute number of people as well as a smaller proportion of the population.
Employment Trends (Page 8)

- Employment is also shifting out of the urban core to the surrounding suburbs.
- From 2000 – 2009 employment in the region grew 4 percent.
- Good-producing employment has declined 35 percent while service-providing employment has increased 21 percent from 1990 to 2010 in the St. Louis region.
- The rate of unemployment in the region reached a peak of 10.4 percent in July and August of 2009 and has dropped since to a rate of 6.2 percent as of November 2012.¹
- St. Louis ranks 17th out of 35 peer metropolitan regions on change in employment between 2007 and 2010 (the recessionary period) with a 5.0 percent decrease in employment.

Freight Mobility (Page 33)

- The region is well situated for interstate roads, waterway and railroad freight movement.
- St. Louis ranks 10th when compared with 35 peer metropolitan regions on total freight tonnage and 16th on freight value.
- St. Louis lies at the intersection of major freight corridors, with highway freight of over 8,500 trucks per day, and water and railroad freight account for over 50 million tons per year each.
- The Primary Goods Movement Network Map (Page 34) displays the regional goods movement road network, indicating the location of shippers and receivers that have over 100 employees.

- The Water Transportation Network Map (Page 35) displays the regional water transportation network.
- Trucks transport almost 80 percent of region’s total tonnage.
- The Mississippi and Missouri rivers continue to provide an economically viable network to move large quantities of products via the inland waterway network.
- St. Louis is home to the nation’s second largest inland port by trip ton-miles – in excess of 24 billion trip ton-miles a year.
- St. Louis is the northern most year round ice-free port, which provide a competitive advantage.
- The Metropolitan Port of St. Louis extends 70 miles along the Mississippi from Madison County, Illinois to Jefferson County, Missouri. Six different port authorities administer the port – America’s Central Port, Kaskaskia Regional, Southwest Regional, Jefferson County Port Authority, St. Louis County Port Authority and the city of St. Louis Port Authority.
- Lambert-St. Louis International Airport is the region’s major airfreight facility, providing both international and domestic air cargo facilities.

- Mid America Airport, Spirit of St. Louis and St. Louis Downtown Airport also handle air cargo in the region.

**Accessibility (Page 41)**

- The Job Accessibility: Peak Hour by Auto Map (Page 42) shows that a majority of jobs in the region are accessible within a reasonable amount of travel time by automobile.
- The Job Accessibility: Peak Hour by Transit Map (Page 43) shows that jobs accessible by transit is more limited with 56 percent of the 8-county region’s jobs within a 60 minute commute.
- The Jobs Accessible by Transit Map (Page 45) shows the transit accessible zones and the job density in the region to highlight employment areas that have little or not transit accessibility.
- Combining biking and walking facilities with transit can give people more transportation choices.
- Great Rivers Greenway District (GRG) has completed 90 miles of trails in the city of St. Louis and St. Louis County.
- The Bike St. Louis on-street network consists of 79 miles of signed bike routes.
- The Metro-East Parks and Recreation District and Madison County Trails have completed a total of 180 miles of trail in Madison and St. Clair counties.
- The commute pattern is shifting to reverse commute from city-to-suburb and also suburb-to-suburb.
- The development of new opportunities in transit deficient locations raises equity issues. Efficient locational and economic decisions by employers, homebuilders, and local governments would help in multimodal commute options in the region.

![Jobs Accessible by Transit Map](image)

**Housing and Transportation (H + T) Affordability (Page 62)**
The Housing plus Transportation Affordability Index defines “affordable” as combined costs of housing and transportation less than 45 percent of the metropolitan area’s median household income.

The H+T Affordability Index Maps on Page 64, 65, and 66 show places affordable for households at the regional median income at current gasoline prices, $5 a gallon gasoline prices and $10 a gallon gasoline prices, respectively.

The H+T Affordability Index Maps on Page 67, 68, and 69 show places affordable for current households at current gasoline prices, $5 a gallon gasoline prices and $10 a gallon gasoline prices, respectively.

B. The St. Louis Economy

Table 1: Employment by Sector, St. Louis Region

<table>
<thead>
<tr>
<th>Description</th>
<th>2001</th>
<th>2011</th>
<th>Percent of Total 2011</th>
<th>Percent Change 2001 to 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care and Social Assistance</td>
<td>163,215</td>
<td>205,612</td>
<td>12.36</td>
<td>25.98</td>
</tr>
<tr>
<td>Government and Government Enterprises</td>
<td>187,440</td>
<td>187,114</td>
<td>11.25</td>
<td>-0.17</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>173,601</td>
<td>165,932</td>
<td>9.98</td>
<td>-4.42</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>112,196</td>
<td>119,738</td>
<td>7.20</td>
<td>6.72</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>164,945</td>
<td>112,198</td>
<td>6.75</td>
<td>-31.98</td>
</tr>
<tr>
<td>Professional, Scientific, and Technical Services</td>
<td>100,340</td>
<td>105,469</td>
<td>6.34</td>
<td>5.11</td>
</tr>
<tr>
<td>Administrative and Waste Management Services</td>
<td>88,583</td>
<td>102,879</td>
<td>6.19</td>
<td>16.14</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>79,159</td>
<td>99,025</td>
<td>5.95</td>
<td>25.10</td>
</tr>
<tr>
<td>Construction</td>
<td>92,844</td>
<td>78,553</td>
<td>4.72</td>
<td>-15.39</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>52,741</td>
<td>71,719</td>
<td>4.31</td>
<td>35.98</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>66,289</td>
<td>64,623</td>
<td>3.89</td>
<td>-2.51</td>
</tr>
<tr>
<td>Educational Services</td>
<td>46,868</td>
<td>50,029</td>
<td>3.01</td>
<td>6.74</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>34,932</td>
<td>39,900</td>
<td>2.40</td>
<td>14.22</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>50,934</td>
<td>39,671</td>
<td>2.39</td>
<td>-22.11</td>
</tr>
<tr>
<td><strong>Total Employment</strong></td>
<td><strong>1,648,590</strong></td>
<td><strong>1,663,175</strong></td>
<td><strong>100.00</strong></td>
<td><strong>0.88</strong></td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis

As mentioned above, the types of jobs that exist in the St. Louis region has changed drastically over the last 60 years with a substantial drop in manufacturing employment and a rise in service sector employment. Table 1 shows employment by sector over last 10 years, from 2001 to 2011. The largest employment sectors are health care, government, retail, accommodation and food service and manufacturing. The sectors that have grown the most over the last 10 years are real estate, health care, finance, administrative and arts, entertainment and recreation.

With the loss of jobs and population in the urban core, the St. Louis region has multiple large employment centers peppered throughout the region. Map 1 shows the number of jobs by Transportation Analysis Zone (TAZ) with the darker shaded areas having more jobs. There are job centers, or areas with a large number of jobs, found throughout the region.
Approximately 49 percent of the region’s jobs are located within the I-270/I-255 corridor\(^2\) with many of the high employment areas sitting directly outside the corridor.

**Map 1: Job Availability**

C. The St. Louis Workforce

A common finding in economic development literature is that one of the most important factors, if not the most important one, is a skilled workforce. From early childhood education through high school into college and technical training it is essential that the workforce of today and tomorrow is prepared for the jobs that companies need to fill. This section provides information on where the St. Louis region compares to other regions on education variables and summarizes a recent report on the State of St. Louis Workforce.

**Education in St. Louis Region**

There is an overall trend of a larger portion of the U.S. population being more educated with more high school graduates and more college degrees. St. Louis has maintained a fairly average ranking among our peer regions while improving on some measures of education attainment.

On percent of children enrolled in preprimary education, St. Louis ranks 5th among 35 peer metropolitan regions with 28 percent of children under five enrolled. While the region ranks well on this variable, the percent has decreased over the past decade from 31 percent in 2000.  

For spending on education the region is slightly above average, ranking 13th and spending $9,600 per student on curriculum. In 1987, the St. Louis region was below average, ranking 19th. When looking at overall increased spending on education, the region has not increased spending as much as the peer regions. St. Louis has increased spending by 22 percent while, on average, peers have increased spending by 25 percent.

On highest level of education attainment, the St. Louis region has seen an increase in the percent of adults with some college education and all types of college degrees. The Highest Level of Education Attainment graph depicts these changes.

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On the flip side, there has been a decrease in the percent of adults without a high school diploma. In 2009, St. Louis ranked below average with 11.3 percent of adults having no high school diploma. This is a decrease for 2000 when the rate was 16.6 percent and in 1990 when 24 percent of adults did not have a high school diploma or equivalent.

**State of St. Louis Workforce**

In 2012, St. Louis Community College published its fourth annual report, *State of St. Louis Workforce.* Based on analysis of current economic conditions, a survey of employers and a survey of recent graduates, the report concludes,

“A key to long-term economic success will be aligning workforce skills with the needs of employers, which calls for continued efforts to increase the links between education and business. As the data show, soft skills remain important and are a critical need that has persisted over time. The right technical and specialized training, in fields such as healthcare, information technology, finance, and others, will provide job opportunities today and into the future for workers who gain those skills. Continued efforts to develop affordable, flexible, and high-quality training should help workers embrace the idea of life-long learning that is needed to meet the challenges of a global economy.”

Key findings of the report include:

- Unemployment rates vary by industry. Construction has the highest unemployment rate at 23.6 percent followed by professional and business services (15.3 percent), manufacturing (10.0 percent) and leisure and hospitality (9.4 percent).
- Missouri data (2010) shows that having some college or an Associate’s degree, versus only a High School diploma, reduces the unemployment rate by nearly 3 points and provides almost $5,500 in average extra earnings.
- One in three St. Louis companies anticipate hiring in the near term but there continues to be a misalignment of the skills needed by employers that are hiring and applicants for jobs. Employers point out that they are not only in need of workers who possess technical skills and experience but also soft skills, which include a mature work ethic, commitment to company goals, and communication skills.
- The workforce is getting older. In 2011 nearly a quarter of the workforce was aged 45 to 54 compared to 19 percent in 1996. The cohort that saw the largest growth over the same time period was workers aged 55 to 64.
- A review of job openings over the past year found that the job sectors with the most advertisements were in healthcare, sales, logistics, and information technology.
- Employment projections developed by Missouri Economic Research and Information Center (MERIC) estimate that over the next 10 years the jobs with the largest growth will continue to be registered nurses and retail salespersons. Additionally, construction job demand is expected to grow.

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• Employment requiring an Associate’s degree is estimated to see the largest percentage growth (11.9 percent) over the next 10 years followed by Bachelor’s degree (9.7 percent) and long-term on job training/work experience (8.9 percent).
• Of the 1,200 companies surveyed, most (60 percent) plan on keeping employment levels the same and about a third (33.1 percent) plan on hiring in the next year. There appears to be more caution in hiring than in 2011 but more hiring and slightly less layoffs than in 2009.
• Companies indicated the largest barriers to adding employment are: economic conditions (52 percent of respondents), government policies or regulations (36 percent) and shortage of workers with knowledge or skills (33 percent). Notably, lack of access to child care was cited by 13 percent of respondents and lack of access to transportation to get to work by 10 percent.
• Regarding soft skills, 59.7 percent of employers indicated new hires lacked communication and interpersonal skills. Over 50 percent of employers also indicated that shortcomings of new hires included poor work ethic, lack of critical thinking and problem-solving and lack of general knowledge about business or industry.

D. Foundational Analyses & Regional Planning Documents

A number of strategic documents, studies, and reports have been completed analyzing the St. Louis region and planning for its future. Some have led to exemplary policies and programs while others are at fault of collecting dust or documenting the negative aspects of the region without offering any clear strategies for reform. Regardless of which category the plans fall under, they are useful to revisit so we can build on them and identify gaps that continue to exist. These reports identify assets the region has to build on and challenges that are most persistent, and discuss what has worked and what has not.

In a review of key strategy documents, the following are the main themes that arise (See Appendix A for a list of the documents reviewed):

The challenges of the region are persistent and largely left unaddressed.
Many of the same challenges surface through the assessments of the region including deterioration of the core, fragmented government structure, state and local tax structure, relationship with the state of Missouri and development patterns that have hindered the region’s economic growth leading to a job/housing mismatch while stretching public dollars for infrastructure and other services.

The region possesses many assets.
In addition to the many challenges, the analyses highlight the region’s assets including excellent universities, affordable housing stock, many distinct and vibrant residential communities, a strong sports tradition, two major medical complexes, a phenomenal park and greenway system, well supported cultural institutions, and a strong sense of community.

The region needs to work collaboratively to make the St. Louis metropolitan region a key player in the global economy.
As a bi-state region with a multitude of local governments, the region has struggled with working collaboratively across jurisdictional boundaries. At the same time, the region has several nationally recognized examples of cooperative arrangements including the Zoo-Museum District and the bi-state light rail and bus system known as Metro.

There are several clusters of economic activity in the region that provide viable opportunities for economic growth.

RPSD Economic Development Assessment

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Three cluster analyses that involved all or a portion of the St. Louis region have recently been completed. All three led to similar conclusions that the region has a wealth of activity and assets that make it competitive in the biotech, healthcare, advanced manufacturing, logistics/intermodal transportation and financial and information services industries.

II. Summary of Stakeholder Views

The economy has frequently been pointed to as the most important part of the regional planning effort and critical to ensuring that St. Louis is a sustainable region. Leaders recognized this in the initial steering committee meetings and residents repeatedly expressed it during Community Planning Area meetings and surveys. This is likely in part due to the current economic climate but it also reflects the sincere concern that the St. Louis region needs a strong economic climate that will withstand the stresses of the globally competitive economy.

A. Leadership Views

At the beginning of the grant program the Steering Committee (Committee) held a series of meetings with several goals, one of which was to develop a shared frame of reference for sustainable development. As part of the process the Committee also responded to an online survey. Committee members continually ranked economic competitiveness as an essential component of sustainable development planning in the region.

One example of this is in response to the survey, Committee members were asked to rank each of the Partnership for Sustainable Communities’ six livability principles on how much a priority for sustainable development in St. Louis. “Economic competitiveness” was the principle that the largest portion (68 percent) of respondents indicated is an “essential priority”, the highest rating. The next highest were “support existing communities” and “coordinate policies and leverage investment”. For both, 48 percent of respondents indicated they were an “essential priority”.

During another exercise, committee members were asked to prioritize focus areas based on how important they are to sustainable development in the St. Louis region. Members identified the triple bottom line planning approach, economic opportunity and competitiveness and efficient land use as their areas of greatest interest. Given existing employment, business and market conditions, committee members felt it was important to highlight “economic opportunity and competitiveness”, even though it is already encompassed in the triple bottom line approach.

B. Resident Views

Listening to the residents from across the St. Louis region a couple of things are apparent. First, people are proud of where they live. They like their community and the small town atmosphere with access to big city amenities that seems to ripple throughout the region in very diverse communities. Also, they view economic competitiveness as the most important thing for the long-term health of the region.

Under the topic of economic development, residents have somewhat different priorities and concerns. Some of the key themes that came out of the discussion are:

- In one Illinois CPA a concern that the region is not attracting young adults was discussed. Residents recognized that this is not just about creating jobs but also about providing quality primary education option and diverse housing options in the communities.
- Railroads, MetroLink and ports were mentioned as important assets that should be leveraged. Residents in several communities recognized MetroLink as a potential catalyst for development.
- Residents in several CPAs (a couple in Illinois as well as in St. Charles and Jefferson counties) recognize the need for high(er) paying jobs and they welcome “the clean” development of light manufacturing and warehousing to the communities. Residents in Illinois and Jefferson County communities recognize the history of manufacturing in their communities and the existing infrastructure as an asset that can be built on.
- In several CPAs, the need for local governments to cooperate and not compete for resources was recognized.
- Residents in the Northeast County and Lemay CPAs are more focused on the need for more retail and restaurant options.
- In several communities, the desire for streets in their communities like “the Loop” and “the Grove” were discussed, indicating support for Great Streets projects.
- Residents in all CPAs indicated “economic competitiveness” as the most important goal for the long-term health of the region.

**Community Planning Area (CPA) Meetings**

At the time of this report there have been two rounds of meetings in each of the CPAs. At these meetings residents were asked about their priorities and preferences for the future development of their communities and to identify in more detail where some of the challenges they face occur in the community. The following are some of the views gleaned from each of the CPAs through the meeting notes and keypad polling questions that were conducted as part of the meetings.

**Tri-City**
- There is a need for more retail, restaurants, light manufacturing and warehouses
- Access to the rail bridge as an asset, as well as the port district
- Concerns over economic vitality are focused on a declining population. Groups noted that the CPA needs to attract younger residents in their 20’s and 30’s with children. To do this, participants cited the need for a good school district, more diverse housing options, and rehabbed housing.
- Residents see expansion of Metrolink as a way of stimulating redevelopment, particularly in economically depressed areas, by increasing access to and from the area.

**Riverbend**
- Need more light manufacturing and warehouses, corporate offices and hotels/tourist attractions
- Expand and diversify commercial districts
- Combine efforts and resources, don’t compete for them/improve coordination of local governments
- Participants favor a more regional approach to economic development and creating a more interconnected relationship with Missouri leadership

**O’Fallon-Wentzville-Lake St. Louis**
- Need more corporate offices, light manufacturing and warehouses, retail and restaurants
- Common concerns include a need to improve business attractions, more entrepreneurship, more well-paying jobs, poor community economic planning
- Many discussion groups identified industry and economic development as a major issue for the CPA.
- Participants seem to value living in a community with a population of mixed education and income backgrounds. To sustain this population, numerous participants suggested that the CPA work to attract more varied industry consisting of manufacturing, high
technology, and office work. In adding better paying jobs to the CPA, participants hope increase the number residents who also work in the CPA, thus reducing commuting distances and the fuel expenses.

- When discussing these issues of transportation, industry, bike/pedestrian trails, and development, some groups expressed a desire for more cooperation and interconnectivity among local and regional governments, elected and appointed leaders, and special districts. Some participants felt that joining forces would pool resources, encourage investment, and spark regional growth.

Northeast St. Louis County
- Common concerns include: Improve the quality and variety of retail development, reduce number of dollar stores and fast food restaurants, redevelop Jamestown Mall
- All the discussion groups recognized a need for commercial development within the CPA.
- The area is currently lacking diverse retail options and participants want to have higher quality and closer places to shop, dine, and play.
- The area is described as being saturated with fast food restaurants and participants want more sit-down restaurants. Instead of dollar stores and nail salons, participants prefer more varied commercial attractions including grocery and hardware stores, entertainment venues, clothing stores, and activities for families and youth.

Mid Metro 5
- Office space and professional services were identified as a primary need; grocery stores and hotels were secondary.
- Access to Metrolink stations is needed as well as their connectivity to shopping centers and neighborhoods
- Economic instability, competition among municipalities, lack of job growth, and a lack of resources to promote economic development were the predominant issues mentioned

Lemay
- Need more restaurants, light manufacturing and warehousing, retail, and hotels/tourist attractions in CPA
- There are not enough restaurants in Lemay
- There are too many vacant buildings
- More effort needed to attract small business
- Vacant buildings that are not going to be used should be torn down
- There is a serious need for the commercial redevelopment of South Broadway. Visions included utilizing the urban “Great Streets” treatment, replicating the unique feel of Cherokee Street, and harnessing the community feel of downtown Kirkwood. To that end, small local businesses should be incentivised to move onto Broadway. Cafes, antique stores, and neighborhood services such as dry cleaners were imagined. With the long-term sustainability of the area in mind, the development of this commercial district should be designed to attract young families. Infrastructure such as sidewalks, better lighting, and bike paths should also be added.
- Most groups also stated that there is a lack of restaurant options in Lemay as a whole. A redeveloped South Broadway could attract new restaurants as well.

Pevely-Herculaneum-Festus-Crystal City
- Room for growth/close enough to metro area for business development/ Access to rivers and railroads implies good transportation for industrial development
- Jobs/“need industry, but done in a clean way”/commercial development/more retail development (more jobs, more sales tax revenues)/ more jobs/more high-skill and high-pay jobs
Strong preference to focus on manufacturing/industrial jobs. Builds off history of CPA – have some good sites and the proposed port(s) can provide good transportation access
- Retail was mentioned, but is a secondary target for economic development
  - Retail is important for tax base, but retail jobs do not pay as well
  - Locations for retail were identified on maps
- Lack of training/retraining opportunities, need better partnerships with Jefferson College
- Discussion at all tables about the importance of the proposed port in terms of economic development
- Economic development is the top priority in this CPA. The area has a strong history of industrial employment, and manufacturing and heavy industry remains the preference/focus for further economic development. While retail might be useful to generate sales tax revenues for local governments, that the jobs in retail are not considered “good jobs.”
- One group discussed the need to provide or make accessible more and better training opportunities, and saw stronger partnerships with Jefferson College as the mechanism to provide that training.
- Local residents view the Mississippi River as a major asset in terms of attracting and retaining heavy industrial companies and jobs. The proposed Jefferson County port is viewed as a means to provide low transportation costs to potential manufacturing companies. The port appears to be a major transportation priority, and is a major component of the CPA’s economic development strategy.
- The most frequently mentioned concern within this CPA was that of jobs and the economy, which four individuals stated was the largest issue in the community. Three of the responses stated that there was an absence of decent paying jobs in the area and the last individual stated that there was a need for manufacturing jobs in the area.

Ferguson and Environs
- Need more restaurants, retail, professional services in CPA
- Participants view the university’s student body as a viable customer base to support retail and dining venues in developments similar to “The Loop” and “The Grove.”

Belleville-Swansea
- Need more light manufacturing and warehouses, corporate offices, and hotels/tourist attractions in CPA
- Add bike lanes/businesses on bike routes to encourage biking
- All discussion groups recognized a need for making the CPA’s MetroLink stations more connected to commercial and residential development. Many participants identified the Swansea station as a good location for development. Some participants desire mixed-use development around MetroLink stations with a mix of residential and commercial development.
- Some participants thought that the CPA needed to create and attract well-paying jobs. They suggested converting abandoned factories, foundries, and brownfields into light industrial facilities. Other participants felt that office jobs should also be established in the area.
- Concerns about economic development are focused on strengthening the current business community and supplementing further development with municipal policies that encourage entrepreneurship, support small businesses rather than big-box stores, and facilitate mixed-use development. Many participants favor infill development rather than new, sprawling development. One group strongly opposed TIF incentives for development. Some participants felt that improved coordination among businesses would support healthier, more symbiotic relationships in the business community.
- Encourage General Economic Development
  - Better Coordination between Businesses
Surveys

In addition to the feedback received during CPA meetings, East-West Gateway administered two surveys to obtain information about residents’ views on sustainability. The first was a statistically significant telephone survey conducted by a polling firm and the second was an online survey that used some of the questions from the telephone survey supplemented with additional questions from the CPA meetings. On both surveys, economic competitiveness was viewed as the most important regional issue for the long-term health of the region.

In November 2011, the telephone survey was administered by BBC Research & Consulting with the intention of collecting a baseline of residents’ attitude towards sustainability. The survey was designed to record attitudes toward housing, transportation, public services, environment, economic competitiveness and sustainability. Residents were asked to indicate a single goal within each issue area as well as one regional aspect they considered to be most important to the long-term health of the region.

Residents ranked the importance of three goals related to economic competitiveness. Residents across different demographics responded that each of the goals was either extremely important or very important. “Develop employment opportunities across sectors” received the highest rating of the three. “Increase access to job training” was very important across all population groups with non-whites and low income respondents placing a higher degree of importance on this goal than the general population or seniors. “Measures and policies to encourage small business development” was also very important across demographic groups with non-white respondents placing a higher degree of importance on this goal.

Respondents were then asked, “If the St. Louis area had enough resources to address only one of these important economic competitiveness goals, which one do you think should be addressed?” About half (51.6 percent) of respondents indicated “employment opportunities across different job sectors” as the most important with respondents of all demographics choosing this as the priority. The second highest priority differed some among different demographics with non-white and low-income residents more often choosing “high-quality trade schools” and the general population and seniors choosing “programs to encourage small business development”. Overall, 32.1 percent of respondents chose “programs to encourage small business development” and 10.3 chose “high quality trade schools”.

For the telephone survey when residents were asked, “Considering all of the potential goals mentioned in the previous questions, which aspect of the region do you think is most important to the long-term health of the St. Louis area?” Almost half (47.8 percent) of the respondents chose “economic competitiveness” as the most important aspect of the region to the long-term health of St. Louis. The next most frequent answer was “transportation” with 15.2 percent of respondents choosing that aspect of the region. Additionally, when survey results were broken down by where residents live – each of the CPAs and all residents not in a CPA grouped together - economic competitiveness was chosen as the number one answer in all CPAs. This indicates a widespread recognition that economic competitiveness is an important part of sustainable development to residents in diverse communities.

The second economic development related question asked, “If the St. Louis area had enough resources to address only one of these important economic competitiveness goals, which one
do you think should be addressed?” Again, there was widespread agreement among residents, regardless of where they live. “Employment opportunities across different job sectors” was chosen by over half of the respondents with the same answer receiving the most responses in each CPA. The item that received the second most responses overall (32.1 percent) and in all but two CPAs was “programs to encourage small business development”. Residents of the Lemay (St. Louis County) and Tri-City Port (Madison County) CPAs had a larger portion of residents indicating the importance of high-quality trade schools as the most important economic goal.

III. Current Economic Development Initiatives, Studies and Activities

There is ample economic development activity in the St. Louis region after a dip in activity during the great recession. The region appears to be taking a new approach with more concentration on small businesses and entrepreneurs while still recognizing the importance of the large companies that have employed thousands of people in the region for many years. This section summarizes regional economic development initiatives currently underway and touches on development activities in the key growth areas of sustainable development, biotech, biomedical technology and intermodal transportation. The section concludes with a summary of key infrastructure improvement initiatives currently underway, which are essential to supporting economic development in the region.

A. Regional Economic Development Initiatives

*St. Louis Regional Chamber and Growth Association (RCGA) Targeted Industry Cluster Forums:* RCGA initiated forums on four sectors that are important to the future of the St. Louis regional economy. The forums will be led by business leaders in each sector to align, link and leverage regional assets to promote business-driven growth in the sectors. Forum members, along with RCGA staff, will identify roadblocks to cluster growth, identify niches with the greatest potential for growth and develop strategies to accelerate growth in each sector. Additionally, the groups will identify measures for each cluster to monitor progress and ensure there is open dialogue among those working in the cluster so shared concerns are addressed comprehensively. The targeted sectors are Health Science and Services, Financial Services, Multimodal Sector, and Advanced Manufacturing.

*Southwestern Illinois Economic Growth Action Plan:* The Leadership Council Southwestern Illinois is coordinating and developing, in concert with regional economic development efforts and stakeholders, a two-year focused growth strategy for the Metro East region. There are three primary components of the plan: (1) Retaining and expanding existing industries by making retention calls on existing companies, growing the light manufacturing sector through flexible manufacturing networks and “shop local” campaigns, and growing exports of products produced in Southwestern Illinois, (2) grow transportation and distribution sector jobs by supporting Leadership Council SITE efforts for multi-modal transportation job growth and enhancing regional prospecting efforts in Southwestern Illinois and (3) foster entrepreneurship and innovation capabilities by tracking efforts underway in the region and developing a strategy to determine champions, programs, and funding required. The Leadership Council is currently concentrated on gaining support from regional partners, convening a Southwestern Illinois Economic Development Network, determining implementation plans for each of the three

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5 Regional Industry Overview: Greater St. Louis Health Science & Services, RCGA, DRAFT as of December 2012.
components, and establishing time-frames for reporting, reviewing, and updating the Economic Growth Action Plan.\(^6\)

**St. Louis County Economic Council and St. Louis Development Corporation:** The economic development arms of St. Louis County and the city of St. Louis are partnering on an ongoing basis to tackle important issues of the region. In 2012, the two entities started this collaborative effort with a focus on immigration and innovation. They sponsored the completion of a study the economic impact of immigration on the St. Louis region, held a panel discussion and created an advisory board to discuss how the region can attract and retain immigrants.

**Regional Business Council:** The Regional Business Council (RBC) launched in 2000 with 50 business executives of the region’s mid-cap companies. Today the company has 100 members who represent some of the region’s largest employers who include civic and philanthropic involvement as priorities within their companies. By working collectively they are able to leverage their corporate involvement and investment to have a tremendous impact on the economic health of the region. Combined they employ over 100,000 people in the region and generate over $50 billion in revenue annually. RBC pools the investments of their members to make an impact in five areas of commitment: business diversity, higher education and talent development, K-12 education reform, business-friendly public policy and infrastructure, and quality of life.

**B. Development Activities in Key Growth Industries**

St. Louis has many current initiatives aimed at enhancing the region’s competitive position in key growth industries. St. Louis’ leaders also recognize that competitive and innovative industries require modern and sustainable infrastructure. Some of the most relevant activities are discussed here.

**Sustainable Development**

**Great Streets Initiative:** Since 2006, the St. Louis Great Streets Initiative has helped communities create interesting, lively and attractive streets that serve all modes of transportation. The goal of *Great Streets* is to trigger economic and social benefits for communities by creating streets that are safe, walkable and economically vital, while incorporating environmentally sensitive design standards and green development techniques. In the first round, four communities were selected to host demonstration projects, including urban, suburban and rural communities throughout the region. In 2010, three additional communities were selected to develop Great Streets plans.

**Climate Prosperity Project:** St. Louis is one of four metropolitan regions selected as pilots for the Climate Prosperity Project, a national civic venture committed to linking environmental concerns with economic development opportunity. The Rockefeller Brothers Fund established the project in 2009. Led by the RCGA, the mission of the St. Louis Climate Prosperity Project is to create and sustain regional prosperity by cultivating green savings, green opportunities and green talent. RCGA’s programs under the project include the St. Louis Green Business Challenge, St. Louis Green Economy Profile, St. Louis Green Jobs Report and stlouisgreenjobs.com.

**Transit Oriented Development Initiatives:** Bi-State Development Agency (Metro), East-West Gateway, the city of St. Louis and Citizens for Modern Transit are all actively studying the potential for development around existing and proposed transit stations. MetroLink is recognized

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\(^6\) RCGA Advocate, January 24, 2013
as an asset of the region that can be exploited to leverage public investments to spur further public and private development and the development would provide immense public benefits. The goal of East-West Gateway’s effort (which is in coordination with the other efforts) is to create a vision and roadmap for how to encourage TOD in the St. Louis region.

St. Louis Greenprint 2012: An Action Plan for Growing our Region’s Green Economy. In 2011 RCGA engaged business, government, education and civic leaders in developing effective strategies to grow the green economy. The effort specifically addressed three components of the green economy: the market for green products and services, innovation and entrepreneurial growth and a green workforce. Participants agreed on seven objectives that address a wide range of green economic development issues and advance the RCGA’s overarching vision in the Regional Economic Development Strategy for the region to be consistently ranked among the top 10 of the 20 largest U.S. metropolitan areas on indicators of regional vitality, economic health, and the creation of community wealth. Link to Greenprint
http://www.stlrcga.org/x4809.xml

Each of the following initiatives are outlined in the Greenprint with action steps:
1. Developing the Region’s Sustainable Technologies Cluster
2. Spreading Sustainable Business Practices
3. Acceleration the Market for Green Products and Services
4. Building a Green Innovation Network
5. Establishing a Higher Education Sustainability Collaborative

The Greenprint working groups also identified metrics to measure whether or not the programs and initiatives developed through the Greenprint were being successful. These metrics could potentially be used for the RPSD process:
- Number of companies and institutions adopting increasingly sustainable business practices
- Number and average wage of green jobs
- Number and economic value of green business establishments
- Number of requests for proposals/visits from qualified "green" site location consultants (i.e., increase in the economic development "pipeline")
- Number of companies and institutions achieving third-party certification (Energy Star, LEED, ICLEI Star Community Index, Sierra Club Cool Cities, EPA Climate Leaders, EPA Green Power Partners, etc.)
- Number and square footage of certified energy-efficient buildings
- Amount of financial support for regional green start-ups and depth and breadth of local green investors
- Number of students and professionals with degrees and certificates related to green companies and positions
- Success rate of job placements, locally and nationally, of graduates from regional green curriculum programs

Loop Trolley: The Loop Trolley is a proposed 2.2-mile long fixed rail trolley system that will connect the Missouri History Museum in Forest Park with the City Hall of University City, spurring economic development along a historic boulevard in the region’s core. The project was awarded a $25 million urban circulator grant in mid-2010. The Federal Transit Administration issued a “Finding of No Significant Impact”, allowing for release of the grant and the project to move forward. The trolley project is a good example of cross sector collaboration and enjoys broad support from Washington University, Citizens for Modern Transit, Forest Park Forever, East-West Gateway, Metro, local governments and businesses.
Redevelopment of Fenton Chrysler Plant Site: The site of the old Fenton Chrysler plant is located at one of the most strategic locations in St. Louis, at the intersection of interstates 44 and 270. The 295-acre site is served by rail, and has its own wastewater and power plant. Efforts are underway by St. Louis County and the city of Fenton to create a new use for the site, potentially as an advanced manufacturing facility.

Building the Biotech Industry

St. Louis has significant assets in the biotech industry, with several major initiatives underway to attract and strengthen high-innovation firms. One of these initiatives, the BioGenerator, has invested in 27 companies with start-up funding from Bunge North America and local foundations. BJC Healthcare, Monsanto, Washington University and the Danforth Foundation are also major players in the industry who call St. Louis home. Additionally, BioSTL is spearheading an effort to map out how best to tell the story that St. Louis has built up bioscience and technology assets, including research parks, grant opportunities and a pipeline of companies.

CORTEX: Center of Research, Technology, and Entrepreneurial Exchange (CORTEX) is a biotech incubator sponsored by five regional partners: BJC HealthCare, the Missouri Botanical Garden, St. Louis University, the University of Missouri - St. Louis and Washington University. CORTEX is located in the city of St. Louis between the Central West End, Forest Park Southeast, Midtown and the BJC Kingshighway Campus. CORTEX takes advantage of agglomeration economies by providing high quality and low-cost facilities for high-innovation firms. CORTEX proposed redevelopment plans anticipate generating 11,500 new jobs over 20 years, based on current development plans and BJC/Washington University Medical Center Kingshighway Campus employment assumptions. Since 2002 more than $110 million has been invested to develop 370,000 square feet of office and lab space. The $186 million Phase 2 of CORTEX’s master plan is estimated to develop 19 acres, 384,000 square feet of additional lab and office space, rehab of the former Western Electric building, develop a public plaza, a $23 million interchange off Highway 40 and Tower Grove Avenue and a possible new MetroLink station.

Donald Danforth Plant Science Center: The Danforth Center was founded in 1998 through a $60 million gift from the Danforth Foundation, a $50 million gift from the Monsanto Fund, the donation of 40 acres from Monsanto Company and $25 million in tax credits from the State of Missouri. It has since received more than $70 million from the Danforth Foundation. The scientists at the Center are engaged in research that strives to enhance the nutritional content of plants, increase agricultural production to create a sustainable food supply, reduce the use of pesticides and fertilizer, and generate technologies that will contribute to the economic growth of the St. Louis region.

The BioGenerator: The BioGenerator is a non-profit corporation established in 2003 with $6 million in funding from Bunge North America and local foundations. Through its investor advisory board, it helps link start-up biotech companies with venture capital. In recent years, the BioGenerator has closed on 27 investments. BioGenerator invests up to $50,000 for pre-seed companies and up to $250,000 for seed stage companies and works with local angel investors, economic development groups and venture capital funds for additional seed funding.

BioSTL Coalition (formerly Coalition for Plant Life Sciences): The Coalition is a broad-based civic organization comprised of 37 of the St. Louis region’s top civic, business, research and academic leaders. It was established to strengthen St. Louis’ ability to capture the economic

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potential of the region's existing research assets by translating scientific research into commercial activity. The Coalition and the BioGenerator worked together to successfully compete for a $1 million i6 Challenge Grant from the U.S. Department of Commerce. The i6 program promotes the country's best ideas in technological innovation and economic growth. To compete, the Coalition brought together the city of St. Louis, St. Louis County, the Danforth Plant Science Center, St. Louis University, the University of Missouri - St. Louis and Washington University.

**Helix Center Biotech Incubator and the Helix Fund:** Created by St. Louis County to support entrepreneurs in the field of plant and life sciences the Helix Center and Fund fulfill the need for both affordable space and essential funding. The Helix Fund recently provided seed funding to Graematter, a St. Louis-based startup that created a product that integrates information from many sources into a single database that can be used by regulatory professionals who are developing a new product approval strategy and arguing their case before the FDA.

**Biomedical Technology**

With two major medical schools (Washington University and St. Louis University), St. Louis has a strong research base from which to take scientific breakthroughs from laboratories to patients. Both universities have several current programs that make the region a leader in biomedical technology. Under one of these initiatives, BioMed21, Washington University provides space for five interdisciplinary research centers focused on cancer genomics, diabetic cardiovascular disease, neudegeneration, women's infectious disease and membrane excitability disorders.

**BioMed21:** An initiative of Washington University, BioMed21 is developing commercial applications for biomedical research. The initiative is housed at the BJC Institute of Health at Washington University. As a hub for BioMed21, the University provides space for five interdisciplinary research centers focused on cancer genomics, diabetic cardiovascular disease, neudegeneration, women's infectious disease and membrane excitability disorders.

**Bear Cub Fund:** In 2008, Washington University’s Office of Technology Management re-established the Bear Cub Fund, a grant program designed to support innovative translational research not normally backed by federal grants. The goal of the fund is to support innovative research projects that could be attractive for licensing by commercial entities or serve as the foundation for a start-up company. The fund is a collaboration of the University, Biogenerator, Institute of Clinical and Transitional Sciences and StartUps.

**Center for Biomedical and Health Care Research:** In Midtown St. Louis, the Center for Biomedical and Health Care Research (CBHCR) was developed to strengthen and support the research efforts of St. Louis University. Its programs focus on clinical tests for new drugs, products and procedures.

**Center for Emerging Technologies:** The Center is an incubator for technology-driven enterprises located in the Midtown neighborhood of St. Louis. In addition to research space, it provides business and funding resources and education and training. Although it does not exclusively serve biomedical startups, its current tenants include BioSynthema, a firm developing radiopharmaceuticals to treat cancer; C2N, a firm developing metabolic labeling technology for the treatment of Alzheimer's Disease; and EndoStim, a firm developing neurostimulation techniques to treat gastroesophageal disorders.

**Intermodal Transportation**
St. Louis is located in the center of the country, near the confluence of the nation’s three largest rivers. The region also has the convergence of four Interstate highways, as well as five Class I rail lines. Moreover, St. Louis has the northern-most non-freezing port on the Mississippi River. With these assets, St. Louis is uniquely positioned to be a leading transportation hub. This goal, however, has been elusive but several major projects currently underway will strengthen the region’s position as a transportation hub. Two airports in the region, Lambert International and Mid-America, are both currently discussing expansions that will increase their capacity to connect the Midwest internationally.

The Midwest-China Hub Commission: The Commission is a public-private collaboration among St. Louis and Missouri governmental officials and business associates working together to establish an economic partnership with China. The commission proposes that the St. Louis region become China's primary gateway into the American heartland through dedicated cargo flights connecting the Midwest U.S. with China. In November 2010, Chinese aviation officials visited St. Louis and made a commitment to assess St. Louis as a potential cargo hub destination. Legislation for tax incentives to promote the hub has been introduced in the Missouri Legislature previously but has not passed. Legislation has once again been introduced. In 2013, the Missouri Export Incentive Act, would promote the project by providing $60 million in tax credits for air cargo flights.

Mid-America Airport Expansion: Mid-America Airport, St. Clair County in Illinois and private investors are working together to double the size of the airport’s cargo apron; improving its potential as an international air-cargo destination. In the past year the airport has had several successes. The airport has formed a partnership with an airport in China was made public. The agreement specifies four areas both airports should work on including organizing freight originating from each airport, start new air service, assist trade route users with government approvals and support and coordinate joint discussions and marketing to users of the trade route. Additionally, Allegiant Air announced it would start offering passenger flights from the airport again. A 62,000 square foot cargo building includes more than 20,000 square feet of space for processing perishable goods; making it the only airport north of Alabama with on-airport ramp access to such facilities and an attractive airport for exports of beef, pork, poultry, and fish raised in the Midwest. UniGroup Worldwide, Inc. opened a customs brokerage office at the airport and in 2012 provided custom clearance services for the first flight from Latin America into MidAmerica Airport. The cargo (blueberries) from North Bay Produce originated in Argentina.

Freight Study: East-West Gateway has embarked on a study in cooperation with MoDOT and IDOT to examine how St. Louis fits into the national system of freight movements. The study will focus on the capacity of the existing freight system, economic growth potential associated with improving the freight system, and strategies to exploit the region's potential as a freight hub. The study will identify current deficiencies and develop recommendations concerning policy, process and regulatory changes needed to enhance the region's freight movement system and its component parts.

ConocoPhillips’ Wood River Refinery: A $2 billion expansion of the ConocoPhillips’ Wood River Refinery in Madison County, Illinois will ensure that facility's viability for years to come and potentially enable the company to process sand oil from Canada.

Infrastructure Modernization

Mississippi River Bridge: Construction is well underway on a new bridge spanning the Mississippi River. The project will provide needed traffic capacity, improve system linkages and community access, improve traffic safety, reduce travel times and enhance economic growth.
The cost of the project is estimated at $667 million, of which $239 million is federal funding. The project is on schedule for the anticipated completion date of January 2014.

**Southwestern Illinois Levee Modernization:** A 74-mile system of levees protects Illinois communities from Mississippi River flooding. These communities form the industrial heartland of the region, with major facilities producing chemicals, metals and fuel. In 2007, the Federal Emergency Management Agency announced its intention to change Southwestern Illinois’ flood insurance designation as part of its national Flood Map modernization process because of alleged deficiencies related to under seepage and the advanced age of pumps and drainage tiles. In response, the three affected counties have passed a sales tax devoted to levee repair. The tax produces revenues of about $10 million a year, with bonds backed by that tax revenue expected to raise about $170 million. The Southwestern Illinois Flood Prevention District Council expects to obtain required permits for major construction in 2013 with completion of the levee improvements in 2015.

**Arch Grounds Redesign:** The National Park Service, in collaboration with local leadership, conducted a 10-month competition to select a plan for improving the grounds around the iconic St. Louis Arch. The winning proposal was selected based on its ability to weave connections and transitions between downtown St. Louis, the Metro East, the Arch Grounds, and the Mississippi River. The plan is expected to cost between $500 and $600 million, with funding to come from a combination of federal appropriations and philanthropic support. Additionally, a sales tax proposal will be on the ballot for city of St. Louis and St. Louis County residents in Spring 2013. Fifty-seven million dollars in funding has been secured for the Park Over the Highway, which will provide a better connection between the Arch grounds and downtown St. Louis.

**Metropolitan St. Louis Sewer District (MSD):** Under a consent decree settlement with the Environmental Protection Agency, MSD is making $4.7 billion in improvements to the St. Louis area sewer system. The improvements will take place over the next 23 years with the goal of eliminating overflows of raw sewage, including basement backups and reducing pollution levels in area rivers and streams. MSD provides sewer and wastewater service to the city of St. Louis and most (about 80 percent) of St. Louis County. Jonathon Sprague, MSD’s interim executive director, pointed out, “this CD (consent decree) will mean the creation and sustaining of hundreds to thousands of local jobs in construction and related industries, and ensuring our spending is inclusive of minority and female businesses. In addition, done with the right partners, MSD’s work in the years to come has the potential to be quietly transformative for our St. Louis community.”

**Port Improvements:** Over $60 million is being invested to enhance the Port of East St. Louis and about $30 million will benefit the Harbor Port Facility at Tri-City Regional Port District. Additionally, the Jefferson County Port District recently completed a master plan that seeks to ensure the county’s ports operate as a system and are developed to respond to the highest and best use of the riverfront property.

**Poplar Street Bridge:** In 2012, the East-West Gateway Board of Directors approved initial funding and a phased plan for improvements to the Poplar Street Bridge (PSB). The proposed improvements include building two-lane ramps between the PSB and I-44/I-55, a new ramp between the Martin Luther King Bridge and westbound I-64/I-55 in Illinois and adding a lane to the PSB. The approval was a successful example of bi-state comprise that ensures

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communities on both sides of the river retain existing connections and benefit from the improvements. Work on the PSB will begin in early 2014, after completion of the Mississippi River Bridge.

**High Speed Rail:** In December 2012, the Federal Railroad Administration provided final environmental approval that will allow the full build-out of a high-speed rail corridor between Chicago and St. Louis. It is expected that by 2015 the line will be completed and be able to go 110 mph for over 70 percent of the route, which would shave about an hour off the commute between Chicago (Dwight) and St. Louis (Alton).

**Additional Growth Sectors**

In addition to the key areas outlined in this section, there is also a lot of activity and potential for growth in several additional sectors, including:

**Advanced Manufacturing:** St. Louis has lost much of its manufacturing sector. Most notably, while the region once had major manufacturing facilities for Ford, GM and Chrysler, only the GM plant in Wentzville, Missouri remains. Nonetheless, St. Louis continues to have significant capacity in advanced manufacturing. St. Louis remains a leader in the aerospace and defense sector, with major facilities of the Boeing Corporation located near St. Louis’ international airport. Boeing has also recently expanded its presence in St. Louis with the addition of a manufacturing facility near the Mid-America Airport in St. Clair County, Illinois. This is one of RCGA’s industry forums.

**Financial Sector:** One of RCGA’s industry forums is the Financial Industry. Under this forum the agency intends to focus on the financial services and information technology cluster. The industries were clustered together to capitalize on the presence of several major investment firms’ headquarters and the integrated information component of the financial services operations. RCGA reports that over last decade employment in financial activities has outperformed total employment growth.\(^9\) This growth has received recognition by the Wall Street Journal as well. According to the Journal, St. Louis saw an 85 percent increase in securities-industry employment between January 2007 and September 2012, during the peak of the financial crisis. St. Louis County Economic Council attributes the gain in the financial services sector to the St. Louis region’s lower wages, municipal tax incentives and geographic position.\(^10\)

**Health Science and Services:** Another one RCGA’s industry forums, the Health Science and Services Industry cluster encompasses the health care value chain including financial intermediaries, health care providers, manufacturers, purchasing organizations and research. Currently 150,000 people in the region work in the cluster and it is continuously adding jobs, even during the recession. According to RCGA, the health care services industry is forecast to have the largest and fastest increase in employment through 2020.\(^11\)

**Entrepreneur:** Some of the recent efforts to create a more entrepreneurial friendly business climate were mentioned above. There are several additional efforts that have brought entrepreneurs to the forefront in economic development discussions in the St. Louis region.

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\(^10\) St. Louis County Economic Council E-newsletter January 10,2013.

\(^11\) RCGA, Regional Industry Overview: Health Science and Services, Draft as of December 2012.
Arch Grants is a non-profit giving away $1 million to 20 startups who will each receive a $50,000 grant to move their company to downtown St. Louis. The first round of Arch Grants had 15 winners selected from 420 entries from around the world.

**IT Entrepreneur Network (ITEN)** is a nonprofit that was created in 2008 by Innovate St. Louis and the St. Louis IT Coalition to usher in a new wave of tech startups in St. Louis. After its first year the organizations had 60 volunteer mentors working with 90 tech startups. ITEN now has about 120 mentors and is involved with 230 companies that raised some $20 million from investors in 2012 and added about $1.4 million in monthly revenue to their balance sheets.

Capital Innovators provides 10 tech startups a year with resources and connections including $50,000 in seed funding, mentorship, educational and social events, office space at the T-REx technology incubator in downtown St. Louis, a 12 week mentorship program and opportunities to pitch to angel investors and venture capitalist firms.

Cultivation Capital is an early stage Venture Capital firm that invests $100,000 to $1 million in technology companies. The firm is managed by entrepreneurs who are interested in partnering with the next generation of entrepreneurs.

The Skandalaris Center for Entrepreneurial Studies at Washington University is charged with igniting entrepreneurial interest and fostering a collaborative learning environment and open discussion of ideas in all disciplines including business, science, law, art, architecture, engineering, medicine and social work. The Center meets this goal through many faucets including: an internship program where interns work directly with commercial or social venture founders; IdeaBounce which provides people a means of discussing their ideas and potential to win a cash prize and business plan competitions that award seed funding for commercial ventures and grants for social ventures.

### VI. Conclusions & Recommendations

This report provides a brief overview of the economy of the St. Louis region. It touches on some of the key assets and challenges of the regions as well as some of the current development activities taking place under key growth industries. This report is by no means comprehensive. It was created to be used along with other assessments and other work of regional partners on the Sustainable Communities planning grant to assist the planning team in evaluating how transportation and housing can support expansion of jobs and develop a regional vision and goals.

The assessment concludes with the following recommended goals or objectives that can be folded into the regional plan for sustainable development:

- Identify ways to strengthen working relationships among local governments, economic development agencies, East-West Gateway and other partners to coordinate economic development efforts and create new quality jobs in all parts of the St. Louis region.

- Develop a capacity building program that assists local governments in developing an economic development strategy that is good for them as well as their neighboring communities.

- Leverage transit investments by supporting TOD.
• Support RCGA and SWILC in their existing regional efforts and work with them to facilitate a regional economic development approach.

• Be involved in RCGA’s Cluster Forums as they work to align, link and leverage regional assets to promote business-driven growth, identify roadblocks to cluster growth, identify niches with the greatest potential for growth and develop strategies to accelerate growth in the five identified sectors.

• Align goals, performance measurements and metrics used by other organizations in the region including those outlined by RCGA in the Greenprint and the categories RCGA plans to attract in its efforts to be in the top 10 of the 20 largest U.S. metropolitan areas on indicators of regional vitality, economic health, and the creation of community wealth.
Appendix A: Foundational Analyses and Regional Planning Documents Reviewed

Foundational Analyses

The following are some of the most recent analyses of the St. Louis region that identify local assets and challenges.

The Leadership Council Southwestern Illinois, with support from Civic Program and the Regional Business Council contracted with a research firm to analyze the total economic impact of Scott Air Force Base (AFB) on surrounding communities. The assessment provides details on how the presence the AFB affects jobs, housing, education, individual communities and a variety of business in the St. Louis region. The assessment found that AFB generates more than $3 billion in annual impact, including 31,300 people who have earnings of $1.3 billion.

The Potential of Lambert-St. Louis International Airport to be a Midwest Cargo Center. September 2011.
This assessment provides an assessment of future potential of a freight hub at Lambert-St. Louis International Airport and identifies target industries that would likely find value in a multi-modal logistics center. The assessment took place as a based for the Midwest China Hub Commission and a broad coalition of St. Louis area business, labor, government and civic organizations, the St. Louis Regional Chamber and Growth Association to develop a game plan for a Midwest logistics hub that catalyzes the location and transportation advantages of the St. Louis area.

Trends and Challenges. April 2011.
Prepared for East-West Gateway’s Long Range Transportation Plan, this paper discusses several regional challenges including slow growth, an aging population, racial disparity, lagging employment, and environmental change.

This sixth edition of East-West Gateway’s strategic assessment of the St. Louis region compares St. Louis to 34 peer regions across more than 100 social, economic and fiscal variables.

Commissioned by the Missouri Department of Economic Development, Market Street Services Inc. highlights opportunities for growth in the following sectors: advanced manufacturing, energy solutions, biosciences, health sciences, information technology, financial and professional services and transportation and logistics.

The Master Plan sets out a plan to “create and adhere to a consistent and coordinated development plan that ensure that the Jefferson County ports operate as a system and are developed to respond to the market for the highest and best uses of the available riverfront property.” In Phase I of the master planning process, the existing site conditions and the current cargo market in the St. Louis port region were benchmarked, determining that the parameters will support a river terminal development in Jefferson County.

In response to concerns about the long-term effects on the economic health of the St. Louis regional and the fiscal well-being of local governments the East-West Gateway Board of Directors authorized staff to study the effectiveness of local development incentives. The two-year study found that over the last 20 years local governments in the eight-county region had diverted more than $5.8 billion in public tax dollars to subsidize private development through the use of various financial incentives. The use of the incentives was found to be ineffective as a way to increase regional sales tax revenue, produce an increase in quality jobs, help municipalities avoid fiscal stress, or have a general beneficial economic impact on the region.

**East-West Gateway GIS Regional Map Library.** Updated regularly.
The GIS staff at East-West Gateway provides over 50 maps on the agency’s website that geographically depict the built environment, demographics, environment and natural resources, hazards and public safety and transportation issues and assets of the region.
http://www.ewgateway.org/GIS/MapListByCat/maplistbycat.htm

**Can St. Louis Compete? 2010.**
During the last half of 2010 the St. Louis Post-Dispatch ran a series of articles highlighting the challenges and opportunities of the St. Louis region in the global economy in the recovery of the Great Recession.

**St. Louis Regional Economic Adjustment Strategic Plan – Impact of Closure of Fenton Chrysler Plant. 2010**
After closure of the Chrysler plant in Fenton, Missouri (St. Louis County), the U.S. Economic Development Administration awarded $1.6 million to conduct a regional impact study and adjustment plan to address the economic output and job losses associated with the closure of the plant. The study outlines developing new business and employment opportunities in emerging, high-growth industries for the 16-county region and includes recommendations for building on the assets and industries of the region.

**Renewing the Region Issues in Brief.** June 2009.
Prepared to stimulate conversation at focus groups for East-West Gateway’s Renewing the Region initiative, this document provides a brief synopsis of information on the St. Louis region regarding regional growth and development, globalization and the economy, energy and ecology, governance and local government finance and regional economic disparity.

**Regional Fiscal Reform in the St. Louis Metropolitan Region.** February 2008.
The Metropolitan Forum, a collaborative effort by East-West Gateway, the Regional Chamber and Growth Association, and FOCUS St. Louis, brought together a panel of distinguished national and regional public policy and public finance experts to serve as a policy advisory panel on regional fiscal reform. This report provides an understanding of the system of local spending and taxation, the regional impact of this system and panel recommendations to stimulate constructive debate in the region regarding long term fiscal challenges and opportunities.

**The Economic Impact of the St. Louis Regional Airport.** March 2006.
The study examines the economic impact of the St. Louis Regional Airport in Madison County, Illinois. The airport and surrounding business park has a $80 million impact, employs 572 full-time equivalent jobs and generates $2.2 million a year in net state and local tax revenue.

**Growth in the Heartland: Challenges and Opportunities for Missouri.** December 2002.
Produced by Brookings Institution, this report documents the growth and development of Missouri’s population as spreading out to an extreme degree, imposing substantial fiscal, economic, environmental and social costs.

RPSD Economic Development Assessment  Page 27 of 27
Initiative for a Metropolitan Community. April 1999.
This East-West Gateway report addresses regional needs in three key areas: healthy regional development, 21st Century local governments, and enhanced regional decision making.

Commissioned by the St. Louis Post-Dispatch, Neil Peirce and Curtis Johnson outline the region’s most serious issues, including population loss in the urban core, the loss of corporate headquarters, local government fragmentation and racial disparity in a report published in segments in the newspaper.

Transit Oriented Development Study for the CORTEX District: In response to a proposed new MetroLink station at Boyle Avenue in the CORTEX District, this study encompasses the analysis required by Metro (Bi-State Development Agency). The Study, “is comprised of the following components: 1) a projection of MetroLink system net new riders over a 20 year planning horizon based on CORTEX district and surrounding area development plans; 2) planning Scenarios to increase net new ridership projections; 3) a Street-Level Connectivity Plan to enhance pedestrian and bike access to the proposed station from surrounding neighborhoods and institutions; and 4) TOD and Sustainable Development Strategies for the CORTEX District.” The study states that the new MetroLink station would be an asset in developing the CORTEX district and can also be a valuable amenity and connective element for the surrounding neighborhoods and residents.

Regional Planning Documents

The following are some of the most relevant regional planning documents, studies and reports.

The Strategic Initiative for Economic Growth. April 2011.
Commissioned by the State of Missouri, this assessment is the capstone of a holistic process that engaged hundreds of Missourians in regional meetings, online surveys and a series of research papers on what Missouri must do to be competitive in today’s economy. The report documents eight strategic objectives and seven targeted industry clusters identified through the process.

Five Core Strategies to Achieve Quality Jobs and Investment. 2011.
Based on a market and cluster analysis produced by Market Street Services, Inc. for the Regional Chamber and Growth Association (RCGA), this document outlines the agency’s strategic plan for economic development that focuses on the region’s core competencies. The strategic plan organizes action steps around five key priority areas: support and grow key industry sectors; target marketing and business recruitment in competitive fields; increase rate of start-up ventures; address regional talent as a strategic imperative and leverage all regional transportation assets.

Funded by a grant awarded by the U.S. Department of Labor’s Employment and Training Administration, this report includes specific sector reports on the following industries: building, salvage and remediation, energy, agriculture, manufacturing and public administration.

Moving Transit Forward. 2010
Produced by Metro, in collaboration with East-West Gateway, Moving Transit Forward is a comprehensive, thirty-year plan for transit improvements that will help keep the St. Louis region a great place to live, work, and play. With input from thousands of regional leaders, businesses, and citizens, the plan was created with three goals in mind: providing and enhancing transit
service in the near and long-term, retaining existing riders while attracting new ones and increasing the overall efficiency of the St. Louis regional transit system.

**The St. Louis Region Green Economy Profile.** July 2010.
Prepared for the Regional Chamber and Growth Association (RCGA) by Collaborative Economics, Inc. as part of RCGA's Climate Prosperity Project, this report outlines the region's strengths in 15 green economic sectors.

Initiated by the Leadership Council Southwestern Illinois and the Madison-Bond and MidAmerica workforce investment boards, Vision 2020 sought input from hundreds of private and public stakeholders from throughout the Southwestern Illinois region; reviewed data of comparison areas; and interviewed representatives from other areas to accomplish three objectives. The three objectives are: understand and define the region’s economy; determine the economic opportunities and priorities for the region; and identify strategies for achieving those priorities in the next 10 years.

**Regional Transportation Plan 2040.** 2011.
Adopted by the East-West Gateway Board of Directors in 2011, RTP 2040 is the region’s most recent long-range transportation plan. Every transportation project in the region financed with federal funds must be included in the plan, or be consistent with the principles of the plan. The document provides the planning and investment framework that guides how decisions are made about the region’s surface transportation system.

**St. Louis Inner City Competitive Assessment and Strategy Project.** September 2000.
Produced by the Initiative for a Competitive Inner City, a national not-for-profit organization founded by Harvard Business School professor Michael E. Porter, this report offers strategies for extending prosperity to citizens and communities that were left behind in the economic expansion of the 1990s.