

CITY RANKINGS

PRICE TAG FOR RUNNING A CORPORATE OFFICE VARIES WIDELY

WHERE ARE THE LEAST AND MOST EXPENSIVE PLACES TO RUN A CORPORATE ADMINISTRATIVE OFFICE IN NORTH America? The Boyd Co., the Princeton, N.J.,-based location consultants, recently tried to answer that question.

It turns out that San Francisco, Calif. and New York, N.Y. rank No. 1 and 2 as the most expensive corporate office cities. For both communities, the price tag for running a corporate office exceeds \$22.3 million per year. The least costly U.S. corporate office location is Savannah, Ga., at \$17.2 million per year.

In its analysis of 52 U.S. and Canadian cities, the Boyd Company found that annual operating costs in Calgary, Alberta, total \$14.1 million, the lowest among all cities surveyed. Some of the costs measured in the Boyd report: clerical and other labor, secretarial help and information technology support, Class-A office lease rates, utilities, and corporate travel expenses.

The 52 North American cities analyzed in the Boyd study are those which currently have large concentrations of corporate office employment. Also included are emerging corporate office markets projected by Boyd to be leading regional centers of new corporate office investment during 2005.

These cost estimates are based on a typical corporate administrative office facility employing 350 workers and occupying 50,000 square feet of Class-A office space. All costs are expressed in U.S. dollars.

Will corporate bigwigs be spending more on office administration in 2005-2006? "We are seeing inflationary pressures in many of the markets that have enjoyed good success in recent years, particularly in the Sunbelt," said John H. Boyd, president of the Boyd Co. "It's very difficult for our clients to transfer in young talent to

some markets, particularly in places like California, New Jersey, and Washington, D.C. The housing market is very difficult in those areas. These inflated real estate costs are also impacting the corporate site seeker in the form of very high land costs. Energy costs are also rising dramatically in many markets, and that affects heating and air conditioning expenses, as well as process fuel charges for manufacturers."

And what advice does Boyd offer economic developers trying to woo major corporate facilities to their community?

"You have to be selective — not all cities can be all things to all industries," Boyd said. "It behooves the development community to take a realistic look at a city's strengths and weaknesses and plan a realistic strategy."

Compiled by Michael Keating, senior research editor for Expansion Management.

LOWEST-EXPENSE U.S. CITIES FOR CORPORATE OFFICES

Rank in Corporate Office Costs	Corporate Office Location	Total Annual Operating Cost	Total Business Establishments in Metro Area
1	Savannah, Ga.	\$17,262,678	7,648
2	Jacksonville, Fla.	\$17,512,351	30,060
3	Columbia, S.C.	\$17,645,256	14,263
4	San Antonio, Texas	\$17,660,867	34,479
5	Fort Myers, Fla.	\$17,671,129	13,768
6	Albuquerque, N.M.	\$17,753,562	17,858
7	Tampa/St. Petersburg, Fla.	\$17,757,670	63,864
8	Omaha, Neb.	\$17,894,649	19,760
9	Birmingham, Ala.	\$17,895,821	23,406
10	New Orleans, La.	\$18,030,953	31,905
11	Orlando, Fla.	\$18,140,155	47,229
12	Charlotte, N.C.	\$18,306,471	43,493
13	Salt Lake City, Utah	\$18,345,146	36,242
14	Richmond, Va.	\$18,392,646	27,395
15	Des Moines, Iowa	\$18,455,324	13,383
16	Memphis, Tenn.	\$18,464,359	25,189
17	Columbus, Ohio	\$18,628,676	38,345
18	Cincinnati, Ohio	\$18,699,745	40,504
19	Atlanta, Ga.	\$18,750,743	117,439
20	Palm Beach County, Fla.*	\$18,771,736	38,778

* Establishment counts for Palm Beach County, Fla. are based on county data. Sources: The Boyd Co. and U.S. Census Bureau, County Business Patterns



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