



Executive Summary

**A COMPARATIVE OPERATING COST
ANALYSIS FOR CORPORATE
ADMINISTRATIVE OFFICES**

The Boyd Company, Inc.
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**COMPARATIVE OPERATING COST ANALYSIS:
EXECUTIVE SUMMARY AND NOTES**

Introduction

In the full Boyd report, major operating costs scaled to a representative corporate administrative office are presented for a series of 50 comparative cities in the U.S. Annual operating cost totals are itemized and ranked in the full report's Summary Exhibit I.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The Boyd analysis focuses on those key geographically-variable cost elements considered to be most pivotal within the corporate office site selection process. Geographically variable operating cost differentials are current for 2011.

Operating costs are scaled to a hypothetical 70,000 sq. ft. corporate administrative office center employing 325 workers. The analysis provides an independent and authoritative point of reference for the corporate planner's assessment of comparative operating cost levels in each of the surveyed sites. The format of the cost exhibits will allow further custom tailoring of the cost data, occupancy assumptions and staffing levels to reflect alternate scales of operation and growth expectations.

Comparative Corporate Administrative Center Locations

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected by Boyd for a series of 50 U.S. cities housing major regional concentrations of corporate administrative office operations. These 50 U.S. cities are listed below alphabetically by state.

- Birmingham, AL
- Phoenix, AZ
- Little Rock, AR
- Los Angeles, CA
- Orange County, CA
- San Diego, CA
- San Francisco, CA
- San Jose, CA
- Denver, CO
- Stamford, CT
- Washington, DC
- Wilmington, DE
- Jacksonville, FL
- Atlanta, GA

**A COMPARATIVE OPERATING
COST ANALYSIS**

**CORPORATE ADMINISTRATIVE
OFFICE SITE SELECTION**

- Honolulu, HI
- Des Moines, IA
- Boise, ID
- Chicago, IL
- Indianapolis, IN
- Louisville, KY
- New Orleans, LA
- Boston, MA
- Baltimore, MD
- Detroit, MI
- Minneapolis, MN
- Kansas City, MO
- St. Louis, MO
- Omaha, NE
- Las Vegas, NV
- Charlotte, NC
- Newark, NY
- New York City, NY

**A COMPARATIVE OPERATING
COST ANALYSIS**

**CORPORATE ADMINISTRATIVE
OFFICE SITE SELECTION**

- Cincinnati, OH
- Columbus, OH
- Oklahoma City, OK
- Portland, OR
- Philadelphia, PA
- Pittsburgh, PA
- Providence, RI
- Columbia, SC
- Sioux Falls, SD
- Memphis, TN
- Dallas, TX
- Houston, TX
- San Antonio, TX
- Salt Lake City, UT
- Richmond, VA
- Virginia Beach, VA
- Seattle, WA
- Milwaukee, WI

Comparative Labor Costs

Annual costs for nonexempt labor are presented in the full report's Exhibit II. Comparative costs are based on a mix of 25 representative corporate administrative office staff job titles. Comparative labor costs for exempt positions, including executive salaries, were not included as these costs would tend not to vary significantly by geography, but rather by individual company compensation practices. Fringe benefit costs are included as a percent of total annual base payroll costs and are assumed to include all statutory benefits, pay for time not worked and company-sponsored benefits.

Comparative Electric Power Costs

Comparative annual electric power costs are presented in the full report's Exhibit III. Annual costs reflect commercial rate schedules of the various utilities serving each of the 50 surveyed areas.

Comparative Land Acquisition and Construction Costs

Exhibit IV of the full analysis presents comparative costs for the purchase of commercially-zoned land and the construction of new corporate office space in each of the 50 surveyed locations.

Comparative Ad Valorem and Sales Tax Costs

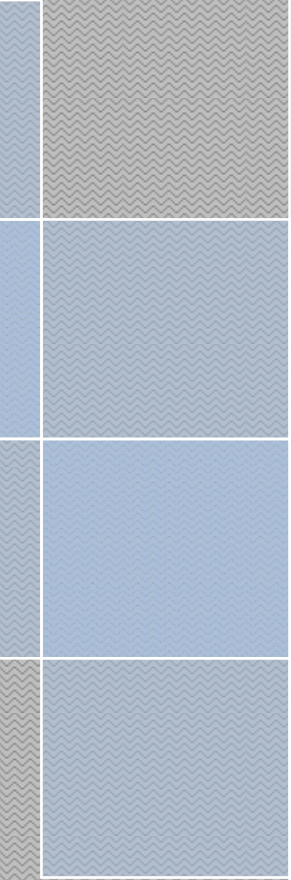
Exhibit V presents comparative ad valorem (property) tax costs in each of the 50 surveyed sites scaled to the land and building specifications of the model corporate office center. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of supplies, furnishings, equipment and other taxable goods.

Comparative Corporate Travel Costs

Comparative annual on-site and air travel costs for each of the 50 surveyed cities are presented in the full report's Exhibit VI. On-site costs include corporate traveler lodging, meals, local transportation and other business travel incidentals. Figures are indicative of local business travel cost structures expected to be incurred by management, national staff and other customer and vendor visitations to each of the 50 surveyed corporate center sites. Also included are air travel costs keyed to each surveyed city's major commercial airport.

About Boyd

Founded in 1975, The Boyd Company, Inc., (www.theboydcompany.com) provides independent location counsel to leading U.S. and overseas corporations. Devoted exclusively to corporate mobility, Boyd is recognized as the nation's premier authority in comparative business cost analysis.



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