

LBI Living Helps 'Brand' Area to Attract Corporate HQ to the State

By MARIA SCANDALE | Jul 17, 2015

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Photo by: Jack Reynolds

Long Beach Island's desirability is an asset to attract corporate headquarters nearby in New Jersey, says location consultant John Boyd Jr., a principal of Princeton-based The Boyd Company Inc.

"Corporate site selection – and economic development, for that matter – has increasingly become about branding. Companies are asking themselves, 'Where do our executives want to live?'" said Boyd, whose clients include Fortune 500 firms.

The applicable phrase is “life balance.” A handily located waterfront home that at times could double as a meeting place is not only a haven, but also a smart retreat.

“Executives from around the nation look at LBI as a real gem, a real asset,” said Boyd, whose family are longtime Surf City homeowners. “I can’t tell you how much time I spend with executives from major corporations throughout North America who know about LBI ... and it has really emerged over the last decade or so as an alternative to the Hamptons.”

The SandPaper talked with Boyd in conjunction with his Q&A essay below.

The types of projects that New Jersey is competing for include corporate headquarters and IT industry. South Jersey adds potential for data security and drone testing projects.

In its 40th year, The Boyd Company Inc. is one of the nation’s most experienced and trusted corporate site selection firms. Boyd provides independent location counsel to leading Fortune 500 and up-and-coming corporations worldwide.

The firms encompass a range of office, manufacturing, supply chain and service industries. Boyd clients include Chevron, Pratt & Whitney, PepsiCo, Visa International, Honda Motor Co., Hewlett-Packard, JP Morgan Chase, Sanofi, Royal Caribbean Cruises, Dell and TD Canada Trust.

John Boyd Jr. graduated from The College of New Jersey, majoring in political science, in 2001. He is recognized as one of the nation’s top authorities in the field of corporate mobility and economic development, and his views are routinely cited in the nation’s business media. The firm was founded by his father in 1975.

On the plus side in selling the state, Boyd points out comparatively low operating costs, particularly in southern parts of the state. Such focus was directed to ChooseNJ, the state’s lead economic development organization.

ChooseNJ says on its website, “New Jersey offers companies a highly educated workforce (CNBC ranks New Jersey #4 in education), perfect location at the heart of the Northeast (within a day’s drive of 130 million consumers) and unparalleled global access (through world-class seaports and airports.)”

“We did a project for them about a year ago documenting operating costs in New Jersey versus other markets the state is competing with,” Boyd added. “That report is proprietary, but what I can share with you ... we documented compelling operating cost advantages in South Jersey, in Ocean County, in Atlantic County and also in Salem County.” Labor costs are competitive, and industrial real estate costs are low, as well.

Pomona On the Map As Federal Drone Test Site

“We project a new wave of corporate investment into Ocean and Atlantic counties. These are projects that will employ folks who live in this community year ’round, particularly the aerospace industry,” Boyd said.

The area is poised to host aerospace projects because the FAA Technical Center in Pomona was designed as one of six sites in the nation approved for drone testing projects, Boyd pointed out.

“Since July 2013, New Jersey was selected as one of six federally designated drone testing centers, and that is something the state should be leveraging to attract new aerospace industry,” he said.

Pomona’s proximity to the Pine Barrens and the ocean played a part in its selection as a drone test site, Boyd added. “They provide a great spectrum for these devices to be utilized, and this designation happened on the heels of Hurricane Sandy, and we look at the role that drones will play for monitoring damage, for monitoring erosion patterns, monitoring dunes, and property damage. Drones are going to play a big role in all of that.”

Asked to speak on weighing challenges of marketing the state against the advantages to siting business here, Boyd noted the state’s need to continue a generous tax incentive program.

“What concerns us, there is a new wave of anti-business legislation on the horizon: paid mandatory sick leave, some new tax hikes that are being debated. There is talk about rolling back incentives in New Jersey. These are all things that would prevent the state from working with some of the dominant trends to attract industry. There are challenges; New Jersey is an expensive place to do business. But for the key industries that the state is realistically competing for – head office projects, corporate headquarters, IT projects, industries that place a premium upon attracting the best talent – for those projects, New Jersey is very much in the game for.

“That’s especially when you factor in New Jersey’s very generous incentive program. The GrowNJ fund is one of the smartest, well-crafted incentive programs in the country, with tax breaks, job hiring credits, workforce training grants, property tax abatements.

“Property taxes are an issue, but Long Beach Island has some of the lowest property taxes in North America, which is very attractive,” he added. He listed as other advantages, “premier international air service out of Philadelphia and Newark airports, highly developed public transportation infrastructure, colleges, proximity to ports, proximity to New York City.

“All of that makes New Jersey on the short list for new corporate headquarters projects. For those types of projects, what we’re saying is the lifestyle advantage on Long Beach Island is yet another attraction.”

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The company provided the Q&A below to outline its positions in detail.

What role does LBI have on New Jersey's branding and business attraction efforts?

The corporate site selection process entails a host of quantitative (cost-related) and qualitative (lifestyle-related) factors. For those projects with a strong emphasis on lifestyle amenities, such as regional and national corporate headquarters, Long Beach Island can be an arrow in the quiver of New Jersey as it competes with other states for new high end corporate investment and jobs.

In the highly competitive economic development arena, New Jersey is focusing its business attraction efforts on the white collar, high tech sector, including national corporate headquarters. In this coveted white collar sector, real estate opportunities for highly paid executive transferees and their families are under the microscope and are influential site selection factors, both for principal residences, second homes, recreational getaways and settings to host corporate as well as family affairs.

LBI distinguishes itself not only by its wonderful beaches, great housing stock, upscale demographics, but especially its strategic location – a convenient drive to the financial capital of the world in New York City along with an even shorter drive to the huge Philadelphia corporate marketplace. This logistical fact-of-life complements well New Jersey's white collar business attraction efforts just like Sag Harbor does in the Hamptons; La Jolla in the San Diego area; Mercer Island in the Seattle area (a favorite housing market for Microsoft and Amazon executives); Fisher Island in Miami; Newport Beach in Orange County; Cape Cod in the Boston market.

What new industry and job opportunities do you see for Southern Ocean County?

In Ocean and Atlantic counties, we see opportunities for new high tech investment in areas related to data security, drone development and other IT intensive industries. Major players staking out a claim in the drone industry already include the likes of McDonnell Douglas, Boeing, Lockheed Martin, Grumman and others. New Jersey is one of only seven states designated by the federal government as an FAA-designated testing center for drones.

Just south of us here in LBI, we have a compelling aerospace precedent in the FAA Hughes Technical Center in Egg Harbor Township, the nation's only federal lab for air transportation systems. The center already houses a large contingent of engineers, computer scientists and aerospace engineers working on how to safely integrate unmanned systems into the national airspace. The federal government's historic NextGen program – designed to convert our nation's air traffic control system from radar-based to satellite-based – is also housed at the Hughes center. Lockheed Martin's huge presence in Camden County also makes the statement that the aerospace industry is no stranger to South Jersey.

Do you see revitalization happening in Atlantic City, and how can Ocean County and LBI leverage an AC comeback?

Yes, we do. Competition from Pennsylvania, Delaware, Connecticut and New York has done much to devastate the Atlantic City economy. Ironically, competition from newly proposed North Jersey casinos coupled with new dedicated revenue streams from those new casinos to Atlantic City will do much to ensure the survival and rebound of the Atlantic City economy. Many LBI-region residents work in and commute to Atlantic City, and its rebound will have important spin-offs here. Down the road, we see sports betting coming to Atlantic City, which will provide another stimulus for the economy there.

Also, given our unique insights into emerging corporate location and investment trends, The Boyd Co. has been retained by several U.S. cities and states to counsel them on industry attraction strategies, especially “branding,” which is increasingly being associated with a city’s image, business climate and attractiveness for relocation.

One of our long-time clients in the “branding” field is Las Vegas, where we have assisted the Howard Hughes Corp., the City of North Las Vegas and the Nevada Development Authority craft programs to attract new non-casino corporate investment and jobs to the Las Vegas area. Major non-casino employers in Las Vegas include the likes of Williams-Sonoma, Expedia, Barclaycard, Olin, Ocean Spray and e-commerce firms Zappos and Beyond the Rack. Atlantic City can learn much from Las Vegas in terms of taking proactive measures to help diversify its economy from an over-reliance on the casino industry.

Where do you see New Jersey’s economy going? What are some “hotspots” in New Jersey, and what other development trends are impacting the Garden State today?

In other parts of the state, we see same-day delivery trends from e-commerce firms like eBay and Amazon bringing new distribution warehousing operations into New Jersey, like Amazon’s mammoth fulfillment center in Robbinsville. Another driver here is the booming Port of Newark and the expanding Panama Canal. Financial service industry migration out of New York City to Jersey City is another major trend working in New Jersey’s favor. Ultra-progressive NYC Mayor DeBlasio has done much to damage the city business climate with higher taxes, income redistribution policies and his fallout with the police department amid rising crime statistics in the City.

You spend many days a year traveling throughout North America for your site-seeking corporate clients. When you are here on LBI, what are your favorite places to go and things to do?

My personal connection to Long Beach Island is through my family – father Jack, mother Eileen and sister Alison. We have been summering in Surf City for 25 years now. It has been a special place to celebrate numerous milestones of family and friends. I especially like the convenience

and walkability of Surf City, the Surfside Coffee Shop, Mario's deli, the Surf City Hotel and the thriving local artistic community here.

As for restaurants, I especially like DaVinci's and The Arlington, both in Ship Bottom – our discriminating New York friends and business clients hear the buzz of these two places and are making them forget some of their favorite eateries in the Hamptons. On a personal note, my favorite way to unwind from my national travels and business dealings is kayaking on Barnegat Bay, especially watching those spectacular summer sunsets.

The Boyd Company, Inc. is located at 103 Carnegie Center, Suite 300, Princeton, phone 609-681-5670. For more information, the web address is www.theboydcompany.com.