

Corporate Relocation & Retention



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Many communities want to attract new, expanding, or relocating businesses to their area in order to increase their employment and tax bases. Retaining existing businesses within a community is even more important for economic stability. This section discusses the importance of quality of life factors in attracting new and relocating businesses. Greenways, rivers and trails contribute to quality of life, and their use is a benefit to corporate employees for exercise and relaxation.

Quality of Life Attracts Businesses

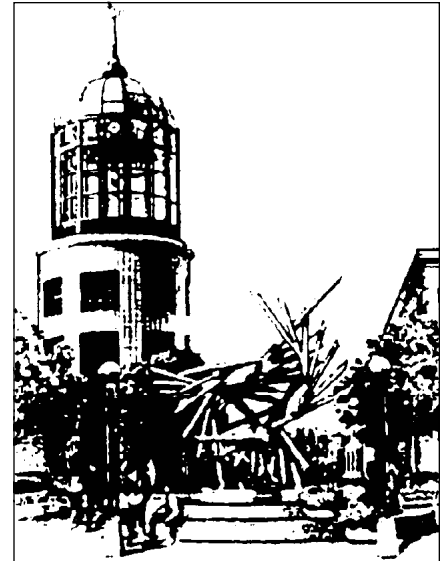
The importance of quality of life in an area is increasingly cited as a major factor in corporate and business location decisions.

- Quality of life for employees was the third most important factor in locating a business, according to an annual survey of chief executive officers conducted by Cushman and Wakefield in 1989. The two most important factors were access to domestic markets and availability of skilled labor. The top city for business was Atlanta, which also ranked first for highest quality of life. Seattle, which ranked as the second best city for business, also received very high marks for quality of life (San Francisco Chronicle, July 28, 1989).

- The Joint Economic Committee of the U.S. Congress reports that a city's quality of life is more important than purely business-related factors when it comes to attracting new businesses, particularly in the rapidly growing high-tech and service industries (Scenic America, 1987).

One aspect of quality of life is a location with convenient access to natural settings, recreational and cultural opportunities, and open space.

- The San Joaquin River Parkway is considered a signature amenity which could help Fresno, California's ability to attract and diversify the economic base. It could enhance the development of Fresno as a true regional capital of the Central Valley of California, enhance efforts to broaden the operational scope of many existing



facilities, and promote efforts to upgrade the educational infrastructure (Robert Klein, Chair, Fresno Chamber of Commerce).

■ In a recent report, the governors of five New England states officially recognized open space as a key element in the quality of life in their region. It is a characteristic responsible for bringing rapid economic growth to the region, as well as providing the foundation of a multi-billion dollar tourism industry (Governor's Committee on the Environment, 1988).

■ A survey of 71 economists rated factors for Arizona's attractiveness as a place to live, work, vacation, retire, and locate future plants and corporate headquarters. The strongest factors contributing to Arizona's positive image were climate, job opportunities, and open space including abundant outdoor recreation opportunities. Seventy firms relocated or expanded their businesses in Arizona, creating 27,800 jobs and \$970 million in indirect salaries and wages. Chief executive officers of these firms said they chose Arizona for its "outdoor lifestyle and recreation opportunities" (Valley National Bank, 1980).

Greenways Contribute to Quality of Life

Greenways, rivers, and trails can play an important role in increasing a community's quality of life, and are attractive to businesses and corporations. Office site locations adjacent to rivers, trails and greenways are also likely to be more attractive to prospective tenants than sites lacking such amenities. Developers and property managers recognize these amenities.

■ Forum Properties (developer and property manager) in Beaverton, Oregon, successfully preserved much of the wetlands in two development projects in Tigard and Beaverton. The projects were designed around the existing creeks, making them a focal point. In developing this new corporate office park, the centerpiece was a constructed wetlands. The wetlands are appreciated by tenants for wildlife viewing and other aesthetic values. Many employees keep binoculars at their desks. (Jeffrey Sackett, Forum Properties, 1990).

■ The San Antonio Riverwalk is always used as an example of the high quality of life and livability of San Antonio, Texas. Site location teams for prospective relocating businesses generally visit the Riverwalk itself. The Riverwalk provides a retreat for employees during lunch and offers a valuable greenspace in the central business district. A location on the riverwalk is considered very desirable. An example is the HEB Company, a regional grocer, which relocated its corporate headquarters to a historic arsenal building, oriented toward the Riverwalk (Peche, 1990). Another example is River Roost, which owns three Riverwalk restaurants and expected a total of \$3.5 million in sales (Benningfield, 1991).

■ Pueblo, Colorado, once known mainly as an industrial city, made an early decision in its highly successful economic revitalization effort. The decision was made to improve its appearance and amenities in order to attract new businesses. The resulting investment in trails and parks along the Arkansas River and Fountain Creek is now credited by city fathers as one of the most important components in turning around economic decline (*Denver Post*, January 27, 1990).

■ The American River Bike Trail in Sacramento, California, is included as an important outdoor recreation amenity in the Chamber of Commerce's publication *All About Business in Sacramento*. It is described as a 30 mile oasis in the heart of the city. The President of the Metropolitan Chamber of Commerce, Roy Brewer, considers the trail to be evidence of the high quality of life in Sacramento, as well as one of Sacramento's treasures. "At many locations along the bicycle trail you can wade into the river, cast a line, and not see a single sign of civilization. The river trails provide abundant salmon fishing and natural areas for hiking, horseback riding, or biking - a chance to get away from it all without having to leave the city " (Sacramento Chamber of Commerce, 1990).

Greenways Promote Employee Fitness

Businesses are realizing the benefits of healthy employees, both in increased efficiency and decreased health insurance claims. Greenways help promote fitness by providing convenient opportunities for exercise, such as walking, jogging, or exercise courses.

■ The American Heart Association conducted a study of 8,301 men and women employed at 35 corporations across the country and found that those who were the most physically fit, measured by a rigorous “step test” and body fat measurement, had a 37 percent lower absenteeism rate than those who were unfit. Another study by the American Heart Association reported that Control Data Corporation in Minneapolis, Minnesota saw a 30 percent reduction in medical claim costs and a 35 percent reduction in the length of hospital stays for people participating in a health promotion program (Krieger, 1991).

■ A study of a group of employees in San Jose, California, showed that those who exercised regularly had 14 percent lower medical claims, 30 percent fewer hospital days, and 41 percent fewer claims greater than \$5,000 (City of San Jose, 1988).

■ A 1984 study of the office staff of Houston’s Prudential Insurance Company found that higher levels of employee fitness lower major medical and disability costs. The study estimated a savings of \$1.93 for every dollar invested in the program (Wellness Councils of America, 1989).

Greenways and trails also help reduce firms’ employees’ commuting costs because they provide opportunities to commute by foot or bicycle.

■ More than 4 million adult Americans used a bicycle (at least occasionally) to commute to work or school during 1993 (Bicycle Federation of America, 1994).

■ An analysis of 1980 census data by the Northeastern Illinois Planning Commission (NIPC) showed 7,000 commuters in the

Chicago region use a bicycle to get back and forth to work every day, weather permitting. During the peak summer months, this figure climbed to 14,000 commuters. NIPC found most of the commuters using bicycles to travel to work live near one of the five linear trails found in the Chicago region. In census zones where these trails exist, an average of 15.6 percent of the commuter trips are by bicycle. When the region is taken as a whole, however, only one percent of the working population commutes by bicycle. These trails, therefore, seem to offer an alternative to using congested roadways to get to work (Eubanks, 1986).

How to Use These Rationales in Your Community

Talk to your local Chamber of Commerce. Talk with staff to see how your greenway is being promoted to prospective corporations and businesses. If it is not included in the Chamber's informational materials, provide photos and descriptive information for inclusion in these packets. For a proposed greenway, present to the Chamber examples of how greenways and quality of life have contributed to attracting corporations and businesses to other communities. Encourage the Chamber to be an active partner in promoting your greenway.

Talk to commercial corporate location specialists. These people are in business to help businesses find the best location. Find out how these specialists analyze a community's quality of life so you can tailor your promotional information accordingly.

Talk to new businesses in the area. Find out from the Chamber of Commerce or the Planning Department what new businesses have located in your area in the last five years. Get employment information and payroll dollars if possible. Ask if the greenway in particular (or the area's natural resources and recreation opportunities in general) had any influence in the company's location decision. Get follow-up contacts at the companies. Document statements and try to get quantitative information wherever possible. For a proposed greenway, collect information on a similar project that could apply to your greenway.

Figure out how many businesses are located adjacent to or near a greenway. Choose an arbitrary radius from an existing greenway and map the

locations of corporations and businesses within that radius. Determine the proportion of corporations and businesses which selected the location after the greenway was implemented. Talk to executives and employees about their perception of the greenway. Ask businesses which have been located in your community for a long period which factors have kept them in the community.

Determine how many employees use a greenway. Plan to visit a greenway during commuting hours and count the number of people using the trail to get to work. If you have the opportunity to do quick interviews, do so. Find out how often they use the trail, for what distance, and whether the greenway was an important factor in deciding where they live or work. If you cannot conduct interviews, count the number of people in work-type clothing. You may miss a few this way, but it will give you an estimate. Visit the greenway during lunch time to get a feel for the potential level of use by nearby employees for picnicking, walking, and jogging. Again, for a proposed greenway, draw some reasonable conclusions as to how your greenway could provide similar commuting opportunities.

Survey local employees. Get permission to survey employees from businesses in close proximity to a greenway, river, or trail. You may wish to focus upon businesses new to the area. Have an attractive mail-back postcard distributed to each employee, asking whether they use the greenway to get to commute to work, or for exercise during the work day. Ask whether the greenway and the area's overall quality of life influenced their decision to move there. You may also be able to get information from the companies' employee relations or human resource staff about employee commuting, exercise patterns, turnover, and recruitment.

Scan the media. Review Chamber of Commerce advertisements and real estate newsletters to see whether the quality of life in your area is being advertised to potential new corporations and businesses. Look in advertisements, recruitment pamphlets, and annual reports to see how they refer to the community in which they are located and how it is visually depicted. Scan health newsletters and magazines to gather information on employee attitudes toward, and use of, river, trail, and greenway resources near their workplace.

Considerations in Using These Rationales

Economic growth and conservation must be balanced. If growth is not carefully planned, it may undermine the quality of life which helped to attract businesses.

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