Determining the Factors that Attract a Business to a Specific Geographical Location

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Toronto Skyline http://www.onthemoveto.ca/evolution-of-the-toronto-skyline/

PROJECT GOAL

- Literature review to determine the factors that attract a business to a specific geographical location
- Utilize this knowledge to create a marketing tool for the Dufferin Keele North Employment District
- Create a template for the profiles of the 22 Employment Districts in the City of Toronto

What is an Employment District?

"Employment Districts and other employment-related lands are characterized by manufacturing, warehousing and product assembly activities as well as commercial business parks. These are regionally and globally competitive locations for national and international business and are areas for business formation. They provide a broad range of job opportunities for Toronto residents and the regional labour force. The lands represented by the Employment Districts are structural elements of Toronto's economic future in order to ensure a stable environment for investment and to maintain and grow the City's revenue base." (City Planning Division, 2011)
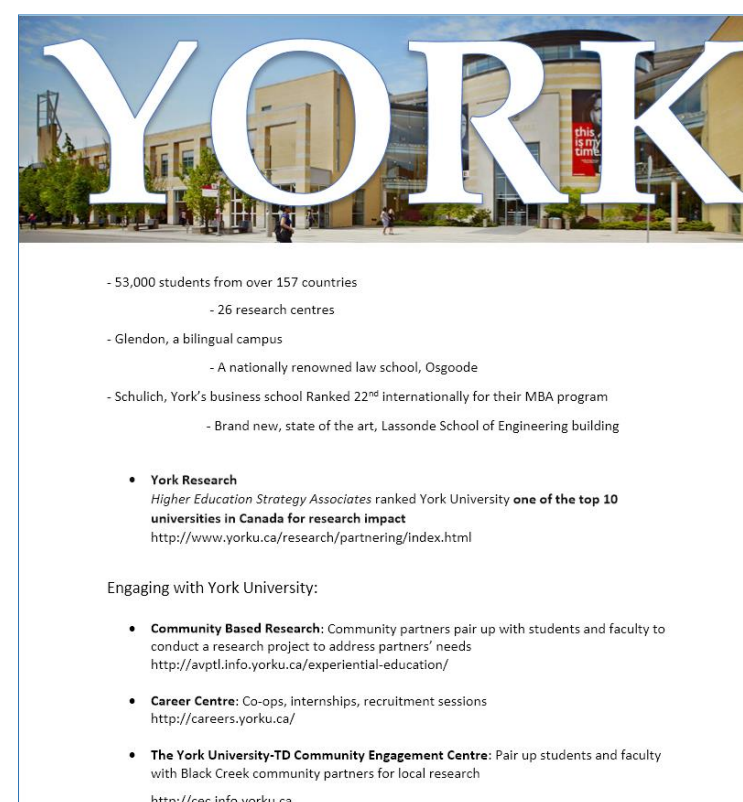
The Four Characteristics That Attract a Firm to an Area

1 COST OF BUSINESS

- Taxes (equipment tax, payroll tax, sales tax, fuel tax)
    - agglomeration economies are less sensitive to taxes
- Tax and R&D incentives
- Long term costs: wages

2 KNOWLEDGE

- Agglomerations
    - knowledge spillover occurs (i.e. Waterloo Tech Hub)
- Post-secondary institutions
    - skilled labour pool
    - research

Percentage of New Products and Processes Based on Recent Academic Research, Seven Industries

Industry	Percentage that could not have been developed (without substantial delay) in the absence of recent academic research		Percentage that was developed with very substantial aid from recent academic research	
	Products	Processes	Products	Processes
Information processing	11	11	17	16
Electronics	6	3	3	4
Chemical	4	2	4	4
Instruments	16	2	5	1
Pharmaceuticals	27	29	17	8
Metals	13	12	9	9
Petroleum	1	1	1	1
Industry mean	11	9	8	6

Mansfield (1995)

Dufferin Keele North Employment District Profile

3 INFRASTRUCTURE

- Paved roads, including highways and bridges, increases productivity and decreases costs
- Public transportation
- Railways, airports and harbours (importing and exporting)
- Internet/telephone (cable), hydro, mail, water and sewage

TTC Subway Map www.ttc.ca

4 QUALITY OF LIFE

- Investors are focusing on putting their businesses in areas that employees want to live and that their business's concept wants to be associated with
- Environmental quality: air and water quality
- Recreation and culture
- Safety

Conclusion

The order of significance of the four factors that attract a firm to an area are cost of business, knowledge, infrastructure, quality of life.

However, if agglomeration economies are involved, the order becomes knowledge, cost of business, infrastructure, quality of life.