

# American Cities of the Future 2015/16

## Winners

FOR THE THIRD CONSECUTIVE RANKING, NEW YORK CITY HAS REIGNED SUPREME AS **fDi**'S AMERICAN CITY OF THE FUTURE, WITH SAN FRANCISCO RISING THROUGH THE RANKS TO TAKE SECOND PLACE AND HOUSTON PLACING THIRD. **CATHY MULLAN** REPORTS



**T**he top 10 of **fDi**'s third biennial ranking of American cities is a wholly North American affair, with all entrants located in Canada or the US. Rebounding somewhat following a turbulent economic period, FDI projects into North America increased 4.55% between 2012 and 2014.

As has been the case in the past two rankings, New York City takes the top spot, further cementing its position as not just a regional FDI powerhouse, but a global one. Beyond New York, however, a shake-up seems to be occurring as to where investors are locating in the region.

### San Francisco's golden era

San Francisco, which has finished second in the overall ranking, has seen inward FDI projects increase by 150% between 2010 and 2014. A total of 307 foreign investments were made in the city during this period. Located close to the innovation hub of Silicon Valley, 58.5% of all of San Francisco's inward FDI was in the software and IT sector.

Project numbers in the software publishing subsector, in particular, increased dramatically in San Francisco between 2012 and 2014, rising from 10 projects in 2012 and to 33 in 2014. Investors are encouraged by this cluster in the city, as well as its geographical proximity to a large US market.

Cédric Ravalec, chief executive of France-based Android app company Genymobile, which established an office in the city in 2014, says: "San Francisco is definitely the core of mobile development. The biggest players in the mobile industry are in the [area], as well as our main corporate users."

San Francisco is an innovative place, where

more than 26,000 patents were granted between 2003 and 2013, with 80% growth being recorded between 2010 and 2013. In addition to attracting a high number of FDI projects, the city is home to companies that are also investing further afield. San Francisco was the source of 432 outward FDI projects, almost 65% of which were in the software and IT sector. The city's top three companies for global investment were cloud computing and social enterprise Salesforce, social media behemoth Twitter and online accommodation firm Airbnb.

### Houston takes off

Located on the eastern coast of Texas, the US's second most populous state, Houston, has risen up the ranking to third place. Placing second in the Business Friendliness category for major cities, Houston is home to 14 companies on the FT Global 500 list and boasts business start up times of less than six days. There were 48 expansion projects in Houston in the five years to December 2014, showing the city's enduring credibility with investors.

The US ranks highly in the strength of investor protection, corruption perception and economic freedom indices, adding to Houston's allure. An accessible city for investors, its local George Bush International airport provides global connections to 67 locations and it boasts seven ports connecting to shipping routes in the Gulf of Mexico – helping it rank third in the Connectivity category for major cities.

### Small but mighty Sunnyvale

Sunnyvale was the only small city (with a population of about 148,000) to appear in **fDi**'s American Cities of the Future 2015/16 overall top 10, and is part of California's Silicon Valley tech hub.



**TOP 10 OVERALL AMERICAN CITIES OF THE FUTURE 2015/16**

RANK	CITY	STATE	COUNTRY
1	New York City	New York	US
2	San Francisco	California	US
3	Houston	Texas	US
4	Boston	Massachusetts	US
5	Sunnyvale	California	US
6	Toronto	Ontario	Canada
7	Atlanta	Georgia	US
8	Vancouver	British Columbia	Canada
9	Miami	Florida	US
10	Seattle	Washington	US

**TOP 10 OVERALL NORTH AMERICAN CITIES OF THE FUTURE 2015/16**

RANK	CITY	STATE	COUNTRY
1	New York City	New York	US
2	San Francisco	California	US
3	Houston	Texas	US
4	Boston	Massachusetts	US
5	Sunnyvale	California	US
6	Toronto	Ontario	Canada
7	Atlanta	Georgia	US
8	Vancouver	British Columbia	Canada
9	Miami	Florida	US
10	Seattle	Washington	US

**TOP 10 OVERALL LATIN AMERICAN CITIES OF THE FUTURE 2015/16**

RANK	CITY	STATE	COUNTRY
1	São Paulo	São Paulo	Brazil
2	Mexico City	Federal District	Mexico
3	Santiago	Santiago	Chile
4	Monterrey	Nuevo León	Mexico
5	San José	San José	Costa Rica
6	Panama City	Panama	Panama
7	Bogotá	Cundinamarca	Colombia
8	Querétaro	Querétaro	Mexico
9	Antofagasta	Antofagasta	Chile
10	Heredia	Heredia	Costa Rica

The city is economically healthy, boasting a GDP per capita of nearly \$92,000\*, inflation of only 1.98% and a low unemployment rate of 4.6%.

Its headline industries – software and IT, communications and semiconductors – are typical of an innovative Silicon Valley economy, and more than 20,000 patents were registered per 100,000 people between 2003 and 2013 – the highest of any city in the study. Sunnyvale is the source of 93.8 FDI projects per 100,000 people, the majority of which are in the city’s headline industries.

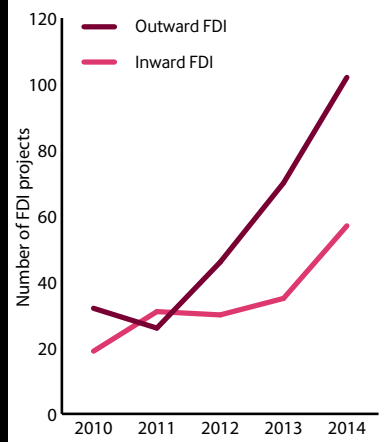
Sunnyvale is home to global internet company Yahoo!, tech start-up Plug and Play, and computer storage and data management company NetApp. These three companies accounted for almost half of the city’s 139 outward FDI projects between 2010 and 2014.

**Latin American winners**

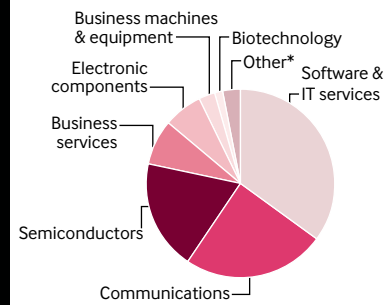
In the overall Latin American Cities of the Future 2015/16 ranking, São Paulo retained first place. The city is a major FDI hub, attracting more than 500 projects between 2010 and 2014 from companies such as UK-based communications conglomerate WPP, US-based aerospace company Boeing and Germany-based logistics company Deutsche Post.

Antofagasta, a port city in the north of Chile, has risen to ninth position in the overall Latin American ranking. The city has a high GDP per capita (\$52,272\*), the third highest level of all Latin American locations studied. It also has a rich mining history, particularly in copper and non-metallic minerals, and the majority of its inward FDI focuses on supporting these industries. Industrial machinery, equipment and tools; chemicals; and coal, oil and gas are the city’s three main sectors, and it also saw a 40% ▶

**SOFTWARE AND IT FDI ON THE RISE IN SAN FRANCISCO**



**OUTWARD FDI PROJECTS FOR SUNNYVALE**



Note: Data for period from January 2010 to December 2014. \*Other = consumer electronics; industrial machinery, equipment and tools; metals; and pharmaceuticals.

“Montréal’s sector-based approach we developed a few years ago by focusing on industries such as aerospace, information technology and life sciences, is really paying off and making Montréal more attractive to foreign investors”

Denis Coderre, mayor, Montréal

increase in the number of patents registered in the city between 2010 and 2013.

Heredia in central Costa Rica was the only small location to feature in the top 10 table for Latin America. Featured in the February/March edition of *fDi* Magazine as a small city FDI hotspot, Heredia attracts 9.2 inward FDI projects per 100,000 people, the third highest of all Latin American locations analysed. More than 35% of the city’s inward FDI was in the business services sector, followed by 21.43% in software and IT services.

Investors are attracted by the city’s Global Park free-trade zone, UltraPark LAG and Intel FTZ Park, which are just three of the nine free zones and industrial parks the city has to offer. A cost-effective option for investors, Heredia commands low average salaries and rents, and likewise cheap electricity, as well as low costs for the importing and exporting of goods. These factors contributed towards its seventh place ranking in the Cost Effectiveness category for small cities.

While FDI in North America increased between 2012 and 2014, Latin America witnessed a decrease of 9.79% during the same period. Battling unstable economies, as well as civil and political unrest, Latin America’s woes are denting investor confidence. With a high dependency on oil in the region, the plunging prices witnessed in 2014 and 2015 are causing economic uncertainties in many Latin American countries.

The effect of these falling prices, however, will not just be felt in Latin America – cities in Canada’s Alberta, for example, are already feeling the pinch, and the somewhat fledgling shale oil industry in the US needs a per barrel price of \$60 to break even, a figure not yet seen in 2015. The fluctuation in the prices of commodities and energy can hold economies to ransom and the effects on regional FDI remain to be seen. With presidential elections scheduled before 2017 for nearly half of the countries analysed, FDI policies to encourage growth will become increasingly important in locations where domestic energy production is failing. ■

Note: \* – international dollars

## MAJOR AMERICAN CITIES OF THE FUTURE

### TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2015/16 – OVERALL

RANK	CITY	STATE	COUNTRY
1	New York City	New York	US
2	San Francisco	California	US
3	Houston	Texas	US
4	Boston	Massachusetts	US
5	Toronto	Ontario	Canada
6	Atlanta	Georgia	US
7	Miami	Florida	US
8	Chicago	Illinois	US
9	Montréal	Québec	Canada
10	São Paulo	São Paulo	Brazil

### TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL

RANK	CITY	STATE	COUNTRY
1	San Francisco	California	US
2	New York City	New York	US
3	Boston	Massachusetts	US
4	São Paulo	São Paulo	Brazil
5	Atlanta	Georgia	US
6	Houston	Texas	US
7	Toronto	Ontario	Canada
8	Miami	Florida	US
9	Chicago	Illinois	US
10	Los Angeles	California	US

### TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	STATE	COUNTRY
1	Boston	Massachusetts	US
2	San Francisco	California	US
3	Washington, DC	District of Columbia	US
4	New York City	New York	US
5	Houston	Texas	US
6	San Diego	California	US
7	Los Angeles	California	US
8	Atlanta	Georgia	US
9	Chicago	Illinois	US
10	Charlotte	North Carolina	US

### TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS

RANK	CITY	STATE	COUNTRY
1	Santa Cruz	Santa Cruz	Bolivia
2	La Paz	La Paz	Bolivia
3	Quito	Pichincha	Ecuador
4	Guatemala City	Guatemala	Guatemala
5	Guayaquil	Guayas	Ecuador
6	Puebla	Puebla	Mexico
7	Guadalajara	Jalisco	Mexico
8	Managua	Nicaragua	Nicaragua
9	Monterrey	Nuevo León	Mexico
10	Lima	Lima	Peru

“As San Francisco’s economy grows, we continue to strengthen investor confidence to ensure businesses start, stay and grow here”

Ed Lee, mayor, San Francisco

“Toronto is a city of great economic potential and our talented, highly educated and multicultural workforce makes it an ideal city for business investment. We look forward to doing business with you”

John Tory, mayor, Toronto

**TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2015/16 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	New York City	New York	US
2	San Francisco	California	US
3	Houston	Texas	US
4	Miami	Florida	US
5	Boston	Massachusetts	US
6	Los Angeles	California	US
7	Washington, DC	District of Columbia	US
8	Philadelphia	Pennsylvania	US
9	Chicago	Illinois	US
10	Toronto	Ontario	Canada

**TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	New York City	New York	US
2	Houston	Texas	US
3	Toronto	Ontario	Canada
4	São Paulo	São Paulo	Brazil
5	Montréal	Québec	Canada
6	San Francisco	California	US
7	Monterrey	Nuevo León	Mexico
8	Miami	Florida	US
9	Atlanta	Georgia	US
10	Boston	Massachusetts	US

**LARGE AMERICAN CITIES OF THE FUTURE**

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2015/16 – OVERALL**

RANK	CITY	STATE	COUNTRY
1	Vancouver	British Columbia	Canada
2	Seattle	Washington	US
3	San José	California	US
4	Austin	Texas	US
5	Minneapolis	Minnesota	US
6	Calgary	Alberta	Canada
7	Portland	Oregon	US
8	Cincinnati	Ohio	US
9	Orlando	Florida	US
10	Mississauga	Ontario	Canada

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Vancouver	British Columbia	Canada
2	Seattle	Washington	US
3	San José	California	US
4	Austin	Texas	US
5	Minneapolis	Minnesota	US
6	Cincinnati	Ohio	US
7	Portland	Oregon	US
8	Calgary	Alberta	Canada
9	Pittsburgh	Pennsylvania	US
10	Orlando	Florida	US


**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2015/16 –  
HUMAN CAPITAL AND LIFESTYLE**

RANK	CITY	STATE	COUNTRY
1	San José	California	US
2	Minneapolis	Minnesota	US
3	Seattle	Washington	US
4	Portland	Oregon	US
5	Edmonton	Alberta	Canada
6	Calgary	Alberta	Canada
7	Pittsburgh	Pennsylvania	US
8	Austin	Texas	US
9	Denver	Colorado	US
10	Milwaukee	Wisconsin	US

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2015/16 –  
COST EFFECTIVENESS**

RANK	CITY	STATE	COUNTRY
1	Asunción	Gran Asunción	Paraguay
2	San Pedro Sula	Cortés	Honduras
3	Tegucigalpa	Francisco Morazán	Honduras
4	Torreón	Coahuila	Mexico
5	León	Guanajuato	Mexico
6	San Luis Potosí	San Luis Potosí	Mexico
7	Juárez	Chihuahua	Mexico
8	Ecatepec	Mexico	Mexico
9	Panama City	Panama	Panama
10	Tijuana	Baja California	Mexico

“Mississauga has a surplus of talented and skilled human capital, internationally recognised post-secondary institutions, and we are strategically located in the heart of the Greater Toronto area”

Bonnie Crombie, mayor, Mississauga

“Las Vegas is a location with thriving small businesses in our revitalised urban core as well as being home to massive companies like Zappos.com and Switch”

Carolyn G Goodman, mayor, Las Vegas

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2015/16 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	San José	California	US
2	Seattle	Washington	US
3	Mississauga	Ontario	Canada
4	Baltimore	Maryland	US
5	Vancouver	British Columbia	Canada
6	Panama City	Panama	Panama
7	Orlando	Florida	US
8	Kansas City	Missouri	US
9	Sacramento	California	US
10	Tampa	Florida	US

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Querétaro	Querétaro	Mexico
2	Vancouver	British Columbia	Canada
3	Edmonton	Alberta	Canada
4	Mississauga	Ontario	Canada
5	Calgary	Alberta	Canada
6	Austin	Texas	US
7	San Luis Potosí	San Luis Potosí	Mexico
8	Cincinnati	Ohio	US
9	Seattle	Washington	US
10	Las Vegas	Nevada	US

**MID-SIZED AMERICAN CITIES OF THE FUTURE**

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2015/16 – OVERALL**

RANK	CITY	STATE	COUNTRY
1	Raleigh	North Carolina	US
2	Oakland	California	US
3	Ottawa	Ontario	Canada
4	Richmond	Virginia	US
5	San José	San José	Costa Rica
6	Birmingham	Alabama	US
7	Baton Rouge	Louisiana	US
8	Saint Paul	Minnesota	US
9	Brampton	Ontario	Canada
10	Long Beach	California	US

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Raleigh	North Carolina	US
2	Ottawa	Ontario	Canada
3	Richmond	Virginia	US
4	San José	San José	Costa Rica
5	Birmingham	Alabama	US
6	Baton Rouge	Louisiana	US
7	Antofagasta	Antofagasta	Chile
8	Oakland	California	US
9	Saltillo	Coahuila	Mexico
10	Jundiaí	São Paulo	Brazil



**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE**

RANK	CITY	STATE	COUNTRY
1	Saint Paul	Minnesota	US
2	Oakland	California	US
3	Honolulu	Hawaii	US
4	Richmond	Virginia	US
5	Baton Rouge	Louisiana	US
6	Long Beach	California	US
7	Raleigh	North Carolina	US
8	Omaha	Nebraska	US
9	Arlington	Texas	US
10	Ottawa	Ontario	Canada

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS**

RANK	CITY	STATE	COUNTRY
1	Cuenca	Azuay	Ecuador
2	San Salvador	San Salvador	El Salvador
3	Piura	Piura	Peru
4	Trujillo	La Libertad	Peru
5	Durango City	Durango	Mexico
6	Mazatlán	Sinaloa	Mexico
7	Tuxtla Gutiérrez	Chiapas	Mexico
8	Acapulco	Guerrero	Mexico
9	Aguascalientes	Aguascalientes	Mexico
10	Morelia	Michoacán	Mexico

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2015/16 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	Oakland	California	US
2	Long Beach	California	US
3	Brampton	Ontario	Canada
4	Hamilton	Ontario	Canada
5	Surrey	British Columbia	Canada
6	Virginia Beach	Virginia	US
7	Norfolk	Virginia	US
8	New Orleans	Louisiana	US
9	Chesapeake	Virginia	US
10	Honolulu	Hawaii	US

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Ottawa	Ontario	Canada
2	London	Ontario	Canada
3	Québec	Québec	Canada
4	Laval	Québec	Canada
5	Aguascalientes	Aguascalientes	Mexico
6	Winnipeg	Manitoba	Canada
7	Brampton	Ontario	Canada
8	San José	San José	Costa Rica
9	Halifax	Nova Scotia	Canada
10	Antofagasta	Antofagasta	Chile

“We’re ready to support business that want to innovate, collaborate, find suppliers and strategic partners and, ultimately, to find new customers to invest in Brampton”

Linda Jeffrey, mayor, Brampton, Ontario

“In Québec City, all the economic development actors work in synergy to meet the needs of investors and entrepreneurs”

Regis Labeaume, mayor, Québec City

“Irvine’s economic potential is being expanded every day. Key partnerships such as the Irvine Chamber of Commerce keep the business of business first and foremost”

Steven S Choi, mayor, Irvine

“Jam-packed with innovation, creativity and entrepreneurs, Victoria’s human capital has the potential to make a significant contribution in the knowledge-based 21st-century economy”

Lisa Helps, mayor, Victoria

“Hayward is uniquely positioned for growth and rich with opportunity for innovators and entrepreneurs in all fields”

Barbara Halliday, mayor, Hayward

SMALL AMERICAN CITIES OF THE FUTURE

TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2015/16 – OVERALL

RANK	CITY	STATE	COUNTRY
1	Sunnyvale	California	US
2	Waterloo	Ontario	Canada
3	Stamford	Connecticut	US
4	Irvine	California	US
5	Fort Lauderdale	Florida	US
6	Fremont	California	US
7	Tempe	Arizona	US
8	Salt Lake City	Utah	US
9	Bellevue	Washington	US
10	Ann Arbor	Michigan	US

TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL

RANK	CITY	STATE	COUNTRY
1	Sunnyvale	California	US
2	Fort Lauderdale	Florida	US
3	Irvine	California	US
4	Waterloo	Ontario	Canada
5	Salt Lake City	Utah	US
6	Durham	North Carolina	US
7	Cary	North Carolina	US
8	Stamford	Connecticut	US
9	Fremont	California	US
10	Tempe	Arizona	US

TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE

RANK	CITY	STATE	COUNTRY
1	Ann Arbor	Michigan	US
2	Waterloo	Ontario	Canada
3	Provo	Utah	US
4	Gainesville	Florida	US
5	Madison	Wisconsin	US
6	Tallahassee	Florida	US
7	Denton	Texas	US
8	Fort Collins	Colorado	US
9	Victoria	British Columbia	Canada
10	Sunnyvale	California	US

TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS

RANK	CITY	STATE	COUNTRY
1	Potosí	Potosí	Bolivia
2	Nogales	Sonora	Mexico
3	Guaymas	Sonora	Mexico
4	Colima	Colima	Mexico
5	Campeche	Campeche	Mexico
6	Obregón	Sonora	Mexico
7	Heredia	Heredia	Costa Rica
8	Neiva	Huila	Colombia
9	Sobral	Ceará	Brazil
10	Sete Lagoas	Minas Gerais	Brazil

TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2015/16 – CONNECTIVITY

RANK	CITY	STATE	COUNTRY
1	Yonkers	New York	US
2	Elizabeth	New Jersey	US
3	Paterson	New Jersey	US
4	Jersey City	New Jersey	US
5	Newark	New Jersey	US
6	Stamford	Connecticut	US
7	Sunnyvale	California	US
8	Fremont	California	US
9	Hayward	California	US
10	Kansas	Kansas	US



**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Chattanooga	Tennessee	US
2	Windsor	Ontario	Canada
3	Plano	Texas	US
4	Irving	Texas	US
5	Mobile	Alabama	US
6	Syracuse	New York	US
7	Waterloo	Ontario	Canada
8	Burlington	Ontario	Canada
9	Cambridge	Ontario	Canada
10	Resende	Rio de Janeiro	Brazil

**MICRO AMERICAN CITIES OF THE FUTURE****TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2015/16 – OVERALL**

RANK	CITY	STATE	COUNTRY
1	Greenville	South Carolina	US
2	Plattsburgh	New York	US
3	Santa Fe Springs	California	US
4	Wilmington	Delaware	US
5	Langley	British Columbia	Canada
6	North Vancouver	British Columbia	Canada
7	Fredericton	New Brunswick	Canada
8	Brantford	Ontario	Canada
9	Greenville	North Carolina	US
10	Franklin	Wisconsin	US

“Brantford continues to rank as a top 10 City of the Future as we are a progressive 21st-century community, uniquely positioned for business development”

Chris Friel, mayor, Brantford

“Greenville has a successful track record in attracting and retaining companies from around the world and we look forward to our future as the premier location for international investment”

Knox White, mayor, Greenville



**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2015/16 – ECONOMIC POTENTIAL**

RANK	CITY	STATE	COUNTRY
1	Greenville	South Carolina	US
2	Plattsburgh	New York	US
3	Wilmington	Delaware	US
4	Santa Fe Springs	California	US
5	Langley	British Columbia	Canada
6	Franklin	Wisconsin	US
7	Idaho Falls	Idaho	US
8	Meridian	Idaho	US
9	Gahanna	Ohio	US
10	North Vancouver	British Columbia	Canada

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2015/16 – HUMAN CAPITAL AND LIFESTYLE**

RANK	CITY	STATE	COUNTRY
1	Plattsburgh	New York	US
2	Greenville	North Carolina	US
3	Fredericton	New Brunswick	Canada
4	Bismarck	North Dakota	US
5	Brantford	Ontario	Canada
6	Santa Fe Springs	California	US
7	Wooster	Ohio	US
8	Franklin	Wisconsin	US
9	Gahanna	Ohio	US
10	Pocatello	Idaho	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2015/16 – COST EFFECTIVENESS**

RANK	CITY	STATE	COUNTRY
1	Atlatomulco	Mexico	Mexico
2	Santa Ana	San José	Costa Rica
3	Itatiaia	Rio de Janeiro	Brazil
4	Red Deer	Alberta	Canada
5	Nanaimo	British Columbia	Canada
6	Niagara Falls	Ontario	Canada
7	Wooster	Ohio	US
8	Brantford	Ontario	Canada
9	Repentigny	Québec	Canada
10	Saint-Jean-Sur-Richelieu	Québec	Canada

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2015/16 – CONNECTIVITY**

RANK	CITY	STATE	COUNTRY
1	Wilmington	Delaware	US
2	Santa Fe Springs	California	US
3	South Gate	California	US
4	North Vancouver	British Columbia	Canada
5	Langley	British Columbia	Canada
6	Pickering	Ontario	Canada
7	Repentigny	Québec	Canada
8	Franklin	Wisconsin	US
9	Plattsburgh	New York	US
10	Ogden	Utah	US

**TOP 10 MICRO AMERICAN CITIES OF THE FUTURE 2015/16 – BUSINESS FRIENDLINESS**

RANK	CITY	STATE	COUNTRY
1	Santa Fe Springs	California	US
2	Greenville	South Carolina	US
3	Plattsburgh	New York	US
4	Fredericton	New Brunswick	Canada
5	Brantford	Ontario	Canada
6	Langley	British Columbia	Canada
7	North Vancouver	British Columbia	Canada
8	Sarnia	Ontario	Canada
9	Chatham	Ontario	Canada
10	Pickering	Ontario	Canada

# FDI strategy

## Atlanta, Georgia

**A**tlanta ranked first of all 'major' cities in the FDI Strategy category. The Metro Atlanta Chamber employs several strategies to promote Atlanta as an investment destination. These include marketing strategies for recruitment, education and quality-of-life initiatives as well as outbound trade and investment initiatives. The latter, in particular, has helped Atlanta's outward FDI projects increase from 45 in 2013 to 85 in 2014, according to data from greenfield investment monitor **FDI Markets**.

The outbound trade and investment initiative aims to "assist Metro Atlanta companies in finding international buyers, partners and distributors by connecting them to global investment opportunities and coordinating marketing trips", according to the submission from Metro Atlanta Chamber. As part of the city's sector-focused strategies, major growth sectors being targeted in the city include mobile technology, financial technology, clean technology, health information technology and cyber security.

Metro Atlanta Chamber claims that the city has 25% of the worldwide security revenue market, while AT&T Drive Studio in the city supports the mobile technology sector, providing a research facility for digital automotive innovation. Supporting these sector targets, Atlanta also offers a range of incentives for potential investors.

The Quality Jobs Tax Credit grants a credit of between \$2500 and \$5000 per job, providing the company creates at least 50 jobs in a 12-month period, and which pay wages at least 10% higher than the county average. Other incentives include an R&D tax credit and the Intellectual Capital Partnership Programme, which allows investors to "use resources of Georgia's colleges and universities to meet their workforce needs, including access to college-educated employees, recent research and free business advice".

## Major contenders

Other contenders in the major classification included New York City and Chicago, which ranked second

and third, respectively. New York City offers a compassionate social initiative, RISE:NYC, which helps companies affected by Hurricane Sandy in 2012 to protect against future storms and the adverse effects of climate change. Chicago, the third most populous city in the US, is looking eastwards to develop its FDI Strategy. In December 2013, its mayor, Rahm Emanuel, signed a memorandum of understanding with China – the first agreement of its kind from a US city. Chicago – now considered the official US gateway city for Beijing, Shanghai, Tianjin, Qingdao, Shenyang, Hangzhou, Wuhan and Chengdu – will benefit from reciprocal missions and business activity, which in 2014 resulted in more than \$1bn in investments. This strategy is supported with an office base in Shanghai.

## Austin, Texas

The Texan capital ranked first for FDI Strategy among all large cities. With an investment attraction budget of just below \$1m, the city has developed creative initiatives to promote Austin as an investment destination. Local business organisation members have been appointed as Austin brand ambassadors, promoting the city when they travel internationally, giving an "exact and appropriate representation" of the city to potential investors, according to its submission. The city also works closely with the Austin Areas Translators and Interpreters Association, ensuring that an investor feels at ease and understood when considering the city as an investment destination.

## Brampton, Ontario

A suburban city in the Greater Toronto Area, Brampton, which ranked first of all mid-sized cities for FDI Strategy, formulated a four-year development plan between 2011 and 2014 to target "proactive business development and marketing initiatives focused on key sectors and international geographical markets". As part of its 2014 FDI Programme, 18 outbound trade missions were completed to destinations in Brazil, China, Europe and the US. The city now has in place a new four-year international plan, covering 2015 until 2018. A life sciences cluster of

more than 800 businesses has developed in the city, which has seen employment increase in the sector by 50%. In April 2014, Israel-based Taro Pharmaceuticals created 140 jobs in Brampton with the opening of a manufacturing facility.

## Richardson, Texas

With a population of just over 100,000 people, Richardson is well equipped to attract investment with a budget of \$1.5m. Helping the city rank first among all small locations for FDI Strategy were several initiatives to attract foreign investors, including the Business Concierge Programme, which recruits members of the Richardson Chamber of Commerce and Metroplex Business Council to provide services such as accounting, legal and real estate services to newly arriving companies to help them become operational. Richardson also engages with other international cities, consulates and chambers of commerce, embarking upon trade missions to promote the city. Consultants for FDI 'lead generation' are also employed to arrange face-to-face meetings with potential investors.

## Plattsburgh, New York

Ranking first of all micro locations for FDI Strategy, Plattsburgh (which sits on the north of New York state) looks primarily to Canada to attract investment. The city authorities work closely with border agencies going into Canada, encouraging export activity as well as FDI. Canadian companies are welcomed to 'How to do business in the US' workshops, for companies interested in investing in the US but wishing to stay close to their native country. The Quebec-NY corridor initiative aims to establish a "bi-national economic region", according to the submission from Plattsburgh's North Country Chamber of Commerce. Supported by a cluster-specific web presence – [www.flyplattsburgh.com](http://www.flyplattsburgh.com) – the city is also focusing on the aerospace cluster, exploiting its close proximity to Montréal where a thriving cluster already exists. The city aims to forge strong links with Canadian companies, and become a "best friend", or an expert location and first choice, for Canadian investors looking to the US. ■

**TOP 10 MAJOR AMERICAN CITIES OF THE FUTURE 2015/16 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Atlanta	Georgia	US
2	New York City	New York	US
3	Chicago	Illinois	US
4	Toronto	Ontario	Canada
5	Montréal	Québec	Canada
6	São Paulo	São Paulo	Brazil
7	Charlotte	North Carolina	US
8	San Francisco	California	US
9	Dallas	Texas	US
10	Los Angeles	California	US

**TOP 10 LARGE AMERICAN CITIES OF THE FUTURE 2015/16 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Austin	Texas	US
2	Columbus	Ohio	US
3	Calgary	Alberta	Canada
4	St Louis	Missouri	US
5	Mississauga	Ontario	Canada
6	Pittsburgh	Pennsylvania	US
7	Edmonton	Alberta	Canada
8	Orlando	Florida	US
9	Las Vegas	Nevada	US
10	Bucaramanga	Santander	Colombia

**TOP 10 MID-SIZED AMERICAN CITIES OF THE FUTURE 2015/16 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Brampton	Ontario	Canada
2	Richmond	Virginia	US
3	Québec	Québec	Canada
4	New Orleans	Louisiana	US
5	Winnipeg	Manitoba	Canada
6	Ottawa	Ontario	Canada
7	Vitoria	Espirito Santo	Brazil
8	San José	San José	Costa Rica
9	London	Ontario	Canada
10	Hamilton	Ontario	Canada

**TOP 10 SMALL AMERICAN CITIES OF THE FUTURE 2015/16 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Richardson	Texas	US
2	Lafayette	Louisiana	US
3	Dayton	Ohio	US
4	Lexington	Kentucky	US
5	Oshawa	Ontario	Canada
6	Richmond	British Columbia	Canada
7	Victoria	British Columbia	Canada
8	Chattanooga	Tennessee	US
9	Charleston	South Carolina	US
10	Huntsville	Alabama	US

**TOP MICRO AMERICAN CITIES OF THE FUTURE 2015/16 – FDI STRATEGY**

RANK	CITY	STATE	COUNTRY
1	Plattsburgh	New York	US
2	Wooster	Ohio	US
3	Greenville	North Carolina	US
4	Idaho Falls	Idaho	US
5	Oroville	California	US
6	Red Deer	Alberta	Canada
7	Beloit	Wisconsin	US
8	Itatiaia	Rio de Janeiro	Brazil

Note: List restricted due to shortage of suitable entries.

“Dayton is home to world-class operations like GE, PepsiCo, DuPont, Standard Register, Honeywell, and Assurant. As we continue to shift towards the knowledge economy, we will continue to seek and attract new FDI”

Nan Whaley, mayor, Dayton

“Companies that locate in Oshawa enjoy competitive costs, access to state-of-the-art research facilities and the brightest young minds of the future”

John Henry, mayor, Oshawa

# American Cities of the Future 2015/16

## METHODOLOGY

To create a shortlist for fDi's American Cities of the Future 2015/16, the fDi Intelligence division of the Financial Times collected data using the specialist online tools fDi Markets and fDi Benchmark. In total, 421 locations were analysed for the study. Data was then collected for these 421 locations under five categories: Economic Potential, Business Friendliness, Human Capital and Lifestyle, Cost Effectiveness and Connectivity.

Locations scored up to a maximum of 10 points for each datapoint, which were weighted by impor-

tance to the FDI decision making process in order to compile both the subcategory rankings as well as the overall 'American Cities of the Future 2015/16' ranking.

In addition, surveys were collected under a sixth category, FDI Strategy. This category is the only qualitative category, and does not feed into the overall result. For this category there were 105 submissions – locations submitted details about their strategy for promoting FDI, which were then scored by fDi's judging panel, which this year included regular

fDi columnist and FDI consultant Daniel Malachuk. In previous rankings, FDI Strategy was included in the overall ranking, however, to separate totally qualitative and quantitative data, we chose to list FDI Strategy as a stand-alone ranking.

Cities in the study were categorised according to population. Those locations with immediate city populations below 100,000 were categorised as 'Micro' locations, of which there were 37. 'Small' locations (208 locations) had immediate city populations between 100,000 and

350,000. 'Mid-sized' locations (of which there were 77) had an immediate city population more than 200,000 and a wider larger urban zone (LUZ) over 750,000, or an immediate city population over 350,000. There were 49 'Large' locations, with immediate city populations more than 500,000 and an LUZ population over 1 million or an LUZ of more than 2 million. 'Major' locations (50) had an immediate city population of more than 750,000 and an LUZ over 2 million, or an LUZ of more than 4 million people. ■

## LIST OF DATAPPOINTS

### ECONOMIC POTENTIAL

- Population
- Average annual population growth (% 2010 to 2013)
- GDP (at purchasing power parity) (\$000)
- GDP per capita (\$)
- GDP per capita growth (% 2012 to 2014)
- GDP forecast
- Inflation rate
- Unemployment rate
- Outward FDI (2010 to 2014)
- Outward FDI per 100,000 people (2010 to 2014)
- Inward FDI (2010 to 2014)
- Inward FDI per 100,000 people (2010 to 2014)
- Average annual nominal growth in inward FDI (2010 to 2014)
- Average annual growth in FDI (% 2010 to 2014)
- FDI in research and development (R&D), and design, development and testing (DDT) (2010 to 2014)
- FDI in advanced manufacturing (2010 to 2014)
- Number of megaprojects by capital expenditure (more than £100m) including estimates (2010 to 2014)
- Number of megaprojects by capex (more than £100m) per 100,000 people including estimates (2010 to 2014)
- Number of megaprojects by jobs (more than 1000 jobs) including estimates (2010 to 2014)
- Number of megaprojects by jobs (more than 1000 jobs) per 100,000 people including estimates (2010 to 2014)
- Capital expenditure on R&D and DDT projects (\$, 2010 to 2014)
- Number of patents (2003 to 2013)
- Number of patents per 100,000 people (2003 to 2013)

- Number of patents (2003 to 2010)
- Growth in number of patents (% 2003 to 2010 vs 2003 to 2013)
- Nominal growth in number of patents (2003 to 2010 vs 2003 to 2013)
- Global Competitiveness Index (2012 to 2014)

### HUMAN CAPITAL AND LIFESTYLE

- Number of students
- Number of international business schools
- Labour force (% of population)
- Tertiary education (between ages of 25 and 64)
- Brain drain
- Literacy rate
- Secondary enrolment rate
- Tertiary enrolment rate
- Third-level students as % of population
- Number of physicians per 1000 people
- Life expectancy
- GDP per capita

### COST EFFECTIVENESS

- Average annual salary for an unskilled worker (\$)
- Average annual salary for a semi-skilled worker (\$)
- Average annual salary for a skilled worker (\$)
- Annual rent for prime grade A office space (\$ per m<sup>2</sup>)
- Annual rent for prime grade A industrial space (\$ per m<sup>2</sup>)
- Electricity (\$ per kilowatt hour)
- Four-star hotels in city centre location
- Petrol prices (\$ per litre)
- Minimum wage (\$ per hour)
- Cost to export (\$ per container)

- Cost to import (\$ per container)
- Cost of establishing a business (absolute value using gross national income from World Doing Business guide)
- Corporation tax rate
- Common indirect tax
- Country purchasing power parity/exchange rate

### CONNECTIVITY

- Upload speed (kilobytes/second)
- Download speed (kb/s)
- Number of airports within 80 kilometres of city
- Distance to nearest international airport (km)
- Number of international destinations served
- Number of ports (medium) within 100km
- Number of ports (large) within 100km
- Number of ports (very large) within 100km
- Number of ports (medium+) within 100km
- Logistics Performance Index 2014
- Networked Readiness Index 2014
- Environmental Performance Index 2014
- Liner Shipping Connectivity Index
- Mobile phone subscribers as a percentage of population (2013)
- Mobile phone subscribers as a percentage of population (2005)
- Percentage point change in mobile phone subscribers (2005 to 2013)
- Quality of overall connectivity

### BUSINESS FRIENDLINESS

- Total number of companies in advanced manufacturing sector (2013)

- Total number of companies in hi-tech service sector (2013)
- Total number of companies in knowledge-based sector (2013)
- Proportion of companies in advanced manufacturing sector (2013)
- Proportion of companies in hi-tech service sector (2013)
- Proportion of companies in knowledge-based sector (2013)
- Number of companies in advanced manufacturing sector per 100,000 people
- Number of companies in hi-tech service sector per 100,000 people
- Number of companies in knowledge-based sector per 100,000 people
- Number of jobs created by all inward FDI (2010 to 2014)
- Number of expansion/co-location projects (2010 to 2014)
- Top 1000 World Banks 2013
- Corporation tax rate
- Days taken to start a business
- Firing costs
- Ease of Doing Business rank
- Economic Freedom Index 2014
- Corruption Perception Index 2013
- Strength of Investor Protection Index
- Credit rating (Standard & Poor's)
- FT Global 500 companies
- Number of jobs created by inward FDI (2010)
- Number of jobs created by inward FDI (2014)
- Average annual growth in jobs created by inward FDI (2010 to 2014) (nominal)
- Average annual growth in jobs created by inward FDI (% 2010 to 2014)
- Country risk score
- Number of jobs created by all inward FDI (2010 to 2014) per 100,000 people