

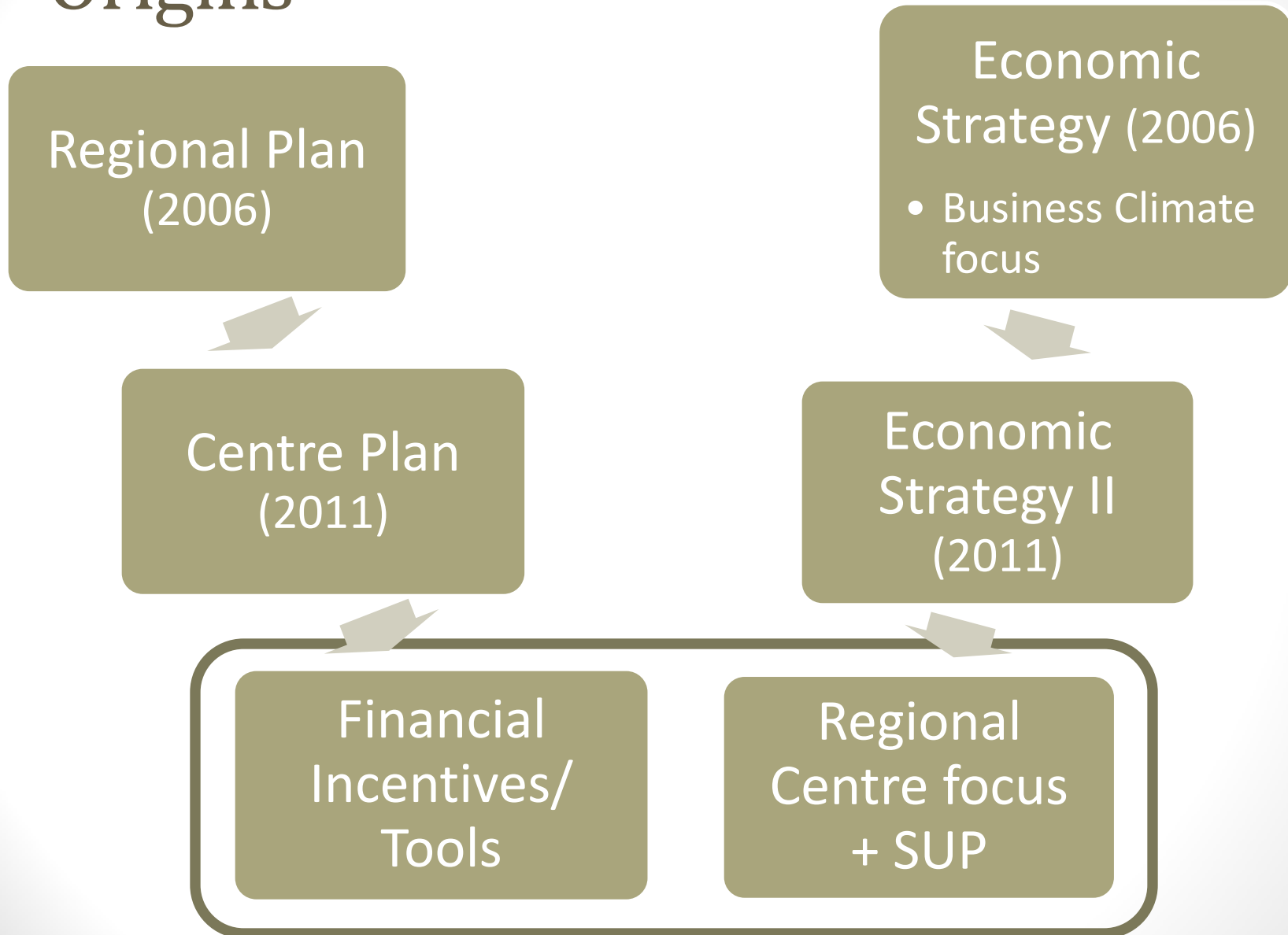
Business Location Study

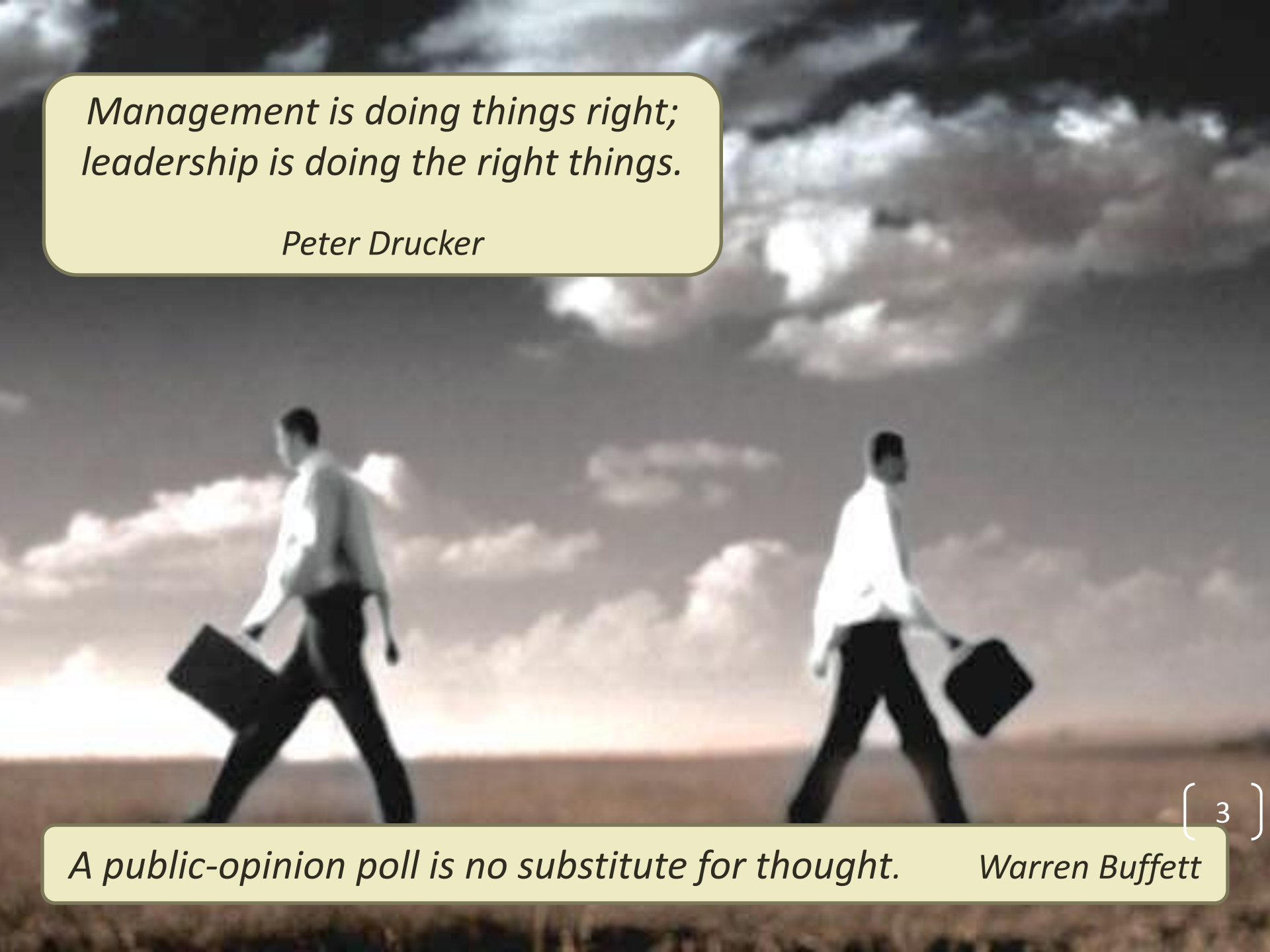
Why do HRM businesses chose
to locate where they do?

Community Design Advisory Committee

March 20, 2013

Origins





*Management is doing things right;
leadership is doing the right things.*

Peter Drucker

A public-opinion poll is no substitute for thought.

Warren Buffett

Uses of Study

- Identify potential effects on Regional Centre development activity of:
 - infrastructure/service improvements,
 - better development policies, and/or
 - financial/tax incentives.
- Identify relevant tools in use by other cities
- Identify how best to improve the business climate in HRM

Scope of Study

- Identify the factors influencing the location decisions of business owners and managers in HRM
- Determine the impact of current commercial taxes on the location decisions of business.
- Develop a list of relevant tools, incentives or measures to address the important business location factors.
- Suggest possible changes to commercial taxation that could increase economic activity and vibrancy in Regional Centre.

Methodology

- Altus Group was hired to talk to business owners, managers and developers about why they located where they did
- A list of 17 potential factors identified
- 53 office managers interviewed
- 51 retail business managers interviewed
- 8 commercial developers interviewed
- Efforts in other Canadian cities identified

What's important to downtown tenants?

<i>Top 5 Factors</i>	<i>Downtown Office</i>
1	<i>Employer Preference</i>
2	<i>Image Profile</i>
3	<i>Proximity to Clients</i>
4	<i>Transit/Access</i>
5	<i>Proximity to Rest/Serv</i>
<i>Top 5 Factors</i>	<i>Downtown Retail</i>
1	<i>Proximity to Customers</i>
2	<i>Image Profile</i>
3	<i>Employer Preference</i>
4	<i>Proximity to Retail</i>
5	<i>Proximity to Rest/Serv</i>



What's important to suburban tenants?

<i>Top 5 Factors</i>	<i>Suburban Office</i>	<i>Suburban Retail</i>
<i>1</i>	<i>Parking Availability</i>	<i>Parking Availability</i>
<i>2</i>	<i>Parking Cost</i>	<i>Parking Cost</i>
<i>3</i>	<i>Commute Time</i>	<i>Available Space</i>
<i>4</i>	<i>Face Rent</i>	<i>Proximity to Retail</i>
<i>5</i>	<i>Employee Preference</i>	<i>Employer Preference</i>



Rank	Downtown Office	Downtown Retail	Suburban Office	Suburban Retail
1	Employer Preference	Proximity Customers	Parking Availability	Parking Availability
2	Image/Profile	Image/Profile	Parking Cost	Parking Cost
3	Proximity to Clients	Employer Preference	Commute Time	Available Space
4	Transit/Access	Proximity to Retail	Face Rent	Proximity to Retail
5	Prox. to Rest/Serv	Prox. to Rest/Serv	Employee Preference	Employer Preference
6	Employee Prefer.	Available Space	Employer Preference	Face Rent
7	Available Space	Transit/Access	Operating Costs	Proximity Customers
8	Infrastructure	Commute Time	Property Taxes	Image/Profile
9	Commute Time	Employee Preference	Prox. Air/Highways	Property Taxes
10	Parking Availability	Infrastructure	Transit/Access	Commute Time
11	Face Rent	Face Rent	Proximity to Clients	Operating Costs
12	Operating Costs	Operating Costs	Available Space	Proximity Rest/Serv
13	Parking Costs	Property Taxes	Infrastructure	Transit/Access
14	Property Taxes	Parking Availability	Proximity Rest/Serv	Prox. Air/Highways
15	Prox. Air/Highways	Prox. Air/Highways	Proximity Retail	Infrastructure
16	Proximity Retail	Parking Costs	Green Initiatives	Employee Preference
17	Green Initiatives	Green Initiatives		Green Initiatives

How do business costs rank?

TAYLOR: Burnside sucking life from core

January 14, 2013 - 8:05pm BY ROGER TAYLOR | BUSINESS COLUMNIST



Comments Average: 2.8 (30 votes)

Average Taxes (per sq.ft.)	Downtown Office	Suburban Office
Class A (17 properties)	\$5.66	\$4.78
Class B/C (60 properties)	\$3.04	\$3.88

The days of indiscriminate coffers m

There is limiting

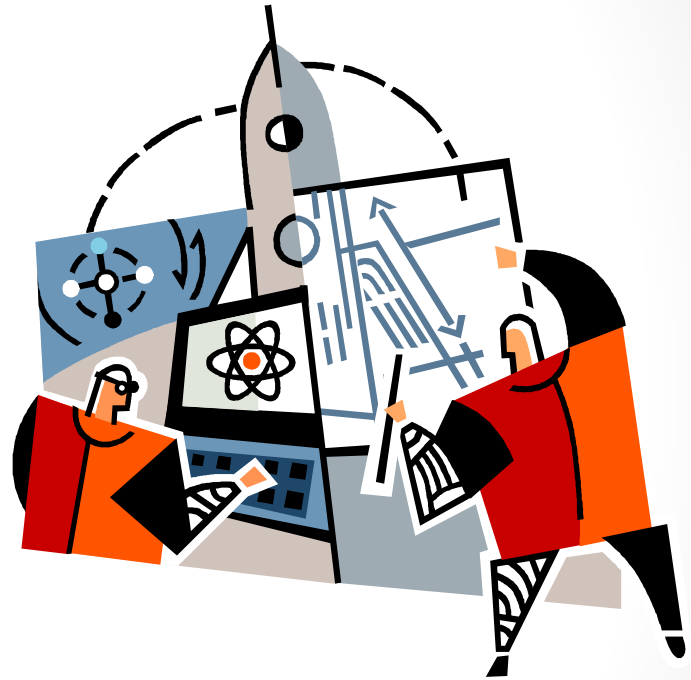
activity rather than continuing to become mainly an office and commercial venue.

By allowing such development in Burnside, where parking is plentiful and taxes are lower, council is simply perpetuating the decades-old problem of businesses being siphoned out of downtown Halifax.

Conclusion on Commercial Tax

Based on this research:

- Commercial tax is a factor in decision-making
 - however, taxes not top factor in location decisions
- Tax incentives may be part of a suite of initiatives
 - within HRM control



Other Possible Findings

Interpreting the research:

- Two Solitudes? Tipping Point?
- Nature or Nurture?
- Residential patterns drive local and regional business locations?



What have Other Cities done?

Four cities reviewed:

- St. John's, NL
- Ottawa & London, ON
- Edmonton, AB

Types of policies/activities implemented:

- Investment in civic projects downtown
- Improved public transit, active transportation
- Private-sector parking incented
- Waiving of development fees/charges
- Grants, loans & tax credits for development

Recommendations for Further Study

The Altus Group recommends:

- Bring more people into Regional Centre to live
 - create residential tax incentives
- Improve Transportation and Parking
- Invest in Downtown

Next Steps

- Based on new information from study, investigate opportunities in areas such as:
 - ➔ parking, transportation, residential growth and civic investment
- Continue (where study left off) to identify:
 - ➔ tax/financial tools most effective for RC
- Work toward implementation of commercial tax initiatives (Audit & Finance S.C., 19Dec12)

... to support Regional Plan and Economic Strategy outcomes