

IS PRATI *VOGUE*?

An Evaluation of Prati's Suitability for Vogue



Nikita Barai • Claire Fabian • Adeline Kooi • Laura Tarbox • Ryan Weggler



Mr. Charles Churchward
International Design Director
Vogue Magazine International
810 Seventh Avenue
New York City, New York 10019

Dear Mr. Churchward,

Thank you for choosing POSH International Consultants to evaluate the advantages and disadvantages of locating Vogue's European Design and Layout headquarters in the Roman neighborhood of Prati. Since being invited to explore this exciting project in January of 2005, our consultants have thoroughly considered the impact of Vogue's location into Prati on both the company and the neighborhood. We are pleased to inform you that our research and analysis is now complete.

Enclosed is our final evaluation of Vogue's location into Prati for your consideration. In addition to the final report, we have included each of our previous reports on policy issues, economic development, transportation, and quality of life as technical appendices for your reference. We are confident that this report will guide Vogue towards an informed business location decision. We have truly enjoyed working on this project and look forward to working with you and other members of the Vogue team in the future. If you have any questions or concerns, please do not hesitate to contact our team.

Sincerely,

Ryan Weggler
Executive Director
POSH International Consultants

IS PRATI *VOGUE*?
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EXECUTIVE SUMMARY
MAY 2, 2005

In January of 2005, Vogue International commissioned a study to evaluate the advantages and potential disadvantages of locating Vogue's European Design and Layout headquarters in the Roman neighborhood of Prati. Location decisions for "footloose" firms like Vogue, who are marked by a greater reliance on employees and less reliance on market factors, must place more emphasis on contextual issues that affect the sustainability of the location and the personal happiness of employees. Analysis of four core issues identified in the terms of reference: land use, economic development, transportation, and quality of life, will focus directly on Vogue's concerns, while placing these issues within the broader economic, social, and policy context of the city of Rome. Based on Vogue's unique considerations, evaluative criteria were developed for each core issue.

Land Use. Land use in Prati is characterized by competition between professional and residential use, which is the result of high real estate prices. The high prices are the result of low rates of turnover and competition for units between professional businesses and families. Since professional businesses have higher purchasing power than families, the prices increase and the neighborhood becomes unaffordable for families. Although there are currently no restrictions on professional development, the city of Rome has proposed a policy measure entitled the Plan of Certainty, which aims to control professional development and defend the residential character of the neighborhood. If approved, this new regulation will no longer allow the conversion of residential units into professional units and will allow the residential units to be broken up into smaller apartments. To still encourage economic development in the neighborhood, however, the local government is working with private contractors to develop parking facilities and office space. Office space in the neighborhood will be obtainable and housing will be most appropriate for Vogue's senior staff members.

Economic Development. Prati has a favorable economic climate that is stable and conducive to business location. Although the national Italian government has a highly favorable climate for international business, this does not necessarily translate to the local and regional levels. This is primarily because regional and local governments must address competing development objectives, including economic development versus community interest. While the city of Rome and Prati are focusing their economic development efforts on developing infrastructure, they are also concerned about the uninhibited growth of professional offices. Because there are so many business clusters established in the neighborhood, particularly in the law, medical, and media fields, more businesses will continue to locate in the neighborhood. The existence of high profile commercial and professional establishments suggests the presence of strong social and physical infrastructures in the neighborhood. Ultimately, the economic stability of Prati encourages Vogue's long-term investment in the neighborhood.

Transportation. Transportation issues in Prati are characterized by underutilization of public transportation and over-utilization of private vehicles. The public transportation system in Prati is strong, with 14 bus, tram, and metro lines serving the neighborhood, but these are not well used. Because the neighborhood is home to so many professional offices that attract clientele from all over Rome, there is a significant amount of thru traffic that passes through the neighborhood. This is

exacerbated by the fact that Prati is not categorized as a Limited Transit Zone, which makes it very convenient for cars who have no business in Prati to pass through, or leave their cars in the neighborhood and take public transportation to access the historical center of Rome. Municipal authorities are beginning to crack down on parking restrictions, and because this law enforcement will take away a significant number of parking spaces, they are compensating the community by constructing six new parking facilities. Even still, the public transportation system is strong and Vogue employees could conveniently live anywhere in Rome and work in Prati.

Quality of Life. Prati is a desirable community to live in, as it is well located, aesthetically appealing, and offers adequate neighborhood amenities. The demographic character of the neighborhood is compatible to those of Vogue, the majority of the population is female, there are high education levels for residents in the neighborhood, and the average family size is between two and four people. This indicates that transition into the neighborhood will not be difficult for relocated staff. There is currently a demographic shift occurring in the neighborhood as the elderly population declines, and the units that they had previously occupied are taken over by young professional couples and families. Thus, both elderly staff members and younger professionals will feel comfortable in the neighborhood. Neighborhood services in the area are plentiful, with the southwest corner of the neighborhood boasting the most complete set of services, as this is the area with the largest residential population. Although Prati does not have many cultural amenities, those that are present are high in quality and attract visitors from all over Rome. Despite the lacking number, cultural amenities are easily enjoyed all over Rome. Ultimately, Prati is a desirable community to locate in because it is economically stable and has a high quality of life. The most significant drawback is the high cost of living in the neighborhood.

Recommendations for Vogue. Upon analysis of these fore core concerns, Prati is a suitable location for Vogue's Design and Layout headquarters. Although Vogue should make some minor investments in the neighborhood to facilitate the firm's transition, the social and physical infrastructures in Prati are already able to support an international firm. Vogue's location into the neighborhood will be beneficial for Vogue and an asset for the community.

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IS PRATI *VOGUE*?

AN EVALUATION OF PRATI'S SUITABILITY FOR VOGUE

In January of 2005, Vogue International commissioned a study to evaluate the advantages and potential disadvantages of locating Vogue's European Design and Layout headquarters in the Roman neighborhood of Prati, just northwest of the historic center (see Objects 1 on next page).¹ In the terms of reference Vogue requested information on distinct issues affecting three general categories of business operations: overall company objectives, employee welfare, and business associates. Thorough analysis of each of these areas of concern indicates the presence of four core elements: land use, economic development, transportation, and quality of life concerns.² The following report is consequently organized according to these four elements. This method of organization will focus directly on Vogue's concerns and, more importantly, will allow these issues to be placed within the broader economic, social, and policy context of the city of Rome.

Traditional business location analyses tend to emphasize cost and market factors, such as access to raw materials or potential for economic earning.³ Contextual issues, such as sustainability and quality of life, are generally weighed as secondary to logistical market factors and are considered non-essential characteristics.⁴ This trend is changing, however, particularly for firms like Vogue's Design and Layout headquarters, which can be characterized as "footloose"⁵ because financial performance is relatively separate from location.⁶

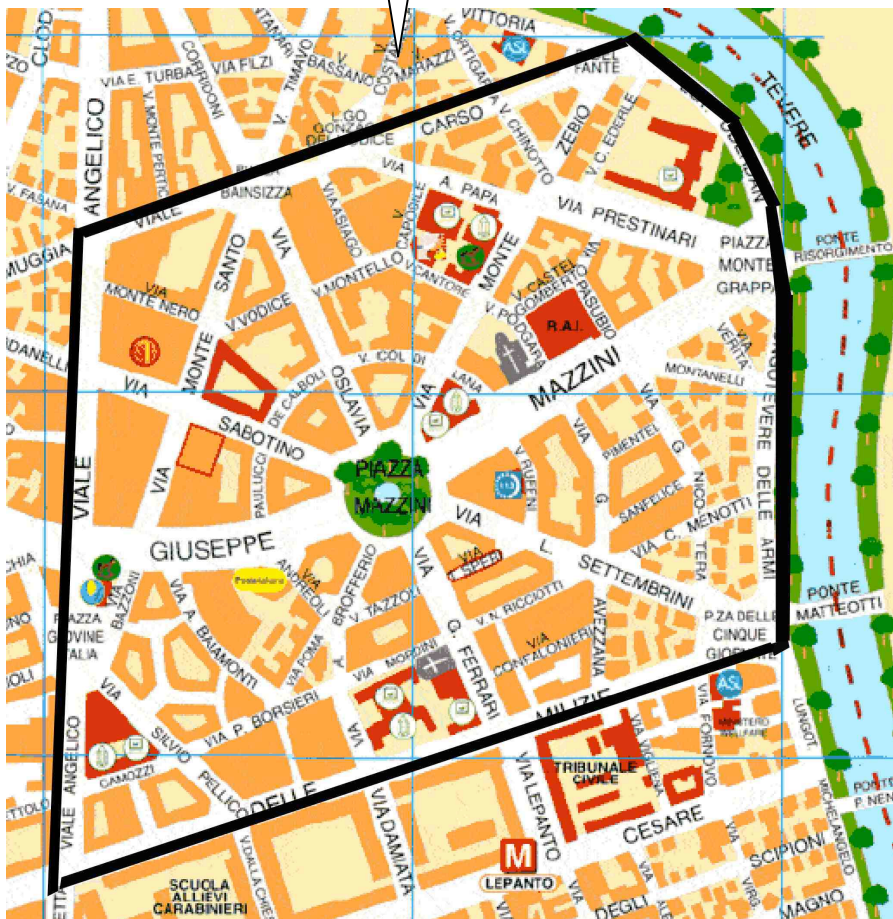
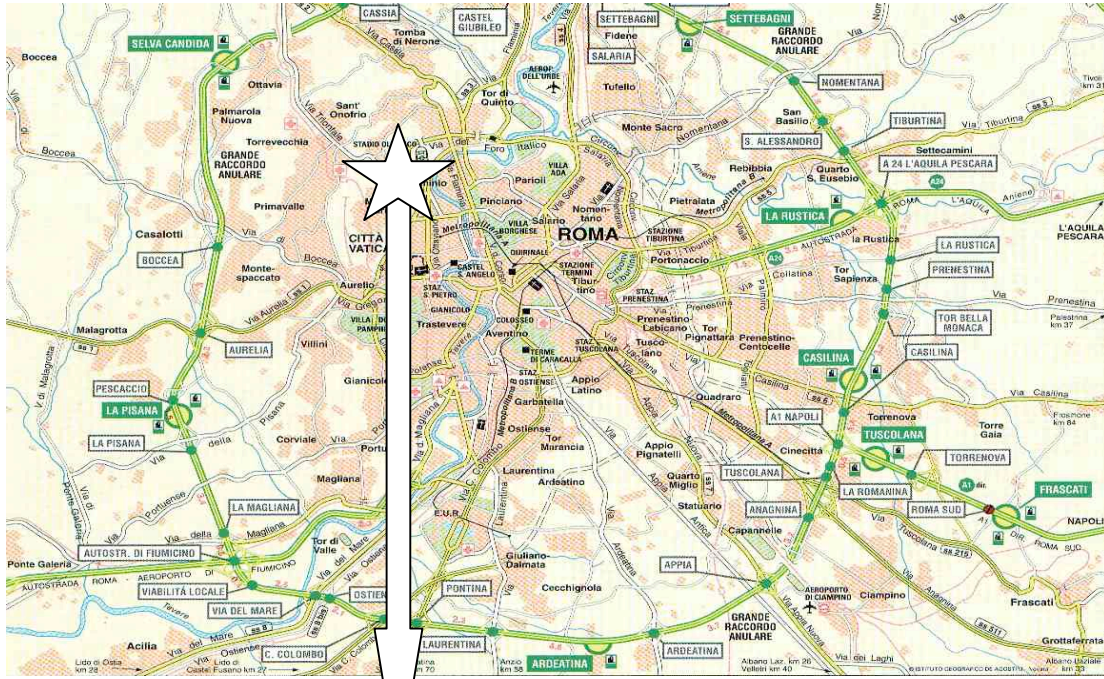
¹ Neighborhood boundaries includes Via Delle Milizie, Via Angelico, Via Carso, and Lungotevere delle Armi. See object 1 for map of neighborhood.

² Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Research Design," *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004. Please refer to included terms of reference for additional information on Vogue's requests.

³ Bartik, T.J. (2003). *Local Economic Development Policies*. Kalamazoo, MI: Upjohn Institute for Employment Research

⁴ David Salvesen and Henry Renski, "The Importance of Quality of Life in the Location Decisions of New Economy Firms," *Center for Urban and Regional Studies, The University of North Carolina at Chapel Hill*, January 2003.

⁵ David Salvesen and Henry Renski, "The Importance of Quality of Life in the Location Decisions of New Economy Firms," *Center for Urban and Regional Studies, The University of North Carolina at Chapel Hill*, January 2003.



Object 1: Map of neighborhood boundaries of Prati. The arrow from the northwestern section of Rome is indicative of the location of the neighborhood.

⁶ David Salvesen and Henry Renski, "The Importance of Quality of Life in the Location Decisions of New Economy Firms," *Center for Urban and Regional Studies, The University of North Carolina at Chapel Hill*, January 2003.

Headquarters, which can be characterized as “footloose”⁷ because financial performance is relatively separate from location.⁸

Location decisions for firms like Vogue, who are marked by a greater reliance on employees and less reliance on market factors, require a more unique analysis. Because Vogue is a footloose firm, it has greater operational flexibility and can thus give increased attention to quality of life factors. Thus, Vogue’s location analysis must place special emphasis on contextual issues that affect the sustainability of the location and allow employees to balance their professional responsibilities with personal happiness.⁹

For Vogue, next to practical decisive issues, such as the availability of suitable real estate, contextual issues, particularly land use, economic stability, transportation, and quality of life are the most important. Therefore, this analysis focuses on evaluating the impact of the four core elements on the sustainability of the neighborhood, the nature of the environment for Vogue employees, and the productivity of Vogue as a media firm. Based on Vogue’s unique considerations, evaluative criteria have been developed to assess each of the four core contextual elements: land use, economic development, transportation, and quality of life indicators.

Core Issues: Land Use, Economic Development, Transportation, and Quality of Life

Land Use. Critical to Vogue’s location decision is the status of both land use policies and the real estate market in Prati. The land use policies in Prati should be designed to balance competing development objectives, particularly economic

⁷David Salvesen and Henry Renski, “The Importance of Quality of Life in the Location Decisions of New Economy Firms,” *Center for Urban and Regional Studies, The University of North Carolina at Chapel Hill*, January 2003.

⁸David Salvesen and Henry Renski, “The Importance of Quality of Life in the Location Decisions of New Economy Firms,” *Center for Urban and Regional Studies, The University of North Carolina at Chapel Hill*, January 2003.

⁹David Salvesen and Henry Renski, “The Importance of Quality of Life in the Location Decisions of New Economy Firms,” *Center for Urban and Regional Studies, The University of North Carolina at Chapel Hill*, January 2003 and Shellenback, Karen (2004). *Estimating the Economic Impact of Family Friendly Workplace Policies*. Ithaca, NY: Cornell University Department of City and Regional Planning.

development and community interests. Additionally, the real estate market in Prati must meet Vogue's professional and residential needs. Vogue has a budget of approximately 2,700 Euro per squared meter and will require approximately 2500 to 3500 squared meters of office space. Ideally, Vogue employees, especially senior staffers, will be able to obtain housing units of various sizes.¹⁰ Thus, analysis of land use in Prati will ultimately answer the following three questions:

- Are land use policies in Prati conducive to Vogue's location in the neighborhood?
- Is there professional space available for Vogue to move into the neighborhood?
- Is the housing stock in Prati appropriate for Vogue employees?

Economic Development. The economic environment in Prati must be business oriented to meet Vogue's professional needs, but balanced with community interests in order to maintain a high quality of life. At its core, economic development is about maintaining a high quality of life.¹¹ To meet Vogue's needs, economic development policies affecting Prati must simultaneously support new businesses *and* maintain the unique character of the neighborhood. Communities that have extensive commercial and professional development will necessarily have a business friendly economic context.¹² Thus, extensive commercial and professional development should be present in Prati, along with economic connectivity with the rest of Rome, because this suggests a positive business climate, economic stability, and high quality of life in the neighborhood. Therefore, analysis of Prati's economic development will answer the following three questions:

- Will Vogue benefit from the business climate in Prati?
- Is Prati economically stable?
- How is Prati economically connected to the rest of Rome?

¹⁰ Please refer to the included Terms of Reference for more information on Vogue's specifications.

¹¹ Mildred Warmer, Adriance, S, Barai, N, Hallas, J., Markeson, B, Morrissey, T, and Soref W (2004). *Economic Development Strategies to Promote Quality Child Care*, Draft for Comments, Linking Economic Development and Child Care Research Project, Ithaca, NY: Department of City and Regional Planning.

¹² Mildred Warmer, Adriance, S, Barai, N, Hallas, J., Markeson, B, Morrissey, T, and Soref W (2004). *Economic Development Strategies to Promote Quality Child Care*, Draft for Comments, Linking Economic Development and Child Care Research Project, Ithaca, NY: Department of City and Regional Planning.

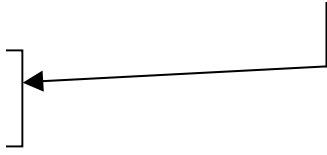
Transportation. Existing transportation infrastructures in Prati should support Vogue’s business needs and employees. The costs of insufficient infrastructure, particularly inadequate public transportation, are substantial for daily business operations. Public transportation is a solid indicator of the economic climate in the neighborhood because it is necessary to maintain a strong economic foundation. Having convenient public transportation available provides a logical alternative to driving for employees, which can lead to significant savings on land and construction costs required for parking.¹³ Thus, it is necessary for Prati to be efficiently connected to the rest of Rome through a strong public transportation system. Even with a strong public transportation system, however, Vogue’s business and personnel needs necessitate the availability of parking infrastructure. Accordingly, the transportation analysis will answer the following questions:

- Are transportation infrastructures in Rome suitable for Vogue’s needs?
- Is Prati physically well connected on a metropolitan and global scale?

Quality of Life. In addition to basic quality of life issues, such as affordable housing, economic context, and transportation, progressive companies, including Vogue, are addressing more specific quality of life issues, including demographic composition, neighborhood services, and cultural amenities in making business location decisions. Ultimately, a high quality of life location allows firms to recruit more productive workers at a lower cost. The location itself becomes an incentive. The demographic composition in Prati should somewhat reflect Vogue’s own demographic composition – young to middle aged individuals and families and a female friendly environment. Additionally, a variety of neighborhood and cultural amenities should be available within walking distance. Beyond these specific quality of life indicators, the neighborhood must be economically stable and affordable. Thus, the quality of life analysis will ultimately answer the following questions:

- Is the demographic composition in Prati suitable for Vogue?
- Do the neighborhood amenities in Prati facilitate a self-sustaining neighborhood?
- Is Prati a desirable community for Vogue to locate in?

¹³ http://www.publictransportation.org/reports/pub_benefit.asp#btb

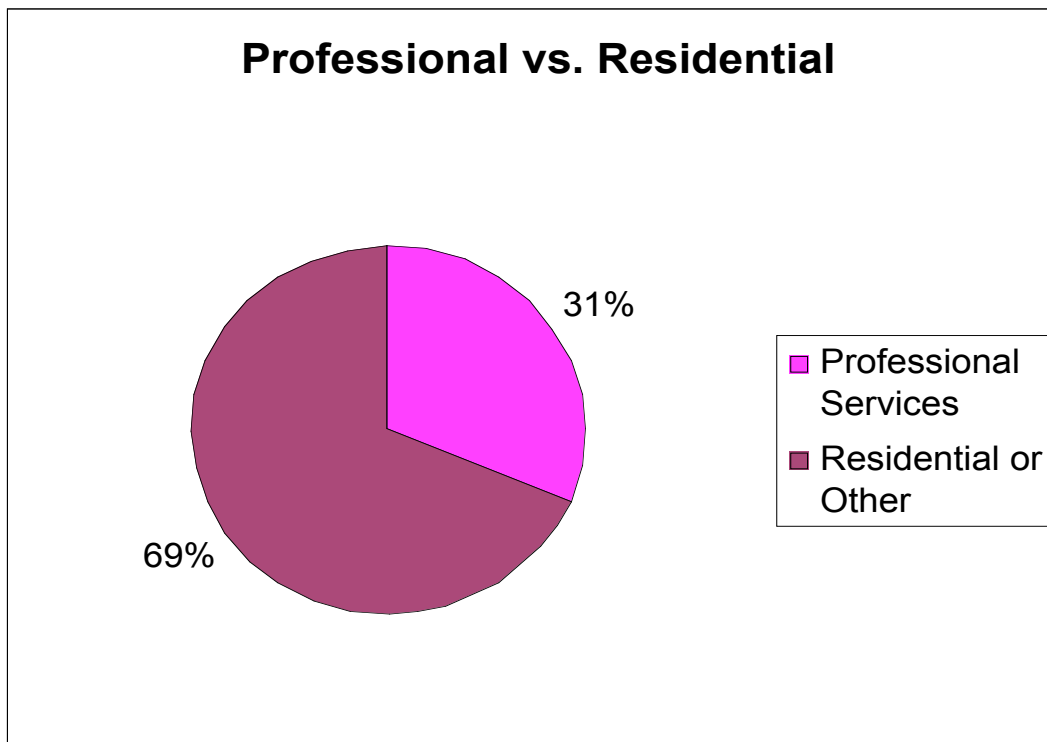


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Land Use Competition in Prati

The increasing professional development in Prati challenges the residential character of the neighborhood. Although the city of Rome and local authorities are not actively encouraging professional development in the neighborhood, it is easy to understand why Prati has become so popular within the business community. Not only is Prati located in close proximity to the historical center of Rome, but the existing land use policies and the nature of the housing stock in Prati favor professional development over residential development.

As indicated by Object 2 below, professional units occupy approximately 31 percent of building space on the main radial streets, most of which are in mixed use



Object 2: Chart of percentages of residential vs. professional services. See footnote 12 for information on source.

buildings with housing units.¹⁴ This issue is even more significant because most units are owned, not rented, and there is very little turnover. Thus, as units are obtained for

¹⁴ This figure is based on a foot survey conducted by POSH Consultants on the main streets radiating off of Piazza Mazzini. The number of professional units decreases away from Piazza Mazzini and on the side streets. According to information provided by the 1991 census, 1521 units of 11,756 units within the neighborhood boundaries were owned by businesses, which means 13 percent of the units were being used for professional purposes. According to local authorities, the number of units owned

professional purposes they remain out of the residential housing market for extensive periods of time. Meanwhile, only two percent of housing units on the main radial streets are unoccupied, and this tight real estate market means professional businesses and families are forced to compete. Given the higher purchasing power of professional firms, the real estate prices increase and Prati becomes unaffordable for families.

Are land use policies in Prati conducive to Vogue's location in the neighborhood?

The existing land use regulations in Rome encourage professional development in Prati. Prati's land use regulations are governed by a 1909 zoning law, which calls for urban development in a radial pattern around a central piazza.¹⁵ This law also requires housing units to be 145 square meters, at minimum.¹⁶ While the large size of the units may have been desirable in the past, they are no longer attractive due to declining rates of marriage and shrinking family size. Meanwhile, the availability of large units, in addition to Prati's central location, is extremely attractive for businesses.¹⁷ This is convenient because there are currently no restrictions on the conversion of residential units to professional units in the neighborhood. The only requirement for conversion is registration with Municipio XVII and the city of Rome.¹⁸ Since Prati is such a desirable location for businesses, the only way to limit professional development in the neighborhood is through updated land use policies.

The Plan of Certainty. Due to the high prevalence of professional offices, the land use policies affecting Prati are being re-evaluated within the context of

by professional businesses has only increased over the last 13 years. While there is no accurate number available for 2005, the true percentage of units being used for professional units within the neighborhood boundaries is likely between 13 and 31 percent. For more information, please consult:

Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 2: Analysis of Economic Conditions in Prati" and "Technical Appendix 4: Quality of Life Analysis," *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

¹⁵ Meeting with Commune di Roma Planning Department, March 3, 2005

¹⁶ Meeting with Commune di Roma Planning Department, March 3, 2005

¹⁷ Meeting with Commune di Roma Planning Department, March 3, 2005

¹⁸ Meeting with Municipio XVII's Heads of Territorial and Commercial Development, March 8, 2005

professional versus residential development. Without regulatory limitations, more professional offices will continue to move into the neighborhood to take advantage of a prime location with established business clusters. For this reason, city lawmakers and planners have proposed the Plan of Certainty, and one of the objectives of this plan is to curtail professional location in the neighborhood. The purpose of the Plan of Certainty is to defend the original purpose of spaces in the neighborhood – housing stock should be protected as residential space.¹⁹

The most significant land use change proposed in the Plan of Certainty is a reduction of the size requirement for residential units from 145 square meters to 45 square meters. Additionally, residential units can no longer be converted into professional units, but professional units can be converted into residential units of varying sizes.²⁰ If the housing stock in Prati can better meet the needs of a residential population than professional businesses through these policies, professional development will necessarily be controlled and the residential population has the opportunity to grow. An increase in the residential population can be expected to create a more sustainable community in the long run.

Although the Plan of Certainty has not yet been approved, the recent April 2005 elections may expedite the process because the city of Rome moved further left on the political spectrum. These new land use policies may make the initial process of moving into the neighborhood slightly more difficult. They do not, however, seriously disturb the existing economic context because the fundamental physical and social infrastructures that support businesses are already in place in Prati.

Is there available professional space for Vogue to move into the neighborhood?

Although the local government is concerned with balancing competing development objectives, they are aware of the fact that protecting residential development can place significant limitations on economic development. Since the local economy in Prati is intimately connected to Rome's economy, it would be undesirable for the city if professional offices could no longer locate in Prati. Furthermore, while it is beneficial to maintain the residential character and quality of

¹⁹ Meeting with Commune di Roma Planning Department, March 3, 2005

²⁰ Meeting with Commune di Roma Planning Department, March 3, 2005

life in the neighborhood, this cannot happen without sufficient economic development. While the Plan of Certainty will discourage professional offices from moving into residential units, it will not seriously discourage them from moving into the neighborhood as a whole because there are numerous already existing professional units, which can continue to be used for professional space, and local authorities are actively working to create alternate professional space.²¹ Because Vogue will be unable to locate in previously residential units due to space requirements of the firm, Vogue will not be disturbing residential development initiatives.

To simultaneously encourage residential and professional development, the local government is working with private contractors to develop office spaces throughout the neighborhood. Since the primary neighborhood utility required by professional businesses is parking spaces, the local government is creating two large office spaces with parking garages, which will be thoroughly discussed in the transportation analysis.²² Two of these parking facilities just outside of the neighborhood boundaries, on Via Andrea Doria and Via Cipro, will be underground parking facilities with office space on the upper stories. Within the neighborhood boundaries, the parking facility on Via Sabotino will be an underground parking area with an open market on the ground level, and office space in the upper stories.²³

In addition to these office spaces²⁴, it will be possible for Vogue to obtain a space that is currently being used as professional space.²⁵ Most professional offices are larger than 150 square meters, but generally not large enough to accommodate Vogue's needs. According to Municipio XVII, however, RAI is planning on decentralizing its offices from Prati. They will continue to occupy their large office buildings, but are planning to vacate the smaller office spaces scattered throughout the neighborhood.²⁶ RAI's radio building on Via Oslavia is of particular interest because it appears to meet Vogue's size and price needs, as specified in the terms of reference.

²¹ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

²² Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

²³ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

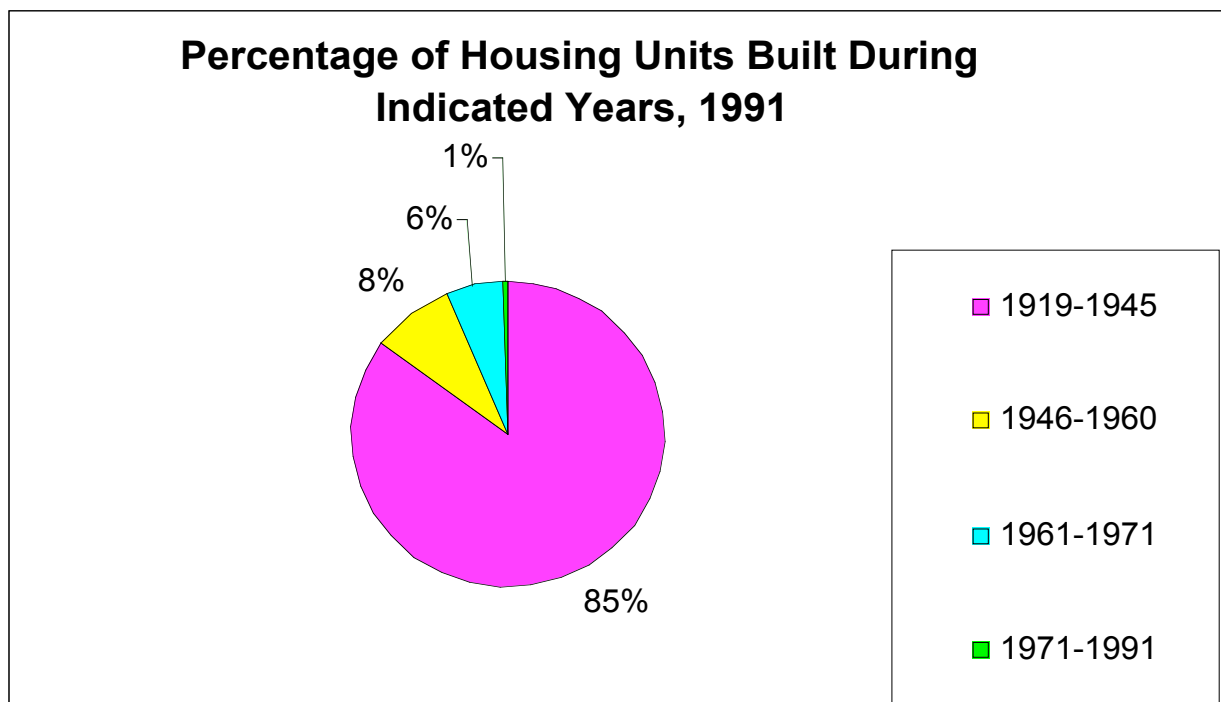
²⁴ For map of office locations refer to Technical Appendix 1

²⁵ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

²⁶ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

Is the housing stock in Prati appropriate for Vogue’s needs?

Real estate in Prati is extremely expensive, primarily because the supply cannot meet the demand. The majority of the housing construction in the neighborhood occurred between 1919 and 1945, but new construction has been minimal since 1971. As shown in Object 3, 85 percent of all housing units in Prati were built between 1919 and 1945.²⁷ The lack of new construction indicates that the neighborhood has reached its level of maximum physical development, which is visible in the dense physical façade of the neighborhood. Local authorities are also aware of the high density of built space and have taken policy measures to prevent any new construction – developers must clear an underutilized building and may only build in the subsequently cleared space.²⁸



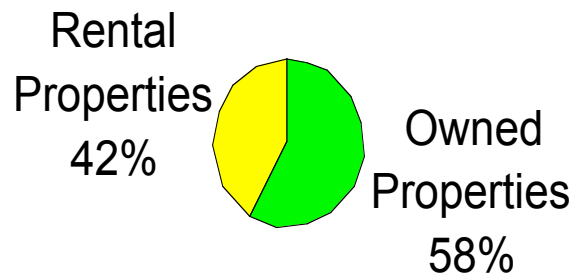
Object 3: Chart indicating percentage of housing stock built over the last century. Graph was made based upon 1991 census data from the Italian Statistics Bureau.

There is very little turnover of residential units in Prati due to high rates of ownership. As indicated by Object 4 (see next page), in 1991, 58 percent of housing units in Prati were owned, and 42 percent were rented. As real estate in Prati became

²⁷1991 Census Data.

²⁸Meeting with Commune di Roma Planning Department, March 3, 2005

Property Ownership, 1991



Object 4: Chart of Percentages of Rented and Owned Properties. Chart was made based on information from the 1991 census data from the Italian Statistics Bureau.

even more popular in the late 1990's,²⁹ rates of ownership increased, primarily due to professional businesses and young professional families moving into the neighborhood. Units previously owned by elderly couples occasionally become available through natural demographic transition and because many elderly people are forced to move out of the neighborhood because it has become too expensive.³⁰

Prati was previously more economically diverse, and even had some public housing units for low-income workers.³¹ Since the area became a prime area for professional space, however, it has become more economically homogenous. Census data indicates a significant increase in the use of housing stock as professional space from 1981 to 1991³². In 1981, approximately 5 percent of housing was that was being

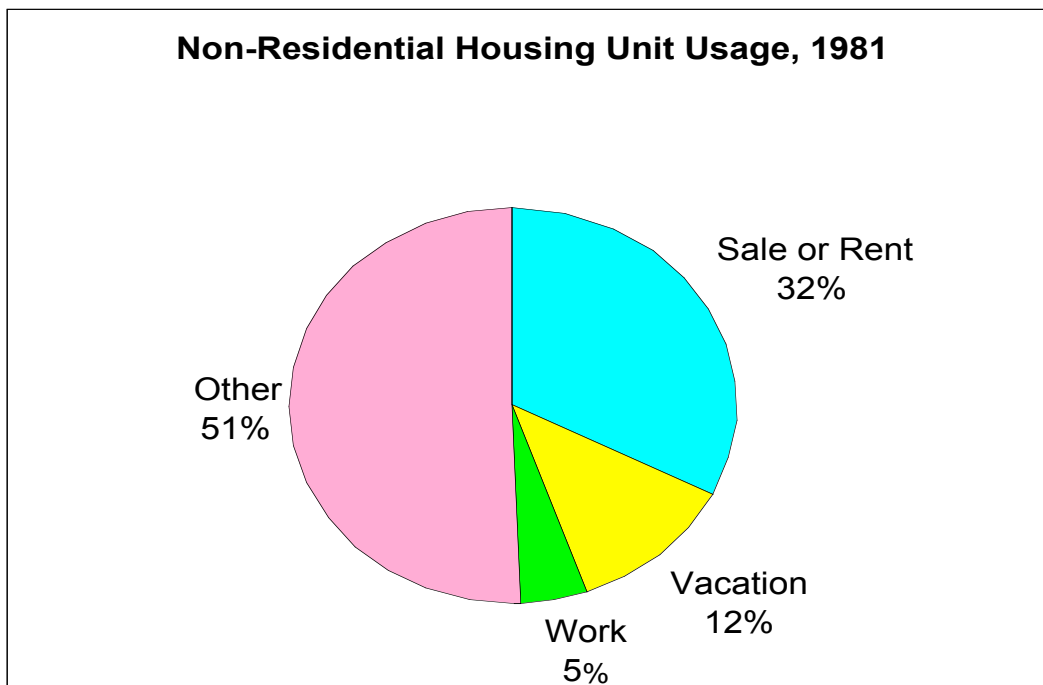
²⁹ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

³⁰ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

³¹ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

³² 1981 and 1991 Census data. Important to note that the graph does not show the percentage of *all* housing units being used for residential space, but the breakdown of usage for all units being used for purposes other than residential. Additionally, the census data for 1981 and 1991 is not completely congruent. Thus, the percentages present here should be understood as an estimate of the actual situation and are based on the most accurate information available.

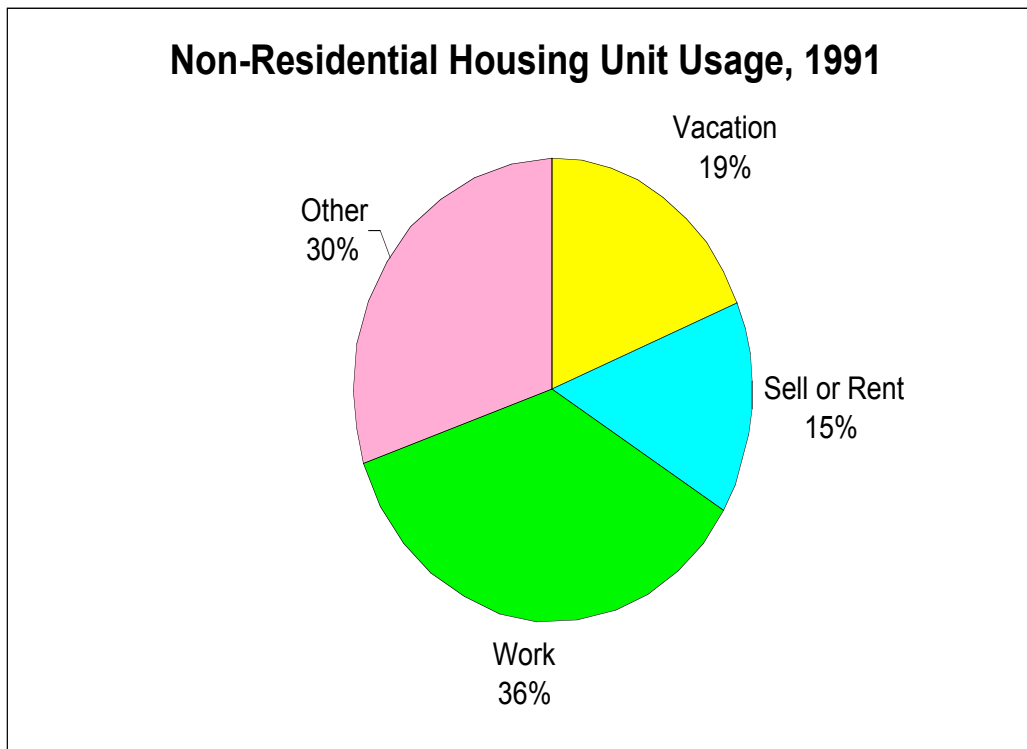
used for non-residential purposes were being used for work purposes. By 1991, 36 percent of such units were being used for work purposes. Additionally, from 1981 to 1991 a greater percentage of these units were being used as vacation rentals, and the percent of units on the market for selling or renting declined by 15 percent.³³ This data is reflective of the visible transformation of residential space into professional space and the ever-tightening real estate market in Prati. According to municipal authorities, the transition from residential to professional space has continued to increase in the last decade.³⁴



Object 5: Chart of Non-Residential Housing Usage in 1981. Chart based on information from the 1981 census data from the Italian Statistics Bureau

³³1981 and 1991 Census data.

³⁴ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005



Object 6: Chart of Non-Residential Housing Usage in 1991. Chart based on information from the 1991 census data from the Italian Statistics Bureau

Since 1998, the city of Rome has experienced increases in the price of property, with an initial increase of seven percent between 1998 and 1999. During this time, the historic center of Rome held its place as the most expensive place to live, and Prati became the fourth most expensive neighborhood. In 1998, real estate prices in Prati were approximately 2,200 Euros per square meter, but by 2002 were 3,000 Euros per square meter.³⁵

According to municipal authorities, a 150 squared meter apartment within the neighborhood boundaries costs approximately 1.2 million Euros. Old military tenement style buildings, which once served as public housing, have been renovated and redeveloped into trendy housing units that sell between 7,000 and 8,000 Euros per square meter.³⁶ Even poorly maintained units are overpriced due to their desirable

³⁵ Commune di Roma, *Mosaico Statistico Dati Municipali*, November 2004, Roma Economie: Roma, Italia, 2004.

³⁶ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8. 2005

location, which results in inflated real estate values.³⁷ The lack of available space and the resulting competition between families and professional businesses is the primary reason for the high real estate prices in the neighborhood. A secondary reason for the sharp increases in prices is the conversion to the Euro, which increased real estate prices throughout.³⁸ The high prices make it impractical and unaffordable for an average family to live in Prati, which further encourages professional businesses to move in when space does become available. The local municipal authorities do believe, however, that real estate prices in Prati will increase five to six percent over the next year at which point prices will plateau. Thus, prices are expected to stabilize and possibly decline in one to two years.³⁹

Implications for Vogue

The changing land use restrictions throughout Rome and Prati will present some limitations to Vogue in terms of the policy environment, but will not preclude Vogue's location in Prati, as Vogue will not require the conversion of residential space. The alternative professional space that is currently being developed would be more appropriate for Vogue's special needs than a mixed use building. Moreover, the Plan of Certainty intends to maintain the long term sustainability of the neighborhood, which is crucial for the community *and* Vogue. While the quality of the housing stock in Prati is appropriate for Vogue's needs, it will be difficult to obtain due to high prices and low rates of turnover. It will be most appropriate and obtainable for Vogue's senior staff members who are likely to have greater financial resources to afford both the housing unit and the higher cost of living in Prati. The lack of affordable housing within the neighborhood boundaries, however, should not pose a significant problem since Prati is well connected to the rest of Rome by roadways and public transportation.⁴⁰ The already existing high rates of home ownership indicate that the neighborhood is economically stable and encourage further investment in the

³⁷ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8. 2005

³⁸ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8. 2005

³⁹ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8. 2005

⁴⁰ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Transportation Analysis" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

neighborhood. Based on the land use analysis, locating in Prati will be a positive investment for Vogue.

Economic Development in Prati and the Prevalence of Professional Space

The overarching economic context in Prati is encouraging of business development, but there are growing tensions between professional and residential development in the neighborhood. The national government of Italy has a highly favorable climate for international business and is heavily recruiting foreign investment and business.⁴¹ This enthusiasm for business development in Italy, however, does not necessarily translate to the regional and local levels.⁴² The city of Rome and local officials in Prati are providing cautious encouragement for business development. This difference in perspective is due to the fact that regional and local governments are forced to balance competing development objectives, including economic development versus residential development, to ensure the sustainability of their communities. Since local officials have a limited scope of power, however, they are unable to pro-actively weigh and plan these competing development objectives.⁴³ Instead, they are only able to create regulatory policies to *mitigate* development imbalances, as evidenced through the previously discussed emerging land use policies.

As professional businesses continue to cluster in Prati, the local authorities do not have the power to create a regulatory framework that can limit professional development because land use policies are approved at the city level. As a result, they remain neutral to the increasing professional development and focus their efforts on maintaining the sustainability of the neighborhood through removed measures, such as building new office space and parking facilities. These measures facilitate economic development in the neighborhood, while protecting the community's interest. Furthermore, the presence of already existing businesses confirms that Prati has strong professional networks, physical infrastructures, and social services.

⁴¹ Svilippo Italia. <http://www.sviluppoitalia.it/>

⁴² Meeting with Comune di Roma, March 3, 2005 and Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

⁴³ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

Will Vogue benefit from a favorable business climate?

Regulatory frameworks, including government support and government-led initiatives, at the national, regional, and local levels, play a significant role in determining how firms operate and cluster within a community. Policy initiatives can have a significant impact on how a business is able to relate to the neighborhood in which it is located. Economic development policies are essentially about generating wealth for residents in order to maintain a high quality of life.⁴⁴ While the establishment of business friendly policies may benefit the economic climate in the neighborhood, they can also take away from residential development and quality of life. Excessive business development may generate wealth in a community, but if it disturbs the neighborhood character and quality of life, the resulting economic development loses its value. It is therefore essential for Vogue that the regulatory frameworks at the national, regional, and local levels are integrated to achieve a balance between economic and residential development.

National Economic Development Policies. The prevalent economic development perspective in Italy strongly encourages the development of international business. Sviluppo Italia is the national agency for productivity and entrepreneurial development and their mission is to accelerate and strengthen Italy's process of economic development.⁴⁵ This mission is implemented through a nationwide network that aims to identify, attract, and manage resources within a broad economic development perspective. The Italian Trade Commission recently merged with Sviluppo Italia to revitalize Italy's image as a business location for international businesses and created a new entity, *Invest Italy*, to promote Italy's competitive advantages and to encourage the location of international business.⁴⁶ *Invest Italy* can provide foreign businesses with information regarding the most suitable locations, while taking into consideration infrastructure, production, administrative, financial, and environmental concerns.⁴⁷ Finally, *Invest Italy* can

⁴⁴ U.S. Economic Development Administration (2000). "Economic Development (Defining Economic Development, Economic Development Theories, Economic Development vs. Economic Growth, Definitions that Address Equity and Sustainability, Why is Economic Development Important, and What do Economic Developers Do?)," Washington, D.C.: Economic Development Administration, <http://www.eda.gov/Research/EcoDev.xml>

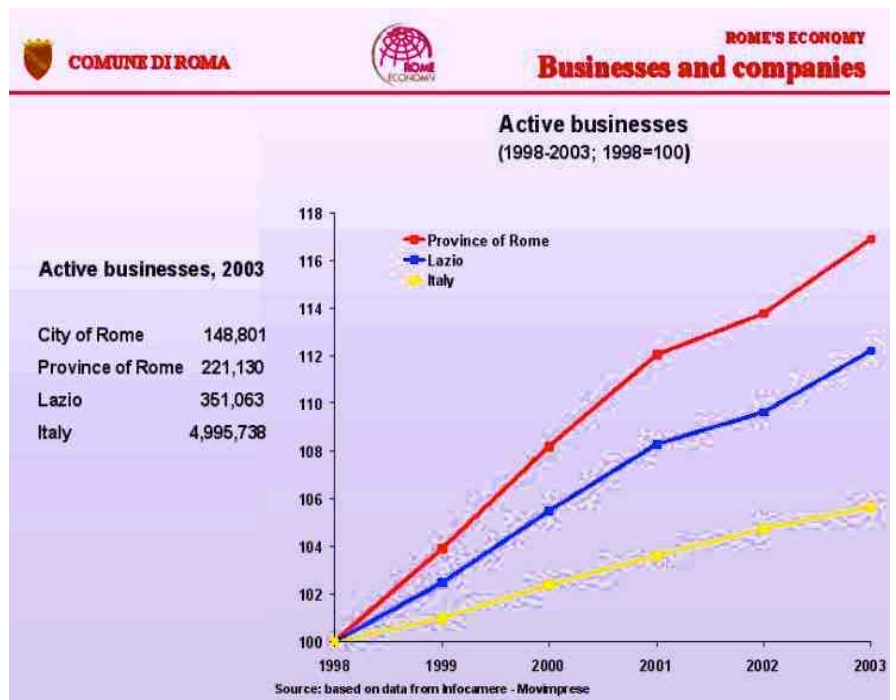
⁴⁵ Sviluppo Italia. <http://www.sviluppoitalia.it/>

⁴⁶ Sviluppo Italia. <http://www.sviluppoitalia.it/>

provide assistance and technical support to central and regional government programs to support them in maximizing local economic development and encourages regional and local governments to provide incentives to foreign businesses.⁴⁸

Regional Economic Development Policies. The city government, Commune di Roma, is responsible for instituting economic development policies for Rome. The goal of the Commune di Roma is to protect citizen welfare and quality of life through its instituted growth model, which aims to link economic development and social cohesion, while encouraging urban renewal, upgrading social services, integrating the “weakest social groups,” and promoting the city’s health to new business opportunities.⁴⁹ In addition, the city of Rome is focusing their economic development investments on creating and improving infrastructure. These infrastructure investments have had a direct impact on Prati because they have contributed to public and private investment in new parking garages.

The city’s economic development policies have been successful and Rome has grown faster than the rest of Italy. New business location and business growth has been increasing steadily, which is indicative of a healthy business climate. Between 1998 and 2003, the number of businesses in Rome grew by more than 15 percent, compared with the 5 percent growth experienced throughout the rest of



Object 7: Comparison Graph of Amount of Active Businesses in Rome, Lazio, and Italy. See footnote 50 for complete source information

⁴⁷ Sviluppo Italia. <http://www.sviluppoitalia.it/>

⁴⁸ Sviluppo Italia. <http://www.sviluppoitalia.it/>

⁴⁹ Veltroni, Walter. “The City of Rome,” World Mayor 2004 Finalist Statement, <http://www.worldmayor.com/finalists2004/rome.html>

Italy.⁵⁰

Economic Development in Prati. While the city government is certainly encouraging economic stability and development throughout Rome, they have expressed specific concern over the uninhibited growth of the professional sector in Prati.⁵¹ Although there are currently no policies in place to limit the professional development in the neighborhood, there are land use policies that have been proposed to force a better balance between professional and residential development in the neighborhood, as presented in the land use policy discussion.⁵² Furthermore, the city is careful to express that they are in no way attempting to totally stop businesses from moving into the area, as this would *totally* limit economic development.⁵³ They are simply trying to achieve a balance between professional and residential development to ensure the future sustainability of the neighborhood.

Discussions with the municipal government suggest that they are not taking an active role in encouraging or discouraging the newly proposed land use policies. While they do not provide incentives for business to locate into the area, they actively facilitate professional development by improving neighborhood infrastructure. For example, Prati's location and resulting professional development have created significant traffic problems. Instead of addressing the root cause of the traffic problems,⁵⁴ they are simply building more parking facilities.⁵⁵ This is partially because the municipal government lacks the authority to shape policy, but may also be related to political affiliations, since Prati's municipal government has historically leaned to the right of the political spectrum, with more pro-business friendly policies.

⁵⁰ Organizational Unit for Economic Development Policy (Rome). "Active Businesses," <http://www.romaeconomia.it>

⁵¹ Meeting with Commune di Roma, March 3, 2005

⁵² Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 2: Analysis of Economic Conditions in Prati," and "Technical Appendix 4: Quality of Life Analysis in Prati," *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

⁵³ Meeting with Commune di Roma, March 3, 2005 and Meetings with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

⁵⁴ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 2: Analysis of Economic Conditions in Prati," and "Technical Appendix 3: Transportation Analysis," *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

⁵⁵ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

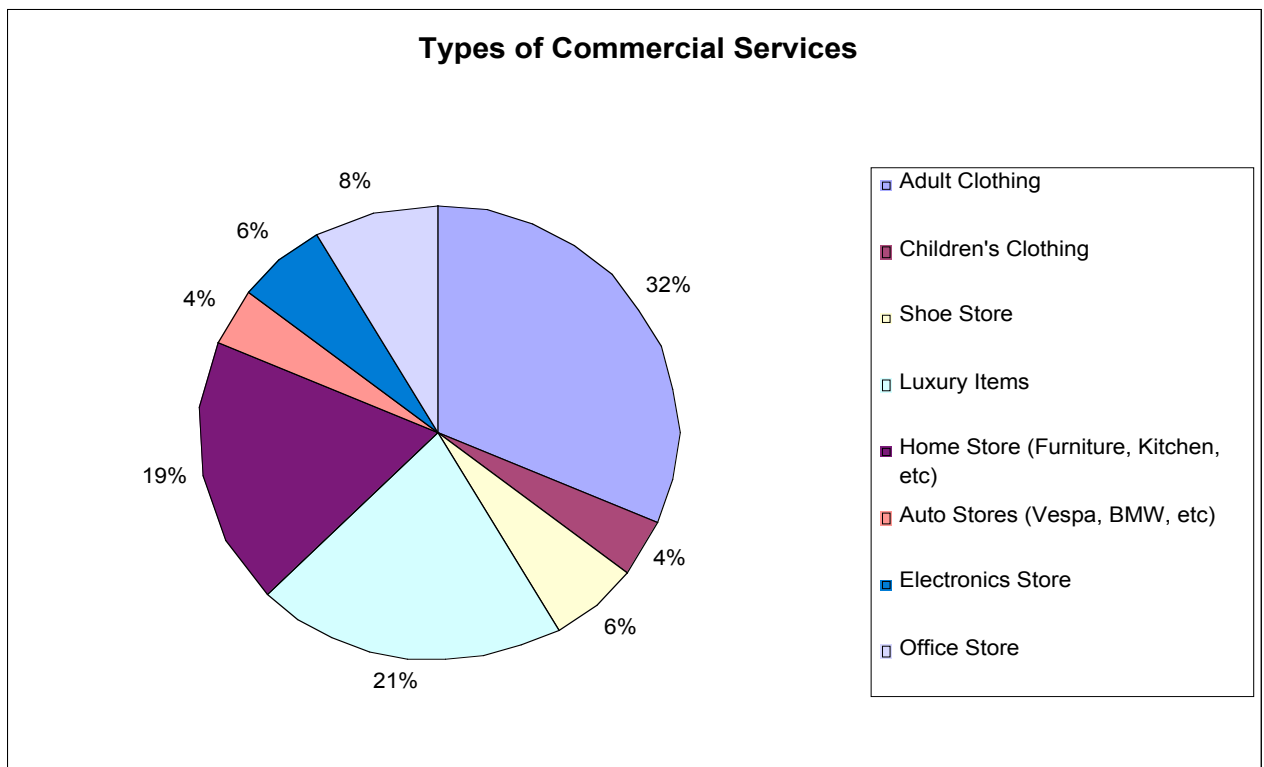
Ultimately, the economic development policies in Italy, Rome, or the neighborhood of Prati will not have a significant impact on Vogue's location into the neighborhood. The economic climate is encouraging of business, particularly international business. While certain local policies may make location into Prati, as opposed to another area of Rome, slightly more cumbersome, these policies will not rule out of the possibility of location and may also have some benefits. Furthermore, the already existing concentration of businesses in Prati makes it a more attractive location for Vogue because it is indicative of a healthy business climate, provides a ready business network, and stable local economy.

Is Prati economically stable?

The extent of commercial and professional development in a community provides insight into strength and stability of the local economy. If businesses are choosing to locate in the neighborhood on a continual basis, the community has a stable economy. Furthermore, examining the presence of commercial and professional space will also elucidate Vogue's economic ties to the rest of Rome, which is important for assessing the neighborhood's stability. The presence of thriving commercial and professional businesses influences new businesses in a positive way and suggests the long term sustainability of both businesses and neighborhood residents.

Commercial Services.⁵⁶ Prati offers a full range of basic and luxury commercial establishments, which are concentrated around Piazza Mazzini and the main radiating streets. The commercial life of the neighborhood appears to be strong because the quality of the shops is high and there are very few vacant store fronts. The most prevalent type of establishment is adult clothing stores, followed by luxury items, home stores, office stores, electronics, shoes, children's clothing, and automotive stores. The character of the goods offered in the stores also represents the prevalent upper middle to high class professional demographic in the neighborhood. An example of stores catering to this demographic is the Burberry in the south east quadrant of the neighborhood, near Piazza Mazzini.

⁵⁶ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Economic Conditions in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.



Object 8: Chart of Percentage Distribution of Types of Commercial Services in Prati.

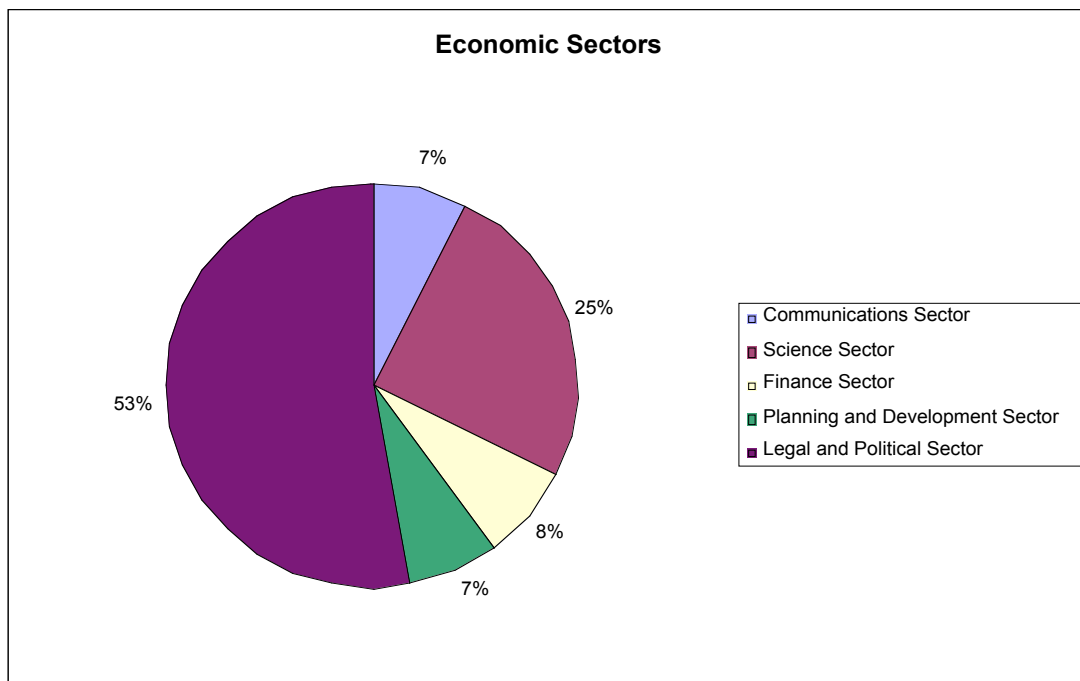
The small but growing presence of children’s clothing supports the hypothesis that the neighborhood is entering a period of revitalization as the aging population leaves the neighborhood and young professional families move in. The numerous home stores stock upscale furniture and luxury home items, such as curtains and crystal, which indicates that the neighborhood has high purchasing power. Despite the overwhelming presence of professional offices in the neighborhood, the prevalence of home stores is a clear indication that there is still a strong and wealthy residential population.⁵⁷

While the breadth and frequency of commercial establishments in Prati is not particularly special, the available services are adequate and reflect the high purchasing power of the neighborhood. The commercial establishments seem to meet local demand, which is duly satisfied due to the close proximity of Prati to the historical center of Rome. Additionally, many commercial establishments in Prati

⁵⁷ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, “Technical Appendix 3: Analysis of Economic Conditions in Prati” *Is Prati Vogue? An Evaluation of Prati’s Suitability for Vogue*. Posh International Consultants, February 2004.

offer specialty designer goods, which have the potential to draw clientele from other neighborhoods. Unlike the professional services sector, the commercial establishments within the neighborhood’s functional boundaries do not have a significant impact on residential development. There are enough high quality commercial establishments present to maintain the economic vitality of the neighborhood, and these establishments attract clientele from outside the neighborhood boundaries.

Professional Offices.⁵⁸ Examining the presence of already existing professional offices in the neighborhood can provide valuable information about basic resources for business sustainability – potential business networks within the neighborhood, access to business support services, and the local labor market. There are two large corporations present within the functional neighborhood boundaries are RAI and Warner Brothers. There are also other large corporations, including Grundy Italia, which is part of the international Fremantle Media group, that have units in various mixed use buildings. Finally, independent professional offices, such as notaries, medical offices, and legal firms, are located in mixed use buildings throughout the neighborhood.



Object 9: Chart of Percentage Each Type of Professional Offices in Prati.

⁵⁸ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, “Technical Appendix 3: Analysis of Economic Conditions in Prati” *Is Prati Vogue? An Evaluation of Prati’s Suitability for Vogue*. Posh International Consultants, February 2004.

The legal and political sector comprises the largest proportion of the professional offices, followed by the science, financial, communications, and planning sectors. Since there are several courthouses in the southern area of Prati, it is logical for legal firms and notaries to locate in the neighborhood. The high presence of notaries in the area is particularly indicative of a favorable business climate because notaries are the most valued professionals in Italy and in most cases can afford to locate anywhere. The fact that notaries are choosing Prati indicates that the neighborhood is economically desirable and has a high quality of life. The prevalence of medical professionals within the functional neighborhood boundaries is surprising because there are no hospitals in direct vicinity. This would theoretically pose a problem in terms of gaining referrals and obtaining laboratory test services, but it seems medical professionals have conquered this problem in Prati by clustering their services. The high volume of medical offices in Prati also allowed physicians to use their collective bargaining power to establish three medical laboratories and a medical waste facility within the neighborhood boundaries.⁵⁹

The presence of media and communications firms in Prati is small in percentage, compared to the legal and science sectors, but is still highly significant given the relative obscurity of the sector. The Italian RAI media corporation has an overwhelming presence in the neighborhood. While RAI has a few small offices in mixed use buildings, they also have three corporate towers. These large buildings were counted as one unit of professional space. While RAI's large buildings do not actively take up residential space, it is certain that residential units were demolished to accommodate RAI's presence. While it is not clear whether or not RAI's employees both live and work in Prati, they still have a significant impact on the local economy because they use physical and social infrastructures and daily services within the neighborhood boundaries.⁶⁰

In addition to RAI, there are a significant number of other media related firms, including cinematographers, television, movie, and entertainment production

⁵⁹ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Economic Conditions in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

⁶⁰ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Economic Conditions in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

agencies, including larger international entities, such as Warner Brothers and subsidiaries of the Fremantle Media group. This concentration of media services in the neighborhood is not coincidental as Prati is located in close proximity to broadcasting towers in Monte Mario. Furthermore, the presence of a large media corporation like RAI encourages smaller firms offering more specialized services to locate in the area. Should Vogue's design and layout productions require other media services, Prati would be an ideal business location. The fact that the economic climate in Prati is favorable for so many media firms suggests that it will also be favorable for Vogue.⁶¹

Economic Stability. The prevalence and quality of commercial and professional services in Prati signifies that the neighborhood is economically strong and stable. Businesses must enjoy a favorable economic climate in Prati, or they would not locate in such abundance. Furthermore, the increasingly professional character of the neighborhood means business services will continue to be available and grow in the area. This seems particularly true given the local government's willingness to accommodate business needs.⁶² Prati's economic stability is further supported by the creation of numerous business clusters throughout the neighborhood.

The investments the local government is making in office and parking facilities will help to alleviate the competition between professional and residential development. Although the Plan of Certainty aims to place more controls on the location of professional businesses in the neighborhood, it will actually benefit Vogue in the long run. After the Plan of Certainty is implemented, more residential units that are smaller in size will become available, and will be more affordable for a residential population. An increase in the size of the residential population will benefit Prati, as it will make the neighborhood more sustainable.⁶³ Ultimately, this will lead to the neighborhood's economic stability, achieve a balance between competing

⁶¹ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 1: Analysis of Policy Issues in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, March 2005 and Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

⁶² Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Economic Conditions in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

⁶³ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 4: Analysis of Quality of Life in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

development objectives, and improve the overall quality of life, which is essential for Vogue.

How is Prati economically connected to the rest of Rome?

The most attractive feature of Prati for businesses is its close proximity to the historic center of Rome, but greater transportation flexibility. Since professional offices need to serve a wide range of people from all areas of Rome, accessibility is the most important factor for businesses. The resulting concentration of specialized professional services means that businesses in Prati are necessarily doing business with the rest of Rome. The large numbers of people coming into the neighborhood for brief periods of time necessitates the provision of extra physical and social infrastructures, and it is the provision of these infrastructures that maintain the economic stability and attract new businesses into the neighborhood.

Transportation, Infrastructure and Connectivity

The transportation issues in Prati are reflective of the larger transportation trends in Rome – there is over-utilization of private vehicles and underutilization of the already existing strong public transportation system. In fact, according to local authorities, the most serious problem Prati is currently facing is the intense traffic in the neighborhood, which is the direct result of the increasing professional development in the neighborhood. Despite the strong public transportation system in Prati, individuals choose to drive into the neighborhood simply because they can. That is, zoning restrictions do not require vehicles in Prati to have Limited Transit Zone (LTZ) passes, and thus accessing the neighborhood by car is extremely convenient. This is particularly problematic because professional and commercial services in Prati are highly specialized, and thus individuals from all over Rome are constantly passing through the neighborhood. Furthermore, the lack of LTZ passes means individuals with no business in Prati are able to park their cars in the neighborhood and use the public transportation system to visit the historic center of Rome.⁶⁴ It is estimated that between 350,000 and 500,000 people visit the neighborhood each day, even though the residential population is only around 70,000.⁶⁵ The influx of cars over-utilizes the limited parking infrastructures, which are primarily meant for neighborhood residents. Despite these parking issues, however, the broad utilization of transportation services in Prati by the entire city of Rome speaks to the wide range of options available for Vogue’s business and personnel needs.

Are transportation infrastructures in Rome suitable for Vogue’s needs?

Issues of urban transport in Rome are characterized by the increasing use of private vehicles, despite the lack of available parking spaces. The public transportation system handles only 40 percent of trips in and out of the city, while 60 percent of trips are made by private transport.⁶⁶ The dominance of private cars is

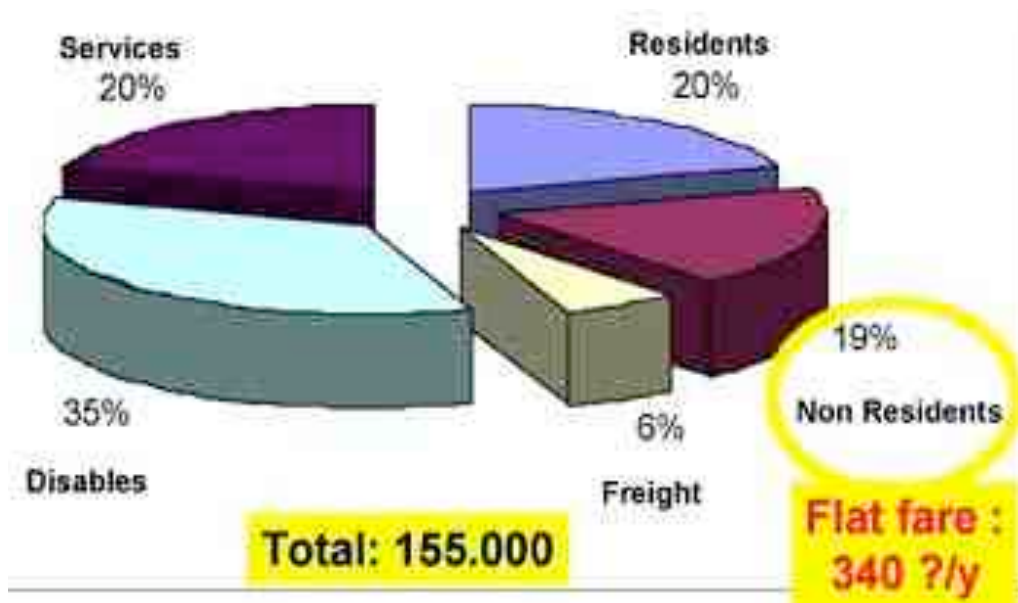
⁶⁴ Meeting with Municipio XVII’s Heads of Commercial and Territorial Development, March 8, 2005

⁶⁵ Meeting with Municipio XVII’s Heads of Commercial and Territorial Development, March 8, 2005. *In this instance, neighborhood refers to the whole of Municipio XVII, which has a population of approximately 70,000. A significant amount of this traffic, however, is localized around the neighborhood boundaries proposed for this study, and this area has a population of approximately 11,000.*

⁶⁶ <http://www.progress-project.org/Progress/rome.html>

particularly difficult to manage due to the narrow, uneven, cobblestone paved roads in and around the historical center of the city. To reverse the increasing trend of congestion, the city of Rome has developed the Urban Traffic General Plan (PGTU). The primary objective of this traffic plan is to reduce the number of vehicles with an LTZ permit ad to promote public transportation through the adoption of a fully integrated public transport system.⁶⁷

In 1989, the city of Rome began a program of “access control,” which placed restrictions on vehicular entrances for the historical center of Rome. Residents received permission to enter free of charge with a limited traffic zone (LTZ) permit.⁶⁸ Since 1998, however, authorized individuals and residents have to pay the yearly equivalent of a 12 month public transportation pass (230 Euro) to obtain a permit to access the control area. Parking remains free for residents near their home or within their neighborhood, but “destination parking” continues to be a burden.⁶⁹



Object 10: Chart of Percentage of Ownership of Parking Passes

The above chart (Object 10)⁷⁰ shows the distribution of individuals who receive access control passes, which total approximately 155,000. The highest

⁶⁷ <http://www.progress-project.org/Progress/rome.html>

⁶⁸ <http://www.progress-project.org/Progress/rome.html>

⁶⁹ <http://www.progress-project.org/Progress/rome.html>. The term destination parking refers to vehicles parked in one spot for an extended period of time, while the owner accesses other parts of the city using public transportation or other means of transport

⁷⁰ <http://www.progress-project.org/Progress/rome.html>

percentage of access passes are distributed to disabled individuals, which is logical and necessary. A significant percentage of the access passes are also distributed to service and freight vehicles. Since these vehicles are large, they make a significant contribution to the congestion in the center of the city, although they are mostly present in the early hours of the morning. Nonetheless, these vehicles are essential for the economic functions of the city.

It is interesting, and potentially problematic, that 20 percent of the passes are distributed to residents, and an almost equal percentage to non-residents. Traffic can be reduced in the historic center if passes are *strictly* available to disabled individuals, service and freight trucks, and residents. An alternative to eliminating passes for non-residents is to increase the cost of annual parking passes for non residents. As the graph indicates in the bottom right hand corner, the city of Rome is considering a potential pricing scheme to charge non-residents 110 Euros more for an annual parking pass. While this may be a viable solution, it certainly raises questions of equity as wealthy individuals are more able to afford the increased cost. Instead, the city of Rome can pre-determine what percentage of access passes will be available to non-residents, and distribute the passes through a lottery system. Ultimately, the city of Rome aims to increase the use of public transportation over private means of transport through continual improvements in service that meet clients' and citizens' needs.⁷¹

The city of Rome has an integrated public transportation system operated by ATAC (the public transport company of the city of Rome) that includes buses, trams, and an underground train system. The emphasis the city is placing on improving public transit systems can reduce parking costs and congestion throughout Rome in the future, which has clear benefits for the business community. Rome.⁷² The challenge for the city of Rome is striking a balance between making private transportation unattractive enough and public transportation attractive enough that choosing public transportation becomes a positive and logical alternative, without disturbing the economic equilibrium in the city.

Public Transportation in Prati. Prati is well served by public transportation, including buses, trams, and metro stops (see Object 11). Fourteen bus and tram lines

⁷¹ <http://www.progress-project.org/Progress/rome.html>

⁷² http://www.publictransportation.org/reports/pub_benefits.asp#btb

neighborhood has benefited from great investments in Prati's public transportation options.⁷⁴

The most significant problem with public transportation in Prati is that it is significantly underutilized, or utilized in an inappropriate manner.⁷⁵ Empirical observational studies revealed that the most prevalent demographic group was secondary school students and the elderly.⁷⁶ This indicates that despite the strengths of the system, public transportation in Prati does not appeal across demographics, but primarily to individuals that do not have access to private modes of transport. This is further evidenced by the overwhelming presence of cars throughout the neighborhood, which belong to residents and outsiders in comparable proportions.⁷⁷ Moreover, since LTZ passes are not required to enter the neighborhood, Prati's location also allows individuals to engage in destination parking and use public transportation to access the historical center of Rome.⁷⁸ Unfortunately, it seems that public transportation in Prati will only become an attractive option when private transportation becomes less attractive. Accomplishing this task will require the city of Rome to declare Prati a LTZ. Regardless of its utilization, however, public transportation in Prati is convenient, frequent, and reliable and will not pose a problem for Vogue's business and personnel needs.

Private Transportation in Prati. Although the Urban Traffic General Plan (UTGP) benefits the historical center of Rome, it has negative consequences for Prati. Unlike other neighborhoods surrounding the historic center of Rome, cars are not required to have an access pass for Prati. Since professional offices are a significant part of the local economy for both Rome and Prati, government officials are hesitant to enforce strict parking zoning and regulations that may limit economic development. For this reason, municipal authorities are unable to encourage the use

⁷⁴ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Transportation Issues," *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

⁷⁵ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

⁷⁶ For further information see Technical Appendix 3

⁷⁷ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Transportation in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004.

⁷⁸ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

of public transportation by making private transportation more cumbersome.⁷⁹ As a result, beyond the utilization of Prati's professional services, numerous cars pass through the neighborhood to reach external destinations, such as Monte Mario. In addition, people take advantage of destination parking and leave their cars in the neighborhood and ride the bus into the historic center. The high density of parked cars in Prati suggests that the neighborhood does not have the capacity to provide sufficient parking for residents, let alone new businesses.⁸⁰

Parking Facilities. Since the municipal government has little control over parking restrictions and regulations, they are simply doing the best they can to accommodate the current traffic situation. Almost all the streets within the neighborhood's functional boundaries have illegally parked cars, including double parked cars, which block pedestrian pathways. Only recently, the local government has started to enforce strict street parking regulations within the neighborhood boundaries. While these measures take away a significant number of street parking spaces, they are compensating the community by encouraging and investing in numerous formal parking structures.⁸¹

There are currently six new parking development projects occurring within Municipio XVII through private and public-private partnerships, and two of these are within the functional neighborhood boundaries. In total, these parking structures will contribute 2,000 new parking spaces to the municipal community, and a significant portion of these will be within the established neighborhood boundaries.⁸² Two of the parking structures just outside the neighborhood boundaries, and one inside the neighborhood boundaries, will be part of a larger facility with office spaces filling the upper stories. This map shows the location of all parking projects underway, as well as the established functional neighborhood boundaries. The four projects outside of the neighborhood boundaries are on Via Teluda, Via Falcone, Via Andrea Doria, and Via Cipro. The parking facilities within the functional neighborhood boundaries are

⁷⁹ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

⁸⁰ *A parking survey conducted by POSH consultants indicated a high percentage of "visiting" cars, illegally parked cars, and no free parking spaces throughout the neighborhood boundaries. Numerous streets in Prati have illegally parked cars, including double parked cars, which block pedestrian pathways. For more information about the parking survey, including methodology and complete results, please consult Technical Appendix 1, Transportation Analysis.*

⁸¹ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

⁸² Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005

located at the intersection of Via Sabotino and Via Monte Santo and in Piazza Monte Grappa.⁸³

The volume and strategic location of these parking facilities represents a real effort on the part of municipal authorities to mitigate the negative effects associated with the presence of professional offices in the neighborhood. The parking facilities will also be an asset to the community because they will bring in revenues for the community. Even still, these measures do are not necessarily a long-term solution because they do not encourage alternate means of transportation. The already existing professional and business clusters in the neighborhood will attract new businesses to locate in Prati on a continual basis.⁸⁴ Eventually, the volume of people the professional offices attract will exceed the available parking facilities, and the local government will have few options but to build more. A more sustainable solution will need to more actively promote an alternative means of transportation and encourage businesses to take responsibility for their own parking needs.

Air Transportation. The city of Rome is served by two main airports, Leonardo da Vinci Fiumicino International airport and Giovanni Battista Pastine Ciampino airport. Fiumicino serves both international and domestic passengers of major airlines, while Ciampino serves budget airlines, courier express services, and general aviation, including private air travel. Upon analyzing Vogue's ability to be connected to the other offices in London and New York it is clear that travel between these locations will be unproblematic. Eleven major airlines serving the Rome-London and Rome-New York routes offer approximately 15 daily travel options. Furthermore, there are numerous direct flights serving the Rome-London route, with a number of scheduling options.⁸⁵ Moving between the airports and Vogue offices will be best facilitated by private cars because taxis are expensive (approximately 50 Euros for one person) and the train takes 45 minutes and is somewhat inconvenient.

⁸³ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Transportation in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004

⁸⁴ Meeting with Municipio XVII's Heads of Commercial and Territorial Development, March 8, 2005.

⁸⁵ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Transportation in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004

Overall, Rome is well served by international airlines and there is no reason to believe that air travel between these three locations will be a limiting factor for Vogue.

In addition to travel services, Rome's Ciampino airport can also provide shipping services for companies. While it is unlikely that Vogue will require these services very often due to the technological nature of Vogue's Design and Layout production, it is important to know these services are readily available. Ciampino airport specializes in providing services for Express Courier companies, such as DHL, TNT, and UPS, all of which have truck access into Prati. These carriers are preferred because Ciampino Airport has special contracts with these providers that will expedite delivery.⁸⁶

Is Prati well connected on a metropolitan and global scale?

Overall, Prati is well connected on a metropolitan and global scale. Although the utilization of Prati's transportation infrastructures by external parties can be a burden on the local government, this use speaks to the strength and versatility of Prati's transportation infrastructures. Prati's connectivity to the rest of Rome is a positive asset for business development because it attracts a broad clientele, widens the labor pool, increases residential options for personnel, provides a viable alternative to personal vehicle use, reduces parking costs, and reduces congestion in Prati, and throughout Rome.⁸⁷ The breadth of locations will clearly offer Vogue personnel diverse and sustainable housing options in, around, and far from the neighborhood of Prati. It is feasible to live anywhere in Rome and work in Prati. The high quality of public transportation available in Prati, and the resulting connectedness to the rest of Rome, also has benefits for social services – the metropolitan area as a whole shares the burden of providing social services, such as education, healthcare, and childcare, which makes each neighborhood more sustainable and attractive. Additionally, the connectedness of Prati to the rest of Rome improves the quality of life for Prati residents because amenities that are not readily available in Prati, such as nightlife, are easily accessible in other locations.⁸⁸

⁸⁶ Nikita Barai, Claire Fabian, Adeline Kooi, Laura Tarbox, and Ryan Weggler, "Technical Appendix 3: Analysis of Transportation in Prati" *Is Prati Vogue? An Evaluation of Prati's Suitability for Vogue*. Posh International Consultants, February 2004

⁸⁷ http://www.publictransportation.org/reports/pub_benefits.asp#btb

⁸⁸ For further information see Technical Appendix 4

Implications for Vogue

Although the parking situation in Prati is a significant problem for local authorities, it will not be a significant impediment to Vogue. Prati has diverse and feasible public transportation options that are currently going underutilized. The neighborhood is well served by public transportation and the quality and frequency of service will increase in the coming years as the municipal government lobbies the city of Rome for help with the overflow of private vehicles. For those employees who desire or need to drive, the local government is working with private developers to create a significant amount of parking space. Finally, the air transportation services available in Rome are adequate to meet Vogue's needs. While Rome is not as well connected as more global cities, like London or even Paris, the flight schedules are convenient. Overall, Prati's location and resulting transportation options will be advantageous for Vogue's business and personnel needs. In fact, Prati's connectivity with the rest of Rome is one of the neighborhood's best assets, and it is this connectivity that has encouraged business development in the neighborhood.

Quality of Life in Prati

Quality of life in Prati is characterized by appealing aesthetics, strong basic neighborhood services, bustling commercial and professional activity combined with a quiet residential life. Quality of life factors are commonly cited as important considerations for business location, but are often overshadowed by cost and market access factors. Since Vogue's Design and Layout headquarters are "footloose," however, Vogue can give increased attention to promoting work/life policies that allow employees to balance their professional responsibilities with personal happiness. While there are specific indicators of quality of life, such as neighborhood services and cultural amenities, quality of life is an all encompassing concept that must also take into account more basic issues, such as housing, transportation, and economic development. The ultimate purpose of the quality of life assessment is to evaluate if a community is a "desirable, safe, and socially healthy place to live." The most significant quality of life issue in Prati is the lack of cultural amenities present within the neighborhood boundaries. This is not, however, a critical problem because it preserves the residential character of the neighborhood. Prati is certainly a desirable and safe place to live, although it is expensive and may afford lesser opportunities for social networks than other neighborhoods in Rome.

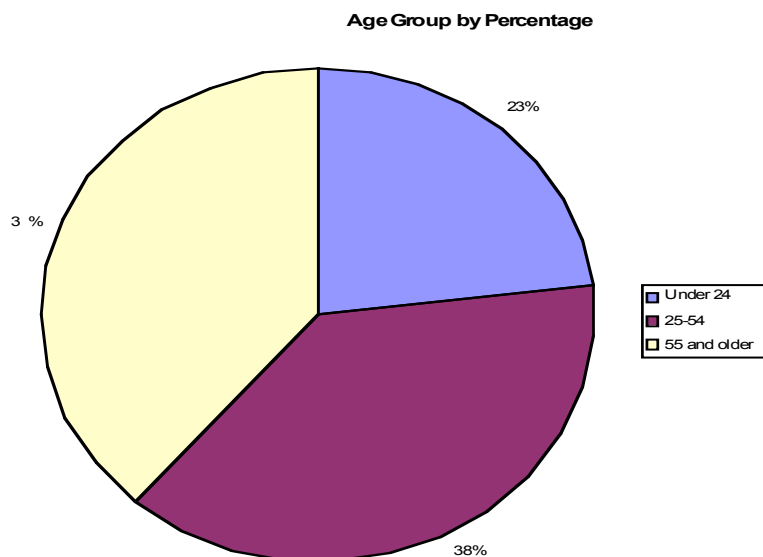
Is the demographic composition in Prati suitable for Vogue?

The increasing real estate prices in Prati are prompting a demographic transition in the neighborhood. According to municipal authorities, the neighborhood used to be economically diverse, with some public housing units for lower-level public employees and reasonable real estate prices. The 1991 census indicated the significant presence of an aging population in the neighborhood. While there are still many elderly people, the high real estate prices have forced part of this demographic out of the neighborhood. The spaces occupied by the aging demographic are primarily being replaced by professional offices, which is resulting in lower population densities. A more recent trend is the increase in young and middle aged professional individuals and families moving into the neighborhood, and this combined with the professional offices, is resulting in a more economically homogenous population.⁸⁹

⁸⁹ Meeting with Municipio XVII's heads of Commercial and Territorial development. March 8, 2005

Over the last 12 years, the population in Municipio XVII has decreased by 9.5 percent. One explanation for the shrinking population is the proliferation of professional offices in the neighborhood; as professional offices take up more housing units, there is less room for actual residents. Another explanation for this decrease is that birth rates are below the natural replacement rate, with almost 40 percent more deaths than births in 2003. The current birth rate in the community is almost 20 percent below the Roman birth rate, while the death rate exceeds the Roman average by 37 percent.

The high death rate supports the presence of an elderly population, but it also supports the potential beginning of a demographic transition as more housing units become available. As of 1991, 39 percent of the population was older than 55⁹⁰ (see Object 12). Empirical observations of the neighborhood reveal the presence of mothers and children, particularly during the day, which seems to suggest that the neighborhood is family oriented. Demographic data also indicates that females comprise approximately 55 percent of the neighborhood population and 56 percent of residents are married.⁹¹ There also exist a significant number of singles in the neighborhood. In terms of living arrangements and family ties, the typical household size in Prati is between two and four members per household, with 59 percent having one child.⁹²



Object 12: Chart of Percentage of Age Groups in Prati.
Data Extracted from 1991 census data from Italian Statistics Bureau

⁹⁰ 1991 Census Data.

⁹¹ Commune di Roma. Mosaico Stati Municipali, November 2004. Roma, Economia, Rome, Italy, 2004.

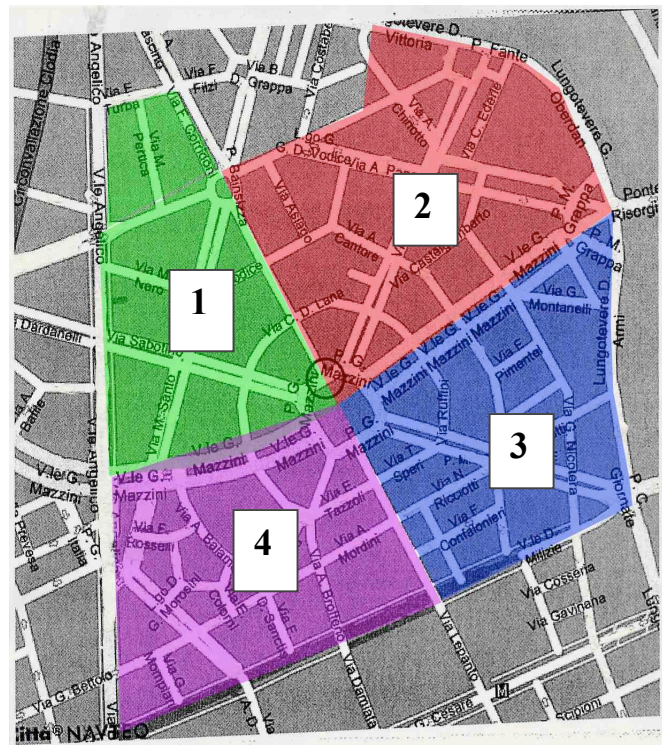
⁹² 1991 Census Data.

These trends are of particular significance for Vogue since the majority of Vogue’s employees will be females, both single and with families. Although the demographic data indicates the presence of an aging population, the proportion of women and singles is compatible with Vogue’s needs, particularly since the executive staff is most interested in living in the neighborhood. Even if the neighborhood is only at the beginning of a family transition, it appears to be a healthy place to raise a family because it has child friendly infrastructure, including reputable schools, child care facilities, children’s stores, and a large playground. Specifically, the Mamiani High School in Prati is renowned for instruction in the humanities and draws students from all over Rome.

Do neighborhood amenities in Prati facilitate a self-sustaining neighborhood?

Neighborhood Services.

Amenities are defined as “non-exportable goods for local residents that allow people to live comfortably without traveling too far.”⁹³ The importance of local amenities is inextricably linked to the idea of a “functional” neighborhood boundary. This concept embodies the notion that amenities, services, and homes should be set within a five to fifteen minute walking distance from one another. As described in the preliminary quality of life analysis, the neighborhood was divided into four quadrants to assess the breadth and quality of neighborhood services present in each section.⁹⁴



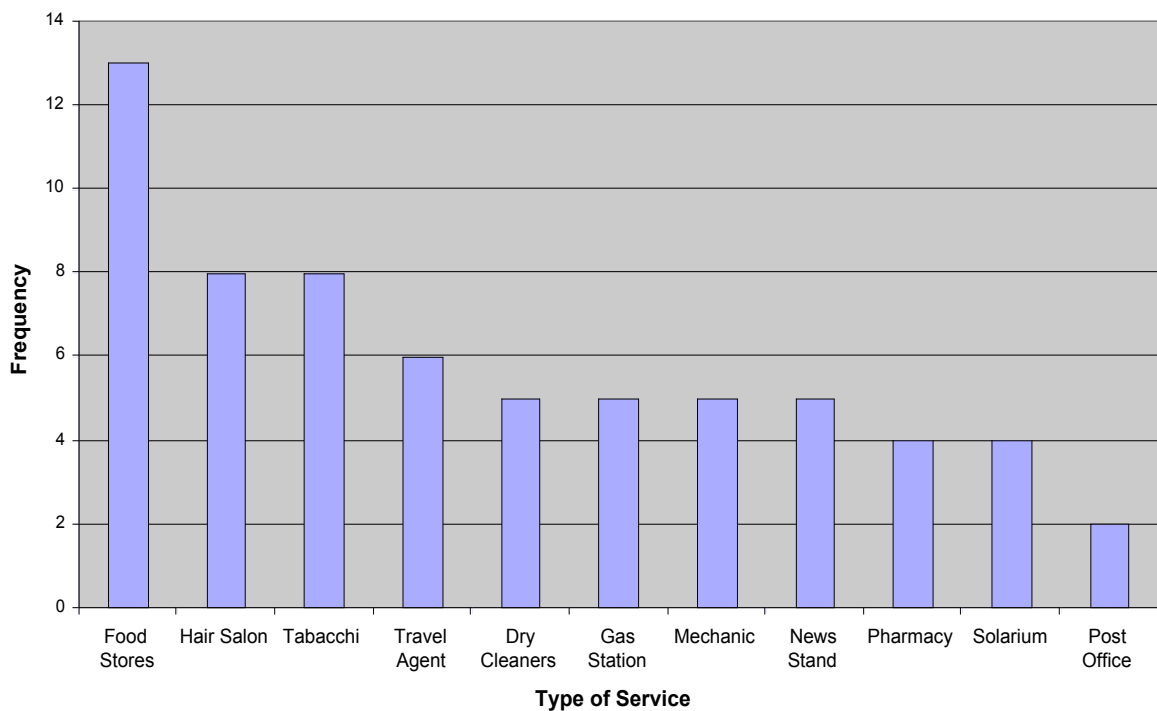
Object 13: Diagram for Quadrant Analysis of Neighborhood and Cultural Amenities

⁹³ David Salvesen and Henry Renski (2003). “The Importance of Quality of Life in the Location Decisions of New Economy Firms,” *Chapel Hill, NC: Center for Urban and Regional Studies, The University of North Carolina, Chapel Hill.*

⁹⁴ Cite selves

Overall, Prati offers a full range of basic and luxury amenities, including hair salons, mechanics, travel agents, solariums, gas stations, newspaper stands, dry cleaners, food stores, post offices, pharmacies, and tobacco stores. Object 14 indicates that the total services available in Prati are sufficient to meet the community’s most basic needs. While there are also specialty services available, such as furniture repair, these are not present solely for residents of Prati, but draw from a wider area. The majority of neighborhood services are concentrated around Piazza Mazzini its radial streets – there is little distribution of services along smaller and more residential roads.

Frequency of Type of Neighborhood Service

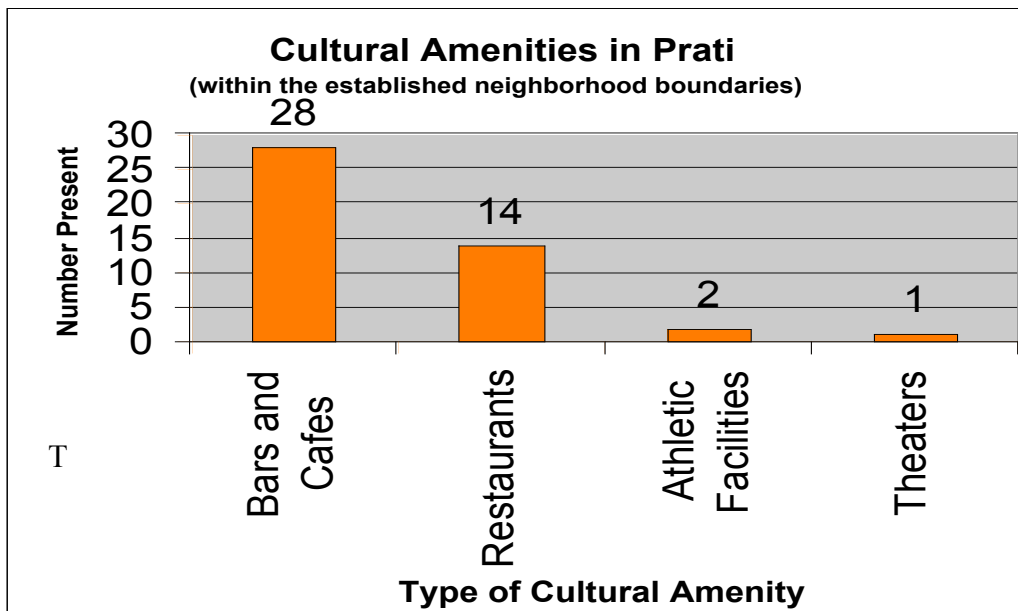


Object 14: Chart of Frequency of Type of Neighborhood Service

Although the total number and diversity of services in Prati are sufficient to meet the neighborhood’s basic needs, and each quadrant has a comparable number of services, the diversity of services in each quadrant varies. While other quadrants have a higher total number of available services, Quadrant 3 has the most complete range of neighborhood amenities. This is fitting since quadrant three has preserved its residential character more than the other three quadrants. The lack of a complete set of services in the other quadrants is related to the high densities of professional use in

these areas, in which amenities are geared towards professional offices. Despite slight geographic differences in the total distribution of neighborhood services, Prati is well served.

Cultural Amenities. Although Prati offers a wide range of basic and luxury day-to-day amenities, the neighborhood does not offer a wide range of “creative features,” or cultural amenities, including street life, night life, performance venues, high-end restaurants, and recreational facilities. The importance of cultural amenities is essential for attracting and retaining a highly-educated and skilled workforce. This is of particular important to creative firms, including Vogue’s Design and Layout headquarters. As indicated by Object 15, there are only four types of cultural amenities present within the established neighborhood boundaries: bars and cafes, restaurants, athletic facilities, and theaters. It is important to note, however, that each of these facilities are high quality and well-known throughout the city of Rome. For example, within the neighborhood boundaries are Café Vanni and Theater Mazzini which attract individuals from all over the city. The running track and athletic facilities are strategically placed along the river front, which is a scenic benefit for the whole community. Additionally, these recreational features are located at the boundary between Prati and the rest of Rome, which suggests that they have a wider base of users.



Object 15: Chart for Breakdown of Cultural Amenities in Prati.

There are some indications that the neighborhood is entering a period of creative renewal, as new dance clubs have opened up in the southernmost section of the neighborhood boundaries. The presence of these new entertainment venues also supports the idea of a demographic transition taking place in the neighborhood. As more young professionals move in, there is a stronger economic base to support leisure venues. Even with new cultural amenities moving into the neighborhood it will still be advantageous for residents of Prati to seek cultural opportunities throughout the city of Rome. This is easy for Prati residents, given the diverse transportation options present throughout the neighborhood. Finally, it is important to consider that the majority of Prati's population is wealthy and well educated, and thus requires similar cultural amenities to Vogue. Their presence in the neighborhood is indicative of the fact that although Prati does not have numerous cultural amenities within the neighborhood boundaries, they are easily enjoyed in other parts of Rome.

Is Prati a desirable community for Vogue to locate in?

The overall quality of life in Prati is good, and it is indeed a desirable, safe, and socially healthy place to live. The most significant quality of life problem in the neighborhood is that it has a high cost of living, and will not be a feasible community for most Vogue employees to locate in. The location and economic stability of the neighborhood is the most significant reason it is a desirable community. The expensive real estate and few vacancies indicate a great deal of investment in the neighborhood, which only encourages more long-term investment in the neighborhood, including Vogue's. The high rates of home ownership reflect the economic stability and high purchasing power of the residential population, which results in higher rates of reinvestment into the community through taxes. Homeownership is generally also a sign of a stable population, which provides a residential base for the neighborhood. Finally, the popularity of the location among professional businesses, both local and international, speaks to the convenience of the neighborhood for businesses. The extensive presence of professional businesses is also reflective of strong business, physical, and social networks in the neighborhood.

In addition to economic stability, the neighborhood is convenient and internally self-sufficient. Beyond the adequate presence of neighborhood services, Prati also has strong social infrastructure in place for neighborhood residents. Within the neighborhood boundaries there is a fire station, a police station, two elementary

schools, two middle schools, and three high schools. The Italian school system allows children from all over the city of Rome to enroll in any neighborhood school, and the schools in Prati are some of the most sought out in Rome. The individuals living in Prati have education levels similar to many of Vogue's staff.

For those who can afford it, Prati will provide an excellent quality of life. There is a possibility that the neighborhood could become more affordable for Vogue's employees if the Plan of Certainty is passed because the size of housing units will be dramatically reduced. Thus, while the Plan of Certainty may make Vogue's location into the neighborhood slightly more difficult, it will ultimately benefit the company because employees can more easily reside in the neighborhood. Additionally, the Plan of Certainty is intended to increase the residential density in the neighborhood which will likely improve quality of life and the overall sustainability of the neighborhood.

Issues of Strength and Concern

Land Use

The current land use policies in Rome are very favorable for Vogue's location in Prati because they place no restrictions on the conversion of residential space into professional space. Implementation of the Plan of Certainty could potentially make Vogue's location more difficult, but will in no way preclude the move. This is particularly true for Vogue because the Plan of Certainty will primarily affect businesses that require 150 to 500 square meters of space, and this size requirement can be achieved by converting residential units into professional space. Since Vogue requires between 2,500 and 3,500 squared meters of space, it is not practical to convert residential units – the Plan of Certainty will only limit Vogue from buying an entire residential building, of which there are none on the market. In terms of land values, Prati is favorable because it is located in close proximity to the historical center of Rome, but is far more accessible, and the cost of real estate is approximately 2,000 Euros less per square meter than in the historic center of Rome.

The lack of affordable housing in the neighborhood is the most significant draw back to locating in Prati. This drawback may be mitigated by the Plan of Certainty, which will benefit Vogue in the long run. While the new policy may increase the cost of professional space, the competition for office space will maintain high prices and ensure a good investment. Simultaneously, the creation of new and smaller residential units will drive down the cost of residential units to make the neighborhood more affordable for employees. This drawback, however, is relieved by the accessibility of the neighborhood via public transportation, and private vehicles, if necessary.

Economic Development

The close proximity of Prati to the historical center of Rome has continually fostered business development in the neighborhood. The existence of professional networks in the neighborhood supports the empirical evidence that it is a good business location. The prevalence of high caliber professional offices indicates the neighborhood has a good quality of life and is able to provide necessary social and physical infrastructures to local businesses. This is further evidenced by the local government's willingness to accommodate the needs of businesses, such as investments in new parking facilities. Additionally, the existence of professional

business networks, including a media cluster, provides a ready local business network for Vogue to tap into.

The economic stability of the neighborhood also translates to positive quality of life factors, including appealing aesthetics, strong physical and social services, neighborhood amenities, and few but high quality cultural amenities. In addition, the real estate market in Prati is in its prime right now and the local economy is benefiting from these investments. While this is also an expensive time to invest, the prices are likely to remain stable or perhaps even increase, because it is such a popular location for professional offices. The Plan of Certainty may drive the cost of real estate down, but this should not impact Vogue's investment. This is because Vogue will be investing in space designated for professional use, which will only become more popular as the possibility of converting residential space becomes more limited. Constant features, such as a high quality housing stock and an excellent location close to the historical center, support investment in the neighborhood.

The most significant draw back of the neighborhood is the high cost of living, including the high cost of real estate. As has been discussed, the current real estate market does not allow Vogue to be a practical residential location for most of Vogue's employees, although it will be appropriate for senior staff. The real estate prices for Vogue's office space will be higher than in other parts of Rome, as Prati is part of the fourth most expensive district in the city, but these locations are not as attractive. The prices per square meter in Prati are significantly less than in the historical center of Rome, for a comparable location, accessibility, and amenities.

Accessibility and Transportation

Prati is accessible from all other parts of Rome, both private and public transportation. The neighborhood is well served by public transportation that connects the neighborhood to the rest of the city via the major transportation hubs, Termini and Tiburtina train stations, in a generally efficient manner. This investment in public transportation will continue over the coming years as the local municipal authorities work with the city of Rome on their new traffic plan that actively encourages the use of public transportation. Thus, Vogue employees will be able to live anywhere in Rome and easily commute to the neighborhood. The parking situation in Prati is more problematic because the neighborhood's parking infrastructures are over-utilized by outsiders, but should not pose a significant limitation for Vogue. Since Vogue will not be attracting clients to the neighborhood

on a daily basis, it is only Vogue employees who will need to use the neighborhood's parking infrastructures.

Quality of Life

The quality of life in Prati is good, and will offer Vogue a desirable, safe, and socially healthy environment. In terms of neighborhood based amenities, Prati offers an adequate array. While there are plenty of day to day services and green spaces, there is a lack of cultural amenities directly within the neighborhood boundaries. This does not pose a significant problem because the rest of Rome is easily accessible from Prati, which is rich in cultural opportunities. Just as individuals from the rest of the city come to Prati to visit Café Vanni or Theater Mazzini, Vogue employees will benefit from enjoying cultural opportunities in the rest of the city.

The most significant concern posed by quality of life indicators is the demographic compatibility of the neighborhood. 1991 Census data indicates the significant presence of an elderly population, which could create economic instability if the population continues to age and decline. The aging demographic may also pose a problem if units vacated by the elderly are taken over by professional businesses, instead of a younger demographic. Empirical evidence suggests, however, that the neighborhood has already reached a turning point in its life cycle, and the units previously owned by the elderly are being taken over by a mix of professional businesses and young to middle aged professionals individuals and families. In this scenario, the demographic character of the neighborhood will only become more favorable for Vogue's employees.

The declining population, which is largely due to the increase in the professional population, is also of concern. This demographic trend will be mitigated by the Plan of Certainty because it will be more difficult for professional offices to use residential space and the sheer number of residential units will increase. In turn, this will grow the population density in Prati, but this is not a problem because the residential density in Prati is already lower than many other districts in Rome. Furthermore, it seems residential density will be favorable in Prati because it may drive down the cost of real estate and once again make the neighborhood more affordable for families. This will lend to the sense of community in the neighborhood, and ultimately result in a more sustainable neighborhood and higher quality of life for Vogue.

Recommendations for Vogue

The findings of this study indicate that Vogue locating in Prati will be advantageous for both the company and the neighborhood, with a few caveats. In the terms of reference, Vogue indicated plans to move within the next two years. Maintaining this time frame will be advantageous for Vogue, due to the possible future ratification of the Plan of Certainty. After the Plan of Certainty is implemented, there will be more competition for the designated professional space since the conversion of residential units will no longer be an option. Moving into the neighborhood at this time will also be beneficial because housing units can be made smaller, which will be more appropriate and affordable for Vogue's employees.

The most significant investments Vogue should make in the neighborhood are transportation related. Although it will be possible for Vogue and its employees to use street parking or use spaces from the developing parking facilities, if Vogue requires a large number of spaces, it would be beneficial for Vogue to integrate parking facilities into their building plan. It may be possible for Vogue to enter into a public-private partnership with Municipio XVII to develop such parking facilities, as other private developers are currently doing. Additionally, Vogue should subsidize public transportation passes for employees. This will help local officials and the city of Rome in ensuring the sustainability of the neighborhood.

In terms of an actual location, there currently appear to be two feasible options: the RAI radio office building and space in the developing buildings. According to Municipio XVII, RAI is planning on decentralizing its offices from the neighborhood. While they are expected to continue to occupy their large office towers, they are planning to move out of the smaller office spaces scattered throughout the neighborhood, including RAI's radio building on Via Oslavia. This space is large enough to meet Vogue's needs and has a central location with the neighborhood boundaries, in the vicinity of Piazza Mazzini. The second alternative is locating in the numerous developing professional spaces throughout the neighborhood. Since these spaces have not yet been built, it will be necessary for Vogue to consult with their real estate consultancy in Prati for more information in the future.

Prati is a Suitable location for Vogue

Evaluation of the four core elements: land use, economic development, transportation, and quality of life, indicates that the conditions in Prati meet Vogue's business and lifestyle needs. Although there are minor investments that Vogue should make to facilitate the firm's transition into the neighborhood, the existing infrastructure is strong enough to support location of an international firm. Furthermore, the neighborhood is truly striving to identify, achieve, and maintain a balanced character, which is critical for Vogue's success in the neighborhood as a footloose firm.

While the growing tensions between professional and residential development challenge the sustainability of the neighborhood, policy makers are actively considering policy measure to balance development objectives in the neighborhood. The Plan of Certainty will be critical to achieving this balance in development, and will contribute to the maintenance of economic stability and a high quality of life. While this policy measure will place controls on professional development, it will not affect Vogue because more space is required than residential units can provide. Thus, Vogue will not disturb the residential space in the neighborhood while contributing to the economic stability of the neighborhood. Ultimately, Vogue's location will benefit the company and be an asset to the neighborhood.

TECHNICAL APPENDIX 1:

POLICY ANALYSIS



POLICY FRAMEWORK OF PRATI

Regulatory frameworks, including government support and government-led initiatives, at the national, regional, and local levels, play a significant role in determining how firms operate and cluster within a community. Policy initiatives can have a significant impact on how a business is able to relate to the neighborhood in which it is located. Economic development policies are meant to facilitate a community's capacity to generate wealth for its residents by focusing on job creation and business profitability. At its core, however, economic development is about maintaining high quality of life.⁹⁵ While the establishment of business friendly policies may benefit the economic climate in the neighborhood, they can also take away from residential development and quality of life. Excessive business development may generate wealth in a community, but if it disturbs the neighborhood character and quality of life, the resulting economic development loses its value. It is therefore essential that regulatory frameworks at the national, regional, and local levels are integrated to achieve a balance between economic and residential development.

Currently, the national Italian government has a highly favorable climate for international business. The national economic development organization, Sviluppo Italia, is heavily recruiting foreign investment and business. Subsidiaries of this organization offer foreign firms coordination between the national, regional, and local governments for location decisions and associated incentives.⁹⁶ This enthusiasm for business development in Italy, however, does not necessarily carry through to the regional and local levels.

The city of Rome and local officials in Prati are providing cautious encouragement for business development. This difference in perspective is due to the fact that regional and local governments are forced to balance competing development objectives, including economic development versus residential development, to ensure the sustainability of their communities. Since local officials have a limited

⁹⁵ Mildred Warner, Adriance, S, Barai, N, Hallas, J, Markenson, B, Morrissey, T, and Soref, W (2004). *Economic Development Strategies to Promote Quality Child Care*, Draft for Comments, Linking Economic Development and Child Care Research Project, Ithaca, NY: Department of City and Regional Planning.

⁹⁶ <http://www.sviluppoitalia.it/> All information regarding Italy's national economic development policy has been obtained from Sviluppo Italia's official website.

scope of power they are unable to pro-actively weigh and plan these competing development objectives. Instead, they are only able to create regulatory policies to *mitigate* development imbalances. As professional businesses continue to cluster in Prati, the local authorities do not have the power to create a regulatory framework that can limit professional development.⁹⁷ As a result, they remain neutral to the increasing professional development and focus their efforts on maintaining the sustainability of the neighborhood through removed measures, such as investments in new parking facilities.

The regulatory frameworks in Prati will not be a significant aid or impediment to Vogue's business location decision, but they will play a significant role in determining how Vogue will relate to Prati and ultimately find its place in the neighborhood community. Posh is cognizant of Vogue's values and will ensure that Vogue's business location decision is mutually beneficial for neighborhood residents and Vogue as an international firm. It should ultimately strengthen and produce long-term benefits for both Vogue and the residents of Prati. The broadest issue facing the neighborhood of Prati is the tension between professional and residential development, and the tension between these competing development objectives has manifested itself most obviously through transportation and land use policies. Additionally, for Vogue's purposes, it is necessary to consider the regulatory frameworks surrounding labor, politics, and media regulations.

Transportation Policy

The most serious problem resulting from professional development is the increasing traffic in the neighborhood. The professional and commercial services in Prati are highly specialized, and subsequently individuals from all over Rome must access the neighborhood. According to local municipal authorities, between 350,000 and 500,000 people visit the neighborhood each



Object 1: Parking Problems in Prati

⁹⁷ The City of Rome's has the authority to limit professional development through land use policies, but the local government does not have the authority to do this.

day, even though the residential population is only around 70,000.⁹⁸ The influx of cars over-utilizes the limited parking infrastructures, which are primarily meant for neighborhood residents. The transportation issues in Prati reflect the larger transportation trends in Rome.

Transportation Issues in Rome. Issues of urban transport in Rome are characterized by the increasing use of private vehicles, despite the lack of available parking spaces. The public transportation system handles only 40 percent of trips in and out of the city, while 60 percent of trips are made by private transport.⁹⁹ The dominance of private cars is particularly difficult to manage due to the narrow, uneven, cobblestone-paved roads in and around the historical center of the city. To reverse the increasing trend of congestion, the city of Rome has developed the Urban Traffic General Plan (PGTU). The primary objective of this traffic plan is to reduce the number of vehicles with an limited traffic zone (LTZ) permit and to promote public transportation through the adoption of a fully integrated public transport system.¹⁰⁰

In 1989, the city of Rome began a program of “access control,” which placed restrictions on vehicular entrances for the historical center of Rome. Residents received permission to enter free of charge with a LTZ permit.¹⁰¹ Since 1998, however, authorized individuals and residents have to pay the yearly equivalent of a 12-month public transportation pass (230 euro) to obtain a permit to access the control area. Parking remains free for residents near their home or within their neighborhood, but “destination parking” continues to be a burden.¹⁰²

This pie chart (Object 2)¹⁰³ shows the distribution of individuals who receive access control passes, which total approximately 155,000. The highest percentage of access passes are distributed to disabled individuals, which is logical and necessary. A significant percentage of the access passes are also distributed to service and freight vehicles. Since these vehicles are large, they make a significant contribution to the

⁹⁸ Meeting with Municipio 17's Heads of Commercial and Territorial Development, March 8, 2005.

⁹⁹ <http://www.progress-project.org/Progress/rome.html>

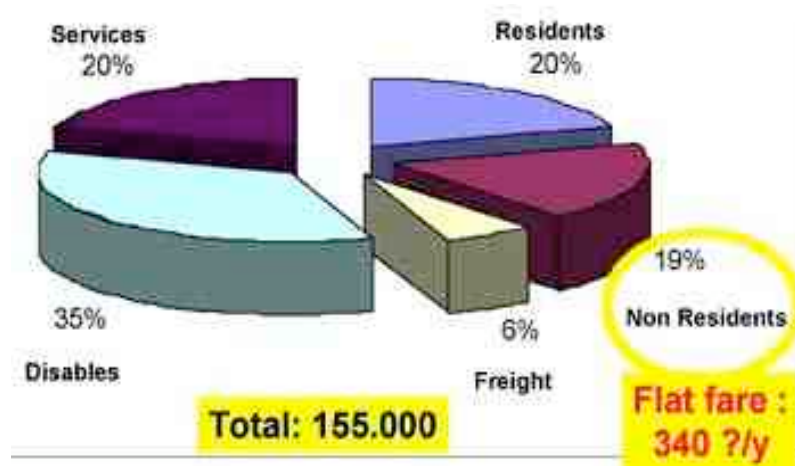
¹⁰⁰ <http://www.progress-project.org/Progress/rome.html>

¹⁰¹ <http://www.progress-project.org/Progress/rome.html>

¹⁰² <http://www.progress-project.org/Progress/rome.html>

¹⁰³ <http://www.progress-project.org/Progress/rome.html>

congestion in the center of the city, although they are mostly present in the early hours of the morning. Nonetheless, these vehicles are essential for the economic sustainability of Rome.



Object 2: Chart of Percentage of Ownership of Parking Passes

It is interesting, and potentially problematic, that 20 percent of the passes are distributed to residents, and an almost equal percentage to non-residents. Traffic can be reduced in the historic center if

passes are *strictly* available to disabled individuals, service and freight trucks, and residents. An alternative to eliminating passes for non-residents is to increase the cost of annual parking passes for non residents. As the graph indicates in the bottom right hand corner, the city of Rome is considering a potential pricing scheme to charge non-residents 110 euro more for an annual parking pass. While this may be a viable solution, it certainly raises questions of equity as wealthy individuals are more able to afford the increased cost. Instead, the city of Rome can pre-determine what percentage of access passes will be available to non-residents, and distribute the passes through a lottery system. Ultimately, the city of Rome aims to increase the use of public transportation over private means of transport through continual improvements in service that meet clients' and citizens' needs.¹⁰⁴

Implications for Prati. Although the Urban Traffic General Plan will benefit the historical center of Rome, it has negative consequences for the neighborhood of Prati. Unlike other neighborhoods surrounding the historic center of Rome, such as Trastevere, Piazza Spagna, and Piazza Bologna, cars are not required to have an access pass for Prati. Since professional offices are a significant part of the local

¹⁰⁴ <http://www.progress-project.org/Progress/rome.html>

economy for both Rome and Prati, government officials are hesitant to enforce strict parking zones and regulations that may limit economic development. For this reason, municipal authorities are unable to encourage the use of public transportation by making private transportation more expensive. As a result, numerous cars pass through the neighborhood to reach external destinations, such as Monte Mario, and people often leave their cars in the neighborhood and access the historic center. This is particularly a problem in the evening hours because there are excellent restaurants and other nightlife venues in close proximity, just outside of Prati.¹⁰⁵

Since the municipal government has little control over parking restrictions and regulations, they are simply doing the best they can to accommodate the current traffic situation. Numerous streets in Prati have illegally parked cars, including double parked cars, which block pedestrian pathways. The local government has started to enforce strict street parking regulations within the neighborhood boundaries, and while this takes away a significant number of street parking spaces, they are compensating the community for regulations by investing in numerous parking structures.¹⁰⁶ There are currently six new parking development projects occurring within Municipio XVII through totally private and private-public partnerships, and two of these are within the functional neighborhood boundaries. In total, these parking structures will contribute 2000 new parking spaces to the municipal community, and a significant portion of these will be within the functional neighborhood boundaries.¹⁰⁷

Local officials are making a concerted effort to balance the existing residential character of the neighborhood with the booming professional development. Professional offices are forced to buy out residential space because there are very limited options in solely professional buildings. The local government is unable to curb the effects of this transition by buildings new housing stock, so they are focusing their efforts on integrating new parking structures with concurrent office space. Two of the parking structures just outside of the neighborhood boundaries, and one inside the neighborhood boundaries, will be part of a larger facility with large office spaces in the upper stories. There have been rumors that some of the courthouse will be

¹⁰⁵ Meeting with Municipio 17's Heads of Commercial and Territorial Development, March 8, 2005.

¹⁰⁶ Ibid.

¹⁰⁷ Ibid.

moving out of the neighborhood with the next few years. According to local officials, the investments they have made in parking facilities and office space around the courthouses will make it almost impossible that the courts will leave the area.¹⁰⁸ This policy measure maintains residential development, while still encouraging professional development by offering an alternative location to residential units.

This map in Object 3 shows the location of all parking projects underway, as well as the established functional neighborhood boundaries. The four projects outside of the neighborhood boundaries are on Via Teluda, Via Falcone, Via Andrea Doria, and Via Cipro. The facility on Via Teluda is close to yet another major RAI corporation building, and these parking facilities are meant to accommodate vehicles from

professional offices the vehicles RAI's employees bring into the area. The parking facilities on Via Falcone are supposed to serve the court system, as well as Monto Mario. The parking facilities on Via Andrea Doria and Via Cipro will be underground parking facilities with office space on the upper stories. The parking



Object 3: Map of Location of Proposed Parking Areas
Designated locations are indicated by the black dots

¹⁰⁸ Meeting with Municipio 17's Heads of Commercial and Territorial Development, March 8, 2005.

facilities within the functional neighborhood boundaries are located at the intersection of Via Sabotino and Via Monte Santo and in Piazza Monte Grappa. The parking facility on Via Sabotino will be an underground parking facility, with an open market on the ground level, and office space in the upper stores. The parking facility in Piazza Monte Grappa is also near a RAI building.¹⁰⁹

The volume and strategic location of these parking facilities represents a real effort on the part of municipal authorities to mitigate the negative effects associated with the presence of professional offices in the neighborhood. The parking facilities will also be an asset to the community because they will bring in revenues for the community. Even still, these measures do not necessarily bode well for the long-term sustainability of the neighborhood because they do not encourage alternate means of transportation. The already existing professional and business clusters in the neighborhood will likely encourage more businesses to locate in Prati. Eventually, the volume of people the professional offices attract will exceed the available parking facilities, and the local government will have few options but to build more. A more sustainable solution would encourage alternative means of transportation.

Implications for Vogue. While the transportation situation in Prati is a problem for the municipal authorities, it is not necessarily a problem for Vogue. Prati has diverse and feasible transportation options that are currently going underutilized. The neighborhood is well served by public transportation and the quality and frequency of service is only increase in the coming years as the municipal government lobbies the city of Rome for help with transportation problems. If Vogue employees with to commute to work using public transportation options, the infrastructure is certainly there. For those employees who desire or need to drive, the local government is working with private developers to create a significant amount of parking space.

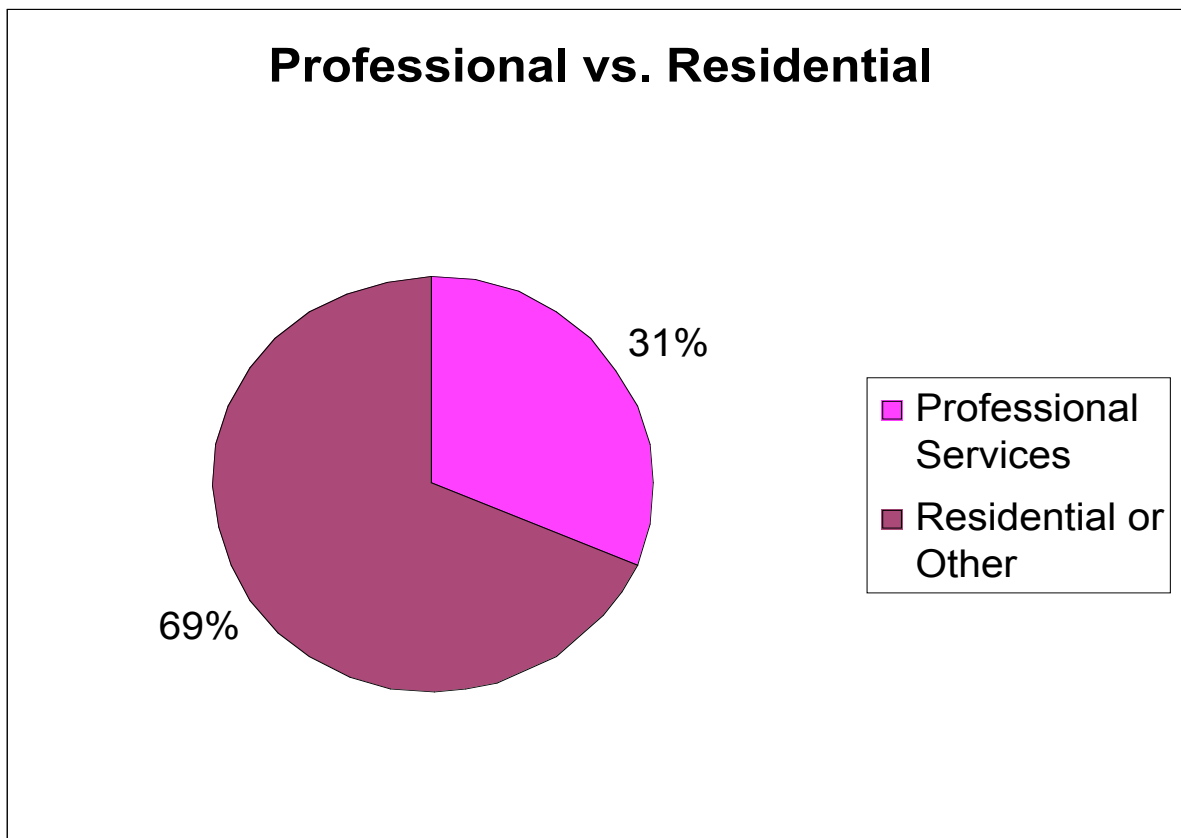
Although it will be possible for Vogue and its employees to rent parking spaces from these parking facilities, it would be considerate for Vogue to integrate parking facilities into their building plan. This point is particularly relevant since Vogue will likely have to build new facilities in the area. If Vogue wishes to treat the parking garage as both an investment and immediate service to its employees, it may

¹⁰⁹ Meeting with Municipio 17's Heads of Commercial and Territorial Development, March 8, 2005. All information about locations and the nature of the parking projects was provided by municipal officials at this meeting.

also be possible to enter into a public-private venture with local officials. Additionally, Vogue should seriously consider subsidizing public transportation passes for its employees. This will help local officials and the city of Rome in ensuring the sustainability of the neighborhood.

Land Use Regulations

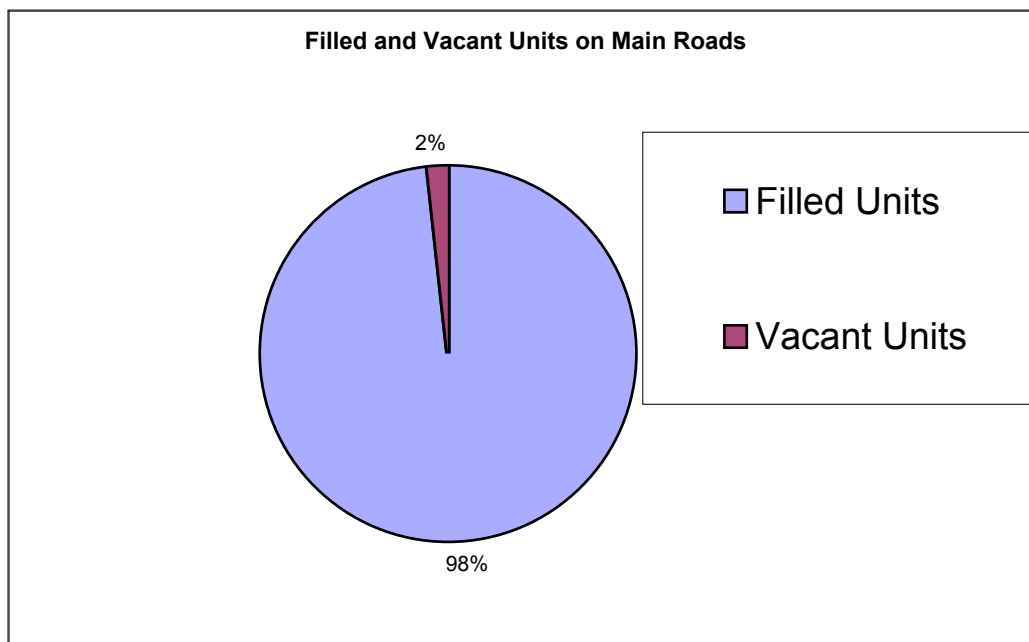
The increasing professional development in Prati challenges the residential character of the neighborhood. The city of Rome and municipal authorities are not actively encouraging professional development in the neighborhood. The combination of Rome's existing land use policies and the nature of the building stock in Prati, however, clearly favor professional development over residential development. Although there is still a significant amount of residential space in Prati, the character of the neighborhood has been altered by professional space.



Object 4: Chart of Percentage Ratio of Professional and Residential Units on Main Roads

As indicated by this chart in Object 4, professional units occupy approximately 31 percent of available building stock on the main roads in the neighborhood that is typically characterized as housing units. With this proliferation, it is easy to

understand why neighborhood resources are being targeted to and over-utilized by professional businesses. This issue is even more significant because there is a shortage of housing stock in the neighborhood. The chart in Object 5 indicates that only two percent of the housing stock on the main radial streets is unoccupied, and this shortage means professional businesses and families are forced to compete.¹¹⁰ Given the higher purchasing power of professional firms, the real estate prices increase and Prati becomes unaffordable for families.



Object 5: Chart of Percentage Ratio of Filled and Vacant Units of Housing Stock on Main Roads

Indeed, the increasing real estate prices are prompting a demographic transition in the neighborhood. The neighborhood used to be economically diverse, with some public housing units for lower-level public employees and reasonable real estate prices. The 1991 census indicated the significant presence of an aging population and a neighborhood. While there are still many elderly individuals, the high real estate prices have forced many elderly people out of the neighborhood. Additionally, census data suggests that the neighborhood has been experiencing a

¹¹⁰ Charts created on the basis of field work. For methodology, please see Economics report, under professional development. This policy framework will ultimately be integrated with broader pieces of the report.

change in character, which is the result of residents moving out as more professional offices move in. The demographic transition that is taking place in the neighborhood is resulting in a homogenous population of wealthy professionals.¹¹¹

Existing Business Friendly Land Use Regulations. The existing land use regulations in Rome encourage professional development in Prati. While these land use regulations were not intentionally established to encourage professional development, in combination with Prati's housing stock, they have resulted in disproportionate professional development. Prati's land use regulations are governed by the 1909 zoning law, which was established with fascist ideals, and calls for urban development in a radial pattern around a central piazza. This law also requires that housing units are 145 square meters, at minimum. This space requirement was put in place by the fascist regime in Italy to support the Catholic Church and encourage large families. While the large size of the units may have been appropriate in the past, it is no longer favorable due to declining rates of marriage and shrinking family size throughout Italy.¹¹² The availability of large units, in addition to Prati's central location, is extremely attractive for businesses, and this has resulted in inflated real estate prices. According to municipal authorities, a 150 square meter apartment within the neighborhood boundaries is approximately 1.2 million Euro.¹¹³ Today, even if a family did want to live in Prati, it would not be an affordable option. In addition to the size restriction, the city does not require professionals to obtain selective permits to locate professional offices in residential units. The only requirement is registration with the Municipio 17 and the city of Rome.¹¹⁴ Since the city of Rome is not willing to require businesses to obtain selective permits to locate in residential quarters, the only way to limit professional development is through land use policies.

The Plan of Certainty: Limiting Professional Development through Land Use Policies. Despite the prevalence of professional offices, the land use policies affecting Prati are being re-evaluated within the context of professional versus residential development. Under the proposed *Plan of Certainty*, land use policies will

¹¹¹ Meeting with Municipio 17's Heads of Commercial and Territorial Development, March 8, 2005.

¹¹² Meeting with Comune di Roma Planning Department, March 3, 2005

¹¹³ Meeting with Municipio 17's Heads of Commercial and Territorial Development, March 8, 2005.

¹¹⁴ Meeting with Municipio 17's Heads of Commercial and Territorial Development, March 8, 2005.

no longer be favorable for professional development. The purpose of the *Plan of Certainty* is to defend spaces designated for their original uses – housing stock should be protected as a residential space. The most significant land use change under the plan of certainty is the change in the size requirement for residential units from 145 square meters to 45 square meters. It allows existing apartments to be broken into 45 square meter units to retain the existing land use. This policy reflects the shrinking size of the Italian family and the increasing number of singles throughout the city of Rome.¹¹⁵

Additionally, residential units can no longer be converted into professional units, but professional units can be converted into residential units. Thus, if a particular unit is currently being used for professional purposes, it can continue to be used for professional purposes *or* it can be converted into residential space. In contrast, a unit that is currently being used as residential space *cannot* be used for professional space at any point in the future. If the housing stock in Prati can better meet the needs of a residential population than a professional population through these policies, professional development will necessarily be limited. The plan authorizes the establishment of new office space only if old housing stock is demolished. This is meant to deter businesses from moving large offices into the area because it requires extra effort and cost.¹¹⁶

Implications for Prati. Without regulatory limitations, more and more professional offices will continue to move into the neighborhood to take advantage of already existing business clusters. The close proximity to the historic center of the Rome, the presence of courts, and already existing business clusters make Prati an incredibly attractive business location. Although the local government is concerned with balancing competing development objectives, they are certainly cognizant of the fact that protecting residential development can place significant limitations on economic development. Since the local economy in Prati is intimately connected to Rome’s economy, it would be disastrous for the city if professional offices. Furthermore, while it is desirable to maintain the residential character and quality of life in the neighborhood, this cannot happen without sufficient economic development. Essentially, the local government recognizes that their land use policies

¹¹⁵ Meeting with Comune di Roma Planning Department, March 3, 2005

¹¹⁶ Meeting with Comune di Roma Planning Department, March 3, 2005

cannot force the neighborhood and the city to *choose* between residential and professional development, but must instead guide the neighborhood of Prati towards achieving a better balance between the two objectives.

If land use regulations in the future will discourage professional businesses from locating in residential units, the local government will have to develop an alternative strategy for professional businesses who wish to locate in Prati. To simultaneously encourage residential and professional development, the local government is working with private contractors to develop office spaces throughout the neighborhood. Since the primary neighborhood utility required by professional businesses is parking space, the local government is creating two large office spaces with parking garages discussed in the transportation section. Two of the parking facilities just outside of the neighborhood boundaries, on Via Andrea Doria and Via Cipro, will be underground parking facilities with office space on the upper stories. Within the neighborhood boundaries, the parking facility on Via Sabotino will be an underground parking facility, with an open market on the ground level, and office space in the upper stories.¹¹⁷

Implications for Vogue. Changing land use restrictions throughout Rome and in Prati pose the most significant limitations for Vogue. If the Plan of Certainty is put into action, Vogue's location in Prati will become more difficult, and perhaps more expensive, but certainly not impossible. While it will be impossible for Vogue to convert a residential unit into a professional unit, it will still be possible to buy out an existing professional unit. Most professional offices are somewhat larger than 150 square meters, but generally not large enough to accommodate Vogue. According to the Municipio, however, RAI is planning on decentralizing its offices from the neighborhood of Prati. They will continue to occupy their large office buildings, but will likely move out of the smaller office spaces scattered throughout the neighborhood. Although Posh has not yet been able to acquire exact information on the size and cost of RAI's smaller units, it does appear that RAI's vacant units are an option. If Vogue chooses to locate in Prati, from a cursory glance, it seems Vogue will be well served by locating in RAI's radio headquarters on Via Oslavia. This space is large enough to accommodate Vogue, has a central location within the

¹¹⁷ Meeting with Municipio 17's Heads of Commercial and Territorial Development, March 8, 2005

neighborhood boundaries' business quarter, and is centrally located around Piazza Mazzini.

Labor Policies

To provide a general background on the employment policies that Vogue will be held to, below is a summary of the Italian constitution, the parts pertaining to labor and employment. In Article 4 of the Constitution, which was amended in 1948, the right is given to all citizens to work, as well as the duty for citizens, within their capabilities to contribute to the “material and moral progress of society.”¹¹⁸ The state is obligated to protect labor in all of its forms, as well as provide the training and professional enhancement of its workers. Workers are entitled by Article 35, to remuneration appropriate to the quantity and quality of their work, “and in any case sufficient to ensure to them and their families a free and honorable existence.”¹¹⁹ Additionally, the Italian Constitution outlines a limited workday, as well as the right to a weekly day of rest and to annual paid holidays. Under this article employers are not allowed to interfere with these specifications under any circumstances.

Article 37 establishes the equality of women in the workforce. It indicates that workingwomen are entitled to equal rights, and for comparable jobs, equal pay as men. This means that employees working in the Italian offices must be paid the same wage irrelevant of gender. Additionally, working conditions must be such that women are able to fulfill their essential family duties and ensure an adequate protection of mothers and children. This statute would relate to the hours of employment and ensuring proper maternity leave for female and male employees.

Regarding trade unions, Article 39 explains that the organization of trade unions is free, and that no obligation may be imposed on trade unions except the duty to register at local or central offices as provided by law. Registered trade unions are legal persons and thus, they are able to enter jointly into collective labor contracts.¹²⁰

¹¹⁸ Italian Constitution, http://www.oefre.unibe.ch/law/icl/it00000_.html

¹¹⁹ Ibid.

¹²⁰ Ibid.

TECHNICAL APPENDIX 2:

ECONOMIC ANALYSIS

planning organization for



p o s h

sustainable habitats

ANALYSIS OF ECONOMIC CONDITIONS IN PRATI

The extent of commercial and professional businesses present within a community is highly indicative of the productivity of local resources. Furthermore, already existing commercial and professional development can further encourage business profitability and promote community sustainability and a high quality of life.¹²¹ Business location decisions, including Vogue's, as indicated in the terms of reference, are often driven by government regulations and provisions, but when considering the complexity and total cost of operating a business, the effect of government regulations tends to be minimal.¹²² Instead, POSH consultants believe Vogue's location decision should be based primarily on the appropriateness of already existing economic and commercial development. Communities that have strong commercial and professional development tend to have viable and business friendly economic development strategies. This influences new businesses in a positive way and bodes well for the long term sustainability of both neighborhood businesses and residents.¹²³ Thus, while local business policies are essential considerations and will be discussed in this economic analysis, it is believed that Vogue will be better served by focusing on the already existing economic context of Prati.

The prevalent economic development perspective in Italy strongly encourages the location of international businesses. Sviluppo Italia is the national agency for productivity and entrepreneurial development and their mission is to accelerate and strengthen Italy's process of economic development.¹²⁴ This mission is implemented through a nationwide network that aims to identify, attract, and manage resources within a broad economic development perspective. The Italian Trade Commission recently merged with Sviluppo to revitalize Italy's image as a business location for international businesses and created a new entity, INVESTITALY, to promote Italy's

¹²¹ Mildred Warmer, Adriance, S, Barai, N, Hallas, J., Markeson, B, Morrissey, T, and Soref W (2004). *Economic Development Strategies to Promote Quality Child Care*, Draft for Comments, Linking Economic Development and Child Care Research Project, Ithaca, NY: Department of City and Regional Planning.

¹²² Bartik, T.J. (2003). *Local Economic Development Policies*. Kalamazoo, MI: Upjohn Institute for Employment Research

¹²³ Lynch, R.G. (1996). *Do State and Local Tax Incentives Work?* Washington, D.C.: Economic Policy Institute.

¹²⁴ <http://www.sviluppitalia.it/> All information regarding Italy's national economic development policy has been obtained from Sviluppoitalia's official website.

competitive advantages and to encourage the development of international business. INVESTITALY can provide foreign businesses with information regarding the most suitable locations, while taking into consideration infrastructure, production, administrative, financial, and environmental concerns. Finally, INVESTITALY provides assistance and technical support to central and regional government programs to support them in maximizing local economic development and encourages regional and local governments to provide incentives to foreign businesses.¹²⁵

While it is clear that Italy encourages foreign business investment and the Italian model of economic development model is based on an international perspective, these standards are not sufficient for Vogue's purposes. Since Vogue is an American based firm that has a global presence, it is essential that the neighborhood meet both American and Italian standards of economic development in order to properly fulfill the needs of an American firm. To assess whether or not Prati meets American standards of economic development, it is necessary to develop a framework for evaluating economic development conditions and to ask *what economic development strategies should a community ideally implement?*

According to the American Economic Development Administration, economic development cultivates an economy's capacity to generate wealth for the community by focusing on job creation. When economic development is done right and targets the critical factors – information technology and management, labor, and land¹²⁶ – it can maintain a high level of employment and job quality.¹²⁷ Information technology and management refers to collaborations between the private sector, universities, and local government to develop “productivity-enhancing technology,” including the creation of information networks that promote global integration and

¹²⁵ <http://www.sviluppoitalia.it/>

¹²⁶ The Economic Development Administration also includes *capital* as a critical factor. Capital refers to diverse sources of financing and financial management locally available for businesses. For the purposes of this economic analysis, however, capital will not be included because access to financial resources in Italy is not an issue for a firm as large and global as Vogue.

¹²⁷ U.S. Economic Development Administration (2000). Economic Development (Defining Economic Development, Economic Development Theories, Economic Development vs. Economic Growth, Definitions that Address Equity and Sustainability, Why Is Economic Development Important, What Do Economic Developers Do?) Washington, D.C.: Economic Development Administration. <http://www.eda.gov/Research/EcoDev.xml>; Mildred Warmer, Adriance, S, Barai, N, Hallas, J., Markeson, B, Morrissey, T, and Soref W (2004). Economic Development Strategies to Promote Quality Child Care, Draft for Comments, Linking Economic Development and Child Care Research Project, Ithaca, NY: Department of City and Regional Planning.

communication.¹²⁸ The labor supply available in the community and surrounding areas must be adequate to meet the needs of businesses – this encourages companies to locate, stay, and expand in the community.¹²⁹ Land refers to local land use policies, which should be designed to balance competing development objectives, such as residential and commercial development, and to enhance underutilized sites to restore their productivity in the local economy and to preserve property values, which is essential for business competitiveness.¹³⁰ Communities that effectively implement these economic development policies promote a positive business environment and improve the quality of life for neighborhood residents.

To develop a clear picture of Prati’s existing economic context, the following provides an overview of the economic development strategies pursued by the local municipal government based on conversations with Rome and Municipio 17’s public officials. To supplement this information, existing commercial and professional business establishments will be evaluated generally, and with reference to the information technology and management, labor, and land. The results of this field work will also be compared to information provided by the public officials to see how economic development results compare to the strategies. Finally, a more complete analysis of “land,” or land use policies and real estate, and labor will be provided since these are issues of particular concern to Vogue.

Methodology

As indicated in the terms of reference and corresponding research design, analyses were conducted with respect to each of the following issues: local economic development policies (including incentives for businesses), commercial establishments, professional establishments, land, and labor. The findings reported in this economic evaluation are based on analysis of meetings with local officials, field

¹²⁸ Ibid

¹²⁹ Ibid

¹³⁰ Ibid

work, and 1981 and 1991 Italian census data at the census tract, neighborhood, and municipal levels. Each section of this analysis will address the following three questions regarding the critical economic development factors, information technology and management, land and labor:

- Does Prati have the information technology and management resources to support a global firm like Vogue?
- Does Prati have a labor supply that meets Vogue's needs, or will Vogue need to hire from other parts of Rome?
- Are the local land use policies in Prati designed to balance competing development objectives, particularly residential and professional development, and do they aim to enhance underutilized sites to restore land productivity?

Commercial Establishments. To assess the commercial activity in Prati, a foot survey of commercial establishments throughout the neighborhood was conducted. Commercial establishments were thoroughly recorded on the large streets radiating off of Piazza Mazzini. Some commercial establishments have been recorded on smaller, mostly residential, streets to give a representative sample. Documentation of every commercial establishment on the smaller residential streets seemed to be not necessary due to the lack of commercial presence in these areas. Furthermore, all of the foot surveys have focused on the main radial streets, which lead to consistency throughout all analyses. The presence of commercial establishments will be analyzed by quadrant to reflect the general economic trends of the neighborhood as a whole, and then by smaller neighborhood areas. A geographic analysis of commercial space will also be included. Finally, the presence of commercial establishments will be assessed in reference to the three critical economic development questions presented above.

Professional Establishments. To assess the professional activity in Prati, we have conducted a foot survey of professional establishments throughout the neighborhood. Since most buildings in Prati are mixed use, surveyors examined the nameplate on each building on the main radial streets, and recorded the types and numbers of professional specialization by block. This information was compiled by street and analyzed to understand the range of professional services available in Prati and how the real estate market is affected by the high volume of professional establishments. Following a geographic analysis of professional office space, the

presence of professional offices will be evaluated with the three established critical economic development questions.

Land. Assessment of the real estate market in Prati was conducted through statistical analysis of the available data from the Commune di Roma Statistics Office. Census data were used for the years 1981 and 1991, as well as their surveys for the year 2003. Information was evaluated with aim to assess the quality of the real estate market as a sign of economic stability in the area. The statistical information was complimented by the information provided by the Acensore of Economic Development from the 7 March 2005 meeting at the Municipio 17 offices.

Labor. Similar to the assessment of the real estate market, the assessment of the labor market was completed mostly by using the available statistics from the Commune di Roma. Evaluation of the statistics was completed with aims to assess the education levels in the neighborhood, the number of people employed and unemployed, and in what sectors the most people were working in. This analysis was undertaken on a neighborhood, not municipal level, and is thus specific to the study area.

Economic Development Policies. This section will include a scholarly review of literature, analysis of past business initiatives based on information provided by Municipio XVII's heads of territory and development (8 March 2005) regarding the balance between residential and professional development. Additionally, based on these meetings, we will make inferences about neighborhood attitudes towards economic activity and development. Analysis of current planning programs and policies is also included.

terms of socio-economic quality, purchasing power, and clientele, and with reference to the three critical economic development indicators – information technology and management, labor, and land. For the purposes of analysis, establishments were grouped into the following categories: adult clothing, children clothing, shoes, luxury item, home stores, auto stores, electronics stores, and office supply stores.

- Adult Clothing Stores
Intimates, casual wear, professional wear, and outerwear

- Children’s Clothing Stores

Apparel for ages 0-14

- Shoe Stores
Men’s, women’s, and children’s foot needs
- Luxury Items
Jewelry, beauty products, accessories (sunglasses, scarves, etc), and leisure items
- Home Stores
Furnishings, appliances, home accessories (curtains, rugs, etc)
- Auto Stores
Auto dealerships, motorino dealerships, auto parts, motorino parts, and vehicular paraphernalia

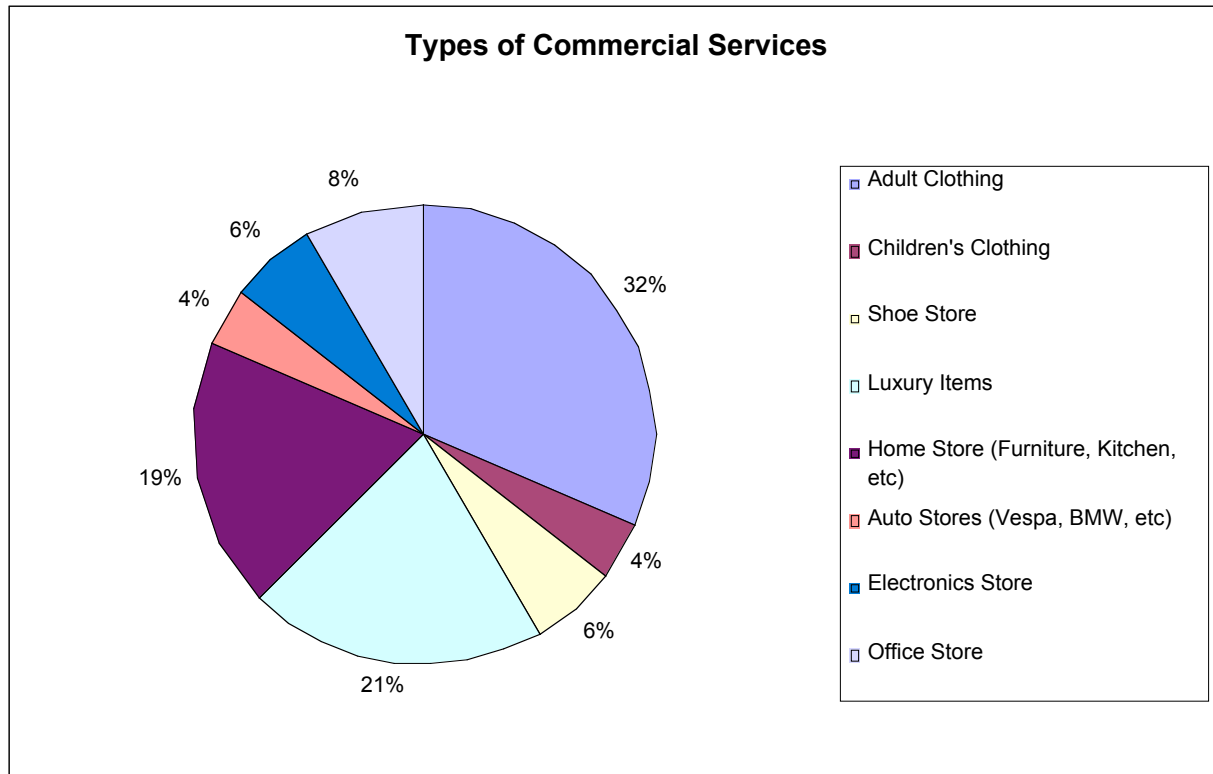
- Electronics Stores

Basic Electronics, movies, and music

- Office Support Stores
supply stores, fax/copy, and printing

Overview. Prati offers a full range of basic and luxury commercial establishments, and the commercial life of the neighborhood seems to be in good order because the quality of the shops is high and there are very few vacant store fronts. The most prevalent type of establishment is adult clothing stores, followed by luxury items, home stores, office stores, electronics, shoes, children’s clothing, and automotive stores (see object 2). The majority of commercial services present within the neighborhood boundaries appear to be upscale, which is reflective of the relatively high purchasing power of the neighborhood. The character of the goods offered in the

stores also represents the prevalent upper middle class professional demographic in the neighborhood, such as the Burberry in the south east quadrant of the neighborhood, near Piazza Mazzini. The prices appeared to be equal or exceed the prices present in the historic center of Rome.



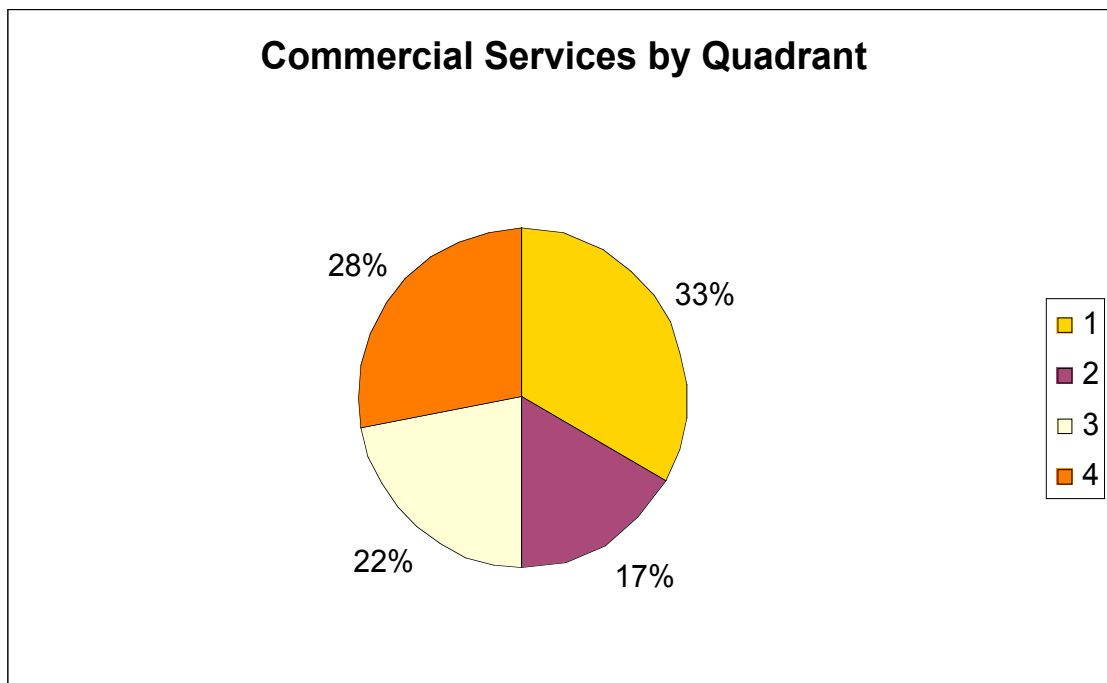
Object 2: Chart of Percentage of Commercial Services in Neighborhood

The small but growing presence of children's clothing may support the hypothesis that the neighborhood is entering a period of revitalization, as the aging population leaves the neighborhood and young professional families move in. The home stores stocked upscale furniture and luxury home items, such as curtains and crystal. Despite the presence of professional offices in the neighborhood, the prevalence of home stores is a clear indication that there is still a strong and wealthy residential population. The auto and motorni stores were ranging in quality, from a luxury car dealership displaying BMWs and Audis, to a used car dealership resembling a parking lot. The electronics stores were clustered around Piazza Bainsizza, and while they sold a wide range of commercial items, the quality of merchandise changes significantly and appears to be serving a lower income clientele. Finally, the neighborhood has a small, but significant, presence of office stores, but not as many as one might think given the concentration of professional offices in the

neighborhood. The relative lack of office stores may reflect the independent nature and economic stability of these professional offices, who likely own their own copy and fax machines.

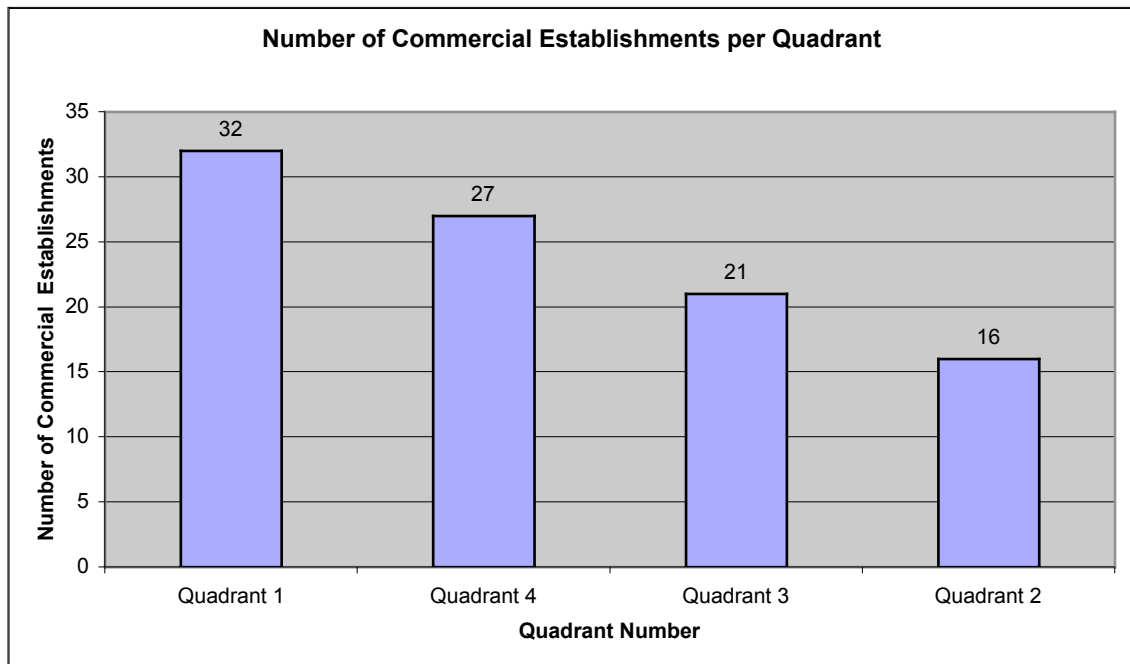
Quadrant Analysis. Commercial services throughout the neighborhood of Prati are diverse and sufficient to serve the community's basic retail needs. For the purposes of this commercial service analysis, quantitative indicators will not be used to evaluate commercial services because retail is too specialized to assess sufficiency based on blind numbers. This analysis, will, however, thoroughly discuss the range and quality of commercial services available, which will serve as a basis for assessment. The commercial amenities available throughout the neighborhood will also be used to make qualitative evaluations about the quality of the surrounding areas.

This pie chart (Objects 3 and 4) shows the percentage of neighborhood service present in each quadrant. The graph below indicates that quadrant 1 has the greatest frequency of commercial services, followed by quadrant 4, quadrant 3, and finally quadrant 2. It is interesting to note that the neighborhood services analysis followed a similar pattern, with quadrant 2 having the least sufficiency of services.



Object 3: Chart of Distribution of Commercial Services by Quadrant

Quadrant 1 is the most significant commercial center in Prati, particularly the blocks around Piazza Mazzini, because it has the greatest number and range of commercial services in the neighborhood. The commercial establishments present in this quadrant, particularly on Via Sabotino, are more upscale and expensive on the whole than anywhere else in the neighborhood. While this certainly reflects the purchasing power of the neighborhood as whole, it may also be indicative of greater purchasing power in this neighborhood quadrant. The significant presence of commercial establishments in quadrant 2 is expected because the area is more residential, contrary to initial observations, and retail typically caters to the residential population. This especially appears to be the case because there are a significant number of clothing, shoes, and luxury goods stores.



Object 4: Chart of Frequency of Commercial Services per Quadrant

Despite the more residential character of this quadrant, however, there are still three stores that cater to professional offices, which is the highest number in any quadrant. While this may suggest a greater presence of professional office space than observed through fieldwork, it may also reflect the residential character of the quadrant. Since it is a residential area, it is not as desirable of a location for professional spaces. Thus, locations and businesses in this area may not be self-sustaining to the point of having their own equipment, such as fax and copy.

Although quadrant 4 has the second most commercial spaces, it does not have a great diversity of offerings and is lacking children’s clothing and auto stores. Nevertheless, the quality of the stores in this quadrant is consistently upscale, with internationally renowned brand names, such as Burberry. This quadrant also has the highest prevalence of home stores, which supports previous observations that this quadrant is more residential than professional. Like quadrant 1, this quadrant has 3 office supply stores and the presence of these establishments may be for the same reasons as in quadrant 1. Quadrant 3 has less total commercial services and a lack of office supply stores, but is otherwise very similar to quadrants 1 and 4. The quality of the stores continues to be upscale, excluding the presence of a used car dealership near the eastern boundaries. This area has the least mixed-used buildings and is the most residential area of Prati within the functional neighborhood boundaries.

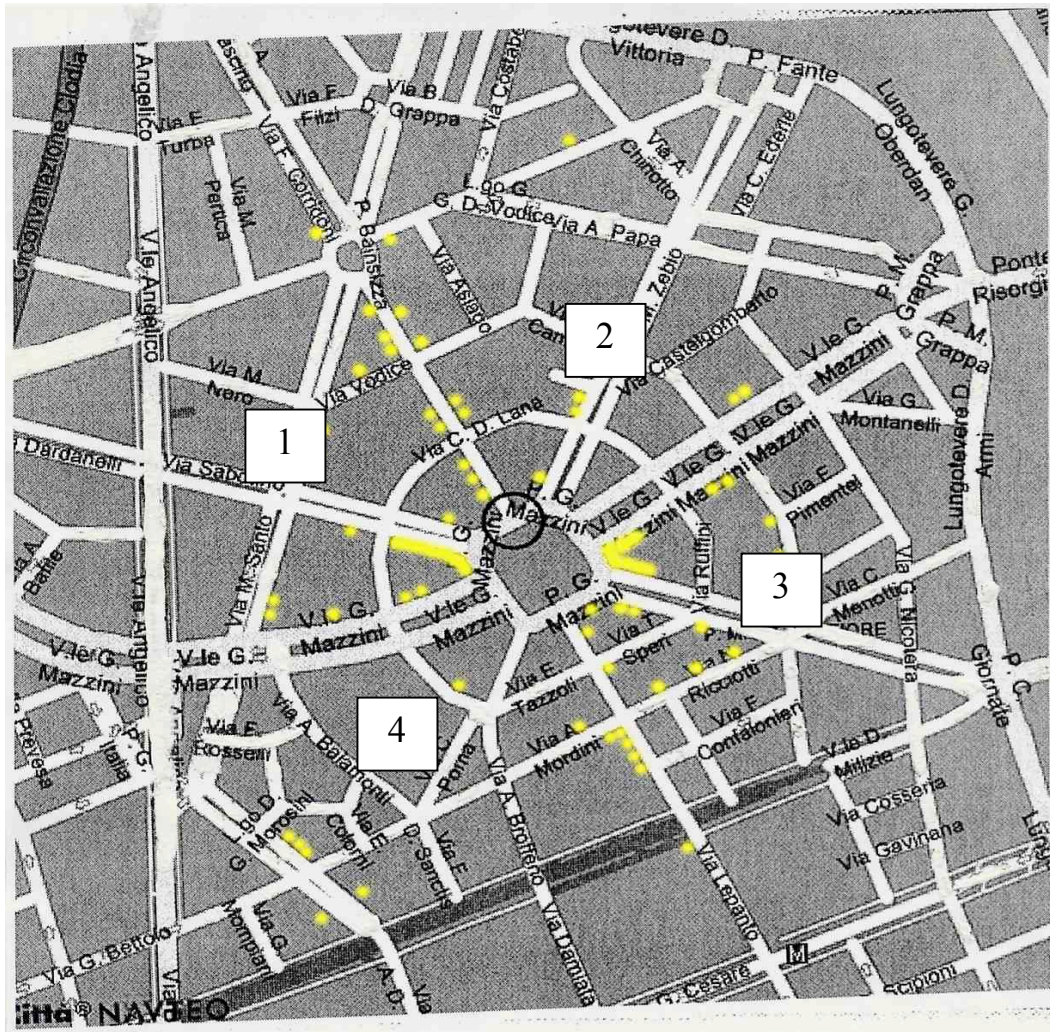
Commercial Type	Quadrant 1	Quadrant 2	Quadrant 3	Quadrant 4
Adult Clothing	11	3	8	8
Children's Clothing	2	0	2	0
Shoe Store	3	1	1	1
Luxury Items	7	2	5	6
Home Stores (Furniture, Kitchen, etc)	3	4	4	7
Auto Stores (Vespa, BMW, etc)	2	2	0	0
Electronics Store	1	2	1	2
Office Store	3	2	0	3
Totals	32	16	21	27

Object 5: Chart of Frequency of type of Commercial Services available

In contrast to quadrants 1, 3 and 4’s more residential character, quadrant 2 has an overwhelming presence of professional office space. Although this quadrant has the least number of commercial establishments and is lacking children’s clothing and auto stores, the area is well served given that it is professional in nature. The overall quality of commercial space in this quadrant is medium to high, but not as upscale as that present in other quadrants.

Geographic Distribution of Commercial Space. Analysis of the geographic distribution of commercial space in Prati indicates that like neighborhood services, commercial space is concentrated around Piazza Mazzini and the main radiating

streets. There is no significant distribution of commercial space on smaller side streets, particularly in quadrants 2 and 3.



Object 6: Map of distribution of commercial services in Prati
Each establishment is indicated with a yellow dot

The geographic distribution analysis confirms the analysis of the raw data for quadrant 1, but not entirely for quadrants 2, 3, and 4. As the raw data suggests, commercial space is highly prevalent and widely distributed throughout quadrant 1, while the distribution of commercial activity in quadrants 2, 3, and 4 is almost entirely concentrated around Piazza Mazzini.

In quadrant 1, commercial space is present all along Via Sabatino, with the exception of the right side of the second block, which is almost entirely occupied with a park. Additionally, next to the street market on Via Tito Speri, Via Sabatino has the most significant presence of street vendors. The quality of commercial space on Via

Sabatino is consistently high, and this reflects the quality of the physical surroundings. In contrast, quadrant 1's commercial space on the left side of Via Oslavia is of significantly lower quality, particularly near Piazza Bainsizza. Although Via Sabatino and Via Oslavia are in close proximity, the difference in the quality of commercial and physical space in these areas raises questions about corresponding real estate prices and relative purchasing power.

The primary commercial center in quadrant 2 is along Via Oslavia, although there are some retail spaces present on the other streets. Like in quadrant 2, the quality of commercial space along Via Oslavia is less upscale than elsewhere and consistently deteriorates towards Piazza Bainsizza. The stores present on Via C.D. Lana and Via Monte Zebio are significantly more upscale than on Via Oslavia and are similar in merchandise and quality to Via Sabatino. With the exception of Via Oslavia, the commercial space in quadrant 2 is centered around Piazza Mazzini. The commercial space in quadrant 3 is concentrated within a triangular area around Via Mazzini, Via Settembri, and Via Ruffini. The quality of stores is consistently higher around Piazza Mazzini, although the stores are still relatively upscale away from the Piazza. Quadrant 4 is different from the other quadrants because the stores are not as concentrated around Piazza Mazzini. The quality of the stores, however, continues to be upscale.

Productivity of Local Resources. While the breadth and frequency of commercial establishments in Prati is not particularly noteworthy, the quality of the establishments clearly reflects the high purchasing power of the neighborhood. The commercial establishments seem to meet local demand, which is duly satisfied due to the close proximity of Prati to the historical center of Rome. Additionally, many commercial establishments in Prati offer specialty designer goods, which have the potential to draw clientele from other neighborhoods. Unlike the professional services sector, the commercial establishments within the neighborhood's functional boundaries do not have a significant impact on residential development. While there is a significant commercial presence, it is not unique enough to specialize the area and encourage even more economic development. The commercial spaces, like the neighborhood services, cater to the residential population more than professional businesses.

Analysis of commercial services indicates that the critical factors of economic development - information management and technology, land, and labor – are not

well utilized by commercial space. The foot survey of commercial services did not indicate the presence of any internet points, which suggests that most residents and professional offices are connected through independent providers, or establishments that provide personal internet. While the neighborhood certainly has enough purchasing power to get internet access from outside the neighborhood, the prevalence of wealth and professional offices indicates that a business geared towards the provision of technology would be successful. The neighborhood is losing an opportunity to localize its production and increase its local capital flow by outsourcing internet provision. There is nothing particularly noteworthy about the land use of commercial spaces. There are very few vacancies throughout the neighborhood and establishments occupy the ground floor of mixed-use buildings, which is a common pattern throughout Rome. Commercial establishments in Prati do not seem to be hiring locally, and this likely because the majority of the local labor force is over qualified.

Professional Offices

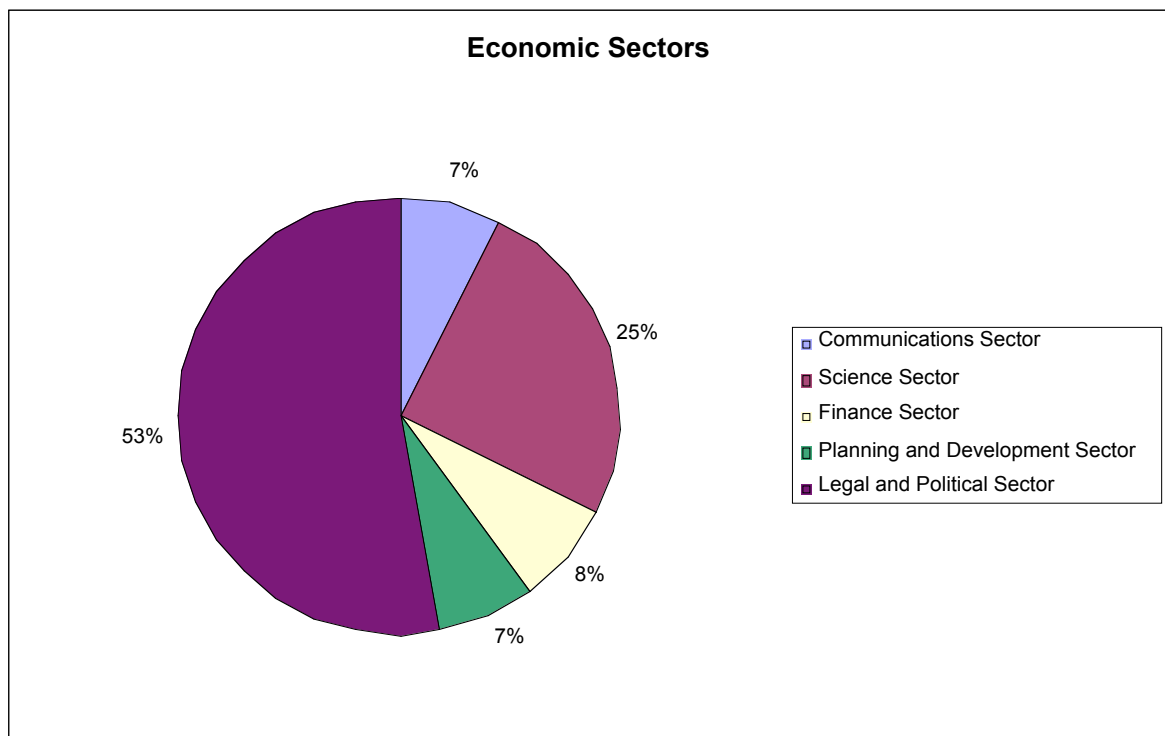
The presence of professional businesses in a community is an excellent indicator of the prevalent economic conditions. Analyzing existing professional offices allows us to make inferences about the economic development strategies, and the outcomes of these strategies, pursued by the national, regional, and local governments. Neighborhoods with a high frequency of professional businesses typically have business friendly economic development strategies, which influences new business in a positive way and bodes well for the long term health of the local economy. Although Vogue is a “footloose” firm and operates independent of location, cost, and market factors, it is still essential to understand the nature of already existing professional businesses in the neighborhood for purposes of providing valuable information about basic resources for business sustainability such as potential business networks within the neighborhood, access to business support services, and the local labor market.

Economic Sector Analysis. There are three different sized firms present in Prati: large corporations with large office buildings, large corporations with smaller subsidiary offices, and small professional offices. The two large corporations present in Prati are RAI Media and Warner Brothers. Warner Brothers has one large building on the west side of Via le Mazzini, while RAI has offices throughout the neighborhood - three large office buildings, one television studio, and three smaller offices in mixed-use buildings. There are also large corporations, including Grundy Italia, which is part of the international Fremantle Media group, that have units in various mixed use buildings. Finally, independent professional offices, such as notaries, medical offices, and legal firms, are located in mixed-use buildings throughout the neighborhood.

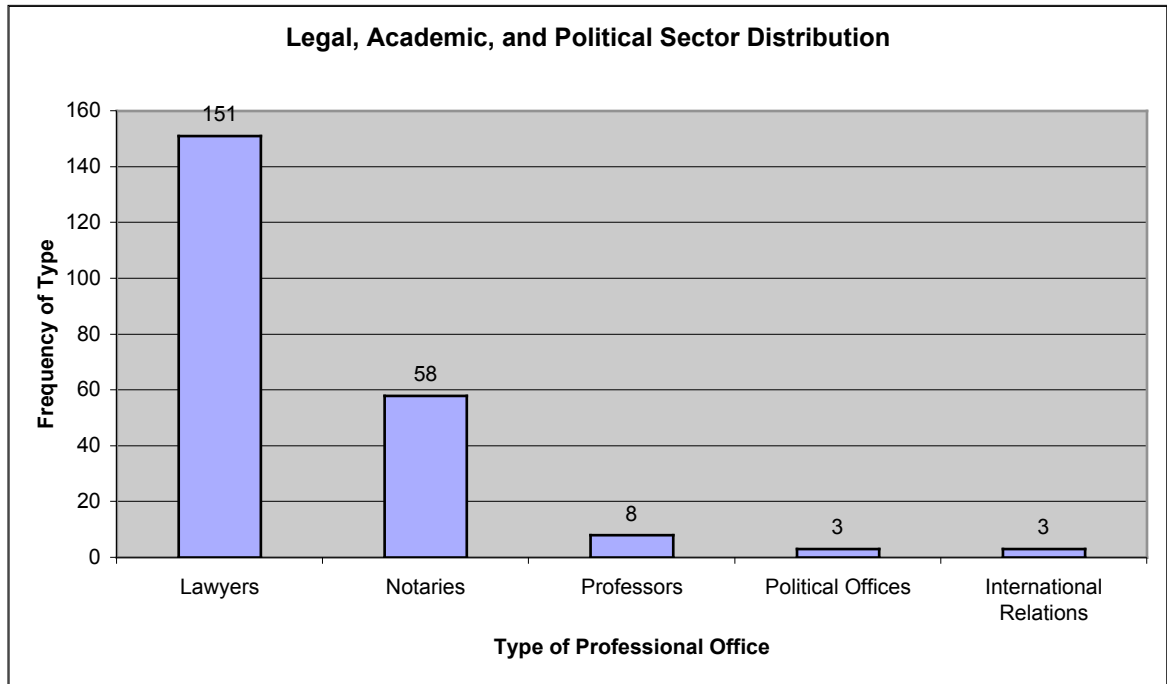
There are a wide range of professional services available in Prati, including doctors, lawyers, notaries, science laboratories, dentists, architects, planners, engineers, construction firms, real estate agents, financial services, business consultants, environmental consultants, media firms, communications firms, international organizations, political offices, professor's offices, spas, and a variety of miscellaneous firms. Since there was no precedent for which types of professional offices to include when conducting the foot survey, the professional offices present in this analysis are representative of all professional offices present in the neighborhood. For the purposes of economic sector analysis, the various types of professional offices were grouped by sector as indicated below:

- Legal, Academic, and Political
Law Firms, Notaries, Professors, International Relations offices, Political offices
- Science
Doctors, Dentists, Science Laboratories
- Finance
Financial Services (i.e. accountants, bank offices, insurance agents, tax services), Business Consultants, Real Estate Agents
- Planning and Development
Architects, Planners, and Engineers
- Communications
RAI, Media Firms, Communications Firms

Comparative Economic Sector Analysis. From this chart (see Object 8), it is clear that the legal and political sector comprises the largest proportion of the professional services at 53 percent. Although legal firms, notaries, and political offices are included in this category, the majority of this sector is made up of legal firms (151) and notaries (58). The science industry is the next largest economic sector at 25 percent, which is still significantly less than the legal and political sector – most of the science sector is comprised of doctors (93). The finance sector is the next largest, but is significantly smaller than the previous two sectors at only eight percent, and is followed by communications and planning and development at seven percent.



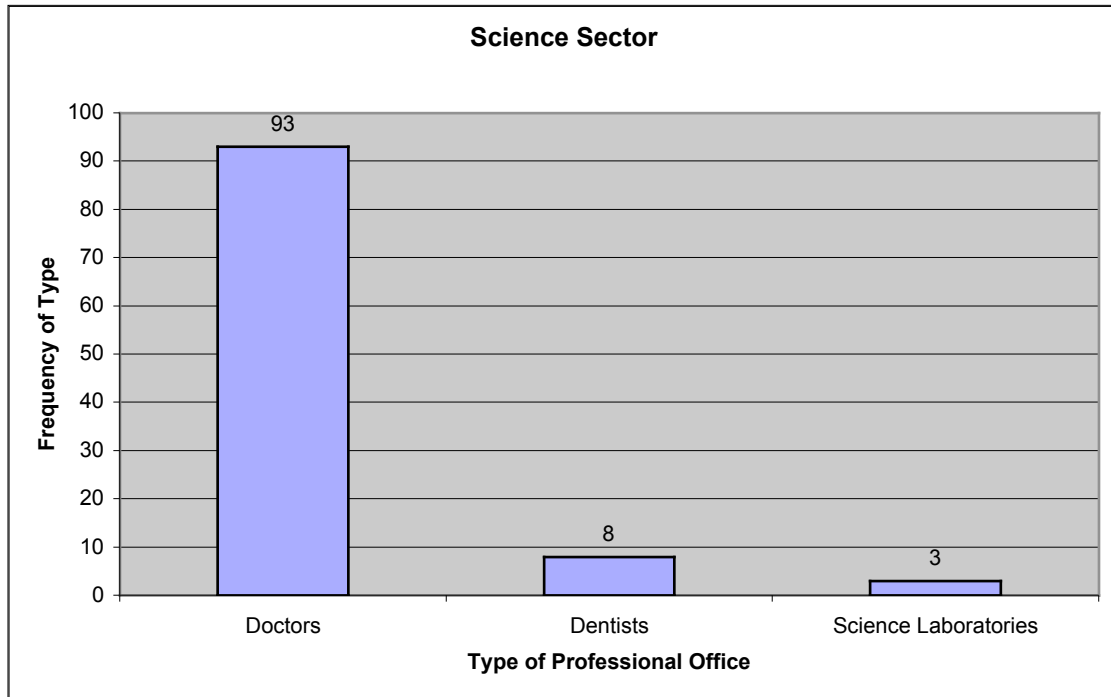
Object 8: Chart of Economic Sectors in Prati by percentage ratio



Object 9: Chart of Frequency of Economic Sector Distribution

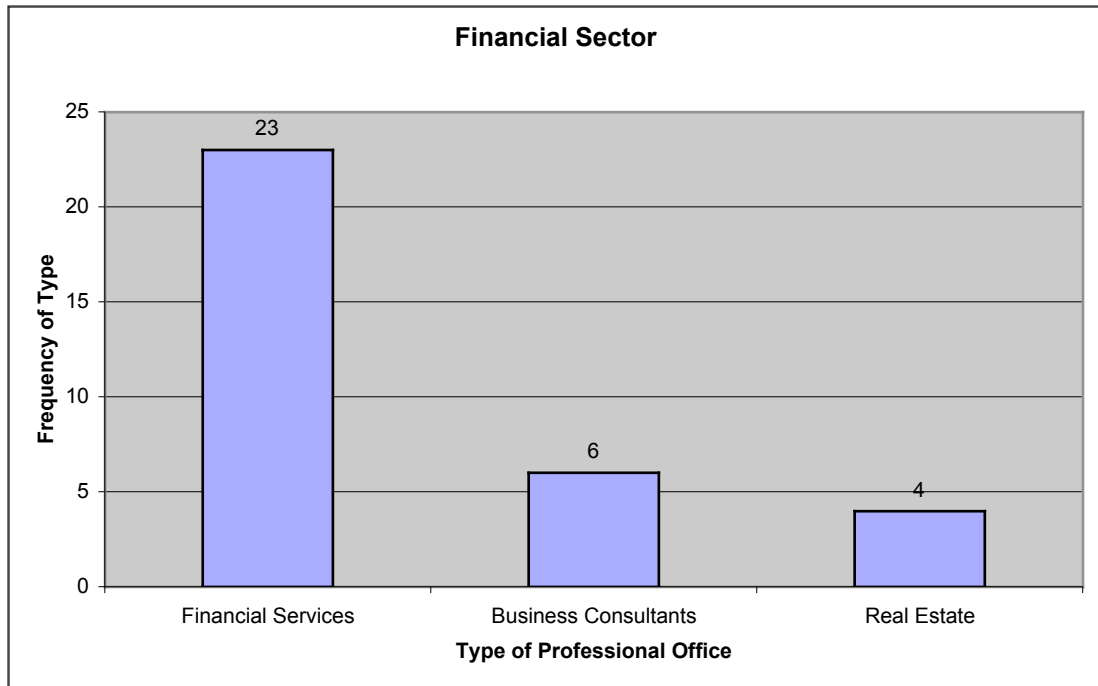
Legal, Academic, and Political Sectors. (See Object 9) Since there are several courthouses in the southern area of Prati, it is logical for legal firms and notaries to locate in the neighborhood. Although it is not clear from the nameplates what fields these law firms specialize in, and whether or not they are part of a larger corporation, it is clear that they play a significant role in the local economy. Since notaries are required for all legal and business transactions in Italy, at a great expense, the high volume of notaries is expected. The concentration of legal firms and notaries seems to be an example of business clustering - the legal firms and notaries provide one another with clients and services and through this glean mutual sustainability.

The presence of professor's offices in the neighborhood suggests that there is a university nearby with strong connections to Prati. This is corroborated by the presence of international students and student housing in the southeast corner of the neighborhood. Additionally, Prati seems to be a neighborhood of some global significance because there are several international related entities, including the consulate of Sierra Leone, and Russian Advisors (Consiglio Russo).



Object 10: Chart of Frequency of Professional Office types in Science Sector

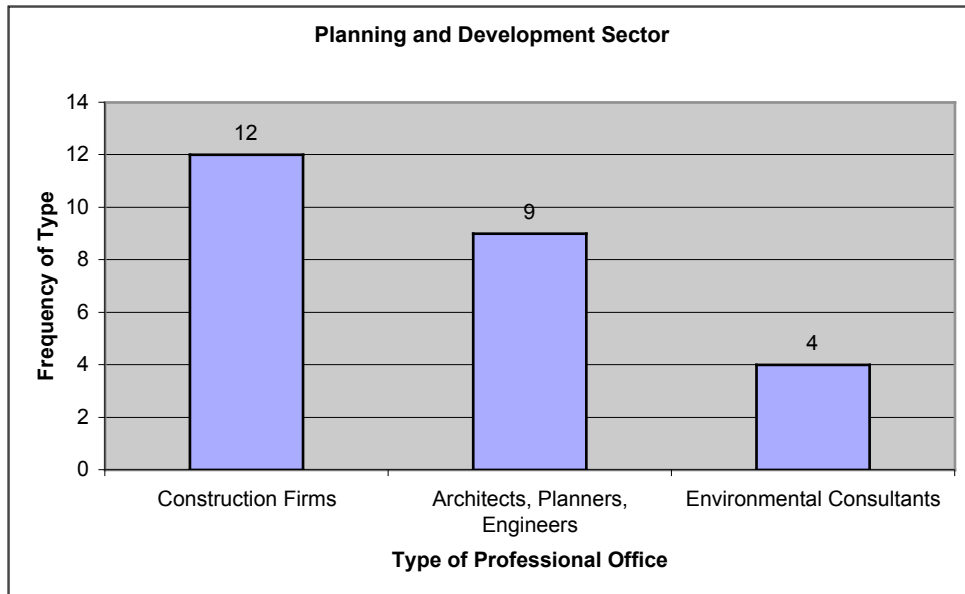
Science Sector. (See Object 10) The prevalence of medical professionals present in Prati is surprising since there are no hospitals within the neighborhood boundaries. This would theoretically pose a problem in terms of referrals and laboratory tests. Our fieldwork suggests, however, that medical professionals in Prati may have conquered this problem through clustering their services. There are several general practice physicians present in Prati, along with many specialists, including dermatologists, endocrinologists, and cardiologists. Since these physicians are in close proximity, it is easy for them to refer patients to one another. Additionally, the high volume of medical offices in Prati allowed physicians to use their collective bargaining power and establish three medical laboratories and a medical waste facility within the neighborhood boundaries. The physicians do not need to rely on hospital facilities and are able to run self-sufficient practices within the confines of the functional neighborhood boundaries.



Object 11: Chart of Frequency of Professional Office types in Financial Sector

Finance. (See Object 11) The presence of financial services, including bank managers, insurance agents, tax agents, investment bankers, accountants, and business consultants in the neighborhood is expected due to the high concentration of other businesses and professionals in Prati. The concentration of financial service firms falls in line with the cluster trend present in the neighborhood. The low presence of real estate agents (4) is interesting because the properties in Prati seem to be in high demand. Furthermore, there is clearly a great deal of external interest in the neighborhood with so many businesses looking to move in¹³¹. The lack of local real estate agents may be an indication that there is low property turnover and most units are owned, not rented.

¹³¹ 7 March, 2005. Meeting with Municipio XVII

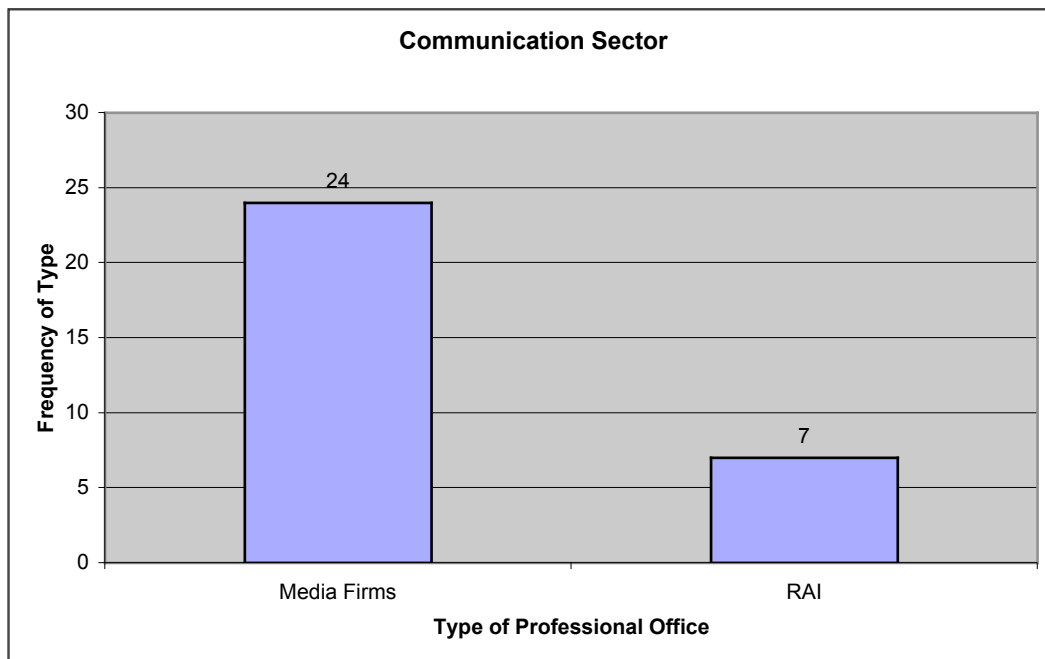


Object 12: Chart of Frequency of Professional Office types in Planning and Development Sector

Planning and Development. (See Object 12) The significance of the planning and development sector in Prati is less clear than other economic sectors. There is a high volume of construction firms within the neighborhood, but they do not seem to be particularly important to the neighborhood's functions. It is not likely that they are locating within Prati because they are doing a lot of business *in* Prati. Rather, they have chosen Prati due to its close proximity to the historical center of Rome. The planning and development sector in Prati may not be following the cluster strategy that is evident with all of the other sectors. However, since there is a full range of planning and development professionals within the functional boundaries, they could potentially cluster their resources. The expense associated with locating in Prati suggests that these firms are working on a private consultancy basis, as opposed to pursuing public work.

Media and Communications. (See Object 13) The presence of media and communications firms in Prati is clearly an example of business clustering. The Italy-based RAI media corporation has a major presence in the neighborhood. While they do have a few small offices in mixed use buildings, they also have three corporate towers. These large buildings were counted as one unit of professional space, and thus this graph does not present an accurate indication of the impact RAI has on the neighborhood. While RAI's large buildings do not actively take up residential space,

it is certain that residential units were demolished to accommodate RAI's presence. While it is not clear whether or not RAI's employees both live and work in Prati, they



Object 13: Chart of Frequency of Professional Office types in the Communications Sector

still have a significant impact on the local economy because they use physical and social infrastructures and day to day services within the neighborhood boundaries.

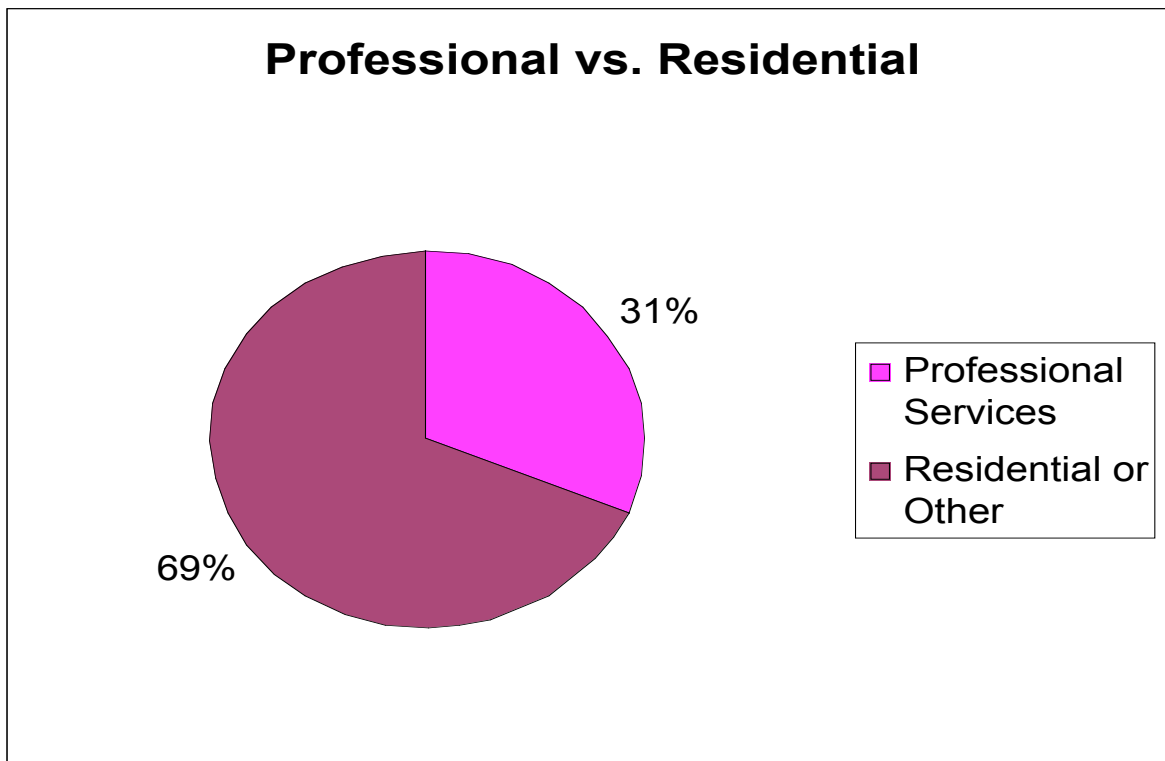
In addition to RAI, there are a significant number of other media related firms, including cinematographers, television, movie, and entertainment production agencies, including larger international entities, such as Warner Brothers and Grundy Italia. While we do not know the exact nature of the relationship between these media firms and RAI, it is likely that some relationship does exist. For example, RAI is responsible for broadcasting Warner Brothers productions in Italy. Corporations as large as RAI tend to import services from other specialists and thus it is in the best interests of media specialists and production agencies to locate their offices around RAI's headquarters. Should Vogue's design and layout efforts require other media services and business networks those services would be available in Prati.

Geographic Analysis. The geographic analysis of professional office space supports the observations made on earlier site visits. The streets in quadrants 1, 3, and 4 (Via Sabbitino, Via Settembri, Via Ferrari, and Via le Mazzini) are primarily residential, while the streets in quadrant 2 (Via le Mazzini, Via Monte Zebio, and Via

Oslavia) are primarily mixed use and professional. Via Sabbotino has a significant amount of commercial activity, and some professional activity, near Piazza Mazzini, but the neighborhood becomes more community oriented away from the piazza. There is a large park with a carousel and several street vendors selling children's clothing and products for the home. The concentration of goods targeted towards women and children reflects the fact that housewives comprise 31 percent of the non-active labor pool in Prati. Via Settembri and Via Ferrari have relatively low numbers of professional offices. The frequency of professional services is greatest near Piazza Mazzini and decreases sharply two blocks away from the Piazza. At this point, there are few commercial services available and the buildings become almost entirely residential. The professional office analysis supports the results of the neighborhood service analysis. These streets had the highest concentration of neighborhood services, including the street market, which are primarily intended for residential use.

Since Via Mazzini, Via Oslavia, and Via Monte Zebio had low numbers of neighborhood services and amenities, we found that these areas were more professional than residential in character. The geographic analysis of professional offices clearly supports this hypothesis. On Mazzini east, the raw numbers seem to indicate a relatively low number of professional offices, but this figure is misleading. Once again, there is a RAI building on Mazzini that spans an entire block. If it were possible to calculate the total amount of office space present in this building, the number of professional offices on Mazzini would surely exceed the numbers elsewhere. Even still, there are some purely residential buildings further away from Piazza Mazzini. Via Oslavia appears to be upscale close to Piazza Mazzini, but falls in quality towards Piazza Bainsizza. All of the buildings on Via Oslavia are mixed use - there are no purely residential buildings, despite the presence of many commercial services. Via Monte Zebio is more upscale than Via Oslavia – the first three blocks of Via Monte Zebio are filled with public service and entertainment facilities, including two schools, Café Vanni, and Theatre Mazzini. After the third block, the street becomes primarily mixed-use and professional in character.

Productivity of Local Resources. Professional offices tend to locate in Prati because the economic development policies pursued by the municipal government were (and perhaps continue to be) business friendly. Without regulatory limitations, however, more and more professional offices will continue to move into the neighborhood to take advantage of business clusters. Although there is still a



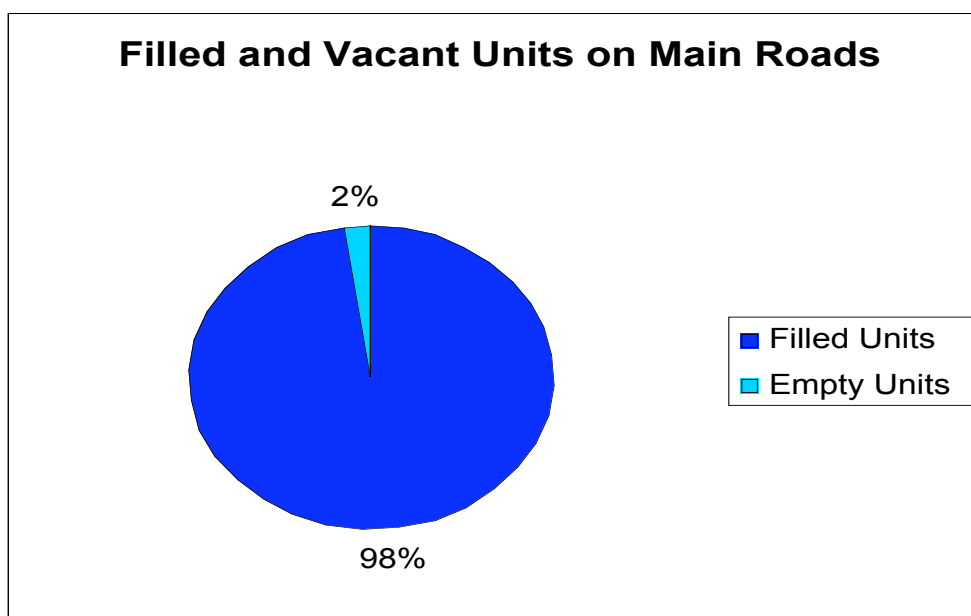
Object 14: Chart of Percentage ratio of Professional and Residential Services

significant amount of residential space in the neighborhood, the character of the neighborhood has been significantly altered by the professional space (see figure 14). Neighborhood resources are generally targeted towards professionals, and not residents.

The most attractive feature of Prati is its close proximity to the historic center of Rome. Since professional offices need to serve a wide range of people from all areas of Rome, accessibility is important. The large numbers of people coming into the neighborhood for brief periods of time necessitates the provision of extra physical and social infrastructures. While this bodes well for business location decisions, as it is rare to see business locate in areas without strong physical and social infrastructures, it is problematic because most of the professional units are small, and

thus do not contribute a great deal to the local economy, particularly if the professionals themselves live outside of the neighborhood. Moreover, clients come into the neighborhood and use the physical infrastructure services, without making a great contribution to the local economy.

The critical factors of economic development - information management and technology, labor, and land – are well in place in Prati. Businesses have the support services they need in this neighborhood, or they would not locate in such abundance. Furthermore, the increasingly professional character of the neighborhood means that more and more business services will become available in the area. The neighborhood also has a global atmosphere since there are highly educated people living and working in Prati, there is a major university in the vicinity, and several international businesses and foreign relations offices. Thus, the neighborhood is well prepared for global integration and a multi-national firm like Vogue. Additionally, the presence of professional offices indicates that there is a highly educated labor pool available, if not in Prati, in the vicinity. Prati's strong transportation infrastructures makes the neighborhood easily accessible to individuals who live elsewhere in Rome, but chose to work in Prati. Although the cultural analysis indicated a lack of urban amenities, the fact that there are so many highly education and creative professionals in the neighborhood suggests that these services must be available in close proximity to Prati, if not in the neighborhood. Indeed, some of the best restaurants in Rome are located just over the Tiber River.



Object 15: Chart of Percentage ratio of Filled and Vacant Units on Main Roads

Despite the prevalence of professional offices, the land use policies in Prati are no longer favorable for professional development. While this may potentially create a problem for Vogue, it is necessary to balance the growing professional vs. residential development tensions. As indicated by this graph, professional units occupy approximately 31 percent of available housing stock in the neighborhood. With this proliferation, it is easy to understand how neighborhood resources are being targeted towards professional businesses, and why this is causing discontent among neighborhood residents. This is of particular concern since only two percent of the housing stock on the main radial streets is unoccupied (see object 15, previous page). The shortage of housing means professional businesses and families are forced to compete. Given the higher purchasing power of professional firms, the real estate prices increase, and the neighborhood becomes unaffordable for families. To ease these tensions, the municipal government has instituted land use regulations that prevent business from converting residential units into professional units. Previously professional units, however, can continue to exist as professional units. To accommodate a firm as large as Vogue, the municipal government would require the firm to revitalize an underutilized building.

Real Estate Market

One of the main indicators of the economic health of a neighborhood is the status of the real estate market. This area of the economy usually corresponds to the overall economic success in the neighborhood, as well as provides an indicator to the employment and income stability in the region. Thus, critical to fully understanding Prati's economic situation, is a thorough evaluation of the real estate market in the neighborhood. This will be undertaken using available census data, mainly from the 1991 census, but also drawing on more recent information from the Comune di Roma Statistics office, as well as information provided in a meeting with the Acensore of Economic Development for Municipio XVII.

One indicator to the strength of the real estate market is the number of units that are owned, relative to the number of units that are rented. In 1991, of the 4,594 total families living within the census tracts evaluated, 58 percent, or 2,674, families owned their homes, and 34 percent who rented their properties.¹³² The strong home

¹³² Commune di Roma, 1991 Census

ownership rates reveal a strong real estate market this is less likely to be experiencing speculative activity that can drive rental prices to artificially high levels. Additionally, as noted in the Lifestyle Assessment, the high rates of home ownership also indicate a population with strong financial backing.

Currently, the Municipio estimates the price of a flat of 150 square meters to be around 1.2 million euros.¹³³ This value is a Municipio average, and as noted by the Acensore, the prices tend to increase as you move closer to the Tiber River, and into the southern region of Della Vittoria, which is the neighborhood that we are evaluating. Thus, we expect flats in the investigated neighborhood to actually be higher than the Municipio average of 1.2 million euros. To provide relative context, in the Greater Rome area, since 1998 there has been an overall increase in property sale prices, with an initial increase of 7 percent between 1998 and 1999. Between 2002 and 2003 however, the real estate market lost some of its strength, declining by less than 1 percent between 2002 and 2003. Municipio XVII, as stated earlier, ranks as one of the most expensive real estate markets in Rome, In 2002 the median price of real estate was 3,000 euros per meter squared, an 800 euro increase from five years earlier in 1998. This places it as the fourth most expensive district to live in, with Municipio I, the Centro Storico area, being the most expensive at 5,000 euros per square meter.¹³⁴

As described by the Acensore, the neighborhood has not always had these extremely high real estate prices, and is thus likely in a period of strong economic growth. The neighborhood, particularly in the area around Piazza Mazzini, which is now wealthy, used to be a more economically mixed neighborhood in which some public workers and retired people could live. However, with the escalating real estate prices the area has turned more homogenous with mainly professionals living in these units. Additionally, the old military tenement style buildings, constructed when the area was used for military purposes, have been restructured and redeveloped into housing units that are now very popular, and cost around 7,000 to 8,000 euros per squared meter.¹³⁵

¹³³ 7 March, 2005. Meeting with Municipio XVII

¹³⁴ Commune di Roma, *Mosaico Statistico Dati Municipali*, November 2004, Roma Economic: Roma, Italia, 2004.

¹³⁵ 7 March 2005, Meeting with Municipio

The increases in real estate prices are believed to be associated with the conversion to the euro, which had the effect of driving up all properties in the neighborhood, as well as throughout all of Rome. However, the neighborhood still suffers the problem where even the poorly maintained or very small units are still able to command high real estate prices because of their neighborhood location, causing a market inflation from their actual value. The high prices may be also be caused by an increased demand with a steady supply, thus driving prices away from their market equilibrium. Eighty-two percent of the housing in the neighborhood, 3,869 of 4,509 total units, was built between 1919 and 1945. The second and third largest waves of construction occurred in the subsequent years, with 378 units being built between 1946 and 1960, and 262 units built between 1961 and 1971. Since the end of the 1970's there has been a significant decline in construction of housing, as only 26 new facilities have been built between 1971 and 1991.¹³⁶ This low construction rate has left a supply of houses that is not able to grow in proportion to the demand that is currently being experienced in the neighborhood.

The Municipio currently has no plans to build housing, although they had hoped that old military buildings on the southern border which were being converted, could be made into more housing units. However, the property belonged to the state and thus they do not have the jurisdiction and it appears that these military buildings will be converted into more courts. The other building projects in the neighborhood revolve around trying to solve the parking problem in the neighborhood. There are two proposed parking structures, one under the market and another under the metro stop near Via Cipro and Via Andrea Doria. The whole top floors of these building structures will be made into new office space, done in relation to the parking spaces that are located in the parking areas, although the exact ratio is not known.¹³⁷

The construction of office space is being undertaken in efforts to solve one of the other issues in the real estate market that is currently facing Prati. In recent years there has been an excess of professional offices moving into the neighborhood, and occupying many of the residential units, a phenomenon explained further in the *Professional Offices* section of this report. In the information provided by the 1991 census, of the 11,756 units in Della Vittoria that were owned, as opposed to rented,

¹³⁶ Comune di Roma, 1991 Census

¹³⁷ 7 March 2005, Meeting with Municipio

there were 1521 units owned by either Enterprises or Agencies, making up 13 percent of the units owned.¹³⁸ It appears that this number has likely increased in the past 13 years, and will be indicated in the 2001 census information. Currently, there is not a lot that can be done at the Municipio level, but they are hoping that the current Piano Regolatore being created by the Commune di Roma will stop the conversion of housing units into professional units, in order to preserve the residential character of the neighborhood. This new zoning restriction, if passed, will require then that Vogue move into an already existing office space, as they will not be allowed to convert any residential space. In order to encourage the movement of more people into the neighborhood, the Municipio is removing the restriction on the splitting of flats. Previously a unit could only be divided if the resulting units were at least 150 square meters. They have reduced this requirement to 45 square meters now¹³⁹, which will allow more units to be created, as well as a more economically diverse population to move into the area.

According to the Municipio, they believe that the area has likely peaked and hit a plateau in its real estate prices, that will steady the prices at this level for some time, before the neighborhood goes through another process of revitalization. They anticipate that this coming year will be the last year of really sustained growth, with another 5 or 6 percent growth projected, after which there will be other investment opportunities and people will stop investing in real estate¹⁴⁰, driving the prices back down, although they do not know how long this plateau will last.

Where we had initially predicted that acquisition of real estate property would not be an inhibiting factor, it now seems that the political restrictions that are being processed may impede on purchase of real estate. If the Commune di Roma sets up its Piano Regolatore such that purchase of office property in the neighborhood is confined only to the pre-existing office space, this may be more difficult for Vogue. However, if the building propositions are approved, Vogue could likely purchase one of the new office spaces expected to be available. For Vogue, investment in this neighborhood is well backed by a strong real estate market that is currently in its

¹³⁸ Commune di Roma, 1991 Census

¹³⁹ 7 March 2005, Meeting with Municipio

¹⁴⁰ 7 March 2005, Meeting with Municipio

prime, and while not expected to grow further, is not expected to decline in the coming years.

Labor

Essential to Vogue's location decisions will be the status of the workforce in the neighborhood, looking at whether the local labor market will be able to meet the employment needs of Vogue, as Vogue intends on hiring its support staff in the Prati and greater Rome area, as indicated in the terms of reference. Information will be gathered from the Commune di Roma Statistics Office, looking at the most recent 1991 data, analyzing the educational achievement levels in the neighborhood, the percentages of employment and in what economic sectors.

From the 1991 census data, it is clear that the neighborhood of Prati has a relatively strong educational base, although there are some concerns that will likely need more attention. Of the 9,514 people responding to the census in our concerned census tracts, 2,397 had attained degrees beyond high school, 25 percent of the population. Thirty-five percent of those surveyed had attained a high school diploma.¹⁴¹ It is this group that Vogue will be most interested in hiring as its support staff, as this is the population that has the level of education most suitable for the employment descriptions. However, in 1991 there were a high percentage of people not finishing a level higher than middle school, thirty five percent of the population had received permission to leave middle or elementary school. This number makes up the majority of the group surveyed, and does not fare well for Vogue's desire to hire in the local area. This issue will need further exploration, and with more updated information, as the neighborhood is as previously mentioned, a middle to high-class area, where we would expect to see higher levels of educational attainment. Currently we believe that these findings on educational attainment are a result of the changing demographic that occurred in the neighborhood in recent years. The neighborhood used to be a predominantly working class area,¹⁴² likely with lower levels of educational attainment than the present professional class present in the neighborhood. We anticipate that when the results of the 2001 census are publicly available they will reveal a higher level of educational achievement, and more

¹⁴¹ Commune di Roma, 1991 Census

¹⁴² 7 March 2005, Meeting with Municipio

accurately reflect the current population that is living there. The high proportion of elderly people in the neighborhood, for whom advanced degrees are not as common, might also be causing these low numbers. The neighborhood is however highly literate, with only 30 people being illiterate, six of whom are over the age of 65.¹⁴³

Analyzing the employment statistics, it becomes clear that Vogue may need to hire outside of the Prati area. In the Della Vittoria area, in 1991, 87 percent of the active population was employed.¹⁴⁴ This number indicates a very strong economy, as the vast majority of those available to work are employed. However, for Vogue, it shows that there are not a large number of unemployed people looking for work. Additionally it might indicate the Municipio will be less likely to accept the location of Vogue offices in the area as it will not bring in any needed jobs. Currently Prati has a 4 percent unemployment rate, with 6 percent of the active population currently seeking employment. Additionally it appears that the families in the neighborhood are likely single earning households, as the inactive population is almost as large as the active population, or 44 percent of the total population. To also take note of is the retired population. In 1991 41 percent of the inactive population was retired.¹⁴⁵ This information further indicates that Prati is experiencing a period of an aging demographic trends, and thus a lot of the population is older than the working age, which will further impede Vogue's desire to hire in the local neighborhood. However, from meetings with the Municipio, it appears that the neighborhood is completing this cycle, as many of the elderly inhabitants have been forced to move away from the area, as they enter retirement and can no longer afford the high real estate prices in the neighborhood, which have inflated in recent years. This movement has allowed a younger wealthy professional class to move into the neighborhood. While this is good for the economy, as it draws inhabitants with more economic activity, for Vogue the change in demographic will not make employing locally easier. Most of the people living in the neighborhood are professionals with advanced degrees, and thus would not be candidates for employment in Vogue's support staff. In addition, currently only 30 percent of the Municipio 17 residents work within the Municipio, with the remaining 70 percent commuting to areas outside the

¹⁴³ Commune di Roma, 1991 Census

¹⁴⁴ Ibid.

¹⁴⁵ Ibid.

neighborhood, as industry and employment have become more decentralized throughout the city.¹⁴⁶

Looking at the economic sectors in which people are employed shows that the majority of the available workforce is employed as dependent workers. In 1991, of 12,089 responding in the Della Vittoria area, 66 percent were dependent workers. Twenty-five percent were self-employed professionals, including doctors and lawyers operating their own offices.¹⁴⁷ This compliments our survey findings of high percentages of professional offices in the neighborhood. In 1991 the majority of people in the Della Vittoria area were employed in the insurance and commercial sector of the economy, with 24 and 10 percent of the population working in these sectors, respectively. Following these two are people working in the real estate market, and in the teaching profession.¹⁴⁸ The strong number of people working in the commercial sector bodes well for Vogue, as this sector encompasses the areas of secretarial and customer service functions. This high percentage likely indicates that there will be base in this field, and that the available workforce likely has the necessary skills to work in such an environment.

Upon assessing the labor market conditions in the Prati neighborhood it is our belief that Vogue should seek employees from the greater Rome area. Because of the deviated educational attainment levels, in which there are a large number of professionals with advanced degrees and a comparably large number of people who have not completed high school, we believe that Vogue will have difficulty finding the type of employee which it is seeking for its supporting staff. Additionally, Prati is experiencing a period of a very strong economy, accompanied by a very low unemployment rate, meaning that there is not a large currently employable base for Vogue. Thus, we recommend that Vogue seek its employees from the Rome Metropolitan area. As discussed in the report on transportation, Prati is well served by public transport indicating that it will be easy for people hired outside the area to commute into the neighborhood during the work day.

¹⁴⁶ 7 March 2005, Meeting with Municipio

¹⁴⁷ Commune di Roma, 1991 Census.

¹⁴⁸ Ibid.

Economic Development

Economic development is the process of policy and planning intervention in the economy to enhance the economic well-being of a society. According to the International Economic Development Council, economic development exists in the form of policies that typically encompass three main areas¹⁴⁹. First, governments can undertake policies to meet broad economic objectives, which include including inflation control, high employment and sustainable growth. Economic development can include policies for infrastructure provision, upgrading and maintenance, so as to keep the area attractive for commerce. Third, government policies could also influence business climate by providing support programs for targeted activities through “specific efforts, business finance, marketing, neighborhood development, business retention and expansion, technology transfer, real estate development and others”¹⁵⁰.

The Commune di Roma is responsible for instituting economic development policies for the city. Its goal is to safeguard citizen welfare through its instituted growth model, which comprises of “economic development and social cohesion, and tying urban renewal, the upgrading of the service network, and the promotion of the entire city’s well-being to new business opportunities and policies for the integration and support of the weakest social groups”¹⁵¹. As a result Rome has been able to grow more quickly than the rest of the country. For example, the number of businesses in Rome has been on the rise, indicating that Rome is an attractive place to locate businesses. Between 1998 and 2003, the number of businesses in Rome grew by more than 15%, compared with the approximately 5% growth experienced by the rest of Italy¹⁵².

One of Rome’s current economic development tools is fund allocation to infrastructure planning and investment. Economic development researchers have found that in today’s changing economy, business location decisions are made based

¹⁴⁹ International Economic Development Council. “Economic Development Reference Guide.” <http://www.iedconline.org/hotlinks/ecorefcontents.html>

¹⁵⁰ *ibid.*

¹⁵¹ Veltroni, Walter. “The City of Rome”, World Mayor 2004 Finalists Statement. <http://www.worldmayor.com/finalists2004/rome.html>

¹⁵² Organizational Unit for Economic and Development Policy (Rome). “Active Businesses” <http://www.romaeconomia.it/>

on the availability of technology, low operating costs, and governmental monetary incentives.¹⁵³ Such investment is beneficial to businesses due to the provision of upgraded transportation, service and technological infrastructure for the city, increases the number of business services in the city, and improves business climate for all sectors.

In Prati, transportation is a key concern. As described in an earlier analysis of transportation, Prati is severely lacking parking facilities. The neighborhood experiences a significant amount of visitors during the day, as its services attract 350,000 people daily. This number is about five times the actual number of residents.¹⁵⁴ As a result, the six new parking projects seeking to create 2000 new parking spaces in the Prati-Della Vittoria area, three of which are within the immediate vicinity of Vogue's desired location,¹⁵⁵ will benefit Vogue's future visitors and employees. While it must be noted that several are private initiatives, a significant number of parking spaces will be created under public-private joint ventures. While Prati may have to provide funding for the creation of additional parking facilities, support from the Municipio for additional parking may result in a speedier application process.

Business clustering is also a key aspect of economic development, due to economies of concentration. In the Prati-Della Victoria area, there exists a strong concentration of legal services, media services, financial services and medical services¹⁵⁶. The presence of networks between firms and clients also enables economic efficiency and development in the area, because close working relationships reduce "leakages"¹⁵⁷ from the economy. These leakages can include capital expenditures due to duplication of resources, excessive spending due to the search and acquisition of services, transportation costs, the opportunity cost of outsourcing to

¹⁵³ Cohen, Natalie. "Business Location Decision-Making and the Cities: Bringing Companies Back", Brookings Institution Center on Urban and Metropolitan Policy, April 2000. www.brookings.edu

¹⁵⁴ Interview with representatives from Assessore Ambiente e Territorio and Assessore for Economic Development and Commerce. 8 March 2005

¹⁵⁵ Ibid.

¹⁵⁶ Ibid.

¹⁵⁷ Galliano, Renato. Social Economy Entrepreneurship and Local Development. North Milan Development Agency, EURADA, presented at OECD LEED Conference on Entrepreneurship and Economic Development in Distressed Urban Areas, Rome, Italy, 7-8 October, 2003.

related firms in the industry etc. As our later analysis shows, there is a sufficient amount of office equipment and supply stores in the immediate area. Furthermore, the existence of other firms in the print-media industry will serve to create more options for Vogue, if it chooses to outsource certain parts of its production process. Vogue will also have easy access to legal and financial services in the vicinity. Government officials predict that the trend for the neighborhood to attract the clustering of professional services will continue

While Rome provides incentives to attract businesses to locate in the area, it also seeks provide healthy jobs for its people, while protecting the interests of firms. Maternity leave is believed to impair firm efficiency and productivity. In a recent article, the plan for the British government to increase maternity benefits including increasing the length of maternity leave, has increased the concerns of firms. Even though studies show that already eight out of 10 HR Professionals believe that firms think twice about employment women in childbearing age, there is speculation that firms will be further discouraged to hire women if this plan is implemented.¹⁵⁸ Fortunately in Italy, the 1977 Anselmi Law resulted in the creation of a Maternity Fund by the government, to support the firm's costs of maternity leave.

Conclusion

The neighborhood of Prati has ample commercial services to meet the needs of Vogue and its employees. The presence of a variety of shops ensures that the neighborhood draws in a wide variety of patrons. The proportion of building space appears to be occupied by commercial and professional services is significantly higher than ideal for a neighborhood originally designated for residential use. However, we believe that the current commercial character of the neighborhood and the projected land uses for the future will create a neighborhood environment that is conducive for Vogue. The presence of residential land use within the neighborhood will further ensure that the neighborhood will not become a dead space at night, after business hours end for the day.

In the larger context, Rome appears to have sound economic development policies that will sustain the city's economic growth. These economic development

¹⁵⁸ Management Issues. "More Maternity Benefits will 'Cripple Firms'" 28 February 2005. http://www.management-issues.com/display_page.asp?section=topics&id=1919

policies are aimed at enticing firms, while still accounting for employee welfare. While controls are being implemented in an attempt to better manage the competition between residential and commercial land uses, business interests still appear to be protected.

TECHNICAL APPENDIX 3:

Transportation Analysis



TRANSPORTATION ANALYSIS OF PRATI

Upon completion of the initial transportation analysis it is clear that Prati offers a wide range of transportation options for Vogue International's business and personnel needs within the context of the established functional boundaries.¹⁵⁹ As indicated in the terms of reference and corresponding research design, transportation analyses were conducted for each of the following categories: general transportation infrastructure, public transportation, private transportation, and air transportation. Each section of this analysis will ultimately answer the following three questions:

- How well connected is Prati on a metropolitan and global scale?
- Do Prati's infrastructure, public, private, and air transportation options meet Vogue's needs?
- What transportation investments will Vogue have to make in the neighborhood to make Prati a viable location?

Methodology

The raw data for the transportation analyses were collected according to the following methodology: to examine basic infrastructure, POSH consultants surveyed the design and quality of the arterial roads and sidewalks. The public transportation analysis included buses, metro stations, and trams. Information available on Rome's main public transportation website, ATAC, was used to determine which bus lines were the most prevalent. According to these findings an informal observation study of the user density on the major bus lines was performed between 1:00 and 2:00 pm on 21 February, 2005. Private transportation encompassed foot, bicycle, motorini, and cars. Foot and bicycle convenience was determined using preliminary observations of sidewalks and bike paths. Motorini and car concentration was calculated according to raw data accumulated during a foot survey distinguishing between residential and outside cars and the availability of parking at 1330 on 23 February, 2005. Air transportation was analyzed by collecting information on airports in and around Rome and flight schedules from London Heathrow airport (HTR) and all New York City airports (NYC) into Rome's Fiumicino airport (FCO).

¹⁵⁹ As presented in the research design, the established functional boundaries include all streets radiating off of Piazza Mazzini. The area is bounded by Lungotevere on the east side, V.le D. Milizie on the south side, V.le Angelico on the west side, and Via. B Grappa on the north side.

While transportation issues in Prati pose the most immediate concern, it is essential to examine Prati's issues within the broader context of Rome's transportation policies. For this reason, the transportation analysis will begin with a brief overview of transportation issues in Rome. A summary of Prati's transportation options will be provided, which will be followed by analyses of general infrastructure, public transportation, private transportation, and air transportation in Prati.

Transportation Issues in Rome

Issues of urban transport in Rome are characterized by the increasing use of private vehicles, despite the lack of available parking spaces. The public transportation system handles only 40 percent of trips in and out of the city, while 60 percent of trips are made by private transport. The dominance of private cars is particularly difficult to manage due to the narrow, uneven, cobblestone paved roads in and around the historical center of the city.

To reverse the trend of congestion, the municipality has developed the Urban Traffic General Plan (PGTU). The primary objective of the PGTU is to reduce the number of vehicles with an LTZ permit and to promote public transportation through the adoption of a fully integrated public transport system. In 1989, the city of Rome began a program of "access control," which placed restrictions on vehicular entrances for the historical center of Rome. Residents received permission to enter free of charge with a limited traffic zone (LTZ) permit. Since 1998, however, authorized residents have to pay the yearly equivalent of a 12 month public transportation pass (230 Euro) to obtain a permit for the access control area. Parking remains free for residents near their home or within their neighborhood, but "destination parking" continues to be a burden. Ultimately, the city of Rome aims to increase the use of public transportation over



private means of transport through continual improvements in service that meet clients' and citizens' needs.¹⁶⁰

Overall Observations. Based on transportation data collected thus far, it is evident that Prati has diverse and feasible transportation options. The existing physical infrastructure is well maintained, with the exception of the area directly



surrounding Piazza Bansizza, off of Via Oslavia. The area is well served by public transportation, including buses, trams, and metro stops. Fourteen bus and tram lines run through the neighborhood, connecting Prati to peripheral areas in every direction. Additionally, personal

methods of transportation are a viable option in Prati, including walking, bicycles, motorini, and vehicles. The sidewalks are wide enough to comfortably accommodate pedestrians and bicyclists, in addition to the designated walking and biking pathways. Although motorini and vehicles are present in abundance with some street parking available, they cause a great deal of congestion in the neighborhood. Finally, the city of Rome is adequately served by air transportation to and from London and New York City. Eleven major airlines fly into Rome's airports from London and New York City with several flight options each day, including weekends.

Infrastructure

Infrastructure is essential for the general sustainability of a neighborhood, and in Prati the general roadway infrastructure appears to be in good condition, with the exception of the area directly surrounding Piazza Bansizza. The sidewalks are wide, clean, and surpass the city standards. Prati has pre-planned, wide dual - carriageway roads designed as tree-lined boulevards with central green medians. The



¹⁶⁰ <http://www.progress-project.org/Progress/rome.html>

streets of Prati are not only wide, but better maintained than most in the center of Rome. The primary impediment to well utilized roadways is the excessive parking on both sides of the street.



Public Transportation

Although private methods of transportation are a viable option in Prati, the city of Rome is making a sincere effort to reduce problems of congestion throughout the city. For this reason, we urge Vogue to place more emphasis on the enormous benefits of the strong public transit system available in Prati. Public transportation is an excellent indicator of the business climate in a neighborhood and is necessary to maintain a strong economic foundation.¹⁶¹ An investment in public transportation facilitates business success. According to the Public Transportation Partnership for Tomorrow, every 10 million dollars invested in public transportation generates 30 million dollars in business sales.¹⁶² Businesses that locate in neighborhoods with strong public transportation infrastructure save on labor and parking costs and help to alleviate congestion in the neighborhood.¹⁶³ A wide public transportation network expands the available labor pool and reduces employee delays, absenteeism, and turnover.¹⁶⁴ Having convenient public transportation available provides a logical alternative to driving for many employees, which can lead to significant savings on land and construction costs required for parking.¹⁶⁵ Finally, utilizing public transportation reduces parking costs and congestion in and around the neighborhood, which has clear benefits for both businesses and the neighborhood community.¹⁶⁶ It is for precisely these reasons that more than half of American Fortune 500 companies have headquarters in “transit intensive metropolitan areas.”¹⁶⁷

¹⁶¹ http://www.publictransportation.org/reports/pub_benefits.asp#btb

¹⁶² *ibid.*

¹⁶³ *ibid.*

¹⁶⁴ *ibid.*

¹⁶⁵ http://www.publictransportation.org/reports/pub_benefits.asp#btb

¹⁶⁶ *ibid.*

¹⁶⁷ *ibid.*

Bus Number	Frequency of Trips per Day	Operating Hours	No. of Stops in Study Area	Approximate location of stops	Number of Metro Stops Served
	Weekdays	Weekdays			
490	156	0530 - 2347	4	Southern Boundary	7
271	49	0600 - 1915	4	Eastern Boundary	5
32	141	0530 - 0000	3	Eastern Boundary	1
224	52	0530 - 1200	3	Center	1
30	136	0530 - 0000	2	East, West	3
280	117	0530 - 0000	4	North, Center, South	3
186	4	0830 - 1805	4	North, Center, South	3
495	88	0525 - 0000	3	East, Center, West	4
628	101	0530 - 0000	4	North, Center	1
Tram 19	-	0530 - 0000	3	Southern Boundary	2

Figure 2. This figure shows the frequency of trips per day, the operating hours, the number of stops in Prati, the approximate location of stops in Prati, and the number of metro stops served according to bus line. For additional information on Saturday and Sunday frequency of trips and operating hours please see the attached Appendix.

Informational Observational Study. The informal observation study, which was conducted on 21 February, 2005 between 1300 and 1400, indicates that the bus lines appear to be well utilized on the whole, but are not particularly well utilized within Prati (see Figure 3). While a total of 85 people got on the bus to leave Prati, only 36 people got off the bus to come into Prati. While it is likely that the time of the observational study is not a time of high density travel, the observations from the study support earlier preliminary assessments. Although we believe these observations to be accurate, it is necessary to conduct the informal observation study at three distinct times of day, as indicated in the research design. The final portion of this observational study will be completed in the two weeks to follow.

Bus Number	Time	People Getting On	People Getting Off
628	1:08	1	3
	1:10	3	1
	1:16	1	3
	1:22	2	0
	1:25	0	1
	1:32	0	3

	1:40	16	1
Totals		23	12
495	1:15	4	0
	1:18	4	3
	1:21	10	2
	1:36	5	1
	1:41	0	1
	1:47	11	0
Totals		34	7
280	1:53	2	0
	2:02	1	2
	2:08	0	0
	2:19	1	0
Totals		4	2
224	1:55	1	1
	2:30	2	0
Totals		3	1
88	2:35	3	1
	2:45	2	2
	3:02	4	1
Totals		9	4
30 Express	2:42	4	2
	2:55	1	3
	3:01	3	2
	3:07	0	1
	3:12	4	2
Totals		12	10

Figure 3. This figure presents the raw data collected – the bus line, the time of observation, the number of people getting on, and the number of people getting off - during the observational study between 1:00pm and 3:15 pm.

Since the buses did not have high user density, it is difficult to draw broad conclusions on bus use. The most prevalent demographic group was secondary school students. While this makes sense because school gets out at 1330, it also indicates that the secondary schools in Prati are drawing from a regional pool of students, which speaks to the quality and breadth of the public education available in Prati. Background research on the neighborhood of Prati indicated that many secondary school students come from the wealthy neighborhood Parioli, situated near Villa Borghese. Analysis of bus routes suggests that students using the 495 bus, for



example, may indeed be returning home to Parioli. In addition to students, elderly women and business men in suits were witnessed getting on the bus. While the significance of elderly women getting on the bus is not entirely clear, it is possible that business men in suits are going home for siesta hours. This supports earlier observations that people who live in Prati do not work in Prati, and vice versa.

The five buses included in this detailed analysis serve all of the radial areas surrounding the center of Rome. The public transportation system in Prati is particularly good when considering the various connection points to other bus lines and other modes of public transportation, such as buses and the underground Metro system. The included bus routes go to major transit hubs, including Termini and Stazione Tiburtina, which have connections to neighborhoods vastly different from Prati - the vibrant and diverse Piazza Bologna, the neo-local community of Torracchia, and the developing neighborhood of Pietralata. The breadth of locations will clearly offer Vogue personnel diverse and sustainable housing options in, around, and far from the neighborhood of Prati.

The well developed transportation system also suggests that the labor pool for Prati's business community is not being drawn solely from Prati. It is feasible to live anywhere in Rome, but work in Prati. The extensive public transportation services available in Prati reflect the nature of the commercial and professional services available in the neighborhood. Initial observations and assessments of the neighborhood clearly indicated that the specialized services draw clientele from all over the city. It is likely that the business community in Prati was able to take advantage of Prati's central location to efficiently call for investment in and development of Prati's public transportation options.

On a regional scale, Prati is well connected to the rest of Rome. This bodes well for business development because it attracts a broad clientele, widens the labor pool, increases residential options for personnel, provides a viable alternative to personal vehicle use, reduces parking costs, and reduces congestion in Rome and in Prati. The high quality of public transportation available in Prati and the resulting connectedness to the rest of Rome also has benefits for social services – the metropolitan area as a whole shares the burden of providing social services, such as education, healthcare, and childcare, which makes each neighborhood more sustainable and attractive. Additionally, the connectedness of Prati to the rest of

Rome improves quality of life for Prati residents because amenities that are not readily available in Prati, such as nightlife, are easily accessible in other locations.

Based on this transportation analysis, it does not seem that Vogue will need to make significant investments in public infrastructure or public transit systems. It may be necessary, however, for Vogue to invest in subsidizing public transportation passes for personnel. This will increase the feasibility and cost effectiveness of employees living outside of Prati.

Private Transportation

Integral to Vogue's location in Prati is the neighborhood's ability to provide parking facilities to support a new office staff, estimated by the client to be between 100 and 125 persons. While we encourage the Vogue personnel to support the public transportation system, a parking survey was required in order to assess the availability of parking for those commuting via private car, and for the storage of any company cars.

Parking Survey. The survey was conducted to count the number of cars parked on the main roads in the neighborhood, done through a foot survey. Residential cars were differentiated from visiting cars, those cars belonging to people residing outside the neighborhood and entering the area for a period of time. This was indicated by the presence of parking permits, clocks, or other parking validations in the windows of visiting cars. Residential cars were determined by locating the sticker of Della Vittoria (XV) in the window of the car, indicating that the car belonged to this census district. Cars with neither of these two indicators could not be identified as either residential or visiting cars. Additionally, the presence of parked motorini was informally documented, as well as the presence of double parked cars. The survey was conducted between the hours of 1330 and 1530.

Along Via Mazzini and the area surrounding Piazza Mazzini there were no open parking spaces available, and moderate incidences of double parking. Total cars observed were 329, on both sides of the street. The general trend noted was a decrease of visiting cars, identified with parking validations, as you moved away from the main Piazza, with



no such cars at the end of the street. Presence of motorini was also more isolated towards the Piazza, with large areas of parked motorini on the sidewalks directly off the Piazza, in groups between 10 and 12. Residential cars were 21.5 percent of the cars observed on both sides of the street, cars with parking validation composed 13 percent of total cars, and the remaining 65 percent of cars were unlabeled, believed to either residential cars, or visiting cars illegally parked. Later interviews with a representative from Municipio XVII confirmed that there was indeed problems of insufficient parking in Prati.

Piazza Bansizza, at the north of the neighborhood functions as a parking area, and is situated further away from the main areas of professional and commercial activity around Piazza Mazzini. Thus, the presence of visiting cars was a smaller percentage. For cars within the enclosed parking circle, cars with outside parking



validations composed 12 percent of the cars. In the area outside of the circle, the percentage was 28 percent, compared to 56 percent and 53 percent, respectively, of cars with residential parking permits. Again, there were moderate incidences of double parking, and no free parking spaces were observed.

Via Oslavia, which connects Piazza Bansizza and Piazza Mazzini, showed similar trends. Construction on one side of the road eliminated some available street parking, which likely placed more stress on the available parking in the area. On this road, there was a higher percentage of residential cars, 47.6 percent of total cars observed, while only 28 percent of the cars observed were those parked legally, with adequate parking validation. Motorini parked resembled the pattern seen on Via Mazzini, with clusters of parked motorini appearing close to the Piazza. Incidence of double parked cars was also comparable to those observed in the vicinity.

From the raw data we can conclude that even at midday many of the cars parked belong to residents of the area, indicating that they either work in the neighborhood, or that they use public transportation to go to work, and to exit the neighborhood. The relatively high presence of visiting cars is in accordance with the function of the neighborhood, as a strong commercial and professional center visited by many Romans from outside the neighborhood daily. The high density of parked

cars in the neighborhood reveals that the neighborhood is not capable of providing on street parking, and the expense of providing private employee parking must be incurred by Vogue International. We thus recommend that Vogue construct a private parking garage for their employees and corporate cars. In the northeast section of the neighborhood there is a fully automated underground parking garage, and we recommend that Vogue use a similar system.

We specifically recommend TreviPark, a company that has done work throughout Europe in installing these subterranean, fully automated parking garages, and is the company who currently operates the garage in Prati. The garage requires no permanent operatives or attendants and conforms fully to ISO 9001/2 standards and European Safety Regulations. The system parks the car automatically, moving the car from a ramp into an underground silo, where it is secure from theft and vandalism, and parking and retrieval are each around 50 seconds per car, as the car is moved into its individual space. The standard silo holds a maximum of 108 cars, but the example of the TreviPark garage in the northeast section of Prati was built to hold fewer cars, and fewer square feet. The company estimates the construction takes between 5 and 6 months.¹⁶⁸ We believe that Vogue could receive construction clearance from the municipality because such a system has already been constructed in the near area. Further meetings with a transportation official from Municipio XVII will determine the feasibility of constructing such a system. However, we currently believe that this system, used in conjunction with staff use of the public transportation system will fully accommodate the offices transportation needs.



Air Transportation

As specified by the client, the Vogue International offices are seeking an evaluation of the air transport services to ensure that the potential offices located in Rome will remain closely connected with their sister offices in London and New

¹⁶⁸ TreviPark, <http://www.trevipark.co.uk/after-intro.html>

York, as well as being able to easily receive all possible visitors to the office. We evaluated both the number of all possible flights, as well as the availability of direct flights between the locations. The following presents the methodologies and findings about the potential and convenience of air travel, as well as rapid interregional shipping of goods and media products.

The city of Rome is served by two main airports, Fiumicino, or “Leonardo da Vinci” International Airport and Ciampino, or “Giovanni Battista Pastine” Airport. Fiumicino functions primarily as an airport for international as well as domestic passenger services, while Ciampino serves more budget airlines, courier express services and general aviation traffic, including private air travel. In order to respond to the client’s request, a thorough analysis of the incoming and departing flights between Rome and New York and Rome and London was conducted. Eleven key airlines were selected, extracted from a list of 140 (Air France AllItalia, American Airlines, British Airways, Continental Airlines, Delta Airlines, Lufthansa, Northwest-KLM Airlines, Swiss International Airlines, United Airlines and U.S. Airways). Secondly, the route data for each airline was analyzed in order to assess how well served these routes are on an annual basis. To accurately assess annual service, four weekdays throughout the year were selected, for 2005-2006, 15 April, 15 August, 15 December, 15 February. Upon collecting the raw data for these dates and the above mentioned airlines, we find that the majority of the 11 airlines has more than 15 options for flights between New York City and Rome and London and Rome. Thus, we conclude that these routes are very well served and have many options for the potential traveler throughout the year.

Research was also conducted to gauge the availability of fast connections between London and New York with Rome, in order to facilitate short term visits to the new Rome offices. Research was performed by obtaining timetable data from ADR website for routes from New York to Rome through both JFK Airport and Newark Airport and between London and Rome. Below is the summary data for this research.

Route	Number of Daily Flights	Most Common Departure Times
London-Rome	12	Approximately every 2 hours
Rome-London	13	0900, 1400, 2000
New York City (JFK)-Rome	2	Arrival in Rome at 0815, 1140

Rome-New York City (JFK)	2	1150, 1350
New York City (Newark)-Rome	2	Arrival in Rome at 0740, 0750
Rome- New York City (Newark)	2	0945, 0955

Figure 4. This chart summarizes the air traffic schedules of flights coming into Rome from New York City and London’s Heathrow Airport. 11 major airlines fly into Rome’s Fumicino Airport (FCO) – a detailed compilation of air schedules for these 11 airlines will be included with the final analysis.

As revealed by the raw data, the direct routes from Rome to London and from London to Rome are well-served daily, with time offerings also well spread throughout the day. The direct routes from Rome to New York and from New York to Rome are less well served with a total of four flights per day from Rome to the two international airports in New York. All four of these flights depart Rome in the morning, indicating that overnight stay would likely be mandatory. Flights from New York arrive in Rome in the morning, making flying into the city convenient for business meetings scheduled for the same day as arrival. We thus find no reason to believe that air travel between the three locations will be a limiting factor for Vogue International. With flight leaving between all three locations, associates for Vogue International will have a variety of flight options to move easily between the offices.

Upon arrival in Rome, there are several options for entering the city center and the offices in Prati. The airport is served by public transportation as well as private taxi service. From the airport, using the taxi service, 3570, arrival in the city center will take roughly 45 minutes, dependent on the time of arrival and resulting traffic, and will cost the rider between 40 and 50 euros. The public transport system operated a direct, non-stop train service from Fiumicino Airport to Roma Termini station, from where the visitor can take a public bus into Prati. While this transport option is more economical than taking a private taxi, the train journey takes 40 minutes, in addition to the subsequent bus ride. It is recommended that Vogue use private corporate cars to move between the office and the airport as this would be the most time-saving and convenient way, to go between Prati and Fiumicino Airport.

For the shipping of media products or packages, although likely limited due to the speed and efficiency of technology, Rome’s Ciampino Airport can effectively provide such services for Vogue International. The airport is specialized in providing

services for the Express Courriers systems of DHL, TNT, and UPS, all of which can deliver packages into the Prati neighborhood.¹⁶⁹ The airport has a reserved terminal in the facility to rapidly unload cargo and sort it for shipping. Additionally, all customs procedures are carried out the cargo facility directly, thus improving efficiency. We believe that these air services in conjunction with the express ground couriers will be able to serve all the international shipping needs of Vogue International.

Conclusions and Recommendations

Upon completing the initial transportation analysis, we believe that Prati is perfectly suited for location of Vogue International's Design and Layout Offices. Prati is well connected to the greater metropolitan area, as indicated by the number of bus lines that run into the neighborhood, and the location of their routes, in all directions surrounding Prati. Additionally, Prati receives buses that connect it to the major train stations of Rome. Consequently, Vogue personnel that are relocating can choose to live in variety of neighborhoods in Rome and still easily commute to Prati. Vogue can also hire support personnel from all areas of Rome, as they too can easily commute to the office. Rome, and Prati, is also well connected globally. With Fiumicino International Airport only 40 minutes outside the city center, and running regular flights to New York and London, there should be ease of movement for Vogue personnel and visitors traveling between the sister offices.

The presence of general infrastructure and available transportation services is sufficient to meet Vogue's needs. It is recommended for Vogue personnel to commute using the efficient and low-cost public transportation system. It is also foreseeable that the only investment in transportation that Vogue will have to make is the construction of a private parking facility for employees and corporate cars. This investment will likely be required as the parking survey revealed that the neighborhood would not be able to accommodate an increase in personal car parking. This decision will require further research to look into the options available to Vogue, and to assess whether Vogue could rely only on public transport for its business needs. Such a decision would likely require a small investment to subsidize the fares of its staff.

¹⁶⁹ All these courier services provide various international shipping services, including overnight delivery, 2-day delivery, 3 to 7-day delivery, and 2-week delivery. Priority at Ciampino Airport implies that these courier companies have special services that will speed up procedures. This is especially important in expedited shipping requests.

TECHNICAL APPENDIX 4:

Quality of Life Analysis



QUALITY OF LIFE ANALYSIS OF PRATI

Quality of life factors are commonly cited as important considerations for business location, but are often overshadowed by cost and market access factors.¹⁷⁰ This trend is changing, however, for “footloose” firms, such as Vogue’s European Design and Layout Headquarters, whose financial functions are relatively separate from location.¹⁷¹ Firms like Vogue are marked by a greater reliance on employees and less reliance on market considerations.¹⁷² These firms are giving increased attention to promoting work/life policies that allow employees to balance their professional responsibilities with personal happiness. Progressive companies are addressing issues such as housing, demographic composition, neighborhood services, and cultural amenities in making business location decisions.¹⁷³ Ultimately, a high quality of life location allows firms to recruit more productive workers at a lower cost – the location itself becomes an incentive.

There is no consensus within the economic development community on which factors should be included in a quality of life analysis because the interpretation of quality of life is based on personal perspective.¹⁷⁴ Business location decision analyses typically approach quality of life as an all-encompassing “singular entity”¹⁷⁵ that incorporates every “life-style” concern. When defined in this expansive manner, however, quality of life becomes a meaningless tool for guiding business location

¹⁷⁰ David Salvesen and Henry Renski (2003). *The Importance of Quality of Life in the Location Decisions of New Economy Firms*, Chapel Hill, NC: Center for Urban and Regional Studies, University of North Carolina at Chapel Hill.

¹⁷¹ Ibid

¹⁷² Ibid

¹⁷³ Shellenback, K. (2004). *Estimating the Economic Impact of Family Friendly Workplace Policies*. Ithaca, NY: Cornell Department of City and Regional Planning

¹⁷⁴ Metropolitan Studies Group (2004). *Charlotte Neighborhood Quality of Life Study 2004*, Prepared for City of Charlotte Neighborhood Development Charlotte-Mechlenburg Planning Commission , Charlotte, NC: University of North Carolina at Charlotte.

¹⁷⁵ David Salvesen and Henry Renski (2003). *The Importance of Quality of Life in the Location Decisions of New Economy Firms*, Chapel Hill, NC: Center for Urban and Regional Studies, University of North Carolina at Chapel Hill.

decisions because it is “inherently vague and subjective.”¹⁷⁶ The underlying purpose of quality of life studies, however, is fairly consistent: to assess if a community is a “desirable, safe, and socially healthy place to live.”¹⁷⁷

Based on the provided terms of reference and a brief literature review, POSH consultants have developed a working definition of quality of life and specific indicators, such as the percent of population above the age of 65, which will be discussed further in the methodology section, to evaluate the quality of life in Prati. *This report defines quality of life as a “nexus”¹⁷⁸ where physical characteristics, social characteristics, neighborhood amenities, and cultural amenities come together to determine the livability and sustainability of the neighborhood.* The quality of life dimensions and indicators are largely based on the demographic profile provided in Vogue’s terms of reference, including high education level, high incomes, family structure, and gender ratios. Although Prati is functional today, it is necessary to examine the physical characteristics, social characteristics, and neighborhood and cultural amenities to determine if Prati will be sustainable in the future. Ultimately, Vogue is seeking a location that will attract and retain a well-educated workforce, and thus, we are interested in understanding how each indicator helps or hinders Prati in attracting and retaining a skilled workforce.

¹⁷⁶ David Salvesen and Henry Renski (2003). *The Importance of Quality of Life in the Location Decisions of New Economy Firms*, Chapel Hill, NC: Center for Urban and Regional Studies, University of North Carolina at Chapel Hill

¹⁷⁷ Metropolitan Studies Group (2004). *Charlotte Neighborhood Quality of Life Study 2004*, Prepared for City of Charlotte Neighborhood Development Charlotte-Mecklenburg Planning Commission , Charlotte, NC: University of North Carolina at Charlotte.

¹⁷⁸ Ibid

Methodology

As indicated by the working definition of quality of life presented in the introduction, the quality of life analysis was conducted with respect to the following three dimensions: physical characteristics, social characteristics, and neighborhood and cultural amenities. The physical characteristics dimension encompasses empirical descriptions of the urban façade, an informal evaluation of graffiti, and an analysis of Prati's housing stock. The social characteristics dimension includes an analysis of demographic trends based on data available from the 1991 Italian census and analysis of an observational street traffic study. The section on neighborhood and cultural amenities includes an analysis of the available day-to-day services and cultural amenities present in the neighborhood. Each section of this analysis will ultimately answer the following two questions:

- How will each quality of life dimension in Prati help or hinder Vogue in attracting and retaining a skilled workforce?
- Do Prati's quality of life conditions in Prati meet Vogue's needs?

The findings reported in this quality of life evaluation are based on analysis of qualitative observations and quantitative indicators. The qualitative observations include physical descriptions and empirical observational studies. A quantitative indicator serves as a benchmark for the sustainability of a particular dimension. The quantitative indicators were decided before data were collected and established based on Vogue's terms of reference and general quality of life guidelines.

The quantitative indicators were evaluated based on Italy's National Statistics Institute (ISTAT); 1991 census data; Municipio XVII's statistical data; and empirical data collection. Although 1951 and 1971 census data was collected, these data were not utilized for this study. This is because there is no consistent precedent for the Italian data, hence the data sets were not comparable over the years. More importantly, however, the available data for the 1951 and 1971 census is not relevant for this quality of life analysis. The methodology for each quality of life dimension is as follows:

Characteristics of Physical Surroundings. This section will present a description of Prati's urban façade based on numerous site visits over a two month period. An analysis of the general maintenance and safety of the neighborhood will be presented, accompanied by a color coded map detailing the severity of graffiti present. The severity of the graffiti was assessed on a scale of 1-10 relative to

Prati.¹⁷⁹ Crime statistics were used to assess the overall safety of the neighborhood. Finally, information on Prati's housing stock was collected using information from the 1951, 1971, and 1991 Italian census, evaluating the trends in housing and real estate in the neighborhood.

Several qualitative indicators were used to assess the physical surroundings:

Crime. Crime rates for the Commune di Roma are approximately 0.4 incidences per 1000 inhabitants.¹⁸⁰ The crime rate statistics in the Municipio should therefore not exceed those of the universal set. Therefore, crime should not exceed 16 incidences of violent crime annually¹⁸¹.

Overcrowding. There should be no indication of overcrowding.

Rental Housing. Abundance of short term rental housing results in neighborhood social environments that change rapidly, which causes the area to lack a sense of stability in the area. While rental housing is necessary for people want to avoid owning illiquid assets, especially in today's increasingly mobile corporate world, no more than 60 percent of the housing stock should be rented.

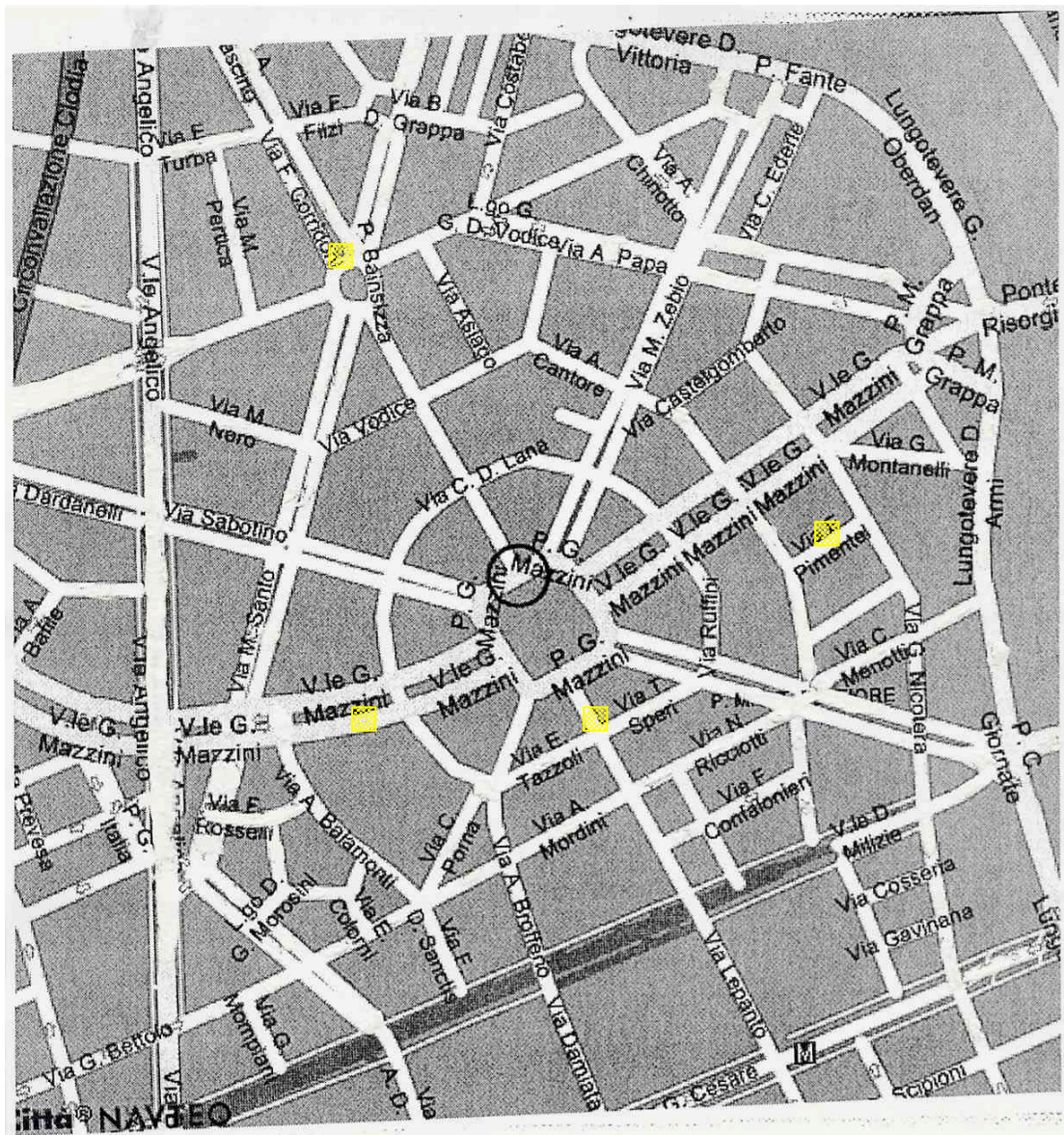
Population Characteristics. This portion of the quality of life analysis will examine the general demographic trends in the neighborhood based on 1991 census and 2003 municipal data. The demographic characteristics that will be included are: age distribution, educational attainment, rate of literacy, employment, marital status, family structure. Since the 2001 census has not yet been processed, it was also necessary to conduct an observational survey of the demographic characteristics present in the neighborhood to compare with past census and current municipal data. For the purposes of this survey, four observational locations were selected to present different aspects of the neighborhood. Via Tito Speri and Via Ferrari is an upscale mixed use area, the northwest corner of Piazza Bansizza which is close to many workshops (such as automobile mechanics, handicraft workshops etc.), Via Pimental represents a residential area, and the post office along Via Mazzini is a focal

¹⁷⁹ It is essential to understand that the graffiti scale is relative to Prati because it is less vandalized than many other neighborhoods in Rome. For example, a 7 in Prati may only be a 4 in a lower-income neighborhood, such as Pietralata.

¹⁸⁰ Commune di Roma. Mosaico Statistico Dati Municipali, n.1-Novembre 2004. Tab. 8.3. Assessorato alle Politiche Economiche Finanziarie e di Bilancio

¹⁸¹ According to data published in the Mosaico Statistico Dati Municipali, the 2004 population of Rome was 2,810,931. The population of Municipio XVII, in which Prati is located was 73,896.

community point used by both residents and commercial businesses. These locations are marked in the following map (refer to Object 1 below). This survey was conducted at three different times, 8:00am, 4:00pm, and 9:00pm, on February 25, 2005. Surveyors remained at the designated observation locations for 20 minute time periods to record the number of people passing by and general demographic observations. The results of this study will be presented in chart and graph form and analyzed to compare and contrast the recent observations with 1991 census data.



Object 1: Map of locations used in neighborhood observations. Locations where surveyors conducted the study are indicated in yellow.

Several quantitative indicators will be used as part of this study of demographics in Prati. These indicators are used as requested in previous correspondence.

Furthermore, these figures will be indicative of the presence of a sustainable community in the neighborhood.

Male to Female Ratio. The ratio of men to women should not exceed five percent above equilibrium for either gender.

Population decline. Population net loss should not exceed five percent for every five years.

Population ages. The percent of population above the age of 55 should not exceed 30 percent of the population.

Neighborhood and Cultural Amenities. Neighborhood amenities, which include hair salons, furniture repair stores, mechanics, travel agents, solariums, autoscuolas, hotel, gas stations, newspaper stands, dry cleaners/Laundromats, food stores, outdoor markets, post offices, pharmacies, and tabacchis, were quantified using a foot survey. To analyze this information, Prati was divided into four quadrants, which were then assessed based upon a resident's ability to walk from home to day-to-day neighborhood services. Cultural amenities, which include discos, bars, theaters, and restaurants, were also quantified using a foot survey. Although proximity is not as important for cultural amenities as for neighborhood services, cultural amenities will also be evaluated by quadrant to maintain a consistent method of analysis. An analysis of the geographic distribution of neighborhood services and cultural amenities will also be included.

The quantitative indicators for this study will include:

Neighborhood Amenities. At least one of each of the following services should be present in each quadrant of the neighborhood: hair salon, mechanic, travel agent, solarium, gas station, newspaper stand, dry cleaners/Laundromat, food stores, post office, pharmacy, and tabacchi.

Cultural Amenities. The neighborhood as a whole should have a minimum of seven *types* of basic cultural amenities: dance clubs, bars and cafes, theaters, cinemas, art galleries, and recreational facilities.

Piazza Mazzini and its tributary road, Viale Mazzini, are both areas of strong greenspace, with park benches and paths for pedestrian traffic. Additionally the sidewalks are wide and in good condition, further facilitating a walkable neighborhood. While the neighborhood is physically centered Piazza Mazini, it does not appear to function as a community gathering space due to the heavy traffic in the area, which discourages pedestrian traffic. Although the roads are beneficial because they facilitate steady traffic flow that can remain heavy without being overly congested, they are problematic for pedestrians.

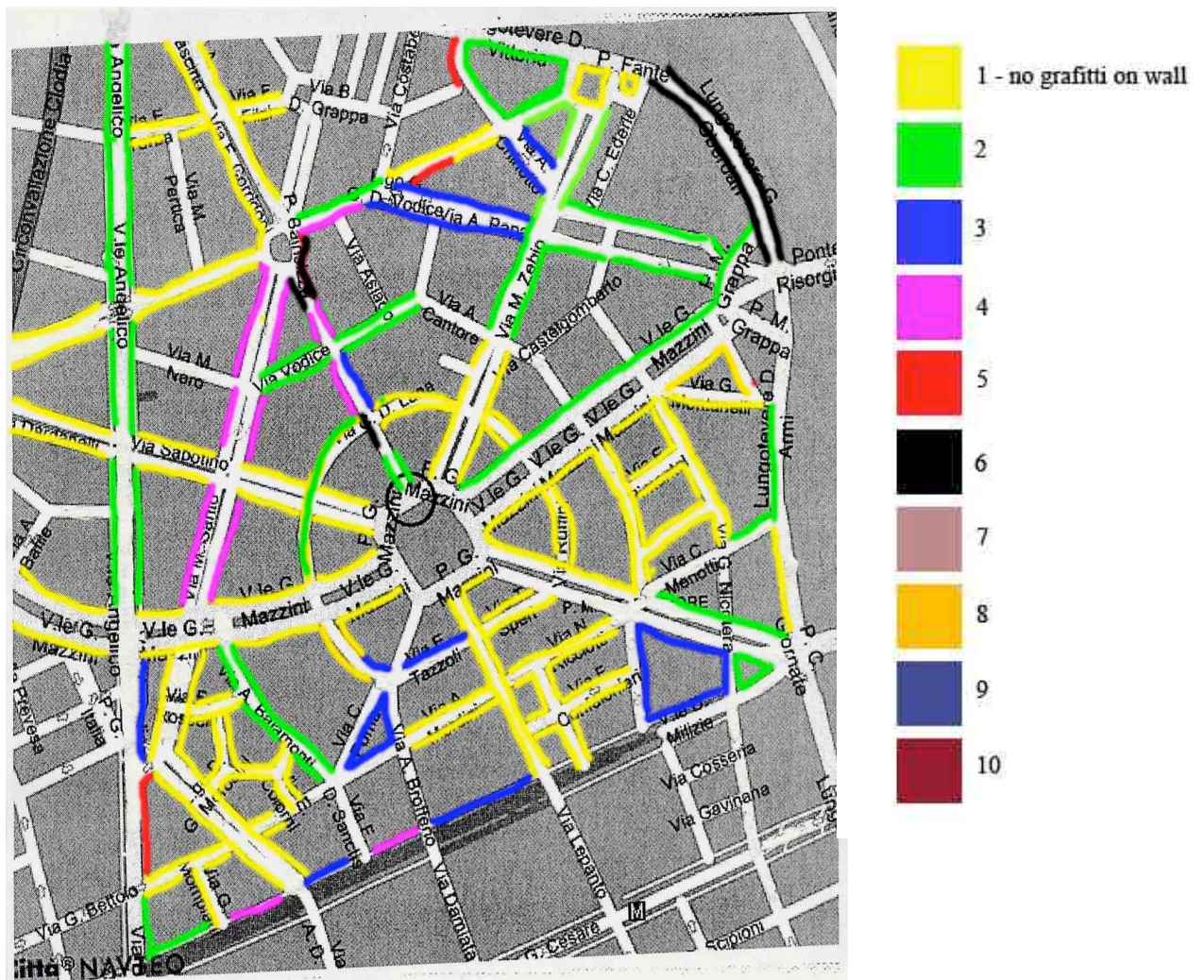
The style of housing is primarily Mediterranean, painted in warm yellows, oranges and reds. The buildings are typically between four and six stories high and are housing complexes, usually gated, and opening into a private courtyard. In many cases, some of the units in these complexes are occupied by professional offices. Additionally, along the main commercial areas, the buildings are store fronts on the ground level and mixed use between residences and professional offices on the upper stories. In the northern region of the neighborhood the housing stock is more contemporary, likely constructed in the last 50 to 60 years. The functional design of these buildings remains similar to the older Mediterranean style homes, with gated complexes. However, these units tend to have more private balcony space for the residents.

The city of Rome operates the garbage removal and cleaning services for the area - the neighborhood is extremely well maintained, with clean green spaces and sidewalks. Sweepers are commonly seen maintaining the green medians that run along the center of Via Mazzini. The green spaces and the public sidewalks are all very clean, and the open air market is cleaned daily upon its closing. The neighborhood clearly makes a conscious effort to keep its Mediterranean, middle class appearance, as shown by its routine maintenance and



Object 3: Photographs of Facades and Gates in Prati

concentration on green spaces. The levels of graffiti are low in most of the neighborhood, and only reach moderate levels towards the Tiber River area, along the Lungotevere. Additionally, graffiti was isolated where there were empty store fronts. The source of the graffiti is unclear, whether it is being done by residents in the neighborhood, or by people entering into the neighborhood. Graffiti present near the professional center is cleaned, as there are some areas where old graffiti is still slightly visible. This graffiti map indicates the relative presence of graffiti on each street in the neighborhood. The graffiti was rated on a 1 to 10 scale *relative to Prati*.



Object 4: Map of relative presence of graffiti in Prati

Crime and Safety. The general safety of the neighborhood was evaluated by looking at the most recent crime statistics for the area. According to data collected in Mosaico Statistico 2004¹⁸², Municipio XVII had the second highest number of reported crimes in Rome., second only to Municipio I. In 2001, Municipio XVII had the third highest number of reported crimes, at around 120 reports during the year. This number however was a decrease from the rate of the previous year, showing a yearly improvement. However, the crime index for Municipio XVII, which takes into account the severity of the crime and number of incidences annually, is comparable to the other regions of Rome, with an index of around 12. In 2001, there were 46 incidences of violent crime in the Municipio, which accounted for 4 percent of the incidences of violent crime in all of Rome. While Municipio XVII is not an area of Rome with the least amount of crime, its rates do show it to be a safe neighborhood for both location of businesses and for habitation. The levels of violent crime are low, and while not specified by the available data, the crimes reported are likely of minor offenses, which we do not anticipate causing a safety problem for the Vogue offices.¹⁸³

Housing Stock and Quality. In order to accurately assess the quality of life in Prati, it is essential to review the local housing stock and housing market, using housing census data. Through analyzing short term and long term trends in Prati and the larger area of Municipio XVII, we can evaluate the suitability of the neighborhood for Vogue employees and gather information about the sustainability of this neighborhood, and its current position in a neighborhood life cycle.

Reviewing the dates of housing construction it is clear that the majority of housing construction in the neighborhood occurred in the period between 1919 and 1945, with 3689 of the 4509 units in 1991 being built during this period, or 82 percent. The second and third largest waves of construction occurred in the subsequent years, with 378 units built between 1946 and 1960, and 262 units built between 1961 and 1971. Since the end of the 1970's there has been a significant decline in construction of housing, as only 26 new facilities have been built between

¹⁸² Comune di Roma. Mosaico Statistico Dati Municipali, n.1-Novembre 2004. Tab. 8.3. Assessorato alle Politiche Economiche Finanziarie e di Bilancio

¹⁸³ Comune di Roma, 2003 Annual Report

1971 and 1991.¹⁸⁴ This is an indication that this region has reached its level of maximum development, and any further population growth can only occur through increases in density. Additionally, from this information we anticipate that the current population of the neighborhood is relatively stable, and will either remain consistent or decrease in the coming years.

The age of the housing units may present some problems. The significant presence of houses that are around 80 years old may suggest that new renters and owners will be concerned about housing quality. However, housing age does not imply inferior housing quality. While it is unlikely that their age makes these units inferior, it does indicate that more maintenance is likely required, costing the homeowner additional incurred expenses. Additionally, the older homes likely do not have the most energy efficient appliances and water systems. Investment in these areas is very costly, but without the necessary updates the homeowner will likely expend more money on heating and gas appliances, as well as water expenses.

The age of the housing stock may also further indicate an aging population. Because a new neighborhood will often attract residents who are young adults, and because many adults remain in their homes for a long time, aging there, the population age profile may age simultaneous to the housing age.¹⁸⁵ With the most units built between 80 and 60 years ago, it would seem that there are likely a high percentage of elderly people living in the neighborhood. This deduction is indeed confirmed by accompanying census data, in which 38 percent of the population is over the age of 65.¹⁸⁶ Additionally the average age of men and women in Municipio is 47, which is four years older than the average for all of Rome, and is one of the oldest average ages for all of Municipi.

It is possible that the neighborhood is reaching a turning point in its neighborhood life cycle, where the units currently owned by the strong elderly population, will become available for purchase in the coming years for younger

¹⁸⁴ ISTAT. 1991 Census Data

¹⁸⁵ Myers, Dowell. *Analysis with Local Census Data: Portraits of Change*. Boston: Academic Press, Inc., 1992. p129.

¹⁸⁶ ISTAT. 1991 Census Data

families to move in, a begin a new cycle.¹⁸⁷ It is possible that this transition is underway, as there are many commercial services in the neighborhood dedicated to children, as well as their being many schools in the area. Further research with a local real estate agent may provide answers as to whether there have been more units available for sale in recent years. If such a change is indeed underway, Prati will be a desirable place for the relocating staff at Vogue, as it will provide the residential, family oriented neighborhood that the core staff desires.

In Prati, the rate of homeownership is high, revealing that the neighborhood is economically stable, and that there is likely less speculative activity that can drive the real estate prices higher than the market would originally dictate. In 1991, there were 2674 families who owned their homes and 1588 families that were renting properties, and 322 with other titles to their homes. Thus in 1991 there were 4594 total families living within the census tracts evaluated, and 58 percent of these families owned their homes.¹⁸⁸ This percentage reveals that economically, the neighborhood remains generally stable, as home ownership is normally correlated with secure financial backing.

The families within the census tracts are characterized by very small units. Thirty-one percent of the families are single person households. This is likely due to the high widowed and widower populations in the neighborhood. It is unclear whether this group also consists of transitory young people, living in the neighborhood only temporarily. Twenty-nine percent of the families were 2 person households, likely to be comprised of married couples. In neighborhood observations, there was a significant presence of dogs, which might be an additional indicator that many of the couples in the neighborhood do not have children. This may be a result of the relatively expensive real estate market (to be discussed later) and the lifestyles of the people living in this gentrified area, which could lead to the decision not to have any children. The census data indicates that 39 percent of households have more than 2 people, which means that only 39 percent of households have at least 1 child.¹⁸⁹

¹⁸⁷ Myers, Dowell. *Analysis with Local Census Data: Portraits of Change*. Boston: Academic Press, Inc., 1992. p149.

¹⁸⁸ ISTAT. 1991 Census Data

¹⁸⁹ ISTAT. 1991 Census Data

Compared with the rest of Rome, Prati appears to be affordable richer families, older people who have established incomes, and renters¹⁹⁰.

The larger Della Vittoria area provides the context for the neighborhood of Prati, which is located in the south. In 2003, the Della Vittoria area had 40,457 inhabitants, and an urban density, measured in hectares squared, of 85.8.¹⁹¹ At the Municipio level, Municipio XVII has a population density of 1,327 inhabitants per kilometer squared. This level is relatively low, in fact one of the lowest density rates, in the Rome Metropolitan area.¹⁹² If the area of Della Vittoria were to transition into an era of increasing population, it is likely that increases in density might occur in the areas in Municipio XVII outside of the proper neighborhood of Prati, as its density is higher than the surrounding area. However, with this moderate density it is clear that Prati does not suffer from the problems of overcrowding, which can jeopardize the health of a neighborhood as well as be damaging to the actual physical housing stock. The absence of overcrowding is likely attributable to the small family sizes observed in the neighborhood.

Real Estate Market. As mentioned earlier, the prices of real estate in Prati are rather high. The neighborhood constitutes a strong middle, to upper middle class complimented by accompanying high scale commercial centers, such as luxury car dealerships, high end coat and jewelry stores, and specialty food stores. The city of Rome, since 1998, has seen increases in property sale prices, with an initial increase of 7 percent between 1998 and 1999. Between 2002 and 2003 however, the real estate market lost some of its strength, declining slightly between 2002 and 2003. More specifically, Municipio XVII ranks as one of the most expensive real estate markets in Rome. In 2002 the median price of real estate was 3,000 euros per meter squared an 800 euro increase from 5 years earlier in 1998. This places it as the fourth most expensive district to live in, with Municipio XVII, the Centro Storico area, being the most expensive at 5,000 euro per meter squared.¹⁹³ These high prices likely drive out

¹⁹⁰ Complete numerical data of this nature was not made available for the rest of Rome. However, this information was extracted from interviews with Prof. Gregory Smith.

¹⁹¹ Comune di Roma, 2003 Annual Report

¹⁹² Comune do Roma, Citta nella Citta

¹⁹³ Comune di Roma. Mosaico Statistico Dati Municipali, n.1-Novembre 2004. Assessorato alle Politiche Economiche Finanziarie e di Bilancio

a lot of people with large families, or young couples who desire to have many children, as real estate is so expensive.

A phenomenon that has occurred in the real estate market in Prati is the presence of professional offices buying space in these traditionally all residential buildings, characterizing the buildings as mixed use facilities. Thus, the neighborhood might be dealing with strong real estate competition between residential and professional use, and likely driving up the real estate price. For Vogue employees who desire larger but still affordable housing units, and for support staff with lower incomes, it might become necessary to live outside of the area directly in Prati. It is also possible that long term rental would be another option for some employees, instead of directly purchasing housing units.

The nature of housing in Prati will need further information, which will be acquired through future contact with real estate agents in the area, who can provide further data on how many units have turned over in recent years, and whether they were created into professional or residential use, as well as the availability of property for purchase in the area. Yet from the present information, it is clear that the neighborhood of Prati is economically secure and prospering. However, it is important to watch the age of the population, to determine whether or not the neighborhood is passing through a transition as the elderly population relinquishes property to younger families, or if because of the high real estate, the neighborhood will continue to be dominated by an older population, who are ready to own their own housing unit and who can afford such prices. For Vogue, we believe that the neighborhood is well suited for the executive directors of the office, who will be older and with higher incomes. However, dependant on the other staff that is relocating to this office and if they are primarily younger with fewer savings, it might be advisable to research the areas outside of the central neighborhood for residence.

Population Characteristics

Understanding the social context in a neighborhood is critical for evaluating Prati's ability to attract and retain new residents. The following section on demographics has three main objectives: First, it will provide an overview of Municipio XVII's population to better understand Prati's social context, which is essential to evaluate the health of the neighborhood. Analysis of the neighborhood will aid in the examination of Prati as a microcosm to determine the changes in the neighborhood over time. Finally, data describing the population will allow us to predict the presence of a potential neighborhood network for future employees of Vogue in Prati.

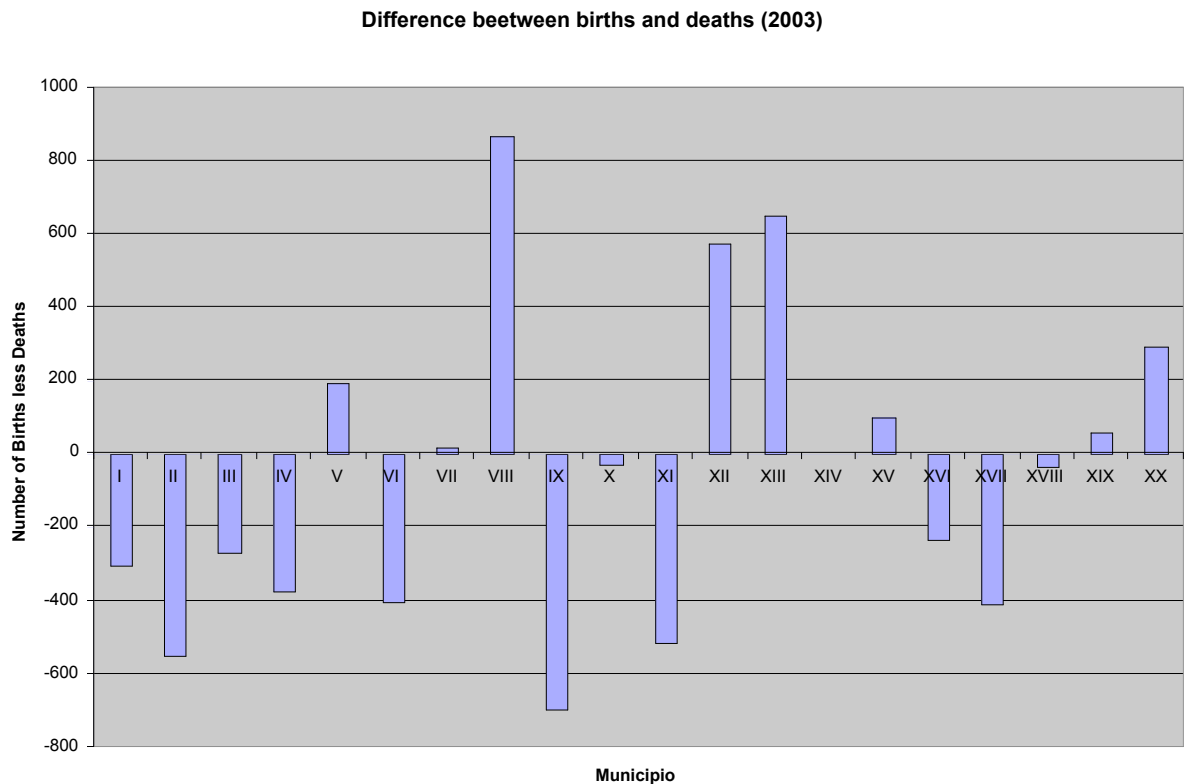
Overview of Municipio. The population of Municipio XVII stands at 73,896 in 2003, according to statistical data in Mosaico Statistico collected by the Commune.¹⁹⁴ Municipio XVII has a small population in comparison with the populations of other Municipi in Rome and its residential densities reflect this fact. The residential density is 1,317 people per kilometer squared, which is one of the lowest densities in all of Rome. The population count has decreased since 1991, thus correlating with the similar decrease in population density from 1991 to 2003.

Municipio XVII has a shrinking population. According to data extracted from Table 1.1 from Mosaico Statistico Dati Municipali published by Commune di Roma, the current population has decreased 9.5% over 12 years¹⁹⁵. Inspection of population dynamics data reveals that the decrease is due to birth rates below the natural replacement rate, with almost 40% more deaths than births in 2003. The current birth rate in the community is almost 20% below Roman birth rates, while death rates exceed the Roman average by 37%. Clearly, from the presence of a small amount of in-migration into Municipio XVII negates a proportion of the population decrease due to death rates outstripping birth rates. However, migration levels are still grossly insufficient in maintaining the population count. These trends clearly reinforce the presence of a shrinking population in Municipio XVII, and may not auger well for the long-term sustainability of the neighborhood if this trend continues to exist. The 9.5 percent population decrease over the last several years does not satisfy the

¹⁹⁴ Commune di Roma. Mosaico Statistico Dati Municipali, n.1-Novembre 2004. Tab. 1.1. Assessorato alle Politiche Economiche Finanziarie e di Bilancio

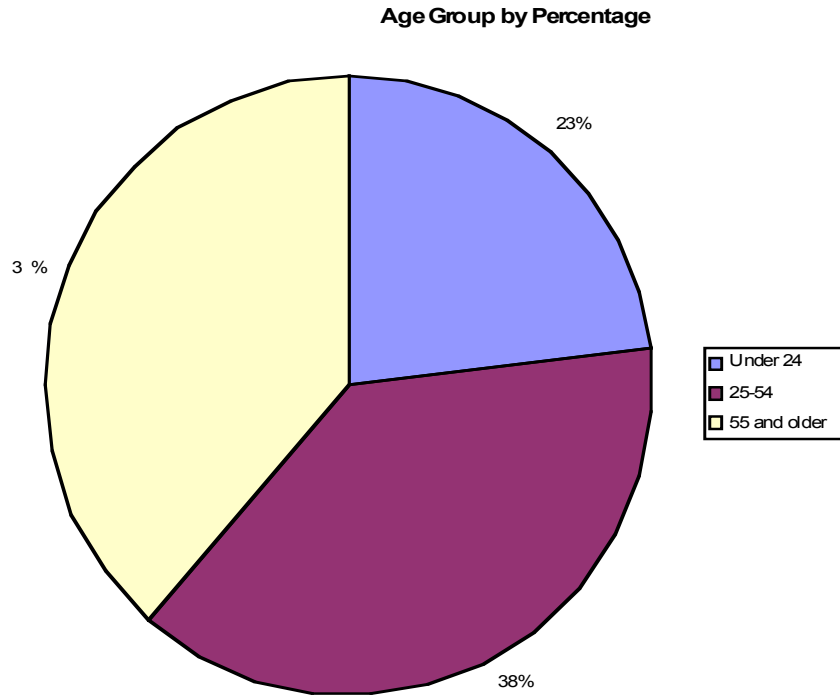
¹⁹⁵ Commune di Roma. Mosaico Statistico Dati Municipali, n.1-Novembre 2004. Tab. 1.2. Assessorato alle Politiche Economiche Finanziarie e di Bilancio

quantitative indicators determined at the beginning of this document. Furthermore, the shrinking population is also associated with the trend for conversion of residential units into commercial space. This trend will be discussed in a subsequent report which further details the trends of the real estate market.¹⁹⁶



Object 5: Chart of Difference between Births and Deaths for all Municipio in Rome. Data extracted from Tab. 1.4 in Mosaico Statistico di Roma, Comune di Roma

¹⁹⁶ Refer to subsequent reports entitled Prati Economic Analysis and Prati Policy Analysis for further discussion of the Prati's Real Estate Market.

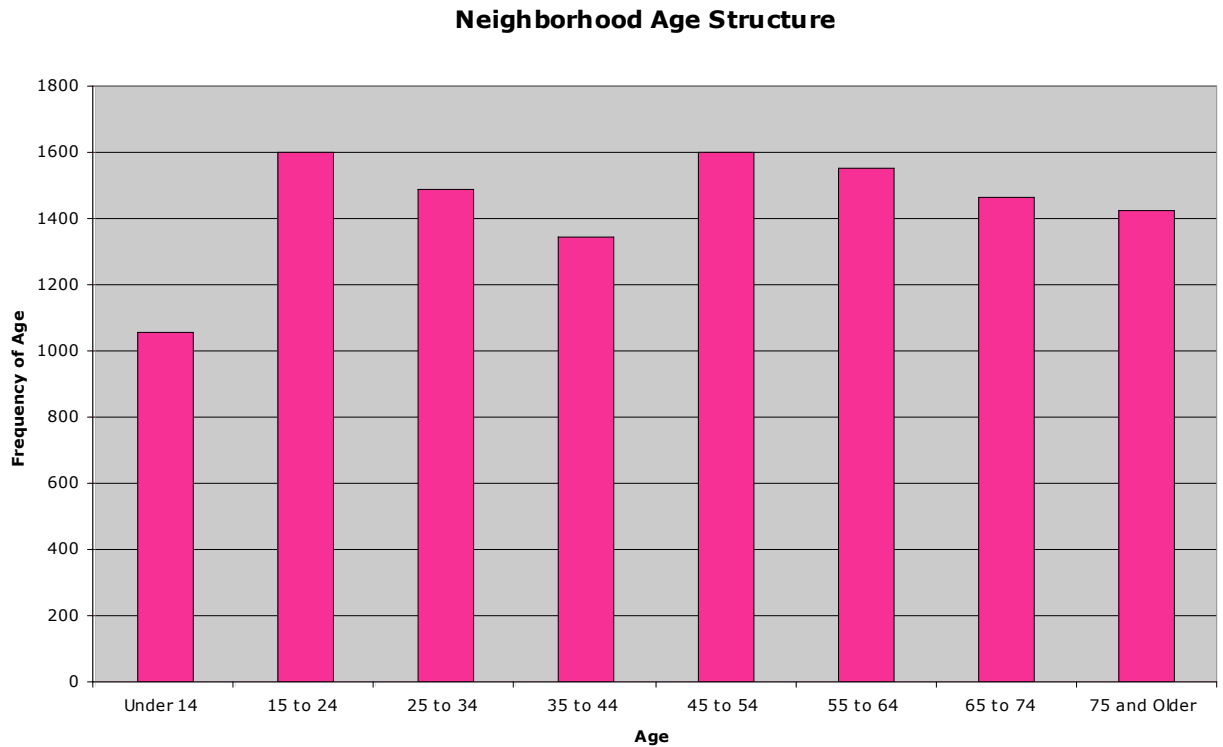


Object 6: Chart of Percentage of Age Groups in Prati
Data extracted from 1991 Census Data, ISTAT

Age Structure. Analysis of the age structure in Prati indicates that the neighborhood has an aging population. As presented in this pie graph, 39 percent of the population was older than 55 in 1991¹⁹⁷. Since there are more deaths than births, it is likely that this number has remained consistent or increased over the last 14 years. On previous site visits, we observed a significant number of schools and children, which suggested that the neighborhood is family oriented, with many young families starting out in the area. If the demographic trend is accurate, it is likely that the neighborhood is going through a period of demographic transition. It is important to consider, however, that the demographic data does not support the idea of such a transition because only 9 percent of the population is between 0 and 14 years of age. (Refer to Object 7 below.) The census data on marital status also indicates the significant presence of an aging population because of the high numbers of widows and widowers. The age of the population has the potential to help or hinder Vogue in attracting and retaining employees in Prati. If the aging population is slowly leaving

¹⁹⁷ ISTAT. 1991 Census Data

Prati, the neighborhood may indeed undergo a demographic transition as new families start moving in. It is also possible, however, that when the aging population leaves, the neighborhood will develop an even more professional character.

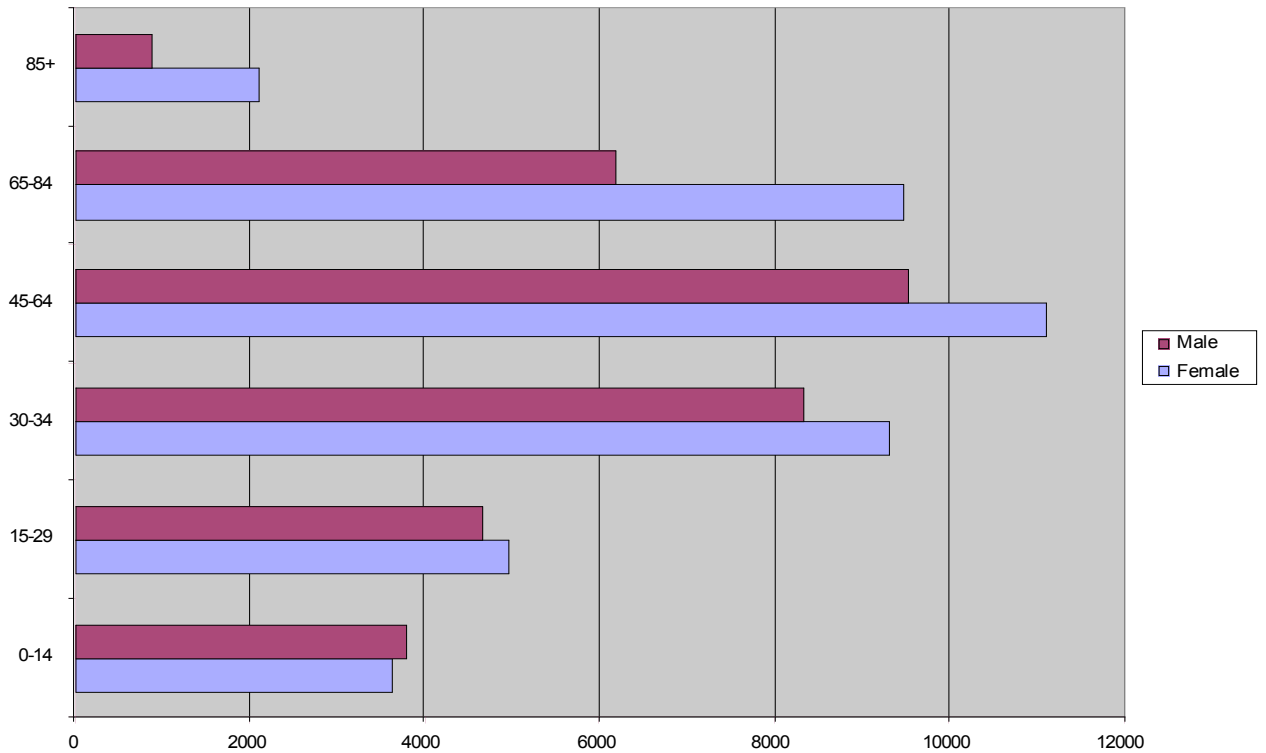


Object 7: Chart of Age Structure of Population in Prati for 1991
 Data extracted from 1991 Population Census Data, ISTAT

Gender Composition. Since Vogue indicated that a significant portion of the core staff will be comprised of females, it is particularly important to consider the gender composition in the neighborhood. Female presence in the neighborhood is also strong, with females making up 55% of the Municipio XVII population in 2003¹⁹⁸. There are also a significant number of female widows in the neighborhood. This strong female presence indicates the possibility of friendship and neighborhood networks for Vogue’s largely female group of new employees. However, this trend may be undesirable for female single employees who move into the neighborhood to be close to work, but are at the same time seeking mates living in the same area.

¹⁹⁸ Comune di Roma. Mosaico Statistico Dati Municipali, Tab. 1.10 and 1.12, n.1 – Novembre 2004. Roma Economic, Rome Italy, 2004

Population by Gender - Municipio XVII (2003)



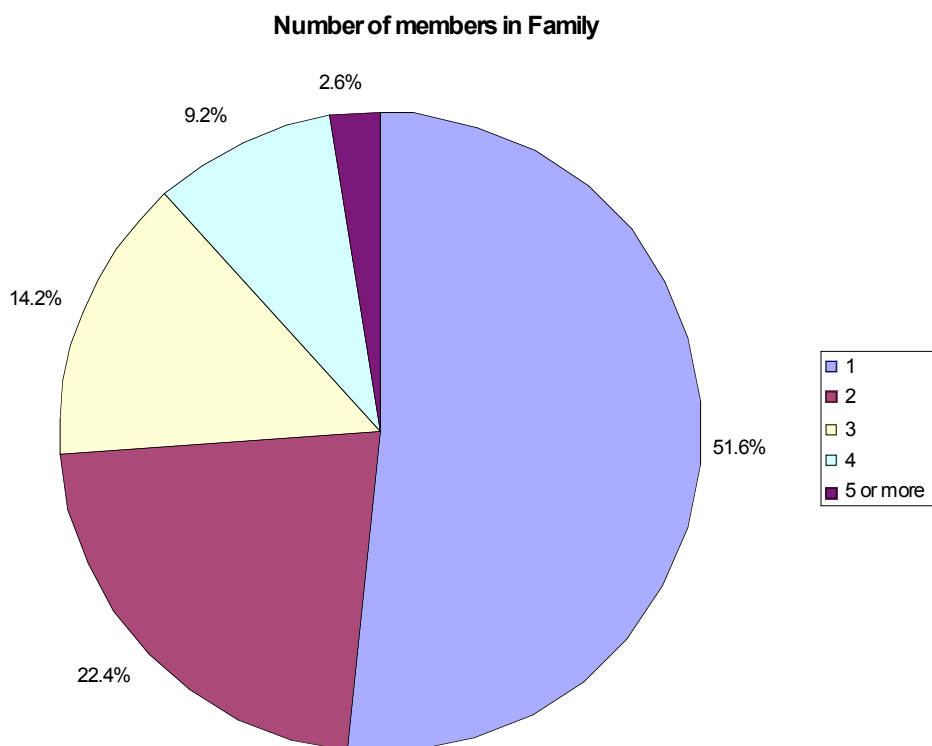
Object 8: Chart for Population by Age Group and Gender
Data extracted from Mosaico Statistico di Roma, Comune di Roma

Marriage and Family Structure. Fifty-six percent of Prati residents are married. However, there also exists a significant number of singles in the neighborhood. This has implications for housing arrangements in the neighborhood, and presents the opportunity for new single employees to meet other singles to form social networks. Marital status by age group is, however, unclear.

In terms of living arrangements and family ties in the neighborhood, the typical household size in Prati falls between two to four members per household¹⁹⁹. While data suggests a significant proportion of couples living without children, there are also a significant number of singles living alone. This could imply that existing singles in Prati are welcoming to new singles moving into the household.

¹⁹⁹ ISTAT. Population Census 2001.

Employees with families and younger children may find potential problems in integrating. In 1991, the Italian Census recorded a mere 9% of the population aged 0-14 years in the Prati neighborhood.²⁰⁰ In that year, only 23% of the population was under the age of 25. Families in the Municipio XVII are general small, with 51.6% of families consisting of one member, and an additional 22.4% comprising of two members²⁰¹. Within the Prati neighborhood, the largest group was 2 person families. This data suggest that a large population that is either without children or with children no longer living in the household.



Object 9: Chart of Family Sizes in Municipio XVII in 1991
Data extracted from 1991 Population Census Data, ISTAT

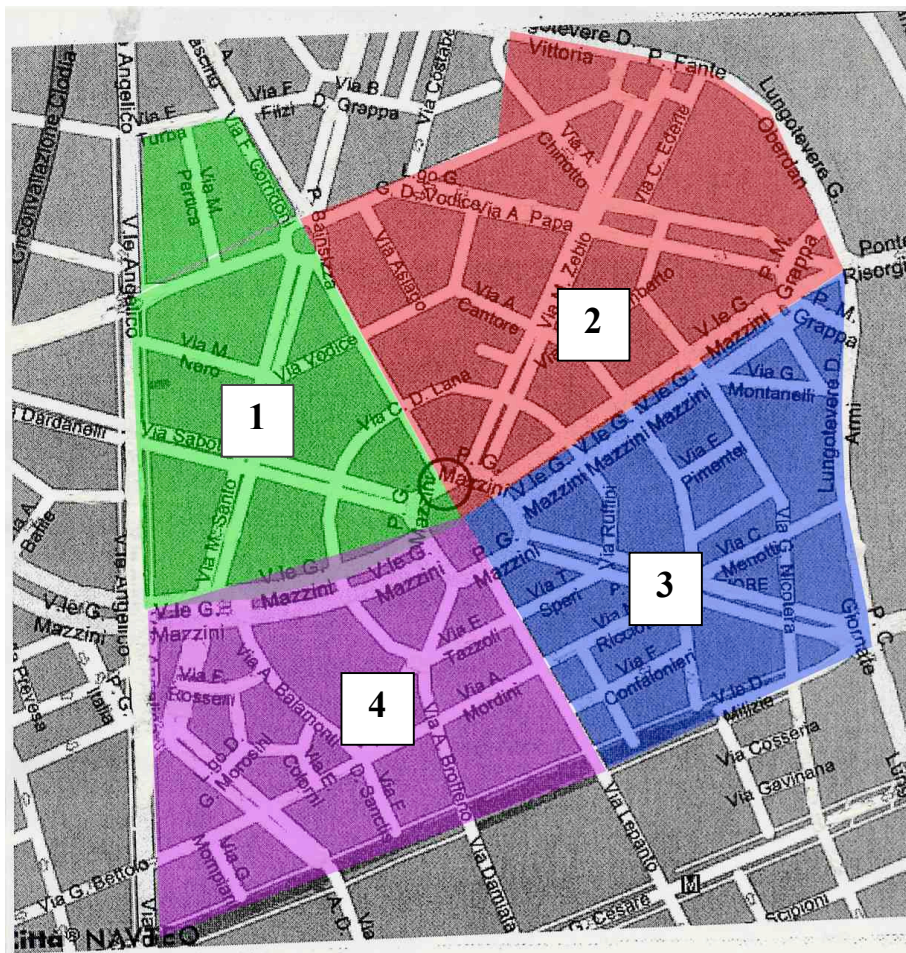
²⁰⁰ ISTAT. Population Census 2001.

²⁰¹ Comune di Roma. Mosaico Statistico Dati Municipali, Tab. 1.20, n.1 – Novembre 2004. Roma Economic, Rome Italy, 2004.

While data shows that 59% of families in Municipio XVII have one child, it is likely that many married couples are now living apart from their children due to the aging nature of the population. Despite the lack of existing members of the community with similar family structures, the neighborhood may not necessarily be disadvantageous to families with children. This may be due to child-friendly infrastructure in the immediate area, which includes a whole inventory ranging from childcare specialist centers, good schools, children's clothing and bookstores, playgrounds etc. The presence and quality of these facilities will be further discussed in a later section.

Nighborhood and Cultural Amenities

Amenities are defined as “non-exportable goods for local residents that allow people to live comfortably without traveling too far.”²⁰² The importance of local amenities is inextricably linked to the idea of a “functional” neighborhood boundary. This concept embodies the notion that amenities, services, and homes should be set within a five to fifteen minute walking distance from one another.²⁰³ As presented in the methodology section, the Prati study area was divided into four quadrants as illustrated in Object 10, which were then assessed based upon a resident’s ability to walk from home to day-to-day neighborhood services. The quantitative indicator to evaluate the sufficiency of neighborhood services is that each service should be present in each quarter at least once.



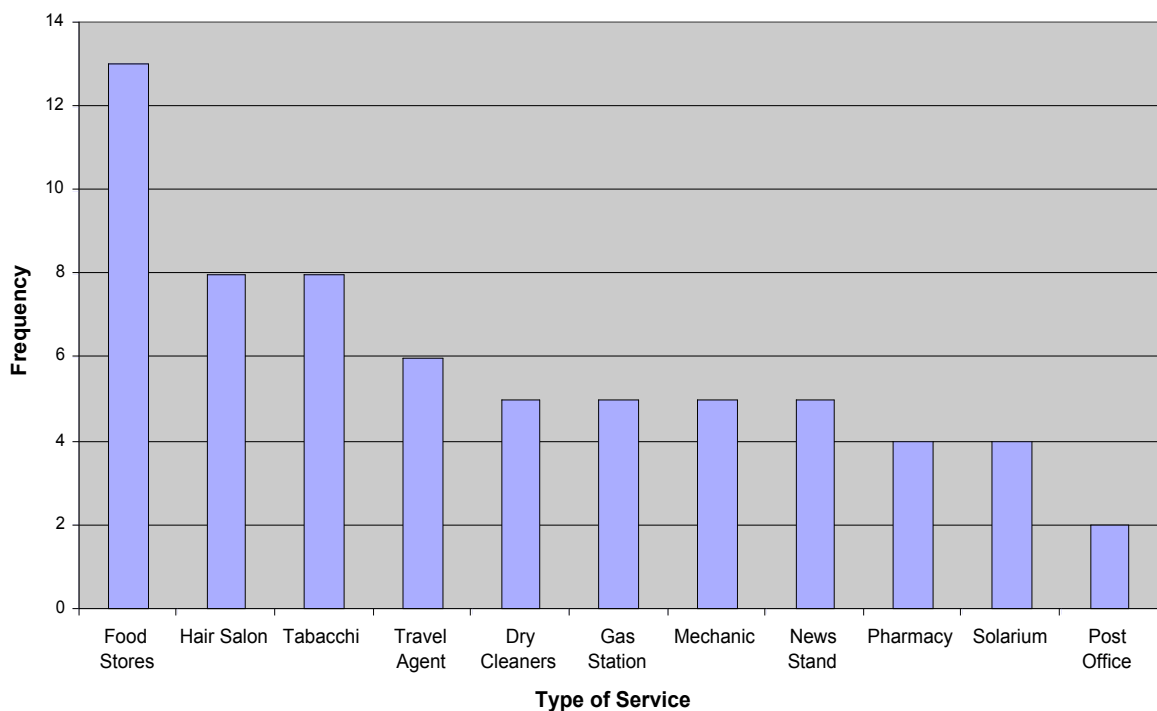
Object 10: Diagram for Quadrant Analysis of Neighborhood and Cultural Amenities

²⁰² David Salvesen and Henry Renski (2003). *The Importance of Quality of Life in the Location Decisions of New Economy Firms*, Chapel Hill, NC: Center for Urban and Regional Studies, University of North Carolina at Chapel Hill

²⁰³ www.conservationecology.com

Prati offers a full range of basic and luxury amenities, including hair salons, mechanics, travel agents, solariums, gas stations, newspaper stands, dry cleaners, food stores, post office, pharmacies, and tabacchis (as indicated in the chart in Object 11). When conducting the foot survey, there was no set precedent for which services to include. Thus, the services present on this graph are reflective of the neighborhood residents' needs because they include all common services available. This graph indicates that the total services available in Prati are sufficient to meet the community's most basic needs. While there are also specialty services available, such as furniture repair, these are not present solely for residents of Prati, but draw from a wider area. Correspondingly, Prati does not have a full range of specialized amenities, including amenities like computer repair, because it is readily available in other parts of Rome.

Frequency of Type of Neighborhood Service



Object 11: Chart of Frequency of Type of Neighborhood Service

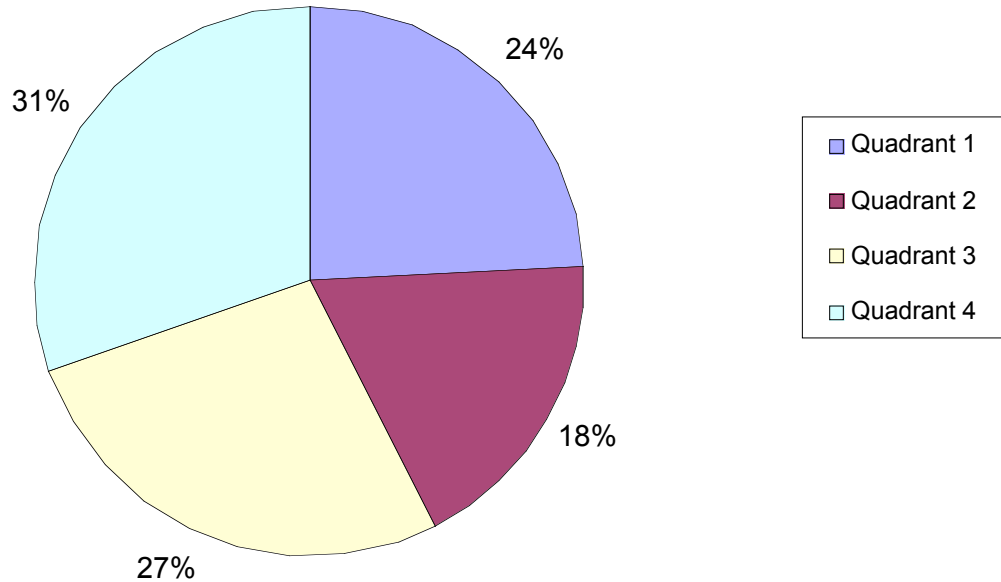
Quadrant Analysis. Although the total number and diversity of services in Prati is sufficient to meet the neighborhood’s basic needs, and each quadrant has a comparable number of services, the diversity of services available in each quadrant varies. Based on the pre-established quantitative indicator, quadrant 3 is the only complete or efficient quadrant. (Refer to table in Object 12.) That is, residents in quadrant three would theoretically be able to complete day-to-day activities within a reasonable walking distance from their homes. Quadrant 2 is the least complete or efficient quadrant because it is totally lacking the presence of four amenities, which are mechanic, travel agent, solarium, and post office.

Type of Service	Quadrant 1	Quadrant 2	Quadrant 3	Quadrant 4	Totals
Hair Salon	1	3	1	3	8
Mechanic	4	0	1	0	5
Travel Agent	3	0	1	2	6
Solarium	2	0	1	1	4
Gas Station	0	1	2	2	5
News Stand	0	1	2	2	5
Dry Cleaners	0	2	3	0	5
Food Stores	4	1	3	5	13
Post Office	0	0	1	1	2
Pharmacy	1	1	1	1	4
Tabacchi	1	3	2	3	8

Object 12: Table of Services Present in Each Quadrant

Percentage analysis of the distribution of total neighborhood services per quadrant is shown in Object 13. This pie chart shows the percentage of total neighborhood services present in each of the four quadrants. Although the percentage is not the most accurate way to process the results of the foot survey, it is nevertheless useful in providing an overview of the distribution of services. It is clear from this chart that quadrant 3 has the most services, followed by quadrant 4, quadrant 1, and lastly, quadrant 2.

Neighborhood Amenities by Quadrant



Object 13: Chart of Distribution of Neighborhood Amenities by Quadrant

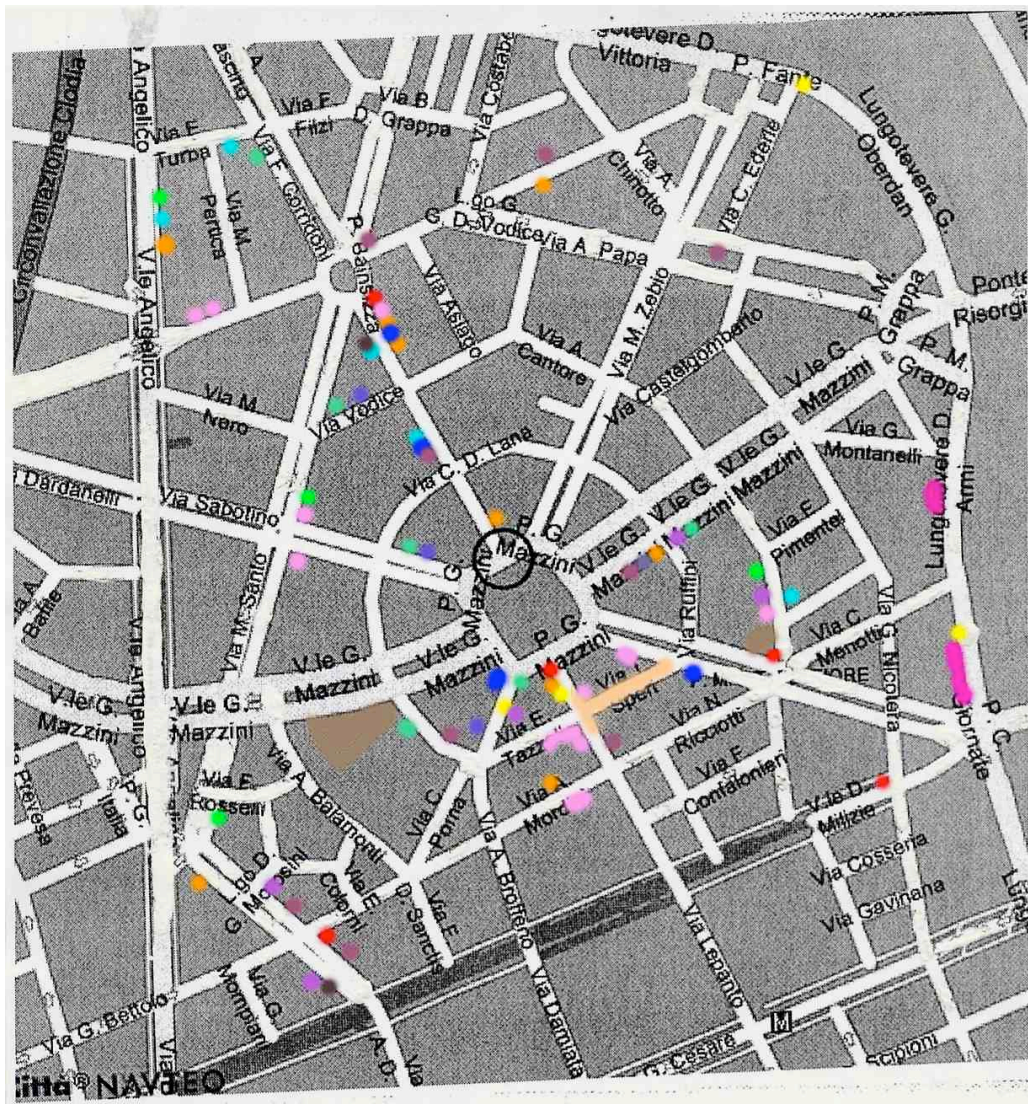
Quadrant 3 is the most efficient area of Prati because it has the broadest range of available day-to-day amenities. (Refer to Object 12.) This is also the only quadrant in Prati that is primarily residential, as opposed to mixed use, commercial, or dominated by professional services and/or large businesses, such as Rai TV. The concentration of services in quadrant 3 is also significant because it suggests that the neighborhood is retaining a residential orientation. On past site visits, it became clear that the neighborhood has an abundance of professional and business services, particularly in quadrants 1 and 2. While we may expect neighborhood services to cater to the professional offices and large businesses because they are so important to the local economy, the services truly better serve the primarily residential area of Prati. quadrant 3 even has specialty services catered towards Prati's residents, such as the morning open air market on Via Tito Speri. Although quadrant 4 has a higher percentage of total neighborhood services than quadrant 3, it does not have the full range of services available that are present in quadrant 3 – quadrant 4 is lacking a

mechanic and dry cleaners. Although quadrant 4 has more mixed use buildings than quadrant 3, the majority of the population is still residential.

In contrast to quadrant 3 and 4's residential character, quadrants 1 and 2 have a concentration of professional and large business offices. Although these quadrants are lacking basic neighborhood services, they do have a higher proportion of specialty services that cater to business, such as notaries, fax and copy centers, and office supply stores. At the same time, however, most of the buildings in quadrants 1 and 2 are mixed use, and still have a significant number of residents. Quadrant 1 is lacking gas stations, newsstands, dry cleaners/Laundromats, and a post office. Quadrant 2 is lacking a mechanic, travel agent, solarium, and post office. Thus, the high concentration of professional services and the lack of daily amenities create a problem for these residents.

Geographic Distribution of Neighborhood Services. Analysis of the geographic distribution of daily amenities in Prati indicates that services are primarily concentrated around Piazza Mazzini and the main axials – there is little to no distribution of services along smaller, and generally more residential, roads. The geographic distribution analysis confirms the analysis of the raw data for quadrants 1 and 2, but not for quadrants 3 and 4. (Refer to Object 14 for locational data of neighborhood services.) The majority of services in quadrant 1 are concentrated along the left side of Via Oslavia, which serves as the boundary between quadrants 1 and 2, and Via Angelico, which is the western boundary for the neighborhood. The concentration of services on the left side of Via Oslavia is significant because they are easily accessible by residents in quadrant 2. Thus, although quadrant 2 does not have its own mechanic, the mechanic that is technically in quadrant 1 and located along Via Oslavia, is able to efficiently serve both quadrants.

Similar to quadrant 1, the services in quadrant 2 are concentrated along the right side of Via Oslavia. There are very few services present anywhere else in quadrant 2, including the eastern area of quadrant 2, along the Lungotevere, which is a heavily trafficked and mostly residential area. It would be extremely difficult for residents in the northeastern part of quadrant 2 to access services present in their own quadrant, not to mention any of the other quadrants. This is particularly significant given that quadrant 2 is the largest geographic boundary and some of the services present in quadrant 2, such as the food store on Via Oslavia, are very small and cannot single handedly adequately serve the entire quadrant.



- Hair Salon
- Furniture Repair
- Mechanic
- Travel Agent
- Solarium
- Autoscuola
- Hotel
- Gas Station
- Newspaper Stand
- Dry Cleaner/Laundromat
- Food Stores (e.g.
- Supermarket, Alimentari)
- Outdoor Morning Market
- Pharmacy
- Tabachi

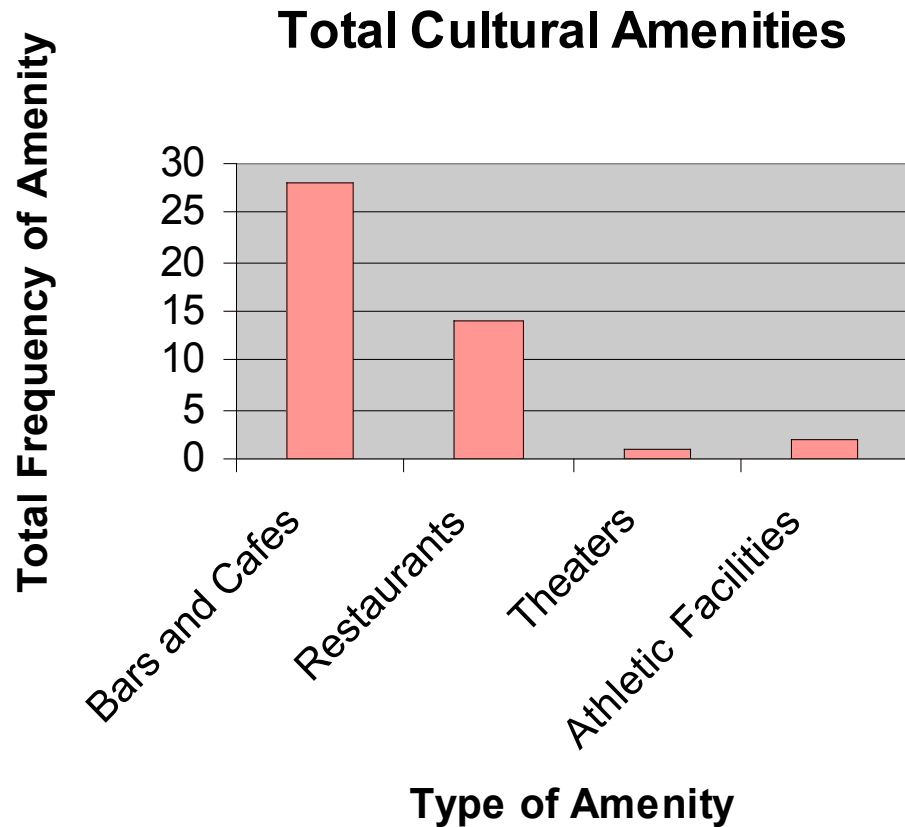
Object 14: Map of Location of Neighborhood Services in Prati

The geographic analysis confirms that quadrant 2 is the least served by neighborhood amenities. The raw data analysis indicated that quadrant 3 was better served than quadrant 4, but the geographic analysis indicates that the difference in the availability of services between quadrants 3 and 4 is insignificant because the majority of services available in both quadrants are concentrated on the dividing street, Via Ferrari. Thus, the geographic analysis suggests that both quadrant 3 and quadrant 4 are the best served.

Cultural Amenities. Although Prati offers a wide range of basic and luxury day to day amenities, the neighborhood does not offer a wide range of “creative features,” or cultural amenities, including street life, night life, performance venues, high-end restaurants, and recreational facilities.²⁰⁴ The importance of cultural amenities is essential for attracting and retaining a highly-educated and skilled workforce. This is particularly important for creative industries, such as Vogue’s Design and Layout Headquarters. As presented in the neighborhood amenities section, the cultural amenities will be analyzed based on the four neighborhood quadrants. For this analysis, it is not essential that a range of cultural amenities be present in each quadrant – it is merely a consistent and convenient means of analysis. The quantitative indicator to evaluate the sufficiency of cultural amenities in Prati is that there should be a minimum of seven basic *types* of cultural amenities present: dance clubs, bars and cafes, restaurants, theaters, art galleries, cinemas, and recreational facilities.

When conducting a foot survey, all recreational facilities were included, except for green spaces. Therefore, the cultural amenities assessed in this section are reflective of the total creative features present in the neighborhood. This graph shows the total cultural amenities present in Prati – the small number of categories suggests that Prati does not offer an adequate range of creative features for a company with a highly educated and artistic workforce. It is important to note, however, that Prati is very well connected to the rest of Rome, which has rich and diverse cultural offerings.

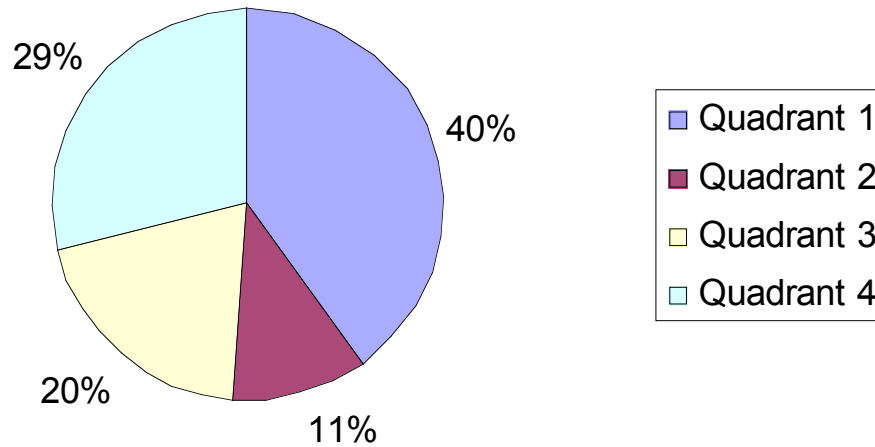
²⁰⁴Florida, R. (2002) *The Rise of the Creative Class: And How It’s Transforming Work, Leisure, Community, and Everyday Life*. New York: Basic Books



Object 15: Chart for Breakdown of Cultural Amenities in Prati

Quadrant Analysis. The total number and diversity of cultural amenities in Prati is not sufficient to meet the basic needs of the kind of clientele that Vogue’s employees would create (Refer to Object 15). The fact that there are only a total of four different amenities present in the neighborhood of Prati is extremely indicative of the narrow scope of available creative features. The diversity of amenities in each quadrant does not vary dramatically, although the number may. For example, while quadrant 1 has the largest number of amenities, most of these are bars and cafes. Although quadrant 2 does not have as many bars and cafes, it has the only theater and running path in the neighborhood. Based on the pre-established quantitative indicator, the neighborhood of Prati does not have a complete set of cultural amenities. Residents in Prati would essentially be forced to leave the neighborhood to have a cultural experience. This pie chart shows the percentage of total cultural amenities present in each of the four quadrants. It is clear from this chart that quadrant 1 has the most cultural amenities followed by quadrant 4, quadrant 3, and finally quadrant 2.

Cultural Amenities by Quadrant



Object 16: Chart for Distribution of Cultural Amenities by Quadrant

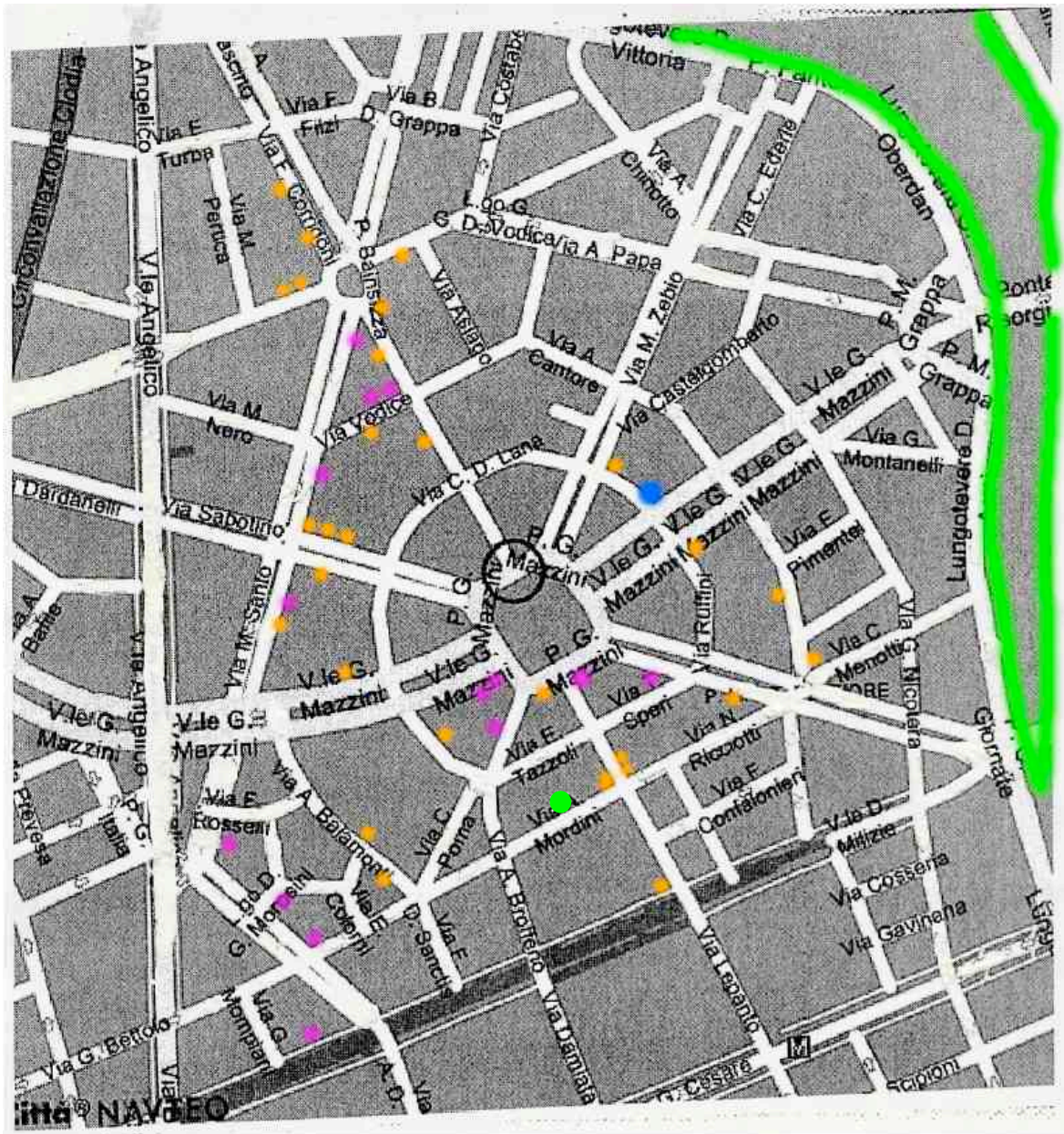
Quadrant 1 has the highest total number of cultural amenities available, but has little diversity in the type of cultural amenities available – every single one of the cultural amenities is related to food. Ideally, each quadrant will have a range of bars, cafes, and restaurants present – although these are not technically neighborhood services, they are generally utilized on a day-to-day convenience basis. The high concentration of eateries may be reflective of the professional and business character present in quadrant 1. The high concentration of bars and restaurants in quadrant 1 stands in sharp contrast to quadrant 2, which is clearly lacking in eateries. On the site visit to the original boundaries, which primarily consisted of quadrant 2, we were struck by the lack of cafes and bars. Although the area near Piazza Bansizza has two, these are somewhat run down, like the rest of the surroundings. Quadrant 2 does, however, have what is considered to be the best café in Prati, and indeed in Rome, *Vanni*, or what our consulting team has dubbed the “red carpet café.” Quadrant 2 has the only theater in Prati, Teatro Mazzini, which features comedic performances in Italian. Finally, quadrant 2 offers access to both the water front, a running/bicycle path, and numerous sports clubs located directly across the river. These recreational

facilities are also present in quadrant 3, as the eastern border of quadrant 3 runs along Lungotevere. Quadrant 3 appears to be the most well-rounded in terms of the diversity of services. There are six upscale bars and cafes, including a wine bar, and two high-end restaurants, one of which has been frequently recommended to us by Romans. Quadrant 4 is similar to quadrant 1 in that it has a higher number of total available amenities, but has little diversity, and each of these is food related. Unlike quadrant 1, however, there are more bars present than cafes, which is significant because it likely reflects the clientele present in the quadrant.

Type of Cultural Amenity	Quadrant 1	Quadrant 2	Quadrant 3	Quadrant 4	Totals
Bars and Cafes	13	3	6	6	28
Restaurants	5	0	2	7	14
Theaters	0	1	0	0	1
Athletic Facilities	0	1	1	0	2
Total	18	5	9	13	45

Object 17: Chart for Frequency of Type of Cultural Amenity by Quadrant

Geographic Distribution of Cultural Amenities. Analysis of the geographic distribution of cultural amenities in Prati indicates that different types of amenities are concentrated in different regions – the cultural amenities are not evenly distributed throughout the neighborhood. The geographic analysis indicates that although quadrant 1 has nearly half of all eateries in Prati, it is dependent on quadrant 2 and 3 for other recreational amenities. The distribution of eateries in quadrant 1 is similar to the distribution of day-to-day services in quadrant 1, and is concentrated along Via Oslavia, which serves as the boundary between quadrants 1 and 2. Although quadrant 2 appears to have a severe shortage of bars and cafes, it is easy for the western half of quadrant 2 to utilize the eateries in quadrant 1.



- Bars and Cafes
- Restaurants
- Athletic Facilities
- Theaters

Object 14: Map of Location of Neighborhood Services in Prati

Entertainment and sporting facilities are also not evenly distributed. The theater in quadrant 2, on Via C.D. Lana, is centrally located and can be conveniently used by residents in all quadrants. The central location of the theater is particularly important

since it is commonly utilized by people outside of the community. The running track and sports facilities run along the river front, which is a scenic benefit for the whole community. Since these recreational facilities run between quadrants 3 and 4, they are more convenient for the entire community to use. Additionally, these recreational features are located at the boundary between Prati and the rest of Rome, which suggests that they have a wider base of users. Quadrant 3 has the broadest range of cultural amenities and the central location of these amenities around Piazza Mazzini makes them easy to use for residents of quadrants 1, 2, and 4. Once again, the difference in the availability of cultural amenities between quadrants 3 and 4 is insignificant because the majority of services available in both quadrants are concentrated on the dividing street, Via Ferrari.

Conclusions

In summary, this quality of life analysis has provided an overview and evaluation of the existing conditions in Prati. These conditions pertain to physical infrastructure, population characteristics and neighborhood amenities. Data collected was analyzed and evaluated to determine the suitability and desirability of existing conditions and trends for Vogue to establish its Design and Layout Headquarters.

Evaluation of physical infrastructure shows the presence of sufficient housing infrastructure, with aesthetically complimentary façade design for a cheerful Mediterranean feel. Properties and public areas are well-maintained, with efficient street-cleaning and garbage removal services. However, housing prices may exclude potential buyers with lower purchasing power, as Prati's properties are ranked as the fourth most expensive in Rome.

Prati, similar to the Municipio, has an ageing population. Furthermore, the Municipio is depopulating, due to death rates outstripping birth rates. This declining population could have potential negative implications for the local labor pool. However, with more and better-educated people, this may negate the initial concerns resulting from the shrinking population.

The persistence of a declining population could imply negative consequences for the long term viability of the neighborhood. For instance, the declining population might reach the level that it will fail to support the presence of the variety of neighborhood services. The declining population, together with the trend of an ageing population, would also change the neighborhood character. This trend would further cause existing housing stock to be underutilized, thus resulting in the need for revision of property usage and occupancy regulations which would further alter the neighborhood environment permanently.

The inventory and analysis of existing neighborhood amenities shows that these are adequate for local use, but are not evenly distributed throughout the neighborhood. However, they fulfill the residents' key needs for eateries, convenience stores, cafes, gas stations, recreational facilities and cultural amenities. The neighborhood also has a sufficient variety of office services, including courier services, printing services, office equipment and supplies stores.

Overall, Prati appears to be adequately served by its services. The neighborhood surroundings are pleasant for residential use, although high real estate prices may deter people from living in the area. Vogue may also want to consider the

presence of the declining population which is also ageing, because this may have effects on the community and neighborhood atmosphere.

RESEARCH DESIGN

planning organization for



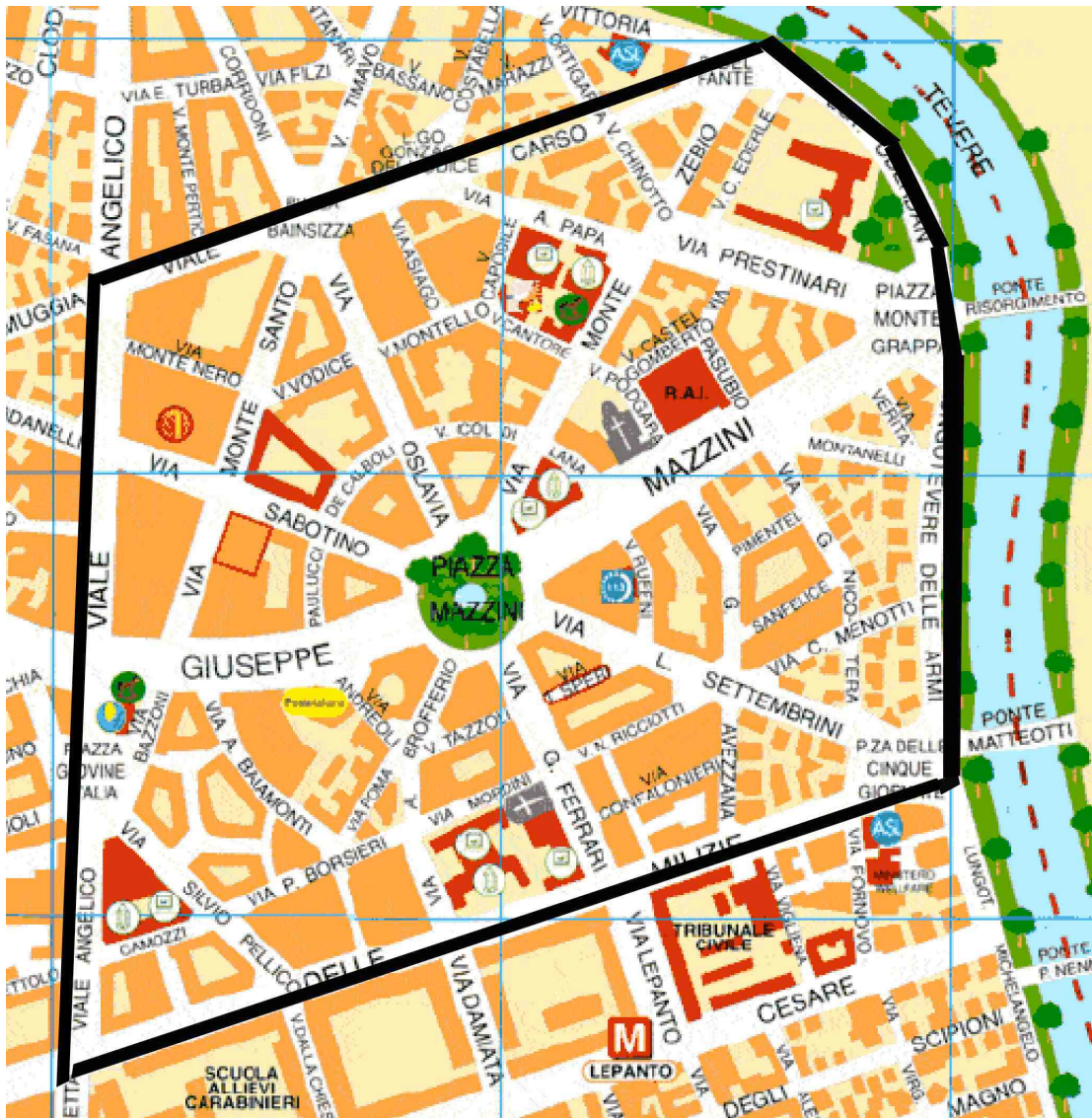
sustainable habitats

RESEARCH DESIGN

The purpose of this study is to evaluate the advantages and disadvantages of locating Vogue's European Design and Layout offices in the Roman neighborhood of Prati. The terms of reference requested information on distinct issues affecting three general categories of business operations: overall company objectives, personnel, and business associates. Preliminary analysis of the issues of concern noted for each of these categories suggests the consistent presence of four core elements: governance, economic and commercial development, physical and social infrastructure, and quality of life. Accordingly, the research design and subsequent analysis will be organized according to these core elements. This method of organization will allow us to focus directly on the issues of concern, and more importantly, to place these issues within the broader economic, social, and political context of Prati. Based on the provided terms of reference, a broad analytical framework has been developed to evaluate the core issues of concern, and to create a more specific research design, which will provide a finer understanding of the neighborhoods functions.

Neighborhood Boundaries

In the initial request for information, Vogue expressed interest in a small triangular area in northeastern Prati, comprised of three streets radiating off of Piazza Mazzini, including Via Oslavia, Via M. Zebio, and half of Viale Mazzini. During the initial site visits, however, this small cross section of Prati did not seem to be a "functional" neighborhood with the variety of services necessary to support a self-sustaining community. For this reason, the functional neighborhood boundaries have been expanded to include all the streets radiating off of Piazza Mazzini. (Refer to Map 1 on the following page illustration of the limits of the study area.)



Object 1: Map of Neighborhood Boundaries

Land Use

Land use policies play a significant role in determining how a firm operates and clusters within a community. The presence of appropriate land use policies and real estate for Vogue's location into the neighborhood is the first step towards assessing the feasibility of Prati as a location for Vogue. While it is not anticipated that land use policies and the availability of real estate will be a significant aid or impediment, it is crucial to understand the restrictions and cost of real estate associated with locating in Prati. In order to examine the role of land use policies and real estate in Prati, we will examine the following issues:

Zoning Laws and Land Use Policies

- Investigate local zoning laws by conducting analysis of legal restrictions.

- Schedule meetings with local government officials both in Prati and the city of Rome so as to better understand the challenges and direction of neighborhood development today.

Real Estate for Professional Offices

- Create a land use map based on foot surveys indicating which areas of Prati are used for professional, residential, and mixed-use purposes.
- Meet with local real estate officials to gather information on available professional space that meets Vogue’s needs and where these options are located.
- Collect information on building use restrictions and local zoning laws from real estate officials.

Quality and Affordability of Housing

- Gather information about the local housing market by meeting with a local real estate agent. Comparative estimates for price per square meter will be obtained for residential units within Prati and residential units in the neighborhoods surrounding Prati, such as the historic center of Rome.

Economic Development

The extent of economic and commercial development present is indicative of the productivity of local resources.²⁰⁵ Furthermore, already existing economic and commercial development can further encourage business profitability and promote community sustainability and quality of life. Business location decisions are often driven by government regulations and provisions, such as tax-incentives, but when considering the complexity and total cost of operating a business, the effect of government regulations tends to be minimal.²⁰⁶ Instead, Vogue’s location decision should be based primarily on the appropriateness of already existing economic and commercial development, access to necessary resources, proximity to local markets, and physical and social infrastructure. Locations that already have strong economic and commercial development undoubtedly have good physical and social

²⁰⁵ Mildred Warner, Adriance, S, Barai, N, Hallas, J., Markeson, B, Morrissey, T, and Soref W (2004). *Economic Development Strategies to Promote Quality Child Care*, Draft for Comments, Linking Economic Development and Child Care Research Project, Ithaca, NY: Department of City and Regional Planning.

²⁰⁶ Bartik, T.J. (2003). *Local Economic Development Policies*. Kalamazoo, MI: Upjohn Institute for Employment Research.

infrastructure. This influences new businesses in a positive way and bodes well for long term sustainability of both the business and the neighborhood.²⁰⁷ Thus, while local business policies are essential considerations, Vogue will ultimately be better served by focusing on the already existing economic context of Prati. In order to evaluate the existing economic context in Prati, the following economic indicators will be evaluated: commercial establishments and professional offices. Additionally, it is necessary to examine two broader questions: how is Prati economically connected to the rest of Rome? Is Prati in a state of economic growth or decline?

Economic Development Policies and Incentives for Businesses

- Conduct a review of scholarly literature and local laws and regulations regarding economic development policies. This information will be available through international research databases, networked resources, and meetings with local officials.
- Analyze past business initiatives by talking to local government officials and looking at the business location plans of other major corporations in the area.
- Examine current economic development programs and neighborhood attitudes towards commercial development in the neighborhood by talking to local government officials.
- Review past government initiatives to encourage business location, including the provision of tax (or other) incentives. This information will be collected through local government officials and past business plans.

Local Commercial Establishments

- Create an inventory of local businesses by conducting a foot survey of every street in the designated neighborhood boundaries. This inventory will be documented both in the form of a list according to block and on a coded map.

Local Commercial Establishments Targeted Towards Professional Businesses

- Create an inventory of local commercial establishments targeted towards professional businesses. This inventory will be documented both in a list according to block and a coded map. There will be one map for each type of business service, which includes fax and copy store, office supply stores, cellular phone stores, internet facilities, mail and shipping centers, hotels, and rental car services.

²⁰⁷ Lynch, R.G. (1996). *Do State and Local Tax Incentives Work?* Washington, D.C.: Economic Policy Institute.

Professional Offices

- Conduct a foot survey of the presence of professional offices in the neighborhood. This survey will be documented in the form of a list according to block and on a coded map indicating what types of professional services are offered.

Broader Economic Context

- How is Prati economically connected to the rest of Rome? To answer this question, we will further analyze the inventory of commercial services present in Prati to determine how specialized these services are and from where they draw their clientele. Additionally, information collected on the labor market will aid in elucidating Prati's relationship with Rome.
- Is Prati in a state of economic growth or decline? To answer this question, we will consult much of the data collected for other issues of concern. To supplement this information, we will collect time series data from the Italian Statistics Bureau measuring average GDP, income, and employment rates for the relevant census blocks. Our consultants will also discuss long range development plans for Prati with local officials and business leaders and meet with local resource persons to get a better sense of Prati's historical economic context. Additionally, we will conduct an informal convenience sample survey with local residents to understand from their perspective what changes have occurred in Prati over the last 5 to 10 years.

Transportation

Businesses depend on solid physical infrastructure to support services and employees. The costs of inadequate transportation infrastructures are substantial for businesses, particularly those that compete in the global market.²⁰⁸ While good roadways and parking infrastructure is important, particular emphasis should be placed on public transportation. Public transportation is an excellent indicator of the business climate in a neighborhood and is necessary to maintain a strong economic foundation. An investment in public transportation facilitates business success.²⁰⁹ According to the Public Transportation Partnership for Tomorrow, every 10 million dollars invested in public transportation generates 30 million dollars in business sales. Businesses that locate in neighborhoods with strong public transportation

²⁰⁸ Natalie Cohen (2000). *Business Location Decision-Making and the Cities Bringing Companies Back*. A Working Paper prepared for the Brookings Institution Center on Urban and Metropolitan Policy. <http://www.brookings.edu/ES/URBAN/cohen.pdf>

²⁰⁹ http://www.publictransportation.org/reports/pub_benefits.asp#btb

infrastructure save on labor and parking costs and help to alleviate congestion in the neighborhood.²¹⁰ A wide public transportation network expands the available labor pool and reduces employee delays, absenteeism, and turnover. Having convenient public transportation available provides a logical alternative to driving for many employees, which can lead to significant savings on land and construction costs required for parking.²¹¹ It is precisely for these reasons that more than half of American Fortune 500 companies have headquarters in “transit intensive metropolitan areas.”²¹²

Public Transportation

- Study local transportation options in and around Prati. An inventory of public transportation options will be compiled from information on ATAC website of buses and trams, including all lines and routes that have stops in Prati and their frequencies; this information will be presented in both list and map form. Additionally, an informal observational study will be conducted on the density of travel, which will involve observing which buses are most frequently used, the population density on each bus route, and where people are getting on and off. The cost of public transportation will also be determined.

Private Transportation

- Conduct a parking survey to distinguish how many cars belong to neighborhood residents versus outsiders. This will be accomplished by surveying which cars parked on the streets of Prati have parking meters designated for local neighborhood parking. Additionally, the feasibility of obtaining parking spots in the neighborhood will be obtained.
- Determine the possibility and cost of building an underground parking garage to accommodate Vogue cars.
- Compile information on the feasibility and convenience of air travel from Rome to London and New York. This will require collecting information on Rome’s airports, including where they are located, travel times to and from the airports, and what international airlines serve the airports. All of this information will be available through publicly networked resources, such as travel guides and airport websites. Additionally, information will

²¹⁰ Ibid.

²¹¹ Ibid.

²¹² Ibid.

be compiled on the frequency and times of flights available with each airline to London and New York, which is available through individual airlines.

- Document the presence of police on the streets through informal observation on three distinct days at three different times of day: 8:00am, 2:30pm, and 9:00pm.

Vogue Investment

- Determine what public and social infrastructures are lacking in Prati and which of these services are necessary to make the neighborhood a suitable location. Projections of necessary monetary investment will be made by determining the average cost of improving lacking amenities and will include expenses such as providing child care services and subsidizing public transportation.

Quality of Life

In recent years, employers like Vogue have given increased attention to promoting work/life policies that allow employees to balance their professional responsibilities with personal happiness.²¹³ Progressive companies are addressing issues such as affordable housing, demographic composition, neighborhood services, and cultural amenities in making business location decisions. It is essential to consider what “creative features” Prati offers, such as urban amenities, street life, performance venues, and proximity to good restaurants.²¹⁴ Ultimately, a high quality of life location also allows firms to recruit more productive workers at a lower cost – the location itself becomes an incentive. In order to evaluate Prati’s quality of life, we will examine the following indicators: neighborhood amenities, affordable housing, prices, demographics, crime rates, eateries, street life, night life, and green spaces. It is necessary to examine this information within the wider context of the long-term sustainability of the neighborhood.

²¹³ Shellenback, K. (2004). *Estimating the Economic Impact of Family Friendly Workplace Policies*. Ithaca, NY: Cornell Department of City and Regional Planning

²¹⁴ Florida, R. (2002) *The Rise of the Creative Class: And How It’s Transforming Work, Leisure, Community, and Everyday Life*. New York: Basic Books

Education

- Obtain information about schools in the neighborhood, including information on school quality, demographics, and specialization, if any exists.

Child Care Facilities

- Collect data on the availability of high quality child care facilities within the neighborhood boundaries.

Public Services

- Compile information on the prevalence of police stations, fire stations, libraries, and community centers within the neighborhood boundaries.

Neighborhood Amenities

- Create an inventory of all neighborhood services with a foot survey. This information will be presented in the form of lists according to blocks and with coded maps. Establishments examined include, but are not limited to: hair salons, furniture repair, mechanics, travel agents, solariums, hotels, gas stations, newspapers, dry cleaners, food stores, outdoor markets, post offices, pharmacies, tabacchis, and banks

Prices

- Collect information about the cost of living in Prati compared to other districts in Rome.

Demographics

- Obtain statistical information regarding the demographic composition and income distribution of the residents within the neighborhood boundaries. This information will be obtained by submitting the census blocks the relevant in to the Italian Statistics Bureau, who will then provide all available data for the relevant census blocks.

Crime Rates

- Compile statistical data regarding crime rates, which are readily available on the local government website. We will also meet with neighborhood officials to understand the nature of the crimes being committed and what measures, if any, are being taken to eradicate crime from Prati.

Eateries

- Conduct a foot survey of restaurants, bars, and cafes in the neighborhood boundaries. This information will be presented in the form of a list with eateries listed by block and a coded map.

Street Life

- Informally survey the presence of people on each block. This will require observing each street at distinct times and counting the people that pass by in a 20 minute span of time. Although this will not provide an exact measurement, it will certainly give a sense of the most heavily trafficked streets.
- Record the presence and location of streets markets using a foot survey.

Night Life

- Collect information regarding the type and location of night life activities, such as performance venues, bars, and dance clubs. This information will be presented in written form with a brief description of each venue and as a coded map.

Green Spaces

- Conduct a foot survey of green spaces, parks, and playgrounds within the neighborhood boundaries. The information will be presented in the form of a coded map.

Sustainability

- Determine the availability of necessary day-to-day services for both businesses and families – is the neighborhood self-sustaining?
- Interview local officials to discuss recent economic, social, and political trends.
- Meet with real estate agents and local officials to understand residential trends, such as who is moving in, who is moving out, and if real estate prices have increased or decreased in the last five years.
- Conduct an informal convenience sample survey with local residents about the state of the neighborhood and recent changes.

TERMS OF REFERENCE

Terms of Reference

Vogue International is seeking to relocate their European Design and Layout headquarters office in Rome, Italy within the next two years, although this time frame can be flexible. Vogue would like to establish a new European center for design and layout separate from our printing centers in London. After a preliminary review, Vogue has isolated the neighborhood of Prati in the northwestern section of Rome as a possible sight for expansion. To be more specific, Vogue is interested in learning more about a small triangular area in Northeastern Prati, comprised of three streets radiating off of Piazza Mazzini, including Via Oslavia, Via M. Zebio, and half of Via le Mazzini.

Vogue anticipates that the Design and Layout headquarters will have a core staff of approximately 50 people and a support staff of approximately 75 people. In terms of space, Vogue will require a facility between 2500 and 3500 square meters. Vogue plans on transferring its current employees to constitute around half of the core staff and plans to hire its entire support staff in the Rome metropolitan area. To effectively inform this location decision, Vogue is seeking a study that will provide information on the issues that follow.

Business Issues for Vogue International

Real Estate Market. The first issue that must be assessed is the cost of moving into the neighborhood. Vogue is currently anticipating spending around 2,700 euros for 1 square meter of space. If real estate prices far exceed this expectation it will be necessary to rethink location in this area. While Vogue would like some very basic information on potential sights, detailed information is not necessary as Vogue will seek the advice of a real estate consultancy to determine the most suitable location if Prati is indeed the appropriate neighborhood.

Business Services. The Design and Layout Offices will require the availability of office services in the neighborhood. While Vogue intends on establishing a central office service center within the facility, this will need to be supported by the presence of office service commercial centers. It will also be desirable for Vogue to be located in the vicinity of other professional businesses.

General Infrastructure. Vogue would like to locate in an area of Rome where there are strong transportation services to facilitate the easy accessibility of the office

to for the occasional visiting business associates or Vogue International senior staff. Accessibility by car is essential and parking facilities are essential as there will be some corporate cars and employee vehicles that will need to be accommodated. Accessibility to airports is also essential, as well as frequent and convenient flights to London and New York. Additionally, although Vogue will use technology to conduct most business, basic information on the proximity to social services, such as mail and shipping centers, in Rome and the neighborhood is requested.

Government Support. Vogue is interested in learning what government incentives, if any, may be available to companies locating in Prati. For example, our offices in New York received initial incentives for location, in the form of tax subsidies. Additionally, the corporation requires summaries of all the government policies, particularly in terms of economic development policies and land use restrictions.

Long Term Projections for the Neighborhood. Vogue would like an indication of the neighborhood's long-term economic and demographic trajectory. Vogue is interested in an assessment of whether the neighborhood will maintain its professional character, or if there are any signs that the neighborhood could enter into a period of economic decline, in which case Vogue would be forced to relocate in a few years. Vogue requests an assessment of the economic conditions in the area, commercial activity, and any observable changes or trends in the last decade. Additionally, Vogue request an assessment of what Vogue's long term impact on the neighborhood may be.

Issues for Vogue Personnel

Lifestyles Assessment. Ideally, the core staff will be able to live in the neighborhood. Thus, Vogue seeks information about the quality of life in Prati. The core staff that will be relocating will be primarily female, and it is thus essential to ensure an appropriate demographic background for women and services for families, along with any other relevant information on demographic trends. Vogue requests an assessment of community characteristics, schools in the neighborhood, day care centers, play space for children, and any other services which indicate the neighborhood is family oriented. For any services that you find not to be served, we would like a rough estimate on how much Vogue International would have to invest in order to make the area suitable for location of our staff in the area, including

expenses incurred for providing our own daycare services, subsidizing employee's rents, and/or transportation.

Real Estate. In addition to evaluating the real estate for our own corporate location, we would like an evaluation of the housing in the area for our relocating personnel. Vogue understands that this neighborhood has an expensive real estate market, and would thus like a sense of the availability of housing, turnover, and cost.

Transportation. Vogue requests an assessment of the transportation systems that service the neighborhood. Since the majority of the support staff will not be living in the neighborhood proper, Vogue requests an accurate assessment of how they will be able to access the neighborhood. This should include an evaluation of public transportation, as well as the possibility of using private transport to come to and from work, which would include assessment of general infrastructure as well as parking near the office location.

Issues for Business Associates

Hotels and Visitor Services. Although Vogue does not anticipate a visiting clientele, there will be visitors from Vogue International's other offices and subsidiaries, including the Executive Board, particularly in the first two years. Thus, Vogue requests a basic and brief analysis of the visitor services in the neighborhood, including hotel availability, rental car services, as well as general entertainment services for those who are staying in the area, such as theatre entertainment, restaurants, and night clubs.

As we move along in the project, Vogue would like to ensure assessments of area of concern in a timely manner. Accordingly, Vogue proposes the following schedule for the delivery of information:

Research Design	Monday, 14 February
Issues for Business: Real Estate, Government Subsidy and Labor Market	Monday, 28 February
Issues for Business: All else	Monday, 7 March
Issues for Personnel and Issues for Clients	Monday, 21 March
Final Report	Monday, 25 April
Presentation to Vogue International Executive Board	Thursday, 5 May