

COMMERCIAL MARKET ANALYSIS

BIG BEND & KIRKWOOD FOCUS AREA

MAY 18, 2018

PGAV
PLANNERS LLC



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SECTION 1- INTRODUCTION

The City of Kirkwood, MO (the “City”) retained PGAV Planners, LLC (“PGAV”) to develop an independent analysis of the current conditions and development potential for the area surrounding the intersection of Big Bend Boulevard and South Kirkwood Road (the “Study Area”).

PGAV, headquartered in St. Louis, Missouri, is a nationally recognized firm with expertise in the preparation of plans and market studies. PGAV has performed analyses of commercial, office, residential, and industrial market conditions. PGAV has personnel who are members of the National Federation of Municipal Analysts (NFMA) and of the Council of Development Finance Agencies (CDFA).

ACKNOWLEDGEMENTS

PGAV would like to thank the following people for their collaboration on this study:

- Kirkwood City Council: Mayor Timothy Griffin, Wallace Ward, Kara Wurtz, Nancy Luetzow, Maggie Duwe, Ellen Edman, and Mark Zimmer;
- City of Kirkwood Public Services Department and Electric Department;
- And to the citizens, residents, business owners who are too numerous to name, but whose knowledge and energy will continue to support the Study Area.

EXECUTIVE SUMMARY

PGAV was retained to study the Area’s local economy and its commercial, office, and residential potential. PGAV conducted a market analysis of the Study Area, examined demographics, consumer profiles, & trade areas; interviewed property owners; analyzed transportation patterns, and examined economic realities, and nationwide trends for redeveloping the area as a place attractive to businesses and residents, and safe for pedestrians and bicyclists.

PGAV identified redevelopment sites in the Area whose location and size are ideal for medium density residential, coworking or office space, and mixed use. The sites are large enough to accommodate new construction and provide parking for customers. In order to promote development and to finance placemaking enhancements, it is the recommendation of PGAV that a combination of two public financial tools, Chapter 353 Tax Abatement and a Community Improvement District (CID) would be the most effective and efficient way to support revitalization efforts in the Area.

THE STUDY AREA

The Subject Area is located immediately to the northeast and northwest of the intersection of Kirkwood Road and Big Bend Boulevard. This area was identified as a Focus Area in the City's EnVision Kirkwood 2035 Comprehensive Plan (the "2035 Plan") as a location with opportunity for redevelopment. Area developers have fielded request for redevelopment uses including restaurants, light industrial, microbreweries, and a natatorium. The Future Land Use designated for the Study Area in the 2035 Plan is Transition Mix Use for the area north of Big Bend. Immediately south of the Area are two Planned Commercial Developments: Kirkwood Crossing and Kirkwood Commons.

Exhibit 1 – Study Area Boundary, shows the Study Area boundary on an aerial image of this portion of the City. **Exhibit 2 – Municipal Boundary and Study Area** shows the Study Area relative to the City boundary and Interstates 44 and 270.

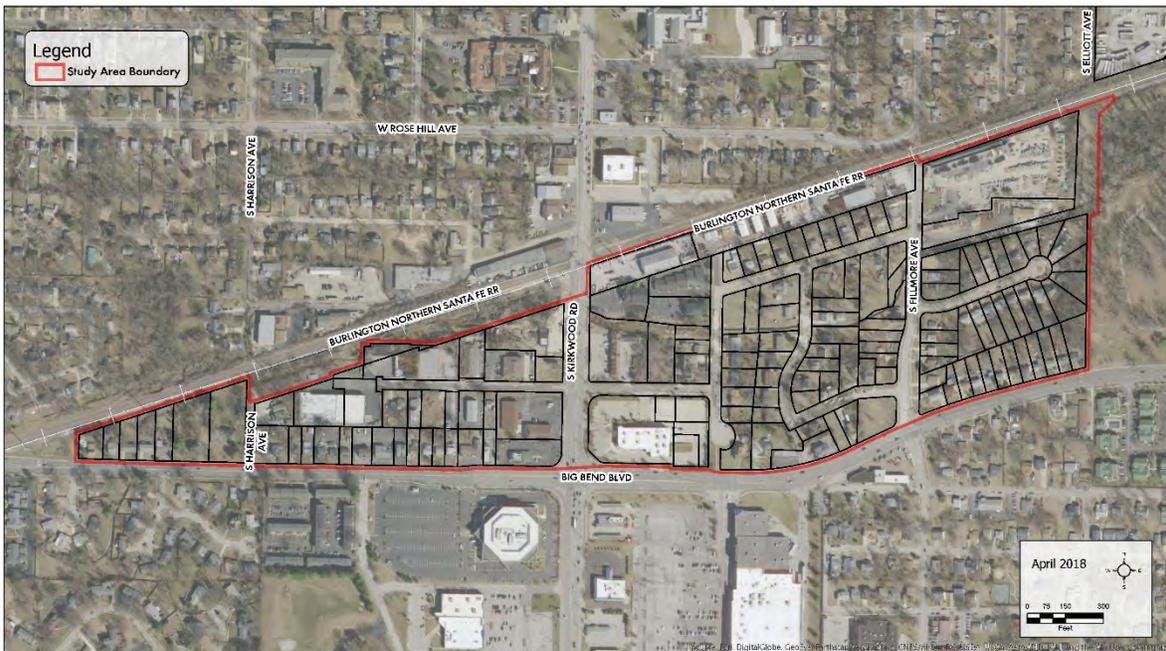


Exhibit 1 - Study Area Boundary
 Kirkwood Road & Big Bend Market Study
 City of Kirkwood, Missouri

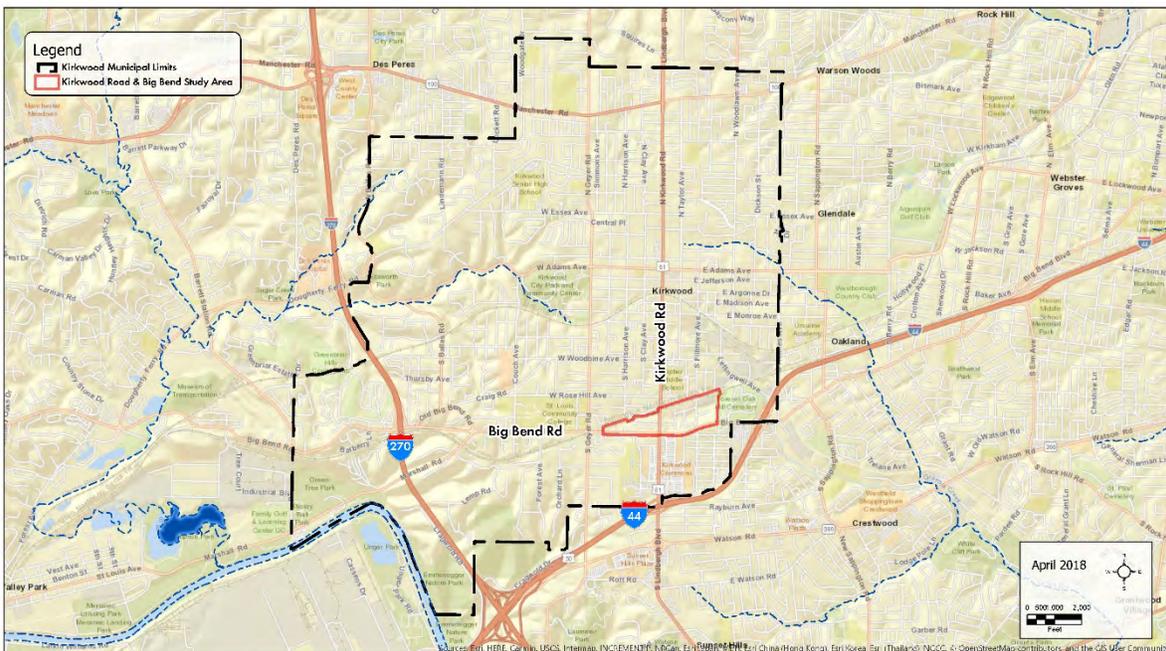


Exhibit 2 - Municipal Boundary and Study Area
 Kirkwood Road & Big Bend
 City of Kirkwood, Missouri



SECTION 2 – MARKET ANALYSIS

LAND USE ANALYSIS

Exhibit 3 – Existing Land Use, shows existing land use in the Study Area. The main use categories are mixed commercial (office & professional service and retail & service) and residential (primarily single family residential and some multi-family). Other uses are industrial (along the railroad) and some undeveloped lots.

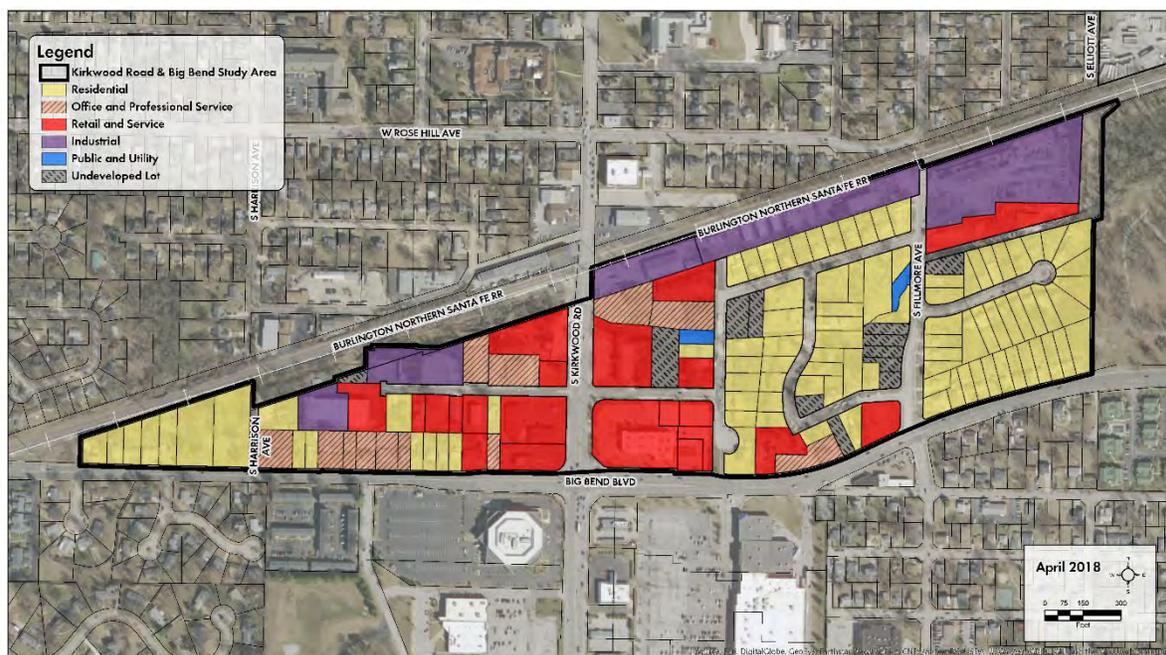
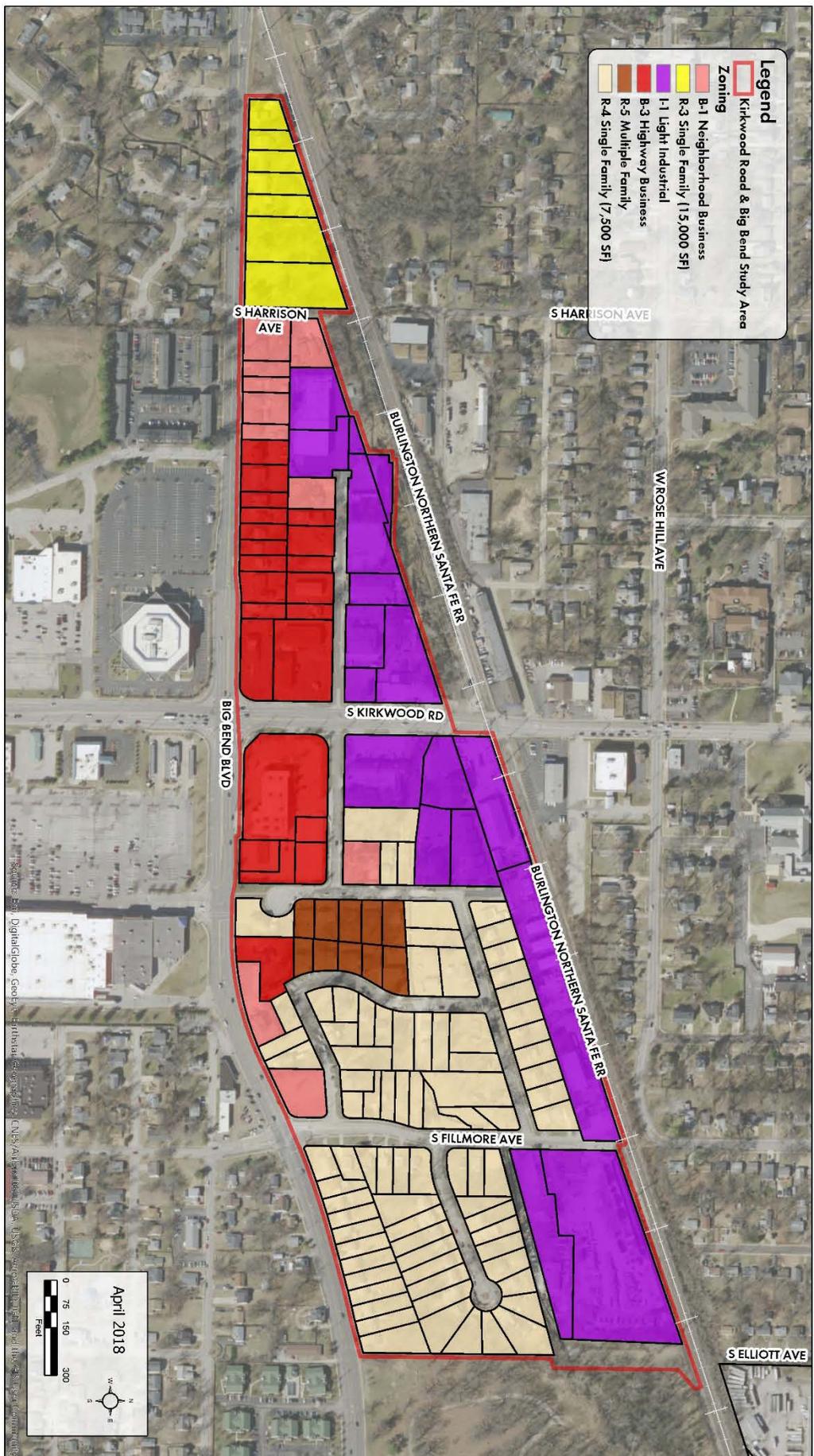


Exhibit 3 - Existing Land Use
Kirkwood Road & Big Bend Market Study
City of Kirkwood, Missouri



Exhibit 4 – Existing Zoning, on the next page, depicts the zoning classifications in the Study Area. The Area includes Light Industrial, Neighborhood Business, Highway Business, Multiple Family and Single Family zones. In several places within the Study Area, commercial and light industrial uses are adjacent to residential uses. There are two subdivisions in the area, the Chester Heights Subdivision and the Buena Vista Heights Subdivision. Major land users in the Area include Kirkwood Materials, Harley Davidson, and the Squeaky Clean Car Wash.

Exhibit 4 - Existing Zoning
Kirkwood Road & Big Bend Market Study
 City of Kirkwood, Missouri



TRANSPORTATION ANALYSIS

Regarding the Preliminary Transportation Findings related to the Study Area. There are two areas of consideration: the Chester Heights Subdivision (northeast of the intersection) and the Buena Vista Heights Subdivision (northwest of the intersection).

The Study Area is split by Kirkwood Road (US 61), which runs on a north-south axis through its center. It is bordered on the south by Big Bend Boulevard and on the west and north by the Burlington Northern Santa Fe (BNSF) Railroad right-of-way (ROW). The area is bordered on the east side by Oak Hill Cemetery, which has no public streets.

Kirkwood Road

Kirkwood Road is classified as a Principal Arterial and is under the jurisdiction of the Missouri Department of Transportation (MoDOT); this segment carries approximately 23,200 vehicles per day (“VPD”). The segment between the BNSF tracks and Big Bend Boulevard is approximately 800-feet long. North of the project area, Kirkwood Road is typically four lanes, undivided; within the study area, Kirkwood Road develops a median and then southbound left- and right-turn lanes for the signalized intersection with Big Bend. There are generally no shoulders, although the pavement is wider in certain areas for various reasons. One particular area of note is the green space east of Kirkwood Road, two parcels south of the BNSF tracks. This area is a creek/drainage area that is depressed below the grade of adjacent roadway. A photo is on the following page. Shoulders could generally be expected on a Principal Arterial, and some segments of Kirkwood Road have them (e.g. South of Big Bend) and many do not (e.g. north of the BNSF tracks). Driveway connections in this segment are plentiful – every parcel has at least one driveway apron (even those currently undeveloped) and some have multiple and/or atypically wide connections. There are utility poles on both sides of the roadway, on the east side they are set roughly 15-feet from the edge of roadway (although the distance decreases closer to the BNSF); on the west side the setback varies from 2- to 20-feet.



Kirkwood Road



Narrow Shoulder on east side of Kirkwood Road at creek



Full-width driveway connection on east side of Kirkwood Road, south of BNSF

Prospect Avenue (on the west and a dead-end street) and Chester Avenue (on the east) intersect the segment roughly 325-feet north of Big Bend Boulevard, but you cannot travel straight between them due to the median (and the southbound queues during peak times on Kirkwood Road approaching the signal at Big Bend). It should be noted that the median was installed with a “mountable” (thinner) section for emergency vehicle access, but passenger vehicles currently utilize the crossing. Observations found that the usage appears to be less common during peak periods and, while undesirable, does not seem to impact traffic operations.



Kirkwood Road “mountable” median, north of Big Bend Boulevard

MetroBus Route 48 traverses the City of Kirkwood north-south via Kirkwood Road. There are northbound and southbound bus stops within the study area, the northbound having a partially-enclosed shelter but no connection to the adjacent sidewalk. There are no bicycle markings or signage on this segment. The Kirkwood Pedestrian and Bicycle Plan designates this segment of Kirkwood Road a “Recommended Walking Route.”



Bus Stop with shelter for northbound MetroBus Route 48, north of Big Bend

However, the existing pedestrian facilities are limited to a sidewalk in the northeast parcel of the Big Bend intersection (currently Doc’s Harley Davidson), 5-feet wide and set approximately 16-feet from the back

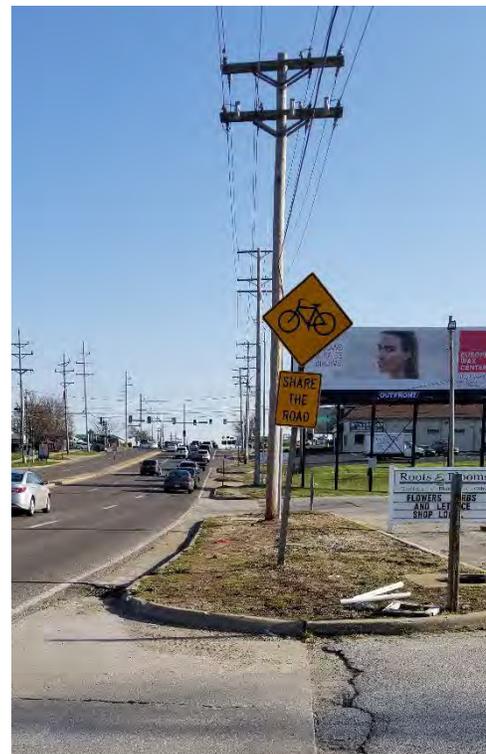
of roadway curb, and a very small section in the northwest corner of the same intersection (currently Honey Pit Smokehouse). The intersection at Big Bend does have sidewalk connections in all four corners, including curb ramps and standard crosswalks across all approaches and channelized right-turn lanes.

A future project will install new sidewalk on the east side of Kirkwood Road from Chester Avenue north through the BNSF tracks. The goal of this nearly \$5million project is to improve signal timing and coordination on Kirkwood Road from Big Bend Boulevard north to Manchester; it is primarily funded through a Congestion Mitigation and Air Quality, or CMAQ, grant and scheduled for construction in 2018-2019. The project will also enhance pedestrian safety and accessibility via ADA improvements included in the project. Proposed striping for the project could not be determined, but it is recommended that the installation of striped crosswalks, including higher-visibility continental striping at the Big Bend intersection, be considered.

Overall, vehicular traffic within this segment of Kirkwood road operates as would be expected given the volumes on Kirkwood Road and Big Bend Boulevard, which it intersects. There is queuing approaching the signalized intersection at most times of the day, especially during peak commuter periods when southbound queues can reach Prospect Avenue. Sporadic queuing also happens in the northbound lanes when trains utilize the BNSF crossing.

The lanes are appropriately sized and maintained and the median is necessary for smooth traffic flow by prohibiting conflicting turning movements to/from the driveways and side-streets. The shortcoming is that southbound drivers are unable to access properties along the east side of Kirkwood Road nor can northbound traffic access to those on the west side.

The lack of roadway consistency within this segment of Kirkwood Road gives a sense of disorganization to this segment, it can feel a bit chaotic and unappealing. The driveway connections north of Prospect/Chester Avenues are numerous, appear overly wide, and are often poorly maintained – additional access control north of Prospect/Chester Avenues should be investigated. The most significant gap in the network is pedestrian accommodations, which will be improved with the future CMAQ project. Although roadway changes don't appear to be necessary for the current traffic operations, traffic impacts should be investigated for each new proposed development to identify any potential changes in operations or access and define the appropriate mitigation (e.g. turning lanes, traffic control, cross-access, etc...).



*West side of Kirkwood Road
facing south*

Big Bend Boulevard

Big Bend Boulevard is classified as a Minor Arterial and maintained by the St. Louis County Department of Transportation. The average daily traffic volumes are 22,800 VPD east of Kirkwood Road and 18,300 vpd west of Kirkwood Road; these volumes exceed what would typically be expected on a minor arterial (generally up to 14,000 VPD). West of Kirkwood Road, Big Bend is four undivided travel lanes, except for a short (roughly 100-foot-long) two-way-left-turn-lane (TWLTL) just west of the intersection. East of Kirkwood Road, Big Bend has a 5-lane cross section (two travel lanes in each direction and a center two-way-left-turn-lane or TWLTL). There are no shoulders, which would generally be expected for a minor arterial. There are multiple driveway connections throughout the study corridor; however, unlike Kirkwood Road they appear to be sized appropriately, limited to one per parcel, and well-maintained.

East of the Kirkwood Road signalized intersection, there are two additional signalized four-way intersections: for Kirkwood Commons (Target/Walmart/Lowes) and at S. Fillmore Avenue/Milwaukee Street (Chester Heights and Meacham Park). The former is approximately 500-feet from Kirkwood Road and there is a solid median between. Additional signals east of the project area do not impact travel within the study corridor. In addition, there are two, unsignalized, roadway connections to the south side of Big Bend: providing rear/delivery access to Kirkwood Commons and at Carriage Circle Lane at the east border of the project area; neither appears to have any operational issues or create conflicts within the corridor.



Big Bend Boulevard east of Kirkwood Road

Two previous connections to the north, into Chester Heights Subdivision, have been closed and disconnected for all but pedestrians; these connections were at S. Taylor and Ohlman Avenues. It is assumed these disconnections were made to separate the neighborhood traffic. However, restoring the connection to S. Taylor Avenue would resolve the lack of southbound Kirkwood Road access to the adjacent east parcels mentioned previously. This connection would have the benefit of tying in to the existing signal and would fit within the adjacent mixed residential and commercial parcels. Although a desire to isolate the residential area is common, a grid or connected network provides better access and is more efficient (reducing the need for circuitous routes).



S. Taylor and Ohlman Avenue closures at Big Bend

West of Kirkwood Road, the only signalized intersection is at Geyer Road just beyond the BNSF tracks that border the study area; however, the unique geometry of the train crossing and roadway intersection necessitates signal controls east of the BNSF alignment and within the study area. Although uncommon, this intersection performs appropriately for its challenging situation. There are also six neighborhood and/or parcel connections to the south, which do not appear to have any significant operational challenges. To the north, S. Harrison Avenue connects to Big Bend within the CMA boundaries; however, this dead-end street is primarily gravel and functions as driveway access for the adjacent parcels. Ideally, a connection could be made between S. Harrison and Prospect Avenues to provide circulation within this area, but right-of-way nor easements exist between the two stub streets, and the existing structures and topography (there is a large grade differential between the parcels and the BSNF right-of-way) would make construction of a road difficult.

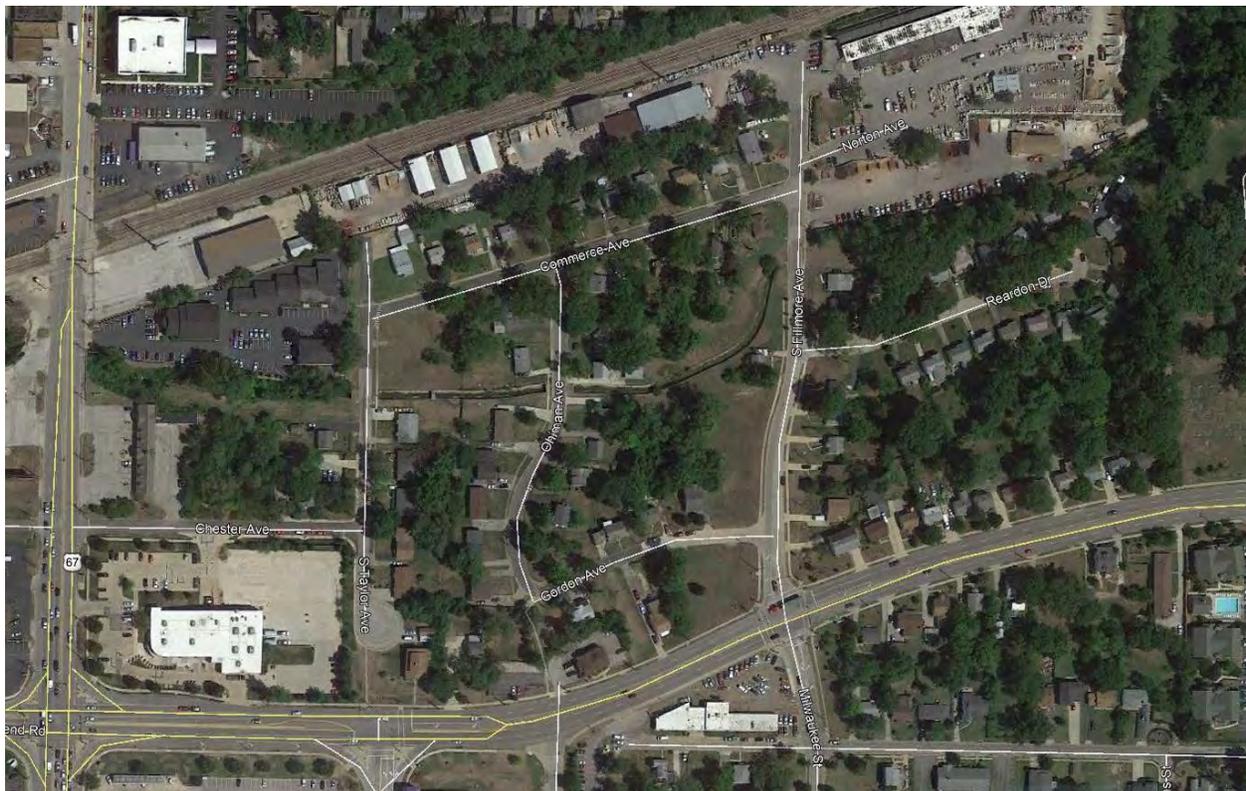


Big Bend Boulevard west of Kirkwood Road

MetroBus Routes 58X, 68, and 21* utilize this segment of Big Bend (*west of Kirkwood Road only) and there are several bus stops for both eastbound and westbound traffic. The *Kirkwood Pedestrian and Bicycle Plan* designates Big Bend Blvd. as a “Recommended Walking Route” and it has good pedestrian facilities throughout the study area: appropriately sized and maintained sidewalks, grass buffers in many segments, curb ramps and painted (standard) crosswalks at the signalized intersections, and pedestrian signals. It should be noted the sidewalks at the west end extend through the BNSF and beyond (connecting to St. Louis Community College-Meramec), it appears the railroad has done a poor job of delineating the sidewalks within their pavement (as is typical), but the City has maintained the network. There are currently no bicycle markings or designations within the study corridor, although the *Kirkwood Pedestrian and Bicycle Plan* recommends a “Bike Lane with Road Diet” throughout the corridor (no concept plan was specified).

Generally, although Big Bend carries higher traffic volumes than might be expected for its classification, the road operates smoothly. It feels appropriately sized (possibly even spacious within the 5-lane segment to the east). There are solid pedestrian and transit connections. At this time, there does not appear to be obvious transportation interventions needed within this segment of the Big Bend corridor. (Though, the potential for future bicycle lanes is noted.) However, as with Kirkwood Road, future proposed developments should be analyzed to identify their potential traffic impacts and incorporate any appropriate mitigation.

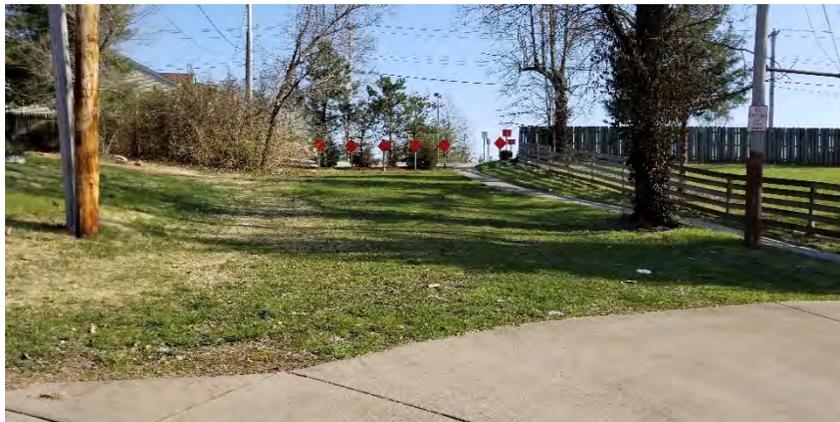
Chester Heights Subdivision



Chester Heights is bordered to the south by Big Bend Boulevard, to the west by South Kirkwood Road and to the north by the BNSF railroad. Although the parcels fronting Big Bend Boulevard are a mixture of commercial and residential, the remaining perimeter parcels are strictly commercial. Therefore, the Chester Heights residential area is bounded on the west and north by commercial, the east by a cemetery, and the south by Big Bend Blvd. Nevertheless, the neighborhood has good vehicular, pedestrian, and transit access and circulation. The residential streets within the area: Reardon Drive and S. Fillmore, S. Taylor, Ohlman, Commerce, and Gorden Avenues, are well maintained, have parking restrictions to limit crowding, and include



Former S. Taylor Avenue vehicular connection to Big Bend Blvd. (across from Kirkwood Commons)



Former Ohlman Avenue vehicular connection to Big Bend Boulevard

a strong sidewalk network with connections to both Big Bend and Kirkwood Roads. As noted previously, some former vehicular connections to Big Bend have been closed, while maintaining pedestrian access.

Buena Vista Heights



Buena Vista Heights area

The “triangle” area bound by Kirkwood Road and Big Bend Blvd. and the BNSF tracks is a complicated transportation scenario. Although all parcels have roadway access, there is no circulation within the sub-area. As mentioned previously there are two rights-of-way that enter the area from Kirkwood Road (Prospect Avenue) and Big Bend Boulevard (S. Harrison Avenue), but both are dead-end streets and the latter is gravel and functions as a driveway. Furthermore, due to the current development pattern (small residential and residential-turned-commercial parcels), it would be difficult to connect these two links. However, there are two driveway connections between Prospect Avenue and Big Bend Boulevard, which are intended to be limited to tenants. The first is approximately 300-feet and the second is roughly 430-feet west of Kirkwood Road. If these parcels are redeveloped in the future, either link has potential as a formal roadway connection for circulation (although a greater spacing between a new roadway connection and Kirkwood Road is desirable, there is the short length of TWLTL median across from the closer driveway connection).



Big Bend Blvd. driveway connections

Although Prospect Avenue is exclusively commercial, it does have sidewalks for approximately half of its 750-foot length; completing the sidewalk connection to Kirkwood Avenue would be desirable for pedestrian access and circulation within this area.

Any multi-parcel redevelopment of this sub-area should consider transportation interventions including a more-formal connection between Big Bend Boulevard and Prospect Avenue and/or access control in the form of reduced driveway connections. Access control on the existing parcels could be accomplished by coordinating with adjacent parcel owners, and during parcel transactions, to share parking and driveway connections. For example, potentially the four Big Bend access points between those marked by arrows in the image below could be closed and only two used for circulation; this is possible due to the existing connected surface lots and would maintain circulation around the buildings. Consolidation could be accomplished in phases as current (and/or future) property owners are amenable. Likewise, as parcels beyond those are redeveloped (for example the four parcels to the right) their access could be connected and shared.



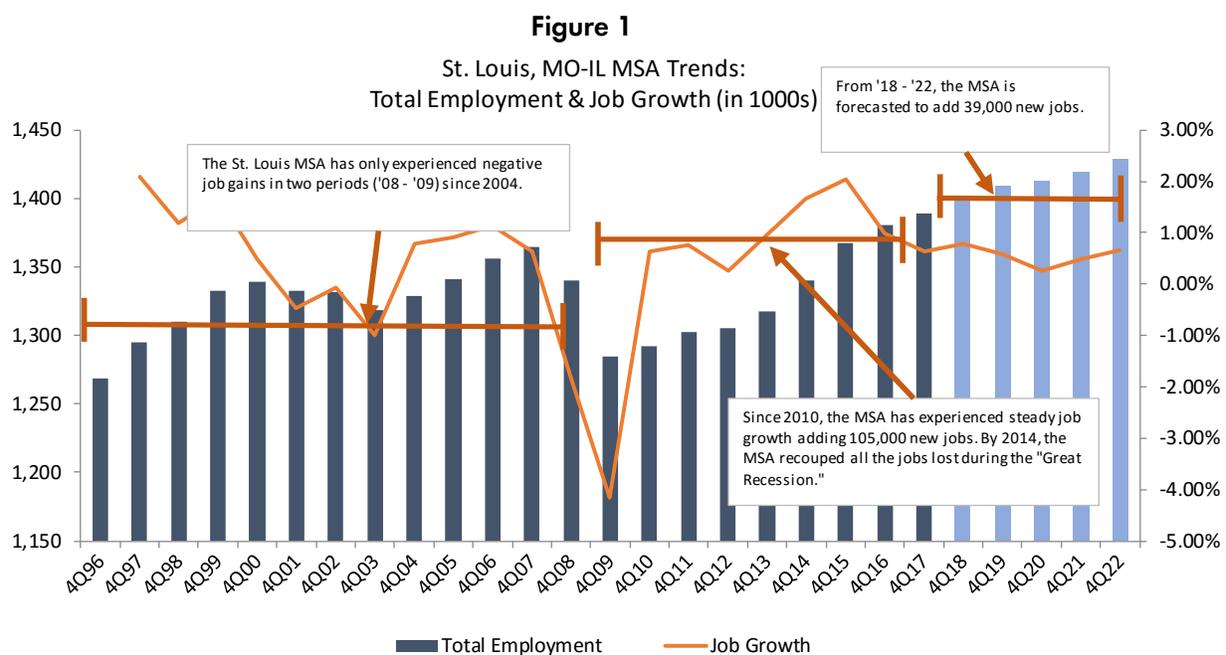
Potential for access control (by closing driveway connections between arrows) utilizing connecting surface lots

ECONOMIC ANALYSIS

Because the Greater St. Louis Metropolitan Statistical Area (“MSA”) lies within the center of the country and is located near the confluence of North America’s two largest rivers, St. Louis actively maintains; and utilizes heavily, a rail infrastructure that has historically fostered a significant logistical industrial base.

St. Louis also enjoys a notable health care system. Among healthcare employers are BJC HealthCare, which operates both Barnes-Jewish Hospital and St. Louis Children's Hospital. BJC also cooperates with Washington University School of Medicine, a center of medical research that is adjacent to Barnes-Jewish Hospital. Other major employers in the MSA include the Saint Louis University School of Medicine and Saint Louis University Hospital, another medical research facility and hospital, and Cardinal Glennon Children's Hospital. St. Louis is also home to two companies that produce radiation therapy planning software, CMS, Inc. and Multidata Systems International.

St. Louis is home to nine Fortune 500 companies: Express Scripts, Emerson Electric, Monsanto, Reinsurance Group of America, Centene, Peabody Energy, Ameren, Graybar Electric, and Edward Jones Investments. Additionally, convenient access to transportation, abundant entertainment and leisure activities, and overall high quality of life continue to attract renters of all ages, from college students, to young professionals, to families, and empty nesters/retirees. As a result, the MSA has only experienced negative job gains in two periods ('08 - '09) since 2004. Since 2010, the MSA has experienced steady job growth adding 105,000 new jobs. By 2014, the MSA recouped all the jobs lost during the "Great Recession." From '18 - '22, the MSA is forecasted to add 39,000 new jobs.



The City of Kirkwood (the “City” or “Kirkwood”) has a higher concentration of jobs in the health care, retail trade, and transportation and warehousing sectors than the rest of the State of Missouri (the “State”).

Currently, the labor force in Kirkwood (as of January 2018) is 15,423 and the unemployment rate in Kirkwood was 2.8% or 427 workers¹, which is less than the unemployment rate for St. Louis County (3.5%²), and the state unemployment rate of 4.1%.³ Local government, educational districts, grocery stores and retirement communities make up the major employers in Kirkwood. **Table 1 – Major Employers 2009 & 2017**, shown below, lists the largest employers in the City.

Table 1
Major Employers 2009 & 2017
Kirkwood, Missouri

Employer	Service	Employees 2017	Employees 2009
Kirkwood School District R-7	Education	715	750
The Lutheran Church-Missouri Synod	Church Headquarters	390	518
Junior College District of St. Louis	Education	359	554
City of Kirkwood	City Government	292	351
Shop 'n' Save	Retail Grocer	185	186
Ashfield Active Living and Wellness (Aberdeen)	Retirement Residence	139	
Wal Mart	Retail	122	276
St. Agnes Home	Long-Term Care	96	120
Arrows Box Company	Manufacturing	74	
Lowe's	Retail	70	171
Schnucks Markets, Inc.	Retail Grocer	70	
St. Joseph Hospital	Health Care		925
Target	Retail	*	200
Totals		2,512	4,051

Source: Kirkwood Comprehensive Annual Financial Report 2017

*Target has made it a policy decision not to disclose this information.

¹ MERIC in cooperation with U.S. Department of Labor, Bureau of Labor Statistics, <https://www.missourieconomy.org>.

² U.S. Bureau of Labor Statistics, Unemployment Rate in St. Louis County, MO [MOSLURN], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MOSLURN>, March 21, 2018.

³ U.S. Bureau of Labor Statistics, Unemployment Rate in Missouri [MOURN], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MOURN>, March 21, 2018.

Table 2 – Business Summary, shown below, provides a breakdown of firms in the Study Area and City by industry. In terms of general categories, the Study Area shows a significantly higher concentration of construction businesses, a relatively higher concentration of health care & social assistance, manufacturing, and retail trade. The Study Area has a smaller presence of food services & drinking places and finance & insurance businesses.

Table 2
Business Summary

Industry	Study Area	Kirkwood
Construction	16.7%	6.9%
Manufacturing	6.2%	4.6%
Retail Trade	14.6%	12.8%
Professional, Scientific & Tech Services	12.5%	11.2%
Educational Services	4.2%	3.5%
Health Care & Social Assistance	16.7%	12.2%
Other Services (except Public Administration)	10.4%	11.4%
Finance & Insurance	4.2%	6.9%
Food Services & Drinking Places	2.1%	5.0%

Source: Esri and Infogroup

Table 3 – Study Area Businesses by NAICS, on the following page, shows the businesses located in the Study Area organized by the North American Industry Classification code. The table shows in greater detail all of the business categories represented in the Study Area. There are 41 categories of businesses with a large presence in health care and health practitioners, individual and family services, various manufacturing (wood products, machine tool, and commercial and institutional building contractors and related businesses (plumbing, materials, roofing, heating and cooling)).

Table 3
Study Area Businesses by NAICS

Advertising Agencies
Insurance Related Activities
Misc Ambulatory Health Care Services
Miscellaneous Manufacturing
Miscellaneous Wood Product Manufacturing
Professional, Scientific/Technical Svcs
Telecommunications
Architectural Services
Car Washes
Child & Youth Services
Commercial & Institutional Building Construction
Commercial Printing (Except Screen & Books)
Computer Systems Design Services
Curtain & Linen Mills
Dance Center
Educational Support Services
Full-Service Restaurants
Home Health Care Services
Industrial Machinery & Equipment Merchant Whlrs
Insurance Agencies & Brokerages
Investment Advice
Machine Tool Manufacturing
Metal Coating & Non-Precious Engraving
New Single-Family Hsng Constr (Exc For-Sale Bldrs)
Nursery, Garden Center & Farm Supply Stores
Offices Of Misc Health Practitioners
Offices Of Certified Public Accountants
Offices Of Chiropractors
Offices Of Physicians
Building Material Dealers
Individual & Family Services
Personal Care Services
Plumbing Htg & Air-Conditioning Contractors
Residential Remodelers
Roofing Contractors
Specialized Freight (Exc Used Gds) Trucking Long-Dist.
Surveying & Mapping (Except Geophysical) Services
Title Abstract & Settlement Offices
Trust, Fiduciary & Custody Activities
Unclassified Establishments
Wholesale Trade Agents & Brokers

The populations of both the City and MSA have been growing slowly since the year 2000 and are projected to grow steadily over the next five years. **Table 4 – Key Demographic Trends**, below, shows the growth trends for population, households, and median household income for Kirkwood, the St. Louis MSA and the State of Missouri. In terms of population and number of households, Kirkwood is projected to gain residents and households at slightly higher rate than the rest of the MSA. Both the City and MSA are projected to see increases in median household income over the next five years.

Table 4
Key Demographic Trends

	Population			Households			Median HH Income		
	2010	2017	%Change	2010	2017	%Change	2010	2017	%Change
Kirkwood	27,540	28,497	3%	11,894	12,246	3%	\$ 71,842	\$ 80,599	12%
St. Louis MO-IL MSA	2,787,701	2,848,573	2%	1,109,665	1,132,171	2%	\$ 50,900	\$ 57,690	13%
Missouri	5,988,927	6,191,231	3%	2,375,611	2,448,209	3%	\$ 49,808	\$ 51,113	3%

Source: Esri and U.S. Bureau of the Census

Table 5
2017-2022 Forecasted Growth

	Population			Households			Median HH Income		
	2017	2022	%Change	2017	2022	%Change	2017	2022	%Change
Kirkwood	28,497	29,042	2%	12,246	12,445	2%	\$ 80,559	\$ 87,895	9%
St. Louis MO-IL MSA	2,848,573	2,890,276	1%	1,132,171	1,147,486	1%	\$ 57,690	\$ 65,282	13%
Missouri	6,191,231	6,329,330	2%	2,448,209	2,499,410	2%	\$ 51,113	\$ 56,171	10%

Source: Esri and U.S. Bureau of the Census

RETAIL MARKET ANALYSIS

The Study Area is located along Kirkwood Road that is one of the major retail corridors in the City of Kirkwood (Manchester Road is the other). As indicated in **Exhibit 6 - Kirkwood Road Retail Corridor**, on the following page, on the northern end of the Corridor is downtown Kirkwood specializing in smaller neighborhood scale shops and restaurants in a walkable environment. Immediately south of the Study Area are two large commercial shopping centers - Kirkwood Crossing and Kirkwood Commons. **Exhibit 6 - Kirkwood Road Retail Corridor Employment**, on page 24, shows the number of retail employees north of, within, and south of the Study Area. The Study Area has 9 retail sites with 13 employees or less, and 1 site (Harley-Davidson) with a range of 33 to 120 employees – less retail employment than downtown Kirkwood, Kirkwood Crossing, and Kirkwood Commons.

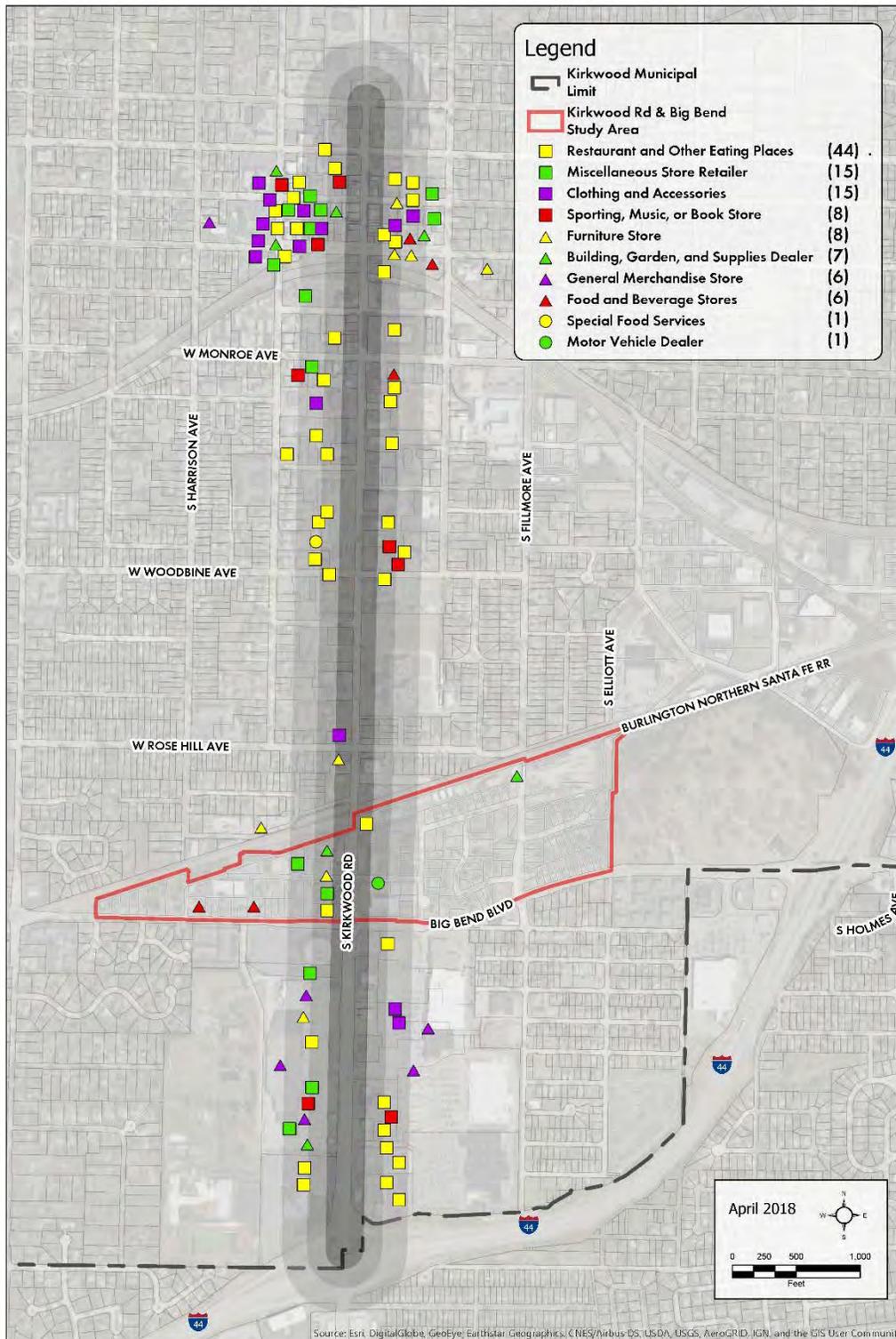


Exhibit 5 - Kirkwood Road Retail Corridor
 Kirkwood Road & Big Bend Market Study
 City of Kirkwood, Missouri



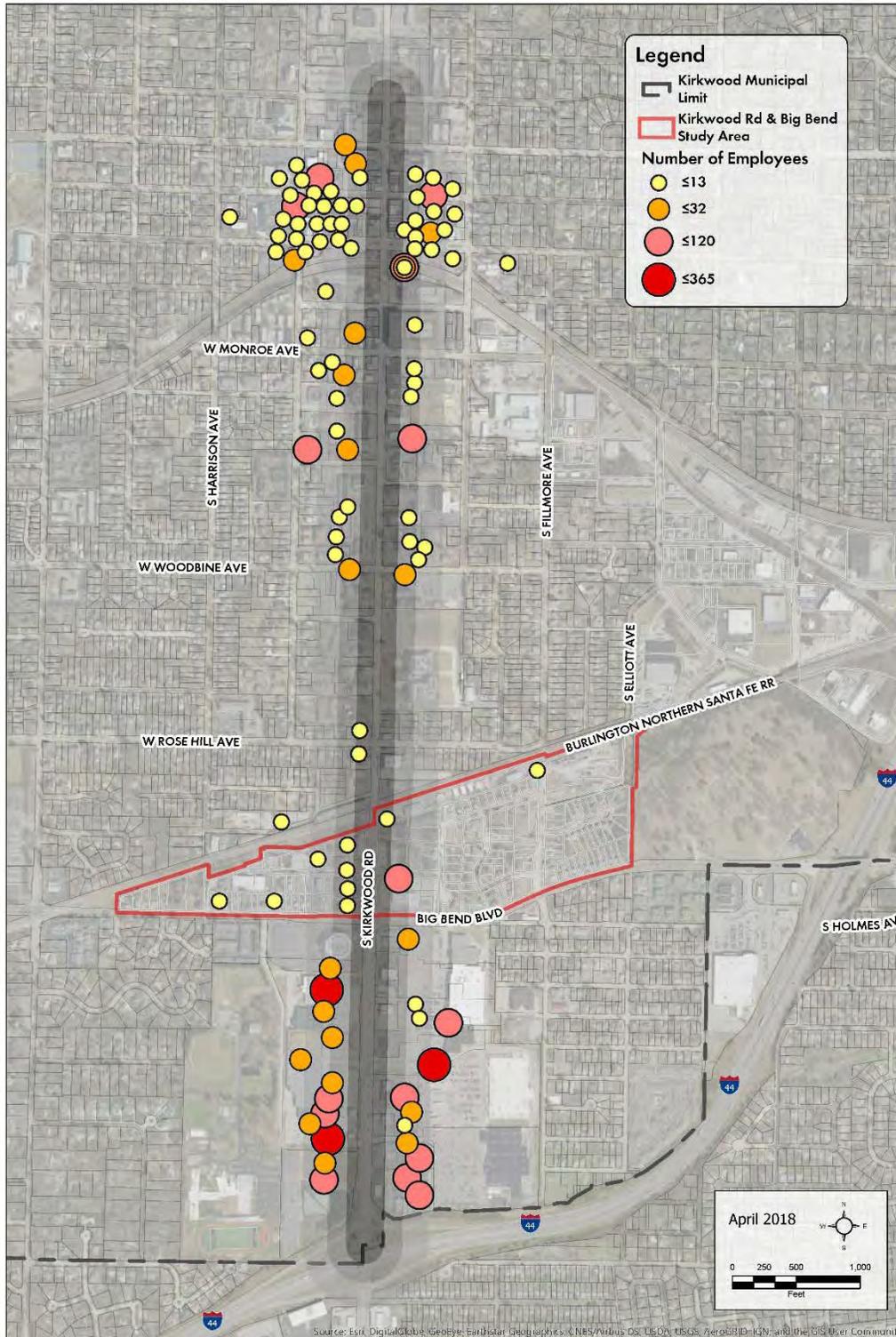


Exhibit 6 - Kirkwood Road Retail Corridor Employment
 Kirkwood Road & Big Bend Market Study
 City of Kirkwood, Missouri



Exhibit 7 – Trade Area Boundaries, below, shows the trade areas used to examine the retail demand in and around the Study Area. The Primary Trade Area (the “PTA”) consists of the entire Study Area and a 1-mile radius. The PTA draws from local consumers who reside within 1 mile of the Study Area. The Secondary Trade Area (the “STA”) consists of the PTA and a 3-mile radius.

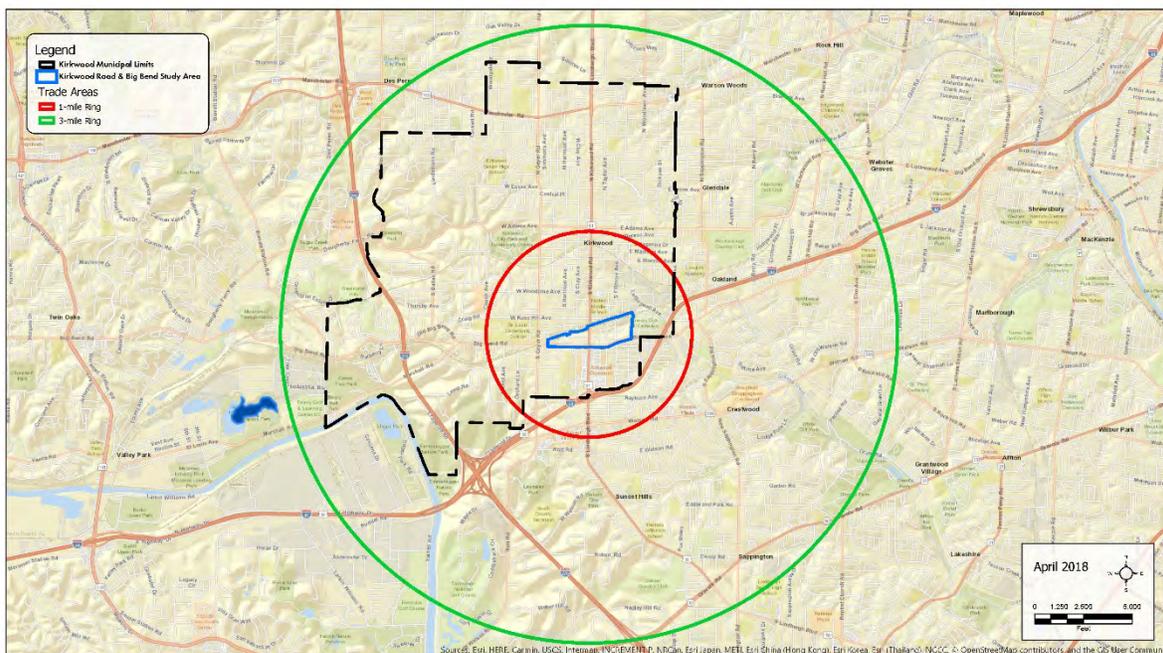


Exhibit 7 - Trade Area Boundaries
 Kirkwood Road & Big Bend Market Study
 City of Kirkwood, Missouri



The PTA has a population of 9,930 in 4,416 households, and a median disposable income of \$50,395. The STA has a population of 70,326 with a median disposable income of \$63,507. The difference in median disposable household income between the two trade areas can be explained in part by the differences in housing stock, job opportunities, and age.

PGAV identified gaps in the retail sector for the PTA and STA. This report compares retail sales and consumer spending by identifying opportunity by measuring the gap between market supply and demand. Market supply (retail sales) represents sales to consumers by retail firms, but excludes business to business sales. Market demand (retail potential) is calculated using data taken from major surveys that gauge the consumer behavior of American households.

Table 6 –Retail Opportunity Analysis, below, shows retail opportunity for retail types that show potential for development in the Study Area based on consumer demand in the PTA and STA. The PTA shows a \$41 million surplus of retail sales in Restaurants/Other Eating Places and \$182 million surplus in General Merchandise stores. This means that there are consumers being drawn in from outside of the Study Area to dine at restaurants and shop at general merchandise stores. This is likely due to the many restaurants in Downtown Kirkwood and the retail shopping centers located immediately south of the Study Area.

Table 6
Retail Opportunity Analysis

Industry Group	Primary Trade Area (1 mile)	Secondary Trade Area (3 miles)	Kirkwood
Gasoline Stations	1,934,619	63,976,294	37,866,397
Motor Vehicles & Parts Dealers	16,380,220	69,815,982	41,916,533
Restaurants/Other Eating Places	-41,165,670	-22,728,838	4,801,983
Health & Personal Care Stores	-1,071,434	6,900,993	10,117,812
Food and Beverage Stores	1,310,224	-42,085,800	28,816,227
General Merchandise Stores	-182,803,342	-51,333,738	-84,527,070

Source: Esri and Infogroup

Figure 2: PTA Retail Leakage/Surplus Factor presents a snapshot of retail opportunity in the primary trade area. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn from outside the trade area.

Figure 2: PTA Retail Leakage/Surplus Factor

Leakage/Surplus Factor by Industry Subsector

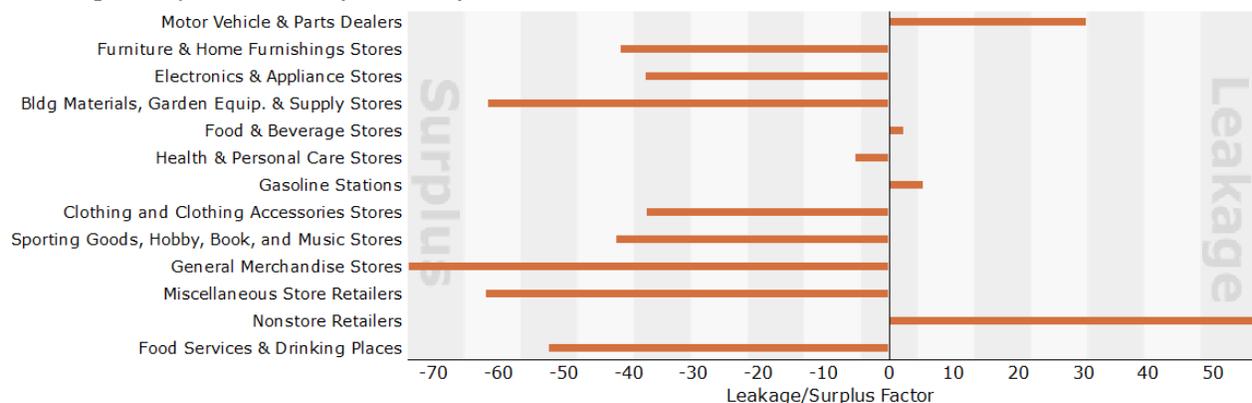
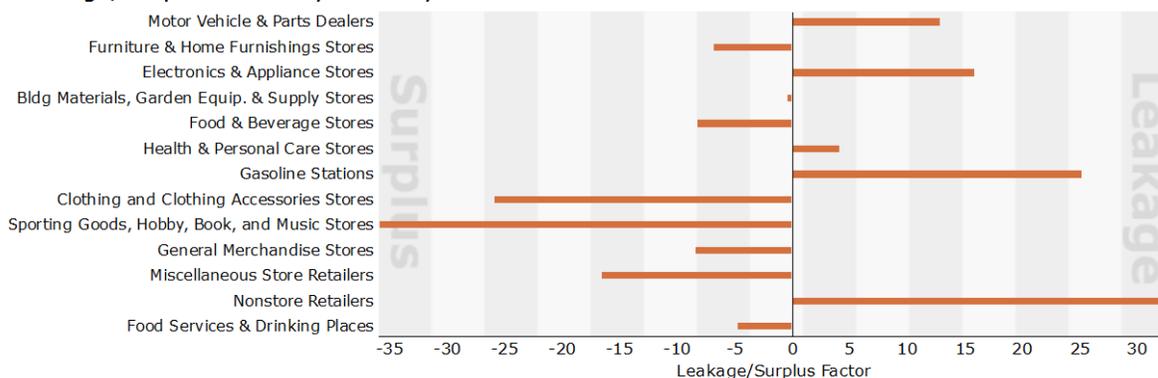


Figure 3: Secondary Trade Area Retail Leakage/Surplus

Leakage/Surplus Factor by Industry Subsector



Regarding the Secondary Trade Area, **Figure 3**, above, indicates that Motor Vehicles & Parts Dealers, Gasoline Stations, Health & Personal Care Stores, Nonstore Retailers, and Electronics & Appliance stores present a retail opportunity within the 3-mile trade area. Combined these industry subsectors leak a total of \$162 million. The STA draws in consumers for food and beverage stores, restaurants/other eating places, and general merchandise stores generating a retail surplus of \$116 million.

In light of the proximity of two large shopping centers, PGAV recommends that big box retail businesses are better served to locate outside of the Study Area. In light of the gravitational pull associated with the Area for food and dining related uses and the evident retail opportunity associated with health and personal care stores, PGAV observes that the Study Area could support a restaurant, coffee shop, or other smaller, individual retailer businesses focused on food and well-being.

CONSUMER SPENDING BEHAVIOR

Another way to look at the spending patterns and lifestyle choices of households is through Esri's Tapestry Segmentation Profile (the "Tapestry"). The Tapestry classifies US households into 67 unique categories based on socioeconomic and demographic characteristics. Esri uses these categories to paint a picture of neighborhoods with broad brush strokes, and they can be used for various purposes ranging from informing public policy to selecting sites for retailers. Each group describes residents in terms of median household income, net worth, housing tenure, age, and household size, among other characteristics. The insight gained from Tapestry is useful in describing the qualitative and demographic characteristics of an area relative to the rest of the US. The City of Kirkwood's three largest Tapestry Segments are **In Style, Exurbanite and Savvy Suburbanite**.

In Style is comprised of professional couples or single households without children; they have the time to focus on their homes and their interests. The median age is 42 and median household income is \$73,000 and the segment is already planning for retirement. They live primarily in single-family homes in older neighborhoods with a mix of townhomes and apartments. Average household budget for health care and for entertainment & recreation is 20% higher than the national average.⁴

Exurbanites are approaching retirement with a median age of 51 and median household income of \$103,400. It is a large market of empty nesters and married couples with no children. Their typical housing is single family with 84.9% home ownership. (The US average homeownership percentage is 62.7%.) Consumers in this market spend far more than the national average in all categories of a household budget including housing, food, apparel, services, health care, entertainment, education and retirement investments.

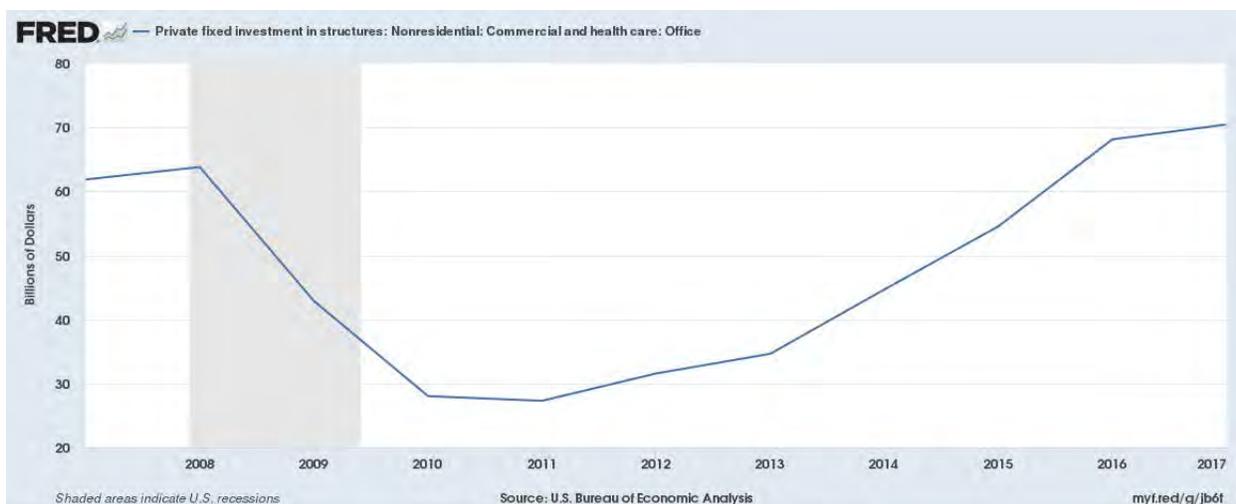
Savvy Suburbanites are empty nesters or near empty nesters with adult children at home. Their median age is 45 with a median household income of \$108,700. Primarily single family home owners, Savvy Suburbanites also spend well beyond the national average for housing, food, apparel, transportation, health care, entertainment, education, and financial investments. They are foodies who like to cook and prefer natural organic ingredients. They are physically fit and invest heavily in sports gear and exercise equipment.⁵

⁴ Esri

⁵ Source: Esri

OFFICE MARKET ANALYSIS

Private investment in office structures in the United States declined dramatically following the outset of the Great Recession and hit its lowest point in 2011. Since that time, the level of private investment in office structures has been steadily increasing as the national economy continues to recover.⁶



Kirkwood Office Submarket

The Kirkwood/Frontenac Submarket is located southwest of St. Louis and contains more than two million square feet of office space. Many of the larger properties here are designated for medical use, especially around Mercy Hospital St. Louis. Fundamentals are healthy, and occupancies typically outperform the metro average. Vacancies were near a record low in at the end of 2017. Positive demand has been recorded in most years since the recession and occupancies have not faced much supply-driven pressure. The majority of deliveries have been build-to-suits and no construction is underway. Asking rents are roughly

⁶ U.S. Bureau of Economic Analysis, Private fixed investment in structures: Nonresidential: Commercial and health care: Office [W031RC1A027NBEA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/W031RC1A027NBEA>, March 22, 2018.

10% above the St. Louis average.⁷ **Table 7 – Office Space for Lease**, shown below, shows a sampling of office space for lease in Kirkwood as of April 2018. Within the Study Area there are three office spaces for lease with asking rents beginning at \$15.00 per square foot.

Table 7
Office Space for Lease
Kirkwood Submarket

Property Name / Address	Year Built / Renovated	Class	RBA	Stories	Available Spaces	Available SF	Asking Rent
111 Prospect Ave	2004	B	12,000	1	1	1,000	\$18.00
140 Prospect Ave	2016	B	5,000	1	1	120	\$45.00
10807 Big Bend Rd	1973	C	4,176	1	1	600-1,500	\$15 - \$16.00
1001 S. Kirkwood	1997	A	123,164	3	1	1,350	\$22.50
117 N. Kirkwood Rd	1918	B	14,190	2	1	580	\$20.27
343 S. Kirkwood Rd	1997	A	34,416	2	1	900-3,879	\$24.50
138 W. Adams		C	5,000	2	1	1,640	\$14.63

Sources: CoStar

In the Study Area, office buildings are generally one or two story buildings located in converted residential buildings or in small office parks. Kirkwood Office Park located at 906, 910, and 914 S. Kirkwood Road (pictured at right) is a complex of multiple buildings constructed in 1989.



The building pictured at left is 111 Prospect Avenue. The developer converted a former mortgage office into a multi-tenant building with smaller suites that rent to a number of medical and health professionals such as counselors and therapists. Located on Big Bend both west and east of Kirkwood Road are a number of

⁷ Source: CoStar

office spaces and professional service establishments located in former residential homes that have been adaptively reused (see photos below).



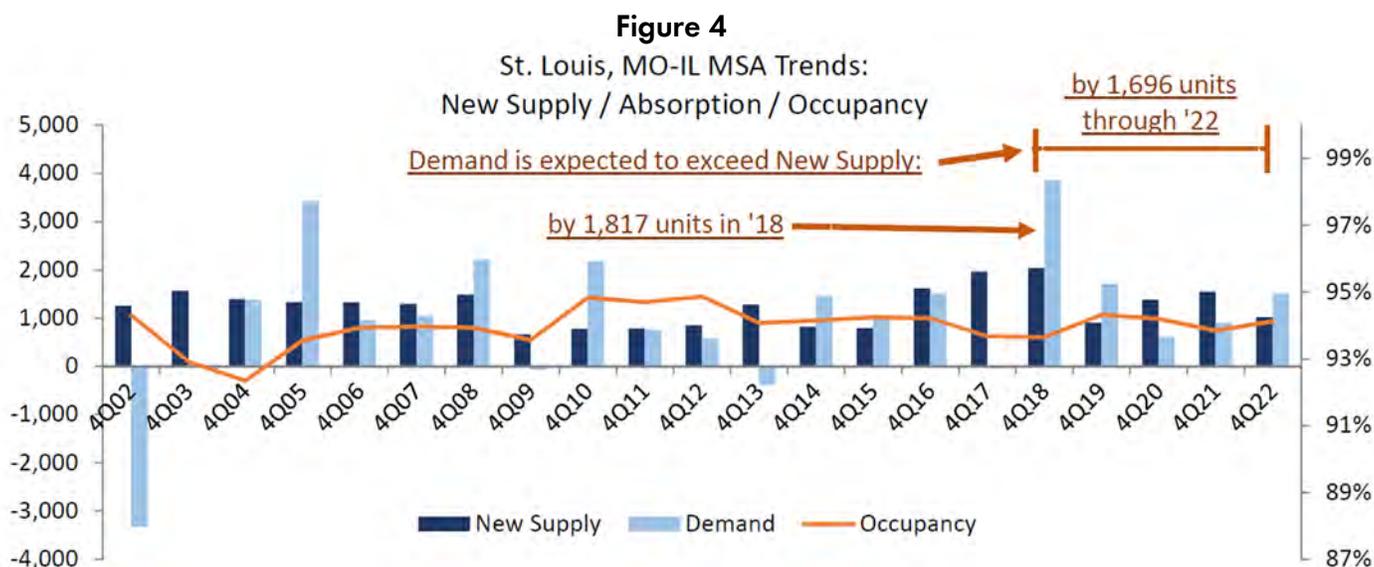
Based on positive demand for office space and occupancies that typically outperform the metro average, it is likely that the Study Area could support additional office space. In addition to traditional office suites, demand is growing for coworking spaces as more employees are working independently. It is estimated that by 2020, 50% of American workers will be freelance.⁸ Coworking spaces tend to gear toward small businesses, freelancers, and entrepreneurs. Even larger companies are realizing the added value of working in cross-functional teams instead of in more traditional set ups. Coworking spaces offer corporations a more cost-effective alternative to test new and innovative ideas, it also offers them access to other small businesses as well as freelancers. Owners of coworking spaces are opening them next to lunch places or recreational sites to benefit members who walk or use public transportation. Nevertheless, the need for parking still exists as will be addressed in Section 3 of this report.

⁸ <https://www.forbes.com/sites/brianrashid/2016/01/26/the-rise-of-the-freelancer-economy/#575f167a3bdf>

MULTIFAMILY MARKET ANALYSIS

The Greater St. Louis Multi-Family Housing Market

The Study Area is located in the Clayton/Mid-County submarket of the MSA. The entire MSA multi-family market is exhibiting strong market fundamentals such as 93% market occupancy and strong forecasted absorption of more than 3,850 apartment units market-wide in 2018.⁹ This is the result of a stabilized job market, increased household formation, and a growing preference for rental living. The lack of new building activity fueled by healthy job growth indicated in **Figure 4**, below, coupled by the changing demographics and renter preferences over homeownership, has translated into favorable multi-family demand and absorption that has met new supply and maintained healthy occupancies. In fact, demand is forecasted to exceed new supply by 1,817 units in 2018 and by 1,696 units through 2022. The following chart illustrates the historic new supply, absorption, and the corresponding occupancy rate for the St. Louis MSA.



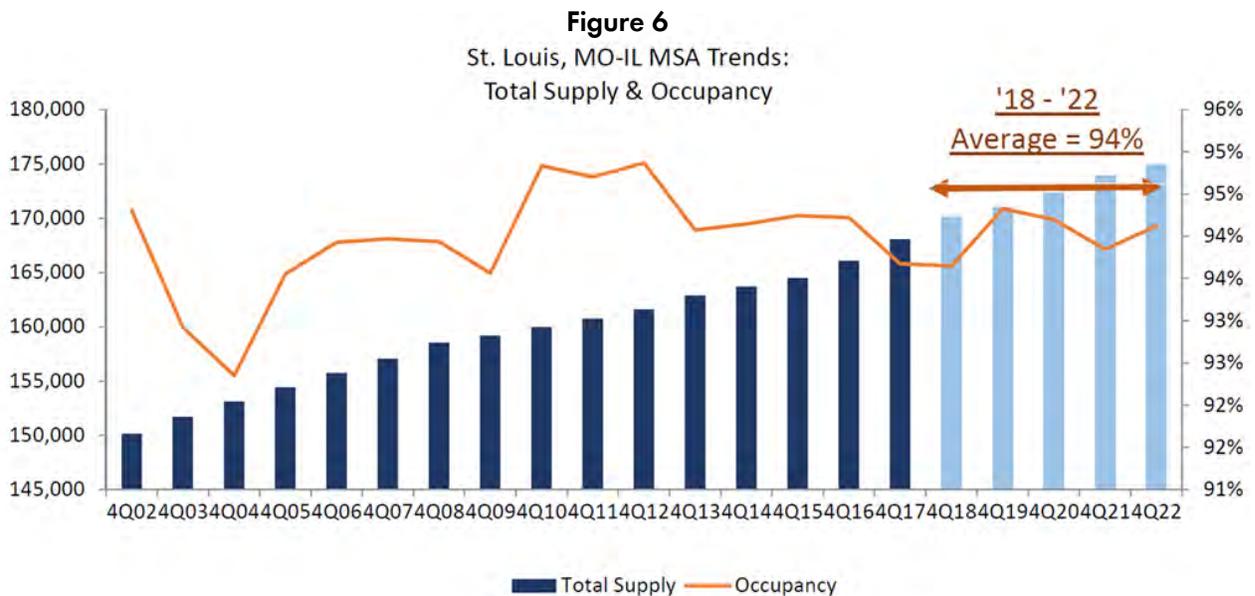
Furthermore, new building permit activity (single-family and multi-family) over the past 10 years has been less than the period from 1996 – 2008. From the period '96 - '08 there were a total of 357,966 building permits issued (27,535 units on average per year) within the St. Louis MSA. From the period '09 - '17 the MSA issued 81,260 building permits (9,028 units on average per year). This represents only 33% of the average annual 27,535 new permits issued from '96 - '08 resulting in an 18,506 unit shortfall when compared to that period. For the forecast period from '18 - '22 the MSA is expected to issue 23,582

⁹ Axiometrics

permits annually, 3,953 units on average annually less when compared to the period '96 - '08. **Figure 5**, below, illustrates these figures.



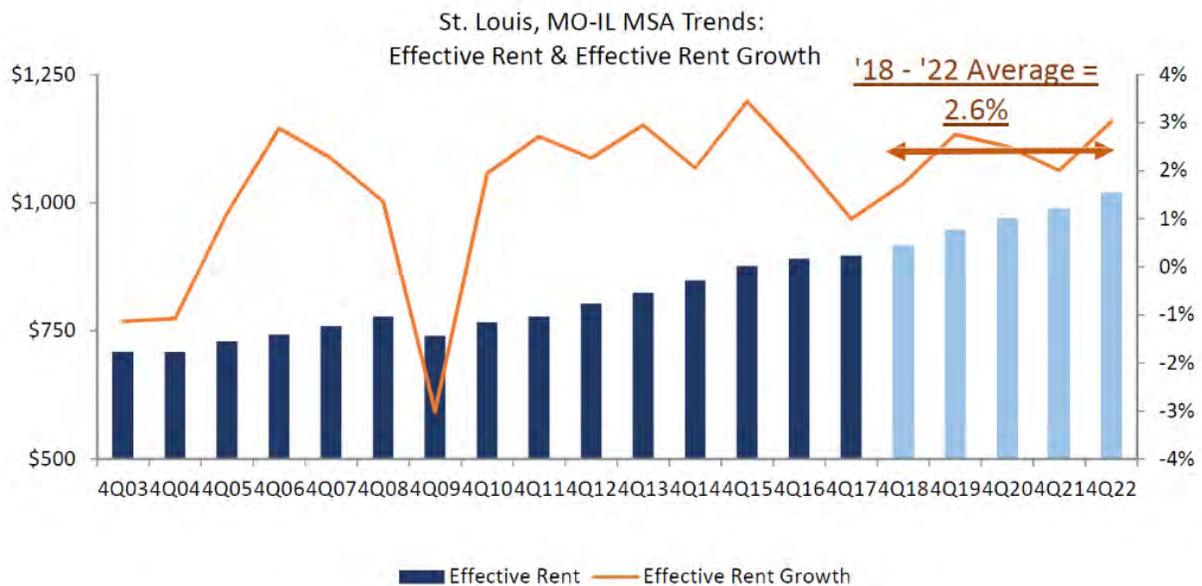
Figure 6 below, shows that the St. Louis MSA's occupancy was 93.8% for the period ending 4Q17. Despite additions in the total supply of multi-family units, occupancy is forecasted to remain stable at or around 94% through 2022.



Annual effective rent growth for the St. Louis MSA (**Figure 7**) is forecast to be 2.2% in 2018, and average 2.4% through 2022. Annual effective rent growth has averaged 1.8% since 3Q96. From Q4 2016 to Q4 2017, asking rents in the MSA climbed to an average of \$897 per month. Rent growth is consistent and stable.

Based on these aforementioned factors, there is a likelihood of continued strength of the St. Louis Greater MSA rental market. The demand will likely continue beyond the forecast period as young professionals and retirees alike want flexibility and are concerned about the illiquidity of home ownership.

Figure 7



SECTION 3 – RECOMMENDATIONS

Retail Market

Nationally, the retail industry is overstored as many retailers expanded into multiple markets resulting in the U.S. having more retailer square footage per capita than any other nation. Analysts from S&P note that “E-commerce and shifting consumer spending preferences are headwinds for all retail landlords; but we expect the headwinds for lower-quality malls and other retail locations to remain acute as space is reduced, while lack of supply (especially for higher-quality space) proves to be a critical support for those locations.”¹⁰

Online retailing, led primarily by Amazon, has dramatically changed the retail environment. In the last 12 months, in the St. Louis area, 30% of the population bought something online. This statistic mirrors online purchase rates in other Missouri cities - 30% in Kansas City area, and 32% in Columbia. Changing demographics and shopper trends have rendered some types of development and some types of stores no longer relevant, i.e., the enclosed mall and strip centers anchored by big boxes & junior anchors; Gordman’s, Big Lots & others selling close out or manufacturer excess inventory thanks to Overstock.com. Furniture stores may be impacted by online retailers such as Wayfair. Regional malls and strip centers often fuel retail development a mile in either direction and so the loss of these big stores which drive traffic can have a major ripple effect within a retail corridor.

The brick-and-mortar store remains relevant for several reasons. 90% of retail sales are still transacted in brick and mortar stores. A study conducted by CBRE of more than 13,000 millennials concluded that despite the convenience of online shopping, the younger consumers want to see a product in person before they make a purchase. Another reason for brick and mortar shopping is the millennials are impatient, wanting the product immediately instead of waiting for online delivery.¹¹ The next generation following millennials, Gen Z, also prefer the in-person experience of physical stores. According to Chain Store Age, 60% of Gen Z shoppers still prefer to purchase in-store, and 46% will still check in store to get more information before making an online purchase. In the U.S., 77% of Gen Z respondents said that brick-and-mortar stores are their preferred shopping outlet.¹² Recent efforts by Amazon to enter the brick-and-mortar retail space bolster the notion that in-person shopping experiences will persist even with increasing online sales and shifting consumer buying habits. Amazon is creating grocery stores where consumers can purchase products and pay without standing in a checkout lane. And now savvy brick-and-mortar businesses are copying Amazon’s model by creating better websites and improving their

¹⁰ <http://finance.yahoo.com/news/2017-will-be-a-tipping-point-for-us-retailers-200352199.html>

¹¹ <https://blueprint.cbre.com/are-millennials-really-a-threat-to-brick-and-mortar-retail/>

¹² <http://www.chainstoreage.com/article/survey-gen-z-loves-digital-shopping-tools--and-physical-stores>

online presence. Retailers are also modifying their existing stores to accommodate online customers who want to pick up their purchases in the store. Target and Walmart are creating separate entrances for such customers so they can directly pick up their products.

The City of Kirkwood has increasingly relied on sales and use tax as a source of revenue. Sales and use tax has increased 11% in the last ten years. Sales tax accounts for 27% of General Revenue.¹³ The regular sales tax (1%) and local option sales tax (0.25%) in Kirkwood is remitted to St. Louis County. The County distributes the remaining taxes based on "Point of Sale" cities or "Pooled" cities. Kirkwood derives 89% of these two sales tax revenue sources from the "Point of Sale" area and 11 % from the "Pooled" area.

The shift in shopping sources to online challenges this revenue picture. Local governments like Kirkwood must take steps to increase the amount of sales tax secured from online retailers. PGAV recommends that local governments:

1. Contact (via phone, email, and snail mail) every state and Federal representative to lobby for a requirement that local taxes are paid on internet sales and that recognizes the specific location of the buyer
2. Call their state representatives to understand what they will be doing with their new-found Amazon sales tax dollars
3. Determine what share of sales tax revenue is from locally-owned retailers, and what share is from national retailers
4. Analyze taxable sales per retailer and compare with published, national sales data
5. Review national retailers; are any in your community at risk? Have any announced closures or bankruptcy? What is your community's exposure? What about the other online retailers who may not have a presence in your city?
6. Don't be too quick to provide financial incentives without analyzing all of the components of any property owner or developer proposal.

RETAIL RECOMMENDATIONS

Restaurants/Other Eating Places

The Retail Opportunity Analysis earlier in this report showed a PTA retail surplus of \$41 million and \$22 million in the STA for Restaurants/Other Eating Places. The Tapestry Segmentation indicated that In Style, Exurbanites, and Savvy Suburbanites spend 20% more than the national average on food. They are also prefer organic and natural ingredients. PGAV recommends that if the Study Area were to welcome a

¹³ City of Kirkwood CAFR page 100.

new restaurant to the Area it should be of a cuisine not currently represented in the market or incorporate a novel approach to its food production.

SITE SELECTION

PGAV identified potential sites for redevelopment or new construction within the Study Area, as indicated in **Exhibit 8 – Potential Redevelopment Sites**, shown below. These sites were identified as opportunities either because they are available for sale or lease, are currently undeveloped, or have property owners who are looking for redevelopment of their parcels to a higher and better use.

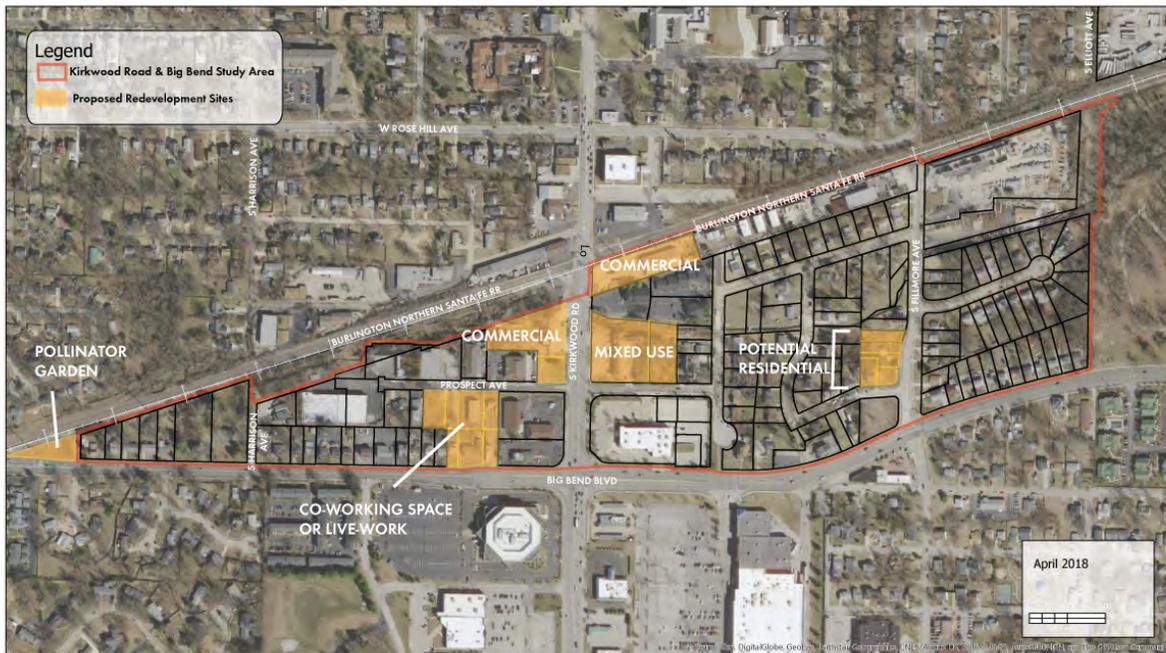


Exhibit 8
Kirkwood Road & Big Bend Study Area
Potential Redevelopment Sites



902 S. Kirkwood Rd (formerly ABC Supply)

The parcel at 902 S. Kirkwood Road pictured above is available for lease. The property is 9,401 square feet on 1.1 acres and has a concrete building pictured above. The property is zoned light industrial. The current property owner does not want to sell the property but is looking to lease the property at a discounted rate of \$3 per square foot. He is willing to invest in the building and spread the cost over 10 years, but needs to find a tenant with the financial ability to meet redevelopment costs. Depending on the future use, the building may need to have its sprinkler system upgraded.

Light Industrial Zoning regards outside storage to be a special use. If prospective tenants want to store materials outside they must apply for a special use permit. The property owner is concerned that the extra paperwork may be a barrier to prospective tenants. He has been unable to lease the property to a materials supply firm and an arborist; both tenants wanted to store materials outside. The property owner is

frustrated because adjacent properties to the east of his property along the railroad have materials outside, however, these businesses were located in the area prior to the zoning decision not to allow outside storage in this zoning class or they have obtained the necessary special use permit for outside storage.

Other barriers to redevelopment for this property are the easement from Ameren Missouri on the property to access electrical utility poles. Proximity to the railroad may also be a deterrent because of noise pollution and traffic back up on Kirkwood when a train crosses Kirkwood Road. Vibrations from the railroad may pose a problem depending on the use of the property.

From a transportation perspective, this parcel presents an opportunity to physically and visually reduce the driveway connections to Kirkwood Road. The existing driveway is approximately 55-feet wide. The future CMAQ project will install sidewalks adjacent to the driveway to better delineate its pavement, but any redevelopment should include consideration of narrowing the driveway and/or providing some greenery to buffer the asphalt connection.

915 S. Kirkwood Road (Roots & Blooms)

915 S. Kirkwood Road is the site of a former gas station. According to the Missouri Department of Natural Resources, the property had a Level 1 Assessment and received a no-further-action (“NOFA”) letter from the EPA in 1996. The property owner stated that the tanks have been capped, but the site may still need a Level 2 Environmental Assessment.



There is a major sewer lateral that is located on the northwest quadrant of the property that means that that area can be used for a parking lot but no drilling or sub-surface infrastructure would be allowed. The southwest portion of the property located behind the Roots and Blooms building experiences some minor flooding. The northwestern part of the parcel adjacent to the railroad is located in a floodplain.

This parcel has multiple driveway connections to Kirkwood Road and the two currently serving Roots and Blooms are excessively wide (at roughly 60-feet). As this parcel is redeveloped, these access points should be reduced in width and consolidated (if deemed feasible through study). Consideration should also be given to incorporating a sidewalk connection to the existing sidewalk on the west side of Kirkwood Road north of the BNSF tracks.

Pollinator or Community Garden

A pollinator garden of native perennial plants located on the parcel owned by the Railroad at the western edge of the Study Area would create a more welcoming entrance to the Study Area and would be an application of the objective for more public green spaces in the City's Comprehensive Plan. The sidewalk network in this area would make the garden easily accessible to pedestrians. As of this writing, PGAV is awaiting contact information from JLL who is the commercial broker for BNSF in this Study Area.



Potential pollinator or community garden on Big Bend facing west

Squeaky Clean Car Wash



Another potential redevelopment site is the Squeaky Clean Car Wash located at 920 S. Kirkwood Road and the contiguous vacant parcel behind the car wash. Both properties belong to the same owner and have a lease with the Squeaky Clean tenant that was recently renewed. The parcels are located adjacent to a creek. A two-story office building is located next to the vacant parcel on Chester.

These parcels have access to both Kirkwood Road (northbound only) and Big Bend Boulevard (via S. Taylor, Commerce, and Fillmore Avenues – or the potential for a reconnection of S. Taylor Avenue). Similar to other parcels fronting Kirkwood Road, there is an opportunity to incorporate a measure of access control during any redevelopment; a single driveway connection would be preferable, placed closer to the northern edge of the property to provide some separation from Chester Avenue. In addition, any development, or redevelopment, of these parcels should include a sidewalk connection between the sidewalk on the adjacent parcel and the future one on Kirkwood Road.

South Fillmore

Located on South Fillmore north of Big Bend are a collection of five parcels that are undeveloped and may be an option for medium density residential. The parcels are located behind a new shopping center development at 10505 Big Bend. The building has four retail spaces available for lease ranging from 830 square feet to 3,780 square feet. Construction is expected to be completed by late spring 2018.



The road network is robust enough to support this type of development, but as noted in this analysis, individual sites can have special access and circulation considerations. Because these types of

developments can vary widely in scope and design, proposals should include a traffic investigation to determine an appropriate approach to access and circulation.



South Fillmore experiences a lot of truck traffic because of the location of Kirkwood Materials at the end of the street. Care should be taken to develop a land use that does not add to the truck traffic volume and is also suitable for location across from the residential uses in the Chester Heights Subdivision.



MULTIFAMILY RECOMMENDATIONS

10727 – 10737 Big Bend & 126-140 Prospect Ave

PGAV suggests that the Study Area can accommodate medium density multi-family rental properties. There is enough acreage to develop the critical mass of units necessary to entice developers. We also believe that the partial residential nature of the area, nearby office and commercial retail and restaurant uses complement this recommendation.



One possible redevelopment site is a group of contiguous properties at 10727 – 10737 Big Bend and 126 – 140 Prospect Avenue (See photo above). These combined eight parcels total 73,711 square-feet or 1.69 acres. Assuming the same density as The Flats at Evo II, a new multifamily development located in Richmond Heights, these parcels could accommodate 30 units.

Completed in 2017, this new four-building property was part of a multi-phase project. The 2-story buildings, totaling 70,000 SF on approximately 2.54 acres, include 46 apartment units ranging from 762 to 1,465 square-feet with one, two, and three bedrooms. The apartments are designed to look and feel like single-family residences. One Bedroom average asking rent is \$1,583 (\$1.89 PSF), Two bedroom average asking rent is \$2,180 (\$1.80 PSF), and Three bedroom average asking rent is \$2,592 (\$1.83 PSF). Initial leasing began in October 2017 and, as of March 31, 2018, the property has already reached 74% occupancy. In December 2017, during what is typically among the most difficult months to garner new leases, The Flats at Evo II secured 24 new leases. Stabilization is anticipated in May 2018.



At Left: Representative Sample Property:
The Flats at Evo II - 9015 Eager
Rd, Richmond Heights, MO 63144
(Developed 2017 by Draper & Kramer /
Holland was the General Contractor)

DEVELOPMENT FACILITATION STRATEGY

The City may facilitate development in the Study Area through policy accommodations such as zoning modifications or streamlined permitting processes. The City may also facilitate development through market interventions such as granting financial assistance, low-cost loans, or development incentives. The City of Washington, Missouri created a building repair program in which a portion of the revenue of the tax-increment financing district downtown was used to fund grants and low interest loans for property owners wishing to make repairs or improvements to their buildings within the district.

Prospective and Existing Business Process Improvements

Much as the health industry has patient advocates who assist consumers in health care facilities, municipalities have utilized the concept to assist small business owners navigate the process of opening a business. In Los Angeles County the Small Business Concierge is a free consulting service offered by the county government that helps prospective business owners who are interested in opening small businesses in the unincorporated areas of the County. The Concierge acts as a single point of contact during the complex process of opening a business and provides counseling services to the business owner.

Regarding the process for obtaining a business license the City may wish to examine the One Stop Shop approach that cities such as Los Angeles and New Orleans have taken to encourage and facilitate entrepreneurial businesses. In New Orleans several government agencies were relocated to be housed on one floor and allow business owners to work with the City Planning Commission, Historic District Landmarks Commission, Safety and Permits Department and Vieux Carre Commission (which preserves the distinct architectural, historic character, and zoning of the Vieux Carré area.

Los Angeles housed its departments virtually into an online portal: “Startup Guide”, which addresses a complex, opaque process that today can take weeks to accomplish, and streamlines it to as little as 20 minutes, in which time a user can obtain a complete roadmap for starting a new business.

Utility Assistance

Development in the Study Area may be facilitated by the City’s utilities. The Kirkwood Electric Department reviews the load associated with a proposed building and the annual revenue associated with that load. Extension costs for new electric service may be waived up to 10% of the annual revenue associated with the building. This includes providing the transformer. New development may also be subject to assistance from the Kirkwood Water Department. The department may participate in cost-sharing for the upsizing of water mains in order to meet fire flow requirements.

Economic Incentives

If the City decides to extend incentives in the Study Area it should do so in such a way as to maximize flexibility – the ability to group properties together for a large project, or the ability to incent single-site projects as appropriate; and oversight - the ability for the City to evaluate each project with respect to its need for any incentive, the return on investment to the City, the ability of the project to meet economic development goals, and the ability for the City to oversee the use of any incentive revenues along within the Study Area.

PGAV recommends the exploration of a Community Improvement District (“CID”) and Chapter 353 Tax Abatement. If the City establishes a Redevelopment Area they will have the ability to abate taxes for deserving projects. The establishment of a CID could generate revenue via an additional sales tax, property tax, or special assessment. It is PGAV’s opinion that a CID and tax abatement combination provides the flexibility required to address development facilitation at varying scales within the Study Area. The CID can generate funds for public improvements in the Study Area and can also be used to generate funds for specific projects. For example, a site could be granted tax abatement through Chapter 353 and the CID could impose a special assessment upon that particular property, segregating all or a portion of those revenues for purposes associated with the redevelopment of that particular property and/or contributing to needed public improvements in its vicinity and elsewhere within the Study Area. Using a CID paired with tax abatement can generate a defined, baseline stream of revenues for public improvements and ongoing initiatives (e.g., marketing, business owner training, small business loans, and grant matching funds), and also provides flexibility for generating additional revenues to address specific projects and/or larger initiatives that may arise over time. The Mayor may appoint the Board for the CID and the administration of the CID may be performed by City staff. In this way, the City saves the cost of funding a new position to oversee the CID funds. The City continues to have approval over the use of tax abatement in the Study Area, and also retains oversight of the CID’s annual budget and use of funds over time.

Brownfields Program

The brownfields program’s purpose is to assess, clean up, and facilitate redevelopment / reuse of potentially contaminated properties. Both Phase I and Phase II environmental assessments are part of the program. A Phase I does not typically include actual sampling; Phase II assessments are conducted if contamination is detected.

The Missouri Brownfields Voluntary Cleanup Program (BVCP) is a program managed by the Missouri Department of Natural Resources, which oversees site cleanup and assures compliance with state guidelines and for which the applicant pays for costs.

The Missouri Brownfield Redevelopment Program provides financial incentives for redevelopment and revitalization for environmentally challenged properties through the Missouri Department of Economic Development.

All of these programs would be excellent resources for property owners who would like to redevelop former gas stations, garages, or other sites along in the Study Area that may face environmental challenges or contamination.

Zoning Modifications

For parcels located adjacent to the railroad tracks within the Study Area PGAV suggests that the City may consider modifying the zoning of I-1 Industrial to either B-4 Planned Commercial District or B-1 Neighborhood Business District Zoning. This would allow flexibility for the landowners and the City to consider uses such as recreational, dining, or office space. A B-4 Planned Commercial District would be appropriate for a mixed use development because this district seeks to encourage more intense commercial uses and multiple uses in one or more buildings on a single lot.

Within the B-1 Neighborhood Business District Zoning, the following uses and structures require a special use permit when such use or structure adheres to the minimum lot area specified. For categories that are repeatedly requested for special use permits, the City may want to consider permitting those uses within the zoning classification and forego the special use permit process.

Parking Recommendations

Kirkwood's current parking code stipulates that general offices have five (5) spaces per one thousand (1,000) square feet of useable area of the building. In order to address the needs of coworking or business incubators which may have higher concentration of businesses and visiting clients, PGAV and T2 recommend the parking code become more specific to the size of the office suite. Typical coworking spaces are now smaller than 100 square feet per person, and brands like WeWork are closer to 50 square feet per person.

Kirkwood may want to look to the City of Santa Monica for more specific parking requirements for newer forms of office space. For business, professional, and creative office space smaller than 2,500 square feet, 1 space per 300 square feet. is required. Medical and Dental less than 1,000 square feet requires 1 space for 300 square feet. Medical and Dental over 1,000 square feet is 1 space per 250 square feet. Regarding live-work uses, the parking requirement is 1 space per unit and 1 guest space per unit.

APPENDIX

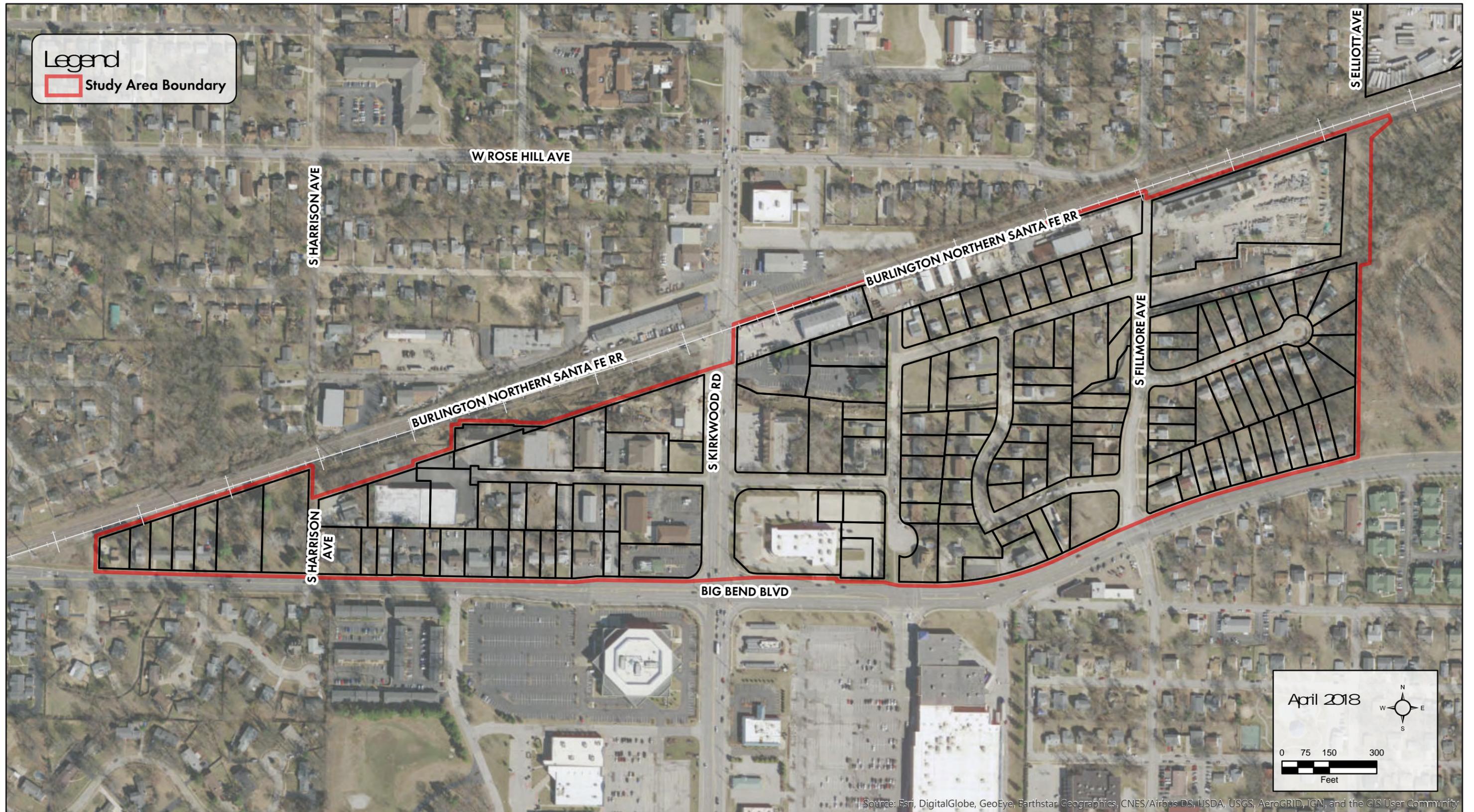


Exhibit 1 - Study Area Boundary
Kirkwood Road & Big Bend Market Study
City of Kirkwood, Missouri



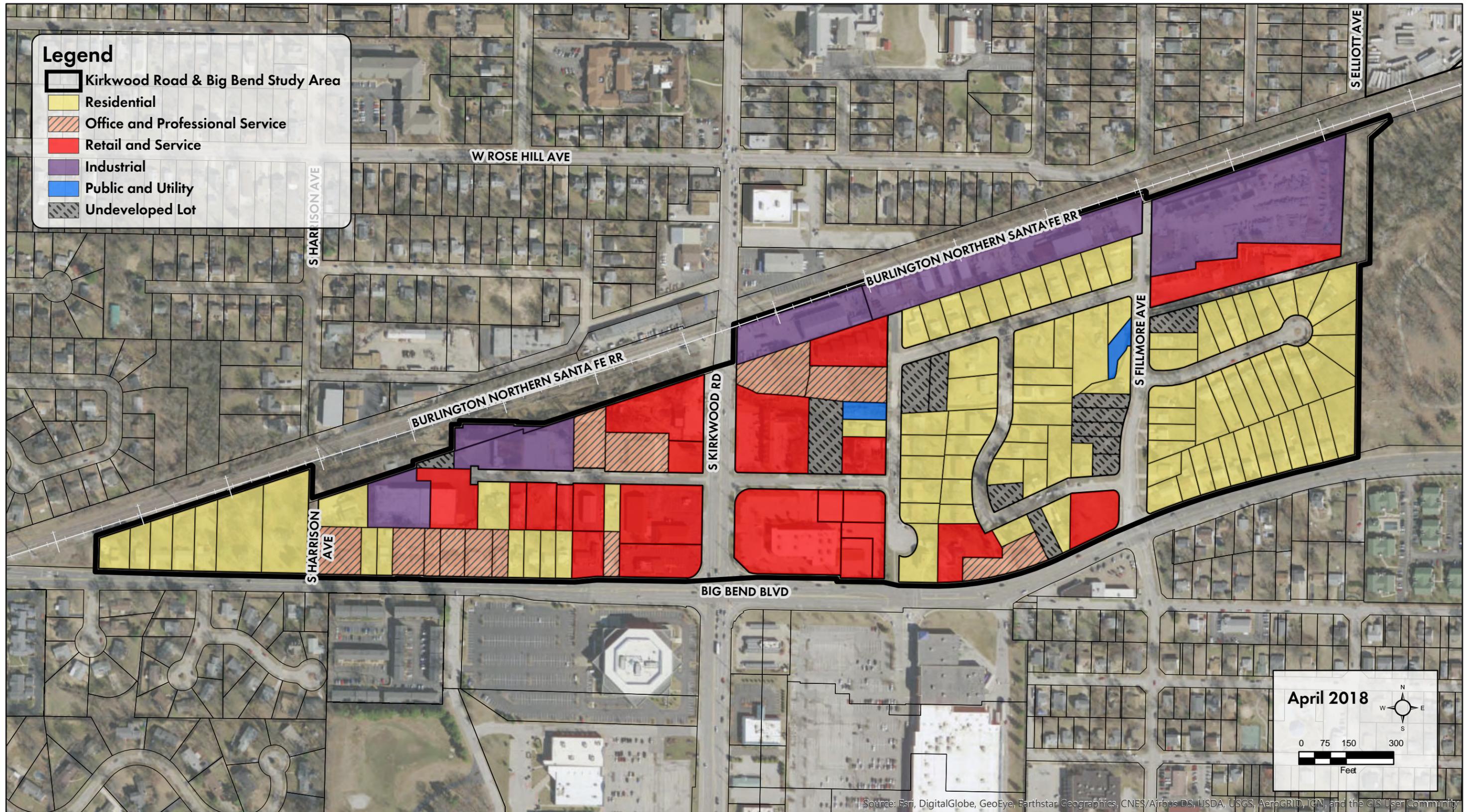


Exhibit 3 - Existing Land Use
Kirkwood Road & Big Bend Market Study
City of Kirkwood, Missouri



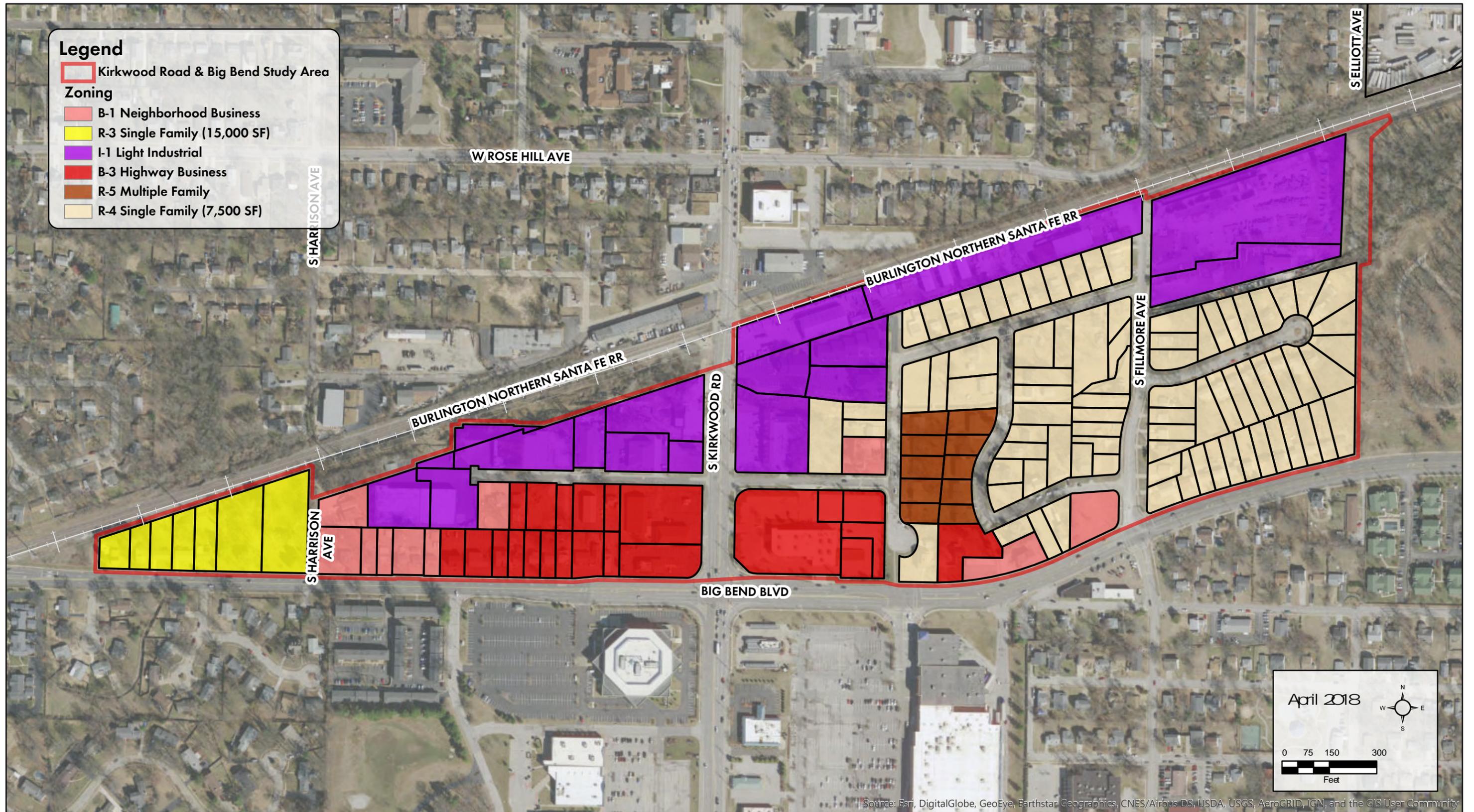


Exhibit 4 - Existing Zoning
 Kirkwood Road & Big Bend Market Study
 City of Kirkwood, Missouri



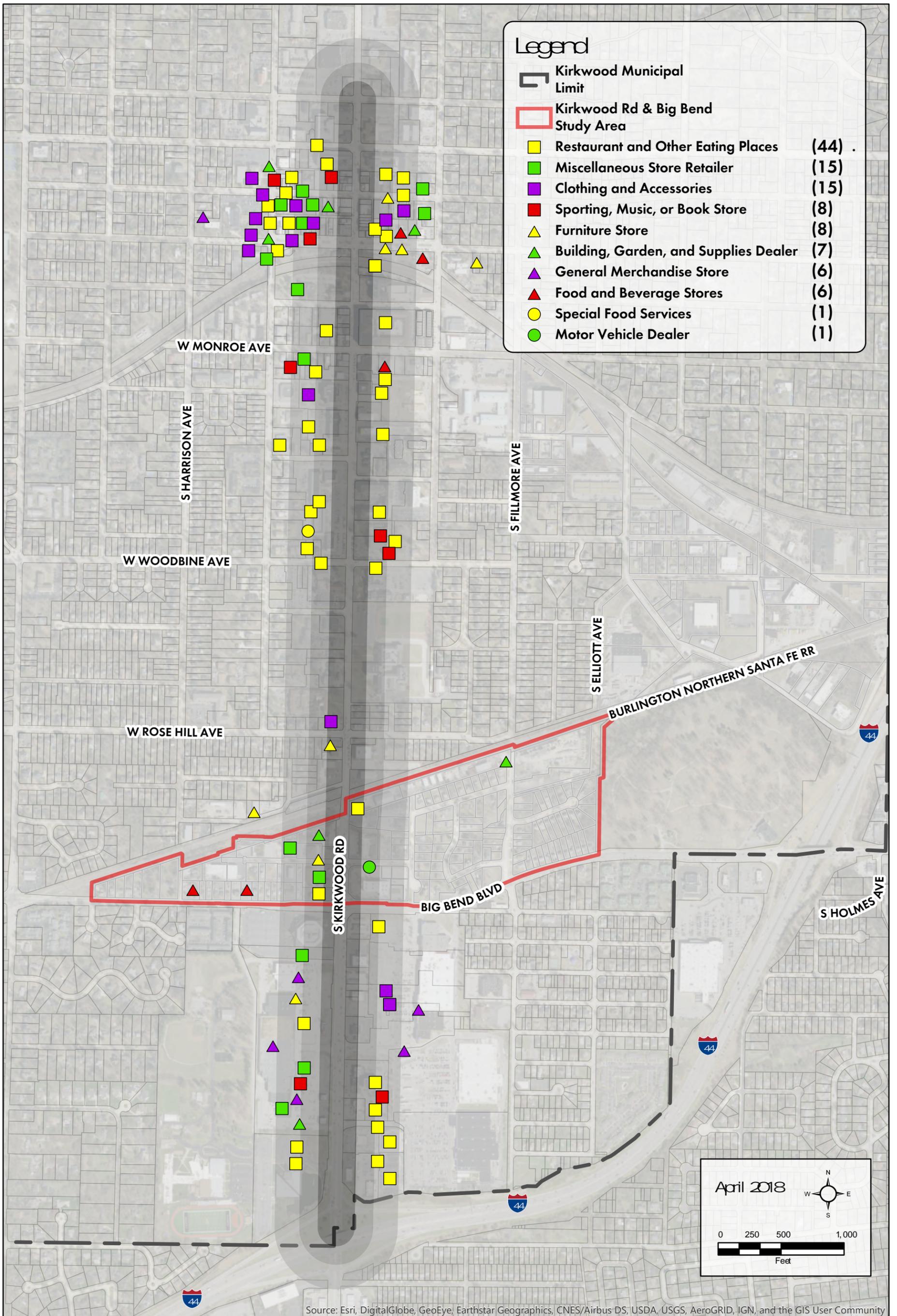


Exhibit 5 - Kirkwood Road Retail Corridor
 Kirkwood Road & Big Bend Market Study
 City of Kirkwood, Missouri



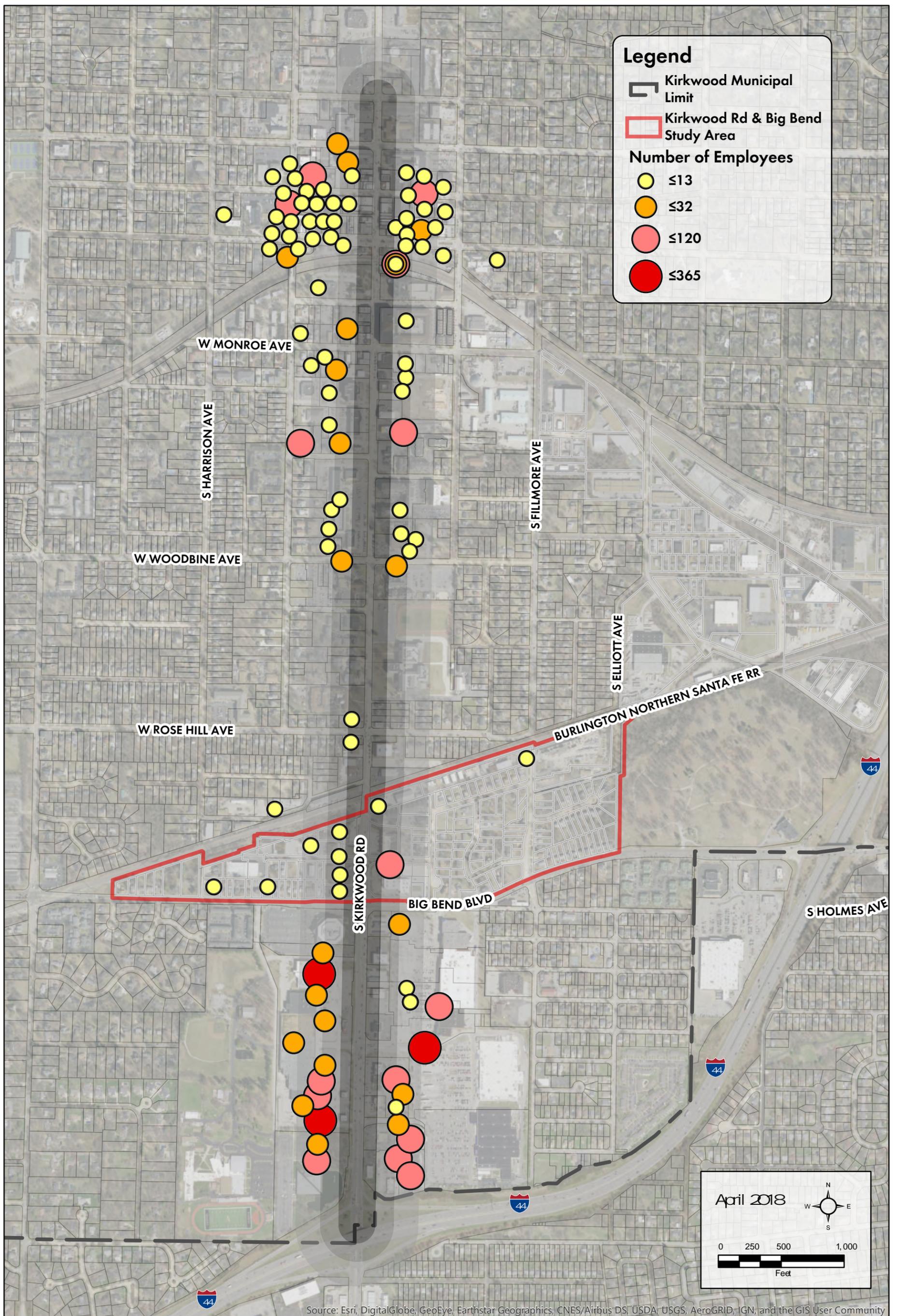


Exhibit 6 - Kirkwood Road Retail Corridor Employment
 Kirkwood Road & Big Bend Market Study
 City of Kirkwood, Missouri



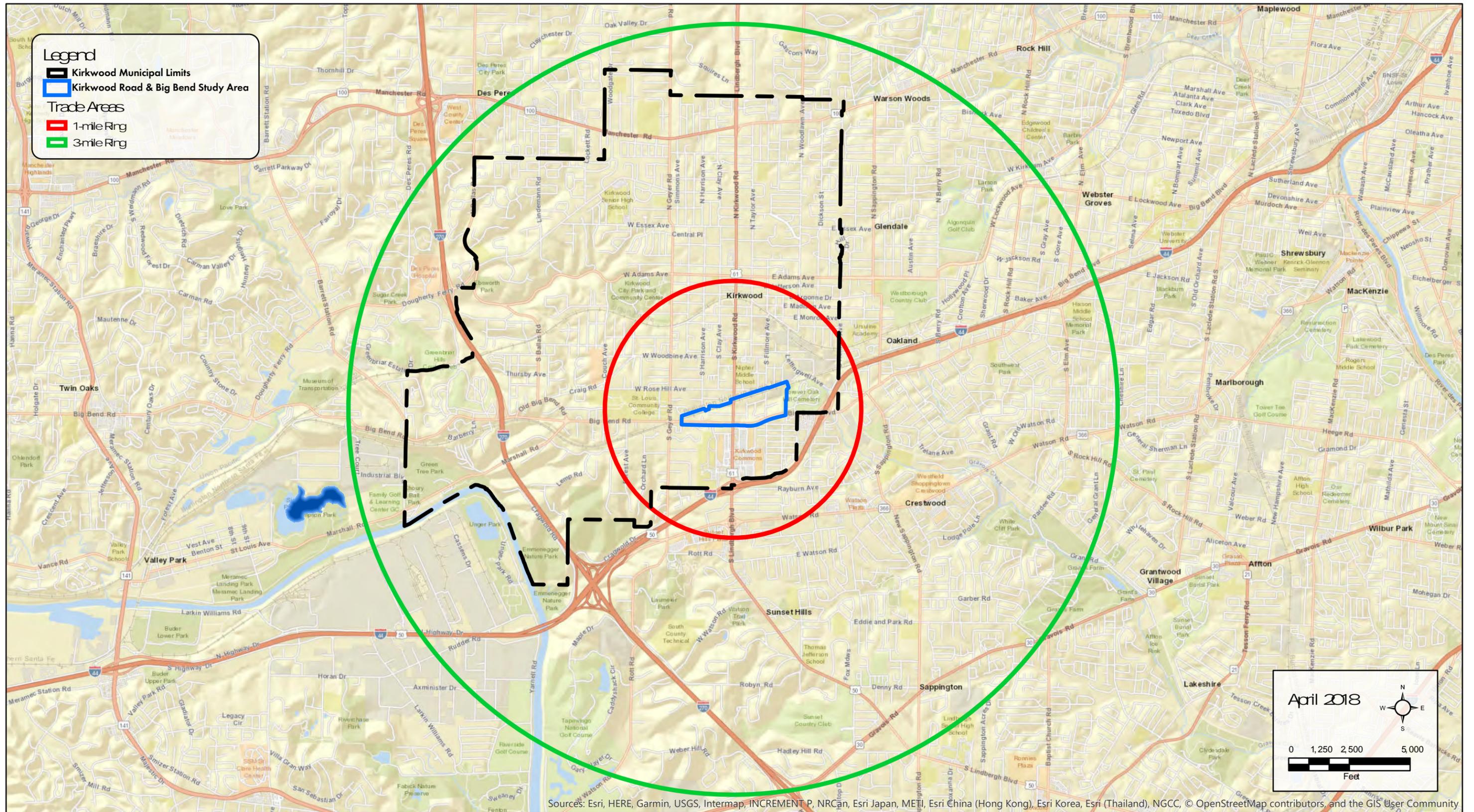


Exhibit 7 - Trade Area Boundaries
Kirkwood Road & Big Bend Market Study
City of Kirkwood, Missouri



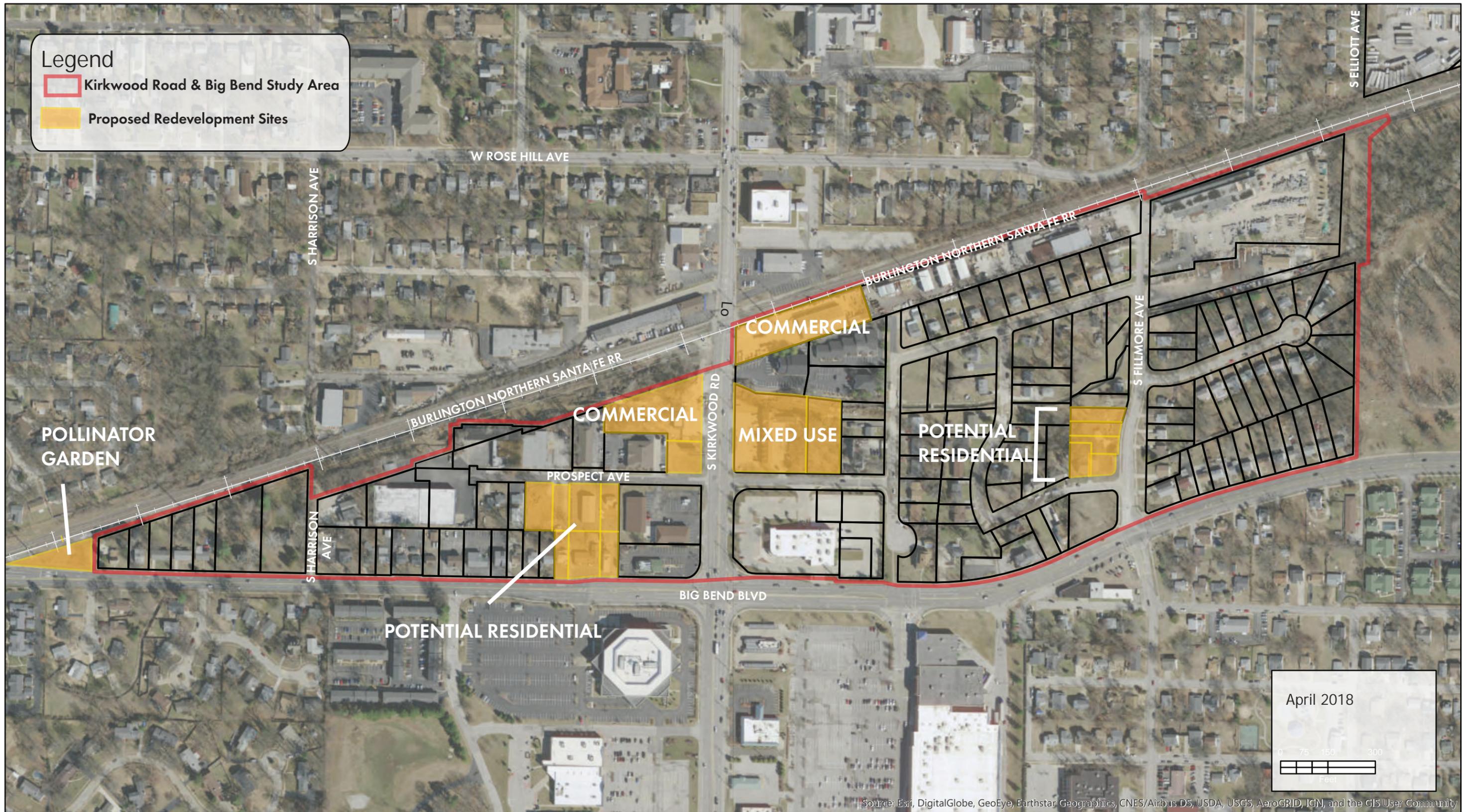


Exhibit 8
Kirkwood Road & Big Bend Study Area
Potential Redevelopment Sites



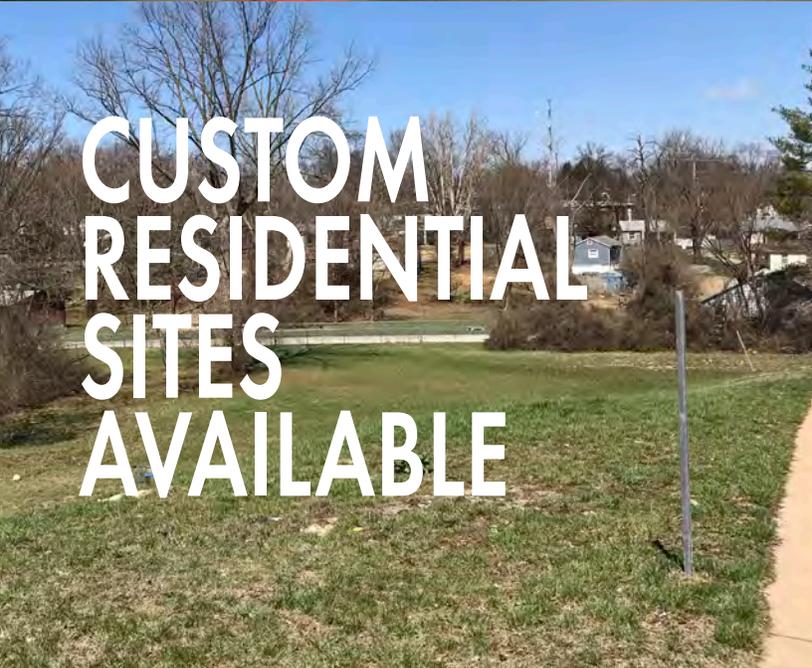
DEVELOPMENT IN THE TRIANGLE



**MIXED USE
DEVELOPMENT
SITES
AVAILABLE**



**COWORKING
SPACES &
AFFORDABLE
OFFICE SUITES**



**CUSTOM
RESIDENTIAL
SITES
AVAILABLE**



**23,000
VEHICLES
PER DAY**

KIRKWOOD & BIG BEND

THE INVITATION

THE CITY OF KIRKWOOD INVITES YOU TO EXPLORE THIS EXCITING DEVELOPMENT OPPORTUNITY.

CONVENIENTLY LOCATED TO INTERSTATES 44 & 270

25 MINUTES TO DOWNTOWN ST. LOUIS

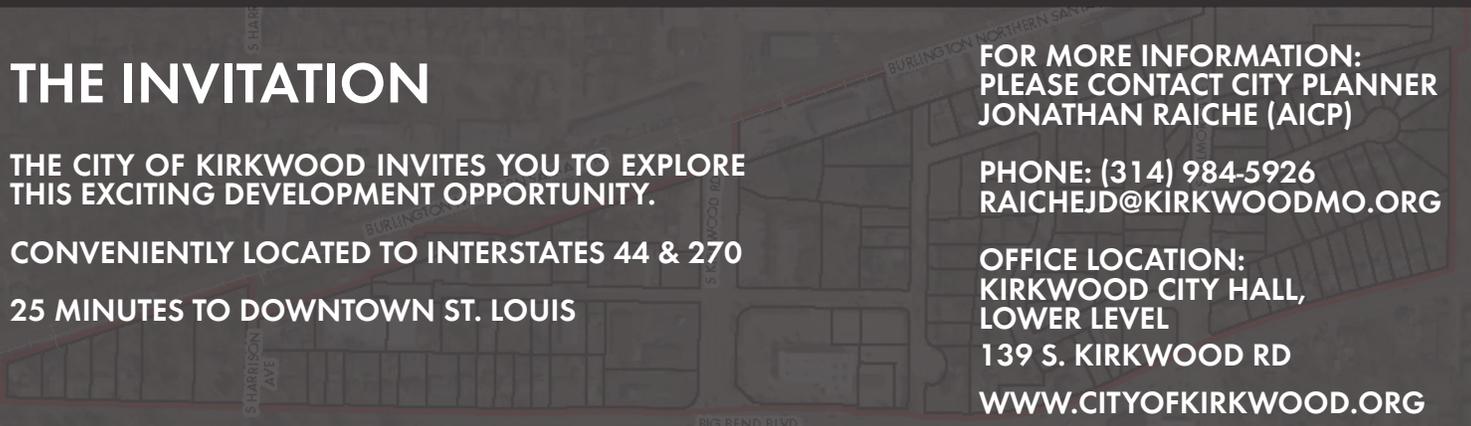
FOR MORE INFORMATION:
PLEASE CONTACT CITY PLANNER
JONATHAN RAICHE (AICP)

PHONE: (314) 984-5926
RAICHEJD@KIRKWOODMO.ORG

OFFICE LOCATION:
KIRKWOOD CITY HALL,
LOWER LEVEL

139 S. KIRKWOOD RD

WWW.CITYOFKIRKWOOD.ORG



THE TRIANGLE

KIRKWOOD & BIG BEND



WITHIN A 3 MILE RADIUS



POPULATION
70,326



AVERAGE
HOUSEHOLD INCOME
\$116,200



HOUSEHOLDS
29,143



EMPLOYEES
49,251

OPPORTUNITIES FOR MIXED USE, RESIDENTIAL, OFFICE, & COMMERCIAL ARE AVAILABLE.

THE CITY OF KIRKWOOD INVITES YOU TO EXPLORE THIS EXCITING DEVELOPMENT OPPORTUNITY IN THE AREA SURROUNDING BIG BEND AND SOUTH KIRKWOOD ROAD KNOWN AS "THE TRIANGLE."

THIS AREA WAS IDENTIFIED AS A FOCUS AREA IN THE CITY'S ENVISION KIRKWOOD 2035 COMPREHENSIVE PLAN AS A LOCATION WITH OPPORTUNITY FOR REDEVELOPMENT.

FOR MORE INFORMATION:

PLEASE CONTACT KIRKWOOD CITY
PLANNER JONATHAN RAICHE (AICP)

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