



WILDWOOD

Economic Development Committee Report

September 12, 2022

| Category | Activity |
|---------------------------------|---|
| Items on the EDC Meeting Agenda | 1. Discussion of Occupancy Report <i>(See below for summary and full report)</i> |
| | 2. Discussion of Goals for the Economic Development Committee. The Committee discussed the following goals: *Recruit professional businesses to Wildwood. *Recruit and develop family-friendly businesses and activities within the City. *Develop and implement a marketing campaign to promote Wildwood's lifestyle. |
| | 3. Discussion of Potential Resident Survey Questions. |
| Business Activity | 1. Fox Company Yoga has leased 16745 Main St from Intelica CRE. They will be offering hot yoga classes to their customers. They are currently working on renovations and setup, and they stated that they should be able to open within 4-months. |
| | 2. Network Technology Partners bought property located at 16442 Village Plaza View Dr from Simmons Bank. They are currently operating out of this location. |
| | 3. Superior Mortgage Solution, Inc. has opened at 17014 New College Ave, Suite 200A. |
| | 4. The Exercise Coach is now open at 101 Plaza Dr, Suite 101. |
| | 5. Silver Spoon Ice Cream Co (17225 New College Ave) is looking to open on September 15, 2022. |
| | 6. Tresses by Jess (16451 Village Plaza View Dr) is looking to open in September. |
| | 7. Elegant Day Spa (16576 Manchester Rd) is looking to open sometime between September 15, 2022, and October 1, 2022. |
| | 8. Fantastic Cakes and Where to Buy Them (16962 Manchester Rd) is looking to open in October. |
| | 9. Yen Ching restaurant (16584 Manchester Rd) has closed. The DESCO Group is still looking to lease this space. |
| | 10. ArchitectNow (16759 Main St, Suite 200) is looking to sublease their space through Newmark Zimmer. |
| | 11. Wildwood Workspaces (16759 Main St, Suite 205) is looking to sublease their space through Newmark Zimmer. |
| | 12. Clinical Biosafety Services (16759 Main Street, Ste 208) is moving their company to Chesterfield. The property will be considered vacant on 11/1/2022. |

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| | 13. Empire Nutrition (17225 New College Ave) has closed. Their space has been leased by Silver Spoon Ice Cream Co. |
| | 14. Wildwood Yoga & Wellness moved from 17237 New College Ave to 2642 Highway 109, Suite B. |
| | 15. Premier Early Childhood Education Partners now owns The Elegant Child Early Learning Center (513 Strecker Rd). |
| | 16. Heartland Dental now owns My Wildwood Dentist (2751 Fountain Pl, Suite 1). |
| | 17. Axis Worldwide Supply Chain & Logistics currently owns the building located at 2638 Hwy 109. Axis Worldwide will be moving into a new suite within the building, so they will be looking to lease Suite 100. |
| Events | 1. Silver Spoon Ice Cream Co. (17225 New College Ave) has scheduled their Ribbon Cutting Ceremony for Friday, September 23, 2022, at 11:30am. |
| | 2. The Exercise Coach (101 Plaza Dr, Suite 101) has scheduled their Ribbon Cutting Ceremony for Wednesday, September 28, 2022, at 11:30am. |
| | 3. Fantastic Cakes and Where to Buy Them (16962 Manchester Rd) has scheduled their Ribbon Cutting Ceremony for Saturday, October 1st, 2022, at 10:00am. |
| | 4. Hidden Valley (17409 Hidden Valley Dr) decided to close their zip lines for the summer. Hidden Valley will be celebrating their 40th anniversary season this year, and they are planning an event for this milestone. Hidden Valley will be opening for the 22/23 winter season on Saturday, December 17, 2022. |
| | 5. Passiglia's Nursery & Garden Center (1855 Hwy 109) is having their first Fall Festival on September 17, 2022, from 9:00am to 3:00pm. |

Occupancy Report Summary

Wildwood's Retail/Office Occupancy Rates (Total):

- Retail Occupancy Rate: **88.62%**
- Office Occupancy Rate: **91.66%**
- Total Occupancy Rate: **89.22%**

When comparing the retail/office occupancy rates of Wildwood and our neighboring municipalities, it was noted that Wildwood's retail occupancy rate was 4.52% below average and Wildwood's office occupancy rate was .24% below average.

Variables to Consider when Comparing Occupancy Rates:

- Concentration of retail/office businesses in each municipality
 - Wildwood has businesses concentrated in a few specific areas such as Town Center and the area near Schnucks. This is not the case in many of our neighboring municipalities. Most of their businesses are located right off Manchester.
- Population density
 - Out of the municipalities included in the report, Wildwood has the lowest number of residents per square mile.
- Actual amount of retail/office space in each municipality
 - The total amount of Wildwood's retail/office space is 642,531 SF. Most of the other municipalities included within the report have more total retail/office space. For example, Ballwin's total retail/office space is 5,149,819 SF.
- Access to the interstate
 - Many of the other municipalities included in the report have quicker access to the major interstates within the region.

Occupancy Rate of Wildwood's Main Retail/Office Centers:

- Retail Occupancy Rate: **82.1%**
- Office Occupancy Rate: **80.33%**
- Total Occupancy Rate: **81.71%**

Occupancy/Vacancy Calculation:

To calculate Wildwood's occupancy rates, data was collected from CoStar. CoStar is the leading provider of commercial real estate information, analytics, and online marketplaces within the US. The City contacted brokers and conducted in-person visits to retail/office properties within Wildwood to confirm CoStar's data. In almost every case, the data provided by CoStar was accurate.

Occupancy Rate within Wildwood's Shopping Centers:

It was found that the occupancy rates within Wildwood Town Center and Village Plaza are below average. Wildwood Crossing is also struggling.

Retail/Office Space Distinction:

Retail space is for businesses that rely on foot traffic. Office space is for businesses that do not rely heavily on foot traffic and utilize the space for individual offices, conference rooms, cubicles, reception areas, etc.

Sales Tax Information:

Wildwood participates in the St. Louis County pooled tax program. The sales tax rate in Wildwood is 8.238%. Only .5% goes directly to Wildwood for capital improvement projects. 1% is a County-wide sales tax. The revenue generated from the 1% County-wide sales tax is distributed among 91 municipalities and unincorporated St. Louis County on a per capita basis. As a pool or Group B city, Wildwood shares revenues with others in the pool on a per capita basis.

Please see below for the full report.

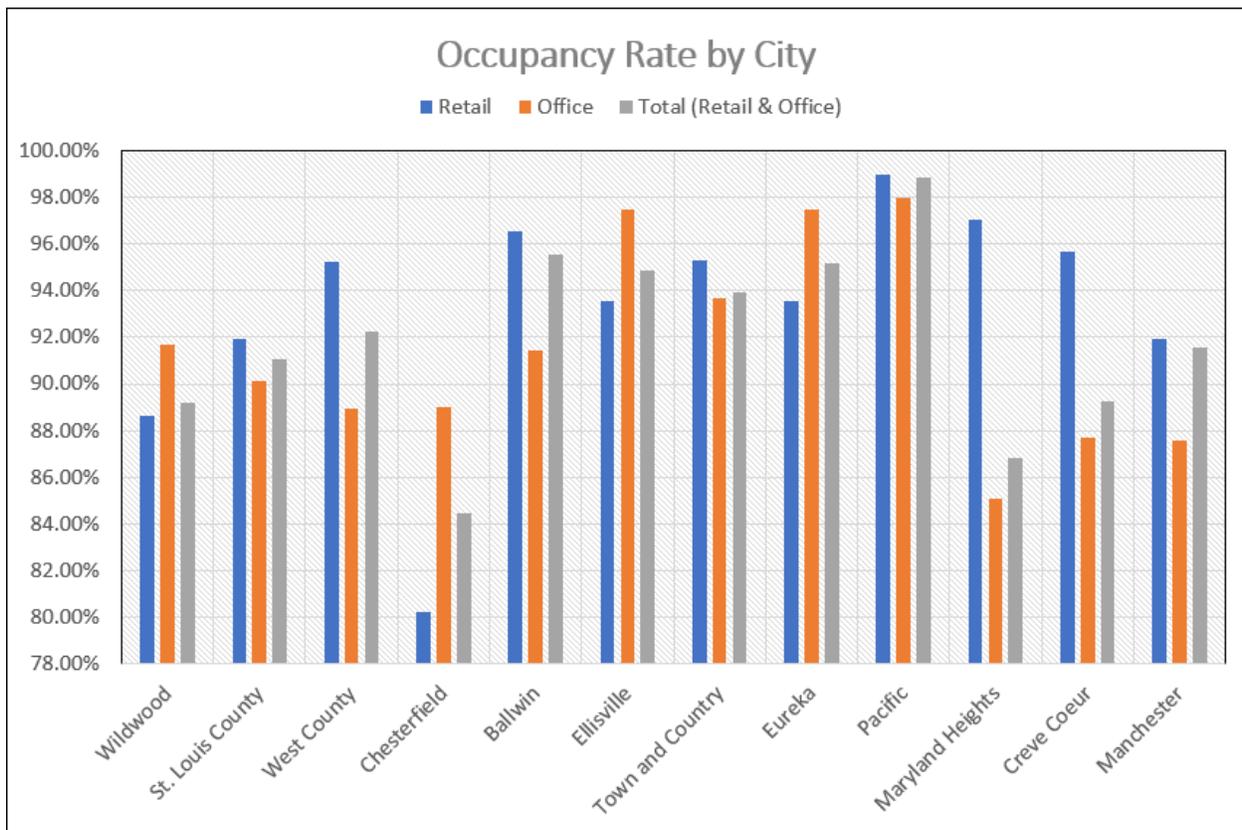
Occupancy Report

This following occupancy report includes data on every retail/office property within the City. The occupancy rate refers to the ratio of rented or used space to the total amount of available space. Please see Wildwood's retail and office occupancy rates below:

- Retail Occupancy Rate: **88.62%**
- Office Occupancy Rate: **91.66%**
- Total Occupancy Rate: **89.22%**

Regional Comparison:

This data was provided by CoStar. Occupancy rate data was collected for Wildwood, Wildwood's neighboring municipalities, St. Louis County, and West County. Please see below for the regional comparison graph.



* Based on data provided by CoStar

These numbers do not provide an apples-to-apples comparison. There are a couple of variables that need to be considered when comparing Wildwood's occupancy rates to our neighboring municipalities. These variables include the concentration of retail/office businesses in Wildwood, population density, the actual amount of retail/office space in each municipality, and access to the interstate.

Availability vs. Vacancy Distinction:

The availability and vacancy rates in the City of Wildwood compared to the rest of the region were also identified. Vacant space refers to all space not currently occupied by a tenant, regardless of any lease obligation that may be on the space. “Vacancy rate” is the percentage of all available square footage in a property that is vacant or unoccupied at a particular time; however, vacant space can be either available or unavailable. The vacancy rate is the opposite of the occupancy rate. A good example would be a space that has been leased but is still undergoing construction and/or has not delivered yet. The space is still vacant, but it is not available. Availability refers to the total amount of space that is currently being marketed as available for lease or sale in a given time period. With available space, it is not specified if the space is vacant, occupied, available for sublease, or available in the future. For example, a tenant could be actively marketing their space for sublease but is still occupying the space (not vacant), or a property could be under construction or going through a renovation, in which case the landlord could actively market the space for lease, making it both available and vacant. In conclusion, the vacancy rate refers to the percentage space available in a market or in a rental unit, while the availability rate aims to illustrate the amount of space in a market available for deals either immediately or in the short term.

In the tables below, the City has provided the retail/office availability and vacancy rates. Availability and vacancy rate data on our neighboring municipalities, St. Louis County, and West County is also included.



* Based on data provided by CoStar

Available Space vs. Vacant Space (SF):

The City has provided the amount of available and vacant square footage in Wildwood and our neighboring municipalities. Please see graph below.



* Based on data provided by CoStar

This graph shows that some of our neighboring municipalities have a lot more retail/office space in general. When a municipality has less total space, new vacancies are more impactful. For example, the total amount of Wildwood’s retail/office space is 642,531 SF. Ballwin’s total retail/office space is 5,149,819 SF. If 10,000 SF becomes vacant in Wildwood’s market, it affects Wildwood’s occupancy rate by 1.6%. If 10,000 SF becomes vacant in Ballwin’s market, it affects Ballwin’s occupancy rate by .02%. This is important to note when focusing on business retention in the City of Wildwood. We feel the hit of a business leaving more than some of our neighboring municipalities.

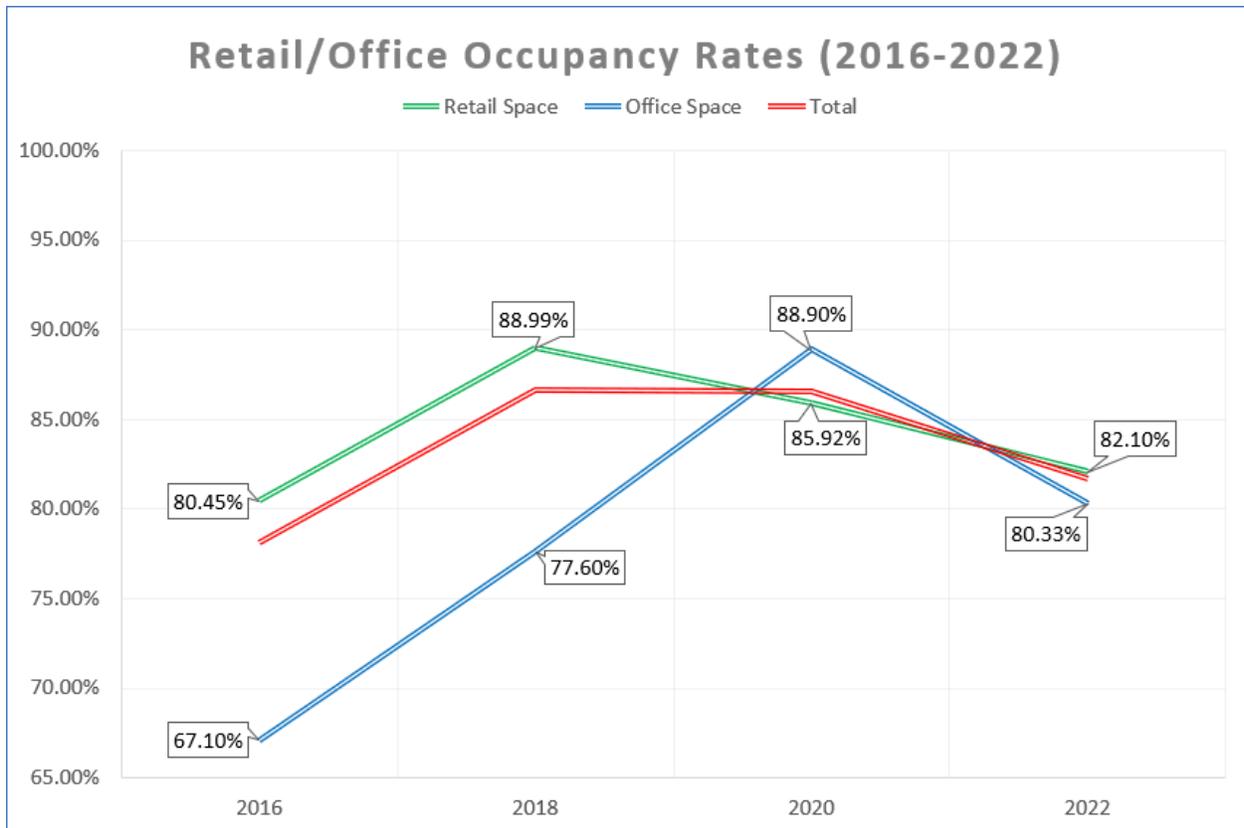
Wildwood’s Main Retail/Office Centers:

An update on the occupancy rates within Wildwood’s major retail/office centers has also been provided. The data below focuses on the key plazas within the City. The occupancy rate within Wildwood’s main retail/office plazas is less than the occupancy rate of the City as a whole. It is important to point this out, for it is easier to notice vacancies if they are located in a frequently visited part of town. These main retail/office plazas are key pillars in Wildwood, so we should focus on increasing the occupancy rate in these areas. These plazas are also attractive to potential businesses looking to open a physical location. Please see below for the occupancy rates within Wildwood’s main retail/office plazas.

- Retail Occupancy Rate: **82.1%**
- Office Occupancy Rate: **80.33%**
- Total Occupancy Rate: **81.71%**

To provide some additional context, I have provided a graph showing the occupancy rates for the major retail/office plazas in Wildwood from 2016-2022. Please see below:

Occupancy Rate for Wildwood’s Major Retail/Office Plazas (2016-2022):



* Based on City’s license database and information provided to the City. This graph only includes data on Wildwood’s main retail/office properties.

Occupancy/Vacancy Calculation:

To calculate the occupancy rates for Wildwood’s major retail/office plazas, the City contacted brokers and conducted in-person visits to the major retail/office properties within Wildwood. Once we noticed or were informed of a vacancy, we recorded the square footage of the vacant space. The total square footage of Wildwood’s main plazas was also noted. From here, the occupancy rate was calculated by dividing the occupied square footage by the total square footage available. To calculate the vacancy rate, the amount of vacant square footage was divided by the total square footage available.

Shopping Centers:

Data on the availability/vacancy rates for Wildwood's shopping centers has also been provided. The term shopping center refers to a group of retail stores and service establishments that are usually designed to serve a community or neighborhood. This data gives us a better idea of which shopping centers in Wildwood are struggling.



* Based on data provided by CoStar

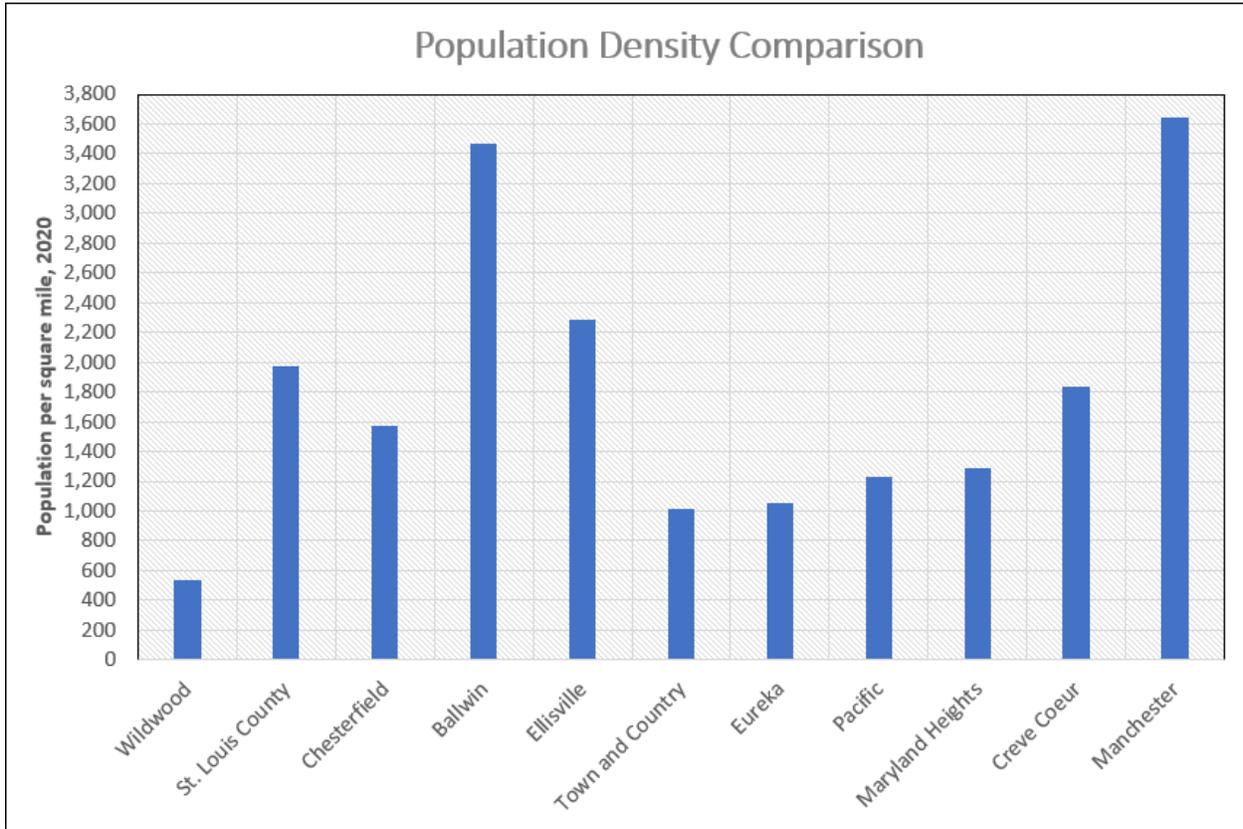
Shopping Centers with Corresponding Owners/Brokers:

The corresponding owner/broker for each shopping center has been provided below.

| Shopping Center | Address | Owner/Broker |
|--------------------------------|-----------------------------------|-------------------------------------|
| Wildwood Town Center | 16721-16765 Main St | Intelica CRE |
| Wildwood Town Center | 151-183 Plaza Dr - (Source HOV) | ArciTerra Group, LLC |
| Wildwood Town Center | 100 Plaza Dr - Walgreens | Realty Income Corporation |
| Wildwood Town Center | 101-125 Plaza Dr - Building B | Location CRE |
| Wildwood Town Center | 170-174 Plaza Dr | CBRE |
| Wildwood Town Center | 2751 Fountain Pl - Building F | US Capital Development |
| Dierbergs Wildwood Town Center | 2424-2480 Taylor Rd | Capitol Realty Group, Inc. |
| Wildwood Crossing | 16528-16588 Manchester Rd | The DESCO Group |
| Wildwood Crossing | 16506-16528 Manchester Rd | The DESCO Group |
| Wildwood Square | 17185-17253 New College Ave | RL Jones Properties |
| Cherry Hills Square | 16972-16982 Manchester Rd | Grace Cherry Hills Prop Llc |
| Winding Trails Centre | 16497 Clayton Rd | Cornerstone Commercial Realty, Inc. |
| Village Plaza | 16401-16461 Village Plaza View Dr | Gershman CRE |
| Main Street Plaza | 16918-16930 Manchester Rd | Covert-Corsair |

Population Density Comparison:

It was noted that Wildwood could have a lower population density than our neighboring municipalities. Data was collected to back up this claim. A regional comparison graph has been included showing each municipality’s population per square mile. As you can see, Wildwood has the lowest number of residents per square mile by far. Please see below for the population density comparison graph.



* Based on data provided by US Census Bureau (2020)

Retail/Office Space Distinction:

It is important to note the difference between retail and office space. With office space, there may not be as many people wandering in and out, whereas “retail space” depends mostly on foot traffic. Foot traffic is the key variable. Retail space is for businesses who rely on foot traffic to increase their revenue. Typically, retail spaces are located near another, perhaps larger business that is referred to as an “anchor business.” For example, Dierbergs and Schnucks can be considered anchors for the surrounding retail businesses in their respective plazas. These anchors provide a continuous stream of foot traffic that can potentially spill over to the surrounding retail businesses. Retail spaces typically have large glass windows, perhaps with products or signage to draw people in. Moreover, office spaces will not rely heavily on foot traffic. These spaces will likely need room for cubicles, individual offices, conference rooms, and reception areas. Medical facilities are usually located in office spaces as well, for they are not reliant on foot traffic.

I have included a useful table to help identify the differences between retail and office space below:

| Space Type Variables (Avg.) | Retail Spaces | Office Spaces |
|-----------------------------|---|--|
| Foot Traffic | Higher | Lower |
| Number of Parking Spaces | More than number of employees | Similar to number of employees |
| Visibility | Higher | Lower |
| Accessibility | High | Moderate |
| Price per SF | Higher | Lower |
| Lease Term | 2-5 Years, on average | As short as 1-month and up to 10+ years |
| Commonly used for | Retailers in the food, clothing, beauty, tech, etc. | Medical, insurance, legal, real estate, etc. |

Sales Tax Information:

Lastly, the City has provided some additional information on Wildwood’s sales tax structure. Wildwood participates in the St. Louis County pooled tax program. When someone buys something in Wildwood, they are taxed at a rate of 8.238%. 4.225% is State sales tax. The other 4.013% of tax revenue goes to St. Louis County and Wildwood. 3.513% goes to St. Louis County and .5% goes directly to Wildwood for capital improvement projects. 2.513% goes to St. Louis County for transportation, mass transit (Metrolink), children’s services, Regional Parks and Trails, emergency services (911), Metro Parks Arch, Public Safety & Zoological Park. The remaining 1% is a County-wide sales tax. The revenue generated from the 1% County-wide sales tax is distributed among 91 municipalities and unincorporated St. Louis County. Cities in St. Louis County are divided into two groups, Group A and Group B, for the purpose of distributing the 1% County-wide sales tax. Group A cities retain a portion of the sales tax revenues collected from businesses within their boundaries and share a portion with pool cities. Pool or Group B cities, share revenues with others in the pool on a per capita basis. This means that these funds are distributed based on each municipality’s population (Census data). Wildwood is designated as a pool or Group B city. Within the special Community Improvement District (CID), an additional one percent (1%) Sales tax is charged to fund maintenance within the district and debt retirement. The CID is a separate entity from the City of Wildwood and therefore produces its own budget, financial statements, and disclosures.