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February 23, 2004 Monday

SECTION: FINANCIAL NEWS**DISTRIBUTION:** TO BUSINESS EDITOR**LENGTH:** 1234 words

HEADLINE: Expanded Kosmont-**Rose** Cost of Doing Business Survey Reports on Business Taxes, Fees, and Incentives in 314 Cities in 50 States;
Survey authors say as more & more companies disperse operations and support functions to low cost areas
Survey findings are more useful than ever;
Other Highlights Lists High Cost Cities and Best Bargains Cites Low Cost US Options to Overseas Locations
New Rating Index Includes State Income Taxes and Sales Taxes

DATELINE: LOS ANGELES Feb. 23**BODY:**

The 10th annual Cost of Doing Business Survey, jointly published by Kosmont Companies of Los Angeles and the **Rose Institute** of State and Local Government at Claremont McKenna College, is available today at < Kosmont.com > and < **Rose Institute.com** >. The Survey this year reports on taxes, fees, and incentives that impact businesses in 314 cities and communities in all 50 states, plus Washington, D.C.

The new Survey ranks cities as Very Low Cost (\$), Low Cost (\$\$), Medium Cost (\$\$\$) High Cost (\$\$\$\$), and Very High Cost (\$\$\$\$\$).

No city in Los Angeles County is ranked as Very Low Cost (\$). In the State of California four communities are rated as Very Low Cost (\$): Roseville, Sutter Creek, and the unincorporated areas of Lake County and Merced County.

Very High Cost cities (\$\$\$\$\$) in Los Angeles County, in order of increasing costs, are: Hawthorne, El Segundo, El Monte, Huntington Park, Pico Rivera, Pomona, Bell, Palmdale, Compton, Culver City, Santa Monica, and last and most expensive, Los Angeles.

Other Very High Cost cities in California, again ranked by increasing costs, are: Modesto, Alameda, Stockton, Seal Beach, Rialto, San Bernardino, Richmond, Berkeley, Oakland, and San Francisco.

The lowest cost city surveyed is Cheyenne, Wyoming. The most expensive in which to carry on a business is Philadelphia.

Since the **Rose Institute** became co-publisher with Kosmont Companies in 2003, the Cost of Doing Business Survey has added 80 cities to its coverage (from 234 cities to 314) and expanded its in depth reporting to include six categories of taxes (business, electricity, telephone, property, sales, and income). This is the first year State income and sales taxes have been factored into city cost rankings.

The 2004 Survey is available in both CD and print formats (the print format is a two volume set). The Survey can be purchased online or by contacting the **Rose Institute** directly at 909-621-8159.

"There is simply nothing like it," Larry Kosmont, President and CEO of Kosmont Companies, said today. "We knew it would be a useful publication when we issued the first edition in 1994. It grew and grew in popularity and complexity until in 2001 we realized we needed additional resources. Accordingly, we gifted our files and expertise to the nationally recognized business and government research group at the **Rose Institute**. Now, with the 2004 Survey, **Rose** and Kosmont, working together, have achieved extensive coverage of what business America can expect almost anywhere it chooses to locate in the U.S."

Mr. Kosmont said such a large-scale perspective is growing in importance as many businesses now split up their operations rather than centralize in one spot. "They may choose to have a well appointed corporate office in one of the glamorous cities like Beverly Hills or Santa Monica, but rather than pay high rents and high taxes for back-office and manufacturing functions, they will place these divisions in one of the many low cost locations identified by our Survey."

He pointed out that with modern communications there is little need to have everybody in one neighborhood or under one roof. Cutting costs by strategically locating operations makes a lot of sense, Mr. Kosmont said. "But no company should make these decisions without first running their possibilities and options through our Survey. A bad location is costly and not easy to undo. And there is no reason to make such a mistake when the Survey pinpoints many attractive low cost cities both here in California and in neighboring states."

Some of these cities are newer communities, or just lesser known cities, where the costs of land, operations, and taxes can be very favorable. Mr. Kosmont went on to say that, "While I can not be certain this will happen to any great degree, it is entirely possible that when corporate leaders are made aware by our Survey of the many, many low cost options that can be found here at home in the United States, they will think twice about sending entire operations far overseas."

Commenting on the commanding position of the Survey in real estate and business planning, Mr. Kosmont said: "When we introduced the Survey years ago, we were not sure how useful it would be. But each year more and more cities use it to evaluate their attractiveness vis a vis other cities. Corporations contemplating a move use the Survey to sharpen their focus and narrow their options. Developers use it to see where they can structure the most profitable opportunities. In short, it did not take long for our annual Survey to become a 'must-read' in the business community."

Dr. Steven Frates, Senior Fellow at the **Rose Institute**, said this year's Survey highlights even more clearly than previous editions the wide and expanding number and severity of costs imposed on businesses by government entities throughout the United States. "This is the kind of information that can help a company avoid making a costly mistake when considering expansion or relocation," he said.

"Perhaps equally important and useful," Dr. Frates went on to say, "is how the Kosmont-**Rose** Survey enables cities, counties, and states to see where they stand in our increasingly sophisticated and well-informed business-location marketplace.

"Knowledge is power," he said, "and our Survey is an empowering document for all its users. We are already thinking and planning on how we can make it even more useful in coming years."

Over its ten years, the Survey has been among the first to identify changes and evolutions in the business environment. Several years ago, for example, the Survey commented on a growing willingness by the public and private sectors to cooperate in productive and efficient partnerships. "Today there is scarcely a real estate development of any size that does not depend on some level of cooperation between a private developer and one or more levels of government," Mr. Kosmont says.

Another trend uncovered by the farseeing Survey as early as 1997 was that smaller, fast-moving, low cost California communities are competing successfully against major, well-established industrial and commercial centers. "It is a phenomenon that is still going strong," Mr. Kosmont says, pointing to Santa Clarita in Los Angeles County and fast-growing communities in the Inland Empire.

NOTES TO EDITORS

The 2004 Kosmont-**Rose Institute** Cost of Doing Business Survey contains extensive data on business costs, taxes, fees, and incentives in 315 cities and communities in all 50 states.

* Mr. Kosmont is available for interview -- 213-599-4385.

* Dr. Steven Frates of the **Rose Institute** is available for comment -- 909-621-8159.

* Data customized for your community is available on request. Contact Christina Williams -- 909-621-8159.

* Charts and graphics are also available.

* The 2004 Survey is available at < Kosmont.com > and < **Rose Institute.com** >.

For more information on your city, county, or metropolitan area, please contact Christina Williams or

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LOAD-DATE: February 24, 2004

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