



Emerson Latin America Headquarters, Sunrise, FL.

Low Taxes, Logistics and Lifestyle Lure Businesses to Greater Fort Lauderdale

BY JOSEPH DOBRIAN

Life. Less taxing. That's what individuals and businesses will find in the Greater Fort Lauderdale area. Located in Broward County, smack in the center of southern Florida, Fort Lauderdale has recently built a strong reputation for its combination of natural beauty, active lifestyle and commerce-friendly atmosphere. Its combination of the "3 B's" – business, boats and beaches – has attracted many corporations looking to relocate. Add to that the fact that Florida has no personal income tax, and the lure becomes irresistible.

Robin Ronne, Managing Director of the CEO Council for the Greater Fort Lauderdale Alliance, reports that greater Fort

Lauderdale is home to more than 150 corporate and international regional headquarters. It has a long-standing image as the "Yachting Capital of the World" and "the Venice of America." It's host to the annual Fort Lauderdale International Boat Show, the world's largest.

"We've increased our capacity-building investments in the Fort Lauderdale-Hollywood International Airport and Port Everglades, for multi-modal supply chain management maximization," Ronne adds. "We've seen an increasing focus on Latin American trade, supported by our large Spanish- and Portuguese-speaking resident populations. We've seen increasing direct investment from both domestic and foreign sources, as exemplified by

Emerson's Latin American headquarters and SmartWater CSI's North American headquarters.

"Finally, Fort Lauderdale offers an exceptional quality of life."

Del Boyette, CEO of Atlanta-based **Boyette Strategic Advisors**, a relocation services firm, remarks that Fort Lauderdale has universally high name recognition, and that southern Florida has a population larger than that of many entire states.

"The public perception of Fort Lauderdale, in the business community, has undergone a sea-change," Boyette reports. In our latest perception survey, 84 percent of participants said they had a positive/very positive perception of the area. In the prior survey, three years before, the figure was 48 percent. Fort Lauderdale is becoming known; it's had significant wins in corporate relocations and expansions. And Florida has consistently ranked fifth of the 50 states on the Tax Foundation's State Business Tax Climate Index. Not one of Florida's main competitors comes close to that."

Lynn Pitts, director of the office of economic development at **Florida Power & Light**, explains that his company – which supplies electrical power to the entire east coast of Florida – offers a discounted rate to new or expanding businesses that consume a minimum level of new electric load and add new jobs. The rate is even more favorable if the business locates in commercial space that's been vacant for more than six months.

"These businesses get discounts over four or five years, depending on where they're located," Pitts explains. "We have 10 companies on the rate now, and 16 more that will qualify when their lights go on – and 3,000 jobs created through just those 26 companies."

"We're also helping Florida attract new businesses through **poweringflorida.com**, a website that's our marketing window to the world. On that site, you'll find detailed community profiles, information on businesses, demographics, household incomes, and so on. It's the only single website that has all this information. We also have a database of available buildings and building sites."

Broward County, of which Fort Lauderdale is the county seat, is an especially advantageous location for corporate headquarters in general, Pitts advises. Its natural beauty, low taxes, low operating costs and logistical infrastructure form what he considers an ideal combination.

"Not to mention that our electrical rates to industrial customers are about 17 percent below the national average, and our rates to residential customers are more than 20 percent below the national average," he notes. "Put all that together, and what's not to like?"

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Florida Governor Rick Scott and CEO Council Chairman Ray Ferrero (2nd and 3rd from left) with Emerson Latin America Presidents Anuar Barake, Alex Blochtein & Leo Rodriguez

rail and highway systems, so the Fort Lauderdale area is ideal for companies that rely on logistics. I was pleasantly surprised, when I came here, to see so much manufacturing, especially in the aerospace industry. All the big guys have major operations here – plus thousands of medium to small component manufacturers."

JetBlue Airways is one transportation/aerospace-oriented company that has recently expanded its presence in Fort Lauderdale. **Robert Land**, JetBlue's Washington, D.C.-based Senior Vice President for Governmental Affairs and Associate General Counsel, reports that Fort Lauderdale-Hollywood International Airport is a focus airport for his company.

JetBlue continues to grow its physical facility there, and to add flights and jobs – all of which cause a ripple effect for the community.

"Fort Lauderdale-Hollywood is a very special place for JetBlue, because it was the location of our first arrival ceremony ever, in the H concourse: a flight from Kennedy Airport in New York," Land says. "In 2013 alone, we've added routes from Fort Lauderdale-Hollywood to Worcester, Mass.; Medellín, Colombia; Lima, Perú; San José, Costa Rica; and Port-au-Prince, Haïti. We're the largest carrier out of Fort Lauderdale-Hollywood; our terminal there has new consolidated checkpoints, and our runway expansion should facilitate our growth even further."

South Florida, Land observes, is an especially advantageous location for companies with ties to New York City, since – with its large community of transplanted New Yorkers – it's effectively a sixth borough of that city. JetBlue offers nearly 30 flights a day out of Fort Lauderdale-Hollywood to the New York metro area's five airports.

"Every flight we add," he says, "brings in more crew mem-

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A beautiful view of Greater Fort Lauderdale.
Photo by Ken Henson, ken@whitehotmedia.com



bers, more pilots, more traffic and more local business. The state, county, and local governments have been tremendous allies, right from the start – not because they’re partial to any one airline, but because they realize that growth is good. Robin Ronne was instrumental in helping us establish the initial JetBlue flights from New York to Tampa when he led that area’s economic development organization.”

All types of businesses are drawn to Fort Lauderdale because of Florida’s tax situation. There’s no personal income tax, and other taxes are generally not onerous. **Richard Dent**, CEO of **Astor & Black**, reports that his custom-made men’s clothing company is growing into a multiplatform retail operation, and he chose Fort Lauderdale as its new headquarters partly because of the lifestyle, but especially because of the low taxes.

“We were headquartered in Columbus, Ohio,” Dent recalls, “and I’d been working for **Victoria’s Secret**, before I was brought into Astor & Black to build a team and professionalize the operation. We could have relocated in Columbus, but some of the people we hoped to recruit were adamant about not wanting to live there. We could have chosen New York City. But when a couple of the people I was trying to bring on board said they could be talked into living in Florida, that gave the conversation more energy.

“I contacted **Enterprise Florida**, and talked about relocation with them, and we started looking hard at Dade and Broward Counties. We had lots of specific desires, such as equidistance from both airports. We weren’t ready to pay \$900 per square foot for space, but we needed to be near a lot of hotels; we

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needed space that was branded; we needed to be close to retail and restaurants. We found the right location in Pembroke Pines, in southern Broward County. Robin Ronne helped us work with the local, county and state governments. We were given relocation assistance, training dollars and quick action funds. The state can't trigger those funds without partnership with the city and county, and the Greater Fort Lauderdale Alliance was instrumental in working with all three. They found us alternative locations just in case; they helped us with hotels, and so on, as our people relocated."

Astor & Black currently occupies 20,000 square feet in Pembroke Pines, including headquarters operation, merchandising, finance, sourcing, production, customer service, central order processing, tailors, and an event team.

"It's our intention to move to street-level, brick-and-mortar retail," Dent says. "Florida's tax situation is attractive for both individuals and businesses. It's the biggest impetus for us when we're recruiting. Moving from New York to Florida means an immediate raise of about 10 percent."

Because of its geographic and demographic proximity to Latin America, Fort Lauderdale is an ideal location for many companies with ties to South and Central America, and the Caribbean. Emerson is one company that has set up its Latin American headquarters in the area.

"Latin America continues to be a major growth market opportunity for Emerson, and our U.S.-based executives here in Sunrise engage with our customers and our operations throughout Latin America," says **Alex Blochtein**, President of **Emerson Network Power Latin America**. "The cost efficiencies achieved by consolidating our regional headquarters in Sunrise have been significant. The convenient air travel, proximity to a large number of companies with operations in Latin America, enhanced collaboration among our businesses, and availability of qualified multi-lingual talent made Sunrise a logical choice for our regional headquarters."

"We also appreciate and recognize the ongoing and strong support of Florida **Governor Rick Scott**, Florida Secretary of Commerce and president of Enterprise Florida **Gray Swoope** and his staff, City of Sunrise **Mayor Michael Ryan** and Greater Fort Lauderdale Alliance CEO Council Chairman **Ray Ferrero, Jr.** They've all made us feel welcomed and appreciated."

Fort Lauderdale, Broward County, and Florida in general weren't always highly regarded as relocation targets. **Gregory Burkart**, managing director of Detroit-based **Duff & Phelps**, remarks that his company, which offers business incentives and site selection services, often used to discourage clients from setting up shop there.

"Before Gov. Scott took office, Florida would be on our radar in maybe one of 20 prospective relocations, and we'd usually try to talk people out of it," he recalls. "In the past couple of years, Florida is a candidate in one of every four or five searches."

"Gov. Scott's marketing efforts have been phenomenal. He cold-calls CEOs, going through the switchboard like any other salesman. He does his homework; he has a good 'elevator pitch'; he knows what every company does and what it could do for Florida."

Burkart says he used to feel that Florida presented too many



Northeast view of FLL Airport \$791 million Expansion showing the U.S. 1 tunnels.

bureaucratic hurdles to development projects, which was why he shied away from the state. But more recently, to complement Gov. Scott's pro-business attitude, Fort Lauderdale and Broward County have streamlined their processes.

"I get hand-written notes from the Governor: 'Let me know if you have any problems,'" he reports. "If you have a complaint, Robin Ronne and his group will give you top priority: there's no fear of retribution."

Another crucial factor in Fort Lauderdale's appeal is its low cost of living, coupled with its many lifestyle options. Burkart characterizes the area's rents as "reasonable compared to Miami/Dade, Palm Beach, and Boca Raton."

"It seems that everybody lives on a canal or just off a canal, and everybody has a boat," he continues. "You'll find wonderful golf courses in the area, and the cultural amenities, and you're not far from the sports in Miami."

Fort Lauderdale is especially favorable for headquarters locations, Burkart says, because the absence of a state income tax makes the greatest difference to higher-salaried employees. The proximity of several airports is another plus, partly because of the frequency of flights and partly because it's easy to divert flights in an emergency, thus minimizing delays and cancellations.

"And if you decide you want to stay," he concludes, "you'll find it's not an expensive place to buy. You can have a wonderful home there."

Home to the No. 1 Exporting FTZ in the US, Port Everglades joins forces with Florida East Coast Railway on new \$72 million intermodal facility.

