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St Louis Metropolitics

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St. Louis Metropolitics:
A Regional Agenda for
Community and Stability

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Metropolitan Area Research Corporation

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TABLE OF CONTENTS

I. Introduction 1
A. Metropolitan Polarization 1
B. A Regional Agenda 3
C. St. Louis Metropolitics

II. Problems Associated with Regional Polarization and Sprawl 7
A. Concentrated Poverty 7
B. Racial Segregation 13
C. Fiscal Stress and High Development Costs on the Region's Fringe 15
D. Environmental and Transportation Impacts 16

III. The Diversity of Metropolitan Areas 19
A. The Sectoral Development of American Metropolitan Areas 19
B. St. Louis Metropolitan Subregions 20
1. The Low Capacity/Stressed Subregion 21
2. The Low Capacity Subregion 21
3. The High Capacity/Stressed Subregion 21
4. The High Capacity Subregion 22

IV. Demographic Findings 23
A. Concentrated Poverty 23
B. Poor Children 24
C. Female-Headed Households 26
D. Median Household Income 28
E. Schools 30
1. School Desegregation 31
2. Students Eligible for Free and Reduced-cost Meals 31
3. Non-Asian Minority Students 32
F. Crime 33
G. Infrastructure 35
H. Regional Sprawl 38
I. Fiscal Disparities 38
1. Overview 38
2. Cities and Counties 40
3. School Districts 43
J. Jobs 43
1. The Spatial Mismatch Hypothesis 43
2. Jobs per Capita 44

V. Metropolitan Solutions 46
A. Equity 46
1. Fairness 48
2. Competition for Tax Base and Fiscal Zoning 48
3. Land Use Planning 49
4. Reinvestment in the Core 49
B. Smart Growth 50
1. The Oregon Model 50
2. Regional Affordable Housing 53
C. Metropolitan Structural Reform 53

VI. A Closer Look at Tax-base Sharing..... 55
A. The Politics of Tax-base Sharing..... 55
1. The Twin Cities Fiscal Disparities System..... 55
2. Is Tax-Base Sharing Possible Only in Minnesota?..... 56
B. Tax-base Sharing in the St. Louis Region..... 57

VII. Conclusion.....59

Appendix A: Appendix A: Z-Score Calculations Used in Determining Subregions.....60
Appendix B: Hypothetical Property Tax-Base Sharing Run 1 65
Appendix C: Hypothetical Property Tax-Base Sharing Run 2 68

I. Introduction

A. Metropolitan Polarization

Social and economic disparity and wasteful development patterns threaten the future of metropolitan regions across the country. This pattern begins with the concentration of social and economic need in a region's central city and inner suburbs. This concentration destabilizes schools and neighborhoods, is associated with increases in crime, and results in the flight of middle-class families and businesses. As social needs accelerate in these places, the tax base supporting local services erodes. In most metropolitan areas, about 40 to 65 percent of the regional population live in jurisdictions such as these.

The mythic dichotomy of urban decline and suburban prosperity holds that social and economic decline stops neatly at the central city borders. Nothing could be further from the truth. As poverty and social instability cross into communities just outside of the central city, all of the trends of urban decline accelerate and intensify. Lacking the strong business district, vitality and resources, high-end housing market, parks, culture and amenities that the central city has—and without a large police department and social service agencies to respond to growing social stress—the schools in these communities become poor faster and the local retail evaporates more rapidly.

Next, in a related pattern, middle-income communities begin to experience increases in their poverty and crime rates. These places could well become tomorrow's troubled communities, particularly those that have low property and sales tax wealth. Like the group of declining communities discussed above, these places are often inner suburbs but also include many fast-growing, low property value second- and third-tier cities. In most regions, these places are home to another 20 to 40 percent of the regional population.

As middle-class families—generally those who cannot afford the executive homes now built in America's more prosperous communities—leave declining neighborhoods of the central city and inner suburbs, many are jumping out of a social frying pan and into a fiscal one. When they reject neighborhoods and schools of increasing social stress, they often land in communities with enormous fiscal stress. These edge communities, predominately composed of housing below $200,000 in value and with many times the region's ratio of school-age children to adults, find their local base of resources substantially inadequate to cover the costs of new schools and other infrastructure needed to properly support the scale of growth.

Because these fast-growing communities often allow septic-tank development to occur on lots too small to absorb sewer effluent, groundwater and lakes become polluted; if wells are a local source of water, the public health is seriously threatened. The remediation that is soon required by the state (*i.e.,* digging up roads, lawns, and basements in order to connect to sewer systems) requires enormous expenditure, costing the community many times what it would have cost to do it right in the first instance. Further, due to a lack of planning in these places, local roads are soon too narrow to handle the traffic. Again, the remediation necessary (*i.e.,* moving commercial and residential buildings back from roads) is a huge expense for local taxpayers. All of this is assessed off the very small tax base of communities that could not even afford to plan in the first place.

Finally, upper-income communities that are dominated by expensive homes capture the largest share of regional infrastructure spending, economic growth, and jobs. These places are primarily recently developed communities with wealthy residential subdivisions and modern office parks, but in many regions they also include some older, established, close-in communities. As the tax base expands in these affluent areas and their housing markets remain closed to most of the region's low-wage workers, they become both socially and politically isolated from regional responsibilities. In most metropolitan areas, only about 10 to 20 percent of the regional population live in places such as these.

As these affluent communities achieve the enviable position of having the region's largest tax base and the least need for social services, they become the most desirable places in the region to live. As business and housing developers compete for locations in these communities on the edge of the metropolitan area, open space evaporates and people who sought an insulated life closer to natural amenities find themselves in the midst of edge-city urban life with as much or more congestion, development, and stress as the places they left behind. As the highly desirable land melts away into development, "pass-through" traffic increases as new roads are built to connect residents of the next urbanizing community.

While these affluent, high tax-base communities have resources, they often cannot, by themselves, control the pace of development that pushes them toward something they do not want to become: a crowded edge city with little green space and unattractive levels of traffic congestion. These high-income places often pass significant tax referenda for comparatively modest open space initiatives. As development pressure increases, these communities, and communities with strong support for local agriculture, are the most likely to unilaterally act to control growth. While local development moratoria or slowdowns seem like a solution at the time, ultimately they only throw development further out to the next growth-hungry community. Thus, such well-intentioned unilateral action to halt growth can actually make the problems associated with sprawl worse rather than better. For example, in 1972, Petaluma, California decided to slow growth by limiting the number of building permits issued annually, causing housing demands to dramatically increase in further-out Santa Rosa.[1] Indeed, the population of the Santa Rosa area nearly doubled between 1970 and 1980. Actions like this cause regions to become geographically larger than they would be under a plan to accommodate growth in an orderly manner. In Santa Rosa additional infrastructure in terms of roads and sewers had to be built and residents of Petaluma were forced to deal with the dramatically increased traffic moving through their community.

Social and economic polarization and sprawling development patterns on a regional scale exact costs in terms of waste of human resources, deterioration of much of the region's core communities, increased fiscal stress, increased costs of infrastructure and land, loss of agricultural and fragile lands, and increased vehicle miles traveled and in the number of automobile trips. These costs will be discussed in detail in Section II of this report.

[1] Anthony Downs, *New Visions for Metropolitan America* (Washington DC: The Brookings Institution, 1994): 36.

B. A Regional Agenda

Only through a strong, multifaceted, regional response can social and economic polarization and wasteful development patterns be countered. MARC and a growing core of scholars; national, state, and local government officials; and activists from urban, faith-based, business, good-government, and environmental backgrounds, believe that metropolitan separation and sprawl need a strong, multifaceted, regional response. To combat these trends, there are three areas of reform that must be sought on a regional scale: 1) greater equity among jurisdictions of a region, particularly those with land-use planning powers, 2) smarter growth through better planning practices, 3) structural reform of metropolitan governance and transportation planning to allow for fair and efficient transportation and community planning. These reforms are inter-related and reinforce each other substantively and politically.

In the 1970s, moderate “Rockefeller” Republicans, such as Richard Lugar of Indiana, Tom McCall of Oregon, Harold Levander of Minnesota, and George Romney and William Milliken of Michigan, began to outline an elegant limited government response to the problem of inter-local disparity and sprawling, inefficient land use. The message of cost-effective regional planning, supported by local business leadership, had a strong influence in Minneapolis-St. Paul (Twin Cities), Indianapolis, and Portland, Oregon twenty-five years ago. In 1970 the city of Indianapolis merged with Marion County into one unified government. In 1971 the state of Minnesota passed groundbreaking legislation for a system of tax-base sharing among the cities and counties of that region, and in 1975 implemented the system. In 1973 the state of Oregon passed its Land Use Act, a statewide planning framework that requires each of the state's 242 cities and 36 counties to establish an urban growth boundary and develop a long-range, comprehensive plan for development within those boundaries. In 1979, voters in the Portland, Oregon metropolitan area chose to make that region's metropolitan planning organization a directly elected regional body—the first (and as yet, the only) one of its kind in the U.S. During the 1980s, Minnesota established a regional boundary called the Metropolitan Urban Services Area around the Twin Cities region and Florida passed its Growth Management Act.

In the 1990s there has been a renewed interest in land use and regional reform across the nation. The state of Washington helped to spark this regional planning renaissance with its 1990 Growth Management Act. In Washington D.C., former United States Housing and Urban Development Secretary Henry Cisneros advocated that the federal government strengthen metropolitan coordination of affordable housing, land use, environmental protection, and transportation issues. In 1994, President Clinton issued an executive order beginning this process.[2] In 1997, Maryland, under the leadership of Governor Parris Glendening, passed legislation that limits growth to locally-designated "smart growth" areas by withholding infrastructure funding for development outside such areas. In September 1998 in a speech at the Brookings Institution, Vice-President Al Gore announced a federal agenda "to help encourage smarter growth and more livable communities all across America".[3] Later that year, the

[2] United States President Bill Clinton, Executive Order, “Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing, Executive Order 12892 of January 17, 1994,” The Weekly Compilation of Presidential Documents (24 January 1994): 110-14.

[3] United States Vice President Al Gore, Brookings Policy Series, September 2, 1998.

Tennessee legislature passed land-use planning legislation requiring urban growth boundaries around developing municipalities, and New Jersey voters approved the dedication of $98 million a year for the next ten years to preserve one million acres of farmland and open space. Governor Christine Todd Whitman lead the effort in New Jersey.

Recently the Commercial Club of Chicago and the Greater Baltimore Committee, whose members represent some of the most significant business interests in their respective regions, endorsed sweeping proposals for regional reform including tax-base sharing, land-use planning, and regional governance reform.[4] They believed that these reforms were very important to the economic health of their metropolitan areas.

Columnist Neal Peirce has helped to revitalize this type of good-government metropolitanism, broadening its base by emphasizing the social and economic interdependence of metropolitan areas and the need for regional economic coordination to compete effectively in the new world economy.[5] On another front, David Rusk, former mayor of Albuquerque, New Mexico, has simply and effectively connected the issues of metropolitanism and social equity.[6] He has done this by showing that regions with an effective metropolitan planning body are more equitable, less segregated by race and class, and economically healthier. Anthony Downs, of the Brookings Institution, has assembled his own research together with recent groundbreaking work of urban poverty scholars, economists, transportation experts, and land-use planners. He makes compelling new arguments for metropolitan governance and broad metropolitan-based reforms in fair housing, transportation, land use, and regional fiscal equity.[7]

In separate studies, William Barnes and Larry Ledebur, Richard Voith, and H. V. Savitch asserted the deep interconnections of metropolitan economies. A study of seventy-eight metropolitan areas, conducted by Barnes and Ledebur, for example, found that between 1979 and 1989 in most U. S. metropolitan areas, median household incomes of central cities and suburbs moved up and down together.[8] They also found that the strength of this relationship appears to be increasing. An earlier study of forty-eight metropolitan areas, conducted by the same team, found that metropolitan areas with the smallest gap between city and suburban incomes had the greatest regional job growth.[9]

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[4] Elmer W. Johnson, "Chicago Metropolis 2020, Draft Plan of 1999: Preparing Metropolitan Chicago for the 21st Century", A Project of the Commercial Club of Chicago, Draft, October 1998; Greater Baltimore Committee, "One Region, One Future: A Report on Regionalism", July 1997.

[5] Neal Peirce, *Citistates: How Urban America Can Prosper in a Competitive World* (Washington, D.C.: Seven Locks Press, 1993).

[6] David Rusk, *Cities Without Suburbs* (Washington, D.C.: Woodrow Wilson Center Press, 1993).

[7] Downs, *New Visions*.

[8] Larry C. Ledebur and William R. Barnes, *"All In It Together": Cities, Suburbs and Local Economic Regions* (Washington, D. C.: National League of Cities, 1993).

[9] William R. Barnes and Larry C. Ledebur, *City Distress, Metropolitan Disparities, and Economic Growth* (Washington, D. C.: National League of Cities, 1992).

These scholars argue that cities and suburbs within a metropolitan area are interdependent; and that when social and economic polarization is minimized, the region is stronger; and that regional planning and metro-wide reforms are good for the entire region. Despite this, many believe that metropolitan reforms are no longer possible because the suburbs have taken over American politics.[10] Representing over 50 percent of the American population and over 80 percent in the St. Louis area, clearly "the suburbs" do have great political power. Commentators glory in an ideal of small suburban government close to the people. They maintain that regional reform threatens this idea.

In response, the reality of the late 1990s, as described in the pages that follow, contrasts starkly with this impression. Once policy makers and reform advocates recognize that suburban communities are not a monolith with common needs and resources, the declining inner cities and low tax base developing communities, as well as fast-growing high fiscal capacity communities, can identify each other as allies in regional reform and begin to work together for a stronger, more stable region. Some of these communities will find their motivation in a common social and fiscal decline that requires regional equity, others in the need to plan for growth for a sustainable, stable future.

In the end, regional reform seeks to create circumstances in which a new ideal of local control and long-term community stability can become a reality—an ideal in which central cities and declining neighborhoods of older, inner suburbs can maintain a middle-class base and renew themselves, and in which developing communities can have decent services and be free from destabilizing boom and bust patterns.

C. St. Louis Metropolitics

Since 1995, with the support of over fifteen of the nation's leading philanthropies—including the Ford, Rockefeller, and MacArthur foundations—and the U.S. Department of Housing and Urban Development, and in partnership with dozens of universities and research centers, the Metropolitan Area Research Corporation has completed (or is in the process of completing) similar studies of social separation and sprawl in twenty-two metropolitan areas of the United States.[11] MARC has developed a four-step process to analyze regional trends that combines quantitative socioeconomic data with qualitative information gathered at the local level. MARC's studies demonstrate that 1) social separation and sprawl are occurring in small and large regions across the country; 2) in any region, communities classified as "suburbs" represent a group of heterogeneous communities whose current conditions and future prospects differ greatly; and 3) coalitions can be forged in any region between previously thought unlikely

[10] Anthony Downs, in *New Visions* repeatedly outlines the necessity of sweeping metropolitan reform and then dismisses the possibility of political success because of the monolithic opposition of the suburbs.

[11] MARC projects either completed or in process include: Atlanta, Baltimore, Central Valley of California, Chicago, Denver, Detroit, Grand Rapids, Houston, Los Angeles, Milwaukee, Minneapolis-St. Paul, Philadelphia, Phoenix, Pittsburgh, Portland, Saginaw, San Diego, San Francisco Bay Area, Seattle, South Florida (Miami), and Washington, D.C.

partners—elected officials of the central city and suburban communities of a region—to support and implement regional reforms in the best interests of all the citizens of the region.

"St. Louis Metropolitics," then, reports on regional social, economic, and growth trends in the St. Louis area and outlines policy strategies for regional reform.[12] Its purpose is threefold: 1) to identify and document social and economic separation and sprawl in the St. Louis region; 2) to identify like communities within the St. Louis region, particularly communities with low real estate property and sales tax capacity; and 3) to introduce policy strategies for addressing the problem of regional polarization. It is MARC's hope that the results of this study will help to further the processes of metropolitan reform in the St. Louis region. Through an analysis of the progressive and negative effects of metropolitan polarization and sprawl on people and communities, this study will provide evidence regarding the necessity of reform for elected officials as well as for the traditional advocates of land use, housing, fiscal and governmental reform.

Those who should read this report include people working to respond to poverty in central city neighborhoods and other declining places in the region, advocates for smart growth and the environment, and especially, state legislators and elected officials who represent cities and counties. Cities and counties are political units with land-use planning powers and are the true units of regional competition or cooperation. Land-use planning powers—interacting with competition for valuable tax resources, local citizen preferences, regional and local infrastructure policy, and racial discrimination—shape the region's future. Cities and counties are also the centers of real political power which will facilitate or impede metropolitan reform. Because these elected officials are an important audience for this report, much of the data in Sections III and IV are presented at the municipality and county level. Those who make decisions for municipalities and other units of government—mayors, county commissioners, council members, state legislators—often do not have adequate data upon which to base their decisions. They generally have a sense of what is happening within their jurisdiction, but often do not have adequate information concerning how regional trends and the behavior of other units of government are likely to shape their future. Moreover, elected officials are often not aware of the number of other communities that are facing similar challenges.

"St. Louis Metropolitics" begins with a general discussion in Section II of the detrimental effects of concentrating a region's poor in abandoned neighborhoods of the central city and inner suburbs and the costs of wasteful development patterns. Section III presents the results of MARC's analysis to identify like communities—or subregions—within the St. Louis area. Section IV documents regional polarization in the area by simply presenting, through the use of color maps, social and economic data for all of the communities in the region and giving summary statistics, where possible, for each of the identified subregions. Finally, in Section V, the report briefly discusses policy strategies for regional reform and in Section VI explores tax-base sharing in greater detail.

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[12] The St. Louis region is defined in this study as the six Missouri counties of the St. Louis Metropolitan Statistical Area (MSA) designated by the Federal Office of Management and Budget: Franklin, Jefferson, Lincoln, St. Charles, St. Louis, and Warren Counties, and the city of St. Louis. The study area was determined by the project's sponsor, Metropolitan Congregations United for St. Louis.

II. Problems Associated with Regional Polarization and Sprawl

A. Concentrated Poverty

In the central cities of most major U.S. metropolitan areas, there is a subset of distressed census tracts with more than 40 percent of their population below the federal poverty line. According to sociologists, such neighborhoods are extreme poverty tracts or ghettos.[13] Surrounding these severely distressed neighborhoods are transitional neighborhoods with 20 to 40 percent of their population in poverty.[14] According to Paul Jargowsky, between 1970 and 1990 the national poverty rate declined from 13.6 to 12.8 percent and the metropolitan poverty rate barely increased, moving from 10.9 to 11.8 percent. However, despite large increases in social spending and the gross national product, the population of high poverty areas doubled and their geographic size expanded faster than their population increased.

In the 1970s, extreme poverty tracts and transitional neighborhoods exploded in size and population in the large cities of the Northeast and Midwest. During the 1970s, New York City's ghetto, the nation's largest, increased from 70 census tracts to 311.[15] During the 1980s, ghettoization rapidly increased in Chicago, Detroit, and many of the secondary cities of the Northeast and Midwest.[16] In 1980, 48 percent of Detroit's census tracts had at least 20 percent of the residents in poverty; by 1990, 75 percent of its tracts did.[17] In Midwestern cities as a whole, the number of ghettoized tracts doubled in the 1980s.[18] Throughout these two decades, the concentration of poverty grew at a much faster pace than poverty itself. Poverty rates in U.S. metropolitan areas remained stable, increasing by only 0.9 percentage points, yet persons in poverty living in high-poverty areas almost doubled in this period – increasing by 98.0 percent. [19]

The expansion of extreme and transitional poverty tracts is not just confined to these large urban centers of the Northeast and Midwest. MARC have found that these trends, while more severe in some cities than in others, are present and worsening in all of the regions MARC has studied thus far. Furthermore, as the number and population of poverty tracts has grown in most metropolitan areas, they have spilled beyond the central city borders into older, inner-ring

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13 See Paul A. Jargowsky and Mary Jo Bane, "Ghetto Poverty in the United States, 1970 to 1980," in Christopher Jencks and Paul E. Peterson (eds.), *The Urban Underclass* (Washington, DC: The Brookings Institution), 235-273; John D. Kasarda, "Inner-City Concentrated Poverty and Neighborhood Distress: 1970 to 1990," *Housing Policy Debate* 4, no. 3, 253-302.

14 Ibid.

15 Kasarda, "Concentrated Poverty," 261.

16 Kasarda, "Concentrated Poverty"; Paul A. Jargowsky, "Ghetto Poverty Among Blacks," *Journal of Policy Analysis and Management* 13, no. 2 (1994): 288-310.

17 Kasarda, "Concentrated Poverty," 261.

18 Ibid., 260.

19 Paul A. Jargowsky, *Poverty and Place*.

suburbs. Between 1980 and 1990, while the three central cities of the South Florida region (Miami, Fort Lauderdale, and West Palm Beach) combined went from 13 to 27 extreme poverty tracts and from 33 to 40 transitional tracts, their inner suburbs went from 5 to 8 extreme poverty tracts and from 18 to 49 transitional tracts. Similarly, as the city of Baltimore lost poverty tracts between 1980 and 1990—going from 36 to 35 extreme poverty tracts and from 69 to 63 transitional tracts, its inner suburbs gained poverty tracts—going from zero to two extreme poverty tracts and from one to two transitional tracts. The Portland, Oregon region, which went from 3 to 10 extreme poverty tracts and from 18 to 28 transitional poverty tracts during the 1980's (all located in the central city), gained its first two suburban poverty tracts during that period.

Stimulated by William Julius Wilson's book, *The Truly Disadvantaged*, scholars in the late 1980s began actively studying the effects of concentrated poverty in metropolitan areas. Their research confirms that concentrated poverty multiplies the severity of problems faced by both communities and poor individuals.[20] As neighborhoods become dominated by joblessness, racial segregation, and single-parentage, they become isolated from middle-class society and the private economy.[21] Individuals, particularly children, are deprived of local successful role models and connections to opportunity outside the neighborhood.

Studies have found that poor individuals living in concentrated poverty are far more likely to become pregnant as teenagers,[22] drop out of high school,[23] and remain jobless[24] than if

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[20] William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (Chicago: University of Chicago Press, 1987); Douglas S. Massey and Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge: Harvard University Press, 1993); Christopher Jencks and Paul Peterson eds., *The Urban Underclass* (Washington, D.C.: Brookings Institution, 1991); Nicholas Lemann, *The Promised Land: The Great Black Migration and How it Changed America* (New York: Alfred A Knopf, 1991); Nicholas Lemann, "The Origins of the Underclass," *The Atlantic Monthly* 257 (1986): 31-55; Hope Melton, "Ghettos of the Nineties: The Consequences of Concentrated Poverty," (St. Paul Department of Planning and Economic Development, November 10, 1993).

[21] See generally George C. Galster, "A Cumulative Causation Model of the Underclass: Implications for Urban Economic Policy Development," in *The Metropolis in Black and White: Place, Power and Polarization*, eds. George Galster and Edward Hill (New Brunswick, NJ: Center for Urban Policy Research, 1992).

[22] Jonathan Crane, "The Effects of Neighborhoods on Dropping Out of School and Teenage Childbearing," in *The Urban Underclass*, eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991), 299-320; Susan E. Mayer, "How Much Does a High School's Racial and Socioeconomic Mix Affect Graduation and Teenage Fertility Rates?" in *The Urban Underclass*, 321-41; Massey and Denton, *American Apartheid* 169-70; Dennis P. Hogan and Evelyn Kitagawa, "The Impact of Social Status, Family Structure, and Neighborhood on the Fertility of Black Adolescents," *American Journal of Sociology* 90, no. 4 (1985): 825-55; Frank F. Furstenburg, Jr., S. Philip Morgan, Kristen A. Moore, and James Peterson, "Race Differences in the Timing of Adolescent Intercourse," *American Sociological Review* 52 (1987): 511-18; Elijah Anderson, "Neighborhood Effects on Teenage Pregnancy," in *The Urban Underclass*, 375-98; Sara McLanahan and Irwin Garfinkel, "Single Mothers, the Underclass, and Social Policy," *The Annals of the American Academy of Political and Social Science* 501 (1989): 92.

[23] Crane, "The Effects of Neighborhoods," 274-320; Mayer, "Graduation and Teenage Fertility Rates," 321-41; Massey and Denton, *American Apartheid*, 169-70.

[24] Massey and Denton, *American Apartheid*, 180-82.

they lived in socioeconomically mixed neighborhoods. These types of outcome dramatically diminish the quality of life and opportunity. Similarly, the concentration of poverty and its attendant social isolation leads to the development of speech patterns increasingly distinct from mainstream English.[25] These speech differences make education, job search, and general interaction with mainstream society difficult.[26]

The effects of concentrated poverty can also be seen by comparing the experience of the poor living in concentrated poverty to that of poor individuals living in mixed-income communities. At least one large social experiment demonstrates that when poor individuals are freed from poor neighborhoods and provided with opportunities, their lives can change quite dramatically. Under a 1976 court order in the case of *Hills v. Gautreaux*,[27] thousands of single-parent black families living in Chicago public housing have been provided housing opportunities in predominantly white middle-class suburbs. Under the consent decree in a fair housing lawsuit originally brought in 1966, more than 5,000 low-income households have been given housing opportunities in the Chicago area. By random assignment more than half of these households moved to affluent suburbs that were more than 96 percent white, while the other participants moved to neighborhoods that were poor and more than 90 percent black. The pool of *Gautreaux* families thus provides a strong sample to study the effects of suburban housing opportunities on very poor city residents.

James Rosenbaum and colleagues from Northwestern University have intensively studied the *Gautreaux* families.[28] His research established that the low-income women who moved to

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[25] John Baugh, *Black Street Speech: Its History, Structure and Survival* (Austin: University of Texas Press, 1983): 11-22; William Labov, *Language in the Inner City: Studies in the Black English Vernacular* (Philadelphia: University of Pennsylvania Press, 1972); Id., "The Logic of Nonstandard English" in *Black American English: Its Background and its Usage in the Schools and in Literature*, ed. Paul Stroller (New York: Dell Publishing Company, 1975); William Labov and Wendell Harris, "De Facto Segregation of Black and White Vernaculars," in *Diversity and Diachrony*, ed. David Sankoff, Current Issues in Linguistic Theory Series, vol. 53 (Philadelphia: Benjamins, 1986), 1-24; William Labov, *Locating Language in Space and Time* (New York: Academic Press, 1980).

[26] Joleen Kirschmen and Kathryn M. Neckerman, "'We'd Love to Hire Them, But...': The Meaning of Race for Employers" in *The Urban Underclass*, eds. C. Jenks and P. Peterson (Washington, D.C.: Brookings Institution, 1991): 203-32; Roger Shuy, "Teacher Training and Urban Language Problems," in *Black American English: Its Background and Its Usage in the Schools and in Literature*, ed. Paul Stoller (New York: Dell Publishing Company, 1975): 168-85.

[27] *Hills v Gautreaux*, 425 US 284 (1976).

[28] James Rosenbaum and Susan Popkin, "Employment and Earnings of Low-Income Blacks Who Move to Middle-Class Suburbs," in *The Urban Underclass* eds. C. Jencks and P. Peterson (Washington, D.C.: Brookings Institution, 1991); Rosenbaum, Popkin, Kaufman, and Rustin, "Social Integration of Low-Income Black Adults in Middle-Class White Suburbs," *Social Problems* 38, no. 4 (1991): 448-61; James E. Rosenbaum, Marilyn J. Kulieke, and Leonard S. Rubinowitz, "White Suburban Schools' Responses to Low-Income Black Children: Sources of Successes and Problems," *The Urban Review* 20, no. 1 (1988): 28-41; James E. Rosenbaum and Susan Popkin, "Black Pioneers: Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children?" *Housing Policy Debate* 2, no. 4 (1991): 1179-1213; James E. Rosenbaum and Julie Kaufman, "Educational and Occupational Achievements of Low Income Black Youth in White Suburbs" (paper presented at the annual meeting of the American Sociological Association, Cincinnati, Oh., 18 October 1991).

the suburbs "clearly experienced improved employment and earnings, even though the program provided no job training or placement services."[29] Very rapidly after the moves, the suburbanites were about 15 percent more likely to be employed.[30] Rosenbaum found that the children of the suburban movers dropped out of high school less frequently than the city movers (5 percent vs. 20 percent).[31] Second, they maintained similar grades despite higher standards in suburban schools. Third, the children who moved to the suburbs were significantly more likely to be on a college track (40.3 percent vs. 23.5 percent[32]) and went to college at a rate of 54 percent, compared with 21 percent who stayed in the city.[33] In terms of employment, 75 percent of the suburban youth had jobs compared to 41 percent in the city.[34] Moreover, the suburban youth had a significant advantage in job pay and were more likely to have a prestigious job with benefits.[35] Finally, 90 percent of the suburban youth were either working or in school compared with 74 percent of the city youth.[36]

As poverty concentrates in central cities and inner communities and social disorganization increases, crime grows, and waves of middle-class flight, business disinvestment, and declining property values surrounding those places intensify. As the middle class leave, there are fewer customers for local retailers and the value of local housing declines precipitously. In the poorest metropolitan neighborhoods, basic private services, even grocery stores, disappear.[37] Social needs and hence property taxes begin to accelerate on a declining base of values. These cities become pressed to provide more with less. Often they must choose between increasing tax rates or providing fewer services of poorer quality, thereby further burdening poor residents and

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29 Rosenbaum and Popkin, "Employment and Earnings."

30 Ibid.

31 Rosenbaum and Kaufman, "Educational and Occupational Achievements," 4.

32 Ibid., 5.

33 Ibid., 5-6.

34 Ibid., 6-7.

35 Ibid.

36 Ibid. The acceptance of these poor black families in affluent, predominantly white suburbs was not painless or immediate. At the outset, about 52 percent of the suburban movers reported incidence of racial harassment, compared to 23 percent in the city. However, the incidence of harassment rapidly decreased over time. Interestingly, both the suburban and city movers reported similar amounts of neighbor assistance and support (24.8 percent suburban v. 25.0 percent city) and essentially no difference in terms of their degree of contact with neighbors. When asked, the suburban movers were actually slightly more likely to have friends in their new neighborhoods than the city movers did. In terms of interracial friendships, the suburban movers had more than two times the number of white friends that the city movers had and slightly fewer black friends. Further, over time, the degree of integration continued for suburban movers, and re-segregation did not occur.

37 Gary Orfield, "Ghettoization and Its Alternatives," in ed. Paul Peterson, *The New Urban Reality* (Washington, D.C.: Brookings Institution, 1985): 163.

further alienating any remaining middle-class residents.[38] As local property taxes become highest and the quality of services declines in the least desirable parts of the region, the flight of the middle class and the private economy accelerates. Larger industrial and service businesses are disadvantaged by high taxes, deteriorating public infrastructure, crime, loss of property value, lack of room for expansion or parking, lack of rapid access to radial highways, and the cost of remediation of polluted land.[39] In addition, urban employers increasingly believe that the work force in distressed and ghetto neighborhoods is unsuitable.

At the same time, the zoning policies of many jurisdictions help to ensure that the region's poorest residents remain in poor neighborhoods of the central city and inner suburbs. By requiring low maximum building densities, the zoning codes of many jurisdictions allow for little or no multi-family housing. These codes also include requirements for single-family housing such as large minimum lot sizes, two car garages, and high minimum square footage. Such requirements raise the cost of development, effectively excluding poor (or even middle-class) persons.

In the clearest sense, the increase of property wealth in affluent suburbs and the stagnation of decline of central city and inner-suburban communities values represents, in part, an interregional transfer of tax base. As such, the loss of value and increased fiscal stress in older, poorer communities is a cost of regional polarization and urban sprawl.

In the end, the lack of a social mortar necessary to hold neighborhoods together and build communities makes community development in concentrated poverty neighborhoods difficult. Programs geared at job training or creation must struggle to incorporate the diversity of human resources and experiences of a social group that has been isolated from the functioning economy and jobs, from adequate nutrition and schools that succeed, and from a supportive and economically stable family structure. To the extent such programs succeed, individuals—even if they are employed in the neighborhood—often move to less poor areas.[40] Physical rehabilitation programs, while they improve the quality of shelter and neighborhood appearance, do little to attack the underlying "tangle of pathology"[41] associated with concentrated poverty.

In terms of business development, areas of concentrated poverty have great difficulty competing with developing suburbs that offer middle-class customers, low taxes, low crime

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[38] George Sternlieb and Robert W. Burchell, *Residential Abandonment: The Tenement Landlord Revisited.* (New Brunswick: Center of Urban Policy Research, Rutgers University, 1977), cited in: Robert W. Burchell, et. al., *Costs of Sprawl Revisited: The Evidence of Sprawl's Negative and Positive Impacts.* (Transportation Research Board, National Research Council).

[39] John D. Kasarda, "Urban Change and Minority Opportunities," in *The New Urban Reality*, ed. P. Peterson (Washington, D.C.: Brookings Institution, 1985): 33-68; John D. Kasarda, "Urban Industrial Transition and the Underclass," *The Annals of the American Academy of Political and Social Science* 501 (1989): 26-47.

[40] Nicholas Lemann, "The Myth of Community Development," *The New York Times Sunday Magazine* (2 January 1994); Ibid., "The Promised Land," 109-222; Rusk, *Cities Without Suburbs*, 44-47.

[41] See Wilson, *The Truly Disadvantaged,* 21.

rates, increasing values, room for expansion and parking, new highways, and few contaminated industrial sites. Thus, it is not surprising that even when enormous financial resources have been devoted to enterprise zones or inner-city tax abatements, it has been very difficult to stimulate viable business opportunities that employ poor residents.[42]

David Rusk recently studied the effects of several of the largest and most successful inner-city focused, antipoverty initiatives in the country.[43] In virtually all of these areas of massive inner-city investment, family and individual poverty rates substantially increased and moved further from metropolitan norms, the median household income declined and moved further away from the metro average, and the communities grew more segregated.

In response, it is possible that efforts that target poor inner-city neighborhoods have made these communities better than they might otherwise have been; it is impossible to know how they would have fared without such intense investment. Moreover, Rusk's analysis does not reflect individuals who have been empowered by such programs and have left poor neighborhoods. It is also true that these programs have often represented the only available response to concentrated poverty. However, in the end, Rusk's study does indicate that central-city, antipoverty efforts alone are woefully inadequate in the face of the enormous force of metropolitan polarization.

Proposed solutions to the problem of concentrations of poverty differ widely in approach. The debate most central to this report focuses on the relative value of creating housing opportunities throughout the region for low-income working and poor people versus investing in the communities in which they now live. It is clear that both strategies are necessary. It is fundamentally important for low-income people to have access to high quality education, good jobs, services, loans, and other amenities a mixed-income community provides, and for low-income families to be able to choose where they want to live based on a wide variety of factors. A metropolitan development agenda should address barriers to low-income people, particularly people of color, moving closer to suburban jobs and schools located in the affluent communities

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[42] See generally Roy E. Green, ed., *Enterprise Zones: New Directions in Economic Development* (Newbury Park, CA: Sage Publications, 1991); Thomas Donlan, "Danger Zones: The Required Ingredient in an Enterprise Zone is Enterprise," *Barron's* (22 June 1992): 10; Glenda Glover and J. Paul Brownridge, "Enterprise Zones as an Instrument of Urban Policy: A Review of the Zones in South Central Los Angeles," *Government Finance Review* (June 1993): 15-17; Neal Peirce, "Enterprise Zones - No Great Shakes," *National Journal* (17 July 1993): 1828; Elizabeth Larson, "Network News: Enterprise Zones Ignore the Importance of Social Networks," *Reason* (April 1994): 17; Richard Pomp, Sandra Kanter, Kenneth Simonson, and Roger Vaughan, "Can Tax Policy be Used to Stimulate Economic Development?" *The American University Law Review* 29 no. 207 (1979-80): 207-33; Paul Kantor and H. V. Savitch, "Can Politicians Bargain with Business: A Theoretical and Comparative Perspective on Urban Development," *Urban Affairs Quarterly* 29 no. 2 (1993): 230-255; Elizabeth Gunn, "The Growth of Enterprise Zones: A Policy Transformation," *Policy Studies Journal* 21 no. 3 (1993): 432-49; Otto Hetzel, "Some Historical Lessons for Implementing the Clinton Administration's Empowerment Zones and Enterprise Community Programs: Experiences from the Model Cities Program," *The Urban Lawyer* 26 no. 1 (1994): 63-81; Jeffrey Katz "Enterprise Zones Struggle To Make Their Mark," *CQ* (17 July 1993): 1880-83; Timothy Bartik, *Who Benefits From State and Local Economic Development Policies?* (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 1991): 17-62; Laura McClure, "Enterprise Zones Have Negligible History of Success," *National Catholic Reporter* (13 November 1992); Glenda Glover, "Enterprise Zones: Incentives are Not Attracting Minority Firms," *The Review of Black Political Economy* (Summer 1993): 73-99.

[43] David Rusk, *Inside Game/Outside Game* (Washington, D.C.: Brookings Institution, 1999).

of the region and, at the same time, the revitalization of existing low-income neighborhoods in ways that benefit (rather than simply displace) the incumbent residents. In the end, the goal of regional reform is to create thriving, mixed-income neighborhoods in *all* communities of the region.

B. Racial Segregation

A majority of those who live in concentrated poverty areas are black and Hispanic (77 percent in 1990), greatly disproportionate to the general population of the United States (20.5 percent in 1990).[44] MARC has found that this is as true in regions with a small minority population as it is in regions with a large minority population. Nationwide, in 1990 there were almost as many poor white persons in the country's metropolitan areas as blacks and Hispanics combined (10.8 million poor whites, 6.9 million poor blacks, and 4.8 million poor Hispanics). Yet three-quarters of these poor whites lived in middle-class neighborhoods (mostly suburban), while three-quarters of poor blacks and one half of poor Hispanics lived in transitional or extreme poverty neighborhoods.[45] Jargowsky found that the number of African Americans living in high poverty neighborhoods climbed from 2.4 million to 4.2 million between 1970 and 1990 and that the number of Hispanics living in high poverty neighborhoods increased from 729,000 to 2.0 million during this period.[46]

Despite the fact that poor members of minority groups continue to be far more likely to live in concentrated poverty than are poor whites, the discussion of racial segregation has long left the nation's political radar screen—the discussion of social separation never really got there. There appears to be a broadly shared illusion that after a period of substantial civil rights reform in the 1960's, the problem of segregation has largely been solved. This clearly is not the case. Raising public awareness about regional socioeconomic polarization also means renewing the discussion of race and segregation.

The segregation of blacks in American cities and metropolitan areas is unique in its intensity and longevity. Comparing black residential segregation to the segregation of ethnic European immigrants in this century (*e.g.*, Italians, Poles, Jews), black segregation has steadily increased for most of this century (only recently declining slightly) while European ethnics integrated into mainstream society very soon after arriving. The highest level of spatial isolation ever measured for European ethnic groups was experienced by Milwaukee's Italians in 1910; their level of segregation reached an index of 56, where 100 equals total segregation.[47]

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[44] Paul A. Jargowsky, *Poverty and Place: Ghettos, Barrios, and the American City*, (New York: Russell Sage Foundation, 1997).

[45] David Rusk, *Inside Game Outside Game: Winning Strategies for Saving Urban America* (Washington, D.C.: Brookings Institution Press, 1999).

[46] Paul A. Jargowsky and Mary Jo Bane, "Ghetto Poverty in the United States, 1970 to 1980".

[47] Stanley Lieberson, *A Piece of the Pie: Blacks and White Immigrants since 1880* (Berkeley: University of California Press, 1980), cited in Massey and Denton, *American Apartheid*.

Using racial and ethnic data for city ward populations, this index was developed by computing the percentage of a given racial or ethnic population living in the ward of the average citizen of that racial or ethnic

Thereafter, the degree of isolation for all European ethnic groups fell steadily as children and grandchildren moved out of poverty and into mainstream society.[48]

Yet for blacks—poor or not—the opposite is true. In 1910 the average isolation index for blacks was 9.7, but by 1970 it had climbed to 73.5 in northern cities and 76.4 in southern cities.[49] Further, in 1980, Douglas Massey and Nancy Denton found that a rise in socioeconomic status for some blacks had virtually no affect on their level of segregation: black segregation was almost as high for affluent and middle-class blacks as it was for poor blacks, and was higher than for any other racial group, regardless of income. For example, in the Los Angeles metropolitan area, affluent blacks were more segregated than poor Hispanics (indices of 78.9 and 64, respectively), and in the San Francisco-Oakland region, affluent blacks were more segregated than poor Asians (indices of 72.1 and 64 respectively).[50]

Massey and Denton also found that average black isolation in U.S. metropolitan areas was ten times higher than for Asians, and while Hispanics are more segregated than Asians, blacks are still 2.5 times more isolated than Hispanics.[51]

The level of black isolation has dropped slightly since 1970, but still remains higher than the highest level ever reached by any other group. Using another measure of segregation (the Taeuber index), Massey and Denton show that the average index of black segregation in 1970 in northern metropolitan areas was 84.5 and in southern areas, 75.3. In 1990, this segregation index measured blacks at 77.8 in the north and 66.5 in the south.[52]

Discriminatory housing practices are a significant contributing factor to racial segregation in metropolitan regions. In his book *Closed Doors, Opportunities Lost,* John Yinger analyzed discrimination against blacks and Hispanics in the housing market. In studies as recent as 1991

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group. This average, or *isolation index,* measures the extent to which a group lives in neighborhoods that are primarily of their race or ethnicity. For example, a value of 50 percent for blacks means that blacks are equally likely to have whites and blacks as neighbors; a value of 100 percent means that blacks live in totally black areas.

[48] Massey and Denton, *American Apartheid*.

[49] Lieberson, *A Piece of the Pie;* Massey and Denton, *American Apartheid.*

[50] Douglas S. Massey and Nancy A. Denton, "Trends in the Residential Segregation of Blacks, Hispanics, and Asians: 1970 and 1980," *American Sociological Review* 52 (1987): 815-16; cited in Massey and Denton, *American Apartheid*.

[51] Douglas S. Massey and Nancy A. Denton Trends in the Residential Segregation of Blacks, Hispanics, and Asians: 1970 and 1980".

U.S. metropolitan areas refers here to the 50 largest Standard Metropolitan Statistical Areas.

[52] Ibid.; and Roderick J. Harrison and Daniel H. Weinberg, "Racial and Ethnic Segregation in 1990," presented at the annual meetings of the Population Association of America, April 20–May 2, 1992, Denver, CO; cited in Massey and Denton, *American Apartheid*.

These indices of racial segregation measure the relative percentage of blacks who would have to move their place of residence to a different census tract in order to achieve an integrated, *i.e.* even racial residential pattern.

and 1993, he found that discrimination takes place at every point of the home-buying (or renting) process, from the time a black or Hispanic calls a real estate agent to the time he is denied a mortgage. Examples of housing market discrimination include: a real estate agent indicating that an advertised unit is sold, when it is not; an agent showing only the advertised unit and no others; a lender denying a mortgage to a minority person when he would give the same mortgage to a white person; or an agent *steering* his customers—be they whites, minorities, rich or poor—to neighborhoods dominated by their race.[53] All told, Yinger calculates that a black person has a 60 percent chance of being discriminated against when he seeks to buy a home and visits one real estate agent; this increases to 90 percent when he visits three agents. Yinger found that housing discrimination was more prominent against blacks than Hispanics, but still significant for Hispanics as well.

C. Fiscal Stress and High Development Costs on the Region's Fringe

Not only does regional polarization negatively impact the central city and other inner communities of a region, it also creates serious problems on the region's fringe—both for the communities that are developing there and for the natural environment.

As social and economic decline moves outward from the region's core, tides of middle-class families—often young families with children—sweep into fringe communities where local governments compete for limited tax base to cover their growing infrastructure costs. Different types of land uses require different levels of public services (*e.g.*, schools, sewer and water treatment, roads, social services) and generate varying levels of tax revenue for a city. Understandably, from a local government standpoint, those uses that generate the most tax revenue and cost the least in terms of public services are the most desirable. Generally, non-residential uses are more profitable than residential uses with variable levels of return within each of these categories.[54] As the most profitable uses leave the compact confines of the central city, they become diluted in the vast expanse of the suburbs; there simply are not enough office parks for every community to have one. Usually, only the wealthiest cities are able to attract the types of development that provide the most tax base and require the fewest city resources.[55]

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53 John Yinger, *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination* (New York: Russell Sage Foundation, 1995).

54 Typically the least profitable use are mobile home parks and the most profitable are research office parks, with garden apartments, inexpensive single-family homes, 3-4 bedroom townhomes, expensive single-family homes, 2-3 bedroom townhomes, retail facilities, open space, garden condominiums, age-restricted housing, 1 bedroom/studio high-rise apartments, industrial development, and office parks in between (moving from least to most desirable). In a very simple analysis, the break even point for school districts is somewhere between 3-4 bedroom townhomes and expensive single-family homes and the break-even point for municipalities is about at open space.

From Robert W. Burchell, "Fiscal Impact Analysis: State of the Art and State of the Practice," in Susan G. Robinson, ed. *Financing Growth: Who Benefits? Who Pays? And How Much?* (Government Finance Officers Association, 1990).

55 Burchell, et. al., *Costs of Sprawl Revisited*.

Other cities are left with miles of townhomes and strip malls that don't pay the cost of the schools, sewer lines, and other infrastructure the new residents require.

It costs more to provide infrastructure—such as sewer service and adequate roads—to low density sprawling communities after the houses are built, than it does to provide such infrastructure to well planned, walkable neighborhoods before they are developed. Recent studies have found that public infrastructure costs for compact, planned development were 75 to 95 percent of the cost for unplanned, sprawl-type development.[56] Similarly, these studies found higher aggregate land costs under sprawl-type development than under compact, planned development.[57] This is because more people occupy less land under the former scenario than the latter.

Finally, development that utilizes existing capacity costs regions less over time than does new development. For example, in a study comparing potential costs that would be incurred and revenues that would be generated under low-density, sprawl-type development versus compact, planned development in the state of New Jersey, Robert Burchell found that directing population and job growth to already developed areas and using existing infrastructure, would save municipalities $112 million annually and school districts $286 million annually in maintenance costs and debt service.[58]

D. Environmental and Transportation Impacts

The vast supply of developmental infrastructure put into communities on the region's fringe—many of which are restrictively zoned, allowing little affordable housing—creates land-use patterns that are low density, economically inefficient, and environmentally harmful. Growing communities that face tremendous service and infrastructure needs (as described above) offer development incentives and zone in ways that allow them to capture the most tax base.[59] In so doing, they lock the region into low-density development patterns that needlessly destroy tens

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[56] James E. Frank, *The Costs of Alternative Development Patterns: A Review of the Literature* (1989); James E. Duncan, et. al, *The Search for Efficient Urban Growth Patterns* (1989); Robert W. Burchell, *Impact Assessment of the New Jersey Interim State Development and Redevelopment Plan* (1992); Robert W. Burchell, *Fiscal Impacts of Alternative Land Development Patterns in Michigan: The Costs of Current Development Versus Compact Growth* (1997); Robert W. Burchell, *South Carolina Infrastructure Study: Projection of Statewide Infrastructure Costs 1995-2015* (1997); Robert W. Burchell and David Listokin, *Land, Infrastructure, Housing Costs, and Fiscal Impacts Associated with Growth: The Literature on the Impacts of Traditional versus Managed Growth* (1995); cited in Burchell, et. al., *Costs of Sprawl Revisited*.

[57] Burchell, *Impact Assessment of the New Jersey Interim State Development and Redevelopment Plan*; Burchell, *Fiscal Impacts of Alternative Land Development Patterns in Michigan*; Burchell, *South Carolina Infrastructure Study*; John D. Landis, "Imagining Land Use Futures: Applying the California Urban Futures Model", *Journal of the American Planning Association*, 61, 4 (Autumn): 438-457 (1995); cited in: Robert W. Burchell, et. al., *Costs of Sprawl Revisited*.

[58] Burchell, *Impact Assessment of the New Jersey Interim State Development and Redevelopment Plan*.

[59] D. Winsor, *Fiscal Zoning in Suburban Communities* (1979); B. Rolleston, "Determinants of Restrictive Suburban Zoning: An Empirical Analysis," *Journal of Urban Economics* 21 (1987): 1-21; M. Wasylenko, "Evidence of Fiscal Differentials and Intrametropolitan Firm Relocation," *Land Economics* 56 (1980): 339-56.

of thousands of acres of forest and farmland, destabilize environmentally sensitive areas, and greatly increase vehicle miles traveled and number the number of automobile trips made.

In *Costs of Sprawl Revisited,* Robert Burchell and colleagues synthesized approximately 500 studies that measured the costs of sprawl. They found broad agreement in the studies that sprawl development as opposed to compact development generates more miles of vehicle travel and more automobile trips (and fewer trips using other modes of transportation).[60] These transportation-related impacts are caused by lower levels of density and more segregated land uses. In communities developing on the region's fringe, the places where people live, work, play, go to school, and shop are spread over a much greater land area and are rarely integrated, essentially requiring travel by car and requiring many miles of such travel. Ultimately this can mean increased air and water pollution, noise, parking costs, and accident costs. When homes, shops, and workplaces are clustered together, as under higher-density, planned forms of development, fewer trips by automobile are necessary as some trips can be combined, and other modes of travel become more efficient and feasible, such as transit, walking, and bicycling.

Burchell also found broad agreement in the studies that more agricultural and fragile lands are lost under sprawl development than under compact, planned development. In essence, the studies found this to be so is because more of lands are needed for low density development on the edges of metropolitan regions. When land just beyond the developed area of a region becomes highly sought after, those who own it experience tremendous pressure to sell. Because land on the edge of the region is so valuable—both to the seller and to the city once it is developed—and because development there often lacks coordinated planning, it is likely that sensitive areas such as wetlands, flood plains, and steeply sloped and unstable coastal areas will be developed. As an example of this, one study estimates that 110 million acres of wetlands have been lost in the U.S. since colonial times, or 55 percent of originally documented wetlands.[61] When these fragile lands are developed and later fail, the damage—to people, homes, and communities—is often devastating and the financial costs exorbitant.

Probably the most intensive effort to protect agricultural and fragile lands in the United States from development has been the establishment of over 1,300 land trusts, some dating to the 1950s. However, while these efforts have been well-intentioned, they have been extremely costly and terribly ineffective in changing the nature of U.S. development patterns. In order to purchase potentially developable land from land owners, these trusts secure large amounts of money from public and private sources. As the land trusts occupy philanthropic and community energy and commitment (much like community development has occupied the field of urban poverty) trend-shaping action that systemically affects regional social separation and sprawling land-use patterns—goals that are more controversial and difficult to accomplish but yield more effective, long-term results—are almost entirely ignored.

Despite intense investment in land trusts by government agencies and foundations, sprawl development continues to consume more land on the edge of metropolitan regions each year than

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[60] Burchell, et. al., *Costs of Sprawl Revisited.*

[61] Thomas E. Dahl, *Wetlands Losses in the United States: 1780s - 1980s* (1990).

all of these land trusts have saved in twenty years.[62] According to the American Farmland Trust, only about 36,000 acres of farmland are saved from development each year by the fourteen largest state land trusts.[63] The Trust for Public Land, one of the largest land trusts in the nation, has protected nearly 40,000 acres of land per year since 1976 (both farmland and environmentally sensitive lands).[64] These numbers, while large, are not nearly enough to make up for the millions of acres of agricultural and fragile lands lost each year that could have been protected by legislation like the Oregon Land Use Act.

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[62] Henry R. Richmond, "Program Design: The American Land Institute". a report to the Steering Committee, American Land Institute, August 29, 1997.

[63] Trust for Public Land newsletter, September 22, 1996.

[64] Richmond, "A Land Use Policy Agenda for 21st Century America".

III. The Diversity of Metropolitan Areas

A. The Sectoral Development of American Metropolitan Areas

Students of American metropolitan housing markets, from Homer Hoyt through John Adams, have demonstrated that American metropolitan areas develop in socioeconomic sectors, or wedges, that reach out from central city neighborhoods deep into suburbia.[65] As cities come into being, neighborhoods segment along class lines in sectors surrounding a growing central business district: The working class settles within walking distance of industrial sites. The middle class forms neighborhoods "upwind (or at least not downwind)"[66] from heavy transport and manufacturing areas on sites close to white-collar, downtown jobs. The upper class settles in neighborhoods removed from the other two groups, often on land with attractive topographical features. Over time, these three distinct neighborhoods grow in pie-shaped wedges into the expanding city.

Historically, as these sectors filled out city boundaries, working-class neighborhoods extended into working-class first- and second-tier suburbs, middle-class neighborhoods into middle-class suburbs, and upper-class neighborhoods into upper-class suburbs. These patterns followed streetcar lines and radial access roads beyond the city into the first-tier suburbs.

Over time, these patterns have played out in the St. Louis region. Here, the poor have largely moved from the neighborhoods north of downtown (places like Carr Square, Old North St. Louis, Near North Riverfront, and Columbus Square), across the river to East St. Louis (outside our study area). Another poverty area, however, located in the northwest part of the central city around the I-70 corridor, has clearly followed that interstate out of the city into suburban Missouri communities just northwest of the city (into places like Northwoods, Normandy, Ferguson, Jennings, and Wellston). The middle class in the St. Louis region appear to have moved from the south central and southeast part of the city (from neighborhoods like Fox Park, Dutchtown, and Benton Park) southwest along I-55 to unincorporated communities southwest of the city (to places like Affton, Lemay, Concord, and Mehlville). At the same time, the affluent neighborhoods of the city's southwest side (Ellendale, Lindenwood Park, Clifton Heights) have spread west along I-44 and I-64 to places like Ladue, Town & Country, Sunset Hills, and Manchester.

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65 John S. Adams, "Housing Submarkets in an American Metropolis," in *Our Changing Cities*, ed. John Fraser, (Baltimore: Johns Hopkins University Press, 1991), 108-26; Homer Hoyt, *The Structure and Growth of Residential Neighborhoods in American Cities* (Washington D.C.: US Government Printing Office, 1939) reprinted in 1966 with analysis of the 1960 census data; Ronald F. Abler and John S. Adams, *A Comparative Atlas of America's Great Cities: Twenty Metropolitan Regions* (University of Minnesota Press: Association of American Geographers, 1976); John Adams, *Housing America in the 1980s* (New York: Russell Sage Foundation, 1987); John S. Adams, "The Sectoral Dynamic of Housing Markets within Midwestern Cities of the United States," in *The Geographic Evolution of the United States Urban System*, ed. John Adams.

66 Adams, "Sectoral Dynamic."

B. St. Louis Metropolitan Subregions

For purposes of this study, the St. Louis region consists of Franklin, Jefferson, Lincoln, St. Charles, St. Louis, and Warren Counties, and the City of St. Louis. In 1996 the estimated total population of this region was 1,948,523 and there were 148 incorporated places (cities, towns, and villages). We have divided all of the municipalities (excluding St. Louis) and unincorporated parts of the counties into four subregions of the St. Louis metropolitan area: 1) Low Capacity/Stressed; 2) Low Capacity; 3) High Capacity/Stressed; and 4) High Capacity (Figure 1). The jurisdictions were divided into these subregions based on their relative real estate property and sales tax capacities, and their relative percentage of non-Asian minority elementary students and percentage of students eligible for free and reduced-cost meals (see Appendix A for the data and calculations used to assign places to subregions).[67]

1. The Low Capacity/Stressed Subregion

The communities in the Low Capacity/Stressed subregion are distressed places that are fully developed and have experienced negative socioeconomic change since 1980 or are

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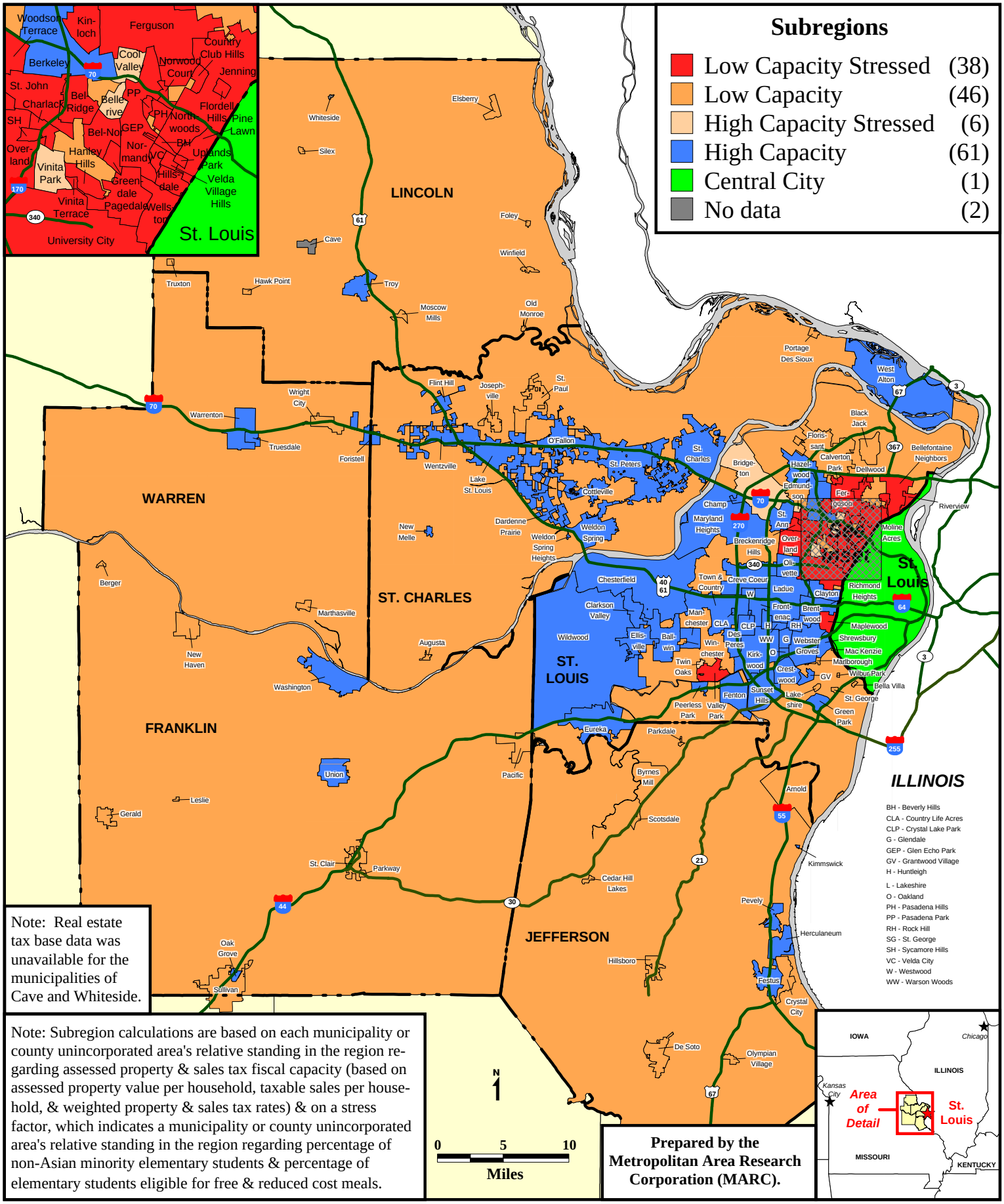
[67] First, a weighted regional property tax rate is calculated from the county property market values and property tax revenues. This rate is then applied to each jurisdiction's total real-estate property market value per household to determine its real-estate property tax capacity. Next, a weighted regional local sales tax rate is calculated from the county taxable sales values and sales tax revenues. This rate is then applied to each jurisdiction's taxable sales per household to determine its sales tax capacity. Each jurisdiction's two tax capacity figures are then summed together to produce a real-estate property and sales tax capacity figure. Each jurisdiction is then assigned a capacity score based on its value in relation to the regional value (above the regional value = High Capacity, below the regional value = Low Capacity). Next, for each jurisdiction, z-scores are determined for both of the stress factors (percentage of non-Asian minority elementary students and percentage of students eligible for free and reduced-cost meals). A z-score is the normalized deviation from the average. So, for example, a jurisdiction whose percentage non-Asian elementary students fell at exactly average for the region would have a non-Asian elementary students z-score of zero. The z-scores were multiplied by -1 resulting in a positive number for place with a below-average stress level and a negative number for place with an above-average stress level. Then, the two z-scores were averaged together to arrive at a combined stress score for the jurisdiction. Each jurisdiction is then assigned to one of the four subregion categories based on their stress and fiscal capacity scores.

1997 percentage of non-Asian minority elementary students and 1998 percentage of students eligible for free and reduced-cost meals data are from the Missouri Department of Elementary and Secondary Education; 1998 real-estate property assessed values are from the County Clerk's Offices of Crawford, Franklin, Jefferson, St. Charles, and Warren counties, the Assessor's Offices of Lincoln and Warren counties, and the City of St. Louis, the St. Louis County Collector's Office, and the City of Sullivan (these assessed values were used to determine market values which were used in the analysis); 1998 real-estate property tax revenues are from the State Tax Commission; 1998 taxable sales values and sales tax revenues are from the Missouri Department of Revenue; 1996 population estimates are from the cities of Green Park, Wildwood, West Alton, and the U.S. Bureau of the Census. The Census Bureau population estimates for 1996 take into account annexations that occurred prior to 1995, such as annexations to the cities of Ballwin, Chesterfield, Des Peres, Kirkwood, Manchester, Town & Country, Warrenton, and Washington. Annexations that occurred after January 1, 1995 are not reflected in this analysis. For further discussion of this see the "Fiscal Disparities" section.

Note that in this analysis we used only real-estate market values to determine property tax capacity. This is not *total* property tax capacity. In the state of Missouri, a city or county's property tax capacity also includes its personal property tax base. The personal property tax base was not included because, due to non-availability of some data we were unable to determine market values from assessed values as we did with real estate property.

Figure 1: Subregions



beginning to experience such change. In the St. Louis region they include University City, Overland, Ferguson, and many other cities located just northwest of the central city, as well as Valley Park located southwest of St. Louis, beyond the I-270 beltway. These jurisdictions are defined by a combination of low real estate property and sales tax capacity and high social needs. They often do not have sufficient social or economic resources to respond to growing social challenges. It is important to note that in older metropolitan areas of the country, as poverty and social instability crossed city/suburban lines or began to grow in older towns and cities overrun by urban sprawl, it actually began to accelerate and intensify. Many older transitioning suburbs on the south and west sides of Chicago and in communities such as Camden, New Jersey and Compton, California suffer much more severe segregation, deprivation, and intense levels of crime than the cities they adjoin.[68] Indeed, this is the case for the city of East St. Louis, Illinois. The many Low Capacity/Stressed communities of the St. Louis region face this same danger.

2. The Low Capacity Subregion

The communities of the Low Capacity subregion are places that have few local resources for schools and public services but whose social problems are not quite as severe as those of the Low Capacity/Stressed communities. In the St. Louis region, this subregion includes some inner suburbs, but also many outlying communities, as well as the unincorporated parts of each the six counties. The Low Capacity subregion includes older, fully-developed places as well as fast-growing, middle-income jurisdictions that are developing too quickly to accumulate the resources necessary to meet their high service and infrastructure needs. While these places do not presently have as deep social problems as those in the Low Capacity/Stressed subregion, they are often tomorrow's troubled places. As the narrative below indicates, many of these communities have experienced declining incomes, increasing female-headed households, increasing crime, increasing childhood poverty, and a declining tax base in recent years.

3. High Capacity/Stressed Subregion

The communities in the High Capacity/Stressed subregion are distressed places that have experienced negative socioeconomic change since 1980 or are beginning to, but have maintained a strong tax base, usually due to commercial/industrial development or big-box retail malls eschewed by the wealthier communities. In the St. Louis region there are six communities in this category. All but one are located northwest of the city, including Bridgeton and Vinita Park. These jurisdictions are experiencing the same increasing social needs as the Low Capacity/Stressed communities, but currently have a greater tax base to cope with these needs. Like the Low Capacity communities, these places are at high risk of becoming tomorrow's declining suburban places. As the narrative below indicates, many of these communities have also experienced declining incomes, increasing female-headed households, increasing crime, increasing childhood poverty, and a declining tax base in recent years.

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[68] Orfield and Monfort, "School Desegregation," 30; Rob Gurwitt, "Saving the Aging Suburb," *Governing* 6, no. 8 (1993): 36; Paul Glastris and Dorian Friedman, "A Tale of Two Suburbias," *US News and World Report* (9 November 1993): 32-36; Massey and Denton, *American Apartheid*, 67-74. See also Schools section below.

4. The High Capacity Subregion

The communities of the High Capacity subregion are the jurisdictions with the highest tax bases and the fewest social needs. In the St. Louis region they include almost all of the incorporated cities west of St. Louis between Highway 40/61 and I-44 and most of the incorporated cities in St. Charles County—places like Town & Country, Maryland Heights, St. Charles and Wildwood. These places are often recently developed communities, with wealthy residential subdivisions and modern office parks, but also include some older, established, wealthy suburbs. When people speak of "the suburbs", that monolith with common needs and resources that is so very different from the city, they are usually referring to these places, which, in the St. Louis region, actually represent only about a quarter of the total regional population.

IV. Demographic Findings

This section examines social, economic, and urbanization trends in the St. Louis metropolitan area to determine whether regional polarization and sprawl is occurring. These trends are illustrated using color-coded, GIS-generated maps, where, in most cases, the value for the region is at the break between the orange and blue categories.[69] Thus, on each map, orange and red jurisdictions are below average for the region and blue jurisdictions are above average. The patterns revealed through comparing these maps will help to identify local governments with common needs and resources in the St. Louis area.

The first few maps and tables illustrate social and economic trends in the region between the 1980 and 1990 census periods. These data show that during the 1980's poverty grew increasingly concentrated in St. Louis and its northwestern suburbs. Further, the greatest decreases in income and increases in childhood poverty were in the communities northwest of the central city—not in the city. The city of St. Louis did increase considerably in female-headed households during this period, however. By 1990 almost all of the northwestern suburbs and the central city were doing very poorly in terms of income, childhood poverty, and female-headed households. At the same time, despite some decrease in household income and increases in the two social factors, most of the incorporated cities west of St. Louis and in St. Charles County were doing much better than the regional average by 1990.

While poverty, childhood poverty, household income, and female-headed household data are not available for the region beyond 1990, other data indicate that the same trends have continued into the 1990's. The maps that follow the census data show that social need continues to be concentrated in St. Louis and its northwestern suburbs. In these same places, economic resources remain among the lowest in the region and continue to decline. Further, much of unincorporated St. Louis County is showing similar socioeconomic decline. At the same time,

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[69] The maps presented in this section were created using geographic information system (GIS) software. This software attaches data stored in a separate database to a geographic base map. The data source for each map is noted on the map. The break points for the data were determined using a method of natural breaks. With this method the data are split at places where a gap in the data naturally occurs. This method helps to insure that the places in a particular color category have values that are closer to each other than they are to the values for places in other categories.

the jurisdictions west of St. Louis and in St. Charles County—the places with the fewest social needs and most economic resources in 1990—are only getting better. In addition, regional resources are flowing to these areas, further improving the status of these places and furthering regional sprawl.

A. Concentrated Poverty

As discussed in Section II of this report, the effects of concentrated poverty are devastating—both to individuals and to communities. In the central city of St. Louis there is a subset of distressed census tracts with more than 40 percent of its population below the federal poverty line.[70] According to sociologists, such neighborhoods are extreme poverty tracts or ghettos.[71] Surrounding these severely distressed neighborhoods are transitional neighborhoods with 20 to 40 percent of their population in poverty.[72] During the 1980's the number of extreme and transitional poverty tracts in the St. Louis region increased considerably. In 1980 there were a total of fifteen extreme poverty tracts in the St. Louis region—tracts in which 40 percent or more of the residents lived in poverty (Figure 2).[73] All were located in the city of St. Louis. An additional forty-eight tracts in the region were transitional tracts in 1980—having between 20 and 40 percent of their population in poverty. Four of these tracts were located outside of St. Louis—in Wellston, Kinloch, and University City.

By 1990, nine extreme poverty tracts where added to the region for a total of twenty-four. Most of these tracts were still located in the central city, however, the tracts in Wellston and Kinloch that were transitional in 1980 had become extreme poverty tracts by 1990 (Figure 3).[74] The number of transitional tracts in the region increased by six between 1980 and 1990 to fifty-four, including two new transitional suburban tracts in Pagedale and in the Olivette/ Overland area.

Poverty Tracts, 1980

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70 In 1990 the poverty line for a single mother with a child was $8,420; for a family of three it was $10,560; for a family of four, $12,700. (Federal Register 1990, vol. 55, no. 33: 5665). While it could be argued that the Federal poverty line is a rather conservative measure of poverty, we use it here for reasons of data availability and to be able to compare poverty levels in this region to other metropolitan areas of the U.S. Another measure of poverty is student eligibility for the Federal Free and Reduced-cost Meal program—130% of the Federal poverty line for free lunches and 185% of the poverty line for reduced cost lunches. This measure will be used later in this study.

71 See Paul A. Jargowsky and Mary Jo Bane, "Ghetto Poverty in the United States, 1970 to 1980," in Christopher Jencks and Paul E. Peterson (eds.), *The Urban Underclass* (Washington, DC: The Brookings Institution, 1991), 235-273; John D. Kasarda, "Inner-City Concentrated Poverty and Neighborhood Distress: 1970 to 1990," *Housing Policy Debate* 4, no. 3: 253-302.

72 Ibid.

73 *Census of Population and Housing, 1980: Summary Tape File 3A*, [machine-readable data files] / prepared by the Bureau of the Census. –Washington: The Bureau [producer and distributor], 1981.

74 *Census of Population and Housing, 1990: Summary Tape File 3A*, CD ROM/ prepared by the Bureau of the Census. –Washington: The Bureau [producer and distributor], 1991.

	St. Louis	Suburbs	Total Region
Extreme (40%+)	**15**	**0**	**15**
Transitional (20-40%)	**44**	**4**	**48**

Poverty Tracts, 1990

	St. Louis	Suburbs	Total Region
Extreme (40%+)	**20**	**4**	**24**
Transitional (20-40%)	**50**	**4**	**54**

B. Poor Children

In the next three sections, the 1990 data are first presented at the municipality and county level and then at the census tract level. Municipalities and counties have land-use planning powers and are where regional reform begins. It is here where property values are assessed and taxes are collected in order to provide services to residents. Elected officials who represent these places need to be able to see what is happening within their borders relative to other municipalities and counties in the region. When making decisions for his or her jurisdiction, an elected official must consider the jurisdiction's disadvantages and assets in the aggregate and how they compare to other jurisdictions in the region. For these reasons, data at the municipality or county level can be very useful. Census tracts help to illustrate what is happening within large and diverse jurisdictions like St. Louis and in the sparsely populated unincorporated areas of the counties.

During the 1980s, the federal poverty line did not keep up with inflation. By 1990, a single mother and her child were not considered poor unless they had an annual income of less than $8,420.[75] Most social scientists do not think this is a measure of poverty, but of desperate poverty.[76]

In 1990, 15.7 percent of the St. Louis region's children under five years old lived in poverty (Figure 4).[77] Over 40 percent of the children under five years old in the city of St. Louis lived in poverty in 1990 (41.4 percent). The Low Capacity/Stressed subregion was just above the regional average (16.8 percent), while the other three subregions had childhood poverty rates below 7 percent.

Percent Children Under Five in Poverty, 1990

Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
15.7	**41.4**	**16.8**	**7.5**	**6.2**	**7.1**

[75] Family of three: $10,560; family of four: $12,700. (Federal Register 1990, vol. 55, no. 33: 5665).

[76] Another measure of poverty is student eligibility for the Federal Free and Reduced-cost Meal program—130% of the Federal poverty line for free lunches and 185% of the poverty line for reduced cost lunches. This measure will be used later in this study.

[77] *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 2: Percentage Persons in Poverty by Census Tract, 1980

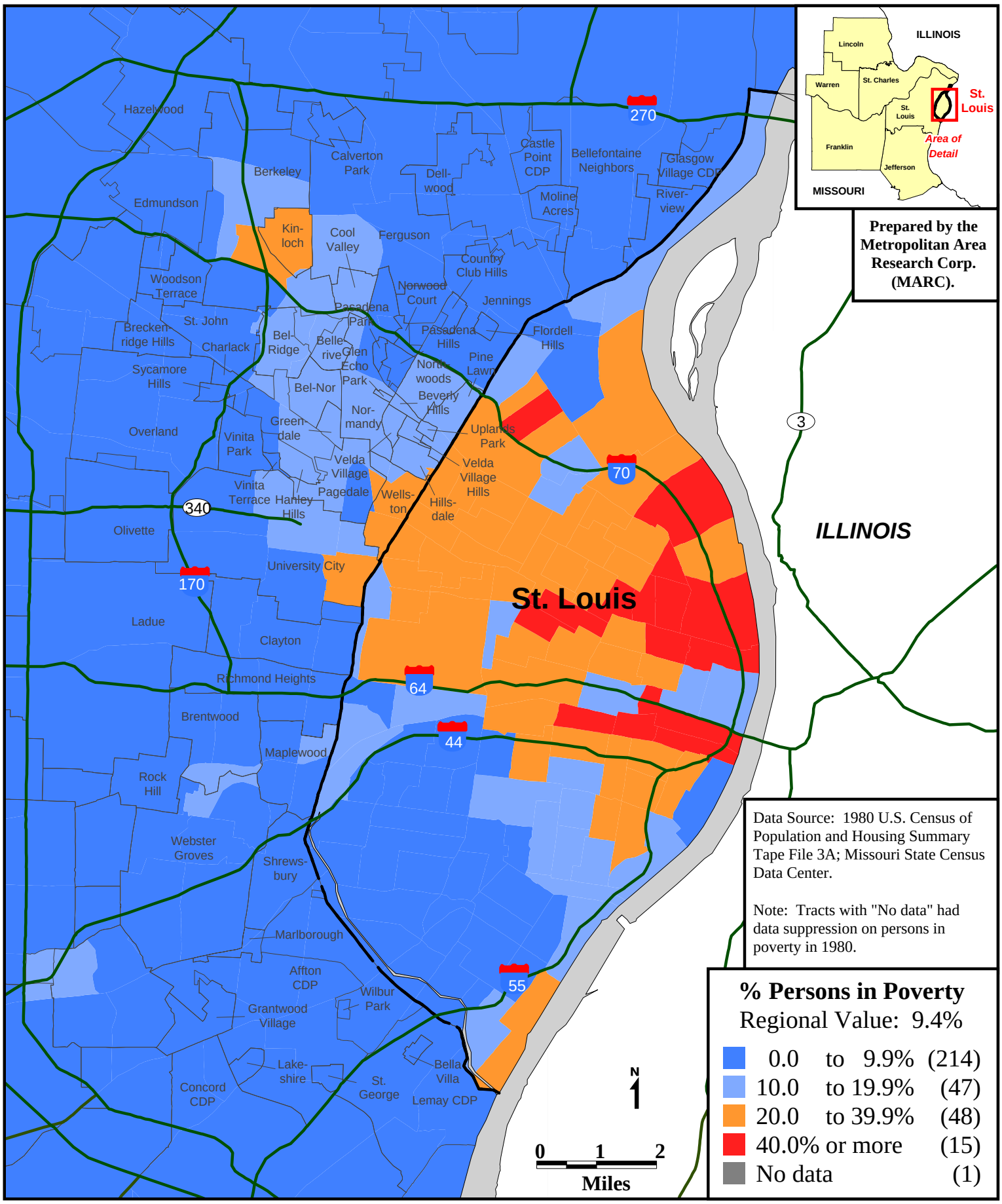
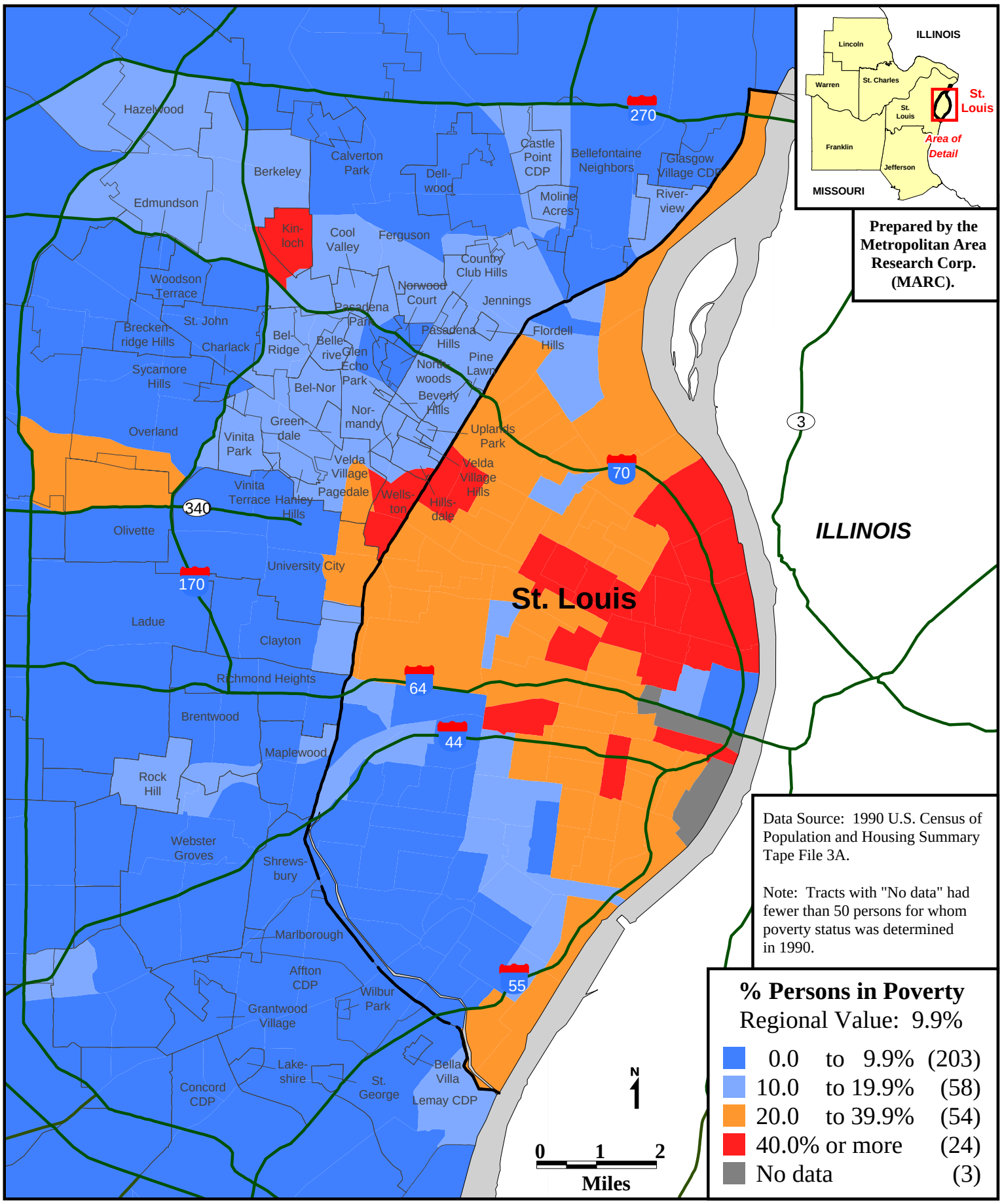


Figure 3: Percentage Persons in Poverty by Census Tract, 1990



In all, there were twenty-three places with more than 20 percent of their children in poverty, including five with a greater percentage of poor children than St. Louis. Jurisdictions with exceptionally high child poverty rates included Kinloch (64.8 percent) and Wellston (65.3 percent). Also high were Pine Lawn (33.6 percent) and Breckenridge Hills (23.7 percent). On the other hand, there were twenty-two St. Louis-area communities with less than 3 percent of their children under five in poverty, including ten with no poor children at all. The places with the lowest childhood poverty rates were located primarily to the west of the central city along State Highway 40/61 and included Chesterfield (2.3 percent), Kirkwood (2.2 percent), Brentwood (0 percent), and Glendale (0 percent).

A look at the census tracts shows that, while overall more than 40 percent of the children in the city of St. Louis lived in poverty, in parts of the city, especially in southwest St. Louis, less than 6 percent of the preschool children were in poverty (Figure 5). Similarly, while unincorporated St. Charles County as a whole had only 5 percent of its preschool children living in poverty, there were tracts—in the east and in the northwest corner—with fairly high levels of childhood poverty. The southern part of that county was were the lowest rates of childhood poverty were found. There were also large tracts with between 15.7 and 39.4 percent childhood poverty in Lincoln, Warren, and Franklin Counties.

In terms of the change in the level of childhood poverty over the decade, St. Louis-area children as a whole grew somewhat poorer. The region went from 14.4 percent in 1980 to 15.7 percent poor preschool children in 1990, a 1.3 percentage point increase (Figure 6).[78] During this period, the rate of childhood poverty in the city of St. Louis increased by 6.0 percentage points, from 35.4 to 41.4 percent. The Low Capacity/Stressed subregion increased by 3 percentage points, from 13.8 to 16.8 percent. The Low Capacity subregion increased by 1 percent (from 6.5 to 7.5 percent). The High Capacity subregion remained right around 7 percent, while the High Capacity/Stressed subregion decreased slightly in percent of children under five in poverty, by 1.2 percentage points (from 7.4 to 6.2 percent).

Change in Percentage Points Children Under Five in Poverty, 1980-1990

Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
1.3	6.0	3.0	1.0	-1.2	0.4

As childhood poverty swept across city/suburban borders, in many communities it tended to grow more rapidly than in the central city. Indeed, between 1980 and 1990 twenty-eight communities increased at a greater rate than the central city—fourteen grew at a rate of more than 12 percentage points, or twice as fast as the city of St. Louis. These were primarily communities in the Low Capacity/Stressed and Low Capacity subregions, including Breckenridge Hills, which went from 9.5 to 23.7 percent (14.2 percentage points); De Soto, which went from 11.1 to 29.1 percent (18.0 percentage points); and Wellston, which went from 42.4 to 65.3 percent (22.9 percentage points). The High Capacity city of Wentzville increased more than any other

[78] *Census of Population and Housing, 1980: Summary Tape File 3A* and *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 4: Percentage of Children Under 5 in Poverty by Municipality and County Unincorporated Area, 1990

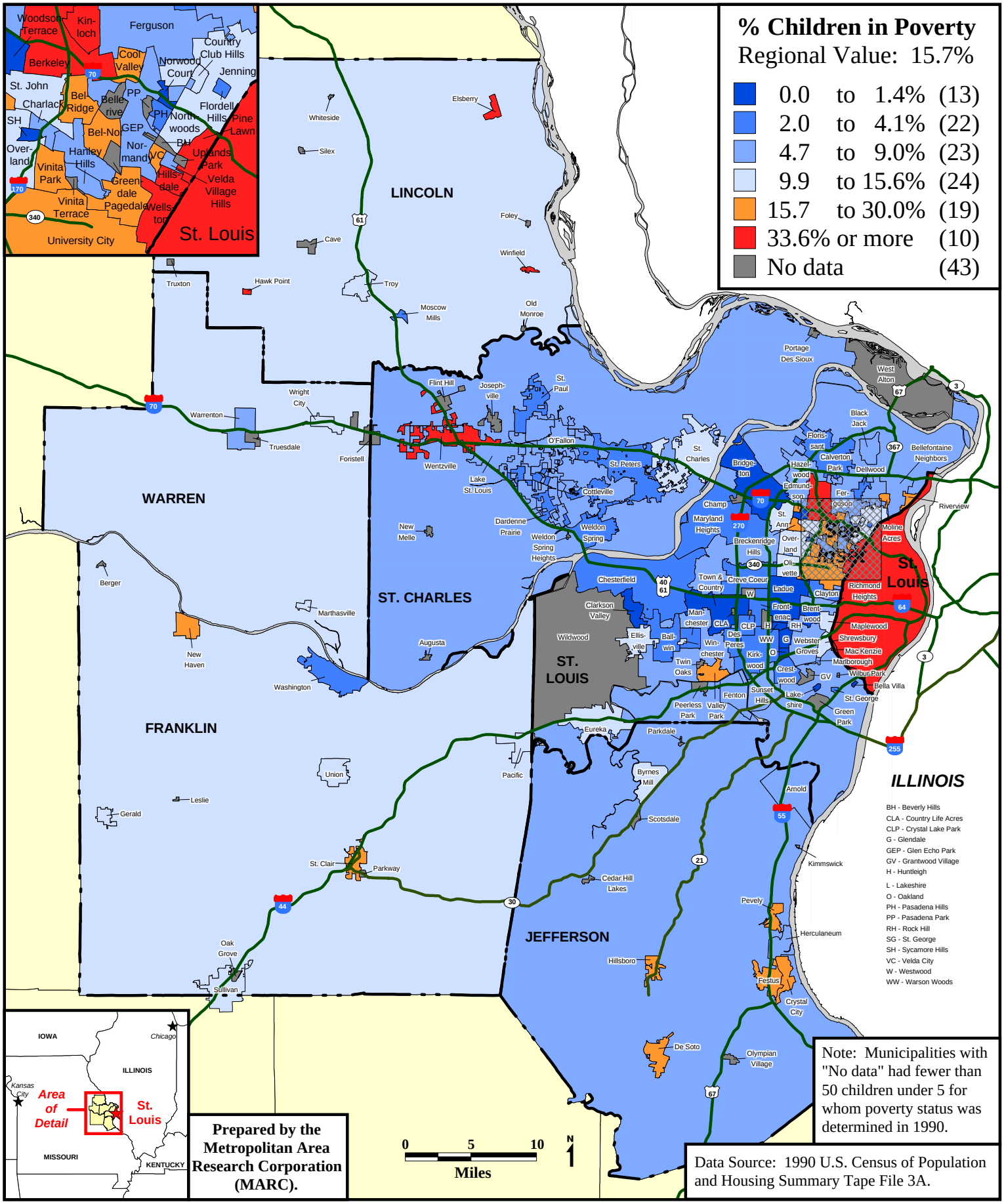
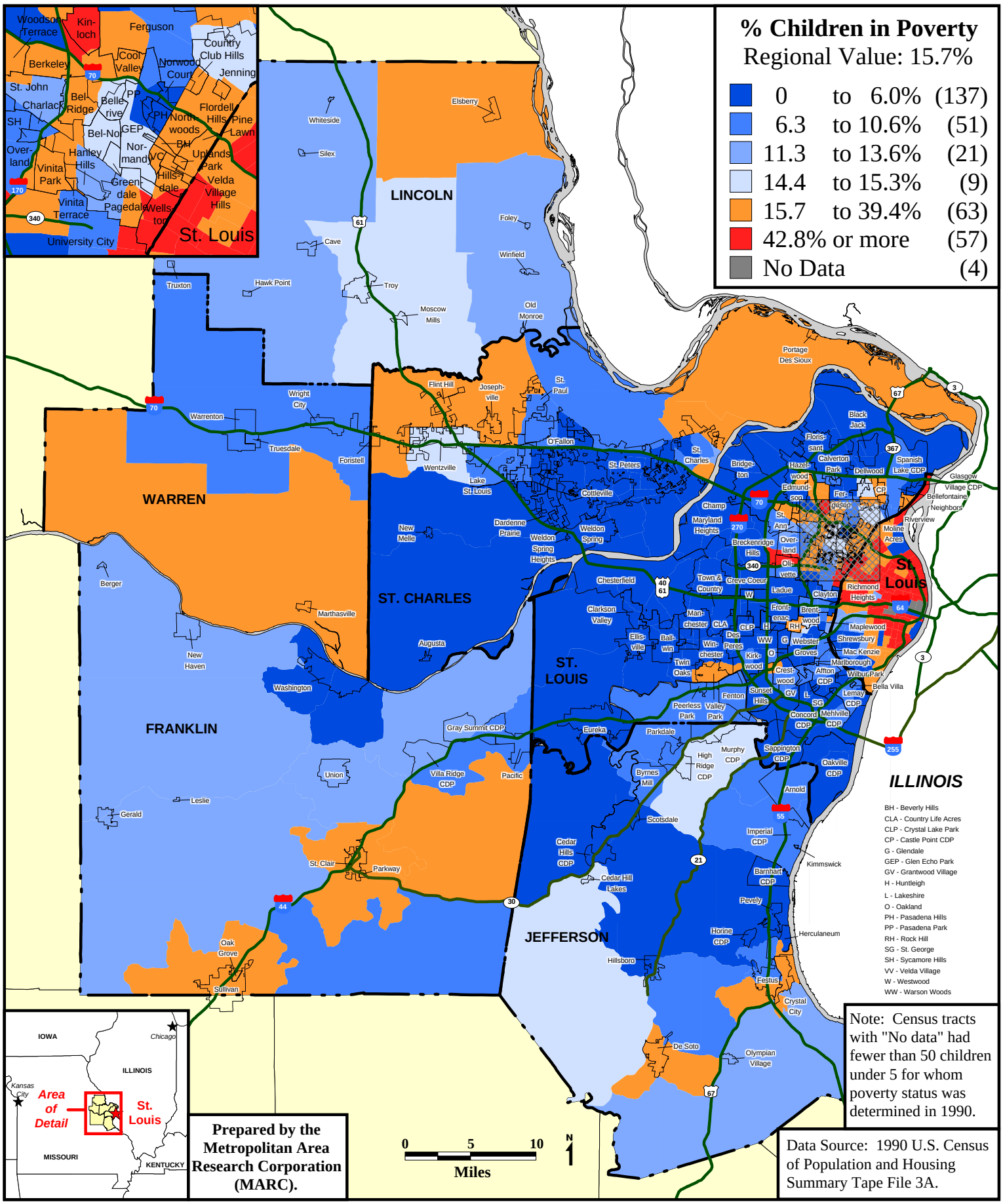


Figure 5: Percentage of Children Under 5 in Poverty by Census Tract, 1990



jurisdiction in the region, going from 9.8 to 43.3 percent children under five in poverty (33.5 percent). On the other hand, thirty-one places experienced a decrease in childhood poverty during this period, including the city of St. Charles , which went from 13.1 to 9.9 percent (-3.2 percentage points); Ladue, which went from 6.0 to 1.4 percent (-4.6 percentage points); and Brentwood, which went from 28.0 to 14.0 percent (-14.0 percentage points).

C. Female-Headed Households

We use percent female-headed households as a measure of a city's social and economic stress because it allows us to include a portion of the population that may not necessarily have poverty-level incomes, but nevertheless do have very low incomes and have additional challenges and needs that two-parent families often do not have. Children in homes with one parent have only one adult to care for them and to bear the emotional and interpersonal responsibilities of raising children—a daunting enough task for two people. Further, single-parent households are simply much poorer than two-parent households and hence pay less taxes and are likely to require more services in terms of local school and social welfare expenditures. The Statistical Abstract of the United States shows that in 1995 the median household income for a married couple with children under 18 was $47,129, for a single father it was $33,534, and for a single mother it was only $21,348.[79] Thus, half of all households headed by single mothers in the U.S. in 1995 made less than $21,348 per year. Further, while nearly 75 percent of single mothers with children had household incomes below $35,000, only 34 percent of married families with children did.

In the St. Louis region, single mothers headed 20.0 percent of all households with children in 1990 (Figure 7).[80] Over 45 percent of all households with children in the city of St. Louis were headed by single mothers. The Low Capacity/Stressed subregion also had a higher than average percentage of households headed by single mothers (27.8 percent). The High Capacity/Stressed subregion was the next highest subregion at 17.7 percent, while the Low Capacity and the High Capacity subregions were both right around 13 percent.

Percent Female-headed Households, 1990

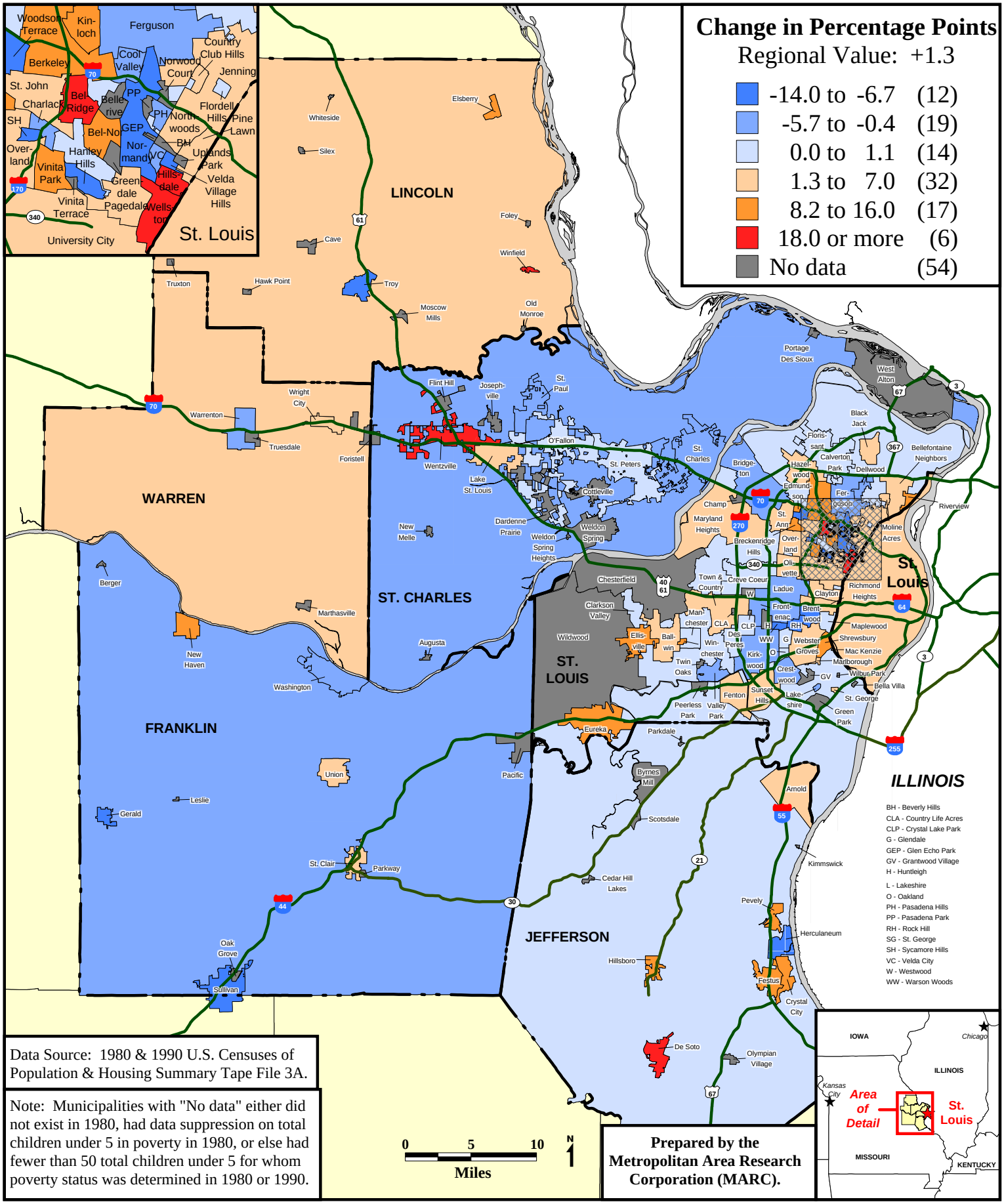
Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
20.0	45.9	27.8	12.5	17.7	13.2

Other than St. Louis, in 1990 there were eighteen jurisdictions in the region with more than a third of their households with children headed by single mothers. Most of these were Low Capacity/Stressed communities located just northwest of the central city, such as Pine Lawn (49.5 percent) and Jennings (34.4 percent). The High Capacity cities of Berkeley (41.9 percent) and Wentzville (37.5 percent) also had a high percentage of female-headed households. On the

79 U.S. Bureau of the Census, *Statistical Abstract of the United States: 1997* (117th edition.) Washington, DC, 1997.

80 *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 6: Change in Percentage Points - Children Under 5 in Poverty by Municipality and County Unincorporated Area, 1980-1990



Data Source: 1980 & 1990 U.S. Censuses of Population & Housing Summary Tape File 3A.

Note: Municipalities with "No data" either did not exist in 1980, had data suppression on total children under 5 in poverty in 1980, or else had fewer than 50 total children under 5 for whom poverty status was determined in 1980 or 1990.

other hand, there were eighteen communities with fewer than 7 percent female-headed households—mostly High Capacity communities. These included Chesterfield (6.1 percent), Des Peres (5.8 percent), Town & Country (5.1 percent), and Glendale (3.8 percent).

Again, the tract level map shows that while most of the city of St. Louis had more than 33 percent female-headed households, there were some tracts on the southwestern edge with less than 14 percent and sometimes less than 9 percent female-headed households (Figure 8). Outside of St. Louis and its northwestern suburbs there were very few tracts in the region with more than 20 percent female-headed households—or even more than 13 percent. The few tracts outside of St. Louis and its northwestern suburbs with high percentages of households headed by single mothers were in northwestern St. Charles County, in and just north of the city of St. Charles, and in Jefferson County around Festus and Crystal City.

Over the decade, the St. Louis region increased in percentage female-headed households by 3.1 percentage points, going from 16.9 to 20.0 percent (Figure 9).[81] During this period, the city of St. Louis increased in percentage female-headed households by 7.7 percentage points (from 38.2 to 45.9 percent). The Low Capacity/Stressed subregion also increased at a faster rate than the region as a whole, going from 21.9 to 27.8 percent female-headed households (5.9 percentage points). The Low Capacity subregion increased at the regional rate, while the other two subregions increased very little.

Change in Percentage Points Female-headed Households, 1980-1990

Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
3.1	7.7	5.9	31.	1.0	1.6

Between 1980 and 1990, thirty-three places increased in female-headed households at a faster rate than the city of St. Louis, nine increasing more than twice as fast as the city. Again, many of the greatest increases were in the Low Capacity northwest suburbs. Some of the most rapidly increasing communities were St. John, which went from 14.0 to 24.9 percent (10.9 percentage points); Jennings, which went from 22.5 to 34.4 percent (11.9 percentage points); Riverview, which went from 12.9 to 29.6 percent (16.7 percentage points); and Bel-Ridge, which went from 15.5 to 45.2 percent (17.3 percentage points). On the other hand, twenty-one places in the region actually decreased in percent female-headed households. These were primarily High Capacity communities located west of the central city, just south of Highway 40/61. They include Ballwin, which went from 10.3 to 8.4 percent (-1.9 percentage points); Manchester, which went from 11.4 to 9.0 percent (-2.4 percentage points); and Sunset Hills, which went from 10.5 to 2.3 percent (-8.2 percentage points).

81 *Census of Population and Housing, 1980: Summary Tape File 3A* and *Census of Population and Housing, 1990: Summary Tape File 3A*

Figure 7: Female-headed Households with Children as a Percentage of Total Households with Children by Municipality and County Unincorporated Area, 1990

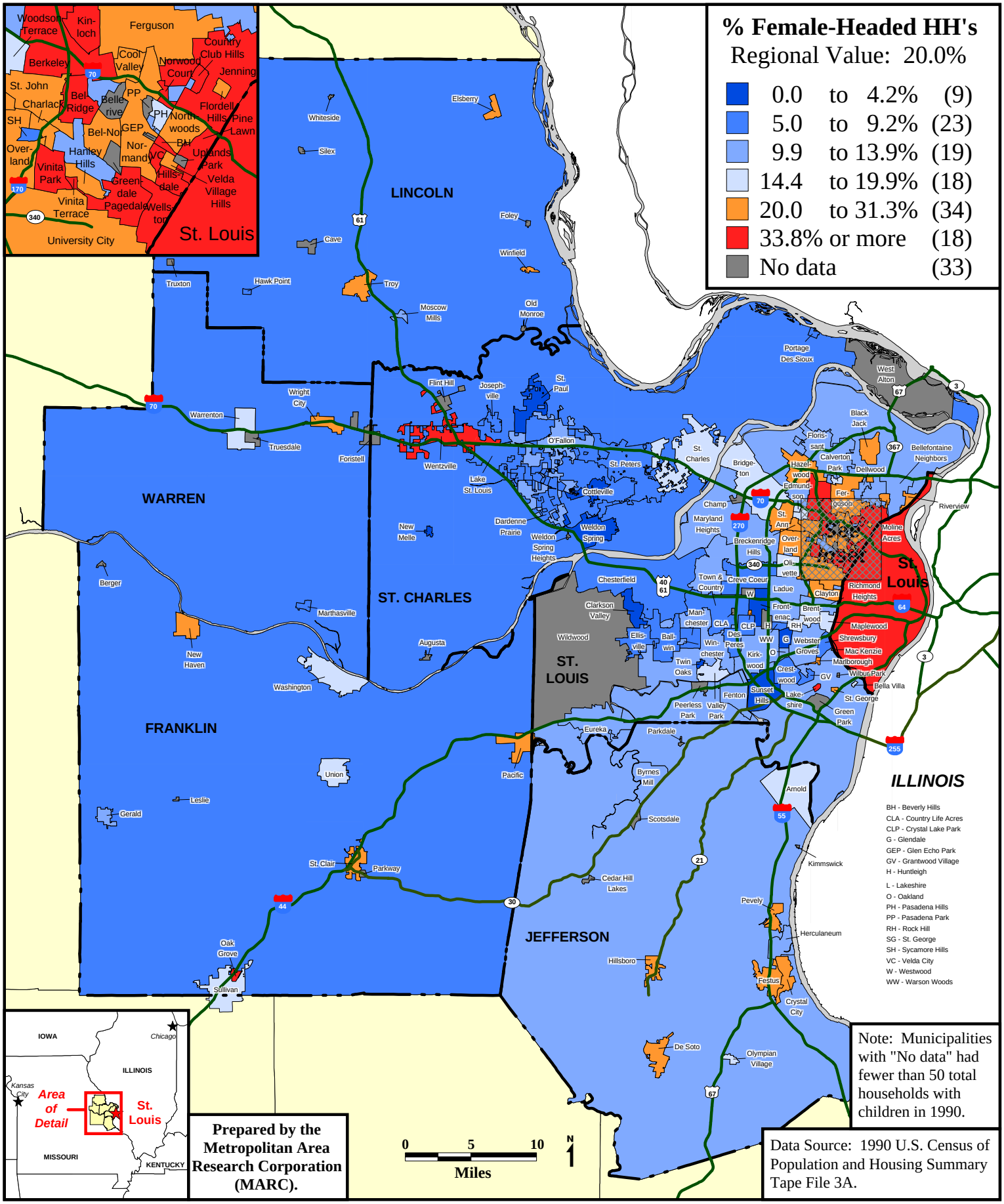
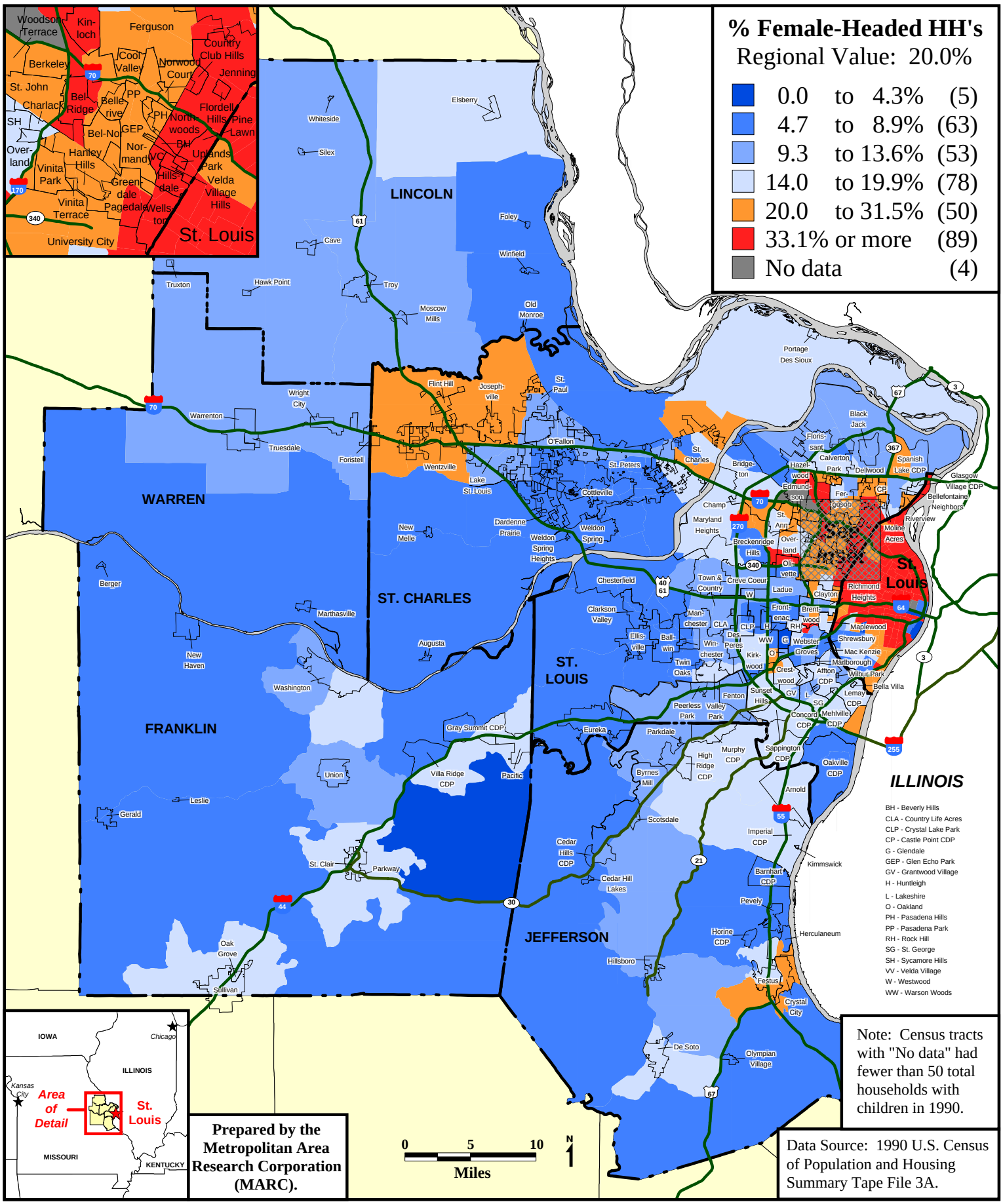


Figure 8: Female-headed Households with Children as a Percentage of Total Households with Children by Census Tract, 1990



Note: Census tracts with "No data" had fewer than 50 total households with children in 1990.

Prepared by the Metropolitan Area Research Corporation (MARC).

Data Source: 1990 U.S. Census of Population and Housing Summary Tape File 3A.

D. Median Household Income

In 1989 the estimated regional median household income for the St. Louis-area was $33,025 (Figure 10).[82] The city of St. Louis' estimated median household income in 1989 was $19,458, or about 60 percent of the regional value. The estimated median household income of the Low Capacity/Stressed subregion, at $28,386, was above that of St. Louis but below the regional value (about 86 percent of the regional value). The High Capacity/Stressed subregion was just above the regional value at $37,312 (113 percent). The other two subregions were quite a bit above the regional value: the Low Capacity subregion at $41,284 (125 percent) and the High Capacity subregion at $44,469 (135 percent of the regional value).

Median Household Income, 1989

	Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
Value	**$33,025**	**$19,458**	**$28,386**	**$41,284**	**$37,312**	**$44,469**
% of Reg Val	**100**	**58.9**	**86.0**	**125.0**	**113.0**	**134.7**

In 1989 there were eight cities with lower median household incomes than the city of St. Louis, including Kinloch ($10,375), Wellston ($12,300), and Hillsdale ($18,667). Pine Lawn ($19,868) and Pagedale ($19,985) were also very low in this figure. On the other hand, there were eighteen communities with median incomes above $50,000, including five above $100,000. Two of these were High Capacity/Stressed communities and the rest were High Capacity communities. The highest income places were located in St. Louis County, west of the city along State Highway 40/61, and included Chesterfield ($66,930), Frontenac ($98,487), Town & Country ($101,950), and Ladue ($107,583).

The tract-level map shows that almost all of the tracts in the city of St. Louis had median household incomes of less than $33,000—many were less than $18,000 (Figure 11). Most of the tracts in St. Louis County and in the portion of St. Charles County between Highway 40/61 and I-70 had median household incomes above $42,000. The area just beyond there—in western St. Charles County, northeastern Franklin County, and northern Jefferson County—had median household incomes between $33,000 and $41,800, while the outlying parts of those counties, including eastern St. Charles County, had median household incomes below $33,000.

Between 1979 and 1989, the regional median household income, adjusted for inflation, increased by an estimated 3.2 percent—from about $32,005 in 1979 to $33,025 in 1989 (Figure 12).[83] Adjusted for inflation, St. Louis' median household income decreased slightly by an estimated 1.0 percent (from $19,661 to $19,458). The Low Capacity/Stressed subregion decreased by an even greater percentage, by 4.5 percent (from $29,723 to $28,386). The High Capacity/Stressed subregion increased only slightly, while the already high-income Low Capacity

82 *Census of Population and Housing, 1990: Summary Tape File 3A.*

83 *Census of Population and Housing, 1980: Summary Tape File 3A* and *Census of Population and Housing, 1990: Summary Tape File 3A.*

Figure 9: Change in Percentage Points - Female-headed Households with Children as a Percentage of Total Households with Children by Municipality and County Unincorporated Area, 1980-1990

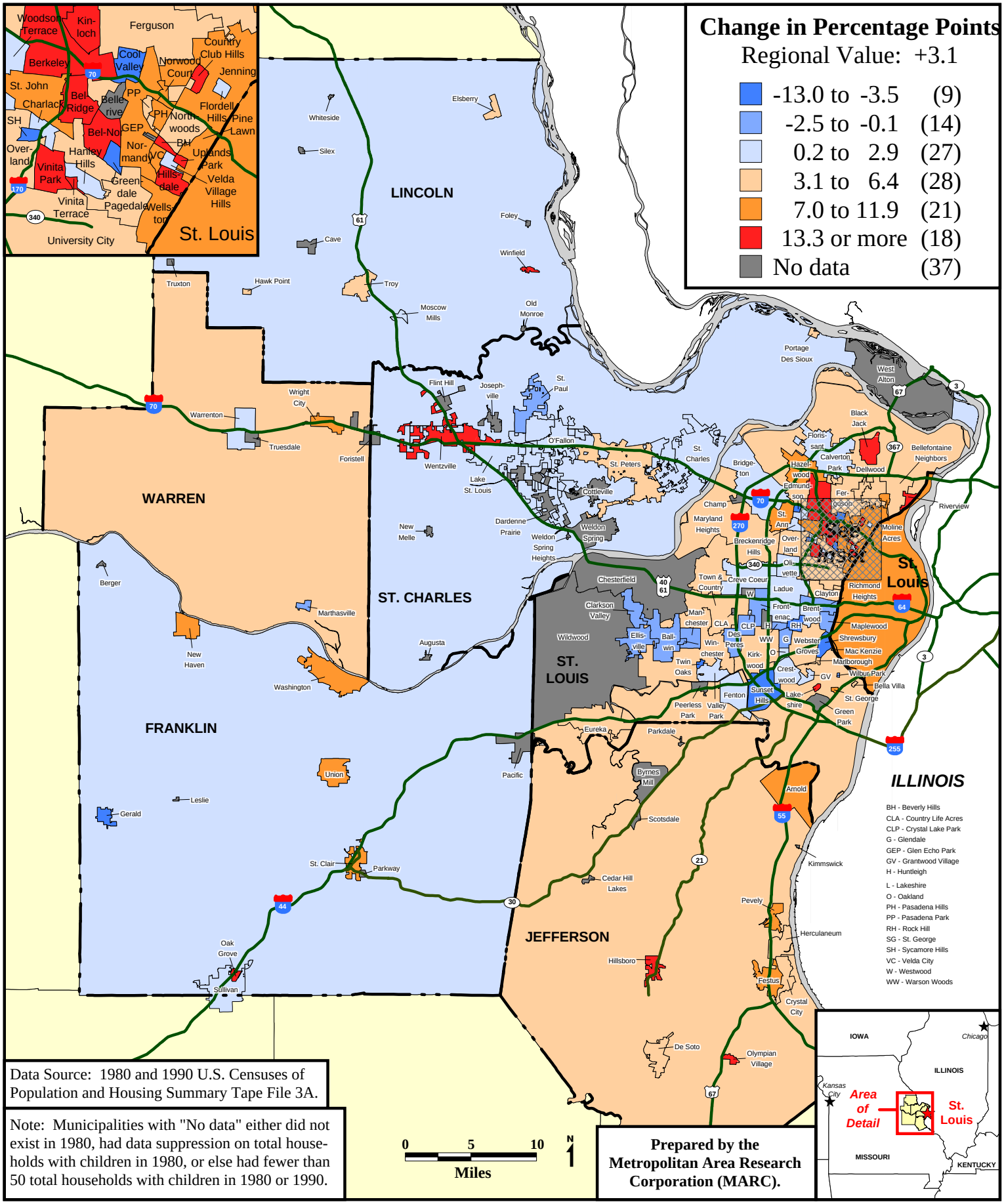


Figure 10: Median Household Income by Municipality and County Unincorporated Area, 1989

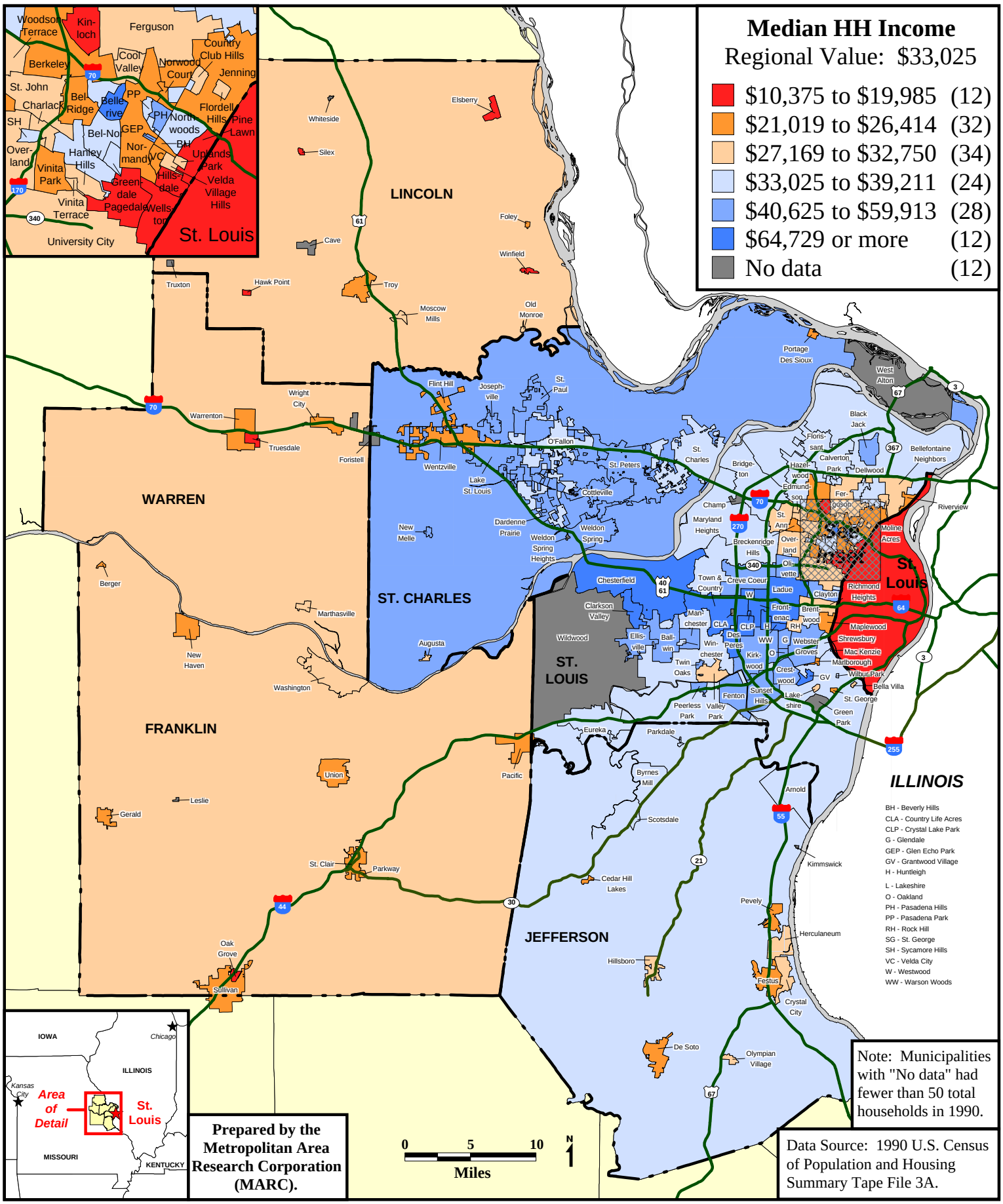


Figure 11: Median Household Income by Census Tract, 1989

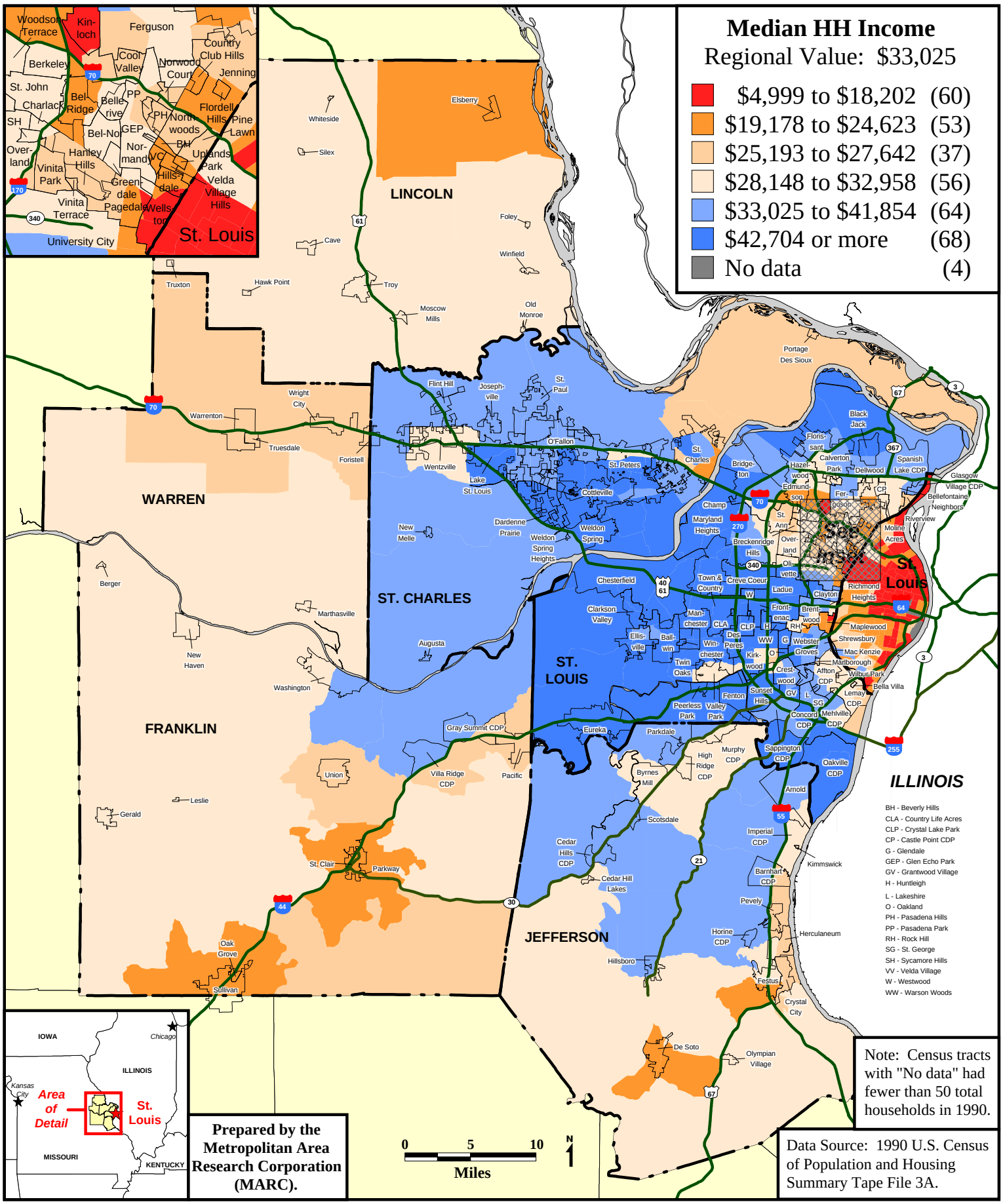
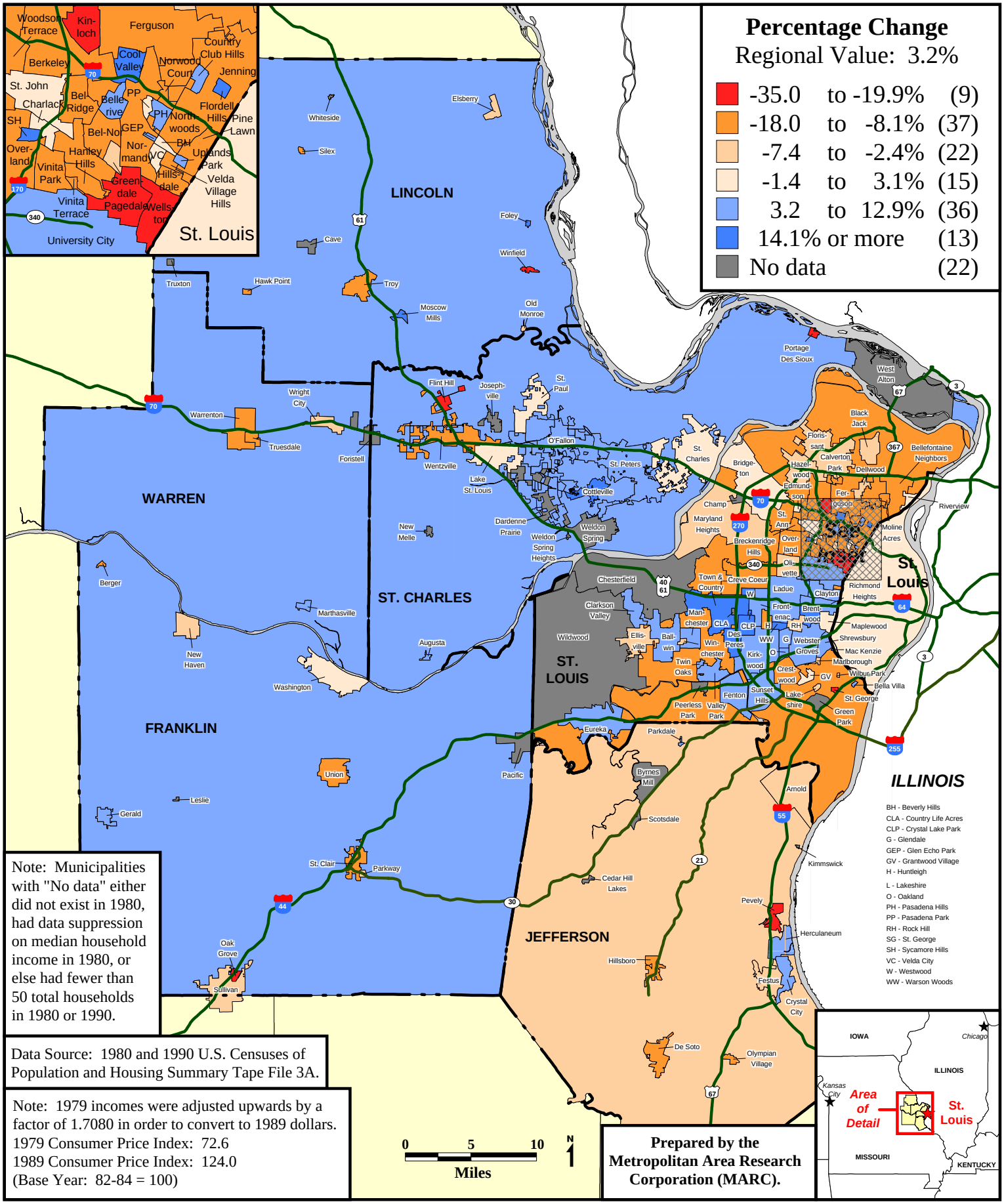


Figure 12: Percentage Change in Median Household Income by Municipality and County Unincorporated Area, 1979-1989 (Adjusted by CPI)



and High Capacity subregions increased by 13.2 and 8.2 percent respectively (the former went from $36,471 to $41,284 and the latter from $41,108 to $44,469).

Percent Change Median Household Income, 1979-1989

Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
3.2	-1.0	-4.5	13.2	1.3	8.2

Sixty-nine cities decreased in median household income at a faster rate than St. Louis did. These included the Low Capacity/Stressed communities of Kinloch, which went from $13,987 to $10,375 (-25.8 percent); Pagedale, which went from $26,120 to $19,985 (-23.5 percent); and Wellston, which went from $16,007 to $12,300 (-23.2 percent). Among the cities with the greatest increases in median household income were the High Capacity communities of Ballwin, which went from $41,561 to $45,654; Town & Country, which went from $89,390 to $101,950; and Des Peres, which went from $58,906 to $67,715.

E. Schools

Schools are the first victim and the most powerful perpetuator of metropolitan polarization. Local schools become socioeconomically distressed before neighborhoods themselves become poor. Hence, increasing poverty among a community's schoolchildren is a prophecy for the community. First, the community's children often become its adults. Second, middle-class families, who form the bedrock of stable communities, will not tolerate high concentrations of poverty in their schools, and frequently depart in search of better educational opportunities for their children.

The results can be clearly seen in and around places where there is dramatic flight from the schools. The central city and the Low Capacity/Stressed communities of the St. Louis region struggle under a disproportionate share of concentrated poverty and segregation. These schools, developing without sufficient property tax base, face increasing social and academic challenges, often with the lowest per-pupil spending in the region. On the other hand, school systems located in High Capacity areas enjoy insulated, stable prosperity financed by local business growth.[84]

Just as concentrated poverty in schools destabilizes communities, it has a very negative effect on individual access and achievement. Schools are not just instruction and textbooks, but, like neighborhoods, represent a series of reinforcing social networks that contribute to success or failure.[85] Fast-track, well-funded schools with a high percentage of students from stable middle-

[84] This section looks at social indicators for the school districts of the St. Louis region. Later in this report, in the Fiscal Disparities section, we will look closer at disparities in per pupil spending across the region.

[85] Jomills Braddock II and James McPartland, "The Social and Academic Consequence of School Desegregation," *Equity & Choice* (February 1988): 5; see also Gary Orfield and Carole Ashkinaze, *The Closing Door: Conservative Policy and Black Opportunity* (Chicago: University of Chicago Press, 1991), 131; James Rosenbaum, Marilyn Kulieke, and Leonard Rubinowitz, "Low-Income Black Children in White Suburban Schools:

and upper-class families are streams moving in the direction of success, with currents that value hard work, goal setting, and academic achievement.[86] Monolithically poor central city or inner-suburban schools with a large number of students in poverty are streams moving toward failure, with currents that reinforce anti-social behavior, drifting, teenage pregnancy, and dropping out.[87]

A Study of School and Student Responses," *Journal of Negro Education* 56, no. 1 (1987): 35; Rosenbaum, Kulieke, and Rubinowitz, "White Suburban Schools."

[86] Ibid.

[87] Ibid.; Susan E. Mayer, "How Much Does a High School's Racial and Socioeconomic Mix Affect Graduation and Teenage Fertility Rates?" 321-41 in *The Urban Underclass*; Jonathon Kozol, *Savage Inequalities: Children in America's Schools* (New York: Harper Perennial, 1991); Robert Crain and Rita Mahard, "School Racial Composition and Black College Attendance and Achievement Test Performance," *Sociology of Education* 51 no. 2, (1978): 81-101; Peter Scheirer, "Poverty, Not Bureaucracy: Poverty, Segregation, and Inequality in Metropolitan Chicago Schools," (Metropolitan Opportunity Project, University of Chicago, 1989).

1. School Desegregation

For twenty-seven years the city of St. Louis and several school districts in St. Louis County[88] were under a court-ordered city-county desegregation plan. This agreement sent 13,000 African American school children from the city of St. Louis public schools to the county and 1,300 white children from the county districts into the city. The program was voluntary for the students, but mandatory for the districts. The free and reduced-cost meal and minority student data presented below reflect this program's legacy.

The county desegregation program also involved substantial state aid to provide better conditions in the St. Louis schools and to fund the transfer program. Last year, $146.4 million in state money funded the program, about $70 million a year went to the city itself.. Over the course of the settlement, almost $3.4 billion dollars of state money flowed into the St. Louis and Kansas City schools, which was also subject to a court ordered desegregation/equalization plan.

In February of 1999, a federal judge approved a gradual phase out of the busing and equalization program in St. Louis. Under the terms of the settlement, inter-district busing would be phased out over four years, essentially allowing city children in suburban districts to graduate. Moreover, the $70 million in state aid to the city schools would be replaced by 40 million in continuing state aid and a new .67 percent (two-thirds of a cent) sales tax in the city of St. Louis designed to raise $23 million to replace the $30 million in lost state aid. The State also agreed to provide the St. Louis School District $180 million (the cost of about 4 high schools or 8 elementary schools) to build new buildings for students who would have gone to the county schools.

2. Students Eligible for Free and Reduced-cost Meals

Most social scientists use free and reduced-cost meals statistics to measure children in poverty. They believe that it is more realistic than federal poverty standards. Children are eligible for reduced-cost meals at school if their families' income level is not above 185 percent of the federal poverty level, and they are eligible for free meals if their income is not above 130 percent of the poverty level.

At the school district level, the percentage of all students eligible for the free and reduced-cost meals program in 1998 was 32.6 percent (Figure 13).[89] This figure ranged from 82.9 percent in the St. Louis School District and 70.9 percent in the Jennings School District to only 5.7 percent in the Francis Howell District in St. Charles County. Other than St. Louis and Jennings, districts with very high percentages of students eligible for the program were Normandy (65.9 percent), Hancock Place (64.3 percent), and Riverview Gardens (60.6 percent).

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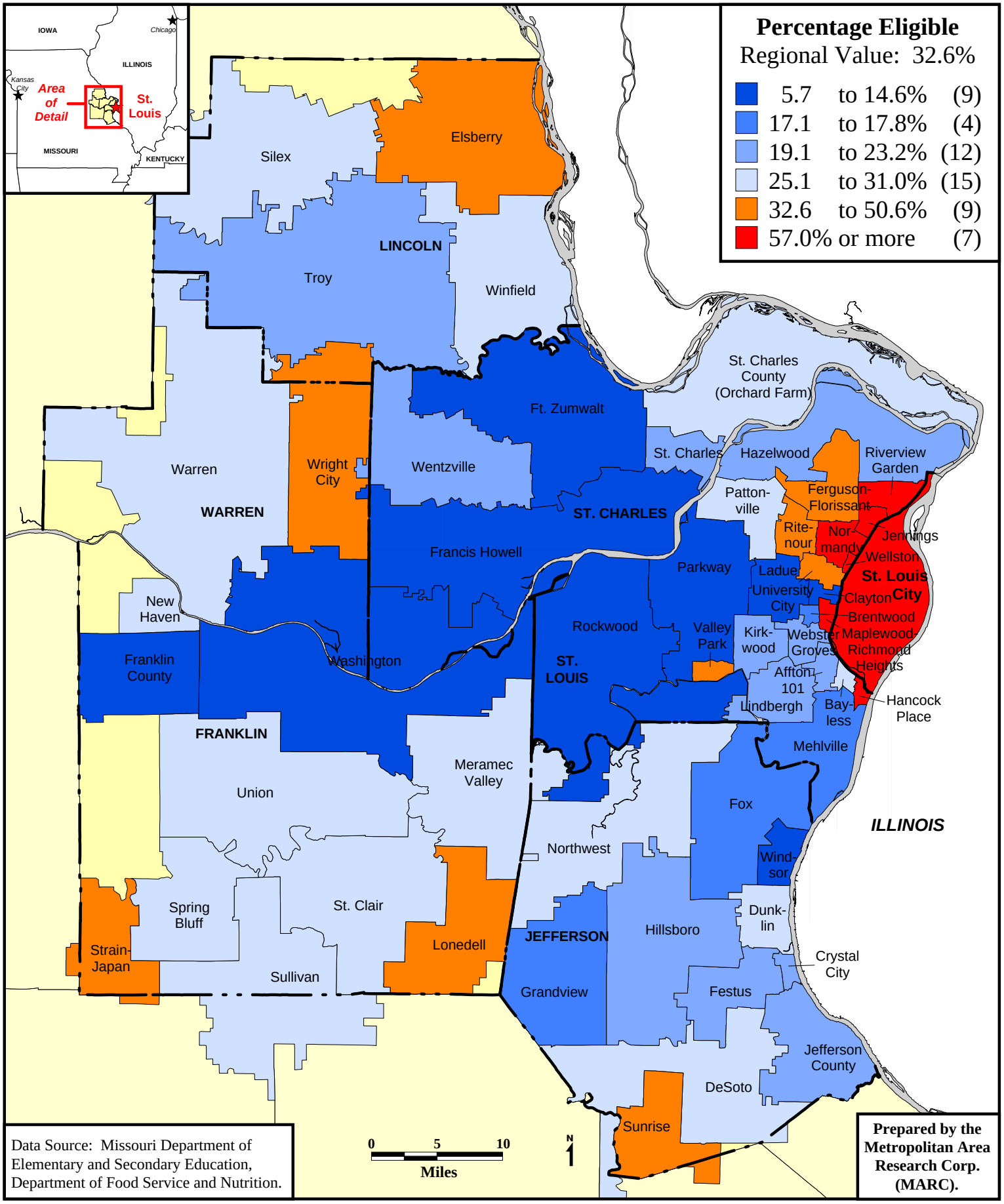
88 Affton, Bayless, Brentwood, Clayton, Ferguson-Florissant, Hancock, Hazelwood, Jennings, Kirkwood, Ladue, Lindbergh, Maplewood-Richmond Heights, Mehlville, Normandy, Parkway, Pattonville, Ritenour, Riverview Gardens, Rockwood, Special School District, University City, Valley Park, Webster Grove, and Wellston.

89 School district-level free and reduced-cost meal data and total enrollment figures were provided by the Missouri Department of Elementary and Secondary Education, Department of Food Service and Nutrition.

Figure 13: Percentage of Students Eligible for Free and Reduced-Cost Meals by School District, 1998



Data Source: Missouri Department of Elementary and Secondary Education, Department of Food Service and Nutrition.

Prepared by the Metropolitan Area Research Corp. (MARC).

Other than Francis Howell, districts where student poverty was hardly a concern included Windsor (9.4 percent) and Ft. Zumwalt (10.3 percent).

A look at the region's individual elementary schools gives greater definition to the disparity within the large school districts. In 1998, twenty-five of the region's elementary schools had more than 96.9 percent of their students eligible for the free and reduced-cost meal program (Figure 14).[90] Except for one school in the Wellston District (99.1 percent eligible), all of these were located in the city of St. Louis. However, of the thirty-five schools with between 73.1 and 96.4 percent eligible students, twelve were located in suburban school districts, including five in the Riverview Garden District, four in the Ferguson-Florissant District, and one each in the Hancock District (78.1 percent), the University City District (81.8 percent), and the St. Clair District (84.0 percent). The largest concentration of poor students in this category was in the Low Capacity/Stressed subregion northwest of St. Louis. But, when we look at the group of schools with 41.1 to 68.9 percent poor students, we find many elementary schools in other parts of the region, such as two schools in the Fox District (41.8 and 46.3 percent), one in the Valley Park District (54.0 percent), one in the Washington District (41.3 percent), and one in the Elsberry District (50.6 percent).

3. Non-Asian Minority Students

As poverty concentrates, so does the segregation of students in the region's schools. While there were a number of St. Louis County districts located just west of the city that had between 23 and 32 percent non-Asian minority students in 1998, the greatest concentration of minority students was in the city of St. Louis and its Low Capacity/Stressed northwestern suburbs where most districts had more than 83 percent non-Asian minority students (Figure 15).

In 1998, the St. Louis region as a whole had 32.7 percent non-Asian minority elementary students in its schools.[91] This figure ranged from 100.0 percent in the suburban Wellston School District to 0.0 percent in two rural districts of Franklin County and one rural district of Lincoln County. The percentage non-Asian minority students in the St. Louis District was 87.0. Other than Wellston, two other districts had higher percentages of non-Asian minorities than the central city: Jennings (94.3 percent) and Normandy (98.0 percent). Districts with very few minority students included Washington (0.7 percent) and Northwest (0.8 percent).

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90 Elementary school-level free and reduced-cost meal data were obtained directly from the individual school districts.

91 All minority student data and total enrollment figures were provided by the Missouri Department of Elementary and Secondary Education.

Here we have chosen to examine only the segregation of non-Asian minority students because national studies show that Blacks and Hispanics, in particular, experience much higher and more persistent levels of racial segregation both in terms of housing and schools than other racial groups, such as Asians. While it is conceivable that some members of the Asian community, particularly more recently immigrated Southeast Asians, experience high levels of segregation, we were unable to locate literature on Asian segregation and housing market discrimination equivalent to the powerful evidence of such patterns in terms of Blacks and Hispanics.

Figure 14: Percentage of Students Eligible for Free or Reduced-Cost Meals by Elementary School, 1998

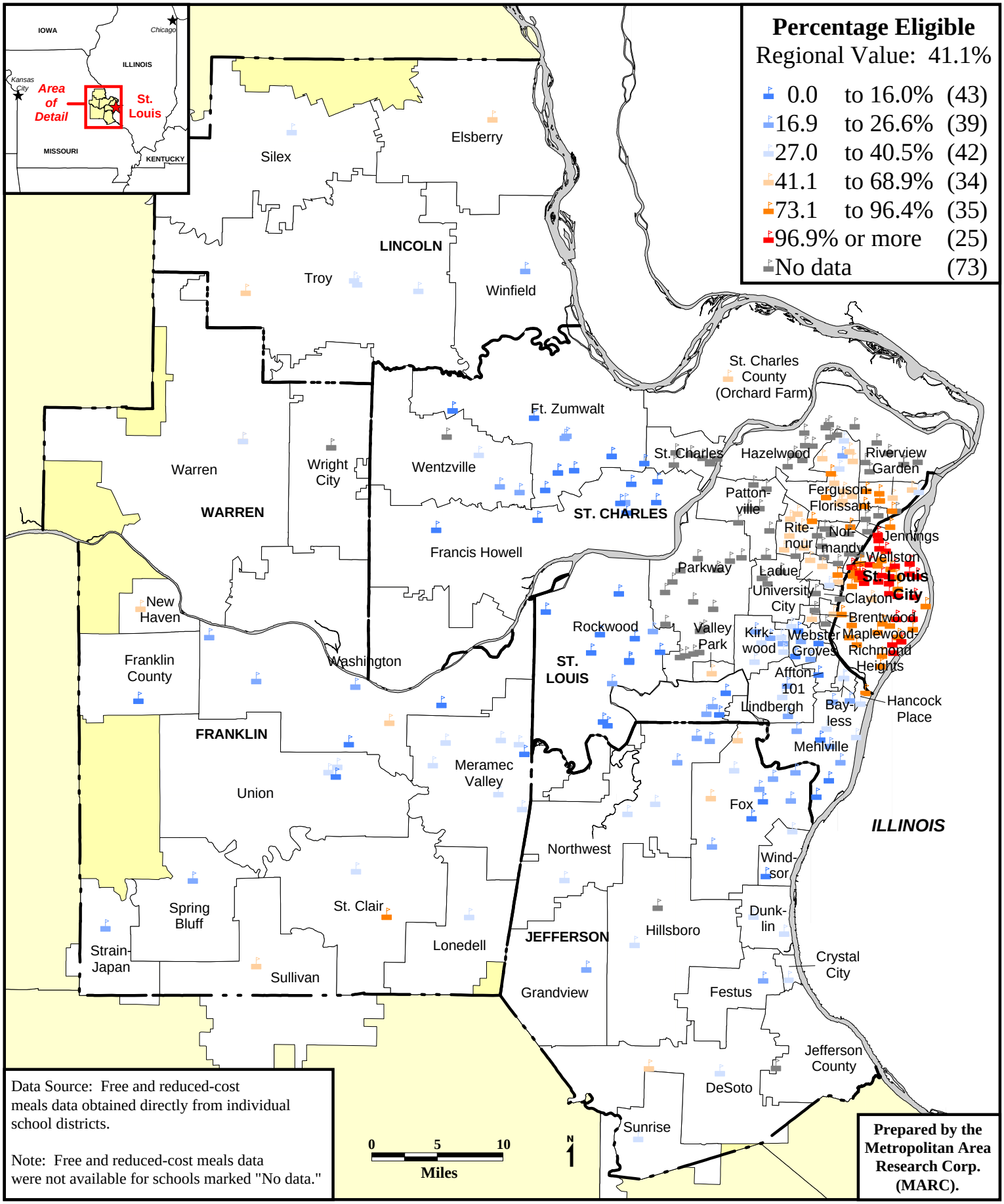
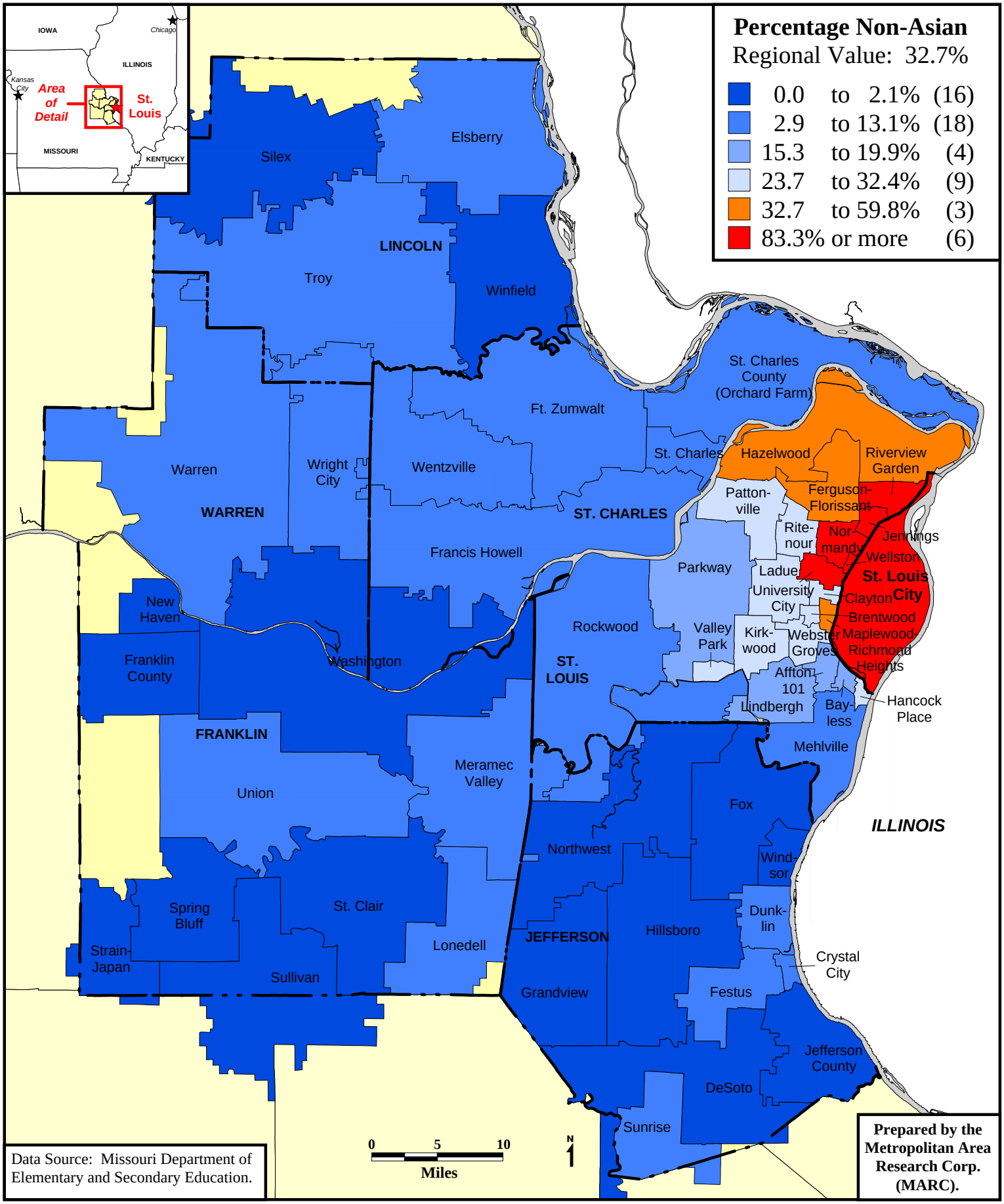


Figure 15: Percentage Non-Asian Minority Students by School District, 1998



At the elementary school level thirty-seven schools had more than 98.8 percent non-Asian minority students in 1998 (Figure 16).[92] Ten of these were in suburban districts, including one each in the Normandy and Wellston districts with 100 percent minority enrollment and one in the Hazelwood District with 99.2 percent minority enrollment. Of the forty schools with between 69.9 and 99.7 percent eligible students, twenty-four were located in suburban school districts, and again, all were located in Low Capacity/Stressed communities northwest of the central city.

As a whole, the percentage of non-Asian minority elementary students in the region increased by 4.6 percentage points between 1991 and 1998 (Figure 17). The St. Louis school district increased in non-Asian minority students by 2.8 percentage points during this period, going from 84.2 to 87.0 percent. Thirteen suburban districts had a greater percentage point increase in non-Asian minority students than the central city, including the inner-suburban districts of Riverview Garden, Jennings, and Hazelwood. Riverview Garden went from 61.8 to 83.3 percent minority children (21.5 percentage points), Jennings went from 74.5 to 94.3 percent (19.8 percentage points), and Hazelwood went from 23.1 to 45.1 percent (22.0 percentage points). On the other hand, a number of districts that had very few minority students to begin with in 1991—such as, Fox, Rockwood, and Northwest—either remained stable in this figure or decreased during this period. Fox remained at 1.4 percent non-Asian minority students, Rockwood decreased from 13.4 to 12.5 percent (-0.9 percentage points), and Northwest decreased from 2.7 to 0.8 percent (-1.9 percentage points).

A look at the region's elementary schools shows that a number of individual suburban schools increased considerably in percentage of non-Asian minority students between 1991 and 1998 (Figure 18). Of the twenty-four elementary schools in the region that increased in non-Asian minority students by 21.2 percentage points or more, fifteen were located in the Low Capacity/Stressed areas northwest of the city—in the Jennings, Hazelwood, Ferguson-Florissant, and Riverview Garden Districts. Even elementary schools in districts such as Francis Howell, Webster Groves, Lindbergh, Valley Park, Kirkwood, St. Charles, and Wentzville increased between 5.7 and 19.8 percentage points during this period.

F. Crime

In 1997, the overall Part I crime rate for the six-county region was 5,612.5 crimes per 100,000 persons (Figure 19).[93] There were 702.6 violent crimes per 100,000 persons in the region. The crime rate in the city of St. Louis in that year was 14,567.4 Part I crimes and 2,728.1 violent crimes per 100,000 residents. Of the region's 96 police jurisdictions that reported crime data in every month of that year, four other police jurisdictions reported Part I crime rates per

92 Elementary school-level minority student data were obtained directly from the individual school districts.

93 1997 crime data for the region are from the Missouri Department of Public Safety, *Missouri Crime Summary*, 1997. Part I crimes as defined by the FBI include murder, rape, robbery, aggravated assault, burglary, larceny, automobile theft, and arson. The violent crimes category is a subset of Part I crime and consists of murder, rape, robbery, and aggravated assault.

Figure 16: Percentage Non-Asian Minority Students by Elementary School, 1998

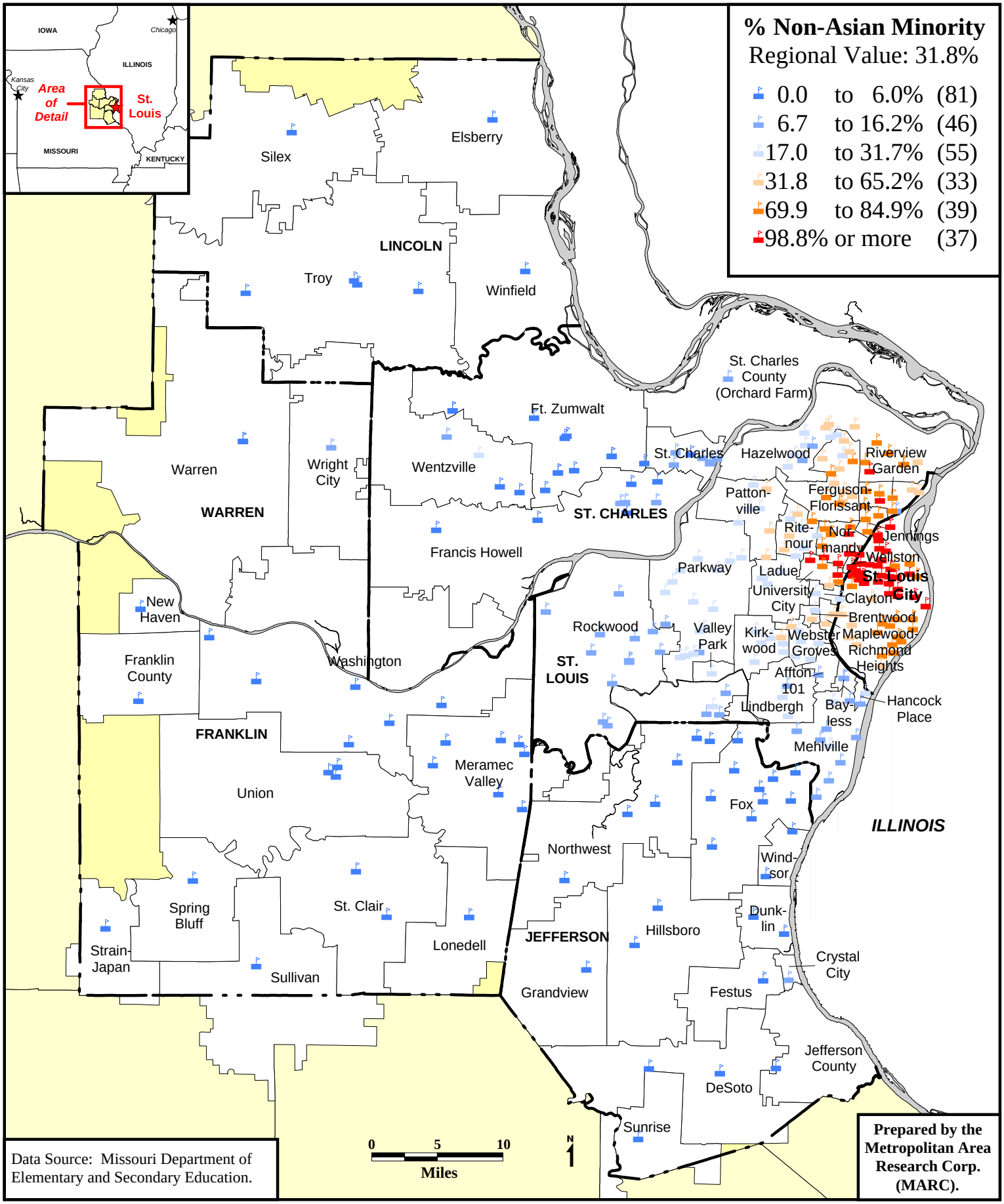


Figure 17: Change in Percentage Points - Non-Asian Minority Students by School District, 1991-1998

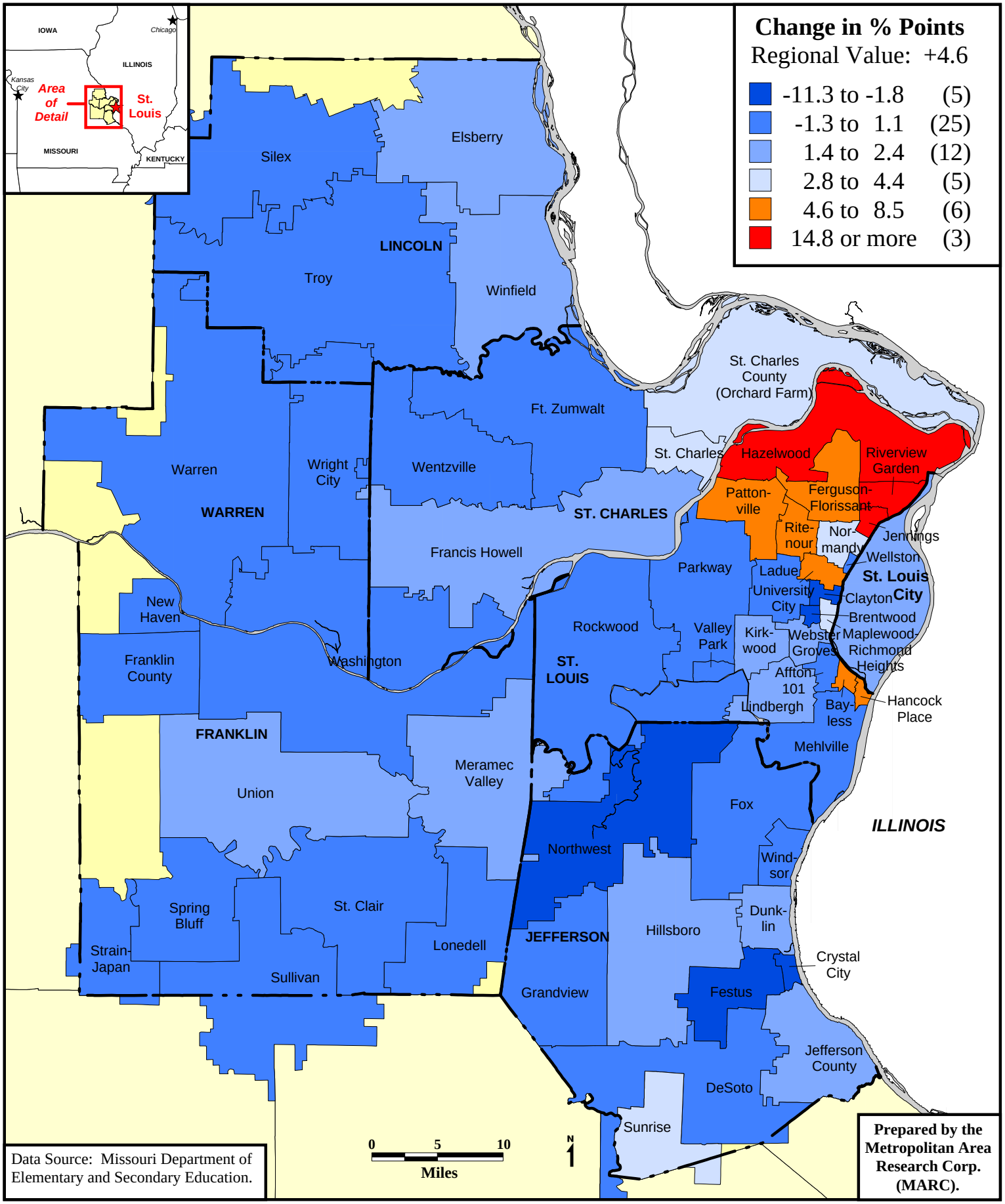
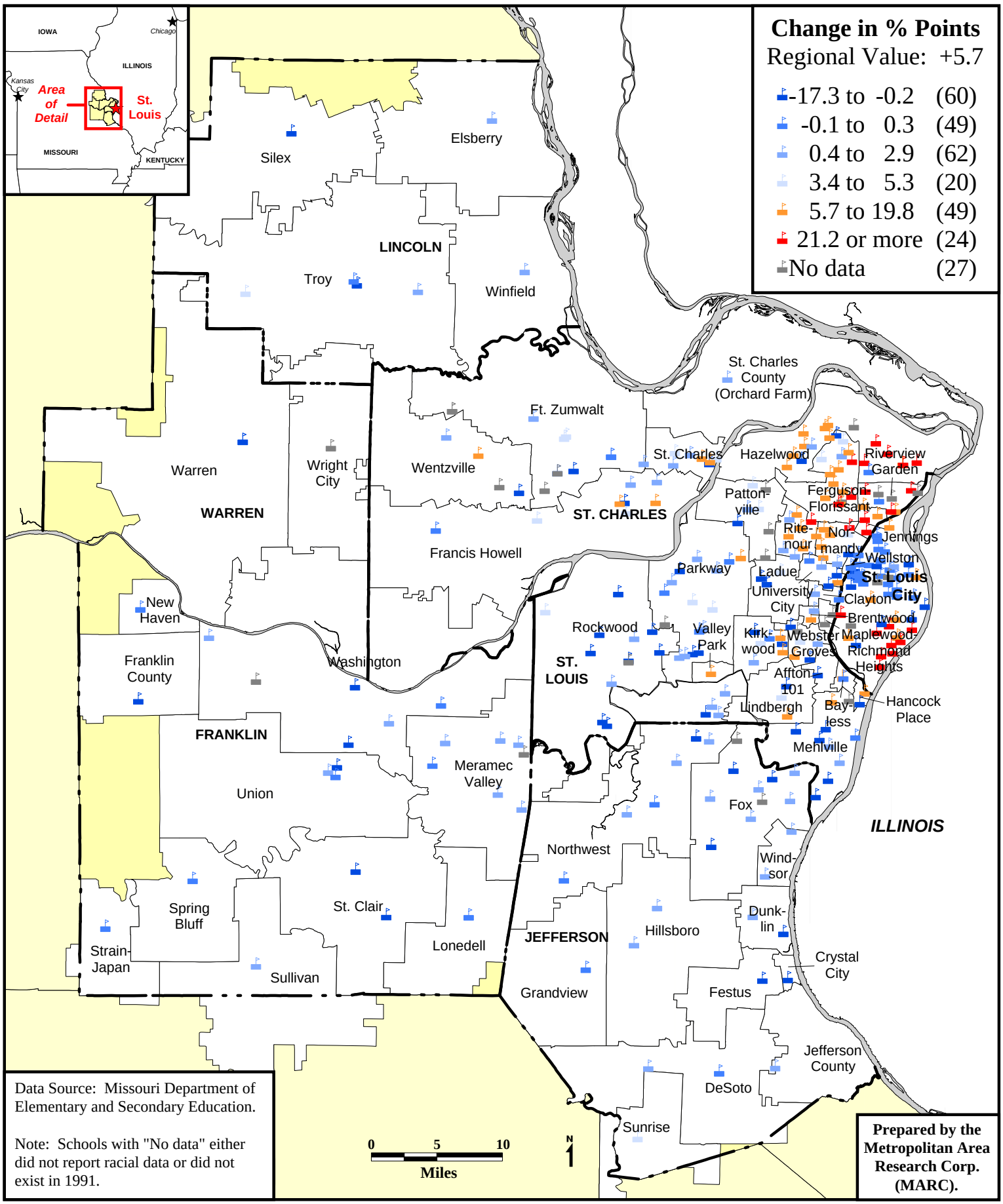


Figure 18: Change in Percentage Points - Non-Asian Minority Students by Elementary School, 1991-1998

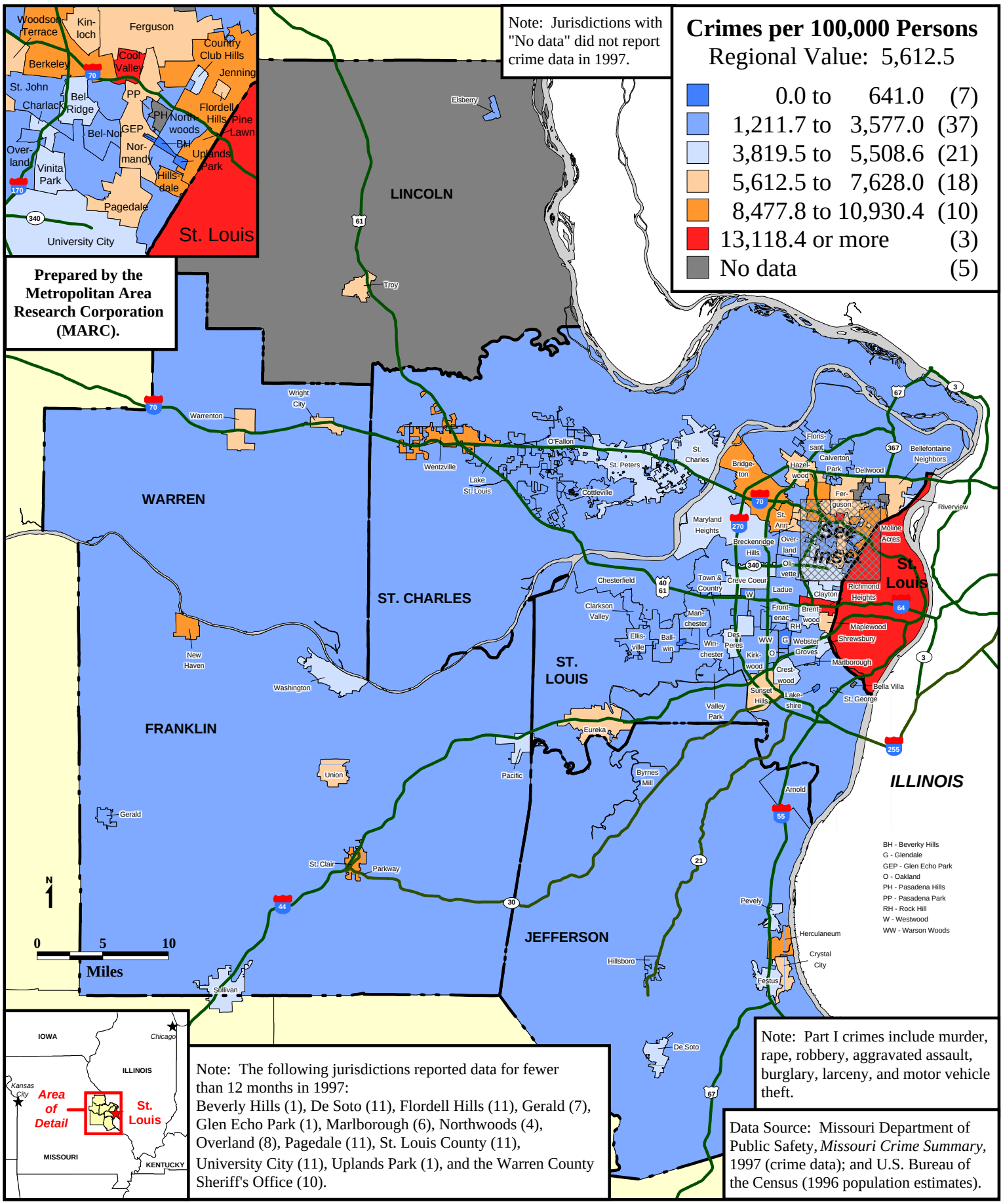


Data Source: Missouri Department of Elementary and Secondary Education.

Note: Schools with "No data" either did not report racial data or did not exist in 1991.

Prepared by the Metropolitan Area Research Corp. (MARC).

Figure 19: Part I Crimes per 100,000 Population by Police Jurisdiction, 1997



100,000 persons above 10,000 and two had violent crime rates above 1,000per 100,000 persons.[94]

The suburban jurisdictions with the highest Part I crime rates were all High Capacity communities with high retail sales bases. These included Berkeley, which had a Part I crime rate of 9,138.8 per 100,000 persons and Richmond Heights (13,118.4 per 100,000 persons). It is common to find high Part I crime rates in cities with many retail outlets where there are increased opportunities for shoplifting and other petty crimes. Similarly, contributing to the high crime rates often found in central cities are the many cultural and sporting events that take place there, bringing thousands of visitors and opportunities for crime to the city. These additional people, however, are not reflected in per capita (per resident) crime rates. Unfortunately, families and businesses deciding where to locate within a metropolitan area usually do not care *why* the crime rate in a particular jurisdiction is high, they only know that it is, and thus choose a different place.

Most of the jurisdictions with the highest violent crime rates, on the other hand, were in the Low Capacity/Stressed subregion. These included Jennings, which had a violent crime rate of 890.4 per 100,000 persons, Ferguson (970.4 per 100,000 persons), Pine Lawn (1,586.0 per 100,000 persons), and Kinloch (1,338.1 per 100,000 persons). Exceptions were three High Capacity cities: Richmond Heights (938.5 per 100,000 persons), Berkeley (1,034.2 per 100,000 persons), and Normandy (1,985.4 per 100,000 persons).

At the other end of the spectrum, there were seven jurisdictions that reported Part I crime rates of less than 1,000 per 100,000 persons. These included Winchester (586.5 per 100,000 persons), Glendale (533.0 per 100,000 persons) and Lakeshire (506.1 per 100,000).

Within the city of St. Louis, Part I and violent crime rates in 1998 were highest in the downtown neighborhoods and north of there along the river (Figure 20).[95] The neighborhood with the highest Part I rate in the city was the Downtown neighborhood (490,397.4 crimes per 100,000 persons) followed by Downtown West (74,695.5 per 100,000 persons). However, the neighborhoods with the lowest crime rates in the city, primarily located in the southwestern corner of the city, had lower Part I rates than over half of the suburban jurisdictions of the region. For example, the low-crime neighborhoods of Lindenwood Park (3,621.8 crimes per 100,000 persons) and Boulevard Heights (3,858.2 crimes per 100,000 persons) had lower crimes rates than places like Creve Coeur (4,696.9 crimes per 100,000 persons), St. Peters (4,435.7 crimes per 100,000 persons), and Brentwood (3,959.0 crimes per 100,000 persons).

Between 1987 and 1997, the overall Part I crime rate in the St. Louis region increased by 8.6 percent (Figure 21).[96] During this period, the city of St. Louis saw an increase in its Part I

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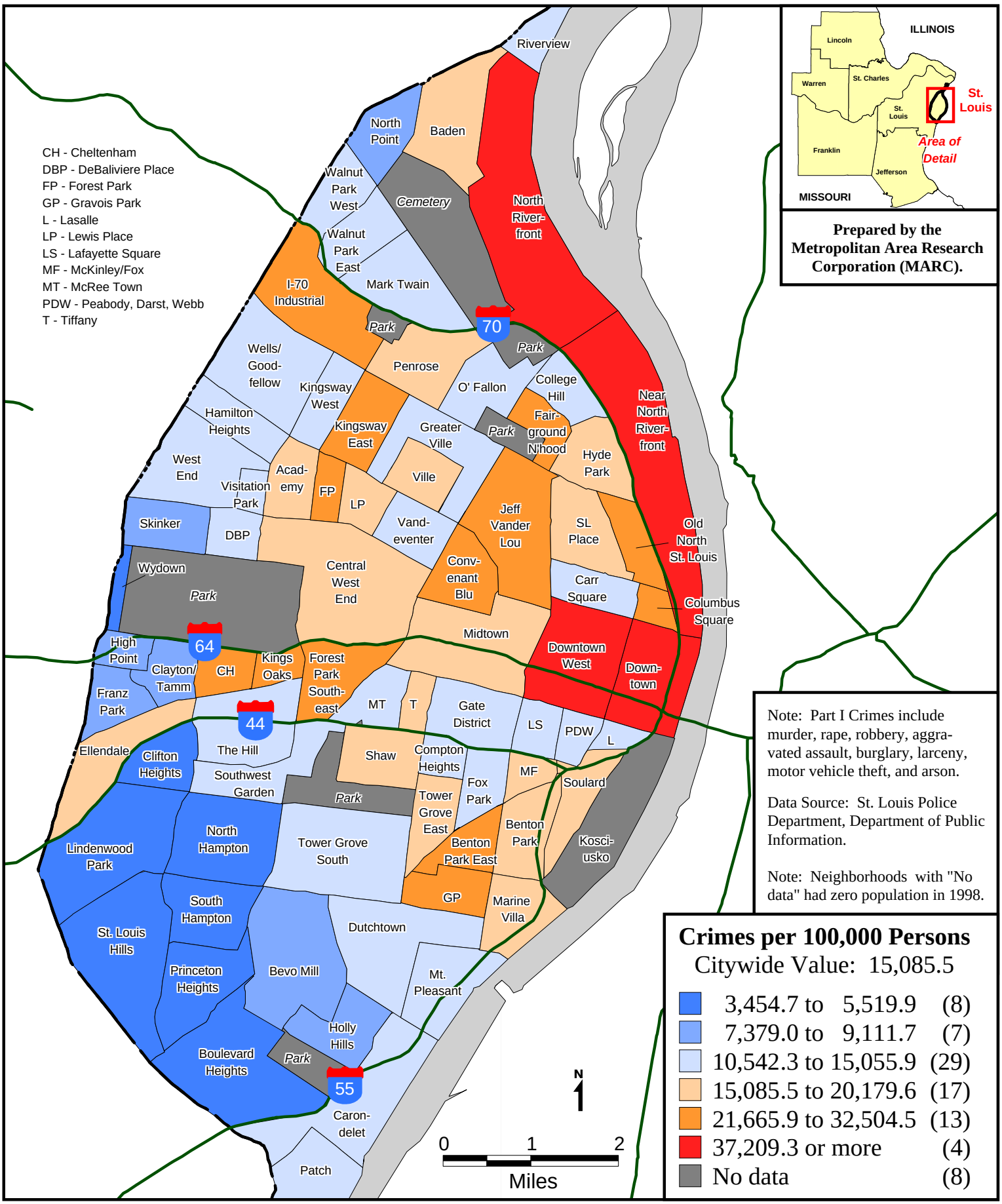
94 When comparing crime rates it is important to keep in mind that the level of detail and accuracy in crime reporting can vary considerably over time and across police jurisdictions.

95 Crime data for the city of St. Louis is from the St. Louis Police Department, Department of Public Information.

96 1987 crime data for the region are from the Missouri Department of Public Safety, *Missouri Crime Summary*, 1987.

Figure 20: Part I Crimes per 100,000 Persons by Neighborhood, 1998



Prepared by the Metropolitan Area Research Corporation (MARC).

Note: Part I Crimes include murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.

Data Source: St. Louis Police Department, Department of Public Information.

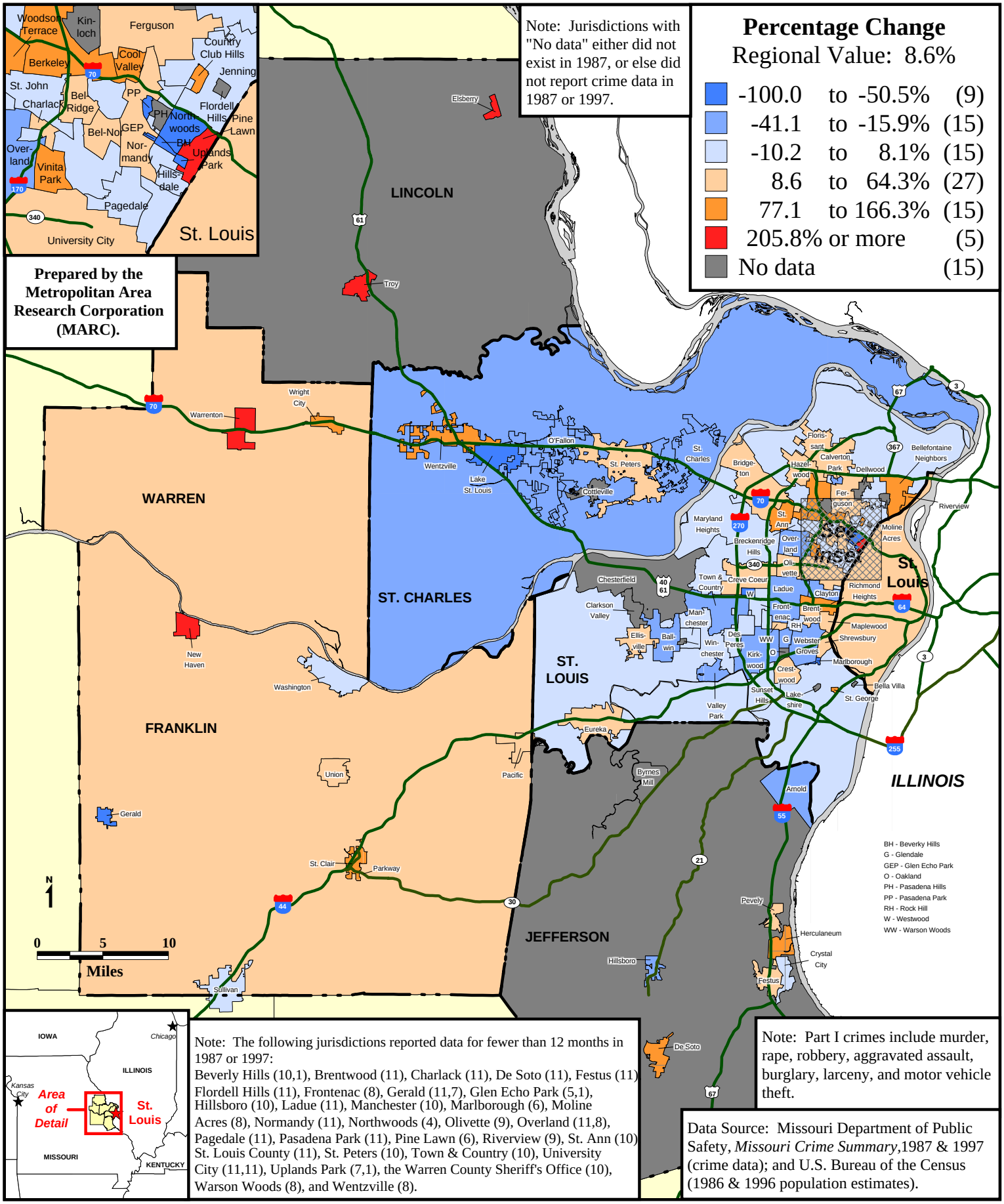
Note: Neighborhoods with "No data" had zero population in 1998.

Crimes per 100,000 Persons

Citywide Value: 15,085.5

3,454.7 to 5,519.9	(8)
7,379.0 to 9,111.7	(7)
10,542.3 to 15,055.9	(29)
15,085.5 to 20,179.6	(17)
21,665.9 to 32,504.5	(13)
37,209.3 or more	(4)
No data	(8)

Figure 21: Percentage Change in Part I Crimes per Capita by Police Jurisdiction, 1987-1997



crime rate of 25 percent (from 11,650.6 to 14,567.4 per 100,000). Thirty-four suburban jurisdictions saw their Part I rate increase faster than the central city's rate. The jurisdictions that increased the most were primarily outlying, satellite cities, such as Warrenton, which went from 2,013.6 to 6,157.9 per 100,000 persons (205.8 percent) and Troy, which went from 2,193.5 to 6,729.8 per 100,000 persons (206.8 percent). Other jurisdictions that experienced large percentage increases were Bellefontaine Neighbors (86.8 percent—from 3,350.6 to 6,259.7 per 100,000 persons) and Berkeley (from 132.9 percent—3,923.1 to 9,138.8 per 100,000 persons). Jurisdictions that decreased the most included Ballwin (-36.3 percent—from 2,610.9 to 1,664.0 per 100,000 persons), Town & Country (-41.1 percent—from 4,072.2 to 2,399.0 per 100,000 persons), Lake St. Louis (-50.9 percent—from 3,643.3 to 1,788.7 per 100,000 persons), and Northwoods (-64.9 percent—from 4,494.0 to 1,579.1 per 100,000 persons).

Between 1990 and 1998 Part I crime rates decreased in about half of the neighborhoods of St. Louis (Figure 22). Nearly all of the neighborhoods that experienced decreases were on the city's north side, while most of the increases were on the south side. The central-city neighborhoods with the greatest Part I crime rate decreases included West End (-33.4 percent—from 16,564.3 to 11,027.4 per 100,000 persons), Hamilton Heights (-33.8 percent—from 20,308.8 to 13,447.4 per 100,000 persons), Peabody-Darst-Webb (-37.8 percent—from 20,789.2 to 12,934.6 per 100,000 persons), and Vandeventer (-48.5 percent—from 27,155.2 to 13,993.8 per 100,000 persons).

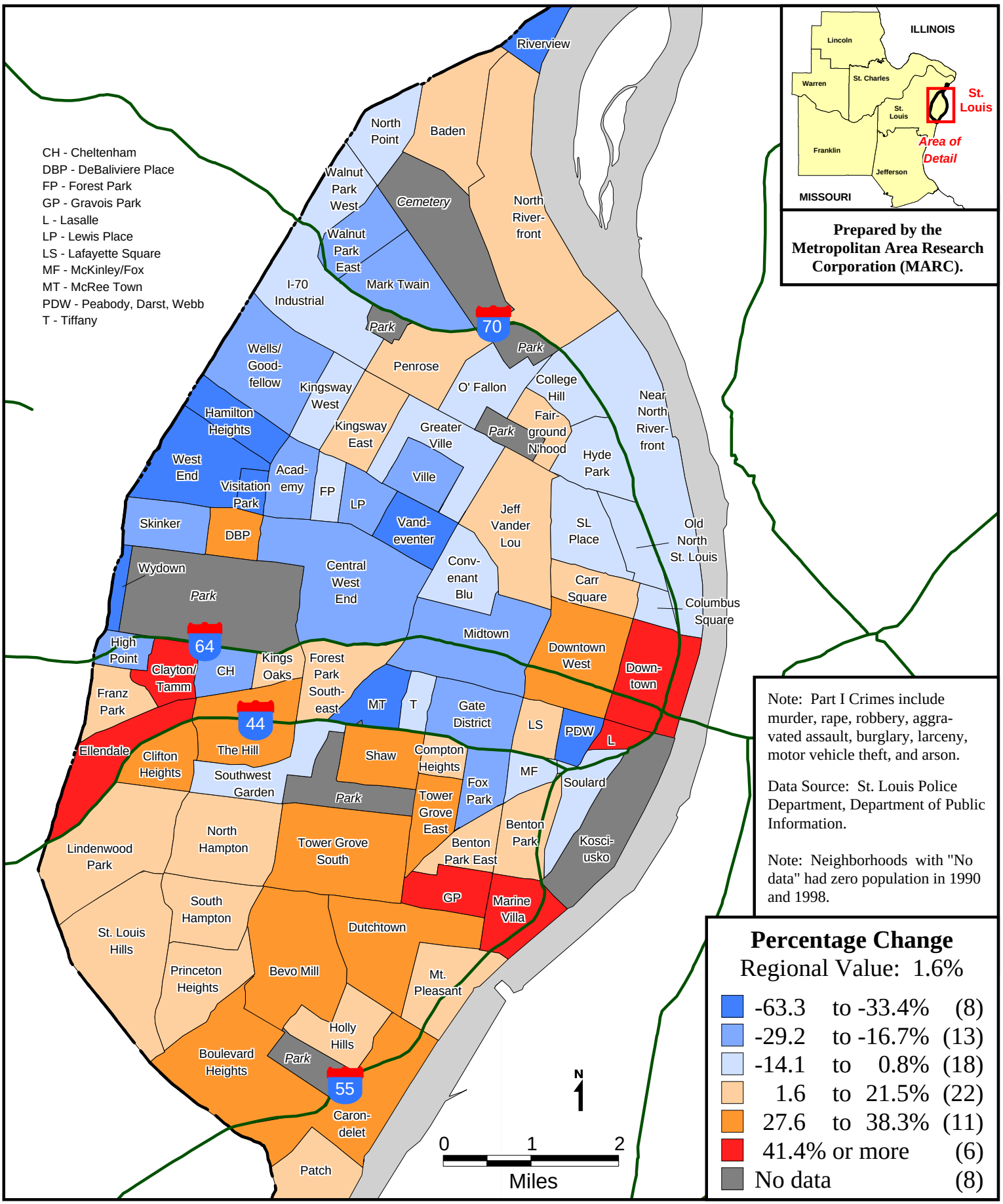
G. Infrastructure

Scholars and commentators say regional governance is impossible in the United States. But in terms of transportation spending, regionalism has been going on for at least twenty years. Money for highways comes from federal, state, and local sources. Today these highway projects are some of the largest governmental public works programs in the nation. The billions of dollars that build and maintain regional highway systems belong indivisibly to every citizen in the region—as much to the resident of St. Louis, Ferguson, or Wellston as to the resident of Wildwood or St. Charles. It is money that could be spent on enhancing the core communities of the region or on expanding the region's boundaries. It is money that could rebuild the infrastructure in the older, inner suburbs northwest of St. Louis or help urbanize new areas of farmland in St. Charles County. The Metropolitan Planning Organization (MPO) decides where this money goes.

In MARC studies throughout the nation, the largest share of new highway construction dollars are spent on radial highway leading out of the core of the region (the employment basin) to the heart of the developing quarter. This is certainly the case in the St. Louis region. Further, as the central city and inner-suburban neighborhoods of the region become more distressed, a large share of the regional highway money is spent on circumferential highways that link up various communities in the affluent, growing quarter of the region.

There is a constant debate among environmentalists and the highway construction complex about whether highway investment follows growth or causes it. It does both. Generally the road segments that are prioritized are the most congested. However, when the signal is given

Figure 22: Percentage Change in Part I Crimes per Capita by Neighborhood, 1990-1998



to increase capacity, the land use on the outward edge of the corridor responds with more growth, more housing, more commercial development, and more jobs. Often, these edge city communities *only* build expensive housing and job generating facilities. This causes congestion both on the radial roads leading out from where the workers can afford to live in the city and inner-county neighborhoods, and increasingly on roads even further out beyond those new suburban office centers. Once a large concentration of jobs becomes established on the periphery, it expands the size or the region another 20-40 minutes of commute time from the edge city centers. The broad decentralization of employment is one of the biggest agents of sprawl.

Sadly, given existing land-use patterns and the competition among communities for high-valued housing and income-producing commercial properties, the massive public works dollars spent on highway-capacity enhancement—theoretically on congestion reduction—only seem to reinforce a system of growing jobs/housing imbalance and sprawl that makes congestion worse and dramatically increases the size of the region and the threat to open space and productive agricultural lands.

Recently, the Surface Transportation Policy Project analyzed highway congestion data from the Texas Transportation Institute for 70 metropolitan areas between 1985 and 1996 and found that large investments in highway capacity did not result in easing congestion.[97] The STPP study compared metropolitan regions that have added significant new highway capacity in an effort to ease congestion to those that added little new capacity and found no difference in traffic congestion by 1996. Moreover, the study found that regions that increased road capacity spent approximately $22 billion more than those that did not increase capacity, but ended up with higher congestion costs per person, more wasted fuel, and increased travel delay.

Further, the continual increase in highway capacity in growing outer communities intensifies the mismatch between the location of jobs and workers, and exacerbates the overall socioeconomic polarization occurring among communities of the region.[98] In many regions, homeowners who choose to buy in communities developing on the fringes of urbanized areas sometimes have very long commutes to their places of work in the city or in other growing suburbs, increasing the strain on the transportation system.

Meanwhile, for many people the opposite problem holds true: their place of work moves to the suburbs, but the community's restrictions on affordable housing development prevents them from moving there as well. The urban planner Robert Cervero at Berkeley has shown that upwards of forty percent of the automobiles that clog highways at rush hour are driven by people who cannot afford to live close to their work.[99] Cervero suggests fair housing, including barrier

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[97] Surface Transportation Policy Project, "An Analysis of the Relationship Between Highway Expansion and Congestion in Metropolitan Areas: Lessons from the 15-Year Texas Transportation Institute Study", November 1998.

[98] Yale Rabin, "Highways as a Barrier to Equal Access," *Annals of the American Academy of Political Science* (1974). See generally Metropolitan Planning Council of Chicago, "Trouble in the Core."

[99] Robert Cervero, "Jobs-Housing Balance and Regional Mobility," *American Planning Association Journal* (Spring 1989).

removal, as one of the most important ways to reduce freeway congestion.[100] Although the effectiveness of jobs-housing balance in reducing freeway congestion has been hotly debated in recent years, a 1996 study by Cervero found that without coordinated regional planning, the imbalance between location of jobs and workers is more acute.[101]

New highway capacity also does not necessarily serve the community in which the highway construction actually occurs. Freeway lane widenings mean increased traffic, pollution, and encroachment of noise on communities. These neighborhoods must choose between soundwalls and noise, both of which lower property values and quality of life. Instead, the areas that actually benefit from increased new capacity are the areas to which traffic is being directed, improving access for commuters both into and out of the community.

With that in mind, MARC examined past and projected highway spending in the St. Louis region. Between 1989 and 1998, the Missouri Department of Transportation spent approximately $1 billion on major highway improvement projects in the St. Louis region (Figure 23).[102] Over half of the $1 billion invested ($534 million) went to adding new capacity to six routes that primarily serve the high tax capacity, job-rich communities of St. Louis and St. Charles Counties. The greatest investment during this period was made to I-270, which circumferentially links the affluent, High Capacity communities of St. Louis County ($193 million). Another $122 million worth of improvements were made to I-70 in St. Louis and St. Charles Counties, adding to the outward expansion of the region. The extension of State Highway 370 connecting the High Capacity cities of St. Charles and St. Peters in St. Charles County cost the region $103 million. Improvements to U.S. Highways 40 and 61 through the heart of St. Louis County to the fast-growing communities of St. Charles County totaled $58 million. The widening of State Highway 141 ($57 million) from Manchester to State Highway 30 in southern St. Louis County created another link to an evolving major outer loop highway. The largest highway investment made outside of St. Louis and St. Charles Counties was $110 million for to I-55, increasing highway capacity to the region's southern reaches.

In addition to the above spending on past highway projects, $600 million has been programmed for major highway improvement projects in the St. Louis region in 1999-2003 through the Missouri Department of Transportation's Transportation Improvement Program

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100 Ibid.

101 Robert Cervero, "Jobs-Housing Balance Revisited," *American Planning Association Journal* (Autumn 1996).

102 Highway improvements spending data are from the Missouri Department of Transportation.

"Highway Improvements" are defined as bridge replacements, lane widenings, lane additions, and new highway construction. These are projects that add new capacity to the system; maintenance is not included here. Also, the data we received and that appear on Figure 23 represent the total amount spent on each highway by county. Further, only improvements to a given highway that totaled $3 million or more within a particular county are included. In other words, the $1 billion figure does not include improvement to highways that totaled less than $3 million within a county.

Figure 23: Past Spending on Highway Improvements 1989-1998

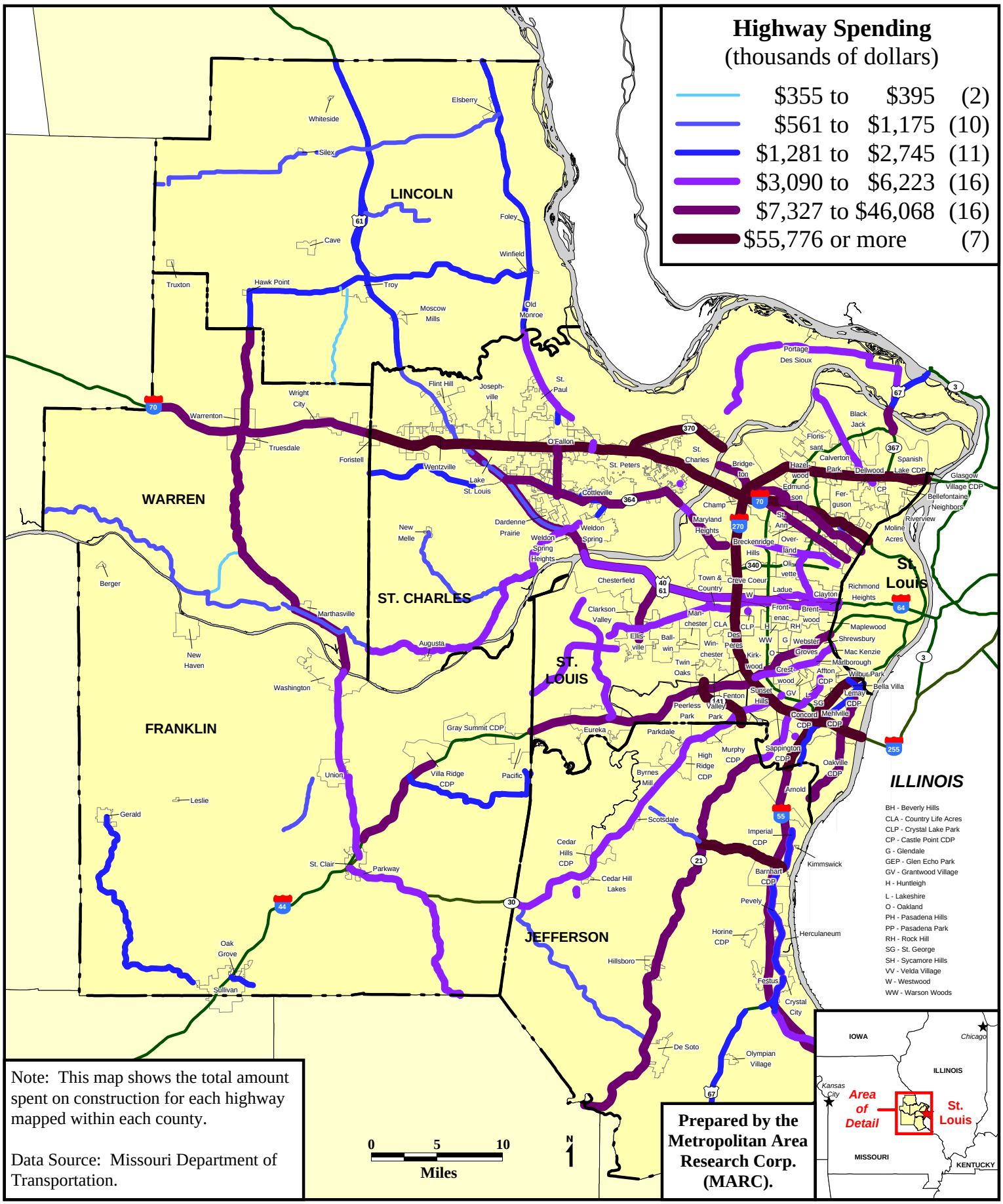
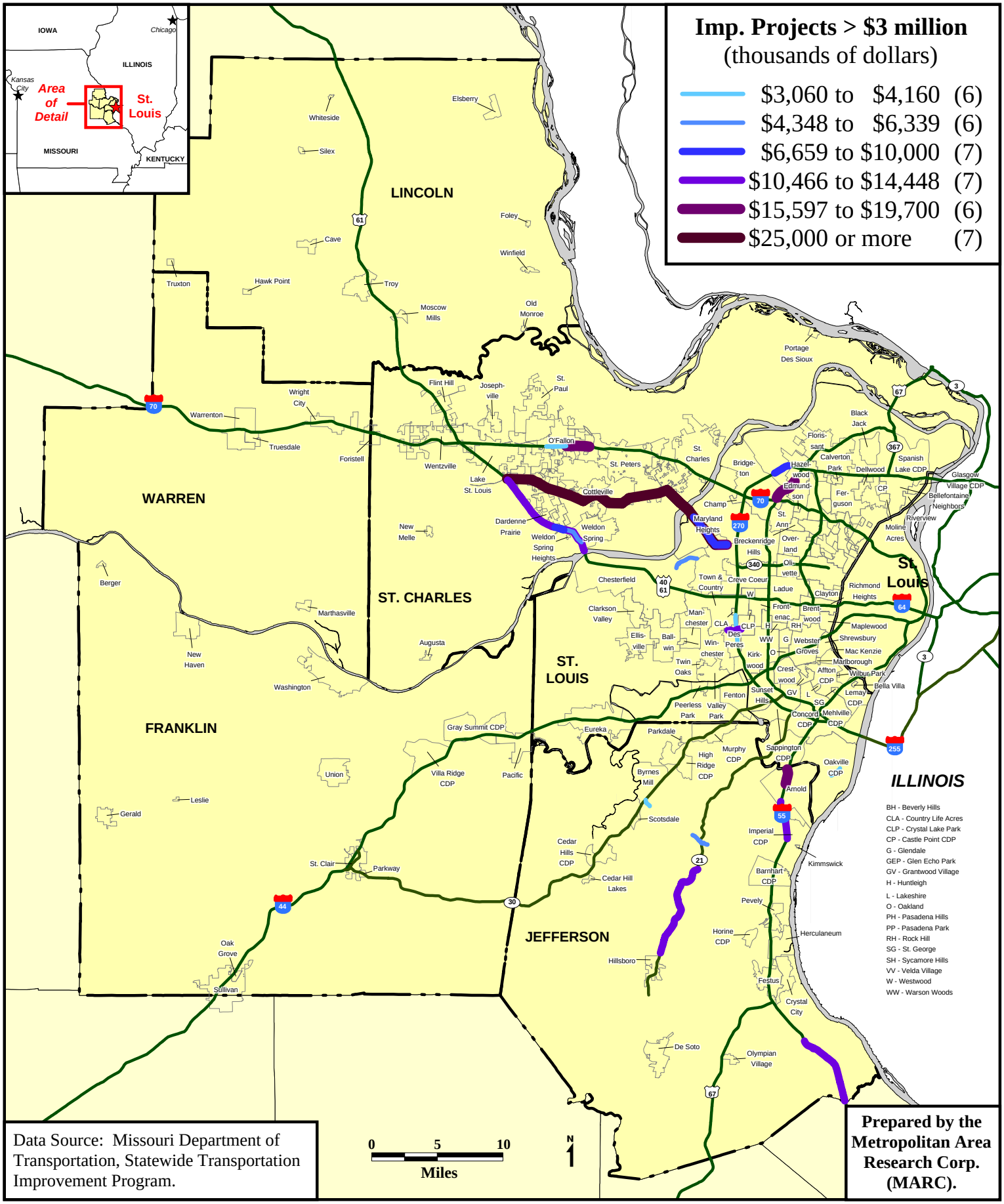


Figure 24: Projected Highway Improvements, 1999-2003



Data Source: Missouri Department of Transportation, Statewide Transportation Improvement Program.

Prepared by the Metropolitan Area Research Corp. (MARC).

(Figure 24).[103] The absolute largest and most expensive new capacity project programmed for the region is the construction of Route 364 (Page Avenue Extension) from just west of I-270, through the fast-growing communities of St. Charles County, to State Highway 40/61. The total amount programmed for this project—actually 18 projects strung together—is $400 million, or two-thirds of all projected major highway improvement spending in the region. The next most expensive group of projects are improvements to State Highway 40/61 from the Missouri River north to the new Page Avenue Extension, providing greater access to those same affluent, High Capacity communities.

H. Regional Sprawl

According to the U.S. Census Bureau, a city's urbanized area consists of the central city and its adjacent urban fringe, including all contiguous territory settled at the density of at least 1,000 persons per square mile.[104] By comparing the change in population between census periods within a designated urbanized area and the change in the size of the land area that is defined as urbanized, we can determine whether that area as a whole is becoming more compact or is sprawling as it develops.

In 1990 the St. Louis urbanized area which is delineated by the Census Bureau and covers the city of St. Louis, most of St. Louis County, most of the incorporated part of St. Charles County, portions of northeastern Jefferson County, as well as areas of Madison, St. Clair and Monroe Counties in Illinois,[105] was settled at a density of 2,673.1 persons per square mile (Figure 25).[106] This was a decrease in population density from 1970 of 34.6 percent. In that year, the population density in the area was 4,088.0 persons per square mile. Put another way, the number of people living in the urbanized area surrounding St. Louis increased by 3.4 percent (from 1,882,944 to 1,946,526), while the land area they occupied increased by 58.1 percent (from 460.6 to 728.2 square miles)—over seventeen times the rate of population growth.

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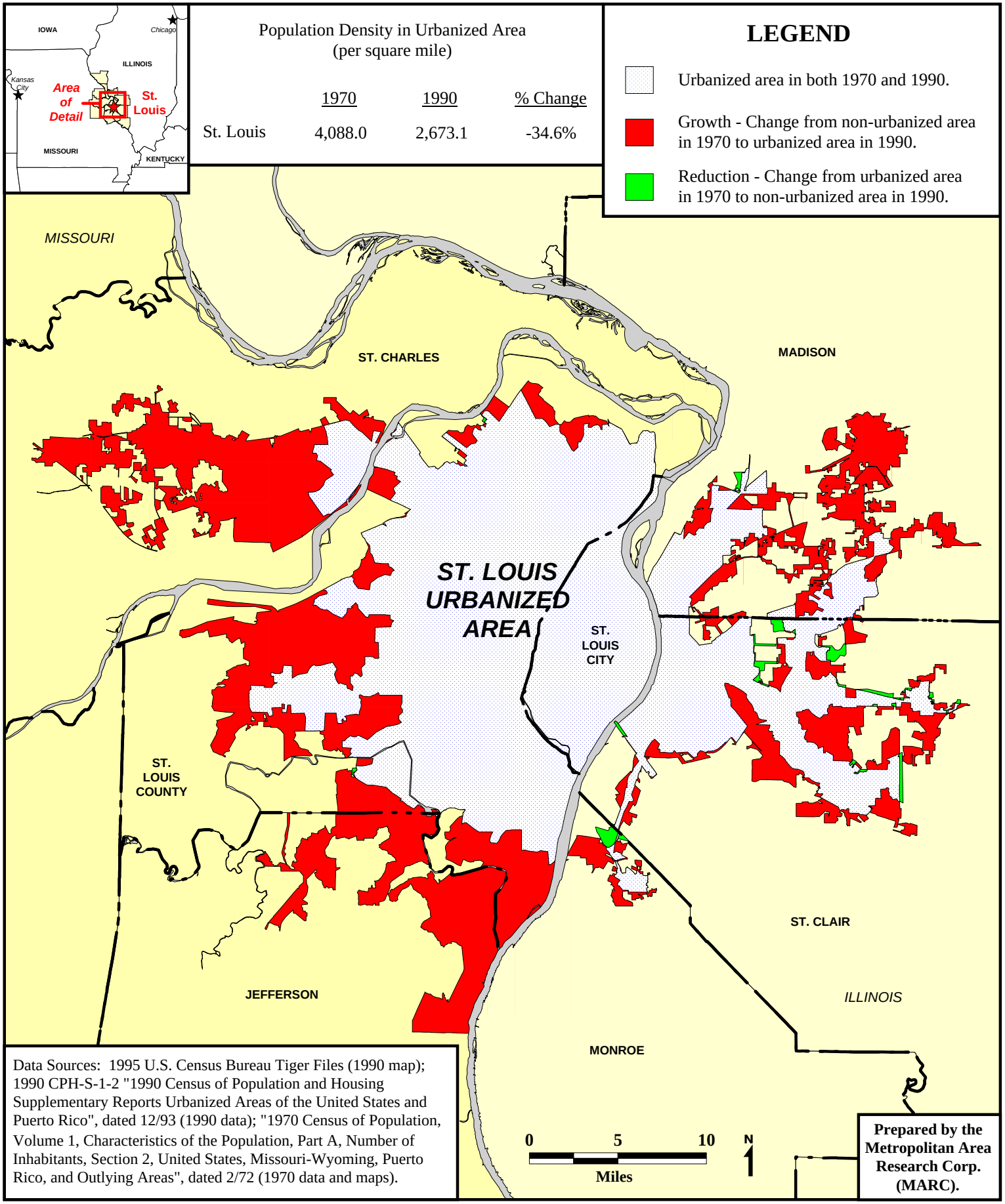
103 Missouri Department of Transportation, *Statewide Transportation Program, July 1, 1998 - June 39, 2003,* 1998. Unlike the past highway spending data (Figure 23), the data we received for projected highway spending and that appear on Figure 24 are by project segment, rather than for the entire highway and are not specific to each county. Again, we include only spending on new capacity or "highway improvement" projects that cost $3 million or more

104 Also included in the urbanized area are large concentrations of non-residential urban area, such as industrial parks, office areas, and airports.

105 The Census Bureau reports the total land area and population within the entire urbanized area. It does not provide this data at the county or state level. Therefore, it was necessary to include the Illinois portion of the urbanized area here.

106 Population and land area data from the "1990 Census of Population and Housing Supplementary Reports Urbanized Areas of the United States and Puerto Rico" (December 1993), and the "1970 Census of Population Supplementary Report, Population and Land Area of Urbanized Areas: 1970 and 1960" (February 1972).

Figure 25: Change in Urbanized Area, 1970-1990



Data Sources: 1995 U.S. Census Bureau Tiger Files (1990 map); 1990 CPH-S-1-2 "1990 Census of Population and Housing Supplementary Reports Urbanized Areas of the United States and Puerto Rico", dated 12/93 (1990 data); "1970 Census of Population, Volume 1, Characteristics of the Population, Part A, Number of Inhabitants, Section 2, United States, Missouri-Wyoming, Puerto Rico, and Outlying Areas", dated 2/72 (1970 data and maps).

Prepared by the Metropolitan Area Research Corp. (MARC).

I. Fiscal Disparities

1. Overview

When the property tax and local sales taxes are basic revenue sources for local governments with land-planning powers, fiscal zoning occurs as jurisdictions compete for property wealth and sales tax revenue. Through fiscal zoning, jurisdictions deliberately develop predominantly expensive homes and commercial-industrial properties with low social service needs.[107] In such a way, they prevent the construction of lower-cost housing that have associated social needs, thus keeping demands on tax base low. Spreading these controlled needs over a broad, rich property tax base further reduces property tax rates.

The dynamic of fiscal zoning creates three sets of mutually reinforcing relationships. First, the wealthier jurisdictions that have little or no affordable housing and have low property tax rates continue to attract more and more business, the presence of which continually lowers the overall property tax rate and increases tax revenues to the city. Because of low social needs, these places can provide a select quality local services.

A second reinforcing relationship involves those jurisdictions that have increasing social needs on a declining property tax base. This combination leads to both declining consumer demographics and increased property tax rates, resulting in fewer and less adequate public services. All of these factors are large negatives in terms of business location and retention. Often, central cities and inner, older suburbs spend a great deal of money on unsuccessful efforts to become more socio-economically stable, as their property tax base and their sales tax revenues evaporate out from under them.

The third relationship concerns the developing jurisdictions that lose the battle of fiscal zoning. These are fast-growing suburbs that have not yet attracted business or executive housing and must pay for their schools, police, parks, curbs, and gutters with fewer resources. To keep property tax rates from exploding, they are forced to abandon long-range thinking and frantically build lower-valued homes and multi-family units, big-box retail centers, shopping malls, and office parks rejected by the wealthier jurisdictions. These decisions, in the long run, catch up with working- and middle-class suburbs and they become the declining suburbs of tomorrow. Further, in a perhaps futile attempt to remain competitive in terms of property and sales taxes, working- and middle-class developing communities often suppress local expenditures on public services, particularly on schools.

The increase of property and sales tax wealth in some communities and the stagnancy or decline of property values and retail outlets in the central cities and older, inner suburbs represents an interregional transfer of tax base. As such, the loss of value in older poorer communities is one of the costs of economic polarization and urban sprawl. Federal, state, and local governments spend billions of dollars building infrastructure such as schools, freeways, and

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107 D. Winsor, *Fiscal Zoning in Suburban Communities* (1979); B. Rolleston, "Determinants of Restrictive Suburban Zoning: An Empirical Analysis," *Journal of Urban Economics* 21 (1987): 1-21; M. Wasylenko, "Evidence of Fiscal Differentials and Intrametropolitan Firm Relocation," *Land Economics* 56 (1980): 339-56; Cervero, "Regional Mobility."

sewers which add enormous value to growing parts of the region. To the extent that these public expenditures serve to transfer value, they are wasted. Adding to this dysfunction, the infrastructure of new cities is paid for by taxes and fees levied on the residents and businesses of the older parts of the region.

2. Cities and Counties

Here we are interested in a city or county's local property and sales tax revenue *potential* relative to the local property and sales tax revenue *potential* of other cities and counties in the region. We are not interested in a jurisdiction's total fiscal resources. Cities and counties often have a number of fiscal resources other than local property and sales taxes available to them, such as from a statewide general sales tax as in Missouri, but these sources are generally already fairly evenly distributed among the jurisdictions of the region. Local tax sources, on the other hand, vary considerably from jurisdiction to jurisdiction and can greatly affect land-use decisions. Further, the potential for new local tax revenue is a significant cause of unhealthy competition among cities and counties of a region. Because real estate property and sales taxes are the largest sources of local tax revenue in Missouri, we focus our analysis on these sources.

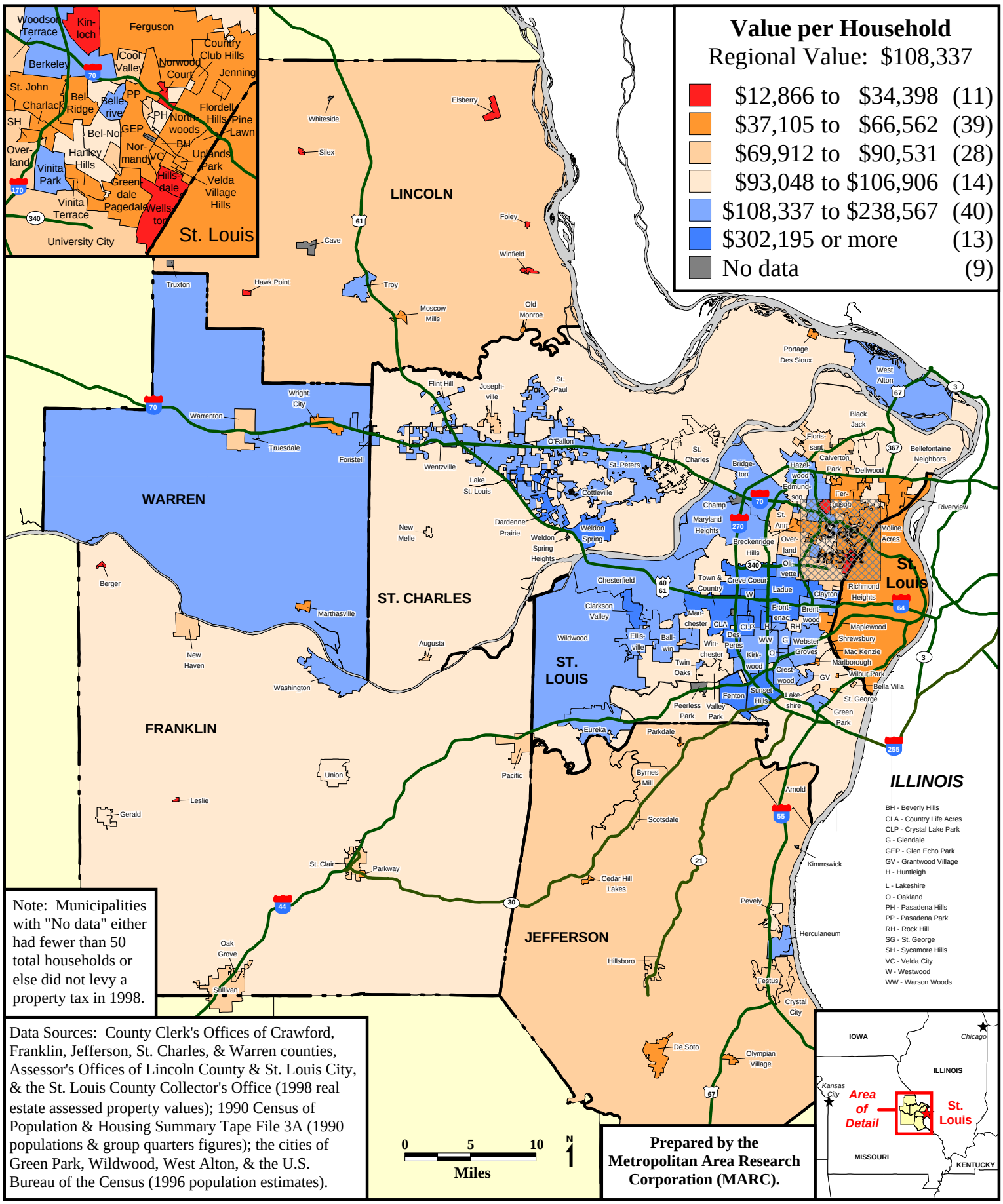
In this section total real estate property market value and taxable retail sales per household are examined. It should be pointed out that the property value data and the retail sales data are from 1998, while the household numbers are estimates based on actual 1990 household figures and 1996 population estimates provided by the Census Bureau. The 1996 population estimates that are used take into account annexations that occurred prior to 1995 (such as annexations to the cities of Ballwin, Chesterfield, Des Peres, Kirkwood, Manchester, Town & Country, Warrenton, and Washington), but do not reflect annexations that occurred after January 1, 1995. Therefore, for cities that annexed territory between 1995 and 1998, *post*-annexation property value and taxable retail sales amounts are actually compared to the city's *pre*-annexation household estimates. This means that for these places the property value and taxable sales per household numbers presented on Figures 26-29 are probably slightly higher than what actually was the case in 1998.

In the St. Louis region, in the places where social needs are greatest, overall total real estate property market value (property value) is comparatively low. In 1998, the overall property value per household in the St. Louis region was $108,337 (Figure 26).[108] The total taxable real estate property value per household in the city of St. Louis was only $51,406 (or 47.5 percent of the regional value) and the average property value per household in the Low Capacity/Stressed

[108] 1998 real estate property assessed values were from the County Clerk's Offices of Crawford, Franklin, Jefferson, St. Charles, and Warren counties, the Assessor's Offices of Lincoln and Warren counties, and the City of St. Louis, the St. Louis County Collector's Office, and the City of Sullivan; 1998 real estate property tax rates were from the State Tax Commission (the assessed values and the tax rates were then used to determine real estate property market values); 1996 population estimates are from the cities of Green Park, Wildwood, West Alton, and the U.S. Bureau of the Census.

We did not look at personal property values here because, due to non-availability of some data we are unable to determine market values from assessed values as we did with real estate property. However, we do expect to receive sales tax data in time for inclusion in the final version of this report.

Figure 26: Total Real Estate Property Market Value per Household by Municipality and County Unincorporated Area, 1998



subregion was only $64,333 (or 59.4 percent of the regional value). These are places that face rapidly growing social needs with few tax-base resources. The average property value in the Low Capacity subregion was slightly below the regional value as well--$92,805 or 85.7 percent of the regional value. The average property values per household in the High Capacity/Stressed and the High Capacity subregions, on the other hand, were well above the regional value—$159,765 (147.5 percent) and $184,199 (170.0 percent) respectively.

Total Real Estate Property Market Value per Household, 1998

	Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
Value	$108,337	$51,406	$64,333	$92,805	$159,765	$184,199
% of Reg Val	100.0	47.5	59.4	85.7	147.5	170.0

Twenty-four jurisdictions had property values per household below that of St. Louis. Among the lowest property values per household were a number of outlying communities in Lincoln County as well as Low Capacity/Stressed communities northwest of St. Louis, such as Jennings ($43,656), Riverview Village ($40,792), Wellston ($25,278), and Kinloch ($12,866). At the other end of the spectrum, twenty-three communities had property values per household greater than $200,000, including six that were over $500,000—all were located in the High Capacity area west of the central city along State Highway 40/61—such as: Frontenac ($503,449) and Ladue ($574,020). Chesterfield ($230,720) and Creve Coeur ($392,890) had very high property values per household as well.

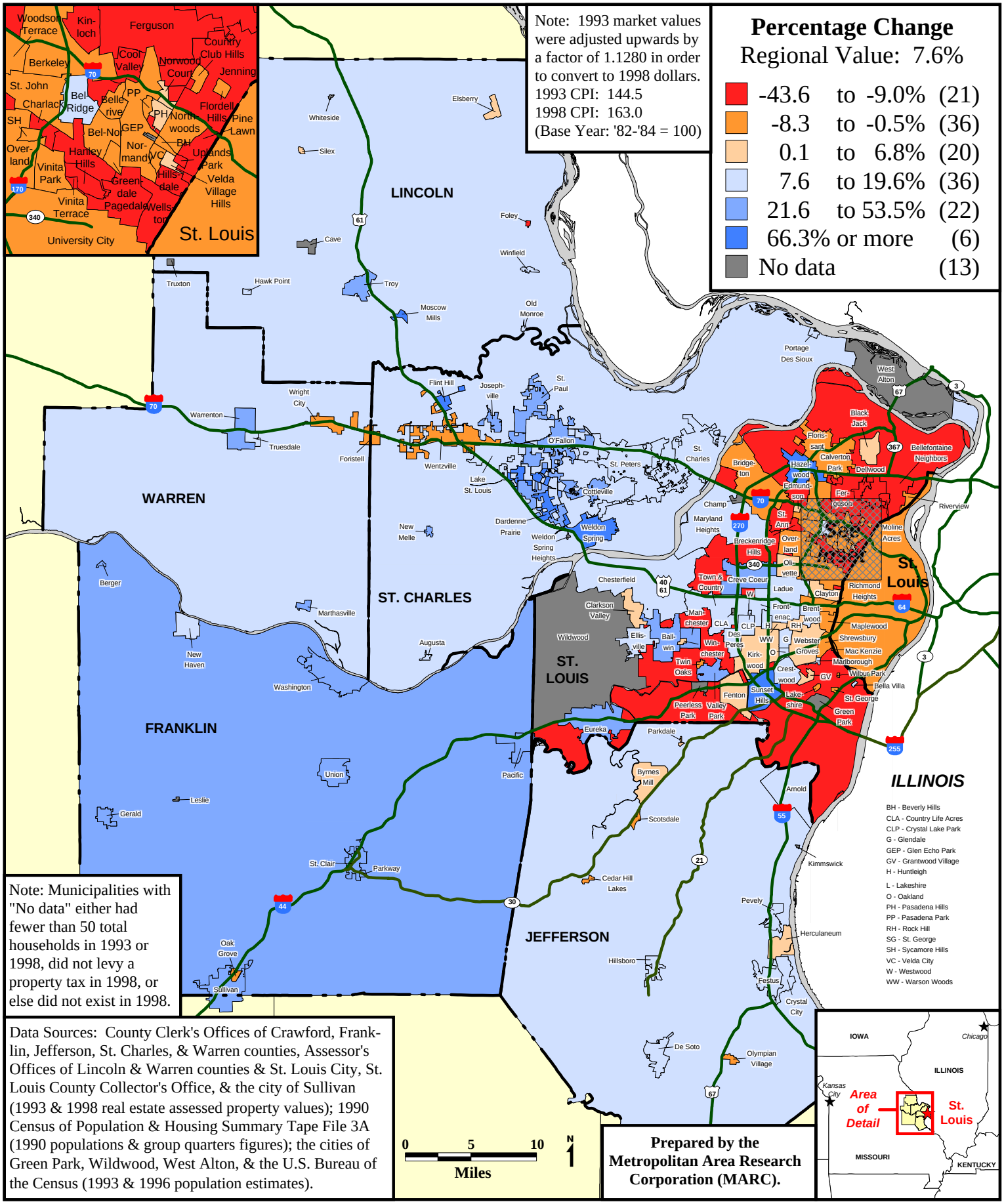
Between 1993 and 1998 the St. Louis region experienced a 7.6 percent increase in overall property value per household, from about $100,000 in 1993 (in 1998 dollars) to $108,337 in 1998 (Figure 27). Yet, during this period, the central city and every subregion decreased in property value per household except the High Capacity subregion. Both the city of St. Louis and the Low Capacity/Stressed subregion decreased by 4.0 percent, the Low Capacity subregion by 2.4 percent, and the High Capacity/Stressed subregion by 1.7 percent. All of the region's property tax base increase during this period was experienced in the High Capacity subregion where the average property value increase was 16 percent.

Percentage Change in Total Real Estate Property Market Value per Household, 1993-1998

Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
7.6	-4.0	-4.0	-2.4	-1.7	16.0

Between 1993 and 1998, thirty-eight suburban jurisdictions lost property value at a greater rate than the city of St. Louis, most of these were in the Low Capacity or Low Capacity/Stressed subregion. The unincorporated parts of St. Louis County, for example, experienced a decrease of 12.0 percent (from $113,894 to $100,261), Ferguson decreased by 9.4 percent (from $73,486 to $66,545), and Pagedale decreased by 16.4 percent (from $65,947 to $55,117). In contrast, many High Capacity communities in St. Louis and St. Charles Counties that already had very high average property values in 1993 increased by more than 40 percent by

Figure 27: Percentage Change in Total Real Estate Property Market Value per Household by Municipality and County Unincorporated Area, 1993-1998 (Adjusted by CPI)



1998. These include places like Ballwin, which went from $121,758 in 1993 to $171,251 in 1998 (40.6 percent); O'Fallon, which went from $103,347 to $158,663 (53.5 percent); Sunset Hills, which went from $236,046 to $392,434 (66.3 percent).

In Missouri, local sales taxes are also an important source of revenue for cities and counties. In 1998 the overall taxable retail sales per household in the St. Louis region was $30,119 (Figure 28). In the city of St. Louis, the taxable sales per household totaled $24,462 or about 81 percent of the regional value. The Low Capacity/Stressed and the Low Capacity subregions had even lower overall taxable sales per household than the central city: the former with $16,885 (56.1 percent of the regional value), the latter with $20,703 (68.7 percent of the regional value). The two High Capacity subregions, on the other hand, were both well above the regional value. The High Capacity/Stressed subregion—places where strip malls and big box retail are common—had an overall taxable sales per household of $94,721, over three times the regional value. The High Capacity subregion's overall taxable sales per household was $49,956 or 166 percent of the regional value.

Taxable Sales per Household, 1998

	Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion
Value	$30,119	$24,462	$16,885	$20,703	$94,721	$49,956
% of Reg Val	100	81.2	56.1	68.7	314.5	165.9

Seventy-four jurisdictions had taxable sales per household below that of St. Louis in 1998. Most were Low Capacity or Low Capacity Stressed places. Among the jurisdictions with the lowest taxable sales per household were Florissant ($20,307), Bellafontaine Neighbors ($13,669), Jennings ($11,580), unincorporated St. Charles County ($7,975), and St. John ($4,319). At the other end of the spectrum, there were eighteen jurisdictions with more than $70,000 in taxable sales per household. A few of these were in the High Capacity/Stressed subregion, but most were in the High Capacity subregion. Some of the highest were Maryland Heights ($76,471), Crestwood ($82,030), Creve Coeur ($91,142), Bridgeton ($100,657), and Frontenac ($139,894).

Between 1993 and 1998 total taxable retail sales in the St. Louis region increased by 14.1 percent (Figure 29). During this period, the city of St. Louis increased in taxable sales per household by 6.5 percent, from $22,979 (in 1998 dollars) to $24,462. Overall, the Low Capacity/Stressed subregion—already very low in taxable sales—decreased in this figure by 6.6 percent, from $18,069 to $16,885. The High Capacity/Stressed subregion increased at a slower rate than the central city, by 4.5 percent (from $90,608 to $94,721). The Low Capacity and the High Capacity subregions, on the other hand, increased by 12.7 and 17.9 percent respectively. The former went from $18,376 to $20,703, while the latter went from $42,378 to $49,956.

Percentage Change in Taxable Retail Sales per Household, 1993-1998

Region	St. Louis	Low Capacity/ Stressed Subregion	Low Capacity Subregion	High Capacity/ Stressed Subregion	High Capacity Subregion

Figure 28: Taxable Sales per Household by Municipality and County Unincorporated Area, 1998

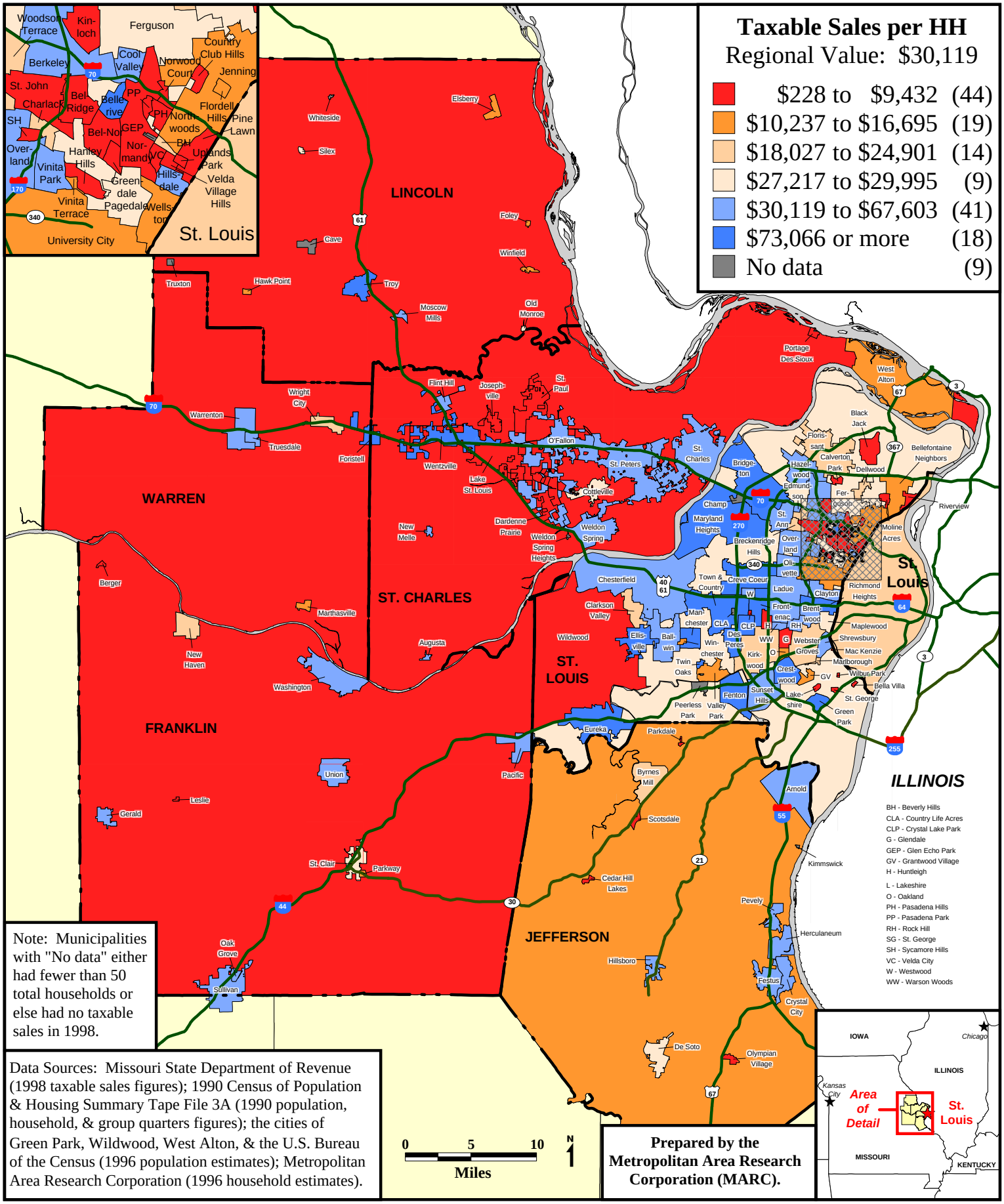
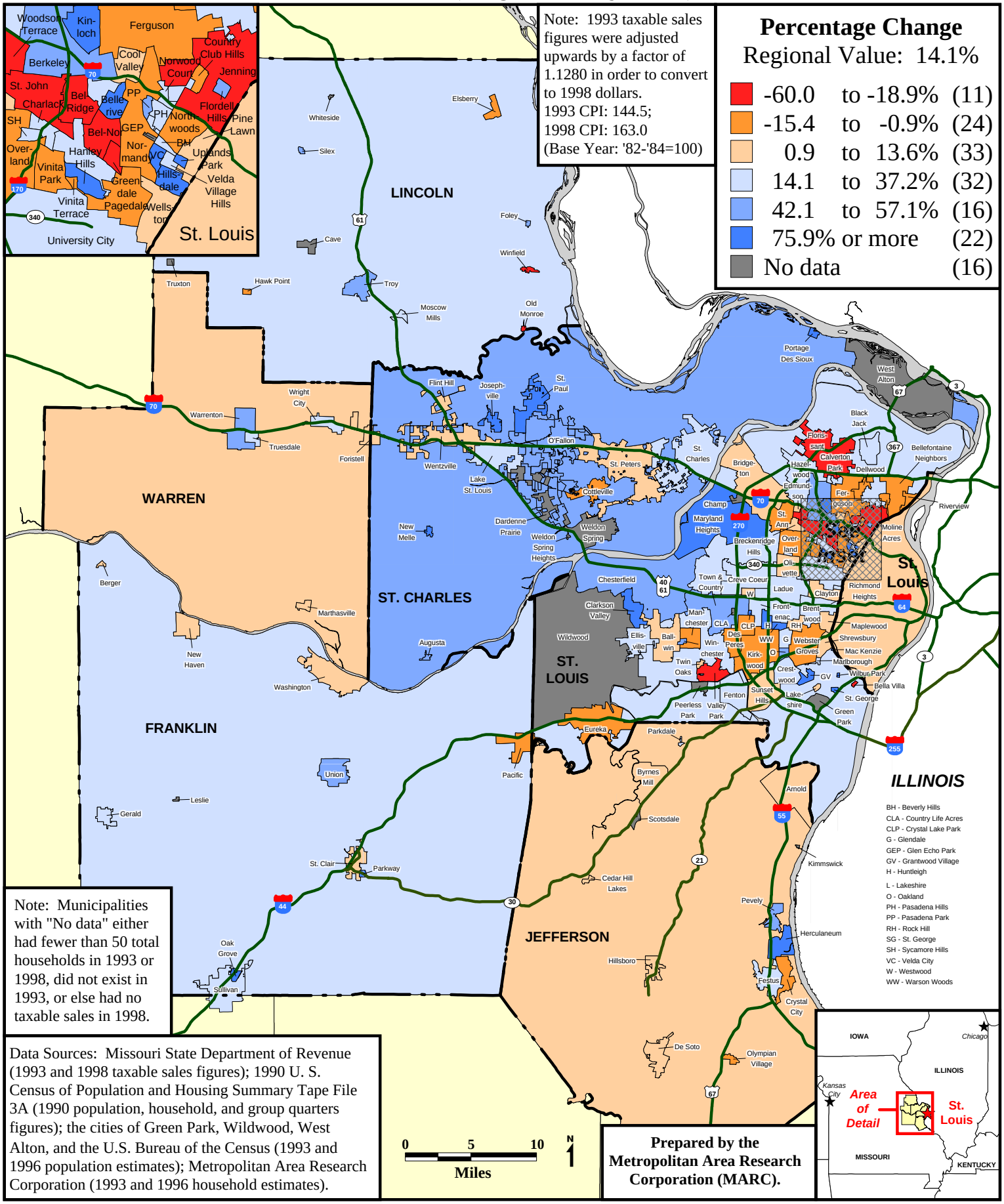


Figure 29: Percentage Change in Taxable Sales per Household by Municipality and County Unincorporated Area, 1993-1998 (Adjusted by CPI)



14.1	**6.5**	**-6.6**	**12.7**	**4.5**	**17.9**

Thirty-five jurisdictions decreased in taxable sales per household between 1993 and 1998; most were Low Capacity/Stressed communities located northwest of St. Louis. Some of the greatest decreases were in places like Florissant, which went from $29,022 to $20,307 (-30.0 percent) and Jennings, which went from $20,326 to $11,580 (-43.0 percent). On the other hand, many of the places that increased the most in taxable sales per household during this period were High Capacity communities that already had high retail sales in 1993. These included Ellisville, which went from $71,795 to $94,009 (30.9 percent); Town & Country, which went from $51,911 to $73,749 (42.1 percent), O'Fallon, which went from $32,359 to $48,837 (50.9 percent); and Maryland Heights, which went from $38,654 to $76,471 (97.8 percent).

3. School Districts

There was more than a three-to-one disparity in per pupil spending in the St. Louis region in 1998. The average annual spending in the school districts of the St. Louis region in 1998 was $7,729 per student, ranging from $4,479 in the Crystal School District to $13,878 in the Clayton School District (Figure 30).[109] Interestingly enough, the St. Louis School District was not among the lowest spenders. Overall, St. Louis spent $8,332 per student in 1998, the twelfth highest of fifty-six districts in the region. Central cities often spend a relatively high amount on education due to the fact that these school districts commonly have more money-intensive special education programs—for children with unique challenges such as learning disabilities, physical disabilities, behavioral problems, or speaking English as a second language.

The districts that spent the least per student were in outlying rural areas, such as Elsberry ($5,032), Lonedell ($4,671), and St. Charles County ($4,892). School districts closer in with very low per pupil spending included Jennings ($5,860) and Valley Park ($5,757). The districts that spent the most drew their students primarily from the High Capacity subregion, and included St. Charles ($8,885), Kirkwood ($8,926), Washington ($8,940), Ladue ($10,157), Lindbergh ($10,862), and Clayton ($13,878).

J. Jobs

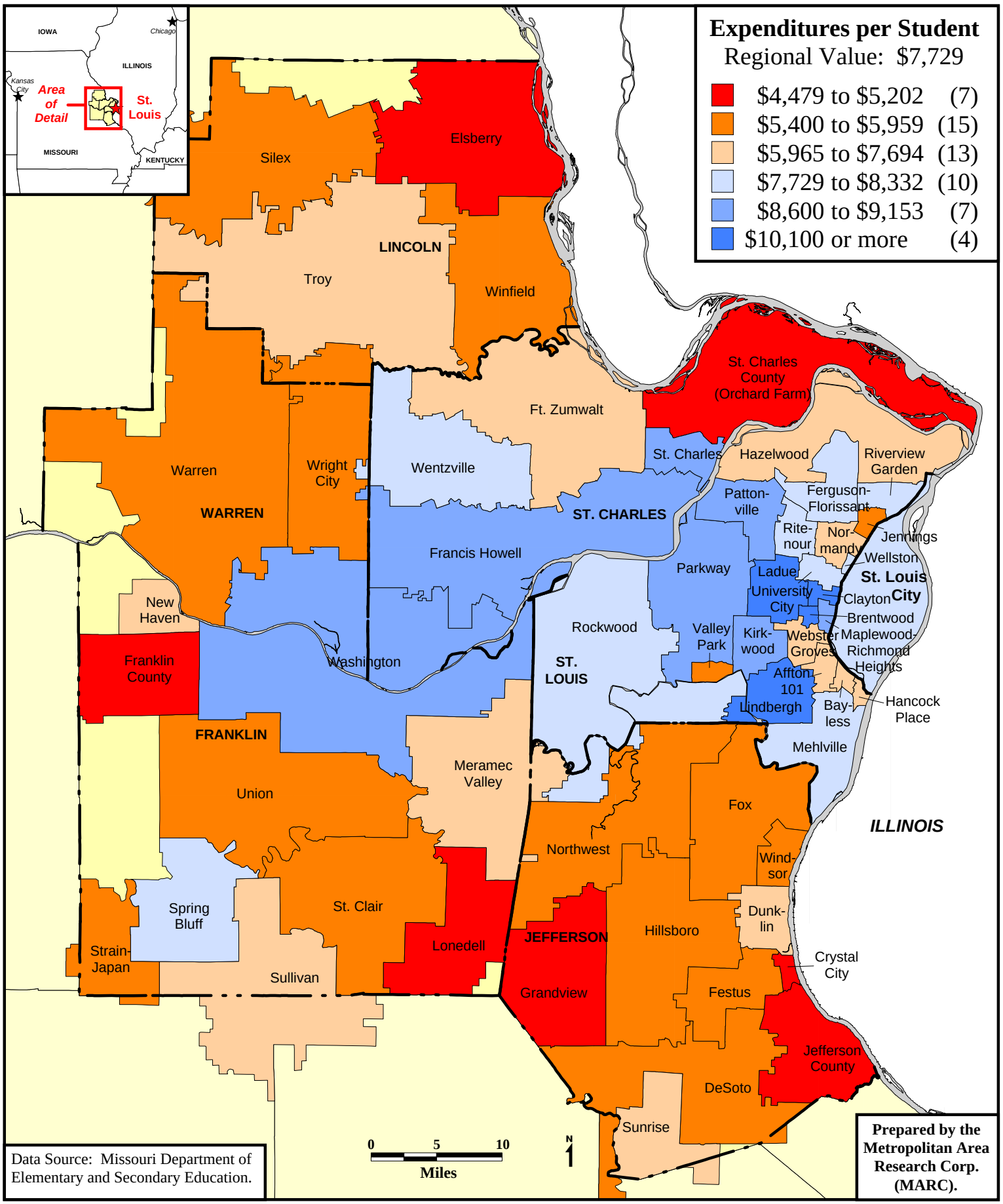
1. The Spatial Mismatch Hypothesis

Twenty-five years ago, John Kain, an economist at Harvard, argued for the existence of a "spatial mismatch" between affordable housing and available jobs.[110] The theory posits that American cities are undergoing transformations from centers of goods and production to centers of information processing. The blue-collar jobs that once made up the economic backbone of cities have either vanished or moved to the developing suburbs, if not overseas. Central-city low-skilled jobs are no longer available. In addition, neighborhood retail businesses that served the

109 1998 school district expenditure data from the Missouri Department of Elementary and Secondary Education.

110 John Kain, "Housing Segregation, Negro Unemployment, and Metropolitan Decentralization," *Quarterly Journal of Economics* 82 (May 1968): 175-97.

Figure 30: Total Expenditures per Student by School District, 1998



middle class have also to a large extent relocated to the suburbs.[111] The spatial mismatch theory states that it is not lack of jobs per se that is the problem, since central-city population growth has been as slow as central-city job growth. The problem is that the percentage of central-city jobs with high educational requirements is increasing, while the average education level of central-city residents is dropping.[112] In addition, essentially all of the net growth in jobs with low educational requirements is occurring in the suburbs.[113] This low-skilled jobs exodus to the suburbs disproportionately affects central-city poor people, particularly minorities, who often face a more limited choice of housing location in job growth areas and a lack of transit services from the urban core to those suburbs.[114]

2. Jobs per Capita

In order to better determine where the jobs are located in relation to those who need them, employment data presented here show where the jobs are located, rather than how many employed people live in each jurisdiction. Number of jobs per capita is also a measure of a jurisdiction's relative strength in the regional economy and in competition for tax base.

In 1996, the St. Louis region as a whole had 52.7 jobs per 100 persons (Figure 31).[115] Cities that contained Traffic Analysis Zones (TAZs) with 729.5 or more jobs per 100 persons, the most job-rich places, included Clayton, Creve Coeur, Fenton, Eureka, and Chesterfield—all High Capacity communities. A swath of TAZ zones with between 52.7 and 623.1 jobs per 100 persons runs west from St. Louis into Chesterfield along State Highway 40/61 and south from Creve Coeur through Sunset Hills along I-270. This is the heart of the High Capacity sector of the region. Other areas of high job rates are located throughout St. Charles County: for example, in the unincorporated area south of State Highway 40/61, in the Wentzville area, and in the unincorporated area just north of St. Peters. TAZ zones with the fewest jobs per capita were located throughout Jefferson County, in the Low Capacity/Stressed area northwest of St. Louis—in places like Overland, Northwoods, University City, Breckenridge Hills, and Jennings—in St. Charles County between State Highway 40/61 and I-70, and in the Wildwood area of St. Louis County.

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111 John D. Kasarda, "Urban Industrial Transition and the Underclass," *Annals of the American Academy of Political and Social Sciences* 501 (January 1989): 36.

112 Ibid.

113 Ibid.

114 For further discussion of the pros and cons of the spatial mismatch hypothesis, see Joseph Mooney, "Housing Segregation, Negro Employment and Metropolitan Decentralization: An Alternative Perspective," *Quarterly Journal of Economics* (May 1969): 299-311. See Hutchinson (1974); Farley (1987); Inlanfedt and Sjoquist (1990-2); Offner and Saks (1971) Friedlander (1972); Harrison (1974), Leonard (1986); all in Kathy Novak, "Jobs and Housing: Policy Options for Metropolitan Development," (Research Department: Minnesota House of Representatives February 1994); David Elwood, "The Spacial Mismatch Hypothesis: Are the Teenage Jobs Missing in the Ghetto?" in *The Black Youth Employment Crisis* eds. Richard B. Freeman and Harry J. Holzer (1986): 147-90.

115 All jobs data are from the East-West Gateway Coordinating Council. Jobs data were not available for Lincoln and Warren Counties.

Figure 31: Jobs per 100 Persons by Traffic Analysis Zone, 1996

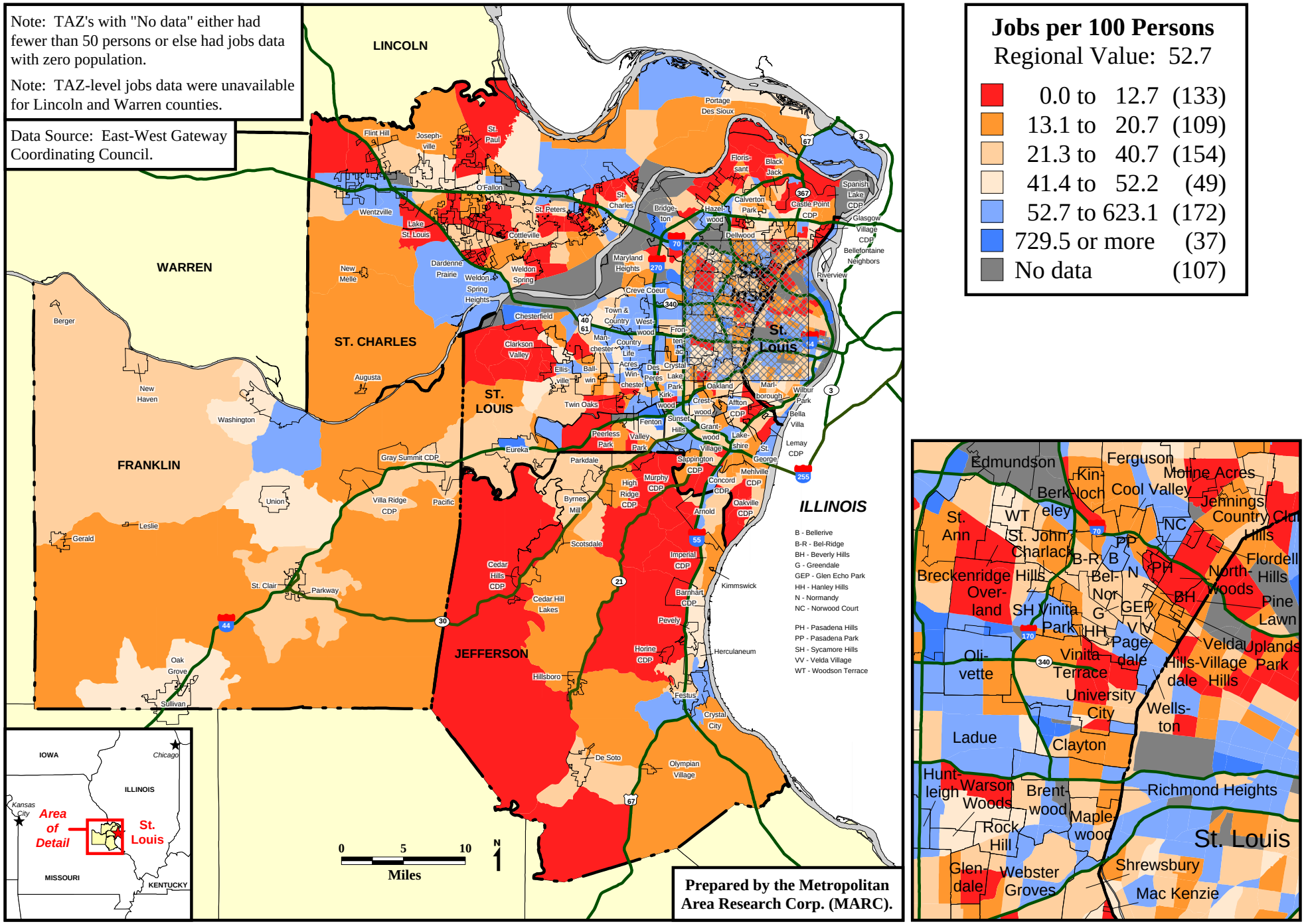
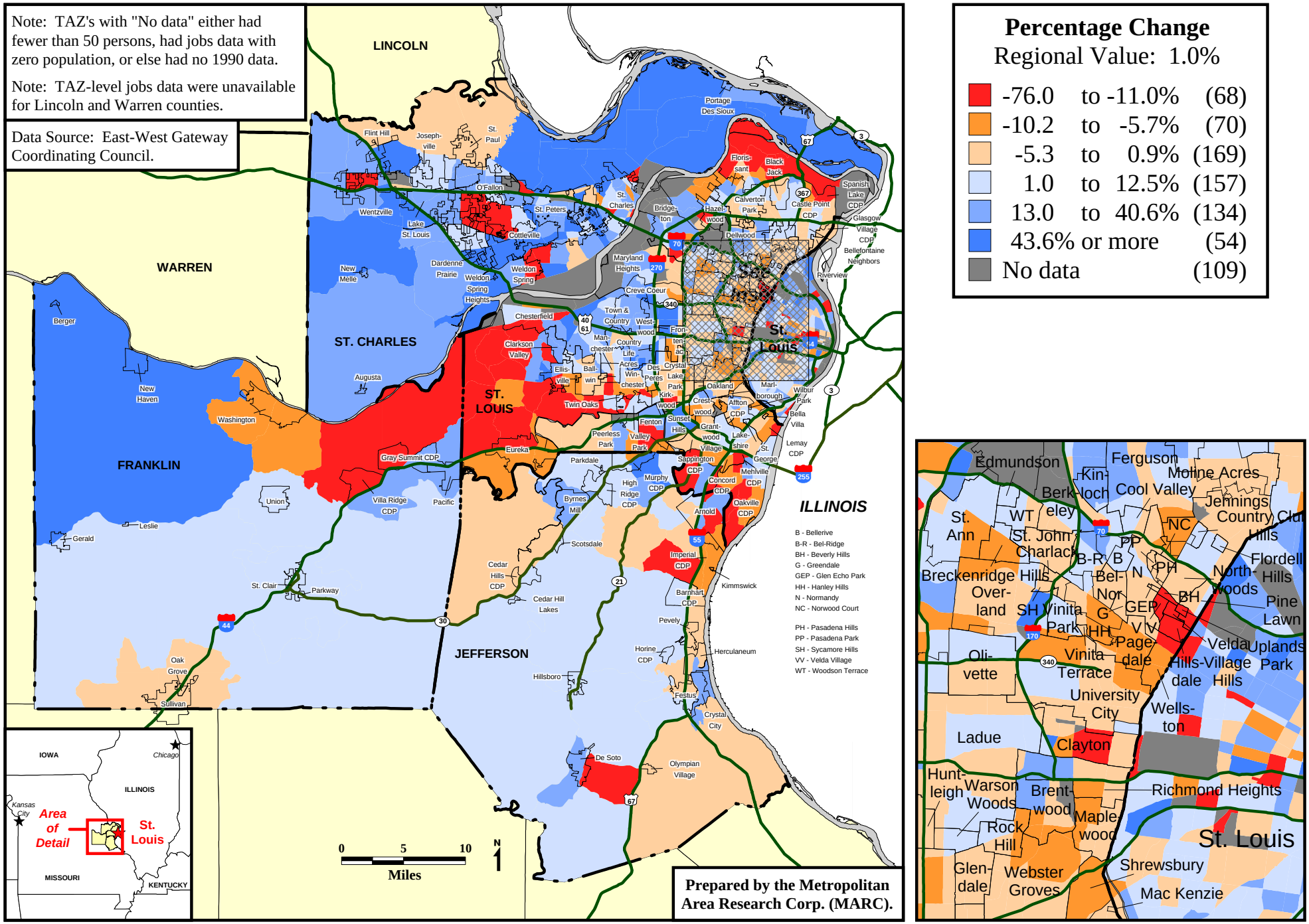


Figure 32: Percentage Change in Jobs per 100 Persons by Traffic Analysis Zone, 1990-1996



Between 1990 and 1996, the region as a whole increased in jobs per capita by only 1.0 percent (Figure 32). However, some parts of the region increased by as much as 43 percent or more, including much of unincorporated St. Charles County. Northwestern Franklin County and a number of TAZ zones in the High Capacity area along State Highway 40/61 also increased by more than 43 percent. Places that lost the most jobs per capita during this period included the Wildwood area of St. Louis County, northeastern Franklin County, and the area along the Missouri River in northern St. Louis County.

V. Metropolitan Solutions

The foregoing patterns demonstrate the need for a regional approach to stabilize the central city and declining older suburbs and to reduce wasteful sprawling development patterns in the St. Louis region. As social separation continues, it creates an increasingly rapid decline in many older, inner suburbs. Nowhere is this seen more clearly than in the changing social and racial population of the schools. As regional needs concentrate on the limited resources of the central city and older, inner suburbs, these communities, forced to compete with communities that have few social needs and significant tax resources, can do little to stabilize. Fragmented land-use control and unhealthy, unequal competition for tax base institutionalize separation, lead to wasteful infrastructure policy, and squander valuable natural resources. Some developing communities with a low property and sales tax capacity are not able to finance adequate wastewater, road and other developmental infrastructure. As jobs and executive housing concentrate elsewhere in the region, those places dominate the region's economic growth. Here, because of an increasing mismatch between housing and employment and the fact that road improvements themselves stimulate further development, congestion grows in ways that cannot be solved by widening the highways. Residents in these rapidly developing places, like residents in the declining older communities, become increasingly dissatisfied with the resulting quality of life.

MARC and a growing core of scholars; national, state, and local government officials; and activists from urban, faith-based, business, good-government, and environmental backgrounds, believe that metropolitan social separation and sprawl need a strong, multifaceted, regional response. To combat these trends, there are three areas of reform that must be sought on a regional scale: 1) greater equity among jurisdictions of a region, particularly those with land-use planning powers, 2) smarter growth through better planning practices, 3) structural reform of metropolitan governance and transportation planning to allow for fair and efficient transportation and community planning. These reforms are inter-related and reinforce each other substantively and politically.

A. Equity

Local government tax resources are very frequently the basis of land-use decisions. This reality forces local jurisdictions to compete for commercial properties and high valued homes and eschew land uses that generate less revenue, such as lower valued homes or apartments. Reducing the dependence on local sources of revenue for local government operations, or creating greater regional equity, ameliorates disparities and reduces competition. By lessening the direct fiscal consequences for zoning decisions and by creating a stable base of shared local resources, equity makes it more possible to achieve and sustain regional land-use planning.

Many states and metropolitan areas have implemented strategies for creating greater equity. A few regions have solved this problem through consolidation or annexation (of the central city to its surrounding county). But this is increasingly rare. Some states have progressive school equity systems which eliminate much of the burden of local schools from the central city and other older, declining communities. In the state of Missouri, for example, each school district receives a portion of its per pupil funding from the state based in part on local wealth and ability

to levy local taxes and number of students eligible for free and reduced-cost meals.[116] In this way, school funding and educational opportunity are made at least somewhat more equitable and less dependent on local property tax base. As a result of this school equity system, approximately 40 percent of public school funding in Missouri is contributed by the state and about 40 percent is contributed by localities. The balance comes from federal sources, state-collected sales taxes, and the state's desegregation funds (discussed earlier in the "Schools" section).

School equity systems such as the one in Missouri help to reduce disparities among school districts, lessen the tax burden on low property-value communities, and equalize educational opportunity, but they do not affect equity among local units of government with land-use powers—cities and counties. To address disparities among these units, some states have created strong statewide general revenue sharing systems where a portion of the tax revenue collected by the state is redistributed to jurisdictions based on a formula that takes into consideration local wealth and/or social need. A few states have created regional equalizing mechanisms where local tax resources in the metropolitan area are pooled and redistributed based on local wealth and/or social need. Some states have two or more such systems operating together.

Unlike a statewide school equity system or a general revenue sharing system, metropolitan equity responds to both intra-metropolitan competition for tax base and to the unique cost of living and property valuation in a particular regional setting. A limited metropolitan equity system is already in place in the St. Louis region. In addition to the state's school equity system, each of the ninety-one cities in St. Louis County and the county participates in a sales tax revenue sharing system. Under this system, sales tax revenues are pooled and distributed first to a group of cities that had a local sales tax in place before the county fund was created. These cities receive all of their sales revenues up to the county average. Revenues generated by these cities that exceed the county average are redistributed based on population. Once these funds are distributed to the first group of cities, the balance of the county pool is distributed to the rest of the cities and the county based on population.

While this type of revenue sharing system helps somewhat to reduce competition among local jurisdictions for land uses that generate sales tax revenue, it does not go far enough. First, by distributing the pool on a per capita basis rather than on the basis of need, this system does little for the many jurisdictions that are experiencing increasing social needs but have few resources with which to address those needs. Second, while sales taxes are a large source of local revenue, they are not *the* largest. By not including property tax revenues in the pool, a very large incentive for fiscal zoning remains. Third, an expanded system that involves all of the cities and counties of the St. Louis metropolitan area in *one* pool would reduce competition for tax resources among cities across county lines. Finally, because St. Louis County's system shares tax *revenues* rather than tax *base* (or total taxable sales), tax *rates* can vary considerably from jurisdiction to jurisdiction—making it is possible for a city with a high tax rate to receive fewer tax revenues than a city with a lower rate. Further, because the distribution is on a per capita basis, the city with the high tax rate and few resources could easily be a struggling, low-fiscal

[116] Missouri Department of Elementary and Secondary Education, Division of School Services – School Finance.

capacity place, while the city with the low tax rate place and greater resources could be a wealthy and growing community.

MARC believes that regional equity reform is premised on a system that shares some part of an existing state or local revenue source. This is done by pooling a portion of local property values or taxable retail sales (or both), redistributing the pool to the jurisdictions based on need, and then taxing the new amount in each jurisdiction at an area-wide rate. By pooling the base rather than revenues, not only can the same rate be applied across jurisdictions (as discussed above), but all taxing districts that levy off of that base can benefit—such as school districts, sewer districts, and other special districts. Such a system must be fully modeled (or simulated) before discussion begins in any given region, so that all parties participating can understand its impact. In order for such a system to succeed in any region, the proposed reform must produce lower taxes and better services for approximately two-thirds of the population involved. It must not increase taxes in any community. A substantial portion, if not a majority, of residents who live outside the central city should see lower taxes and better services. No one should see higher taxes or lower services. MARC has modeled several property and sales tax equity proposals for the St. Louis metropolitan region and will discuss two of them in Section VI. Both of these models result in lower taxes and better services for a substantial majority of the region's population.

1. Fairness

In a nation committed to equal opportunity for individuals, basic public services such as police and fire, local infrastructure, parks, and schools should be relatively equal on a metropolitan level. Equal opportunity is undercut when people of moderate means have inferior public services because they cannot afford to live in property-rich communities.

In most U.S. regions, including St. Louis, places where social needs are substantial and growing, tax base is insufficient; where the tax base is strong and growing, social needs are stable or declining. By gradually moving away from local tax base as the basis of local services, the growing property wealth in the region can become available to meet the legitimate needs of local government.

2. Competition for Tax Base and Fiscal Zoning

Intra-metropolitan competition among local governments for tax base is harmful to the region. First, it is wasteful for cities or counties to engage in bidding wars for businesses, such as regional malls or retail facilities, that have already chosen to locate in the region. In such situations, public monies are used to improve the fiscal position and services of one community at the expense of another. These battles can induce large public subsidies from troubled communities that lack adequate local resources to meet the immediate needs of their residents, as well as from affluent communities than may not need the new businesses to sustain themselves. More often than not the outcome of the struggle is predetermined not by the subsidy, but by the characteristics of the community. Most often the affluent place wins over the troubled one.

On the other hand, some form of gradual inter-local equity encourages the region to work and compete together against other U.S. and overseas regions. When all of the local governments

of a region benefit by attracting a business to any part of the region, they are much more apt to cooperate in ways that can bring meaningful business and employment opportunities to the region.

3. Land Use Planning

While social decline and local fiscal stress "push" people and businesses out of older declining communities, extraordinarily rapid housing construction fueled by local fiscal needs in developing areas "pulls" them. As new communities develop they face large debt burdens in terms of infrastructure, such as streets, sewers, parks, and schools. As the debt comes due, and potential property tax increases threaten, there is tremendous pressure on these communities to spread these costs through growth. Hence, the very fragmentation of the tax base encourages sprawl.

Low tax base communities sometimes build low valued properties on inadequate infrastructure in order to accumulate enough tax base to pay yesterday's bills. They do this without considering the long term infrastructure costs associated with later sewer and other infrastructure remediation. Often this occurs because these communities do not have adequate local planning resources to evaluate the full cost of development decisions. Sometimes they simply have no choice given the existing fiscal demands. It is MARC's experience that most local officials would much prefer to build at typical suburban densities with appropriate sewer and road infrastructure that is provided at state or regional expense and is put in place before development occurs.

In response, inter-local equity: 1) eases the fiscal crisis in declining communities allowing them to shore up decline; 2) takes the pressure off growing communities to spread local debt costs through poorly-managed growth; and 3) undermines fiscal incentives encouraging low-density sprawl.

In the Twin Cities region in the early 1980's, reformers attempting to pass legislation for metropolitan land-use planning used tax-base sharing as a quid pro quo to gain political support in the low fiscal capacity developing suburbs.[117] When low tax base communities were told that an urban service line was going to be drawn through the middle of their cities and that land outside that boundary would be zoned at agricultural densities, they cried foul. They argued that they needed the land for the development of tax base to keep rising taxes down and to pay for overcrowded schools. Compromise and acceptance was reached when they were shown the potential benefits of a tax-base sharing system, *i.e.* that they would receive new taxable property value and would actually gain fiscal capacity per capita faster than they would solely through the development of lower-valued residential property. In the end, in Minnesota the low tax base communities accepted land-use planning in exchange for tax-base sharing.

4. Reinvestment in the Core

[117] Alan Dale Albert, "Sharing Suburbia's Wealth: The Political Economy of Tax Base Sharing in the Twin Cities," BA Thesis, Harvard University, March, 1979.

An important corollary of equity is the creation of a regional fund for reinvestment in the central city and declining older suburban neighborhoods. Reinvestment in these communities also helps to create fiscal equity. Central cities and declining older communities, already fiscally stressed with low tax bases, high tax rates, and minimal services, cannot begin the process of reinvestment that is necessary to remain competitive. Regional funds can be created to clean up older industrial parks and polluted areas (brownfields), rebuild infrastructure such as sewers and roads, rehabilitate housing, replenish and augment urban parks and amenities. Part of the reinvestment strategy includes equitable geographic allocation of transportation investment, which involves a more publicly accountable distribution and balance of highway and transit resources. (This will be discussed further in the governance reform section below.)

B. Smart Growth

Unless the St. Louis region begins to manage the process of growth at the edge, they will undermine any remediative efforts happening in the fully developed parts of the region. If local governments representing a small percentage of a region can continue to develop only expensive homes and commercial properties, attracting the largest share of the region's jobs without providing housing affordable to most workers, they will rapidly draw off all the wealth and economic growth of the region. At the same time, the growing parts of the region will commit the entire region to sprawling land use vastly disproportionate to population increases, worsening congestion, worsening consumption of energy, worsening pollution, and growing social separation. Land-use planning requires setting outward limits for growth in the form of an urban growth boundary, staging new infrastructure, such as roads and adequate sewer, together with new housing, developing at a density that will support some minimal form of public transportation, and assuring the provision in all communities of a fair share of affordable housing. Oregon leads the nation in regional land-use planning. Minnesota has adopted a structure to do much of what is outlined in the Oregon model, but has often failed to implement its statutes. Washington, Maryland, Florida, Georgia, Tennessee, and many smaller regions have also adopted smart growth land-use plans, although some have been more effective than others and some are too new to evaluate. An underlying debate on this issue is growing in more than half of U.S. state legislatures.

1. The Oregon Model

In the early 1970s under the leadership of moderate Republican Governor Tom McCall, Oregon instituted the nation's most thoughtful, comprehensive land-use planning system. At the heart of Oregon's system are 19 planning goals that are achieved through comprehensive planning at the city and county level. While MARC believes that the debate about land-use planning throughout the country is extremely positive and that the various solutions that are being created will provide new models and new evidence about how growth management can work, in the long run the Oregon model described below remains the most effective effort to date. It involves the following elements, all of which are necessary components for the most effective land-use planning framework: (a) community-wide planning goals; (b) locally developed land-use plans addressing these goals; (c) review of these plans by a regional entity; (d) an adjudication process; and (e) periodic effectiveness evaluation by an independent entity.[118]

[118] Downs, *New Visions*, pp. 180--81.

a. Planning Goals and Guidelines

Under the Oregon system, the state promulgates a statement of planning goals applicable to all jurisdictions. The goals include the creation of an urban growth boundary around every city and county (a regional boundary in the case of metropolitan areas), affordable housing (including overall density goals), and coherence with regional plans for transportation, sewerage, parks, and school infrastructure. Any local plans and policies inconsistent with these goals are challengeable in court or in special forums created for such adjudication. In conjunction with these reforms, building standards and maximum turnaround time for local development decisions are then made uniform. These reforms help builders make long-term plans to maximize their resources and foster patterns of region-wide sustainable development.

In terms of the development of a regional or urban growth boundary, the region or city is required to plan for growth at present absorption rates and to draw a line around the area that would accommodate such growth over a set period of time, perhaps twenty years. Growth is deflected from sensitive environmental areas and highly productive farmland and toward areas where urban services are present or could most easily be provided.

The density and affordable housing goals reinforce the barrier-reduction component of fair housing, as discussed below. In the Portland metropolitan area, the housing rule designed to help achieve the state's housing goal, requires all of the jurisdictions of the region to allow for a construction mix that includes at least 50 percent multifamily development and allows development at certain minimum target densities. In the city of Portland, the target density is ten units per buildable acre; in most Portland suburbs, it is six to eight units.[119]

In Washington County, Oregon, the most affluent of the Portland region's three metropolitan counties, 11,110 multifamily units approved in five years nearly equaled the 13,893 units that were planned to be built over twenty years under the pre-housing rule plans. Multiple family housing now makes up 54 percent of new development.[120] Before the housing rule, average lots sizes were 13,000 square feet. Since the rule, two-thirds of the homes are built on lots smaller than 9,000 square feet.[121] Without the growth boundary and housing rule, the same number of housing units would have consumed an additional 1,500 acres of land.[122] Because of

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119 1000 Friends of Oregon and the Home Builders Association of Metropolitan Portland, Managing Growth to Promote Affordable Housing: Revisiting Oregon's Goal 10, executive summary (Portland, Ore., September 1991), p. 3.

120 Ibid.

121 1000 Friends and Home Builders, "Managing Growth"; Robert Liberty, *Oregon's Comprehensive Growth Management*.

122 1000 Friends and Home Builders, "Managing Growth".

the density savings already realized, there will be space for 14,000 additional units within the Portland urban growth boundary. While the price of land has gone up within Portland's urban growth boundary, the housing rule has lowered the cost of housing on a regional basis, and Portland's average housing costs are lower than those of comparable West Coast cities. Seventy-seven percent of the region's households can afford to rent the median-priced two-bedroom apartment, and 67 percent can afford mortgage payments on the median-priced two-bedroom home.[123]

In addition, increasing building density and housing-type diversity makes mass transit economically and physically possible. Density also saves local infrastructure costs for building new highways and sewer extensions.

b. Local Land-use Plans

If local governments are to be required to develop a comprehensive land-use plan that addresses regional or statewide goals, citizen participation should be required in formulating these plans as is required under Oregon's system. Planning and revision would remain in the hands of local governments, which helps preserve local autonomy, but within the context of a broader regional framework.

c. Plan Review

Under Oregon's plan, a special state land-use agency reviews all local plans to ensure consistency with the goals and suggest revisions of any inconsistencies. This entity has the power to withhold approval from local plans, which prevents the municipality from receiving beneficial services such as regional roads, sewers, or other aid from state and federal governments. The same entity coordinates local transportation, utility regulation, environmental protection, and activities of other governmental units that have a regional significance. This ensures that all actions of state agencies within the region are consistent with regional plans, local plans, and other agency decisions.

Transportation is particularly important in this regard. Land-use policy needs to govern decisions about new infrastructure. All land-use and infrastructural decisions must be coordinated in a way that maximizes the use of existing roads, sewerage, and other infrastructure. Today, in transportation planning, congestion and demand (perhaps also political power) are the main criteria for providing new infrastructure. This means that a growing community receives new sewers or roads even if an adjacent community has excess paid-for capacity. Infrastructure-on-demand, costs less for the new community, but perpetuates leapfrogging, low-density patterns at the periphery, and the entire metropolitan region pays. Moreover, affordable housing near new jobs can relieve commuter congestion on regional roads.

d. Adjudication Process

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123 Ibid.

The Oregon system includes an adjudication process to settle disputes between the local governments and the state land-use agency and between developers and local governments. A special court, or a quasi-judicial administrative agency is designed to do this, without resorting to state and federal courts. This allows localities to develop an expertise in these matters and be more efficient; it also costs less and renders faster decisions than the courts.

e. Independent Review

Finally, an independent entity, not the state structure, periodically evaluates the effectiveness of the coordinated plan.

In the end, such a system does not involve a prohibition on growth or even growth control, but is a system of sustainable, planned growth. It recognizes the new housing needs of a growing regional population, but also that growth must be anticipated and planned. Through planning, the region maximizes the use of existing public infrastructure, reduces stress on highways and sewers, allows individuals access to opportunity in communities where it is plentiful, reduces regulation and its costs for the building industry, and stabilizes the region's core communities.

2. Regional Affordable Housing

An increased commitment to affordable housing in the developing part of a region is also a component of a good regional plan. Affordable housing allows people to live closer to new jobs created in outlying areas of the region and thus relieves congestion on the highways. It provides opportunities for parents with school-age children and the elderly to remain in their community and their school district—where they have an established support system—when their life situation changes, such as through divorce, death of a partner, long-term illness, or retirement. It allows young adults to live close to the places where they grew up. Finally, a gradually increasing commitment to affordable housing in the developing ring slowly relieves the concentration of social need growing in the city and declining older suburban neighborhoods. There are three components to regional affordable housing: (a) reducing non-rational barriers in zoning codes, development agreements, and development practices; (b) creating a regional funding source to provide subsidies for housing throughout the region; and (c) providing a system of testing to first understand, then eliminate, the pattern of housing discrimination in the region. Montgomery County, Maryland has been a national leader along the first two steps through its moderately-priced dwelling unit program. Oregon, Massachusetts, Minnesota, and New Jersey have taken important steps here as well. Social science data exist on the third problem, but no state has actively taken steps in this direction.

C. Metropolitan Structural Reform

Metropolitan Planning Organizations, already set up to develop regional transportation plans and allocate enormous federal and state transportation resources, should be made more representative and accountable to the regions they serve. Presently, these MPO's make region-shaping decisions without detailed discussion concerning the impact of their transportation decisions on the social health of the older part of the region. Often there is not significant public input. Perhaps older communities and city neighborhoods and groups committed to these areas

do not believe there is a large enough constituency in the region to provide a corrective to the status quo.

For example, with the implementation of the 1991 Intermodal Surface Transportation and Efficiency Act (ISTEA), and more recently, the 1998 Transportation Equity Act for the 21st Century (TEA-21), large federal resources were made available to MPO's for transit and other forms of investment which would strengthen the viability of the core of many U.S. regions. ISTEA has been a significant help to places with a strong commitment to public transportation and, if properly implemented, TEA-21 could be an equally important piece of legislation. Of particular importance to regional stability, TEA-21 includes an increase in funds for highway system improvements and a decrease in new capacity funds. TEA-21 includes a job access program which is intended to help people coming off welfare get to their new jobs located throughout a metro area. TEA-21 also includes a community preservation pilot program that addresses the integration of transportation and land use. A significant part of a regional agenda in any metropolitan area includes making sure that state legislation conform to take full advantage of the flexibility of TEA-21, making regional decision makers that allocate TEA-21 funds more accountable to all the citizens of a given region, and allowing representatives from the older, inner communities—places that have very different transportation/transit needs than those living on the region's fringe—to be full participants in decisions involving the allocation of transportation dollars.

Ultimately, with the participation of such groups, MPO's should evolve into bodies that much more explicitly weigh the effects of their decisions on the social health of the older parts of the region and the fiscal and environmental health of the developing areas. To do this effectively, MPO's should evolve into structures with proportional representation that fully takes into account the different types of regional communities and their varied needs. Over time, more fairly apportioned bodies, representing the only entity with the proper geographic scope for regional land-use planning, should assume growing responsibility for implementing the initiatives discussed above. MARC believes that these bodies should ultimately be directly elected.

VI. A Closer Look at Tax-base Sharing

Tax-base sharing is an important first step in regional reform, as it helps build relationships and coalitions which will serve to advance other regional reforms. In Minnesota, when the central city and older suburban areas could be united on common shared fiscal interests, they overcame some of the more intense barriers created by race and class that had long divided these subregions. The regionalism effort in the St. Louis region would be greatly advanced if St. Louis, its struggling surrounding communities, and declining outlying cities could unite.

A. The Politics of Tax-base Sharing

1. The Twin Cities Fiscal Disparities System

In 1971, the Minnesota Legislature adopted a regional tax-base sharing system for the Twin Cities metropolitan area, commonly referred to as "the fiscal disparities program."[124] Under this program, each city in the region contributes forty percent of the growth of its commercial and industrial property tax value (not revenue)acquired after 1971 to a regional pool. This pooled tax base is then distributed to each jurisdiction on the basis of inverse net commercial tax capacity and taxed at an area-wide tax rate (the portion of each locality's property value that is not shared is still taxed at that jurisdiction's unique tax rate). A highly equalizing system, the fiscal disparities program reduces tax base disparities among jurisdictions of the region from 50-to-1 to roughly 12-to-1. Presently, about $393 million dollars, or about 20 percent of the regional tax base, is shared annually.

While Minnesota's fiscal disparities program produces powerful equalizing effects, the formula is still not perfect. Fiscal zoning and competition for tax base continues. In this light, while a partial tax-base sharing system like the Minnesota program does not end regional competition, it does make it marginally more fair. A system that shares a larger percent of the regional tax base would be much more effective in reducing competition.

There are also some inequities. Communities in the Twin Cities metropolitan area with a higher than average commercial base, but with low-valued homes and increasing social need, contribute tax base. On the other hand, cities dominated by high-valued homes that have eschewed commercial development, but have large per-household tax bases, receive money from the system. A system that shares high-valued residential tax base as well as commercial and industrial tax base would reduce this problem.

In the 1995 session, the Minnesota legislature passed, but the governor vetoed, Fiscal Disparities II: The Metro Area Tax Cut Act. Under this bill, metropolitan jurisdictions would

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[124] Many states have a statewide general revenue sharing system and many have school equity systems that eliminate much of the burden of local schools from the central city and older suburbs, but do not affect local units of government—cities and counties—with land-use powers. Currently the State of Minnesota is the only state in the nation that has a tax-base sharing system in place to provide fiscal equity among cities and counties in a metropolitan region, although this policy is currently being debated in a number of state legislatures across the county. In addition to its regional tax-base sharing system, Minnesota also has a statewide general revenue system and a school equity system.

share the growth on the increment of value above $200,000 on high-valued homes. Short of total sharing, this expanded fiscal disparities system would have counterbalanced the inequities of the present system, undermined fiscal zoning and competition for tax base, and greatly expanded the tax-base sharing system. In addition, with only 17 percent of the region contributing tax base and fully 83 percent receiving, it was a most popular proposal among local governments.

The bill was called the Metro Tax Cut Act because its provisions required communities receiving new tax base under it, for the first two years, to use half of this new tax base to provide a local property tax cut. The bill was "sold" as the largest single property tax cut offered by the legislature that year. The northern low tax base suburbs strongly supported the bill and it passed with bipartisan support.

2. Is Tax-base Sharing Possible Only in Minnesota?

There is a broadly shared belief that tax-base sharing came out of some cosmic consensualism in progressive Minnesota that cannot be duplicated elsewhere in the nation. This is not true.

First, tax-base sharing in Minnesota has always been controversial. Many suburban governments at first feared loss of tax base and local control. But legislative leaders realized the high degree to which property wealth was concentrated. To help convince other elected officials of the benefits of sharing the tax base, they developed computer runs that showed the projected amount of tax base cities would actually gain. Most of the older and developing middle-class suburbs were potential recipients. When officials from these suburbs realized that tax-base sharing was likely to substantially increase their tax base and stabilize their future fiscal situation, they became supporters. As one legislator put it, "before the (simulated tax-base sharing) runs, tax-base sharing was communism, afterwards it was 'pretty good policy.'"

The legislative debate surrounding the fiscal disparities program was hardly consensual. Legislators from recipient communities supported tax-base sharing and legislators from contributing communities opposed it. When the bill became law, contributing communities brought suit against the state and litigated unsuccessfully all the way to the United States Supreme Court.[125] Contributors remain opposed, and every session their representatives introduce bills to either limit their contribution to the system or abolish the program entirely. Thus the Minnesota experience with tax-base sharing should not be viewed as a rarefied consensus, but as a strategy model for creating political coalitions to influence regional reform.

It is often said that Minnesota is different from the rest of the nation because it does not have any social or racial divisions. In response, Minnesota and the Twin Cities can be placed on a continuum. While the social and economic declines and polarization are clearly not as severe as New York, Chicago, or Detroit, they are worse than most younger and smaller regions and even than some of similar size, age, and complexity. The public schools of the central cities of Minneapolis and Saint Paul have 60 percent poor and non-white/non-Asian students in their public schools—only ten points behind Chicago—and more rapidly growing concentrated

125 *Burnsville v Onischuk*, 301 Minn. 137, 22 N.W.2d 523 cert. denied 420 U.S. 916 (1974).

poverty. A recent regional debate on fair housing was marred by divisive discussions of race and class. Further, while the Twin Cities has the rudiments of regional cooperation, it has an unusually high number of local governments with land-use powers (187) and school districts (49) that must cooperate. In the end, the same basic dynamics that have divided and conquered older, larger regions are firmly rooted in the Twin Cities. Likewise, the local coalitions that are beginning to take action in the Twin Cities in response to regional polarization can be built elsewhere.

B. Tax-base Sharing in the St. Louis Region

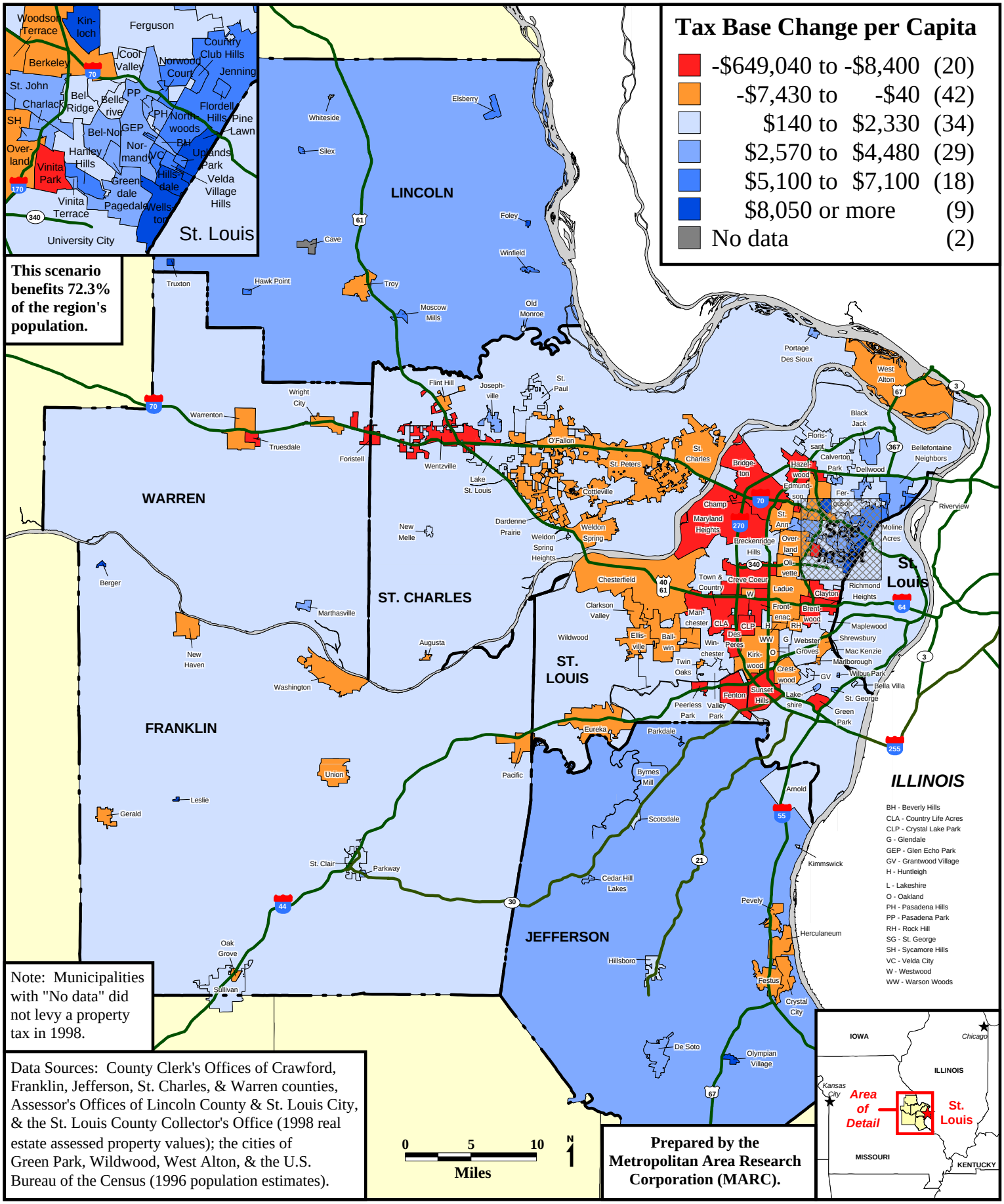
At the outset, clearly the numbers add up to a viable coalition for tax-base sharing in the St. Louis region. Over 70 percent of the population of the region live in cities that could gain new tax base under a properly structured proposal. While this region is divided like most regions across a variety of issues, proponents of tax-base sharing have to remember that all they are asking of the majority of communities is support for an arrangement that would give them better levels of service and lower property taxes.

Equity mechanisms must be forged in the give and take of each local community. They must ultimately reflect the political situation and the balance of political power present in a given place at a given time. The Metropolitan Area Research Corporation has created models of several possible regional tax-base sharing scenarios for the St. Louis region. Most of the scenarios produced positive results for at least 70 percent of the region's population. A few scenarios would actually provide lower taxes and better services for as much as 80 percent of the people of the St. Louis region. While there are countless formulas that could be used in a tax-base sharing system, we present here two of the most promising examples. In both of these cases over 70 percent of the total population of the St. Louis region receives new tax base. The following paragraphs describe two of these hypothetical tax-base sharing scenarios—one that shares a portion of commercial/industrial real estate property market value and one that shares a portion of taxable retail sales—and what such a system potentially could do for the region (see Appendices B and C for spreadsheets containing complete descriptions of how these tax-base sharing models were calculated and their results).

In the first example of tax-base sharing, each of the cities and the county unincorporated areas of the region are required to contribute to the tax-base pool, 40 percent of their commercial/industrial property tax base from 1998. This tax-base pool is then redistributed back out to the communities based on a formula giving preference to those places with a low total property market value per capita. Thus, those places with low commercial/industrial property tax base and low per capita property value receive additional tax base from the pool, while those places with high commercial/industrial property tax base and high per capita property value contribute to the worse-off areas.

This particular model run produced new tax base for 90 of the region's 152 communities that levied a property tax in 1998—72.3 percent of the total population of the St. Louis region (Figure 33). Most of the biggest recipients were Low Capacity/Stressed and Low Capacity inner suburbs and small rural towns, such as Wellston ($12,188 per capita), Pine Lawn ($8,059 per capita), Elsberry ($6,518 per capita), and Jennings ($5,111 per capita). The unincorporated parts

Figure 33: Redistribution of 40% of 1998 Commercial/Industrial Real Estate Property Market Value According to Total Real Estate Market Value Per Capita by Municipality and County Unincorporated Area



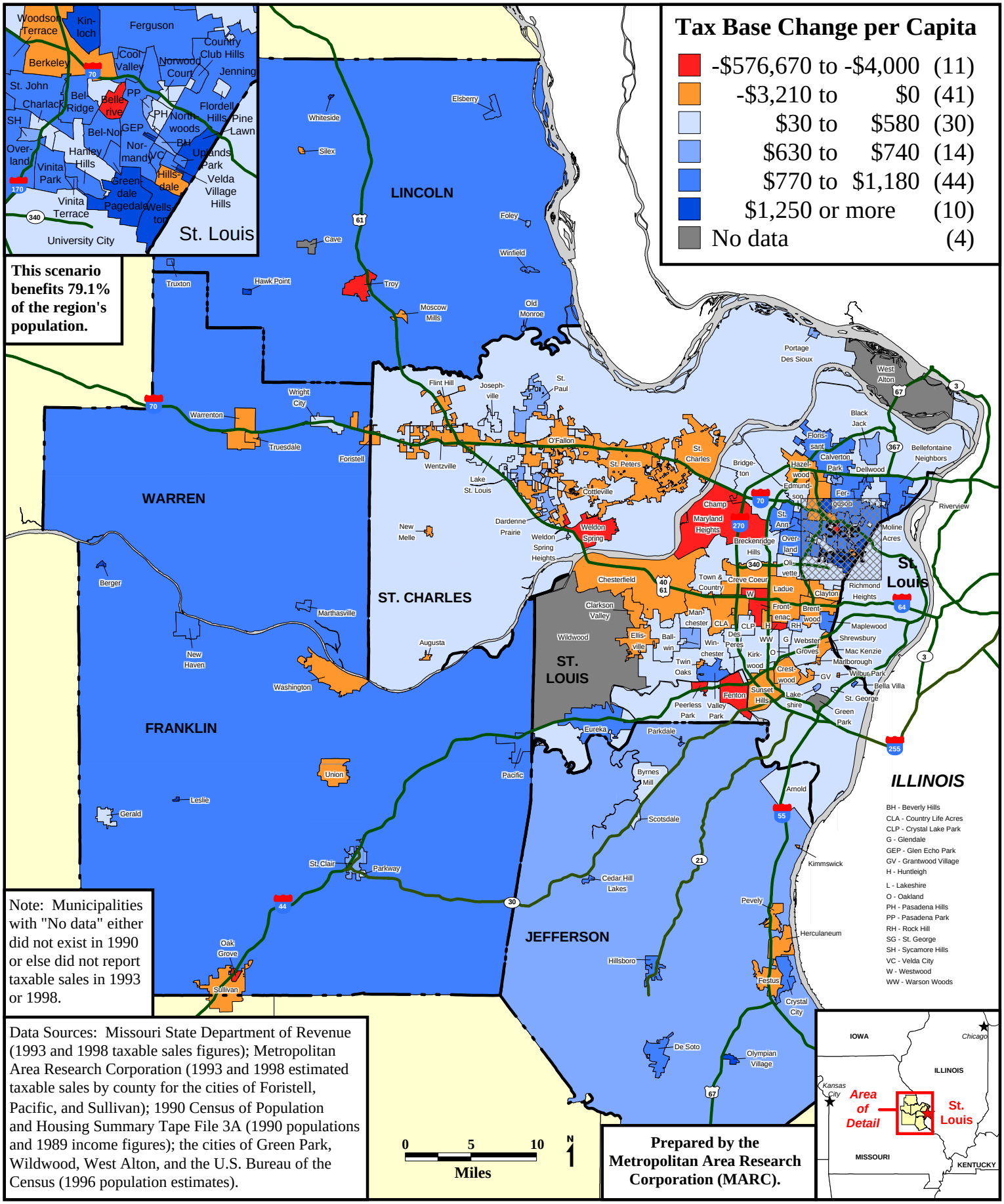
of each of the six counties also received new tax base, including $3,254 per capita in Lincoln, $3,182 in Jefferson. In addition, the city of St. Louis received $1,871 per capita in new tax base.

In the second tax-base sharing scenario, each of the cities and the county unincorporated areas of the region are required to contribute to the tax-base pool, 40 percent of the *growth* in their taxable retail sales between 1993 and 1998. This tax-base pool is then redistributed back out to the communities based on a formula giving preference to those places with a low income per capita. Thus, those places with low taxable retail sales and low per capita income receive additional tax base from the pool, while those places with high taxable retail sales and high per capita income contribute to the worse-off areas. Further, in this run we limited the amount the city of St. Louis can receive from the pool to $100 million.[126] This is done to make a larger percentage of the tax-base pool available to be distributed to the other struggling communities in the region.

This run provided new tax base for 98 of the region's 150 communities that existed in 1990 and reported taxable sales in both 1993 and 1998—79.1 percent of the regional population (Figure 34). Many of the biggest recipients under this formula were the same as in the previous run, although because the total amount pooled was smaller, the amount distributed to each jurisdiction was smaller. For example Wellston received $2,374 per capita, Pine Lawn received $1,583 per capita, Elsberry, $1,172 per capita, and Jennings $1,053 per capita. Again, the unincorporated parts of each of the counties received new tax base, including $846 per capita in Franklin and $714 in Jefferson. This time, St. Louis received the maximum allowed, $100 million, that is $284 per capita in new tax base.

126 Once the net distribution for each community is determined, the share distributed to the city of St. Louis is examined. If the share calculated for St. Louis is less than the maximum allowed, no adjustments are made. If the net distribution is greater than the maximum allowed, the model is run again. This time, St. Louis is excluded from all of the calculations; instead, it is given a net distribution equal to the maximum allowed out of the tax base pool. A final net distribution for each of the other communities is then determined.

Figure 34: Redistribution of 40% of Growth in Taxable Sales 1993-1998 According to Per Capita Income by Municipality and County Unincorporated Area with a $100,000,000 Cap on St. Louis City



VII. Conclusion

The St. Louis metropolitan region is not prepared to meet the future.

The region's development is characterized by sprawling inefficient land use, worsened by wasteful zero-sum competition among local governments in a single regional economy. Over time, this pattern produces growing disparities between local governments, neighborhoods and the citizens of the region. In so doing, it serves to polarize the region socially, economically, racially, and politically—each year making cooperation necessary to solve vital present and future problems less feasible. The status quo represents a divisive system that wastes money, energy, time, human potential and in some cases even people's lives. It is preventing the greater St. Louis region from reaching its full potential in terms of economic growth, social stability, environmental stewardship, and quality of life.

This report represents the beginnings of an agenda designed to deal with growing regional instability and disparities. While it is controversial, it represents only a best first effort, subject to the negotiation, reformation, and synthesis that occurs in all political progress. While the issues will be difficult, it is MARC's hope that this region can work together—reason together—to solve its mutual problems.

The real importance of this discussion is the realization that the St. Louis region is suffering from a series of problems that are too massive for the central city and individual communities to confront alone.

Appendix A: Z-Score Calculations Used in Determining Subregions

Municipality / County Unincorporated Area	Fiscal Capacity, 1998	Fiscal Capacity Compared to Regional Average	% Non-Asian Minority Elementary Students, 1997	Non-Asian Minority Z-Score	% Eligible - Free / Reduced-Cost Meals, 1998	Meals Z-Score	Stress Z-Score	Stress Z-Score Compared to Regional Average	Combined Fiscal Capacity / Stress Z-Score
Bellefontaine Neighbors city	$598	Low Capacity	83.3	-1.59279	60.6	-1.58425	-1.58852	Stressed	Low Capacity Stressed
Bel-Nor village	$681	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Bel-Ridge village	$436	Low Capacity	59.8	-0.88304	45.3	-0.77210	-0.82757	Stressed	Low Capacity Stressed
Beverly Hills city	$589	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Breckenridge Hills village	$643	Low Capacity	32.4	-0.05552	40.2	-0.50138	-0.27845	Stressed	Low Capacity Stressed
Calverton Park village	$394	Low Capacity	59.8	-0.88304	45.3	-0.77210	-0.82757	Stressed	Low Capacity Stressed
Charlack city	$554	Low Capacity	32.4	-0.05552	40.2	-0.50138	-0.27845	Stressed	Low Capacity Stressed
Country Club Hills city	$366	Low Capacity	94.3	-1.92501	70.9	-2.13099	-2.02800	Stressed	Low Capacity Stressed
Dellwood city	$737	Low Capacity	59.8	-0.88304	45.3	-0.77210	-0.82757	Stressed	Low Capacity Stressed
Ferguson city	$790	Low Capacity	83.3	-1.59279	60.6	-1.58425	-1.58852	Stressed	Low Capacity Stressed
Flordell Hills city	$482	Low Capacity	94.3	-1.92501	70.9	-2.13099	-2.02800	Stressed	Low Capacity Stressed
Glen Echo Park village	$876	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Greendale city	$476	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Hanley Hills village	$286	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Hillsdale village	$588	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Jennings city	$430	Low Capacity	83.3	-1.59279	60.6	-1.58425	-1.58852	Stressed	Low Capacity Stressed
Kinloch city	$123	Low Capacity	59.8	-0.88304	45.3	-0.77210	-0.82757	Stressed	Low Capacity Stressed
Maplewood city	$738	Low Capacity	42.3	-0.35451	57.0	-1.39315	-0.87383	Stressed	Low Capacity Stressed
Moline Acres city	$442	Low Capacity	83.3	-1.59279	60.6	-1.58425	-1.58852	Stressed	Low Capacity Stressed
Normandy city	$454	Low Capacity	59.8	-0.88304	45.3	-0.77210	-0.82757	Stressed	Low Capacity Stressed
Northwoods city	$520	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Norwood Court town	$211	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Overland city	$976	Low Capacity	84.3	-1.62299	50.6	-1.05343	-1.33821	Stressed	Low Capacity Stressed
Pagedale city	$755	Low Capacity	84.3	-1.62299	50.6	-1.05343	-1.33821	Stressed	Low Capacity Stressed
Pasadena Hills city	$621	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Pasadena Park village	$445	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Pine Lawn city	$295	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Riverview village	$277	Low Capacity	83.3	-1.59279	60.6	-1.58425	-1.58852	Stressed	Low Capacity Stressed
St. John city	$434	Low Capacity	32.4	-0.05552	40.2	-0.50138	-0.27845	Stressed	Low Capacity Stressed
Sycamore Hills village	$449	Low Capacity	32.4	-0.05552	40.2	-0.50138	-0.27845	Stressed	Low Capacity Stressed
University City city	$691	Low Capacity	84.3	-1.62299	50.6	-1.05343	-1.33821	Stressed	Low Capacity Stressed
Uplands Park village	$354	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Valley Park city	$753	Low Capacity	31.7	-0.03437	44.4	-0.72432	-0.37935	Stressed	Low Capacity Stressed
Velda Village city	$269	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Velda Village Hills village	$286	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Vinita Terrace village	$569	Low Capacity	84.3	-1.62299	50.6	-1.05343	-1.33821	Stressed	Low Capacity Stressed
Wellston city	$327	Low Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	Low Capacity Stressed
Woodson Terrace city	$804	Low Capacity	32.4	-0.05552	40.2	-0.50138	-0.27845	Stressed	Low Capacity Stressed

Municipality / County Unincorporated Area	Fiscal Capacity, 1998	Fiscal Capacity Compared to Regional Average	% Non-Asian Minority Elementary Students, 1997	Non-Asian Minority Z-Score	% Eligible - Free / Reduced-Cost Meals, 1998	Meals Z-Score	Stress Z-Score	Stress Z-Score Compared to Regional Average	Combined Fiscal Capacity / Stress Z-Score
Arnold city	$1,034	Low Capacity	1.4	0.88074	17.6	0.69827	0.78951		Low Capacity
Augusta city	$1,076	Low Capacity	0.7	0.90188	13.2	0.93183	0.91686		Low Capacity
Bella Villa city	$643	Low Capacity	15.3	0.46093	29.7	0.05598	0.25846		Low Capacity
Berger city	$290	Low Capacity	0.0	0.92302	0.0	1.63251	1.27777		Low Capacity
Black Jack city	$660	Low Capacity	45.1	-0.43908	21.8	0.47533	0.01812		Low Capacity
Byrnes Mill city	$746	Low Capacity	0.8	0.89886	25.7	0.26831	0.58358		Low Capacity
Cedar Hill Lakes village	$402	Low Capacity	0.8	0.89886	25.7	0.26831	0.58358		Low Capacity
Crystal City city	$1,056	Low Capacity	2.9	0.83544	21.2	0.50718	0.67131		Low Capacity
De Soto city	$734	Low Capacity	1.8	0.86866	30.9	-0.00772	0.43047		Low Capacity
Elsberry city	$386	Low Capacity	5.9	0.74483	38.2	-0.39522	0.17481		Low Capacity
Florissant city	$761	Low Capacity	45.1	-0.43908	21.8	0.47533	0.01812		Low Capacity
Foley city	$273	Low Capacity	2.0	0.86262	25.5	0.27892	0.57077		Low Capacity
Gerald city	$1,008	Low Capacity	0.0	0.92302	0.0	1.63251	1.27777		Low Capacity
Hawk Point city	$403	Low Capacity	4.1	0.79919	22.7	0.42755	0.61337		Low Capacity
Hillsboro city	$921	Low Capacity	1.7	0.87168	21.5	0.49125	0.68147		Low Capacity
Josephville village	$584	Low Capacity	3.5	0.81732	10.3	1.08577	0.95154		Low Capacity
Lakeshire city	$439	Low Capacity	17.4	0.39751	19.5	0.59742	0.49746		Low Capacity
Leslie village	$243	Low Capacity	4.3	0.79315	26.0	0.25238	0.52277		Low Capacity
Mac Kenzie village	$516	Low Capacity	17.4	0.39751	19.5	0.59742	0.49746		Low Capacity
Marlborough village	$588	Low Capacity	17.4	0.39751	19.5	0.59742	0.49746		Low Capacity
Marthasville city	$548	Low Capacity	0.7	0.90188	13.2	0.93183	0.91686		Low Capacity
Moscow Mills city	$962	Low Capacity	4.1	0.79919	22.7	0.42755	0.61337		Low Capacity
New Haven city	$778	Low Capacity	0.7	0.90188	11.3	1.03269	0.96728		Low Capacity
Old Monroe city	$763	Low Capacity	2.0	0.86262	25.5	0.27892	0.57077		Low Capacity
Olympian Village city	$262	Low Capacity	1.8	0.86866	30.9	-0.00772	0.43047		Low Capacity
Pacific city	$959	Low Capacity	4.5	0.78711	28.1	0.14091	0.46401		Low Capacity
Parkdale town	$392	Low Capacity	0.8	0.89886	25.7	0.26831	0.58358		Low Capacity
Parkway village	$539	Low Capacity	1.4	0.88074	26.4	0.23115	0.55595		Low Capacity
Portage Des Sioux city	$426	Low Capacity	6.7	0.72067	29.8	0.05067	0.38567		Low Capacity
Scotsdale town	$635	Low Capacity	0.8	0.89886	25.7	0.26831	0.58358		Low Capacity
Silex village	$591	Low Capacity	0.0	0.92302	26.8	0.20992	0.56647		Low Capacity
St. Clair city	$818	Low Capacity	1.4	0.88074	26.4	0.23115	0.55595		Low Capacity
St. George city	$404	Low Capacity	17.4	0.39751	19.5	0.59742	0.49746		Low Capacity
St. Paul village	$1,080	Low Capacity	3.5	0.81732	10.3	1.08577	0.95154		Low Capacity
Sullivan city	$1,061	Low Capacity	1.0	0.89282	31.0	-0.01303	0.43990		Low Capacity
Truxton village	$164	Low Capacity	4.1	0.79919	22.7	0.42755	0.61337		Low Capacity
Uninc. Franklin county	$704	Low Capacity	0.7	0.90188	11.3	1.03269	0.96728		Low Capacity
Uninc. Jefferson county	$628	Low Capacity	4.5	0.78711	28.1	0.14091	0.46401		Low Capacity
Uninc. Lincoln county	$600	Low Capacity	8.1	0.67839	37.0	-0.33152	0.17344		Low Capacity
Uninc. St. Charles county	$768	Low Capacity	0.7	0.90188	13.2	0.93183	0.91686		Low Capacity
Uninc. St. Louis county	$1,020	Low Capacity	13.1	0.52738	17.8	0.68765	0.60752		Low Capacity
Uninc. Warren county	$793	Low Capacity	8.1	0.67839	37.0	-0.33152	0.17344		Low Capacity

Municipality / County Unincorporated Area	Fiscal Capacity, 1998	Fiscal Capacity Compared to Regional Average	% Non-Asian Minority Elementary Students, 1997	Non-Asian Minority Z-Score	% Eligible - Free / Reduced-Cost Meals, 1998	Meals Z-Score	Stress Z-Score	Stress Z-Score Compared to Regional Average	Combined Fiscal Capacity / Stress Z-Score
Wilbur Park village	$519	Low Capacity	15.3	0.46093	29.7	0.05598	0.25846		Low Capacity
Winchester city	$726	Low Capacity	18.1	0.37637	14.6	0.85752	0.61694		Low Capacity
Winfield city	$332	Low Capacity	2.0	0.86262	25.5	0.27892	0.57077		Low Capacity
Wright City city	$704	Low Capacity	8.1	0.67839	37.0	-0.33152	0.17344		Low Capacity
Bellerive village	$2,740	High Capacity	98.0	-2.03675	65.9	-1.86558	-1.95117	Stressed	High Capacity Stressed
Bridgeton city	$2,452	High Capacity	59.8	-0.88304	45.3	-0.77210	-0.82757	Stressed	High Capacity Stressed
Cool Valley city	$1,139	High Capacity	59.8	-0.88304	45.3	-0.77210	-0.82757	Stressed	High Capacity Stressed
Edmundson village	$1,796	High Capacity	32.4	-0.05552	40.2	-0.50138	-0.27845	Stressed	High Capacity Stressed
Twin Oaks village	$3,978	High Capacity	31.7	-0.03437	44.4	-0.72432	-0.37935	Stressed	High Capacity Stressed
Vinita Park city	$1,593	High Capacity	32.4	-0.05552	40.2	-0.50138	-0.27845	Stressed	High Capacity Stressed
Ballwin city	$1,523	High Capacity	12.5	0.54550	14.6	0.85752	0.70151		High Capacity
Berkeley city	$1,178	High Capacity	45.1	-0.43908	21.8	0.47533	0.01812		High Capacity
Brentwood city	$1,825	High Capacity	31.0	-0.01323	17.1	0.72481	0.35579		High Capacity
Champ village	$103,962	High Capacity	29.7	0.02603	29.4	0.07190	0.04897		High Capacity
Chesterfield city	$1,959	High Capacity	12.5	0.54550	14.6	0.85752	0.70151		High Capacity
Clarkson Valley city	$2,791	High Capacity	12.5	0.54550	14.6	0.85752	0.70151		High Capacity
Clayton city	$2,739	High Capacity	23.7	0.20724	12.6	0.96368	0.58546		High Capacity
Cottleville town	$1,835	High Capacity	3.5	0.81732	10.3	1.08577	0.95154		High Capacity
Country Life Acres village	$4,151	High Capacity	18.1	0.37637	14.6	0.85752	0.61694		High Capacity
Crestwood city	$2,104	High Capacity	19.9	0.32201	22.0	0.46471	0.39336		High Capacity
Creve Coeur city	$3,692	High Capacity	18.1	0.37637	14.6	0.85752	0.61694		High Capacity
Crystal Lake Park city	$1,438	High Capacity	24.3	0.18912	11.2	1.03800	0.61356		High Capacity
Dardenne Prairie town	$3,265	High Capacity	12.8	0.53644	20.4	0.54964	0.54304		High Capacity
Des Peres city	$3,164	High Capacity	26.6	0.11965	21.5	0.49125	0.30545		High Capacity
Ellisville city	$2,491	High Capacity	12.5	0.54550	14.6	0.85752	0.70151		High Capacity
Eureka city	$2,263	High Capacity	12.5	0.54550	14.6	0.85752	0.70151		High Capacity
Fenton city	$7,899	High Capacity	12.5	0.54550	14.6	0.85752	0.70151		High Capacity
Festus city	$1,298	High Capacity	1.7	0.87168	20.7	0.53372	0.70270		High Capacity
Flint Hill village	$1,876	High Capacity	3.5	0.81732	10.3	1.08577	0.95154		High Capacity
Foristell city	$3,641	High Capacity	8.1	0.67839	37.0	-0.33152	0.17344		High Capacity
Frontenac city	$5,050	High Capacity	26.6	0.11965	21.5	0.49125	0.30545		High Capacity
Glendale city	$1,238	High Capacity	26.8	0.11361	19.1	0.61865	0.36613		High Capacity
Grantwood Village town	$1,579	High Capacity	19.9	0.32201	22.0	0.46471	0.39336		High Capacity
Green Park	$2,328	High Capacity	19.9	0.32201	22.0	0.46471	0.39336		High Capacity
Hazelwood city	$1,720	High Capacity	45.1	-0.43908	21.8	0.47533	0.01812		High Capacity
Herculaneum city	$1,622	High Capacity	2.9	0.83544	21.2	0.50718	0.67131		High Capacity
Huntleigh city	$5,402	High Capacity	24.3	0.18912	11.2	1.03800	0.61356		High Capacity
Kimmswick city	$2,090	High Capacity	1.4	0.88074	9.4	1.13354	1.00714		High Capacity
Kirkwood city	$1,181	High Capacity	26.6	0.11965	21.5	0.49125	0.30545		High Capacity
Ladue village	$4,256	High Capacity	24.3	0.18912	11.2	1.03800	0.61356		High Capacity
Lake St. Louis city	$1,138	High Capacity	12.8	0.53644	20.4	0.54964	0.54304		High Capacity
Manchester city	$2,302	High Capacity	18.1	0.37637	14.6	0.85752	0.61694		High Capacity

Municipality / County Unincorporated Area	Fiscal Capacity, 1998	Fiscal Capacity Compared to Regional Average	% Non-Asian Minority Elementary Students, 1997	Non-Asian Minority Z-Score	% Eligible - Free / Reduced-Cost Meals, 1998	Meals Z-Score	Stress Z-Score	Stress Z-Score Compared to Regional Average	Combined Fiscal Capacity / Stress Z-Score
Maryland Heights city	$2,166	High Capacity	18.1	0.37637	14.6	0.85752	0.61694		High Capacity
New Melle village	$1,339	High Capacity	4.9	0.77503	5.7	1.32995	1.05249		High Capacity
Oak Grove village	$1,430	High Capacity	1.0	0.89282	31.0	-0.01303	0.43990		High Capacity
Oakland city	$1,189	High Capacity	26.6	0.11965	21.5	0.49125	0.30545		High Capacity
O'Fallon city	$1,657	High Capacity	12.8	0.53644	20.4	0.54964	0.54304		High Capacity
Olivette city	$1,536	High Capacity	24.3	0.18912	11.2	1.03800	0.61356		High Capacity
Peerless Park village	$52,252	High Capacity	12.5	0.54550	14.6	0.85752	0.70151		High Capacity
Pevely city	$1,104	High Capacity	3.6	0.81430	25.3	0.28954	0.55192		High Capacity
Richmond Heights city	$2,566	High Capacity	24.3	0.18912	11.2	1.03800	0.61356		High Capacity
Rock Hill city	$1,093	High Capacity	26.8	0.11361	19.1	0.61865	0.36613		High Capacity
Shrewsbury city	$1,220	High Capacity	17.4	0.39751	19.5	0.59742	0.49746		High Capacity
St. Ann city	$1,151	High Capacity	29.7	0.02603	29.4	0.07190	0.04897		High Capacity
St. Charles city	$1,137	High Capacity	10.3	0.61194	20.5	0.54433	0.57814		High Capacity
St. Peters city	$1,578	High Capacity	10.3	0.61194	20.5	0.54433	0.57814		High Capacity
Sunset Hills city	$3,091	High Capacity	19.9	0.32201	22.0	0.46471	0.39336		High Capacity
Town and Country city	$4,122	High Capacity	26.6	0.11965	21.5	0.49125	0.30545		High Capacity
Troy city	$1,761	High Capacity	4.1	0.79919	22.7	0.42755	0.61337		High Capacity
Truesdale city	$1,295	High Capacity	3.9	0.80524	25.1	0.30016	0.55270		High Capacity
Union city	$1,317	High Capacity	4.3	0.79315	26.0	0.25238	0.52277		High Capacity
Warrenton city	$1,419	High Capacity	3.9	0.80524	25.1	0.30016	0.55270		High Capacity
Warson Woods city	$2,350	High Capacity	26.6	0.11965	21.5	0.49125	0.30545		High Capacity
Washington city	$1,328	High Capacity	0.7	0.90188	13.2	0.93183	0.91686		High Capacity
Webster Groves city	$1,155	High Capacity	26.8	0.11361	19.1	0.61865	0.36613		High Capacity
Weldon Spring Heights town	$2,518	High Capacity	4.9	0.77503	5.7	1.32995	1.05249		High Capacity
Weldon Spring town	$6,183	High Capacity	4.9	0.77503	5.7	1.32995	1.05249		High Capacity
Wentzville city	$2,509	High Capacity	3.5	0.81732	10.3	1.08577	0.95154		High Capacity
West Alton	$1,165	High Capacity	6.7	0.72067	29.8	0.05067	0.38567		High Capacity
Westwood village	$3,486	High Capacity	18.1	0.37637	14.6	0.85752	0.61694		High Capacity
Wildwood	$1,190	High Capacity	12.5	0.54550	14.6	0.85752	0.70151		High Capacity
St. Louis city	**$657**	**Low Capacity**	**87.0**	**-1.70453**	**82.9**	**-2.76798**	**-2.23625**	**Stressed**	**Central City**
Regional Value:	**$1,088**	**Averages:**	**30.6**		**30.8**				
		Standard Deviation:	**33.1**		**18.8**				

Data Sources: County Clerk's Offices of Crawford, Franklin, Jefferson, St. Charles, and Warren counties, Assessor's Offices of Lincoln County and St. Louis City, and the St. Louis County Collector's Office (1998 real estate assessed property values); MARC (1998 real estate property market value calculations); Missouri State Tax Commission (1998 property tax revenues); Missouri Department of Revenue (1998 taxable sales values and sales tax revenues); the cities of Green Park, West Alton, Wildwood, and the U.S. Census Bureau (1996 estimated populations); Missouri Department of Elementary and Secondary Education (1997 elementary student racial and enrollment and 1998 elementary student free and reduced-cost meals and enrollment data).

Note: Subregion calculations are based on each municipality or county unincorporated area's relative standing in the region regarding real estate property tax and sales tax capacity (based on real estate property market value per household, weighted property tax rates, taxable sales per household, and weighted sales tax rates) and on a stress factor, which indicates a

Municipality / County Unincorporated Area	Fiscal Capacity, 1998	Fiscal Capacity Compared to Regional Average	% Non-Asian Minority Elementary Students, 1997	Non-Asian Minority Z-Score	% Eligible - Free / Reduced-Cost Meals, 1998	Meals Z-Score	Stress Z-Score	Stress Z-Score Compared to Regional Average	Combined Fiscal Capacity / Stress Z-Score

municipality or county unincorporated area's relative standing in the region regarding percentage of non-Asian minority elementary students and percentage of elementary students eligible for free and reduced-cost meals.

Appendix B: Hypothetical Property Tax-Base Sharing Run 1. Redistribution of 40% of 1998 Commercial/Industrial Real Estate Property Market Value According to Total Real Estate Market Value Per Capita by Municipality and County Unincorporated Area

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won / Lost
1	Kinloch city	Low Capacity Stressed	$63,273,531	2,541	$24,901
2	Hillsdale village	Low Capacity Stressed	$22,273,171	1,820	$12,238
3	Wellston city	Low Capacity Stressed	$41,170,628	3,378	$12,188
4	Foley city	Low Capacity	$2,641,830	222	$11,900
5	Truxton village	Low Capacity	$1,196,824	102	$11,734
6	Leslie village	Low Capacity	$1,447,954	154	$9,402
7	Olympian Village city	Low Capacity	$6,800,692	777	$8,752
8	Berger city	Low Capacity	$2,277,960	272	$8,375
9	Pine Lawn city	Low Capacity Stressed	$38,110,358	4,729	$8,059
10	Winfield city	Low Capacity	$5,572,665	785	$7,099
11	Silex village	Low Capacity	$1,398,629	200	$6,993
12	Moscow Mills city	Low Capacity	$7,815,373	1,131	$6,910
13	Velda Village city	Low Capacity Stressed	$10,007,867	1,500	$6,672
14	Hanley Hills village	Low Capacity Stressed	$16,471,798	2,497	$6,597
15	Elsberry city	Low Capacity	$14,072,517	2,159	$6,518
16	Velda Village Hills village	Low Capacity Stressed	$8,027,251	1,236	$6,495
17	Flordell Hills city	Low Capacity Stressed	$5,609,266	909	$6,171
18	Country Club Hills city	Low Capacity Stressed	$7,610,857	1,270	$5,993
19	Hawk Point city	Low Capacity	$2,988,155	511	$5,848
20	Norwood Court town	Low Capacity Stressed	$4,713,291	837	$5,631
21	Uplands Park village	Low Capacity Stressed	$2,616,873	469	$5,580
22	Riverview village	Low Capacity Stressed	$16,770,012	3,042	$5,513
23	Northwoods city	Low Capacity Stressed	$26,245,470	4,813	$5,453
24	Parkdale town	Low Capacity	$1,078,591	205	$5,261
25	Glen Echo Park village	Low Capacity Stressed	$1,212,515	231	$5,249
26	Jennings city	Low Capacity Stressed	$77,498,265	15,162	$5,111
27	Moline Acres city	Low Capacity Stressed	$13,057,209	2,557	$5,106
28	Cedar Hill Lakes village	Low Capacity	$1,065,931	238	$4,479
29	Calverton Park village	Low Capacity Stressed	$6,107,160	1,388	$4,400
30	Charlack city	Low Capacity Stressed	$5,389,639	1,302	$4,140
31	Parkway village	Low Capacity	$1,264,942	309	$4,094
32	Marthasville city	Low Capacity	$3,126,710	773	$4,045
33	Portage Des Sioux city	Low Capacity	$1,979,063	495	$3,998
34	Breckenridge Hills village	Low Capacity Stressed	$18,835,473	4,875	$3,864
35	Beverly Hills city	Low Capacity Stressed	$2,362,471	617	$3,829
36	Sycamore Hills village	Low Capacity Stressed	$2,255,920	622	$3,627
37	Josephville village	Low Capacity	$903,207	252	$3,584
38	Vinita Terrace village	Low Capacity Stressed	$1,284,972	363	$3,540
39	Wilbur Park village	Low Capacity	$1,935,992	558	$3,470
40	Pasadena Park village	Low Capacity Stressed	$1,710,147	496	$3,448
41	Normandy city	Low Capacity Stressed	$15,685,514	4,785	$3,278
42	Unincorporated Lincoln county	Low Capacity	$77,474,617	23,808	$3,254
43	Unincorporated Jefferson county	Low Capacity	$447,696,487	140,710	$3,182
44	Greendale city	Low Capacity Stressed	$2,240,044	705	$3,177
45	Black Jack city	Low Capacity	$19,851,088	6,295	$3,153
46	St. George city	Low Capacity	$3,958,799	1,279	$3,095
47	Bellefontaine Neighbors city	Low Capacity Stressed	$31,907,433	10,352	$3,082
48	De Soto city	Low Capacity	$17,495,282	6,009	$2,912
49	Bel-Nor village	Low Capacity Stressed	$4,956,911	1,704	$2,909
50	Lakeshire city	Low Capacity	$3,954,177	1,383	$2,859
51	Dellwood city	Low Capacity Stressed	$14,010,310	4,943	$2,834
52	St. John city	Low Capacity Stressed	$19,704,157	7,045	$2,797
53	Mac Kenzie village	Low Capacity	$375,771	140	$2,684
54	Pagedale city	Low Capacity Stressed	$10,370,584	3,903	$2,657
55	Byrnes Mill city	Low Capacity	$4,230,038	1,613	$2,622
56	Pasadena Hills city	Low Capacity Stressed	$2,808,512	1,092	$2,572
57	Bella Villa city	Low Capacity	$1,547,745	665	$2,327
58	Unincorporated St. Charles county	Low Capacity	$229,820,216	100,402	$2,289

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won / Lost
59	Winchester city	Low Capacity	$3,809,736	1,705	$2,234
60	Unincorporated Franklin county	Low Capacity	$113,254,663	53,153	$2,131
61	University City city	Low Capacity Stressed	$80,029,123	38,086	$2,101
62	Bel-Ridge village	Low Capacity Stressed	$6,154,095	3,232	$1,904
63	**St. Louis city**	**Central City**	**$657,879,732**	**351,565**	**$1,871**
64	Ferguson city	Low Capacity Stressed	$39,055,737	21,126	$1,849
65	St. Paul village	Low Capacity	$2,277,539	1,281	$1,778
66	Unincorporated Warren county	Low Capacity	$27,163,996	15,821	$1,717
67	Florissant city	Low Capacity	$85,925,174	50,491	$1,702
68	Weldon Spring Heights town	High Capacity	$161,486	95	$1,700
69	Scotsdale town	Low Capacity	$339,725	220	$1,544
70	Oakland city	High Capacity	$2,013,241	1,545	$1,303
71	Old Monroe city	Low Capacity	$297,770	246	$1,210
72	Wildwood city	High Capacity	$34,629,418	30,000	$1,154
73	Bellerive village	High Capacity Stressed	$245,809	222	$1,107
74	Crystal Lake Park city	High Capacity	$451,451	478	$944
75	Glendale city	High Capacity	$5,157,124	5,629	$916
76	New Melle village	High Capacity	$212,509	237	$897
77	Unincorporated St. Louis county	Low Capacity	$288,499,031	369,759	$780
78	Arnold city	Low Capacity	$14,132,496	20,473	$690
79	Valley Park city	Low Capacity Stressed	$3,270,414	5,797	$564
80	Webster Groves city	High Capacity	$9,488,615	21,890	$433
81	Kimmswick city	High Capacity	$55,705	136	$410
82	Lake St. Louis city	High Capacity	$3,082,106	8,833	$349
83	Country Life Acres village	High Capacity	$31,988	98	$326
84	Sullivan city	Low Capacity	$1,796,789	6,153	$292
85	Grantwood Village town	High Capacity	$221,233	852	$260
86	Huntleigh city	High Capacity	$86,627	366	$237
87	Hillsboro city	Low Capacity	$345,892	1,568	$221
88	St. Clair city	Low Capacity	$926,706	4,341	$213
89	Cool Valley city	High Capacity Stressed	$248,471	1,331	$187
90	Maplewood city	Low Capacity Stressed	$1,361,475	9,334	$146
91	Augusta city	Low Capacity	($13,044)	299	($44)
92	Festus city	High Capacity	($712,663)	8,353	($85)
93	Ballwin city	High Capacity	($3,128,665)	20,853	($150)
94	Overland city	Low Capacity Stressed	($3,498,728)	16,936	($207)
95	New Haven city	Low Capacity	($413,085)	1,838	($225)
96	Woodson Terrace city	Low Capacity Stressed	($1,637,218)	4,103	($399)
97	Flint Hill village	High Capacity	($116,087)	265	($438)
98	Kirkwood city	High Capacity	($13,158,146)	27,465	($479)
99	St. Ann city	High Capacity	($6,697,650)	13,714	($488)
100	Rock Hill city	High Capacity	($2,498,433)	4,962	($504)
101	West Alton city	High Capacity	($294,096)	558	($527)
102	Marlborough village	Low Capacity	($1,428,990)	1,837	($778)
103	St. Charles city	High Capacity	($44,026,888)	56,525	($779)
104	Wright City city	Low Capacity	($1,302,122)	1,404	($927)
105	Clarkson Valley city	High Capacity	($2,698,315)	2,693	($1,002)
106	Pacific city	Low Capacity	($5,282,551)	4,783	($1,104)
107	Cottleville town	High Capacity	($1,134,026)	1,016	($1,116)
108	Warrenton city	High Capacity	($5,479,137)	4,547	($1,205)
109	Shrewsbury city	High Capacity	($9,827,686)	6,288	($1,563)
110	St. Peters city	High Capacity	($81,405,800)	48,493	($1,679)
111	Crystal City city	Low Capacity	($6,743,659)	3,973	($1,697)
112	Dardenne Prairie town	High Capacity	($1,824,615)	967	($1,887)
113	O'Fallon city	High Capacity	($57,856,700)	29,564	($1,957)
114	Gerald city	Low Capacity	($1,816,422)	889	($2,043)
115	Washington city	High Capacity	($26,533,835)	12,210	($2,173)
116	Union city	High Capacity	($13,813,096)	6,222	($2,220)
117	Warson Woods city	High Capacity	($4,382,420)	1,929	($2,272)
118	Manchester city	High Capacity	($19,231,436)	6,929	($2,775)
119	Westwood village	High Capacity	($979,160)	312	($3,138)
120	Chesterfield city	High Capacity	($150,023,593)	45,490	($3,298)
121	Ladue village	High Capacity	($29,745,386)	8,400	($3,541)
122	Eureka city	High Capacity	($20,311,969)	5,250	($3,869)
	Troy city	High Capacity	($19,200,811)	4,963	($3,869)
124	Olivette city	High Capacity	($30,210,002)	7,168	($4,215)
125	Oak Grove village	High Capacity	($2,067,539)	486	($4,254)

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won / Lost
126	Crestwood city	High Capacity	($56,605,620)	12,114	($4,673)
127	Pevely city	High Capacity	($14,465,437)	2,914	($4,964)
128	Twin Oaks village	High Capacity Stressed	($2,715,145)	480	($5,657)
129	Weldon Spring town	High Capacity	($6,929,238)	1,170	($5,922)
130	Ellisville city	High Capacity	($50,826,505)	7,841	($6,482)
131	Berkeley city	High Capacity	($71,510,571)	10,636	($6,723)
132	Herculaneum city	High Capacity	($17,592,713)	2,368	($7,429)
133	Frontenac city	High Capacity	($28,126,843)	3,348	($8,401)
134	Des Peres city	High Capacity	($71,994,175)	8,011	($8,987)
135	Green Park city	High Capacity	($21,760,600)	2,400	($9,067)
136	Brentwood city	High Capacity	($70,497,053)	7,704	($9,151)
137	Richmond Heights city	High Capacity	($95,876,324)	9,803	($9,780)
138	Vinita Park city	High Capacity Stressed	($21,399,637)	1,881	($11,377)
139	Town and Country city	High Capacity	($126,044,170)	10,921	($11,541)
140	Hazelwood city	High Capacity	($173,101,932)	14,754	($11,733)
141	Bridgeton city	High Capacity Stressed	($194,959,529)	16,502	($11,814)
142	Edmundson village	High Capacity Stressed	($17,227,623)	1,193	($14,441)
143	Maryland Heights city	High Capacity	($356,949,473)	24,094	($14,815)
144	Sunset Hills city	High Capacity	($80,424,234)	5,314	($15,134)
145	Foristell city	High Capacity	($2,502,117)	165	($15,164)
146	Wentzville city	High Capacity	($78,299,544)	5,063	($15,465)
147	Truesdale city	High Capacity	($6,057,721)	360	($16,827)
148	Clayton city	High Capacity	($238,856,305)	13,513	($17,676)
149	Creve Coeur city	High Capacity	($225,474,183)	12,093	($18,645)
150	Fenton city	High Capacity	($130,056,827)	3,454	($37,654)
151	Peerless Park village	High Capacity	($4,636,853)	40	($115,921)
152	Champ village	High Capacity	($6,490,388)	10	($649,039)
	Did not levy a property tax in 1998:				
	Cave town	-	-	12	-
	Whiteside village	-	-	92	-

Percentage of regional population living in winning municipalities / county unincorporated areas: 72.3%

Note: Municipalities without data did not levy a property tax in 1998.

Data Sources: County Clerk's Offices of Crawford, Franklin, Jefferson, St. Charles, and Warren counties, Assessor's Offices of Lincoln County and St. Louis City, and the St. Louis County Collector's Office (1998 real estate assessed property values); the cities of Green Park, Wildwood, West Alton, and the U.S. Bureau
of the Census (1996 population estimates).

Methodology:

Each municipality is required to contribute 40% of its 1998 commercial/industrial real estate property market
value into a tax-base pool. Then, a "distribution index" is calculated to determine what percentage share each municipality will get back out of the pool. This distribution index is equal to the municipality's population
multiplied by the ratio of the metropolitan region's tax base per capita to the municipality's tax base per capita.
Each municipality's distribution index is then divided by the sum of all the distribution indexes to arrive at each municipality's percentage share of the tax-base pool. This percentage is then multiplied by the tax-base pool amount to determine the actual amount the municipality receives back. Finally, the amount the municipality contributes is subtracted from the amount the municipality receives to arrive at the net distribution to the municipality.

Step 1: 1998 municipal commercial/industrial real estate property market value * 0.15 = Municipal Contribution
Step 2: municipal pop. * ((region's tax base / region's pop.) / (municipal tax base / municipal pop.)) = Distribution Index
Step 3: Distribution Index/sum of Distribution Indexes = Municipal Share of tax base to be distributed
Step 4: Municipal Share * sum of Municipal Contributions = Municipal Distribution

Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won / Lost

Step 5: Municipal Distribution - Municipal Contribution = Municipal Net Distribution

Appendix C: Hypothetical Property Tax-Base Sharing Run 2. Redistribution of 40% of Growth in Taxable Sales, 1993-1998, according to Per Capita Income by Municipality and County Unincorporated Area with a $100,000,000 Cap on the City of St. Louis.

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won / Lost
1	Wellston city	Low Capacity Stressed	$8,018,711	3,378	$2,374
2	Kinloch city	Low Capacity Stressed	$4,946,490	2,541	$1,947
3	Whiteside village	-	$152,956	92	$1,663
4	Pine Lawn city	Low Capacity Stressed	$7,487,004	4,729	$1,583
5	Glen Echo Park village	Low Capacity Stressed	$363,000	231	$1,571
6	Pagedale city	Low Capacity Stressed	$5,455,694	3,903	$1,398
7	Leslie village	Low Capacity	$202,467	154	$1,315
8	Olympian Village city	Low Capacity	$1,011,188	777	$1,301
9	Hawk Point city	Low Capacity	$653,767	511	$1,279
10	Berger city	Low Capacity	$340,296	272	$1,251
11	Elsberry city	Low Capacity	$2,531,003	2,159	$1,172
12	Winfield city	Low Capacity	$902,920	785	$1,150
13	Truxton village	Low Capacity	$112,575	102	$1,104
14	Pacific city	Low Capacity	$5,148,937	4,783	$1,077
15	Breckenridge Hills village	Low Capacity Stressed	$5,169,550	4,875	$1,060
16	Jennings city	Low Capacity Stressed	$15,964,550	15,162	$1,053
17	Moline Acres city	Low Capacity Stressed	$2,651,158	2,557	$1,037
18	Velda Village city	Low Capacity Stressed	$1,518,143	1,500	$1,012
19	Bel-Ridge village	Low Capacity Stressed	$3,191,106	3,232	$987
	Country Club Hills city	Low Capacity Stressed	$1,254,095	1,270	$987
21	Northwoods city	Low Capacity Stressed	$4,725,585	4,813	$982
22	Cool Valley city	High Capacity Stressed	$1,304,064	1,331	$980
23	Velda Village Hills village	Low Capacity Stressed	$1,204,758	1,236	$975
24	Normandy city	Low Capacity Stressed	$4,613,153	4,785	$964
25	Hillsboro city	Low Capacity	$1,506,832	1,568	$961
26	Vinita Park city	High Capacity Stressed	$1,792,655	1,881	$953
27	Uplands Park village	Low Capacity Stressed	$445,938	469	$951
28	Maplewood city	Low Capacity Stressed	$8,843,207	9,334	$947
29	Riverview village	Low Capacity Stressed	$2,869,774	3,042	$943
30	St. John city	Low Capacity Stressed	$6,563,350	7,045	$932
31	Valley Park city	Low Capacity Stressed	$5,249,570	5,797	$906
32	Unincorporated Warren county	Low Capacity	$14,256,406	15,821	$901
33	Woodson Terrace city	Low Capacity Stressed	$3,684,554	4,103	$898
34	Crystal City city	Low Capacity	$3,564,488	3,973	$897
35	Overland city	Low Capacity Stressed	$15,120,621	16,936	$893
36	Parkdale town	Low Capacity	$182,486	205	$890
37	Old Monroe city	Low Capacity	$218,616	246	$889
38	Eureka city	High Capacity	$4,645,078	5,250	$885
39	New Haven city	Low Capacity	$1,623,937	1,838	$884
40	Vinita Terrace village	Low Capacity Stressed	$317,167	363	$874
41	St. Ann city	High Capacity	$11,946,172	13,714	$871
42	Ferguson city	Low Capacity Stressed	$18,329,077	21,126	$868
43	Bella Villa city	Low Capacity	$565,627	665	$851
44	Marthasville city	Low Capacity	$655,962	773	$849
45	Unincorporated Franklin county	Low Capacity	$44,973,246	53,153	$846
46	Dellwood city	Low Capacity Stressed	$4,114,847	4,943	$832
47	Hanley Hills village	Low Capacity Stressed	$2,051,623	2,497	$822
48	Bellefontaine Neighbors city	Low Capacity Stressed	$8,476,765	10,352	$819
49	Unincorporated Lincoln county	Low Capacity	$19,347,784	23,808	$816
50	Bel-Nor village	Low Capacity Stressed	$1,369,302	1,704	$804
51	Florissant city	Low Capacity	$39,479,347	50,491	$782
52	De Soto city	Low Capacity	$4,689,788	6,009	$780
	Greendale city	Low Capacity Stressed	$549,664	705	$780
54	Cedar Hill Lakes village	Low Capacity	$185,094	238	$778
55	Portage Des Sioux city	Low Capacity	$362,237	495	$732
56	Rock Hill city	High Capacity	$3,601,054	4,962	$726
57	Calverton Park village	Low Capacity Stressed	$1,002,964	1,388	$723
58	Dardenne Prairie town	High Capacity	$693,575	967	$717
59	Unincorporated Jefferson county	Low Capacity	$100,481,134	140,710	$714

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won / Lost
60	St. Paul village	Low Capacity	$868,441	1,281	$678
61	Sycamore Hills village	Low Capacity Stressed	$414,662	622	$667
62	Foley city	Low Capacity	$147,504	222	$664
63	Lakeshire city	Low Capacity	$914,185	1,383	$661
64	Manchester city	High Capacity	$4,545,139	6,929	$656
65	Pasadena Park village	Low Capacity Stressed	$320,349	496	$646
	St. Clair city	Low Capacity	$2,804,318	4,341	$646
67	Black Jack city	Low Capacity	$4,032,935	6,295	$641
68	Beverly Hills city	Low Capacity Stressed	$391,733	617	$635
69	Webster Groves city	High Capacity	$12,687,386	21,890	$580
70	St. George city	Low Capacity	$729,091	1,279	$570
71	Wright City city	Low Capacity	$786,046	1,404	$560
72	Kirkwood city	High Capacity	$14,449,504	27,465	$526
73	Mac Kenzie village	Low Capacity	$72,665	140	$519
74	Byrnes Mill city	Low Capacity	$821,185	1,613	$509
75	Norwood Court town	Low Capacity Stressed	$425,292	837	$508
76	Pasadena Hills city	Low Capacity Stressed	$536,954	1,092	$492
77	Gerald city	Low Capacity	$417,370	889	$469
78	Des Peres city	High Capacity	$3,421,520	8,011	$427
79	Weldon Spring Heights town	High Capacity	$40,253	95	$424
80	University City city	Low Capacity Stressed	$15,965,192	38,086	$419
81	Olivette city	High Capacity	$2,981,210	7,168	$416
82	Parkway village	Low Capacity	$128,116	309	$415
83	Unincorporated St. Charles county	Low Capacity	$37,853,393	100,402	$377
84	Winchester city	Low Capacity	$620,218	1,705	$364
85	Arnold city	Low Capacity	$6,677,764	20,473	$326
86	Scotsdale town	Low Capacity	$70,306	220	$320
87	Josephville village	Low Capacity	$78,893	252	$313
88	Oakland city	High Capacity	$444,034	1,545	$287
89	**St. Louis city**	**Central City**	**$100,000,000**	**351,565**	**$284**
90	Edmundson village	High Capacity Stressed	$336,748	1,193	$282
91	Flordell Hills city	Low Capacity Stressed	$251,534	909	$277
92	Ballwin city	High Capacity	$5,451,231	20,853	$261
93	Glendale city	High Capacity	$1,418,572	5,629	$252
94	Bridgeton city	High Capacity Stressed	$3,322,741	16,502	$201
95	Lake St. Louis city	High Capacity	$1,372,820	8,833	$155
96	Charlack city	Low Capacity Stressed	$157,453	1,302	$121
97	Crystal Lake Park city	High Capacity	$56,273	478	$118
98	Unincorporated St. Louis county	Low Capacity	$12,245,003	369,759	$33
99	Sunset Hills city	High Capacity	($11,743)	5,314	($2)
100	Huntleigh city	High Capacity	($13,820)	366	($38)
101	Washington city	High Capacity	($614,882)	12,210	($50)
102	Shrewsbury city	High Capacity	($634,650)	6,288	($101)
103	Country Life Acres village	High Capacity	($10,052)	98	($103)
104	Sullivan city	Low Capacity	($789,069)	6,153	($128)
105	Hillsdale village	Low Capacity Stressed	($253,705)	1,820	($139)
106	Marlborough village	Low Capacity	($400,330)	1,837	($218)
107	Berkeley city	High Capacity	($2,559,515)	10,636	($241)
108	Clayton city	High Capacity	($3,400,646)	13,513	($252)
109	Silex village	Low Capacity	($63,689)	200	($318)
110	Hazelwood city	High Capacity	($4,972,356)	14,754	($337)
111	Wilbur Park village	Low Capacity	($310,166)	558	($556)
112	Flint Hill village	High Capacity	($150,823)	265	($569)
113	Pevely city	High Capacity	($1,719,466)	2,914	($590)
114	St. Peters city	High Capacity	($28,792,007)	48,493	($594)
115	Twin Oaks village	High Capacity Stressed	($333,210)	480	($694)
116	Festus city	High Capacity	($5,983,732)	8,353	($716)
117	Brentwood city	High Capacity	($5,600,033)	7,704	($727)
118	Cottleville town	High Capacity	($791,910)	1,016	($779)
119	St. Charles city	High Capacity	($46,585,579)	56,525	($824)
120	Truesdale city	High Capacity	($312,372)	360	($868)
	Wentzville city	High Capacity	($4,392,641)	5,063	($868)
122	Union city	High Capacity	($6,826,511)	6,222	($1,097)
123	Moscow Mills city	Low Capacity	($1,345,267)	1,131	($1,189)
124	Ladue village	High Capacity	($10,176,945)	8,400	($1,212)
125	Chesterfield city	High Capacity	($63,995,677)	45,490	($1,407)

	Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won / Lost
126	Clarkson Valley city	High Capacity	($3,892,828)	2,693	($1,446)
127	Augusta city	Low Capacity	($455,652)	299	($1,524)
128	Richmond Heights city	High Capacity	($16,405,971)	9,803	($1,674)
129	Grantwood Village town	High Capacity	($1,441,461)	852	($1,692)
130	Crestwood city	High Capacity	($24,139,860)	12,114	($1,993)
131	Foristell city	High Capacity	($370,930)	165	($2,248)
132	O'Fallon city	High Capacity	($69,483,955)	29,564	($2,350)
133	Town and Country city	High Capacity	($27,955,519)	10,921	($2,560)
134	Warrenton city	High Capacity	($11,843,403)	4,547	($2,605)
135	Ellisville city	High Capacity	($21,755,616)	7,841	($2,775)
136	Creve Coeur city	High Capacity	($34,008,872)	12,093	($2,812)
137	Herculaneum city	High Capacity	($6,787,572)	2,368	($2,866)
138	New Melle village	High Capacity	($733,850)	237	($3,096)
139	Kimmswick city	High Capacity	($435,767)	136	($3,204)
140	Frontenac city	High Capacity	($13,418,604)	3,348	($4,008)
141	Troy city	High Capacity	($20,532,993)	4,963	($4,137)
142	Weldon Spring town	High Capacity	($5,231,903)	1,170	($4,472)
143	Oak Grove village	High Capacity	($2,525,165)	486	($5,196)
144	Maryland Heights city	High Capacity	($132,459,407)	24,094	($5,498)
145	Westwood village	High Capacity	($1,736,530)	312	($5,566)
146	Warson Woods city	High Capacity	($11,385,008)	1,929	($5,902)
147	Bellerive village	High Capacity Stressed	($2,294,073)	222	($10,334)
148	Fenton city	High Capacity	($43,385,529)	3,454	($12,561)
149	Peerless Park village	High Capacity	($1,453,187)	40	($36,330)
150	Champ village	High Capacity	($5,766,698)	10	($576,670)
	Did not exist in 1990:				
	Green Park city	High Capacity	-	2,400	-
	West Alton city	High Capacity	-	558	-
	Wildwood city	High Capacity	-	30,000	-
	Had no reported taxable sales in 1993 or 1998:				
	Cave town	-	-	12	-

Percentage of regional population living in winning municipalities / county unincorporated areas: 79.1%

Note: Municipalities without data either did not exist in 1990 or else did not report taxable sales in 1993 or 1998.

Note: 1993 dollars were adjusted upwards by a factor of 1.1280 to convert to 1998 dollars. 1993 CPI=144.5; 1998 CPI=163.0 (Base Year: 1982-1984 CPI=100)

Data Sources: Missouri State Department of Revenue (1993 and 1998 taxable sales figures); 1990 U.S. Census of Population and Housing Summary Tape File 3A (1990 populations and 1989 income figures); Metropolitan Area Research Corporation (1993 and 1998 estimated taxable sales by county for the cities of Foristell, Pacific, and Sullivan); the cities of Green Park, Wildwood, West Alton, and the U.S. Bureau of the Census (1996 population estimates).

Methodology:

Each municipality is required to contribute 40% of its 1993-1998 growth in taxable sales into a tax-base pool. (For the purposes of these taxbase sharing run calculations, the unincorporated areas within each county were treated as if they were municipalities; therefore, the terms "municipality" and "municipal" should be taken to refer to both the actual incorporated municipalities and the surrounding county unincorporated areas). Then, a "distribution index" is calculated to determine what percentage share each municipality will get back out of the pool. This distribution index is equal to the municipality's population multiplied by the ratio of the metropolitan region's income per capita to the municipality's income per capita. Each municipality's distribution index is then divided by the sum of all the distribution indexes to arrive at each municipality's percentage share of the tax-base pool. This percentage is then multiplied by the tax-base pool amount to determine the actual amount the municipality receives back. Finally, the amount the municipality contributes is subtracted from the amount the municipality receives to arrive at the net distribution to the municipality.

At this point, the net distribution of St. Louis City is examined to determine if a cap needs to be imposed. If the net distribution of St. Louis City is less than $100 million, no further adjustments are made. If St. Louis City's net distribution is greater than $100 million, the model is run again. This time, St. Louis City is excluded from all of the calculations;

Municipality / County Unincorporated Area	Subregion	Net Distribution	Estimated Population, 1996	Per Capita Won / Lost

instead, it is given a net distribution of $100 million out of the tax-base pool. (This is done in order to make available a larger percentage of the tax-base pool to be distributed to the other area communities.) Steps 2-5 are then run again, excluding St. Louis City from the calculations.

Step 1: 1993-1998 municipal growth in taxable sales * 0.40 = Municipal Contribution
Step 2: municipal population * ((region's aggregate income / region's population) /
(municipal aggregate income / municipal population)) = Distribution Index
Step 3: Distribution Index / sum of Distribution Indexes = Municipal Share of tax base to be distributed
Step 4: Municipal Share * sum of Municipal Contributions = Municipal Distribution
Step 5: Municipal Distribution - Municipal Contribution = Municipal Net Distribution
Step 6: If St. Louis City's Municipal Net Distributions < $100 million, model run ends
or
Step 7: If St. Louis City's Municipal Net Distribution > $100 million, rerun Step 1 without St. Louis City
Step 8: Subtract $100 million from Municipal Contribution for St. Louis City's net distribution
Step 9: Rerun Steps 2-5, excluding St. Louis City