As the United States has entered a period of robust economic growth, expected to be both enormous in scale and rapid in pace, businesses are looking to expand to capitalize on this opportunity. As the analysis in this report shows, businesses’ location decisions have significant implications for talent, equity and sustainability. In short,
This research was conducted by Katie Van Dusen, while a Holmes Fellow at the Weatherhead School of Management at Case Western Reserve University. The resulting report was developed in partnership with the Lincoln Institute of Land Policy, under the leadership of Bryce Sylvester, Director of Site Strategies at Team NEO and Brad Whitehead, Senior Advisor, Special Projects at the Fund for Our Economic Future.
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talent
location, equity
location, sustainability
location.

executive summary

Fund for Our Economic Future + Team NEO | September 2021
brace yourself.

The United States has entered a period of robust economic growth, expected to be both enormous in scale and rapid in pace. Following the disruptions caused by the COVID-19 pandemic, and the influx of billions of federal recovery dollars, more than 850,000 jobs were added in June bringing the unemployment rate to 5.9%, the U.S. economy grew 6.5% in the second quarter of 2021. Team NEO has seen a high volume of site search requests in 2021, with a total of 47 searches from January 1 to August 11, 2021. This is the highest volume of site search requests during this period in the last seven years.

Growth of this magnitude presents an exciting opportunity for legacy economies like Northeast Ohio. Shifts on this scale are rare and represent a chance to do things differently to drive better outcomes for all people, regardless of race or place. Rather than improving in times of recovery, economic inequities tend to worsen. Moreover, Northeast Ohio historically has bounced back more slowly than the rest of the country.

Without intentional action, growth will continue to be uneven and inequitable. With a little foresight and aligned, strategic action that prioritizes equitable outcomes at the forefront, outcomes could be different. This time period could prove to be transformational for the Northeast Ohio region. Decisions on the local level will determine the quality of our recovery in terms of how broadly the gains are shared.

Executives are increasingly seeing the link between racial equity, sustainability and their return on investment (ROI). ROI will continue to guide company decision making, and companies can utilize talent, equity and sustainability factors in its ROI calculations. For instance, a McKinsey study from February 2020 found that a majority of business leaders and investment professionals say that environmental, social and governance programs create value over both the short term and long term.

competition has changed.

Alongside this growth, site selection/location analysis is experiencing a major transformation. **Time, risk and money** have historically been the fundamental decision drivers, and will continue to drive location decisions for companies. More recently, three additional central factors have surfaced:

1. **Access to Talent**: Talent is now considered the world’s most scarce and valuable resource—how can businesses remove barriers to accessing it?
2. **Racial Equity**: Businesses are reassessing and reinforcing their commitments to prioritize more intentionally diversity, equity and inclusion (DEI).
3. **Sustainability/Carbon Footprint**: As the effects of climate change become more wide-ranging and urgent, businesses are increasingly focused on incorporating sustainable operating practices.

**social responsibility is good for business.**

Increasingly, employees and customers are attracted to businesses that reflect their identity and align with their values. For example, in today’s tight labor market, a commitment to equitable hiring practices is table stakes for attracting talent.

Decision-makers must understand how talent, equity and sustainability—just like time, risk and money—influence ROI. Advancing equity and sustainability can have a material impact on an individual company’s ROI, and when these priorities are amplified and facilitated more broadly, we can enhance the competitiveness of our region for attracting good jobs and qualified talent.

**central question**

*As a business expands, how important is location to its ability to access talent, pursue racial equity, and operate sustainably?*
In other words, to what degree should businesses care about their location beyond traditional considerations of time, risk and money? Do measurable differences (and benefits) exist relative to access, equity, and sustainability?

Civic leaders have known for some time that the present patterns of site selection and business development in NEO are not tenable. It is widely understood that redeveloping, particularly in cities, presents special challenges due to brownfields, aging infrastructure, and parcel size. Our analysis seeks both to acknowledge these challenges while shedding light on the potential untapped benefits of these sites that may change the ROI calculus.

However, business executives and economic developers have not had concrete information to examine how this plays out in practice. To address this data gap, Team NEO and the Fund for Our Economic Future examined five sites in Northeast Ohio to illustrate how decisions of where within our region to locate has implications for talent, equity, and sustainability as it relates to the carbon footprint of worker commute.

We started with a list of recent business expansion transactions in Northeast Ohio, focusing on capital investments in the manufacturing and information services sectors. We filtered these transactions according to the following criteria:

- >10,000 square feet, <60,000 square feet
- Between 15 and 50 jobs created
- At least $1 million in total project costs

We selected a business expansion transaction that located on an undeveloped parcel in a rural community to serve as our baseline against which to compare potential alternatives. Then, we chose four other potential sites in Northeast Ohio that could have accommodated this expansion to compare the talent, equity and sustainability implications associated with each type of site. The alternative sites selected for analysis were all in job hubs in Northeast Ohio.

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wait, what’s a job hub?

**Job hubs** are areas of concentrated economic activity in a region where there are high levels of:

- Traded-sector jobs
- Multiple traded-sector employers
- Alignment with local development patterns, and
- Alignment with civic priorities and economic development opportunities

Supporting business growth around a thoughtfully identified and competitive job hub can form the foundation of an economy that is:

- **attractive for businesses to grow**, i.e., clustered around other traded-sector employers and talent
- **efficient for citizens to access**, i.e., have public transportation options and are well-connected to interstates.
- **fiscally prudent**, i.e., are in locations with existing utilities and roads, thus do not unnecessarily burden local municipalities with the cost of expanding these.
- and **environmentally responsible**, i.e., using existing infrastructure and assets, and presenting more sustainable transportation options for employees.

This concept allows for growth throughout the region since there are job hubs in urban, suburban and rural communities.

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**Highlighting Priority Job Hubs**

Team NEO and our local economic development partners have identified highly competitive sites in NEO Job Hubs that are attractive for businesses to grow, efficient for citizens to access, are connected to existing infrastructure, with large and diverse labor pools to draw from. Learn more at [https://teamneo.org/sites-buildings/job-hub-priority-sites/](https://teamneo.org/sites-buildings/job-hub-priority-sites/)

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5. A **traded-sector job** is a job in a sector that produces goods or services that are sold outside the local market. These jobs tend to pay considerably more than the wages of local population-serving jobs and have a positive ripple effect on a regional economy’s supply chain.
talent within equity our sustainability sites

analysis
a traditional vs. holistic site analysis

Many factors go into a business location decision and the strategic criteria may vary greatly by industry, size of company, and more. Sometimes, companies are making decisions between multiple states or metropolitan areas. Executives must consider not only proximity to customers and suppliers, but also the availability and costs of inputs such as energy or feedstocks. Other companies may have strategic considerations around the availability of highly specialized talent or collaborations with research institutions. Multi-facility companies may place a premium on a nearby airport. For most companies, the expertise and financial support from state and local governments will be a consideration.

All of the above are vital strategic considerations that will guide where in the country – or where in a state – a business will want to locate. When choosing a specific location within a given geography, they face important transactional decisions that

Figure 2. Considerations factoring into time, risk and money assessments during site selection

<table>
<thead>
<tr>
<th>TIME</th>
<th>RISK</th>
<th>MONEY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase (ownership)</td>
<td>Environmental and geotechnical (wetlands,</td>
<td>Contamination and remediation</td>
</tr>
<tr>
<td>Permitting and zoning</td>
<td>floodplains, protected wildlife)</td>
<td>Sunk costs</td>
</tr>
<tr>
<td>Historic preservation</td>
<td>Resale (exit plan)</td>
<td>Supply chain access and transportation</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>Political and tax climates</td>
<td>Missed sales from construction delays</td>
</tr>
<tr>
<td>and operational</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product/service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>delivery commitments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Transactional decisions in this context relate to the decisions that directly correlate with and influence quantifiable outcomes relating to business relocation. For example, a company may select a site in a community with tax incentives, resulting in a measurable tax cost savings. In contrast, strategic decisions in site selection—which we will explore in depth through our analysis—have a less direct impact on the immediate operations of a growing or relocating business, but influence performance across the business on a long-term basis.
are typically tied to ROI. These traditionally boil down to three major categories of consideration:

- **Predicted time** it will take for acquisition, construction and opening operations
- **Risks** associated with the site, such as regulatory or infrastructure issues
- **Costs** to build or relocate and amount of financial assistance available to offset

Figure 2 outlines many of the factors considered under each of these categories. These factors will remain critical in a company’s decision on where to locate. Our analysis aims to evaluate an expansion of these factors to also include increasingly important strategic priorities: **talent, equity and sustainability** (Fig. 3).

Boards of directors and senior executives are enacting strategies and policies, and even compensation initiatives tied to these priorities. With the exception of the size of the labor shed, rarely do these issues make it to the transactional level of a company site location decision. And even when companies look at the talent pool, they make the assumption that every potential employee has a car and can afford the cost of the commute. The result? Businesses have difficulty finding diverse talent, experience

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higher turnover, and contribute to an expanding carbon footprint from the commute. Businesses increasingly see these factors as integral to their success. Until now, there hasn’t been a way for businesses to compare these factors across potential sites.

The five sites we selected for this analysis (Table 1) represent a diverse set of location options. When businesses are considering where to locate, how do they compare these options?

Table 1. Sites selected for this analysis

<table>
<thead>
<tr>
<th>Selected Site</th>
<th>Exurban Job Hub</th>
<th>Suburban Job Hub</th>
<th>Transit-Connected Job Hub</th>
<th>Urban Core Job Hub</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Density</td>
<td>Very low density</td>
<td>Low density</td>
<td>Medium density</td>
<td>High density</td>
</tr>
<tr>
<td>Building and infrastructure availability</td>
<td>No building or existing utilities, roads.</td>
<td>Pre-existing building available, plus utilities and road.</td>
<td>Pre-existing building available, plus utilities and road.</td>
<td>No building; utilities and roads exist.</td>
</tr>
<tr>
<td>Public transit infrastructure</td>
<td>No connection to public transit</td>
<td>Minimal to no connection to public transit</td>
<td>Well connected to public transit</td>
<td>Highly connected to public transit</td>
</tr>
<tr>
<td>Job Hub Status</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

For the business that selected the greenfield location, the site must surely have been the most competitive when it came to time, risk and money. More broadly, greenfields often rise to the top of a site selection analysis because they offer large, contiguous sites uncomplicated by remediation needs. But, if the business would have expanded its analysis to consider talent, equity and sustainability, would the greenfield have remained the most attractive option?

Let’s find out.
our approach and methodology

Worker data for this analysis were derived from publicly available data sources, including the United States Census, American Community Survey, the Bureau of Labor Statistics, and the National Transit Database.

Across these five sites, we evaluated several factors that together present a more complete picture of a location decision’s impact on talent, equity and sustainability:

**talent**
- Car Commute Labor Shed\(^1\): Number of workers\(^2\) within a 30-minute drive
- Public Transit Labor Shed\(^3\): Number of workers within a 30-minute public transit commute
- Average daily commute cost\(^4\)

**equity**
- Black and Latinx workers within car commute labor shed\(^5\)

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1. A **labor shed** is the total number of available workers, organized into a collection of ZIP codes. The car commute labor shed was derived from EMSI, a leading labor market data company that has a database that calculates this number.
2. The U.S. Census Bureau defines **available workers** as all people 15 years old and over who had worked in the past 5 years.
3. These data were derived from the AllTransit database: [https://alltransit.cnt.org](https://alltransit.cnt.org). This database is entirely discrete from the EMSI database. The car commute labor shed and the public transit labor shed are discrete figures; one is not a subset of the other, nor are they mutually exclusive. Each shed encompasses the available workers who could access a location within 30 minutes using a car or public transit. Because there is potential but not necessarily full overlap between the two labor sheds, we cannot provide a total labor shed for a given location. Because the car labor shed exceeds the transit labor shed in all instances, and because that data source provides more robust data, we have used it as the basis for calculations on racial demographics.
4. This was calculated by multiplying the average distance traveled to a site by car by $.55 per mile, which includes gas, insurance and vehicle wear and tear; then by multiplying the cost of a monthly transit pass from Greater Cleveland RTA and dividing that by the assumption of two rides per day, five days per week. We then calculated the proportion of potential car commuters vs. potential transit commuters and calculated a weighted average of these two daily commute costs. This commute cost does not take into account parking fees or tolls.
5. Because only the EMSI database (used to calculate the car labor shed) provides detailed racial demographics data, we used this source to identify the racial makeup of each site’s car labor
Geographic proximity and access to Black and Latinx talent are prerequisites to any corporate diversity, equity and inclusion efforts.

**sustainability**

- Estimated daily greenhouse gas emissions per commuter

*We also looked at other factors related to infrastructure and quality of life that have implications for attracting and retaining a racially diverse talent pool.*

- Existing infrastructure utilization
- Proximity to nearest interstate
- Walk score and bike score

shed. Our analysis examined the number of Black workers and Latinx workers in the labor shed; because people can identify as both, these two numbers are not able to be added to arrive at a total number of Black/Latinx workers. Terminology note: Because Black and Latinx populations are historically the most affected by systemic economic exclusion, any references to people or workers of color refers to Black and Latinx people.

6 This was calculated, using the weighted average of commuter types in footnote 8, by multiplying the average distance traveled by car commuter by the EPA’s Greenhouse Gas Emissions from a Typical Passenger Vehicle as identified at [https://nepis.epa.gov/Exe/ZyPDF.cgi/P100JPPH.PDF?Dockey=P100JPPH.PDF](https://nepis.epa.gov/Exe/ZyPDF.cgi/P100JPPH.PDF?Dockey=P100JPPH.PDF)

7 This was calculated using the tool developed by Walk Score, a Redfin-owned company focused on walkability. This tool measures the walkability or bikeability of any address on a 0-100 scale. [https://www.walkscore.com/methodology.shtml](https://www.walkscore.com/methodology.shtml)
color scales and rankings

To help illustrate a visual ranking of various factors across the five sites, we have instituted color scaling. Table 2 defines the range thresholds for each level on the ranking scale across the factors.

Table 2. Color ranking scale for factors evaluated in this analysis

<table>
<thead>
<tr>
<th>Factor</th>
<th>Worst Among Sites</th>
<th>Best Among Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Shed: Car Commute</td>
<td>&lt;75,000 75,000-215,000 215,000-375,000</td>
<td>&gt;500,000</td>
</tr>
<tr>
<td>Labor shed: Public Transit</td>
<td>&lt;1,000 1,000-34,000 34,000-66,000</td>
<td>&gt;100,000</td>
</tr>
<tr>
<td>Average Daily Commute Cost</td>
<td>&gt;$15  $15-$13  $13-$11</td>
<td>$11-$9 &lt;9</td>
</tr>
<tr>
<td>Black and Latinx Workers in Labor Shed</td>
<td>&lt;5,000 5,001-70,000 70,001-140,000</td>
<td>&gt;210,000</td>
</tr>
<tr>
<td>Existing Infrastructure</td>
<td>No building, utilities or road access</td>
<td>Utilities and road, no building</td>
</tr>
<tr>
<td>Proximity to Interstate</td>
<td>&gt;20 min. 20-14 min. 14-8 min. 8-3 min.</td>
<td>&lt;3 min.</td>
</tr>
<tr>
<td>Daily Greenhouse Gas Emissions</td>
<td>&gt;11k g 11k-9.5k g 9.5k-8k</td>
<td>8k-6.5k &lt;6.5k g</td>
</tr>
<tr>
<td>Walk Score/Bike Score (average of both scores)</td>
<td>&lt;24 25-33 33-42</td>
<td>42-50 &gt;50</td>
</tr>
</tbody>
</table>
the sites

rural greenfield

A greenfield site is an undeveloped plot of land, often previously used for farming. The blank slate aspect is appealing to developers, and typically more cost effective than a site with existing infrastructure that either must be torn down or rehabilitated/cleaned up. When businesses evaluate ROI based on time, risk and money, greenfields tend to be attractive because they offer readily available, large sites that may be harder to find elsewhere. The immediate and direct cost savings to businesses to build on these sites comes with indirect costs: taxpayers bear the cost of building out supporting infrastructure like roads and utilities. And, as our analysis implies, businesses may end up absorbing some or all of that cost savings to attract and retain talent.

talent, equity & sustainability snapshot

61,179 workers within a 30-min car commute

0 workers within a 30-min public transit commute

$15.50 average daily commute costs

2,631/2,264 Black and Latinx workers in labor shed

none existing infrastructure

23 min. proximity to nearest interstate by car

11,508 g daily greenhouse gas emissions per commuter

29/35 walk score/bike score
exurban job hub

The site designated in this analysis as an exurban job hub is in the outskirts of an outer-ring Cleveland suburb. (An exurb is defined as a region or settlement outside a city and usually beyond its suburbs.) Located within a job hub, this site lacks public transit access and is several minutes from the nearest interstate. A building exists on the site.

talent, equity & sustainability snapshot

- 2,645,232 workers within a 30-min car commute
- 0 workers within a 30-min public transit commute
- $13.20 average daily commute costs
- 14,284/15,342 Black and Latinx workers in labor shed
- 3-10 min. proximity to nearest interstate by car
- 9,684 g daily greenhouse gas emissions per commuter
- 21/34 walk score/bike score
suburban job hub

The site within the suburban job hub is in an inner-ring suburb of Cleveland. Among the five sites, it has the largest labor shed within a 30-minute commute, as well as the best walk score and bike score. It also has an existing building for potential renovation/occupation.

**talent, equity & sustainability snapshot**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers within a 30-min car commute</td>
<td>632,917</td>
</tr>
<tr>
<td>Workers within a 30-min public transit commute</td>
<td>16,357</td>
</tr>
<tr>
<td>Average daily commute costs</td>
<td>$13.87</td>
</tr>
<tr>
<td>Black and Latinx workers in labor shed</td>
<td>142,406/36,709</td>
</tr>
<tr>
<td>Existing infrastructure</td>
<td>2 min.</td>
</tr>
<tr>
<td>Proximity to nearest interstate by car</td>
<td>9,563 g</td>
</tr>
<tr>
<td>Walk score/bike score</td>
<td>59/43</td>
</tr>
</tbody>
</table>

*Note: Values may vary depending on specific data sources.*
transit-connected job hub

The site is in an inner-ring suburb of Cleveland and is highly connected to public transit. Regional leaders consider this job hub a high priority due to its access to a large and diverse workforce, proximity to major interstates, connection to public transportation options, availability of utility infrastructure, and concentration of traded sector companies and jobs. An existing building is available for potential renovation/occupation.

talent, equity & sustainability snapshot

504,685 workers within a 30-min car commute

23,311 workers within a 30-min public transit commute

$11.97 average daily commute costs

72,675/39,780 Black and Latinx workers in labor shed

2 min. proximity to nearest interstate by car

8,831g daily greenhouse gas emissions per commuter

0/30 walk score/bike score
urban core job hub

The site is in an historically divested Cleveland neighborhood with superb transit and transportation connectivity, where demolition has occurred but additional remediation is required.

talent, equity & sustainability snapshot

- **594,695** workers accessible via 30-min car commute
- **110,925** workers accessible via public transit
- **$8.16** average daily transit costs
- **208,143/38,655** Black and Latinx workers in labor shed
- **2 min.** (multiple interstates) proximity to interstate
- **6,050 g** daily greenhouse gas emissions per commuter
- **36/38** walk score/ bike score
putting it all together

Table 3. This expanded view of potential worksites exposes striking differences for talent, equity and sustainability. Such a map may better inform decision-making.

<table>
<thead>
<tr>
<th></th>
<th>Rural Greenfield</th>
<th>Exurban Job Hub</th>
<th>Suburban Job Hub</th>
<th>Transit-Connected Job Hub</th>
<th>Urban Core Job Hub</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of workers within a 30-minute car commute</strong></td>
<td>61,179</td>
<td>264,523</td>
<td>632,917</td>
<td>504,685</td>
<td>594,695</td>
</tr>
<tr>
<td><strong>Number of workers within a 30-minute transit commute</strong></td>
<td>0</td>
<td>0</td>
<td>16,357</td>
<td>23,311 (including light rail)</td>
<td>110,925 (including light rail)</td>
</tr>
<tr>
<td><strong>Average daily transit cost</strong></td>
<td>$15.50</td>
<td>$13.20</td>
<td>$13.87</td>
<td>$11.97</td>
<td>$8.16</td>
</tr>
<tr>
<td><strong>Proportion of labor shed white</strong></td>
<td>92.4%</td>
<td>83.8%</td>
<td>66.6%</td>
<td>72.5%</td>
<td>52.7%</td>
</tr>
<tr>
<td><strong>Percent of labor shed who are people of color</strong></td>
<td>4.3% of workers are Black (2,631), 3.7% are Hispanic (2,264)</td>
<td>5.4% of workers are Black (14,284), 5.8% are Hispanic (15,342)</td>
<td>22.5% of workers are Black (142,406), 5.8% are Hispanic (36,709)</td>
<td>14.4% of workers are Black (72,675), 7.9% are Hispanic (39,780)</td>
<td>35% of workers are Black (208,143), 6.5% are Hispanic (38,855)</td>
</tr>
<tr>
<td><strong>Existing infrastructure utilization</strong></td>
<td>None</td>
<td>Existing building</td>
<td>Existing building</td>
<td>Existing building</td>
<td>Brownfield site</td>
</tr>
<tr>
<td><strong>Proximity to nearest interstate</strong></td>
<td>23 minutes</td>
<td>3-10 minutes</td>
<td>Closely situated to two Interstates</td>
<td>At the nexus of 4 interstates</td>
<td>Proximity to 5 interstates</td>
</tr>
<tr>
<td><strong>Daily greenhouse gas emissions per commuter</strong></td>
<td>11,508 g/commuter</td>
<td>9,684 g/commuter</td>
<td>9,563 g/commuter</td>
<td>8,831 g/commuter</td>
<td>6,050 g/commuter</td>
</tr>
<tr>
<td><strong>Walk score and bike score</strong></td>
<td>29 / 35</td>
<td>21 / 34</td>
<td>59 / 43</td>
<td>0 / 30</td>
<td>36 / 38</td>
</tr>
</tbody>
</table>
key takeaways

1. The location of a site can lead to dramatically different results in access to talent and a diverse workforce.

The analysis across the five sites showed enormous variation in the available labor force, varying by a factor of 10 (~61,000 workers in the greenfield versus 633,000 elsewhere). That is a lot of workforce.

The ratios are even more dramatic for a diverse labor pool, varying by a factor of nearly 65 (3,850 Black or Latinx workers versus 246,798). See Figure 4.

These ratios are likely even larger in practice given the lower rates of car ownership in the minority community.

Figure 4. Difference in magnitude of total workforce and Black and Latinx workforce between highest and lowest labor sheds
Connections to transit infrastructure expands not only the size but also the racial diversity of the labor shed...and transit innovations can increase it even further.

The example of the transit-connected job hub makes this point most clearly. As noted, it is located along a fixed rail line. Examining just the ZIP codes along the fixed rail line, we see that those located in stops within 0-17 minutes of the job hub have a population that is 42% Black/Latinx, those ZIP codes that are 18-31 minutes from the job hub are 54% Black/Latinx, while those that are 32-47 minutes away are 77% Black/Latinx. This latter segment represents an additional minority population of over 84,000 individuals. And notably, the household car ownership rate in many of the neighborhoods in the 31-45 minutes commute is less than 50%.

Options exists to make this job hub more accessible and more diverse. For instance, express transit service and last mile connections—coupled with workforce outreach and training programs—could put this priority job hub within reach for a large and diverse population.

If a company’s goal is attracting the broadest and most talented labor pool possible, then more diversity is better. Expanding access via public transit connections widens access to talent, and will present options for companies to explore when competing for talent.

Figure 5. Proportion of population that is Black/Latinx in rail-adjacent ZIP codes by public transit commute time to job hub
Selecting distant and transit-disconnected sites shifts a significant cost burden onto workers and potentially increases turnover.

If a worker earns minimum wage (currently $8.80 an hour in Ohio), it would take nearly two hours of work to cover the daily cost to commute to the Greenfield site, compared with less than one hour (56 minutes) of work at the same wage to cover the cost to commute to and from a job site in the Urban Core Job Hub. (See Table 4).

Table 4. The amount of time a minimum-wage worker needs to work to cover a daily commute to each site.

<table>
<thead>
<tr>
<th></th>
<th>Rural Greenfield</th>
<th>Exurban Job Hub</th>
<th>Suburban Job Hub</th>
<th>Transit-Connected Job Hub</th>
<th>Urban Core Job Hub</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Commute Cost</td>
<td>$15.50</td>
<td>$13.20</td>
<td>$13.87</td>
<td>$11.97</td>
<td>$8.16</td>
</tr>
<tr>
<td>Hours of work to cover daily commute cost at current minimum wage ($8.80)</td>
<td>1 hour, 46 minutes</td>
<td>1 hour, 30 minutes</td>
<td>1 hour, 35 minutes</td>
<td>1 hour, 22 minutes</td>
<td>56 minutes</td>
</tr>
</tbody>
</table>

Imagine being a worker considering job opportunities at each of these sites. Annual commuting expenses per person reflect a significant gap. Each commuter to the Greenfield site would pay an average of $1,835 more per year than those in the Urban Core. This could be as much as two months’ rent for that worker. For a 200-person workforce, the total cost difference exceeds $350,000 per year (See Table 5). By reducing daily commute costs, companies can reduce a barrier to entry/re-entry to the labor force and compete better for talent.

Table 5. Annual commute costs for each site.

<table>
<thead>
<tr>
<th></th>
<th>Rural Greenfield</th>
<th>Exurban Job Hub</th>
<th>Suburban Job Hub</th>
<th>Transit-Connected Job Hub</th>
<th>Urban Core Job Hub</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual commute cost per worker</td>
<td>$3,875</td>
<td>$3,300</td>
<td>$3,467.50</td>
<td>$2,992.50</td>
<td>$2,040</td>
</tr>
<tr>
<td>Annual commute cost for a 200-person labor force</td>
<td>$775,000</td>
<td>$660,000</td>
<td>$693,000</td>
<td>$598,500</td>
<td>$408,000</td>
</tr>
</tbody>
</table>
For companies committed to sustainability and reducing their carbon footprint, commuting can be a significant contributor to greenhouse gas emissions that should be factored into environmental impact.

In recent years, decisive actions have been taken by utility companies and their customers to improve sustainability and expand access to energy produced through clean and renewable resources. Companies with sustainability goals are increasingly factoring access to cleaner energy into site decisions. Moreover, companies are working with suppliers to substitute less carbon-intensive materials or to reduce the carbon footprint of existing materials. But if the company chooses a work site that force workers into long car commutes, the vehicle emissions may negate many of the carbon reductions from production. According to the CoolClimate Network at the University of California Berkeley, workforce transportation costs can represent up to 10% of greenhouse gas emissions for mid-sized manufacturing companies in Northeast Ohio. Across the five sites, we saw that commuter daily greenhouse gas emissions varied by a factor of nearly 2X (11,508g/commuter versus 6,050g)—and that was assuming no one used public transit. Add this up to 200 employees over the course of a year and we see a greenhouse gas impact of 634 tons a year versus 333 tons. The difference is likely to be even larger when the mitigating effects of public transit are included.

Source: https://coolclimate.berkeley.edu/business-calculator
talent
the
equity
sites
sustainability
unseen

implications
Current decision-making tools and practices do not fully capture the costs (or opportunities) of available sites for business development.

We do not purport that this analysis universally defines the best and worst sites for business development. As in any complex decision, there is a myriad of factors, tradeoffs and individual circumstances to consider. What we do propose, however, is that considerations of talent, equity and sustainability be included in the decision-making rubric alongside time, risk and cost. By incorporating these additional factors, businesses get a fuller picture of all costs—both direct and indirect—associated with a business location decision and can make a better, more informed choice.

The challenge has been that there has not been an easy way to assess these additional factors. Building on this key analysis, it is our intent to develop a tool that can give a more complete picture, for the good of individual businesses and for the good of the region. Considerations of talent, equity and sustainability belong in the decision rubric alongside time, risk and cost.

This analysis demonstrates the many indirect costs associated with site selection that are often hard to assess. For instance, it’s clear that when selecting greenfield locations, businesses would need to invest significant resources toward recruiting and attracting talent. And they’ll be less likely to draw a racially diverse talent pool, which correlates with lower financial returns, according to research.1

We have isolated the factors of equity, sustainability and talent to propose how site location decisions can use metrics to evaluate these factors. In general, locations in transit-connected, urban and suburban job hubs performed well using these metrics. We must also acknowledge the real and common challenges, such as insufficient space and environmental contamination, that companies face when considering sites in these job hubs in comparison to sites in rural and exurban job hubs. To increase the attractiveness of these sites and improve regional competitiveness, all these factors must be more fully understood, evaluated, and overcome.

implications for stakeholders

Business leaders are not the only stakeholders who can benefit from these expanded insights. This new framework for site selection presents implications for each of these stakeholders.
**corporate executives**

**insights**

- A traditional "time, risk, cost" analysis might indicate some short-term savings, but attention to talent, equity and sustainability factors can reduce long-term costs associated with attraction and retention, boost a corporation's profile/branding and contribute to a more prosperous region overall.

**action**

- Expand site selection criteria to include talent, equity, and sustainability factors.
- Consider location and job access factors in corporate responsibility goals.
- Implement transit innovations (e.g. last-mile solutions, ride share services, commuter vans) to expand access to employers who may not have cars or to lower commuting costs.
- Factor the impact of commute into carbon footprint estimations and take steps to expand access to public transit.
Businesses are increasingly considering how their decisions impact access to diverse talent and damage to the environment. Competitive communities will be those that can present clear talent, equity and sustainability benefits.

**action**

- Ask what steps you can take to improve your community’s position relative to these factors, such as better public transit infrastructure and/or more mobility options or a sustainability plan. Determine the gaps, find partners and execute.
- Identify your most competitive sites, and begin to evaluate the sites with equity, sustainability, and talent metrics. Add these to the traditional metrics for time, risk and money.
insights

• Business decisions have real costs for a community that aren’t often seen or communicated—but can be quantified.²

• Sites located in job hubs typically are in the best position to benefit the greatest number of people in a community.

• Transportation options matter—the more mobility options offered by a site, the more likely it is to be an employment option for workers of color.

action

• Prioritize infrastructure investment around job hubs.

• Differentiate incentives according to location. Look to Indianapolis and Orlando for inspiration on how this can be done.³

• Focus on creating developable sites, i.e., preparing them for development, to further incentivize businesses to locate there. Develop an understanding of the challenges and benefits of each site across time, risk, money, talent, equity and sustainability.

² The New Climate Economy, “Release: urban sprawl costs US economy more than $1 trillion per year.” Published March 19, 2015: https://newclimateeconomy.net/content/release-urban-sprawl-costs-us-economy-more-1-trillion-year

insights

• The more connected to public transit, the more likely a site is to be an employment option for Black and Latinx workers. Sites in transit-connected job hubs and urban core job hubs are the most connected to public transit infrastructure. This can be directly correlated to finding the right talent. Better access to public transit improves the competitiveness of a location.

• Sites with more transit infrastructure also cut down on average greenhouse emissions per commuter and average transportation costs per commuter.

action

• Prioritize infrastructure investment around job hubs. Coordinate across multiple agencies to ensure a timely process.

• Utilize job hubs as one criteria for anticipated brownfield remediation dollars.

• Allow speculative site clean-up (i.e., no clear end user identified) in priority job.
insights

• Even just minimal access to transit infrastructure considerably expands and diversifies the available labor shed for a given business. Job hubs have been chosen with an eye toward connection to transit infrastructure.

• Sites with more transit infrastructure also cut down on average greenhouse emissions per commuter and average cost per commuter.

action

• Prioritize new stations, improvements, and investment around job hubs.

• Work with state and local officials to improve access, consider express options. State and local officials should want to do this, as it will improve the fiscal health of their communities.

• Work with economic and real estate developers on mobility solutions to improve job access, equity, and environmental sustainability.

CASE IN POINT

Cross-Sector Partnerships for Better Transit Options

The Paradox Prize (www.paradoxprize.com) has, over the past two years, served as a testing ground for creative partnerships to connect people to transit-disconnected jobs. Emerging from these pilots are several opportunities for employers to attract and retain diverse talent through strategic collaborations, like subsidized transit passes, commuter vans and ride sharing.

For example, Akron METRO and ConxusNEO have launched a Flexride, door-to-door, on-demand service connecting workers to job hubs in northern Summit County.
real estate developers

insights

• Businesses can choose sites that are both beneficial to their business and the community.

• Talent, equity and sustainability are increasingly important considerations for businesses, filtering down into their location decisions.

action

• During the development of a new project, consider the level of public transit access and other factors that can improve talent, equity and sustainability.

• Price in medium and long-term risks into your investment models.
**community development**

**financial institutions**

**insights**

- Businesses can choose sites that are both beneficial to their business and the community.
- Talent, equity and sustainability are increasingly important considerations for businesses, filtering down into their location decisions.

**action**

- Support projects that put talent, equity and sustainability at the forefront.
- In evaluation process when considering financing, encourage developers to include talent, equity and sustainability metrics.

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**workforce development agencies**

**insights**

- Though time, risk, and cost are the primary drivers of decision-making today, proximity to diverse, relevant talent is increasingly important.
- Today’s workers, particularly those in communities of color where rates of car ownership are low, are overly burdened by long, costly commutes.

**action**

- When possible, advocate for businesses to locate in places where they will have access to a larger and more diverse talent pool.
- Be a point of connection between employers and the talent they are trying to unlock.
utility companies

insights

• Sites that leverage existing infrastructure are not only attractive from a cost perspective, but can be a more environmentally sustainable option as well.

action

• Look into options for “smart metering” at sites and find a way to quantify potential cost savings and environmental impact.

• Work with policy makers and economic development professionals to promote the identification, development and promotion of accessible job hubs, thereby maximizing electric and other infrastructure utilization.

SELLING POINT

Carbon Footprint Beyond Commute

The availability of energy from renewable resources is consistently one of the first questions clients that track sustainability metrics and have sustainability goals ask when working with Team NEO to identify potential sites. Be prepared to provide prospective clients with how they can tap into energy generated from renewable resources at the top sites and areas identified for development.

Cities and economic development stakeholders that work closely with energy providers to communicate this to the market will bring value to prospective clients.

4 A smart meter is a digital electric meter that collects electricity usage information and sends that data to the local utility through a secure telecommunications connection. Source: https://www.firstenergycorp.com/help/smart-meters/oh-smartmeter.html
Northeast Ohio can be more competitive if it encourages growth in places that can deliver greater talent, equity and sustainability.

**The bottom line:** Where businesses locate matters—not just to individual businesses but to people and the broader region. Northeast Ohio can be more competitive if all of the previously referred stakeholders support businesses in considering talent, equity and sustainability in their decision-making.