

Johnson Controls' relocation: Could other York manufacturers follow suit?

Posted on [December 3, 2012](#) by [Lauren Boyer](#)



Johnson Controls is considering relocating from Spring Garden Township to the Stonebridge Business Park in Hopewell Township, York County. DAILY RECORD/SUNDAY NEWS — LAUREN BOYER

In case you missed it, [I spent last week writing about Johnson Controls and its plans to either relocate within York County to Hopewell](#)

[Township or leave Pennsylvania for a new plant in Hunt Valley, Md.](#)

While researching, I spoke with John Boyd, an economic expert who specializes in placing companies.

His firm, [the New Jersey-based Boyd Co.](#), has advised companies in relocation for more than 30 years.

I asked him if Johnson Controls' plant in Spring Garden Township is just the tip of the iceberg? Will York County see more of these older plants — specifically ones in or near York city — looking to upgrade elsewhere in the near future?

The answer, simply, is “yes,” Boyd said. “It’s something some of the more traditional locales of the east are facing,” he added.

His own state has seen a once-flourishing pottery industry exit the Trenton area in recent years, he said.

I told him what’s going on up here: In consideration of relocation to Hopewell Township property, Johnson Controls is asking for a tax incentive program that would allow the company to reinvest their property tax payments into infrastructure surrounding its \$148 million facility.

In some cases, Boyd said, these packages aren’t attractive enough.

“Government can do less than you think,” he said. “Fundamental drivers are based on market forces ... labor costs, the cost of land, construction costs. Government can tinker with the tax system, but most of the factors associated with site selection are market based.”

The trend, he said, is to move south to the Carolinas, Georgia, or Alabama — “states that have right-to-work legislation, lower labor costs, generous incentive packages.”

He wasn't surprised to hear about the Milwaukee-based company — one synonymous with green energy — looking to ditch an antiquated research and development site in use since 1951.

A lot has changed in the way of sustainability since then.

“If there was ever a company that was going to factor in green energy and LEED designation for a building for example, it would be Johnson Controls,” he said. “That has to be a major consideration for them. That transcends just costs. It's part of their branding, their image.”

About Lauren Boyer

I'm a Business Reporter for the York Daily Record/Sunday News. I cover banking, investing and all sorts of manufacturing, from companies like Harley-Davidson to mom-and-pop operations. I don't go anywhere without my iPad or a large cup of coffee.