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The Daily News of Los Angeles

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**SECTION:** NEWS; Pg. SC4**LENGTH:** 410 words**HEADLINE:** SURVEY: CITY'S ALLY OF COMMERCE;  
SANTA CLARITA LEADING IN BUSINESS-FRIENDLINESS**BYLINE:** Nicholas Grudin, Staff Writer**BODY:**

SANTA CLARITA - Santa Clarita is one of the most business-friendly cities in the state, according to the 10th annual "Cost of Doing Business Survey" released Monday by the Kosmont-**Rose Institute**.

According to the survey, Santa Clarita falls in with the likes of Bakersfield, Simi Valley and Moorpark as the least-expensive cities with a population of 100,000 or greater in which to do business.

Among the most-expensive cities in the state are Los Angeles, San Francisco and Oakland, which also rank in the top 10 in the nation. According to the survey's author, California's rising business costs are a driving force behind an exodus of companies from the state.

"I've seen the trend occur for quite a while. Many companies are looking to minimize their presence here in California," said Larry Kosmont of Kosmont Co.

However, companies that choose to stay in the state are tending toward places like Santa Clarita, where the cost of doing business remains relatively low.

"If a company is looking to keep a major operation in California, Santa Clarita will be more competitive than others," Kosmont said. The Kosmont-**Rose** rankings are based on several factors, including business taxes, telephone taxes, sales taxes, electricity taxes, property taxes and state income taxes.

Another factor driving businesses out of California is the ballooning of workers' compensation and health care costs, Kosmont said.

Santa Clarita officials attributed their success in the Kosmont-**Rose** ratings to the fact that the city does not have a business licensing tax.

"It's pretty easy to look different if they have the tax and we don't. The comparison is always in our favor," said Mike Haviland, the city's head of economic development. "We're more nimble and flexible than cities that are older than us."

The study, which is now in its 10th year, is meant to help inform companies thinking of relocating, according to David Huntoon at Claremont McKenna College's **Rose Institute**.

"This is used extensively in the real estate community when corporate relocation decisions are being made. It's a first cut for firms to get an idea of where they rank in the tax aspect," Huntoon said.

"As they do due diligence, they'll look at things like workers' comp expenses, property acquisition, rent, labor costs. This is just one piece of the puzzle. But a very important piece."

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**GRAPHIC:** Chart:  
THE COST OF DOING BUSINESS  
SOURCE: Kosmont-**Rose Institute**

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