

fDi magazine names North American Cities of the Future

fDi magazine's April/May issue has named Chicago, Illinois as North America's "Major City of the Future." (See table below for full results.) The **Financial Times** publication on inward investment selected Chicago for its ambitious development plans, massive infrastructure investment, reasonable location costs and energetic regional economy.

fDi researchers took more than six months to select the "top ten" shortlists of cities of all sizes with the best strategies and resources for economic development. Courtney Fingar, editor of **fDi** magazine, said: "**fDi** magazine's City of the Future rankings reflect an independent panel of judges' views on each city according to seven selection factors."

As part of the selection process, nine judges reviewed nominations from 108 cities on more than 60 criteria designed to assess cities' potential to attract business investment projects."

Chicago ranked as the US City of the Future in 2005 and the city has developed a massive lead ahead of its nearest competitors in the past two years thanks to high levels of public and private investment and consistently strong economic indicators. As **fDi** went to press, Chicago was celebrating the United States Olympic Committee's decision to support its bid for the 2016 summer games.

Meanwhile, Toronto, Ontario's good affordable housing, low crime levels, strong health and education sectors and falling unemployment helped push Canada's largest city into the runner's up position. Toronto has a strong and innovative environmental programme and the city topped **fDi**'s shortlist with the best quality of life of any major city.

Guadalajara in the Mexican state of Jalisco was the highest ranking major Mexican city. Guadalajara had the second strongest economic potential of any major North American city and only Chicago scored more highly for sheer economic potential. Guadalajara's youthful population, low unemployment and large number of recent foreign investment deals are good indicators that Mexico's second largest city has a bright future.

fDi's shortlists identify Juarez, Chihuahua as the top "large" City of the Future. Although Juarez is only the eighth largest city in Mexico, **fDi**'s judges noted its growing importance as a regional industrial and logistics centre on the border between Mexico and the United States.

Windsor, Ontario ranks as North America's leading "small" City of the Future, scoring well for business-friendly policies and a strong development programme that includes several large-scale projects involving public and private investment.

fDi's "micro" City of the Future, Zapata, Texas, impressed the judges with its clear development strategy and success in attracting out of state investors.

Zapata's many development projects include a new border crossing into Mexico, major highway improvements, and a strategy for growth and investment that includes logistics, air transport, alternative energy, eco-tourism and security.

About *fDi*'s Cities of the Future shortlists

This is the first time that cities in the United States, Canada and Mexico have competed directly against one another in *fDi*'s Cities of the Future research. As well as naming North America's top ten major Cities of the Future, the ranking lists the top ten large, small and micro cities.

The short-listed cities are those that scored most highly in the following areas:

- Economic potential
- Cost effectiveness
- Human resources
- Quality of life
- Infrastructure
- Business friendliness
- Development and investment promotion

fDi magazine's "Locations of the Future" competition has been running for five years and covers almost every region across the world. The methodology is designed to identify those cities that have the basics in place to flourish in the next few years by attracting high levels of inward investment.

The shortlists are created by asking cities to provide data and qualitative information in much the same way investors approach locations during the screening process used to decide which are suitable for capital investment projects.

fDi's Locations of the Future competition covers each region once every two years and is currently accepting entries from the following:

- **Caribbean and Central American Countries of the Future**
- **Central American and Caribbean Special Economic Zones of the Future 2007/08**
- **African Countries of the Future**
- **African Special Economic Zones of the Future**

For further information about the rankings please contact charles.piggott@ft.com. For information about how *fDi* magazine can help promote your location, please contact david.east@ft.com.

Methodology

In the second half of 2006, *fDi* magazine invited key cities across North America to answer more than 60 questions in the seven broad categories

listed below. A total of 108 cities were considered by *fDi*'s panel of judges, which scored each city according to the criteria listed below.

Cities were categorised by size so that cities across North America could compete against each other on a level basis:

- Major: population of over two million
- Large: 500,000 - 2 million
- Small: 100,000 - 500,000
- Micro: under 100,000

Cities scored up to a maximum of ten points for each criteria. The winners in each category are the cities that scored the most points in that category and the overall winner is the city that scored the most points across all seven categories.

Cities were scored by members of *fDi*'s editorial team and by independent guest judges (see judging panel below).

Don Holbrook, board member, International Economic Development Council in Washington, who is also writing a book on world class cities

Dan Malachuk, *fDi*'s US columnist and a strategist for the public and private sector

Todd Malan, president and chief executive officer of the Organization for International Investment in Washington

Daoud Awad, executive managing director, operational planning, New York Region Corporate Services for The Staubach Company

Miguel Noyola, partner in charge of the Mexico practice in Chicago and Washington offices of law firm Baker McKenzie

Steve Demmings, president, Site Selection Canada

fDi's Locations of the Future competition covers each region once every two years. The next North American Cities of the Future competition will be published in 2009.

If you are interested in attending *fDi*'s presentation at BIO 2007, or working with *fDi* as it expands its North American coverage, please contact david.east@ft.com.

Cities of the Future criteria

Economic potential

- Percentage of the population under 25
- Adult unemployment level in 2005
- Change in adult unemployment 2003 to 2005
- Average annual earnings of employees in 2005
- Average annual earnings growth 2004 to 2005
- Fiscal balance 2005
- Fiscal balance 2004

- FDI stock per capita at the city level
- FDI stock per capita at the state/province level
- Foreign direct investment in 2005
- Number of foreign investment deals signed in 2005
- Three most significant inward investment projects

Cost effectiveness

Town centre office rental costs

Out of town office rental costs

Factory/industrial premises rental costs

Warehouse rental costs

Town centre office purchase costs

Out of town office purchase costs

Factory/industrial premises purchase costs

Warehouse purchase costs

Secretarial salaries

Entry level manager salaries

Middle manager salaries

Senior manager salaries

Manual worker wages

Electricity tariffs for business/industrial users

Water tariffs for business/industrial users

Gas tariff for business/industrial users

Unleaded fuel costs

Diesel fuel costs

Human resources

- Number of university-level educational institutions in the city
- Number of university-level educational institutions in the state/province
- Leading university and research institutions in the city
- Leading university and research institutions in the state/province
- Number of student graduates in 2005
- Percentage of the city population with a university-level degree

- Number of “World top-200” universities
- Government-sponsored worker training programmes

Quality of life

- Best housing areas
- Average residential property purchase price
- Average residential rental costs
- Public and private healthcare facilities
- Leading schools
- Leading international schools
- Cultural and environmental heritage
- Incidents of crime per thousand people

Infrastructure

- Strategic transport links
- Mobile phone ownership (% of adult population)
- Internet connection speeds (maximum available bandwidth)

Business friendliness

- Basic level of corporate taxation
- Business-related taxes at the city level
- Business-related taxes at the state/province level
- Property transaction tax
- Number of out-of-state companies in the city
- Number of out-of-state companies in the state/province
- Number of jobs created by out of state investment in the past year
- Mandatory employer contributions, eg welfare taxes, healthcare benefits etc

FDI promotion strategy

- Sectors targeted for inward investment
- Financial support available to investors
- Non-financial investment support available to investors
- Major infrastructure and urban planning projects
- Environmental strategies and grants

NORTH AMERICAN CITIES OF THE FUTURE

Top ten major cities of the future

1	Chicago	Illinois	United States
2	Toronto	Ontario	Canada
3	Pittsburgh	Pennsylvania	United States
4	Atlanta	Georgia	United States
5	Guadalajara	Jalisco	Mexico
6	Baltimore	Maryland	United States
7	Montreal	Quebec	Canada
8	Mexico City	Federal District	Mexico
9	Boston	Massachusetts	United States
10	Miami	Florida	United States

Major cities - best economic potential

1	Chicago	Illinois	United States
2	Guadalajara	Jalisco	Mexico
3	Atlanta	Georgia	United States
4	Mexico City	Federal District	Mexico
5	Montreal	Quebec	Canada

Major cities - best development and investment promotion

1	Chicago	Illinois	United States
2	Boston	Massachusetts	United States
3	New York	New York State	United States
4	Toronto	Ontario	Canada
5	Seattle	Washington State	United States

Major cities - best human resources

1	Boston	Massachusetts	United States
2	New York	New York State	United States
3	Chicago	Illinois	United States

4 Atlanta	Georgia	United States
5 Toronto	Ontario	Canada

Major cities - best infrastructure

1 Chicago	Illinois	United States
2 Pittsburgh	Pennsylvania	United States
3 Atlanta	Georgia	United States
4 Toronto	Ontario	Canada
5= Dallas	Texas	United States
5= Miami	Florida	United States

Major cities - most business friendly

1 Atlanta	Georgia	United States
2 Baltimore	Maryland	United States
3 Guadalajara	Jalisco	Mexico
4 New York	New York State	United States
5 Chicago	Illinois	United States

Major cities - most cost effective

1 Pittsburgh	Pennsylvania	United States
2 Chicago	Illinois	United States
3 Miami	Florida	United States
4 Mexico City	Federal District	Mexico
5 Guadalajara	Jalisco	Mexico

Major cities - quality of life

1 Toronto	Ontario	Canada
2 New York	New York State	United States
3 Chicago	Illinois	United States
4 Boston	Massachusetts	United States
5 Montreal	Quebec	Canada

Top ten large cities

1 Juarez	Chihuahua	Mexico
2 El Paso	Texas	United States
3 Columbus	Ohio	United States
4 Edmonton	Alberta	Canada
5 Charlotte	North Carolina	United States
6 Santiago de Queretaro	Queretaro	Mexico
7 Austin	Texas	United States
8 Philadelphia City	Pennsylvania	United States

9 Nuevo Laredo	Tamaulipas	Mexico
10 Toledo	Ohio	United States

Large cities - best economic potential

1 Edmonton	Alberta	Canada
2 Mississauga	Ontario	Canada
3 Charlotte	North Carolina	United States
4 Tijuana	Baja California	Mexico
5 Calgary	Alberta	Canada

Large cities - best development and investment promotion

1 Phoenix	Arizona	United States
2 Austin	Texas	United States
3 Charlotte	North Carolina	United States
4 Richmond	Virginia	United States
5 Edmonton	Alberta	Canada

Large cities - best human resources

1 Philadelphia	Pennsylvania	United States
2 Austin	Texas	United States
3 Richmond	Virginia	United States
4 El Paso	Texas	United States
5 Charlotte	North Carolina	United States

Large cities - best infrastructure

1 Philadelphia	Pennsylvania	United States
2 Charleston	South Carolina	United States
3 Juarez	Chihuahua	Mexico
4 Phoenix	Arizona	United States
5 Las Vegas	Nevada	United States

Large cities - most business friendly

1 Toledo	Ohio	United States
2 Austin	Texas	United States
3 Orlando	Florida	United States
4 Columbus	Ohio	United States
5 Nashville	Tennessee	United States

Large cities - most cost effective

1 Juarez	Chihuahua	Mexico
2 El Paso	Texas	United States
3 Santiago de	Queretaro	Mexico

	Queretaro		
4	Columbus	Ohio	United States
5	Nuevo Laredo	Tamaulipas	Mexico

Large cities - quality of life

1	Quebec	Quebec	Canada
2	Charlotte	North Carolina	United States
3	Philadelphia	Pennsylvania	United States
4	Orlando	Florida	United States
5	Richmond	Virginia	United States

Top ten small cities of the future

1	Windsor	Ontario	Canada
2	Huntsville	Alabama	United States
3	Albany	New York	United States
4	London	Ontario	Canada
5	Waterloo	Ontario	Canada
6	Colima	Colima	Mexico
7	Bloomington- Normal	Illinois	United States
8	Mobile	Alabama	United States
9	Chatham-Kent	Ontario	Canada
10	Saskatoon	Saskatchewan	Canada

Small cities - best economic potential

1	Saskatoon	Saskatchewan	Canada
2	Mobile	Alabama	United States
3	Halifax	Nova Scotia	Canada
4	Windsor	Ontario	Canada
5=	Durango	Durango	Mexico
5=	London	Ontario	Canada

Small cities - best development and investment promotion

1	Huntsville	Alabama	United States
2	Windsor	Ontario	Canada
3	Durango	Durango	Mexico
4	Sherbrooke	Quebec	Canada
5=	St. Johns	New Foundland and Labrador	Canada
5=	Waterloo	Ontario	Canada

Small cities - best human resources

1	Albany	New York	United States
----------	--------	----------	---------------

2 Waterloo	Ontario	Canada
3 Greenville	South Carolina	United States
4 Plano	Texas	United States
5 Windsor	Ontario	Canada

Small cities - best infrastructure

1 Halifax	Nova Scotia	Canada
2 Gatineau	Quebec	Canada
3 Huntsville	Alabama	United States
4 Waterloo	Ontario	Canada
5= Matamoros	Tamaulipas	Mexico
5= Windsor	Ontario	Canada

Small cities - most business friendly

1 Mobile	Alabama	United States
2 Windsor	Ontario	Canada
3 Greenville	South Carolina	United States
4 Anchorage	Alaska	United States
5 Moncton	New Brunswick	Canada

Small cities - most cost effective

1 Colima	Colima	Mexico
2 Chatham-Kent	Ontario	Canada
3 London	Ontario	Canada
4 Barrie	Ontario	Canada
5 Amarillo	Texas	United States

Small cities - quality of life

1 Albany	New York	United States
2 Waterloo	Ontario	Canada
3 Huntsville	Alabama	United States
4 Windsor	Ontario	Canada
5 Lafayette	Louisiana	United States

Top ten micro cities of the future

1 Zapata	Texas	United States
2 Ennis	Texas	United States
3 Sarnia	Ontario	Canada
4 Yuma	Arizona	United States
5 Wilmington	Delaware	United States
6 Silverthorne	Colorado	United States
7 Surprise	Arizona	United States
8 Fredericton	New Brunswick	Canada

9 Plattsburgh	Brunswick New York	United States
10 Poughkeepsie	New York	United States

Micro cities - best economic potential

1 Wilmington	Delaware	United States
2 Yuma	Arizona	United States
3 Ennis	Texas	United States
4 Danville	Virginia	United States
5 Zapata	Texas	United States

Micro cities - best development and investment promotion

1 Surprise	Arizona	United States
2 Zapata	Texas	United States
3 Sarnia	Ontario	Canada
4 Yuma	Arizona	United States
5= Campbell River	British Columbia	Canada
5= Ennis	Texas	United States

Micro cities - best human resources

1 Wilmington	Delaware	United States
2 Franklin	Wisconsin	United States
3 Plattsburgh	New York	United States
4 Fredericton	New Brunswick	Canada
5 Silverthorne	Colorado	United States

Micro cities - best infrastructure

1 Poughkeepsie	New York	United States
2 Surprise	Arizona	United States
3 Zapata	Texas	United States
4 Franklin	Wisconsin	United States
5 Wilmington	Delaware	United States

Micro cities - most business friendly

1 Zapata	Texas	United States
2 Blue Ash	Ohio	United States
3 Surprise	Arizona	United States
4 Ennis	Texas	United States
5 Wilmington	Delaware	United States

Micro cities - most cost effective

1 Ennis	Texas	United States
2 Sarnia	Ontario	Canada
3 Yuma	Arizona	United States
4 Plattsburgh	New York	United States
5 Zapata	Texas	United States

Micro cities - quality of life

1 Silverthorne	Colorado	United States
2 Campbell River	British Columbia	Canada
3 Surprise	Arizona	United States
4 Wilmington	Delaware	United States
5 Sarnia	Ontario	Canada