A case study in the next generation of Live, Work, Play

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Throughout my childhood and young adult years I heard this expression many times—"fight or flight," and I took this to mean you have only one of two choices. You can fight for what you believe in, or you can simply throw your hands up, put your head down, and flee. Well, just recently I stumbled upon the saying in its entirety—and it was new to me. It is officially, “fight, flight, or freeze.” And I thought—yes that is true. Freezing and hoping that you go unnoticed and not seen is a real strategy in the animal kingdom. But it isn’t a successful one in the business world. Freeze in today’s ever-changing economy, and you’ll surely go the way of the Dodo bird.

Times are changing, and at a much faster pace than ever before. Since the invention of air conditioning in 1902 in Buffalo, NY, by Cornell graduate Willis Carrier (allowing us to live almost anywhere) to the invention of the smartphone in 1994 (allowing us to work almost everywhere), where we work and when we work have been in flux. And I believe that over the next decade we will see significant changes in how we define an employee and how we represent a work-week. For those companies that aren’t nimble enough to follow the pack or brave enough to be out in front—these changes will have a significant and profound impact. This shift is truly a global “game changer” and it is approaching us not at the speed of a comet, but at the speed of light and with all the sights and sounds of the ever-redefining digital world.

2015 has already been an historic year. In March, for the first time in history—US citizens spent more money at restaurants and bars than at grocery stores. 1 Although this doesn’t include the purchases at big box retailers, this Commerce Department statistic still speaks volumes as to the direction in which America is going. We have become a service-oriented society, where more frequently we have others, for a fee, doing things for us, which in turn is allowing us more free time for other things that we think are important.

This phenomenon represents a major shift in our economy and how we “live, work, and play.”

The days of the traditional large offices with window views have changed to cramming our workforce into rows and rows of cubicles, and then to never ending benches. We are now shifting to “just in time” spaces with a vibrant urban community feel that blends the shades of work and play. Enjoying what you do, and how, when, and with whom you do it are driving higher retention rates and attracting some of the best and brightest to work for Company A over Company X. Today’s workforce and its desire to be engaged and challenged are driving businesses into areas previously unknown or not considered viable.

We in the commercial real estate world have, in some respects, encountered half-truths for years. We’ve been told real estate is all about “location, location, location,” and I will say that is still true for retail industry and residential property. We may want to live in one neighborhood over another, or have our children go to one school over another. And traditional brick-and-mortar retailers may choose one corner over another, but those three “L”s mean less and less for traditional site selection when it comes to office and industrial real estate. I tell my clients it is not the three “L”s that drive corporate relocations and expansions—it’s the four “T”s: Talent, Technology, Transportation, and Taxes. Companies can make almost any parcel of land work (excluding environmental inadequacies) if these four critical pillars are fully understood and adequately addressed.

I. Talent.—For years, availability of labor has been driving not only the site selection process but the success of companies worldwide. Today we are starting to see company-specific curriculum being added to associate and bachelor degree programs, including co-ops and internships, to provide for a steady flow of highly trained job candidates for corporate America. Collaborative approaches between government, colleges and universities, career technology centers, and companies have made major strides and are still evolving.

II. Technology.—Technology, and the resources upon which it depends, drive businesses forward. From traditional utilities such as electric, water, and sewer, to high-speed broadband access, all provide a base upon which the “cooler” technologies (known today, and under development for tomorrow) can flourish.
III. Transportation.—Airports, roadway, and rail infrastructure, and access to each other, keep businesses and people connected.

IV. Taxes.—I use this final category to cover the overall cost of doing business and the business friendliness of the community, the county, and the state. A location with high taxes, inferior transportation, outdated technology, and little available talent stands no chance in making a site selector’s short list—even if it’s the prettiest place on earth.

There is also an underlying belief that “quality of life” is more and more of a driver than it was just a couple of years ago. This quality of life quotient will continue to rise on the critical list of business drivers for all levels of corporate professionals (from the most experienced CEO to the entry-level intern). Also the availability of services that make life easier and save us valuable time and energy will be motivating factors for where people live and work.

**Change is upon US, ready or NOT**

America is undergoing a truly spectacular evolution in how and when we work. For example, today’s welder needs to be part computer technician, part electrical engineer, and part politician. And our millennials (ages 18–34), who make up more and more of our workforce, are bringing fresh ideas to the workplace and are driving changes more than any generation before them. Millennials, also known as Generation Y, or as I say Gen WHY, are questioning the very fabric of “live, work, play.” Also of interest in 2015, according to the US Census Bureau, millennials outpaced the baby boomers (age 51–69) as the largest living generation in the United States.²

Some of the millennials’ most notable traits include approaching a career as a series of individual challenges and life as a series of shared experiences. Their neighborhood and circle of friends don’t necessarily include the neighbors down the hall, but do include people from all across the world who share similar interests and similar goals frequently connected through social media. Technology allows all this to happen, and when technology is leveraged appropriately, it often results in efficiencies, freeing up time for a bit more “play.”

Also, as a society we are more transient than we’ve been in a while. This is not just transient in a geographical sense, but in a lifestyle sense. More and more, we choose to lease a car versus buying, and to rent an apartment versus owning a house. Gone, in some respects, is the aspiration for the house with the white picket fence. Instead, for many millennials, the norm is moving quickly, frequently, and efficiently as the globalized and tech-savvy country becomes a playground at large.

Millennials are choosing to invest in themselves, taking a greater interest in playing the stock market, and traveling more while commuting less. They, unlike previous generations, are rarely hoping that every mortgage payment on the house in the suburbs is making them slightly richer by adding a bit more equity to their largest single asset. Often, in larger cities, millennials will trade in their cars and the associated expenses of monthly payments, repairs, insurance, and gas, for public transportation and a bit more cash in their pockets. It is this “Millennial Driven Evolution” that got us looking directly at how smaller communities could compete with the pull of big cities for top local and national talent.
Technology drives convenience, and community allows for sharing of ideas and experiences. Thinking “outside the box,” how can rural America out compete big cities for top talent: “be cool and be unique.”

So using the Four “T”s Approach, a working group has been assembled and a case study developed. Below is a summary of the case study prepared in conjunction with Dave Stewart, Lifetime Trustee and Chief Administrative Officer of MidAmerica Industrial Park (the Park), with resources provided by the Grand River Dam Authority (GRDA), and a group of community leaders, local high school and university educators, and existing companies. The Park, centrally located in the United States, consists of 9,000 acres 40 miles east of Tulsa, Oklahoma. The challenge was simple—how does one make an industrial park cool and how do you compete for jobs from coast to coast (San Francisco to New York City). The following highlights this collaborative approach.

Urban living in rural America
The answer seems to be leveraging what makes a location cool, unique, and appealing to the workforce by adding in all the services, technology, and conveniences anyone could wish for. Who knew that hiking and the great outdoors would have an ever-increasing allure and thus ascend to an even higher level of “cool,” or that we would all be texting and not talking on the phone? In the case of Pryor, Oklahoma, “cool” is the proximity to Tulsa, with its excellent dining and shopping districts; and to Grand Lake, home of world-class bass fishing and outdoor experiences, coupled with several Fortune 500 giants already calling the Park home.

Setting aside space within the Park makes sense if and only if it meets the challenges of “Live, Work, Play.” The prototype discussed below culminates a series of focus groups that included the Park’s own “MidAmerica Delivers” as well as students from five high schools, Oklahoma State University Institute of Technology, Rogers State University, Northeast Technology Center, community leaders, select local corporations, and senior executives with GRDA and the Park. Current financial modeling is ongoing to gauge the economic viability of such a planned rural/urban development. It is important that, unlike the days of the old company town with its company store, this new development is independently, economically viable and should not be subsidized nor reliant on a single employer. Also, it is directed at bringing together a truly collaborative and unique living experience, with the basis being that life is a journey to be shared with others.

Conveniences of big city living and a focus on a sharing community
The planned urban development within a rural community setting would include new construction as opposed to renovating and updating older structures, thus avoiding environmental issues and cost over-runs often associated with building re-use (asbestos abatement, lead paint contamination, structural inadequacies). In addition, somewhat like a combination of a gated community and a college campus, public safety would be closely monitored and enforced. The thought is to have the best of both worlds (an urban edge, yet a country feel), and still be a place that your grandmother would feel safe. Finally, it contemplates a place close to nature and very pet-friendly, where one can enjoy the outdoors and all that it includes (walking, running, biking, and playing a friendly game of Frisbee football or fetch with Fido). The project, as currently defined, would include the following:
• Housing—The project would offer technology-rich, loft-style rental units—ranging from one-bedroom studios to three-bedroom, two-and-half-bath suites—with high ceilings and large windows flooded with natural sunlight. High-end finishes such as engineered hardwoods, natural stone counters with accents, and energy-efficient appliances, would give the space a very modern and upscale/urban feel. Units could be made available fully furnished, making moves in and out of the complex quick, efficient, and hassle free. Swapping out a doorman for concierge services gives a more hotel/spa/services feel, and adding in green construction practices provides for an environmentally friendly footprint. Smartphone apps would be used for conveniences such as lighting, utilities, security, campus amenities, dining, and the like.

• Public space—Community-only space would include outdoor grilling, exercise equipment, dedicated work-play enclaves, and ample gaming/entertainment opportunities. Millennials’ willingness to share spaces and experiences are kept in mind when designing the community spaces. Also, equally important would be an adjacent parking garage that allows for covered parking (necessary to avoid weather extremes), convenient access to living quarters, and the feeling of an urban environment. Setting aside several units for short/long-term corporate housing for traveling executives gives those individuals a first-hand and unique glimpse into the new look of Live, Work, Play.

• Services—The ground floor of the residential units would be dedicated to retail. In the Park’s proposal, the suggested optimum mix was as follows:
  – Craft beer brewery and bistro with on-site manufacturing operations, utilizing water from Grand Lake/GRDA (retail establishments would provide the “services experience,” and be a branding machine and local advertisement and attraction for the brewery);
  – Gourmet burger eatery
  – Local coffee shop (wine bar in the evenings)
  – NYC-style full buffet, offering ready-to-eat options (healthy choices and locally sourced items) and catering services
  – Spaces in the Park for a fleet of entrepreneurial chefs, running food trucks throughout the park and surrounding communities
  – Full-service dry cleaning/wash and fold
  – Business services (shipping, printing, professional support, and marketing)
Also important would be the presence of an independently operated attraction that would make the complex unique. Two top contenders are a world-class outdoor climbing wall (healthy living/lower impact option) and an indoor (start) and outdoor (finish) electric go-cart raceway (more excitement/potentially larger draw). I personally like the rock climbing option as I believe Oklahoma has the reputation for being mostly flat terrain. One can picture the attraction of an artistically constructed climbing wall integral to the exterior walls of the new complex (crossing over from parking garage to the main complex and prominently placed such that it is highly visible from outside of the Park). I see this complex as becoming somewhat of a showpiece and a local landmark solidifying the message of a healthy lifestyle and outdoor living. Although Pryor, Oklahoma isn’t known as a destination for extreme rock climbing/training (yet), Oklahoma is gaining popularity for another challenging sport—rock crawling, an extreme form of off-road driving, with organized competitions occurring regularly along the banks of the Pensacola Dam. Cool and unique to say the least and—Challenge accepted.

Finally, worthy of a note in this article, coming out of the Park’s collaborative approach in evaluating the above was a community need and business opportunity for indoor, climate-controlled hydroponics for growing fresh vegetables year-round for not just the complex but the surrounding communities. An urban version of “farm to fork” directly came out of the working group’s discussions around healthy lifestyles and food options for the NYC-style buffet. Lettuce, kale, and other greens grow exceptionally well hydroponically, and it was even suggested adding tilapia (fish farming) component at the bottom basin of the growing bins as well.

- **Conveniences**—Connecting play and work, the complex would make owning an automobile non-essential by offering shuttle service throughout the Park, as well as offering a car-sharing service (i.e., real-time car rentals by the hour or day without the real hassle of pre-booking) for trips off campus. There is a direct correlation between removing automobile debt and increasing net wealth. So by making car ownership and a daily commute unnecessary, one can afford to dedicate a higher percentage of gross income towards monthly housing expense. Rounding out the available conveniences would be the addition of communal bicycles and electric golf carts for on-campus travel and dedicated trails and pathways to encourage outdoor activities and exercise.
• **Spectacular views**—With 3,500 acres of the park still undeveloped, dedicated greenspace would be set aside for outdoor exercise and community gatherings such as summertime concerts and vendor fairs or farmers markets from spring through fall. Also, the roof of the complex could be developed in such a way that it would be usable space for tenant recreation and small work gatherings, such as team meetings and professional events. Working until sundown seems less onerous if you could be sitting outside surrounded by breathtaking views, a craft beer in your right hand, and a gourmet meal on the table to the left of the laptop. That is, of course, assuming that changes in technology aren’t such that the use of a laptop or tablet won’t be obsolete in the not-so-distant future.

It is envisioned that not unlike the synergies one gets from a business incubator, this residential/retail complex’s communal space will be the impetus for fluid communication and real-time results, streamlining a successful path forward for both employer and employee. Both local support and national interest are gaining momentum as the prototype above continues to evolve. This could truly be a global “game changer” for the “cool and the unique” and a bold move forward.

We have all heard the expression, “If you build it, they will come.” For years we have seen young, talented individuals leave rural and suburban communities for larger cities. Part of that quest is for new and challenging experiences and the excitement big city living has to offer. But just as important is the search for employment and the ability to connect premier positions with top-level talent. The real question is, “If you build it, will they stay?” It is my opinion that jobs (availability and talent pool) and the existence and attraction of employers are very important, if not essential. And, if talent is given an opportunity to stay near home and is provided the state-of-the-art amenities and services that urban living has to offer, many will choose to combine a career with the comforts of home. With the ever-changing technology of today, all we know is that tomorrow will be vastly different.

Now that we have a handle on what the millennials want, we can begin to forecast what the forward-looking C-suite executive needs. Breaking that code has and continues to be one of the central factors to both short- and long-term corporate success. And in 2015, with millennials outnumbering baby boomers in the workforce, the time for a bold move is now. Be bold, be unique, be cool. Find what makes your community different and embrace technology and change. Think yes before you say no. Get local business, community, and faith-based leaders together and let them know you need to catch the attention of the C-suite executive: the ultimate decision maker as to where the jobs, offices, and facilities are to be located. The C-suite executive is also looking for something cool and unique—both for themselves (today and into retirement) and for their children and their children’s children. And never forget, today’s millennial will be tomorrow’s chief executive officer, if not already.

Tomorrow we all will have increased choices combined with increased demands on our time. We will likely be a more service-driven society than we have ever been in history. Job opportunities for those who are nimble and technology-facing should be available. And the companies and communities that figure out the future of our next generation of employees and catch the attention of the C-suite executives will lead us all forward. Trying to find the right mix of Play, Live, and Work in this jumbled world will be integral to the success of employers and employees alike. We all live in interesting times and the next decade will define a generation of talent and open doors that we didn’t even imagine existed.
“Putting aside utilities and infrastructure for the moment, I see quality of life and availability of talent as being the two biggest drivers for success, and the first rural communities to the finish line with a solution that meets both will be the leaders of tomorrow and will re-write history and how we all live, work, and play.”

— Tom Gray, GRDA

“The Big City Lights have a draw for sure but my heart and my family are all lake-side with the beautiful vistas of Grand Lake. With the assistance of technology, I fully embrace the opportunities to be surrounded by those I love, where I love, and doing what I love.” Lainey Townsend grew up in Grove, Oklahoma, and currently resides in Manhattan.

— Lainey Townsend, MediaVest USA

MidAmerica Industrial Park

At MidAmerica, we are always looking at ways to help our companies succeed. By embracing the idea that what worked yesterday won’t necessarily work today, we created “MidAmerica Delivers,” a branded workforce development program that is designed to attract and educate our millennial workforce in ways that are outside the framework of our traditional educational system. The program will market careers using video, social media, billboards, and other non-traditional mediums.

MidAmerica Delivers is designed to locate, evaluate, educate, and deliver skilled workers to businesses at MidAmerica. By aligning existing programs and resources in community-based organizations in a way that is more efficient, we eliminate the need for the infusion of additional capital. An advisory team made up of stakeholders coordinates delivery of those resources. A new $10 million career center funded by MidAmerica will house the program that will include technical and soft-skills training by on-site colleges and state-funded technical education. CEOs of local business will help design the curriculum as well as desired outcomes. The program identifies and delivers resources in a way that is more in tune with the thinking of our upcoming workforce. We learned early on that our new workforce has more respect for equality, diversity, individual talent, and freedom of movement than ever before. This requires a paradigm shift in the way we build infrastructure, housing, and other daily life amenities. On the horizon, we see investment in projects that would have never made the drawing board five years ago. Will it be easy? No, but in order to compete over the long-term we must start today. Let’s think outside the box and get creative.

Grand River Dam Authority

The Grand River Dam Authority (GRDA) is Oklahoma’s state-owned electric utility that is fully funded by revenues from electric and water sales instead of taxes. Established in 1935, GRDA was charged with building dams along the Grand River for the purposes of hydroelectric production and flood control. More than 75 years later, it still meets that mission with a focus on electric generation, ecosystems management, and economic development. Today, GRDA produces electricity with a diverse mixture of coal, natural gas, hydroelectric, and wind generation assets. Since 1940, when it built Oklahoma’s first hydroelectric facility—Pensacola Dam—the utility has strived to maintain its reputation as a supplier of low-cost, reliable, and abundant power. To continue that reputation into the future, the GRDA has developed a long-term plan for generation assets. At the heart of that plan is the construction of a $400 million, 495 megawatt power plant that is expected to go on-line by spring 2017 and will have the potential to be the most efficient in the United States. At no cost to Oklahoma taxpayers, GRDA also manages 70,000 surface acres of lake, including Grand Lake, Lake Hudson, and the W.R. Holway Reservoir. Together, these lakes serve as the foundation for a thriving recreation and tourism industry in the region, which supports a broad tax-base, benefiting all of Oklahoma. Each day, a GRDA workforce of more than 500 meets its mission while helping facilitate more than $450 million in economic activity in Oklahoma annually.
About the author

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Charles L. Ruby started his career in real estate more than 25 years ago, focusing his efforts on evaluating industrial and special use properties for Ad Valorem Tax Appeal purposes. Charlie leveraged his extensive real-life experiences with state and local government officials to become a founding member of a site selection practice for a Big Eight professional services firm in the 1990s. Charlie has worked his entire career headquartered in or around Manhattan, while representing clients from across the country in various industries. Today, Charlie is a leading national site selector with a focus on:

• Identifying sites for long-term growth;
• Enhancing packages that are tailored directly to client and community needs; and
• Customizing effective relationships by building a solid community-based foundation and laying out the groundwork for continued growth and economic prosperity for state and local governments, university students, the workforce, and his corporate clients.