



**For Immediate Release**  
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**KPMG STUDY REVEALS TAMPA, ATLANTA RANK  
AS LEAST-EXPENSIVE LARGE U.S. CITIES FOR BUSINESS**

*Miami and Baltimore Also Highly Cost-Competitive*

**NEW YORK, March 30** – Very competitive labor costs along with moderately-low office/industrial leasing and sales tax costs help make Tampa the least-costly place to do business among 22 U.S. cities/locations with populations exceeding 2 million, according to a study by KPMG LLP, the audit, tax and advisory firm.

Atlanta was the second most cost-competitive location in the large-cities category, followed by Miami and Baltimore, ranking third and fourth, respectively. Among other locations that performed well in the study were Dallas-Fort Worth, St. Louis, Houston and Phoenix, all with business costs below the U.S. baseline. The most expensive places to do business in the large-cities category were Los Angeles, New York and San Francisco, according to the study.

“Our study offers a comprehensive guide for comparing business costs in the United States and contains valuable information for any company seeking a cost advantage in locating a business operation, especially in the current economic climate,” said Hartley Powell, national leader for KPMG’s Global Location and Expansion Services practice. “Selecting the best site for a business operation requires balanced consideration of many factors, including business costs, business environment, personnel costs and quality-of-life issues.”

KPMG’s 2010 *Competitive Alternatives* study measured 26 significant cost components including labor, taxes, real estate and utilities, as they apply to 17 industries, over a 10-year planning horizon, as well as data on a variety of non-cost-competitive factors. The study enables companies to perform a “quick scan” of jurisdictions to determine which can offer a cost-competitive business environment.



## KPMG's 2010 Competitive Alternatives Study--2

### **The Cities by the Numbers**

According to the study, Tampa had a cost index of 96.0, representing business costs 4.0 percent below the U.S. national baseline of 100.0. Tampa was followed closely by Atlanta at 96.3, Miami at 97.0 and Baltimore at 97.1.

Atlanta's ranking was driven primarily by very competitive business-operating costs in such areas as office leasing, transportation, labor, and employee benefits, along with a favorable effective corporate-tax rate. Miami benefited from low labor and transportation costs, while Baltimore was helped by low property tax and sales tax costs.

Dallas-Fort Worth, with a cost index of 97.7, ranked fifth among the large U.S. cities and profited mostly from very low natural gas and office leasing costs. St. Louis ranked sixth with a cost index of 97.8, benefiting from very competitive salary and wage costs and very low industry lease costs. In fact, St. Louis tied with Chicago for the lowest industrial-lease cost among the 22 large cities in the study.

Houston and Phoenix ranked seventh and eighth, with cost indexes of 97.9 and 98.1, respectively. Houston also benefited from very low natural gas costs and low office leasing costs, while Phoenix was helped by low salary and wage costs and a moderately-low effective income-tax rate.

At the other end of the spectrum, Los Angeles, New York and San Francisco represent the most expensive major North American cities in which to do business, reflecting their high labor costs. San Francisco and Los Angeles, with cost indexes of 104.1 and 101.4, respectively, also have very high sales tax costs, while New York's very high industrial-lease costs contributed to its high ranking with a cost index of 102.0.

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### KPMG’s 2010 Competitive Alternatives Study—3

And while San Francisco ranks as the most expensive place to do business among 22 large U.S. cities studied, it is not the most expensive U.S. city to do business, according to the study. That distinction goes to Honolulu, in the study’s small-cities category, with a cost index of 107.3.

#### **Location Decision More Than Just Costs**

Commenting further on the study, KPMG’s Powell said: “Identifying which sites are most worthy of further investigation by a company as it considers relocation is just the first step. Although business costs and location issues are important considerations in the site-selection process, companies should also remember that discretionary incentives offered by many jurisdictions may enhance the relative cost-attractiveness of a popular site.”

The overall Competitive Alternatives study measured business-operating costs in 112 cities throughout 10 countries. The full text of the 2010 study is available online at [www.CompetitiveAlternatives.com](http://www.CompetitiveAlternatives.com).

Cost indexes for the 22 large U.S. cities studied follows. The benchmark cost index (U.S. = 100) is defined as the average of business costs in the four largest U.S. metropolitan areas: New York, Los Angeles, Chicago and Dallas-Fort Worth.

*KPMG’s 2010 COMPETITIVE ALTERNATIVES STUDY*  
**(U.S. Cities with population of more than 2 million)**

	<b>Cost Index</b>	<b>Rank</b>	<b>City</b>	<b>Cost Index</b>	<b>Rank</b>
Tampa, FL	96.0	1	Portland, OR	98.9	12
Atlanta, GA	96.3	2	Minneapolis, MN	99.0	13
Miami, FL	97.0	3	North Virginia (Metro DC)	99.0	14
Baltimore, MD	97.1	4	Riverside-San Bernardino, CA	99.5	15
Dallas-Fort Worth, TX	97.7	5	Denver, CO	99.6	16
St. Louis, MO	97.8	6	Seattle, WA	100.1	17
Houston, TX	97.9	7	Boston, MA	100.8	18
Phoenix, AZ	98.1	8	San Diego, CA	100.9	19
Philadelphia, PA	98.3	9	Los Angeles, CA	101.4	20
Detroit, MI	98.5	10	New York, NY	102.0	21
Chicago, IL	98.8	11	San Francisco, CA	104.1	22

Cost-index figures were created by measuring the combined impact of 26 cost components that are most likely to vary by location. More than 1,900 individual business scenarios were examined, analyzing more than 40,000 items of data.



## KPMG's 2010 Competitive Alternatives Study—4

KPMG's Global Location and Expansion Services practice, with over 50 U.S. professionals, offers a comprehensive range of services that help companies find tax and other efficiencies when expanding, relocating or consolidating their facilities. The practice operates domestically and globally and is part of KPMG's State and Local Tax practice in the United States.

KPMG LLP, the audit, tax and advisory firm ([www.us.kpmg.com](http://www.us.kpmg.com)), is the U.S. member firm of KPMG International Cooperative ("KPMG International"). KPMG International's member firms have 140,000 professionals, including 7,900 partners, in 146 countries.

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Note to Editors: The study also includes results for cities/locations with populations from 1 to 2 million and under 1 million, which are available in the full Competitive Alternatives report, which can be accessed via the link provided in this news release.