



# St. Louis – Gateway to Reshoring

The iconic Gateway Arch stands 630 feet tall over the city of St. Louis, representing the American westward expansion. St. Louis has been known for growth and prosperity since it was a flourishing trade post for fur in the 1760s. It celebrated international talent with the 1904 World's Fair and the Summer Olympics. Now St. Louis is fast becoming America's city for manufacturing and reshoring. The geographic location, the people, and its competitive business setting make St. Louis an ideal manufacturing environment.

## **A Place for Manufacturing**

What makes a region a great place to manufacture products? Typical criteria for companies making location decisions include:

- Welcoming business environment, low taxes, and other financial incentives
- Access and proximity to customers and markets
- Availability and cost of labor
- Transportation and logistics infrastructure
- Colleges and universities
- Quality of life including affordable housing, access to the arts, sports teams

The St. Louis region has all of these and more, making the area an excellent choice for reshoring manufacturing.



# 30% OF PEOPLE IN AMERICA LIVE WITHIN 500 MILES OF ST. LOUIS

Located on the Eastern side of Missouri, St. Louis is wedged between the Mississippi River and the Missouri River. According to the St. Louis Regional Chamber of Commerce, St. Louis is about 500 miles from approximately one-third of the entire United States. This means that one-third of America's consumers are accessible within a one-day's drive, a key criterion for location selection.

## HIGHWAYS, WATERWAYS, AND AIRPORT ACCESSIBILITY

St. Louis stands out against similar metropolitan areas because of its interstate system. There are four major interstates with national access; these include I-44, I-55, I-64, and I-70. St. Louis has the lowest Travel Time Index of the 25 largest U.S. cities, with less congestion for drivers compared to other similar size cities. St. Louis also has four different bridges that carry vehicles over the Mississippi.

The rivers surrounding St. Louis are what led pioneers here originally and have long supported trade. The Port of Metropolitan St. Louis is the third largest inland port in the United States. It is the northernmost lock and ice-free port on the Mississippi. Port of Metropolitan St. Louis along with the nearby Port of Kaskaskia in Illinois, process around 105 million tons of cargo every year.<sup>1</sup>

The St. Louis region includes two international cargo airports: St. Louis-Lambert International Airport and MidAmerica St. Louis Airport, and several other regional airports assisting in moving freight. Benefits include financial benefits from Foreign Trade Zones and Enterprise Zones, access to adjacent developable land, multiple modes of transportation, cold storage for perishable goods, and 24/7 operations 365 days a year, free of noise limitations.<sup>2</sup>

## THE PEOPLE

The landscape of St. Louis would mean little without the people that live and work there. The Greater St. Louis Areas is home to 2,807,338 people. This makes it the 21<sup>st</sup> largest metro area in the USA.

There are over 30 four-year colleges that enroll around 125,000 students in the St. Louis region. More than 25,000 graduate every year with bachelors, post-bachelor and professional degrees. There are also numerous community colleges that enroll another 65,000 students.<sup>2</sup> St. Louis also enjoys an unemployment rate that is consistently lower than the national average at 3.9% as of January 2018.<sup>3</sup>

St. Louisans enjoy a high quality of life mainly due to the low cost of living. The housing costs are well below the national averages according to the ACCRA Cost of Living Index.<sup>4</sup> St. Louis is ranked seventh in the country for adjusted real personal income per capita, meaning the dollar goes further in St. Louis than in most of the country. St. Louisans enjoy many local attractions such as the MLB St. Louis Cardinals, NHL St. Louis Blues, Forest Park—one of the largest urban parks in the nation home to art museums, history museums, the Science Center, zoo, and many more attractions. St. Louis is also great for outdoor family activities.

## THE BUSINESS ENVIRONMENT

St. Louis has a highly competitive business environment. Its diversity helps keep a healthy industry makeup. St. Louis is home to 17 Fortune 1000 companies, including Express Scripts Holdings, Centene, and Emerson Electric.

The Tax Foundation's 2018 State Business Tax Climate Index ranks Missouri at 16<sup>th</sup> overall, and 5<sup>th</sup> in Corporate Tax in the USA.<sup>5</sup> This contributes to KPMG's 2016 Competitive Alternatives reason in stating that the Greater St. Louis area is the 9<sup>th</sup> least expensive U.S. city to do business in. All of these components work together in making St. Louis an ideal place for manufacturers and companies looking to reshore to a U.S. location.

Two organizations, St. Louis Makes and DeSales Community Development, are partnering to provide opportunities to small and mid-sized manufacturers. One of these is Brick City Makes, a former factory turned into production space for manufacturers that offers services such as new product development and business development.<sup>6</sup>



**ST. LOUIS MAKES**  
stlouismakes.org

<sup>1</sup> <http://www.thefreightway.com/>

<sup>2</sup> <http://www.stregionalchamber.com/regional-data/education-regionaldata>

<sup>3</sup> <http://www.stregionalchamber.com/docs/regional-chamber/economic-development/economy/monthly-employment-summary.pdf>

<sup>4</sup> <http://www.stregionalchamber.com/regional-data/cost-of-living>

<sup>5</sup> [https://files.taxfoundation.org/20171016171625/SBTCI\\_2018.pdf](https://files.taxfoundation.org/20171016171625/SBTCI_2018.pdf)

<sup>6</sup> <http://brickcitymakes.com/>

# RESHORING IN ST. LOUIS

Companies are already capitalizing on the promise of St. Louis by reshoring manufacturing to the area. Saint Louis Fashion Fund recently made headlines for their initiative to reignite the fashion industry through educating and mentoring fashion and design students across the region. Fashion Fund has established a high-tech apparel manufacturing facility on historic Washington Ave in downtown St. Louis.<sup>7</sup> Saint Louis Fashion Fund plans to take advantage of the long fashion history, ecosystem, and manufacturing experience St. Louis has to offer.

Another company that is reshoring to the Greater St. Louis Area is Trans-Lux Corp.—a manufacturer of lighting displays and electronic scoreboards. Trans-Lux has operations in both Des Moines, Iowa and Shenzhen, China. Most of the production will relocate from China to Hazelwood, MO.<sup>8</sup> Trans-Lux CEO, J. M. Allain, says that as China developed, production was getting more and more expensive. The City of Hazelwood, Missouri Partnership, and the St. Louis County Economic Development staff worked hard to demonstrate to Trans-Lux all the benefits the Greater St. Louis Area has for manufacturers. In the end, Trans-Lux was offered a \$650,000 forgivable loan and in exchange will create more than 90 jobs for the community.<sup>9</sup> Not only does St. Louis have an overall environment conducive for manufacturing but works hard to help manufacturers thrive.

## SUMMARY

St. Louis has many geographic benefits, a talented and skilled workforce, and a business environment made for success. For these reasons, manufacturers are already reshoring their manufacturing to St. Louis, and many more have plans to come to the gateway city or expand operations here. The Gateway to the West offers opportunities to bring manufacturing back to America.

<sup>7</sup> [https://www.just-style.com/news/st-louis-at-leading-edge-of-us-apparel-reshoring\\_id133117.aspx](https://www.just-style.com/news/st-louis-at-leading-edge-of-us-apparel-reshoring_id133117.aspx)

<sup>8</sup> <http://www.hazelwoodmo.org/new-info/trans-lux-chooses-hazelwood-to-reshore-production-from-china>

<sup>9</sup> [http://www.stltoday.com/business/columns/building-blocks/greitens-touts-jobs-move-to-hazelwood-from-china/article\\_aeb31560-e018-5e0c-abc5-3c28387810e4.html](http://www.stltoday.com/business/columns/building-blocks/greitens-touts-jobs-move-to-hazelwood-from-china/article_aeb31560-e018-5e0c-abc5-3c28387810e4.html)



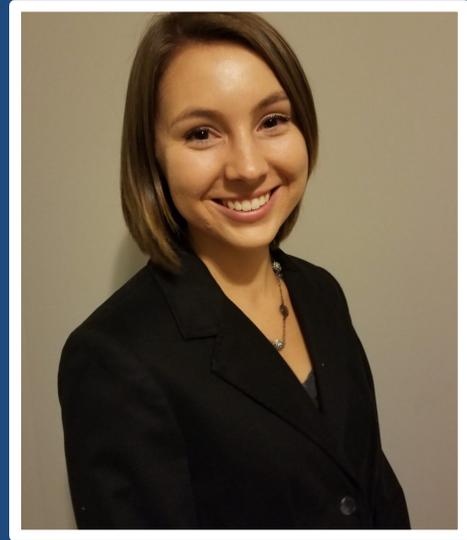
*St. Louis Fashion Fund – Washington Ave.  
Downtown St. Louis*

## WHAT MAKES A GREAT PLACE FOR MANUFACTURING?

- Welcoming business environment
- Low taxes and other incentives
- Availability and cost of labor
- Access and proximity to customers and markets
- Transportation and logistics infrastructure
- Colleges and universities
- Quality of life

# ABOUT THE AUTHOR

**Kalli Imig** is a Student Researcher for the Reshoring Institute. She is currently a senior at Saint Louis University pursuing a degree in Business Administration with a concentration in Marketing and a supporting area in Information Technology Management. During her time at Saint Louis University, Kalli embraced many opportunities. In the Spring of 2016, she studied abroad in Madrid, Spain where she was immersed in the culture and traveled to many destinations across Europe. She is the active member of the Service Leadership Program where she has gained valuable leadership skills.



## ABOUT THE RESHORING INSTITUTE

We provide information, research and support for companies trying to reshore manufacturing back to America. This includes topics and projects such as site selection, tax incentives, marketing, public relations, cost comparison development, consulting, and case studies. We accomplish this reshoring work with the assistance of student interns from universities across America.

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