



NorthSide Development is Complicated, But No Validation of Land Banking

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[The St. Louis Post-Dispatch](#) has reported that the City of Saint Louis will be entering into an [agreement](#) to sell 1,200 parcels to NorthSide Regeneration, a company that has proposed an enormous development of the city.

Some might say that the agreement [is a validation of the city's strategy to hold property for development](#). But even though political points may be gained by trumpeting development before it occurs, development of these parcels has not actually happened. [As one writer put it](#), "...until development occurs on a large portion of the land, the strategy will only have proven that after three decades, the city has found someone else to mow the yard."

Indeed, while the prospect of selling 1,200 city-owned properties is great news for the city and its residents, this single development will not remake Saint Louis, even if successful. The city has dug itself into an incredible vacancy hole that would require almost another nine developments like the NorthSide one — just to take care of the vacant property that the Saint Louis land bank, also known as the Land Reutilization Authority (LRA), owns. And this proposed development took years to come about.

According to [St. Louis Magazine](#), the NorthSide development was in the works since at least 2003, and no comparable large-scale development has taken place in Saint Louis. If we are pinning our

hopes on more developments like NorthSide, we have to wait another 40 years. How much land will the city have amassed by then?

As part of the Show-Me Institute's review of the operations of the LRA, we collected a great deal of data to see how frequently the agency was accepting and rejecting offers to buy its vacant property. We found that the LRA rejected formal offers to purchase more than 2,200 different parcels between the years 2003 and 2010. That is certainly a larger number than the 1,200 parcels being discussed as part of the NorthSide deal.

Some may be curious as to whether offers in recent years to purchase LRA property were rejected in the NorthSide footprint.

The map below shows all offers to purchase LRA property, with larger marks indicating higher-value offers. Between 2003 and 2010, offers to purchase more than 300 different properties within the NorthSide boundary were rejected.



However, to make the situation complicated, offers to purchase more than 280 properties in the area were accepted. While some offers were rejected because the agency was holding the property for "planned unified development," others were accepted.

What I find more troubling is the city's bad (but recently abandoned) habit of holding property off of its public for-sale list. Up until the publication of Show-Me Institute research, almost half of LRA property was not advertised for sale. This was due in part to agency staff members and area aldermen designating property as "Class C," meaning that it was not "suitable for public or private use." In practice, that designation made it more difficult, if not impossible in some cases, for people to purchase vacant property. Below is a map showing parcels not advertised for sale in red, with LRA parcels advertised for sale in green. The NorthSide boundary is included for

reference.



We only have records for formal, written offers to purchase LRA property. It is impossible to know how many would-be buyers were discouraged from buying property in the NorthSide footprint as a result of the LRA's practices.

About the Author



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[5] <http://www.stlmag.com/St-Louis-Magazine/November-2009/The-Case-of-the-Blairmont-Buyer/>

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