

Corporations Pay Price for Locating in County

Boyd Co. report: Fairfield area corporate costs in top 10 in U.S.

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This is a rendering of the new Boehringer-Ingelheim Safety Assessment Building, which will be completed in 2013. The cost is \$42.5 million. The company's headquarters is on the Danbury-Ridgefield line.

Fairfield County is one of the 10 most expensive regions in the country to establish a corporate headquarters, according to a recent study conducted by the [Boyd Co.](#) Inc., location consultants based in New Jersey.

The area ranks just behind New York City, northern California and central New Jersey in terms of the expense of operating a large-scale business. The total annual cost of a corporate headquarters in the

Stamford/Fairfield/Norwalk region is \$42.2 million, compared with New York City's cost of \$47.2 million.

"Historically, Fairfield County has done well with a corporate base by targeting New York-based companies," [John Boyd](#), Jr., principal of the Boyd Co., said. "However, it has become prohibitively expensive."

Boyd presented the study to his company's clients at the Stamford Marriott on Thursday, comparing Fairfield County's price tag with other regions. Sections of the Midwest, particularly in Indiana, have become increasingly attractive to large corporations looking to cut costs, he said.

"Headquarters are the next frontier of corporate cost-cutting," Boyd said, adding that companies are seeking to align themselves with a fiscally responsible image. "So much of the corporate headquarters decision is about the company re-branding themselves."

The region's costliness as outlined in the Boyd Co.'s study could be seen as a measure of its value to the business community, said [Lisa Mercurio](#), director of the Business Council of Fairfield County.

"When you look at the most successful business centers, they tend to be the most expensive," Mercurio said. "You're in an area that has all the resources and talent that you can access, but it does come at a cost."

For decades, Fairfield County has provided an appealing array of resources that have lured businesses such as UBS, RBS and [Starwood Hotels & Resorts](#) in Stamford, General Electric in Fairfield and Praxair in Danbury. The region has been able to use its easy proximity to New York City and major airports, its health care options, educational systems and the quality of its workforce as assets to these companies.

"At RBS we are fortunate to have our Americas headquarters located in Stamford, where we enjoy numerous benefits offered by Fairfield County," Suneel Kamlani, deputy CEO and Chairman, [Markets & International Banking](#) and Deputy Head of RBS Group, Americas, said in a prepared statement.

"Among these benefits are the vibrant business community, the deep pool of educated professionals, close proximity to Manhattan, an effective

transportation network and improved work-life balance for our employees living in the county."

However, Boyd said, as companies look to cut costs, these factors may be overridden by the high operating costs. According to Boyd, a recent poll conducted in the state showed that half of Connecticut's businesses are considering leaving. He could not elucidate on who conducted the poll.

"That's an incredible statistic," Boyd said. "I didn't sponsor that report, but I looked at it, and it echoes what happened in California."

Paul Timpanelli, president and chief executive officer of the [Bridgeport Regional Business Council](#), said that this has been a perennial problem, stretching back a few decades.

"The environment to keep businesses here is not appealing, as the cost of doing business here is very high," he said.

An appealing business environment can be created by politicians and lawmakers, Timpanelli said, by offering tax credits and lowering taxes.

"It's beginning to change, but it's slow and it hasn't caught up with the corporate decision makers," Timpanelli said. "I think the governor ([Dannel P. Malloy](#)) is on the right track."

Last year, Malloy put forward a plan for a \$626 million job creation program, which includes tax credits and business loans, low business taxes and funds to improve the structure of the state's airports.

However, Boyd noted that both Malloy and the state have to compete with places like Indiana and Texas, whose governors, [Mitch Daniels](#) and [Rick Perry](#), respectively, are generally seen as business-friendly.

"The state is always on the verge of running out of money and always on the verge of raising taxes, which raises business concerns," Boyd said. "I'm not saying Connecticut can't turn this around, but I would be negligent if I didn't reflect the mood of business leaders."