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If you build it, will they come? The effect providing recreation and parks has on attracting new businesses

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**IF YOU BUILD IT, WILL THEY COME?
THE EFFECT PROVIDING RECREATION AND PARKS
HAS ON ATTRACTING NEW BUSINESSES**

A Thesis

by

PETER B. LAMONT, JR.

**Submitted to the Graduate School of the
University of Texas-Pan American
in partial fulfillment of the requirements for the degree of
MASTER OF PUBLIC ADMINISTRATION**

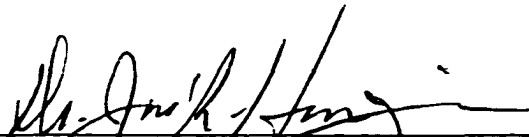
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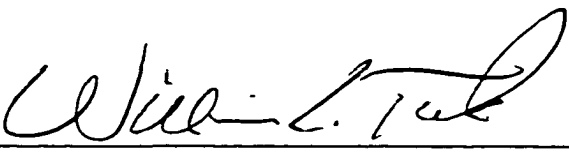
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This study investigates recreation and park's influence on the Rio Grande Valley's ability to attract businesses. Input was solicited from companies that initially located or relocated in the Rio Grande Valley within the last ten years. Quality of life is compared to six possible influences on the location/relocation decision. Recreation and parks is scored relative to five other indicators of the quality of life. Relative importance is determined through a Likert scale. Company types are broken down into manufacturing/distribution and technical/headquarters companies plus small and large companies. Company types and sizes are compared against each other and the overall sample. Results indicate that the Rio Grande Valley tends to follow national trends.

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CHAPTER 1

INTRODUCTION

For years, the availability of recreational resources, either public or private, indoor or outdoor, has been considered an important factor in the location/relocation decision of many businesses. Many recreation and parks professionals have appeared before their governing bodies claiming that in order to make their geographical area more attractive to new businesses, the quality of life must be improved. The recreation and park industry claims that one way to improve the quality of life is by providing recreational opportunities to residents.

Many authors have noted that quality of life is important to a company's relocation decisions. It has been said that "executives are discovering that dynamic businesses can be run from relatively remote hamlets" (Hennan 1989, 4). As reported by the Wall Street Journal (4 September 1997), "companies can move to places they never would before." Companies previously chose their location based on access to materials, access to markets, and other time/location decisions. Many of these functions can now be handled by overnight delivery, computers, and/or faxes allowing companies to concentrate more on their labor costs and quality of life issues.

Introduction of Problem

The study presented here intends to examine not only the technical/headquarters companies, but also the manufacturing/distribution companies that have located/relocated to the Rio Grande Valley. This study expands the works of Decker and Crompton (1990, 1993), and Rex (1990) to the Rio Grande Valley, specifically Hidalgo and Cameron counties. In the Decker and Crompton (1993) study, the quality of life was important in the location decision process of small companies. The study targeted technical companies as well as research and development companies. Neither type of company was tied to their market or materials. Therefore, these companies had a wider latitude for their location decision. The study presented here intends to examine not only the technical companies, but also the manufacturing companies that have relocated to the Rio Grande Valley.

Next, the effect quality of life has on the location/relocation decision will be investigated. More specifically, the effect recreational opportunities has on quality of life. In the Rex study (1990), quality of life was important to research and development companies, but of very little consideration to manufacturing/distribution companies. In their 1990 study, Crompton and Decker (37) found that recreational opportunities were a general consideration in the relocation decision, but were often of less importance than other quality of life factors .

The final element to be considered in the location/relocation decision process is the size of the company involved. The Decker and Crompton study (1993) found that the size of the companies affected the value placed on both quality of life and the value of recreation/parks/open space as a variable of quality of life. This study examines the

correlation between size, as measured by the number of full-time employees, and the importance of quality of life and recreation.

Significance of Problem

The preliminary data suggests that the location/relocation decision is an involved process looking for the best fit between a company and a locale. Some literature suggests that quality of life has an influence in the decision process, but the degree of influence varies between company types (Decker and Crompton, 1990). Furthermore, in technical companies, the value placed on recreation, parks and leisure services seems to differ between large and small companies. This study attempts to determine which types of companies give the greatest weight to recreation, park and leisure services in their location/relocation decisions.

The results reported in this study will provide a reference point in the continued study of company location/relocation decisions impacting the Rio Grande Valley. It is not the purpose of this study to evaluate a single company or company type, but to determine which types of companies include recreation, parks and leisure services as a part of their decision process. This information can then be used to help cities in the Rio Grande Valley determine if they provide an adequate level of opportunities for the types of companies they are trying to attract.

Research Questions

This study will concentrate on factors affecting the location/relocation decisions of companies that are relatively new, ten years or less, to the Rio Grande Valley. The basic research questions that this study will attempt to answer are:

- **What factors influence manufacturing/distribution companies versus technical/research and development companies?**
- **What role does quality of life play in these decisions?**
- **How does recreation compare with other quality of life variables?**
- **What factors influence companies of various sizes?**

Additional questions pertinent to quality of life and specific recreational opportunities will be asked.

This study investigates what effect quality of life has on the location/relocation decisions for companies of various sizes. It is believed, that while quality of life will have an effect, it will be less than the effect of the more traditional factors: wages, transportation and incentives. Additionally, quality of life is expected to have a greater effect on the more technical type of companies. Finally, recreational opportunities will be examined against other quality of life factors. It is envisioned that quality of life issues will effect the location/relocation decision of smaller companies more than the larger companies.

CHAPTER 2

REVIEW OF LITERATURE

Traditional literature concerning Industrial Relocation claims that decisions are based on cost and location (Blair and Premus, 1987). However, more recent discussions have been opened on the relocation of technical companies or industrial headquarters. Current literature suggests that there is a difference in the relocation decision processes of manufacturing/distribution companies versus technical/headquarters companies. The study presented here is concerned with the specific role quality of life plays in the location/relocation decision of manufacturing/distribution companies and technical/headquarters companies. It will also explore the importance of providing recreation, parks and leisure services as a determining factor in quality of life.

Manufacturing/Distribution Companies

In traditional manufacturing organizations, there is a formula for plant location that includes labor rates, taxes and transportation (Tosh, Festervand and Lumpkin, 1988, 62). This reinforces the theory expressed by Alfred Weber in the early 1900's that a company will look for the lowest cost in determining its location. Epping (1986, 16) stated that a company will either seek to maximize profit or minimize cost using some kind of quantitative data.

Differing levels of state and local government incentives should also be considered in the location/relocation decisions of manufacturing/distribution business. McKenzie (1996, 69) showed how tax cut provisions and other incentives helped California prevent the exodus of companies such as Taco Bell and Walt Disney. Additionally, in their article concerning state incentives, Milward and Newman (1989) showed that state incentive packages impacted the location decision of multiple companies in separate states. These incentive packages included worker training, site improvement and road improvements. Such incentives are tied directly to labor costs and transportation costs. Package claims may be regional, however, as Maloy (1996) found little support for state and local incentive claims when examining businesses which relocated to the Rio Grande Valley of Texas.

Thornton (1984, 26) discussed the need for a city to create a plan to attract relocating companies since different factors may be important to each company before making a decision to relocate. He states that locales attempting to attract industries need to plan for the development of that industry, and a single plan may not work for each situation.

In their article, Blair and Premus (1987, 72) claimed that no two studies into manufacturing location decisions yield the same results. They state that this is due to the scope of the study being conducted, either regional or nationwide. Blair and Premus claimed that a difference can also be seen between types of industry. This view is shared by Decker and Crompton (1993, 93) when they stated that there is a clear difference between technical companies and manufacturing companies.

Blair and Premus (1987, 83) wrote that the traditional factors of wages, location and transportation may not hold the key to location decisions any more. Other criteria can include state and local taxes, business climate, and physical infrastructure, all targeted towards specific companies. These claims of “targeting” specific companies or industries are supported by Ritter (1990, 154) where practitioners investigate the fit of a single company with a single community. Finally, new companies may have different location requirements than established companies.

Technical/Headquarters Companies

While there is some debate over the factors which decide location for manufacturing location/relocation decisions, the decision process for technical and headquarter type companies is even more involved. These companies are termed “footloose,” meaning that they are not tied to a geographical location by the traditional requirements of labor and property (Galbraith and De Noble 1988, 31). Instead, these technical companies are considerably more mobile than their manufacturing counterparts.

In their article, “Location Decisions by High Tech Firms,” Galbraith and De Noble (1988) found that companies in the high tech industries are more likely to evaluate a site based on its “ambience,” meaning its culture, climate, density, recreational activities and schools. These views are supported by Haug and Ness (1993, 390) who stressed that location decisions were based less on cost than on other factors. For example, factors driving the decision process of biotechnology companies were the availability of a research university, highly skilled labor and founder preference. Harding (1989) supported these findings in his

article, stating that operating costs were “almost never a major consideration for cases in the database in the selection of a site for research labs” (1989, 233). Furthermore, Harding found the attractiveness of an area to engineers and scientists to be a concern for research labs. Maleki (1984) examined this issue and found that a key to attracting technological companies came from being able to attract scientists and engineers. He noted, however, that these individuals were less likely to relocate than previously expected and that amenities would be a factor (267).

Corporate headquarters is another category of footloose operations that an area may attempt to attract. The necessity of a corporate headquarter’s location/relocation decision generally falls into two types: new ownership or problems at the current location (Boyle 1988, 55). While nothing can be done by an area to influence a new owner’s reason for relocating, a potential site may be able to influence a problematic atmosphere. Boyle found the factor most often mentioned by decision makers was quality of life. The other factors mentioned were the quality and cost of air transportation, operating costs, communication services and government incentives. While several of these cannot be influenced by the provision of recreation, parks and leisure services, quality of life almost certainly can. Sarvis (1989, 10) claimed that the effective location of corporate facilities can dramatically improve a company’s bottom line performance.

Quality of Life Factors

The question becomes: what defines quality of life? Quality of life encompasses many things to many people. It includes salaries and the cost of living. Quality of life is

influenced by the environment and by recreational activities. Quality of life also plays a major role in the hiring policies in high tech industries. Quality of life has previously been shown to impact a company's location/relocation decision (Blair and Premus 1987,84; Boyle 1988,55; Epping 1986,23; Haug and Ness 1993,395; Maleki 1984,268) especially in high technology companies. For example, Rex (1987, 3) found that 60 percent of those he surveyed were willing to move from Maricopia County, Arizona, to California, New Mexico, or the Rocky Mountains. Quality of life was a major factor in attracting employees to these areas from a previous location.

Quality of life can include such items as wages and rent/cost of living. These items can be influenced by the availability of amenities (Roback 1982, 1275). Myers also found that quality of life amenities affect the wage an employer pays stating that "communities with less favorable qualities of life must pay higher wages to attract the same quality of workers" (Myers 1987, 269).

Other variables in quality of life include environment and cultural and leisure activities (Festervand, Lumpkin and Tosh 1988, 22; Crompton and MacKay 1998, 374; Carn 1991, 28). In their studies, the most important quality of life factor was education, but social, cultural and recreational opportunities were also considered important. Festervand, et. al. interviewed a sample of economic developers and found that the longer the individual had been in the development field, the higher outdoor recreation ranked. Outdoor recreation went from eighth place for developers with less than three years experience to fifth place in importance for developers with over ten years of experience.

The role that quality of life plays in recruiting and retaining personnel is also a concern to the high technology industry (Maleki, 1984, 262). Entertainment and community spirit enjoy wide support for improving an area's attractiveness to key personnel (Glaser and Bardo 1991, 68). Cultural activities were seen as long-range opportunities and not as critical as the entertainment opportunities. Surprisingly, education was not ranked as high as Glaser and Bardo (67) had expected.

Recreation's Impact on Quality of Life

While the quality of life has been shown to affect the location/relocation decisions of companies, what role does the provision of recreation, parks and leisure opportunities play in these decisions? Decker and Crompton (1990) found that small, footloose companies do consider quality of life as important (Decker and Crompton 1993, 92; Love and Crompton 1993, 18). However, recreation, parks and open space are not as important as several other factors such as the cost of living and educational opportunities (Decker and Crompton 1990, 37). Crompton, Love and Moore (1997,49) thought housing costs were related to the availability of recreation and leisure opportunities. Crompton (1993,3) also found that "recreation and park amenities are central components to quality of life. Their level of excellence influences some companies relocation decisions." Dryer (1993, 45) found that urban forest resources contributed to the economic vitality of a city. Crompton (1993,13) claims there is justification for an area to improve or maintain their recreation services. Therefore, recreation and parks can be positioned as an economic development tool.

Research Hypothesis

The first hypothesis for this study is that quality of life has an effect on the location/relocation decision for companies of any size. This effect, however, is expected to be less than the effect of wages, transportation and government incentives. These three variables are traditionally the most important considerations to manufacturing companies and a concern to technical companies, however, to a lesser extent.

Secondly, quality of life will have the greatest effect on the location/relocation decisions of technical companies. This effect is expected to be more relevant in smaller companies than in larger ones.

Finally, when quality of life factors are examined, recreational opportunities will be one of the more important factors. It is expected to be a greater factor for the small, technical companies.

CHAPTER 3

RESEARCH METHODS

Profile of Respondents

This study questioned business leaders whose companies have either initially located or relocated to the Rio Grande Valley area within the last ten years. These companies were identified by each area's Chamber of Commerce or economic development authorities. Decker and Crompton (1990) contend that companies within the state may take the recreational amenities provided as a given, while those from out of state do not share this bias. The study presented here includes companies originating within or outside of Texas that chose to relocate to the Rio Grande Valley area.

Calls were placed to each company to determine the appropriate individual to send the research instrument to. At this time, the respondents were offered the opportunity to answer the survey through various methods. If they wished to answer immediately, they could respond over the telephone or via fax. The respondent could also request the survey to be mailed. After a period of two weeks, a follow-up call was placed to all initial recipients who had not returned the survey. Finally, all companies who did not respond to the phone survey were mailed a copy of the survey. This was done to gather the largest number of

responses possible. Companies indicated whether they are a manufacturing/distribution type company or a technical/headquarters type company.

A listing of companies was received from the McAllen Economic Development Corporation, the Mission Economic Development Authority, the Edinburg City Manager's Office, the University of Texas Pan American CEED Office and the Harlingen Chamber of Commerce. These lists were then compared for duplicates. On the Edinburg list, eight companies were listed twice. In the case of Harlingen, 16 companies were eliminated for being retail outlets not fitting the survey. After these evaluations, 74 companies remained to be interviewed. Of the 74 companies contacted, thirty stated they had been in the Rio Grande Valley for more than ten years, taking them out of the survey. Fifteen answered the survey over the phone. Additionally, twenty-nine surveys were mailed out. Six of the twenty-nine were requested during the phone interviews. Only four surveys were returned completed. This gave the analysis a total of 19 cases, a 43% return rate of the initial list of eligible respondents. Companies were identified as small or large based on the number of full-time employees. Following the example of Crompton, Love and Moore (1997), size categories were determined after the fact. The median company size was 12 employees with the average company size being 45 employees. Therefore, small companies were those with an employee size of 12 or less.

Variables

Variables identified include government incentives, labor costs, proximity to markets, proximity to resources, quality of life, transportation costs, and utility costs. Furthermore,

quality of life was broken down into the variables of cost of living, crime rates, cultural opportunities, educational opportunities, and recreational opportunities. The dependent variable, location/relocation decision, will be determined by the fact that the company is currently located in Hidalgo or Cameron County.

Government incentives mean any tax breaks, infra-structure improvements or special funding provided by a government office intended to attract the company. Labor cost refers to the cost of hiring the personnel required to carry out the business of the company, either manufacturing or technical. Proximity to market and proximity to resources refer to where the company intends to sell its product or service, and where the company gets its raw materials. Quality of life is the amenities available in the area for the employees of the company. Transportation refers to the ease of access to the primary means of moving the company's resources and products. Utility costs are the amounts paid for basic utilities such as electricity, gas, water, sewer, etc.

When quality of life is examined in more depth, the cost of living variable is primarily a measurement of the cost of adequate housing and food for a company's employees. Crime rate is the rate of crime in the surrounding community. Cultural opportunities include access to stage, theater, performing arts and museums. Education refers to the quality of primary and secondary education available to the employees and their families. Recreation opportunities include parks, recreation programming and leisure programming.

Research Instrument

A survey questionnaire was developed to evaluate the relative importance of quality of life in the location/relocation decisions of each company surveyed. Respondents were asked to rank each criterion on a scale of very important to very unimportant. Within the survey, there is a separate question asking the respondent to compare recreation, parks and leisure opportunities against the other variables of quality of life. A copy of the survey is included as Appendix B.

CHAPTER 4

RESULTS

In order to complete this study, 74 companies, as identified by the different cities, were contacted in an effort to gather as many responses as possible. The results reported here are based on the replies of the 19 companies that were eligible and completed the survey.

Once the surveys were received, the responses were counted by the Likert level of importance regarding each question. Each ranking of the different variables was then compared as a whole, as well as by company type and company size. Additionally, summed averages for the general factors (Government Incentives, Labor Costs, Proximity to Markets, Proximity to Resources, Quality of Life, Transportation Cost and Utility Costs) vs. the quality of life factors (Cost of Living, Crime Rates, Cultural Opportunities, Educational Opportunities, and Recreational Opportunities) were evaluated for manufacturing and technical companies and then for large and small companies. This was accomplished by assigning a numeric value to each of the Likert levels with Very Important equaling one and Very Unimportant equaling five. Each average was calculated by summing all of the responses and dividing by the total number of responses in each category. With Very Important assigned a value of one, the lower the average, the more important the set of factors. A lower average implied a more important set of factors.

GENERAL FACTORS

Initially, the surveys were compared based upon responses to questions regarding the General Factors involved in the decision making process. These factors include Government Incentives, Labor Costs, Proximity to Markets, Proximity to Resources, Quality of Life, Transportation Costs, Utility Costs, and Other factors. The Other category was used to allow companies to indicate a consideration not asked in the survey.

All Companies vs. General Factors (Table 1)

When the surveys of all companies are used to examine the effect of the General Factors, the results are interesting. When the Likert scale rankings are calculated, the highest ranking item (that which has the highest total number of responses either Important or Very Important) is Proximity to Resources with 16. It is followed by Utility Costs with 14 positive responses, then Labor Costs, Proximity to Markets and Transportation Costs each with 13, Government Incentives with 11, Quality of Life with 10 and finally Other with 3.

Manufacturing Companies vs. General Factors (Table 2)

When Manufacturing and Distribution Companies were examined using the Likert scale results, Proximity to Resources was again ranked the most important factor with 14 companies ranking it either Very Important or Important. This was followed by Proximity to Markets and Utility Costs with 12 responses each, then by Labor costs with 11 positive responses, Transportation Costs had 10 responses, Government Incentives had 8, Quality of Life had 7 positive responses, and Other had 3.

Technical Companies vs. General Factors (Table 3)

Applying the Likert scale ranking to the responses from Headquarters/Research and Development (R&D) companies, Government Incentives and Quality of Life were ranked highest with 3 responses each. They were followed by Labor Costs, Proximity to Resources, Transportation Costs, Utility Costs and Other, each with 2 positive responses. Finally Proximity to Markets had one positive response.

Large Companies vs. General Factors (Table 4)

Examining the rankings of the Large Companies' responses against the General Factors, Proximity of Resources ranked highest with 9 responses. This was followed by Labor Costs and Utility Costs, each with 8, Proximity to Markets and Government Incentives had 7 positive responses each, Transportation Costs had 6, Quality of Life had 4 responses and Other had 2.

Small Companies vs. General Factors (Table 5)

Finally, when the General Factors were evaluated for Small Companies, Proximity to Markets, Proximity to Resources, Quality of Life, Transportation Costs and Utility Costs were ranked highest with 6 positive responses each. These were followed by Labor Costs with 5, Government Incentives with 4. Other responses were 1.

QUALITY OF LIFE FACTORS

After the responses were compared to the General Factors, they were analyzed against the Quality of Life Factors using the Likert scale. These factors are Cost of Living, Crime Rates, Cultural Opportunities, Educational Opportunities, Recreational Opportunities and

Other factors. Again, Other factors was used to allow companies to indicate a consideration not previously asked in the survey.

All Companies vs. Quality of Life Factors (Table 6)

When all of the company responses to Quality of Life Factors were evaluated, Cost of Living, Crime Rates and Educational Opportunities ranked highest with 14 positive responses each. They were followed by Cultural Opportunities at 12 responses and by Recreational Opportunities with 11. The Other category had only 2 responses, neither being positive.

Manufacturing Companies vs. Quality of Life Factors (Table 7)

When comparing companies classified as Manufacturing/Distribution Companies, the highest rated item was Cost of Living with 13 responses. Crime Rates and Educational Opportunities each followed with 12 positive responses while Cultural Opportunities had 11 and Recreation Opportunities had 8.

Headquarters Companies vs. Quality of Life Factors (Table 8)

Evaluation of the Quality of Life Factors for Technical/Research and Development Companies (R&D) was difficult. When the Likert scale rankings were examined however, Recreational Opportunities ranked highest with 3 responses. Crime Rates and Educational Opportunities followed with 2 while Cost of Living and Cultural Opportunities had 1 positive response each. There were no Other responses.

Large Companies vs. Quality of Life Factors (Table 9)

When the response by the larger companies to the Quality of Life Factors is evaluated on the Likert scale, Cost of Living, Crime Rates and Educational Opportunities all had 6 positive responses. Cultural Opportunities followed with 5, Recreational Opportunities had 4 and Other factors had 2.

Small Companies vs. Quality of Life Factors (Table 10)

Finally, examining the responses of smaller companies to the Quality of Life Factors using the Likert scale, Cost of Living, Crime Rates, Cultural Opportunities, and Educational Opportunities all received 8 positive responses. Recreational Opportunities received 6 while Other received 1 positive response.

SUMMED AVERAGES

When the Economic Factors (Government Incentives, Labor Costs, Proximity to Markets, Proximity to Resources, Transportation Costs, Utility Costs and Other Economic Factors) are compared to the Quality of Life Factors (Cost of Living, Crime Rates, Cultural Opportunities, Educational Opportunities, Recreational Opportunities and Other Quality of Life Factors) some differences can be seen. To determine this difference, summed averages for the different types of factors were used. Averages were derived by assigning a numeric value for each of the possible rankings, with one being Very Important and five being Very important. All of the responses for each type of factor, Economic or Quality of Life were added together then divided by the number of responses. This produced an average for both variables which were then compared. For the Manufacturing vs. Technical Companies,

Economic Factors had an average importance of 1.97 whereas Quality of Life Factors had an average importance of 1.99. For the Technical Companies, Economic Factors had an average importance of 2.54 and Quality of Life Factors had an average importance of 2.91.

When the size of the company was examined, greater differences were seen. The Economic Factors of Larger Companies had an average score of 2.00, and Quality of Life Factors ranked lower with an average of 2.38. However, when Smaller Companies were examined, Economic Factors had an average score of 2.31 and Quality of Life factors had an average of 1.85.

CHAPTER 5

CONCLUSIONS

The results of this study are interesting for several reasons. Although many people claim that the Rio Grande Valley has many unique features that attract businesses, none of these became obvious through the survey. In fact, only three companies of the nineteen mentioned Other factors when looking at general relocation factors. These factors included contacts with people, the construction boom and the availability of water and electrical transmission lines (Table 1). Only two companies mentioned Other factors when discussing Quality of Life (Table 6). These Other factors were family isolation and the I-69 project, which could have been considered under the Transportation factors.

When the overall results are examined, the Economic Factors appear to greatly outweigh the Quality of Life Factors. This result is expected due to the large percentage of Manufacturing Companies in the survey. These companies traditionally emphasize economic factors in their relocation/location decision. This adds to the conclusion that the Rio Grande Valley is following the national and state trends.

When the General Factors of the survey are examined, (the Economic Factors plus of Quality of Life) several items can be noted. For manufacturing and large companies, the factors that received the highest number of positive responses were Proximity to Resources, Labor Costs and Utility Costs (Tables 2&4). These are some of the traditional factors used

in the location/relocation decision. When the averages are examined, large companies appeared to rate Economic Factors higher than Quality of Life Factors (2.0 vs. 2.38). Manufacturing companies, however, tended to rate the two more evenly (1.97 vs. 1.99). This could represent a change that is beginning to recognize quality of life as being important in the decision process.

The argument can also be made that the two highest rated Quality of Life Factors could have been rated higher because of the influence of economic reasons. The Cost of Living can have an affect on Labor Costs which would reduce the companies' operating costs. Additionally, Crime rates can affect a companies' operating cost. Not only do lower crime rates mean a safer place to live, but they also mean a reduced likelihood of the company falling victim to theft or other crime. This is a relationship that should be examined in greater detail in later research.

Companies that were considered technical or small most often included Quality of Life as an important factors in the decision process (Tables 3&5). This fits the finding of other researchers in the location/relocation decision process of the "footloose" company. In both cases, previously recognized state and national trends are followed. When the averages for Small Companies are examined, they followed the previous research which stated that smaller companies would take Quality of Life Factors into consideration, more than Economic Factors.

When Technical Companies are examined however, the Economic Factors are ranked more important than the Quality of Life Factors. This is a departure from the state and

national trends. A possible explanation for this could be the small number of Technical Companies in the survey, only four. Another possible explanation is that these companies used more of the traditional factors as the determinants for their location/relocation decision.

When the Quality of Life Factors were examined, however, Recreational Opportunities rated highest, with Crime Rates and Educational Opportunities following. Small Companies ranked Cost of Living, Crime Rates and Cultural Opportunities as the most important.

Overall, respondents tended to follow the state and national trends in making their location/relocation decisions. The results show that Larger Companies and Manufacturing Companies, as predicted, utilize more of the traditional Economic Factors in making the location/relocation decision. In the case of the Small and the Technical companies, Quality of Life Factors appear to play a more significant role. Based on the summed averages, there is room for further research, particularly in the case of the Manufacturing and the Technical companies. Given these results, a case can be made showing that the differences between the manufacturing and technical companies are shrinking .

All of the results point to the fact that different factors still drive the location/relocation decisions for companies of different sizes and types. Being able to recognize these differences is important to the Rio Grande Valley cities' ability to attract the type of companies that call the Rio Grande Valley their home. Each city must determine what type of business they wish to attract. If they wish to attract manufacturing or distribution companies, then they should focus on the more traditional factors affecting the location/relocation decision.

If a city wishes to attract the more technical type of company, then they must then adopt a strategy focusing on quality of life to entice new businesses to their area. Specifically, respondents to the survey indicated that they were interested in education first. Additionally, they were interested in recreational opportunities and identified hiking/biking/walking, racquet sports, both tennis and racquetball, and sports as important. Regardless of which company type and area tries to attract, if you build it, will they come?

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APPENDIX A

TABLES

Table 1
All companies vs. General Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Government Incentives	4	7	4	3	1	19
Labor Costs	6	7	3	2	1	19
Proximity to Markets	9	4	2	3	1	19
Proximity to Resources	7	9	1	1	1	19
Quality of Life	4	6	7	2		19
Transportation Costs	7	6	4	2		19
Utility Costs	5	9	1	4		19
Other	2	1				3

Table 2
Manufacturing/Distribution companies vs. General Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Government Incentives	3	5	3	3	1	15
Labor Costs	6	5	3	1		15
Proximity to Markets	8	4	2	1		15
Proximity to Resources	7	7	1			15
Quality of Life	2	5	7	1		15
Transportation Costs	5	5	5			15
Utility Costs	4	8	1	2		15
Other	2	1				3

Table 3
Technical/Headquarters vs. General Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Government Incentives	1	2	1			4
Labor Costs	1	1	1	1		4
Proximity to Markets	1			2	1	4
Proximity to Resources	1	1		1	1	4
Quality of Life	2	1		1		4
Transportation Costs	2		1	1		4
Utility Costs	1	1	1	1		4
Other	1	1				2

Table 4
Large companies vs. General Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Government Incentives	1	6	2	1		10
Labor Costs	4	4	1	1		10
Proximity to Markets	4	3	1	2		10
Proximity to Resources	4	5		1		10
Quality of Life	2	2	4	2		10
Transportation Costs	4	2	3	1		10
Utility Costs	4	4		2		10
Other	2					2

Table 5
Small companies vs. General Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Government Incentives	3	1	2	2	1	9
Labor Costs	2	3	3	1		9
Proximity to Markets	4	2	1	1	1	9
Proximity to Resources	3	3	1	1	1	9
Quality of Life	2	4	3			9
Transportation Costs	3	3	3			9
Utility Costs	2	4	3			9
Other		1				

Table 6
All Companies vs. Quality of Life Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Cost of Living	2	12	3	2		19
Crime Rates	6	8	2	2	1	19
Cultural Opportunities	4	8	4	3		19
Educational Opportunities	8	6	2	3		19
Recreational Opportunities	5	6	5	3		19
Other			1	1		2

Table 7
 Manufacturing/Distribution companies vs. Quality of Life Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Cost of Living	2	11	2			15
Crime Rates	5	7	2	1		15
Cultural Opportunities	4	7	4			15
Educational Opportunities	6	6	3			15
Recreational Opportunities	4	4	6	1		15
Other	1					1

Table 8
 Technical/Headquarters vs. Quality of Life Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Cost of Living		1	1	2		4
Crime Rates	1	1		1	1	4
Cultural Opportunities		1	1	2		4
Educational Opportunities	2			2		4
Recreational Opportunities	1	2		1		4
Other			1	1		2

Table 9
Large companies vs. Quality of Life Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Cost of Living		6	2	2		10
Crime Rates	2	4	3	1		10
Cultural Opportunities	2	3	4	1		10
Educational Opportunities	4	2	2	2		10
Recreational Opportunities	1	3	4	2		10
Other	2					2

Table 10
Small companies vs. Quality of Life Factors

	Very Important	Important	Not Considered	Unimportant	Very Unimportant	TOTAL
Cost of Living	2	6	1			9
Crime Rates	4	4			1	9
Cultural Opportunities	2	6		1		9
Educational Opportunities	4	4		1		9
Recreational Opportunities	4	3	1	1		9
Other		1				1

APPENDIX B
SURVEY

LOCATION/RELOCATION DECISION QUESTIONNAIRE

FIRM NAME _____

RESPONDENT'S NAME _____ TITLE _____

ADDRESS _____

CITY _____ COUNTY _____

PHONE _____ FAX _____

ESTABLISHED AT THIS LOCATION? YES _____ NO _____

RELOCATED TO THIS LOCATION? YES _____ NO _____

WHAT YEAR DID YOU LOCATE HERE? _____

IF RELOCATED, PREVIOUS LOCATION? _____

NUMBER OF EMPLOYEES AT THIS LOCATION _____

1. Which of the following best describes your operation at this location?

- _____ Manufacturing/Distribution
 _____ Research and Development/Non-manufacturing

2. What is the market area for this facility?

- _____ Rio Grande Valley
 _____ Statewide (Texas)
 _____ Nationwide
 _____ Mexico
 _____ Other (please specify _____)

3. If you relocated to the Rio Grande Valley, what prompted you to leave your previous location?

4. In making the decision to locate your facility in its current location, how important were the following factors in influencing your location decisions?

	Very Important	Important	Not Considered	Unimportant	Very Unimportant
Government Incentives	_____	_____	_____	_____	_____
Labor Costs	_____	_____	_____	_____	_____
Proximity to Markets	_____	_____	_____	_____	_____
Proximity to Resources	_____	_____	_____	_____	_____
Quality of life	_____	_____	_____	_____	_____
Transportation Costs	_____	_____	_____	_____	_____
Utility Costs	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____

Please Specify _____

5. For quality of life considerations please rate the following.

	Very Important	Important	Not Considered	Unimportant	Very Unimportant
Cost of living	_____	_____	_____	_____	_____
Crime rates	_____	_____	_____	_____	_____
Cultural opportunities	_____	_____	_____	_____	_____
Education opportunities	_____	_____	_____	_____	_____
Recreation opportunities	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____

Please Specify _____

6. Which of the following recreational activities do you personally take part in? (Check all that apply.)

Biking	_____	Hiking	_____	Jogging	_____
Walking	_____	Racquetball	_____	Tennis	_____
Basketball	_____	Football	_____	Softball/baseball	_____
Soccer	_____	Horseback riding	_____	Picnicking	_____
Swimming	_____	Arts and Crafts	_____	Cooking	_____
Dancing	_____	Movies	_____	Museums	_____
Theater	_____	Travel	_____	Reading	_____

7. Does your company sponsor a team in any athletic leagues offered in your area?

Yes _____ No _____ If so, which sports or activities? _____

8. If state and local government incentives were a factor, which level of government?

State: Yes _____ No _____ Local: Yes _____ No _____

9. What were those incentives?

Thank you for your time and your assistance. If you have any questions regarding this project, please contact me at (956) 664-9601 or (956) 682-1517. Please return to: Peter B. Lamont, Jr, 1501 Ulex McAllen, TX 78504

VITA

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Education

M.P.A. Public Administration, University of Texas-Pan American, 2000
B.S. Recreation and Parks, Texas A&M University, 1988

Professional Experience

Supervisor of Recreation, City of McAllen Parks and Recreation Department 1994-2000
Lieutenant, United States Navy, 1988-1994

Honors and Awards

Texas Agricultural Extension Agency Certificate of Appreciation
Texas Recreation and Park Society's 1999 Young Professional Award
American Red Cross First Aid and
Cardio-Pulmonary Resuscitation Instructor
American Red Cross Certificate of Appreciation for
300 hours of volunteer service
Designated Aircraft Commander
Multiple Military Awards including Joint Service
Expeditionary Medal, Southwest Asia Service Medal,
three Battle Efficiency Ribbons, Navy Letter of
Appreciation

Professional Associations

Texas Recreation and Parks Society
Texas Public Pool Council
Texas Amateur Athletic Federation