DEVELOPMENT STRATEGIES

Retail Sales Analysis in St. Louis County, Missouri

Robert M. Lewis, FAICP, CEcD

RETAIL SALES IMBALANCES and FISCAL IMPLICATIONS

St. Louis County, Missouri

New Partners for Smart Growth Conference

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Robert M. Lewis, FAICP, CEcD
1 The Municipalities

2 Retail Purchasing Power vs. Captured Sales

3 Leakers and Gainers

4 “A” and “B” Cities

5 The Evolved Imbalances: Why Some A’s Should be B’s and Vice Versa
Where are We?

Bi-State St. Louis Metropolitan Area
Metro Counties Populations, 2015

<table>
<thead>
<tr>
<th>County</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Louis County</td>
<td>385,600</td>
</tr>
<tr>
<td>St. Louis</td>
<td>33,500</td>
</tr>
<tr>
<td>St. Clair</td>
<td>224,100</td>
</tr>
<tr>
<td>Jefferson</td>
<td>1,003,400</td>
</tr>
<tr>
<td>St. Charles</td>
<td>266,200</td>
</tr>
<tr>
<td>Saint Louis</td>
<td>315,700</td>
</tr>
<tr>
<td>Saint Louis</td>
<td>37,800</td>
</tr>
<tr>
<td>Saint Louis</td>
<td>102,400</td>
</tr>
<tr>
<td>Saint Louis</td>
<td>264,100</td>
</tr>
<tr>
<td>Saint Louis</td>
<td>54,700</td>
</tr>
<tr>
<td>Saint Louis</td>
<td>33,900</td>
</tr>
<tr>
<td>Saint Louis</td>
<td>22,400</td>
</tr>
</tbody>
</table>
2016 Population

St. Louis County
500 square miles

Total Population 1,001,800
35% of 15-county St. Louis metro area

- Incorporated: 680,350 (68%)
- Unincorporated: 321,450 (32%)

89 Incorporated Cities

- Largest: 52,700
- Smallest: 13
- Average: 7,640
- Median: 3,130

41% of the average
2016 Per Capita Incomes

Total $35,970
- Incorporated: $38,250
- Unincorporated: $31,150

89 Incorporated Cities
- Highest: $89,950
- Lowest: $10,060
- Average: $38,250
- Median: $26,670

70% of the average

Even grimmer for cities needing a good tax base.
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2016 Retail Purchasing Power (NAICS 44-45, 722)

Total $18,353 million
- Incorporated: $13,165 mil (71%)
- Unincorporated: $5,188 mil (29%)

89 Incorporated Cities
- Largest: $1,360.3 million
- Smallest: $209 thousand
- Average: $147.9 million
- Median: $37.9 million (26% of the average)

Dominated by small cities with not much purchasing power—thus not much attraction for retailers.
2016 Retail Sales in Cities (NAICS 44-45, 722)

Total $22,985 million
- Incorporated: $18,006 mil (78%)
- Unincorporated: $4,979 mil (22%)

89 Incorporated Cities
- Largest: $1,921.6 million
- Smallest: $0
- Average: $202.3 million
- Median: $28.7 million
  14% of the average

Even grimmer for cities needing a good tax base. Or is it...?
7 of 11 with no retail sales have above median per capita incomes

11 cities have no retail sales
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Net Sales “Leakage” vs. Net Sales “Gains”

Cities with **more sales** than buying power  
33 (37%)

Cities with **less sales** than buying power  
57 (63%)

Includes unincorporated areas
Net Sales “Leakage” vs. Net Sales “Gains”

Population with **more sales** than buying power
- 390,200 (39%)

Population with **less sales** than buying power
- 611,600 (61%)

Includes unincorporated areas
Biggest Retail Sales Gainers and Losers ($millions)

St. Louis County (net gain)

Net Gainers
- Creve Coeur (10th)
- Fenton (27th)
- Florissant (49th)
- Chesterfield (14th)
- Richmond Heights (18th)
- Bridgeton (45th)

Net Losers
- Wildwood (15th)
- University City (29th)
- Webster Groves (21st)
- Clayton (13th)
- Town and Country (7th)
- Ladue (1st)

St. Louis County (net gain) $4,632 million

85% of County’s Net Gains

Cities by per capita income rank (of 89)
### Biggest Retail Sales Gainers and Losers ($millions)

**St. Louis County (net gain)**

St. Louis County (net gain) **$4,632 million**

#### Cities by population rank (of 89)

<table>
<thead>
<tr>
<th>City</th>
<th>Net Gain (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creve Coeur (12th)</td>
<td>$(1,500)</td>
</tr>
<tr>
<td>Fenton (42nd)</td>
<td>$(1,000)</td>
</tr>
<tr>
<td>Florissant (1st)</td>
<td>$(500)</td>
</tr>
<tr>
<td>Chesterfield (2nd)</td>
<td>$-</td>
</tr>
<tr>
<td>Richmond Heights (27th)</td>
<td>$500</td>
</tr>
<tr>
<td>Bridgeton (18th)</td>
<td>$-</td>
</tr>
<tr>
<td>Wildwood (4th)</td>
<td>$(763)</td>
</tr>
<tr>
<td>University City (3rd)</td>
<td>$(377)</td>
</tr>
<tr>
<td>Webster Groves (9th)</td>
<td>$(260)</td>
</tr>
<tr>
<td>Clayton (13th)</td>
<td>$(181)</td>
</tr>
<tr>
<td>Town and Country (19th)</td>
<td>$(154)</td>
</tr>
<tr>
<td>Ladue (24th)</td>
<td>$(114)</td>
</tr>
</tbody>
</table>
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Point-of-Sale vs. Pool Cities: Established 1977

Number of Cities (including unincorporated area)

Pool "B" - 57 cities, 39%

Point of Sale "A" - 33 cities, 61%
Number of Cities (including unincorporated area)

- **Point of Sale "A"**
  - 33 cities
  - 61%

- **Pool "B"**
  - 57 cities
  - 39%

Sales taxes go into a “pool.” Redistributed per capita.

Keep your sales taxes. No sharing.

Well, some sharing these days.
Point-of-Sale vs. Pool Cities

Population (including unincorporated area)

<table>
<thead>
<tr>
<th>Pool &quot;B&quot;</th>
<th>656,784</th>
<th>66%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point of Sale &quot;A&quot;</td>
<td>345,030</td>
<td>35%</td>
</tr>
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</table>
Point-of-Sale vs. Pool Cities

Per Capita Sales, 2016 (including unincorporated area)

Point of Sale "A" - $35,100
Pool "B" - $16,600
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Point-of-Sale vs. Pool Cities: Net Gainers and Losers

Number of Cities (including unincorporated area)

<table>
<thead>
<tr>
<th>Point of Sale &quot;A&quot;</th>
<th>Pool &quot;B&quot;</th>
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<tr>
<td>Net Gainers</td>
<td>Net Losers</td>
</tr>
<tr>
<td>24%</td>
<td>50%</td>
</tr>
<tr>
<td>22</td>
<td>45</td>
</tr>
<tr>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>11</td>
<td>12</td>
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Point-of-Sale vs. Pool Cities: Net Gainers and Losers

Population (including unincorporated area)

<table>
<thead>
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<tbody>
<tr>
<td>600,000</td>
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<tr>
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<tr>
<td>400,000</td>
</tr>
<tr>
<td>300,000</td>
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<tr>
<td>200,000</td>
</tr>
<tr>
<td>100,000</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

Point of Sale "A" vs. Pool "B"

- Net Gainers
  - Point of Sale "A": 24%
  - Pool "B": 51%
  - Population: 240,900
  - Population: 507,300

- Net Losers
  - Point of Sale "A": 10%
  - Pool "B": 15%
  - Population: 104,100
  - Population: 149,500
Point-of-Sale vs. Pool Cities: Above and Below Per Capita

Cities Above and Below Per Capita Sales (including unincorporated area)

- 39% of "A" Cities
- 61% of "A"Cities
- 16% of "A" Cities

Point of Sale "A"
- Above Average: 13 Cities
- Below Average: 20 Cities

Pool "B"
- Above Average: 9 Cities
- Below Average: 48 Cities

84%
Point-of-Sale vs. Pool Cities: Above and Below Per Capita

Populations Above and Below Per Capita Sales (including unincorporated area)

- **Point of Sale "A"**
  - Cities Above Average: 93,940 (27% of "A" Cities)
  - Cities Below Average: 251,090 (73% of "A" Cities)

- **Pool "B"**
  - Cities Above Average: 142,820 (22% of "A" Cities)
  - Cities Below Average: 513,970 (78% of "A" Cities)
CONCLUSIONS

1. Sales taxes vital to most local governments.
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2. Distribution of taxes was uneven (1970s).
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4. Continued evolution challenges “A” and “B”
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5. There are still 89 cities plus unincorporated.
CONCLUSIONS

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4. Continued evolution challenges “A” and “B”
   • Population and income have shifted.
   • Retail/Dining concentrations have shifted.
   • Retail/Dining tastes have shifted.

5. There are still 89 cities plus unincorporated.

6. Time for a new “sharing” system?