

**Economic Development Retail Sales Tax Board**

6801 Delmar Boulevard · University City, Missouri 63130 · 314-505-8533 · Fax: 314-388-7806

MEETING OF THE ECONOMIC DEVELOPMENT RETAIL SALES TAX BOARD  
**VIA VIDEOCONFERENCE**  
**Monday, August 23, 2021**  
**5:30 p.m.**

**IMPORTANT NOTICE REGARDING**  
**PUBLIC ACCESS TO THE EDRSTB MEETING & PARTICIPATION**

**EDRSTB will Meet Electronically on August 23, 2021**

On March 20, 2020, City Manager Gregory Rose declared a State of Emergency for the City of University City due to the COVID-19 Pandemic. Due to the current order restricting gatherings of people and the ongoing efforts to limit the spread of the COVID-19 virus, the August 23, 2021 meeting will be conducted via videoconference.

**Observe and/or Listen to the Meeting** (your options to joint the meeting are below):

**Webinar** via the link below:

<https://us02web.zoom.us/j/83536902309?pwd=T1AwVHcyYWZPMjBsemTQcWdTckFYdz09>

Passcode: 284397

**Audio Only Call**

**One tap mobile :**

US: +13017158592,,83536902309# or +13126266799,,83536902309#

**Or Telephone:**

Dial (for higher quality, dial a number based on your current location):

US: +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099 or +1 253 215 8782 or +1 346 248 7799 or +1 669 900 6833 or 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

**Webinar ID:** 835 3690 2309

International numbers available: <https://us02web.zoom.us/j/83536902309?pwd=T1AwVHcyYWZPMjBsemTQcWdTckFYdz09>

**Citizen Participation**

Those who wish to provide a comment during the “Public Comments” portion as indicated on the EDRSTB agenda: may provide written comments to the Asst. City Manager ahead of the meeting.

ALL written comments must be received **no later than 12:00 p.m. the day of the meeting**. Comments may be sent via email to: [gmacaluso@ucitymo.org](mailto:gmacaluso@ucitymo.org) or mailed to the City Hall – 6801 Delmar Blvd. – Attention Gabrielle Macaluso, Assistant City Manager. Such comments will be provided to the EDRSTB Board prior to the meeting. Comments will be made a part of the official record and made accessible to the public online following the meeting.

Please note, when submitting your comments, a **name and address must be provided**. Please also note if your comment is on an agenda or non-agenda item, and a name and address are not provided, the provided comment will not be recorded in the official record.

The City apologizes for any inconvenience the meeting format change may pose to individuals, but it is extremely important that extra measures be taken to protect employees, residents board/commission members and elected officials during these challenging times.

# AGENDA

## ECONOMIC DEVELOPMENT RETAIL SALES TAX BOARD

1. Roll Call

2. Public Comments – (Limited to 3 minutes for individual's comments.)

*ALL written comments must be received **no later than 12:00 p.m. the day of the meeting**. Comments may be sent via email to: [gmacaluso@ucitymo.org](mailto:gmacaluso@ucitymo.org) or mailed to the City Hall – 6801 Delmar Blvd. – Attention Gabrielle Macaluso, Assistant City Manager. Such comments will be provided to the EDRST Board prior to the meeting. Comments will be made a part of the official record and made accessible to the public online following the meeting.*

*Please note, when submitting your comments, a **name and address must be provided**. Please also note if your comment is on an agenda or non-agenda item, and a name and address are not provided, the provided comment will not be recorded in the official record.*

3. Mayor Comments

4. Old Business

5. New Business

- a. EDRST Fund Balance Update
- b. Parking Report
- c. CoStar Subscription
- d. Office Market Analysis Proposal
- e. Upcoming/Future Projects
  - Cunningham Industrial Park
  - Loop Entryway Monument/Signage
  - CIP for Olive Boulevard
  - Entitlement Organizations

6. Next Meeting Date – To be Scheduled

7. Adjourn



## OFFICE OF THE CITY MANAGER

6801 Delmar Boulevard, University City, Missouri 63130, Phone: (314) 505-8531

### MEMORANDUM

TO: Economic Development Retail Sales Tax Board

FROM: Brooke A. Smith, Assistant City Manager  
Keith Cole, Director of Finance

DATE: August 20, 2021

SUBJECT: Parking Meter Revenues

The purpose of this memorandum is to discuss the parking meter revenues to understand the financial impact of the free parking initiative that was implemented in the University City Loop beginning July 1<sup>st</sup>. This Administration is requesting the EDRST Board reimburse the General Fund \$37,248 for a portion of the costs of the free parking initiative for the University City Loop.

#### **Background**

On June 8, 2021, City Manager Rose received a request from the Chair of the Loop Special Business District (LSBD) requesting the suspension of metered parking throughout the University City Loop to encourage visitors to frequent businesses in the Loop (letter attached). On June 21, 2021, the City Council authorized the City Manager to waive the parking meter fees for the University City Loop. This waiver began on July 1<sup>st</sup> and will continue through the end of the calendar year. Staff estimates a loss of approximately \$106,090 in General Fund revenues because of the waiver of parking meter fees and forgoing the parking meter fines that would be collected from parking meter violations. The City Manager is requesting that EDRST Board reimburse the General Fund for the lost revenue from parking meter fees only, which is estimated at \$37,248.

#### **Information**

There are approximately 344 parking meters city-wide. The University City Loop has a total of 183 parking meters, excluding the parking garage. The breakdown is as follows:

Location	No. of Meters	Projected \$\$ collected per day
Delmar (Kingsland to East City Limits)	63	\$315
Side Streets	76	\$380
Municipal Lots 1, 3, 4, 5 (Parking Garage Excluded)	44	\$220
<b>TOTAL</b>	<b>183</b>	<b>\$915</b>

### **Projected Parking Meter Fees**

Meters are payable 8:00 a.m. until 8:00 p.m., Monday through Saturday, except holidays. Based on these figures, the City should be collecting a total of \$27,450 in parking meters fees collected per month, \$329,400 collected per year for the University City Loop, assuming meters are fully functioning, and visitors are properly paying the parking meter fees.

### **Actual Parking Meter Fees**

Due to COVID-19, staff has taken the actual revenue information from 2019 to properly gauge the negative impact on the General Fund. In 2019 collections totaled \$140,560 for city-wide parking meter fees. The City received an additional \$259,778 in revenue for city-wide parking fines, bringing the total revenue to \$400,388 for the fiscal year.

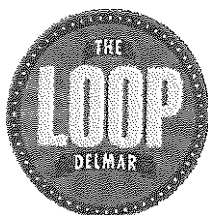
The University City Loop parking meters account for approximately 53% of parking meters in the City. This City Manager is seeking the reimbursement of parking meter fees only. Staff concludes that approximately 53% of the 2019 parking meter fees \$74,497 came from the University Loop. Because metered parking is being suspended for half the year, staff is requesting reimbursement in the amount of \$37,248.

### **Legal**

The City Attorney has been consulted on whether this requested reimbursement would be considered a permissible use of EDRST funds. The City Attorney has confirmed that “providing free parking in or near commercial districts during the COVID-19 pandemic serves as an economic development purpose...and the City may use available EDRST funds to pay the net cost.”

### **Conclusion**

The City Council approved waiving parking meter fees in the University City Loop with the goal of attracting more foot traffic as the businesses are recovering from COVID-19. This free parking initiative has a negative impact on the General Fund. This City Manager is requesting the EDRST Board reimburse the General Fund \$37,248 for a portion of the loss revenue.



## The Loop Special Business District

6504 Delmar Blvd.

University City, MO 63130

314-727-0110

June 8, 2021

Mr. Gregory Rose  
City Manager  
University City, MO

Re; Free Parking Initiative

Dear Mr. Rose,

I am writing this letter in support of the free street parking initiative now under consideration by the ERSDT Board. The proposal requests that there will be a suspension of metered parking throughout The City of University City including along Delmar Blvd. and its adjoining side streets. The proposal requests that the free parking allowance begin immediately and remain in effect to sometime after Labor Day at the earliest.

The COVID pandemic has severely impacted many of our small, local business located in The Loop. As we begin to return to some sort of normalcy, the free parking initiative will greatly, and immediately, aid in their recovery as street traffic starts to return. It's no secret, especially here in St. Louis, that many people tend to avoid paying for parking. Conversely, having free and abundant street parking, especially when promoted properly, can have an overwhelmingly positive impact for businesses not only in The Loop but across the entire City.

There has never been a better time than now to consider this proposal. I urge that it be supported by all members of the ERDST Board. This type of positive leadership can be so meaningful to our community and have a positive, long lasting beneficial impact for all of us who want to see The Loop and our City thrive!

Thank you for your consideration.

Michael D. Alter  
Co-Chairman

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## Department of Administration

6801 Delmar Boulevard, 2<sup>nd</sup> Floor, University City, Missouri 63130, Phone: (314) 505-8533, Fax: (314) 388-7806

TO: Economic Development Retail Sales Tax Board  
 FROM: Gabrielle Macaluso, Assistant City Manager  
 DATE: August 20, 2021  
 SUBJECT: CoStar Subscription

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### Background

CoStar is a company that specializes in providing commercial real estate information via licensed access to their database, which includes six million properties, one million active listings, and over four million sales comparables. CoStar is a tool for economic development that provides real-time property information, broker information, historical data and ownership details, allowing cities to know at any time the properties available within their boundaries and throughout the region for sale and lease.

Costar Suite is heavily utilized by local governments across the country and in the St. Louis area including the City of Hazelwood, Clayton, Maryland Heights, St. Charles County, St. Louis County, St. Louis Partnership and St. Louis Development Corporation.

### Benefits to the City

The following are a few benefits that CoStar would provide the City of University City should a subscription be approved.

- Currently, University City has no effective or efficient means to identify which active listings for commercial properties exist within our boundaries. The City would have access to 100% of the commercial properties in University City (and the entire St. Louis metro area).
- Costar is a research organization first, and a technology company second. Costar's research will provide U City access to ALL commercial properties, not only the active listings.
- There are 225 fields of data for each property that are continuously maintained. These fields include, but are not limited to, broker information, property tenant rosters, building specifics, lease expirations, historical comp info, true ownership contacts (not just the recorded owner), public record data, and much more.
- Integrates with the City's GIS data to more closely connect planning and zoning review with site consideration.
- Data includes tenant lease expirations in neighboring municipalities.
- The subscription comes with unlimited training to ensure the value of the program outweighs the cost.

### Cost

The cost of this program is \$400 per month (\$4,800 per year) for one licensed user.

### Recommendation

The City Manager recommends that the City purchase a subscription to CoStar.

### Attachments:

1. CoStar Product Proposal
2. CoStar Product Highlights PowerPoint



CoStar is committed to providing our clients the information necessary to make informed decisions that allow your team to take action, drive profitability and stay ahead of the competition. With our investment of \$2.5B+ in research and technology, **CoStar is different than any other information provider in the commercial real estate space.**

- CoStar has more information on vastly more properties than any other provider allowing subscribers to see 100% of the active inventory and market.
  - CoStar tracks and has data on 6.2M+ properties in the US, and 130B SF inventory
  - 1M+ active CRE listings
  - Tenant Lease Expirations & Tenant Contact Info
  - 2M+ True Owner info
  - \$1 Trillion+ in searchable and viewable loan details (CMBS, Fannie, Freddie, Ginnie)
  - 4.2M+ sales comparables
  - 9.3M+ lease transactions
  - 7.8M+ U.S. tenants profiled
  - 51M+ digital images
  - 75M+ rental updates a month
  - 34 years of historical trends
  - 1 unified database
- CoStar has more accurate, current and comprehensive information than any other provider.
  - 1400+ researchers with state-of-the-art technology to source data quickly and with precision.
  - 90+ market economists who update analytics and market commentaries and forecasts daily, and who meet with CoStar clients to discuss markets and trends.
  - 60+ journalists who deliver news stories daily on breaking and relevant CRE topics.
- CoStar provides information to users in seconds so informed decisions can be made:
  - Real-time property information, Tenant data, historical data and ownership details
  - Conduct thorough market reviews, which can be time intensive, but is critical and understand market conditions across any property type with Market/Submarket Reports including forecasts of vacancy rates, demand, supply, and rent changes for property types: apartment, office, retail, industrial and hotel.
  - *Daily* Rent Observations
  - Comprehensive underwriting reports on any property.
  - Search for tenants by sign date or lease expiration.
  - The CoStar mobile apps allows users to get critical information on the go.
- These differences are important to support your need for the most comprehensive, current and accurate data.
  - Sales comps, demographics and market analysis, trends and forecasts are critical to making the best decisions possible.
  - 177,000+ CRE professionals, including the vast majority firms like yours, subscribe to CoStar. 84% of all CRE transactions involve a CoStar/LoopNet subscriber.

One Year term:	1 licensed user	\$400/month
	3 licensed users	\$1200/month



CoStar™

PUT THE MOST POWERFUL  
COMMERCIAL REAL ESTATE  
NETWORK TO WORK FOR YOU.





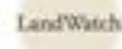
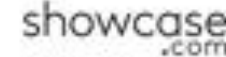
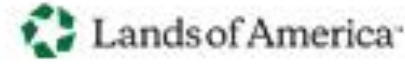
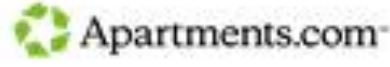
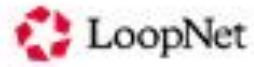


## AGENDA

- CoStar Group
  - who we are & how we can help you and your business
- LIVE Demo
- Q & A



# 23 leading commercial real estate online marketplaces

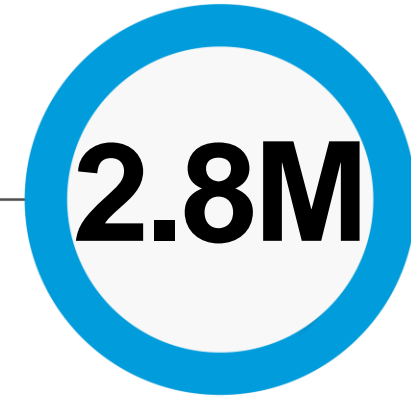




Visits from **tenants and investors** each month



Visits from **entrepreneurs, buyers and sellers** of businesses each month

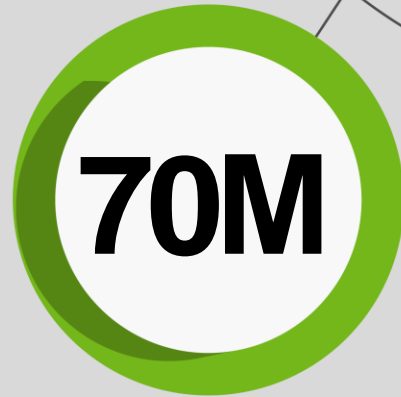


Used by 177K+ commercial real estate professionals

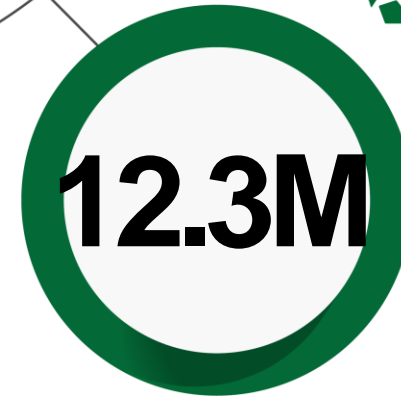
(including 95% of the top 1,000 brokerage firms)



Visits from **renters** each month



Visits from **people** interested in land, ranches and farms each month



# Largest Database of CRE Information

**6M**

Commercial  
properties

**129B**

Sq ft. tracked

**1M**

Active listings

**4M**

Sales  
comparables

**9.3M**

Lease  
comparables

**8M**

Tenants profiled

The most complete  
commercial  
real estate data and  
the best exposure  
for your properties.

# CoStar Invests in Your Business with



**165,000+**  
COSTAR USERS



AWARD WINNING  
JOURNALIST FROM  
AROUND THE WORLD



**600**  
SOFTWARE DEVELOPERS  
TO FACILITATE GATHERING OF  
DATA TECHNOLOGY

RESEARCH  
**\$1B**  
INVESTMENT



**1,400+** MARKETING  
RESEARCH ADVISORS



REAL TIME  
DATA FEEDS



**90** MARKET  
ANALYSTS



AERIAL INSIGHTS



**220**  
DRONES

**234**  
CARS CANVASSING



**103M**  
MARKETPLACE  
VISITORS



LARGEST  
COMMUNITY  
OF CRE  
DEALMAKERS



**View building details, spaces available, on/off market opportunities, photos and ownership info.**

***TIME SAVER***



**View cap rates, effective rents, vacancies, absorption rates and more against a true set of competitive peers.**

***FACT CHECKER***



**Stay ahead of construction activity at a market, submarket or street level.**

***ADVANTAGE***



**Understand how new supply & demand in your market or submarket will affect your investments.**

***ELEVATED EXPERTISE***



**Track comparable sales, properties for sale and sales trends, lease comps and who is active in the market.**

***DEAL FINDER***

**Fully integrated platform**

Demographic Overview

3464 Roxboro Rd NE - AMLI 3464

Population (1 mi)	Avg. HH Size (1 mi)	Avg. Age (1 mi)	Med. HH Inc. (1 mi)
<b>17,460</b>	<b>1.7</b>	<b>39</b>	<b>\$88,763</b>

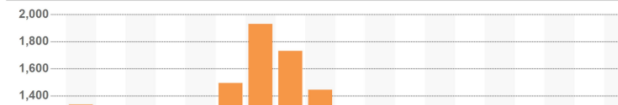
DEMOGRAPHIC RADIUS RINGS



Age & Education

3464 Roxboro Rd NE - AMLI 3464

POPULATION BY AGE GROUP IN 1 MILE RADIUS

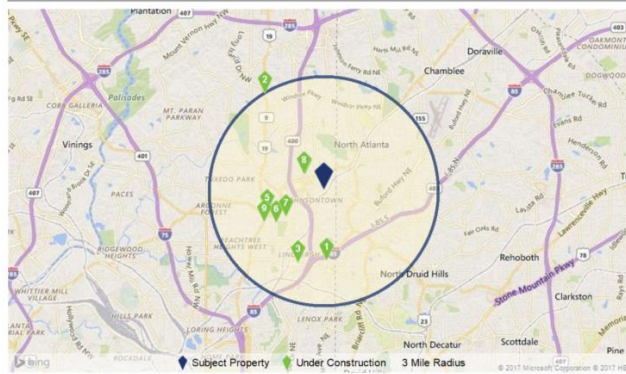


Under Construction Properties

3464 Roxboro Rd NE - AMLI 3464

Properties	Units	Percent Of Inventory	Avg. No. Units
<b>9</b>	<b>2,504</b>	<b>6.1%</b>	<b>278</b>

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION SUMMARY STATISTICS

	Low	Average	Median	High
Property Size in Units	159	278	282	400
Number of Stories	4	12	10	22
Average Unit Size	604 SF	802 SF	780 SF	1,023 SF
Star Rating	★★★★★	★★★★★ 4.1	★★★★★	★★★★★
Estimated Delivery Date	Apr 2017	Dec 2017	Sep 2017	Dec 2018
Months to Delivery	1	9	6	21
Construction Period in Months	13	18	20	23

Overview

Buckhead-Brookhaven Apartment

12 Mo. Deliveries in Units	12 Mo. Net Absorption	Vacancy Rate	12 Mo. Rent Growth
<b>1,559</b>	<b>2,157</b>	<b>9.7%</b>	<b>0.5%</b>

Market Analyst: Benjamin Braley - bbraley@costar.com

Buckhead is still one of the more exclusive submarkets in Atlanta, despite increasing competition from

Down metro from 2 bing rent: heavy

The in vacan beat o deliver increa previo

But ev stress contin stabiliz

Rent Comparables Photo Comparison

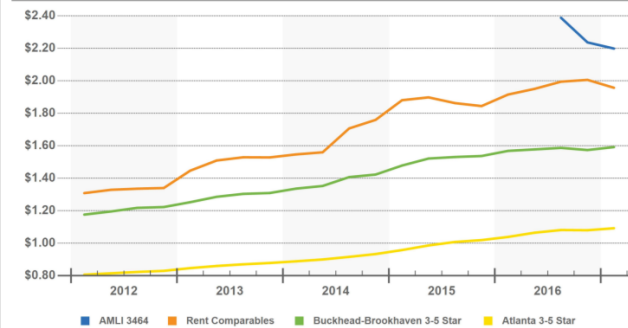
3464 Roxboro Rd NE - AMLI 3464



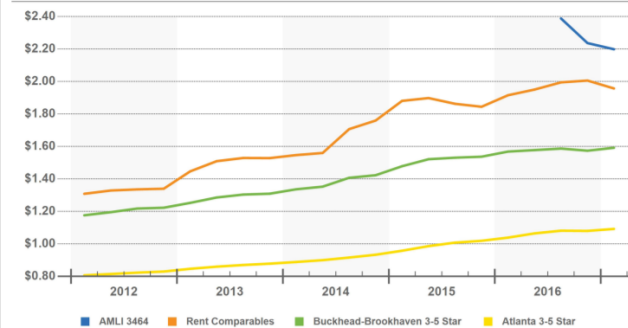
Rent Trends

3464 Roxboro Rd NE - AMLI 3464

ONE BEDROOM ASKING RENT PER SQUARE FOOT



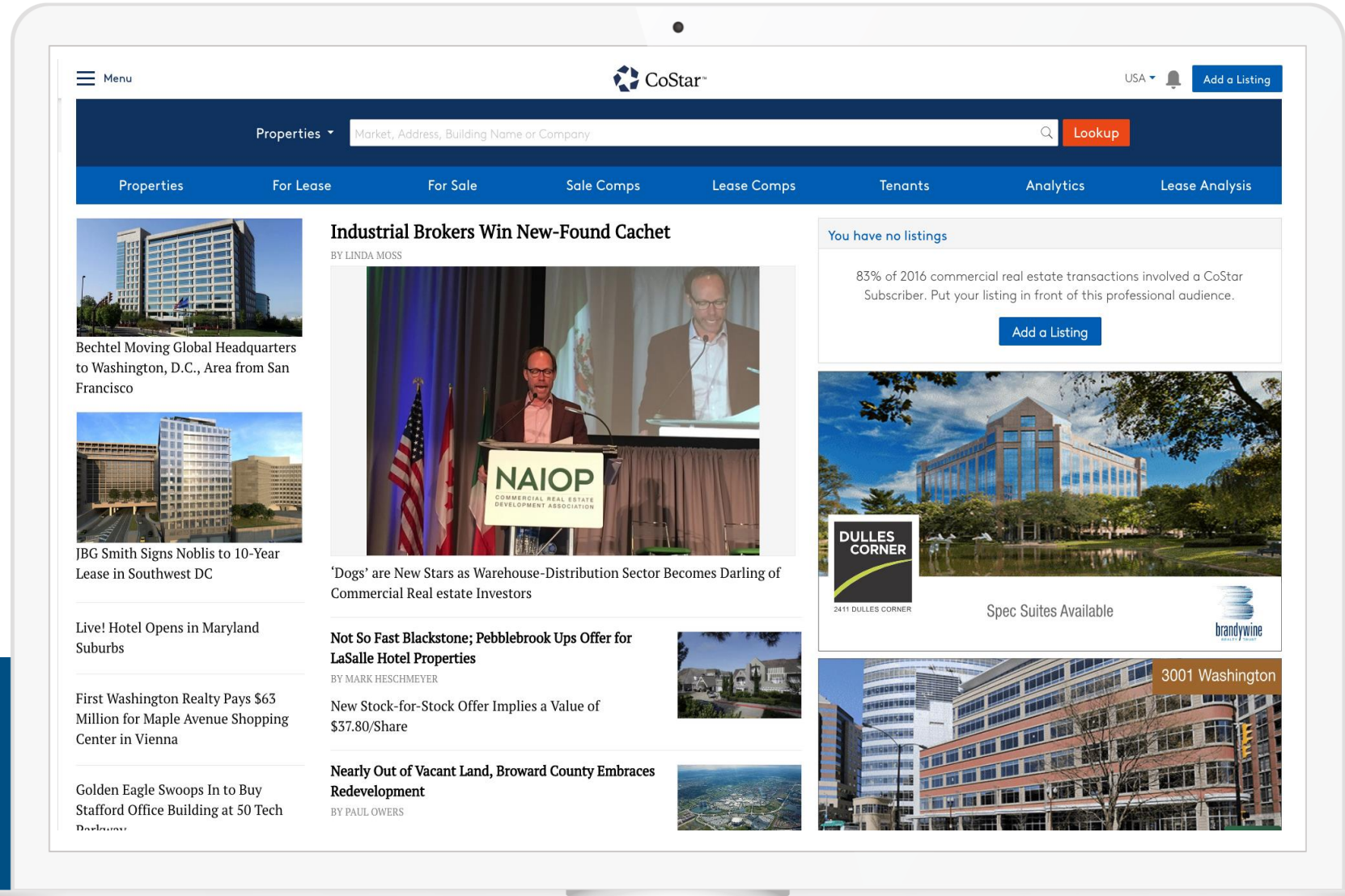
TWO BEDROOM ASKING RENT PER SQUARE FOOT



Real time market and submarket reporting

# Exclusive News You Can Use

- National, regional and local coverage
- Multi-asset class reporting
- 13,000 articles per year
- Award winning journalists
- Customizable to market, submarket and industry
- Fully integrated in CoStar





App Store 3:39 PM 96%

[Back](#)

**424 15th St - Pinnacle on the Park** ★★★★★

San Diego, CA - East Village MF Submarket  
483 Units/500,000 SF Multi-Family - Built 2015  
1,309-8,128 SF Available  
1,309-1,942 SF Max Contig

Summary Lease **Property** For Sale Prior Sales Tenant Stack Plan Analytic Contacts My Notes Ne

**BUILDING INFORMATION**

Year Built	Aug 2015
NumberOfUnits	483
Avg Rent	\$2,598.00
Avg Unit	914 SF
Avg Vacancy	9.1%
Owner Type	Developer
Construction	Steel
Class	A
Stories	45
Elevators	6
Parking	500 free Covered Spaces are available; 1.0 per Unit
Taxes	\$463.12/Unit (2011)
Property Mix	
Retail	17,000 SF

**WALK SCORE**

[Walk Score®](#) Walker's Paradise (91)

**UNIT MIX**

BEDS	UNITS	AVG. SF	ASKI
1	269	768	\$2,0
2	171	1,047	\$3,1
3	43	1,300	\$4,1
<b>Totals</b>	<b>483</b>	<b>914</b>	<b>\$2,5</b>

**BUILDING NOTES**

This is the existing portion of Pinnacle on the Park refer to PID 9494469 for the proposed portion set construction in the spring of 2016.

**DOCUMENTS**

- DTZ Retail Marketing P
- Pinnacle on the Park
- Pinnacle on the

AT&T 3:40 PM 40%

424 15th St, San Diego,...

Show All

**424 15th St** San Diego, CA ★★★★★

1/66

**Pinnacle on the Park**  
483 Units/500,000 SF Multi-Family - Built 2015  
1,309-8,128 SF Available  
1,309-1,942 SF Max Contig

[Back](#) 3:40

**424 15th St**  
San Diego, CA  
Pinnacle on the Park

Any device,  
anywhere.

# 93% client retention rate. Why?

- The most comprehensive industry data
- The largest and most influential CRE community
- 83% of CRE transactions involve a CoStar/LoopNet customer
- Continuous product enhancements
- Personalized support
- Dedicated Marketing Research Advisor
- Access to Regional Analysts
- State of the market presentations/webinars
- Local offices
- 7 days a week customer support





Industry leaders of all sizes rely on CoStar to support their decisions and strategies

# Training and Support



## SPEED OF IMPLEMENTATION

Get up and running immediately



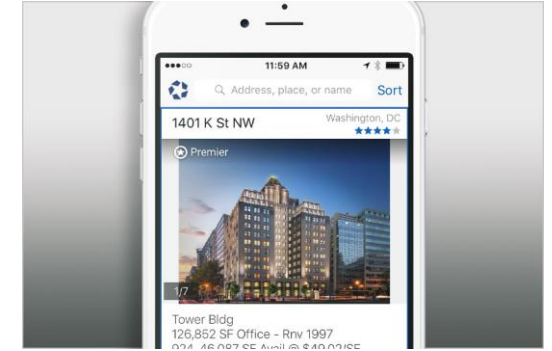
## UNLIMITED TRAINING

On-site from one of our dedicated local product specialists



## SUPPORT

Account Managers, Local Support and centralized service



## CONTINUOUS PRODUCT UPDATES

Ongoing software upgrades, training, webinars and product releases.



THANK YOU



CoStar™

PUT THE MOST POWERFUL  
COMMERCIAL REAL ESTATE  
NETWORK TO WORK FOR YOU.





## Department of Administration

6801 Delmar Boulevard, 2<sup>nd</sup> Floor, University City, Missouri 63130, Phone: (314) 505-8560, Fax: (314) 862-0694

TO: Economic Development Retail Sales Tax Board  
 FROM: Gabrielle Macaluso, Assistant City Manager  
 DATE: August 20, 2021  
 SUBJECT: Summary of Office Market Analysis Proposal

The City's Economic Development Division is seeking to identify the market demand for and the potential performance of office space development within three different sites including the Delmar Loop, the Delmar/I-170 interchange and the Olive/I-170 interchange. The City has secured a proposal from Development Strategies, a firm that specializes in providing a full array of economic analysis, project performance modeling, planning and GIS services to provide clients with guidance and direction for strategically pursuing development and applying incentives to encourage additional development.

The scope of services provided by Development Strategies includes:

- **Office Market Analysis**
  - Analysis of the three sites identified above for strengths, weaknesses, opportunities and threats as it compares to nearby competing locations;
  - Identification of competing market areas including existing office space locations;
  - National and local trends analysis of demographic and employee preference for work environments (ex. Walkable surroundings, education)
  
- **Real Estate Market Analysis**
  - Determine the scope of opportunities, both current and future, to supply unmet demand.
  - Completed by way of data collected from in-person field surveys, interviews with development professional and third-party data-providers.
  - Occupational projections will be utilized to quantify the type of industries and sectors that do well in an urban environment;
  - Trend analysis includes a review of existing national and global trends;
  - Industry cluster analysis looks at the type of industries represented in a particular geographic area to determine growth opportunities.
  - Labor force analysis will describe existing labor force conditions and identify workplace participation, work from home expectations, etc.
  
- **Support Analysis**
  - Provides a "ground-level" view of how a market is currently performing.
  - The firm will research (in-house), collect data and generate market metrics to determine if a project is viable or worth a public incentive. Market metrics include achievable rents/sales prices, occupancy rates, recently completed projects, amenities, etc.

### Costs

Although there are various add-on services available through Development Strategies, the scope of the services outlined above are delivered for a cost \$22,000.00.

**Recommendations**

Staff recommends the EDRST Board approve the \$22,000.00 services package as it will provide the tools and information necessary to effectively assess the demand for office space and the future performance of such development given current circumstances and those likely to exist in the future.

**Attachments:**

1. Proposal from Development Strategies



June 8, 2021

Mr. Gregory Rose  
City Manager  
City of University City  
6801 Delmar Boulevard  
University City, Missouri 63130

RE: Proposal for Office Market Analysis

Dear Mr. Rose,

Development Strategies is pleased to submit this proposal to provide market services to analyze the opportunity for office development at key locations in University City.

As “UCity” continues to build on its strengths of historic neighborhoods and the one-of-a-kind regional destination that is the Delmar Loop, we understand this study to be part of an effort to further diversify its economy with office employment and greater prosperity. Though the past 15 months have seen dramatic, temporary decline in office space, pre-COVID trends were indicating a strong need and preference for office space in walkable, mixed-use, urban areas, particularly for knowledge and creative fields. We believe that this demand will return for many creative industries.

This proposal for office market analysis considers three sites: the Delmar Loop; Delmar/I-170 interchange; and Olive/I-170 interchange. In this proposal, you will see our process and methodology, which will take approximately 90 days from initiation. Our knowledge of the market and development cycle tell us that the market for office space is probably less of a barrier to implementation than economic feasibility and market strategy. As a result, we have provided a proposal that also includes add-on services for a more robust and thorough development strategy, which would provide the City with a clearer view of the entire path to office development.

It is our mission and passion to help clients like you set a foundation for development that is both economically viable and value adding to the community. After reviewing our proposal, please feel free to reach out, at your earliest convenience, to discuss any refinement of this scope that is required to meet your needs. We will be happy to hear from you.

Sincerely,



Matthew Wetli, AICP  
*Principal*



# PROJECT APPROACH AND METHODOLOGY

Development Strategies is very pleased to offer this proposal for office market analysis to assist University City in its efforts to capitalize on its strengths and grow its economy. In our experience, market analysis is the beginning of a process for any community, with the end goal being development, economic growth, jobs, and greater prosperity. On this page, we have provided an overview of the whole process, to place market analysis in context. On subsequent pages, we provide a proposal for the requested office market analysis, and then estimates of add-on services that provide the full continuum of what amounts to a development strategy.

- **Market Analysis:** determines the “baseline” amount of development that is possible over a period of time, achievable rents, lease rates, and sale prices, and likely market segments from which to draw.
- **Market Strategy:** involves devising ways to add value to an existing development program, often through the identification of

complementary land uses, site location optimization, investments in the public realm, and the alignment of development products with specific consumer segments.

- **Development Planning and Feasibility:** evaluates the cost of development, land acquisition, building operation, and density to determine whether marketable development products can be feasibly delivered to the market.
- **Economic Strategy:** where the development of a particular product or concept is not economically supportable through conventional private debt alone, but has broader benefits to a community’s quality of life or economic performance, public-private partnerships are modeled and evaluated.

## DEVELOPMENT STRATEGY PROCESS<sup>®</sup>



# SCOPE OF SERVICES

## UNDERSTAND PHASE

### Office Market Context Analysis

- **Site Analysis:** An assessment of site marketability context will be undertaken for three sites— Delmar Loop West, the Delmar/I-170 interchange, and the Olive/I-170 interchange—to understand the marketability strengths, weaknesses, opportunities, and threats (i.e. SWOT analysis) for the site in its context with Downtown Clayton, the I-170 Corridor, CORTEX, and (if deemed relevant) other potentially competitive creative districts, such as The Grove.
- **Identification of Competitive Market Areas** including a conventional office submarket and the aforementioned competitive employment centers.
- **National and Local Trends Analysis** including shifting demographic and employee preferences for urban work environments (e.g.; pre-COVID movement to more urban employment centers; post-COVID attitudes to employment)

### Real Estate Market Analysis

Building on market context analysis, real estate market analysis will be conducted to determine the scope of opportunities that exist, both in terms of present and future opportunities to supply unmet demand. Data will be collected from a variety of sources, including first-person field surveys, interviews with area development professionals, and third-party data-providers.

- **Office/Employment** occupational projections will be utilized to quantify future demand for office development that could be captured, with special attention paid to creative and collaborative industries for which the Loop could be competitive, and more conventional office industries for the interchange(s). This will include:
  - **Global and National Economic Conditions and Trends:** A high-level analysis of global, national, and regional employment and

income trends will be conducted with close attention to the types of industries and sectors that thrive in urban environments.

- **Industry Cluster Analysis:** A high-level cluster analysis of key industry sectors within the city will be conducted to frame the overall competitiveness of the region and identify opportunities for future growth.
- **Labor Force:** This analysis will describe existing labor force trends, including educational attainment, workforce participation, and unemployment trends.

### Supply Analysis

Supply Analysis is the most specific, detailed, and tangible part of any market analysis. It provides a “ground-level” view of how a market is currently performing. Coupled with other analyses proposed in this study, it can also point to current missed opportunities, or how a project, district, or neighborhood is positioned for capturing future growth. Unlike some other firms, at Development Strategies we typically do our supply research in-house.

Supply trends analysis will start at a high level and then work down to detailed comparables. At the high level, relevant absorption and construction data will be analyzed to understand the magnitude of current growth and development.

From there, our method will focus on specific cases—comparables—and how they are relevant to future development for University City. Market metrics will be provided, including achievable rents and sale prices; occupancy rates, absorption rates for recently-completed projects, unit sizes, and amenities.

## ADD ON SERVICES

### STRATEGIZE PHASE: MARKET STRATEGY

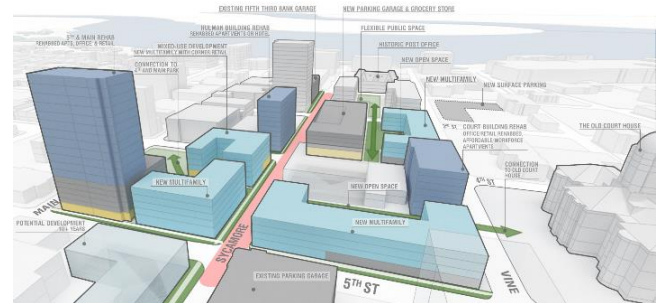
Without a sound market strategy, market analysis provides little more than a program—an amount of supply that could be delivered to a market to satisfy unmet demand. But not all housing, retail, office, and hotel developments consist solely of commodity products. A market strategy ensures that the right types of products will be delivered to the right market, thereby reducing risk to developers and governments, while increasing the likelihood of a lasting, sustainable development. A market strategy will be created for different uses that includes recommendations on:

- Competitive positioning
  - Competitive differentiation relative to other employment districts
  - Product recommendations (i.e., upscale, midscale, affordable) where relevant
  - Quality, character, and amenities recommendations
- Public realm evaluation
  - Street environment
  - Parks, squares, and plazas
- Land use
  - Optimal locations
  - Mix-use synergies and complementarity
  - Adaptive reuse and historic preservation
- Opportunity/catalyst sites
- Targeted business/office strategy
- Development phasing

A mixed use market strategy will include a matrix of product types—residential, retail, employment etc.—their achievable rents and sale prices, and achievable velocities of development.

## Development Concept Planning

Drawing on Development Strategies' urban design expertise, one-to-three physical framework alternatives can be created to help visualize, in 3D, economically-supported real estate development. Development Strategies will provide site capacity testing that is informed by market and economically-driven program elements. If done with feasibility testing, the concepts can take into account different parking formats and FAR ratios, as well as land and construction costs.



## DEVELOPMENT PLANNING: CATALYSTS & FEASIBILITY

While market analysis helps to identify opportunities and establish revenue potentials, feasibility analysis considers the cost side of the development equation. Often, in an underperforming market, a limited number of projects will “pencil out”, in terms of their ability to be funded through private means alone. Other projects may require public or institutional partners, so quantifying financial viability informs realistic opportunities, lending potential, phasing, and partnership needs.

Economic feasibility analysis will evaluate and test likely development prototypes (i.e., construction, acquisition, etc.) and operational costs and will estimate order-of-magnitude (or actual) acquisition costs for one-to-three scenarios. Where projects are not viable through private finance alone, gaps will be identified for further analysis in a public finance strategy.

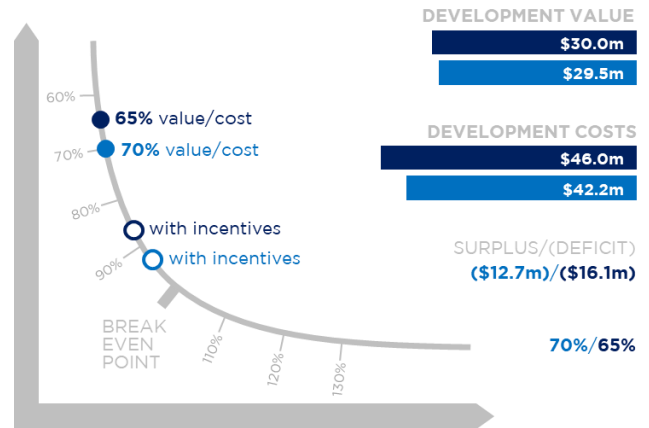
## ECONOMIC STRATEGY

### Fiscal Impact Analysis and Public Finance Strategies

The economic development policies of a community shape or direct revitalization strategies, depending on the revenue streams that can be generated. To quantify the benefits of any public, private, or institutional investments that lead to land use changes, fiscal impact analysis will be conducted regarding existing and future alternative conditions in the tax base for the city, county, and state government. Development Strategies will quantitatively evaluate, at an order-of-magnitude level sufficient to arrive at numbers suitable for a planning effort, possible and likely incentives and economic development tools such as tax increment financing (TIF), community improvement districts (CID), and other relevant forms of tax credits, tax abatements, land assembly, etc. to help implement desired catalyst projects.

- Pro forma analysis
- Private returns
- Public revenues
- Incentives strategy
- Phasing

- Jobs & building a talent pipeline



NORTH OF FLOOD WALL	
Development Value	\$173 Million
Development Cost	
Building	\$153 Million
Land	\$14 Million
Transportation/Utilities	\$25 Million
Structured Parking	\$17.5 Million
Demolition	-
Remediation	-
Extra Site Development	-
Surplus/(Deficit)	(\$36.5 Million)
TIF Revenues	\$39.5 Million

**Surplus/Deficit with Public Participation      \$3 Million**



## FEE PROPOSAL

The following includes our baseline proposal for an office market study, as well as a menu of *a la carte* services that complete the continuum of an effective development strategy. We would estimate the market study would require 90 days from the time of engagement; all subsequent phases would require 30 to 60 days each. Deliverables include:

- three client meetings (with presentation materials)
- one council presentation
- A 20 to 30-page market document, with supporting materials in an appendix.

Additional meetings and all associated preparation and travel will be billed at standard company rates.

## ADDITIONAL SERVICES

Helping clients realize quality development that is aligned with broader strategic goals is *what we do*. Development Strategies can assist with a variety of services to advance a realistic vision for greater employment and prosperity in University City.

- Market Strategy
- Feasibility
- Visualizations
- Economic Development Strategy
- Meeting representation
- Public engagement/Town Halls
- Stakeholder engagement and outreach
- Communications
- Focus Groups
- Surveys
- Graphic Design
- Public Policy
- Developer RFP and selection
- Public/private/institutional partnerships
- Deal Structuring
- Pre-development

SCOPE OF SERVICE	BUDGET
Office Market Study	\$ 22,000
<i>Mixed Use Market Study Add-on</i>	\$ 13,000
Mixed Use Market Strategy	\$ 10,000
<i>Urban Design/3D Add-on</i>	\$ 10,000
DEVELOPMENT PLANNING: Catalyst & Feasibility	\$ 12,000
ECONOMIC STRATEGY: Order of Magnitude Fiscal Impacts	\$ 15,000
<b>TOTAL</b>	<b>\$ 22,000-73,000</b>