

# ATLANTA BUSINESS CHRONICLE

## Icahn deal for Pep Boys raises possibility of Atlanta HQ relocation

**Douglas Sams** Commercial Real Estate Editor *Atlanta Business Chronicle*, Jan 8, 2016



Atlanta may have another headquarters to chase.

News broke Dec. 30 that prominent activist investor Carl Icahn is buying the auto parts retail chain Pep Boys—Manny, Moe & Jack. Icahn plans to combine Pep Boys with another company he owns, Kennesaw, Ga.-based Auto Plus. Pep Boys is headquartered in Philadelphia. Icahn plans to continue to use the 94-year-old Pep Boys brand.

Some observers believe the deal raises the possibility Icahn could consolidate those operations in Georgia. In fact, Atlanta may be the natural pick.

“I think Atlanta is the front-runner in that tug of war,” said John Boyd, founder of Princeton, N.J.-based The Boyd Co., a site selection firm. “Carl Icahn is one of the most astute developers and business people in the country. He would be working with the trends and not against them in considering Atlanta.”

Boyd cited several reasons Atlanta could win over Philadelphia, including lower costs of doing business, estimating it could cost 25 percent less to run a head office in Atlanta.

Plus, he said proximity to Hartsfield-Jackson Atlanta International Airport, the world’s busiest airport, would be a major boon for Pep Boys, which has a national footprint of retail stores.

Pep Boys said it could not comment about a potential headquarters relocation. But in a Dec. 30 call with analysts the company said, "At least in the near term, the Store Support Center (SSC) will continue to serve as the hub of Pep Boys' operations. Auto Plus' headquarters is located in Kennesaw, a suburb of Atlanta, Georgia. As we combine operations, we will assess the best way to empower and support our stores and distribution centers for success."

Two of Pep Boys' directors are Atlantans. Former Home Depot CEO Bob Nardelli has served as a director of the company since March 2015. Another Pep Boys director is Atlantan John T. Sweetwood, who has served on Pep Boys' board since 2002. Sweetwood was Pep Boys' interim CEO between September 2014 and June 2015. While he was interim CEO, he commuted between his home in Atlanta and Philadelphia.

Icahn did not return a call from Atlanta Business Chronicle.

Atlanta has emerged as a location of choice in recent years for headquarters, Boyd said, as evidenced by companies such as Porsche Cars North America, Mercedes-Benz and Newell Rubbermaid.

And, Atlanta has strong leaders known to be pro-business and savvy at economic development.

"Atlanta has a branding message of looking forward," Boyd said. "It's a more dynamic city. It's growing. And, it's the capital of the auto industry."