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Sustainable Cities: Some Reflections on Companies' Settlements

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Abstract: Urban dynamics in recent years show a tendency that cannot be ignored in terms of the impacts that they induce, with regard to many companies, especially big companies, that are settled in the downtown districts of the main cities, where economic spaces are blended with urban spaces. This study, therefore, aims to investigate the sustainability of cities by using the specific perspective of their relationship with the companies' urban settlements. Some questions in the present work are discussed: What advantages derive from the firms' settlements in downtown areas? What is the impact on urban geographies? What role does urban policy play in this process? How do cities perceive this large business settlement? To answer to these questions, a model of dynamic equilibrium, referred to as the public–private relationship, is provided. The analysis starts from the context of the city as a commercial space, then identifies the determinants of the establishment of businesses in the city centers and the mediating function of politics in this urban morphogenesis. Case studies from the USA on large companies returning to urban centers complete the analysis.

Keywords: sustainable cities; companies; settlements; equilibrium



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1. Introduction: The City as an Economic Space

Is the relationship between companies and cities born out of a binomial collaboration with each other, a dualistic contrast with each other, or indifference, by developing their businesses and policies without influencing each other? Reviewing the most current data sheds light on the phenomena that cause companies to prefer settling in downtown areas.

What advantages may push firms to overcome the disadvantages in the choice to move business downtown? How does urban geography respond to these choices? Are cities prepared to combine business needs with those of their citizens, resulting in sustainable cities? Urban areas must undergo a sort of morphogenesis in their ability to adapt urban policies, urban planning, and public services, so that firms may settle there. Furthermore, when a company decides to settle in an urban area, will it be considered as a burden that overuses city resources, or could it be welcomed, on the contrary, as a source of resources and support for the city itself? This analysis aims to explore and answer these questions regarding a peculiar feature of the multidimensional concept of sustainable cities.

Lefebvre's sophisticated theories, amongst others, confront the nature of the urban space, which has been historically imbued with commercial connotations that ascertain a symbiosis between a city and its businesses.

By involving partial or entire production chains, companies may collaborate as a network in order to share knowledge and skills. This networking phenomenon is amplified by geographic proximity, is able to promote an agglomeration of economic clusters, which are concentrations of companies interacting with each other, and is able to generate spillovers, which are considered as the effect that one company may have on others.

The original forms of economic localization were not necessarily found in urban areas; indeed, many were not, although, the current scenario is typically urban and represents a sort of paradox in the digital era, where the telematic distance could make physical distance obsolete. Many studies have shown that, especially under the smart city paradigm consolidation, there has been a proliferation of company settlements in urban settings [1,2],

despite globalization trends that favor the development of telecommunication technologies. Urban spaces, and particularly city centers, therefore, seem to be characterized by added value.

The current scenario balances centripetal forces that move towards urban economic spaces and centrifugal forces that move towards suburban areas or even towards scattered settlements. Excluding some specific determinants that will be analyzed in more detail in the following passages, the centripetal forces mainly include the advantages that are linked to economies of scale combined with learning curves. These curves consider the experiential evolutionary capacity of urban fields and the possibility of increasing performances, while at the same time decreasing operational costs for companies. However, there are logistical difficulties for settlements linked to accessibility and planning. These are often difficult to oversee in central urban areas and must follow market opportunities as they arise. The current dynamic shows that companies follow workers first and then market opportunities; they prefer physical proximity to creative territories where skilled and young workers are located as well as digital proximity to geographically dispersed market niches. As, in fact, analyzed by Storper and Scott [3], a number of currently prominent approaches to urbanization respond to the question of “do jobs follow people or do people follow jobs?” by privileging the role of individual locational choice in response to amenity values as the motor of contemporary urban growth.

Therefore, this theme raises some questions which are discussed in the present work: What advantages derive from firms’ settlements in downtown areas? What is the impact on urban geographies? What role does urban policy play in this process? How do cities perceive this large business settlement?

2. Urban Localization of Companies, Some Background

Current studies are mainly focused on the themes of cities in relation to their presence as nodes of global networks; however, as affirmed first by Saskia Sassen [4] and then by Rozenblat [5], it is instead important to reflect on the local value deriving from the establishment of businesses in cities, as economic, social, urban and town planning changes are relevant.

A city in symbiosis with its businesses has an unavoidable intertwining of places and flows. Places are defined by their localized, punctual, and physical-spatial nature. As such, they concern practices and behaviors that arise and assert themselves within specific territorial areas. The concept of flows brings to mind the communications and relationships between different areas, even those with considerable distances between them. These supportive interconnections between economies and cultures are fueled by the urban settlements of businesses. The distinction between places and flows describes a transformation that is underway: the transition from a society characterized by a low mobility of capital, work, and cultures, to a society characterized by the fluidity of roles, the geographical mobility of people and businesses, and the speed of communication. Urban policies must incorporate these guidelines and shape urban agendas based on these objectives by initiating actions such as architectural redevelopment, energy efficiency, the strengthening of transport and logistics through integration between ports and freight villages, as well as the facilitation of geographical proximity between businesses, research centers, and universities.

As pointed out by Spanos [6], ever since the economists Smith [7] and Marshall [8] discussed the productivity advantages for larger cities, an extensive body of work in the economic literature has been devoted to understanding the source of these advantages [9–11]. Although various theories have been proposed to provide explanations for this phenomenon, in recent years, the topic has re-emerged in the scientific debate due to the impact of innovative nature on the characterization of the new urban production fabric. However, Spanos [6] has recently argued that this does not receive the attention that it deserves, compared to the scientific treatment of the binomial, which is constituted by the paradigms concerning innovation and the urban geography of companies.

Several studies have approached the topic of business geo-localization: Cumbers et al. [12] investigated the collaborative relationships between companies in different urban locations. Bennet et al. [13] studied the relationship between urban density and location choice, and Wood studied this topic as it referred to capital cities [14,15]. As Amin and Thrift [16] argued, the direct relationship between an urban area and a company's location choice is far from apparent, giving rise to a variety of alternating hypothesis. The theme of economic growth has generated two macro-strands of research that are characterized by different considerations of spatial value. One macro-strand is the neoclassical theory (which has never considered territorial factors) that correlates development with exogenous factors. The second considers the more recent approaches of the New Growth Theory and New Economic Geography.

Lösch [17] argued that firms locate in such a way as to maximize profits by considering the general equilibrium of all locations and prices. Krugman [18] extended the central place explanation by considering market size, agglomeration, and localization economies as being determinative of a firm's location choice.

In the neoclassical approach, the hypotheses of the perfect dissemination of knowledge and the constant returns to scale preclude the possibility of explaining persistent growth differentials over time. This is economically backward when referencing the problems that are experienced in specific local areas.

Neoclassical theories differ from classic theories through the introduction of market competition, revenue, internal economies of scale, the effect of varying combinations of production factors, and a focus on profit maximization [7]. Endogenous growth models and the New Economic Geography (NEG), which were developed at the end of the last millennium, have more varied implications. This is because the starting hypotheses account for persistent variations in the ways that different economies develop [19], such as the presence of increasing returns, or through a microeconomic view of the mechanisms that are used to disseminate knowledge.

The NEG have had the merit of "having given a unifying expression, compared to the mainstream of historical exponents of the space and non-space economy, of the tendency of productive activities to concentrate in physically restricted spaces according to the concept of agglomeration" [20] (p. 455). According to Krugman (1995), this is a field of research that deals with causes ("why") and modalities ("how") concerning economic activity and its interaction with space. Krugman referred to the Marshallian concept of externalities as a regional concentration of economic activities that are capable of locally generating external economies [21].

As the State of European Cities Report highlighted in 2007, cities are increasingly the main engines of economic growth [22]. Urban areas are identified as the leading producers of knowledge and innovation and, thus, as the ganglia of the globalized world economy. Furthermore, as underlined by Dematteis and Governa [23,24], they represent the locus of maximum emphasis in a multiform network of actors.

Data show that large cities, generally, contribute to economic development. The contribution of a city and its production of wealth tends to level out as the city size decreases. Additionally, jobs are more concentrated in cities than residents are. This is because many prominent employment centers are located in cities, and the largest of these are real drivers of economic growth. Sridhar and Wan [25] underlined that the localization of industries within a city would influence its ability to become an engine of economic growth.

The following examples are from the USA: In Cambridge, MA in 2010, the global biotechnology company Biogen moved its headquarters to a large suburban campus in Weston, which is a town 25 min outside of Cambridge. After just a few years the company reversed its decision and in 2014 the company relocated again, to two new facilities totaling 500,000 square feet of space—in the heart of Cambridge. These companies that are settled in downtown are of all sizes, from just a few employees to several thousand. In downtown Conway, AR, Big Cloud Analytics recently opened an office of just two people (though they

plan to grow in the next five years). In Tempe, AZ, State Farm Insurance's new regional headquarters will be home to 4500 employees, with the potential for 3500 more.

Furthermore, the issue of the establishment of businesses in cities is paradoxically amplified by the COVID-19 pandemic, even if the scientific debate is controversial on the prediction of the dynamics of the near future. On the one hand, even before the pandemic, a number of writers (see the review carried out by Yousefi and Dadashpoor [26]) supported the power of ICT in urban decentralization processes, as well as other authors who have recently weighed in on the possible long-term effects of the COVID crisis on economic geography/site location, arguing in particular that the crisis might enhance the power of centrifugal forces and lead over time to the dispersion of economic activities/site locations. Such writers point to crisis-sparked developments in telecommuting, remote education, tele-healthcare, and online shopping as the drivers of such decentralization. On the other hand, indeed, with every major improvement in transport and telecommunication capacity in the past two centuries, there has been an increase in urbanization. Therefore, it is unlikely that COVID-19, despite the high levels of devastation it has caused in certain cities, will derail the long-standing process of urbanization and the economic role of cities. Innovation, creativity and economic growth require the clustering of talent and economic assets, face-to-face interaction, buzz, diversity and the critical mass that only cities can provide. Paradoxically, perhaps, the more efficient transportation and telecommunication technologies become in spreading out certain kinds of routine interactions, the more we invent creative new cutting-edge collaborations that demand face-to-face interaction [27].

3. Mediating Urban Policy's Role in Companies' Settlements Phenomena

It is clear that cities have historically had an economic dimension. What is unclear is if this economic dimension was exploited or enhanced by a symbiotic relationship between urban policies and urban planning. It seems that urban geography and the geography of companies are often considered as two parallel tracks; however, they are instead like two helical threads that intersect each other in the domain of space and time. As, in fact, Kaufman and Arnold [28] have affirmed, the localized policies are shaped by place-specific factors that either hinder or support the effective positioning of the city within the global market.

A difficult question to answer is whether urban policy should concern itself with citizens or with city-based businesses. The difficulty arises from a dominant position in the social sciences that is critical of the neoliberalism that has transformed urban areas into competitive business-sites, as "cities have become strategically important arenas in which neoliberalizing forms of creative destruction have been unfolding" [29] (p. 57). According to current of scholars, in fact, the paradigm of the marketing of the place is stressed, as if it were a cold object of economic transaction and not an identity space for the values of a community. Theories that, on the other hand, support the economic strength of urban marketing as the only competitive weapon of the global challenge can be found, for example, in the work of Jonasson and Niedomys [30], who affirmed that power is crucial and positioned cities on a scale, suggesting that large, mega or world cities have most of the power and that smaller cities are unable to compete and, therefore, they instead pit themselves against similarly sized cities that are at a similar or slightly higher position. In the same vein, the geographer Ash Amin proposed a non-territorial interpretation of the places that were hosting companies, providing an alternate view of the city through the application of relational theory. Amin [31] argued, in fact, that mainstream conceptualizations of cities territorialize them, and he referred to cities in these terms: "the sum is cities . . . without prescribed or proscribed boundaries" (p. 34). According to his perspective of deconstructing territories, cities are viewed as flows containing multiple relational networks and are nodal formations of the global, halted in one place temporarily. This is the more recent interpretation of cities, however, the place remains unchanged, conceptually and theoretically. Amin's [31] (p. 33) relational interpretation of cities attempts not to be a-spatial or territorial, but topological as the "globalization and the general rise of

a society of transnational flows and networks no longer allow a conceptualization of place politics in terms of spatially bound processes and institutions”.

Responding to economic competition, Peck et al. [29] argued that governments engage in “short-term forms of interspatial competition, place-marketing and regulatory undercutting in order to attract investment and jobs” (p. 58).

Among the antithetical currents that were mentioned, it is also necessary to consider a possible third way, using a famous political expression that is attributed to Tony Blair’s politics: a sort of social democracy referring to the urban environment, that is, a compromise between opposite visions, the urban-socialist one and the neoliberal one. In this sense, Robinson [32], who emphasized the (only apparent) paradox relating to the importance of the place, even in the era of globalization, strongly supports the advantages that are induced by an urban policy that promotes business settlements, as this phenomenon strengthens and makes dominant the economic-urban context of those cities that are hosting companies. Unlike, however, the absolute supporters of the economic purpose of urban space, she considers this a value only when it matches with some urban characteristics and, therefore, only after the specific urban nature of a city has been well-understood.

In this coalescence of perspectives animating scientific debate, urban policy is on the one hand tempted to look favorably on company settlements by strengthening place branding, but on the other hand it sees the double burdens relating to both the need to “carefully manage identity, loyalty and reputation of the city” [33] (p. 132) and the need to ensure business support services, improve logistics and transport, and minimize levels of decay and crime, so that companies are confident in their location choices.

Urban policy should face the opportunity of the financialization of urban development which, however, is also a risk as the main firm locations that are capable of affecting the development roadmap are foreign. This opportunity becomes a compromise for the cities hosting these investors. In fact, for both the advantageous taxation offered to attract companies and the complex and often not yet regulated taxation of multinational companies with revenues that are generated by digital a-space transactions, the economic returns that fall on the physical place in which the headquarters of the company is established are relatively small percentages. The distinctive regulatory and political contexts within which transnational actors must bring such projects to fruition matter greatly to the outcomes, with territorialized governance arrangements both shaping and being shaped by transnational dynamics. However, there has been little systematic comparative consideration of these diverse regulatory contexts in their own right, rather than as contributors to wider circulating processes such as neoliberalism. As a result, the implications of different regulatory regimes for urban outcomes have not been effectively assessed [34].

The cities, therefore, do not benefit from the improvement of its services (for example, medical and social ones) and infrastructures in proportion to the greater load of the company which, with its workers, increases urban transport flows, congests traffic, and benefits from all other urban services.

According to Kavaratzis [35], the analogy between brand placing—referring particularly to the cities hosting companies—and the corporate brand is fully possible. However, the big difference revealed in the mediating function of urban policy is related to the changes in the urban geography deriving from the settlements of companies in the neighborhoods of cities. Material and immaterial changes are related, according to different perspectives, to urbanized neoliberal spaces [36] (p.179) as well to as “profit-motivated images of urban spectacle, consumption, and property values”, or to greater creativity and urban dynamism that is derived, as will be discussed in the paragraph on settlement determinants, from the geographical proximity between companies.

4. Determinants of Location

As seen in the previous sections, although they are in both a complex and controversial framework, cities are indeed simultaneously in competition and part of a network with one another. Cities that delay or do not grasp the importance of the convergence of urban

geography and the location of companies may succumb to competition or become alienated from smart urban networks.

What, then, moves companies to make location choices? The central components of economic-geographical analysis are location theories that attempt to decipher industry location patterns and predict suitable locations for industries. However, no single theory sufficiently explains why and how an individual firm selects a location or how industries cluster in certain regions. This implies that firms have specific contexts that drive their location decisions. Furthermore, the complexity of such decisions is often influenced by various behavioral, social, and locational factors; however, it is possible to identify some common drivers that are more relevant to business decisions. Table 1, in fact, displays the main determinants of company settlements based on the relevant literature.

Table 1. The main determinants of company settlements based on the relevant literature.

ID	Determinants for Settlement	Literature Review
D1	Workspace availability	[37,38].
D2	Structural costs	[38].
D3	Available parking	[39].
D4	Available transportation services	[39];
D5	Minimization of home-work distance	[40–42]
D6	Geographical proximity to other companies in the same sector	[43–50].
D7	Geographical proximity to other companies in different sectors	[51–57].
D8	Geographical proximity with suppliers of real business services	[58,59].
D9	No urban decay	[60].
D10	Absence of crime	[61,62]

Source: Author's elaboration.

From an analysis of Table 1, it is clear that not all drivers of location choice can be satisfied by downtown areas. However, the current trend of companies and start-ups moving downtown demonstrates that some positive aspects have a greater weight than others.

Furthermore, again from the analysis of Table 1, a classification of determinants in two areas emerges and it is that of the traditional binary division between *oikos* (οἶκος) and *agora* (αγορά). This concept was already well-analyzed by Visvizi and Lytras [63], who affirmed that in city spaces, this division has been challenged by the emergence of parallel channels of communication and the consolidation of “virtual” public and private spaces.

The first group of determinants (D1, D2, D3, D4, D9 and D10) constitutes specific elements of the direct or indirect competence of urban policy (*oikos*). In fact, transport, safety and cleaning are the direct responsibility of urban policy, while all of the aspects that are inherent to the availability of work and parking spaces are its indirect responsibility, in which the policy can, in any case, intervene through specific incentive actions. The second group of determinants (D5, D6, D7, and D8) pertains to the sphere of business strategies (*agora*). Indeed, this is true only in the initial stages of the urban enterprise clustering phenomena, since once fully operational, urban policy can and must intervene both to support the initiatives that are privately launched by companies and to integrate these settlement dynamics into urban planning.

In this smart city era, it is certainly interesting to focus on the aspects of new urban paradigms that are linked to businesses in the intangible economy of knowledge and innovation regarding, particularly, the second group of determinants of Table 1. However, in order to highlight the extent and intensity of the “colonization” phenomenon of urban centers, one must also consider that even the manufacturing field, which is typically delocalized, has urban settlement preferences. The decentralization of production and the industrial relocation that characterized the manufacturing sector during the 1900s seems to have reversed course, with several recent studies taking an interest in the topic. For example, Belitz and Heike [64] analyzed an extensive data set on German manufacturing

companies, showing that companies with R&D activities located in central urban regions were especially productive.

The analysis of the root causes, context, and motivational factors of the geo-location of these companies was quite simple with regard to the traditional economy. A direct functional correspondence between the characteristics of the places and the industrial vocations of the companies was evident. In lobster-rich Maine, for example, it is easy to find fish processing and distribution companies, whereas Texas, in contrast, has many oil extraction and processing companies.

The analysis of the geo-localization of companies and subjects operating in the knowledge economy is complex. In this case, the vertical relations between places and firms may not be respected, as the primary business activity is independent of the natural characteristics of the place while the anthropic characteristics of the territory prevail. There may, however, be some exceptions. Returning to Texas, many start-ups have been developed in Houston whose activities in the digital economy are applied to the oil sector (a local natural resource). These companies have become specialized in the use of financial models for the management of oil transactions, thereby creating an urban scenario in which horizontal and vertical geographical relationships coincide with each other.

When the dominant economic wave is based on a knowledge economy, the increased costs that are associated with a greater number of external transactions act as a 'spatial pull' for the firms to cluster in physical proximity in order to gain economies [65]. As Alfred Marshall [66] observed in industrial districts, such agglomerations further invigorate the process of re-agglomeration, as firms can benefit from lower transaction costs, the growth of a specialized labor market, and the diffusion of knowledge.

In order to begin an analysis of the new geographic business phenomena that are related to global innovation, it is necessary to first evaluate the reference scale in which they are listed. The urban scale, which could seem unsuitably matched to global processes, instead seems to have great value. For example, Maragarita Angelidou [67] summarized some of the reasons as follows:

- Innovation has a geographical locus, and therefore the local level lends itself better to and is more effective in pursuing company strategies.
- Cities are able to involve different components of business innovation in urban ecosystems, thereby promoting citizens' governance.
- Cities are flexible elements in the exploration of new business and governance models for company profits. Their experience, agility, and proximity provide the necessary knowledge and ability to create a climate that is conducive to business development.
- Urban problems are of a manageable and known nature.
- On the other hand, the strategies for developing smart features at the urban level on a local scale also have disadvantages.
- Small- and medium-sized cities compete for resources against larger and better-equipped cities and, therefore, are less likely to receive funds for strategies that create a symbiosis between urban geography and business geography.
- Cities must find a way to align their urban strategies that are aimed at businesses with the planning that is dictated by the government agenda.
- Innovative pilot projects and small-scale developments do not represent a satisfactory validation proxy capable of determining permanent implementation.

Audretsch and Feldman [68] were among the first to use a spatial approach based on the Gini index to demonstrate that the innovative activity that is based on the knowledge economy is composed of k-workers, i.e., knowledge workers. K-workers are characterized by soft skills that tend to be considerably more concentrated than those relating to traditional manufacturing activities. Several recent studies have used the Ellison and Glaeser index to measure the urban geographic clustering of employment [68–70]. The Ellison and Glaeser index indicates a general trend of the spatial concentration of economic activity. However, it presents some critical issues related to aggregation problems that derive from the use of a fixed spatial scale. Duranton and Overman [71] subsequently transformed the

points on a map (of innovative companies with research laboratories) into units in boxes (such as postal codes, counties, metropolitan areas, and states).

Therefore, scientifically based analytical attempts aimed at modeling territorial innovation on an urban scale have been varied, despite the now consolidated and shared opinion that the innovation process is a crucial aspect of the economic growth of an entire country. However, the characterization of a company's settlement factors has not yet been fully understood as it concerns the massive effects it will generate in the coming decades.

The key determinants in the processes of setting up businesses in urban centers can be traced back to the widespread availability of social capital, which is understood in the broad sense of trust capital, community sense, as well as an awareness of the available resources and of the digital connections [72].

This form of cognitive capitalism, which is aimed at generating value by transforming and using thoughts, emotions, and identities [73], constitutes a recent paradigm that was induced by the rapid technological development in recent decades. Indeed, its conception has deeper origins in the context of general economic theory [74,75]. It was Solow who identified technological progress as the only source of long-term economic growth [76]. Pasinetti [77] then stressed the importance of the exogenous learning activity that is facilitated by cities and that drives technological change and structural transformations, and which substantiates an increase in productivity within the economic sectors that are the main drivers of economic growth.

The accelerated technological development that has overturned the system of codified knowledge has reached very significant orders of magnitude compared to an economy focused on traditional activities. This has opened the way to a much more fluid and changeable knowledge, which is capable of managing the various implications of innovation. Cities have increasingly represented the catalysts of this phenomenon.

In recent years this evolution has contributed to a shift in the focus of political orientations towards an economy in which knowledge is the primary source of growth. It suggests massive investments in education, innovation, information, and communication technologies in order to improve the quality of life for residents, increase labor demand, overcome market inertia, and strengthen social cohesion [78].

The impact that the knowledge economy has on urban development has been investigated [79], particularly the affirmation of new functions, the development of new services, and the definition of the means of civil living.

These dimensions affirm themselves in the cities that host companies, transforming them with surprising speed and particularly communicative efficacy into information flows, thereby invigorating currents of opinion, cultural processes (the capital of inherited and acquired knowledge), know-how, and the continued search for specific skills and knowledge.

Another compelling viewpoint follows the analysis of the digital transformation and the developmental processes that are related to the knowledge economy [80,81]. Other authors have questioned the existence of a deterministic phenomenological relationship between knowledge-based growth and geographic variables of influence, particularly highlighting how this relationship undergoes significant variations related to different vocations and urban characteristics [82]. The differences lie in the variety of cities and their unique answers to settlements' determinants.

5. Sustainable Perspective. Dynamic Equilibrium between Cities and Companies

The world's population has risen to 7.6 billion and a large part is concentrated in major cities. These cities contribute the most to greenhouse gas emissions (GHG), and yet, at the same time, they offer the best hope for reducing the ecological footprint on a global scale.

In 2015, nearly 4 billion people (54% of the world's population) lived in cities, and, according to projections, that number will increase to approximately 5 billion by 2030.

Cities play a fundamental role in the fight against climate change: They are able to lead the energy transition towards low carbon development based on efficiency and renewable energy.

A sustainable city is one that has been able to introduce greenery into the urban environment to reduce CO₂ emissions and improve the quality of its air, has promoted renewable energies in order to conserve and protect natural resources, has successfully implemented sustainable mobility and the use of public transport, and is committed to a circular economy.

However, if it is true that, especially thanks to the smart cities' dynamics, major cities have the most tools and greatest capacity to face the energy transition, it is also true that they attract, more so than other cities, larger companies with their additional burdens of pollution and stress.

After decades of matching up with the country's largest corporations and providing the prime highway-adjacent real estate that was needed for massive office parks, American suburbs are being abandoned for office spaces in urban centers and the pursuit of something younger and more exciting: millennial workers.

One of the most interesting aspects (and potentially troubling takeaways for suburban mayors) of the most recent "Core Values: Why American Companies are Moving Downtown" report, is that all manner of companies are making the move downtown: tech giants, start-ups, Fortune 500 firms, small businesses. Of the nearly 500 companies included in the report, 245 had relocated from a suburban location. The shift has been fast, pitting suburbs—and even tech hubs—against other top-tier urban areas.

The sustainability of cities, therefore, must also be analyzed in relation to this particular perspective. Not only are negative externalities induced by the settlements of businesses in cities, even if they are positive ones, but it is necessary to understand what conditions can guarantee such sustainability [83].

In the previous paragraphs, a reflection was proposed on the contrast between the cities that are conceptualized as spaces of production and altered by capitalist relations of production [84], according to the neoliberal ideology, and the cities that are understood as a right of citizens, i.e., the well-known 'Right to The City', which would overcome the negative structural forces that dictate urban life in the era of modernism [85].

By declining this contrast on a practical level, it is possible to identify externalities of opposite value according to the two perspectives of a city and a company, and to search for a sustainable equilibrium.

On one hand, considering the company's perspective, there is a certain energy found in the individuals that live and work in the city centers that you often do not often see in the people who would prefer to work in a slower-paced environment. That helps with hiring, networking, and just keeping companies in the midst of a competitive environment.

Many more networking opportunities are, in fact, recognizable when a company is surrounded by numerous potential clients. It is much easier to get in front of clients in a city, making it easier to develop a professional relationship moving forward. A business can obtain much more exposure by being located in an urban setting.

Companies choose to locate downtown in order to attract and retain talented workers. As companies compete for new hires and the best talent, being located in a vibrant neighborhood is considered a crucial selling point.

Furthermore, millennials and young professionals are attracted to living in cities, being inspired by city life and the interesting people they can meet. Young professionals want to live in a city, walk or bike to work, and work with other creative people.

Downtown areas are easy to get to, both for clients and employees. Keeping an office downtown means an easier commute, which keeps employees happy and energized. There are also lots of options for lunch and places to take clients out after work. Working in the middle of a busy city makes it easy to meet and network with other entrepreneurs more frequently.

Many cities have economic development programs that provide incentives to businesses that have an office downtown. Cities vary with their incentives and some requirements may apply but getting tax breaks or receiving capital improvement funds are great reasons to keep an office in a city's downtown area.

In the busiest areas of town, companies' workers often have the most options for bars, nightlife, lunches and other forms of entertainment. It makes building an attractive company culture easy and cheap. Current and potential employees, in fact, desire neighborhoods with restaurants, cafes, cultural institutions, entertainment, and nightlife, as well as easy access to public transportation.

In a city's downtown, where the population is large, diverse and concentrated, it is very likely that a company's name, logo, image and brand will be recognized and remembered. For many companies, moving downtown was a way to set themselves apart from their competitors and to inspire their employees to live up to related brand aspirations.

Finally, companies being in the heart of downtown of cities puts them in a great place to be a part of something that is bigger than themselves, making them part of a community.

On the other hand, even if the company is a further burden on the city and its government, it is still a supplier of economic resources and taxes, a driving force towards a dynamic and creative city climate, a driver of strengthening the city brand, and finally it is a catalyst for service improvement processes such as urban, transport, cleaning, safety, as it can often be the strongest advocate of citizens and their requests.

With this aim, sustainable and unsustainable externalities have been hypothesized in Table 2.

Table 2. The externalities of downtown settlement as seen through the city and company perspectives.

Perspective	Externalities	
	Sustainable	Not sustainable
The city's viewpoint	Brand	Pollution
	Tax revenue	Congestion
The company's viewpoint	Friction first detachment (after the first big undertaking others arrive)	Differences in urban rents
	Market density	
	Diffusivity	
	Geographical proximity to research centers and universities	Availability of spaces
	Availability of support services	Operating costs
	Credit supply chain availability	Accessibility and logistics
	Brand	

Source: Author's elaboration.

Table 2 demonstrates the preponderant factors in a company's downtown settlement choice, alongside some unsustainable factors. First, let us consider the company's viewpoint. Firms especially need a dense market, which can offer the best intersection of supply and demand for labor. Within a dense urban market, a company may augment its probability of interacting with suitable high-skilled professionals. This contrasts with companies that are focusing solely on digital platforms, or those that prefer a full array of available spaces, parking and accessibility, or lower operating costs from purchasing or renting industrial structures.

Furthermore, companies with research activities are more likely to be found in urban regions with a dense population of highly qualified specialists, universities, and non-university research institutes. Their "spillover" proximity to knowledge sources (such as research centers and universities) has become a generally accepted topic in the scientific debate of the geography of companies. As underlined by Calcagnini and other authors [86], several studies have addressed different aspects of the university–industry collaboration

and have demonstrated that different factors affect the geographical proximity of firms to universities.

Leten et al. [87] focused on the benefits that firms accrue due to their proximity to universities as they develop new technology. This takes the size of the regional university knowledge into account. Muscio and Pozzali [88] underline the positive impact of geographical, cognitive, and industrial distance on the occurrence of university–industry partnerships. Overall, these studies suggest that geographical closeness asserts beneficial effects on research collaborations and provides firms with incentives to innovate through interpersonal contacts, the exchange of tacit knowledge, coordination, and transport costs.

The spillovers that are induced by the urban geographic proximity, unlike what happened in the manufacturing economy, are able to compensate the significant localization disadvantages in the city centers. These disadvantages are mainly related to the availability of spaces, operating costs and accessibility and logistics. In fact, the extra-urban location makes it possible to easily intercept goods, sorting nodes, and ports.

These disadvantages are reduced when the business settlements in the cities are limited only to the headquarters. This evidence is well-demonstrated by the work of Holl and Mariotti [89]. The authors, in fact, show that the logistics sector is highly urbanized, yet firms of this sector are also locating increasingly in suburban locations, and to some extent in the extra-urban locations with good accessibility, while central cities of urban areas have experienced a declining share of logistics firms.

Establishing an appropriate dynamic balance in the symbiotic relationship between urban life and the urban geography of a company is the real challenge. Let us consider the city's viewpoint.

The company may be considered as both a receiver and as a supplier of resources and economic revenue. Cities must provide for their citizens, but they must also provide for the companies that have settled in them. New urban company settlements may, therefore, become an additional burden to the city. Furthermore, companies may also cause an increase in pollution levels. In order to avoid these burdens, support services, transportation, health, safety, and entertainment opportunities must be strengthened. Companies pay taxes so that the city may strengthen these frameworks, thereby improving the area for both companies as well as the residents.

This is true even if, in relation to the strengthening of these services, it is no longer all citizens who benefit from them as an effect of the high price of residential housing in central cities, particularly in global cities. Housing prices, in fact, are starting to shape site-location decisions in places such as NYC, San Francisco, Silicon Valley, Boston, etc., especially for companies in certain types of industries.

The companies, especially the international ones in the hi-tech sectors, attract workers from different parts of the world to the neighborhoods of the cities in which they settle, who receive wages adhering to standards of international working circuits. This dynamic generates micro inflation in urban economic activities and in turn creates fractures between the income of the new residents and the pre-existing workers. Residential flows of middle-class workers are generated in cheaper suburbs, leaving the central neighborhoods to the major holders of income that are linked to the established companies.

Figure 1 shows a stylized depiction of this dynamic balance. The mayor of the city bears the weight of its citizens and company; however, at the same time, he receives reinforcements (represented by a wooden board in the Figure 1,) from the company. Using this board, the mayor may improve upon the structure's function in order to better support the global load.

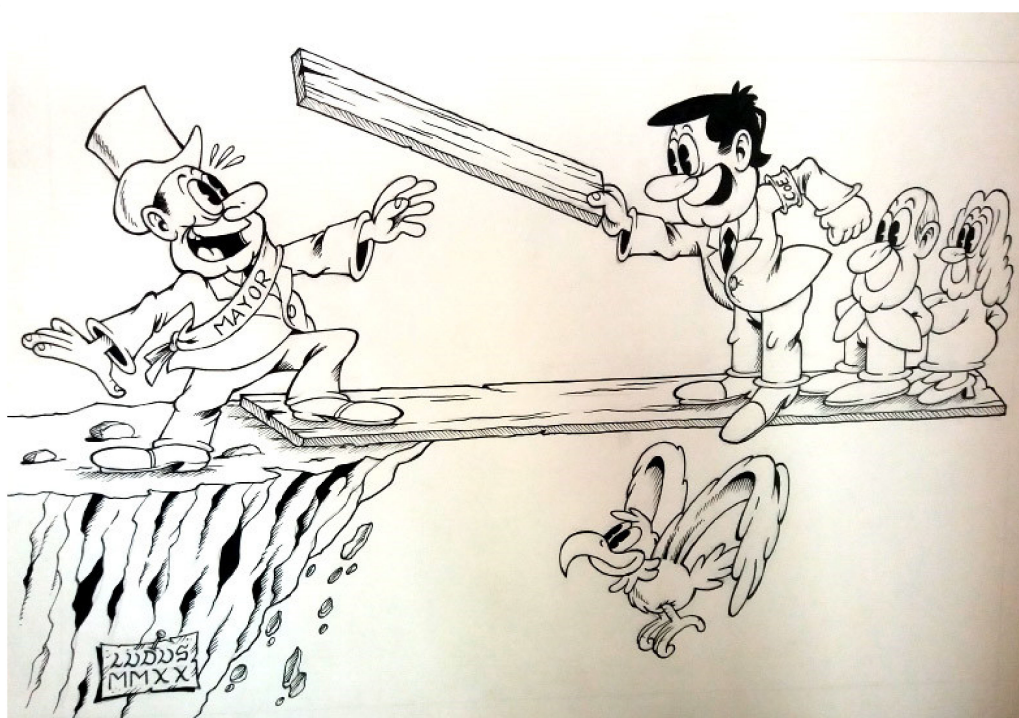


Figure 1. The sustainable dynamic equilibrium between the city and the company. Source: Author's creation.

What, then, is the role of urban policy in relation to the firms' locations, and what is the urban perspective? A city's success depends, ultimately, on its ability to create jobs, which in turn requires a good business environment. Much of this environment is set by policy at the national level, but there is also a city-level dimension. Infrastructure is needed for the moving of goods and workers, land needs to be available for development, and regulation needs to be consistent with undertaking investment.

The city-level business environment has particular importance as each city competes with the others, in the region and internationally, for footloose (regionally or internationally mobile) sectors. These are the sectors that are needed for sustained job creation, which are most subject to agglomeration economies, and in which the benefits of scale and high productivity are best attained.

As, in fact, Moretti [57] highlighted, an amplification principle applies to the cities where businesses are located; for each new job, three new jobs are subsequently generated. This considers the traditional context and non-tradable services. The ratio increases to 1:5 (one job generating five jobs) if the first job is linked to the knowledge economy. This balance is dynamic. Positive increases in knowledge-job numbers create wage differentials between high-skilled workers and generic workers, inducing the effects on urban rents with an increase in leases and housing prices. This may cause the previous residents, who are traditionally employed in jobs with low to average wages, to be pushed out of the urban center by the new workers who are employed in the high tech fields and earning higher wages, who can afford the increasing rental prices downtown.

As a synthesis, the dynamic equilibrium with which urban politics is called to face, is that which Simone [41] calls a 'functional tandem' between the different institutional forms which, by allowing benefits to flow to particular groups, remains stable as well as being fluid.

6. Particular Focus. Companies Return Downtown in the USA

For many companies, attracting and retaining millennial workers seems to require having a downtown office. City and state officials are increasingly chasing large companies with offers; if they move their headquarters into a city, the area may become a magnet for

innovation and local development. For locals, these settlements may become an additional source of money and business.

However, company strategies for the relocation of businesses to urban centers seem to follow other drivers of attraction and not city offers.

Educated millennials have residential preferences that lean towards other drivers, such as the availability of pedestrian shopping districts, bicycle paths, and the recreational dynamism that is found in cultural, artistic, and musical events. This generation of young workers has an intrinsic concern for the environment, and desires sustainable cities with electric transport options, public LED lighting and an abundance of urban green areas. They also support cities that have a rational consumption of soil and the presence of efficient waste management systems.

Urban government aims to meet the needs of all citizens through urban planning. In order to retain workers from the city's companies, they must move decisively; if they do not, these workers may migrate to other cities that are more advanced in their abilities to provide the features outlined above. It is, therefore, in a company's interest to collaborate with urban governments in order to create synergy from improved urban planning that achieves its objectives promptly. The company is thus simultaneously a recipient of a city's resources while it also contributes to the city's overall well-being.

In 2016 General Electric [90] decided to move from Fairfield, Connecticut (near the outskirts of New York City) to a new location in downtown Boston. Although the move represented a small fraction of the company's 360,000 employees, it is an emblem of this phenomenon. A city's use of tax incentives to garner company settlement was reflected in this instance as well as when the city and the state of Massachusetts offered 145 million USD in tax relief to GE. The company's choice, however, was motivated by more than just tax incentives; the Mayor of New York City offered more significant economic benefits but was rejected by GE in favor of Boston's more attractive urban characteristics. General Electric's CEO at the time, Jeffrey Immel, recognized Boston's specific drivers of attraction for GE. The city had a dynamic ecosystem, a classic triple helix of innovation: an urban agglomeration of start-ups, a high presence venture capital firms, and an abundance of local talent. The Boston metropolitan area is home to 55 colleges and universities, and Massachusetts spends more on research and development than any other region in the world. Those who live and work in the city are further enticed by Boston's numerous bicycle paths, large parks, and a variety of artistic and social entertainment opportunities [91].

Amazon's choices in company headquarters have also become a case study for this phenomenon [92]. Its urban genesis began in Delaware, near the industrial areas of Northern Pennsylvania, and the company has now become an icon of settlement in urban areas. Amazon's search for a city to home its second headquarters (the primary HQ is located in Seattle, Washington) received scrutiny from the media, especially as the company intended to invest 5 billion USD into a site that would be designed to house 50,000 highly skilled workers with high salaries.

Amazon estimates that its investments made in Seattle from 2010 to 2016 have returned over 38 billion dollars to the city's economy. "Each dollar invested by Amazon", stated Jeff Bezos, CEO, "has generated a return to the overall economy of the city of 1.40 dollars".

Amazon was looking for a location with similarities to Seattle, a creative and dynamic city, and needed to be connected to a city with a metropolitan area of at least 1 million inhabitants. They were searching for a city with a skilled workforce, that was served by universities and research centers, and that had up-to-date infrastructure, transport, and services.

Amazon was also searching for an alternative location [92] due to friction that arose between the company and the city of Seattle. The balance between the city and the company, as seen in Figure 1, had begun to waver. Some residents considered the company as intrusive, seeing the real estate market surge in prices because the logistics giant occupied about 19% of the office spaces that were available in the central areas of the city. Both citizens and writers displayed signs of impatience with the company and its work model.

In response, the Mayor of Seattle, in a unanimous vote by the city council, approved a high-income tax on Amazon managers.

However, other cities such as Dallas, Toronto, Denver, San Diego, and Pittsburg, as well as the State of Michigan, were not dissuaded from their desire to have Amazon settle in their areas. In fact, many of them proposed their city and states as candidates for the company, in a race that was reminiscent of the location assignment for the Olympics.

Amazon ultimately chose Queens, New York, and Arlington, Virginia, as the locations of its new headquarters. It seemingly settled the frantic months-long race for mayors, governors, and parliamentarians from every corner of the United States.

In November 2018, Jeff Bezos announced that an “Operations Center of Excellence” would be created in downtown Nashville, Tennessee. The hub, which is planned to open officially in 2022, is expected to add a total 5000 jobs to the city.

“We are delighted to build the new offices”, explained the company’s CEO, “places where there is a mix of cultural institutions, arts organizations, new residences, restaurants, bars, breweries, parks, hotels, academic institutions, and large and small companies, that allow us to attract the best talent in the world that will help us invent new solutions for our customers in next years”.

Dove Charney, the founder and previous CEO of American Apparel, made the symbiotic company-downtown relationship into his business and marketing strategy.

The cost reduction was made possible by the company’s policies which aimed to integrate the company with the Los Angeles city center, and because of the production industrialization that concentrated production components under a single “roof” in a large, pink-painted building in the heart of the city. The company-city symbiosis was visible in the company’s motto: “Made in Downtown LA”.

The American Apparel CEO recently launched another clothing company [93], whose headquarters is always in the center of Los Angeles, a few miles away from its first “creature” that was sold to the Canadian Gildan. In this case, the spy identity of the company-city relationship is evident in the label on the garments produced by this new company that reads “Made in South Central,” which is the neighborhood of Los Angeles where the headquarters is located.

In Rhode Island, Hasbro has moved 350 jobs to downtown Providence. In Illinois, nearly 50 companies, from Kraft Heinz to Motorola Solutions, have re-established their headquarters in or near Chicago’s loop. According to the U.S. Census Bureau, the number of metro area jobs located within three miles of downtowns increased seven percentage points between 1996 and 2013. The suburbs still have about three-quarters of the metro area jobs, but downtowns are luring quite a few employers back.

7. Conclusions

In the post WWII Fordist economy, which was mainly based on hand-manufacturing production, physical and human capital was concentrated in limited areas, located in peripheral areas detached from the cities where residential, social, and recreational functions were mainly carried out. Until the theory of global cities arose, the narrative of innovation had been mainly focused on the subjects or companies that were the protagonists, with the analysis of the factors leaving out the role of the urban territories that were welcoming such companies and contributing to their success and development [94,95].

In the early 1980s, when the production value gradually began to transition towards intangible factors, the role of cities as drivers of competitiveness became increasingly central.

In the cities intercepting these global processes, the advanced services of finance, culture, and innovation are concentrated.

A concentration paradox exists with regard to the massive developments in communication technologies since the end of the twentieth century, which was promoted by what Glaeser [96] called a “flat world”. Studies did not sufficiently consider the place as a variable in the urban phenomena paradigm, but this perspective changed in the late 1980s

and early 1990s. Over time, it became clear the capacity of cities to intercept and spread innovation, making them crucial elements that combined both local and global dimensions through experimental laboratories and innovative local architecture. Cities were recognized as being capable of animating advanced projects through the use of concrete initiatives for the enhancement of territorial resources and, above all, becoming hosts for company settlements.

Cities, the fulcrum of innovation and the regional nodes of global relational systems, are now open to new opportunities that derive from the business world. Thus, they conquer roles, functions, and market shares in a predominant way compared to urban realities that are anchored to obsolete models [97].

Even the World Bank has shifted its axis of analysis on economic productivity to the urban scale.

This significantly deviates from more traditional approaches, in which economic growth was expressed exclusively through indices of national relevance. Many studies [98,99] observe that cities increase their economic weight and their role as hubs for global processes by assuming an unprecedented centrality in the management and coordination of the contemporary economy.

This scenario places cities at the centers of governance for these phenomena, but it also exposes very severe challenges as the outcomes of city–company decisions will have effects on resident’s quality of life and the efficiency of municipal services [100].

Urban geography and business geography must be understood as a combination, not as a dualism, by policymakers and urban planners.

The case studies and models that are considered in this study confirm that the phenomenon of urban geography and business geography symbiosis has a real impact in many areas, above all regarding the sustainable perspective. This information should be used to minimize the negative corollaries and to amplify the positive externalities that arise from company settlements in urban centers.

A downtown location projects innovation, connectedness, uniqueness, and allows companies to literally be at the center of things, and at the same time induces a creative city climate that revitalizes the downtown.

The world is increasingly evolving into a system with concentrated and undistributed parameters (to borrow a concept from electrotechnical models). These concentration nodes must be made more efficient and be better managed by combining residents’ needs for private and social life with the needs of urban business settlements in a positive symbiosis.

Therefore, where a company, or even an industry, decides to locate has a significant impact on economic geography, regional planning, and development. A strict dichotomy between economic business needs and urban planning should be avoided. Ideally, even urban centers that initially do not have industrial vocations could plan for approaches that render them suitable for hosting companies or systems of companies.

Finally, the effects and positive spillovers of the right equilibrium between city and company must not neglect the other system needs, for example, those that are linked to the redevelopment of suburban areas, which must become more in contiguity with the center without losing their identity.

The aim of this work is not to make a broader argument about how company settlement is negotiated by city governments, but rather give an overview of the two perspectives in order to characterize companies in cities and to highlight any possible convergences or divergences.

This research, attempts, in fact, to investigate the sustainability of cities under the specific perspective of their relationship with the companies’ urban settlements.

Particularly, it aims to try to bring together the perspective of the company and that of the city in relation to the possible externalities deriving from their urban settlements.

The methodological approach that was proposed was based, first, on an accurate search of the literature positions that were summarized in some of the tables and, second,

on a comparison of both the positive externalities and compromises deriving from the analysis of the perspectives that were investigated.

The focus of the research, which is iconized in the text through an emblematic cartoon, is that of the possible sustainability of the osmosis process between cities and businesses, which is obtainable through the search for a dynamic balance. The company is a further burden over the city and on its governance, but at the same time it's a supplier of economic resources with taxes, a driving force towards a dynamic and creative city climate, it is a driver of strengthening the city brand, and finally it is a catalyst for service improvement processes such as urban, transport, cleaning, safety, and is often the strongest advocate for citizens and their requests.

The limits of the model lie in the absence of an empirical analysis based on surveys to be conducted both on the business side and on the citizens as well as elements such as participation, sharing, transparency and leadership, which are really found in an authentic urban regeneration that is attributable to the city–company relationship.

The results shown, however, could represent not only a starting point for further research but also a useful input for guidance for the administrators of urban policy in order to start, despite the criticalities and the various problems to be solved, a new season of sustainable civic and civil economy commitment that must be recognizable in the balance between companies and hosting cities.

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