

## St. Louis Regional Chamber and Growth Association:

Linking a regional industry growth cluster to development of the center city

A vibrant center city is considered an essential component of a healthy regional economy. Without a vital urban core, businesses in a region often struggle to attract and retain talented employees. Business-civic leaders in the St. Louis region recognize this and have made revitalization of the city a top development priority.

St. Louis was the fourth largest city in America in the early 1900s. Over the century, however, the center city suffered an out-migration of people and businesses to other parts of the metropolitan region. While the city still has many vibrant neighborhoods characterized by historic architecture and high-quality, affordable housing, large segments of the city are marred by high concentrations of poverty, vacant lots, and empty and dilapidated buildings.

“Business leaders recognize the image of the region is in large part shaped by the condition of the city and its downtown,” says Robert Coy, Senior Vice President of Economic Development at the St. Louis Regional Chamber and Growth Association. “The region can’t be healthy if a significant portion of it is populated by people who have little hope or opportunity.”<sup>7</sup>

In response, the St. Louis Regional Chamber and Growth Association (RCGA) has spearheaded several interrelated efforts to rejuvenate downtown and near-downtown neighborhoods through the development of urban business and research parks and mixed-income, mixed-used development projects including the conversion of historic buildings into loft housing, and the construction of new infill housing.

Two large-scale interrelated efforts are now underway to position the city to capture its share of the region’s future growth in life sciences and other technology industries. Both build on powerful assets in the region’s urban core.

The first is a 1,000 acre section of midtown St. Louis, immediately west of downtown, known as the Technopolis. The Technopolis is envisioned as a science and technology district with facilities for university researchers and production space for biomedical and other advanced technology companies.

The Technopolis is anchored by several world-class biotechnology research institutions including Washington University Medical Center, Saint Louis University School of Medicine, and the Missouri Botanical Garden. Already located in the Technopolis are the recently built Center for Emerging Technologies, which houses biotech and high-tech start-up companies, and a Human Genome Sequencing Center, one of only three such centers in the country. The Technopolis builds off geographic proximity to these institutions which are powerful magnets for federal research dollars.

A unique public purpose development corporation known as CORTEX (Center of Research, Technology and Entrepreneurial Exchange) has been established as a civic vehicle to assemble property in the Technopolis. CORTEX’s board of directors includes the leaders of Washington University, Saint Louis University, the University of Missouri St. Louis, BJC HealthCare (the city’s largest employer), the Missouri Botanical Garden, the Center for Emerging Technologies, the RCGA, and the local city alderman. Together, the research institutions committed \$30 million to begin to assemble land in the Technopolis.

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— ROBERT COY, Senior Vice President of Economic Development, St. Louis Regional Chamber and Growth Association

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Technopolis is part of a regional strategy to rebuild the city center and position it as the “Heart of the St. Louis BioBelt.” According to the Batelle Memorial Institute, the St. Louis region is already home to 390 plant and life science enterprises that employ 22,000 people and generate more than \$10.5 billion in direct and indirect annual impact. Technopolis aims to harness some of that economic potential to strengthen and revitalize the region’s urban core.

Recognizing that inner-city youth must prepare for new biotechnology and life science jobs that Technopolis will spawn, the city’s educational leaders are revising curricula to recognize the new sectors. St. Louis Community College has established an associate’s degree program in biotechnology, and at the high school level, a Life Sciences Academy will open in 2004 through a joint venture of several school systems in St. Louis.

The second related effort to revitalize St. Louis’ urban core is a project known as Chouteau’s Lake and Greenway. The proposed \$400 million project encompasses 2,000 acres that run through the central city corridor. This major effort includes the recreation of a pre-Civil War lake in downtown St. Louis and landscaped bike and pedestrian trails linked to a 200 square mile system of parks and conservation and recreation trails along both banks of the Mississippi and Missouri Rivers. A high-tech business corridor with a series of campus-style developments is also planned along with several thousand units of housing and mixed-use development in areas bordering the corridor.

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**Websites:** St. Louis Regional Chamber and Growth Association: [www.stlrcga.org](http://www.stlrcga.org) | The “Investments in Progress” program: [www.stlrcga.org/investments\\_in\\_progress](http://www.stlrcga.org/investments_in_progress)

**Related Link:** [www.biobelt.org](http://www.biobelt.org)

## INVESTING IN HISTORY IN DOWNTOWN ST. LOUIS

IN 2002 AND 2003, THE ST. LOUIS REGIONAL CHAMBER AND GROWTH ASSOCIATION (RCGA) SPEARHEADED THE SUCCESSFUL DEFENSE OF A STATE TAX CREDIT PROGRAM (WHICH BUSINESS LEADERSHIP HELPED CREATE IN 1996). THIS POWERFUL INCENTIVE HAS HELPED STIMULATE \$51 MILLION IN PRIVATE REINVESTMENT IN HISTORIC PROPERTIES IN AND AROUND DOWNTOWN ST. LOUIS.

AMID LEGISLATIVE EFFORTS TO DERAIL THE FIVE-YEAR-OLD HISTORIC PRESERVATION TAX CREDIT PROGRAM, THE RCGA ORGANIZED TOURS FOR LAWMAKERS TO SEE HOW THE TAX CREDIT HAD REVITALIZED ABANDONED BUILDINGS, WHILE THE BUSINESS COMMUNITY ACTIVELY LOBBIED THIS ISSUE AS ONE OF THE REGION’S TOP LEGISLATIVE PRIORITIES IN THE STATE CAPITAL.

THE RCGA ALSO COMMISSIONED AN INDEPENDENT ANALYSIS OF THE RETURNS THE STATE RECEIVES FROM THE TAX CREDIT. THE ANALYSIS EXAMINED THREE RENOVATED PROPERTIES: THE WESTIN HOTEL, A FORMER WAREHOUSE AT CUPPLES STATION; THE CENTER FOR EMERGING TECHNOLOGIES, A FORMER CAR FACTORY; AND THE CHASE PARK PLAZA HOTEL, WHICH HAD FALLEN INTO DISREPAIR AND CLOSED.

THE ANALYSIS BY RUBIN, BROWN, GORNSTEIN AND COMPANY FOUND THAT THE STATE’S INVESTMENT OF \$41.6 MILLION IN THE RENOVATION OF THE THREE SITES GENERATED 13,791 JOBS, \$118 MILLION IN STATE AND LOCAL TAX REVENUES, AND \$240 MILLION IN NEW PRIVATE INVESTMENT.<sup>9</sup> OUTSIDE ANALYSIS OF THE OVERALL PROGRAM DOCUMENTED A FOUR-TO-ONE RETURN TO THE STATE ON ITS INVESTMENT THROUGHOUT THE LIFE OF THE PROGRAM.

MANY OF THE RENOVATED HISTORIC SITES ARE IN DOWNTOWN ST. LOUIS, BUT PROPERTIES STATEWIDE ARE ALSO ELIGIBLE. 85 PERCENT OF THE ELIGIBLE SITES ARE IN DEPRESSED AREAS, ACCORDING TO THE MISSOURI ALLIANCE FOR HISTORIC PRESERVATION. ULTIMATELY, THE EFFORTS OF RCGA AND THEIR CIVIC PARTNERS WERE SUCCESSFUL, AND THE MISSOURI GENERAL ASSEMBLY TURNED BACK EFFORTS TO ELIMINATE OR CAP THE HISTORIC PRESERVATION TAX CREDIT.

## PRIVATE INVESTMENT TAKES OVER AS PERCEIVED VALUE INCREASES

AS AMBITIOUS EFFORTS TO REVITALIZE THE URBAN CORE OF ST. LOUIS HAVE GOTTEN UNDERWAY, PRIVATE INVESTMENTS TO THE CITY CENTER HAVE INCREASED AS BUSINESSES MOVED TO TAKE ADVANTAGE OF A PERCEIVED RISE IN THE VALUE OF DOWNTOWN REAL ESTATE. BETWEEN 1999 AND 2002, MORE THAN \$3.4 BILLION IN PRIVATE AND PUBLIC INVESTMENTS WERE MADE TO ST. LOUIS’ URBAN CORE.<sup>8</sup> THE REGION’S BUSINESS AND CIVIC LEADERS HAVE LAUNCHED “INVESTMENTS IN PROGRESS IN THE URBAN CORE OF THE ST. LOUIS REGION,” IN AN EFFORT TO HIGHLIGHT SOME OF THOSE INVESTMENTS AS WELL AS OTHER OPPORTUNITIES IN THE CITY CENTER ([WWW.STLRCGA.ORG](http://WWW.STLRCGA.ORG)).