

Community Livability: A Crucial Part of Your Economic Development Story and Strategy

Arkansas Economic Developers & Chamber Executives (AEDCE)
Annual Conference 2022

Little Rock, AR

August 30, 2022

NEWMARK

CONTENTS

NEWMARK OVERVIEW

COMMUNITY LIVABILITY

The Beginning

What is it?

Why is it important?

Why should it be part of your story?

Who does it well?

Key Takeaways

DISCUSSION



Introduction

01

Global Reach: Locally Expert, Globally Connected



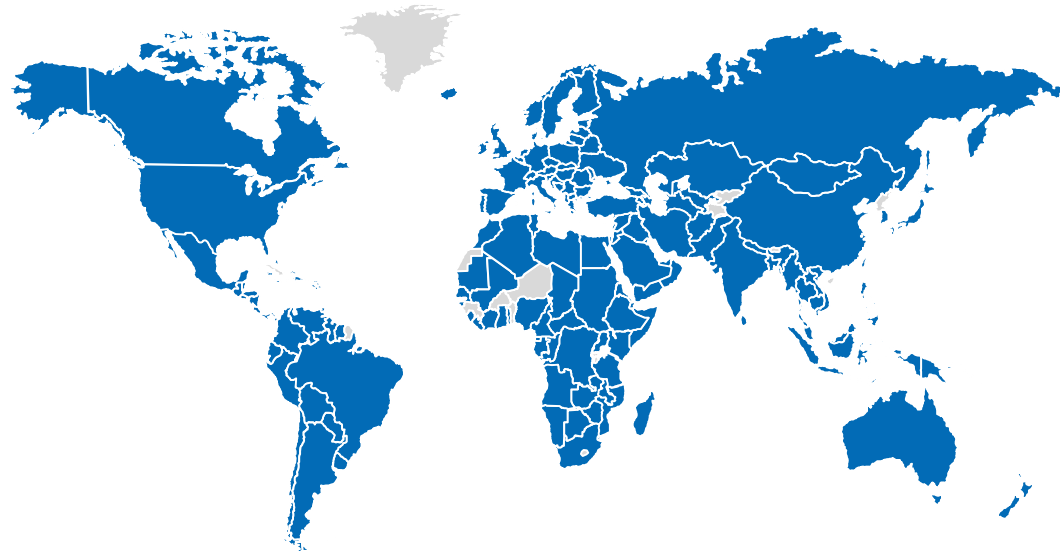
Entrepreneurial spirit and **future-facing** vision.



99% of your locations directly **serviced by Newmark**



One of the **world's leading** commercial real estate platforms.



Complete **suite of services** is tailored to every type of client:

- Brokerage & Transaction Management
- Lease Administration & Audit Services
- **Global Strategy & Consulting**
- Workplace Strategy & Human Experience
- Technology & Innovation
- Program & Project Management
- Facilities Management

Delivery of Services:

Global delivery in over 100 countries with **best in market commitment**

93

years in business

100+

countries

\$3.1B+

annualized revenue

~150

offices worldwide

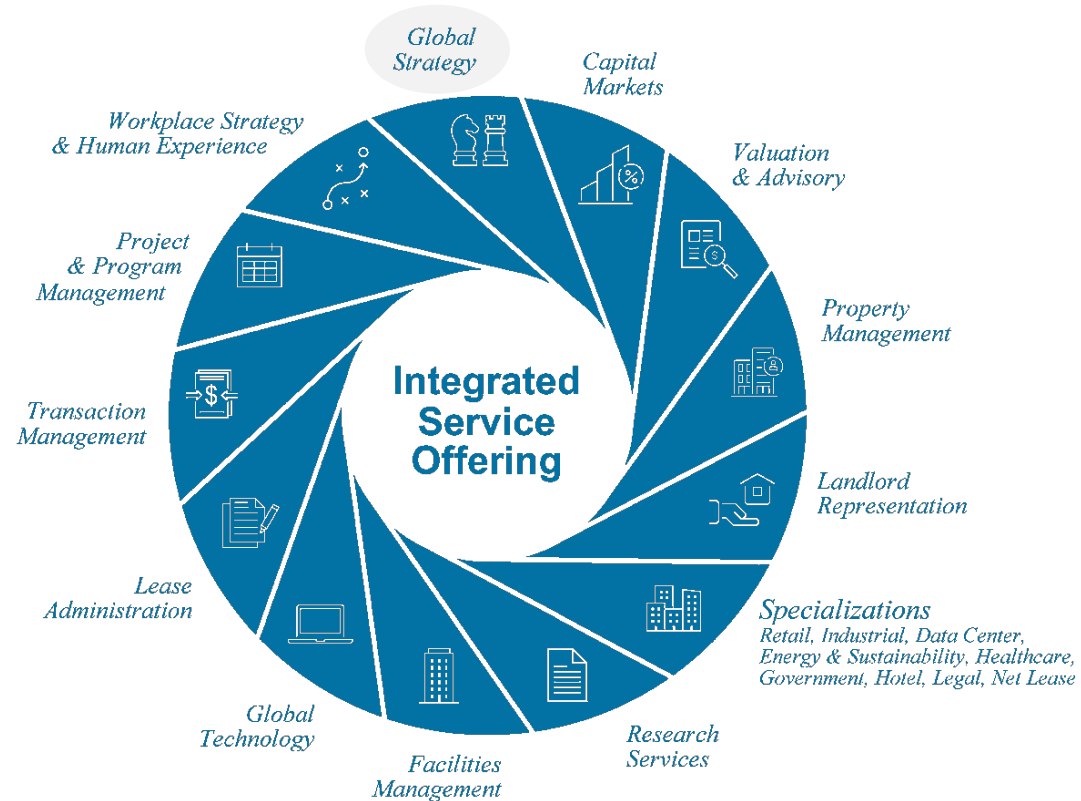
500M

square feet managed worldwide

Integrated Service Delivery

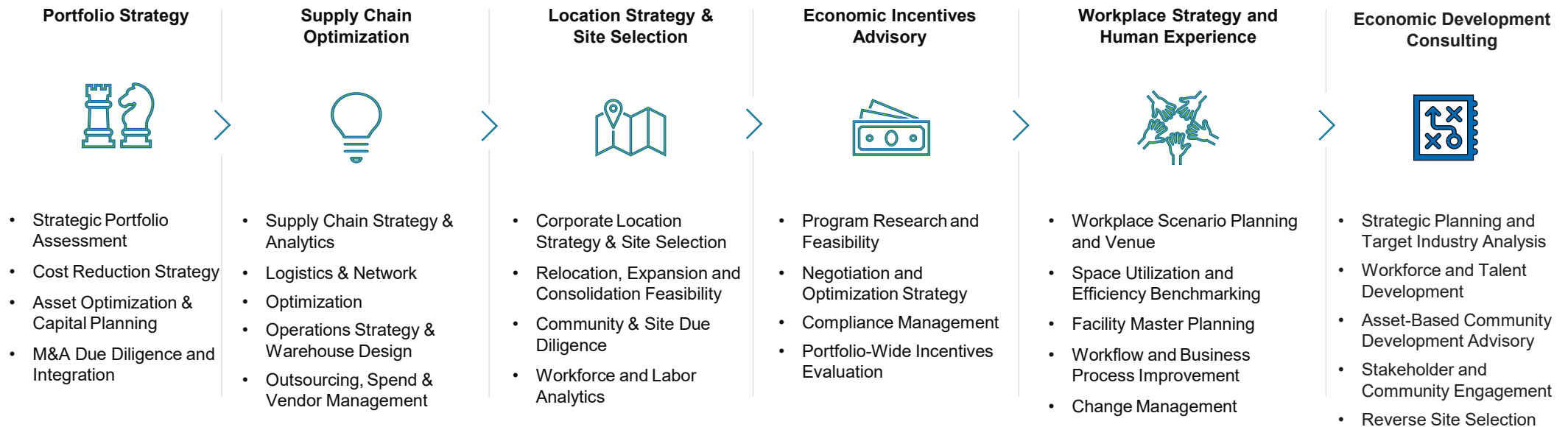
Newmark is a full-service firm with both consulting and delivery capabilities at every stage of the real estate lifecycle.

Newmark Global Strategy will be the lead service for this engagement and can support downstream execution of the project as needed.



Newmark Global Strategy & Consulting

What Do We Do: We are **management consultants** who help companies determine **what** facilities they need, **where** they are needed, and **how** those facilities **operating conditions** should be organized geographically, functionally, and socially while **optimizing costs** to the business.



<h2>500+</h2> <p>CLIENTS ACROSS MULTIPLE INDUSTRIES</p>	<h2>15-20</h2> <p>AVG YEARS OF CONSULTANT EXPERIENCE</p>	<h2>10-30%</h2> <p>OPERATING COST SAVINGS ACROSS ALL ENGAGEMENTS</p>	<h2>\$5B+</h2> <p>IN ECONOMIC INCENTIVES NEGOTIATED</p>
---	--	--	---



Community Livability: The Beginning

02

COMMUNITY LIVABILITY: THE BEGINNING

A Multi-Year Partnership between TVA and Newmark

- TVA created a multi-year initiative to **help communities in its service area to effectively present their assets to prospective companies and talent** that may want to migrate to their region.
- TVA selected **eleven communities in their service area to participate in the inaugural program** and each received the same Request for Information (RFI) developed by the consultants to guide the communities' presentations. Over 30 communities participated during the three years of the program.
- The RFI instructed the communities to include general characteristics, as applicable, in a **visually impactful presentation using maps, pictures and info-graphics that highlight aspects of the community that contribute to livability or location attractiveness such as Housing Trends and Distribution; Neighborhoods; Transportation and Connectivity; Environment; Healthcare; Entertainment; Education; Business; Engagement; Opportunity; Safety; Demographic Appeal/Growth/Decline; Tourism and other items.**
- Each community **identified and presented these assets to a panel** of Newmark consultants and TVA Economic Development staff in Nashville.
- Newmark provided a **recorded summary of each community's pitch including the feedback and advice** that Newmark consultants provided on how to make their story more compelling.





What is Community Livability?

03

WHAT IS COMMUNITY LIVABILITY?

Many factors add up to the livability of a community. Mostly quality of life. Factors include economic prosperity, social stability/equity, educational opportunity as well as cultural, entertainment and recreation possibilities. Something for everyone is the goal of a perfect society, but all communities are a work in progress.



Pipeline Development



Business Environment



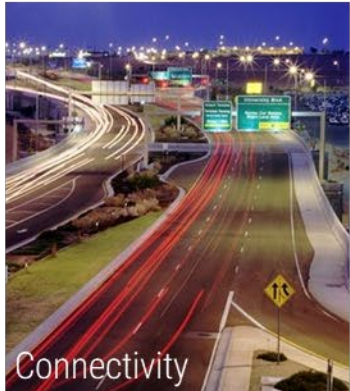
Breweries & Coffee Shops



Workforce Training



Innovation & Entrepreneurship



Connectivity



Partnerships in the Community



Public Transportation



Art



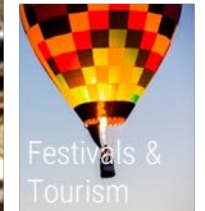
Diversity



Recreation



Live, Work & Play



Festivals & Tourism



Direct Flights



Housing



Parks & Activities



Nightlife

OTHERWISE KNOWN AS QUALITY OF PLACE

Coincides with ability to attract and grow top talent

- Quality of place is **rising in importance**, gaining more momentum each year.
- **95% of executives rate the availability of skilled labor** as a top-ranking factor in corporate site selection.
- As a result, Quality of Place has rapidly risen in importance serving as a means of **ensuring talent retention and attraction**.
- Quality of place can be defined as a **community's attractiveness to existing and future residents and workers**.
- As community attachment increases, there is a direct and **positive correlation to the growth of the community's GDP**.

- **Primary Site Selection factors** influencing Quality of Place:
 - ◆ Dense, walkable mixed-use environments
 - ◆ Presence of Diversity
 - ◆ Housing Availability and Affordability
 - ◆ Crime Rates
 - ◆ Arts & Entertainment
 - ◆ Access to Quality Education
- Quality of place, and the community to which a company is rooted, is an **extension of a business's culture and recruitment strategy**.
 - ◆ Both are responsible for retaining and attracting talent from around the nation and globally; in essence their functions are symbiotic.
- Place however, is an asset that **can be honed, improved, and marketed to potential employers and employees**.

COMMUNITY LIVABILITY / QUALITY OF PLACE VISUALIZED

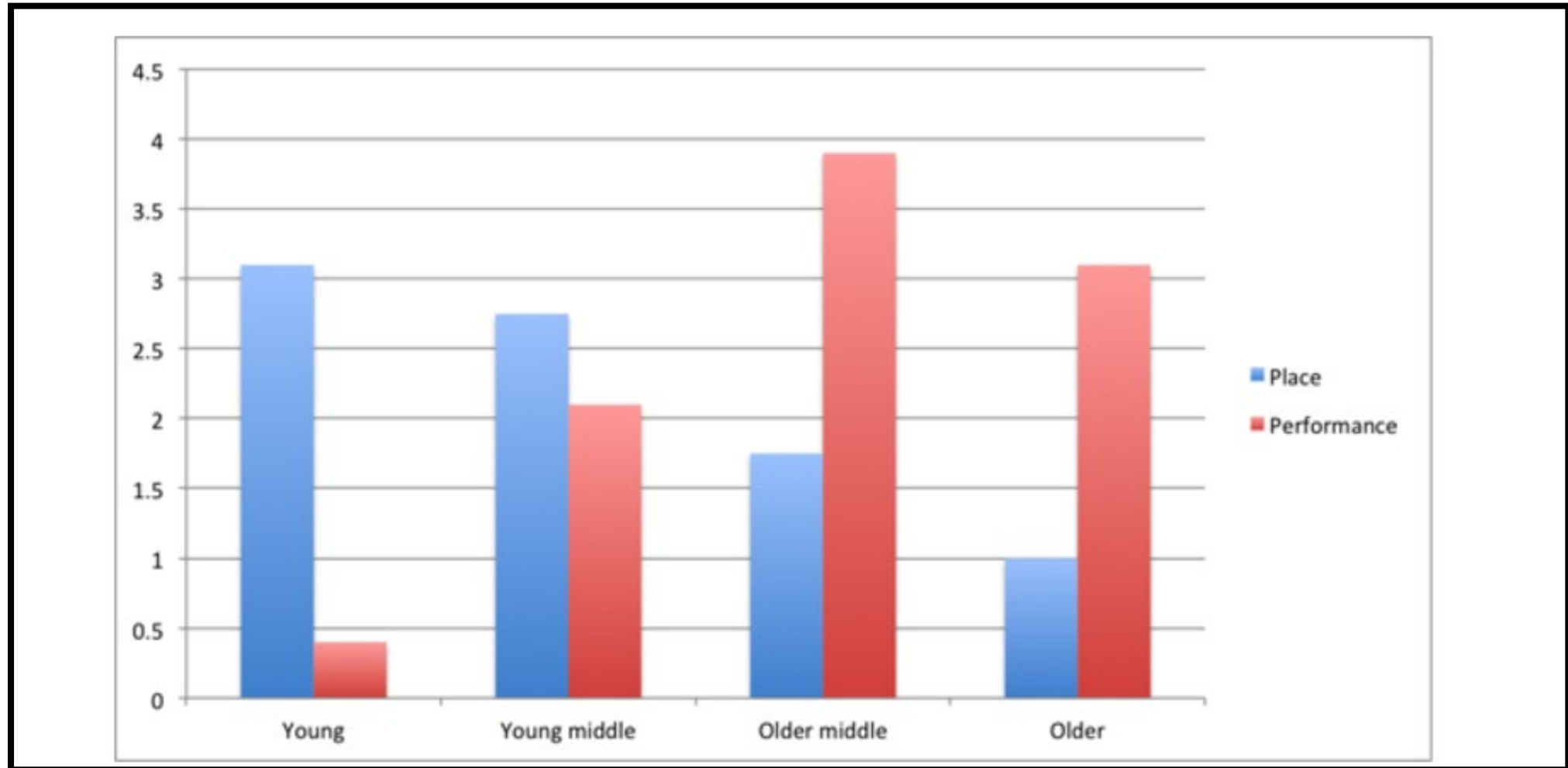




Why is Community Livability Important

04

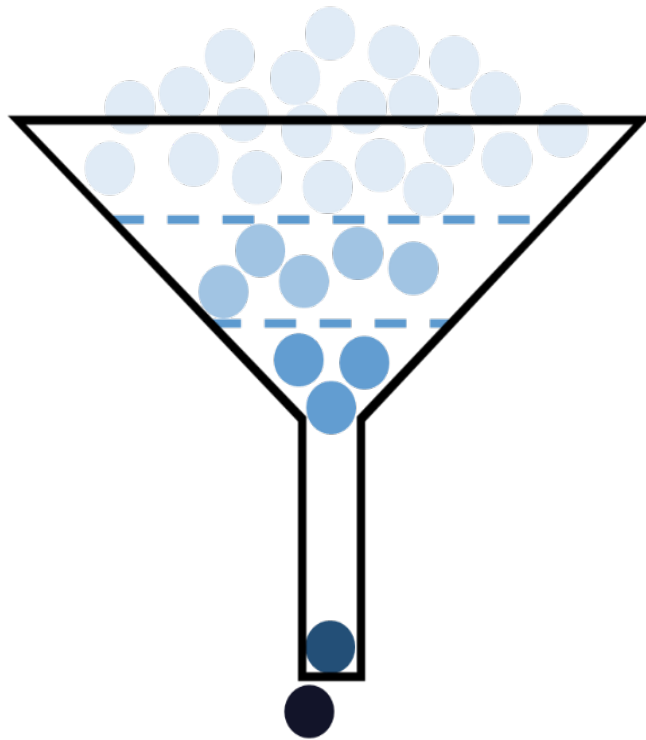
PLACE, PERFORMANCE, AND HAPPINESS BY AGE GROUP



“young” (ages 25 to 34), “young middle age” (35 to 49), “older middle aged” (50 to 64), “older” (65 to 85)

Note: The chart compares the ratios for how much place-based variables or performance variables affected happiness of the different age groups.

LOCATION STRATEGY PROCESS IS A PROCESS OF ELIMINATION



1 Determine Client Needs
(Real Estate, Labor, Supply Chain)

US Search Begins with 384 Metropolitan Areas (Markets)

2 Minimum Viable Markets
(Labor Availability, Labor Costs, Accessibility)

From 384 Markets to 12

3 Multi-Dimensional Scoring
(Detailed Market Costs & Conditions, Incentives)

From 12 Markets to 3

4 In-Market Due Diligence
(Sites & Amenities, Employer/Workforce Interviews, Culture)

Preferred and Secondary Option

SITE SELECTION MAJOR CATEGORIES

Workforce Capacity & Pipeline

Ability to initially scale and maintain a flow of labor to accommodate growth needs and replace attrition. Measures the growth of the region's workforce, its age profile, educational attainment, and overall labor availability.

Talent Capacity, Quality, & Alignment

Ability of location to support targeted hiring profiles and required skill sets in a way that provides for scale and sustainability.

Location Attractiveness

Quality of life factors and regional infrastructure that support the retention and attraction of talent and the ability to run business operations with minimal interruption.

Cultural Alignment

Measures the local area's alignment with the company's culture and style of work. Seeks to ensure an ease of integration with existing employees in other global locations.

Business Environment

Business and regulatory environment that supports the measurable and intangible objectives of the company. Competitive landscape that will support and complement the hiring efforts.

EXAMPLE MULTICRITERIA MATRIX

CLF & Weight	Sub Factor (Metric)	Sub Factor Weight	Sub Factor Total Contribution
Labor Availability 40%	3-Year Change Total Workforce	15%	6.0%
	Key Occupation (outbound sales) workers	25%	10.0%
	Student pipeline (HS age + community college enrollment)	15%	6.0%
	Student pipeline (college enrollment)	20%	8.0%
	Unemployment (weight of rate and 3-year change)	10%	4.0%
	Net Migration Rate	15%	6.0%
	CLF Total		100%
Business Environment 30%	Air access (weight of Daily flights from Chicago/Seattle and ticket costs)	20%	6.0%
	State regulatory burden (client qualitative)	25%	7.5%
	Mature call center tax climate	20%	6.0%
	Number of HQ establishments with 50+ employees	15%	4.5%
	Number of Tech center establishments over 50 employees	20%	6.0%
	CLF Total		100%
Quality of Place 30%	Market Weighted Housing Costs (home and apartment)	30%	9.0%
	Commute cost and difficulty	20%	6.0%
	Transit Score	10%	3.0%
	Health, culture quality (Weight of Q/Place Indices)	10%	3.0%
	Diversity Index (overall, includes: income, race, cultural, LGBTQ)	10%	3.0%
	Mean January temp	20%	6.0%
	CLF Total		100%
Cost Index 100%	Key occupations wage rates	50%	50.0%
	3-year percent change in key occupation wages	30%	30.0%
	Class B space per square foot	10%	10.0%
	Local market business tax score	10%	10.0%
	Cost Total		100%

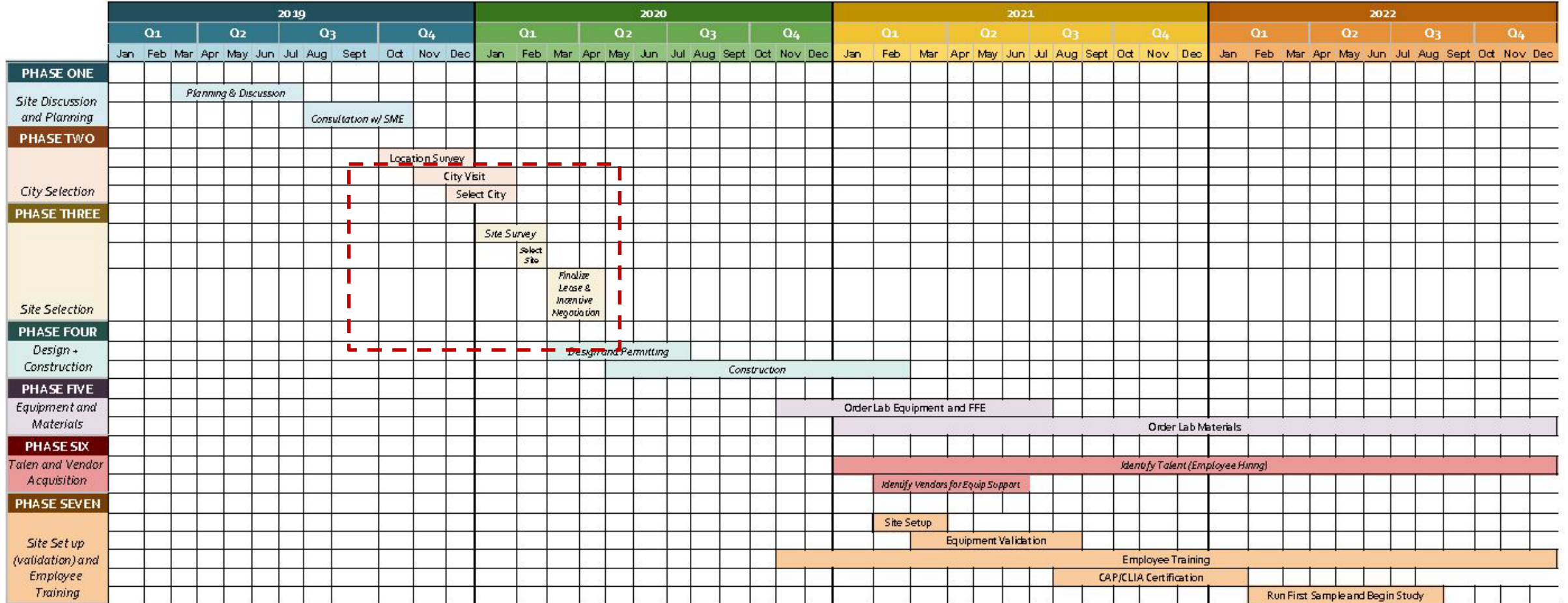
Example MCDA

Multi-criteria model scores of market conditions are combined with operating cost analysis to show the quality and cost tradeoffs in many location decisions.

Market Business and Labor Conditions

Market Costs

SITE SELECTION LIFE CYCLE



**Why should Community Livability
be a part of your story?**

05

IN A SEA OF SAMENESS, BE UNFORGETTABLE

Storytelling is a fundamental human experience that unites people and drives stronger, deeper connections. Storytelling has been around since the beginning of time, even long before the written word and provided a way to communicate, educate, share, and connect.

Research shows:

- Messages delivered as stories can be up to **22 times more memorable than just facts**.
- Audiences are more likely to engage with and adopt messages that make them feel personally involved by **triggering an emotional response**.
- We tend to **believe the story more readily** than we would believe a non-narrative account. This is because our **brains actually process narratives differently**. When we're taking in straight information, we're paying critical attention to the message – reaching back for our own existing knowledge and opinions and actively analyzing what we're hearing. When we're transformed by a narrative, however, our single focus is on the story. **We absorb it entirely, without pausing to deconstruct or doubt what we're hearing**. We're truly swept away, and this makes us more likely to embrace the ideals and messages the story is promoting.
- Develop a **deeper connection with the audience**.
- Other than through personal experience, stories are the best way to **grow knowledge and retain information**.

There could be a lot of communities saying roughly the same thing about roughly the same amenities and assets. Hopefully more people pick your community over the rest, but that's is a risky plan. **Setting yourself apart from the competition is a must**.

IMPACT ON TALENT RECRUITMENT

- Now in this new age of WFH, everyone wants to know **how to draw these remote workers to their smaller communities** with ranch style homes and breathing room or as less sophisticated folks call Rural communities.
- **Talent Incentive Programs started prior to COVID's emergence** with Vermont and Tulsa, OK leading the pack in 2018.
- At least **52 other worker relocation programs have been established** by states and municipalities over the last three years.
- Both the **Vermont and Tulsa programs have been studied** by outside firms for success assessment and both were concluded to likely benefited those economies.
- Most of these programs started these programs with hopes of having about 100 applicants but most have **received thousands of applicants (7,500-10,000)**.
- Though each community approaches these benefits differently, the most successful programs include **memberships to coworking space, performing arts and museum memberships, outdoor activity access and networking events that help integrate them into the community**. One even requires 15 hours of community service. Some benefits go directly to purchasing a home in the community.
- Some include **age requirements and length of stay commitments**. Some are specific to **certain job titles**. Some even require moves to specific communities within the state. Allowing the communities to drive their growth to areas or industries they wish to recruit or support within their economies.
- Applicants typically are **even split male and female, ages range from 18-64, applicants come from about 23 states** including DC and even internationally like Berlin.
- **Using public private partnership to support these programs takes the "burden" off local tax payers**. George Kaiser Family Foundation (Tulsa), The Walton Family Foundation (Northwest Arkansas), Jimmy Johns (Topeka, KS), and Airbnb, local restaurants and hotels have also contributed gift cards and free stays. Using local employers and foundations to support these types of initiatives could increase recruitment to these communities. Opportunities are endless.

TALENT RECRUITMENT DATA

- Around 8.9 million people moved between March and October 2020, **up by 94,000 people from the year prior**.
- Generally, people who are able to **work remotely are highly educated and highly compensated**.
- **MakeMyMove survey** - 60% of remote workers would look for a new job if they're not permitted to continue working virtually; Around 29% of remote workers reported that they are either "likely" or "somewhat likely" to move to a new city or town in the next 18 months; 50% of respondents said they'd consider permanently relocating if offered \$10,000 and the community has the amenities they are seeking.
- **Pew Survey** – 54% would like to stay remote when the pandemic ends; Four in 10 people say they can do the majority of their job from home; Of this group, just over half want to continue working remotely most of the time after the pandemic, and one-third would like a hybrid arrangement between working from home and an office; 62% of workers with a bachelor's degree or more education say their work can be done from home. This compares with only 23% of those without a four-year college degree.
- Beyond the immediate threats of the pandemic, many have said they want to move now in order to **be closer to family, to have more space to start their own family, to enjoy a more affordable cost of living or because they want to be surrounded by amenities not offered in a big city, like trails, lakes and the outdoors**.
- PFM Group evaluated Tulsa and Vermont program impact and also suggested several ways the programs could be improved to attract new workers to Vermont: with more affordable housing, with better childcare availability and with access to high-speed internet.
- **MakeMyMove site also has a "Design Your Own" feature** where remote workers can list their ideal location as well as relocation incentive package. MakeMyMove cofounder Evan Hock says his team can then talk to local economic development programs to create new opportunities where there is demand.

**Who tells their Community
Livability story well?**

06

THE USUAL SUSPECTS



Austin, TX



San Francisco, CA



Chicago, IL



Nashville, TN



Denver, CO



Washington, DC



Miami, FL



Boston, MA



Seattle, WA



New York, NY

NEW TO THE LIST



San Antonio, TX



Columbus, OH



Asheville, NC



Kansas City, MO



Tampa, FL



Tucson, AZ



Cincinnati, OH



Jacksonville, FL



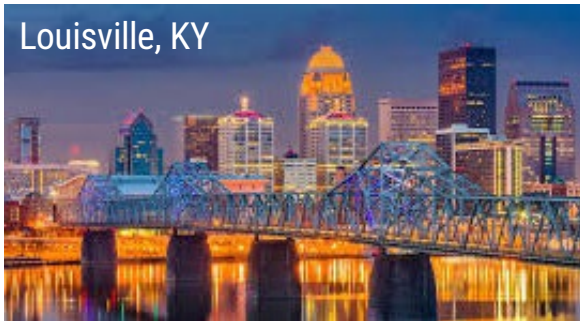
Richmond, VA



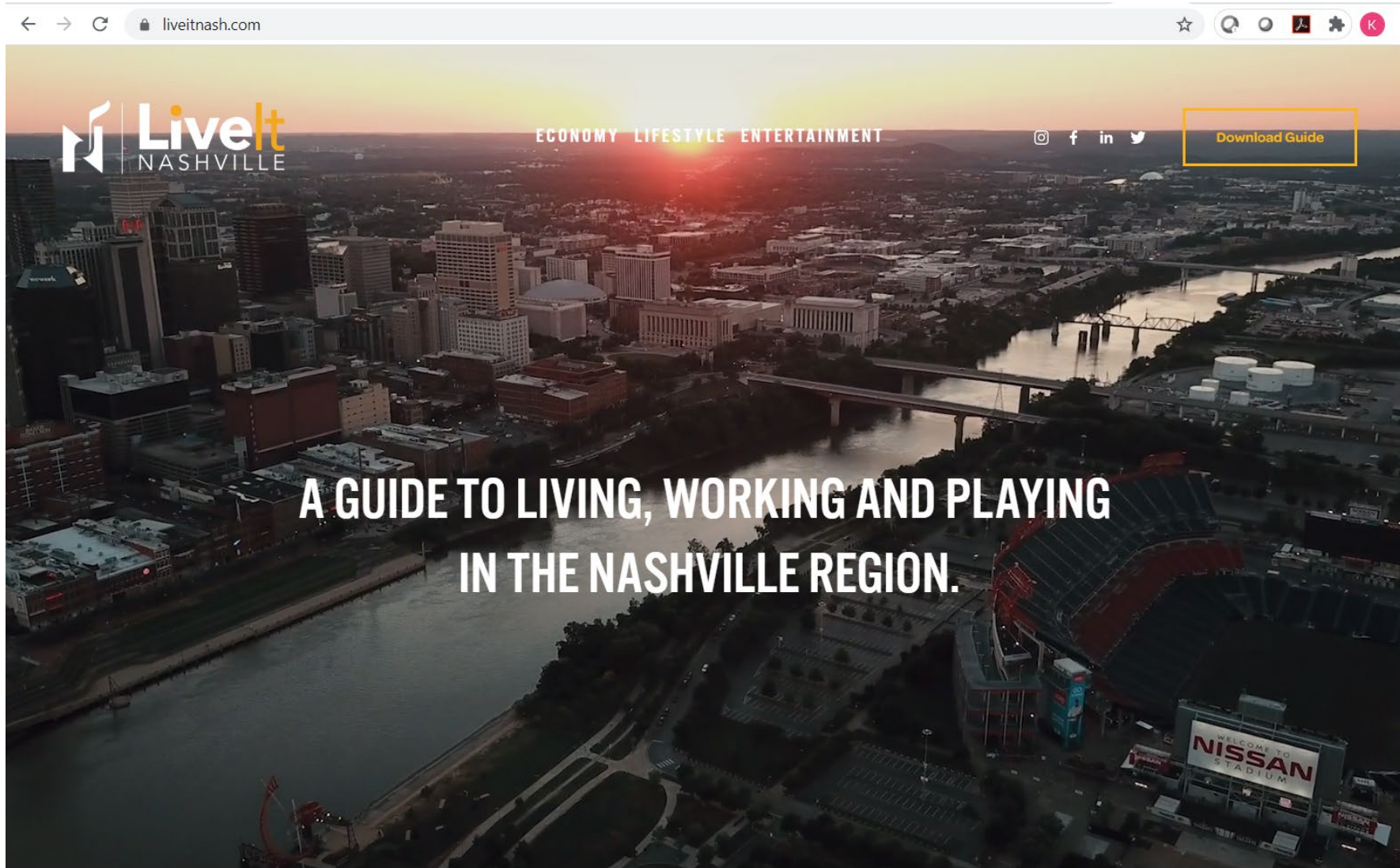
Fort Lauderdale, FL



Omaha, NE



Louisville, KY



MAURY COUNTY, TN - COLUMBIA, MT. PLEASANT AND SPRING HILL



Columbia | Mt. Pleasant | Spring Hill
MAURY COUNTY
Chamber & Economic Alliance

Columbia

<https://www.visitcolumbiatn.com/>

Mt. Pleasant

<https://www.hatcherimages.net/visitmountpleasanttn.com/>

Spring City

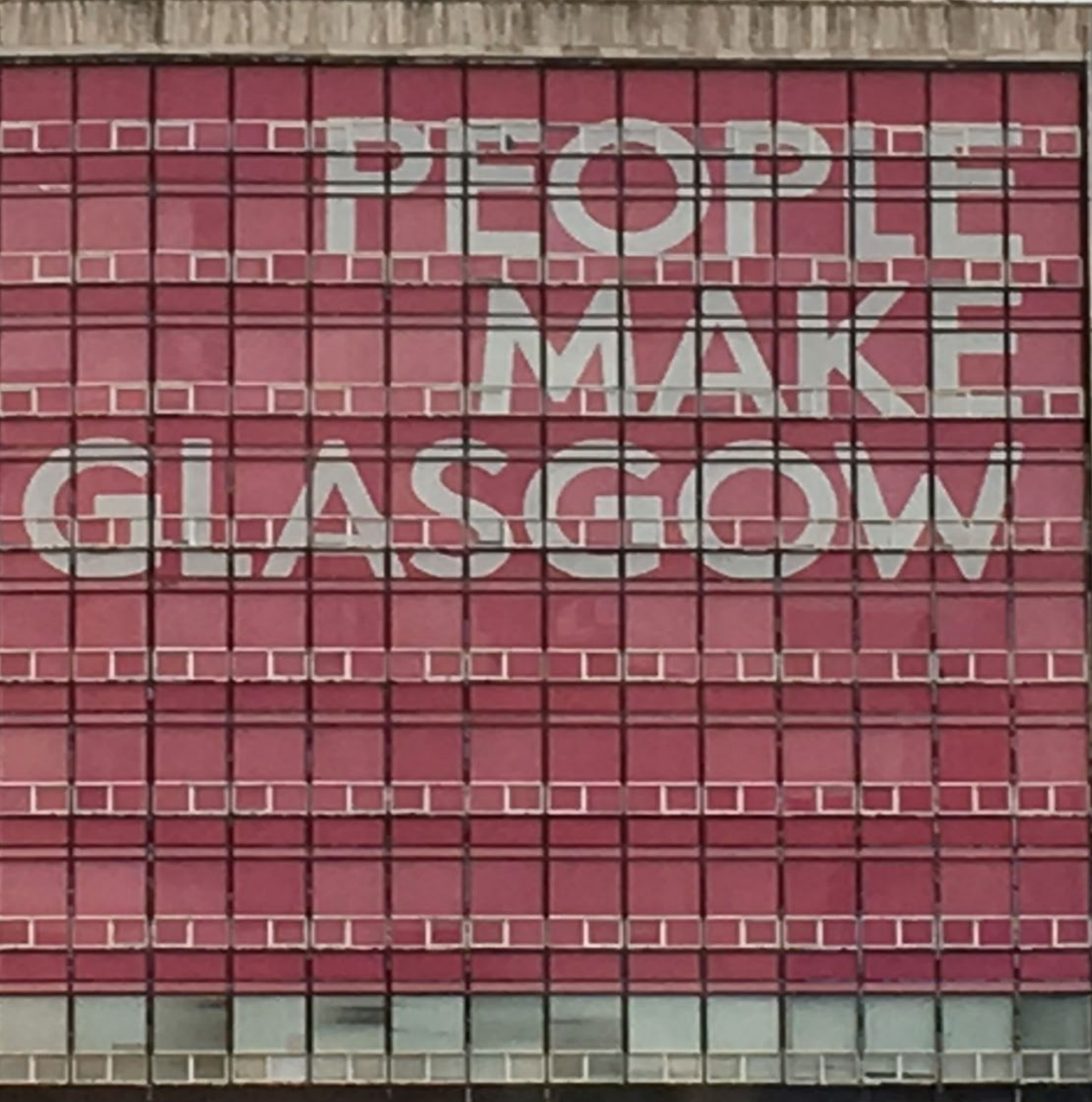
<https://www.springhilltn.org/398/Visitors>

SOUTH WESTERN KENTUCKY



NEWMARK

GLASGOW, SCOTLAND





Common Observations and Recommendations

07

COMMON OBSERVATIONS AND RECOMMENDATIONS

- Rural communities were full of apologies and struggled to tell the uniqueness of their communities.
- Rural came across as a dirty word. Should be positioned as a place with a country lifestyle within reach of major metro areas. There is no reason to feel or sound apologetic about being rural. This could be a strength for certain businesses.
- Data was there but used out of context reducing its meaning and impact.
- Need to convert all the “text” into infographics and easy-to-digest statistics.
- Tourism and economic development could be more aligned and develop a strong and mutually beneficial message and campaign.
- Little ownership of entrepreneurship and home-grown business opportunities. This can be a major opportunity, not just for economic development but for talent attraction.
- Demonstrate the heart of the community and its people through imagery and how the community comes together to recover from adversity.
- The diversity of the community was not highlighted and this should be a main piece of your livability story. This is critical to the millennial and Gen Z generations and technology and life science companies.
- Foreign Direct Investment needs to be tied to livability. Companies from countries that are willing to locate in your community not just because of lower cost but also because of livable communities that allows companies to hire workers. This point needs to be made stronger.
- Prepare youth to take leadership roles in community.
- The notion of Livability needs to connect emotionally with the audience. This can be managed with video testimonials and lifestyle graphics to replace text.



Discussion

08



Kim L. Moore

Dallas, Texas (CST)

Executive Managing Director

Kim.Moore@nmrk.com

940.390.2670

NEWMARK

**NEW YORK
HEADQUARTERS**
125 Park Avenue
New York, NY 10017
212.372.2000

Kim Moore
Executive Managing Director
Global Strategy
Kim.Moore@nmrk.com
940.390.2670

NEWMARK