A REPORT ON THE EFFECTIVENESS

OF

# ST. LOUIS ORDINANCE 60275

*St. Louis City Revised Code 3.90/St. Louis's First Source Jobs Policy*

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## Overview

*The role of government with respect to St. Louis Ordinance 60275 – St. Louis First Source Jobs Policy/St. Louis City Revised Code 3.90 is clear; " to provide permanent employment opportunities for the unemployed, the economically disadvantaged, and require the full resource of energies of the City be directed to the resolvement of the unemployment of inner-city youth; creating a pool of employable persons who are residents of the City of St. Louis to be called upon as a first source in filling entry-level jobs created in St. Louis by the various incentives; with a clear understanding that the benefits hoped to be achieved is that the entire St. Louis City and all its residents shall benefit from the revitalization of St. Louis".*

*It would virtually be impossible to ascertain the effectiveness of the policy without reviewing the St. Louis Agency on Training and Employment's (SLATE) operations; SLATE has sole recruitment, training, placement, and enforcement authority over the policy; it is also important to note that the St. Louis Development Corporation (SLDC) the city's development umbrella has sole authority over the issuance of the various benefits subject to St. Louis City 60275; SLDC's activities in almost every case, are subject to Aldermanic courtesy.*

In February 1987, the Board of Aldermen adopted an ordinance requiring companies that get the various kinds of city benefits to hire qualified applicants from a "first source" list. The St. Louis Agency on Training and Employment (SLATE) is to provide the applicants and enforce the hiring provisions; SLATE's activities are primarily conducted in compliance with the Jobs Training Partnership Act; later repealed by the Workforce Investment Act. By February 1988 SLATE had enough openings to train, for free, any qualified poor person in search of a job. In contrast 60% (Sixty percent) of the agency's applicants were rejected because of their poor performance on the agency's basic skills tests. Some opt for the agency's free education programs, but many choose to leave and go elsewhere in search of training; the average age of the applicants was 28. Most of the occupations in demand during this period required applicants to have something in the range of seventh- to ninth-grade proficiency; many employers wanted someone with a high school diploma or equivalency.

The agency was utilizing several career schools to handle most of its training. One was the Clayton Business School, a small operation that was located at 2510 South Brentwood Boulevard. The school had contracts with SLATE and state agencies to train the poor in typing and computer skills; it handled about 60 students at a time. The school was started in 1983 by Jane Smith and Dick Harig, veteran teachers in business schools.

The agency's most successful programs were established after SLATE officials went to St. Louis Community College to seek advice; asking them to help create programs that will sell. Two programs were established at Forest Park Community College, in their first year, they trained more than 200 people. Such programs were considered by SLATE to be the wave of the future for training those without basic skills. For four hours a day, the students were in class to improve their reading, math and language skills to a marketable level. And for another four hours, they worked at a minimum-wage job, keeping the pay. Some attend school in the morning and work in the afternoon; others did the opposite. SLATE provided bus passes and paid for day care for the students' children while they were in the program. The second program trained 60 people who were deemed to have the potential of getting clerical jobs. Half of the course was spent upgrading their typing and clerical skills to marketable levels. The other half was spent improving basic skills so the student could pass the test for a GED (General Education Development certificate), considered the equivalent to a high school diploma. It didn't cost them a dime, when they left the program, they either go to a job the program found for them or moved on to advanced training. There are no records available to ascertain if any of the programs participants secured jobs via St. Louis City Ordinance 60275.

Overall the agency provided training for 2,700 people, their training programs typically lasted four to six months and taught skills that would allow students to enter the fields of word-processing, clerical work, auto mechanics, and hospitality. Through June 30, 1988

65% percent of the adults in the program and 52 percent of the youths got jobs. Of the participants who were on welfare, 50 percent were able to get jobs paying an average of $4.48 an hour.

By the end of 1988 the agency's budget for that fiscal year had dropped to $4.5 million from $6.2 million, its level from fiscal years 1985 - 1988. In response SLATE scaled down its operations to stay within the lower budget. The agency's contracts with schools and various vendors to provide classroom and on-the-job training for its clients; the Junior College District, Providence Program, Clayton Business School and Productive Futures were among those providing training; all were affected by the cutback. The agency had been fortunate to get bonuses and incentive money for its programs from its federal funding source. The extra dollars artificially inflated the agency's budget which allowed it to serve more city residents; the agency was forced to return to operating under its normal allocation.

In 1989 a bill sponsor by the late Sen. Paul Simon, D-Ill., who had also launched a study of the effectiveness of the jobs program; the 1989 study by the General Accounting Office, the investigative arm of Congress, said people who entered the previous jobs program with marketable skills got more attention than unskilled people who were most in need of help. Even so, the JTPA program was more effective than previous federal training programs, the report said. Sen. Simon's Bill passed with wide bipartisan support in the Congress, which changed the JTPA (Jobs Training Partnership Act) program from putting a premium on job referral to putting a premium on giving people skills for a lifetime of success in the job market. Among those people targeted for training would be high school dropouts, teen-age parents, welfare recipients and people who were homeless or illiterate. SLATE was the administrator of the program in the city; by June 1989 over 3,500 people were in the program. Six out of 10 were either deficient educationally and could not begin training, or if they had a diploma, they were not proficient. St. Louis got an increase of roughly 15 percent, to around $7.4 million from $6.4 million as a result of the Bill.  Unfortunately, despite a funding increase, SLATE did not return to its most successful training programs they were forced to cut in the prior fiscal year.

By the third anniversary of the first source jobs policy, the St. Louis chapter of the Association of Community Organizations for Reform Now, or ACORN, charged SLATE with not enforcing the policy; SLATE's duties included providing the applicants and enforcing the hiring provisions. SLATE could not determine how many jobs should have been filled from the first-source list but did confirm that there clearly should be more than had been. ACORN also charged that SLATE's 1990 report said that 110 people had been hired off the list and that participating companies had "projected" the need to hire 573 employees through the first-source system; SLATE that year had filled about 30% percent of the applicable new jobs. The Ordinance requires one hundred percent (100%) of entry-level jobs will be hired from the first source register, with sixty percent (60%) as the minimum acceptable performance.

The issue of job targeting had also returned to the political front-burner once again as politicians divvy up the economic benefits of the stadium project. It proved to be an appropriate time to review the record of the first-source jobs ordinance to examine its success. The need for the law remained clear according to the state Division of Employment Security in December 1989, the unemployment rate for St. Louis City was 7.7 percent, while the county rate was only 3.5 percent. And the social-justice rationale remained convincing; if developers do not pay their fair share of taxes to support the city schools due to tax abatements, if city schoolchildren are the ones doing without in order to stimulate new jobs, it is proper that these same youths get first consideration for these jobs when they graduate. So job targeting is both necessary and just according to the Division of Employment Security.

According to news accounts; the 1990 reports on the program, which included activity through Dec. 31 of 1989, showed that 33 "first-source" agreements had been signed. That part looked good - 33 employers committed to using the agency list- However, of the 673 positions projected to be created under the program only 110 people got hired, which was far below the minimum performance required; prompting ACORN to develop a list of recommendations for improving the process. Since most of the entry-level jobs to be created had not opened yet, ACORN felt it had time to salvage most of the potential benefit remains. ACORN’s first recommendation was for increased enforcement. They questioned why hadn't the city threatened to take away city subsidies for noncompliance?

The second recommendation focused on employer complaints that despite their good-faith efforts to use the referral list, the agency had been unable to provide enough people to fill the jobs covered by the agreements. ACORN asked SLATE to set up procedures to provide enough referrals, along with sufficient funding and staffing. Perhaps the single most important recommendation called for enforcement of the hiring procedure for the entire term of the city subsidy; SLATE’s system was used only when entry-level jobs opened, the same slots were filled many times due to turnover. The ordinance explicitly indicates that the employer must return to the agency list to refill these jobs as long as the agreement is in effect, which often will be from 10 to 25 years. ACORN complained that community groups weren’t drawn into the entire process. They suggested achieving such could be done by the mayor appointing a member of the ACORN Jobs Committee to the Private Industry Council, which had oversight of SLATE’s activities. The Council was without low-income representation, it was dominated by private industry.

The first source jobs policy had some successes that year, in February 1990 Schnuck’s officials informed the ACORN Jobs Committee that all 175 new entry-level jobs had been filled by city residents; a new Schnuck's store was constructed on South Grand near Gravois; it opened in the summer of 1990. Two other Schnuck's stores in south St. Louis, which opened before the ordinance took effect, employ fewer than 70% percent city residents. This proved to be a clear demonstration that employers committed to the spirit of the law can find enough qualified city residents to fulfill its requirements. That summer a lot of attention was being paid to who will get lucrative city consulting and construction contracts at the new stadium; but for most low- and moderate-income city residents, the permanent jobs matter the most.

In September 1990 a paid work-training program in building-maintenance crafts was being offered to city residents between 16 and 21 years old, in the Soulard neighborhood, the 20-hour-a-week program offered both young men and women an opportunity to learn such skills as painting, masonry and custodial and electrical and plumbing work at $4.25 an hour. The program, was sponsored by Youth Education and Health in Soulard and the Metropolitan Employment and Rehabilitation Service, and financed by SLATE.

The issue of enforcement and compliance with respect to the first source jobs policy reemerged in mid 1994, about 20 members of ACORN picketed the riverfront entrance to the Admiral's President Casino demanding jobs for the city's poor. ACORN, claim the casino had neglected to comply with the first source ordinance. The President Riverboat Casinos Inc.'s position: "the company received no city money to renovate or operate the floating casino and was not bound by the ordinance; our legal advisor said we were not required to sign the agreement". The director of human resources for the Casino claimed 41% percent of the casino's 1,137 employees were city residents, partly because of a commitment made to the Mayor. Ultimately, the President Casino was not required to execute a first source agreement; the Mayor's office waived compliance of the Ordinance.

While ACORN was fighting with City officials in 1994 to force SLATE to adhere to St. Louis First Source law, the Employment Connection, formerly the St. Louis Opportunity Clearinghouse, funded by the United Way agency and like SLATE it also got federal funds for job programs signed up 786 people and 493 found jobs or training, for a placement rate of 63 percent and an average hourly wage of $5.48; and in 1995, around 542 people found jobs. The agency had a special emphasis on serving former offenders, substance abusers and their families. But anyone who came through the door could use the services. The agency's overall placement rate was about 58 percent and the average hourly wage was $5.69.

It wasn't until June 1995 before St. Louis officials reached an agreement with ACORN; whom wanted employers to be required to keep their promises to hire city residents for new jobs. That summer about 90 people met at Cote Brilliante Presbyterian Church for a meeting and rally sponsored by ACORN. The group's goal: To put some bite into the city's "First Source" agreements. ACORN contended - and the mayor's office agreed -

that companies don't always go to SLATE, or when they do, the list of applicants often is incomplete. ACORN prepared a checklist of minimum standards it wanted and presented it to city officials, including the mayor's chief of staff. The mayor's office and ACORN reach an agreement to increase enforcement to ensure that companies seeking breaks sign agreements with SLATE, in addition to the widening of the job descriptions, along with providing easier access to reports about the impact of the tax abatements.

ACORN had sought other conditions that the city would not agree to such as (a) they wanted the minimum wage for the jobs set at $7.50 an hour, (b) 80% percent of the jobs to include benefits, and (c) companies that fail to meet the requirements of the Ordinance would be required to repay the city's money.

By December 1995 ACORN was still urging the city to beef up its enforcement of the First Source law, some companies getting city concessions didn't bother to sign the First Source agreement; others sign but didn't always live up to their commitment.

In September 1996 SLATE’s attention was distracted from the First Source Jobs Policy while the agency became focused on experimental programs; SLATE became a local partner on an experimental plan to provide jobs for welfare recipients in cities such as St. Louis by shuttling them to job sites in the suburbs. The program, called "Bridges to Work," was aimed at fulfilling President Bill Clinton's promise to help people cut off from public assistance under the new federal welfare law. "The jobs are being created outside the cities," according to Housing & Urban Development director Henry Cisneros, the pilot jobs-transportation program was launched in five cities, including St. Louis. According to Director Cisneros - "We have to connect the city with larger metropolitan areas' prosperity." The project in St. Louis was managed by the East-West Gateway Coordinating Council and the other local partners were the Bi-State Development Agency, St. Louis County's Division of Employment and Training, the Missouri Department of Social Services, the Urban League of Metropolitan St. Louis, the Economic Council of St. Louis County and the Missouri FUTURES Program.

Over the next three years St. Louis's First Source Jobs Policy had all but faded; By 1999 Tax Incremental Financing (TIF) began to emerge as a dominant development tool within the City of St. Louis; First Source Provisions contained within the city's Equal Employment Opportunity & Nondiscrimination Guidelines for TIF Related Redevelopment Agreements were in flux and inconsistent, they either contained:

(a) The Redeveloper agrees that if the redeveloper of the Area creates permanent jobs, it shall enter into an Employment Plan with the Saint Louis Agency on Training and Employment and the LCRA for referral of Jobs Training Partnership Act eligible individuals. Said plan shall specify the number of jobs to be covered by the Employment Plan, the target date for referrals to begin, and the procedure for referral…or

(b) The Developer shall fully comply (and ensure compliance by "anchor tenants") with the provisions of St. Louis City Ordinance #60275 which is codified at Chapter 3.09 of the Revised Ordinances of the City of St. Louis.

SLATE in fiscal year 1999 got $4.7 million from the federal government to move men and women off welfare and into jobs so that they, and not the government, can take care of their families. The money was divided into two categories, one - which held $7 out of every $10 - is to help people who don't have high school diplomas, who have drug problems or a poor work history or who haven't had steady work for more than a year. The other - which held $3 out of every $10 -, is set aside for people who have high school diplomas but who have other problems, such as pregnant teen-agers, teen-age mothers, people with poor work histories or criminal records, people who live in high poverty areas and those with young children. SLATE experienced problems with implementation, there were a lot more people who met the guidelines for the smaller category; that year the agency was working with only 640 people, about a third the number it planned to help. And less than 200 of those folks got real jobs.

But that was only part of the problem, some welfare recipients didn't believe that they would actually lose their benefits if they didn't get a job. So they just toss the notices about the welfare-to-work program into the trash. Others didn't stick with the program because they didn't want to start off in minimum-wage jobs that couldn't pay the bills.

In addition, if the mother worked, her benefits were reduced by one dollar for every dollar she earned above $621. Add up the cost of transportation, day care, lunch, clothing and other costs associated with work, and unless jobs pay enough money, mothers ended up poorer working than she was while on welfare. SLATE's efforts also included helping fathers who are supposed to be paying child support but aren't because they don't have jobs. Not surprisingly, SLATE was having a hard time finding them. In 1999 they enrolled only 60. The Family Services Division of the Department of Social Services knew who they were, but because of laws which protect confidentiality, it couldn't tell SLATE. The result of all this is that at the end of the first year of the program, SLATE was sitting on millions of dollars because they couldn't help the people who need it.
The programs met regulations but not needs; the federal government pumped millions of dollars a year into job-training programs in St. Louis. But most of the programs were designed to meet federal laws and regulations, not to meet local work force needs. That changed in July 2000, when the Job Training Partnership Act was repealed by the Workforce Investment Act of 1998. Under the law, local boards decided how the money was spent and they had more autonomy in designing training programs. Each local board was required to have a majority of private-sector representatives.

Businesses wanted the chance to tell educators what skills they're looking for when they hire workers. But in the past, public-sector folks haven't always made it easy for business to get involved. Besides offering more business input, the new law was to encourage regional cooperation. The St. Louis area was divided into four labor market areas, two in Illinois and four in Missouri. In the past, each local board had acted autonomously.
Using their authority under the new law, the governors of Missouri and Illinois designated St. Louis as an integrated labor market. At least in theory, this was to require more cooperation among local boards. There was a regional plan developed; but the implementations of the goals were to happen through the six separate local investment areas. St. Louis was the first metro area to commit itself to such interstate cooperation, yet none of these efforts took into consideration nor included St. Louis First Source Jobs Policy; the Policy was dormant in both the minds of its creators, its administrators, and enforcers.

Late in the summer of 2000 SLATE offered three-month temporary positions to help participants in job-training programs gain basic skills. The program was part of a new initiative by the mayor to attract business to the city and stimulate the city's stagnant tax revenues. Under the plan, vacancies in some entry-level jobs were to be filled temporarily by people recommended by SLATE; this was a major shift in implementation of St. Louis's First Source Jobs Policy - the aim was to prepare them for jobs in the private sector. "It's a form of apprenticeship and a reflection of our commitment, as a city, to the people who live here and the businesses that operate here," according to the mayor. Improving data collection and setting up a new group of employees whose sole focus was to meet the needs of existing city firms was also a part of the mayor's plan; this experiment with the Policy failed, St. Louis's First Source Jobs Policy continued its slow death. By 2002 through the present, the city's First Source Jobs Policy became, and remains voluntary for TIF Related Developments as per the new provision:

> (a) The parties agree that the provisions of City Ordinance #60275, codified at Chapter 3.90 of the Revised Ordinances of the City of St. Louis, Missouri (the "First Source Jobs Policy"), do not specifically apply to the Developer as a potential recipient of TIF Notes, TIF Bonds and/or TIF Revenues. Nonetheless, the Developer voluntarily agrees to make good faith efforts to observe the provisions of the First Source Jobs Policy related to the negotiation of an employment agreement with the St. Louis Agency on Training and Employment'.

Some funding for SLATE was lost in September 2002, when the Justice Department denied the mayor's request for more time to use $500,000 left from a five-year, $7 million pilot program that expired on Sept. 30. 2002; the grant was for a program called Safe Futures. The program paid for additional social workers in juvenile court and employees who tried to steer teens out of gangs and into job training. Also covered were after-school and mentoring programs. The mayor's chief of staff stated that the city had added anti-gang workers in another agency and had other initiatives planned. In addition the agency's fiscal manager was fired and SLATE brought in outside auditors to set up new controls. Auditors and others, worked to find or reconstruct records so the city could get federal reimbursements for money already spent by the city and other local groups on Safe Futures.

In March 2002, they were able to get $1.9 million that way; but the city remained $900,000 short. Record-keeping problems also had kept the agency from collecting $3 million, in reimbursements from the state for money spent on other programs. SLATE ultimately obtained late reimbursement for about $8 million in expenditures by the end of 2002.

A new form of TIF was approved by the General Assembly in 2003; The Missouri Downtown and Rural Economic Stimulus Act ("MODESA"). The Ballpark Village Holding Company, LLC developer of the Ballpark Village project received MODESA approval for the initial stages of the new ballpark project. Ordinance 60275 is silent in the MODESA redevelopment agreement; the city First Source Jobs Policy has been replaced with a new provision:

(a) Developer and the City shall cooperate in the structuring of a recruitment and training program for City residents, the intent of which training program is to make such City residents eligible for employment in the completed Development Project to the extent practicable.

# Partners for Prosperity

Entry-Level positions provide a "starting point" for individuals looking for work, and in a number of industries, the opportunity for upward mobility. While the growth of jobs often provide opportunity for employment, even for those entering the workforce for the first time; the City of St. Louis found it necessary to adopted Ordinance 60275 which was intended to provide permanent employment opportunities for low-income city residents and inner-city youth via the various incentives it provides as stimuli for revitalization.

The connections and association between poverty and the regional economy are many. Economic-based theory holds that neighborhoods, if they are to prosper economically, "income" (i.e. salaries from jobs) must enter the local economy and become income to neighborhood residents. When this does not happen; neighborhoods suffer with periods of ‘catastrophic employment decline’ which are felt well beyond the loss of work and income for those directly involved. It affects local shops and services, and can have a profound effect on neighbourhood life – Many of the low-income neighborhoods/census-tracts affected by severe job losses are still feeling the impact, the impact of changes to the income support system.

Retail and personal services industries limit their potential to improve resident earnings; this limitation can be addressed in two ways. Lower paying retail entry-level jobs can be used as a part of youth development and employment program that introduces neighborhood youth to work, develops jobs readiness and social skills, and links them to broader career opportunities through additional services. Commercial jobs could be linked to better paying jobs outside the neighborhood through career ladder programs.

The Public stimuli/benefits are the foundations of Partnerships for Prosperity between the city and the beneficiaries of the various public incentives. Examples of some of those partnerships follows:

In February 1989 the Planned Industrial Expansion Authority approved a redevelopment plan for the old GM site in north St. Louis; and the developer signed up the first two tenants of the new industrial park, to be known as Union Seventy Center. Over the next five years, the developer spent $21 million on renovation, landscaping, streets and environmental cleanup. Ultimately, 3,000 jobs were planned for the North St. Louis site. The developer also agreed to a goal of 15 percent minority-owned company participation and to comply with the St. Louis executive order on minority hiring. The developer also agreed to use the St. Louis Agency on Training and Employment (SLATE) as the first source for job referrals. The developer bought the 158-acre site from General Motors for $500,000 in November 1988; and received 25-year tax abatement on improvements to the property, and a new property tax assessment on the land and existing buildings. The developer would not purchase the site without assurances from the Comptroller’s office that project renovation costs would be considered in the new assessment; subsequently the Comptroller's Office lowered the project's assessment to $2.7 million.

In 1995, civic leaders set a goal of creating 100,000 jobs by the end of 2000; the St. Louis area created jobs at a faster rate in 1999 than it had  in 1995. Job growth had averaged 1.66 percent a year between 1995 and 1999, compared with 0.95 percent between 1989 and 1994.

At a time when most major cities are losing construction jobs, in 1997 St. Louis' construction industry had a boomed - adding more than 11,000 jobs for the period 1992-1997. PRIDE, short for Productivity and Responsibility Increase Development and Employment work in St. Louis resulted in lots of worker- training programs and high-wage jobs. John Alberici, president of the Association of General Contractors of St. Louis in 1997, said PRIDE's purpose is very simple: "Its bringing people together to reach a common understanding of the goals and expectations - and finding ways to work through the problems." According to PRIDE "The whole program was built on trust."

St. Louis had some success by 1998 with luring employers to the area. From 1995 to 1998, companies moved or announced plans to move 5,800 new jobs to St. Louis. The tally ranged from the 1,500 jobs at Southwestern Bell's new marketing center to 40 at the headquarters of the National Association of Electrical Distributors. In the battle for jobs, the Regional Commerce and Growth Association tripled its marketing budget over that four year period and the state boosted the tax benefits it uses to lure local business.

In early 1998, the Center for Emerging Technologies (CET) opened its first facility, Building I/Incubator, a rehabilitated old warehouse located in Midtown. An adjacent Building II/Accelerator was completed in August 2001. Over the past seven years a total of $29 million from public, private and university resources have been invested in CET's facilities, staff, and programmatic support for tenants and others in the region.  Since 1998, CET tenant companies have created 350 jobs and 1,225 additional indirect jobs, and 75 construction jobs.

By February of 2000’, unemployment was at a record low in the region, and the economy was galloping. The growing industries including telecommunications and health care offered hope for St. Louis' future. During this period the problem wasn't creating jobs to employ the people; it was finding people who can fill the jobs.

According to research conducted by the East-West Gateway Coordinating Council that year, the six fastest-growing occupations in St. Louis, on a percentage basis, were all computer-related positions. Average wages in those fields were ranging from $33,280 a year for electronic pagination system workers to $58,240 for systems analysts. Unemployment was practically nonexistent and businesses were desperate for good workers. So desperate, in fact, that more of them were willing to risk hiring former prison inmates. By one measure, the number of employers who hired ex-inmates between 1997 and 1999 quadrupled. Recidivism rates for Missouri offenders were down significantly in 1997 & 1998, in part because more former inmates are working; most of who were released back into society; about 3,300 offenders came home each year to St. Louis during that period.

In 2002 the Center of Research, Technology and Entrepreneurial Exchange (CORTEX) was created as the motivating force behind the development, promotion, and marketing of a thousand-acre area in midtown. CORTEX is coordinating the acquisition and assembly of key tracks of land on which both public and private institutions can develop facilities to house life sciences organizations. The CORTEX development efforts anticipate the creation of 8,400 new construction jobs with an average salary of $55,000 a year and 12,500 new full-time jobs averaging $66,000 yearly.

The number of local job openings in the region surged in two unexpected places in late 2003 and early 2004: the largest percentage increase would be in the city of St. Louis. The St. Louis Development Corporation offers Financial Incentives such as tax abatement and tax incremental financing; those efforts created 1,344 new jobs in 2006 and 1,125 in 2007. SLDC usage of the Missouri Downtown and Rural Stimulus Act (MODESA) assisted developments exceeded $662 million dollars last year.

Downtown St. Louis is the largest employment concentration in the region; the Downtown Development Action Plan was officially adopted in 1999, there has been $3.3 billion in investment downtown, and another $1 billion projected along with the creation of 40,000-47,500 new jobs by 2025.

# The Dying American Dream

The American Dream--always an impossible dream for many--is dying a slow death. African Americans have the highest economic inequality since 1929. For more and more Americans, the future is an endless Depression--minus the New Deal. The United States grows increasingly disunited. Once-thriving communities are in decline. Instead of full employment, the United States has full prisons. People who should be working together to transform the economic policies that are hurting them are instead turning hatefully on each other. Full-time jobs are becoming scarcer, as corporations shape a cheaper, more disposable workforce of temporary workers, part-timers, and other "contingent workers." More workers are going back to the future of sweatshops and day labor. While some workers have "jobs without futures," others have "futures without jobs." The prevailing definition of "full employment" has become steadily less full of employment and fuller of unemployment.

The employment situation in 2000s business cycle was considerably weaker than that of the 1990s. It took longer to regain pre-recession employment levels: Nearly four years passed before the number of jobs in the economy returned to the level reached prior to the recession of 2001. By comparison, after the recession of the early 1990s, it took just over two-and-a-half years to regain peak level employment. Employment growth remained sluggish: Over the entire business cycle of the 2000s, job growth averaged only 0.6% per year—well below what was needed to keep up with labor force growth.

There are now 5.4 million more job seekers than job openings in this country; the unemployment rate in the St. Louis area in July reached its highest point in more than 16 years, with 7.2 percent of the work force - more than 105,000 people - unable to find a job. The region's unemployment rate exceeds the national average of 6 percent and is in the top quarter of metropolitan areas nationwide. Global Insight says Missouri will be back to its customary growth rate, adding new jobs at about a 1 percent annual clip, by 2010. According to the Bureau of Labor Statistics nearly 6 million workers last year were 65 or over. Over the next decade, the number of 55-and-up workers is expected to rise at more than five times the rate of the overall work force, the BLS reported.

The African American unemployment rate increased by 0.7 percentage points between 2000 and 2007; during the same period the employment rate for African Americans declined 2.4 percentage points. This drop in the employment rate shows a decline in the number of working African Americans that is more than three times that indicated by the change in the unemployment rate. Since the 2001 recession, blacks have suffered more than average from the loss of jobs; African American teens have the lowest employment rate among African Americans.

With the next recession underway economist expect unemployment to exceed 6.4% during most of 2009, for African Americans and Hispanics the outlook is graver. Based on historic patterns, unemployment among African Americans is projected to be around 11% - by the end of 2009.

## City failing to meet its jobs goal

The 2000' St. Louis Inner City Competitive Assessment and Strategy Project was proclaimed to be a bold effort to tackle what was termed as the region's most pressing challenge – the extension to those citizens and communities that were left out of St. Louis's economic prosperity. The effort had broad –based support; the coalition involved public/ (non-profit) and private companies, its advisory board of corporate, civic and government leaders, the level of participation was unprecedented. All agreed that our urban core's economic vitality is the foundation for the region's ongoing prosperity. The

St. Louis Inner City Competitive Assessment and Strategy Project in partnership with the Initiative for a Competitive Inner City (ICIC) identified opportunities (market-based) for the growth of inner city business growth. The under-utilized labor force of the inner-city was necessary for an enhanced regional productivity and prosperity; the well-being of inner-city residents was the target.

Conditions were favorable, economically the opportunity was historical, timing could not have been better. The important components of business outreach were in place; St. Louis Development Corporation (SLDC) had recently emerged from a major internal reorganization, its progress was noted to be impressive despite having very limited resources to work with. For the first time in history an analysis of the inner-city was conducted resulting in 14 recommendations, workforce readiness was one of the two environments the recommendations addressed. Over 3000 entry-level jobs opportunities were identified, the majority were based in inner-city St. Louis. The inner-city represented 13 percent of the region's jobs and 60 percent of the city's jobs. Economic development in the inner-city greatest priority was the expansion and improvement of the base (existing inner-city companies). In all, four sectors were identified to be concrete and actionable solutions; and in each, the quality of the workforce, and availability emerged as the critical issues for the strategy.

The assessment equated every job lost to a loss of $2,500 in revenue to the city's budget. Addressing aggressively the shortage of a qualified workforce, tapping into the inner-city labor pool, and addressing barriers to commercial/industrial land assembly and remediation was necessary for the growth of inner-city companies. An emphasis on private for-profit businesses growth was employed, and the strategy project was to be the first step for the development and implementation of a comprehensive economic development strategy for St. Louis inner-city. The Initiative for a Competitive Inner City (ICIC) armed with five years of research identified actual competitive advantages for companies based in inner-cities; one was the fact there exist a large, diverse, and available pool of human capital that is underutilized amidst a tight national labor market. The research also identified competitive disadvantages which included racism, the difficulties of land assembly, and the greater cost of workforce qualification and recruitment as impediments.

ICIC identified focus areas for the project, the Zip codes with high unemployment and poverty rates; especially those with 20 percent or greater poverty rate were included (downtown St. Louis was excluded) . The end result was 22 regional inner-city zip codes out of 187 for the entire region were chosen; in the city, 13 of its 18 zip codes made the cut; **City of St. Louis Inner City:**

63103 63104 63106 63107 63108 63110 63111
63112 63113 63115 63118 63120 63147

Over 36 percent of St. Louis's inner-city residents were living below the poverty line, the unemployment rate for the inner-city was at 6.3 percent, almost three times the rate for the metro area. Yet, St. Louis's inner-city supported a significant business base. Over 60 percent of the city's employment was concentrated in the inner-city, it amounted to 168,000 jobs generated by 7,800 establishments; around half had experienced employment growth from 1993-1998.

Between 2000 and 2006, job growth in the region grew around three times the rate of the labor force; from 2000 to 2003 roughly 28,000 jobs were created. Over 75 percent of the growth in workforce nationally came from the minority communities, most concentrated in inner-cities; the trend was mirrored in St. Louis. The challenge for companies was to attract, train, and retain this emerging workforce. While some companies implemented transportation initiatives to get urban workers to the suburbs, low income workers found the time and cost of childcare and transportation too heavy a burden. The private sector needed to work more closely with service providers such as SLATE in establishing identifiable effective approaches for workforce preparation and training. The need for performance goals and timetables were essential for success. ICIC's survey of business CEO's highlighted key issues that faced businesses during business with the city. The cost of during business in the city was not the major issue cited by companies that relocated out of the city. The primary reason had more to do with their needs for space for expansion; land assemblage. Next was the difficulty of working with city government, they found the city to be indifferent to their needs. While there have been numerous discussions lately about the elimination of the earnings tax in the city, according to the survey - the tax did not play a large part in companies making the decision to move; companies had a lower tax burden in the city verse surrounding suburbs. Retention and development strategies not focused on land assemblage and outreach is doomed to failure.

# The problem isn't just about jobs anymore

In January 2007 the United States Government Accountability Office (GAO) released its findings – an examination of the relationship between poverty and adverse social conditions, such as poor health outcomes, crime, and labor force attachment; and the links between poverty and economic growth; and economic research suggests that individuals living in poverty face an increased risk of adverse outcomes, such as poor health and criminal activity, both of which leads to reduced participation in the labor market.

For example, the examination found links between poverty and crime another study suggested that higher levels of unemployment are associated with higher levels of property crime. These links negatively impact economic growth which suggests that when poverty affects a significant portion of the population, the impact extended to most parts of society, and produce slower rates of growth.

According to the Census Bureau, over 37 million people were living below the poverty line by the end of 2005. The larger percentage of these individuals were from particular population groups, more specifically children, minorities, and those living in certain geographic areas such as inner cities. In 2005, 17.1 percent of children under the age of 18 were living in poverty; children of color were at least three times more likely to be in poverty than those who were white. Poverty rates for urban areas were double those in suburbs.

These adverse outcomes tend to limit the development of skills and abilities individuals need to contribute to the economy via work, thus resulting in low incomes. These lower income individuals experienced higher rates of adverse health outcomes; they experienced higher rates of chronic illness, disease, and disabilities, and also died younger than those with higher incomes. They had higher rates of chronic conditions such as hypertension, high blood pressure, and elevated serum cholesterol, which are predictors of more acute conditions in their futures. One study – "Policy Implications of the Gradient of Health and Wealth" - showed that low income individuals life expectancies were 25 percent lower than those with higher incomes.

These low-income individuals were more likely to live and work in areas that exposed them to environmental hazards such as pollution or substandard housing; because poorer neighborhoods are located closer to industrial areas or highways they tend to get higher levels of pollution. The Institute of Medicine's Committee on Environmental Justice concluded that minority and low-income communities had disproportionately higher exposure to environmental hazards and because of their impoverished conditions were less able to effectively change these conditions. In addition, the Journal of Economic Perspectives in 1999 suggested that there is strong evidence linking poverty with stress, and adverse health outcomes, such as compromised immune systems.

Economic theory predicts that low wages and unemployment makes crime more attractive; the Review of Economics and Statistics in 2002 published a study that shows that higher levels of unemployment are associated with higher levels of property crime. In addition, increased crime in an area may decrease the chances that any particular criminal activity will result in an arrest. One study found that arrest was lower among people from low-income families who were given a voucher to live in a low-poverty neighborhood, as opposed to their peers who stayed in high-poverty neighborhoods.

The conditions associated with poverty limit the ability of low-income individuals to develop the skills, abilities, knowledge, and habits necessary to fully participate in the labor force, in turn resulting in lower incomes. The 1999 census data clearly showed that individuals between ages 20-64 with income above the poverty line were more than twice as likely to be employed compared to those with incomes below the poverty line.

The GAO examination found a significant body of work which directly linked adverse outcomes associated with low-incomes, with the quality and quantity of labor that the individual is able to offer to the workforce. This research also demonstrated that poor health has substantial effects on children's future outcomes as adults; poor childhood health is associated with reduced educational attainment and reduced cognitive development. Reduced educational attainment in turn affects not only future wages, but also adult health. Some research shows that poor childhood health is predictive of poor adult health and poor adult economic status in middle age, even after controlling for educational attainment.

The GAO research also suggests that poverty not only affects individuals but also creates larger challenges for economic growth; the accumulation of human capital is one of the fundamental drivers of economic growth. Therefore, schooling at the secondary and higher levels is a key component for building an educated labor force that is better at learning, creating, and implementing new technologies. Further, good health helps improve education by increasing levels of schooling and scholastic performance. All is diminished when significant portions of the population have experienced long periods of poverty. Recent research has found that the distinct slowdown in some measures of human capital development is most heavily concentrated among youth from impoverished backgrounds.

In addition, the increase risk due to insecurity can unfavorably affect investment decisions – and hence economic growth – in areas afflicted by concentrated poverty. Some research found that economic growth is slower in U.S. metropolitan areas characterized by higher rates of poverty than those with lower rates of poverty according to the Journal of Economic Growth.

The GAO examination concluded that interventions could take years, or even a generation, to yield significant and lasting results, as the greatest impacts are likely to be seen among children. It further suggests that improvements in the health, neighborhoods, education, and skills of those living in poverty could have impacts far beyond individuals and families, potentially improving the economic well-being of our nation as a whole.

## Racial inequality hurts area

The St. Louis economy advanced in the last quarter of 1989 to the highest point in the five years prior, according to an index compiled by Grant Thornton, an accounting firm. The St. Louis index stood at 110.9 on an index base set in 1985. Yet in 1988 most working class blacks found it impossible to step up to the middle class - where they would have steady employment and enough money for some luxuries. The obstacles to advancement were formidable:

- Automation of assembly lines and competition from foreign manufacturing from 1975 to 1979 had substantially reduced the number of well-paying jobs available to people without specialized skills.

- From 1979-87, the St. Louis metropolitan area lost more than 40,000 manufacturing jobs, state figures show.

- College costs, already out of sight for many young blacks, continued a dramatic climb, increasing nationally at 2 1/2 times the rate of inflation.

- Many educators said that federal emphasis on loans instead of grants for student assistance during this period was the cause of the declining enrollment of blacks.

- Many of the "working class" jobs available paid only the minimum wage of $3.35 an hour in 1989, with little opportunity for advancement. Often they were part-time positions, without health insurance or other fringe benefits.

- There were only a few black-owned businesses large enough in 1989 to hire significant numbers of blacks or to serve as incubators for black entrepreneurs.

And  according to Jack Kirkland, an associate professor of sociology at Washington University, in 1988 quoted, "Black people have worked hard, have undergone a great deal of social stress; and they have accepted reluctantly the station of life which is forced on us as a result of an institutionalized racist system”.

Despite the economic gains of many Americans during the past decade, African-Americans locally continue to lag whites in business; education and housing, according to a study released by FOCUS St. Louis in July 2001; the report said blacks were more than twice as likely to be unemployed as white area residents. According to the report, "For the St. Louis metropolitan area to be a progressive community that attracts and retains bright, innovative, forward-looking people and businesses, we must work collaboratively to improve the state of racial equality in our region." The report urged residents, businesses and government to make it a top priority to provide equal opportunity to all citizens. Action was needed, according to the report, to:

(a) Protect the region's economic strength by creating a diverse, highly skilled work force and attract businesses.
(b) Attract and retain young talent.
(c) Foster community pride.
(d) Answer a moral imperative: It is the right thing to do.

The study came a little more than a decade after a Confluence task force report in 1989 found that the costs of racial polarization "too great to ignore." the report showed a two-tier economic system with whites and Asians holding many professional jobs and blacks and Hispanics holding many service positions. The report stated that economic parity was the No. 1 civil rights issue facing the region and made recommendations:

(a) Region should implement a living wage policy.

(b) Companies should dedicate a portion of their philanthropic efforts to job training programs.
(c) Companies should include more African-American and minority firms among their suppliers.
(d) A large-scale lending discrimination testing program should be initiated.

The number of local job openings surged in two unexpected places in late 2003 and early 2004: the manufacturing sector and the city of St. Louis. Overall; job openings in the 12-county metropolitan region increased by 31 percent during the seven-month period leading up to May, the largest percentage increase was in the city of St. Louis according to a report on available jobs released by the University of Missouri at St. Louis in December 2004. The region had recently replaced the last of the 40,000 jobs it lost during and after the 2001 recession, according to a Federal Reserve economist's report. The UMSL report indicated that the local job growth may be occurring in some less obvious areas. Russ Signorino, a labor market analyst with United Way of Greater St. Louis, who was not affiliated with the report, stated that the rise in job openings in the city of St. Louis might be traced to an increase in construction work downtown and elsewhere. The UMSL report is based on surveys of area employers that the university's Public Policy Research Center conducts each May and October. According to the report the city of St. Louis posted the largest increase in job openings.

Official Black unemployment was more than double the White rate; the Latino rate was almost double the White rate. The official Black unemployment rate averaged 14.1 percent between 1976 and 1993. Real unemployment and underemployment rates are even higher. The situation got much worse, without a major change in policies. The State of Working America 1994-95 reported that a Black worker with less than nine years' experience earned 16.4 percent less in 1989 than an equivalent White worker (in terms of experience, education, region, and so on). The gap had widened greatly since 1973, when Blacks earned 10.3 percent less. "In terms of education, the greatest increase in the black-white earnings gap was among college graduates, with a small 2.5 percent differential in 1979 exploding to 15.5 percent in 1989." Blacks had been hit hardest by corporate and government "downsizing." During 1992, for example, the federal government fired Black workers at more than twice the rate of Whites.

## A win, lose or draw

In 1987 the St. Louis Board of Alderman approved St. Louis City Ordinance 60275 with the objective of *"creating a pool of employable persons who are residents of the City of St. Louis to be called upon as a first source in filling entry-level jobs created in St. Louis via the various public incentives; with a clear understanding that the benefits hoped to be achieved is that the entire St. Louis City and all its residents shall benefit from the revitalization of St. Louis".* In July 2000 the Job Training Partnership Act was repealed by the Workforce Investment Act of 1998.

States desiring grants for workforce investment programs are to establish state workforce investment boards to assist the Governor regarding a number of activities. The state board includes the Governor, two members of each chamber of the State legislature appointed by the presiding official of each chamber, and representatives appointed by the Governor. A majority of the board members are to be representatives of business.

The Governor designates local workforce investment areas in which workforce activities are to be administered locally, taking into consideration factors such as consistency with labor market areas. Local workforce investment boards, in partnership with local elected officials, are responsible for planning and overseeing the local program. The local board is appointed by the local elected official and must have a majority of business representatives, and include representatives of education providers, labor organizations, community-based organizations (including those that serve the disabled and veterans), and economic development agencies.

Funds allocated to local areas under the adult and dislocated worker funding streams are to include Core services such as: job search and placement assistance, including career counseling; labor market information identifying job vacancies, skills development necessary for occupations in demand, and relevant employment trends in the local, regional and national economies.

The bill establishes a performance accountability system to assess the effectiveness of state and local areas in continuously improving workforce investment activities and to "optimize" the return on the investment of Federal taxpayer dollars in such activities. States are to prepare and submit to the Secretary annual reports on progress in achieving state and local area performance measures. Among the information to be included in the report is the performance resulting from serving recipients of public assistance, out of school youth, veterans, individuals with disabilities, displaced homemakers, and older individuals.

In addition, a significant number of the incentives that the city use to drive economic development are driven by the State; TIF, MODESA, and programs/financing provided by a number of State agencies such the Missouri Development Finance Board, the Department of Economic Development, and the Missouri Housing Development Commission. The incentives they provide are all subject to one important test, the "but-for" test (this test/determination provides that a project would not exist "but-for" the incentives), and in the some cases – it requires the applicant and/or developer to provide an affidavit of this determination.

**WINNERS:** From fiscal year 2000 thru 2008 the City of St. Louis provided for incentives creating roughly $2.5 Billion in development with new jobs projected to exceed 15,040 by the end of fiscal year 2013; those recipients of City driven incentives whom '***have not enter into an Employment Agreement as provided by the St. Louis City Ordinance 60275 – St. Louis First Source Jobs Policy'*** are as follows:

**STATE TAX CREDITS** – Tax Incentive programs offered by the state of Missouri through the Missouri Department of Economic Development (DED) and local communities - following are the **STATE TAX CREDIT WINNERS**:

| Project | Project Cost | New Jobs |
|---|---|---|
| Wachovia | 21,000,000 | 3,600 retained |
| Chlorogen, Inc. | 1,600,000 | 26 yr 2 |
| Dial Corporation | 6,000,000 | 328 yr 2 |
| American Beverage | 3,464,000 | 100 yr 5 |
| New World Pasta | | |
| Solae | 25,000,000 | 375 projected |
| St. Louis Army Ammunition Plant | 3,499,176 | 179 projected |
| City Hospital/Malcolm Bliss Redev. | 5,140,000 | 544 projected |
| St. Louis Convention Hotel | 242,160,000 | 685 projected |
| Central Downtown Parking Facility | 2,123,906 | |
| St. Louis Arena | 8,952,582 | |
| | ***$ 318,939,664*** | ***2237*** |

The **MISSOURI DEVELOPMENT FINANCE BOARD** (MDFB) has two primary missions; financing economic development activities and public sector infrastructure improvements. Its economic development initiatives provide financing to the private sector to assist in the creation or retention of jobs and the expansion of capital investment. Its public infrastructure initiatives provide financing of improvements that leverage private sector job creation and investment; in addition to fund improvements to rural sewer and potable water services necessary to alleviate public health and safety issues.

To assist infrastructure and economic development projects in St. Louis; MDFB provided the critical component of the total financing for projects that had a high probability of success, but were not feasible without the Board's assistance. Following are the **MDFB WINNERS**:

| Project | Project Cost | New Jobs |
|---|---|---|
| St. Louis Convention Hotel | 244,467,000 | 0 |
| St. Louis Cardinals Infrastructure | 402,328,346 | 0 |
| Center for Emerging Technologies | 28,489,258 | 200 |
| CORTEX | 70,000,000 | 12,500 |
| **Total** | ***$745,284,604*** | ***12,700*** |

**STATE PRIVATE ACTIVITY BONDS (PABA) –** In general, a private activity bond is a bond issued by or on behalf of local or state government for the purpose of financing the project of a private user.

**PABA WINNERS:**

| Project | Project Cost | New Jobs |
|---|---|---|
| JVL Renaissance | $3,545,000 | 0 |
| St. Louis Convention Center | $3,000,000 | 0 |
| JVL Renaissance (Phase II) | $5,400,000 | 0 |
| Parque Carondolet | $9,500,000 | 0 |
| Baron Spices, Inc. | $1,250,000 | 0 |
| Merchandise Mart | $25,000,000 | 0 |
| Barton Apartments | $1,500,000 | 0 |
| River bend Apartments | $4,028,000 | 0 |
| Majestic Stove Lofts (Delmar & Lucas Apts.) | $12,000,000 | 0 |
| Metro Lofts | $34,600,000 | 0 |
| Paul Brown Building | $25,000,000 | 0 |
| Paul Brown Building Lofts II | $3,900,000 | 0 |
| Majestic Stove Lofts | $3,840,000 | 0 |
| Roosevelt Town Apartments | $7,605,000 | 0 |
| Blumeyer Apartments | $2,230,000 | 0 |
| Blumeyer Elderly | $6,900,000 | 0 |
| Vaughn Elderly | $7,400,000 | 0 |
| Vaughn Elderly, II | $210,000 | 0 |
| Cupples Residential I | $17,000,000 | 0 |
| C.O.N.E.C.T. St. Louis, L.P. | $7,895,000 | 0 |
| Lafayette Towne | $6,275,000 | 0 |
| Murphy Blair Project | $6,315,000 | 0 |
| Tiffany Apartments | $3,773,200 | 0 |
| JVL Apartments | $4,039,000 | 0 |
| Syndicate Apartments, LP | $4,798,192 | 0 |
| North Tower Development | $7,500,000 | 0 |
| Franklin School Building Apartments | $10,000,000 | 0 |
| Alanson Apartments Building | $1,600,000 | 0 |
| Elias Haus Building | $9,100,000 | 0 |
| Churchill Apartments | $9,000,000 | 0 |
| Washington Avenue Apts. | $14,051,000 | 0 |
| Kingsbury Terrace Apartments | $8,075,000 | 12 |
| Fourteenth Street Mall Apartments | $7,330,000 | 60 |
| American Pulverizer | $8,000,000 | 25 |
| Tudor Building Apartments | $10,000,000 | 2 |
| Irving School Apartments | $10,000,000 | 2 |
| Alpha Terrace Apartments | $7,850,000 | 2 |
| ***Total*** | ***$309,509,392*** | ***103*** |

The **Missouri Housing Development Commission** administers the federal Low Income Housing Tax Credit, Mo. Low Income Housing Tax Credit & Affordable Housing Assistance Tax Credit; it also operates a housing trust fund for the low-income, homeless and it provides emergency housing assistance. **MHDC WINNERS:**

| Project | Project Cost | New Jobs |
|---|---|---|
| VOA St. Louis HOPE VI Apartments | 4,631,317 | 0 |
| McCormack House at Forest Park Southeast | 9,495,900 | 0 |
| DeSales MHA 2000 | 2,531,584 | 0 |
| North Newstead II | 2,536,525 | 0 |
| Vaughn Residences/ Murphy Park Phase III | 3,054,641 | 0 |
| DeSales MHA 2001 | 1,751,720 | 0 |
| Park East Apartments | 7,170,448 | 0 |
| Northside Community Affordable Housing | 842,887 | 0 |
| Ruskin Townhomes | 2,575,055 | 0 |
| Vaughn Residences/Murphy Park Phase III | 2,889,320 | 0 |
| Vaughn Residences/Murphy Park Phase III | 7,940,697 | 0 |
| Vaughn Residences/Murphy Park Phase III | 411,960 | 0 |
| Merchandise Mart Project | 48,289,988 | 0 |
| Barton Apts. I | 647,367 | 0 |
| Barton Apts. II | 349,341 | 0 |
| Barton Apts. III | 347,106 | 0 |
| Barton Apts. IV | 365,017 | 0 |
| Barton Apts. V | 488,943 | 0 |
| Vaughn Residences/Murphy Park Phase III | 2,851,155 | 0 |
| Old Frenchtown II | 8,553,405 | 0 |
| Compton Hill 2002 Apartments | 2,505,758 | 0 |
| Etzel Place Apartments, Phase IV | 7,674,326 | 0 |
| Phyllis Wheatley Building | 6,536,139 | 0 |
| Patton Avenue Homes | 2,464,861 | 0 |
| Bavarian Towers/Bevo Place | 18,942,744 | 0 |
| Ridgecrest Apartments | 7,166,850 | 0 |
| JVL Renaissance II | 11,353,269 | 0 |
| Majestic Stove Lofts | 25,463,555 | 0 |
| Paul Brown Building | 49,958,426 | 0 |
| Riverbend Apartments | 8,075,541 | 0 |
| Old Frenchtown II | 5,438,764 | 0 |
| Old Frenchtown II | 4,688,589 | 0 |
| Almost Home Apts. | 2,129,330 | 0 |
| Blumeyer Phase I | 21,642,367 | 0 |
| Maffitt Garden Homes | 1,849,350 | 0 |
| 6 North | 12,935,750 | 0 |
| Northside Community Center | 3,479,690 | 0 |
| ***Total*** | $***300,029,685*** | ***0*** |

| Project | Project Cost | New Jobs |
|---|---|---|
| Highland-Newstead Combo | 4,023,191 | 0 |
| Cupples Warehouse Apartments | 31,305,814 | 0 |
| Wintergarden Apartments | 8,438,971 | 0 |
| Roosevelt Towne Apartments | 12,986,358 | 0 |
| St Louis Brewery Apartments | 15,903,143 | 0 |
| 5th Ward Elderly East | 11,638,150 | 0 |
| Blumeyer Associates III, LP | 11,356,444 | 0 |
| Salisbury Park Townhouses | 3,522,168 | 0 |
| Blumeyer Associates III- B, LP | 2,847,726 | 0 |
| Hickory Townhouses | 6,816,066 | 0 |
| Allen Market Lane Apartments | 11,856,802 | 0 |
| Fountain Park Apartments | 6,972,880 | 0 |
| CONECT St. Louis | 13,055,344 | 0 |
| Blumeyer Phase IIA - Elderly | 12,771,314 | 0 |
| Blumeyer Associates IIB | 4,081,937 | 0 |
| Vaughn Elderly | 14,442,904 | 0 |
| Grant School Apartments | 7,271,410 | 0 |
| DeSalle Street Apartments | 2,315,072 | 0 |
| Cochran Gardens | 19,628,253 | 0 |
| Ville Estates | 2,787,115 | 0 |
| 5th Ward Elderly West | 10,752,000 | 0 |
| Lillian Park | 2,562,195 | 0 |
| North Newstead IV | 2,852,476 | 0 |
| Lafayette Towne Family | 7,127,240 | 0 |
| Murphy Blair Rehab III | 13,360,604 | 0 |
| Tiffany Apartments | 8,171,818 | 0 |
| JVL 16 | 8,913,531 | 0 |
| Lafayette Towne Elderly | 6,643,084 | 0 |
| Alanson Apartments | 3,362,270 | 0 |
| Park Place Apartments | 18,569,814 | 0 |
| Franklin School | 18,571,523 | 0 |
| Syndicate Apartments | 8,604,548 | 0 |
| Winston Churchill Apts. | 19,450,925 | 0 |
| Metropolitan Village Apts. | 12,288,580 | 0 |
| Washington Apartments | 16,288,807 | 0 |
| Rosati House Apartments | 6,729,150 | 0 |
| Blumeyer Phase IV | 20,815,242 | 0 |
| ***Total*** | $***389,084,869*** | ***0*** |

| Project | Project Cost | New Jobs |
|---|---|---|
| Salisbury Park Townhouses Phase II | 5,873,661 | 0 |
| Washington Avenue Apartments | 17,306,375 | 0 |
| Raintree Senior | 9,722,664 | 0 |
| Raintree Apartments | 27,040,056 | 0 |
| Water Tower Place | 11,672,033 | 0 |
| Alpha Terrace Apts. | 15,859,166 | 0 |
| Park Ridge Apartments | 23,345,151 | 0 |
| Irving School | 19,855,445 | 0 |
| Kingsbury Terrace | 16,263,362 | 0 |
| Tudor Building Apartments | 18,755,221 | 0 |
| Grand South Senior Apartments | 11,718,018 | 0 |
| Cochran Gardens Phase II | 13,147,085 | 0 |
| Kingsway Townhomes | 2,410,825 | 0 |
| Frankie Freeman Homes | 3,986,876 | 0 |
| Greater 14th Street Mall Redevelopment | 14,712,098 | 0 |
| Cochran Gardens Phase II B | 6,208,672 | 0 |
| Southtowne Apartments | 8,842,854 | 0 |
| St. Ferdinand Homes | 5,163,521 | 0 |
| Lillian Park II | 5,783,318 | 0 |
| Railton Residences Rehabilitation | 17,512,500 | 0 |
| Water Tower Village | 16,678,852 | 0 |
| 1900 Washington Apartments | 9,401,506 | 0 |
| 1818 Washington Apartments | 10,954,506 | 0 |
| Etzel Place Apts. Phase I Preservation | 4,861,862 | 0 |
| CMC Retirement Village | 6,444,067 | 0 |
| ***Total*** | ***$303,519,694*** | **0** |

**TAX INCREMENT FINANCING** (commonly referred to as “TIF”) is a statutory procedure available to cities, villages, incorporated towns or counties to encourage the redevelopment of “blighted” or “conservation” areas. The TIF Act provides financing to pay all reasonable or necessary costs incurred or incidental to a TIF project. Tax incremental financing involves the issuance of bonds or other obligations that are secured by; taxes attributable to the increase valuation of taxable real property within the designated area.

TIF has emerged as one of the most prolific stimuli utilized within the City of St. Louis for economic development. The vast majority of TIF projects and their “anchor tenants” ‘***were not required to enter into a Employment Agreement as provided by the St. Louis City Ordinance 60275 - First Source Jobs Policy'- participation is on a voluntary basis*** thus we will declare them **WINNERS** also.

## CITY OF ST. LOUIS TAX INCREMENT FINANCINGS

**1) Marketplace**
**2) Cupples**
**3) 4548 West Pine**
**4) Argyle**
**5) Chouteau/Compton**
**6) Ctr Emerging Techn**
**7) Edison Brothers**
**8) Robert E. Lee**
**9) 100 N. Condomin**
**10) Convention Ctr Hotel**
**11) 3800 Park**
**12) Gravois Plaza**
**13) 4100 Forest Park**
**14) Lafayette Square**
**15) Tech Electronics**
**16) MLK Development**
**17) 4200 Laclede**
**18) Post Office Square**
**19) 1505 Missouri**
**20) Grand Center**
**21) 1141-1151 S. 7th**
**22) Paul Brown/Arcade**
**23) 1100 Locust**
**24) 920 Olive/1000 Locust**
**25) Walter Knoll Florist**
**26) Grace Loft**
**27) 1312 Washington**
**28) Terra Cotta Annex**
**29) 1601 Washington**
**30) 2500 S. 18th St**
**31) City Hospital Complex**
**32) Fashion Square Lofts**
**33) Pinter's Lofts**
**34) Soulard Market Apts.**
**35) Southtown Centre**
**36) 1619 Washinton**
**37) The Security Building**
**38) Highland at Forest Park**
**39) Catalin Townhomes**
**40) Shenandoah Place**
**41) 1133 Washington**
**42) Maryland Plaza South**
**43) 410 Jefferson**
**44) Barton Loft**
**45) Warehouse of Fixtures**
**46) 21-59 Maryland Plaza N**
**47) Marquette Building**
**48) Gaslight Square East**
**49) 1136 Washington**
**50) Washington E. Condos**
**51) Bottle District**
**52) Automobile Row (#1)**
**53) Automobile Row (#2)**
**54) 1300 Convention**
**55) Mississippi Place**
**56) Loughborough Commons**
**57) 5700 Arsenal**
**58) Adler Loft Condos**
**59) Dogtown Walk**
**60) East Bank Lofts**
**61) Ludwig Lofts**
**62) The Pet Building**
**63) Moon Bros Carriage**
**64) Switzer Building**
**65) 2300 Locust**
**66) 1635 Washington**
**67) 3949 Lindell**
**68) I-70 & Goodfellow**
**69) Ely Walker Lofts**
**70) West Town Lofts**
**71) Southside National Bank**
**72) Packard Lofts**
**73) Bee Hat Company**
**74) Lindell Condos**
**75) 5819 Delmar**
**76) Delmar East Loop**
**77) 6175-81 Delmar**
**78) Delmar Loop Ctr. North**
**79) Syndicate Trust**
**80) Euclid/Buckingham**
**81) Union Club**
**82) Park Pacific**
**83) 2200 Gravois**
**84) 600 Washington**
**85) 4100 Forest Park**
**86) Jefferson Arms**
**87) Grand/Cozen/Evans**
**88) Ball Park Lofts**
**89) GEW Lofts**
**90) 1818 Washington**
**91) Ball Park Village**

**St. Louis TIF New & Relocated Businesses 2000-2007**

| Name of Business | Address | TIF Project |
|---|---|---|
| Washington Avenue Post | 1312 Washington Ave | Garment Row Lofts |
| J Buck's Restaurant | 1000 Clark | Cupples Station |
| Schnuck's Market | 1020 Loughborough | Loughborough Commons |
| Lowe's Home Improvement | 950 Loughborough | Loughborough Commons |
| US Bank | 1307 Washington | Fashion Square Lofts |
| Group-360 | 1307 Washington | Fashion Square Lofts |
| Beverly Hills | 1307 Washington | Fashion Square Lofts |
| Boxer's | 1307 Washington | Fashion Square Lofts |
| Guth Lighting | not provided | Grace Lofts |
| Flannery's | not provided | Grace Lofts |
| Hampton Inn & Suites | 5650 Oakland Ave | Hampton Inn / Highlands |
| Krieger's Bar & Grill | 5656 Oakland Ave | Hampton Inn / Highlands |
| Park Avenue Coffee | 1919 Park Avenue | Lafayette Square Historic |

| | | |
|---|---|---|
| Soda Fountain Square | 1801 Park Avenue | Lafayette Square Historic |
| Design Within Reach | 40 Maryland Plz | Maryland Plaza South |
| Coiffure de Pooch | 28 Maryland Plz | Maryland Plaza South |
| Girl Botique | 30 Maryland Plz | Maryland Plaza South |
| St. Louis Business Journal | 815 Olive | Old Post Office Building |
| Webster University | 815 Olive | Old Post Office Building |
| Missouri Court of Appeals | 815 Olive | Old Post Office Building |
| Weissman's Design for Dance | 6700 Manchester | Scullin/St. Louis Market Pl |
| Walgreen Drug | 3822 Chippewa | Southtown |
| Office Max | 4611 Chippewa | Southtown |
| Coldstone Creamery | 3702 S. Kingshighway | Southtown |
| Starbuck's Coffee | 3700 S. Kingshighway | Southtown |
| Pet Smart | 4621 Chippewa | Southtown |
| Verizon Wireless | 4647 Chippewa | Southtown |
| Quizno's Sub | 3740 S. Kingshighway | Southtown |
| E B Games | not provided | Southtown |
| Crown Optical | 3418 Chippewa | Southtown |
| Aquinas Institute | 3701 Spring St. | Warehouse of Fixtures |
| NSI | 2300 Locust St. | Willy's Overland Building |
| Windows on Washington | 1601 Washington | Windows Lofts |
| Blue Boat Design | 1607 Washington | Windows Lofts |
| City Grocers | 920 Olive | 920 Olive/1000 Locust |
| The Ambienta Collection | 1000 Locust | 920 Olive/1000 Locust |
| Symbiontics | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| Sterotaxis, Inc | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| Ageia Technologies | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| A.P. Materials | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| Zassi Medical Evolutions | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| Save-A-Lot Grocery | 3645 N. Grand | Dr. MLK Plaza |
| Grand Dollar Store | 3665 N. Grand | Dr. MLK Plaza |
| Best Price Fashion | 3657 N. Grand | Dr. MLK Plaza |
| H & R Block Tax Service | 3655 N. Grand | Dr. MLK Plaza |
| JWG Beauty | 3653 N. Grand | Dr. MLK Plaza |
| Foot Locker | 3651 N. Grand | Dr. MLK Plaza |
| Fashion Cents | 3649 N. Grand | Dr. MLK Plaza |
| Fashion Guys | 3647 N. Grand | Dr. MLK Plaza |
| Columns Lounge | 400 S. 14th Street | Edison Bros. Warehouse |
| Bistro 14 | 400 S. 14th Street | Edison Bros. Warehouse |
| Shoe Carnival | 3503 Bamberger | Gravois Plaza |
| Kingdom Books | 3513 Gravois | Gravois Plaza |
| Abia Insurance | 3847 Gravois | Gravois Plaza |
| 1111 Mississippi | 1111 Mississippi St | Lafayette Square Historic |
| Marbles Yoga Studio | 1905 Park Ave | Lafayette Square Historic |
| McAvoy Realty | 1909 Park Ave | Lafayette Square Historic |
| 33 Wine Shop & Bar | 1913 Park Ave | Lafayette Square Historic |
| DIVAs Salon | 1108 Locust | Louderman Building |

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| Kelly's Deli | 1104 Locust | Louderman Building |
| UMA | 313 N. 11th | Louderman Building |
| MIRA Digital Publishing | 3800 Park Ave | 3800 Park Avenue |
| Schlafly Branch Library | 225 N. Euclid | Argyle Redevelopment Plan |
| Regency Stamps, LTD | 229 N. Euclid | Argyle Redevelopment Plan |
| Araha, Inc | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| Nutregen, Inc | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| Bio Synthema | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| JTION | 4041 Forest Park | Ctr Emerging Tech/Doris Wing |
| State of Mo. Office Bldg. | 900 S. Compton | Chouteau/Compton Industrial |
| Renaissance Suites Hotel | 824 Washington Ave | Convention Center Hotel |
| Renaissance Grand Hotel | 800 Washington Ave | Convention Center Hotel |
| Westin Hotel | 811 Spruce Street | Cupples Station |
| Sheraton City Center Hotel | 400 S. 14th Street | Edison Bros. Warehouse |
| Jacques Sports Bar | 400 S. 14th Street | Edison Bros. Warehouse |
| Fashion 4 Men | 3857 Bamberger | Gravois Plaza |
| Deals | 3853 Bamberger | Gravois Plaza |
| H & R Block Tax Service | 3529 Gravois | Gravois Plaza |
| Sally Beauty Supply | 3527 Gravois | Gravois Plaza |
| Dots | 3523 Gravois | Gravois Plaza |
| Radio Shack | 3511 Gravois | Gravois Plaza |
| Game Stop | 3509 Gravois | Gravois Plaza |
| Penn Station | 3571 Gravois | Gravois Plaza |
| CiCi's Pizza | 3562 Bamberger | Gravois Plaza |
| Fashion Cents | 3859 Bamberger | Gravois Plaza |
| Shop-N-Save Grocery | 3865 Bamberger | Gravois Plaza |
| Chocolate Bar | 1917 Park Ave | Lafayette Square Historic |
| Sqwires | 1425 S. 18th | Lafayette Square Historic |
| Oliver Studios | 1913 Park Ave | Lafayette Square Historic |
| Yackey's Robert E. Lee | 400 S. Lenior K. Sullivan | Robt. E. Lee Riverboat |
| Walter Knoll Florist | 27656 LaSalle Street | Walter Knoll |
| Mesquite Charlie's | 400 S. Lenior K. Sullivan | Robt. E. Lee Riverboat |
| Sears Home Store | 6524 Manchester | Scullin/St. Louis Market Pl |
| H & R Block Tax Service | 6500 Manchester | Scullin/St. Louis Market Pl |
| LA Weight Loss | 6504 Manchester | Scullin/St. Louis Market Pl |
| Hollywood Nails | 6408 Manchester | Scullin/St. Louis Market Pl |
| Renex Dailysis | 6412 Manchester | Scullin/St. Louis Market Pl |
| EZ Pay Loan | 6528 Manchester | Scullin/St. Louis Market Pl |
| Blockbuster Video | 6542 Manchester | Scullin/St. Louis Market Pl |
| China Wok Restaurant | 6544 Manchester | Scullin/St. Louis Market Pl |
| St. Louis Public Library Branch | 5548 Manchester | Scullin/St. Louis Market Pl |
| KB Toys | 6554 Manchester | Scullin/St. Louis Market Pl |
| Payless Shoe Source | 6558 Manchester | Scullin/St. Louis Market Pl |
| Maggie's Beauty Supply | 6566 Manchester | Scullin/St. Louis Market Pl |
| Dollar General | 6574 Manchester | Scullin/St. Louis Market Pl |
| Office Max | 6590 Manchester | Scullin/St. Louis Market Pl |

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| K-Mart | 6550 Manchester | Scullin/St. Louis Market Pl |
| Supermarket of Shoes | 6670 Manchester | Scullin/St. Louis Market Pl |
| Style 'n Cut | 6674 Manchester | Scullin/St. Louis Market Pl |
| GNC Nutrition Stores | 6676 Manchester | Scullin/St. Louis Market Pl |
| Sam's Club | 6700 Manchester | Scullin/St. Louis Market Pl |
| National Rent To Own | 6730 Manchester | Scullin/St. Louis Market Pl |
| Rainbow | 6726 Manchester | Scullin/St. Louis Market Pl |

## LOSERS:

Ordinance 60275 was adopted with the intent to provide permanent employment opportunities for the unemployed, and the economically disadvantaged. The Ordinance's directives called for *"Low-income city residents"* to be called upon as a first source in filling entry-level jobs created in the City by the various incentives/stimuli provided developers.

In interpreting a statute, Missouri courts look first to the plain and ordinary meaning of the words. The intent of Ordinance 60275 was for all parties to agree that their participation in the use of the incentives/stimuli was contingent on their adoption of the City's First Source Jobs Policy as a condition of the use of any economic advantage given or permitted them by the City of St. Louis.

Ordinance 60275 defined "Low income city resident" as *'Any City resident who is eligible for Job Training Partnership Act (JTPA) services under Public Law 97-300, which includes any recipient of food stamps, any member of a household with a family income at or below the poverty level as defined by the Federal Office of Management and Budget (OMB), or anyone with a major barrier to employment such as the handicapped, veterans, teenage parents, high school dropouts, dislocated (laid off) workers, older workers, and ex-offenders. Such individuals must be at least seventeen and one-half (17 1/2) years old and not currently enrolled in secondary school';* the injured parties are further defined as:

**(a)** ***Single Parent Households with Children at/or below poverty –*** 58.57% of St. Louis households qualify for support from the State's Division of Family Support. Nearly one-third of families with incomes below twice the poverty threshold - a close proxy for the basic family budget level - faced at least one critical hardship, like going without food, getting evicted or having to "double up" in housing with another family, or not having access to medical care during an acute illness. Seventy percent of students live below federal poverty standards, and 69 percent are in single-parent households.

**(b)** ***Elderly*** – The (55+) elderly population was around 72,000 in 2000, 73,000 by 2007 and projected to surpass 82,000 by 2012; the (62+) population will exceed 50,000 over the same periods.

**(c)** ***Veterans*** – In a June 2008' news release from Senator Kit Bond – "In my view there is not enough we can do for our nation's veterans who put so much on the line for us," said Bond. The Senator was referencing a recent Department of Veterans Affairs study; according to the study, 23 percent of veterans were not in the labor force in 2005, a huge increase from the 10 percent in 2000…in addition, 18 percent of veterans who left the military within the last one to three years were unemployed.

**(d)** ***Teenage Parents*** - From 1994 through 1999 the City of St. Louis averaged 1351 births to teens under the age of twenty; the annual estimated costs for each teenage parent that does not receive guidance and support in developing parenting skills, completing their education and developing marketable job skills can be summarized as follows:

- $15,000 per teenage parent on public assistance per year.
- $25,000 per infant or child who is abused and/or neglected and requires an out-of-home placement.
- $15,000 in healthcare costs for each pregnancy, delivery afterwards.

**(e)** ***High School Dropouts*** – The St. Louis Public Schools has on average 3,000 – 4,000 drop outs annually. Dropouts are more likely than high school graduates to be unemployed, in poor health, living in poverty, on public assistance, and single parents with children who drop out of high school; the government would reap $45 billion in extra tax revenues and reduced costs in public health, crime, and welfare payments if the number of high school dropouts among 20-year olds in the U.S. today, which numbers more than 700,000 individuals, were cut in half.

**(f)** ***Ex-offenders*** **–** The number of ex-offenders returning to St. Louis is hovering around 3000 annually; in St. Louis, Chief Douglas W. Burris of the Eastern District of Missouri U.S. Probation Office says, "Showing the carrot is more effective than the stick." These few words go a long way in summarizing the approach staff adopted in the Eastern District of Missouri (ED/MO).

**(g)** ***Homeless Population*** **–** Historically, there are approximately 2000 homeless persons on the streets in the City of St. Louis on any given night; 160 are veterans, around 773 are families with children. Nationally 3.5 million people, 39% of them children, currently experience homelessness every year. 60% of all new homeless cases are single mothers with children.

**(h)** ***St. Louis Public Schools*** - In 2007 alone, more than $140 million in tax revenues were lost to public schools as a result of more than $3 billion in assessed valuation being diverted or abated through economic incentives. Most public schools in Missouri are heavily dependent upon property tax revenue to fund educational programs. And while it is easy to argue that many of the developments would not have moved forward without the economic incentives, this is not always the case. The Cooperating School Districts of Greater St. Louis, Inc. (CSD) is a nonprofit education consortium serving 65 public school districts in Missouri and Illinois. CSD believes that as a result of the use of economic development incentives, a significant shift in tax burden may be occurring that puts less responsibility on commercial property at the expense of residential taxpayers and small businesses.

## DRAWS:

**Schnuck's** participation in the early years of the First Source Jobs Policy merits recognition; in February 1990 Schnuck's officials filled all 175 new entry-level jobs with city residents via SLATE; a new Schnuck's store was constructed on South Grand near Gravois. In contrast, two other Schnuck's stores in south St. Louis, which opened before the ordinance took effect, employ fewer than 70% percent city residents. As enforcement of the Policy faltered so did Schnuck's commitment to the policy.

**SLATE** the St. Louis Agency on Training & Employment has the most vested interest in the City' First Source Jobs Policy, Ordinance 60275 as originally intended, was to provide SLATE with a dedicated pool of low-income employment opportunities for the city residents it serves. At one point in time SLATE had over 33 separate employment agreements with entities receiving incentives from the city; Through June 30, 1988 65% percent of the adults in the program and 52 percent of the youths got jobs. That part looked well – by December 1989 - However, of the 673 positions projected to be created under the program only 110 people got hired, which was far below the minimum performance required. SLATE's ability to administer the city's First Source Jobs Policy was restricted by SLDC; it was SLDC's responsibility to refer to SLATE those beneficiaries requiring Employment Agreements as per the city's first source policy; if SLATE got no referrals from SLDC, employment agreements were not entered into. In some cases even if SLATE got the referral there was no follow-up with respect to securing agreements.

In addition, SLATE has no internal legal department thus enforcement of Ordinance 60275 has proved to be difficult. It's also worth mentioning that 70 percent of SLATE's Welfare to Work funding was targeted towards helping those with no high school diploma or GED; reading or math levels below 8th-grade level; substance abuse problems; and poor work history. More than 1,300 people were served through the Welfare to Work program under SLATE in its first year (1998-1999).

**CORTEX** the Center of Research, Technology and Entrepreneurial Exchange in response to our concerns raised about the lack of diversity in the region's biosciences efforts, took the lead in organizing a coordinated effort to address our concerns. As an outcome meetings of the leaders in the region's biosciences have occurred, representing the initial steps for the formulation of policies and activities to directly address the diversity issues with respect to the region's biosciences efforts.

# Conclusion

In 1987 Low-Income City Residents, and especially, Unemployed Youth living in Poverty, were in the back of the line at the inception of Ordinance 60275 – St. Louis's First Source Jobs Policy; with the current downturn in the economy the line is growing, and low-income city residents are being push backwards; **From 1991 to 2004, St. Louis' jobless rate was consistently below the nation…** and the largest percentage of job growth in the region was in the city of St. Louis; unemployment was practically nonexistent. The construction industry had a boom – adding more than 11,000 jobs during this period. It was a period in contrast; ACORN was picketing the President Casino for refusing to enter into a First Source Agreement as required by the City's First Source Jobs Policy; Homelessness and Poverty Rates skyrocketed during this period.

Over 36 percent of St. Louis's inner-city residents were living below the poverty line, the unemployment rate for the inner-city was at 6.3 percent, almost three times the rate for the metro area. Yet, St. Louis's inner-city supported a significant business base. Over 60 percent of the city's employment was concentrated in the inner-city, it amounted to 168,000 jobs generated by 7,800 establishments; around half had experienced employment growth from 1993-1998.

On the other hand, the use of Tax Incremental Financing exploded and the City's Equal Opportunity and Nondiscrimination Guidelines changed with respect to the usage of TIF.

The city's Equal Opportunity and Non-Discrimination Guidelines required TIF users to comply with the provisions of St. Louis City Ordinance #60275 with respect to the city's First Source Jobs Policy. City Redevelopment Agreements contain provisions requiring Developers to fully comply (and ensure compliance by "anchor tenants") with the terms and conditions of St. Louis City Ordinance #60275. The provisions for enforcement of the city's First Source Jobs Policy evolved over the years:

**From (1987-1998) TIF Related Redevelopment Agreements contained the following provision:**

(a) The Developer agrees that if the Developer of the Redevelopment Area creates permanent jobs, it shall require any initial tenant on or initial purchaser of the Property, pursuant to the terms of such tenant's lease or such purchaser's purchase agreement, as the case may be, to enter into an Employment Plan with the Saint Louis Agency on Training and Employment and the City for referral of Jobs Training Partnership Act eligible individuals for initial hiring during the first year of operations. Said plan shall specify the number of jobs to be covered by the Employment Plan, the target date for referrals to begin, and the procedure for referral and the expiration thereof after one year of operations.

**From (1999-2001) TIF Related Redevelopment Agreements contained the following provisions:**

(c) The Redeveloper agrees that if the redeveloper of the Area creates permanent jobs, it shall enter into an Employment Plan with the Saint Louis Agency on Training and Employment and the LCRA for referral of Jobs Training Partnership Act eligible individuals. Said plan shall specify the number of jobs to be covered by the Employment Plan, the target date for referrals to begin, and the procedure for referral…or

(d) The Developer shall fully comply (and ensure compliance by "anchor tenants") with the provisions of St. Louis City Ordinance #60275 which is codified at Chapter 3.09 of the Revised Ordinances of the City of St. Louis.

**From (2002-Present) TIF Related Redevelopment Agreements contained the following provision:**

(e) 'The parties agree that the provisions of City Ordinance #60275, codified at Chapter 3.90 of the Revised Ordinances of the City of St. Louis, Missouri (the "First Source Jobs Policy"), do not specifically apply to the Developer as a potential recipient of TIF Notes, TIF Bonds and/or TIF Revenues. Nonetheless, the Developer voluntarily agrees to make good faith efforts to observe the provisions of the First Source Jobs Policy related to the negotiation of an employment agreement with the St. Louis Agency on Training and Employment'.

Federal ex-offenders had a better chance of securing employment in the City than other low-income city residents; by year-end 2007, only 6.8 percent of ED/MO's caseload was revoked. The revocation rate continued the downward trend and to around 6.45 percent. Additionally; the rearrest rate for offenders under the district's supervision decreased to 14.9 percent in July 2007, significantly less than the 67.5 percent reported nationally.

Statistics also indicate that the unemployment rate for federal probationers in St. Louis is 2.5 percent. Comparatively, the unemployment rate for the general population in St. Louis is 5.3 percent and the national unemployment rate is 5.5 percent. This represents more than three years that the unemployment rate for ED/MO probationers has been lower than the unemployment rate for St. Louis and the U.S.

A significant objective of Ordinance 60275 was the "resolvement of the unemployment of inner city youth"; in contrast, unemployment was less prevalent among the elderly than among young workers. In 1998 the unemployment rate among 20 – 24 year olds was 7.9 percent, the rate for 25 – 54 years olds was 3.5 percent, and the rate for 55 – 64 year olds was lower still at 2.6 percent. Approximately 17 percent of the City's elderly live below the poverty level compared to a 33 percent for children in single-parent households.

By the end of 2007, the City had entered into over 75 redevelopment agreements with developers utilizing TIF; these agreements requirement to adhere to the city's first source policy consist of a voluntarily agreement to make a good faith effort to observe the provisions of the Policy. TIF users no longer participate in creating a low-income entry-level job pool for city residents in return for public assistance.

TIF driven projects acerbated the joblessness dilemma for low-income city residents; as a whole, 90% of non-TIF entry level jobs in employment growth areas shifted out of reach for city residents, especially those who had to rely on public transportation.

The Missouri Downtown and Rural Economic Stimulus Act ("MODESA") is a new form of TIF approved by the General Assembly in 2003. The Ballpark Village Holding Company, LLC developer of the Ballpark Village project received MODESA approval for the initial stages of the project. The developer is not required to adhere to Ordinance 60275 the city's First Source Jobs Policy; their new-jobs provision is as follows:

(a) “Developer and the City shall cooperate in the structuring of a recruitment and training program for City residents, the intent of which training program is to make such City residents eligible for employment in the completed Development Project to the extent practicable”

Ordinance 60275 vested enforcement of the city’s First Source Jobs Policy with SLATE, As far as we can tell SLATE has never used its authority to issue a corrective action citation with respect to employment agreements specifying all areas of noncompliance; failure to remedy said "noncompliance" issues could result in recommendations to the appropriate operating agency for withdrawal/reduction of public incentives, the filing of a complaint with the pertinent Federal Agency, and/or a disbarring or denial of any future opportunities for said company to utilize City economic incentives or other appropriate actions.

St. Louis Development Corporation (SLDC) the city’s economic development umbrella has sole authority over issuance of the various benefits subject to the First Source Ordinance; SLDC’s activities in almost every case are subject to Aldermanic courtesy.

The weakened first source policy has resulted in the lost of family income for low-income city residents. Family income is the core building block of American living standards. It is through this income that families meet their material needs as well as aspirations. That income that families receive through work, government benefits, or return on investments enables them to provide for their households, raise their children, and invest in their futures.