City of Scottsdale

Competitive Position Analysis & Recommendations

Executive Summary

Prepared by

Applied Economics
Austin Consulting
Chabin Concepts

June 2010

I. Introduction

This report summarizes the results of analyzing Scottsdale's competitiveness for key site location factors. Austin Consulting, a site location consulting firm who advises corporate clients on expansion and relocation projects, was involved in all research and assessment steps of this report along with Chabin Concepts and Applied Economics. The assessment has been completed from the perspective of a Site Location Consultant.

II. Corporate Location Assessment

Organized like an actual site location project, the Corporate Location Assessment is a process to evaluate Scottsdale's assets and liabilities for attracting business investment and jobs that grow the local economy.

A formal Request for Information (RFI) was issued to Scottsdale's Economic Vitality Department for a mock project. City staff assembled and submitted a proposal based on the RFI, and, after review, Austin Consulting sent a follow-on RFI for a Site Visit, including requests for specific meetings and facilities to tour while visiting. For one and a half days, Austin Consulting and Chabin consultants toured Scottsdale, meeting with city officials, local employers, real estate professionals, workforce development and utility representatives. Several available buildings were toured and assessed for prospective users.

The approach for the Corporate Location Assessment identically resembles Austin Consulting's typical site selection process, except, in this case, (1) only one community was evaluated and (2) Scottsdale actually receives feedback, which typically is not shared during or after the site search process in such depth as presented in this report.

Based on the proposal response, site visit and additional desktop research, the following is the formal assessment of Scottsdale's competitiveness.

Table 1: Corporate Location Assessment Results

Category of Site Location Factors	Scottsdale's Rating
Community Reception	Good
Building/Sites	Good
Labor	Good
Utilities	Good
Transportation	Good
Community Appearance	Very Good
Community Stability	Neutral
Schedule	Good
Sustainability	Needs Some Improvement
Community Support	Needs Some Improvement
Intangibles	Very Good

III. Competitive Areas

Utilizing the results of the Corporate Location Assessment and knowledge of competitive areas from prior site location engagements, the evaluation was made from the point of view of a site location consultant in general consideration of all of Scottsdale's target industries. A site search for a specific company could have different results due to the requirements and priorities for the project location.

A. Western States Comparison

The City requested in the project RFP to evaluate Scottsdale's competitive position to five Western States. Since communities do not compete with states, we narrowed the competitive analysis to specific metro communities within the Western States. The selection of competitive communities focused on (1) comparable metropolitan regions to Phoenix; (2) similarity in some, perhaps not all, target industries; and (3) frequent competitors on site selection projects. Communities evaluated against Scottsdale's competitive position include:

Figure 1: Map of Competitive Areas

The appraisal of all competitors was made relative to Scottsdale's assets or limiting factors, judging which factors are stronger than Scottsdale, equivalent to Scottsdale or weaker than Scottsdale. To interpret the table below, a plus sign [+] indicates Scottsdale is more competitive that the external community; an equal sign [=] indicates equivalent competitiveness; and a minus sign [-] indicates factors where Scottsdale is less competitive.

Table 2: Western States Competitive Areas

Evaluation Factor	Albuquerque, NM	Beaverton, OR	Fort Collins, CO	Salt Lake City, UT	San Diego, CA
Available Land for Development	-	=	-	-	=
Available Class A office	+	+	+	=	-
Cost of Real Estate	-	-	-	-	+
Labor Costs	-	+	+	-	+
Available Talent	-	-	-	+	-
Attractiveness for Talent Relocation	+	=	=	+	+
Utilities/Infrastructure	=	=	-	+	+
Transportation	+	-/+	+	=	+
Community Appearance	+	=	+	+	=
Livability	+	=	=	=/+	=
Sustainability	-	-	-	+	-
Community Stability	=	=	+	-	+
Innovation & Research Assets	-	+	=	+	-
Cost of Living	-	-	=	-	+
Housing Costs	-	=	-	-	+

B. Local Community Comparisons

The five competitors evaluated within the Greater Phoenix region include: Gilbert/Chandler, Tempe, Phoenix, Mesa, and the Salt River Pima Maricopa Reservation.

With other communities in the region, Scottsdale shares a labor pool, innovation and research assets, education resources and good commercial air access via Sky Harbor Airport. Labor Costs and talent availability are generally equal throughout the metro area given that there is significant commuting between all of the cities. The same is true for attracting talent given that relocated employees working in Scottsdale could choose to live in any number of cities other than the city where they work.

In the following table, we have removed factors not distinguishable among cities within the region. We also researched the diversity of incentive tools offered among these local communities. Typically, once a company has narrowed down their preference to a particular region, they will then evaluate communities within the region for their specific location. Of course, the evaluation of communities is not only focused on incentives – the community must first have available real estate to meet the project requirements. With all things equal, incentives become a more important factor.

Table 3: Greater Phoenix Competitive Communities

Evaluation Factors	Gilbert/ Chandler	Tempe	Phoenix	Mesa	Salt River Pima Maricopa Reservation
Available Land for Development	-	+	-	-	-
Available Class A office	+	+	-	+	-
Cost of Real Estate	-	+	=	=	-
Transportation	+	-	-	=	=
Livability	-	=	=	-	N/A
Sustainability	=	=	-	=	+
Cost of Living	=	=	=	=	N/A
Housing Costs	-	-	-	-	N/A
Local Incentive Programs	-	-	-	-	-

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Table of Contents

I. Introduction

This report summarizes the results of analyzing Scottsdale's competitiveness for key site location factors. The objective is to understand:

- How competitive is Scottsdale for attracting business investment?
- What are Scottsdale's assets and liabilities?
- What may constrain a certain industry from locating and growing in Scottsdale?

Attractiveness of a business environment is determined by many factors as corporate executives decide where to expand or locate their businesses. Competitive communities who successfully influence their local economy are prepared and ready for investment before it happens. They rank very high for all of the components depicted in the following graphic. Findings of this research touch on these basic company needs as well as emerging trends for site selection decisions, such as sustainability practices.

Figure 1: Competitive Community Factors

Once we have an understanding of how Scottsdale ranks on competitive community factors, we explore how Scottsdale stacks up against the competition in five other Western States and within the Greater Phoenix Metropolitan Area.

Austin Consulting, a site location consulting firm who advises corporate clients on expansion and relocation projects, was involved in all research and assessment steps of this report along with Chabin Concepts and Applied Economics. The assessment has been completed from the perspective of a Site Location Consultant.

II. Corporate Location Assessment

Organized like an actual site location project, the Corporate Location Assessment is a process to evaluate Scottsdale's assets and liabilities for attracting business investment and jobs that grow the local economy.

A. Process

A formal Request for Information (RFI) was issued to Scottsdale's Economic Vitality Department for a mock project. City staff assembled and submitted a proposal based on the RFI, and, after review, Austin Consulting sent a follow-on RFI for a Site Visit, including requests for specific meetings and facilities to tour while visiting. For one and a half days, Austin Consulting and Chabin consultants toured Scottsdale, meeting with city officials, local employers, real estate professionals, workforce development and utility representatives. Several available buildings were toured and assessed for prospective users.

The approach for the Corporate Location Assessment identically resembles Austin Consulting's typical site selection process, except, in this case, (1) only one community was evaluated and (2) Scottsdale actually receives feedback, which typically is not shared during or after the site search process in such depth as presented in this report. This exercise enables Scottsdale to learn what a key target audience - professional site location consultant - thinks of the community. Additionally, the findings contribute to the compatibility screening for identifying Scottsdale's target industries.

B. Findings

Based on the proposal response, site visit and additional desktop research, the following is the formal assessment of Scottsdale's competitiveness.

A description of each factor, the assessment rating and comments are presented for educational purposes. Each project and company may rate Scottsdale differently depending on their specific needs. This assessment is based on Austin Consulting's experience working with over 600 site location projects throughout North America.

The rating scale spans from "Very Good", "Good", "Neutral", and "Needs Some Improvement" down to "Needs Much Improvement."

Table 1 – Corporate Location Assessment

<table>
<tr><th>Description of Factor</th><th>Assessment</th></tr>
<tr><td colspan="2">Site Selection Factor: Community Reception</td></tr>
<tr><td>Does the community demonstrate an understanding and support of the project?
◆ Community knowledge
◆ Cooperative spirit among team members and all community entities</td><td>Rating = Good
◆ City was welcoming. Prepared and organized
◆ Great welcoming package of information and useful pen
◆ Well-done overview presentation; abundant data presented
◆ Aerial maps helped to orient around assets and available buildings
◆ No discussion of opportunities for community involvement, which may be of interest to corporate headquarter operations
◆ No discussion of incentives (state or local)
◆ Need to present more than facts; offer the direct benefits of Scottsdale for this project and company to clearly state “Why Scottsdale?”</td></tr>
<tr><td colspan="2">Site Selection Factor: Available Real Estate
(Buildings & Sites for Development)</td></tr>
<tr><td>Does the community have available buildings or sites that are “ready to go”?
◆ Cost – land/buildings and development
◆ Size, dimensions
◆ Infrastructure – utilities and roads in place
◆ Topography, soils
◆ Zoning/setting
◆ Ingress/egress</td><td>Rating = Good
◆ Premier address for corporate users
◆ Large inventory of available office space (Class A, B, some C)
◆ Some existing flex/light industrial space
◆ Very limited manufacturing space
◆ Limited Greenfield sites for development (north side of town, but owned by state); community approaching build out
◆ Negotiable lease rates and terms for desired tenants
◆ Good access to highways which makes all areas of Scottsdale accessible for in-commuters</td></tr>
</table>

Description of Factor	Assessment
Site Selection Factor: Labor	
Does the community have a labor pool in place that is trained, cost effective and available? ◆ Availability – not just high unemployment; relevant talent and skills present in labor pool ◆ Competitive costs to recruit the desired labor ◆ Work ethic ◆ Training resources ◆ Recruiting service available	**Rating = Good** ◆ Abundant skilled labor ◆ Scottsdale draws from a larger labor shed, attracting talent throughout the region; highway access contributes to the large labor shed ◆ Labor shed maps nicely done ◆ Good local labor for desired higher skilled professionals, such as managerial, sales, HR, accounting, financing and IT ◆ Difficult to find technical workers (R&D, engineers) or specific industry experts and generally have to recruit from outside state/region ◆ Most recruits willing to relocate due to desirable place to live/work; however there are some challenges relocating certain HQ executives and top managers due to the small number of HQ operations in the region (i.e. limited opportunities in case it does not work out with recruiting firm) ◆ Right to Work State – low union profile ◆ Maricopa Community College resource to industry in region ◆ Arizona State University engaged with businesses; partnering with City on SkySong Development ◆ Maricopa Workforce Connections offers recruitment and training services
Site Selection Factor: Utilities/ Infrastructure	
Are all utility services in place and able to support new operations? ◆ Cost for usage rates and hookup fees ◆ Infrastructure cost ◆ System capacity ◆ Service size ◆ Quality/Reliability ◆ Service provider reputation	**Rating = Good** ◆ Electric: • Adequate capacity; no issues servicing areas of consideration for mock project • Maps of service line locations available • New APS policy for any new development may be cost prohibitive for substantial Greenfield developments; non-issue for existing buildings that do not require infrastructure upgrades ◆ Water & Sewer: • Since the mock project was not a heavy water/sewer user, no meetings were held with representatives. • General information was provided but no specific connection fees reported.

Description of Factor	Assessment
	◆ Telecommunications: • No meetings set up with telecom service provider(s) or city telecom policy manager. • Based on employer interviews and abundance of office/tech companies in Scottsdale, does not appear to be a limiting factor. ◆ Natural Gas: • Natural gas was not a requirement for the mock project; Natural gas is not typically a major cost component for office users but may be a factor for R&D operations. • Rates for natural gas in the Phoenix region are mid-range compared to other areas across the United States.
Site Selection Factor: Transportation	
Is the Community accessible for business and resident ◆ Highways/Interstates ◆ Local roads ◆ Air service ◆ Courier services	**Rating = Good** ◆ Good highway infrastructure serving the city and region via Loop 101 and Loop 202 freeways ◆ Local roads in excellent conditions; well-planned for auto traffic with nice landscaping and appropriate barriers ◆ Exceptional airport access – Sky Harbor International • Direct flight access • Over 100 flight per day, including international flights ◆ Corporate/private aircraft access – Scottsdale Municipal ◆ Limited public transportation • Some bus service • No existing light rail ◆ Nice sidewalks and bike paths throughout community for pedestrians, cyclists and joggers
Site Selection Factor: Community Appearance	
Does the community appearance reflect pride and unity within the community? ◆ Downtown district ◆ Government offices ◆ Streetscape ◆ Parks	**Rating = Very Good** ◆ Attractive buildings and resort developments ◆ Beautiful residential neighborhoods – well kept homes, variety of styles ◆ Nice parks and recreation areas ◆ Downtown has character and maintains a city center for the community ◆ Multitude of shopping, dining, recreation and entertainment venues

Description of Factor	Assessment
◆ Schools ◆ Housing	◆ Most storefronts still occupied – a rarity in this economy ◆ Appealing sidewalks, streets and landscaping ◆ Some development continues to occur - many plans on hold due to economic conditions, but likely to go forward in the future
Site Selection Factor: Community Stability	
Does the community support new development now and is the community planning for the future? ◆ Population ◆ Industrial history and mix ◆ Government support for growth ◆ Public opinion – do people want to grow? ◆ Retention program – retaining current businesses	**Rating = Neutral** ◆ Community continues to grow ◆ City committed to revitalizing older areas (i.e. south Scottsdale) ◆ City has successfully handled rapid population growth through quality planning for roads, schools, hospital expansions, residential subdivisions and shopping alternatives ◆ Impressive mix of business/retail/residential expands perceptions of Scottsdale from mostly a tourist destination ◆ Government involvement hard to gauge for site visit; no meetings or introductions were held with elected officials but council members were actively engaged at Competitiveness Worksession ◆ Local business culture is energetic, contemporary, technology savvy, and representative of the next generation of business leaders ◆ Concern that the local business community appears to be disconnected from the City of Scottsdale – companies like the city, but do not have relationships with city staff ◆ Positive impression of City working with Arizona State University through SkySong development
Site Selection Factor: Permitting Schedule	
Does the community promote fast-track development? ◆ Permitting and approval process ◆ Green building standards in place ◆ Permitting ease for renewable energy installations such as solar panels	**Rating = Good** ◆ City indicated permitting approval schedule of fifteen calendar days ◆ Pre-development meetings can help to expedite the timeline ◆ Example discussed of recent project permitted in seven days ◆ Community overview presentation indicated a range of fees to expect for permitting. Upfront overview helpful and no fees are out of the ordinary. ◆ Higher scoring would have been awarded if a meeting with a representative of the permitting department occurred during the site visit.

Description of Factor	Assessment
Site Selection Factor: Sustainability	
How "Green" is the community? • Community promotes green concepts, permitting and other initiatives • Local energy efficiency programs, recycling and reuse programs • Community/residents embrace "green" culture	**Rating = Needs Some Improvement** • Anecdotally discovered a good number of LEED and/or Energy Star certified properties, but no data was available from the City • Unsure how Scottsdale is reaching out to local companies to help them with sustainability goals • The City offers several green development incentives but there was no mention of these programs on the site visit
Site Selection Factor: Community Support	
Does the community demonstrate support for the project? • Local official involvement • Retention program – shows commitment to support company once they locate in Scottsdale • Incentives	**Rating = Needs Some Improvement** • Unclear as to the extent of a local business retention and expansion program • Appears that relationships between local businesses and the City of Scottsdale, especially staff, is disconnected • No discussion of incentives (state or local) – simply presented as non-existent, i.e. "Scottsdale doesn't have incentives" • No discussion of community involvement opportunities for new companies coming to town
Site Selection Factor: Intangibles	
Does the community present itself well through intangible methods during the visit? • Meeting flow and organization • Weather and creativity – "The Wacky Factor" – can't control, but how is it combated if bad? • Personal touch	**Rating = Very Good** • Extremely friendly and welcoming staff • Water offered – in a (gift) Scottsdale water bottle • Hotel provided comfortable accommodations for business travel and access to nearby restaurants and other amenities – multiple hotel options available • Lunch during site visit at restaurant in revitalized area of Scottsdale provided an opportunity to further demonstrate the City's commitment to revitalization • Nice tour vehicle – four-doors, lots of room and air conditioning • Perfect weather for visit – nice sunshine but not too hot

III. Competitive Areas

Taking into account the priority location factors for each of the target industries, the Applied Economics/Chabin/Austin Consulting Team assessed Scottsdale's competitors – within the region and potential source or competitive communities from throughout five different Western States – as to the relative strengths and weaknesses compared to what Scottsdale has to offer. Utilizing the results of the Corporate Location Assessment and knowledge of competitive areas from prior site location engagements, the evaluation was made from the point of view of a site location consultant in general consideration of all of Scottsdale's target industries. A site search for a specific company could have different results due to the requirements and priorities for the project location.

A. Western States Comparison

The City requested in the project RFP to evaluate Scottsdale's competitive position to five Western States. Since communities do not compete with states, we narrowed the competitive analysis to specific metro communities within the Western States. The selection of competitive communities focused on (1) comparable metropolitan regions to Phoenix; (2) similarity in some, perhaps not all, target industries; and (3) frequent competitors on site selection projects. Communities evaluated against Scottsdale's competitive position include:

Figure 2: Map of Competitive Areas

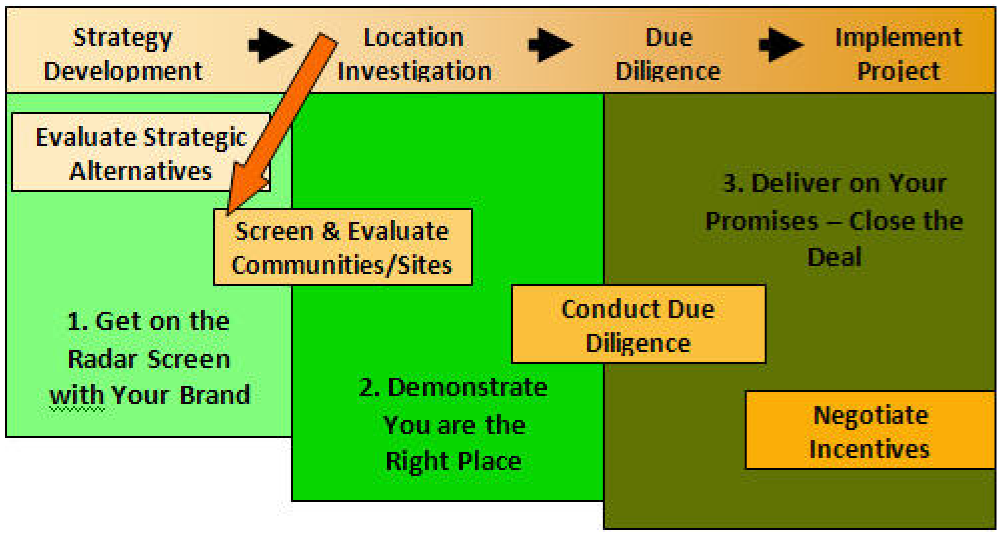
- **Albuquerque, New Mexico** – frequent competitor to Phoenix region and similar climate to attract talent
- **Beaverton, Oregon** – selected because of similar relationship that Scottsdale has to Phoenix, so does Beaverton to Portland; similar industry clusters
- **Fort Collins, Colorado** – selected because of the similar targets and comparable quality of life as an attraction for talent

- **Salt Lake City, Utah** – frequent competitor to the Phoenix region and lifestyle factors attracting young talent

- **San Diego, California** – considered both a source and competitor location for Scottsdale and the Phoenix region, especially for solar and headquarter operations

Because the evaluation presented in this section occurs earlier in the Location Investigation stage (as depicted in the process chart below), the factors evaluated for competitors are not exactly the same as those evaluated in the Corporate Location Assessment.

Figure 3: Location Selection Process



The appraisal of all competitors was made relative to Scottsdale's assets or limiting factors, judging which factors are ***stronger than*** Scottsdale, ***equivalent to*** Scottsdale or ***weaker than*** Scottsdale. Also, comparable data on business climate factors and an operational cost comparison for a sample project are provided in the appendix.

To interpret the table below, a plus sign [**+**] indicates Scottsdale is more competitive that the external community; an equal sign [**=**] indicates equivalent competitiveness; and a minus sign [**-**] indicates factors where Scottsdale is less competitive.

Table 2: Western States Competitive Areas

Evaluation Factor	Albuquerque, NM	Beaverton, OR	Fort Collins, CO	Salt Lake City, UT	San Diego, CA
Available Land for Development	-	=	-	-	=
Available Class A office	+	+	+	=	-
Cost of Real Estate	-	-	-	-	+
Labor Costs	-	+	+	-	+
Available Talent	-	-	-	+	-
Attractiveness for Talent Relocation	+	=	=	+	+
Utilities/Infrastructure	=	=	-	+	+
Transportation	+	-/+	+	=	+
Community Appearance	+	=	+	+	=
Livability	+	=	=	=/+	=
Sustainability	-	-	-	+	-
Community Stability	=	=	+	-	+
Innovation & Research Assets	-	+	=	+	-
Cost of Living	-	-	=	-	+
Housing Costs	-	=	-	-	+

Next we present the rationale for the scoring presented in the above table by competitive community.

Albuquerque, New Mexico

Scottsdale has limitations with available sites for development while Albuquerque has more land available and well-planned business parks that are project ready. Scottsdale outshines Albuquerque's Class A building stock. Real estate prices are lower in Albuquerque but the quality of product is also at a lower level than Scottsdale.

With lower wages and more R&D talent, Albuquerque is more competitive than Scottsdale. There is also a large gap in available skilled workers between call center employees and PhDs. Scottsdale is more successful in recruiting managerial talent. Workers in Scottsdale have a higher educational attainment than Albuquerque.

Albuquerque's infrastructure is newer in some parts of town than Scottsdale but overall quality of infrastructure and utility rates are more competitive in Scottsdale. Sky Harbor International Airport helps Scottsdale to rank higher than Albuquerque for transportation. Scottsdale is more competitive in community appearance and livability, with Albuquerque portraying less sophistication and sections of town with impoverished Native American and Hispanic communities.

Albuquerque is more advanced in sustainability practices and programs. There are entire communities in Albuquerque that are "off the grid" and fully self-sufficient for energy. State programs for renewable energy installations and manufacturers are more competitive in New Mexico than Arizona, complimented with research assets of the National Renewable Energy Laboratories and Sandia Labs. Community stability between Albuquerque and Scottsdale are similar. Cost of living and housing are significantly higher in Scottsdale.

Beaverton, Oregon

Both Beaverton and Scottsdale have limitations for available Greenfields. Beaverton's available land development will only occur through expansion of city limits, an arduous process in Oregon's land use laws. Although Beaverton has some Class A space it is older and less upscale than Scottsdale. However, lease rates are lower in Beaverton than Scottsdale.

For labor factors, Scottsdale wage rates are more competitive while Beaverton's ability to attract talent is stronger. The entire Portland metro area is a magnet for young professionals due to lifestyle amenities, especially outdoor activities. As a result IT, bio tech and R&D skills are abundant in Beaverton. Both Scottsdale and Beaverton highly-leverage the entire metro's labor pool. Beaverton/Portland Metro also has a more diverse workforce.

Scottsdale and Beaverton are on even par for utilities and infrastructure. There is a mix rating for transportation. Scottsdale wins out on commercial air service, yet the extensive and widely-utilized public transportation system (light rail and bus) in the Portland Metro Area enhances Beaverton's competitiveness.

Beaverton excels for Sustainability with more LEED and Energy Star certified buildings. Oregon's incentives for renewable energy – for consumers and manufacturers – out competes Arizona.

Both communities have quality livability and beautiful appearances, just different. Community stability is equivalent; Beaverton has a stronger existing business program with an active Economic Gardening Program, while Arizona's tax structure is more business-friendly. With ASU and SkySong, Scottsdale companies have more access to local research assets relevant to target industries than Beaverton. Cost of living is lower in Beaverton but housing costs are about equal.

Fort Collins, Colorado

Fort Collins has more Greenfield sites for development, but less Class A office space than available in Scottsdale. The technology industry in Fort Collins does not demand as prestigious facilities as Scottsdale.

Projects that would locate at the Scottsdale Airpark could be likely candidates for Fort Collins. Real estate costs are lower in Fort Collins.

Both communities are attractive for relocating talent, for different reasons – mountain versus desert living. Fort Collins is more competitive than Scottsdale for the availability of skilled high tech workers while Scottsdale excels for headquarters executive talent. Both labor pools have high educational attainment. Overall, Scottsdale's wage rates are more competitive.

Newer infrastructure and water availability are reasons to rank Fort Collins over Scottsdale. Regarding transportation, Denver International Airport serves Fort Collins, located further away than the convenience of Sky Harbor for Scottsdale businesses. South West Airlines prominence as a carrier in Phoenix, along with much fewer delays from weather elevates Scottsdale over Fort Collins for air travel.

Northern Colorado's active participation in the wind energy, not only locating companies but also utilizing the technology for downtown Fort Collins and Colorado State University demonstrate their commitment to sustainability. Fort Collins has more LEED certified buildings than Scottsdale: they are actively marketing this asset.

Community stability is weaker in Fort Collins due to lack of diversity in retail, entertainment and corporate users. The research universities in Phoenix and Fort Collins are comparable for their individual areas of specialties.

Scottsdale's appearance is higher end than Fort Collins, while both have quaint, but strong downtowns. Cost of living is equivalent and housing is lower in Fort Collins.

SALT LAKE CITY, UTAH

Salt Lake City ranks higher than Scottsdale for community stability, touting a recession-proof economy from a good mix of industries. Challenges, such as the recent housing crisis, become positive competitive factors, lowering real estate and home prices within an already low cost of living community. Wage rates are also lower in Salt Lake City.

Scottsdale excels with more talent available for higher-skilled occupations as well as more success in attracting talent to live and work in Scottsdale. The workforce is more diverse and progressive in Scottsdale than Salt Lake City. The appearance of Scottsdale versus Salt Lake City involves more upscale development and unique settings. Utilities are more costly in Salt Lake City. Arizona is much further along than Utah with the growth of renewable energy industry – attracting companies and encouraging local usage. Transportation assets are equivalent. Both communities offer outdoor recreation venues of your choice, yet the Latter Day Saints culture throughout Utah may hinder some companies' decisions.

SAN DIEGO, CALIFORNIA

Cost for real estate, utilities, and workforce are higher in San Diego than Scottsdale. Greenfield development opportunities are limited in both communities. San Diego, being a larger city, has more Class A office space.

Although San Diego may have a larger pool of skilled talent, Scottsdale is more attractive for talent relocation due to lower housing prices and overall more reasonable cost of living. While both communities have quality livability and beautiful settings, Scottsdale ranks higher for community stability because of California's business regulations. On the other hand, San Diego ranks very high for innovation and resource assets, not just with local universities but also for the Scripps Research Center and other private sector research entities, leading the region's ability to be globally competitive in many fields. California is a national leader in renewable energy and sustainability practices.

Traffic congestion and a smaller airport in San Diego help Scottsdale to rank higher for transportation.

B. Local Community Comparisons

The five competitors evaluated within the Greater Phoenix region include:

- Gilbert/Chandler
- Tempe
- Phoenix
- Mesa
- Salt River Pima Maricopa Reservation

With other communities in the region, Scottsdale shares a labor pool, innovation and research assets, education resources and good commercial air access via Sky Harbor Airport. Labor Costs and talent availability are generally equal throughout the metro area given that there is significant commuting between all of the cities. The same is true for attracting talent given that relocated employees working in Scottsdale could choose to live in any number of cities other than the city where they work.

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Evaluation Factors	Gilbert/ Chandler	Tempe	Phoenix	Mesa	Salt River Pima Maricopa Reservation
Available Land for Development	-	+	-	-	-
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Cost of Real Estate	-	+	=	=	-
Transportation	+	-	-	=	=
Livability	-	=	=	-	N/A
Sustainability	=	=	-	=	+
Cost of Living	=	=	=	=	N/A
Housing Costs	-	-	-	-	N/A
Local Incentive Programs	-	-	-	-	-

Available Land for Development

Tempe is the closest to build out of all the comparative areas and is completely land locked. Chandler has less remaining land that Gilbert, but land availability is not yet a constraint in either community. Mesa has a substantial amount of available land, most of which is currently zoned industrial, around Falcon Field, Phoenix-Mesa Gateway and on the south end of the former GM Proving Ground. Mesa also participates in GPEC's shovel-ready program. The City of Phoenix encompasses more total land area than Chandler, Gilbert, Tempe, Mesa and Scottsdale combined with over 513 square miles. Due to its sheer size, land availability in the City of Phoenix is not a constraint in most parts of the city and there are still many opportunities for new development.

Available Class A Office Space

According to Colliers, the City of Scottsdale has about 10.9 million square feet of Class A space in buildings of 10,000 square feet or more, out of a metro area total of 43.3 million. However, this total includes new buildings on the Salt River Pima Maricopa Reservation that are also included in the same Colliers sub-market. The Salt River Pima Maricopa Tribe has been very aggressive in building a substantial amount of new Class A office space in recent years and has plans for a significant amount of additional office and flex space in the next five to seven years. This space on the Reservation directly competes with the Airpark and surrounding office areas in the Central Scottsdale Region. The current vacancy rate for Class A office in this area is 28.8%.

Phoenix accounts for about 26.6 million square feet of Class A space, including 9.9 million in the Central Business District (CBD). Class A vacancy rate for Phoenix's CBD is 19.4%, while the rest of the city is 21%. Mesa has almost no Class A space, with less than 170,000 total square feet in two buildings, according to Colliers. Yet, even with this limited supply of Class A space, there is no occupancy with 100% vacancy rate. Chandler and Gilbert combined have about 2.6 million square feet and 27% vacancy for Class A. Tempe has only about 2.0 million square feet of Class A space with vacancy of 29.9%, according to Colliers.

Real Estate Costs

Lease rates vary within many of the larger cities and have dropped significantly in the past year and a half. Rates for Class A space in Scottsdale range from $22 to $25 per square foot for 1st Quarter 2010, with higher rates in the Central Region. Rates in Tempe are slightly higher, due in part to the dense urban nature of Downtown Tempe, ranging from $23 to $28 per square foot. Rates in Chandler, Gilbert and Mesa are similar to Scottsdale's overall average ranging from $22 to $25 per square foot. Lease rates in Phoenix are more varied ranging from $21 to $32 per square foot in the CBD to $22 to $29 in the rest of the city.

Transportation

Transportation access includes air as well as ease of intra-urban commuting. Phoenix, Tempe and Mesa are all connected by light rail and additional light rail extensions will occur in West Phoenix over the next 5 to 10 years. Both Phoenix and Tempe have excellent access to Sky Harbor Airport, but since the airport is relatively central to the metro area the accessibility from Scottsdale or from the East Valley (Mesa, Chandler, Gilbert) is still relatively good. The urban freeway system serves all of the comparative cities, with the 101 connecting Scottsdale to Phoenix as well as to the East Valley. Tempe, Mesa, Chandler and Gilbert also connected via US 60 that leads to the Loop 202 and into the urban core. Scottsdale has less direct access to the urban core (downtown Phoenix) via urban freeways than the East Valley, and North Scottsdale in generally less accessible than other parts of Scottsdale or than the comparative areas.

Livability

Scottsdale offers a wealth of dining, shopping and entertainment opportunities. With the exception of the sports, arts and cultural offerings and an emerging group of chef-owned restaurants in Downtown Phoenix, Scottsdale is generally superior in terms of livability. Chandler, Gilbert and Mesa are much more suburban and more family-oriented with a very limited range of unique local dining and shopping opportunities. Downtown Tempe offers an active student-oriented nightlife that is appealing to some young professionals.

Sustainability

Scottsdale was the first city in Arizona to adopt a Green Building Program. After twelve years of success, they have raised the bar again with a mandate for all new city buildings built to LEED Gold standards. Scottsdale also encourages Green Building for the private sector with expedited approval of plans through the development process, lecture series, workshops, special events and recognition of green builders and designers. Scottsdale residents are strong supporters of land preservation and eco-tourism through the McDowell Mountain Preserve.

Phoenix has the most robust green program in the region, including many solar installations as well as recycling, air quality, especially dust control, and numerous certified LEED buildings.

Tempe's green programs focus mainly on recycling and water conservation. Tempe's keystone projects include the East Valley Bus Operations and Maintenance Facility – LEED Gold certification; and its downtown Transportation Center recognized with by US EPA for the Smart Growth Achievement Award.

Mesa is utilizing stimulus funds to install LED streetlights and offers many workshops on sustainability for residents and businesses. In addition to ASU and MCC buildings that have received LEED Gold certification, the city and local companies are pursuing LEED certification. A list of participants is promoted on the city website.

The green building program in Chandler requires all future city buildings larger than 5,000 square feet built to LEED Silver standards or better. Chandler buildings with LEED certification are presented on the city website. Chandler also offers expedited plan review for green buildings and will reimburse US Green Building Council fees for certification.

There is limited evidence of green programs in Gilbert, although tips for conservation are found throughout the website. It appears that Gilbert is further behind than other valley cities compared. The Riparian Institute is a good indicator of Gilbert's respect for the environment.

The Salt River Pima Maricopa Reservation protects a 19,000 acre natural preserve.

Cost of Living and Housing Costs

Cost of living does not vary significantly within the metro area with the exception of housing costs. Housing costs are highest in Scottsdale with median single-family prices for May 2010 estimated at $373,750, based on data from Arizona State University. Median prices in Chandler and Gilbert are about half as much as Scottsdale at $182,000. Median prices in Tempe are estimated at $175,000, while Mesa and Phoenix offer a broad range of less expensive housing with median prices of $137,500 and $107,600, respectively.

Incentives

Salt River Pima Maricopa Reservation is a sovereign nation so they have less restrictions on how they incentivize a project. However, many companies are not fully comfortable with investing on tribal land. Keep in mind that other factors need to be in place before incentives come into play, many of which are not available on the Reservation. Mesa's incentive tool kit offers Enterprise Zone, Foreign Trade Zone, GPLET, along with green incentives. Both Chandler and Gilbert Industrial Development Authorities issue tax-exempt bonds from the Arizona Department of Commerce. Chandler offers expedited plan review for green buildings. Chandler also has an Enterprise Zone. Gilbert has formalized their support through the development program into P.E.R.T., which stands for Partners Experiencing Results Together. Tempe has an Enterprise Zone. Phoenix has a variety of incentive programs throughout the city: Enterprise Zone, Foreign Trade Zone, EXPAND loan program, New Markets loan program; and the city serves as the bond authority for tax-exempt industrial revenue bonds.

Scottsdale may not have an Enterprise Zone, but there are many resources that can be packaged into a compelling incentives offer. Scottsdale does have the ability to issue tax-exempt bonds and use the GPLET incentive tool, which will be especially helpful in south Scottsdale.

IV. Recommendations to Enhance Scottsdale's Competitiveness

Based on the findings of the Corporate Location Assessment and Scottsdale's competitive position, several action items will be important to enhance Scottsdale competitiveness for attracting business investment and jobs. The following recommendations will strengthen the City's efforts to demonstrate that Scottsdale is the desirable business location in the region and, more importantly, help you to deliver on your promises to close deals.

A. Existing Employer Care

Happy, growing businesses in Scottsdale will do more than anything you can accomplish with marketing to demonstrate that Scottsdale is a desirable business location. Although local employers appear to like Scottsdale there is no connection with the City. In some cases, the Mayor or another elected official may be the face of the City with a business, but this is not enough for an effective Business Retention and Expansion Program. Working with local employers is the most important economic development initiative of a city.

Action Items

- Establish a formal "after care" meeting for GPEC to articulate the hand-off of newly recruited businesses. Ask GPEC to arrange for a meeting where Economic Vitality staff are present for introductions and an overview of resources you offer to existing businesses. GPEC's mission is business attraction not business retention.

- Meet with Scottsdale's top 25 employers at least twice per year. Meetings may need to be held with CEO (top management) level and other meetings with human resources and other lower level managers. The Mayor or a Councilmember should be involved in at least one of the top management meetings per year. Expand the number of companies based on staff capacity. Aim for at least one meeting per week.

- Communicate available business resources for existing businesses (i.e. workforce training, hiring assistance, energy efficiency, industry data, updates on legislation that could affect their business, etc) via electronic news or social media. A LinkedIn Group is an efficient way to not only share updates from the City but also encourage B2B collaboration. Segment communications among retailers, hospitality and basic industries.

- Host breakfast with the Mayor for employers only. It is a good idea to segment these events between retail and basic industries as the needs of businesses will vary substantially. Target top managers for attendance.

B. Physical Improvements

Scottsdale's community appearance is very strong. Recommendations for physical improvements are fine points to enhance your assets for business development. Scottsdale is doing a good job of paying attention of older neighborhoods, with focused plans for revitalization.

Action Items

- Due to the nature of the Airpark development, create and install signage that establishes a sense of arrival at Airpark entrances. Perhaps also develop custom signage for streets to further define the Airpark as a specific business park.

- Continue efforts to revitalize older areas, especially south Scottsdale.

C. Website

The City's website is lacking critical content for business attraction, retention and expansion. Although a comprehensive website evaluation was not conducted during this project, it became apparent that the website is not meeting the needs of your target audiences when we searched for data commonly found on a city's website.

Your website should be a dynamic tool to expand your client relations capabilities, both with prospects and existing employers in Scottsdale.

Action Items

- Enhance the Economic Vitality section of the City website with relevant data. Refer to the appendix for a list of key data points.

- Improve navigation of content with labels understood by your target audiences. Refer to the Website User Study Executive Summary in the appendix. The complete report can be downloaded at www.ChabinConcepts.com

- Link to economic development partners and request reciprocal links.

D. Data

In addition to the list of data provided in the appendices, it is advised to enhance Scottsdale's marketing with data that will set you apart from your competition. Telling stories always captures attention and will be read by your target audiences.

Action Items

- Develop case study examples of permitting process / approval schedule for different size operations, different building types, etc. These case studies will prove that Scottsdale is one of the fastest (maybe even *the* fastest) community in the valley to approve plans and process permits.

- Tell Scottsdale's "green" story:

  - Document LEED and Energy Star certified buildings. Even better, create a local map identifying buildings.

  - Document other "green" activities and initiatives occurring in community (recycling programs, etc).

- Improve top employers list by including only employers within Scottsdale city limits. List overall top ten employers by employment, as well as top ten by industry sector.

Augment list with information on the company's product/service, employment level, square footage, and website address.

- Refer to Target Industry Study, Section IV. Implementation for recommendations on industry research and developing business cases for each target industry.

E. Collateral Materials

The city does not need to invest in a lot of collateral materials. Many can be developed in-house and printed on-demand. Through the process of the Corporate Location Assessment, a few pieces would be helpful to better articulate what Scottsdale has to offer business.

Action Items

- Create handout map that identifies the development areas of the city and labels each area name (Central Scottsdale, Airpark, South Scottsdale). The aerial photos presented in the opening meeting were good; supplement with labels or shading to orient a prospect. Make note of planned developments and key assets.

- Create a brochure of Scottsdale's green programs and sustainability services for businesses.

- Create a brochure of City and economic development partner resources for existing business for distribution through the business retention and expansion efforts.

F. Site Visit Process

The site visit for the mock project was well organized and executed. Recommendations provided here are intended as fine-tuning of your process.

Action Items

- Include other city representatives in the overview / welcome meeting to discuss pertinent topics and present a unified front:

  - Mayor or Councilmember – Their comments should set the tone for community support. They should be informed of the project requirements and company's needs.

  - Local Permitting Representative – They should be prepared to speak about the development process, and offer case studies for recent projects.

- To enhance the opening presentation, include a brief overview of Scottsdale's position within the larger metro area and draw on regional assets to strengthen Scottsdale's business case.

- Make a case for "Why Scottsdale?" not just in an opening presentation. Use the rest of the tour to illustrate why Scottsdale is a good fit for the company and project. Help company understand assets that they might not realize will benefit their operation.

- Include a discussion of state and local incentive programs specific to the company and project during the community overview. Demonstrate that the City is eager to work with the company/site consultant by coordinating external resources for them.

G. Incentives

Staff expressed concern about Scottsdale's limited incentives. With more review, we uncovered several incentives that the City is not promoting to prospects and local businesses. Instead of believing Scottsdale's incentives are non-existent, it will be important to understand non-cash services and partner resources that are of value to the company.

The following action items should be directed to basic industries and not retailers or restaurants. Scottsdale is already a desirable retail location so there is less need to incent such businesses.

Action Items

- Assemble incentives into a comprehensive package. It is likely that your competitors are not providing a complete package. Often, a company is happier to see contributions from a broad array of partners working together than a large sum incentive from one source. Multiple sources demonstrate well-rounded support for the project and appreciation of the company locating in your community. Include Federal, state, utility, workforce resources, green programs, and even the City's approach to Fast Track Permitting. Show estimated value of incentive package based on project pro forma. Assess value for services, where possible.

- Consider a creative local incentive to defer fees - benefiting the company with reduced upfront costs while not costing the city. Collect fees at a later specified date.

- Understanding industry drivers and priority location factors will help you to customize an incentive package that specifically addresses their major cost and timeline issues.

- Work with the Scottsdale Chamber to package discounts from local businesses for relocation and business services. Not only will this package provide an incentive for the new business, it will foster business-to-business opportunities for the new business to shop local.

- Possibly receive complimentary golf rounds or introductory country club memberships for key executives of the company.

Appendix

A. Business Climate Comparison Data

B. Operating Cost Comparison

C. Recommended Website Data

D. Website User Study – Executive Summary

Appendix A

Business Climate Comparison Data

Population Characteristics

Historical Population Growth

Metropolitan Area	1970	1980	1990	2000	Change 1980-90	Change 1990-00
Albuquerque	382,757	525,636	626,278	757,319	19.1%	20.9%
Denver	1,127,328	1,461,176	1,658,024	2,171,193	13.5%	31.0%
Phoenix	1,051,796	1,612,900	2,249,116	3,278,776	39.4%	45.8%
Portland	1,086,559	1,347,075	1,535,965	1,936,110	14.0%	26.1%
Salt Lake City	489,791	660,784	772,403	972,606	16.9%	25.9%
San Diego	1,364,557	1,875,284	2,512,365	2,825,395	34.0%	12.5%

Source: Woods & Poole Economics, 2010; American Community Survey, 2008.

Population by Race and Hispanic Origin

Metropolitan Area	White	African American	Asian	Native American	Other	Hispanic Origin*
Albuquerque	70.8%	2.9%	2.0%	5.9%	18.4%	44.8%
Denver	82.0%	5.3%	3.4%	0.9%	8.5%	22.4%
Phoenix	81.6%	4.3%	2.8%	2.1%	9.3%	30.9%
Portland	83.9%	2.8%	5.1%	1.3%	6.9%	10.5%
Salt Lake City	90.4%	1.5%	2.5%	0.6%	5.0%	14.2%
San Diego	73.1%	5.0%	10.3%	0.8%	10.8%	30.9%

Source: Woods & Poole Economics, 2010; American Community Survey, 2008.

*** Hispanic origin is independent of race. Total excluding Hispanic origin adds to 100 percent.**

Population by Age

Metropolitan Area	0 - 17 Yrs	18 - 24 Yrs	25 - 44 Yrs	45 - 64 Yrs	65 and Over	Median Age
Albuquerque	24.8%	9.7%	27.6%	25.5%	12.3%	36.0
Denver	25.4%	8.3%	30.2%	26.3%	9.7%	35.9
Phoenix	27.3%	8.8%	29.5%	22.9%	11.5%	34.0
Portland	24.1%	8.4%	29.5%	27.4%	10.6%	36.9
Salt Lake City	30.2%	10.5%	29.2%	21.6%	8.7%	30.0
San Diego	24.8%	11.8%	28.8%	23.4%	11.2%	34.2

Source: Woods & Poole Economics, 2010; American Community Survey, 2008.

Population Characteristics

Income (current dollars)

Metropolitan Area	Per Capita 2000	Per Capita 2009	Change 2000-2009
Albuquerque	$25,476	$34,900	37.0%
Denver	$37,858	$48,174	27.2%
Phoenix	$28,357	$34,346	21.1%
Portland	$32,121	$39,799	23.9%
Salt Lake City	$27,843	$37,294	33.9%
San Diego	$32,793	$45,745	39.5%

Source: Woods & Poole Economics 2010; Bureau of Economic Analysis, REIS, 1990.

Projected Population

Metropolitan Area	2000	2009	2010	2020	Population Change 2000-2010	Population Change 2010-2020
Albuquerque	757,319	841,408	902,112	1,050,106	19.1%	16.4%
Denver	2,171,193	2,502,881	2,553,241	2,953,410	17.6%	15.7%
Phoenix	3,278,776	4,281,899	4,449,866	5,305,856	35.7%	19.2%
Portland	1,936,110	2,209,114	2,272,106	2,604,106	17.4%	14.6%
Salt Lake City	972,606	1,644,446	1,149,277	1,323,058	18.2%	15.1%
San Diego	2,825,395	3,001,072	3,082,254	3,500,253	9.1%	13.6%

Source: Woods & Poole Economics, 2010.

Labor Force Availability Comparison

Labor Force - Market Direction

Metropolitan Area	September 2008		Unemp.	September 2009		Unemp.
	Labor Force	Employed	Rate	Labor Force	Employed	Rate
Albuquerque	413,871	395,381	4.5%	406,371	374,643	7.8%
Denver	1,404,174	1,333,869	5.0%	1,362,987	1,266,660	7.1%
Phoenix	2,136,867	2,016,729	5.6%	2,118,763	1,935,830	8.6%
Portland	1,172,385	1,105,557	5.7%	1,171,208	1,043,832	10.9%
Salt Lake City	876,468	848,357	3.2%	857,493	805,253	6.1%
San Diego	1,571,697	1,471,366	6.4%	1,560,010	1,400,165	10.2%

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, 2009.

Labor Force - Last Full Year: 2008

Metropolitan Area	Labor Force	Employed	Unemployed	Unemployment Rate	Military Employment
Albuquerque	412,541	394,950	17,591	4.3%	5,702
Denver	1,399,960	1,329,521	70,439	5.0%	8,526
Phoenix	2,114,724	2,010,992	103,732	4.9%	14,863
Portland	1,171,267	1,102,945	68,322	5.8%	6,983
Salt Lake City	879,722	849,831	29,891	3.4%	5,621
San Diego	1,566,223	1,472,418	93,805	6.0%	105,433

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, 2009; Woods & Poole Economics, 2010.

Average Annual Industry Wages

Metropolitan Area	Manufacturing	Transportation	Information	Wholesale Trade	F.I.R.E.	Services
Albuquerque	$45,268	$35,396	$37,259	$42,586	$64,292	$33,157
Denver	$54,674	$39,239	$76,251	$59,597	$66,445	$42,310
Phoenix	$49,012	$40,068	$59,967	$55,453	$52,643	$37,548
Portland	$51,572	$39,498	$63,244	$55,908	$51,963	$39,347
Salt Lake City	$42,002	$39,819	$42,116	$45,262	$39,579	$32,119
San Diego	$55,051	$35,036	$74,432	$76,761	$55,781	$39,610

Source: U.S. Department of Commerce, County Business Patterns, 2007.

Labor Force Quality Comparison

Educational Attainment (Highest Level)

Metropolitan Area	Not HS Graduate	HS Graduate	Some College	Bachelors Degree	Graduate Degree	Pct HS Graduate	Pct Colleg Degree
Albuquerque	74,583	476,114	136,086	159,844	72,411	86.5%	29.0%
Denver	189,334	1,469,245	362,762	622,061	215,793	88.6%	37.5%
Phoenix	445,606	2,289,843	689,770	724,628	255,127	83.7%	26.5%
Portland	149,267	1,341,462	393,909	496,141	175,112	90.0%	33.3%
Salt Lake City	98,004	878,764	259,862	285,226	95,162	90.0%	29.2%
San Diego	284,632	1,617,884	451,590	650,100	246,249	85.0%	34.2%

Source: American Community Survey, 2008.

Labor Force - Occupational Distribution

Metropolitan Area	Managerial and Prof		Service and Sales		Constr and Maint		Prod and Transport	
	Number	Share	Number	Share	Number	Share	Number	Share
Albuquerque	149,917	37.3%	168,196	41.8%	40,664	10.1%	41,304	10.3%
Denver	525,657	39.1%	564,029	41.9%	132,762	9.9%	121,685	9.0%
Phoenix	680,184	33.7%	920,021	45.5%	229,418	11.4%	185,791	9.2%
Portland	430,141	38.1%	462,913	41.0%	91,718	8.1%	135,877	12.0%
Salt Lake City	289,395	35.1%	354,777	43.1%	73,567	8.9%	104,749	12.7%
San Diego	543,754	39.6%	605,576	44.1%	115,585	8.4%	105,736	7.7%

Source: American Community Survey, 2008.

Labor Force - Industry Distribution

Metropolitan Area	Ag and Const.	Manufac-turing	T.C.P.U.	Trade	Infor-mation	Personal Services	Business Services	Public Admin.
Albuquerque	9.3%	7.0%	4.0%	13.1%	1.9%	33.3%	25.6%	5.8%
Denver	9.5%	7.0%	5.3%	14.7%	3.9%	30.4%	24.8%	4.2%
Phoenix	10.0%	7.7%	5.0%	14.6%	2.0%	30.7%	25.9%	4.2%
Portland	7.7%	12.9%	4.9%	13.9%	1.9%	30.5%	25.1%	3.2%
Salt Lake City	8.2%	10.6%	5.2%	14.7%	2.5%	28.6%	24.6%	5.6%
San Diego	7.4%	8.9%	3.3%	13.0%	2.3%	34.2%	26.4%	4.4%

Source: American Community Survey, 2008.

Labor Force Quality Comparison

Productivity Measures

Metropolitan Area	Manufacturing Value Added Per Employee	Manufacturing Unionization	Right-To-Work State
Albuquerque	$203,921	14.3%	No
Denver	$116,705	4.8%	No
Phoenix	$166,478	1.4%	Yes
Portland	$173,976	10.6%	No
Salt Lake City	$112,655	3.0%	Yes
San Diego	$121,128	4.8%	No

Source: Census of Manufacturing, 2002; Bureau of National Affairs, Union Membership and Earnings Book, 2009.

Economic Comparison

Historical and Projected Employment

Metropolitan Area	1970	1980	1990	2000	2010	2020
Albuquerque	152,993	249,296	350,405	459,084	524,977	612,055
Denver	567,136	903,065	1,092,168	1,538,927	1,659,574	1,884,987
Phoenix	456,576	822,449	1,277,090	1,942,079	2,497,593	2,943,807
Portland	497,094	730,210	925,081	1,240,237	1,382,000	1,562,239
Salt Lake City	230,558	356,560	485,864	705,590	842,567	974,350
San Diego	647,900	989,643	1,437,353	1,733,524	1,958,522	2,249,611

Source: Woods & Poole Economics, 2010.

Historical and Projected Earnings (millions of 2004 $)

Metropolitan Area	1970	1980	1990	2000	2010	2020
Albuquerque	$4,454	$7,693	$10,695	$16,141	$20,745	$26,611
Denver	$17,978	$32,330	$40,344	$75,904	$90,146	$112,784
Phoenix	$14,199	$27,184	$42,068	$81,122	$101,594	$133,295
Portland	$15,824	$25,281	$32,400	$54,367	$61,190	$75,175
Salt Lake City	$6,659	$11,421	$15,012	$27,323	$35,134	$45,843
San Diego	$20,723	$32,678	$52,720	$77,890	$96,570	$122,039

Source: Woods & Poole Economics, 2010.

Historical and Projected Retail Sales (millions of 2004 $)

Metropolitan Area	1970	1980	1990	2000	2010	2020
Albuquerque	$3,216	$5,052	$6,576	$10,347	$11,622	$14,718
Denver	$10,705	$16,983	$19,201	$31,763	$35,597	$45,146
Phoenix	$9,535	$16,700	$25,256	$43,734	$54,893	$71,997
Portland	$9,516	$13,771	$17,382	$26,110	$27,721	$34,723
Salt Lake City	$4,259	$6,293	$8,169	$14,338	$15,713	$19,970
San Diego	$11,034	$18,127	$26,276	$35,146	$38,471	$48,178

Source: Woods & Poole Economics, 2010.

Employment by Industry

Metropolitan Area	Agriculture and Mining	Construc- tion	Manufac- turing	Transport. and Util	Trade	F.I.R.E.	Services
Albuquerque	4,826	36,551	22,514	13,423	69,414	48,373	225,934
Denver	23,053	101,724	70,929	57,468	223,481	232,750	711,718
Phoenix	21,646	148,402	144,966	84,588	361,929	335,605	1,059,647
Portland	29,321	72,695	122,187	46,132	194,816	139,692	591,309
Salt Lake City	5,752	47,666	62,846	32,716	118,382	115,541	330,364
San Diego	19,426	89,391	110,733	37,761	231,274	235,596	845,464

Source: Woods & Poole Economics, 2010.

Major Private Sector Employers

Albuquerque

Business Name	Type of Business
Sandia National Labs	Research & Development
Intel Corporation	Semiconductors
Verizon	Call Center
T-Mobile	Call Center
CitiCards	Call Center
Honeywell	Aerospace
Convergys	Call Center
Ethicon-Endo Surgery	Medical Instruments
Blue Cross/Blue Shield	Insurance Carrier
GE Aircraft Engines	Aircraft Engines

Source: Economic Research Institute, Geographic Reference Report, 2009; Dun & Bradstreet, 2009; Local ED websites, 2010.

Denver

Business Name	Type of Business
Qwest Communications	Telecommunications - Headquarters
Lockheed Martin	Aerospace
United Airlines	Air Transportation
Molson Coors Brewing Company	Alcoholic Beverages - Headquarters
Wells Fargo	Financial Services
Ball Corporation	Containers
United Parcel Service	Package Delivery
Dish Network	Satellite Television - Headquarters
IBM Corporation	Computers
Frontier Airlines	Air Transportation - Headquarters

Source: Economic Research Institute, Geographic Reference Report, 2009; Dun & Bradstreet, 2009; Local ED websites, 2010.

Phoenix

Business Name	Type of Business
Honeywell Aerospace	Aerospace
Intel Corporation	Semiconductors
Swift Transportation	Freight Carrier - Headquarters
US Airways	Air Transportation - Headquarters
Qwest Communications	Telecommunications
American Express	Travel and Financial Services
Freeport McMoran	Mining - Headquarters
Wells Fargo Company	Financial Services
USAA	Insurance Carrier
Boeing	Helicopters

Source: Economic Research Institute, Geographic Reference Report, 2009; Dun & Bradstreet, 2009; Local ED websites, 2010.

Major Private Sector Employers

Portland

Business Name	Type of Business
Intel Corporation	Semiconductors
Fred Meyer	Grocery Stores - Headquarters
Nike Incorporated	Sporting Goods - Headquarters
Daimler Trucks North America LLC	Heavy Trucks - Headquarters
Monaco Coach	Recreational Vehicles - Headquarters
Columbia Forest Products	Wood Products
Precision Castparts Corporation	Aircraft Parts
Greenbrier Companies	Rail & Trucking Equipment - Headquarters
Hewlett-Packard	Computers
Jeld Wen	Windows

Source: Economic Research Institute, Geographic Reference Report, 2009; Dun & Bradstreet, 2009; Local ED websites, 2010.

Salt Lake City

Business Name	Type of Business
Huntsman Corporation	Synthetic Chemicals
Sinclair Oil Corporation	Petroleum Products
Zion's Bancorporation	Financial Services
Convergys Corporation	Telemarketing
Kennecott Utah Copper	Copper Mining
ATK Thiokol	Aerospace
NuSkin Enteprises	Beauty Products
L-3 Communications	Telecommunications
Autoliv	Motor Vehicle Parts
Headwaters	Synthetic Fuels

Source: Economic Research Institute, Geographic Reference Report, 2009; Dun & Bradstreet, 2009; Local ED websites, 2010.

San Diego

Business Name	Type of Business
Kyocera America	Electronics and Semiconductors - U.S. Headqua
Ericcson Wireless Communications Inc.	Wireless Telecommunications
Elite Show Services	Event Staffing & Planning
Callaway Golf Company	Golf Equipment - Headquarters
SAIC, Inc.	Commercial Physical Research - Headquarters
Qualcomm	Communications Equipment - Headquarters
National Steel and Shipbuilding	Ship Building
Sony	Consumer Electronics
Safeskin Corporation	Medical Supplies
Pfizer	Pharmaceuticals R&D

Source: Economic Research Institute, Geographic Reference Report, 2009; Dun & Bradstreet, 2009; Local ED websites, 2010.

Education Comparison

Elementary and Secondary Education

Metropolitan Area	Students	Pupil/Teacher Ratio	Exp. Per Student	English 2nd Language	Poverty Rate	Graduation Rate
Albuquerque	134,617	14.7	$9,420	8.77%	14.5%	75.2%
Denver	399,220	17.9	$10,170	9.43%	11.3%	83.4%
Phoenix	740,688	20.8	$8,812	12.60%	13.5%	71.5%
Portland	335,670	19.6	$9,847	7.80%	11.3%	79.2%
Salt Lake City	219,606	24.0	$6,881	6.56%	8.2%	82.8%
San Diego	494,004	20.7	$11,359	14.58%	12.6%	81.8%

Source: National Center for Education Statistics, 2010; State Education Departments, 2010; American Community Survey, 2008.

Two Year Colleges

Metropolitan Area	Semester	Year	Number of Schools	Undergraduate Enrollment
Albuquerque	Fall	2008	4	26,121
Denver	Fall	2007	8	44,987
Phoenix	Fall	2008	21	133,221
Portland	Fall	2008	9	55,953
Salt Lake City	Fall	2008	6	38,287
San Diego	Fall	2007	13	122,502

Source: Peterson's Guide to Two-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

Four Year Colleges

Metropolitan Area	Semester	Year	Number of Schools	Undergraduate Enrollment
Albuquerque	Fall	2008	6	25,212
Denver	Fall	2007	16	59,964
Phoenix	Fall	2008	27	121,199
Portland	Fall	2008	21	42,505
Salt Lake City	Fall	2008	15	88,761
San Diego	Fall	2007	15	74,261

Source: Peterson's Guide to Four-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

Real Estate Comparison

Industrial Market Overview

Metropolitan Area	Inventory Sq. Ft.	Vacancy Rate	Land Cost Low	Land Cost High	Lease Rate Low	Lease Rate High	Const. Cost Index Matl.	Const. Cost Index Labor	Const. Cost Index Total
Albuquerque	36,818,334	9.3%	$2.50	$8.00	$3.50	$7.00	99.8	74.8	88.8
Denver	215,287,949	9.2%	$1.50	$5.50	$2.00	$7.00	101.6	85.1	94.3
Phoenix	11,978,345	15.2%	$10.00	$30.00	$7.00	$13.00	99.9	74.6	88.7
Portland	156,716,590	8.8%	$4.50	$8.00	$5.00	$9.00	101.1	96.8	99.2
Salt Lake City	110,269,245	6.2%	$2.00	$8.00	$4.00	$6.20	103.0	65.5	86.5
San Diego	172,724,235	12.0%	$10.00	$25.00	$4.50	$12.00	102.4	107.5	104.6

Source: NAI Global Market Reports, 2009; Means Construction Index, 2010; Local real estate contacts, 2010.

Office Market Overview

Metropolitan Area	Inventory Sq. Ft.	Vacant Sq. Ft.	Vacancy Rate	Lease Rate Low	Lease Rate High	Const. Cost Index Matl.	Const. Cost Index Labor	Const. Cost Index Total
Albuquerque	13,572,587	2,320,912	17.1%	$17.00	$20.50	99.8	74.8	88.8
Denver	103,406,202	19,026,741	18.4%	$17.77	$34.17	101.6	85.1	94.3
Phoenix	14,790,321	4,644,161	31.4%	$21.00	$26.29	99.9	74.6	88.7
Portland	51,465,036	7,256,570	14.1%	$18.96	$26.15	101.1	96.8	99.2
Salt Lake City	31,591,741	4,296,477	13.6%	$18.00	$25.43	103.0	65.5	86.5
San Diego	71,864,453	15,522,722	21.6%	$24.00	$31.50	102.4	107.5	104.6

Source: NAI Global Market Reports, 2009; Means Construction Index, 2010; Local real estate contacts, 2010.

Office Inventory

Metropolitan Area	Location C.B.D.	Location Suburban
Albuquerque	2,642,619	10,929,968
Denver	25,885,070	77,521,132
Phoenix	3,238,432	11,551,889
Portland	19,147,474	32,317,562
Salt Lake City	7,733,279	23,858,462
San Diego	9,739,119	62,125,334

Source: NAI Global Market Reports, 2009; Local real estate contacts, 2010.

Market Access Comparison

Interstate Ground Transportation

Metropolitan Area	Interstate Highways within Metro Area	# Trucking Companies	# Rail Carriers
Albuquerque	I-40, I-25	101	1
Denver	I-70,I-76,I-25,I-225	294	2
Phoenix	I-10, 1-17	361	2
Portland	I-405, I-5, I-205	363	4
Salt Lake City	I-80, I-215, I-15	251	2
San Diego	I-8, I-5, I-15, I-805	319	2

Source: Rand McNally Road Atlas; Rand McNally Rail Atlas; Dun & Bradstreet Marketplace, 2009; Community Websites, 2009.

Intraurban Ground Transportation

Metropolitan Area	Ave. Commuting Time (minutes)	Share over 30 Minutes	Bus Transit?	Rail Transit?	Transit Ridership
Albuquerque	24	32.3%	Yes	No	2.0%
Denver	27	41.3%	Yes	Yes	4.9%
Phoenix	26	40.8%	Yes	No	2.6%
Portland	25	35.9%	Yes	Yes	6.4%
Salt Lake City	23	28.8%	Yes	No	3.0%
San Diego	24	32.4%	Yes	Yes	3.4%

Source: American Community Survey, 2008; Community Websites, 2009.

Air Transportation

		Enplanements			Cargo (2008)
Metropolitan Area	Primary Airport	1995	2008	Change 1995 - 2008	Thousands of pounds
Albuquerque	Albuquerque International	3,079,572	3,334,953	8.3%	677,554
Denver	Denver International	14,979,616	24,117,623	61.0%	1,284,267
Phoenix	Phoenix Sky Harbor International	13,517,238	19,787,689	46.4%	1,350,083
Portland	Portland International	5,454,342	7,329,219	34.4%	1,312,346
Salt Lake City	Salt Lake City International	8,662,126	10,444,866	20.6%	1,042,505
San Diego	San Diego International	6,626,066	9,138,116	37.9%	691,896

Source: FAA Passenger Boarding and All-Cargo Data Statistics, 2008.

Market Access Comparison

Water Transportation

Metropolitan Area	Port City?	Distance to Port (miles)	Cargo Service?	Passenger Service?
Albuquerque	No	650	No	No
Denver	No	550	No	No
Phoenix	No	353	No	No
Portland	Yes	0	Yes	Yes
Salt Lake City	No	550	No	No
San Diego	Yes	0	Yes	Yes

Source: Rand McNally Road Atlas; Compass North America Inc, Seaports of the Americas.

Quality of Life Comparison

Climate Conditions

Metropolitan Area	January High	January Low	July High	July Low	Ave. Annual Humidity	Precipitation Days
Albuquerque	47	22	93	64	43%	59
Denver	43	16	88	59	53%	88
Phoenix	65	38	104	78	36%	34
Portland	45	34	80	57	74%	152
Salt Lake City	36	19	92	64	54%	88
San Diego	66	49	76	66	68%	41

Source: Sperling & Sander, Cities Ranked & Rated, 2007; Economic Research Institute, Geographic Reference Report, 2009.

Crime Rates

	Violent Crimes		Property Crimes	
Metropolitan Area	Number	Rate per 100,000	Number	Rate per 100,000
Albuquerque	6,763	799	41,539	4,906
Denver	9,016	366	77,818	3,158
Phoenix	19,497	455	182,316	4,256
Portland	6,472	293	72,034	3,263
Salt Lake City	3,941	348	53,452	4,725
San Diego	13,672	466	89,820	3,059

Source: FBI Uniform Crime Report, 2008.

Recreation

				Professional/National Sports Teams			
Metropolitan Area	Golf Rating	Restaurant Rating	Inland Water Sq Miles	Football	Basketball	Baseball	Hockey
Albuquerque	3	1	1	Yes	Yes	Yes	Yes
Denver	7	3	3	Yes	Yes	Yes	Yes
Phoenix	8	7	3	Yes	Yes	Yes	Yes
Portland	6	3	4	No	Yes	Yes	Yes
Salt Lake City	5	1	10	Yes	Yes	Yes	Yes
San Diego	7	1	5	Yes	Yes	Yes	No

Source: Sperling & Sander, Cities Ranked & Rated, 2007; Community Websites, 2009.

Ratings are on a score of 1 to 10 with 10 being the best. Golf rating is based on number, quality and cost of public and private golf courses. Restaurant rating is based on quality and availability as compiled by travel guides and other industry sources.

Quality of Life Comparison

Arts and Culture

Metropolitan Area	Museums Rating	Ballet/Theater Rating	Classical Music Rating	Public Libraries	Library Books per Capita
Albuquerque	8	6	5	35	3
Denver	9	9	9	74	3
Phoenix	9	5	6	60	2
Portland	9	7	8	65	2
Salt Lake City	9	7	6	31	3
San Diego	10	6	6	80	2

Source: Sperling & Sander, Cities Ranked & Rated, 2007.

Ratings are on a score of 1 to 10 with 10 being the best. Museum rating is based on number and quality of all museums in an area. Ballet/Theater rating is based on frequency of performances, overall quality and critical acclaim. Classical music rating covers traditional symphony and opera companies and measures number of musicians, frequency of performances, overall quality and critical acclaim.

Cost of Living Comparison

Housing Overview

Metropolitan Area	% Single Family	New Price	Resale Price	% Multi Family	Typical Rent
Albuquerque	75%	$269,500	$175,600	25%	$720
Denver	63%	$333,000	$223,200	37%	$790
Phoenix	72%	$385,000	$364,800	28%	$795
Portland	68%	$401,300	$239,400	32%	$905
Salt Lake City	72%	$322,400	$207,800	28%	$840
San Diego	56%	$583,600	$322,000	44%	$1,680

Source: National Association of Realtors, 2009; American Community Survey, 2008; ACCRA, 2009; Money Magazine, 2009.

Single Family Housing Values

Metropolitan Area	Median Value	Under $100,000	$100,000 to $199,999	$200,000 to $299,999	$300,000 to $499,999	$500,000 or more
Albuquerque	$192,500	13.7%	39.1%	26.6%	14.1%	6.5%
Denver	$251,500	5.8%	24.4%	33.5%	24.1%	12.1%
Phoenix	$244,100	9.8%	25.3%	29.4%	22.4%	13.2%
Portland	$307,400	5.3%	10.3%	32.7%	35.5%	16.2%
Salt Lake City	$235,050	6.2%	28.4%	32.0%	23.6%	9.7%
San Diego	$482,900	4.9%	3.8%	8.6%	36.0%	46.7%

Source: American Community Survey, 2008.

Multi-Family Housing Rent

Metropolitan Area	Median Rent	Under $300	$300 to $499	$500 to $749	$750 to $999	$1,000 or more
Albuquerque	$720	4.6%	12.7%	38.1%	24.0%	20.6%
Denver	$790	4.3%	6.1%	25.6%	27.7%	36.3%
Phoenix	$795	2.4%	3.7%	23.3%	28.0%	42.7%
Portland	$905	3.9%	4.7%	27.1%	34.4%	30.0%
Salt Lake City	$840	4.0%	7.5%	29.7%	33.4%	25.5%
San Diego	$1,680	2.6%	2.5%	7.7%	20.6%	66.7%

Source: American Community Survey, 2008.

Cost of Living Comparison

Cost of Living Index (U.S. = 100)

Metropolitan Area	Overall	Food	Housing	Utilities	Transpor-tation	Health Care	Misc.
Albuquerque	95	108	64	97	101	107	97
Denver	108	111	100	97	107	125	97
Phoenix	109	105	103	102	106	117	96
Portland	111	101	105	80	108	122	104
Salt Lake City	94	111	70	86	101	88	100
San Diego	170	113	226	126	113	128	104

Source: Sperling & Sander, Cities Ranked & Rated, 2007.

Health Care and Monthly Insurance Costs

Metropolitan Area	Individual HMO	Individual Indemnity	Family HMO	Family Indemnity	Doctors per Capita	Hospital Beds per Capita
Albuquerque	$506	$671	$948	$1,128	306	288
Denver	$558	$689	$1,021	$1,159	253	236
Phoenix	$507	$682	$957	$1,148	199	211
Portland	$581	$753	$1,050	$1,266	267	189
Salt Lake City	$542	$744	$1,026	$1,181	281	236
San Diego	$508	$1,184	$972	$1,799	266	243

Source: Economic Research Institute, Geographic Reference Report, 2009.

Public Sector Cost Comparison

Residential Monthly Utility Costs

Metropolitan Area	Water 1000cf	Sewer 1000cf	Electric 500kwh	Electric 1000kwh	Natural Gas Per 1000 cf
Albuquerque	$25.50	$15.71	$45.26	$91.36	$8.74
Denver	$17.36	$16.99	$45.30	$83.37	$7.84
Phoenix	$24.71	$19.15	$56.38	$105.20	$14.62
Portland	$26.87	$76.40	$45.76	$86.65	$11.71
Salt Lake City	$15.91	$13.20	$41.84	$81.49	$7.79
San Diego	$50.64	$48.06	$81.98	$244.92	$9.63

Source: Raftelis Financial Consulting, 2006; Edison Electric Institute, 2009; Energy Information Administration, 2009.

Industrial Monthly Water and Sewer Costs

Metropolitan Area	Water 1M CF	Sewer 1M CF	Total Water & Sewer
Albuquerque	$17,710	$3,033	$20,743
Denver	$16,946	$16,986	$33,932
Phoenix	$27,200	$17,459	$44,659
Portland	$20,719	$76,400	$97,119
Salt Lake City	$11,788	$21,300	$33,088
San Diego	$34,453	$40,021	$74,474

Source: Raftelis Financial Consulting, 2008; Local utility providers, 2009.

Industrial Monthly Electric and Gas Costs

Metropolitan Area	Electric 1000kw/400MWH	Electric 5000kw/1500MWH	Natural Gas (per 1000 cf) Commercial	Natural Gas (per 1000 cf) Industrial
Albuquerque	$28,723	$82,350	$7.21	$5.81
Denver	$23,996	$94,500	$7.38	$8.38
Phoenix	$34,285	$118,650	$10.97	$7.70
Portland	$30,798	$70,500	$9.93	$7.68
Salt Lake City	$24,501	$66,150	$6.66	$5.70
San Diego	$60,936	$181,500	$8.60	$8.14

Source: Edison Electric Institute, 2009; Energy Information Administration, 2009; Local utility providers, 2009.

Public Sector Cost Comparison

Personal Taxes

Metropolitan Area	Sales Tax State	Sales Tax County	Sales Tax City	Sales Tax Total	Effective Property Tax Rate	Personal Income Tax Rate
Albuquerque	5.0%	0.9%	0.7%	6.6%	1.52%	1.7% - 4.9%
Denver	2.9%	1.2%	3.6%	7.7%	2.05%	4.6% - 4.6%
Phoenix	5.6%	0.7%	1.7%	8.0%	1.50%	2.6% - 4.5%
Portland	0.0%	0.0%	0.0%	0.0%	1.94%	5.0% -11.0%
Salt Lake City	4.7%	1.2%	1.0%	6.9%	1.42%	5.0% - 5.0%
San Diego	6.3%	1.8%	0.8%	8.8%	1.07%	1.3% - 9.6%

Source: Federation of Tax Administrators, State Tax Rates 2010, Various state revenue departments, 2009-10.

Business Taxes

Metropolitan Area	Sales	Corporate Tax	Corporate Basis	Inventory	Unemployment Rate (% of payroll)	Unemployment Wage Base	Workers Comp. (per $100 payroll)
Albuquerque	6.63%	7.60%	Net Income	No	2.00%	$20,800	$2.15
Denver	7.72%	4.63%	Net Income	No	1.70%	$10,000	$1.76
Phoenix	7.95%	6.97%	Net Income	No	2.00%	$7,000	$1.67
Portland	0.00%	7.90%	Net Income	No	2.40%	$31,300	$1.88
Salt Lake City	6.85%	5.00%	Net Income	No	1.20%	$27,800	$1.63
San Diego	8.75%	8.84%	Net Income	No	3.40%	$7,000	$2.72

Source: Research Institute of America, All States Tax Handbook, 2010; Oregon Dept of Consumer and Business Services, 2008.

Wage Comparison

Administrative Support

Metropolitan Area	Accounting Clerk	Admin. Assistant	Office Manager	Payroll Clerk	Executive Secretary	Secretary
Albuquerque	$30,979	$40,606	$49,708	$36,471	$35,623	$30,304
Denver	$35,652	$45,983	$55,615	$41,605	$38,695	$34,904
Phoenix	$32,690	$42,478	$51,636	$38,305	$37,452	$31,993
Portland	$35,611	$45,607	$54,839	$41,397	$40,457	$34,873
Salt Lake City	$31,802	$41,419	$50,458	$37,313	$36,450	$31,122
San Diego	$35,689	$46,485	$56,503	$41,894	$40,938	$34,912

Source: Economic Research Institute, Geographic Reference Report, 2009; Bureau of Labor Statistics, 2009.

Office Clerical

Metropolitan Area	Data Entry Operator	File Clerk	General Clerk	Receptionist	Word Processor	Customer Svc Rep
Albuquerque	$24,779	$24,468	$30,413	$26,685	$31,782	$32,128
Denver	$28,783	$28,438	$35,025	$30,893	$36,540	$36,924
Phoenix	$26,301	$25,981	$32,106	$28,262	$33,518	$33,876
Portland	$28,851	$28,514	$34,992	$30,920	$36,485	$36,863
Salt Lake City	$25,604	$25,295	$31,232	$27,498	$32,611	$32,960
San Diego	$28,527	$28,166	$35,038	$30,734	$36,611	$37,010

Source: Economic Research Institute, Geographic Reference Report, 2009; Bureau of Labor Statistics, 2009.

Computer Operations

Metropolitan Area	Computer Operator	Computer Programmer	Lead Computer Programmer	Computer Specialist	Systems Analyst	Lead Systems Analyst
Albuquerque	$35,146	$66,483	$88,412	$48,917	$65,836	$88,465
Denver	$40,195	$72,903	$95,635	$54,538	$72,252	$95,692
Phoenix	$36,962	$67,993	$89,449	$50,487	$67,355	$89,503
Portland	$40,042	$70,288	$92,427	$52,917	$69,657	$92,482
Salt Lake City	$35,990	$65,615	$86,967	$48,414	$64,983	$87,020
San Diego	$40,419	$72,866	$95,628	$54,723	$72,249	$95,685

Source: Economic Research Institute, Geographic Reference Report, 2009; Bureau of Labor Statistics, 2009.

Wage Comparison

Skilled Production

Metropolitan Area	Certified Electrician	Electronics Assembler	Machine Tool Op.	Machinist	Tool & Die Maker	Welder
Albuquerque	$48,600	$25,436	$33,850	$44,738	$48,588	$37,701
Denver	$53,957	$28,824	$38,010	$49,294	$53,292	$42,002
Phoenix	$49,930	$26,562	$35,149	$45,986	$49,810	$39,004
Portland	$56,866	$29,626	$38,794	$49,920	$53,819	$42,728
Salt Lake City	$49,895	$26,133	$34,557	$45,318	$49,148	$38,387
San Diego	$57,669	$27,956	$37,374	$48,942	$52,982	$41,450

Source: Economic Research Institute, Geographic Reference Report, 2009; Bureau of Labor Statistics, 2009.

Maintenance - Material Moving

Metropolitan Area	Forklift Operator	Materials Handler	Heavy Truck Driver	Maintenance Helper	Maintenance Worker	Warehouse Worker
Albuquerque	$26,245	$27,068	$36,284	$21,825	$30,298	$25,823
Denver	$29,685	$30,583	$40,514	$24,928	$34,191	$29,246
Phoenix	$27,557	$28,397	$37,804	$23,241	$31,979	$26,954
Portland	$30,305	$31,201	$41,036	$25,572	$34,812	$30,050
Salt Lake City	$27,297	$28,125	$37,426	$22,835	$31,363	$26,517
San Diego	$29,446	$30,382	$40,698	$24,887	$34,676	$28,389

Source: Economic Research Institute, Geographic Reference Report, 2009; Bureau of Labor Statistics, 2009.

2-year College Comparison

Albuquerque

College	Location	Type	#Majors	Undergraduate Enrollment
Central New Mexico Community College	Albuquerque	Public	86	24,870
Pima Medical Institute	Albuquerque	Private	9	781
Southwestern Indian Polytechnic Institute	Albquerque	Public	38	470
Apollo College	Albuquerque	Private	8	

Source: Peterson's Guide to Two-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

Denver

College	Location	Type	#Majors	Undergraduate Enrollment
Front Range Community College	Westminster	Public	39	15,270
Community College of Denver	Denver	Public	23	8,359
Red Rocks Community College	Lakewood	Public	37	7,223
Arapahoe Community College	Littleton	Public	36	7,132
Community College of Aurora	Aurora	Public	16	4,885
Lincoln College of Technology	Denver	Private	2	863
Bel-Rea Institute of Animal Technology	Denver	Private	1	644
ITT Technical Institute	Thornton	Private	10	611

Source: Peterson's Guide to Two-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

2-year College Comparison

Phoenix

College	Location	Type	#Majors	Undergraduate Enrollment
Mesa Community College	Mesa	Public	36	23,825
Rio Salado Community College	Phoenix	Public	33	19,186
Glendale Community College	Glendale	Public	31	18,228
Phoenix College	Phoenix	Public	81	10,917
Chandler-Gilbert Community College	Chandler	Public	35	10,409
Scottsdale Community College	Scottsdale	Public	53	10,077
Paradise Valley Community College	Phoenix	Public	7	9,105
Gateway Community College	Phoenix	Public	47	6,853
Estrella Mountain Community College	Avondale	Public	24	6,358
South Mountain Community College	Phoenix	Public	20	5,138
Apollo College-Phoenix Inc	Phoenix	Private	13	4,533
Universal Technical Institute-Motorcycle Mechanics	Phoenix	Private	1	1,758
Universal Technical Institute	Avondale	Private	2	1,730
Southwest Institute of Healing Arts	Tempe	Private	2	1,309
Pima Medical Institute	Mesa	Private	11	860
The Bryman School	Phoenix	Private	8	744
Lamson College	Tempe	Private	4	643
Kaplan College-Phoenix	Phoenix	Private	5	560
Refrigeration School Inc	Phoenix	Private	4	442
Arizona Automotive Institute	Glendale	Private	3	341
Arizona College of Allied Health	Glendale	Private	3	205

Source: Peterson's Guide to Two-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

Portland

College	Location	Type	#Majors	Undergraduate Enrollment
Portland Community College	Portland	Public	61	26,278
Clark College	Vancouver	Public	35	10,608
Mt. Hood Community College	Gresham	Public	63	7,799
Clackamas Community College	Oregon City	Public	56	7,310
Apollo College	Portland	Private	1	1,518
Western Culinary Institute	Portland	Private	3	822
Everest College	Portland	Private	12	716
Heald College	Portland	Private	4	454
Everest College	Vancouver	Private	4	448

Source: Peterson's Guide to Two-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

2-year College Comparison

Salt Lake City

College	Location	Type	#Majors	Undergraduate Enrollment
Salt Lake Community College	Salt Lake City	Public	97	29,396
Davis Applied Technology College	Kaysville	Private	3	3,647
Ogden-Weber Applied Technology College	Ogden	Private	39	3,326
LDS Business College	Salt Lake City	Private	18	1,377
Ameritech College	Draper	Private	1	363
Eagle Gate College	Salt Lake City	Private	3	178

Source: Peterson's Guide to Two-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

San Diego

College	Location	Type	#Majors	Undergraduate Enrollment
Palomar College	San Marcos	Public	127	27,222
San Diego Mesa College	San Diego	Public	78	21,437
Southwestern College	Chula Vista	Public	100	18,799
Grossmont College	El Cajon	Public	38	16,829
San Diego City College	San Diego	Public	68	15,475
MiraCosta College	Oceanside	Public	89	10,682
Cuyamaca College	El Cajon	Public	45	9,358
ITT Technical Institute	San Diego	Private	11	1,043
Pima Medical Institute	Chula Vista	Private	7	813
Maric College	San Diego	Private	1	298
Platt College	San Diego	Private	9	264
Fashion Careers of California College	San Diego	Private	2	141
Fashion Inst. of Design & Merchandising	San Diego	Private	2	141

Source: Peterson's Guide to Two-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

4-year College Comparison

Albuquerque

College/University	Location	Type	Highest Degree	Undergraduate Enrollment
University of New Mexico	Albuquerque	Public	Doctorate	20,047
University of Phoenix	Albuquerque	Private	Masters	3,574
ITT Technical Institute	Albuquerque	Private	Bachelors	618
College of Santa Fe at Albuquerque	Albuquerque	Private	Masters	519
Art Center Design College	Albuquerque	Private	Bachelors	294
IIA College	Albuquerque	Private	Bachelors	160

Source: Peterson's Guide to Four-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

Denver

College/University	Location	Type	Highest Degree	Undergraduate Enrollment
Metropolitan State College	Denver	Public	Bachelors	21,425
University of Colorado at Denver	Denver	Public	Doctorate	11,036
Regis University	Denver	Private	Doctorate	7,900
University of Denver	Denver	Private	Doctorate	5,285
Colorado School of Mines	Golden	Public	Doctorate	3,310
The Art Institute of Colorado	Denver	Private	Bachelors	2,925
Colorado Christian University	Lakewood	Private	Masters	1,921
Johnson & Wales University	Denver	Private	Bachelors	1,466
University of Phoenix	Lone Tree	Private	Masters	1,247
Westwood College North	Denver	Private	Masters	1,086
DeVry University	Westminster	Private	Masters	600
Rocky Mountain College of Art & Design	Denver	Private	Bachelors	498
Colorado Technical University	Greenwood Village	Private	Masters	463
Westwood College South	Denver	Private	Bachelors	335
Jones International University	Centenial	Private	Doctorate	296
National American University	Denver	Private	Bachelors	171

Source: Peterson's Guide to Four-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

4-year College Comparison

Phoenix

College/University	Location	Type	Highest Degree	Undergraduate Enrollment
Arizona State University - Main	Tempe	Public	Doctorate	55,552
Arizona State University - Downtown	Phoenix	Public	Doctorate	11,503
Arizona State University - West	Glendale	Public	Doctorate	10,380
Grand Canyon University	Phoenix	Private	Masters	9,772
Arizona State University - Polytechnic	Mesa	Public	Doctorate	9,146
University of Phoenix	Phoenix	Private	Masters	3,980
Everest College - Phoenix	Phoenix	Private	Bachelors	3,350
Anthem College	Phoenix	Private	Bachelors	2,280
Western International University	Phoenix	Private	Masters	2,258
Midwestern University	Glendale	Private	Doctorate	1,787
Collins College	Tempe	Private	Bachelors	1,456
Thunderbird School of Global Management	Glendale	Private	Masters	1,349
DeVry University	Phoenix	Private	Masters	1,314
Scottsdale Culinary Institute	Scottsdale	Private	Bachelors	1,204
University of Advancing Technology	Tempe	Private	Masters	1,152
The Art Institute of Phoenix	Phoenix	Private	Bachelors	1,126
IIA College	Phoenix	Private	Bachelors	914
ITT Technical Institute	Tempe	Private	Bachelors	803
Ottawa University	Phoenix	Private	Masters	553
Southwestern College	Phoenix	Private	Bachelors	381
Southwest College of Naturopathic Medicine	Tempe	Private	Doctorate	331
ITT Technical Institute	Phoenix	Private	Bachelors	126
Chamberlain College of Nursing	Phoenix	Private	Bachelors	119
Everest College - Mesa	Mesa	Private	Bachelors	116
American Indian College of the Assemblies of God	Phoenix	Private	Bachelors	99
Argosy University	Phoenix	Private	Doctorate	75
International Baptist College	Tempe	Private	Doctorate	73

Source: Peterson's Guide to Four-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

4-year College Comparison

Portland

College/University	Location	Type	Highest Degree	Undergraduate Enrollment
Portland State University	Portland	Public	Doctorate	20,330
University of Portland	Portland	Private	Masters	3,041
Linfield College	McMinnville	Private	Bachelors	2,043
Lewis & Clark College	Portland	Private	Doctorate	1,999
George Fox University	Newberg	Private	Doctorate	1,980
The Art Institute of Portland	Portland	Private	Bachelors	1,786
Pacific University	Forest Grove	Private	Doctorate	1,481
Reed College	Portland	Private	Masters	1,442
Pioneer Pacific College	Wilsonville	Private	Bachelors	1,273
University of Phoenix-Oregon Campus	Tigard	Private	Masters	1,092
Concordia University	Portland	Private	Masters	1,065
Marylhurst University	Marylhurst	Private	Masters	946
Warner Pacific College	Portland	Private	Masters	874
ITT Technical Institute	Portland	Private	Bachelors	682
Oregon Health Science University	Portland	Public	Doctorate	604
Multnomah University	Portland	Private	Masters	582
Pacific Northwest College of Art	Portland	Private	Masters	477
Oregon College of Oriental Medicine	Portland	Private	Doctorate	296
Cascade College	Portland	Private	Bachelors	282
Oregon College of Art and Craft	Portland	Private	Bachelors	128
DeVry University	Portland	Private	Masters	102

Source: Peterson's Guide to Four-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

4-year College Comparison

Salt Lake City

College/University	Location	Type	Highest Degree	Undergraduate Enrollment
Brigham Young University	Provo	Private	Doctorate	30,912
University of Utah	Salt Lake City	Public	Doctorate	21,526
Weber State University	Ogden	Public	Masters	20,870
Western Governors University	Salt Lake City	Private	Masters	8,344
Westminster College	Salt Lake City	Private	Masters	2,131
University of Phoenix-Utah Campus	Salt Lake City	Private	Masters	2,032
Stevens-Henager College	Murray	Private	Masters	705
ITT Technical Institute	Murray	Private	Bachelors	661
Utah Career College	West Jordan	Private	Bachelors	422
Eagle Gate College	Murray	Private	Bachelors	406
Neumont University	South Jordan	Private	Masters	269
The Art Institute	Draper	Private	Bachelors	233
Everest College	West Valley City	Private	Bachelors	179
DeVry University	Sandy	Private	Masters	52
Argosy University	Draper	Private	Doctorate	19

Source: Peterson's Guide to Four-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

San Diego

College/University	Location	Type	Highest Degree	Undergraduate Enrollment
San Diego State University	San Diego	Public	Doctorate	30,460
University of California, San Diego	La Jolla	Public	Doctorate	22,048
National University	La Jolla	Private	Masters	7,417
University of San Diego	San Diego	Private	Doctorate	4,932
Point Loma Nazarene College	San Diego	Private	Masters	2,346
University of Phoenix - San Diego	San Diego	Private	Masters	2,335
Art Institute of California - San Diego	San Diego	Private	Bachelors	2,145
California College	San Diego	Private	Bachelors	568
Coleman College	San Diego	Private	Masters	477
Design Institute of San Diego	San Diego	Private	Bachelors	457
Newschool of Architecture & Design	San Diego	Private	Masters	307
Remington College	San Diego	Private	Bachelors	287
Platt College	San Diego	Private	Bachelors	226
Alliant International University	San Diego	Private	Doctorate	183
Southern California Seminary	El Cajon	Private	Doctorate	73

Source: Peterson's Guide to Four-Year Colleges, 2009; National Center for Education Statistics, College Navigator, 2010.

Appendix B

Operating Cost Comparison

PROJECT PRO-FORMA INPUT TO CALCULATE ANNUAL OPERATING COST FOR INFORMATION TECHNOLOGY

The Annual Business Operating Cost Pro-forma has been prepared using the following information provided to us on your company operations. If information was not obtained on a particular operating factor, we have used assumptions based on other similar business operations. We would be pleased to change your project parameters if these are not correct. The Pro-forma information contains all the basic data used in the operating cost calculation.

Real Estate

Building Type:	Office: Suburban Class B
Building Square Feet:	9,000
Status:	Lease
Acres for Construction:	0.0

Capital Investment

Machinery and Equipment:	$450,000

Monthly Utility Use

Electricity Demand/Usage:	Included in lease
Water Usage:	Included in lease
Wastewater Usage:	Included in lease
Natural Gas Usage:	None

Work Force (full-time equivalents)

Computer Programmer	8
Electronics Technician	6
Office Manager	4
Secretary	2
Sales Representative (non-scientific)	2
Accountant	2

PROJECT PRO-FORMA INPUT TO CALCULATE ANNUAL OPERATING COST FOR INFORMATION TECHNOLOGY

Accounting Clerk	2
Personnel Analyst	1
Electrical Engineer	1
Designer	1
Computer Operator	1
Total Work Force:	30

INFORMATION TECHNOLOGY
ANNUAL BUSINESS OPERATING COSTS

Metro Area	Employee Payroll	Fringe and Mandated Benefits	Utilities	Building / Lease Payments	Property Tax	Total Operating Cost	Local Index
Salt Lake City	$1,554,033	$371,674	$0	$162,000	$6,383	$2,094,091	96.3%
Albuquerque	$1,561,388	$382,239	$0	$153,000	$6,853	$2,103,480	96.8%
Phoenix	$1,600,002	$377,768	$0	$189,000	$6,758	$2,173,528	100.0%
Portland	$1,686,011	$415,518	$0	$170,640	$8,726	$2,280,894	104.9%
Denver	$1,716,937	$407,104	$0	$159,930	$9,210	$2,293,181	105.5%
San Diego	$1,737,084	$422,803	$0	$216,000	$4,824	$2,380,711	109.5%

See detailed tables for sources.

The annual estimated business operating costs table summarizes the annual cost of labor, utilities and facilities for selected metropolitan areas. Detailed calculations and source of costs of doing business for labor, utilities and facilities are provided in the following tables, which include costs such as worker's comp, unemployment insurance, health insurance, gas and electricity, annual real estate (lease or purchase) and taxes.

INFORMATION TECHNOLOGY
HOURLY WAGE COMPARISON

Job Title	Albuquerque	Denver	Phoenix	Portland	Salt Lake City	San Diego
Accountant	$23.62	$26.57	$24.62	$25.99	$23.81	$26.58
Accounting Clerk	$14.89	$17.14	$15.72	$17.12	$15.29	$17.16
Computer Operator	$16.90	$19.32	$17.77	$19.25	$17.30	$19.43
Computer Programmer	$31.96	$35.05	$32.69	$33.79	$31.55	$35.03
Designer	$24.24	$26.88	$24.79	$26.33	$24.58	$27.40
Electrical Engineer	$41.40	$42.63	$40.62	$42.41	$39.96	$44.00
Electronics Technician	$23.53	$25.06	$23.60	$25.00	$22.89	$25.89
Office Manager	$23.90	$26.74	$24.83	$26.36	$24.26	$27.16
Personnel Analyst	$24.80	$27.83	$25.82	$27.18	$24.98	$27.84
Sales Representative (non-scientific)	$22.35	$25.06	$23.20	$24.92	$22.74	$25.58
Secretary	$14.57	$16.78	$15.38	$16.77	$14.96	$16.78

Source: Economic Research Institute, Geographic Reference Report, 2009.

The detailed hourly wage comparison shows wages for the occupational titles included in the pro-forma, or those most closely related to the occupations provided by the client.
The wage data comes from the Economic Research Institute, Geographic Reference Report. This annual report is a comparison of costs, wages, salaries and human resource statistics for all major cities in the United States and Canada. The Economic Research Institute compiles data from a large number of both public and private sources across the country to produce wage and cost data. This source is very consistent across geographies and therefore provides a fair comparison of relative wage rates for the operating cost comparison.

The wage rates for each occupation are converted to annual wages, and then multiplied by the number of workers in that occupation based on the pro-forma specifications. The sum of these calculations for all occupations is equal to the total payroll shown in the annual operating cost table.

INFORMATION TECHNOLOGY
ANNUAL FRINGE AND MANDATED BENEFIT COSTS

Metro Area	Retirement and Savings Plans	Life and Health Insurance	Social Security	Worker's Compensation	Unemployment Insurance	Total Benefits Paid by Employer	Local Index
Albuquerque	$77,289	$160,823	$119,446	$12,201	$12,480	$382,239	101.2%
Denver	$84,988	$176,845	$131,346	$8,825	$5,100	$407,104	107.8%
Phoenix	$79,200	$164,800	$122,400	$7,168	$4,200	$377,768	100.0%
Portland	$83,458	$173,659	$128,980	$6,885	$22,536	$415,518	110.0%
Salt Lake City	$76,925	$160,065	$118,884	$5,793	$10,008	$371,674	98.4%
San Diego	$85,986	$178,920	$132,887	$17,871	$7,140	$422,803	111.9%

Source: Bureau of Labor Statistics, "Employer Costs", 2008; OR Dept of Consumer & Business Svcs, "Workers' Comp Premium Ranking", 2008; RIA, "All States Tax Handbook", 2010.

This table includes information from a number of sources. The first column, retirement and savings plans, is equal to 4.95 percent of total payroll. The second column, life and health insurance, is equal to 10.30 percent of total payroll. These percentages are based on averages from Bureau of Labor Statistics, Employment Cost Indexes and Levels, 2006. The third column is the employer portion of social security, which is equal to 7.65 percent of total payroll. The fourth column contains workers' compensation costs. Rates for workers' compensation are occupation specific. Different rates are applied to payroll for clerical, manufacturing, maintenance, high tech, and managerial workers. These rates also vary by state. The rates are from the Oregon Department of Consumer and Business Services, Oregon Workers' Compensation Premium Rate Ranking. This source is an annual survey conducted by the State of Oregon that compares workers' compensation costs by state.

The fifth column in the benefits table is unemployment insurance, which also varies by state. For each state there is a rate and a maximum base. In most cases the maximum taxable payroll base is lower than the annual wages of any of the occupations in the pro-forma. Thus the calculation for unemployment insurance is equal to the maximum payroll base times the total number of employees times the percentage rate for each metro area. The source for unemployment insurance rates is the Research Institute of America, All States Tax Handbook, which is an annual guide to state level tax rates.

INFORMATION TECHNOLOGY
ESTIMATED LEASE, LAND, AND BUILDING COSTS

	Building Lease		Building Purchase		Land & Building Construction				
Metro Area	Annual SqFt Lease Rate	Total Annual Lease Cost	Annual SqFt Purchase Rate	Total Annual Purchase Cost	Land Cost per Acre	Building Construction Cost	Total Land and Building Cost	Total Annual Payments	Local Index
Albuquerque	$17.00	$153,000		$0	$0	$0	$0	$153,000	81.0%
Denver	$17.77	$159,930		$0	$0	$0	$0	$159,930	84.6%
Phoenix	$21.00	$189,000		$0	$0	$0	$0	$189,000	100.0%
Portland	$18.96	$170,640		$0	$0	$0	$0	$170,640	90.3%
Salt Lake City	$18.00	$162,000		$0	$0	$0	$0	$162,000	85.7%
San Diego	$24.00	$216,000		$0	$0	$0	$0	$216,000	114.3%

Source: NAI Global Market Reports, 2009; Means Construction Index, 2010; Local real estate contacts, 2010.

Footnote: Total annual payments are based on purchase and/or land and construction costs and/or lease costs.

This table calculates annual lease costs based on total building square footage and type of building, total construction and purchase costs. The annual square foot lease rate information for office, industrial and high tech space are from local market reports from major national brokerages or from interviews with local brokers. Lease rates for each metro area vary by building size for industrial buildings, where there are six different size ranges. The square feet ranges are 0-4,999, 5,000-19,999, 20,000-39,999, 40,000-59,999, 60,000-99,999, and 100,000 or more. Lease rates for office buildings are included for suburban and central business district Class A and B office space. There is only one rate for high tech space. The appropriate annual rate is multiplied by the number of square feet specified in the pro-forma to calculate total annual lease cost. Purchase costs are from the same source and are calculated in the same fashion.

For new construction, the user must specify the total number of acres, type of building, and number of square feet of built space. Land costs are also from the Society of Industrial and Office Realtors and vary by four size ranges, 0-2, 2-5, 5-10, and 10 acres or more. Construction costs are calculated using a base per square foot cost for either standard industrial, office class A CBD, office class B, office suburban or high tech buildings. This base cost is then multiplied by a city-specific index. The construction cost information is taken from the Means Construction Cost Indexes, which is a standard guide for cost estimating in the construction industry.
If there is new construction or a building purchase, the annual payment for land and building costs is equal to 12 times the amortized monthly payment at 0.75 percent monthly interest over 240 months for the sum of land, construction and purchase costs.

INFORMATION TECHNOLOGY
ANNUAL UTILITY COSTS

Metro Area	Electricity	Natural Gas	Water	Sewer	Annual Costs	Local Index
Albuquerque	$0	$0	$0	$0	$0	100.0%
Denver	$0	$0	$0	$0	$0	100.0%
Phoenix	$0	$0	$0	$0	$0	100.0%
Portland	$0	$0	$0	$0	$0	100.0%
Salt Lake City	$0	$0	$0	$0	$0	100.0%
San Diego	$0	$0	$0	$0	$0	100.0%

Source: Edison Electric Institute, "Typical Residential, Commercial and Industrial Bills", 2009; Energy Information Administration, "Natural Gas Monthly", 2009; Raftelis Financial Consulting, 2006; Various Municipal Utility providers, 2009.

Utility costs include electricity, natural gas, water and sewer. Usage levels for each type of utility are specified in the pro-forma input. Rates for each usage level for each type of utility are stored in the database. For electricity, the primary source was the Edison Electric Institute, Typical Residential, Commercial and Industrial Bills. In a few cases, rates for particular utilities were not included in this source, and rate schedules were obtained directly from providers. For natural gas, the rates are based on per thousand cubic feet costs for natural gas from the Energy Information Administration, Natural Gas Monthly. For water and sewer, the primary source was the Raftelis Financial Consulting Group, Water and Wastewater Rate Survey, which is a national survey of water and wastewater charges by city. For cities not included in this survey, rate schedules were obtained directly from the water provider for the central city in a metro area.

INFORMATION TECHNOLOGY
PROPERTY TAX COST

Metro Area	Tax Rate	Assessment Ratio		Effective Tax Rate		Taxable Property		Total Tax	Local Index
		Personal	Real	Personal	Real	Personal	Real		
Albuquerque	4.57%	33.33%	33.33%	1.52%	1.52%	$450,000	$0	$6,853	101.4%
Denver	7.06%	29.00%	29.00%	2.05%	2.05%	$450,000	$0	$9,210	136.3%
Phoenix	7.15%	21.00%	21.00%	1.50%	1.50%	$450,000	$0	$6,758	100.0%
Portland	1.94%	100.00%	100.00%	1.94%	1.94%	$450,000	$0	$8,726	129.1%
Salt Lake City	1.42%	100.00%	100.00%	1.42%	1.42%	$450,000	$0	$6,383	94.5%
San Diego	1.07%	100.00%	100.00%	1.07%	1.07%	$450,000	$0	$4,824	71.4%

Property taxes are calculated for personal property, which is specified as the capital investment amount in the pro-forma information, total land and building cost in the case of new construction, plus the cost of any purchased buildings. For each metro area there is a tax rate and real and personal assessment ratios. The product of the tax rate and the assessment ratio is the effective tax rate. The effective rate times the taxable property value is equal to the tax. The property tax assessment ratios and rates are taken from individual city web sites, and state department of revenue web sites.

Source: Various State Revenue Departments and Tax Commissions, 2009-10; Local Assessors, 2009-10.

Appendix C

Recommended Website Data

Chabin

Economic Development Website Content

GENERAL CONTENT	
1. Global Contact Information	General contact information on every page.
2. Contact Us	Contact page includes mailing address and names specific person/email address to contact for specific services. Map/directions included if face-to-face contact is part of organization's function.
3. About Us	Overview of organization's purpose, priorities, projects (in summary fashion), organizational structure (departments, divisions, administrative staff and board members), historical accomplishments, budget (if public agency). Staff photos and bios recommended but not required.
4. News / Newsroom	Shows evidence of recent activity; easy to find stories by topic or date; no copyright violations. Journalists (and others) can find media contact, news releases, hi-res photos of projects.
5. Job Openings	Easy to find job announcements, read full description, apply for jobs.
6. Outgoing Links	External links used for secondary, not primary information; user not sent on a scavenger hunt.
7. Reply Form	Reply form, if included, is brief; alternate email included for those who don't use reply form.
8. No Registration Barriers	Can access most information without registering/logging in.
9. Calendar	Can find information by topic as well as date; details provide enough information to participate.
SITE SELECTION CONTENT	
1. Incentives/Tax Exemptions	State and local; easy to determine who qualifies; can perform rough calculation using information provided; can determine whether desired property is in zone; concise, yet complete.
2. Properties	Easy to navigate, up to date, complete; Includes property type, size range, use, distance to transportation, sales/lease options, cost, ceiling height.
3. Business Parks/Retail Areas	Brief overview of major business/industrial parks, business districts, shopping centers; improvements, recognizable businesses; map showing locations.
4. Maps	Show regional location/transportation and community assets.
5. Highways/Distances	Map(s) showing access to major highways and street access to business locations; chart or map showing distance to markets (time or miles)
6. Air/Rail/Port	Nearest major airport, destinations; nearest general aviation airport commercial features; rail provider, nearest services; port distance, services.
7. Demographics	Population over time, age, ethnicity, income level, educational attainment; up-to-date, sourced.
8. Labor Costs & Availability	Labor force/unemployment; skilled and unskilled occupations, starting and experienced wages, size and geographic boundaries of labor market; up-to-date, sourced.
9. Hiring/Training, Higher Ed	Summary of benefits, qualifications, contacts; college/univ. contacts, summary of business partnerships or departments that support local industry.
10. Tax Rates	State and local, including property tax breakdowns; with basis for calculation; tied to map if rates vary.
11. Permitting	Schedules, fees, fast-track policy, contacts, downloadable forms.

12. Utilities	Electric, gas, water, sewer business contacts/links; utility costs.
13. Business Climate	Major employers, employment by sector, recent business locations, examples of business activity and improvements.
14. Business Resources	Business assistance, financing, industry associations, university partnerships, etc. For programs that directly assist businesses, the site explains benefit, who qualifies, how to apply, who to contact.
15. Quality of Life	Crime rate, K-12 education, housing costs, healthcare, climate, recreation/culture.
BONUS ITEMS (CONTENT)	
1. Site Selector Page	Preferred content: location map, recent locations, business climate, report builder (checklist), key advantages, business/shopping districts and industrial parks.
2. Incentives Calculator	Calculator that produces rough estimate of savings based on employees, capital investment, etc.
3. GIS Mapping	GIS map linking properties to demographic information; aerial photo w/ roads preferred.
4. Risk Factors	Natural and manmade hazards.
5. Benefits/Cost Comparisons	Brief, objective summary of competitive advantages, linked to supporting data. Sourced, dated comparisons of *business* factors (e.g., utilities, labor, real estate).
6 Industry Profiles	Industry-specific data on target industries, including local employers, labor costs, support industries/services, incentives; a business case for this industry.
7. Case Studies	Brief, scannable narratives with challenge, solution, results, quotes, showing a local business success.
8. Call to Action	Invites contact for supplementary material, not missing information (e.g., newsletter sign-up, video, custom cost comparison; not "call for details about incentives")
9. Online Proposal	Client can log in and view confidential proposal online; proposal will also print out.
10. Properties Map	Maps showing building placement on lot to accompany property descriptions
11. Webcam	Webcam image of business area(s).
12. Labor – Workers comp	Workers' comp costs
13. Labor – Unions	Union activity

Appendix D

Website User Study Executive Summary

Chabin Concepts | Austin Consulting | FirstEnergy

Website Users Study 2008



Economic Development Websites

Executive Summary

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Highlights of Website User Study

GOAL:

Establish guidelines for developing a business recruitment website that meets audience expectations for content and functionality at all phases of the site location search process.

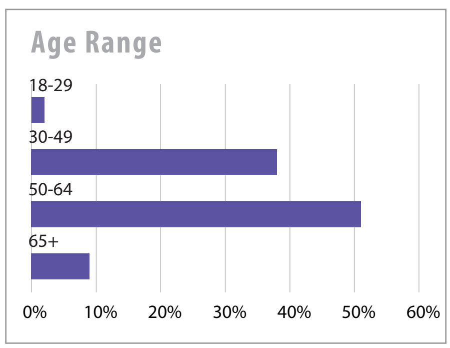
User Testing	Online Survey
WHAT: Observe users performing tasks on websites	WHAT: 22-question survey in Zoomerang.com
WHY: • Explore behavior in 'real-world' setting • Observe navigational behavior • Test behavior vs. intention	WHY: • Test broader audience • Measure preferences & priorities • Identify user trends

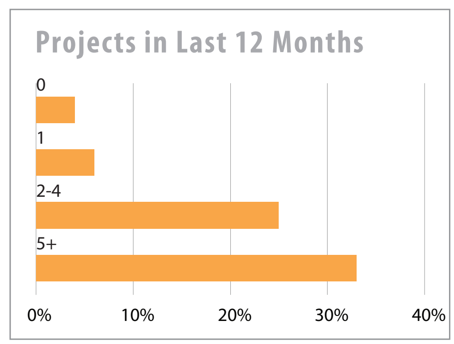
Chabin Concepts, Austin Consulting, and First Energy conducted an economic development website users study in 2007/2008. It was implemented in two parts:

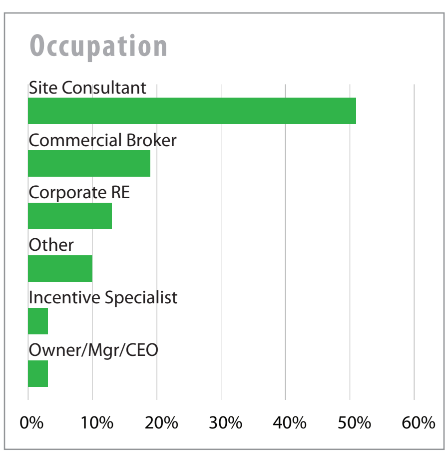
1) Exploratory **user testing** of 4 site selectors performing assigned tasks on economic development websites.
2) **Online survey** completed by 67 respondents, roughly half of whom were site selectors. All but two had worked on a business location project in the last year.

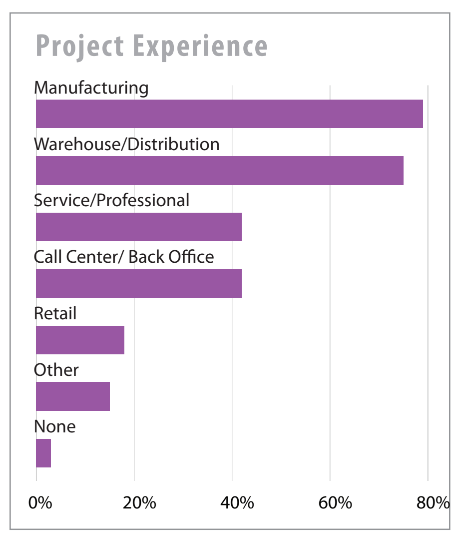
The key findings are highlighted in this overview. To purchase a copy of the full report, please contact one of the survey sponsors listed on the back page.

Survey Participants



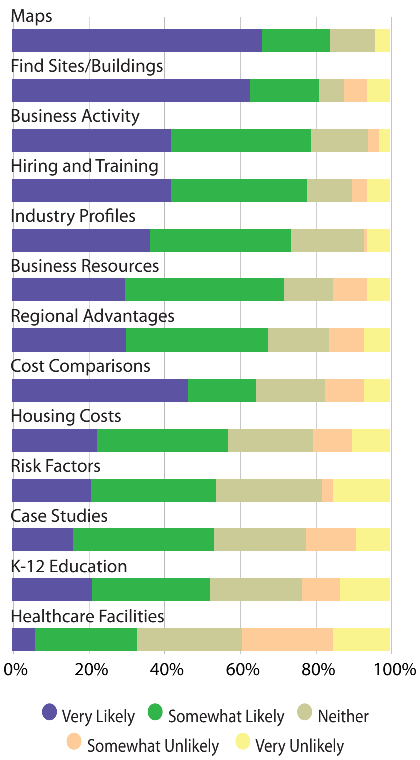






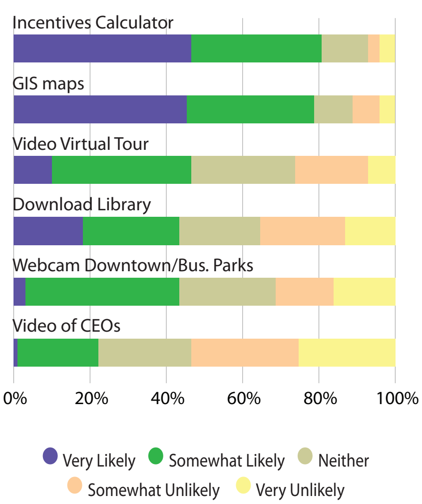
Content Priorities

What is the likelihood that you would go to each of the following web page links wiithin an economic development website at some point during a business location project?



Extended Features

What is the likelihood that you would use these features at some point during a business location project?



Content

Issues related to the information delivered on economic development websites.

Top Frustrations

- Top 4 frustrations on ED websites:
  - Out of date (25%)
  - Lack of contact info (16%)
  - Incomplete information (16%)
  - Navigational issues (16%)

Top Content

- Top-ranked content tends to correlate with site selection factors.
- 60% or more were also interested in business activity, regional advantages, business resources, and cost comparisons.
- Housing and K-12 education were important to at least 50% of the audience.

Web vs. Personal Contact

- Website was preferred over personal contact as a source for obtaining every late-stage item listed except project-specific tax incentive details.

Home Page Behavior

- Users hunting for specific information looked at the home page only long enough to find a link.
- Users “just browsing” still looked for something to click, scanning rather than reading the home page.

Site Selectors Page

- 85% were somewhat or very likely to visit a “Site Selectors” page.
- A site selectors page may be most useful on sites with diverse audiences (retention, tourism, etc.); on business recruitment sites, the home page can serve this function.

Property Listings and GIS

- 78% were somewhat or very likely to visit a GIS map linking property to demographic data.
- 62% found radial and county/city data equally useful.
- An equal number (69%) desired workforce distribution figures by county and by radius on maps.
- 61% preferred to obtain a map with sewer and water online vs. 9% by personal contact.
- 57% preferred to obtain a map showing building position online vs. 24% by personal contact.
- Less than a third found property listings “complete” or “up-to-date.”
- Less than half agreed that property listings were typically “easy to navigate.”
- External GIS websites can create navigational difficulties for users seeking all available transportation, demographic, and tax incentive information for a given area.

Maps and Transportation

- 84% were somewhat or very likely to visit a “Maps” page.
- Features directly related to site selection were considered most desirable on a map.
- Transportation information is often separated from maps on economic development websites, resulting in navigational errors.
- Some users clicked on static maps, assuming they would be interactive.

Taxes and Incentives

- 80% were somewhat or very likely to use an incentives calculator.
- Incentive zone designation was the highest ranked item desired on maps (86% said they would use it).

- 55% preferred to get detailed incentive information (i.e., late-stage, project specific) in person vs. 37% on a website; however, other data (*Area Development*, DCI) shows general incentive information is a high priority on websites.
- Summary data to calculate estimates was valued over wordy explanations.
- On regional sites, tax and incentive information should describe qualifying geographic boundaries.
- Users looked for incentive information in community profiles, property databases, and local websites, as well as on the "Incentives" page of regional websites.
- Property taxes were a high priority tax issue during user testing.

Utilities

- 57% preferred to obtain utility rates online vs. 30% by personal contact.
- Users looked for rates in a format they could use to calculate costs (e.g., cost per KWH).
- Utility layers were desired on maps (see "Property Listings and GIS").
- External links to utility providers should go to economic development pages of website.
- Regional sites with multiple providers should consider methods to identify which locations are served by each provider.

Functionality

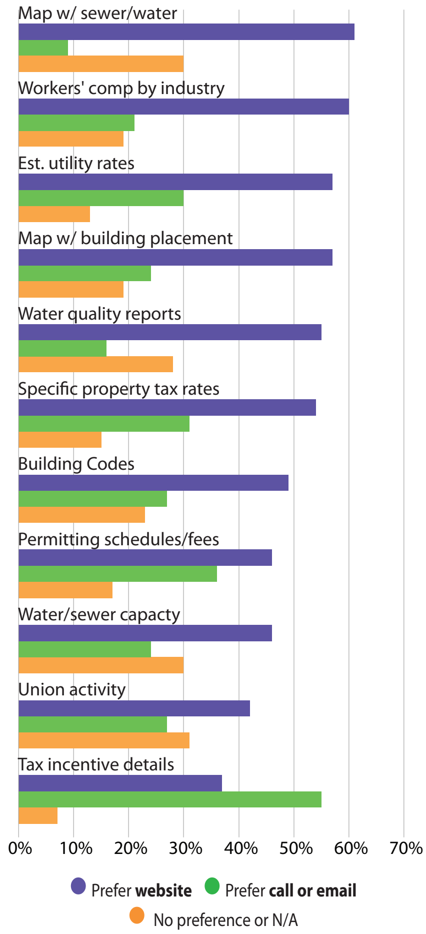
What "bells and whistles" are truly valued by users?

Technology Adaptation

- 76% had viewed an online video for work-related information.

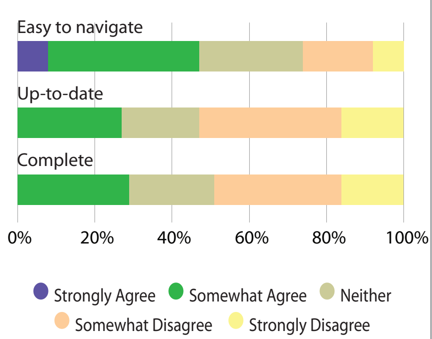
Web or Personal Contact

In the later stages of a site search, the following items are sometimes desired. Do you prefer to obtain this information on a website, if available, or request it from a local representative?



Properties Listings

On average, how would you characterize the searchable property listings that you have visited?



SAMPLE OF USER COMMENTS

Taxes and Incentives

"They have a little example how to calculate the tax credit, which is nice."

"What I'd like to see is a table of all the communities in the region with their tax rate."

"No phone call required. They had the local rates right there, with the explanation."

"With Charlotte, it got down to specifics in the first few seconds. That's why I was impressed. "

[Reading a utility incentive description] " 'On a case by case basis'—that's not helpful at all."

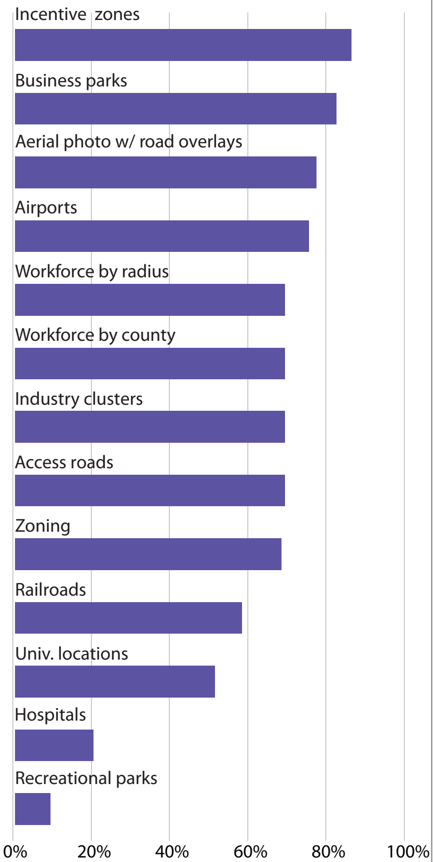
"At some point I like to get on the phone with someone and get the economic temperature. They sometimes will tell you which [incentive] to focus on."

"Yeah, all the criteria are here. I can just cut and/or download this. Is there a way to download? I'm not going to nail this down, but these are possible/probable. I'm not seeing much on wage criteria."

"We're looking at 12 counties in 2 states. I need to get down to the county level."

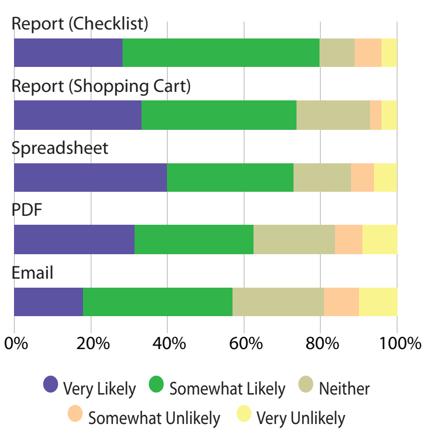
Map Layers

Given an interactive map that allows you to turn features on or off, what features are you most likely to select?



Export Options

If an economic development website allowed you to export data, what is the likelihood you would use any of the following options:



- 70% had viewed a website from a handheld device.
- 40% had visited a social networking site for work-related information.
- 33% had listened to a work-related podcast or posted to a blog.
- Only 15% had knowingly used RSS, but there are other reasons to believe this technology will grow.

Extended Features

- Incentives calculators and GIS maps were the most popular extended features.
- More than 40% were interested in video virtual tours, download libraries and webcam images of business areas.

Export Options

- Most community data is saved and used offline; however, users scan for screening information online.
- Report builders and spreadsheets were the most popular export options, but preference was dependent on the type of information (e.g., narrative information may be copied to word processing applications).
- In practice, report builders were often overlooked on websites (but users who found them liked them).
- PDFs are useful for supplemental information, but they don't accommodate copying/pasting, and they can cause viewing problems when used in place of HTML page content.

Online Proposals

- 66% were interested in receiving a project proposal online through a password-protected area of the website.

Navigability

How the audience navigates through the site (menus, search, etc.).

Site Organization

- Transportation, incentives, and some demographic information tends to be scattered across websites, resulting in missed pages and misdirected clicks.

Nomenclature

- Task-oriented users browsed menus looking for topic name, not function (e.g., "Transportation" or "Incentives" vs. "Custom Report").

External Links

- Links to external websites (e.g., utilities, transportation providers) were frustrating when users didn't know which provider to click or the landing page didn't satisfy the user's needs.

Format

How page layout and text formatting affect user experience.

Scanning Behavior and Formatting

- Screening info (e.g., data, rates, calculations, overview) should be formatted for rapid scanning.

Search Habits

How prospects find economic development websites.

Finding ED Websites

- 52% reported starting at a state website to find websites to visit during a business location project.

- 48% reported using a search engine to identify websites to visit.

Search Terms

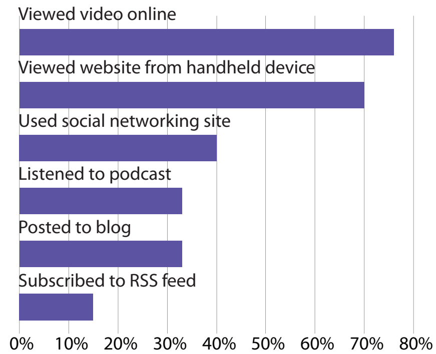
- During two assigned tasks, site selectors used the following search categories to locate websites with business location information:
  - *Economic development* was the most popular search term.
  - Refinements tended to be on geographic terms (e.g., state names, *Midwest*).
  - To a lesser extent, searches were refined with terms related to desired real estate or type of industry.
  - Labor-related terms were not used.

'Site Selectors' Page

What information is most valuable to you on a "Site Selectors" page? [asked of those who indicated they might visit a Site Selectors page]

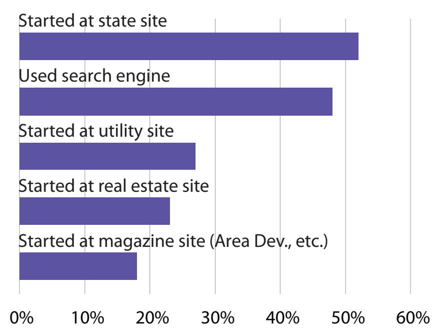
New Technologies

In the last 12 months have you done any of the following for WORK-RELATED information?

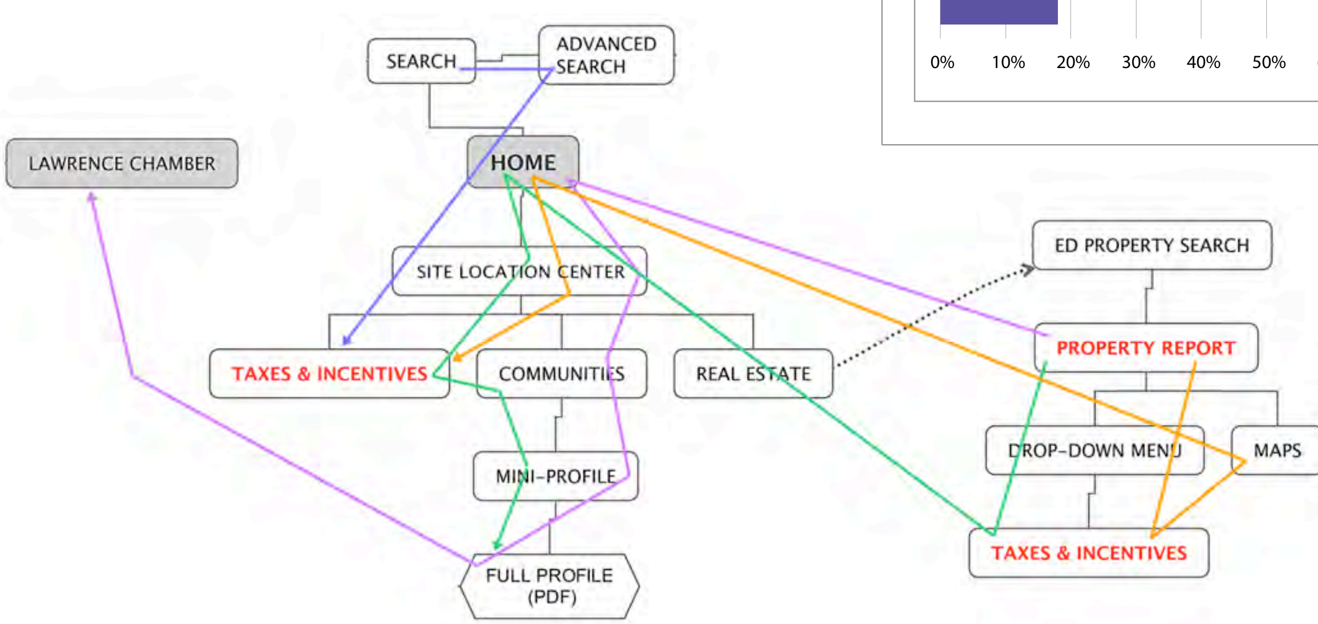


Finding ED Websites

During your **most recent** business location project, how did you identify websites to visit?



Navigational Choices – Incentives



Four users took four different paths to find incentives information on both sites. Red pages are topics related to the task.

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