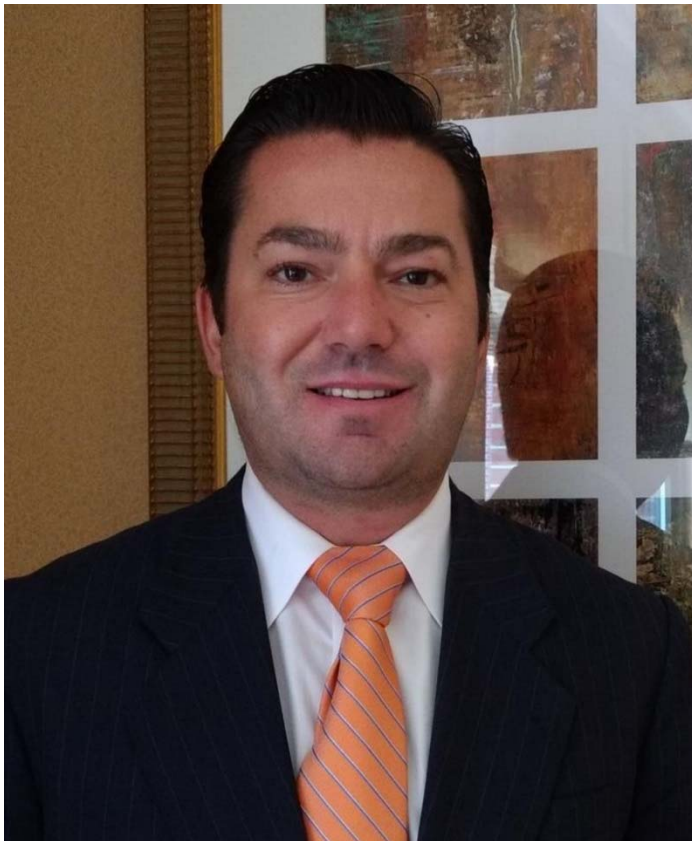


# PROVIDENCE Journal

## Corporate site-hunter: R.I. poised to lure manufacturers

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*"For the first time in a long time, I would identify Rhode Island as an exciting place for new speculative building," - John Boyd, Jr., principal, The Boyd Company*

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PROVIDENCE — Conditions in Rhode Island are ripe for developers to seize on the state's surprisingly low operating costs to attract more advanced manufacturers, says the top executive from a New Jersey-based site-selection firm.

That means building industrial space before there's a buyer or tenant — building on "spec," as it's called, a practice rooted in economic optimism that a new facility will attract an expanding company ready to fill it.

When The Boyd Company location consultants, of Princeton, N.J., analyzed the costs of operating a hypothetical 225,000-square-foot advanced manufacturing plant employing 500 people, Rhode Island ranked better than New York, New Jersey and much of New England, according to the study released to The Providence Journal.

Annual operating costs in the Ocean State are estimated at \$36.4 million — lower than those in Connecticut, Massachusetts and New Hampshire and well below New Jersey's, highest in the nation at \$39.8 million.

“For the first time in a long time, I would identify Rhode Island as an exciting place for new speculative building,” principal John Boyd Jr., whose father started the firm in 1975, said in an interview while in Rhode Island visiting executives.

Boyd counts French-owned Schneider Electric, with its West Kingston location, among its clientele. Around the country, clients include Frito-Lay, Godiva, Hershey, Mars and PepsiCo.

Boyd works closely with about 20 companies a year, helping perhaps five select new locations. That entails significant site-selection research costing up to \$250,000. But thousands of firms, Boyd said, also pay a nominal fee for the firm’s research reports.

Told about Boyd’s latest study, which he hadn’t seen, Commerce Secretary Stefan Pryor said the findings are “great affirmation” after he and his colleagues have met with site selectors around the country — and it’s similar to feedback he has gotten from others.

Pryor said he emphasizes to companies the work of the Quonset Development Corporation. The state entity has prepared land and buildings for expansion, with predictable permitting and timelines. Such prep work encouraged Finlay Extracts & Ingredients USA to start building a \$17-million research and development facility at Quonset last fall, Pryor said.

Meanwhile, cities and towns are identifying all available parcels and buildings in each community, Pryor said, as the state updates its database to share with brokers and site selectors.

Boyd cited Quonset Point and the Highland Corporate Park in Cumberland and Woonsocket as what companies want: “Turn-key, shovel-ready sites are a tremendous attraction.”

An effort by Providence, which last week won a \$600,000 federal grant to prep a former industrial site as a place where food or biotech companies could expand, is another example of local efforts to meet such company needs, Pryor said.

More Video:

4.30.2017: The Rhode Island Students of the Future and the Humanity Centered Robotics initiative at Brown University present the annual Robot Block Party Sunday afternoon at Brown's Pizzitola sports center. Providence Journal video by Kris Craig

Operating costs in Rhode Island are still high — sixth highest in the 48 contiguous states, the Boyd study shows.

But when companies need to be in the Northeast, Rhode Island’s cost structure can help the state rise above neighboring Massachusetts and Connecticut, Boyd said. That’s especially true as companies flee Connecticut because of high taxes and political leaders’ efforts to create new regulations that businesses view as cumbersome.

As national business and political trends point to manufacturing returning to the United States from Mexico, China and other traditionally lower-cost options, Boyd rattles off Rhode Island advantages:

- The University of Rhode Island's engineering program;
- Brown University, including its successful alumni, who may be lured back for business expansion;
- Access to U.S. Sen. Jack Reed, whose position as the highest-ranking Democrat on the Senate Armed Services Committee is important for companies in the defense industry;
- An improving economy;
- Workforce training efforts;
- An abundance of water, in contrast with states struggling with drought conditions.

Some of those hew closely to Boyd's acronym for what drives companies' site selection: TALIO.

That's Talent; Access to highly developed public infrastructure, larger cities and political leaders; Lifestyle; Incentives to help companies expand; and Operating costs.

Boyd said nearly all states offer financial incentives.

Rhode Island's rules are stricter than those in many states — for example, by withholding money and tax credits from companies until they've completed projects and their workers have paid income taxes — and that may make less-stringent states more attractive to companies, Boyd said. But that field may be shrinking, as evidenced by Florida and New York looking to eliminate some of their programs.

That's an advantage, he said, that Rhode Island should seize.