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GE headquarters may not relocate to Tampa, but what about Marriott?



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As much as Tampa Bay desperately wants to recruit a major corporate headquarters, it is now safe to say corporate giant GE will not relocate to Tampa Bay.

Not that it was ever likely. GE's market value is more than *100 times* that of Tech Data Corp., the largest Fortune 500 company based here. But it is important to praise Tampa Bay and Florida leaders for having the chops to knock on GE's front door in Connecticut and tell the country's eighth largest public corporation that this metro area has more to offer big companies than they might think.

That salesmanship will come in handy when the next big business headquarters relocation gets under way.

The next candidate could be hotel giant Marriott Corp. of Bethesda, Md., which has announced it is starting to look around. Marriott recently said it will buy the Starwood hotel chain. Combined they become the world's largest hotel company, managing more than a million rooms.

One corporate relocation veteran says Marriott should look south for a new headquarters.

"Florida, and especially Tampa, should be a top contender for that," says John Boyd, site selection consultant and head of the Boyd Group in Princeton, N.J.

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First things first. There are lessons to ponder in the ongoing courtship by states and cities still eager to woo a giant like GE. So unhappy with its longtime home base in Connecticut, GE this past June publicly announced plans to look elsewhere for a headquarters location.

Lesson 1: Don't assume corporate recruiting is a pure dollars and cents deal. Just as the highest cost area is unlikely to convince GE to relocate there, so may the cheapest spot fail to appeal to one of America's mega-corporations.



With GE almost certainly out of the picture as a corporate headquarters acquisition for Tampa Bay, could Marriott hotels be a possibility. The Maryland-based company said it is exploring a potential move and some say Tampa would be a perfect destination. [Getty Images]

Lesson 2: Don't expect regional snobbery to be put aside should a city like Atlanta — itself home to 13 Fortune 500 companies — find itself the target of New England elitism over the headquarters search by GE.

"I think it would be difficult for them to find an equivalent quality of life anywhere than where they are now," Connecticut senate's president pro tem Martin Looney of New Haven told the Hartford *Courant* newspaper. "If they moved to the South, there are issues ranging from cultural amenities to quality of education to the whole range of options that lead to top-notch quality of life in Connecticut.

"If cost were the only factor in decisions," he said, "the whole world would be beating a path to Mississippi."

(That's funny. I don't see many major companies —nor many Americans in general — "beating a path" to Connecticut these days, either.)

Earlier this fall, Atlanta thought it was the frontrunner in recruiting GE. *Talk of GE move sets Atlanta hearts aflutter* said one September headline in the city's chief newspaper.

But this month, not long after the Connecticut lawmaker volunteered his parochial remarks about the South, Atlanta was told it was no longer in the running for GE's headquarters.

Lesson 3: Don't underestimate a company's deep regional roots. Co-founded by Thomas Edison, GE was started in upstate New York. Economic development watchers now are betting GE, facing headquarter employee resistance to move very far, will likely do one of three things.

- Stay where it is and enjoy fresh tax incentives (and additional sweeteners to come) from Connecticut Gov. Daniel P. Malloy to keep what is by far its biggest company. (Threatening to leave is an old ploy by companies seeking more tax breaks.)
- Move across the nearby border to tax-heavy New York state, *if* New York Gov. Andrew Cuomo is willing to give GE massive incentives to do so.
- Relocate to the Boston area. GE is busy selling off large pieces of its business. By doing so it is trying to reinvent itself as a high tech business whose new headquarters in New England's technology capital of Boston would reinforce its new image. The idea is known as "location branding."

Granted, pitching the Sunshine State to GE was a Hail Mary.

But the next opportunity is coming to grab a big corporate relocation and Florida wants to be taken seriously.

The Tax Foundation, which provides independent tax research, recently ranked Florida No. 4 among U.S. states for the best business tax climate. The only three states with "better" tax climates are remote, low-population states.

In contrast to Florida, Connecticut (44th) and New York (49th) ranked among the bottom ten worst business tax climates.

Boyd, the corporate relocation expert, says Tampa is gaining a national audience among companies looking for fresh options.

"Tampa is very attractive with its lack of personal income tax and a new waterfront development," he said, referring to Jeff Vinik's \$1 billion, 40-acre live-work-play project around the Amalie Arena. That type of project will appeal to millennials, the kind of young adult workers that companies will be looking to hire.

"It is one of the signature development projects today in all 50 states," Boyd says.

To attract a company like Marriott, Boyd says the world class Tampa International Airport, combined with the relatively nearby Orlando airport, help Tampa's chances.

Boyd concedes companies will think twice about moving a larger headquarters to a city where only smaller businesses are based. On the flip side, a major headquarters opening in Tampa would offer an opportunity for a company to gain a high profile and attract some of the best people in the workforce, he says.

To some it may feel like a *GE picks Tampa for new headquarters* is a pure fantasy headline. And even a *Revitalized downtown Tampa recruits Marriott headquarters* may seem farfetched.

I disagree. That time is coming.

"I look at this independently, from 30,000 feet above," says a bullish Boyd. "All of our white collar projects today include Tampa as a top candidate."

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