

FISCAL ANALYSIS AND IMPACTS OF DOWNTOWN ST. LOUIS

Downtown is vital to
the growth and
prosperity of St. Louis

Prepared by

DEVELOPMENT STRATEGIES®

For Greater St. Louis, Inc.

DOWNTOWN IS A SIGNIFICANT ECONOMIC AND FISCAL DRIVER FOR ST. LOUIS

As the economic, cultural, and civic core of St. Louis, Downtown and Downtown West ("Downtown") serve as the place that brings everyone together. It is the front door to our region and the city's most important economic anchor, providing well-paying and accessible jobs in the city.

Powered by a mix of public and private investments, recent momentum includes a significant increase in residential population and hotel rooms delivered, plus the new developments at Ballpark Village, Union Station, Centene Stadium, and other projects underway.

EMPLOYMENT CENTER

57,000

Jobs (2019)

27%

Of jobs citywide
(2019)

31%

Of wages generated
citywide (2019)

OnTheMap, Development Strategies



RESIDENTIAL GROWTH

10,000

Residents (2021)

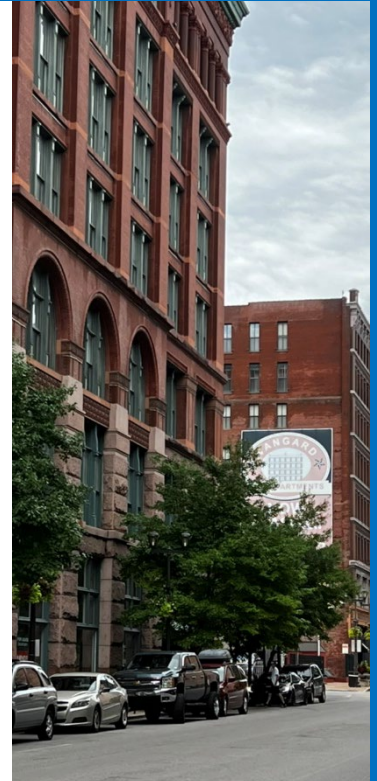
30%

Increase in population
since 2010

1,700

New apartment units
delivered since 2010

Esri, CoStar



KNOWLEDGE SECTOR GROWTH

71%

Of the city's jobs in the
Information and
Professional / Scientific /
Technical Services sectors
(2019)

3,340

Jobs added in Finance /
Insurance; Information;
Professional / Scientific
/ Technical Services
(2010-2019)

OnTheMap



HOSPITALITY HUB

7,500

Hotel rooms
(May 2022)

78%

Of citywide hotel supply
(May 2022)

570

Hotel rooms delivered
since 2010

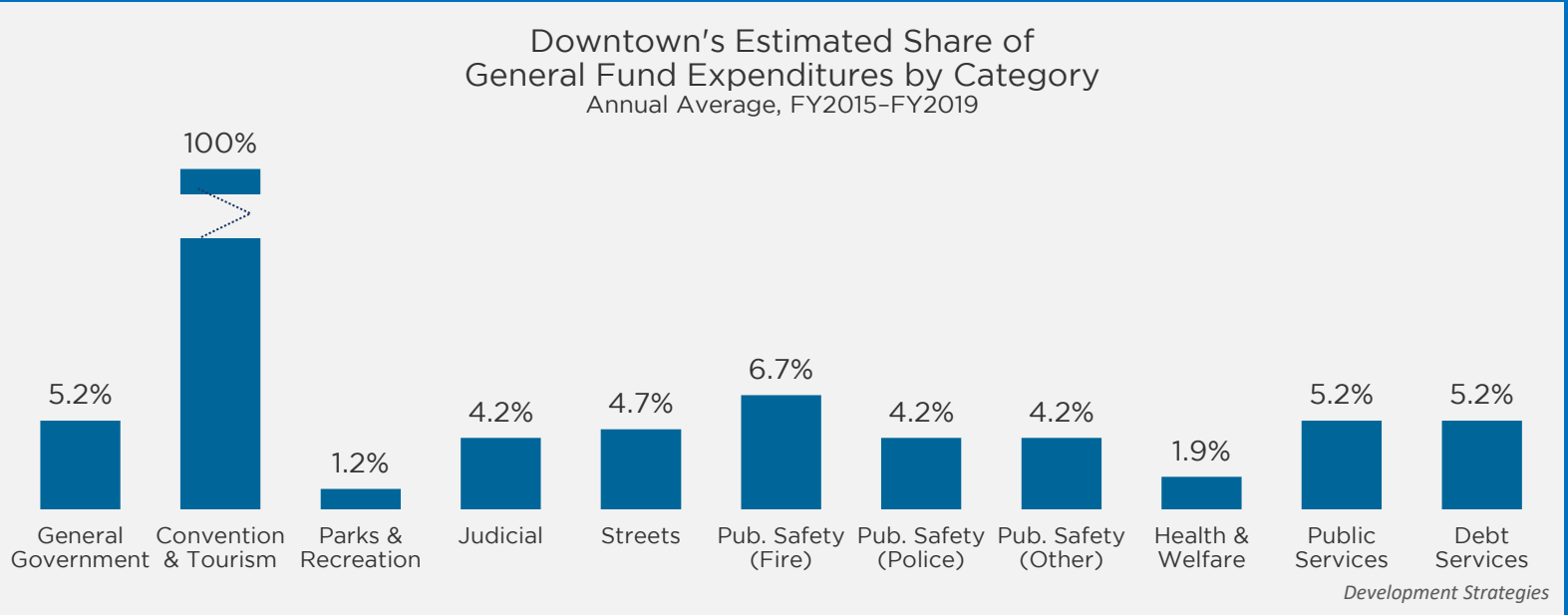
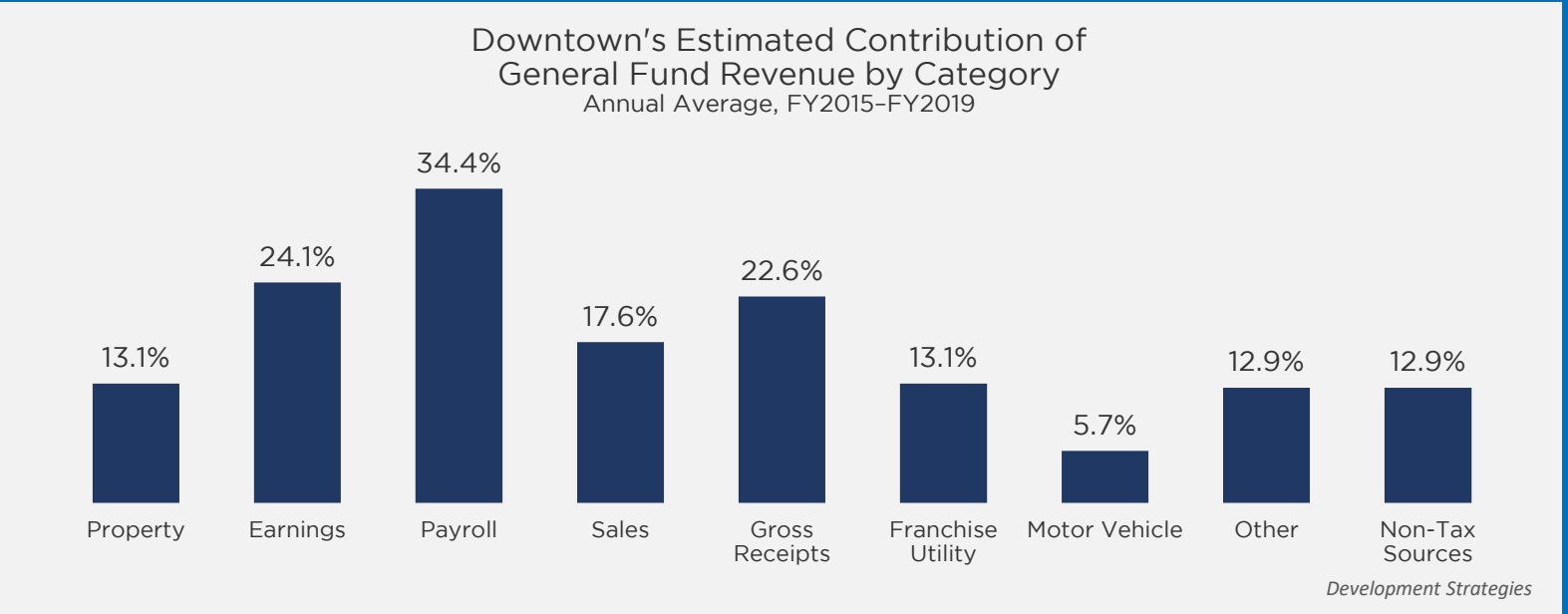
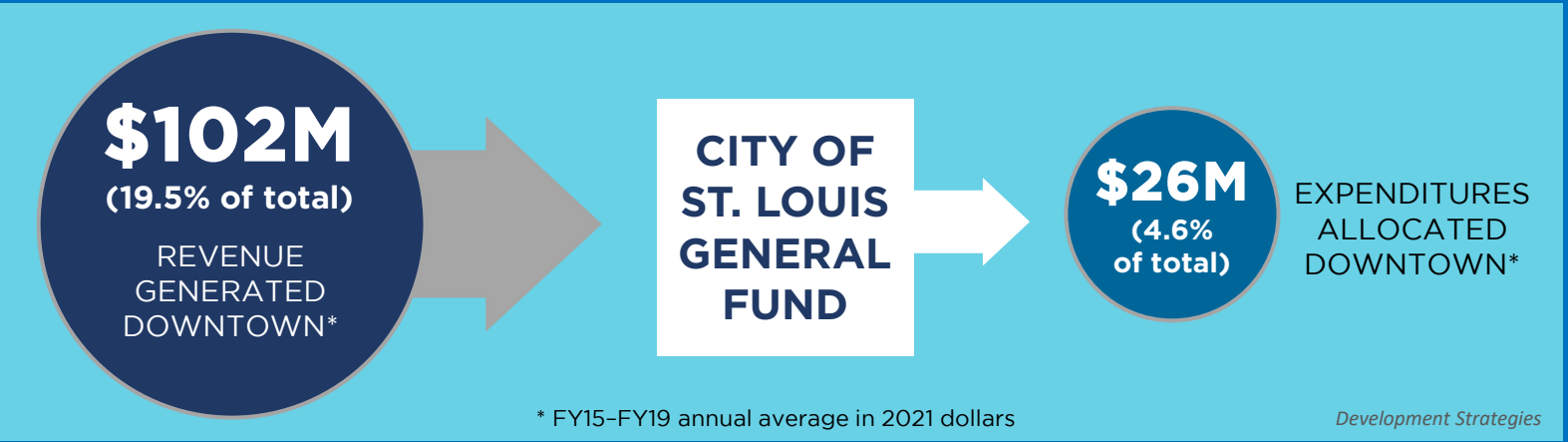
CoStar



DOWNTOWN IS A SUBSTANTIAL REVENUE GENERATOR

Despite Downtown covering less than four percent of the city's land area, it has an outsized impact on the city's economy and fiscal sustainability.

Downtown contributes four times more than it receives from the City of St. Louis General Fund.



DOWNTOWN IS THE FOCAL POINT FOR THE CITY'S ECONOMIC AND FISCAL ACTIVITY

1

Downtown has the highest concentration of employment in the city.

2

Downtown has been one of the fastest growing neighborhoods in the city for more than a decade.

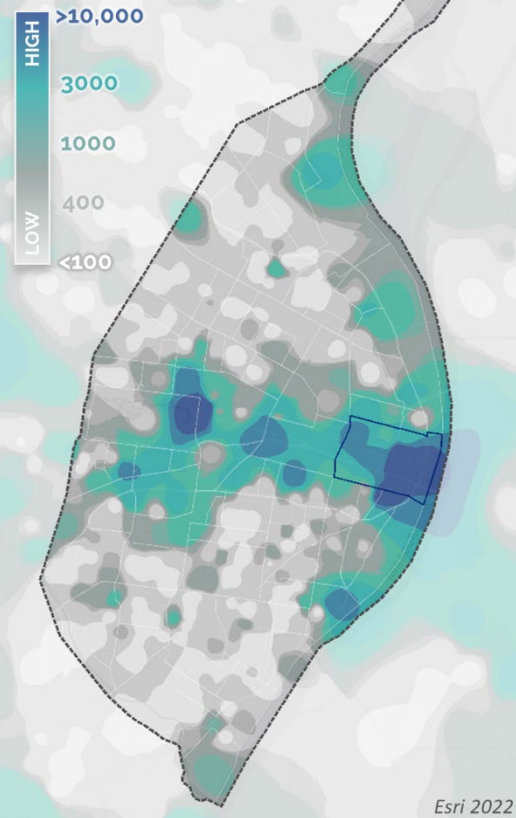
3

The average assessed value per acre Downtown is the highest in the city.

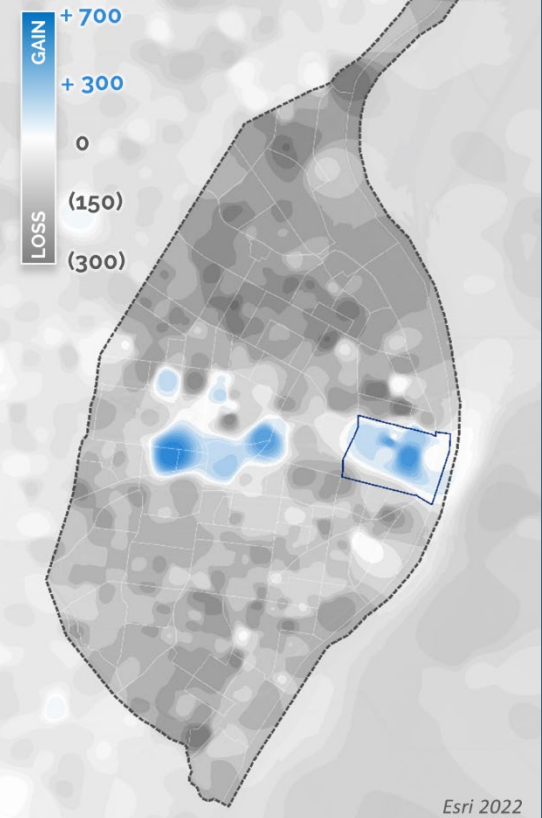
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Downtown has the highest concentration of hotel rooms in the city.

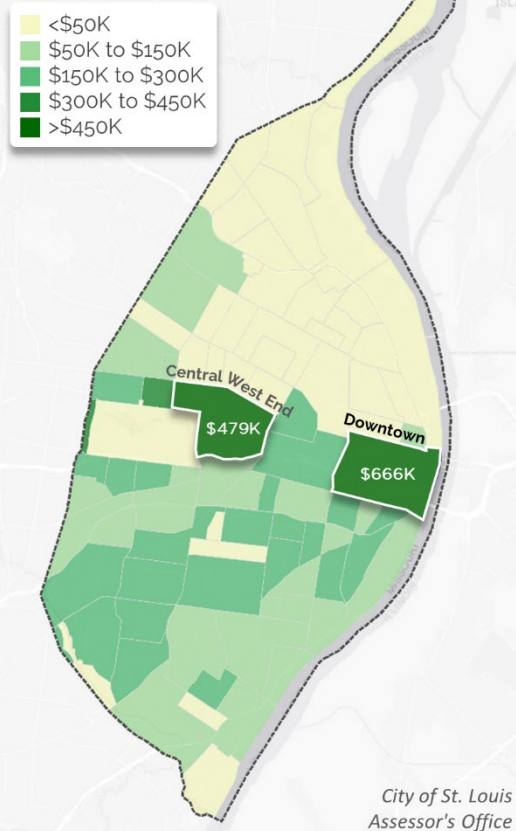
EMPLOYMENT DENSITY PER SQUARE MILE



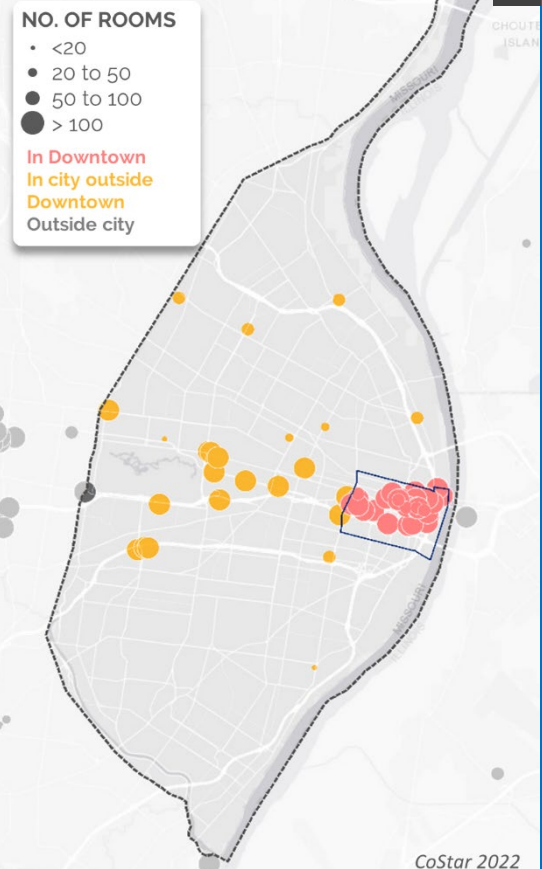
POPULATION CHANGE 2010—21



TOTAL ASSESSED VALUE PER ACRE 2020



HOTEL ROOMS



DOWNTOWN NEEDS TO ATTRACT MORE INVESTMENT AND PROVIDE NEW ECONOMIC OPPORTUNITIES

Despite challenges in recent years that affected downtowns across the country, Downtown St. Louis remains a major contributor to the city's economy and collective identity.

To combat the concerning trends highlighted below, investment in Downtown infrastructure, public safety, real estate, and tourism is important to ensure that Downtown sustains its critical role for our metro's economy.

DECLINING EMPLOYMENT BASE

18,000

Jobs lost for a 24 percent decrease (2016–2019)

5,170 decrease in Wholesale Trade jobs

4,680 decrease in Administrative / Support jobs

4,130 decrease in Public Administration jobs

OnTheMap



OFFICE VACANCY

3.9 million

Square feet of vacant office space (May 2022)
Note: 2.6 million sq. ft. is contained within the former AT&T and Railway Exchange buildings

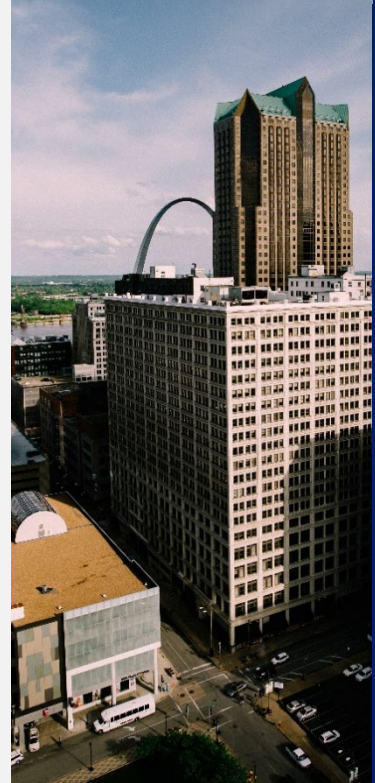
14%

Office vacancy (May 2022)

71%

Vacant office space citywide (May 2022)

Esri, CoStar



DECLINING PROPERTY TAX REVENUE

2%

Decrease in total assessed values Downtown (2010–2020)

19%

Increase in total assessed values citywide (2010–2020)

City of St. Louis Assessor's Office



IMPACTS FROM COVID-19

44%

Average 12-month hotel occupancy (May 2022)

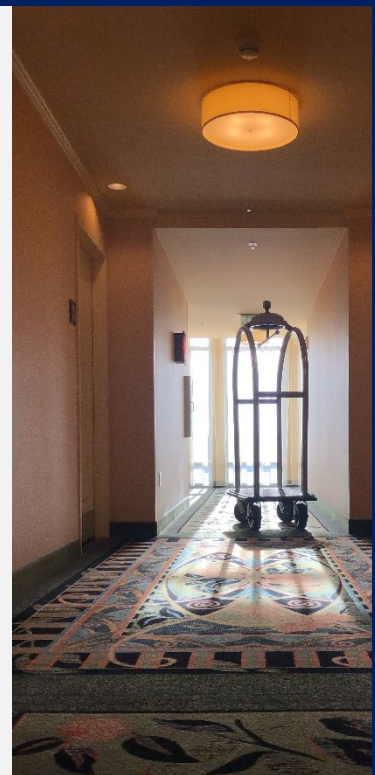
540,000

Average annual decrease in room nights since 2019

\$68 million

Average annual loss in hotel room revenue since 2019

CoStar



FISCAL DRIVERS FOR FUTURE PROSPERITY

Downtown's long-term contributions to the city's overall competitiveness, prosperity, and fiscal sustainability are reliant on the following factors:



Population Growth

Continued Downtown population growth will increase revenues from property tax (from new real estate development), earnings tax (from new residents), and sales tax (from new resident spending).



Employment and Wage Growth

Enhancing Downtown as an employment hub will provide critical revenues through increased earnings and payroll taxes to expand essential city services including public safety, parks and recreation, and social services.



Hospitality and Retail Spending

Maintaining and bolstering Downtown as a visitation, cultural, and recreational hub will grow sales tax revenue and make the region more competitive.



Real Estate Development

Continued redevelopment of underutilized and publicly-owned properties will increase Downtown property tax contributions to the city and support population growth, employment and wage growth, and hospitality and retail spending.