

Executive Summary

INTRODUCTION

The Meramec Region was designated as an Economic Development District in 1975 and, since then, has assisted in providing planning and technical assistance to local governments with the goal of improving the quality of life in participating counties. Most communities in the region do not have the resources to maintain professional staff to assist with planning and economic development. The district operates as the Meramec Regional Planning Commission (MRPC), created by Governor Warren E. Hearnes in 1969 under the State and Regional Planning and Community Development Act of 1965. At that time, the region included Crawford, Dent, Gasconade, Maries, Phelps and Washington counties. Additionally, on November 13, 1997, Governor Mel Carnahan issued Executive Order No. 97-14, adding Osage County to the boundaries of the Meramec Regional Planning Commission. On August 22, 2005, Missouri Governor Matt Blunt signed Executive Order 05-21, amending the boundaries of the Meramec Region to include Pulaski County. Pulaski County petitioned MRPC for inclusion in the region after withdrawing membership in a neighboring regional planning commission. The county, along with the cities of St. Robert, Waynesville and Dixon, officially joined MRPC in September 2005. The city of Crocker joined in April 2006.

The active membership now consists of eight counties and 32 cities. MRPC has a 53 member board. Of these, 40 are local elected officials or their representatives, 22 are non-government representatives (17 from private sector and 5 from stakeholder organizations).

THE MERAMEC REGION

The Meramec Region is an eight-county area located in the southeast-central portion of Missouri. The area covers over 5,133 square miles and includes eight counties and 35 municipalities. The region is marked with gently rolling hills, deep valleys and plateaus. Numerous rivers and streams transverse the region, creating a natural draw for outdoor enthusiasts. Many of the small towns are industrial havens, yet the small farmer is still prevalent. Many wineries dot the countryside, making it a popular draw for tourists.

In 2010, the eight-county Meramec Region was home to 201,254 people, an increase of 12.2 percent since 2000. The region grew at a faster pace from 2000-2010 than the state, which posted a 7.0 percent increase in population. Individual 2010 county populations range from a low of 9,176 in Maries County to 52,274 in Pulaski County. All counties, except Gasconade, demonstrated individual growth from 2000 to 2010, ranging from a high of 27 percent in Pulaski County to 3.1 percent in Maries County. Gasconade County's population decreased by .8 percent from 2000 to

2010. The largest city in the region continues to be Rolla, the county seat of Phelps County. It has 19,559 people. The smallest city is West Sullivan in Crawford County with 119 residents.

The population center of the United States moved out of the Meramec Region in 2010. Located 2.8 miles east of Edgar Springs (Phelps County) in 2000, the center is now located 2.7 miles northeast of Plato in Texas County.

According to the 2010 Census, the Meramec Region deviates from the nation and state trends of population regarding racial groups. Only 9 percent of the region's population—17,770 people—are considered non-white, while the same group represents 26 percent of the United States' population and 16.6 percent of Missouri's population. The region's population is composed of 52.2 percent males and 47.8 percent females.

Family incomes in the region generally increased from 1990-2010. However, the family income for the region and the eight counties individually falls below the state and national averages. Some 20.9 percent of the region's families have an income between \$10,000 and \$24,999 compared to the state and nation at 18.4 and 16.6 percent, respectively. The largest single-family income category for the region is \$200,000 and up, but the percentage of population that falls into this category is only 0.8 percent, which is less than that of the state at 2.7 percent and that of the nation at 4.3 percent.

According to 2006 - 2010 American Community Survey, about 16 percent of the Meramec Region families are living in poverty. This figure is up from the 1999 percentage of 14 percent. Washington and Dent counties have historically led the region in percent of population meeting poverty guidelines for the past 30 years. In 1979, over 20 percent met the guidelines in these counties. These percentages increased considerably in 1989, with Washington County showing 27.2 percent and Dent County with 25.2 percent persons in poverty. In 2010, Washington and Dent counties continue to record the highest poverty levels in the region at 20.7 percent and 18.2 percent respectively. Gasconade and Osage counties continue to have the lowest number of persons in poverty, both with less than 11 percent for 2010.

The Meramec Region has 86,163 total housing units with 72,185 occupied (according to 2006-2010 ACS 5yr estimate.) The average population per unit in the Meramec Region is 2.49 as compared to 2.45 for Missouri. Pulaski County has the highest per unit population with 2.64, followed by Washington and Osage with 2.58 and 2.53 persons per unit, respectively.

The educational level of the residents of the Meramec Region has increased significantly during the past 40 years. Most Meramec counties had a significant increase in the percentage of adults 25 and older with at least a high school diploma during that time frame. Regionally, that percentage grew by 49.2 percent from 1970 to 2010, from 32.4 percent to 81.6 percent currently.

Pulaski County, in 2010, shows the highest percentage of high school graduates, with 88.1 percent of its over-25 population holding at least a high school diploma. Washington County has the lowest percentage, with 70.3 percent, in 2010, which is a 46.9 percent increase from 1970.

According to the 2006-2010 American Community Survey five-year estimates, there are 77,941 people who make up the sixteen year of age and older civilian labor force in the eight counties of the Meramec Region. This is an increase of over 5,000 from the recorded 72,906 workers in the 2000 Census. In the region, the top three civilian occupations are education services, health care and social assistance (17,362 at 22.3 percent, an increase from 21.7 percent in 2000), manufacturing (10,538 at 13.5 percent, a decrease from 17.4 percent in 2000) and retail (10,444 at 13.4 percent, an increase from 12 percent in 2000.)

Three federal highways pass through the region: Interstate 44, U.S. 63 and U.S. 50. Interstate 44 bisects the region in a northeast to southwest direction and serves as the major highway between St. Louis and Springfield with Rolla being about the half-way point. U.S. 63 connects Vienna and Rolla with Jefferson City, and U.S. 50 runs east and west through Gasconade and Osage counties. Most highways in the region are state highways, and most are narrow, winding and curvy. Several Meramec communities have airports: the Rolla National Airport, located at Vichy; the Sullivan Airport; the Washington County Airport; the Salem Airport; the Cuba Airport; the Owensville Airport; the Hermann Airport; Waynesville Regional Airport, and Linn State Technical College Airport. Four railways serve the region. Burlington Northern operates the most miles of track in the region. That rail line follows the general route of I-44 through Crawford and Phelps counties. Rail service in the region is not as prevalent as it once was. Several miles of the former Rock Island rail have been abandoned for many years; however, a new company has purchased this line of track in hopes of providing rail service to the Meramec Region and central Missouri. Amtrak also crosses the Meramec Region and stops at its very northeast point at Hermann. Navigable water transportation is provided at three locations in the region, all on the Missouri River. Those sites are Hermann, Gasconade and Chamois.

ECONOMIC DEVELOPMENT PROBLEMS AND OPPORTUNITIES:

The eight counties which make up the Meramec Region enjoyed six years of economic growth and falling unemployment rates until a recession swept the county in December 2007. It is important to note the recession as the region suffered significant loss of industry, high unemployment rates, loss of home value and home foreclosures.

The cause is attributed to the subprime mortgage crisis which led to the collapse of the so called housing bubble. Falling housing-related assets contributed to a global financial crisis, even as oil and food prices soared. The crisis led to the failure or collapse of many of the United States' largest financial institutions: Bear Stearns, Fannie Mae, Freddie Mac, Lehman Brothers and AIG,

as well as a crisis in the automobile industry. The federal government responded with an unprecedented \$700 billion bank bailout and a \$787 billion fiscal stimulus package. The Great Recession as is now known –lasted one and a half years ending during June 2009. Although the recession is technically over the region and county are still feeling the effects, making a slow economic recovery.

With the downturn in the national economy the Meramec Region has seen over 1500 jobs lost due to plant closures across the region.

Since 2007, the region has experienced several notable economic events, including:

2008

- San Val Incorporated, in Steelville, cut 36 jobs
- Briggs and Stratton in Rolla began layoffs of 800 employees in August 2006, closing the facility in February 2008.
- Gahr Line and Cable, in St. James, closed in September with a loss of 35 jobs
- Several small companies around the region closed or downsized with a total reduction in jobs totaling 83

2009

- Doe Run Mine Company in Dent County, cut 182 jobs
- Cantex in Rolla closed with a loss of 66 jobs
- Mid Mo Truss in Cuba cut 27 jobs
- Lear Siegler Services loss of 53 jobs
- Brewer Science in Rolla cut 29 jobs
- Several small companies around the region closed or downsized with additional total reduction in jobs totaling 156.

2010

- Unloading Services Company in Salem, cut 14 jobs
- ManTech Inter. Corp. in Ft. Leonard Wood, cut 20 jobs
- Chartwells Food Service in Rolla, cut 43 jobs
- Several small companies around the region closed or downsized with additional total reduction in jobs totaling 18.
- Quaker Windows in Freeburg, added 45 jobs
- Red Wing Shoe Company in Potosi, added 40 jobs
- PROMACO in Bourbon, added six jobs
- Several smaller restaurants and businesses opened around the region

2011

- SureSeal, Inc. relocated approximately 75 jobs from Mineral Point in Washington County to the Kansas City and Lebanon, Ohio, facilities.

2012

- A plant fire at the Royal Oak Charcoal facility in Salem destroyed more than half of the building, threatening continued operations. However, according to local sources, the company is rebuilding the warehouse, with no long term job loss anticipated.

2013

- Chamois power plant closed, with a loss of 30 jobs and a combined payroll and benefits of \$3.3 million.
- Meramec Electrical Products in Cuba, expanded its business with a \$5.7 million capital investment and expected job creation of 47 full-time jobs.
- San Val in Steelville closed, with a loss of 29 jobs.
- A new business, LaGessee Products, moved into the SureSeal building in Mineral Point.

It is also important to note the importance of Fort Leonard Wood located in Pulaski County, on the regional and state economy. The fort serves as a joint military training center serving all branches of the military and allied forces. Due to the military build-up in response to the War on Terror, the Fort Leonard Wood area has thrived and seen a population increase of nearly 22 percent between the 1990 and 2000 Census. This increase in population has boosted the local economy and provided vast opportunities in hospitality and commercial development. According to a recent study completed by the Hawthorn Foundation that examined the economic impact of the Department of Defense (DoD) military infrastructure in Missouri, an estimated \$14.9 billion in spending was identified within the state. This DoD funding is used to operate installations, pay personnel and purchase goods and services from private firms. At Fort Leonard Wood, the primary economic impacts are related to active duty military, Missouri National Guard and DoD civilian personnel. There is a full time military population of over 10,500 at any given time with a rotation of approximately 50,000 trainees annually. During the fiscal years of 2010 and 2012, Fort Leonard Wood's personnel spending was approximately \$2.1 billion, with household earnings accounting for \$1.2 billion of the total. Altogether, the operation of the installation supported approximately 36,400 direct and indirect jobs within the state.

According to figures from the fort, the installation has an average of 200,000 visitors annually. Approximately 92 percent of these visitors come from out of state, creating an inflow of economic activity into the state and surrounding region each year. Together, these visitors spend an average of \$57.3 million annually in Missouri, which has resulted in \$167.3 million in total

economic output, \$38.6 million in household earnings, and supported approximately 1,500 jobs in the state each year.

With the impending drawdown of the active duty military it is estimated that Fort Leonard Wood will lose at least 1,500 soldiers before January 2014 and an additional 1,000 within the next two years bringing the full time military population down to approximately 8,000. With this reduction in service members will go their families. This estimation does not include the annual trainee load for the fort or permanent personnel for the other services on Fort Leonard Wood.

The military and civilian populations has acknowledged the economic impact of the proposed cuts and have established the Sustainable Ozarks Partnership (SOP) made up of representatives of Fort Leonard Wood and the surrounding counties of Pulaski, Texas, Laclede and Phelps. The benefits of this partnership are to foster relationships between the communities, companies and Fort Leonard Wood to help ensure Fort Leonard Wood remains a viable, enduring DoD installation; provide active regional community support to accomplish the sustainability goals and objectives of the fort; reduce mission support costs; and improve environmental stewardship and quality of life for service members, their families and the local civilian population.

THE CEDS

The Meramec Regional Planning Commission (MRPC) submitted an initial Overall Economic Development Program (OEDP) in 1975. That program was updated in 1998, presenting new information on the progress of the region as well as identifying additional needs.

The 2002 Comprehensive Economic Development Strategy was a product of information gathered in meetings held in each of the seven counties in the Meramec Region. The list of needs that were identified across the region fell into eight major categories:

- Economic Development/Tourism
- Human Resources and Services
- Physical Environment
- Local Governments
- Transportation
- Housing
- Community Involvement and Communication
- Infrastructure

The Regional Action Plan sets forth a methodical approach to addressing the county and regional needs.

The economic development planning and support staff at MRPC consists of:

- Bonnie Prigge, executive director, has been with MRPC since 1991.
- Tammy Snodgrass, assistant director, has been with MRPC since 1992.
- Connie Willman, planning manager, has been with MRPC since 1994.
- Maria Kardon, business loans officer, has been with MRPC since 2006
- Tonya Price, business loans officer, has been with MRPC since 2008.
- Lyle Thomas, community development specialist, has been with MRPC since 2012.
- Linda Loughridge, fiscal manager, has been with MRPC since 1995.
- Teri Smith, community development specialist, has been with MRPC since 2007.
- Shannon Beck, communications/marketing coordinator, has been with MRPC since 2012.
- Lisa Warnke, secretary, has been with MRPC since 2007.
- Mary Ann Gorrell, senior secretary, has been with MRPC since 2011.
- Kelly Sink-Blair, project development manager, has been with MRPC since 2000.
- Cheryl Dupes, accountant II, has been with MRPC since 2003.
- Jane Dolan, accountant I, has been with MRPC since 2010.

A copy of this Revised CEDS will be made available to all member counties and cities in the Meramec Region as well as local economic developers and other interested groups/individuals.