

CAPE CORAL FLORIDA WORKSHOP

Presented by:

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SO WHO IS PARTNERS NATIONAL?

- Since 1992 our 15 consultants have worked in over 300 markets across North America
- Strictly Tenant/User Representation
- Areas of specialization: Strategic Planning, Corporate Relocations, Call Centers, Mission Critical Facilities (Data Centers), Overall Portfolio Analysis
- No Geographic Boundaries

Partial Client List



NOTABLE PROJECTS

- Domestic Consultant for Convergys Corporation
 - 5 new Customer Care Centers across the US totaling over 2,000 new positions over the past three years
- Depository Trust & Clearing Corporation's 500-person relocation from Manhattan to Tampa (evaluated over 30 communities as part of the decision process)
- Whitney National Bank's evaluation of its 300-person operations center
- BXBS 400-person regional Inbound Call Center
- PAETEC Communications' Corporate Headquarters
- Data Center Site Selection for: T-Mobile (200,000+ SF), HSBC Bank (150,000 SF) and CitiGroup (250,000 SF)

REASONS FOR RELOCATION

- Business Expansion
- Diversity / Reduce Concentration
- Proximity to Customers / Competitors / Trained Workforce
- Cost of Doing Business
- 9-11-2001
- Stock Market Meltdown?

INITIAL PLANNING

- Initial Directive from Executive Level
- Relocation Committee formed: Corporate Real Estate, Human Resources, Finance
- Comprehensive (preliminary) underwriting of Targeted Metro Areas
 - Demographics
 - Real Estate Opportunities (Lease/Buy, Existing/B2S)
 - Economic Incentives (Statutory)

CITY SELECTION SEMI-FINAL ROUND

- Client narrows the search to 1-5 metro areas
- Client and Partners National develop timeline
- Commence site selection, support demographics and other research of each market
- Coordinate with each of the Economic Development Councils in each city/county/state/metro area

ECONOMIC DEVELOPMENT COUNCILS

- The first phone call and an integral part from beginning to end
- Best chance for each city to showcase its best side
- Understands the confidential nature of the entire search process (NDAs)
- Excellent resource for every aspect of the search
- Assist in pursuing economic incentives

SO HOW DO YOU QUANTIFY A “GUT FEELING”?

- The Matrix (for each Metro Area), comprising 7 Category Classes (with these Category Classes further divided into +50 different Decision Factors) crucial to this relocation decision
- Category Classes included Cost of Doing Business, Legal and Regulatory, Quality of Workforce and Facilities
- Total Weighting of +-50 Decision Factors equals 100%
- Each Metro Area’s Decision Factor was graded on the 1-10 scale (1=Lowest, 10=Highest)
- Multiply the Weighting by the Grade
- Richter Scale Magnitude

MATRIX CASE STUDY #1: NYSE FINANCIAL FIRM

- Legal and Regulatory: 20% of Matrix
- Cost of Doing Business (Salaries/Benefits/Taxes): 23%
- Business Continuity (Operational Risks): 18%
- Quality of Workforce (Labor availability and training availability): 10%
- Local Amenities (COLI/Recreation/Affordability): 10%
- Real Estate: 11%
- Economic Incentives: 3%
- Competitors: 0%

MATRIX CASE STUDY #2: COLLEGE-RELATED SERVICES FIRM

- Legal and Regulatory: 0% of Matrix
- Cost of Doing Business (Salaries/Benefits/Taxes): 13%
- Business Continuity (Operational Risks): 2%
- Quality of Workforce (Labor availability and training availability): 23%
- Local Amenities (COLI/Recreation/Affordability): 12%
- Real Estate (Plug & Play): 15%
- Economic Incentives: 14%
- Competitors: 15%

CONCLUSIONS

- THERE IS NOT A “*PERFECT*” METRO AREA
- Case by Case Basis
- One community’s strength is another’s weakness
- Cost of Doing Business / Local Amenities / Real Estate / Economic Incentives are usually the biggest drivers of the final decision
- Important “Hard to Quantify” Decision Factors: *Climate, Domestic Air Service, Right to Work State*

CAPE CORAL – COMMUNITY STRENGTHS

- Population size of Cape Coral (160,000+) and the Cape Coral-Fort Myers MSA (600,000+)
- Cost of Doing Business below US average
- No personal income tax / Right to Work state
- Low saturation of back office / call center operations
- Varied and relevant workforce experience
- Above standard quality of life and amenities

CAPE CORAL – COMMUNITY WEAKNESSES

- Operational Risks (Hurricane)
- National perception (Tourism/retirement community)
- Geographical location within state and US
- Domestic Air Service limited
- Business Continuity (telecom, utilities) considered weak
- Limited office space for this size of a community
- Below average % of college-educated

CAPE CORAL – POSITIVE TRENDS

- High rankings in national publications (*Site Selection, Forbes, Inc. Magazine*)
- Continued strong in-migration to the area
- Affordable Housing
- Affordable Labor
- Available part-time labor or executive talent
- Average age of population ~39 years
- Responsive business climate

ECONOMIC INCENTIVES – ARE THEY IMPORTANT

- Yes! Can be the tie-breaker
- If designed correctly, can offset perceived weaknesses in a community
- Need to be geared to the service sector
- Shows the “love” from the Metro Area
- Training Incentives are important
- Discretionary Incentives provide flexibility if not too restrictive

CAPE CORAL – TARGETED BUSINESSES

- Specialized High-Tech
- Help Desk, Customer Care, Other Outsourced skills
- Regional enterprise offices, which maintain multiple locations in a state (BXBS, Cable/Utility companies)
- Regional Financial Services / Banks
- Information and Records Management
- Application Service Providers (Fidelity National, Akamai)

OTHER IDEAS

- Highlight skills unique to the area with local placement companies
- Work with local Colleges and other educational institutions to target desired businesses
- Possible incubators for targeted businesses

HOW DO YOU GET THE WORD OUT?

- Booths/Networking at CRE conferences (IAMC, CoreNet and state/local chapters)
- EDC visits to corporations (CRE Heads and executives, Site Selection Consultants)
- Enhanced EDC web sites that 100% target businesses
- PDFs of Incentives, Demographics, Available Real Estate/Sites, Largest Employers, Education
- Comparisons to Other “Competitor” Markets
- Ongoing announcements/advertising in major publications (Site Selection)

THANK YOU !