St. Louis, Missouri:
A Peer Cities Analysis

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INTRODUCTION

The purpose of this report is to inform the Downtown Denver Partnership about the current development trends, and the opportunities and constraints that are present in St. Louis, Missouri. The goal of this report is to convey the planning issues that Denver can learn from St. Louis. St. Louis, MO is located south of the area known as "Meeting of the Rivers," where the Missouri and Illinois Rivers join with the Mississippi River. Known for being the "Gateway to the West," St. Louis is rich with history. In 1809, the town of St. Louis was incorporated, at which time it was the 5^{th} largest city (History, The City of St. Louis). Today, as is evident in the following pages, the city is struggling to keep residents in the city.

St. Louis, an independent city, is not part of St. Louis County or any other blanketing municipality. This situation, much alike the Baltimore situation in Maryland, causes issues with statistics (Wikipedia). Although according to maps and statistics concerning St. Louis, the city is much larger than the boundaries that have been established by the Downtown St. Louis Partnership. As far as land use is concerned, the established downtown core is typically zoned for Specialty Mixed Use, as well as Business Preservation/Development. These two land use types allow for a wide variety of uses within the downtown core and work together to help create a social and economic hub. However, with the recent history of the city, several large dollar corporations have pulled up their roots and have moved elsewhere causing residents to scramble to find other means of employment. Today, with the economy trying to regain its balance, St. Louis is working towards creating a livable and desirable destination for people to live. Along with the economy, residential improvements are taking place with new developments along with redevelopments.

Transportation in the city is definitely a work in progress. There are two public transit systems that partner together to service the city and the surrounding areas. A heavy traffic city, parking is very abundant and convenient. St. Louis is working toward combining the economic and residential developments and the growing transit system to create "America's Most Livable City" (Downtown St. Louis Partnership).

DOWNTOWN DEFINITION AND CHARACTERISTICS

Location

St. Louis, otherwise known as "The Gateway to the West", has a unique location which has contributed to its emergence as a large urban center. As can be seen in Figure 1, the city is situated in eastern Missouri on the Missouri – Illinois border. The greater St. Louis Metropolitan Statistical Area straddles both states and, in addition to the independent city of St. Louis, includes the Missouri counties of St. Louis, St. Charles, Jefferson, Franklin, Lincoln, Warren, Washington, as well as the Illinois counties of Madison, St. Clair, Macoupin, Clinton, Monroe, Jersey, Bond and Calhoun. Like most large cities today, downtown St. Louis represents roughly the geographic center of the metropolitan area with a downtown that is the primary employment center for the entire region.

In terms of topography, the city itself is quite small – only 66.2 square miles. To avoid flooding from the nearby rivers, the city was primarily built on bluffs roughly 100 – 200 feet above the banks of the Mississippi River. Much of this area is a fertile and rolling prairie with small hills and wide, shallow valleys. One characteristic uncommon to most Midwestern cities is that St. Louis is susceptible to earthquakes as it actually sits just north of the New Madrid Seismic zone. Seismologists estimate that the city has a 90% probability of experiencing a magnitude 6.0 earthquake by the year 2040 (USGS).

Another characteristic unique to St. Louis is its proximity to the Mississippi River. Being located adjacent to one of this country's major modes of transportation has helped to provide economic stability, recreational opportunities, as well as a means by which to attract tourist dollars. This attribute quickly transformed St. Louis into a bustling metropolis, commercial center, and inland port. Also because of this location, the city embarked upon a large civic investment project in the 1960's and built the world-famous St. Louis Arch, which now attracts more than 3 million visitors a year (Downtown St. Louis Partnership). The Mississippi is not the only river in the area however. The Missouri River forms the northern border of St. Louis County, and the Meramec River forms most of its southern border.

Having been founded during the industrial age, St. Louis experienced its largest population gains in the early twentieth century. Its principal industries were those similar to cities in the rust belt as steel mills and food processing plants began to monopolize the city. It was also during this time that St. Louis built some of its most notable neighborhoods. Because of this, historic mansions, re-adapted plants, and on the other end of the spectrum, areas of urban blight, are not uncommon and are scattered throughout the city.

As the geographic center of the metropolitan region, downtown St. Louis is still the primary business, hospitality, and entertainment center for the region. These three sectors produce over thirty million visits to downtown on an annual basis (Downtown St. Louis Partnership). As of 2005, it is estimated that there are roughly 1,700 businesses and 88,000 workers in the downtown area. The effects of suburbia have, however, taken their toll on downtown's population base. The city reached its peak at the 1950 census. The post-World War II boom, highway construction, and the trend toward suburban building all were factors in significant population shifts from the central city to the outlying suburbs of St. Louis County. While the St. Louis Metropolitan area has consistently experienced population gains, it was not until recently that the central city began to experience these gains as well.


Satellite view of St. Louis

Boundaries

As can be seen in Figure 2, the downtown boundaries for the purpose of this research paper have been clearly established by the St. Louis Downtown Partnership. The study area is roughly 1,859 acres and is bounded by Cass Avenue to the north, Chouteau Avenue to the south, N. Jefferson Avenue to the west, and the Mississippi River to the east. This area is primarily described by the Partnership to encompass the primary sections of what is considered to be "downtown". The streets that make up the north, south, and western boundaries are major thoroughfares while, obviously, the Mississippi River establishes a clear barrier to the east. Included in this study area are numerous high-rises, civic and federal buildings (City Hall and the central post office) as well as numerous tourist attractions, such as the Jefferson National

Expansion Memorial (otherwise known as the St. Louis Arch). Two major interstates, I-70 and I-64, also bisect this area but do not serve as boundary markers.

Though several different organizations classify the downtown area differently (such as the Community Improvement District), the Downtown Partnership recognizes this area as downtown for several reasons. The study area marks the transition from retail and office use to the less dense surrounding residential neighborhoods. There is one characteristic that is noticeably absent from the study area and that is residential uses. As will be explored further in the following sections, downtown St. Louis, as described by the Partnership, is lacking in its offering of quality downtown residential properties.

One contributing factor to the stability of the study area is that there are two major league sports complexes and one multi-purpose arena providing a venue for live shows and concerts all located within downtown. Busch Stadium, home to the St. Louis Cardinals, was recently opened in April 2006, with a seating capacity of 44,000. The Edward Jones Dome, home to the St. Louis Rams, is also located downtown and has a capacity of 66,000 persons. The recently completed Scottrade Center, home to the NHL St. Louis Blues, also serves as a venue for downtown shows and has a seating capacity of roughly 20,000.

Looking west down Market St. at stud y area

The Downtown Partnership also boasts many other establishments located within the boundaries established. The City Museum, located in the Washington Avenue Loft District, has been recognized as one of the "World's Ten Best Public Places" and attracts over 600,000 visitors a year (Downtown St. Louis Partnership). The study area is also the major destination for hospitality purposes as well. In fact, according to the Partnership, the study area has experienced a 50% increase in room inventory since 1999, now offering over 7,500 rooms. As explained by the Partnership, the rationales for defining the downtown boundaries were the definite characteristics which this specific area possesses. Civic, federal, entertainment, economic, and hospitality uses are all found within the study area at levels not seen anywhere else in the metropolitan region. The downtown area has unique characteristics which provide a sense of identity. These characteristics become less evident as the downtown area transitions into more residential uses, clearly establishing this as the downtown area (Downtown St. Louis Partnership).

Characteristics

There is a definite and succinct identity that the St. Louis region and downtown specifically, portrays. This is evident in the simplicity of its common moniker – “The Gateway to the West”. In fact, this slogan has been around for quite some time. It earned this nickname during the nineteenth century as many homesteaders began to move west. The Missouri River was established as the first leg of the Oregon Trail. The slogan still rings true today as St. Louis sees itself as a city in transition, a robust metropolis experiencing a rebirth of sorts.

As mentioned above, downtown St. Louis is home to a large number of sports facilities, museums and civic uses. There are, however, several other facets of a large urban center present within the downtown area which provide a draw from the surrounding region. The downtown area is home to many well-respected cultural amenities as well. The St. Louis Symphony Orchestra as well as the Opera Theater of St. Louis perform downtown in such venues as the historic Powell Symphony Hall. Gaming is also legal within the city and there are a handful of casinos which offer Nevada-style entertainment options. Most notably, are the riverboat casinos located along the River adjacent to downtown. These riverboat casinos help to recognize St. Louis’ historical character as a major inland port (Explore St. Louis).

Helping to characterize St. Louis as a city full of recreational opportunities, the city’s park and open space system is extensive. The city operates 105 parks that serve as gathering spots for city residents. Forest Park, located just beyond the study area, is one of the largest urban parks in the world, out sizing New York’s Central Park by some 500 acres (St. Louis Convention Commission). Located within this park are the St. Louis Zoo, St. Louis Art Museum and the St. Louis Science Center. One unique attribute is that these facilities are within the Zoo-Museum Tax District and are free to the general public. There are several parks and open space areas located within the study area. The largest of these being the Jefferson National Expansion Memorial. At 90.96 acres, the park sits along the banks of the Mississippi River where the city was first founded in 1764 and is home to the Gateway Arch. The Arch, in and of itself, provides a unique sense of identity for the city. Standing at 630 feet tall, it is the tallest manmade monument in the United States (The Gateway Guide).

St. Louis has a unique downtown area that is considered to be one specific district. The downtown area, however, does play an integral role with the surrounding communities and districts, each providing its own sense of character. There are roughly 79 neighborhoods, or districts, which make up the entire city of St. Louis. These were identified as being distinctive settings by reason of geography, ethnic or historical characteristics, and historical traits and architecture (History, The City of St. Louis). Some hold avenues of massive mansions dating back to the 1904 World's Fair while others are full of working-class bungalows and loft districts. Interestingly, the cohesive character of such a blend of uses and styles seems to flow well within the city. Some of these districts are well known, such as Downtown, Midtown, The Hill, Lafayette Square, LaSalle Park, Shaw, Soulard, Hortense Place, and the Forest Park South areas.


Lafayette Square Row Homes


Washington Ave Loft area

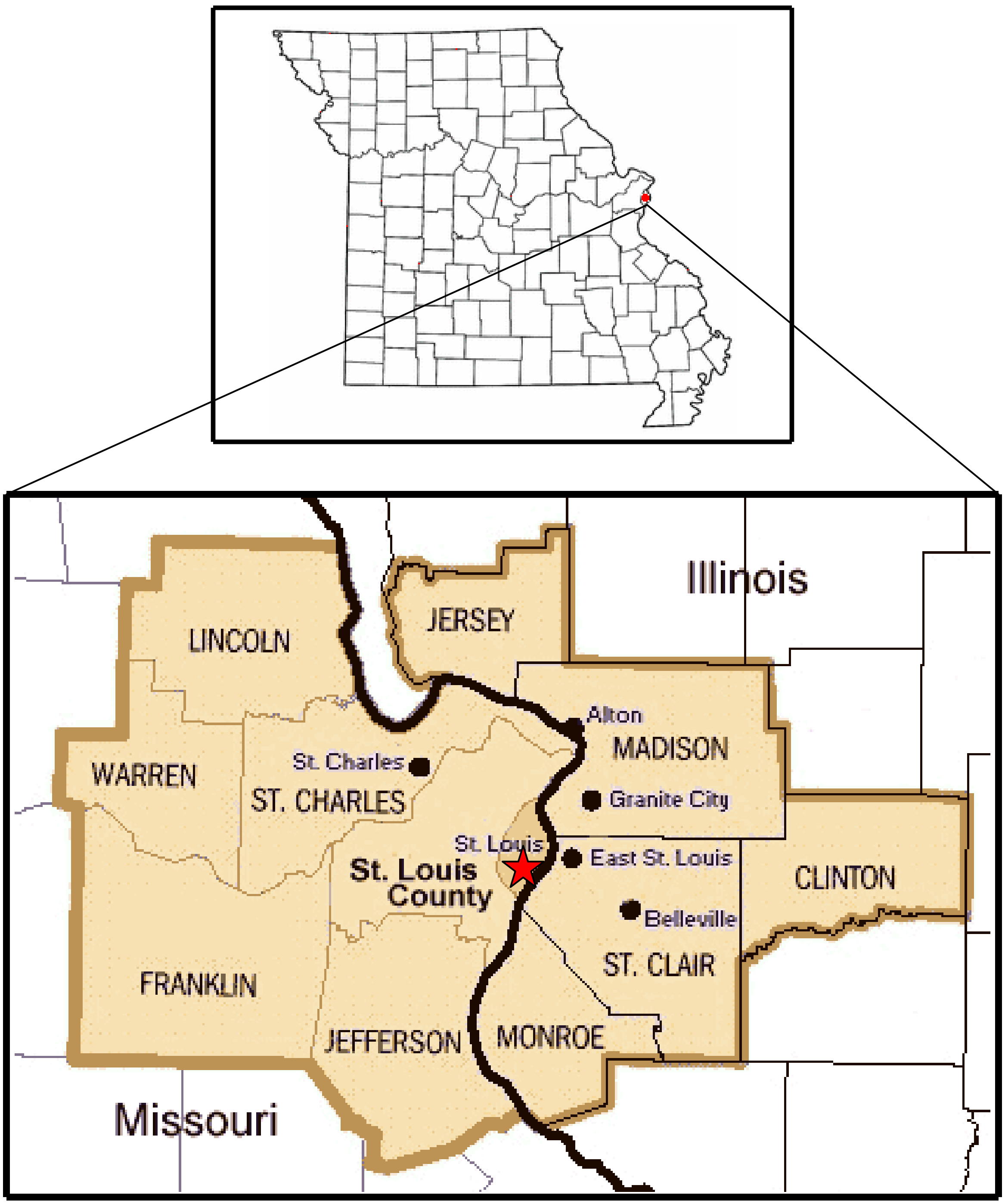
Interestingly, though, as the downtown area begins to see high levels of redevelopment, one area of particular note is beginning to take on its own identity. This is the Washington Avenue Loft Area. The Partnership hails this area as a good example of the type of economic stimulation the city needs. Following the route along Washington Avenue on the northern and western edge of downtown, this area is listed on the National Register of Historic Places. The majority of the buildings in this area were built between 1880 and 1920, as warehouses when the neighborhood was primarily known for garment manufacturing. The buildings generally are multi-story of brick and stone construction reminiscent of the architectural time period in which they were built. During the mid-twentieth century when the garment industry declined and businesses began relocating to the suburbs, many of these historic structures were left vacant or underutilized partially due to being functionally obsolete. Like many other portions of downtown, this area began to be seen as a redevelopment opportunity in the late 1990's. To help speed this process, in 1998, the state of Missouri implemented a tax credit program designed to aid developers in making adaptive reuse of the unique structures (The City of St. Louis). With the recent surge of interest in downtown living and redevelopment being finally feasible, many of these buildings are being converted into loft-type residential uses. The Partnership denotes this area as a key catalyst in continuing the redevelopment of downtown St. Louis and a prime example of what it would like to see happen through the central city.

Zoning

Many of the land use designations in downtown St. Louis are strategic in that they integrate both the current conditions and opportunities that exist in each area. As can be seen in Figure 4, the majority of downtown is zoned as a commercial or retail opportunity area, a "specialty mixed-use" area, or open space. This is useful because it helps to promote the type and style of development the Partnership is currently endorsing. The specialty-mixed use area is defined by the city as an area where a unique mix of residential, commercial, and retail uses be preserved and developed (The City of St. Louis). By focusing on this type of land use, the city is making it much easier for new development to occur, as can be seen in the Washington Avenue Loft Area as described above.

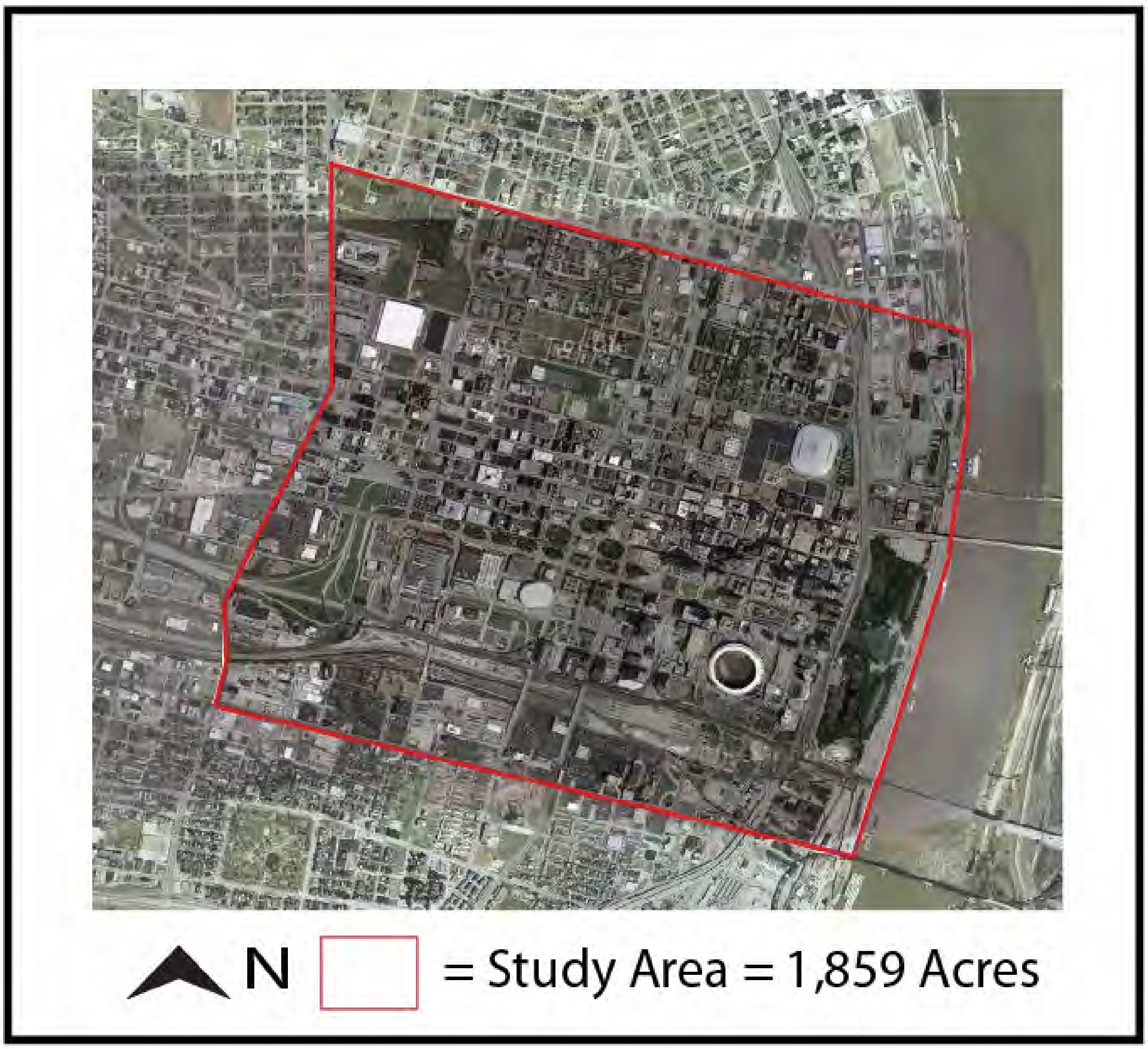
In an attempt to facilitate the uses designated above, the City has implemented a few overlay districts within downtown. The Special Use District, or SUD, was designed to reflect the specific character within specific zoning districts. This overlay district focuses more succinctly on specific portions of downtown and puts more scrutiny on the issuance of conditional use permits. Also overlaying the downtown area, the city has implemented a Community Improvement District (CID). Similar to other improvement districts seen around the country, downtown businesses levy a tax upon themselves to pay for services and amenities not currently provided by the city. By addressing its zoning code and by utilizing overlay districts, St. Louis is further solidifying its commitment to reestablishing a thriving and vibrant downtown core (The City of St. Louis).

Figure 1: Location of Downtown St. Louis, Missouri



= Downtown St. Louis **= St. Louis Metropolitan Statistical Area**

Figure 2: Downtown St. Louis Boundaries



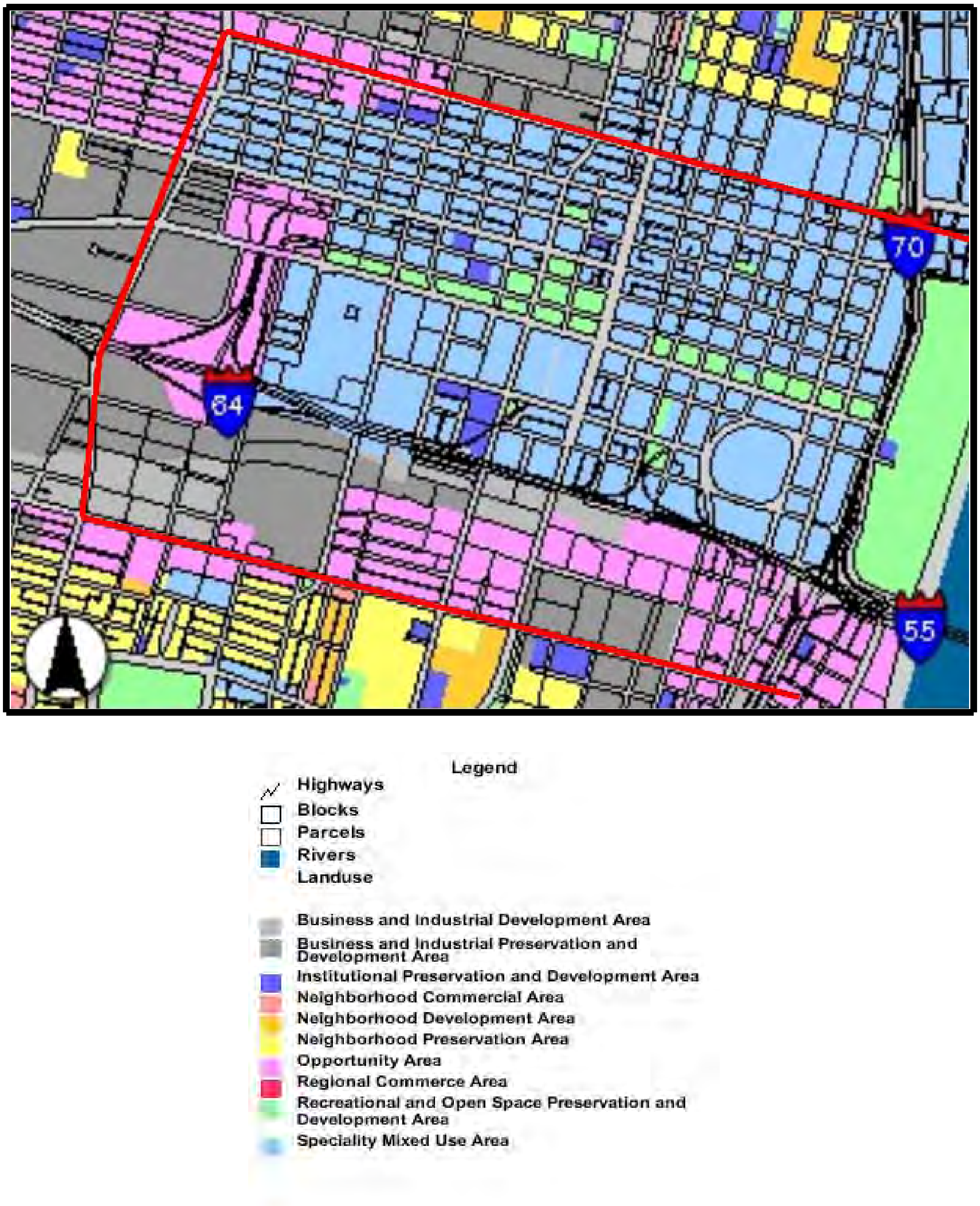
Note: The boundaries depicted above were established by the St. Louis Downtown Partnership

Figure 3: Downtown Activity Nodes

Source: St. Louis Front Page www.slfp.com

★ **= Activity Nodes**

Figure 4: Existing Downtown Land Use and Zoning, St. Louis



POPULATION DEMOGRAPHICS

Social

The social characteristics of downtown St. Louis, as is the case in most large urban centers, are quite varied depending on which area is highlighted. For the purposes of this report, the areas primarily focused upon are represented by U.S. Census tracts 1213, 1214, 1222, 1255, 1256, and 1257 (US Census Bureau). These tracts coincide with the area established by the Downtown Partnership and will provide specific insight into the demographic make-up of this downtown study area.

In order to understand how the downtown area relates to the area as a whole, it is important to research the area within a regional context. In doing so, the following characteristics become highly relevant. The downtown area sits in the geographic center of the St. Louis Metropolitan Statistical Area (MSA). As of July 1, 2005, the U.S. Census estimates that this MSA has a population of 2,786,728, making it the 18th largest metropolitan area in the United States. What makes it unique is that the city is actually its own independent municipality, separate from the county. As of the 2000 census, St. Louis County had a population of 1,016,315 and St. Louis City reported a population of 348,189 (US Census Bureau). St. Louis City, including the downtown area, has actually been experiencing a population decline for roughly five decades now. In the early twentieth century, St. Louis was one of the ten largest cities in the U.S., however has since quickly dropped to the 52nd spot. Partly due to the nation-wide trend towards suburban living in the later half of the 1900's, this population decline has been quite severe. Others often cite St. Louis as a prime example of the theory of "white-flight" a phenomenon experienced during the same time period where people left central cities nationwide en mass for life in the country. As can be seen in Table 1, this population decrease depicts St. Louis' struggle with bringing individuals back to the central city (US Census Bureau).

In the city proper, as of 2000, there were 147,076 households and 76,920 families represented. Likewise, there were 176,354 housing units. The population density for the city as a whole was roughly equal to 2,171 persons per square mile. The city in general is primarily classified as blue-collar, having a median household income of $29,156. Additionally, in 2000, 6% of families and 8.2% of the population was below the poverty line. As will be described further, these city and county-wide statistics are also reflective of the demographics within the study area. In terms of ethnicity, the city is made up of 51.2% African American, 43.9% White, 2% Asian, and 1% Native American with the remainder from those with two or more ethnic backgrounds (US Census Bureau).

Table 1: St. Louis City Population, 1840 – 2005

Census Year	Population	Population Density (Pop/Sq Mi)
1840	16,469	N/A
1860	160,773	2,428
1880	350,518	5,295
1900	575,238	8,689
1920	772,897	11,675
1940	816,048	12,327
1960	750,026	11,330
1980	453,085	6,844
2000	348,189	5,260
2005 est.	352,572	5,326

Source: U.S. Census Bureau

As previously stated, the downtown area mirrors much of the same demographic. Within the 1,859-acre downtown area, as of 2000, there were 7,511 persons and 4,184 households. At a land area of roughly 2.9 square miles, this translates into 2,585 persons per square mile. As we will see later on, this population density number is quite low for a city of the size and statute of St. Louis. Of this make-up, 46% of residents are male and 54% are female. The ethnic composition is as follows: 75% African American, 22% White, 1% Asian, 1% Native American with the remainder from those who are two or more races (US Census Bureau).

Although the employment statistics for the area are promising, the income data is significantly below even that of the national average. Among these 7,500 residents, the average income is $17,990, within roughly 43% of the downtown population making less than $15,000 a year. Interestingly, 2% of this population sector earns greater than $150,000 a year. There are 2,888 persons in the labor force. Of this, only 69 persons were unemployed at the time of the census. Educational attainment is also lower than average for the specific demographic. 26% have completed high school. An additional 24% have completed some college but have not received a degree. Only 9% of the population holds a Bachelor's Degree while some 30% never completed high school (through the 12th Grade). These lower than average income numbers could be due to a high concentration of blue collar and service industry jobs that typically pay at or slightly above the minimum wage (US Census Bureau).

Additionally, home ownership levels are quite low as well. As has been described and will be explored further throughout this paper, downtown St. Louis has been struggling for nearly 50 years to provide adequate, quality housing choices to attract individuals to live downtown. As of the 2000 census, there were 5,826 total housing units within the study area. Of these, only 120 were owner occupied. 4,064 units were renter occupied and 1,642 units stood vacant. These ownership and occupancy numbers are likely to increase by the 2010 census as areas such as the Washington Avenue Loft Area becomes increasingly popular.

Table 2: Downtown Population Demographics at a Glance, 2000

Demographic	St. Louis, MO	Denver, CO
Downtown Acreage	1,859	4,802
Population	7,511	52,919
Population Density (Pop/Sq Mi)	2,585	7,053
Median Age	39.8	31.7
Median Household Income	$17,990	$27,880
Total Housing Units	**5,826**	**29,475**

Source: U.S. Census, 2000

As can be seen by looking at the mid-decade census estimates as of 2005, the downtown population loss, after nearly five decades, has finally begun to swing in the opposite direction. Though the gains may initially be very modest, the City's population actually increased by 2,000 persons from 2000 to 2005. This is a very positive sign for the city and particularly the downtown area. In fact, according to the Partnership, the downtown population is expected to increase by over 100%. By 2010, they are predicting that there will be over 17,000 downtown residents by the 2010 census. How realistic these estimates are remains to be seen. One thing can be inferred from the demographic information above though and that is the city is definitely beginning to head in the right direction. In fact, a common slogan heard around the city these days is representative of this trend and the hope everyone has for the downtown area: “The City is Back, Back the City” (Downtown St. Louis Partnership).

As the city has been actively pursuing a downtown renaissance of sorts, they have been very proactive in encouraging downtown redevelopment. A prime example of this is the Washington Avenue Loft Area described above. The City has been very aggressive in dictating policy to make this happen. First, in 2005, the zoning and land use statutes were updated to reflect a specialty mixed-use district to cover the majority of downtown. This new zoning allows developers to take advantage of the multitude of vacant or underutilized warehouses and other structures and remodel them as mixed-use residential units. Also, the city has begun to offer subsidies to developers for certain key catalyst projects to encourage redevelopment in certain areas. The Historic Preservation Authority has also begun to play a much larger role in the process by emphasizing the historic character of the downtown area and by stressing the character and amenities it has to offer.

The City’s efforts to date seem to be paying off. With proposals in the pipeline such as the Ballpark Village, mid-rise condos along the river, the Bottle District Area, and several high-rise condo projects in the central business district, the number of rental and for sale units is expected to increase from 6,000 in the year 2000 to nearly 8,800 by 2007 and an impressive 10,800 by 2008 (The City of St. Louis).

This increase in housing supply bodes very well for the future of downtown. As these projects continue to emerge, more and more metro area residents will begin to embrace the style of downtown living. As this happens, the demographics of the downtown area will begin to catch up with that of the rest of the city. After a long period of decay, this area is finally beginning to be used to its full potential. As such, it will be very interesting to see how these characteristics are depicted in the 2010 census and beyond. Downtown St. Louis has the potential and now the means by which to create a thriving, vibrant and, most importantly, livable central business district. As local residents like to now boast, “Back the City, because the City is back.”

DEVELOPMENT

In 1950, St. Louis was the nation's eighth largest city, with 857,000 residents. By 1999, the US Census Bureau was estimating the population at 334,000, down 523,000. More people have left St. Louis than live in Atlanta, Minneapolis, Denver or Cleveland. The population of St. Louis has dipped to the lowest level since the mid-1870s. Now St. Louis ranks as the nation's 52nd largest city, behind, for example, Fresno, Mesa (Arizona) and Colorado Springs, none of which had 100,000 residents in 1950 (The City of St. Louis).

Downtown St. Louis is the central business district of St. Louis, Missouri, the hub of tourism and entertainment and the anchor of the St. Louis Metropolitan area. According to the Partnership survey of 1997, total floor area in Downtown is 71,803,967 acres and business property area accounts for the about 82% of total floor area. As it seems in the table below, parking has the highest occupancy rate and loft has the lowest occupancy rate (Downtown St. Louis Partnership).

Table 3: Total Floor Area, Percentages, and Occupancy Rates by Uses, 1997

Use	Area (acres)	% of Total	Area Occupied	Occupancy
Auto Service	115,019	0.16%	81,357	70.7%
Hotel	4,954,639	6.89%	4,505,322	90.9%
Loft	7,762,449	10.8%	3,634,041	46.8%
Mfg/Warehouse	7,433,869	10.3%	5,286,276	71.1%
Office	24,071,217	33.5%	18,924,777	78.6%
Parking	7,695,310	10.7%	7,476,273	97.2%
Recreation	3,334,598	4.64%	3,201,988	96.0%
Restaurant	480,401	0.66%	392,549	81.7%
Retail	2,616,107	3.64%	1,744,056	66.7%
Social Services	148,569	0.20%	37,128	25.0%
Transportation	379,580	0.52%	361,858	95.3%
Utilities	326,600	0.45%	312,099	95.6%
T. Business Property	59,318,358	82.6%	45,957,725	77.5%
Government	6,222,365	8.66%	5,034,278	80.9%
Housing	4,651,493	6.47%	3,652,552	78.5%
Institutions	1,248,910	1.73%	1,133,768	90.8%
Religious	362,841	0.50%	349,547	96.3%
Total	**71,803,967**	**100.0%**	**56,127,870**	**78.2%**

Source: The City of St. Louis, stlouis.missouri.org/development/downtownnow/reports/section7c.pdf

High vacancy rates, as they will be explained later in the office and retail cases, are mostly related to quality of development and inappropriate land use policies. Until the end of the 1990s there was little or no choice for those who wished to live in the downtown. In addition, there was a very low level of effective demand for housing in downtown. However some physical and policy changes have been seen in downtown St. Louis, which changed the occupancy rates. The city has understood the importance of quality of development and has changed its policies. For instance, in order to increase housing occupancy rates the city examined successful downtown revitalization projects (Philadelphia, Baltimore, and Dallas) in the country. One of lessons that St. Louis has learned from these cases is that ‘‘successful products include rental and ownership opportunities, and serve different parts of community” (The City of St. Louis).

The building success of local loft offerings along Washington Avenue has indicated that the St. Louis market has indeed become similar to others that have registered significant success in downtown residential development (The City of St. Louis). As described above, an example of the policy turn is the Washington Avenue Loft District Development located in downtown.

Washington Avenue Loft District

Annual Vacancy Rates and Rental Square Footage Rates

Office

Downtown St. Louis commercial office market represents approximately 45% of region's class A and class B stock. The average occupancy of class A and B space is lower in downtown than in the region, as whole. However, downtown vacancies, overall, are heavily influenced by the large supply of unoccupied, older, typically class B, C, and D stock which bring overall vacancy rates to 17% (Real Estate Market Analysis, The City of St. Louis).

Table 4: Commercial Office Space Total Floor Area and Vacancy Rates, 1992-1997

	1992	1993	1994	1995	1996	1997
SF (Millions)	19.2	19.2	19.0	19.0	19.6	19.5
Vacancy	18.6%	18.3%	17.1%	18.2%	17.7%	17.6%

Source**:** Real Estate Market Analysis-The City of St. Louis, stlouis.missouri.org/development/downtown-now/reports/section4d.pdf

The absence of overall growth in demand is pushing downward on rents. Due to the lack of quality space, absorptions are not possible in the new downtown buildings, creating the threat of losing occupants to other cities.

Table 5: Downtown and Suburban Profile of Commercial Office Space, 1999

	Downtown	Suburban
Total Square Feet	19,555,012	19,335,192
Regional Percentage	43.0%	42.4%
Occupancy	84.5%	95.0%
Rent Rate Range	$10.00-$23.00	$16.00-$28.00
Sales Price Range	$32.00-$136-00	$60.00-$144-00

Source: The City of St. Louis, stlouis.missouri.org/citygov/planning/research/data/about/economy/officesp.htm

Housing

While there was low effective demand for housing because of the very little different and new product, often low-income qualified people preferred to live downtown in the 1990's. Today, however, this trend has changed. Because the city had recognized the importance of the diverse choices, it changed its policies to create potential demand into effective demand. The city has been introducing downtown housing projects that includes both rental and ownership opportunities in areas where critical mass of demand already exists (Real Estate Market, The City of St. Louis).

The overall rental rate has increased consistently over the past five years, but at a substantially slower rate of 15%. The average rent in 2000 was $0.83 per square foot and the current average rent is approximately $0.95 (2004) per square foot. Two major factors have contributed to the slower growth in rental prices per square foot.

1. Supply- A significantly larger inventory of rental units are available, the majority of which are traditional apartments in older properties.

2. Demand- Continuing low mortgage rates have made homeownership more affordable, particularly for young professionals that represent the largest segment for downtown living. Thus, a higher percentage of residents are choosing to buy rather than rent (Downtown St. Louis 2004 Housing Report, The Downtown St. Louis Partnership).

About 7,500 people live in downtown St. Louis, and city dwellers have filled nearly 90 percent of the 1,700 converted lofts that opened there between 2000 and 2005 (The St. Louis Business Journal). More than 1,700 new residential units have been completed between 1999 and 2005, and have a 91% occupancy rate in these residential properties (Downtown St. Louis Partnership).

RETAIL

The region compares to the city in vacancy rates as follows: 7% vacancy in the region and a 9% vacancy rate in the city. The region has a healthy retail market while downtown retail vacancy is very high 43% (1998). Much of this vacancy is the city's 900,000 square foot super regional mall, where half of the in-line space is vacant. Rental rates for retail space, in the city, range from $10 to $20 per square foot and are significantly below that in some of the depressed downtown retail areas (Real Estate Market Analysis, The City of St. Louis).

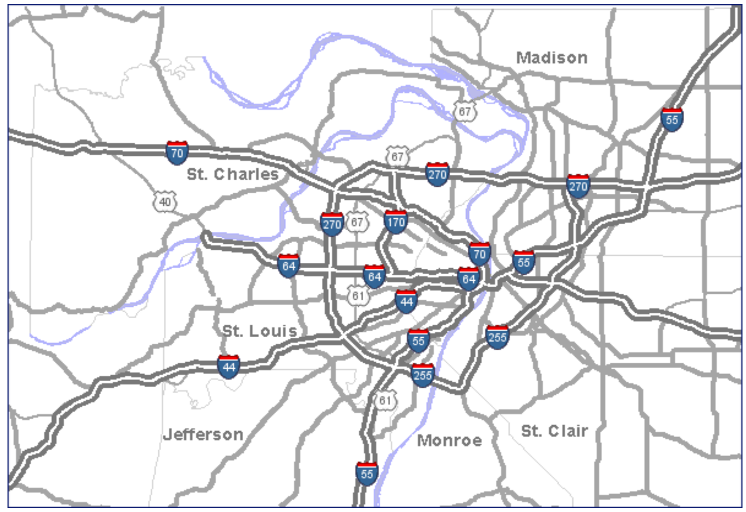
Downtown retail vacancies are concentrated in the St. Louis downtown center which includes the city's regional mall and various street-front stores. The combined potential retail floor area is 2,460,400, while the Partnership's survey indicates that there are 2,136,600 occupied retail square feet in the downtown area. This suggests that downtown is failing to capture its potential by almost 325,000 square feet. This also shows that downtown's central location does not give it a special advantage in terms of retail space.

This failure is attributable to several factors. One failure is that downtown is simply failing to attract all the people that it should, particularly among nearby residents. Moreover, the kinds of retail goods and services that people would like to buy may not be available or may not be conveniently available. For instance, a great deal of downtown's retail space is "hidden" in office buildings and has little or no street-frontage. While office workers might patronize such facilities, visitors to the downtown area would not know that these spaces even exist. Many visitors are also downtown in the evenings and on weekends when most of the downtown's retail stores are closed (Economic Position of the City of St. Louis Within Metropolitan St. Louis and Potentials for Downtown Real Estate Development 1990-2005, 1998, p.21).

If Downtown can attract more workers and visitors, there could be more shopping which can enhance retail development. To do so, job opportunities need to be increased as well as an increase in events such as festivals, conventions, and riverfront attractions, for example. To improve downtown retail vacancies, functional design issues also need to be addressed. A suggestion might be to cut back the retail in size (the two upper floors to be leased to back office users) and oriented more to the street with a concentration on food services and entertainment related tenements. A focus on food and entertainment as well as destination tenets (jewelry, designer clothing, specialty shops etc.) will appeal to a mix of visitors (Market Analysis, The City of St. Louis). In short, a more coordinated retail scene and an environment with more accessible locations and hours are necessary to reduce retail vacancy rates (Economic Position of the City of St. Louis Within Metropolitan St. Louis and Potentials for Downtown Real Estate Development 1990-2005, 1998, p.21). This mission of the downtown development action plan reflects this necessity to “capitalize on and strengthen the center city’s role as the premier office location in the region and utilize retail, entertainment, housing, and cultural attractions to extend the time people spend downtown, enhance livability, and attract visitors” (St. Louis Downtown Development Action Plan, 1999, p.5).

Although an entity that manages and regulates policies for retail properties is seen as necessary in order to enhance downtown retail in St. Louis, unfortunately, currently there is no such entity in existence in this metropolitan area.

TRANSPORTATION



Highway interchanges in St. Louis, source: www.gatewayguide.com

On a whole, St. Louis is surrounded and bisected by major interstate highways, specifically I-64, I-55, I-44, and I-70. Because these major thoroughfares transect the city, there is an increase of traffic throughout St. Louis. With this traffic comes congestion and effects on the road conditions.

Currently, there are several construction projects in progress in St. Louis. The most predominant construction project is the 12-mile design-build on I-64. This project, similar to that of the I-25 T-Rex project, hopes to create full shoulders, generate round-abouts near the high rise buildings, and foster a safer pedestrian circulation system by installing and improving cross-walks (The Missouri DOT). Typically the road construction projects that are presently being worked have two overall goals. The first goal is to enhance pedestrian connectivity. The second goal is to create safer overall conditions for people who use the roads.

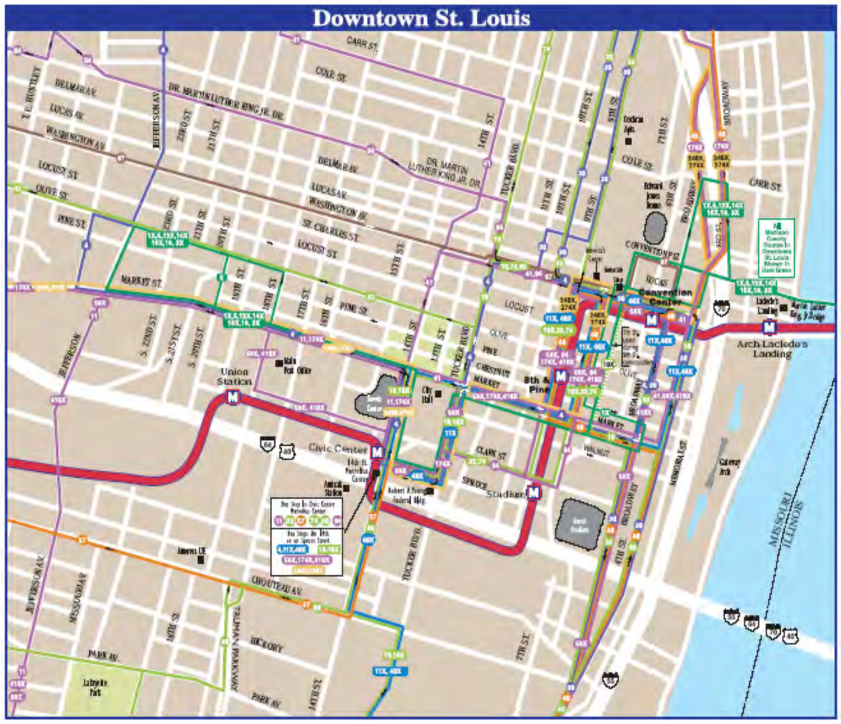
More specifically, the downtown streets of St. Louis are laid out on a grid system with alternating one-way directions similar to the downtown street grid of Denver. The total area of downtown St. Louis is not even three square miles. With the area being as small as it is, pedestrians have little trouble getting from one place to another. There are accessible trails in the city for walking, jogging, and bike riding. Maps of the city are readily available for anyone who needs assistance in getting around (Downtown St. Louis Partnership).

Parking

Parking in St. Louis is very abundant. There are over 46,000 parking spaces located in parking structures and surface parking lots. Additionally, there are 2,700 on-street parking spaces. The price for parking in downtown is very affordable. On-street, metered spaces are seventy-five cents per hour. These metered spaces are free after 7:00 p.m. on weekdays and all day on the weekend (Downtown St. Louis Partnership).

Public Transportation

There are many components that contribute to automobile and pedestrian traffic. One large entity that adds to the traffic is the public transit system. The city public transit consists of a bus system and a light rail system. Metro Agency is the major public transportation entity in St. Louis. The agency operates MetroBus, MetroLink, and the smaller components of the transportation system such as transportation for the Gateway Arch (The Metro System).



MetroBus and MetroLink Stops in Downtown St. Louis, source: www.metrostlouis.org

The Metro Agency, established in 1949, has a mission to promote "regional development through excellence in transportation" (The Metro System). Because the Metro Agency is able to cross city and county boundaries, transportation around the St. Louis area is convenient. MetroBus has just over 400 vehicles that service nearly 80 routes across the region. MetroLink, the light-rail system, currently has roughly 90 vehicles services the region. One track, the oldest, provides transportation to the airport. The second line, whose transit station broke ground in the spring of 2006, will hope to service the other side of the region. Over the course of last year, the MetroBus combined with MetoLink has carried more than 49 million passengers across the 200 municipalities that they cross (The Metro System).

Future Transportation

When speaking about what the future of the roadways in the St. Louis region, the Missouri Department of Transportation (MO-DOT) is beginning to make some decisions. MO-DOT is looking toward the future of the Northeast Missouri/St. Louis region. MO-DOT is looking at the needs and opportunities of the area in order to assess the best projects and programs that will be needed (The Missouri DOT). When concerned with the future of public transit, St Louis is working toward creating a more accessible system by adding more light-rail tracks. The downtown region has become more and more difficult to park. Due in part to this reason, city planners are looking at the reintroduction of street cars to St. Louis might be the future of local commuter transit. Street cars will make it more inviting for people to venture into downtown with this historic convenience (Urban Review).

POLICIES AND POLITICS

In August, city voters overwhelmingly approved a "living wage" ordinance that will require any business that does business with the city to pay no less than a "livable wage". In addition, that includes benefits that are nearly double the national minimum wage (which is $10.76 per hour for employees without health benefits, and $8.84 per hour for workers with health benefits in 2001 (The Brennan Center).

In 2006, a new eminent domain policy was accepted. According to this new law, the power of eminent domain is not only vested in elected body (council) or appointed body (planning commission), but also an urban redevelopment corporation operating pursuant to a redevelopment agreement with the municipality for a particular redevelopment area. The Downtown St. Louis Partnership uses the eminent domain and TIF as an important economic development tools, especially for urban core areas (Downtown St. Louis Partnership).

In terms of politics, one characteristic that is unique to St. Louis and only a handful of cities around the country, is that it is its own municipality, separate from the county. In 1876, the city voted to secede from St. Louis County and become an independent municipality. During that time, the county and surrounding areas outside the city were sparsely populated. The city proper did not want to spend tax dollars inefficiently on this exurban area while the city itself was growing by leaps and bounds (Wikipedia).

Law and government within the city are ruled by a mayor-council type of legislative authority. Within this type of government, authority is shared between the mayor (executive) and a Board of Aldermen (legislative). This Board is made up of 28 members- one from each of the city's Wards, plus a board president. Also, dissimilar to the majority of other American cities, is that the Mayor in St. Louis shares power with 9 other independent elected officials, including a treasurer, comptroller and finance director (Wikipedia).

Although the city and county have been separate entities for nearly 130 years, there are some mechanisms in place that allow for inter-governmental agreements, joint funding authorities as well as certain types of revenue sharing practices. For example, as described above, the Zoo-

Museum District collects taxes on residents of both the city and county to provide services, events, and amenities, even though these facilities are located within the city proper. Another prime example would be the Metrolink system which is managed by a joint powers authority (Wikipedia).

Because of this unique style of government, as well as being an independent municipality, St. Louis may face other challenges or have potential vehicles for development that may not be present in a city like Denver. In determining how and why St. Louis has developed, the Downtown Denver Partnership should focus more closely on policies and practices rather than the style in which the St. Louis government is run.

COMPARE/CONTRAST TO DOWNTOWN DENVER

Denver and St. Louis are similar in that they are both trying to increase population by establishing new developments. The Denver Downtown Partnership should use the high education and income levels of the residents to work toward increasing new development, redevelopment, and bringing in new commercial and retail developments.

Downtown St. Louis, unlike Denver, is the largest employment concentration center in the region (St. Louis Downtown Development Action Plan, 1999, p.6). The most important implication from Downtown St. Louis in terms of development is that quality of physical environment and buildings is crucial for high occupancy rates in commercial office space. Regarding retail development, quality is necessary but not sufficient alone. Right land use regulation, time organization (opening and closing hours), and attraction and retention of people in the downtown area seems necessary for high occupancy rates in retail space.

To make the City and County of Denver more successful, the Downtown Partnership should continue to invest in quality development. Second, every housing, office or retail project that is developed by the city should offer multiple choices and serve different parts of the community. Third, development of good planning and projects are not alone sufficient for successful results. Successful implementations of those are also important, which requires the Downtown Partnership to work with retail owners, employers, and most importantly city residents to create a more vibrant and prosperous Denver.

When addressing transportation, Denver's public transportation system is much larger and covers more area than that of the St. Louis MetroBus and MetroLink systems. Denver is continuing to expand and this is an area where St. Louis could learn from Denver. When the Downtown Denver Partnership takes these three issues (transportation, economy, and demographics) and combines them, there will soon be a more vibrant economic and social hub in the Front Range. In the end, although there have been increases in population since 2000, St. Louis has a long way to go become a thriving city where people will want to live.

CONCLUSION

St. Louis is rich in history and culture. Established during a booming era, the city thrived from its location. However there was a downward spiral that began in the middle of the last century which continues to affect the city.

St. Louis, having dealt with economic difficulties for years, is starting to regain the economy that it once had. The city has lost several large companies and is fighting to retain the businesses that are currently located in the urban core. One positive attribute that the city has in terms of development is the zoning. The majority of the zoning in downtown allows for mixed-use. There are significantly large developments that are in the works that are going to be located in downtown. These developments are hoping to draw people back into the city instead of in the surrounding suburbs.

St. Louis has a transportation system that is definitely not as elaborate as the Denver system. There are two light-rail tracks in the city. The system is developing at a slower pace than Denver's FasTracks expansion plan. The highway and street system of St. Louis is very elaborate with several highways bisecting the city along with a grid pattern of alternating one-way streets throughout the downtown area. The city is a huge automobile-oriented city which provides much needed parking for the residents and others to enjoy the city.

Denver and St. Louis have many similarities and many differences. They are both working toward creating a destination for people to come to for work and pleasure. Denver is more advanced in economic, social and transportation growth than St. Louis. St. Louis is battling against a poor reputation, especially since being named the country's second most dangerous city in 2002 (Wikipedia). Although there are several negative connotations that come to mind when discussing St. Louis, the city is working toward improving and creating a city that is desirable to live. By utilizing what St. Louis has accomplished, where it lacks and what it plans to do, Denver can continue to grow as a bustling metropolis and continue to elevate this renaissance we now see occurring for many years to come.

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