

Five Core
Strategies
to Achieve
Quality Jobs
and
Investment

2011-2015 CAMPAIGN FOR A GREATER ST. LOUIS



BUSINESS AND CIVIC LEADERS,

What some now call *The Great Recession* changed all the rules and, to some extent, leveled the playing field between regions. Though Greater St. Louis has not gone unscathed, we have fared relatively better than many of those regions around the country typically associated with more robust growth. Maybe that Midwestern conservatism isn't such a bad thing after all.

Realizing that structural shifts in our economy were under way, we engaged Atlanta-based Market Street Services in 2009 to help us better understand and exploit the greatest opportunities for St. Louis going forward. Market Street provided independent, fact-based research and sound recommendations based on what they've seen succeed—and fail—in other markets. Market Street's work forms the foundation of the strategic plan for regional economic development outlined in this document.

This plan represents a new approach for our region...one that truly focuses on our core competencies to a degree not attempted previously. It builds on past experiences and learning, though we are determined to not merely replicate prior actions. We all understand there's no such thing as a quick fix, but remain convinced the combination of a solid plan and flawless execution will pay regional dividends for years to come.

Now is the time for St. Louis to step up and seize the "opportunity" that exists as we begin to emerge from this economic storm. Our success will require the very active engagement of the business and civic community. Thanks for your consideration of joining us in this effort.



Daniel J. Ludeman
Chairman, Economic
Development Board of Trustees
President & CEO,
Wells Fargo Advisors



Robert A. Reynolds, Jr.
Chairman of the Board, RCGA
Chairman, President & CEO,
Graybar Electric Company, Inc.

Vision:

By 2020, Greater St. Louis will be consistently ranked among the top 10 of the 20 largest U.S. metropolitan areas in indicators of regional vitality, economic health and the creation of community wealth.

Fundamentals—they win sporting events and also help regions compete. Especially in economic times like we've recently experienced, fundamentals count.

This strategic plan is all about fundamentals: better leveraging our existing base; being smarter about who and how we recruit; accelerating high-growth start-ups; rediscovering our inherent transportation and geographic advantages; and proactively addressing the talent needs of our market.

An approach like this doesn't promise overnight success. Followed diligently over time, it will help move the St. Louis region back into the top tier of major U.S. metropolitan areas. That's our vision. It won't happen by accident.

THE PLAN RESTS ON THE FOUR CORE PRINCIPLES BELOW AND THE FIVE KEY PRIORITIES TO THE RIGHT.

- Today's economic environment demands a balanced approach to economic development, with interconnecting strategies for recruitment, retention/expansion and innovation.
- To be globally significant, Greater St. Louis must recapture its relevance as a center for commerce, transportation and the distribution of goods.
- Tomorrow's successful regions will be those that achieve a purposeful alignment of the supply and demand of talent to fuel the growth of their regional economy.
- Greater St. Louis' success in economic development will be directly related to the degree in which it is regional in scope and highly collaborative.

THE STRATEGIC PLAN IS ORGANIZED INTO FIVE KEY PRIORITY AREAS:



SUPPORT AND GROW
KEY INDUSTRY SECTORS



TARGET MARKETING AND
BUSINESS RECRUITMENT
IN COMPETITIVE FIELDS



INCREASE RATE OF
START-UP VENTURES



ADDRESS REGIONAL
TALENT AS A STRATEGIC
IMPERATIVE



LEVERAGE ALL REGIONAL
TRANSPORTATION ASSETS

Priority

Support and Grow Key Industry Sectors

Market Street’s research points to select industry sectors that: 1) are more concentrated in the St. Louis region than the U.S. as a whole, and 2) represent growth potential in coming years. We will build networks around these industry sectors to accelerate their growth.

INITIAL ACTION STEPS

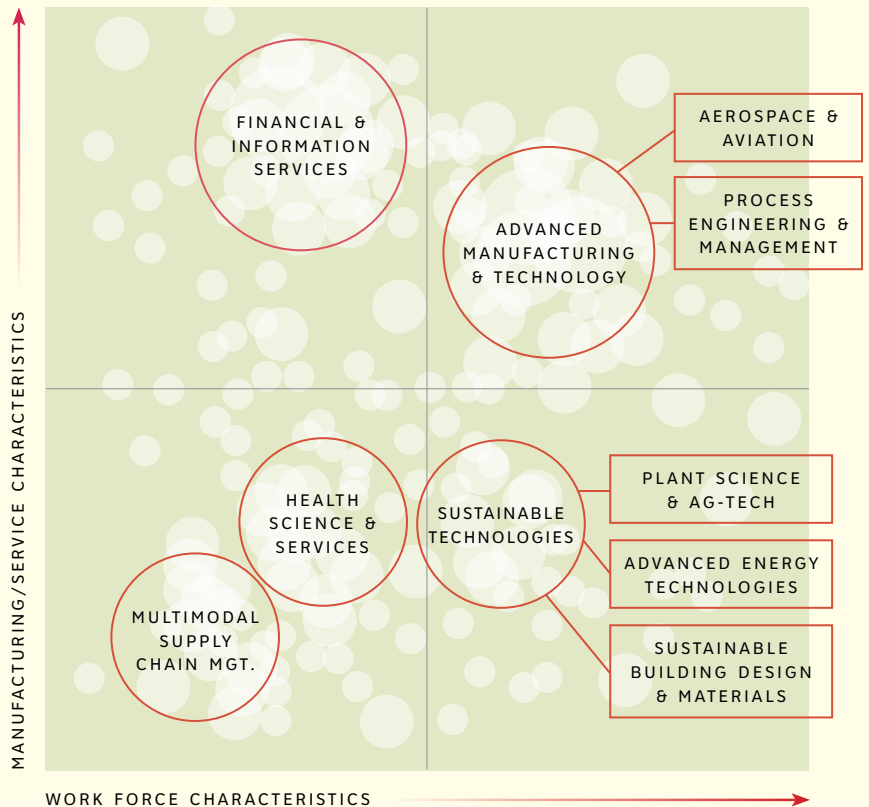
Create Leadership Councils aligned with targeted industry sectors:

- Financial and Information Services
- Plant Science and Ag-Tech
- Health Science and Services
- Aerospace and Aviation
- Advanced Energy Technologies

And through these Leadership Councils:

- Articulate industry-specific restraints to growth as well as opportunities for development and recommend a regional response.
- Build broad and deep knowledge about companies within the St. Louis region that represent the industry sectors (the community portfolio).
- Assist the RCGA’s business attraction team in identifying and recruiting businesses and organizations that would strengthen the sector.
- Enrich the business climate by providing strategic guidance for the RCGA’s public policy and talent-related initiatives.

COMPETITIVE SECTORS IDENTIFIED BY MARKET STREET SERVICES:



Market Street Services conducted a data-driven assessment of Greater St. Louis’ competitive position in terms of people, place and prosperity. The analysis took a bottom-up approach by first examining the region’s work force to determine those narrow slices of industry in which St. Louis competes well. It is those advantages within our talent pool and place-based assets that will support the development and accelerated growth of the industry sectors.

Priority



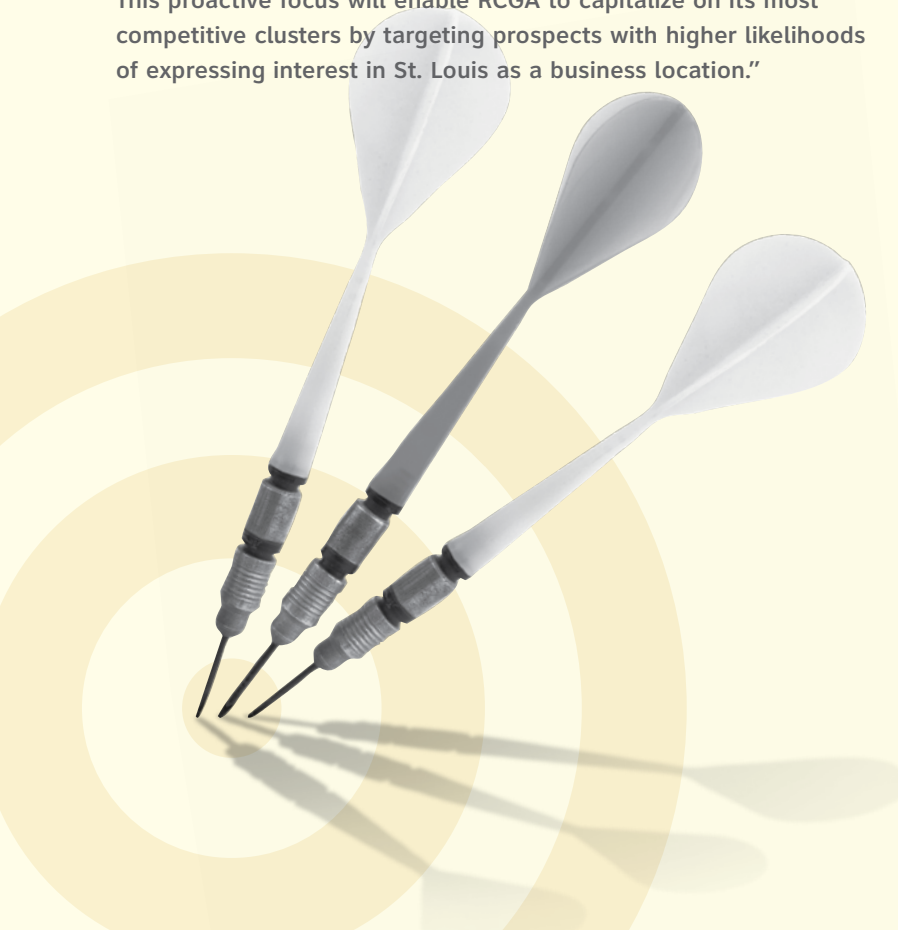
Target Marketing and Business Recruitment in Competitive Fields

We will continue our commitment to targeted marketing and business recruitment, building on progress made over the past five years. Moving forward, our efforts will be even more targeted and strategic in how we present the St. Louis story.

FROM MARKET STREET SERVICES' REGIONAL CLUSTER ANALYSIS:

"One of the key goals of the Cluster Action Plan was to fine-tune the RCGA's marketing programs to better focus and prioritize investments across all media and markets. RCGA should move forward with an evolution of its current efforts to better reflect the targets and niches identified in the Action Plan.

"This proactive focus will enable RCGA to capitalize on its most competitive clusters by targeting prospects with higher likelihoods of expressing interest in St. Louis as a business location."



INITIAL ACTION STEPS

Reposition St. Louis in the national and global marketplace by thoroughly developing the following marketing messages, with St. Louis as:

- America's Financial Center
- A global nexus for plant science and ag-tech
- An international center of excellence for aerospace and aviation
- America's original multimodal inland port
- National center for higher education

Supplement the ongoing outreach to national and international site location advisors through more direct contact with specific businesses that align with the industry sectors.

Aggressively pursue international recruitment opportunities that align with our key industry sectors.

Invest in a new online presence that positions Greater St. Louis as a leader in specific industry sectors; utilizes the full array of available technology such as GIS mapping and report generation; and makes strategic use of social media.

Priority

3

Increase Rate of Start-Up Ventures

Supporting high-growth potential start-up ventures requires intense collaboration and strong partnerships. The RCGA and our many partners must continue the work begun more than 10 years ago to: 1) capitalize on our universities' world-class research, 2) provide greater access to start-up capital, and 3) foster a more entrepreneurial climate throughout the region.

INITIAL ACTION STEPS

Collaborate with and support ongoing programs to enhance high-growth entrepreneurship, with an emphasis on activities that are industry-sector specific.

- Ag Innovation Showcase
- Gateway to Innovation Conference
- Global Ag-Tech Investors Network
- Idea-to-Product Regional Competition
- Innovate St. Louis
- Invest Midwest Venture Forum
- Midwest Clean Energy Venture Conference
- National Renewable Energy Laboratory's Industry Growth Conference
- Start-Up Connection
- Washington University Skandalaris Business Plan Competition

Lead organizational efforts to improve regional infrastructure for high-growth entrepreneurship such as the Missouri Science and Innovation Reinvestment Act (MOSIRA), the Grow Me State Initiative, St. Louis Capital Alliance, St. Louis Plant & Life Science Network and the Orphan Drug Development Center.

Launch high-growth entrepreneurship programs:

- Integrated front door of tech-led and capital programs
- Marketing and promotion of regional innovation
- National competitions to raise the profile of St. Louis as an entrepreneurial community
- Client management database of start-ups and emerging growth firms

Champion and influence initiatives that provide direct assistance to high-growth entrepreneurship:

- Proof-of-Concept Revolving Loan Program
- Seed Co-Investment Program Fund
- Orphan Drug Equity Fund

FROM MARKET STREET SERVICES' REGIONAL CLUSTER ANALYSIS:

"Because it lags behind certain of its competitors in its ability to capitalize and nurture technology-based businesses, Greater St. Louis must continue to move forward with programs and partnerships to better support the region's companies, institutions and individuals performing cutting-edge research.

"By better 'greasing the wheels' of innovation, RCGA and its partners will ensure ideas not only germinate in St. Louis, but also translate into companies that grow jobs in St. Louis."

A community can no longer assume the talent necessary to sustain and grow its regional businesses will simply materialize when needed. For the St. Louis region to remain competitive, we must address talent as a regional asset to be managed. This core strategy will seek to create new and strengthened ongoing partnerships between St. Louis businesses and the four-year and two-year colleges and universities that combine to enroll nearly 180,000 throughout the region.

INITIAL ACTION STEPS

- **Articulate a coordinated regional talent strategy** that is business-led and data-driven. Work closely with the Leadership Councils to understand the pressure points on their talent pipeline and formulate regional solutions.
- **Lead the transition of Greater St. Louis** into a community that supports ongoing talent development, adaptability and resilience.
- **Champion a work force** that is strong and diverse across many dimensions.
- **Design and implement** an action plan to increase the percentage of St. Louis-area adults with a college degree. One regional target will be the 444,000 adults over 25 years of age who started college and did not complete their degree.

FROM MARKET STREET
SERVICES' REGIONAL
CLUSTER ANALYSIS:

"Quality of the work force is the number one economic development issue. The lack of a smart, well-educated work force hinders a community's ability to recruit major companies (which usually bring higher-paying, more desirable jobs) to the area."

Priority

5

Leverage All Regional Transportation Assets

ST. LOUIS REGION'S UNIQUE MULTIMODAL CAPACITY



KEY

	St. Louis
	Nonstop Jet Service
	Interstate Highways
	Waterways
	Railways

The unique advantage that St. Louis and just a few other U.S. markets enjoy is its true "multimodal" capacity, coupled with a location that provides an enviable reach into mid-America.

“Enhancing and coordinating the web of regional transportation infrastructure and stakeholder entities will be critical to fulfilling the vision of Greater St. Louis as America’s Gateway Port.” — MARKET STREET SERVICES

St. Louis exists due to its strategic geography at the convergence of America’s two mightiest rivers. The region’s river transport resources have been supplemented by our development as the nation’s third-leading rail center, then as a connecting point for four major U.S. interstates, and finally as a strategic, mid-continent location for a once-thriving international passenger airport. The unique advantage that St. Louis and just a few other U.S. markets enjoy is its true “multimodal” capacity coupled with a location that provides an enviable reach into mid-America.

FROM MARKET STREET SERVICES’ REGIONAL CLUSTER ANALYSIS:

“The region will be branded as a commercial ‘gateway’ for the import, export and distribution of goods from around the world: China will be the first to claim the Gateway Port as its principal access point for the Central U.S. market.

“Enhancing and coordinating the web of regional transportation infrastructure and stakeholder entities will be critical to fulfilling the vision of Greater St. Louis as America’s Gateway Port.”

INITIAL ACTION STEPS

- Work closely with Lambert-St. Louis International Airport and appropriate civic partners to **regain nonstop service to strategic business markets.**
- **Create marketplace awareness of all Greater St. Louis transportation assets** by branding them under a unifying banner, such as “America’s Gateway Port.” Leverage the new message/brand to attract additional transportation-oriented business.
- **Engage a coalition of shippers, transportation and logistics providers, brokers and additional industry experts** to guide this initiative and lead the outreach.
- **Continue our leadership role in creating a primary hub for China** to do business with the Central U.S., with particular emphasis on building the business-to-business relationship between Chinese and St. Louis-area businesses.
- **Create a Midwest 48 Group** as a conduit for much of the business-to-business interaction between Chinese and St. Louis-area companies.

Defining Success

SEVERAL OPTIONS EXIST TO DEFINE ECONOMIC DEVELOPMENT SUCCESS, though overall employment growth—jobs—is a common proxy. This is a measure in which St. Louis has historically struggled. Over the past 40 years, Greater St. Louis has added jobs on an annual basis at approximately 60 percent of the national growth rate.

Current Bureau of Labor Statistics projections foresee 1 percent annual growth in nationwide employment between now and 2018, translating into roughly 13,000 new jobs each year for St. Louis if we match the predicted national average. Moody's, however, is predicting that "St. Louis' economy will grow more slowly than the nation's" and that we will be in the third quintile (178 out of 392) in employment growth for 2009–2014.¹ In other words, we have our work cut out for us.

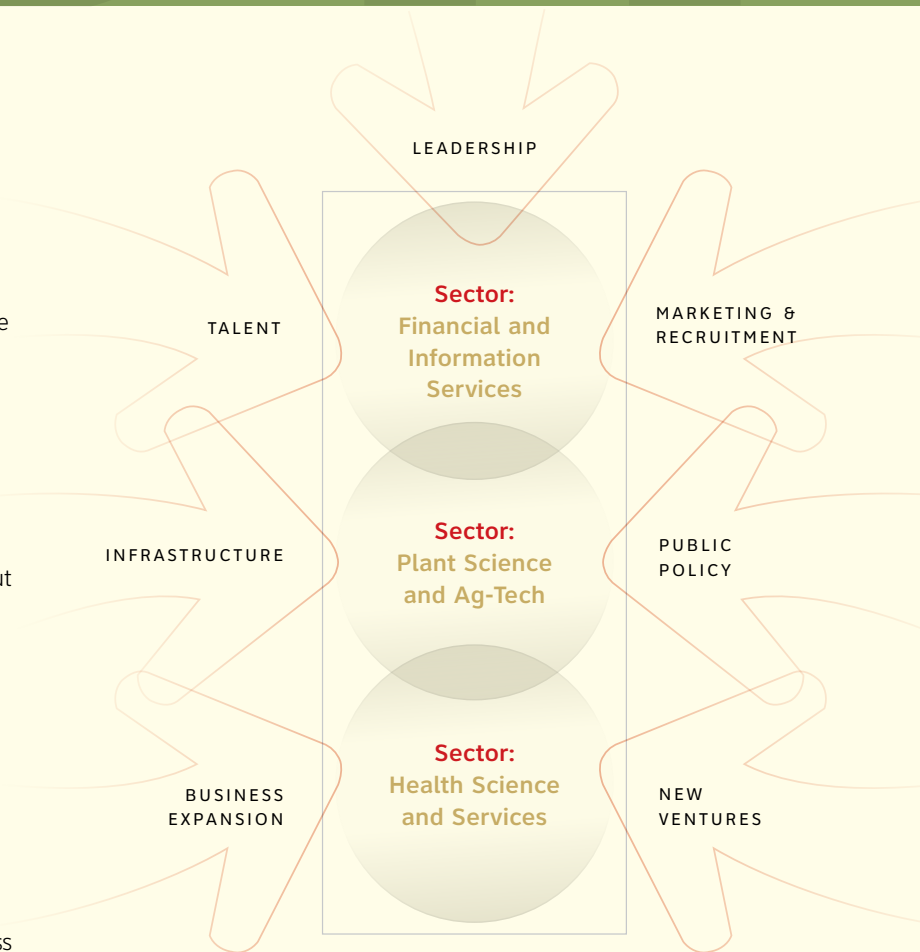
CLOSING THE GAP

To close the gap between the rate of employment growth in St. Louis and the U.S. will require a coordinated effort that combines:

- substantial growth in our existing base;
- greater success in attracting new, jobs-producing investment to the region; and
- an accelerated rate of start-up ventures and access to the capital that will retain them in St. Louis.

Because net job growth is not the only indicator of progress, we will employ additional metrics, milestones and measures to gauge our success. Some reflect quantifiable deliverables directly attributable to our efforts, while others assess long-term trends that serve as predictors for our region's future—especially when measured against peer markets. All will be reported regularly to our leadership and investor base.

Continued on page 9



THREE SECTOR LEADERSHIP COUNCILS WILL BE LAUNCHED INITIALLY, WITH ADDITIONAL COUNCILS TO FOLLOW. The Leadership Councils will address a variety of factors impacting the specific industry sector, including the ones depicted above.

¹Moody's Analytics / Précis® US Metro / Midwest / June 2010

This focused strategic plan represents a more balanced approach to economic development than in the past—placing equal emphasis on the attraction, start-up and retention/expansion of businesses and addresses talent as a regional asset.

PRINCIPAL METRIC:

Exceed the national growth rate for employment in our targeted industry sectors

PROGRAM MILESTONES:

- **Organize and convene Leadership Councils** in all six sectors.
- **Rebalance the business attraction sales pipeline** so 40 percent of active deals, at a minimum, represent direct engagement with a targeted sector company, to supplement consultant-driven activity.
- **Create and launch** a branding and marketing initiative that capitalizes on the multimodal assets of our region, e.g., “America’s Gateway Port.”
- **Secure regularly scheduled air cargo flights from China** and the beginnings of a commercial hub for Chinese businesses.
- **Design and implement a comprehensive initiative** to increase the percentage of adult population with a college degree in St. Louis.

DASHBOARD MEASURES:

Track annual change in the following areas and compare to peer regions:

- Population growth rate
- Net job growth rate
- Unemployment rate
- Per capita income
- Gross regional product
- Poverty rate
- Small business loans
- Venture capital investments
- New business start-ups
- High school graduation rate
- Percentage of adult population with a college degree
- Commercial real estate vacancy rates, both office and industrial

REFOCUSSED OBJECTIVES:

2005–2010	2011–2015
Recruit new business	Grow targeted sectors
Staff-led initiative	Business-driven through Leadership Councils
Primary outreach to site location advisors	Primary outreach to companies within target sectors
E.D. team expected to cover all areas	E.D. team includes industry expertise
Regional talent a static characteristic	Regional talent a strategic asset to be managed
Transportation assets underutilized and minimally promoted	Understand and exploit St. Louis advantages in supply chain management

Fueling the New Strategic Plan

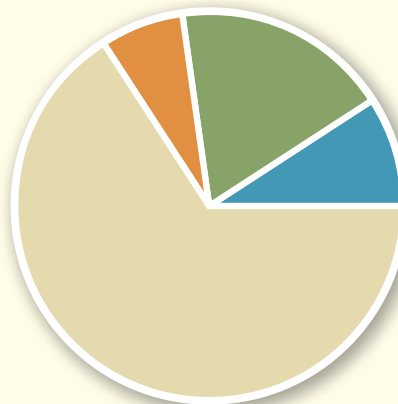
During the campaign, we'll invest significant energy on investor base-broadening to include additional small to mid-size businesses. Not only will this base-broadening help provide the fuel needed to implement the new strategy, it also will engage additional business leadership in directing the program. Finally, we will augment these investments with opportunistic grants.

2011-2015 BUDGET



- 29% Marketing & Recruitment
- 25% Support & Grow Key Sectors
- 23% Increase Rate of Start-Ups
- 13% Leverage Transportation Assets*
- 7% Research & Analysis
- 3% Talent Initiative

2005-2010 BUDGET



- 66% Marketing & Recruitment
- 7% Retention & Expansion
- 18% Entrepreneurial Support
- Leverage Transportation Assets*
- 9% Research & Analysis
- Talent Initiative
- In-kind support & grants**

*Talent initiative also is funded by a variety of external grants.
Leverage Transportation Assets is a new initiative for 2011-2015.

After gathering input from more than 60 investors and other business community leaders, as well as taking stock of current and projected economic realities, the 2011-2015 campaign revenue goal is a baseline of \$4.2 million with a “stretch” target of \$4.5 million annually.

REGIONAL ECONOMIC DEVELOPMENT FUNDING

Today we are investing \$4.2 million for the operational funding of economic development activities. Even much smaller communities are investing more per capita than St. Louis to improve their markets and drive economic growth. It is clear we must have the financial muscle to drive our region onto a path of economic transformation.

MSA	ANNUAL INVESTMENT PER CAPITA
Louisville	\$3.98
Oklahoma City	\$3.67
Columbus	\$3.30
Memphis	\$2.91
Orlando	\$2.50
Omaha	\$2.35
Kansas City	\$2.02
Nashville	\$1.89
St. Louis	\$1.49

Source: Resource Development Group

INVESTOR INVOLVEMENT

Consistent communication with investors and investor input on program activities is a top priority. In addition to the monthly e-newsletter, there are a number of ways investors stay current on activity, provide strategic input and refer corporate location leads to the RCGA team.

- **The Economic Development Board of Trustees** is comprised of the largest private-sector investors, regional political leadership and the volunteer leaders of the RCGA, Civic Progress, Regional Business Council, Partners for Progress and Leadership Council Southwestern Illinois.
- **The Leadership Roundtable** includes significant mid-level investors and serves as an advisory board.
- **The Leadership Councils** will align with the industry sectors and provide strategic guidance to accelerating sector-specific growth.
- **The Real Estate Advisory Group** will be comprised of investors representing the real estate brokerage sector and will provide strategic guidance to the business recruitment program.
- **Small Group Breakfast Meetings** will be scheduled throughout the year for groups of investors to become acquainted and provide program input.
- **Mid-Year and End-of-Year Investor Briefings** will be held to discuss marketing and prospect activity, progress toward goals and gain valuable investor input.

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President & CEO
Wells Fargo Advisors
2009–2010



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Regional Chairman/
St. Louis Market President
U.S. Bank
2008–2007



Richard H. McClure
President & COO
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St. Louis Market
President, U.S. Bank



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Mayor, City of St. Louis

MANAGEMENT

ECONOMIC DEVELOPMENT TEAM DIRECTORY

The RCGA's economic development staff is an experienced and dedicated team of professionals who help companies quietly and thoroughly explore every conceivable option throughout the bi-state region. Each team member has made a genuine commitment to serve the needs of businesses from the start to the finish of every project.

Manal Akiki

Project Assistant
Regional Talent
Development

Jim Alexander

Vice President
Business Recruitment

Tim Alexander

Director
Business Research
and Analysis

Lori Becklenberg

Director
Business Recruitment

Louis Copilevitz

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Linda Leonard, CEcD

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Don Meyer

Chief Marketing Officer
Vice President
Marketing and
Communications

Lindsay Ochoa

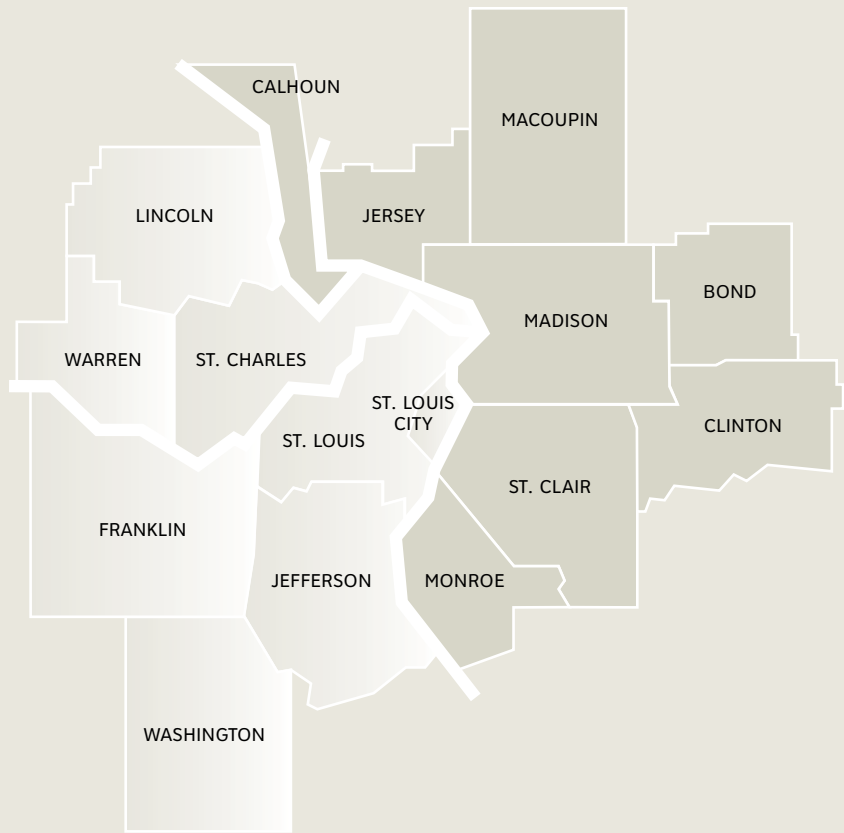
Project Coordinator
Business Recruitment

Judy Schrum

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St!Louis
Perfectly Centered. Remarkably Connected.

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The St. Louis Regional Chamber & Growth Association (RCGA) is the chamber of commerce and economic development organization for Greater St. Louis, which includes 16 counties in Missouri and Illinois.