

DOWNTOWN  
REVITALIZATION &  
ECONOMIC  
ASSISTANCE FOR  
MISSOURI

Louisiana, Missouri

# RESIDENTIAL DEMAND ANALYSIS

DOWNTOWN  
MARKET AREA

PIKE COUNTY  
DECEMBER 2011





# ACKNOWLEDGMENTS



DOWNTOWN REVITALIZATION AND ECONOMIC  
ASSISTANCE FOR MISSOURI (DREAM)  
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## REPORT PREPARATION INFORMATION

### CONSULTING REPORT PREPARATION

This consulting report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and standards adopted by the National Council of Affordable Housing Market Analyst (NCHMA).

### IDENTIFICATION OF THE MARKET ANALYST

Steve Sillimon, Market Analyst, is the staff appraiser for the Missouri Housing Development Commission.

### INTENDED USE OF REPORT

The intended use of this report is to assist Louisiana in its effort to revitalize its Downtown through the DREAM Initiative by analyzing possible demand for housing that would support that effort.

### THE IDENTITY OF THE CLIENT AND THE INTENDED USERS OF REPORT

The client of the report is the Missouri Housing Development Commission (appraiser's employer), and the intended users are the City of Louisiana, Pike County, Missouri and parties interested in development of residential housing units in Downtown Louisiana, Missouri.

### ANALYSIS, RECOMMENDATION, OR OPINION TO BE DEVELOPED

The analysis, recommendations, or opinions will include:

- A review of previous housing market studies or consumer surveys;
- Identification of primary and secondary market areas;
- Identification of existing housing inventory and competitive locations;
- Demographic profile for the area;
- Economic profile of the market;
- Opinions regarding the household demand for residential units in the Downtown market area of Louisiana that could complement Downtown revitalization efforts.

### IDENTIFICATION OF THE SUBJECT AREA

The subject of this report is the DREAM Downtown market area of the City of Louisiana, within the specific geographic boundaries as described within this report.

### **EFFECTIVE DATE OF THE REPORT**

The effective date of the report is August 9, 2011

### **EXTRAORDINARY ASSUMPTIONS**

In preparing this report the appraiser has relied on physical, economic, demographic data and information from various sources, including market studies submitted to MHDC from other analysts, and believes the information to be credible, reliable, and critical to the preparation of this report. The use of this information will affect the assignment results.

### **SCOPE OF WORK**

Following is the scope of work that was performed to complete this report.

- Physical survey of the area that is the subject of the report;
- Physical survey of existing housing options in the market;
- Economic survey and competitive analysis of existing housing options in the market;
- Review of general and historical information about the market;
- Review of housing related studies prepared for the market;
- Review of current information regarding activities in the market that could affect the marketability of housing;
- Analysis of demographic information for the primary and secondary market areas;
- Estimate of the current and future household demand in the primary and secondary market areas that could be attracted to housing options in the Downtown market area;
- Quantitative market analysis for affordable, market rate, and for-sale housing in the primary market area for family and senior households, if applicable.

### **INFORMATION USED, METHODS AND TECHNIQUES EMPLOYED, AND REASONING THAT SUPPORTS THE CONCLUSIONS**

The information used in the report comes from local sources, market surveys, and public and proprietary information. The techniques employed in the report are industry standard demand analysis techniques based on estimating the number of target households that can be captured in the Downtown housing market. The reasoning that will support the conclusions is based on the benefit that additional residential housing can make to Downtown revitalization efforts.

## SECTION I

### CONCLUSIONS AND RECOMMENDATIONS

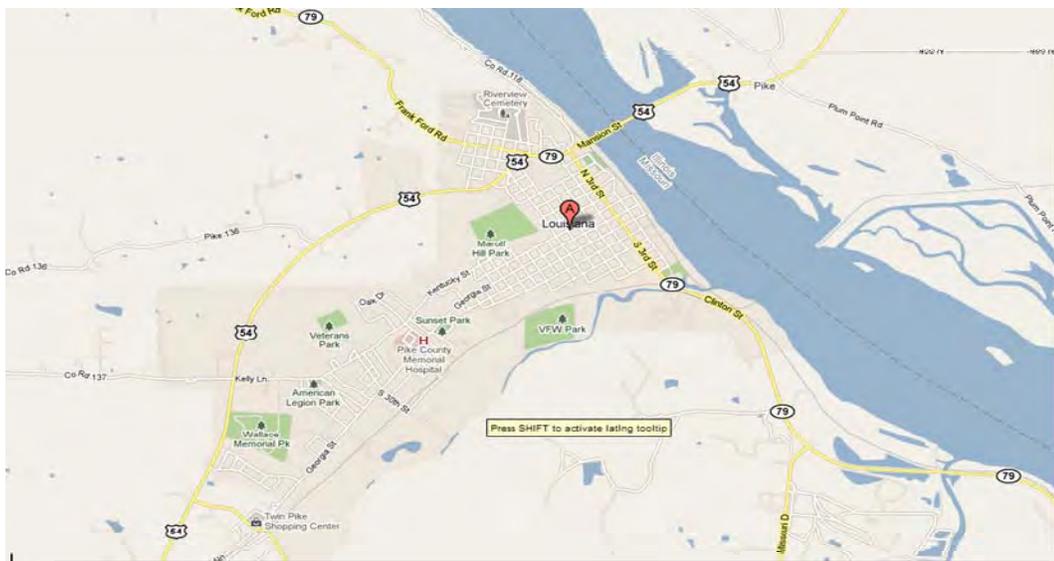
- The boundaries of the Louisiana DREAM Initiative study area are Virginia, Kentucky, and Tennessee Streets on the north, Noix Creek to the south, the Mississippi River on the east and 9<sup>th</sup> Street to the west.
- A baseline assessment of current Downtown residential uses indicated that there is a variety of ownership and rental housing uses in Downtown that ranges from single family homes, small apartments, multi rental unit home conversions, and upper floor units above Downtown commercial space.
- Like many Downtowns in small communities around the state, Louisiana's appears to be in a state of economic and physical decline. A significant amount of vacant space was noted in the lower and upper levels of many Downtown buildings.
- Efforts to improve Downtown are apparent through public infrastructure and beautification projects and privately funded property improvements.
- Louisiana has property owner/investors who are creating new residential units in Downtown by utilizing private funding, bank loans, and federal and historic tax credit.
- Some Downtown business owners have live/work situations where they live in the same building in which their business is located in. More situations like this would help to fill some of the vacant street and upper floor space in Downtown Buildings, particularly along Georgia Street.
- Downtown would benefit from an increase in the number of permanent residents to help support existing Downtown businesses and to help to attract new businesses to Downtown. Increasing the 24 hour presence of residents/consumers in Downtown has to be at the core of any Downtown revitalization plans.
- Louisiana has at least six rent subsidized senior apartment communities and one rent subsidized family apartment community. Because of the soft occupancy conditions at these existing developments the market analyst would not recommend any new affordable housing units for low-income seniors or families at this time in or near Downtown as part of the Downtown revitalization strategy.
- The market analyst surveyed the entire community of Louisiana and was unable to find any non-subsidized market rate apartment communities for families. The non-subsidized market rate rental market for non-senior households in Louisiana seems to be comprised primarily of single family homes, single-family conversions to small multi-family dwellings, duplexes, and Downtown upper floor units. The lack of a large apartment community for market rate non-low-income tenants presents an opportunity for some of those types of tenants to be attracted to some of the unique loft style upper floor units that can be created in the available space Downtown.

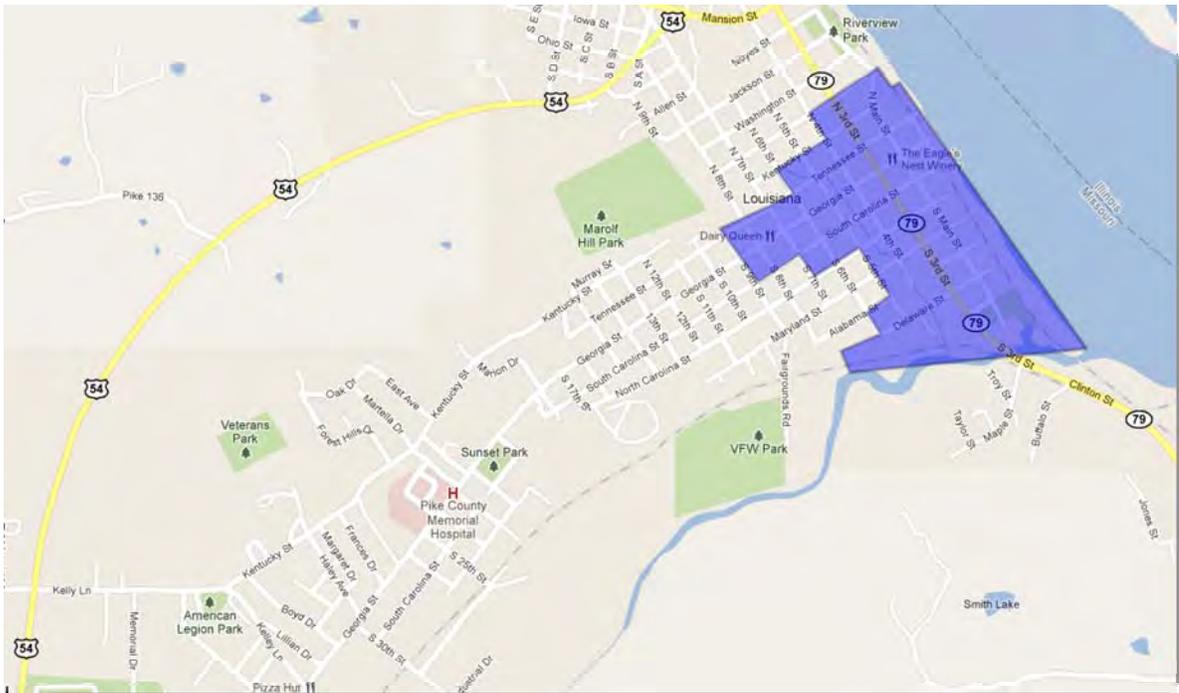
- A quantitative analysis was prepared that concluded that there could be a present demand from approximately 18 households for market rate rental housing in Downtown. These would generally be small households with either no children or very few children.
- In addition to the significant amount of vacant upper floor space Downtown there are also a few vacant tracts in the Downtown area that could be considered for in-fill residential development.
- Consideration should be given to requiring owners of vacant commercial buildings to provide window treatment on the windows of vacant areas. This would help to diminish the adverse affect that the vacant building look has on the marketability of Downtown.
- The city should review its development approval process to ensure that the process does not include unnecessary barriers to Downtown residential development.

## SECTION II

### MARKET AREA DESCRIPTION

The area of study is Downtown Louisiana, in Pike County, Missouri. The following maps show the location of the City within the State of Missouri, the primary traffic arteries through the city, the general area within the city, and the DREAM study area that is the subject of this report





## OVERVIEW

Louisiana, Missouri was incorporated in 1845 and is the largest community in Pike County, Missouri. It is located along the banks of the Mississippi River, approximately 75 miles northwest of St. Louis, at the intersection of US Highway 54 and Missouri State Highway 79.

Fur trappers first came to the Louisiana, Missouri area around the early 1800's. Soon after U.S. soldiers came to a fort in the area. Soon the community began to grow as a regional commercial and manufacturing center due to its ideal location along the Mississippi River. Louisiana continued to thrive when the railroads were built.

The Champ Clark Bridge in Louisiana was built to span the Mississippi River in 1927. It is the only automobile bridge along the Mississippi River for a 120 mile stretch from Alton, Illinois to Hannibal, Missouri. The bridge boosted the local economy by bringing interstate trucking to the area.

About 50 or 60 years ago the local economy was doing very well. Downtown shops were full of businesses on the street level and occupied apartments on the upper floors. But as roads improved access to other areas of the state, local residents started shopping in the larger nearby communities of Hannibal, Mo., Quincy, Ill., and St. Louis. Another cause of the community's economic downturn was that technology made it possible for some major local employers (Hercules and Dyno Nobel) to improve production with fewer employees.

Another economic event occurred in 2001. Louisiana was in danger of losing Stark Brothers Nursery, which at the time was the community's oldest and largest employer. Stark Brothers Nursery was famous worldwide for its fruit tree production. Sometime after the company was sold from its long term family ownership to an out of town company it declared bankruptcy and threatened the jobs of about 240 full time and 300 part time employees. Luckily investors were found who split the original business into a nursery business and an order fulfillment business. The order fulfillment business, called Fifth Gear, is now the community's single largest employer.

Today, Louisiana is a small community that appears to be in transition to more of a tourist destination. Because of its location along the banks of the Mississippi River, its close proximity to the large metro area of St. Louis, and one of the largest groups of Victorian era homes, many of which have been converted to Bed and Breakfasts, Louisiana is trying to position itself as the place for weekday or weekend getaways.

Downtown Louisiana is located in the eastern area of the city. The boundaries of the DREAM Downtown Revitalization Area are generally Tennessee, Virginia, and Kentucky Streets to the north, Noix Creek to the south, Water Street and the western shore of the Mississippi River to the east, and 7th Street to the west.

Louisiana's Victorian streetscape continues to make up the majority of buildings in the downtown business district. The south side of Georgia Street from 3<sup>rd</sup> to 6<sup>th</sup> Streets has been noted as the most intact Victorian streetscape in the state of Missouri. The architectural style of the buildings Downtown were built by local business owners and residents during the height of the river and railroad transportation era.

Louisiana has two designated Historic Districts. The Georgia Street Historic District is centered along Georgia Street from Main Street on the north to 7<sup>th</sup> Street to the south. This area generally includes Downtown commercial buildings. The other historic district is located just to the north of Downtown. The North Third Street Historic District is generally comprised of residential land uses, and includes most of the large older Victorian style homes in the community.

Some of the buildings in the DREAM Initiative Study Area (Study Area), including a large building that was formerly a hotel, have been rehabilitated, or are in the process of being rehabilitated and converted for mixed uses including residential.

The natural beauty of the Louisiana area attracts many visitors. There are scenic overlooks of the Mississippi River at Riverfront Park and Riverview Cemetery in Louisiana and two scenic overlooks on Route 79 north of town. The town hosts a variety of events throughout the year including the Winter River Festival, 50 Miles of Art, Great Mansions & Estates Tour, and the Louisiana Country Colorfest. Louisiana also offers visitors unique antique and specialty shops, artists' shops, interesting restaurants, and inviting bed and breakfasts.

Like many downtowns, Louisiana's is the center of local government. Louisiana City Hall is located at 202 S. 3<sup>rd</sup> Street. Also located downtown are the Louisiana Police Department, Louisiana Fire Department, and the U.S. Post Office.

In addition to the government uses, Louisiana's Downtown also contains a public library, numerous places of worship, a variety of small retail and service businesses, and low density residential uses.

Many of the Downtown businesses in Louisiana are concentrated along Georgia Street and include a variety of offices, drinking establishments, restaurants, and small retail and service businesses. Many of the buildings along Georgia Street are two story brick buildings with businesses on the street level. Many have upper floor space that is occupied by either tenants, business owner/tenants that live over their business or the building's owners.

Most of the original commercial buildings in Downtown are still standing and most appear to be in fair condition. The majority of the buildings are occupied, but there are a few commercial vacancies on the street level and upper floors.

Louisiana's downtown was the major shopping district until the City began to grow and more businesses, including Wal-Mart, began to sprout in other areas of the City. Although many retail and service businesses are located in other areas of the community, the businesses that are located Downtown still seem to generate a fair amount of pedestrian and vehicular traffic. Wal-Mart has left the city, and provided an opportunity to revive some of the retail market in the Downtown.

An active rail line that carries freight trains is located in the eastern area of Downtown, running parallel with the banks of the Mississippi River.

Louisiana's waterfront is undergoing improvements and has an active boat ramp

During the week the Downtown appears to be used primarily by local residents. Visitors to the City usually descend on the Downtown area and the river front during the weekends.

## **TRAFFIC ARTERIES**

The primary east/west traffic artery through the Downtown is Georgia Street, which also is the street in Downtown where most businesses are located.

## **EXISTING LAND USES**

The land use within the footprint of the Study Area is a mix of commercial service and retail, but there is also a significant amount of residential land use in apartments, single family homes, and residential units on the upper floors of Downtown commercial buildings. There is also land in the area that is improved with government buildings, libraries, churches, and parking surfaces. A relatively small amount of land in the Study Area is vacant.

## **ADJACENT AREAS**

Land uses adjacent to the Study Area are predominately residential to the north and west. The Mississippi River borders the Study Area to the east and the area to the south is sparsely predominately unimproved.

## **PARKING**

Downtown has a steady flow of vehicular activity during weekdays, to the point that parking near some businesses and the civic buildings could be limited. The city has public parking lots in the Downtown area to help ease the parking demand.

## **RETAIL SHOPPING**

Retail shopping in Downtown is comprised of an appliance store, some antique and consignment stores, a jeweler, tee shirt and sporting apparel stores, business supply store, furniture store, frame shop, carpet store, drugstores, a winery, florist, and a few other small local retailers.

## **ENTERTAINMENT**

No entertainment venues were noted in the Downtown area. There is a senior citizens activity center in Downtown at the Trimble House, 200 S. Main.

## **DINING ESTABLISHMENTS**

Downtown had several local dining establishments that were noted. Some are open in the evenings.

## **PARKS AND RECREATION**

The only public park that is located close to Downtown is Riverview Park, which is located at the intersection of Jackson and N. Main Streets.

## SCHOOLS

Louisiana's public elementary, middle, and high schools are not located in or near Downtown. They are located on the western side of the community.

## HISTORIC DESIGNATIONS

Several homes and public buildings have been designated as historic properties, including some within Downtown. Louisiana also has two areas that are listed by the state of Missouri as historic districts on the National Historic Register. They are the North Third Street Historic District, around North Third Street, north of Georgia Street and the Georgia Street Historic District, which is located along Georgia Street, generally between Third and Sixth Streets.

## PUBLIC TRANSPORTATION

The city of Louisiana does not have any public transportation options. The closest Amtrak station is located in St. Louis, Missouri, 75 miles southeast of Louisiana. The city does have a small airport.

## DOWNTOWN AREA STRENGTHS AND WEAKNESSES

From a residential market perspective Downtown has positive attributes, including:

- **Government Center:** Downtown is the municipal center of government, which brings employees and people conducting business (potential consumers) to the area on a daily basis throughout the work week.
- **River Town:** The eastern boundary of Downtown is the Mississippi River, which allows for river views from businesses as well as residences in the Downtown area.
- **Active Commercial District:** Downtown area still has a significant amount of vehicular and pedestrian traffic, which are drawn by the existing downtown businesses and government offices.
- **Existing Residential Market:** Downtown already has a number of residential units that are both owner and tenant occupied. The residential market in Downtown Louisiana does not have to be created.
- **Historic Districts:** There are two federally designated historic districts in the Downtown area that allow for Federal and State Historic Tax Credit subsidies to be used to rehab existing buildings.
- **Potential Development Space:** Downtown has some vacant building space (primarily on the upper floors of Downtown buildings) that has the potential to be used for residential space. There are also a few vacant tracts in and around the Downtown that could be improved with residential units.

- **Eating/Drinking Establishments:** Downtown has some popular eating/drinking establishments.
- **Neighborhood Amenities:** Grocers and many of the other neighborhood amenities and services which are important to residents are located in relatively close proximity to Downtown.
- **Momentum:** Downtown area seems to be stable and improving. Public and private investment in the Downtown area was noted.
- **Walkable Area:** The heart of Downtown with all of its shops, businesses, and restaurants, makes it a very walkable area, and a unique neighborhood in the City.

From a residential market perspective current weaknesses of Downtown also exist, including:

- **Limited Rent Potential:** The low market rents in Louisiana and Downtown limits the financial feasibility new residential units.
- **Limited Development Sites:** Other than the vacant upper floor space, the Downtown has limited vacant tracts or large buildings that could present potential residential development opportunities.
- **Limited Economy:** The economy of Louisiana is stable, but it is not strong enough to generate the migration of many new households into the community.
- **Limited Demand:** Housing markets in general are weak, but Louisiana's housing market is further weakened

Following are Downtown area photos:



Looking east down Georgia Street from 7<sup>th</sup> Streets

Looking west down Georgia Street from 3<sup>rd</sup> Streets



Buildings on the north side of 3<sup>rd</sup> and Georgia Streets

Buildings on the south side of 3<sup>rd</sup> and Georgia Streets





Streets

Buildings on the south side of 4th and Georgia

Buildings on the north side of 4th and Georgia Streets



Buildings on the north side of 5<sup>th</sup> and Georgia Streets

Bank of Louisiana at southwest corner of 3<sup>rd</sup> and Georgia Streets





Mercantile Bank at southeast corner of 3<sup>rd</sup> and Georgia Streets

Family Drugstore at northwest corner of 3<sup>rd</sup> and Georgia Streets



Remodeled building at 123 S. 3<sup>rd</sup> with commercial and residential units

Building at the southwest corner of 6<sup>th</sup> and Georgia Streets





Buildings on north side of 6<sup>th</sup> and Georgia Streets

Buildings at northeast corner of 3<sup>rd</sup> and Georgia Streets



Building at the northeast corner of 4<sup>th</sup> and Georgia Streets that is being renovated for commercial and residential uses

Caboose at future municipal parking lot at southeast corner of 4<sup>th</sup> and Georgia Streets





Centenary Methodist Church, 701 Carolina Street  
(One of the many places of worship in and around  
Downtown)

Louisiana, Missouri City Hall at 202 S. 3<sup>rd</sup> Streets



Creek that runs near the 400 block of Georgia  
Streets

La Crosse Lumber Company at 200 N. Main Street





Louisiana Public Library at 121 N. 3<sup>rd</sup> Street

Champ Clark Bridge as viewed from Downtown waterfront



Building mural that is part of Downtown improvement strategy

Buildings at northeast corner of Main and Georgia Streets





Park setting at corner of 4<sup>th</sup> and Georgia Streets

Pikers Restaurant at southeast corner of 5<sup>th</sup> and Georgia Streets



Gas Station at southwest corner of Main and Delaware Streets

Trimble House 200 S. Main Streets is a Senior Citizens Activity Center





Looking at a vacant tract of land at the southeast corner of Main and Georgia Streets, which is one block west of the banks of the Mississippi River

Louisiana, Missouri waterfront, just off of Downtown



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## SECTION III

### REVIEW OF PREVIOUS DOWNTOWN HOUSING MARKET STUDIES

#### Louisiana Downtown Revitalization Plan May 2001 Update

Following are housing related excerpts:

- *“Encourage the development of 2<sup>nd</sup> floor living and office space in restored buildings. Qualifying businesses can be encouraged to use state and local incentive programs to offset some of the costs of rehabilitation, such as the Historic Tax Credit and the Chapter 353 program.”*
- *“Seek out entrepreneurs that see value in historic buildings and are willing to maintain them.”*
- *“The upper floors of these buildings are underutilized. To establish successful housing or office space in these upper floors, long term parking must be made available to tenants and business owners.”*

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## SECTION IV ECONOMIC PROFILE

### OVERVIEW

The following section includes an analysis of the economy of the market area. The analysis will focus on employment by industry, major employers, area employment, unemployment, and labor force trends. MHDC has obtained economic information from the Missouri Department of Economic Development, Bureau of Labor Statistics, U.S. Census Bureau, and the Louisiana Chamber of Commerce.

In March, 2011, Ashland/Hercules Water Technology Plant closed resulting in the loss of approximately 200 jobs.

### Major Employers

Major Employers - Louisiana, Missouri Area		
Employers	Type of Business	Employees
Fifth Gear	Retail, warehousing	275
Pike County Memorial Hospital	Health Care	173
Louisiana Public School District	Education	110
City of Louisiana	Government	80
Kroger	Retail	50

Source: City of Louisiana

## Employment Categories and Wages

Average Employment and Wages - Pike County, Missouri								
Industry	2010		2009		2008		2007	
	Avg. Employment	Avg. Mthly. Wages						
11 - Agriculture, Etc.	319	\$1,981	337	\$1,860	331	\$1,837	358	\$1,807
21 - Mining	49	\$3,155	72	\$3,050	75	\$3,133	75	\$3,272
22 - Utilities	45	\$4,376	46	\$4,360	46	\$4,034	47	\$3,790
23 - Construction	445	\$4,162	383	\$3,776	256	\$3,126	280	\$2,883
31 - Manufacturing	411	\$4,385	521	\$4,214	528	\$4,225	516	\$4,159
42 - Wholesale trade	297	\$2,658	299	\$2,521	319	\$2,620	378	\$2,573
44 - Retail Trade	1108	\$1,957	1075	\$1,987	1025	\$1,933	973	\$1,806
48 - Transportation and warehousing	109	\$2,848	106	\$3,064	102	\$3,210	103	\$3,199
51 - Information	48	\$1,708	48	\$1,839	53	\$1,995	55	\$1,847
52 - Finance & Ins.	163	\$3,053	191	\$3,040	174	\$3,015	170	\$3,018
53 - Real estate	17	\$1,255	22	\$1,113	25	\$966	21	\$1,011
54 - Professional and technical services	167	\$3,791	179	\$3,773	183	\$3,690	170	\$3,530
55 - Mgmt. (companies)	49	\$2,814	47	\$2,804	47	\$3,742	48	\$3,639
56 - Administrative, etc.	55	\$1,945	57	\$2,980	46	\$3,513	41	\$3,568
61 - Educational	475	\$2,328	477	\$2,374	472	\$2,362	445	\$2,288
62 - Health care, social	836	\$2,256	826	\$2,189	810	\$2,157	793	\$2,057
71 - Arts, etc.	98	\$1,106	104	\$1,037	90	\$1,128	74	\$1,196
72 - Accom. & food srvc	354	\$1,416	375	\$1,326	355	\$1,261	375	\$1,223
81 - Other services	588	\$1,821	586	\$1,835	546	\$1,707	560	\$1,663
Public Administration	782	\$2,356	780	\$2,376	756	\$2,369	743	\$2,256

Source: Missouri DED

The largest employment trades in Pike County are Retail Trade, Healthcare and public administration and Manufacturing.

## Labor Force and Unemployment

Local Area Employment - Pike County					
Year	Labor Force	Employment	Unemployment	Unemployment Rate	Missouri Unemployment Rate
2010	9,022	8,176	846	9.4%	9.6%
2009	9,289	8,445	844	9.1%	9.3%
2008	9,263	8,736	527	5.7%	6.1%
2007	8,932	8,485	447	5.0%	5.1%
2006	8,982	8,524	458	5.1%	4.8%

Source: Missouri DED

The unemployment rate for Pike County for the last several of years have paralleled the rate for the State of Missouri as a whole.

## Commuting Patterns

Commuting Patterns						
State/County	Total Workers 16+ in 2000	Workers Commuting Outside Place of Residence 2000	Percent of Total Workers 2000	Percent of Total Workers 1990	Change 1990-2000 Number of Workers	Change 1990-2000 Percent of Workers
Missouri	2,629,296	877,655	33.4	31.2	146,250	2.2
Pike	7,457	2,290	30.7	20.4	921	10.4
Ralls	4,784	2,883	60.3	59.9	590	0.4
Audrain	11,278	2,263	20.1	16.8	555	3.3
Montgomery	5,419	2,412	44.5	37.4	656	7.1
Lincoln	18,386	10,072	54.8	53.9	3,128	0.9
Marion	12,663	3,059	24.2	20.8	599	3.4
Monroe	4,218	1,931	45.8	38.2	493	7.6

Source: Office of Social and Economic Data Analysis and U.S. Census Data

The table indicates that as of year 2000 approximately 31% of the residents of Pike County commuted outside of the County for employment. That was an increase of 10% from 1990. Although it was a higher increase over the 10 year period between 1990 and 2000 than most nearby counties, the percentage of workers that commute from Pike County is lower than most surrounding communities.

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## SECTION V

### DEMOGRAPHIC PROFILE

#### Population

Total Population						
Year	Louisiana	Change %	Pike County	Change %	Missouri	Annual Change %
2000	3,863		18,351		5,595,211	
2011	3,728	-3.5%	18,283	-0.4%	6,015,457	7.5%
2016	3,646	-2.2%	18,170	-0.6%	6,182,930	2.8%

Source: Nielsen

The information in the table above shows that the populations of Louisiana and Pike County have been decreasing and are projected to continue decreasing through 2016.

#### Population by Age

Population By Age Group						
Louisiana, Missouri						
Age Cohort	2000	Percent	2011	Percent	2016	Percent
0-20	1,082	28%	1,029	28%	1,022	28%
21-24	156	4%	151	4%	173	5%
25-34	439	11%	397	11%	368	10%
35-44	552	14%	451	12%	405	11%
45-54	434	11%	518	14%	454	12%
55-64	368	10%	393	11%	432	12%
65-74	372	10%	383	10%	381	10%
75-84	299	8%	252	7%	251	7%
85+	161	4%	154	4%	160	4%

Source: Nielsen

The table above shows that between 2011 and 2016 the age cohorts between 21 and 54 is expected to decline by approximately 117 persons. This age range is the largest cohort involved in housing transactions.

### Average Age of Population

Total Population Average Age	
Louisiana, Missouri	
Year	
2000	40.9
2011	41.4
2016	41.5

Source: Nielsen

The table illustrates that the average age of the population increased between 2000 and 2011 and is expected to generally remain stable between 2011 and 2016.

### Average Age Comparison

Average Age Comparison	
Community	2011
Louisiana	40.9
Bowling Green	39.1
Hannibal	38.5
Troy	34.7
Vandalia	41.2

Source: Nielsen

The average age of Louisiana’s population is generally older than the average age of nearby communities, with the exception of Vandalia.

### Population by Gender

Population By Gender						
Louisiana, Missouri						
Gender	2000	Percent	2011	Percent	2016	Percent
Male	1,821	47%	1,821	49%	1,780	49%
Female	2,042	53%	1,907	51%	1,866	51%

Source: Nielsen

The table illustrates that the trend of the population gender distribution in Louisiana has been towards an increase in males and a decrease in females.

### Educational Attainment

2011 Est. Population Age 25+ by Educational Attainment		
Louisiana, Missouri		
Type	2011	
	Population	Percentage
Less than 9th grade	283	11%
Some High School, no diploma	387	15%
High School Graduate (or GED)	999	39%
Some College, no degree	403	16%
Associate Degree	95	4%
Bachelor's Degree	265	10%
Master's Degree	84	3%
Professional School Degree	32	1%
Doctorate Degree	0	0%

Source: Nielsen

### Marital Status

2011 Est. Population Age 15+ by Marital Status		
Louisiana, Missouri		
Type	Population	Percentage
Total, Never Married	769	21%
Married, Spouse present	1480	39%
Married, Spouse absent	196	5%
Widowed	262	7%
Divorced	272	7%
Males, Never Married	443	12%
Females, Never Married	326	9%

Source: Nielsen

### Total Households

Total Households				
Louisiana, Missouri				
Year	Louisiana	Change %	Pike County	Change %
2000	1,590		18,351	
2011	1,536	-3.4%	18,283	-0.4%
2016	1,500	-2.3%	18,170	-0.6%

Source: Nielsen

The number of households in Louisiana and Pike County declined between 2000 and 2011 and is expected to continue declining through 2016.

### Average Household Size

Average Household Size	
Louisiana, Missouri	
Year	Average
2000	2.35
2011	2.35
2016	2.35

Source: Nielsen

Average household sized in Louisiana have been stable, which is unlike many communities that have seen a decline in the average size of households.

### Households by Size

Households By Size						
Louisiana, Missouri						
Household Size	2000		2011		2016	
	Number	Percent	Number	Percent	Number	Percent
1 Person	510	32.4%	494	32.2%	482	32.1%
2 Persons	535	33.5%	515	33.5%	501	33.4%
3 Persons	222	13.9%	220	14.3%	215	14.3%
4 Persons	185	11.6%	175	11.4%	172	11.5%
5 Persons	89	5.6%	85	5.5%	84	5.6%
6 Persons	34	2.1%	35	2.3%	36	2.4%
7+ Persons	15	0.9%	12	0.8%	10	0.7%
Total	1,590	100%	1,536	100%	1,500	100%

Source: Nielsen

Household size distribution in Louisiana has been stable and is expected to remain about the same through 2016.

### Households by Age of Householder

Households by Age of Householder						
Louisiana, Missouri						
Age Cohort	2000	Percent	2011	Percent	2016	Percent
Under 25	76	5%	68	4%	71	5%
25-34	224	14%	202	13%	189	13%
35-44	284	18%	233	15%	211	14%
45-54	256	16%	302	20%	269	18%
55-64	224	14%	237	15%	261	17%
65-74	248	16%	252	16%	252	17%
75-84	205	13%	176	11%	176	12%
85+	73	5%	66	4%	71	5%

Source: Nielsen

### Household Type and Presence of Own Children

2011 Est. Household Type, Presence Own Children		
Louisiana, Missouri		
Type	Households	Percentage
Married-Couple Family, own children	279	28%
Married-Couple Family, no own children	460	47%
Male Householder, own children	42	4%
Male Householder, no own children	36	4%
Female Householder, own children	117	12%
Female Householder, no own children	49	5%

Source: Nielsen

Almost 50% of the households in Louisiana are comprised of married couples with no children.

### Hispanic Households

Hispanic Households	
Louisiana, Missouri	
Year	Number
2011	336
2016	416

Source: Nielsen

The number of Hispanic households is expected to increase in Louisiana between 2011 and 2016.

### Tenure By Occupancy of Housing Units

Tenure by Occupancy of Housing Units				
Louisiana, Missouri				
Bedrooms	2000	%	2011	%
Owner Occ.	1067	67%	985	64%
Renter Occ.	523	33%	551	36%

Source: Nielsen, U.S. Census Bureau

In a trend that mirrors the nation, between 2000 and 2011, Louisiana’s housing units were increasingly being occupied by renters and there was a decline in housing units occupied by homeowners.

### Tenure by Bedroom Size (Owner Occupied)

Tenure By Bedrooms (2000)		
Owner Occupied		
Louisiana, Missouri		
Bedrooms	Households	Percentage
No BR.	-	0.0%
1	74	6.7%
2	273	24.7%
3	574	51.9%
4	147	13.3%
5 or more	38	3.4%

Source: U.S. Census Bureau

### Tenure by Household Size (Renter Occupied)

Tenure By Bedrooms (2000)		
Renter Occupied		
Louisiana, Missouri		
Bedrooms	Households	Percentage
No BR.	18	3.3%
1	205	38.1%
2	177	32.9%
3	103	19.1%
4	35	6.5%
5 or more	-	0.0%

Source: U.S. Census Bureau

### Households by Income Distribution

Households by Household Income						
Louisiana, Missouri						
Income Cohort	2000		2011		2016	
	Number	Percent	Number	Percent	Number	Percent
< than \$15,000	429	26.8%	335	21.8%	323	21.5%
\$15,000-\$24,999	248	15.5%	215	14.0%	211	14.1%
\$25,000-\$34,999	244	15.3%	201	13.1%	192	12.8%
\$35,000-\$49,999	225	14.1%	269	17.5%	259	17.3%
\$50,000-\$74,999	309	19.3%	262	17.1%	256	17.1%
\$75,000-\$99,999	86	5.4%	150	9.8%	148	9.9%
\$100,000 +	58	3.6%	104	6.8%	111	7.4%
Total	1,590	100.0%	1,536	100.0%	1,500	100.0%

Source: Nielsen

The table indicates that in 2011 approximately 83% of the households in Louisiana were estimated to have household incomes of less than \$75,000. Approximately 10% of households were estimated to have incomes between \$75,000 and \$100,000, and approximately 7% were estimated to have incomes in excess of \$100,000.

### Gross Rent as a % of Monthly Household Income

Gross Rent as % of Monthly HH Income (2000)		
Louisiana, Missouri		
Status	Number	Percentage
Less than 15 percent	117	22%
15 to 19 percent	88	17%
20 to 24 percent	90	17%
25 to 29 percent	49	9%
30 to 34 percent	44	8%
35 percent or more	92	17%
Not computed	47	9%

Source: U.S. Census Bureau

Approximately 24% of renter households in Louisiana have a gross rent (rent + utilities) that exceeds 30% of their monthly household income.

### Area Maximum Affordable Housing Income and Rents

Maximum Income and Rents for HOME and Housing Tax Credit Programs for Pike County												
	Income %	Maximum Incomes						Maximum HOME/LIHTC Rents				
		Persons in Household						Bedroom Sizes				
		1	2	3	4	5	6	0Br	1Br	2Br	3Br	4Br
	50%	17,450	19,950	22,450	24,900	26,900	28,900					
	60%	20,940	23,940	26,940	29,880	32,280	34,680	523	561	673	777	867
								HUD Fair Market Rents				
								336	393	518	678	741

Source: HUD, Novogradac

The table above illustrates the maximum income and rents for the HOME and Housing Tax Credit programs for Louisiana County.

### Cost Burdened Households

Cost Burdened Households (2000) - Louisiana, Missouri		
	Renter	Owner
<b>Total</b>		
Cost Burdened >30%	20.3%	18.6%
Severely Cost Burdened >50%	10.9%	6.8%
<b>Elderly 1 &amp; 2 Persons</b>		
Cost Burdened >30%	11.3%	18.2%
Severely Cost Burdened >50%	0.0%	3.3%

Single Person Non-Elderly		
Cost Burdened >30%	20.9%	21.3%
Severely Cost Burdened >50%	12.2%	0.0%
Small Fam 2-4 Persons		
Cost Burdened >30%	27.1%	18.9%
Severely Cost Burdened >50%	16.9%	11.3%
Large Fam 5+ Persons		
Cost Burdened >30%	7.5%	16.2%
Severely Cost Burdened >50%	0.0%	10.8%

Source: 2000 Chas Data

Cost Burdened Households (2000) - State of Missouri		
	Renter	Owner
<b>Total</b>		
Cost Burdened >30%	30.9%	16.7%
Severely Cost Burdened >50%	14.8%	6.2%
<b>Elderly 1 &amp; 2 Persons</b>		
Cost Burdened >30%	39.4%	17.4%
Severely Cost Burdened >50%	18.4%	7.3%
<b>Single Person Non-Elderly</b>		
Cost Burdened >30%	31.5%	26.3%
Severely Cost Burdened >50%	15.7%	10.6%
<b>Small Fam 2-4 Persons</b>		
Cost Burdened >30%	27.1%	14.0%
Severely Cost Burdened >50%	12.7%	4.6%
<b>Large Fam 5+ Persons</b>		
Cost Burdened >30%	26.4%	15.7%
Severely Cost Burdened >50%	12.6%	5.1%

Source: 2000 Chas Data

The Cost Burdened table for Louisiana indicates that approximately 11% of all renter households in Louisiana were severely rent burdened in 2000. The severely rent burdened rate for all renter households in Missouri for the same period was much higher at 15%. The most severely cost burdened renter group in Louisiana appear to be small family households at 17%, which is a higher percentage for that household type for the state as a whole.

## Migration Patterns

Following are tables that show the migration patterns into and out of Pike County and the net migration totals between 2005 and 2008.

Gross Annual Household In-Migration								
Pike County, Missouri								
County of Origin	2008		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total In-Migration	367	100%	299	100%	321	100%	399	100%
Total In-Migration Same State	265	72%	199	67%	236	74%	277	69%
Total In-Migration Out of State	102	28%	100	33%	85	26%	122	31%
Lincoln County, MO	63	17%	56	19%	61	19%	66	17%
St. Charles County, MO	37	10%	22	7%	24	7%	41	10%
Marion County, MO	25	7%	17	6%	18	6%	29	7%
St. Louis County, MO	25	7%	19	6%	18	6%	21	5%
Ralls County, MO	19	5%	16	5%	17	5%	10	3%
Audrain County, MO	16	4%	20	7%	17	5%	22	6%
Pike County, IL	14	4%	18	6%	16	5%	14	4%
		0%		0%		0%		0%
		0%		0%		0%		0%
All Other Counties	168	46%	131	44%	150	47%	196	49%

Source: Internal Revenue Service

Gross Annual Household Out-Migration								
Pike County, Missouri								
Destination County	2008		2007		2006		2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Out-Migration	377	100%	361	100%	387	100%	344	100%
Total Out-Migration Same State	281	75%	261	72%	286	74%	248	72%
Total Out-Migration Out of State	96	25%	100	28%	101	26%	96	28%
Lincoln County, MO	69	18%	57	16%	54	14%	62	18%
St. Charles County, MO	37	10%	50	14%	39	10%	29	8%
Marion County, MO	27	7%	30	8%	26	7%	22	6%
St. Louis County, MO	24	6%	13	4%	23	6%	20	6%
Ralls County, MO	13	3%	12	3%	19	5%	13	4%
Audrain County, MO	25	7%	13	4%	24	6%	29	8%
Pike County, IL	10	3%	13	4%	20	5%	10	3%
0		0%		0%		0%		0%
0		0%		0%		0%		0%
All Other Counties	172	46%	173	48%	182	47%	159	46%

Source: Internal Revenue Service

Net Annual Household Migration				
St. Francois County, Missouri				
County	2008	2007	2006	2005
	Number	Number	Number	Number
Lincoln County, MO	-6	-1	7	4
St. Charles County, MO	0	-28	-15	12
Marion County, MO	-2	-13	-8	7
St. Louis County, MO	1	6	-5	1
Ralls County, MO	6	4	-2	-3
Audrain County, MO	-9	7	-7	-7
Pike County, IL	4	5	-4	4
0	0	0	0	0
0	0	0	0	0
All Other Counties	-4	-42	-32	37
Net Migration	-10	-62	-66	55

Source: Internal Revenue Service

The migration tables indicate that in 2005 Pike County had a net migration record that was positive. Between 2006 and 2008 the trend changed to a negative migration record for the county.

### Units in Structure

Units in Structure (2000)		
Louisiana, Missouri		
Type	Number	Percentage
1, detached	1,337	70.4%
1, attached	37	1.9%
2	78	4.1%
3 or 4	139	7.3%
5 to 9	62	3.3%
10 to 19	45	2.4%
20 or more	7	0.4%
Mobile Home	193	10.2%
Total	1,898	100.0%

Source: U.S. Census Bureau

**Year Structure Built**

Year Structure Built (2000)		
Louisiana, Missouri		
Year	Number	Percentage
99 to 2000	17	0.9%
95 to 98	41	2.2%
90 to 94	67	3.5%
80 to 89	160	8.4%
70 to 79	308	16.2%
60 to 69	287	15.1%
50 to 59	159	8.4%
1939 or earlier	859	45.3%

Source: U.S. Census Bureau

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## SECTION VI

### EXISTING HOUSING

#### DOWNTOWN HOUSING

Existing housing in Downtown is comprised of single family homes, small apartments, multi rental unit home conversions, and upper floor units above Downtown commercial space.

Following are photos of some of the various Downtown area housing options:



106 Water Street  
Overlooking the Mississippi River

108 W. 3<sup>rd</sup> Street  
Upper floor units



109 N. Main Street  
Small Duplex





114 N. Water Street  
Small house

121 N. 7th Street  
Church conversion to rental units



120 Water Street  
Multi- unit residential on the waterfront

123 S. 3<sup>rd</sup> Street  
Historic rehab of old hotel that now has a mix of  
commercial and residential uses





221 N. 3<sup>rd</sup> Street  
Multi-unit residential



306 N. Carolina Street  
Multi-unit residential



315 S. Main Street  
Duplex units



700 Georgia Street  
Duplex units



Building being rehabbed at the northeast corner of 4<sup>th</sup> and Georgia Streets that will contain at least one live/work unit on the street level and other residential units on the upper floor

Single family house in the North Third Street Historic District



Single family house in the North Third Street Historic District

Single family house in the North Third Street Historic District





Single family house in the North Third Street Historic District

Single family house in the North Third Street Historic District



Thomas Apartments West  
207 West 5<sup>th</sup> Street

Thomas Apartments East  
207 S. Main Street



As can be seen from the photos, Louisiana already has a variety of residential land uses in its Downtown. The majority of the Louisiana Downtown residential units are occupied by households with either no children or very few children.

### **SINGLE FAMILY HOUSING**

Presently the single family housing market in Louisiana is slow, which is similar to markets in other parts of Missouri and the United States.

There are currently 47 properties listed for sale on the Louisiana, Missouri area Realtor.com site. They range from an asking price of around \$15,000 to as high as \$300,000. The high side of the range is representative of the large homes located along Georgia Street or in the North Third Street Historic District. A local realtor indicated that much of the demand for the large historic homes comes from St. Louis area residents looking to acquire second homes.

Over the last few years very few permits have been issued in Louisiana for the new home construction.

### **MARKET RATE RENTAL HOUSING**

A survey was made of market rate rental housing in Louisiana. Unlike most communities Louisiana does not appear to have any market rate rental apartment developments that contain a significant number of units. Louisiana's non-subsidized rental housing stock is predominately comprised of single family homes, single family homes converted to multi unit buildings, duplexes, small developments with two or three units, and units on the upper floors of Downtown commercial businesses. Photos of some of these units are shown earlier in this report.

Market rate rents in the Louisiana market are reported to range from \$350 to \$750. One of the owners of some of the market rate rental units in Louisiana indicates good demand and occupancy, but only if rents are kept as low as possible. "For Rent" signs were noted in front of some single family residences in the market, but the local newspaper contained very few rental properties listed for rent.

### SENIOR AFFORDABLE RENTAL HOUSING

A survey was made of senior affordable rental housing options in Louisiana. Following is basic information regarding the developments:



Waltman Village  
500 Tella Jane Lane  
573-754-4434

Field Village  
1000 N. Carolina Street  
573-754-4434



Swisher Village  
310 N. 7<sup>th</sup> Street  
573-754-44

Tella Jane Apartments  
400 Tella Jane Lane  
573-470-0410





Thomas Apartments West  
207 S. 5<sup>th</sup> Street  
573-754-5121

Thomas Apartments East  
207 S. Main Street  
573-754-5121



### Typical Rent Range

Rents for the units generally range from around \$300 to \$450. Rent subsidy is available for many of the units.

### Occupancy

Generally the occupancy for the affordable senior units has been good, but property managers indicate that the market is not that strong. They usually can fill the units, but there are no waiting lists and it can take a while to find income and credit qualified tenants.

### Under Construction/Consideration

The analyst is unaware of any other senior affordable housing developments that are under construction or under consideration.

### Senior Affordable Housing Supply and Demand

At the current time there does not appear to be sufficient unmet demand to justify the production of more affordable senior units.

## FAMILY AFFORDABLE RENTAL HOUSING

A survey was made of affordable family rental housing options in Louisiana. Following is basic information regarding the development found:

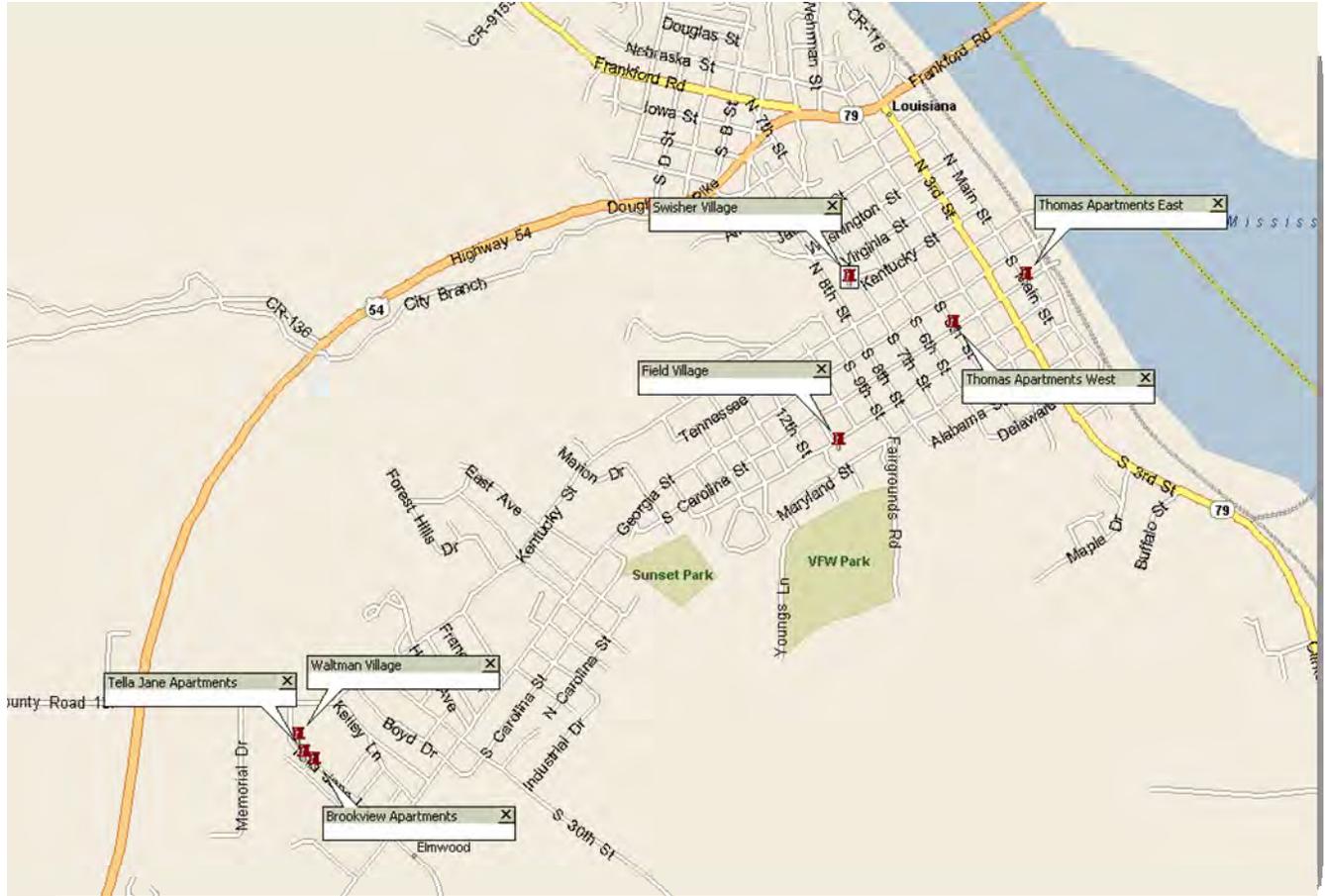


Brookview Apartments  
306 Tella Jane Lane  
16 Units  
8 one-bedroom units @ \$315  
8 two-bedroom units @ \$370  
50% Occupancy as of 8/1/2011  
6 Units with rent subsidy

A representative of the development indicated that they have had long term occupancy problems with this development over the last couple of years.

This is the only affordable housing development designated for families in Louisiana, Missouri. The city is not served by a Housing Authority.

Following is a map that shows the location of all the affordable housing developments in the City of Louisiana

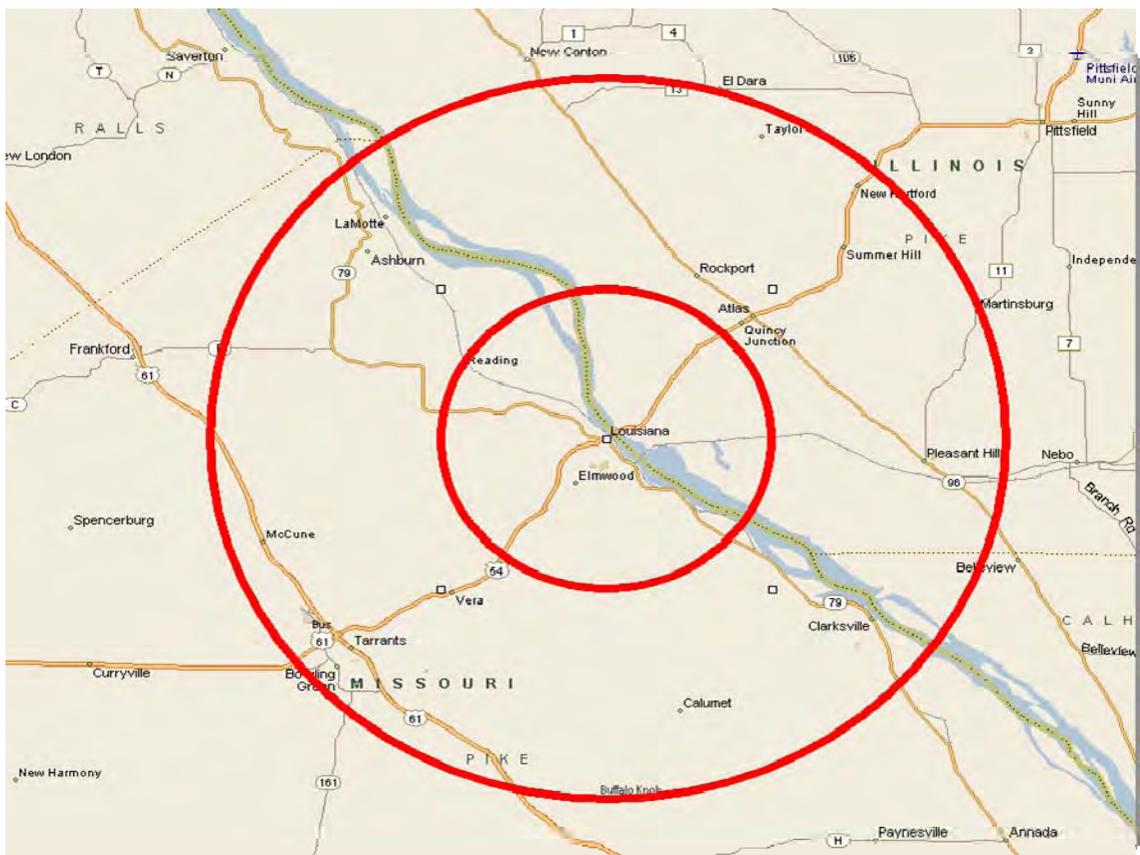


## SECTION VII

### IDENTIFICATION OF PRIMARY AND SECONDARY MARKET AREAS

The Primary Market Area is the area from which the majority of market demand for Downtown housing in Louisiana is expected to be drawn. This is an area that extends from the outer boundaries of Downtown and includes nearby communities and rural areas where households would consider available housing options in Downtown Louisiana. After surveying the area and taking into consideration the opinions of local market participants, it is the opinion of the analyst that the Primary Market Area of the Louisiana Downtown Housing Market is all of the City of Louisiana and an area that extends approximately 5 miles around the City of Louisiana. The Secondary Market Area is the area from which a small percentage of market demand is expected to come from. The Secondary Market Area for purposes of this study is considered to be a concentric ring that extends approximately 7 miles outside of the primary market area boundary.

Following is a map of the primary (inner ring) and secondary (outer ring) market areas for housing in the Downtown Louisiana market.



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## SECTION VIII

### POTENTIAL RESIDENTIAL DOWNTOWN HOUSING DEMAND

#### OVERVIEW

The key to a thriving downtown is people and generally the types of people that can be found in downtown are local resident users, employees, visitors, or permanent downtown residents. The things that bring people to downtown are retail, services, government business, jobs, attractions/venues, or housing. Downtowns that lack some of these things may have trouble with economic viability. This study focuses on the role of housing in Downtown and attempts to answer the questions of whether more housing would complement Downtown revitalization, what types of housing markets can be served Downtown and how many new households could reasonably be expected to be drawn to housing in the Downtown market over the next few years.

In many communities the downtown areas have suffered from urban sprawl as new shopping and residential choices have been developed outside of the central business district. As downtown consumers and residents became attracted to shopping destinations and housing outside of Downtown, the retail and housing demand in downtown areas across the country decreased dramatically. The result in many cases has been empty and underutilized buildings. In Louisiana, the decline of the Downtown appears to have been caused by an overall economic downturn in the community as a whole rather than economic growth in another area of the community.

#### Would additional residential units complement the efforts to revitalize Downtown?

In many urban communities across the country the revitalization of Downtowns has involved an increase in the population of permanent residents. Permanent residents provide a neighborhood energy that has many positive social and economic benefits. High density Downtowns promotes greater interaction as people are more likely to take advantage of the walkable urbanity that the Downtown offers. It can offer a quality of life not found in other areas of the community, especially if the area offers a concentrated mix of dining, entertainment, and retail venues. From an economic point of view an increase in the population of Downtown can provide a dedicated customer base for existing and new businesses. It can have a positive impact on the demand, value, and consequently the tax base of real estate. It can motivate existing property owners to improve their property and cure some of the eyesores that are vacant or deteriorated buildings.

Smaller communities like Louisiana should also benefit from an increase in the permanent Downtown population. The results may not be as dramatic as in a larger community, but any increase in the permanent population should make a positive contribution to Downtown revitalization efforts.

Louisiana does not have any non-subsidized market rate apartment communities, so prospective renters do not have many housing choices. Any good quality rental housing that is affordable to the market, and that can be produced Downtown, should be marketable and should benefit Downtown Louisiana.

## What types of housing should be considered in the Louisiana Downtown Market Area?

When thinking about the impact of demographic structures and changes in housing demand, it is important to watch trends with respect to four critical age groups, which tend to represent the major stages of a household's life cycle:

- 18-24:- includes the largest tenant group, which are young individuals and couples that have recently left their parents home to start their adult lives, demanding low frills and low cost rental housing in single family units or apartments
- 25-34:- includes mostly young, married households, generally with children, demanding rental housing or home ownership units
- 35-54:- encompasses maturing (move-up) families, demanding mostly owner-occupied housing and larger, higher-quality, single family units, depending on income (this is referred to as the full-nest stage)
- 55 and older:- includes older households with no children, demanding mostly owner-occupied housing and smaller, single family units, condominiums, or apartments, depending on income (this is referred to as the empty-nest stage)

The type of housing units that should be added to the housing inventory in Downtown Louisiana that should complement revitalization efforts should be units that will be marketable to households with no children. Generally those types of households would be young individuals and couples (ages 18-34) and older empty nester households (ages 55 and older) looking for low or no maintenance housing. Other things to consider is whether the units should be for-sale or rental, new construction or rehab, affordable housing for lower income tenants or market rate, or for seniors or non-senior households.

For sale housing would not be recommended for a couple of reasons. The mortgage crisis has significantly limited the availability of mortgage funding, which would make speculative home building very risky. Also, the cost to build good quality units that would be marketable would most likely exceed the affordability range of the largest segment of the potential market. The cost to build a good quality attached unit with attached garage in the Louisiana market would probably cost a minimum of \$100,000 per unit and require monthly payments, including taxes and insurance of approximately \$750 per month. The largest segment of the market in Louisiana would feel most comfortable with a net monthly housing cost \$400 to \$500.

Any newly constructed residential unit without some sort of subsidy to reduce the cost to the homebuyer would probably not be feasible. It may be possible to create new units Downtown with a moderate amount of rehabilitation. Several vacant homes and duplexes, in addition to a significant amount of upper floor space were noted in or near Downtown. If the vacant space could be rehabbed or converted at a cost that would allow for an affordable monthly housing cost for the prospective residents and a reasonable profit for the owner/investor then it may be feasible.

Louisiana is benefiting from the investment activity of at least one investor who rehabilitated an old hotel Downtown into a mixed use property that contains both retail and residential. The investor used Federal and possibly State Historic Tax Credits to make the rehab feasible. The same investor is involved in another historic rehab of a previously vacant commercial building at 4<sup>th</sup> and Georgia Street that will also be a mixed use building with commercial and residential uses. One of the units on the street level will be a live/work unit that will allow the occupant to operate a business in the same building as their residence.

Louisiana's historic districts present the opportunities to rehab vacant building space through the use of Federal and State Historic Tax Credit subsidies. Right now that may be the best game in town for adding residential units Downtown.

The answer to whether any new residential units in Downtown should be affordable housing for low-income tenants or market rate housing for non-low-income tenants is best answered by looking at the existing affordable housing inventory. Most of the existing affordable housing developments surveyed are currently experiencing soft occupancy conditions. Most are able to keep their units filled, but according to the property managers it is not easy.

There are six apartment communities in Louisiana that cater to low-income seniors and one that is specifically designed for low-income families (Brookview Apartments). Because of the large number of existing senior housing units in Louisiana it would not seem feasible to try and target new Downtown housing units for seniors.

What does not seem to exist in Louisiana is a multi-family apartment community for non-low-income family households. Because no such development exists non-low-income family renter households are scattered throughout the city primarily housed in single family homes. These are the types of households that would most likely create the most demand for good quality housing opportunities in Downtown.

The relatively low income and rents in the Louisiana market generally make new residential construction in Downtown unfeasible because the rents are not high enough to satisfy the debt and equity requirements of the lender and the owner/investor. Although there are a few vacant tracts of land in the Downtown area that could accommodate new construction, it would probably not be feasible to develop the tracts with new market rate rental housing units.

New construction or residential rental units may be possible on the vacant tracts with some form of affordable housing subsidy, but because the occupancy of the existing affordable housing developments in Louisiana is so soft it does not seem feasible to consider adding new affordable housing units to the market.

The most logical type of new housing units that could be added to Downtown is upper floor units that would be occupied by tenants or business owners in live/work accommodations.

Another type of housing that could be marketable Downtown is live/work space. There are a few loft style upper floor units in Downtown that are currently owner occupied where the owners live in the building they work in. These types of work/housing arrangements should continue to grow in appeal as business owners recognize the benefits of live/work space and are attracted to the unique neighborhood of Downtown.

To recap it appears that the type of new housing units that should be considered Downtown are rental units that can be created through rehab or conversion of vacant Downtown building space for market rate non-senior renter households.

### **Where are the households that form the potential market for housing in the Louisiana Downtown Market Area likely to come from?**

The lion's share of the demand for new residential units in Downtown will come from households that live in and around the City, some of which are presently residing in housing that may be in substandard condition, or more expensive than they can easily afford. Demand could also come from individuals currently residing in someone else's household, like young adults just beginning their independence or older individuals in a transition period in their life due to divorce, foreclosure, job loss, etc. The primary market area where most of the demand is expected to come from is within the city limits and an area approximately 5 miles around the city. Outside of that area for another 7 to 8 miles is the secondary market area, where a small percentage of the demand could also come from. This would include the nearby communities of Bowling Green, Clarksville, and Frankford.

### **What is the estimated number of households that could create residential household demand in the Louisiana Downtown Market Area?**

In order to estimate the number of households that could create residential housing demand in Downtown it will first be necessary to estimate demand for the Louisiana residential market as a whole. The next step is to apply a Downtown capture rate to the total number of households that form the Louisiana residential demand. The Downtown capture rate represents the percentage of households in the Louisiana residential market that could create the residential demand in Downtown.

Claritas, Inc., a leading national demographic data provider, working with another company, Ribbon Demographics, has recently developed a unique data product that is designed specifically for housing analysis. The product is called HISTA. HISTA breaks households down by income, size, tenure and broad age groups. It is a custom four-way cross tabulation of household data; not extrapolations of SF3 data and eliminates the need for the analyst to perform various extrapolation steps, which is not as accurate as cross tabulation.

On the following pages are HISTA (Households by Income, Size, Tenure, and Age) tables for the Primary market area.

**Owner and Renter Households 2010**

Owner Households Under Age 55 Years Current Year Estimates - 2010						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	6	12	5	7	0	30
\$10,000-20,000	6	13	17	18	10	64
\$20,000-30,000	26	29	15	15	5	90
\$30,000-40,000	31	21	16	19	22	109
\$40,000-50,000	11	39	20	31	31	132
\$50,000-60,000	27	46	36	11	7	127
\$60,000+	0	134	133	121	84	472
<b>Total</b>	<b>107</b>	<b>294</b>	<b>242</b>	<b>222</b>	<b>159</b>	<b>1,024</b>

Owner Households Aged 55-61 Years Current Year Estimates - 2010						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	6	11	0	0	0	17
\$10,000-20,000	0	14	0	0	0	14
\$20,000-30,000	3	6	3	3	0	15
\$30,000-40,000	6	6	2	0	4	18
\$40,000-50,000	0	37	0	0	21	58
\$50,000-60,000	0	18	0	6	0	24
\$60,000+	8	103	13	0	7	131
<b>Total</b>	<b>23</b>	<b>195</b>	<b>18</b>	<b>9</b>	<b>32</b>	<b>277</b>

Owner Households						
Aged 62+ Years						
Current Year Estimates - 2010						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	68	18	0	0	0	86
\$10,000-20,000	109	44	0	0	3	156
\$20,000-30,000	49	82	3	0	0	134
\$30,000-40,000	33	96	12	0	4	145
\$40,000-50,000	24	52	11	0	8	95
\$50,000-60,000	0	47	3	0	0	50
\$60,000+	<u>63</u>	<u>110</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>182</u>
<b>Total</b>	<b>346</b>	<b>449</b>	<b>38</b>	<b>0</b>	<b>15</b>	<b>848</b>

Renter Households						
Under Age 55 Years						
Current Year Estimates - 2010						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	38	3	17	9	3	70
\$10,000-20,000	26	0	32	0	3	61
\$20,000-30,000	34	30	4	4	32	104
\$30,000-40,000	28	16	24	20	7	95
\$40,000-50,000	0	4	12	14	5	35
\$50,000-60,000	0	9	9	9	9	36
\$60,000+	<u>50</u>	<u>20</u>	<u>29</u>	<u>40</u>	<u>7</u>	<u>146</u>
<b>Total</b>	<b>176</b>	<b>82</b>	<b>127</b>	<b>96</b>	<b>66</b>	<b>547</b>

<b>Renter Households</b> Aged 55-61 Years Current Year Estimates - 2010						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	44	0	3	0	0	47
\$10,000-20,000	19	0	0	0	0	19
\$20,000-30,000	10	0	0	0	0	10
\$30,000-40,000	5	0	0	6	0	11
\$40,000-50,000	0	0	0	0	0	0
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	0	7	20	0	0	27
<b>Total</b>	<b>78</b>	<b>7</b>	<b>23</b>	<b>6</b>	<b>0</b>	<b>114</b>

<b>Renter Households</b> Aged 62+ Years Current Year Estimates - 2010						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	48	0	3	0	0	51
\$10,000-20,000	45	5	8	0	0	58
\$20,000-30,000	0	10	0	0	0	10
\$30,000-40,000	0	0	0	0	0	0
\$40,000-50,000	0	0	0	0	0	0
\$50,000-60,000	0	4	0	0	0	4
\$60,000+	0	0	6	0	0	6
<b>Total</b>	<b>93</b>	<b>19</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>129</b>

**Owner and Renter Households 2015**

Owner Households Under Age 55 Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	6	8	4	6	0	24
\$10,000-20,000	6	10	12	15	9	52
\$20,000-30,000	21	20	9	12	2	64
\$30,000-40,000	30	17	13	17	20	97
\$40,000-50,000	11	34	19	30	30	124
\$50,000-60,000	24	34	30	10	5	103
\$60,000+	0	132	140	126	90	488
<b>Total</b>	<b>98</b>	<b>255</b>	<b>227</b>	<b>216</b>	<b>156</b>	<b>952</b>

Owner Households Aged 55-61 Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	5	10	0	0	0	15
\$10,000-20,000	0	16	0	0	0	16
\$20,000-30,000	2	5	2	3	0	12
\$30,000-40,000	5	6	2	0	4	17
\$40,000-50,000	0	29	0	0	20	49
\$50,000-60,000	0	32	0	9	0	41
\$60,000+	10	116	16	0	8	150
<b>Total</b>	<b>22</b>	<b>214</b>	<b>20</b>	<b>12</b>	<b>32</b>	<b>300</b>

Owner Households						
Aged 62+ Years						
Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	67	17	0	0	0	84
\$10,000-20,000	101	40	0	0	2	143
\$20,000-30,000	62	91	3	0	0	156
\$30,000-40,000	40	98	12	0	4	154
\$40,000-50,000	29	55	14	0	10	108
\$50,000-60,000	0	51	7	0	0	58
\$60,000+	81	130	12	0	0	223
<b>Total</b>	<b>380</b>	<b>482</b>	<b>48</b>	<b>0</b>	<b>16</b>	<b>926</b>

Renter Households						
Under Age 55 Years						
Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	33	2	14	8	2	59
\$10,000-20,000	25	0	29	0	2	56
\$20,000-30,000	29	23	3	3	27	85
\$30,000-40,000	26	15	23	19	8	91
\$40,000-50,000	0	5	13	18	5	41
\$50,000-60,000	0	8	9	10	8	35
\$60,000+	59	24	33	48	10	174
<b>Total</b>	<b>172</b>	<b>77</b>	<b>124</b>	<b>106</b>	<b>62</b>	<b>541</b>

<b>Renter Households</b> Aged 55-61 Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	46	0	3	0	0	49
\$10,000-20,000	21	0	0	0	0	21
\$20,000-30,000	11	0	0	0	0	11
\$30,000-40,000	5	0	0	5	0	10
\$40,000-50,000	0	0	0	0	0	0
\$50,000-60,000	0	0	0	0	0	0
\$60,000+	0	10	28	0	0	38
<b>Total</b>	<b>83</b>	<b>10</b>	<b>31</b>	<b>5</b>	<b>0</b>	<b>129</b>

<b>Renter Households</b> Aged 62+ Years Five Year Projections - 2015						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	48	0	3	0	0	51
\$10,000-20,000	43	5	7	0	0	55
\$20,000-30,000	0	10	0	0	0	10
\$30,000-40,000	0	0	0	0	0	0
\$40,000-50,000	0	0	0	0	0	0
\$50,000-60,000	0	9	0	0	0	9
\$60,000+	0	0	8	0	0	8
<b>Total</b>	<b>91</b>	<b>24</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>133</b>

### DOWNTOWN MARKET RATE RENTAL HOUSING DEMAND ANALYSIS

The purpose of this analysis is to quantify the potential market rate rental housing demand in the downtown area of Louisiana over the next few years. The analysis considers typical rents, the number of households that can create market rate rental housing demand, and the number or percentage of households in the Louisiana market that could reasonably be expected to create demand for new market rate rental housing in Downtown.

Following is the quantitative analysis and an explanation of the process used in the analysis:

Market Rate Family Rental Potential Demand Analysis				
PMA Qualified Household Demand (2010)		1BR	2BR	3BR
1	Gross Rent (includes utility costs paid by tenants)	\$ 500	\$ 600	\$ 750
2	Percentage of Income to Housing	25%	25%	25%
3	Minimum Income (Affordability)	\$ 24,000	\$ 28,800	\$ 36,000
4	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2010)	156	125	101
5	Percentage of Annual Turnover of Existing HH	25%	25%	25%
	Number of Renter HH Turnover	39	31	25
6	Number of Non-Head of Household Potential Tenants	12	9	8
7	<b>PMA Qualified Household Demand (2010)</b>	<b>51</b>	<b>41</b>	<b>33</b>
8	<b>SMA Qualified Household Demand (2010)</b>	<b>10</b>	<b>8</b>	<b>7</b>
9	<b>PMA and SMA Market Rate Rental Potential Household Demand (2010)</b>	<b>61</b>	<b>49</b>	<b>39</b>
PMA Qualified Households (2015)		1BR	2BR	3BR
10	Gross Rent (includes utility costs paid by tenants)	\$ 550	\$ 660	\$ 825
11	Percentage of Income to Housing	25%	25%	25%
12	Minimum Income (Affordability)	\$ 26,400	\$ 31,680	\$ 39,600
13	Appropriate Sized (1-5 Person HH) , Income Qualified, Renter HH, Age 18-61 (2015)	139	123	99
14	Percentage of Annual Turnover of Existing HH	25%	25%	25%
15	Number of Renter HH Turnover	35	31	25

16	Number of Non-Head of Household Potential Tenants	10	9	7
17	PMA Qualified Household Demand (2015)	45	40	32
18	SMA Qualified Household Demand (2015)	9	8	6
19	PMA and SMA Market Rate Rental Potential Household Demand (2015)	54	48	39
20	PMA and SMA Qualified Household Growth/Decline (2010-2015)	-7	-1	-1
21	PMA and SMA Average Annual Potential Demand (2010-2015)	60	49	39
22	DMA Capture Rates	15%	15%	5%
		1BR	2BR	3BR
23	DMA Annual Market Rate Family Rental Potential Demand (2010-2015)	9	7	2

Line 7 is a current estimate (2010) of the total number of existing households that form the potential market rate rental housing demand from the primary market area. The estimate was determined by considering the gross market rents (including utility costs), the level of income to housing costs, estimated annual turnover rate of renter households, estimated interest from non-head of household seniors, and the HISTA data.

Line 8 is a current estimate of the total number of households that form the potential market rate rental housing demand from the secondary market area. The estimate was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 9 is an estimate of the potential market rate rental housing demand from households from the primary and secondary market areas in 2010.

Line 17 is a projection (2015) of the total number of households that form the potential market rate rental housing demand from the primary market area. The projection was determined by considering the gross market rents (including utility costs), the level of income to housing costs, estimated annual turnover rate of renter households, estimated interest from non-head of household individuals, and the HISTA data.

Line 18 is a projection of the total number of households that form the potential market rate rental housing demand from the secondary market area. The projection was made by considering that 15% to 20% of the demand for most rental housing developments typically comes from the secondary market area.

Line 19 is a projection of the potential market rate rental housing demand from households from the primary and secondary market areas in 2015.

Line 20 is a projection of qualified household growth/decline between 2010 and 2015 and is calculated by subtracting the 2015 household demand projection from the 2010 estimate.

Line 21 is the average annual potential demand that is calculated by considering the current demand in 2010 and the annual growth or decline between 2010 and 2015.

Line 22 is the estimated capture rates for the downtown market area. It is an estimate of the percentages of qualified households in the primary and secondary market areas that would consider market rate rental units in the downtown market area by bedroom size.

Line 23 is an annual projection of the number of qualified households that are expected to be in the primary and secondary market areas between 2010 and 2015 that could be attracted to market rate rental units in the downtown market area. This is an estimate of the total number of households on an annual basis that could provide the potential market demand for a market rate family rental development in the downtown market area. This is a point in time estimate and could change based on changes in supply and demand between this point in time and 2015.

The analysis concludes that there could be a potential household demand for market rate rental housing in the Downtown by bedroom size as follows:

One Bedroom	9
Two Bedroom	7
Three Bedroom	<u>2</u>
Total	18

## CONCLUSIONS

Louisiana, Missouri is a river town that is located along the banks of the Mississippi River. It has gone through an economic transition as some higher wage jobs have left the community, some businesses have downsized and some new businesses have arrived. The growth of high speed transportation arteries also hurt the community, and in particular the downtown area, by making it easier for local consumers to obtain goods and services from larger nearby communities like Hannibal, Quincy, Illinois, and St. Louis.

Currently the largest group of users of the Downtown is local residents, but Louisiana is starting to attract tourists due to its proximity to the Mississippi River, its boat ramp, the historic charm of Downtown, and the historic residential neighborhood north of Downtown that contains one of the largest group of Victorian era homes in the State of Missouri.

During its heyday most of the Downtown buildings had businesses on the first floor and occupied apartments on the upper floors. Although Downtown has declined and has some vacant space on the street level and upper floors of many Downtown buildings, many of the Downtown buildings are occupied on the street level and upper floors. The occupants of the upper floor units are typically small tenant households with no children. Some of the upper floor units are occupied by business owners in live/work situations.

The renaissance of the Downtown will involve occupancy of most of the available Downtown space either for residential or commercial uses. The more people that live in or around

Downtown the more consumers there will be in the area to support Downtown businesses and to attract new businesses.

Louisiana has some local owner/investors who are complementing the Downtown revitalization process through private investment and development. According to one of the investors the City has been good to work with and generally has not been an obstacle to development. The City should continue to do whatever it can to encourage and assist local owners and investors to improve the building stock Downtown.

Demographic data indicates that there could be market demand in Downtown Louisiana for approximately 18 new market rate rental units. Considering the fact that Louisiana does not have any apartment complexes for non-low-income, non-senior households, the opportunity may exist to create new housing opportunities for that market segment Downtown. Brookwood Apartments on Tella Jane Lane is the only non-senior apartment community in the city, but its units were built specifically for low-income occupancy. So non-low income, non-senior households are limited primarily to older single family homes, duplexes and the few Downtown upper floor units that exist.

The occupancy level of the existing affordable housing developments in Louisiana for seniors and non-seniors is reported to be soft so the market analyst would not recommend that any new affordable housing units be considered as part of the Downtown revitalization strategy.

## SECTION IX

### DOWNTOWN RESIDENTIAL IMPLEMENTATION

Strategies and financial programs to consider include:

- Plan for a multifunctional Downtown in which housing complements other uses, such as employment, shopping, culture, entertainment, government, and possibly tourism.
- Identify and give high priority to projects that have the ability to be catalysts for further improvement in Downtown.
- Identify available building and land space that could accommodate new residential units in Downtown
- Identify owners, builders, developers, and investors that would be willing to produce or improve residential space in Downtown. Request developer lists from agencies like Missouri Housing Development Commission. Contact companies in the development industry and make them aware of opportunities that may exist to produce housing in Downtown Louisiana.
- Review applicable zoning and building codes to ensure they do not present barriers to Downtown residential development
- Provide technical assistance and financial incentives where possible to support Downtown residential development.
- Obtain historic designations for buildings in Downtown so that historic tax credits can be considered to help finance development costs.
- Encourage existing property owners in and around Downtown to properly maintain their property through code enforcement.
- Implement Downtown beautification programs and consider improvements that would help to increase visitor appeal. This could include sidewalk repair, planter boxes, new ornamental street lights, building murals, and decorative trash receptacles.
- Attract commercial businesses to Downtown that serve residents and visitors needs.
- Historic Federal and State Tax Credit – These are one time federal and state tax credits that help to raise development equity through the sale of the tax credits to investors.
- Federal and State Affordable Housing Tax Credit – These are 10 year federal and state tax credits that help to raise development equity through the sale of tax credits to investors for affordable housing developments.
- Federal and State New Markets Tax Credit – This is a federal and state tax program that was intended to increase businesses and jobs in areas of low income concentration.

- Missouri Housing Development Commission Multifamily Loan Programs – The Commission administers both federal and state funds that can be used as loans or grants for the production of affordable housing.
- Hope VI Main Street Grants – This is a HUD administered grant program specifically designed to foster residential production in Downtown areas. Initial tenants must be low income, but subsequent tenants can be non-low income.
- 353 Property Tax Abatement – This is a 25 year tax abatement program that reduces the property taxes over a 25 year period for developments located in blighted areas.
- Tax Increment Financing – This program allow for the future real property taxes generated by a new development to be used to help to retire the debt required to finance the improvement.
- Brownfield Redevelopment Program – Is intended to provide incentives for the redevelopment of commercial/industrial sites that may have contamination caused by hazardous substances.
- Community Development Block Grant Program (CDBG) – This is a grant program to local communities to improve local facilities and to develop greater capacity for growth.
- Community Development Corporation (CDC) Grant Program – This is a state program where the Department of Economic Development will issue grants to a CDC to cover expenses directly linked to administering neighborhood initiatives.
- Enterprise Zone Tax Benefit – This is a state tax program that is designed to provide tax incentives to businesses that are creating new jobs.
- Industrial Development Bonds – Provides funding through the sale of tax exempt bonds for projects.
- Neighborhood Assistance Program – This is a program administered by Missouri Department of Economic Development that provides state tax credits to donors who make donations to local neighborhood project.
- MODESA – This is a program administered by Missouri Department of Economic Development that is intended to help facilitate the redevelopment of Downtown areas by diverting taxes from community projects to help pay for related infrastructure costs.
- Neighborhood Preservation Act – This is a state tax credit that is provided to a home owner or developer that either rehabilitates or builds a home that will be located in a distressed community.
- First Place Loan Program – This is a low interest loan and down payment assistance program designed for first time homebuyers.
- HeRO Program – This is a program administered by Missouri Housing Development Commission that provides home repair grants for owner occupied homes.

- Missouri Housing Trust Fund – This is a program administered by MHDC that provides funding for a variety of housing needs, such as homeless prevention, rehab or new construction of rental housing, rental assistance and home repair.
- Community Improvement Districts – This is a program that creates special districts that are able to assess special tax assessments to fund infrastructure and other improvements that would benefit the property owners in the district.

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## SECTION X

### ASSUMPTIONS AND LIMITING CONDITIONS

1. The area description supplied to the appraiser is assumed to be correct;
2. No survey of the area has been made or reviewed by the appraiser, and no responsibility is assumed in connection with such matters. Illustrative material, including maps and plot plans, utilized in this report are included only to assist the reader in visualizing the property. Area dimensions and sizes are considered to be approximate;
3. No responsibility is assumed for matters of a legal nature affecting title to properties in the area, nor is any opinion of title rendered. Property titles are assumed to be good and merchantable unless otherwise stated;
4. Information furnished by others is believed to be true, correct, and reliable. However, no responsibility for its accuracy is assumed by the appraiser;
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property in the area is assumed to be under responsible, financially sound ownership and competent management;
6. It is assumed that there are no hidden or unapparent conditions to the subsoil or structures which would render the properties more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies which may be required to discover them;
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present in the area, was not observed by the appraiser.

However, the appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The conclusions in this report are predicated on the assumption that there are no such materials on or in the area that would cause a loss of value. No responsibility is assumed for any such conditions, or for the expertise required to discover them. The client is urged to retain an expert in this field if desired. The analysis and demand conclusions in this report are null and void should any hazardous material be discovered;

8. Unless otherwise stated in this report, no environmental impact studies were either requested or made in conjunction with this report. The appraiser reserves the right to alter, amend, revise, or rescind any opinions of demand based upon any subsequent environmental impact studies, research, or investigation;
9. It is assumed that there is full compliance with all applicable federal, state. And local environmental regulations and laws unless noncompliance is specified, defined, and considered in this report;

10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been specified, defined and considered in this report;
11. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or federal governmental or private entity or organization have been or can be obtained or renewed for any use on which the demand estimate is based;
12. The appraiser will not be required to give testimony or appear in court because of having made this report, unless arrangements have previously been made;
13. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the intended users without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety;
14. The liability of the appraiser is limited to the intended users only. There is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the intended users, they shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions;
15. Acceptance and/or use of this report constitutes acceptance of the foregoing assumptions and limiting conditions.

## SECTION XI

### APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no interest in the market that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any property that is the within the market of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal consulting assignment.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the market that is the subject of this report.
- No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.

By: Steve Sillimon-Certified General Real Estate Appraiser # RA003250  
Missouri Housing Development Commission  
August 9, 2011