

CHAPTER

3



Market Report



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CHAPTER 3

Market Report

Purpose

The purpose of this chapter is to define the economic dynamics of the Woodson Terrace study area within regional & local market conditions. The results of the understanding of these economic conditions will provide a basis for implementation planning and finance strategies associated with the comprehensive planning process.

Recommendations in the implementation strategies chapter will be focused on a market driven concept* and will include suggestions based on infrastructure conditions, location, and economic development opportunities associated with the immediate access of transit facilities and regional transportation systems. Future positioning of the City in the core regional marketplace will determine opportunities for the future that are not present today, but are appropriate for the City of Woodson Terrace and meet the needs of the community and the local market needs.

** Definition: Market Driven – Existing and planned conditions that meet the market needs of public and private entities and that encourage investment based on those conditions. By planning for certain physical, policy and financial conditions, market driven concepts can attract interest and participation within the investor marketplace. Examples of market driven planning concepts include, but is not limited to:*

- Present and future infrastructure planning
- Market dynamics and the relationship of existing public and private investment within a defined area and future opportunities created by those dynamics
- Availability and cost of land
- Creation of policies that represent the City interest while providing incentives for future development investment
- Creation of specific, designated development areas planned for market driven investment
- Availability of public and private financing and cooperative structuring of development investment dollars within defined development areas

Regional Market

The St. Louis Region is composed of seven (7) counties and the City of St. Louis (See Exhibit 3-1), each representing individual economic markets and development potential that make up the economic strength and job base for St. Louis Region. Woodson Terrace lies in the northern part of the region, and is located contiguous to and south of Lambert St. Louis Airport, a strong market force.

Illinois

1. Madison
2. St. Clair
3. Monroe

Missouri

4. St. Charles
5. St. Louis
6. St. Louis County
7. Franklin
8. Jefferson

EXHIBIT 3-1: ST. LOUIS REGION



Source: <http://www.ewgateway.org/ourregion/ourregion.htm>

Interstate Highway Access

Regional access to Woodson Terrace is substantially related to automobile traffic along the I-70 highway corridor. The dependency on automobile access is related to the limited availability of MetroLink service to the communities south of Lambert-St. Louis International Airport and a general lack of interest in bus transport. Therefore, planning of market growth and the potential increase in commercial investment in the area must take into account automobile travel ways and parking.

The City is centrally located in St. Louis County just south of Interstate 70 (I-70), a Midwest section of an interstate highway system spanning the entire North American continent. It is located 1.5 miles west of Interstate 170 (Map 1-1).

There are two access points to the City at I-70, but neither provides direct access. One interchange is located at I-70 and Natural Bridge Road, and the other at I-70 and Airflight Drive. Both the access points lead to Natural Bridge Road, the front door of the community, making it one of the most important corridors in the community I-70 and Natural Bridge Road interchange/intersection is extremely confusing and lacks clear directional signage. This intersection provides a major difficulty for visitors attempting to reach the City of Woodson Terrace. The interchange at I-70 and Airflight Drive consists of an unusual and confusing combination of ramps on the north and south side of I-70.

There are two ways to access Woodson Terrace from I-170: via Natural Bridge Road and St. Charles Rock Road. The Natural Bridge Road exit from I-170 is approximately 1.3 miles from Woodson Terrace, and

the configuration of Natural Bridge Road from the east to enter the city limits is difficult to navigate. The St. Charles Rock Road access to Woodson Terrace is simpler, but requires traveling an additional 1.8 miles.

The majority of the market segment that come or will come to the community will use I-70. While the community has a great regional advantage due to its location and proximity to interstate highways, the advantages have been limited due to the poor access conditions. I-70 corridor has an average daily traffic (ADT) of 146,000. However, Woodson Terrace, which has a 0.7-mile-long frontage along the I-70 corridor, is unable to tap into this market segment. The communities south of Lambert-St. Louis International Airport, including Woodson Terrace, can reap the full benefits of their location only if a comprehensive look is taken at the I-70 corridor and access to I-70 is reconfigured to better serve these communities.

Lambert-St. Louis International Airport

The City of Woodson Terrace is located just south of the Lambert-St. Louis International Airport, which is the gateway for 15 million travelers each year in the St. Louis region. Supporting more than a dozen airlines and cargo operations, Lambert-St. Louis International Airport is the region's doorway to national and international commerce and destinations. Lambert-St. Louis International Airport is also one of the largest employers in the region. The Airport Authority is made up of the Airport Commission, the Airport Director, and more than 550 full-time employees.

The development of the airport and its location has relevance to the overall historic wealth of the St. Louis region as well as the economic growth and prosperity of the area. There are few concentrated economic engines within the region that are as dynamic and economically significant as the airport facility.

Lambert airport is primarily thought of as a port for commercial passenger and freight airline activities. These transit and freight commercial facilities and governmental business activities create jobs and consumer demand that is unmatched elsewhere within the St. Louis region. The airport is also home to a military installation and Boeing Company. In 1997 The Boeing Company acquired McDonnell Douglas Corporation; a St. Louis owned and operated aircraft and aerospace company. The company remains at its original location and is a mainstay in the local and regional marketplace.

Lambert-St. Louis International Airport is one of the largest missed opportunities for the communities south of the airport.

Lindbergh's reputation as an ace pilot was unassailable in St. Louis. He had pioneered the airmail routes between that city and Chicago. Harry Knight, president of the St. Louis Flying Club, had great respect for Lindbergh. So much so that Knight chose Lindbergh as his personal flight instructor. Lindbergh, in turn, came to Knight when seeking backers for his proposed flight. Knight put Lindbergh in contact with the head of the St. Louis Chamber of Commerce, Harold Bixby. Meeting with Bixby, Lindbergh predicted great things for St. Louis if the city were to put its support behind such an historic flight. Painting a picture of St. Louis as an aviation hub, Lindbergh convinced Bixby to sponsor his flight. A budget of \$15,000 was agreed upon.

www.charleslinbergh.com

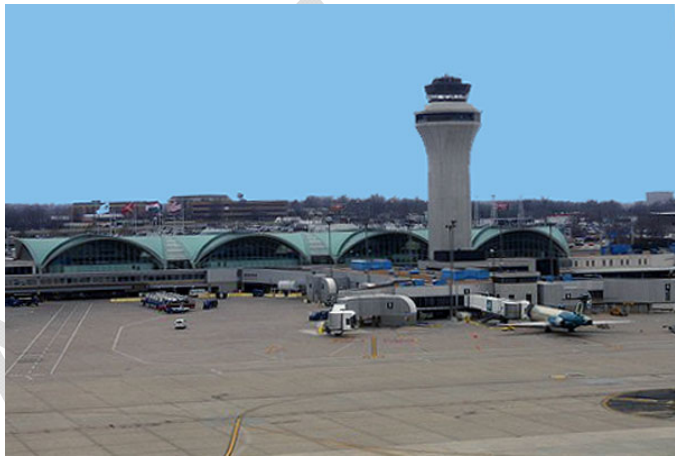


With millions of visitors to the area and employees at the airport, Woodson Terrace has a regional advantage like no other community in the region. Yet, the community is not a hot spot for development because I-70 is a dividing line between Airport and the City. There is no direct access to draw people into the community from airport. One must use the I-70 interchange at Airflight Road to reach Woodson Terrace. The confusion and difficulty of accessing Woodson Terrace via this interchange keeps visitors and employees from going to the communities south of the airport.

The airport is currently in the process of updating its Master Plan. The Master Plan Study will produce a framework to guide future airport development to cost-effectively satisfy regional aviation demand, while considering potential environmental and social impacts. It focuses on long-term terminal needs, air cargo opportunities, and support-facility improvements. Additionally, a special focus of the plan will identify potential opportunities to facilitate new sources of economic growth.

The airport's role as a regional economic generator will be reviewed, including the number of jobs it provides within the community through re-use of airport property. Adjacent communities North Park and Hazelwood are conducting similar reviews of redevelopment areas. Opportunities for other intermediate- and long-term developments will be examined in order to maximize the economic contributions of aviation and non-aviation properties to neighboring communities and the region.

EXHIBIT 3-2: LAMBERT AIRPORT



Source: <http://www.visitingdc.com/images/st-louis-airport-code.jpg>

EXHIBIT 3-3: METROLINK



Source: <http://farm2.static.flickr.com>

MetroLink

MetroLink is a major regional investment in infrastructure that remains an important market growth element providing linkage to the airport, downtown St. Louis, and City of Clayton that otherwise would not be provided to the immediate market area. MetroLink provides transit market capacity to the immediate market area. Daily, approximately 4,000 passengers board the light rail at the MetroLink station, directly north of Woodson Road. However, the communities south of the station do not seem to benefit from the presence of commuters due to the lack of direct access to and from the station. Like the



airport, MetroLink is an important part of market segment that is lost due to access challenges at this station.

The MetroLink station represents an excellent opportunity to bring new resources to Woodson Terrace that otherwise may not penetrate this market. With creative marketing techniques, MetroLink provides access to the airport, the University City and Clayton area, and as far south as Richmond Heights, Shrewsbury, and locations in Illinois.

What is lacking at this time is a contiguous and convenient physical relationship between the station facility, Natural Bridge Road, and Woodson Road. And, although there is bus service to the station, it is too time-consuming to be convenient at lunch hour for employees at the airport. It is also inconvenient for the visitors due to unfamiliarity with the area. Direct pedestrian and auto access is needed to attract these market segments to the communities south of the airport.

Competing Municipalities

The “St. Louis Lambert Airport Economic Development Strategy” study was spearheaded by the Office of the Governor in 2000. The study looked at the economic development potential of the nine municipalities surrounding the airport¹ and found that they were not tapping the full economic potential of their close proximity to an airport. In other regions, the communities closest to the airport enjoy dramatic economic advantages, with significant increases in tax revenues and residential property values. The expanded tax bases have made more dollars available for services in residential communities, improving the overall quality of life.

The study pointed out that the major reason for the fragmented, uncoordinated growth around the Lambert-St. Louis International Airport is the natural competition among local jurisdictions for sales and property tax revenues. Each local jurisdiction has its own land use plan and development strategies, which far too often conflict or compete. While these strategies may have produced some short-term benefits for the individual municipalities, they have stunted the long-term growth and economic sustainability of the area near the airport. In addition, comparative development subsidies have resulted in higher governmental costs.

This counterproductive competition fosters a climate in which local governments react to proposals on a case-by-case basis. Far too often, the municipalities take the first development idea that comes along, rather than waiting for the best use for a particular piece of land. The myriad billboards near the entrance to Lambert-St. Louis International Airport and the remote parking lots exemplify this tendency. Each local plan and underlying economic development strategy may make sense in the short run, but the lack of an overall framework and land use plan results in highly fragmented, inefficient development patterns that fail to take full advantage of the development opportunities presented by being close to an airport.

Unless the leaders of the communities near the airport act collaboratively and decisively, the airport's full economic potential will not be realized, and other cities with hub airports will take jobs and business development opportunities.

¹ The communities included in the study are Woodson Terrace, Edmundson,

Immediate Market Dynamics

Several major market dynamics have a great influence on the immediate market and investment potential within the area. These forces include responsive and complementary land uses, available land, aesthetic appeal of the corridor, access to the land uses, parking facilities, pedestrian and bike friendliness of the area, and visibility of the land uses. These forces and their effects are discussed below for both Natural Bridge Road and Woodson Road, which are the two commercial corridors in the City.

Commercial and warehousing development has typically followed highway systems within the local market around Woodson Terrace. These development patterns have concentrated adjacent to highway interchanges and some are part of planned urban development concepts while others have developed based on market demand and critical massing of certain types of land uses.

Natural Bridge Road

Natural Bridge Road in Woodson Terrace has a 0.7-mile-long frontage road along the I-70 corridor and is the front door to the community. It provides the first impression of what the community has to offer, and therefore is very important to the development of the community's image and identity.

An analysis of land use shows a mix of land uses along the Natural Bridge corridor (See Exhibit 3-4). The land uses vary from housing to mobile homes and car rental companies to hotels. Only a few buildings along this stretch of Natural Bridge corridor make any impression on passersby. An aerial view of the corridor reveals that most of the land along this corridor is dedicated to parking. Approximately 25 percent of the space along the frontage road is occupied by the car rental companies. While car rental companies are very important asset to the community, their location along Natural Bridge Road is not the best use of land in this location. Similarly, multi-family homes and the mobile home park do not need highway visibility. The space along the frontage road should be utilized by the land uses that need highway visibility and are able to draw people in the community.

EXHIBIT 3-4: LAND USES ALONG NATURAL BRIDGE ROAD



Source: CH2M HILL

Woodson Road

Woodson Road is another commercial corridor that runs in north-south direction through the center of the community. Besides being a major arterial road in the region, this road is also a collector street to the residential neighborhoods in the community and hence tends to be the main street for the community. There is a variety of land uses along this corridor. Long-running businesses, such as Erio's and Yesterday's, are also located along this corridor. Like Natural Bridge Road, Woodson Road has only a handful of developments that create a lasting impression on passersby, such as the Holiday Inn. Several four- to six-storied office buildings are located along Woodson Road. Some of these buildings are partly vacant. Three of the four strip malls in the community are located along this stretch of Woodson Road. Some of these buildings are partly vacant. Overall, the Woodson Road stretch is peppered with vacancy, one of the foremost concerns of the community.

EXHIBIT 3-5: LAND USES ALONG WOODSON ROAD



Source: CH2M HILL



While it would be ideal to attract new development by demolishing the older, dilapidated buildings, such developments are very expensive and slow to occur given today's economic situation. However, buildings that are in better condition can be reused in an innovative way to fill in vacancies and begin generating revenue for the community and income for property owners. For example, when City Hall needed a larger space for its operations, it reused a vacant big-box retail store and converted it into a state-of-the-art City Hall and Police Department (See Exhibit 3-5). This serves as a good example of reusing and revitalizing existing spaces. Such reuse of the property increases the property values in the surrounding areas.

Architecture, Massing, and Density

Some communities have strict guidelines related to architectural styles and materials that are used in facades. This singularity in architecture and materials creates a pleasing and coherent environment, thus rendering an identity. Other communities that have grown over time tend to have a mix of architectural styles and materials. The elements that can tie these places together and create a cohesive sense of place and an inviting environment are the massing and setbacks of the buildings. Architectural massing

is determined by composing and manipulating three-dimensional building forms into a unified, coherent architectural configuration. It is a crucial component of building design because it creates a unique identity for the building as well as impacts the urban environment. A building should be designed in a manner that reduces its apparent bulk by dividing the building into smaller masses. This design holds the interests of passersby and makes the place seem inviting.

The massing of the buildings varies greatly along both Natural Bridge Road and Woodson Road, as do the setbacks (See Exhibit 3-6). In the 0.7-mile stretch of the Natural Bridge corridor and 0.9-mile stretch of Woodson Road, the structures range from one-storied strip malls and odd single-family homes to a nine-storied hotels. The setbacks also range from 15 feet to 200 feet. Such variance in setback distances, combined with uninteresting architecture, large setbacks fronted by parking, and minimum landscaping, is not successful in holding the interest people walking along these roads.

EXHIBIT 3-6: MASSING OF BUILDINGS ON NATURAL BRIDGE AND WOODSON ROADS



Source: CH2M HILL



The use of development design guidelines is one way to make sure that the development along these two commercial corridors creates an inviting and vibrant environment and that the new development should use land more intensively, rather than by creating large, sprawling spaces. The guidelines address the importance of design in maintaining and enhancing community character and in creating great public places. Among the subjects covered in these guidelines should be defining topics such as site design, street design, and parking design to support mixed-use development. The guidelines should be crafted not only to respond to the market capacity and the type of use, but also to be aesthetically appealing. While the success of these corridors will depend on investment from the private sector, design guidelines can act as a primer and a technical reference for the local governments and will result in high-quality development and innovative projects.

Availability of Land

Land use patterns lack density in Woodson Terrace, with the majority of each parcel using available acreage for circulation and surface parking. This development pattern minimizes land value and takes away retail and commercial space from the marketplace. Most buildings are typically one-story structures, and the few multi-story buildings are hotel developments.

Existing land use patterns along Natural Bridge Road and Woodson Road provide opportunities for redevelopment and in-fill development. Some important vacant properties in Woodson Terrace and their acreage are listed in Table 3-1. The land use patterns have limited development options as they exist today, but offer opportunities to optimize the available land currently used for parking and circulation.

TABLE 3-1: IMPORTANT VACANT PROPERTIES IN WOODSON TERRACE

Property Address	Building Square footage	Parcel Acreage	Year Built	Remarks
10000 Natural Bridge Rd. St. Louis, MO 63134	No Building	3.32	NA	Previously used as Alamo car rental lot.
4409 Woodson Rd. Saint Louis, MO 63134	7,980	1.97	1969	Previously used as a restaurant/bar named Celebrity Nites.
4349 Woodson Rd. Saint Louis, MO 63134	53,350	2.49	1960	This office building is next to new City Hall and is in good condition with ample parking.
4032 Woodson Rd. Saint Louis, MO 63134	26,981	+ 2.16	1958	Old Shop-n-Save site; Very poor condition; No HVAC System; Asbestos issues.

Source: CH2M HILL

EXHIBIT 3-7: VACANT LAND SPACE ALONG NATURAL BRIDGE AND WOODSON ROAD



Source: CH2M HILL

Underutilized land use patterns provide valuable square footage within the existing commercial zoned districts to add new and exciting tenancy and to create office and residential units within multi-story infill structures. It also provides municipal opportunities related to relaxing parking requirements and rethinking development patterns that will benefit existing businesses. By providing master planning and guidelines relevant to the development community, the commercial sector of this area can benefit through private sector reinvestment and revitalization of the marketplace.

Streetscape and Pedestrian Realm

Improving the relationship between pedestrians, buildings, and the street in retail districts can create a sense of vitality that is good for business. Successful streetscapes take into consideration the complexity of market composition, including commercial storefronts, unobstructed views of retailer signage, parking, safe and aesthetic sidewalks, bike storage, sidewalk and crosswalk surfaces, landscaping materials sensitive to the scale of available planting areas, well-lit bus and shuttle stops, and creative details that add interest and uniqueness to the location.

There are a few basic rules of design that are important to remember while planning the following elements of the streetscape:

Sidewalks

Design the most positive walking experience for all times of the day and all seasons.

Street Lights

Lighting must balance aesthetic and functional goals to create interest and a sense of scale for the pedestrian.

Landscaping

Develop continuous “Green Streets.” However, plant materials should not interfere with circulation and comfort or obstruct direct views of retail signage.

EXHIBIT 3-8: EXAMPLE OF SIDEWALK AMENITIES



Source: CH2M HILL

EXHIBIT 3-9: EXAMPLE OF INTERSECTION TREATMENT



Source: CH2M HILL



Street Furniture

Develop a coordinated palette for street furniture. It should be grouped together as much as possible and be placed at busy pedestrian nodes or gathering places.

Informational Signage

Establish a pedestrian way-finding system to provide direction and civic information.

Intersection Treatment

Intersection should have clear signage, be handicap accessible, and be designed to slow the traffic.

Public Transit

Streetscape should be coordinated with the public transit stops to render maximum advantage to the land uses around them

Presently, both Natural Bridge Road and Woodson Road lack these details that give place a unique identity. Natural Bridge Road is separated from the highway by an unattractive barbed fence. The two-lane segment has wide shoulders and 5-foot wide curbed sidewalks, but it lacks greenery and other streetscape elements that can increase the aesthetic appeal of the corridor and make it inviting for pedestrian as well as automobile traffic (See Exhibit 3-10).

Woodson Road, on the other hand, is a four-lane road, with shoulders that have been converted to sidewalks with rolled curbs. The roadway in general is not aesthetically appealing and lacks greenery. The openness of the roadway and large setbacks of the land uses give an impression of blankness for the person walking down the street. Although the ADT is low, at 10,000, the openness of the road encourages the drivers to speed past this section of Woodson Road, thus making it unsafe for pedestrians to cross the road. The rolled curbs also contribute to the unsafe pedestrian environment.

EXHIBIT 3-10: PEDESTRIAN REALM ALONG NATURAL BRIDGE AND WOODSON ROADS



Source: CH2M HILL

The existing commercial area relies on local consumers to remain viable businesses, and yet these retailers have not successfully captured the attention of the nearby student population from Columbia College. Increased local market acceptance, as well as regional market access, is essential to the long-term success of this commercial corridor. In order to capture these wider markets, it is necessary for the City to provide for a safe, attractive, and interesting commercial district. Pedestrian traffic encourages the design and installation of visually exciting finishes, colored awnings, creative signage, landscaping, interesting storefronts, well-designed sidewalks and crosswalks, and decorative or whimsical public furniture, bike storage, and art. To sustain existing and new commercial investment, the streetscape must project safety, walkability, aesthetically pleasing storefronts, public spaces, and visually interesting amenities and landscaping.

Public Art and Other Unique Elements

The focal points along the corridor add visual interest and market enhancement opportunities for people to gather and enjoy their surroundings, shop, or dine. Public art can play an important role in a community's overall appeal. Public art plays two roles in a community:

- It helps to create an authentic sense of place and serves as a tool for revitalization. Quality of place is one of the defining issues of the creative economy. Places that are aesthetically pleasing help to attract innovative, creative talent.
- Art, especially public art, helps to give a community an identity. The art has to be consistent with the vitality and soul of the community. Investment in the arts (galleries, public arts, common spaces, etc.) provides public leaders with a viable alternative to large capital investments such as stadiums and convention centers.

Numerous studies indicate that the higher people rate the beauty of their community, the higher their overall level of community satisfaction. Human beings crave physical beauty. We look for it in so many of the things that surround us, and especially in the communities and places we live. Public art should follow these general rules of thumb:

- Should be accessible, both physically and intellectually
- Should relate to the history of a place or tell a story significant to that place
- If possible, should be created by a local source
- May include water, seating, planting, decorative architectural elements, or plaza space
- Should be visible but not interfere with pedestrian circulation or create a traffic hazard

The City of Woodson Terrace has an opportunity to create its identity and help revitalize the commercial corridors using public art and gateway elements in targeted locations. Some of the important locations are listed below:

- South entrance to Woodson Terrace along Woodson Road
- East and west entrances to Woodson Terrace along Natural Bridge Road
- Intersection of Woodson Road and Natural Bridge Road

In future development of plaza space, especially along Woodson Road, public art or water fountains could be installed in strategic locations.

EXHIBIT 3-11: INTERSECTION OF NATURAL BRIDGE AND WOODSON ROADS

Source: CH2M HILL

Billboards and Main Entrance

The area near Lambert-St. Louis International Airport is the front door to the region and should ideally leave the visitors with good first and last impressions of St. Louis. However, when a visitor steps out of the airport, he or she is encountered by the fragmented development around the airport, coupled with visual clutter created by the billboards along Natural Bridge Road and I-70 (See Exhibit 3-12). Billboards and other less compatible uses should be limited. Office, hotel, and retail buildings should be encouraged.

EXHIBIT 3-12: BILLBOARDS ALONG NATURAL BRIDGE ROAD

Source: CH2M HILL

Some highly visible parcels along Natural Bridge Road (for example, the one shown in (Exhibit 3-13) are entirely used for Billboard advertising. This parcel at the intersection of Woodson Road and Natural Bridge Road is the gateway to the community and should be used as a gateway element that could create a lasting impression on the person entering the community.

EXHIBIT 3-13: BILLBOARDS AT THE INTERSECTION OF WOODSON AND NATURAL BRIDGE ROADS

Source: St. Louis County GIS, CH2M HILL

Besides visual clutter, numerous studies suggest that while presence of billboard does not affect driver's control of vehicle, it does impair hazard detection and responses to traffic signs along the roadway. The studies have suggested that these objects should be carefully regulated.



St. Louis Lambert Airport Economic Development Strategy

In 2000, the Office of the Governor spearheaded the “St. Louis Lambert Airport Economic Development Strategy” study to examine the economic development potential of the nine municipalities surrounding the airport. The areas around the airport were divided into five districts with subsets in each district. The Natural Bridge corridor area in the City of Woodson Terrace was a part of District 1 – Lambert Gateway Hospitality and Business District (stretching from Cypress Road on the west side to approximately Brown Road on the east). According to the report, the development in this district should be restricted to high quality, mixed-use office, hotel, and business uses. It also indicated that this area has great potential for high value hospitality development. The area was divided in three sub-districts, two of which fall in Woodson Terrace. Suggestions for their development are described below.

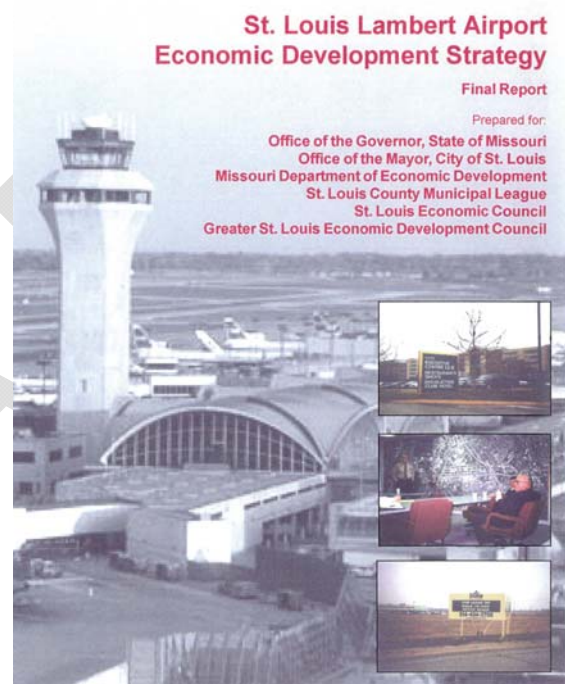
EXHIBIT 3-14: ECONOMIC DEVELOPMENT STRATEGY

Central Sub-district (Hilton Hotel to Woodson Road)

- Focus on low- to mid-high rise uses.
- Enter into discussions for reuse of land occupied by car rental parking and parking lots. Replace with high image uses. Consider moving to a consolidated location.
- Encourage low-rise office/flex space.

Eastern Sub-district (Woodson Road to 1-170)

- Focus on cleaning up visual clutter.
- Improve landscaping, streetscaping, and facade improvements.
- Create entry features along the frontage, Woodson, and Natural Bridge Roads.
- Increase development depth and promote office/flex space and hospitality uses west of Brown Road.



Source: St. Louis County

While the study is 10 years old and the economy has changed dramatically, the suggestions and findings of the study still seem to be valid.

St. Louis Foreign-Trade Zone—the China Hub Project

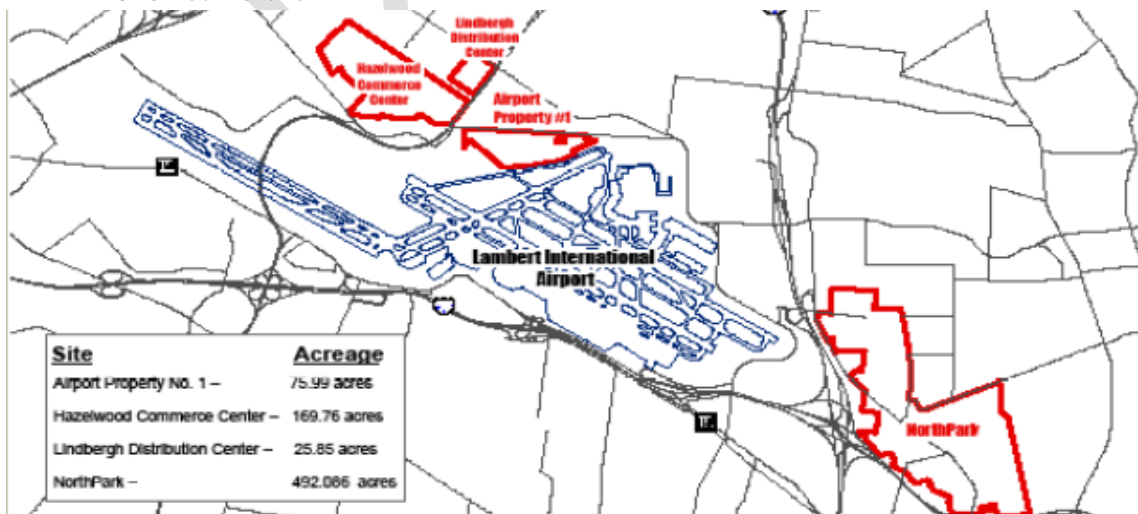
A Foreign-Trade Zone (FTZ) is a designated site, authorized by the Federal Foreign-Trade Zones Board, at which special customs procedures may be used. Its purpose is to increase local participation in international trade and foster regional growth and reinvestment. Within an FTZ, domestic activity involving foreign goods is allowed to occur prior to formal customs entry. Duty-free treatment is accorded goods that are re-exported, and duty payment is deferred on goods sold in the United States market.

St. Louis' only FTZ, which is administered by the St. Louis County Port Authority, consists of Union Seventy Center and four sites, most of which are located within an Enhanced Enterprise Zone. NorthPark, Hazelwood Commerce Center, Lindbergh Distribution Center, and a 75-acre, airport-owned tract comprise the FTZ (Exhibit 3-15).

When companies increase their cash flow, save taxes, and improve their bottom line by locating their operations in FTZs, local communities benefit in several important ways. Economic growth and development are stimulated because jobs are retained and created in the community. The FTZ program affects indirect employment, as well, because a business location not only creates jobs specific to it, but also creates opportunities for suppliers and service providers in the community.

The advantages of locating a FTZ in the region are limited for the City of Woodson Terrace because none of the sites is within the City boundaries. Transportation access will remain an issue further limiting the indirect advantages from FTZ. Unless the access issues are resolved, the City might experience some growth in logistic companies and only a nominal residential growth due to increased employment in the FTZ sites, as employees would prefer to live close to work. However, FTZs can be a great opportunity. Creative marketing and facilities such as free shuttle service linking all the FTZ sites, especially during lunch hours, can also bring valuable clientele to the City and help the growth of restaurants and other businesses in the area.

EXHIBIT 3-15: LOCATIONS FOR FTZ



Source: St. Louis County Economic Council

Retail Market Analysis

Trade Areas Analysis

Defining a town's trade area is an important first step in developing a strong retail economy. It is the foundation of retail trade analysis because it helps existing businesses identify ways to expand their markets. A trade area can be loosely defined as the geographic area from which businesses or a city draws its customers. While there are several ways to generate trade areas, the methodology used below is the commuting time method—the time it takes people to commute to a particular location. Converting commuting time to a place into spatial distances or miles and then plotting these data on a map gives a picture of the geographic size of a community's trade area. For the retail analysis of Woodson Terrace, we have used a 5-, 10- and 15-minute commuting time.

Table 3-2 shows some key statistics from the trade areas. Exhibit 3-16 shows the immediate, intermediate and greater trade areas represented by 5, 10 and 15 minute drive times respectively.

TABLE 3-2: 2010 SUMMARY

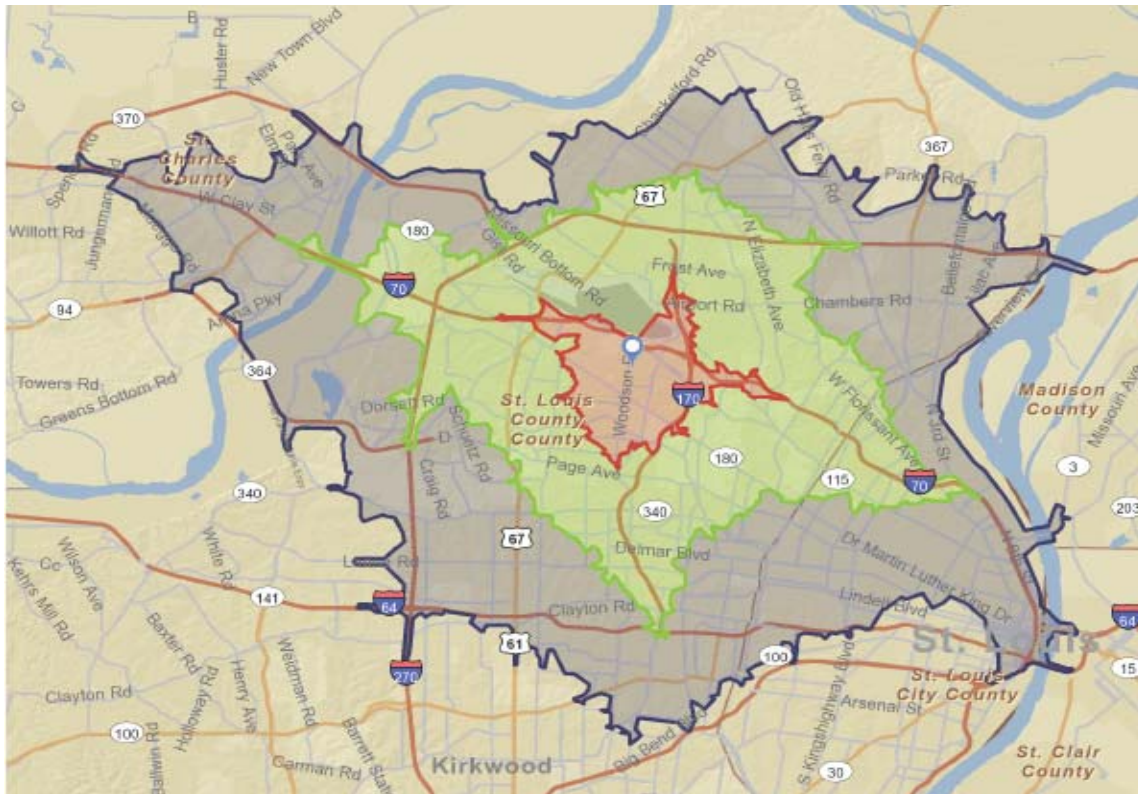
	5 minutes	10 minutes	15 minutes
Population	34,109	239,268	652,527
Households	14,636	98,182	273,742
Owner Occupied Housing Units	8,837	63,082	162,382
Renter Occupied Housing Units	5,799	35,100	111,362
Median Age	35.8	37.1	37.2
Median Household Income	\$46,013	\$46,673	\$48,449
Median Home Value	\$74,125	\$82,482	\$97,037
Total Businesses	1,339	11,140	29,920
Total Employees	13,865	178,271	481,624

Source: ESRI Business Analyst Online

Benefits of Trade Area Analysis

- Identifies gaps or overlaps in the market coverage of an existing store network and makes corrections by opening, closing, or moving businesses
- Makes better site selection decisions by using characteristics of existing trade areas to predict trade areas around potential locations
- Defines a geographic area to analyze for market potential, market penetration, and competitive threats
- Becomes more efficient and effective at target marketing by reaching out to only those customers and prospects in a business's trade area

EXHIBIT 3-16: TRADE AREA (5, 10 AND 15 MINUTES)



Source: ESRI Business Analyst Online

Tapestry Segmentation

Tapestry segmentation of the area is created using the ESRI Business analyst software. According to ESRI, “the Tapestry Segmentation is a system that classifies U.S. neighborhoods into 65 distinctive market segments. Neighborhoods with the most similar characteristics are grouped together, while neighborhoods showing divergent characteristics are separated.

Each neighborhood is analyzed and sorted by more than 60 attributes, including income, employment, home value, housing type, education, household composition, age, and other key determinants of consumer behavior. U.S. consumer markets are multidimensional and diverse. Using a large array of attributes captures this diversity with the most powerful data available. Data sources such as Census 2000, ESRI’s proprietary demographic updates, the InfoBase-X® consumer database from Acxiom Corporation, the Doublebase 2008 consumer survey database from Mediamark Research & Intelligence LLC, and other sources, are used to capture the subtlety and vibrancy of the U.S. marketplace.

Understanding customers, knowing customers’ shopping patterns, assessing the media preferences of customers, cross selling to customers, and successfully retaining existing customers are just some activities that are supported by mining customer files. Some of these marketing activities include”

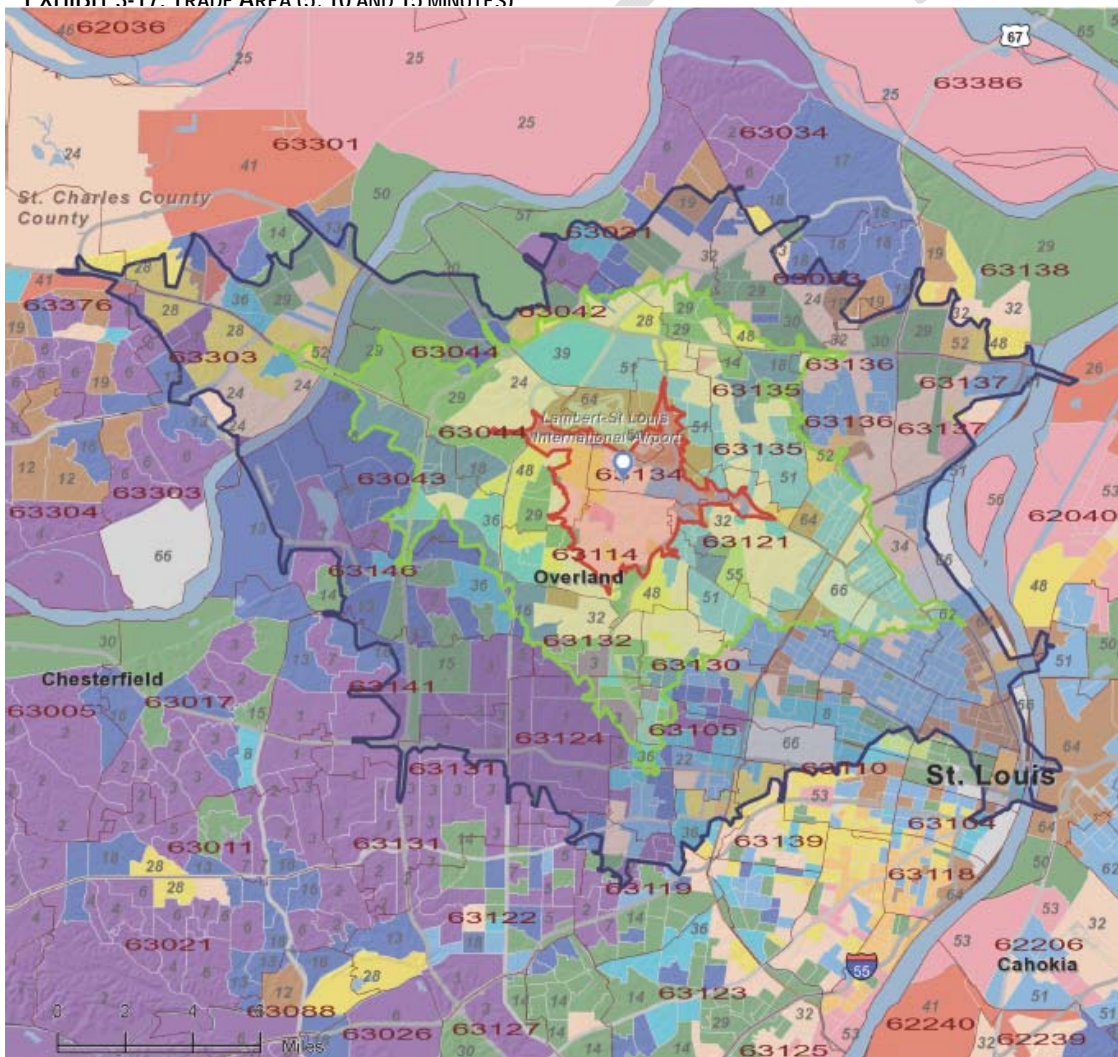
- Customer profiling
- Media targeting
- Direct mail
- Site analysis

Exhibit 3-17 shows the tapestry segments in the 5-minute drive time from a central point on Woodson Road. The top five Tapestry Segments in this area are listed below, followed by the demographic, socioeconomic, residential, and preference descriptions of each.

The tapestry segments in the trade area are as follows

- | | |
|-----------------------|-------|
| • Rustbelt Traditions | 57.5% |
| • Great Expectations | 17.8% |
| • Metro City Edge | 6.3% |
| • Inner City Tenants | 5.3% |
| • Home Town | 4.0% |

EXHIBIT 3-17: TRADE AREA (5, 10 AND 15 MINUTES)



Source: ESRI Business Analyst Online



The remaining 9.1 % population belongs to other miscellaneous tapestry segments.

The descriptions of the tapestry segments below are directly taken from the descriptions provided by ESRI's document available at www.esri.com/library/brochures/pdfs/tapestry-segmentation.pdf.

32 Rustbelt Traditions

Demographic

Rustbelt Tradition neighborhoods are primarily a mix of married-couple families, single parents, and singles who live alone. With a population of 8.4 million, this segment is one of the Tapestry's largest. The median age is 36.5 years, just below the U.S. median. There is little diversity in these communities.

Socioeconomic

The median household income is \$51,545, slightly below that of the U.S. median. Half of the employed residents work in white-collar jobs. For years, these residents sustained the manufacturing industry that drove local economies. Now, the service industry predominates, followed by manufacturing and retail trade. The median net worth is \$83,418. Their education attainment is improving; more than 84 percent of residents aged 25 years and older have graduated from high school, 15 percent hold a bachelor's or graduate degree, and 44 percent have attended college.

Residential

Residential neighborhoods are the backbone of older industrial cities in the Great Lakes Border States, and residents of these neighborhoods live in modest, single-family homes. Homeownership is 73 percent. The relatively low median home value is \$95,443—relatively low because nearly two-thirds of the housing was built before 1960.

Preferences

These residents stick close to home; for years, they have lived, worked, shopped, and played in the same area. Not tempted by fads, they stick to familiar products and services. They drive domestic cars. They will spend money on their families, yard maintenance, and home improvements. They will hire contractors for special projects such as the installation of roofing, carpet, and flooring.

These financially conservative residents prefer to bank at a credit union and have personal savings. They might carry a personal loan and hold low-value life and homeowner's insurance policies. They're frugal and shop for bargains at Sam's Club, J.C. Penney, and Kmart. They go online weekly to play games and shop. They go bowling, fishing, and hunting and attend car races, country music shows, and ice hockey games. They're big TV fans; they watch sitcoms and sports events. They also subscribe to cable and watch it regularly. Favorite channels are truTV, the Game Show Network, and the Disney Channel.

48 Great Expectations

Demographic

Young singles who live alone and married-couple families dominate the Great Expectations market, although all household types are represented. The median age is 33.2 years. Some residents are just beginning their careers or family lives. Compared to the U.S. figures, this segment has a higher proportion of residents who are in their 20s and a higher proportion of householders younger than 35 years. The ethnic diversity and racial composition of this segment are similar to U.S. levels.

Socioeconomic

The median household income of \$38,790 and the median net worth of \$20,643 are lower than the U.S. values. Nearly half of the population aged 25 years and older has some postsecondary education; 18 percent hold a Bachelor's or graduate degree. Labor force participation rate is 68 percent; most of the jobs come from the manufacturing, retail, and service industry sectors.

Residential

Great Expectations neighborhoods are located throughout the country, with higher proportions in the Midwest and South. Half of the neighborhoods' residents own their homes; half rent. More than half of the households are single-family dwellings; approximately 40 percent are apartments in low- or mid-rise buildings. The median home value is \$102,241. Most of the housing units in these older suburban neighborhoods were built before 1960.

Preferences

Great Expectations homeowners are not afraid to tackle smaller maintenance and remodeling projects, but they also enjoy a young and active lifestyle. They go out to dinner and to the movies. They do most of their grocery shopping at Wal-Mart Supercenters, Aldi, and Shop 'n Save. They throw Frisbees; play softball and pool; go canoeing; watch horror, science fiction, and drama films on DVD; and listen to country music, classic rock, and sports on the radio. They watch dramas, auto racing, and the evening news on TV. They occasionally eat at Arby's and Dairy Queen. They shop at major discount and department stores. They rarely travel. Focused on starting their careers, they're not investing for their retirement years.

51 Metro City Edge

Demographic

Married couples, single parents, and multigenerational families are the household types found in Metro City Edge neighborhoods. Grandparents are caregivers in 4 percent of these households, twice the U.S. rate. The median age of this segment is 29.3 years because of the number of children, including adult children, who still live at home. The average family size of 3.5 is slightly higher than the U.S. average.

Seventy-four percent of the residents are black; 16 percent are white; and 4 percent are American Indian—four times the U.S. level.

Socioeconomic

The median household income for this segment is \$32,275; the median net worth is \$14,682. Although 78 percent of households derive income from wages and salaries, 9 percent receive public assistance and 9 percent receive Supplemental Security Income. Nearly half of employed residents work in service industries. Unemployment is more than double the U.S. level. One in ten residents aged 25 years or older has a bachelor's or graduate degree; four in ten have attended college.

Residential

Metro City Edge residents live in older suburban neighborhoods of large metropolitan cities, primarily in the Midwest and South. Sixty-eight percent live in single-family homes; 14 percent live in buildings with two to four units. The homeownership rate is 53 percent; the median home value is \$71,710. Although home prices are relatively inexpensive, many families are young, unsettled, and still renting. Seventy percent of the housing units were built before 1970.

Preferences

Metro City Edge residents must spend their money wisely to ensure the welfare of their children. They tend to shop for groceries at Piggly-Wiggly, Kroger, and Aldi, but will go to superstores and wholesalers for bulk purchases of household and children's items. Some will have their vehicles serviced at auto parts chains. They eat at fast food or family-style restaurants such as Old Country Buffet or Ryan's.

They watch sitcoms, movies, news programs, courtroom shows, and sports on TV. Accessing the Internet at home isn't important. They go to the movies and professional football games and play basketball. They read music and baby magazines and listen to urban and contemporary hit radio.

52 Inner City Tenants

Demographic

Inner City Tenants residents are a microcosm of urban diversity; their population is represented primarily by white, black, and Hispanic cultures. Three in ten residents are Hispanic. This multicultural market is younger than average, with a median age of 27.8 years. The household composition also reflects their youth. Household types are mixed; 34 percent are singles, 28 percent are married-couple families, 21 percent are single parents, and 10 percent share housing. Turnover is high in these neighborhoods because many are enrolled in nearby colleges and work part-time. These neighborhoods are also a stepping-stone for recent immigrants, with an annual population growth of 0.6 percent.

Socioeconomic

The median household income is \$33,563; the median net worth is \$11,420. Because few own their homes, most of their net worth comes from savings. Eighty-three percent earn income from wages and

salaries; 7 percent receive public assistance. More than 45 percent of the population aged 25 and older has attended college; 5 percent hold a graduate or professional degree. Earning a college degree is at the forefront of their goals, so many work part- and full-time to fund their college education. Approximately half of the employed residents work in white-collar occupations. This market has twice the national level of residents who work in the accommodation/food services industry.

Residential

These neighborhoods are located primarily in the South and West. Most Inner City Tenants residents rent economical apartments in mid- or high-rise buildings. One-fifth of the housing is owner-occupied, and the median home value is \$106,679. Most of the housing units were built in the 1960s, 1970s, and 1980s. For their average commute to work of 25 minutes, many residents drive their vehicle or depend on other modes of transportation. Seventeen percent of the households do not own a vehicle.

Preferences

With their busy lifestyle, Inner City Tenants residents frequently eat at fast-food restaurants and shop for groceries at nearby stores such as Albertson's. They prefer easy-to-prepare frozen and canned foods. Internet access at home is not typical in this market, but those who have no access at home will surf the Internet at school or at the library. Playing games and checking e-mail are typical online activities.

Households have recently bought video game systems and baby items such as food, products, furniture, and equipment. They prefer to shop at Target and Walgreens. They go to the movies and professional football and basketball games, play football and basketball, and go bowling. They read magazines, particularly news and Entertainment Weekly, and listen to urban or contemporary hits radio. Some enjoy the nightlife, visiting bars and going dancing at nightclubs.

53 Home Town

Demographic

Home Town households are a mix of married-couple families, singles who live alone, and single-parent families. With a median age of 34.3 years, this is a slightly younger market than the U.S. as a whole. However, one in three is aged 65 years or older. Many families encompass two generations who have lived and worked in the community; their children plan to do the same. Seventy percent of the residents are white; 16 percent are black.

Socioeconomic

The median household income is \$33,319; the median net worth is \$20,078. Although 73 percent of households derive income from wages and salaries, some rely on Supplemental Security Income and public assistance for support. The manufacturing, retail trade, and service industry sectors are the primary sources of employment for these residents. Unemployment in this segment is slightly higher than the U.S. level. Overall, educational attainment is lower for Home Town than for the U.S. Only 8 percent hold a Bachelor's or graduate degree; 31 percent have attended college.

Residential

Change is rare in these low-density, settled neighborhoods, located primarily in the Midwest and South. Home Town residents may move from one house to another, but they seldom cross the county line. Seventy-three percent of homes are single-family dwellings, and 11 percent are two- to four-unit structures. Homeownership is at 58 percent; the median home value is \$63,878. The average gross rent is two-thirds of the U.S. average. Because the population in these neighborhoods hardly grows, new construction is scarce. Most of the housing was built before 1970.

Preferences

Home Town residents savor their quasi-country lifestyle by spending time outdoors fishing and playing football. Indoors, they play video games or watch TV favorites such as courtroom programs, wrestling, or reality shows. Internet access and cell phone use are less important here than in other markets.

They shop for groceries at Kroger, Aldi, and Wal-Mart Supercenters. They buy clothes at discount department stores such as Wal-Mart and Kmart, typically located in small local malls. When they eat out, they go to Bob Evans and Ryan's family restaurants or fast-food places.

Summary

Neighborhood is the focus of a valid segmentation system, its predictive power coming from a community's character, formation, and behaviors. Neighborhoods are natural formations of people drawn together by their common need for a "place"—for security and acceptance. Neighborhood tangibles are housing, land values, available labor, infrastructure, transportation, school system, and other factors that remain stable over decades. Intangibles are elements such as economic opportunities, race, lifestyles, and overall ambience that separate and characterize neighborhoods. The most compelling feature about neighborhoods is the ability to attract or repel residents and shape their living standards and tastes. People need to feel that they belong and will seek places where their lifestyles and behaviors fit. Tapestry segmentation does just that.

The benefits of segmentation can be clearly defined by anyone who needs accurate information about their consumers, constituents, or members. All companies, agencies, and organizations need to understand consumers/constituents to supply them with the right products and services and to reach them via their preferred media. These applications require a robust segmentation system that can accurately profile these diverse markets. The versatility and predictive power of Community Tapestry allow users to integrate their own data or national consumer surveys into Community Tapestry to identify their best market segments and reach them through the most effective channels.

Retail Market Potential

A complete, current, and accurate snapshot of the retail marketplace is critical to strategic decisions made by retail trade and related food services establishments to increase business. There are two ways to measure activity in a retail market—supply and demand. Analysis of consumer spending reveals market demand or retail potential. Examining business revenues, retail sales, shows market supply. A measure of the difference between volume of supply (retail sales) generated by retail industry and the demand (spending by households or retail potential) within the same industry is called the Leakage/Surplus Factor.

Leakage/Surplus Factor ranges from +100 (total leakage) to -100 (total surplus). Leakage in an area represents a condition where a market's supply is less than the demand. That is, retailers outside the market area are fulfilling the demand for retail products; therefore, demand is "leaking" out of the trade area. Surplus in an area that represents a condition where supply exceeds the area's demand. Retailers are attracting shoppers that reside outside the trade area, so the "surplus" is in market supply.

Retail Market Potential - Woodson Terrace

Based on 2010 projections done by ESRI, there are 34,109 people living in 14,636 households within a 5-minute drive time of a central location on Woodson Road. The 2010 median disposable income is \$37,464 per year.

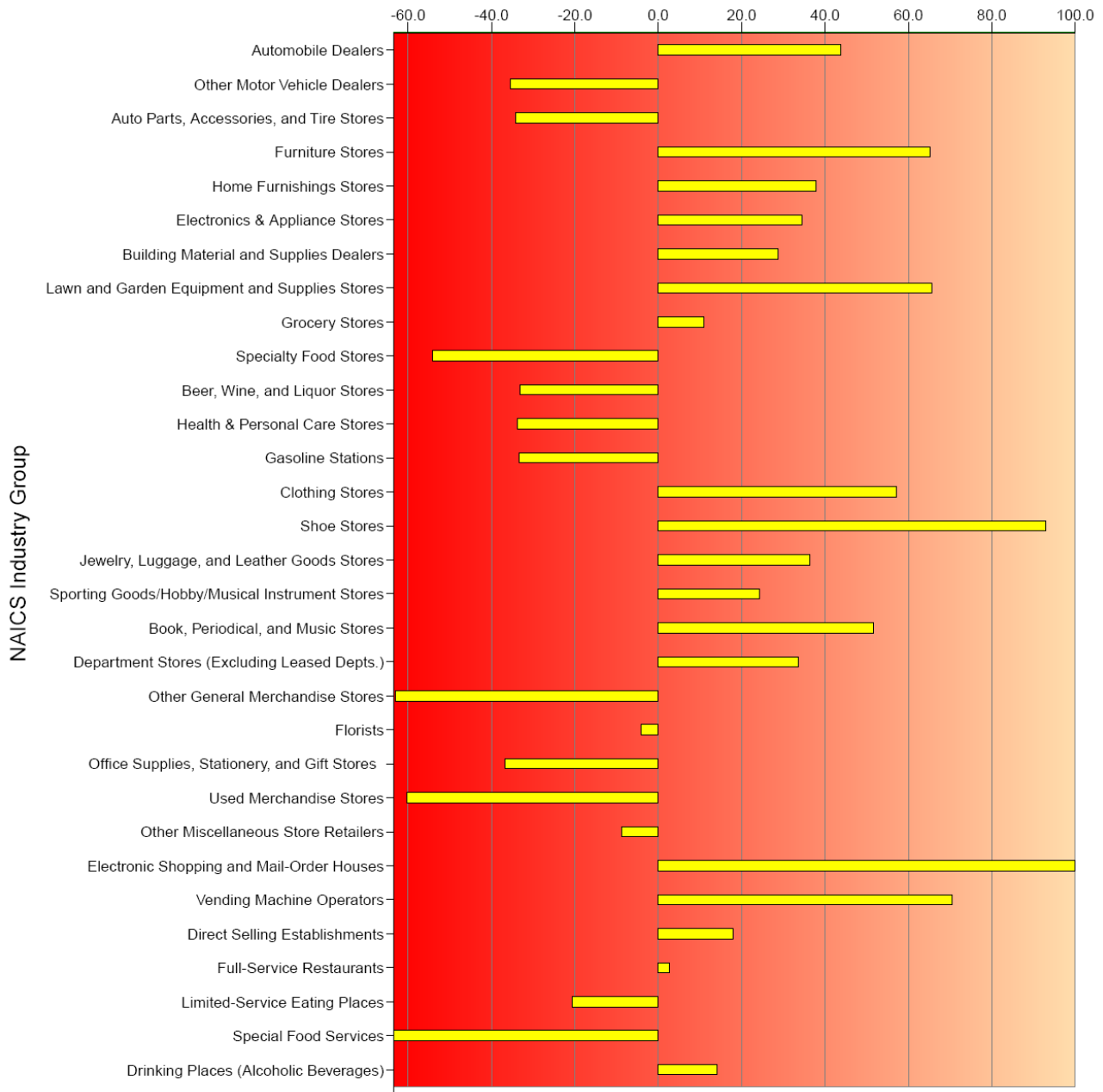
Exhibit 3-18 shows the Leakage/Surplus factors in this area. In the 5-minute drive time there seems to be a market potential for the stores and services belonging to the industries listed below

- Motor vehicle and parts dealers
- Furniture and home furnishings stores
- Electronics and appliance stores
- Restaurants and bars
- Building materials, garden equipment, and supply stores
- Clothing and clothing accessories and shoe stores
- Sporting goods, hobby, book, and music stores
- Retailers without storefronts (mail-order houses, vending machine operators, etc.)

As we move from the 5-minute drive time to 10- and 15-minute drive times, the retail market potential seems to diminish. There is a surplus of almost all retail goods and services in 10- and 15-minute drive times. Appendix 3.1 shows the detailed tables and graphs for retail market potential within 5-, 10-, and 15-minute drive times from Woodson Road.

A complete list of profile of leakage and surplus for 5, 10 and 15 minute trade areas can be found in the Appendix 3-1 at the end of the document. Appendix 3-2 gives a list of number of businesses and employees by industry sector they belong in the immediate, intermediate and greater trade areas.

EXHIBIT 3-18: SURPLUS AND LEAKAGE OF GOODS AND SERVICES FROM 5 MINUTE TRADE AREA



Source: ESRI Business Analyst Online

