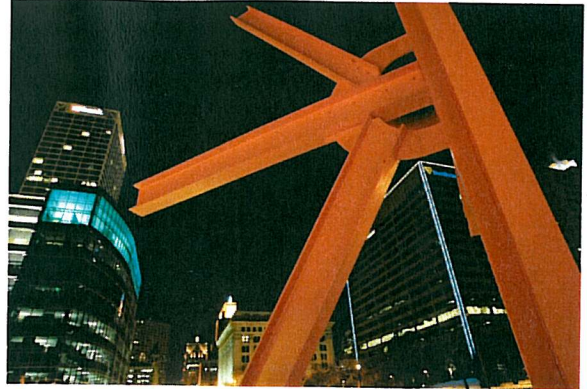

The View from the Executive Suite



[Milwaukee CEOs Talk About Downtown]

Prepared for:
Milwaukee Downtown, BID #21



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Results of the first round of visits on downtown CEOs – August 2007

A Downtown on the Edge of Takeoff

Milwaukee's downtown has long been a centripetal force in the region, attracting people, businesses and activity. By day, approximately 78,000 people descend on downtown to work, placing business among downtown's most important customers. How do companies, many global in their footprint, experience downtown? How does downtown support or hinder their operations? How might downtown change to better suit their needs? In an effort to answer these and other questions, one-on-one visits with 89 downtown CEOs were conducted between late 2006 and early 2007. Collectively, their companies employ nearly 16,000 people downtown. The visits revealed that CEOs have a strong, positive affinity for downtown, are running profitable and growing businesses there, and believe downtown is on an upward trajectory. Specific findings of note include the following.

FINDING #1: The downtown business climate is positive and improving. On a five-point scale (5 = Excellent, 1 = Poor), CEOs rate the overall downtown business climate an above average 3.63. Moreover, CEOs are optimistic about downtown's future: 81% believe the business climate is better today than three years ago, and 78% believe it will be better still three years from now.

FINDING #2: It pays to work downtown. The average wage for employees of those companies that provided compensation data is an extraordinary \$30.08 per hour, which equates to more than \$62,000 annually. To put these

numbers in perspective, consider that the average hourly wage for all jobs in metro Milwaukee is \$18.79.

FINDING #3: Employment is on the upswing. More than half of the respondents increased employment downtown in the previous year, while only 7% experienced a decline. Most companies expect this trend to continue for the coming year – 60% anticipate further employment growth downtown.

FINDING #4: Sales and profitability are trending positive. Firms are experiencing impressive gains in sales and corresponding profitability: 81% of respondents report that downtown sales are currently growing and 76% are more profitable today (company-wide) than three years ago.

FINDING #5: Parking is onerous for low-wage segments of the downtown workforce. The cost of parking downtown has the greatest impact on employees at the low end of the wage scale. This situation is obviously of concern to these workers, but it is also an issue for employers, which must raise wages (or pick-up the cost of parking for employees) in order to compete for labor with "parking-for-free" employers.

FINDING #6: Workforce shortages are a looming threat for downtown companies. CEOs were effusive in predicting a labor shortage in the years to come: 65% identified workforce availability as the most critical workforce challenge facing them in the next three years, dwarfing the next most popular response (increasing diversity, 7%).

FINDING #7: As goes the region...downtown is not an island. The companies that call downtown home, many of them business and professional services firms, depend upon a strong regional business base. When asked to identify the most important challenge facing them downtown, 28% of CEOs focused not on cost, workforce or access to market issues, but on the need for the region to grow.

Improving the Downtown Business Climate: The BID's Role

As the findings suggest, the downtown story is generally a positive one. Nonetheless, the words of one CEO are instructive: "We have much to be proud of, but there is still a lot to do." The following are areas of focus for the BID to consider in its efforts to enhance the downtown business climate.

Plan for success – the "good news" and "bad news" about increasing density.

Downtown success leads to, and is reinforced by, greater density: more people, more businesses, more housing, and more activity. However, density presents new challenges for the successful downtown. The BID should concern itself with two particular aspects of increasing density:

Transportation: How will greater density affect downtown access and the ability to move around once there? In comparison to other cities, there currently is little "pain" associated with commuting to and within downtown. That is likely to change as density increases. Planning

for success assumes that density (and vibrancy) will continue to increase, leaving the question of how best to accommodate it. The time to act is now, before getting around does indeed become "painful."

Public safety: Safety does not appear to be at risk today, but greater density raises the stakes for downtown, highlighting the importance of public safety in downtown's growth trajectory. A company perceived to be in an unsafe location is at a disadvantage in recruiting talent.

Document the advantages of working downtown and aggressively market those advantages in an effort to increase the pool of job candidates for downtown companies.

Workers give up some things by working downtown (e.g., free parking), but they gain significantly more (e.g., higher pay, restaurants within walking distance, access to nightlife when the workday is complete). For most companies, success in the 21st century will be defined by their ability to attract workers. The BID makes itself indispensable if it can help companies in this regard.

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The Magnetic Downtown

Alfred Marshall, the preeminent free market economist of the early 20th century, was among the first to hypothesize the agglomeration theory of business concentration, although the notion that economic activity begets more economic activity “is a phenomenon as old as cities themselves.”¹ Marshall’s work, which looked primarily at early British industrial towns like Manchester, can be distilled to a simple maxim that is no less applicable today: businesses benefit by being near one another. In close proximity, they form intricate webs of customer and supplier relationships, and also draw from a shared infrastructure – human and physical – that is requisite for growth. The gathering of commerce and industry in a tight geographic space is efficient. It is more cost-effective, for example, to deliver municipal services to 50 companies situated within a single square mile than to deliver those same services to companies spread over 10 square miles. Density creates a nexus of shared experience and interest among companies, resulting in a true “business community.”

Downtowns, however, are about more than companies and balance sheets, structures and institutions. People are at the heart of downtown. Iconoclastic urbanist Jane Jacobs, who wrote what some consider to be the bible of modern urban planning (and New Urbanism), *The Death and Life of American Cities*, viewed the city through a distinctly humanist lens. Jacobs saw the city in layers – a system of people, organizations and functions, all working together in a textured mosaic. At first glance, the city may appear chaotic, but make no

mistake, writes Jacobs, there is order and beauty in the city’s gyrations.²

And so it is in Milwaukee today. The downtown is a place to work, relax, reside, learn, dine, and recreate. As noted by Jacobs, “the most interesting open spaces [are] those in which several currents of life [come] together –

**“The big shots
are still
downtown.”**

working-class people,
well-dressed junior
executives, mink-stoled
ladies at their

shopping.” This density and mixing of diverse activities and people creates a special allure. Sophistication, vibrancy, urbanity – perhaps even intrigue – attach themselves to downtown. As noted by one local CEO, “the big shots are still downtown.”



Figure 1: Holiday Season on Wisconsin Ave., 1942

Milwaukee's downtown has long been a centripetal force in the region, attracting people, businesses and activity (Figure 1), and it is currently riding a swell of good feelings and popularity.³ The Brookings Institution, which has studied downtown population change in cities across the U.S., categorizes Milwaukee's as a "Downtown on the Edge of Takeoff," suggesting that population growth since 1990 is a harbinger of significant growth still to come.⁴

The increase in downtown population and housing stock is only part of the story. New

The Brookings Institution categorizes Milwaukee's as a "Downtown on the Edge of Takeoff."

investment and amenities have poured into downtown, including the Milwaukee Art

Museum, the Riverwalk, Pier Wisconsin, the Third Ward, the shops and nightlife on Jefferson and Milwaukee streets, the Midwest Airlines Center, entertainment venues along Water Street, and planned development for the Park East corridor. These are just a few of the assets that have been added to downtown, all of which are situated alongside our greatest asset of all, Lake Michigan, which serves as a compass point for the entire region. Looking for a simple indicator of downtown's progress? The eastbound ride on I-94 into downtown on many Friday and Saturday evenings resembles the congestion on a weekday morning. As Petula Clark sang in 1964, "*Things will be great when you're Downtown...Everything's waiting for you.*"

By day, approximately 78,000 people descend on downtown to work (equivalent to the combined population of Brookfield and

Wauwatosa),⁵ placing business among the most important customers of downtown (they put the "B" in BID!). These companies that gather in close quarters, many high above the city streets, generate important benefits for the region, but also make specific demands. How do companies, many global in their footprint, experience downtown? How does downtown support or hinder their operations? How might downtown change to better suit their needs? The purpose of this study is to answer these and other questions from the viewpoint of the people who run downtown businesses – the CEOs and owners.

We find that although there is room for improvement, downtown CEOs:

- **Have a strong, positive affinity for downtown.**
- **Are running successful (i.e., profitable and growing) companies there.**
- **Believe downtown is on an upward trajectory.**

The Study

In summer 2006, Milwaukee Downtown Business Improvement District (BID) #21 commissioned the Milwaukee Development Corporation (MDC), which administers the *Milwaukee 7* regional CEO call initiative (425 companies have been visited region-wide in the past 18 months), to implement a downtown CEO call program. The obvious first step to achieving the BID's overall objective – enhancing the downtown business climate – is to seek out the

“voice of the customer” (i.e., the executives running downtown companies). There is no shortage of anecdotes and conjecture concerning the senior executive’s views of doing business downtown. The purpose of the CEO call program is to put speculation aside and to take a systematic, data-based approach to assessing the downtown business climate and understanding the companies doing business there.

Approximately 1,200 businesses are located downtown.⁶ Pragmatism dictates that not all of these companies can be visited at once, necessitating a segmentation strategy. The BID and MDC decided to focus the initial round of visits on companies best described as “regional income producers.” These companies, no matter what their work, are the true drivers of growth. It is the regional income producer that exports its goods and services to customers located outside the region, which brings in *new* income, investment and jobs. Put simply, these companies grow the regional pie.

For the first round of visits, the BID and MDC targeted organizations meeting each of the following criteria:

- Located within the downtown market survey boundaries, as demarcated in the UW-Extension market study (Appendix A).
- Belonging to an industry sector associated with regional income production. Specifically, the study targeted the following broad sectors: manufacturing; finance, insurance and real estate; and business and professional services. Not all companies in

these industry groups are regional income producers, but the groups are generally recognized as appropriate proxies.

- Downtown employment of 20 or greater, irrespective of firm-wide employment.

Using two commercial list services, MDC identified 146 organizations satisfying all of these criteria. Staff checked and verified the list to ensure accuracy. Letters were sent to the target CEOs in October 2006 requesting a visit. The *Milwaukee 7*’s cadre of volunteer interviewers was deployed to conduct the CEO visits. When the last visit was completed in January 2007, 89 CEO calls had been completed, representing a healthy 61% “hit rate.”

Each CEO interview was comprised of two parts: the Pre-Meeting Questionnaire (Appendix B), which was sent to the CEO prior to the visit, and the Mandatory Questions (Appendix C), which were asked of the CEO during the in-person interview. Both questionnaires were intended to draw out information about the company, the challenges it faces doing business downtown, and its assessment of the downtown business climate. The same questions were asked of all companies, although some companies chose not to answer specific questions, resulting in sample sizes of less than 89 for several questions. Information collected by the individual interviewers was summarized in a standard form and transmitted to MDC. In keeping with the CEO Call Program Confidentiality Policy, the names of the participating companies are not made public. Any direct quote that appears in the pages that

follow will not be accompanied by the name of the remarking CEO.

This report profiles the responding companies and the people who work for them, summarizes several key findings from the interviews, and suggests action steps for the BID to consider in its efforts to enhance the downtown business climate. As described earlier, only regional income producers were targeted for this round of CEO calls. Thus, the conclusions drawn from this report are not necessarily reflective of the downtown business community as a whole. More CEO visits are planned for the coming months.

The Companies

The following is a brief demographic profile of the companies that were visited.

Industry. The sample is dominated by professional and financial services firms (Table 1). Fully one-half of respondents are providers of professional services (18% are law firms, 9% are accounting firms, and 9% are consulting firms). These results are in keeping with

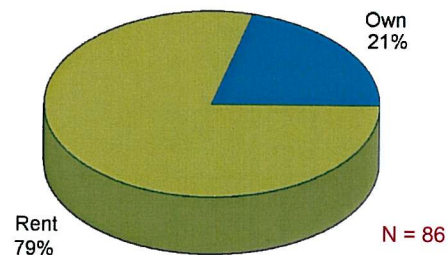
Table 1: Respondents by Industry Group

Industry	Companies	%
Construction	2	2%
Manufacturing	5	6%
Transportation & utilities	1	1%
Finance, insurance & real estate	19	21%
Business & other services	6	7%
Professional services	46	52%
Other	10	11%
Total	89	100%

traditional downtown land use patterns (e.g., manufacturers are space-eaters that require cheap land, so they usually do not locate downtown, except for perhaps their headquarters functions).

Facility status. Downtown real estate – scarce and in-demand – requires a significant capital investment. Consequently, most of the respondents are renters (Figure 2).

Figure 2: Own or Rent?



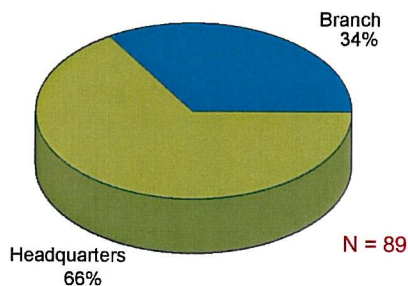
Headquarters, branches and multiple facilities. Reflecting the global nature of business, most respondents (78%) have operations in places other than downtown, enabling them to better serve a disparate customer base (Table 2).

For those with multiple facilities, we need to know where the downtown operation fits in the company's hierarchy. Headquarters are good for any region, ensuring that the locale benefits not only from the firm's direct economic impact (e.g., jobs), but from its charitable and community support activities as well. All things being equal, it is better to have a headquarters location than a branch. As shown in Figure 3, downtown serves as the headquarters for two-

Table 2: Geographic Distribution of Operations

Location of company facilities	Companies	%
All company operations are housed downtown	20	22%
The company has additional operations located inside the 7-county region	12	13%
The company has additional operations located outside the region	32	36%
The company has additional operations located inside AND outside the region	25	28%
Total	89	100%

Figure 3: Headquarters or Branch?



thirds of respondents (including those with a downtown site only).

There are 30 firms that comprise the branch category, 26 of which (87%) are owned by a parent corporation based outside of Wisconsin. These firms are best characterized as “market seekers,” meaning their Milwaukee operations

serve as a base from which to exploit local markets for their goods and services. National banks, accountancies, and various consulting firms fit this description. As will be described later, these firms are wholly dependent on the health of the local economy and, as such, they are especially interested in efforts to improve the regional business climate.

Sales. Any discussion of sales must acknowledge two caveats. First, given that firms with 20 or more employees were targeted for this initiative, sales figures are likely to be skewed upward. Table 3 shows that no responding firm had less than \$500,000 in sales and only one had sales of less than \$1 million. Second, many firms, especially smaller ones, are reticent to release sales figures. As a result,

Table 3: Companywide vs. Downtown Site Sales

Range	Companywide	%	Downtown only	%
Less than \$500,000	0	0%	0	0%
\$500,000 to \$1 million	1	2%	1	2%
\$1,000,001 to \$10 million	17	31%	23	50%
\$10,000,001 to \$100 million	13	24%	16	35%
\$100,000,001 to \$1 billion	9	17%	4	9%
Over \$1 billion	14	26%	2	4%
Total	54	100%	46	100%
Median annual sales	\$ 49,000,000		\$ 10,000,000	

Table 4: Downtown Employment

# of employees	Companies	%
1 - 19	5	6%
20 - 49	29	37%
50 - 99	18	23%
100 - 249	15	19%
250 - 499	5	6%
500 - 999	4	5%
1,000 +	3	4%
Total	79	100%

only 61% of firms provided company-wide sales figures, while only 52% provided data on sales from their downtown operations. Nonetheless, the data in Table 3 suggests the elephantine scale of some downtown firms: 14 respondents have corporate sales of \$1 billion or more, while two generate sales of \$1 billion or more from downtown operations alone.

Employment. The top issues facing most Milwaukee employers are workforce-related. Anticipated talent shortages, especially in key technical positions, are a central concern for local companies, a trend sure to be exacerbated by the looming baby-boom retirements. This topic will be explored in greater depth later. For now, suffice it to say that the ability to attract and retain workers is on the minds of most CEOs.

Table 4 shows the employment demographics for the companies that were interviewed. Again, recall that firms with fewer than 20 employees were not targeted for this effort, so the sample skews toward mid- to large companies.⁷ It is

Respondents employ 16,000 downtown.

interesting to note that employment at their downtown facilities is only a small portion of worldwide employment for many of these firms. As detailed in Table 5, collective downtown employment for our sample is 15,876 (20% of the total downtown workforce), which is dwarfed by worldwide employment for these firms of nearly 1.3 million. Many downtown firms are conglomerates (or units thereof); their operations reach all corners of the globe.

Regional income producers. The concept of “regional income producers,” as described earlier, is not a new one, but it is a prescient and powerful indicator of a region’s ability to generate jobs and create wealth (Figure 4). Firms that draw customers from outside the region are the horsepower behind the regional economy, creating multipliers that grow the economic pie rather than reallocate its slices.

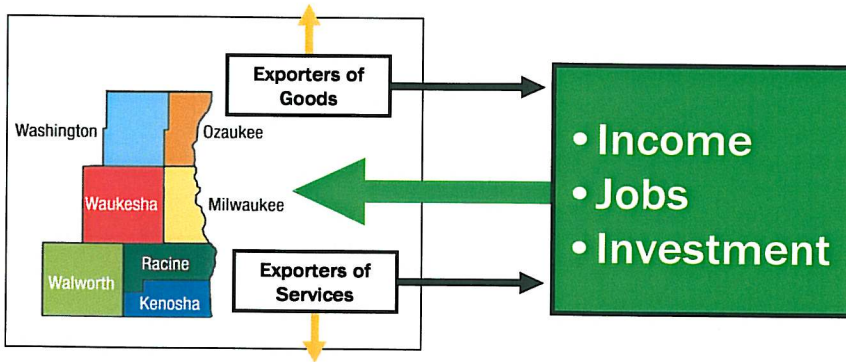
Companies that are typically not classified as regional income producers, such as eating and

drinking establishments, retail stores and various types of personal services (e.g., dry cleaners), greatly enhance the quality of life in a community and are essential for a well

Table 5: Worldwide Employment

Employment geography	Total employment	High	N
Downtown employment	15,876	3,700	79
Regional employment	31,720	6,577	79
WI employment	39,982	8,800	78
U.S. employment	455,387	165,000	76
Worldwide employment	1,271,337	355,766	78

Figure 4: Regional Income Producers



outside the region, but 42% export half or more, which is a highly encouraging rate.

The power of the regional income producer model is found in the multipliers that it generates. As income flows into the region from the nether-reaches of the globe, it does not lay dormant. Regional income

producers subsequently hire *local* staff and contract with *local* firms to deliver services that

Regional income producers grow the economic pie.

they need, thus growing the regional economy. Table 7 tangibly demonstrates the

manner in which regional income producers create spin-off benefits: 72% of respondents' supplier dollars are spent with companies located in the *Milwaukee 7* region.

functioning, enjoyable city, but very few have the ability to grow the community's economic base. They circulate dollars within a community, but generally do not bring in new money. The survival of these firms is largely dependent upon the proximity of population and businesses to their location. If people and activity are insufficient, these companies will disappear. Conversely, rising levels of people and activity encourage more of these businesses to form and help them to prosper.

The data in Table 6 shows that nearly 80% of respondents are, to one degree or another, regional income producers. Some export only a small portion (<10%) of their goods or services

Table 6: Percent of Downtown Location's Sales Generated by Customers Outside the Region

% of sales outside region	Companies	Pct.
50% +	22	42%
25 - 49%	8	15%
10 - 24%	6	11%
1 - 9%	6	11%
0%	11	21%
Total	53	100%

Table 7: Geographic Distribution of Supplier Spend

Location	Avg. %
Downtown	19%
Region (7-county, excluding DT)	53%
Wisconsin (excluding region)	11%
U.S. (excluding all of Wisconsin)	16%
International (excluding U.S.)	1%

Average of a percentage - does not weight companies with larger supplier budgets

N = 45

Why Downtown?

Now that we know more about these downtown companies, it may be useful to delve into *why* they are located downtown. Most businesses have flexibility with regard to their location; technology and market dynamics enable some to operate anywhere in the world. Others must be near critical resources, such as customers, suppliers and employees. Yet, this access can often be achieved in a suburban location just as easily as in a downtown one. What causes a company to select downtown Milwaukee?

Respondents were asked several open-ended questions to help us understand the reasons behind their downtown location. The results are

Downtown advantage: Proximity to clients

shown in Table 8. As discussed earlier, a considerable share of respondents are in the professional and business services sectors. For these companies, proximity to clients – downtown has long been the region’s industrial and commercial hub, housing the headquarters operations for a diverse collection manufacturing and service businesses – is paramount.

Table 8: Benefits of a Downtown Location

Location benefit	Companies	%
Proximity to clients or employees	60	70%
Downtown is central	41	48%
Prestige/credibility	36	42%
Downtown vibrancy	22	26%
Transportation access	13	15%
Entertainment	13	15%

Some companies provided multiple answers

N = 86

Downtown offers two ancillary, related benefits. First, it is geographically central in the region (i.e., the region has developed around the central business district). This fundamental urban planning precept is no less applicable now

Downtown advantage: Centrality

than when the *Chicago School* of urban sociologists elucidated it nearly a century ago. Downtown’s centrality is reinforced by transportation systems that converge downtown, such as roadways and public transportation. Take a look at Milwaukee’s classic grid system. By design, nearly all of the angle streets – Fond du Lac, Teutonia, Appleton/Lisbon, Green Bay, National/Beloit, Forest Home – funnel traffic into downtown.

Second, downtown offers prestige for those located there. With few exceptions, running a

Downtown advantage: Prestige

company downtown is more expensive than it would be in other parts of the region. As the following CEO comments illustrate, businesses are willing to shoulder the marginal cost because of the cache that a downtown address affords:

“It is essential that the firm have a downtown location. Downtown Milwaukee is considered the business center of the state.”

“Our downtown location says we are successful, which is worth its weight in gold.”

“Not being downtown would be contrary to the image we are trying to portray.”

The importance of these locational factors are confirmed by the results from another query that asked CEOs to rank their reasons for being downtown. Respondents were given nine criteria and required to force-rank them on a nine-point scale (9 = Most important, 1 = Least important). As shown in Table 9, this question bubbled-up some of the same explanations as to why companies are downtown while surfacing another important one: vibrancy.

Downtown advantage: Vibrancy

There is an unmistakable “feel” to downtown that can be difficult to quantify. Yes, there is a whimsical quality to vibrancy, but like former U.S. attorney general Ed Meese’s take on obscenity, we know it when we see it. “Clients like to see vibrancy, as do employees. It’s something they need to feel when visiting and walking around,” stated one CEO. Consider the following quotes from other CEOs that capture the élan of downtown:

“Being located downtown gives you the pulse of the Milwaukee community.”

“Milwaukee has a darn good downtown – much better than the downtowns of our offices in other parts of the country. Lake, theater, restaurants, night life, Third Ward, Brewers Hill, all are great. Downtown has energy.”

“I live and work downtown. I love it. It’s easy and it’s fun.”

“Downtown is a jewel.”

Vibrancy is a competitive advantage for downtown, fueled by mixed land uses and density of buildings and people. Downtown should not underestimate the importance of this advantage, which clearly resonates with local CEOs. Vibrancy adds to the quality of life for downtown employees and is an important selling point for companies recruiting talent.

The Employees

What do we know about the people who work for the downtown companies that were surveyed (e.g. gender, age, occupation)? Where do they live? How do they get to work (e.g. drive, take bus, walk)? The following will answer these and other questions.

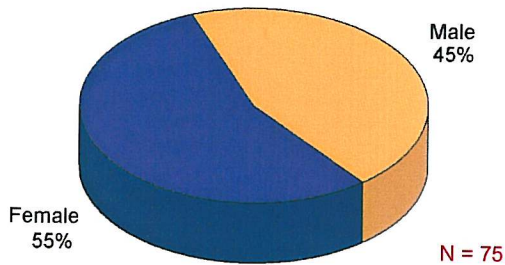
Gender. Figure 5 shows that the workforce for responding companies is tilted toward women, accounted for by a disproportionate share of females in certain occupational groups, as well as the substantial gains women have made in the professional, technical, marketing and managerial categories.

Table 9: Reasons for Locating Downtown (Force Ranking)

Factor	Average ranking
Prestige	5.63
Access to qualified workforce	5.63
Downtown vibrancy	5.63
Access to customers	5.44
Access to transportation	4.86
Available space	4.89
Historical link to downtown	4.69
Cost competitiveness	4.46
Proximity to competitors	4.11

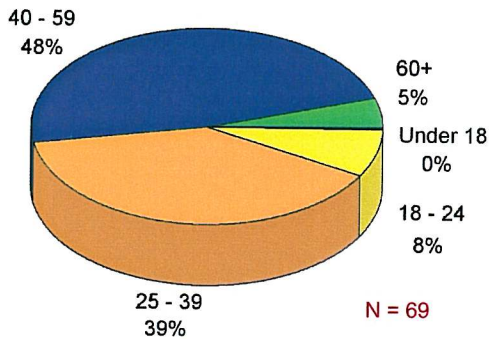
9 = Most important, 1 = Least important
N = 76

Figure 5: Workforce Gender Composition



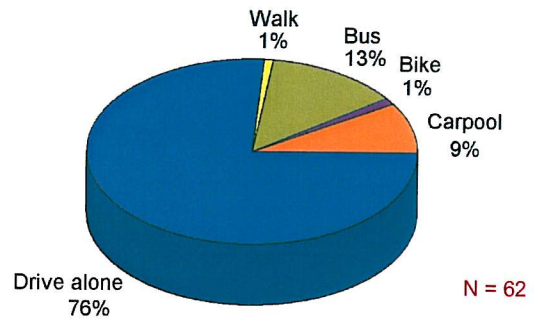
Age. Many of the jobs available with regional income producers require experience, formal training (sometimes highly specialized) and advanced educational credentials. Therefore, only a small portion of the workforce for these companies is young: 8% are between the ages of 18 and 24, and none are less than 18 (Figure 6). Conversely, 87% of workers are between the ages of 25 and 59, which encompass the prime income-earning (and spending) years for professionals.

Figure 6: Workforce Age



Commuting. The automobile is a modern ubiquity; for nearly all of us, driving is woven into the fabric of everyday living. Figure 7 confirms the manner in which the automobile trumps all other commuting modes for downtown workers in our survey. As will be discussed later, many

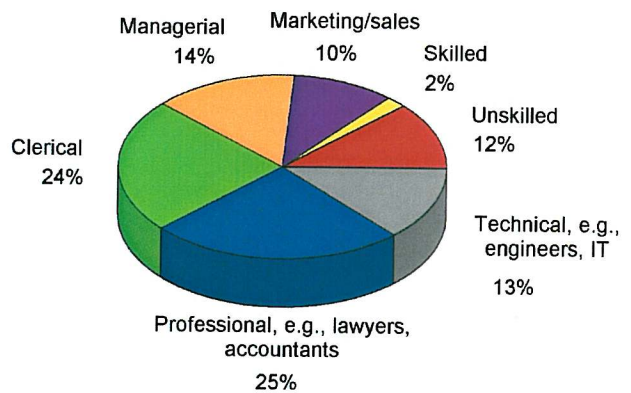
Figure 7: Workforce Commute Mode



of these workers earn wages sufficient to absorb the marginal cost increase associated with operating a motor vehicle downtown (e.g., parking), but others do not.

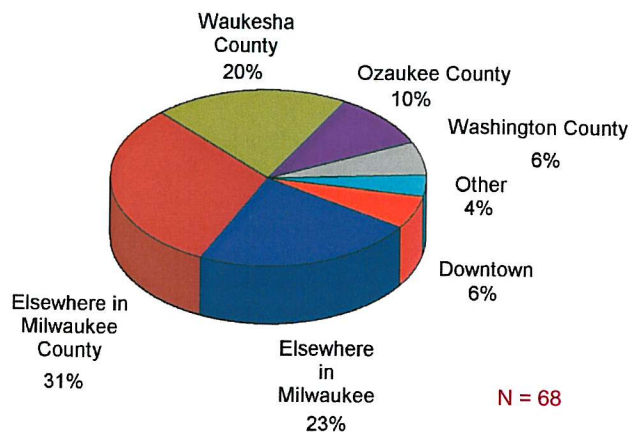
Job types. The respondents' workforce is decidedly white-collar, dominated by all stripes of professionals, such as lawyers, accountants and consultants, as well as a large cadre of clerical workers. Together, these two groups comprise nearly half of the workforce (Figure 8). It is imperative that downtown exhibit the vibrancy that entices these workers, many of whom have career options in other cities.

Figure 8: Workforce Occupational Composition



Workforce's personal residence. Downtown draws its workforce from throughout the region,

Figure 9: Workforce Personal Residence



although the draw is weaker as one moves further from downtown (Figure 9).

Three-fifths of workers employed by responding companies live in Milwaukee County. Perhaps less expected, however, is that 6% live downtown, a heartening percentage. Downtown workers who also live downtown generate numerous benefits for the city and region, including less pressure on transportation systems and parking, and a heightened sense of personal “ownership” of the downtown.

CEO’s personal residence. There is a marked pattern as to where the CEOs of responding companies live within the region (Figure 10). The greatest concentrations

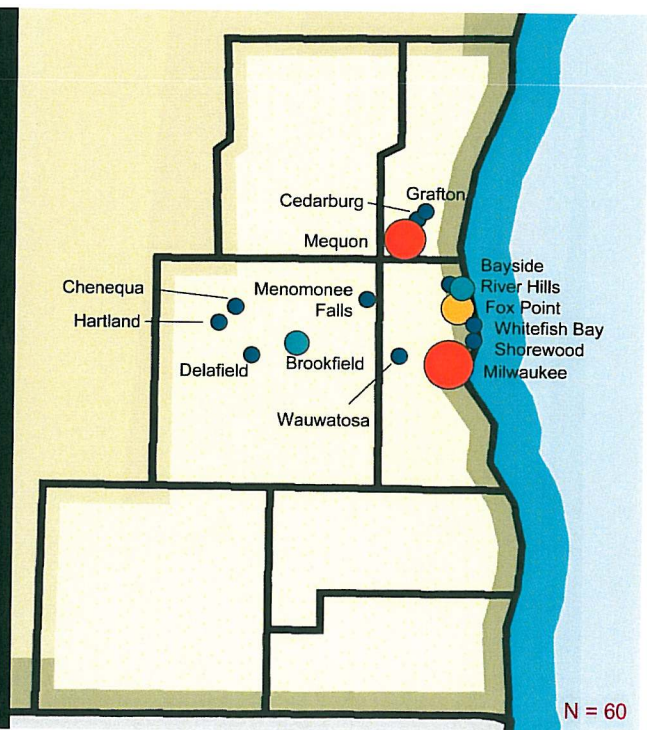
are in Milwaukee (many anecdotally shared that they live downtown) and Mequon. The residences of the remaining CEOs tend to congregate along the north shore of Milwaukee County and throughout Waukesha County.

The Findings

The CEO visits, as well as other information provided to us by company personnel, surfaced several findings and trends worthy of note concerning the downtown business climate and the companies located there.

Companies give above-average marks to the downtown business climate. Overall, business owners and CEOs have a favorable impression of the downtown business climate. Two broad measures are relevant in this regard. First, respondents were asked to rate the overall climate on a five-point scale (5 = Excellent, 1 =

**Figure 10:
Where does the company CEO live?**



Poor). The average rating for this critical summary measure was 3.63 (N = 89), which is significantly higher than the rating of the regional business climate by the manufacturers (3.02) and biomedical companies (2.93) that participated in the regional CEO calls conducted by the *Milwaukee 7* in 2006. There is an “apples and oranges” aspect to this comparison (i.e., manufacturers were asked to rate the “regional business climate,” whereas downtown companies were asked only to rate the “downtown business climate”), but the disparity is still worthy of note.

measure is the interviewer's assessment of the company's affinity for downtown. This is not a question asked of the CEO during the interview process. Instead, this assessment is made by the interviewer based upon the totality of the interview, including information provided, tone, non-verbals, and other relevant impressions. The data from this question portrays a strong affinity for downtown among CEOs: on a five-point scale (5 = Excellent, 1 = Poor), the average rating was 4.36 (N=83).

Downtown must “feel safe.”

Second, a less direct, but equally telling

In addition to rating the general business

Table 10: Downtown Business Climate Rating

Evaluation Factor	Rating	N	Importance	N
Feeling of safety	3.81	75	4.79	77
Police/fire protection & responsiveness	4.03	72	4.47	75
Cleanliness	3.95	73	4.44	75
Parking access	3.19	75	4.39	77
Visual attractiveness of downtown	3.69	75	4.34	77
Downtown atmosphere	3.64	75	4.18	77
Graffiti removal/vandalism control	3.82	67	4.15	71
Commercial lease rates	3.57	68	4.13	70
Inebriate, transient, vagrant control	3.75	71	4.01	73
Parking expense	3.08	74	4.01	76
Restaurant selection	4.01	73	4.00	75
Special assessments, taxes, fees	2.73	64	3.85	67
Arts and cultural amenities	4.24	75	3.79	77
Public transportation	3.32	72	3.77	74
Pedestrian access	3.86	72	3.65	74
Sporting events/festivals	4.43	74	3.61	76
Commercial space availability	3.80	66	3.60	68
Housing	3.76	70	3.56	73
Retail variety	2.56	69	3.41	71
Nightlife/entertainment	3.76	72	3.30	74
Access to green space	3.50	72	3.22	74

Rating: 5 = Excellent, 1 = Poor Importance: 5 = Very important, 1 = Not important

climate, respondents were asked to assess 21 specific aspects of the climate and to determine the importance of each factor (Table 10). This combination of assessments – rating and importance – lends depth to our analysis. A factor that is high in importance and low in rating, for example, is of greater concern than one in which both rating and importance are low.

The assessments displayed in Table 10 reveal several important findings. First, downtown was *rated* above average on 19 of the 21 factors; only “retail variety” and “special assessments, taxes, fees” were rated below average. Second, the *importance* assigned to safety-related aspects of the business climate is remarkable. The top-rated importance item, “feeling of safety,” approached 5.0 (the highest possible). As noted by one respondent, “feeling safe is everything – can’t have enough police downtown.”

Figure 11: Downtown Business Climate Today vs. 3 Years Ago

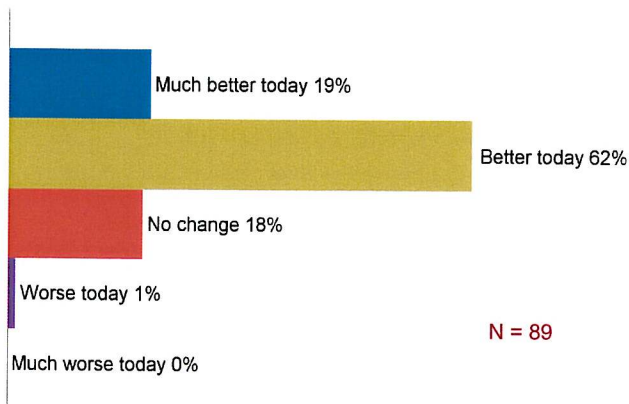
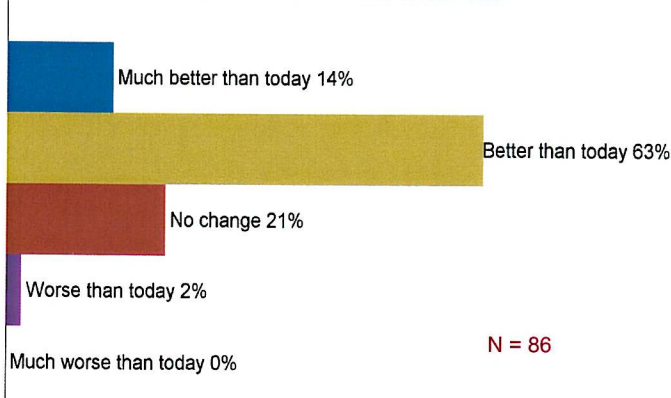


Figure 12: Downtown Business Climate Forecast 3 Years from Now



Business climate is improving – a trend projected to continue. Most CEOs are optimistic about downtown’s future. Respondents were asked not only to rate the business climate as it stands today, but to compare it to three years ago and to project how it will stack-up three years from now. The results from these comparison questions, shown in Figures 11 and 12, suggest that downtown is on

an upward trajectory that is expected to continue: 81% of companies believe the business climate is better today than three years ago, and 78% believe it will be better still three years from now.

81% of CEOs say downtown business climate is better today than 3 years ago.

It pays to work downtown. As noted in Table 11, the average wage for jobs with responding companies is an extraordinary \$30.08 per hour, which equates to more than \$62,000 annually.

Put in perspective, the hourly wage for all metro Milwaukee jobs is \$18.79,⁸ which is 38% lower than the wage earned by workers at these downtown firms.

Average downtown wage is 38% higher than the average regional wage.

Table 11: Wages by Profession

Profession	Wage/hr.	N
Technical (e.g., engineers)	\$ 35.09	31
Professional (e.g., attys.)	\$ 35.90	33
Managerial	\$ 47.96	40
Marketing/sales	\$ 34.98	32
Clerical	\$ 18.20	40
Skilled	\$ 16.39	10
Unskilled	\$ 14.68	12
All	\$ 30.08	

Employment is on the upswing. More than half of the respondents increased employment downtown in the previous year, while only 7% experienced a decline (Table 12). Employment growth is certainly buoyed by an expanding national economy. Not only have companies grown in the last year, but they expect that trend to continue for the coming year – 60% anticipate further employment growth downtown (Table 13). It is noteworthy that not a single company expects to reduce downtown employment during that time frame.

Sales and profitability are trending positive. Firms are experiencing impressive gains in sales and corresponding profitability: 81% of respondents report that downtown sales are currently “growing” (Table 14). In some ways, this number is to be expected – our competitive economic ideology requires growth (i.e.,

76% of respondents are more profitable today than 3 years ago.

those that do not grow die). Perhaps the larger economy is the source of these fruits, or maybe the respondents are fortunate to be in segments that the market is favoring at the

present time. Irrespective of these plausible explanations, the notable fact remains: 4 of 5 firms report sales growth. Profitability is on the rise, as well: 76% of respondents are more profitable today (company-wide) than three years ago (Table 15), while only 5% report being less profitable.

Parking is onerous for low-wage segments of the downtown workforce. Cities and parking woes are inseparable. There is nothing unusual about downtown Milwaukee’s parking

Table 12: Employment Change During Previous 12 Months

Change	Companies	%
Significantly increased	6	8%
Increased	34	43%
About the same	34	43%
Declined	5	6%
Significantly declined	1	1%
Total	80	100%

Table 13: Expected Employment Change During Next 12 Months

Expected change	Companies	%
Significantly increasing	3	4%
Increasing	45	56%
Staying about the same	32	40%
Declining	0	0%
Significantly declining	0	0%
Total	80	100%

Table 14: Sales Trend

Trend	Company-wide	Pct.	Downtown	%
Growing	54	86%	48	81%
Stable	8	13%	10	17%
Declining	1	2%	1	2%
Total	63	100%	59	100%

Table 15: Three-Year Profitability Trend

Trend	Companies	%
Significantly more profitable than 3 years ago	27	32%
More profitable	37	44%
About the same	16	19%
Less profitable	4	5%
Significantly less profitable	0	0%
Total	84	100%

problems, both perceived and real – all cities have them. Slightly more than half (53%, N = 86) of respondents identified parking as a recurring challenge. Some CEOs reference the hassle it creates for clients coming downtown. Others suggest that it is an irritant for job candidates.

The greatest concern, however, is for employees. The cost of downtown parking is akin to a “tax” assessed on those who work downtown and choose to drive. Suburban workers with comparable jobs pay no such tax. They park in surface lots abutting offices that are usually available free of charge. Simple microeconomics suggests that the cost of parking downtown will have the greatest impact on employees at the low end of the wage scale. For the administrative assistant earning \$28,000 annually, parking (at \$120/month) equals 5% of that worker’s annual pre-tax income. This situation is obviously of concern to the administrative assistant, but it also is an issue for the employer, which must raise wages (or pick-up the cost of parking for employees) in order to compete for labor with “parking-for-free” employers.

Milwaukee’s parking issues are perhaps exacerbated by what one CEO termed “Milwaukeeans genetic aversion to paying for parking. We also don’t like parking ramps. We want to park in ground lots, which are less efficient.” Continued downtown growth will likely aggravate the problem. Density is the natural enemy of parking, especially the surface variety. As density increases, parking gets squeezed, meaning more people are chasing the same number of spaces, resulting in higher prices. Surface lots are a luxurious inefficiency – as density increases, land becomes too valuable to be used in this manner.

Workforce shortage is a looming threat for downtown companies. Despite pockets of acute need, most respondents are presently finding an adequate supply of workers. The CEOs were asked to characterize the difficulty they face hiring and retaining workers (5 = Not at all difficult, 1 = Very difficult) in several job categories. For all but one category – retaining skilled tradesmen, which is only 2% of the downtown workforce – the average response in most categories was well above the mid-point (Table 16). This data does not ring any alarms,

Table 16: Hiring/Retaining Difficulty by Profession

Job category	Hiring		Retaining	
	difficulty	N	difficulty	N
Technical (engineers, IT, etc.)	3.24	38	3.88	41
Professional (lawyers, accountants, analysts, specialists)	3.23	57	3.64	55
Managerial and supervisory	3.45	47	3.90	51
Marketing/sales	3.07	46	3.62	47
Clerical and administrative support	3.84	62	4.08	61
Skilled workers (trades)	3.11	18	2.94	18
Unskilled workers	3.56	18	3.28	18

5 = Not at all difficult, 1 = Very difficult

Table 17: Most Critical Workforce Challenge in the Next Three Years

Challenge	Companies	%
Workforce availability	53	65%
Diversity	6	7%
<i>Some companies provided multiple answers</i>		
N = 81		

yet CEOs were effusive in predicting a labor shortage to come. The cusp of the baby-boom cohort is reaching retirement age and CEOs are asking from where the replacement workers will come. As shown in Table 17, workforce availability is the most formidable challenge companies expect to face in the next year, lapping the field of other workforce concerns.

Expected workforce shortages are top-of-mind for CEOs.

As goes the region... Downtown is the face of the region, serving as a commercial hub, as well as the cultural, arts and entertainment center.

However, downtown is not bigger than the region, neither literally nor figuratively. The professional and business service firms that call downtown home depend upon a strong regional business base to survive. Thus, they are especially sensitive to downturns in the regional and national economies. One particular finding is telling in this regard: 28% of

CEOs are concerned about the economic health of the region.

responding CEOs (N = 86), when asked about the most important challenge facing them downtown, focused not on cost, workforce or access to market issues, but on the need for the region to grow.

The BID's Role

“We have much to be proud of, but there’s still a lot to do.”

- CEO Respondent

Perhaps the best way to conclude this report is to discuss what respondents would do to enhance downtown. “There is a downtown tipping point,” notes one CEO. “We are not there yet, but we’re going in the right direction.” What must downtown do to nudge the metaphorical see-saw? Opinions are not lacking on this topic. Some CEOs believe we should focus on core community fundamentals beyond the downtown. Others insist that more attention should be paid to downtown’s marketing and image, and still others think we need to find ways to have more fun downtown. Table 18 lists

Table 18: The “One” Local Thing CEOs Would Like to See Changed

Factor	Companies	%
Improve transportation	21	28%
Better marketing of downtown/region	12	16%
Improve education	12	16%
Efforts to attract workers	11	15%
More effective/efficient government	10	13%
Lower taxes	9	12%
Less regulation	8	11%
Measures to stem crime	8	11%
<i>Some companies provided multiple answers</i>		
N = 75		

the most frequently cited improvement opportunities for which downtown CEOs feel passionate.

Two points from this list merit comment. First, none of these items rises to the level of being a mandate. Second, several issues, such as education, taxes and regulation, are not downtown-specific issues, which muddles the BID's role in addressing them. The BID has agency, but it must be exercised prudently. Put simply, the BID should not wring its organizational hands over issues for which it has no control (e.g., lease rates).

Thus, we are left with Vladimir Lenin's classic question: "What is to be Done?" (sans the Marxist overtones, of course). The following are three areas of focus for the BID to consider in its efforts to enhance downtown as a place to do business.

Plan for success – the “good news” and “bad news” about increasing density. As the Brookings report indicates, Milwaukee's downtown is on the rise. People are moving downtown. Companies are adding employment. Entertainment is drawing still more people. All of these are signs of success, but they introduce a host of ancillary problems that can detract from the urban experience. If these problems are not anticipated and planned for, they impose an artificial ceiling on downtown growth. The BID should concern itself with two particular aspects of increasing density:

Transportation: As indicated in Table 18, transportation is a concern for 28% of CEOs. How will increasing density and activity affect

downtown access and the ability to move around once there? The downtown transportation complex, which includes streets, parking and public transit, has a threshold for supporting people, businesses and activity. In comparison to other cities, there currently is little “pain” associated with commuting to and within downtown. In other words, we have not reached that threshold. However, this is likely to change as density increases. Milwaukeeans' “genetic aversion” to parking will be directly confronted with the reality of increasing congestion, expense and inconvenience, all of which have the potential to derail downtown growth. Planning for success assumes that density (and vibrancy) will continue to increase, leaving the question of how best to accommodate it. The time to act is now, before getting around does indeed become “painful.”

Public safety: The importance of public safety was made clear by the CEOs. If downtown is perceived to be unsafe, the prestige of a downtown address is swiftly negated. Employers are especially sensitive to perception issues as they relate to employee recruitment. A company perceived to be in a “dangerous” location is at a disadvantage in recruiting talent. This does not appear to be an issue today, but increasing density raises the stakes for downtown, reinforcing the importance of public safety in downtown's growth trajectory.

Document the advantages of working downtown and aggressively market these advantages in an effort to increase the pool of job candidates for downtown companies.

Workers give up some things by working downtown (e.g., free parking), but they gain

significantly more (e.g., higher pay, restaurants within walking distance, access to nightlife when the workday is completed). For most companies, success in the 21st century will be defined by their ability to attract workers. The BID makes itself indispensable if it can help companies in this regard.

Determine which aspects of the downtown business climate can be affected by the BID...and plan to affect them. The business climate factors listed in Table 10 are essentially dashboard indicators of downtown performance. Some of these factors, such as commercial space availability and parking expense, are outside the BID's control – there is no purpose in worrying about them. Other factors, however, are controllable, actionable and measurable. The BID is already addressing many of them (e.g., graffiti removal). Which of the others can the BID, as the preeminent benefactor of downtown, affect and how will it go about doing so?

employees, due to list inaccuracies or recent changes in employment.

⁸ U.S. Department of Labor, Bureau of Labor Statistics. *Occupational Employment Statistics, Milwaukee MSA* (May 2005).

Notes

¹ N.A. Phelps and T. Ozawa. "Contrasts in agglomeration: proto-industrial, industrial and post-industrial forms compared." *Progress in Human Geography* (Vol. 27, No. 5, 2003), p. 584.

² Jane Jacobs. "The Exploding Metropolis." *Fortune* (Vol. 57, No. 4, 1958), p. 242.

³ *Milwaukee Journal*. "Remember When" collection (November 30, 1942), Milwaukee Public Library.

⁴ Eugenie L. Birch. "Who Lives Downtown." The Brookings Institution, Metropolitan Policy Program (November 2005), p. 5 and p. 15.

⁵ University of Wisconsin Extension Center for Community and Economic Development. "Business Improvement District #21 Market Analysis." (March 2007), p. 5-3.

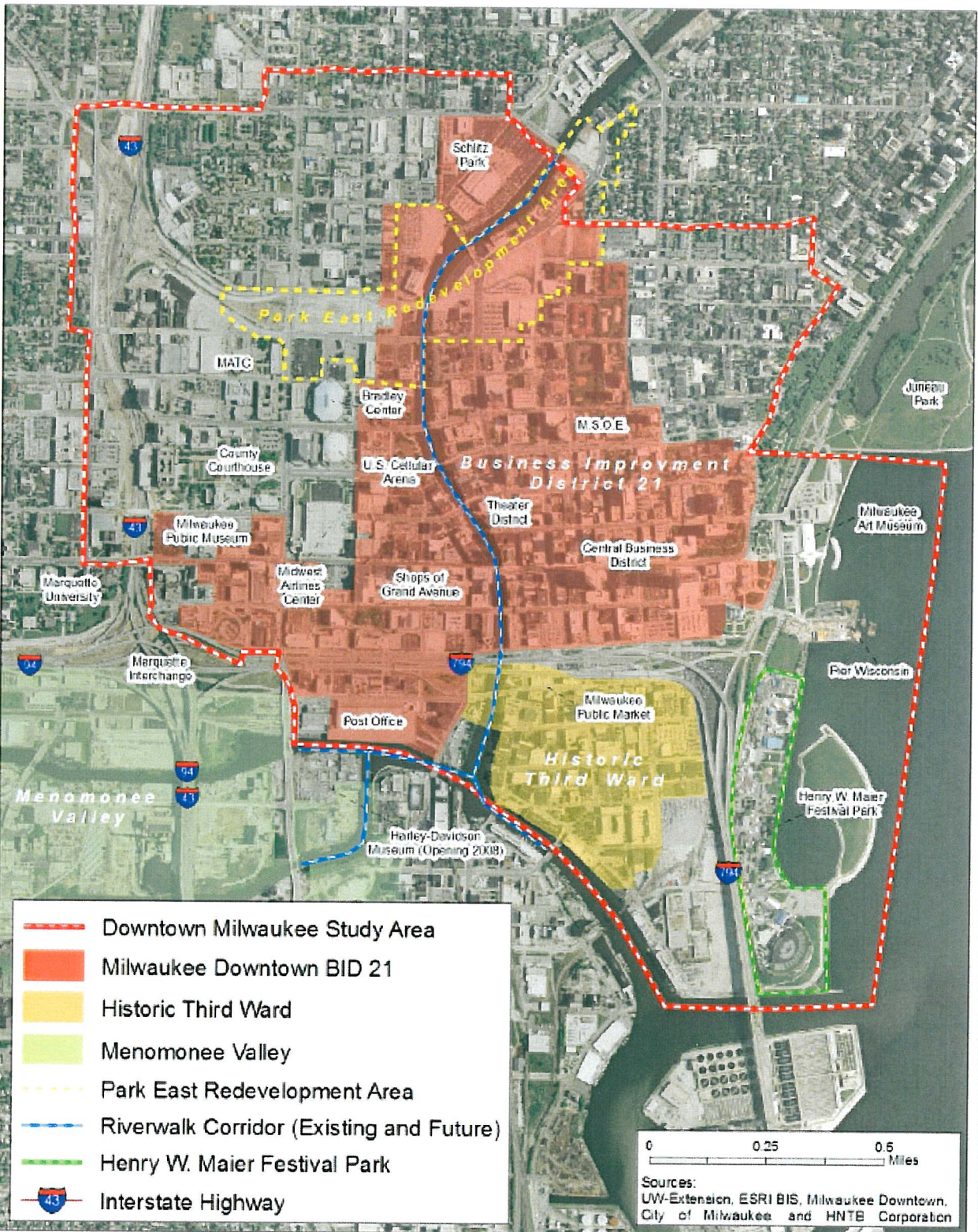
⁶ Xceligent, Inc., proprietary online database of U.S. companies (accessible to MDC), www.xceligent.com.

⁷ Upon meeting with the CEOs, it was discovered that five target firms had fewer than 20 downtown

Appendix A

UW – Extension Market Study Boundaries

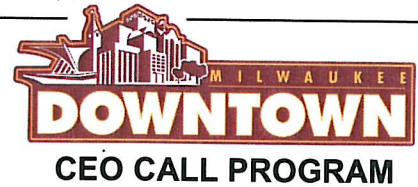
Downtown Milwaukee Study Area Overview



Appendix B

Pre-Meeting Questionnaire

PRE-MEETING QUESTIONNAIRE



Company name: _____ Date: _____

Survey completed by: _____

Instructions: Thank you for agreeing to meet with a representative of Downtown BID #21 to help us learn more about the challenges you face running a company downtown. The information you provide will remain confidential (see attached Confidentiality Policy).

Please complete this questionnaire prior to the in-person interview and return it to our representative at the time of the interview.

Note: The term "region" is defined as the seven counties that comprise the Milwaukee7: Kenosha, Milwaukee, Ozaukee, Racine, Waukesha, Washington and Walworth.

1. Does the downtown site serve as the company's headquarters?

Yes No

2. If no (Question #1), what is the name of the parent company and where is it located?

Name: _____

Location: _____

3. Where are your company's operations located (choose one)?

- All company operations are housed downtown
- The company has additional operations located inside the 7-county region
- The company has additional operations located outside the region
- The company has additional operations located inside **AND** outside the region

4. What is total employment (full-time equivalent) for your company?

Downtown: _____

Region (7-county, including downtown): _____

Wisconsin (including region): _____

U.S. (including Wisconsin): _____

Worldwide (including U.S.): _____

5. Please indicate the portion of your downtown workforce in each of the following job classifications **AND** the average hourly wage (minus benefits) for employees in each classification:

	<u>% of workforce</u>	<u>Avg. hourly wage</u>
Technical (engineers, IT, etc.)	%	\$
Professional (lawyers, accountants, analysts, specialists, etc.)	%	\$
Managerial and supervisory	%	\$
Marketing/sales	%	\$
Clerical and administrative support	%	\$
Skilled workers (trades)	%	\$
Unskilled workers	%	\$
	100 %	

6. Please characterize the change in employment at your downtown site in the last 12 months:

- Significantly increased
- Increased
- About the same
- Declined
- Significantly declined

7. Please characterize the expected change in employment at your downtown site for the upcoming 12 months:

- Significantly increasing
- Increasing
- Staying about the same
- Declining
- Significantly declining

8. What percent of your company's workforce do you expect to lose to retirement in the next 3 years? _____ %

9. Please indicate the difficulty your company has experienced in the previous 12 months hiring **AND** retaining qualified employees at your downtown site in the following job classifications:

HIRING DIFFICULTY RETAINING DIFFICULTY

5 = Not at all difficult
1 = Very difficult

5 = Not at all difficult
1 = Very difficult

Technical (engineers, IT, etc.)		
Professional (lawyers, accountants, analysts, specialists, etc.)		
Managerial and supervisory		
Marketing/sales		
Clerical and administrative support		
Skilled workers (trades)		
Unskilled workers		

10. Where do your company's downtown site employees live (i.e., location of personal residence)?

Downtown	_____	%
Elsewhere in the City of Milwaukee	_____	%
Elsewhere in Milwaukee County	_____	%
Waukesha County	_____	%
Ozaukee County	_____	%
Washington County	_____	%
Other	_____	%
Total		100 %

11. Where does your company's chief executive/owner live (city name)? _____

12. Who oversees human resources for your organization?

Name: _____
 Title: _____

13. What is the age composition of your company's downtown workforce?

Under 18	_____	%
18-24	_____	%
25-39	_____	%
40-59	_____	%
60 or older	_____	%
Total		100 %

14. How do your company's downtown employees get to work?

Drive alone	_____	%
Drive carpool	_____	%
Bus	_____	%
Walk	_____	%
Bike	_____	%
Other	_____	%
Total		100 %

15. What is the gender composition of your company's downtown workforce?

Male	_____	%
Female	_____	%
Total		100 %

16. Please list annual sales for your company. What has been the sales trend over the past three years?

	<u>Annual Sales</u>	<u>Growing/Declining/Stable</u>
Companywide	\$ _____	_____
Downtown site	\$ _____	_____

17. What percent of sales from operations at your downtown site is generated from customers located:

Outside the region (including international)? _____ %
Outside the U.S.? _____ %

18. What percent of sales from operations at your downtown site is generated by your top three customers? _____ %

19. If your downtown site has international sales, please list the three countries that generate the highest amount of sales (list highest to lowest):

- a. _____
- b. _____
- c. _____

20. With regard to the location of your company's suppliers, please indicate the portion of total supplier expenditure directed to firms in the following locales:

Downtown	_____ %
Region (7-county, excluding downtown)	_____ %
Wisconsin (excluding region)	_____ %
U.S. (excluding all of Wisconsin)	_____ %
International (excluding U.S.)	_____ %
Total	100 %

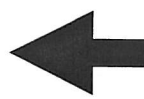
ADDITIONAL QUESTIONS APPEAR ON NEXT PAGE!

21. Please rate the following aspects of the downtown business climate **AND** rate the importance of each factor:

	RATING (5 = Excellent, 1 = Poor)	IMPORTANCE (5 = Very important, 1 = Not important)
Police/fire protection & responsiveness:		
Graffiti removal/vandalism control:		
Special assessments, taxes, fees:		
Commercial lease rates:		
Commercial space availability:		
Inebriate, transient, vagrant control:		
Cleanliness:		
Visual attractiveness of downtown:		
Public transportation:		
Parking access:		
Parking expense:		
Pedestrian access:		
Nightlife/entertainment:		
Retail variety:		
Restaurant selection:		
Access to green space:		
Arts and cultural amenities:		
Housing:		
Sporting events/festivals:		
Downtown atmosphere:		
Feeling of safety:		

22. Why is your business located downtown (rank each of the following factors from most to least important)?

- _____ Access to customers
- _____ Access to qualified workforce
- _____ Prestige
- _____ Historical link to downtown
- _____ Cost competitiveness
- _____ Access to transportation
- _____ Available space
- _____ Downtown vibrancy
- _____ Proximity to competitors



**9 = Most important,
1 = least important**

23. Status of downtown physical facility:

- Owned
 Leased (expiration ____/____/____ (mm/dd/yyyy))

24. How much of this facility's space are you currently using? ____ %

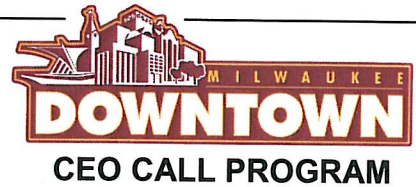
25. Is there room for physical expansion of your business at this site?

- Yes No

Appendix C

Mandatory Questions

MANDATORY QUESTIONS



Company name: _____ Date: _____

Interviewer: _____

Instructions for interviewers: The following questions should be asked of all companies during the in-person meeting.

COMPANY INFORMATION

1. What makes your company successful downtown (i.e., what are your competitive advantages)? _____

2. What are the top three challenges facing your company at its downtown location? _____

3. Are you expecting significant growth in downtown operations in any of the following areas during the next 12 months (check all that apply)?
 Employment
 Capital (equipment) expenditure
 Physical space
4. If yes for any of the above (Question #3), would you like assistance from local officials in planning/ executing the expansion (e.g., financing, real estate, hiring)?
 Yes
 No
5. What factors, if any, are currently inhibiting your company's growth? _____

6. Has your company established formal relationships with other firms in the region for the purposes of developing and sharing intellectual property, introducing new products/services, streamlining processes (e.g., customer/supplier partnerships), or marketing your products/services?

- Yes
- No

7. If yes (Question #6), please describe: _____

8. If no (Question #6), would you be interested in learning more about forming such relationships?

- Yes
- No

9. Company information notes: _____

LOCAL WORKFORCE

10. Please describe the three most positive attributes of the local workforce:

- a. _____

- b. _____

- c. _____

11. Please describe the three most critical shortcomings of the local workforce:

- a. _____

- b. _____

- c. _____

12. What are the most critical workforce challenges your company will face in the next three years? _____

13. Has your company provided structured classroom training to employees either in-house or through an outside vendor in the past 12 months?

- Yes
- No

If yes, what portion of your workforce has participated in these efforts?

- 1 – 9%
- 10 – 25%
- 26 – 50%
- 51 – 75%
- 76 – 100%

14. Has your company provided on-the-job training to employees either in-house or through an outside source in the past 12 months?

- Yes
- No

If yes, what portion of your workforce has participated in these efforts?

- 1 – 9%
- 10 – 25%
- 26 – 50%
- 51 – 75%
- 76 – 100%

15. Has your company provided tuition assistance or tuition reimbursement to employees that pursued education and training in the past 12 months?

- Yes
- No

If yes, what portion of your workforce has participated in these efforts?

- 1 – 9%
- 10 – 25%
- 26 – 50%
- 51 – 75%
- 76 – 100%

16. Please describe any major workforce training initiatives not listed above: _____

17. Would you like to receive information on workforce training options and government-sponsored programs that can offset the cost of training?

- Yes
- No

18. Workforce notes: _____

SALES

19. Compared to three years ago, please describe the current profitability of your firm?

- Significantly more profitable
- More profitable
- About the same
- Less profitable
- Significantly less profitable

20. How does being located downtown positively impact your profitability? _____

21. How does being located downtown negatively impact your profitability? _____

22. Does your company sell to governmental entities?

- Yes
- No

23. Would you like to learn more about selling to governmental entities?

- Yes
- No

24. Would you like to learn more about international exporting opportunities?

- Yes
- No

25. Sales notes: _____

TECHNOLOGY AND INNOVATION

26. What are your company's immediate technology needs? _____

27. Would you like to be connected with local resources for meeting those needs?

- Yes
- No

28. How important is it to your company's future to continually develop intellectual property (5 = Very important, 1 = Not at all important)? _____

29. Describe the character of your company's intellectual property (e.g., processes, functions, devices, etc.): _____

30. Would you like to learn more about local resources for developing, deploying, accessing or protecting intellectual property?

- Yes
- No

31. Technology notes: _____

BUSINESS CLIMATE

32. Please rate the overall downtown business climate (5 = Excellent, 1 = Poor): _____

33. Please compare the downtown business climate today versus three years ago:

- Much better today
- Better today
- No change
- Worse today
- Much worse today

34. Please forecast the condition of the downtown business climate three years from today:

- Much better than today
- Better than today
- No change
- Worse than today
- Much worse than today

35. Local efforts cannot change national and international economies, but they can affect local conditions. What local factors do you see most affecting your company's future here (e.g., aging workforce, not enough skilled workers, inability to attract management, health care expense, taxes, etc.)? _____

36. What, if anything, would you like to see changed locally that would most benefit your company (e.g., more educated workers, better transportation, less government regulation, etc.)? _____

37. Are you aware of companies based outside the U.S. interested in establishing branch locations here?

- Yes
- No

38. If yes, may we contact? _____

39. Business climate notes: _____

ASSESSMENT

40. Please rate local management's affinity to the downtown (5 = Excellent, 1 = Poor): _____

41. Please rate the risk of this site closing in the next 3 years (5 = Very high, 1 = Very low): _____

42. Please rate the risk of this site downsizing in the next 3 years (5 = Very high, 1 = Very low): _____

43. Please rate the physical condition of the facility (5 = Excellent, 1 = Poor): _____

44. With regard to physical space, please rate the usability and efficiency of the facility (5 = Excellent, 1 = Poor): _____