

Will businesses buy into HB2 compromise? Site consultant weighs in

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An ultimatum by Swiss banking giant Credit Suisse appears to have played a role in what's being called a compromise in North Carolina's year-long House Bill 2 saga.

Minutes after his vote in favor of the HB2 repeal measure, Rep. Darren Jackson (D-Wake) said the project, which could bring more than 1,000 jobs paying an average of about \$100,000 annually, was a major consideration.

But Credit Suisse was just one of the more high-profile companies pressuring the state. The company didn't respond to a request to comment for this story.

Bob Morgan, president and CEO of the Charlotte Chamber of Commerce, says the frustrating part of the HB2 narrative is the companies that didn't issue ultimatums. They just awarded their projects elsewhere. "We can't change those decisions," he says, adding that, now, it's about moving forward.

But is the repeal enough to mitigate the concerns that had CEOs considering North Carolina out in the first place?

John Boyd, principal of New Jersey-based site selection consultant firm the Boyd Company, thinks so. He calls the measure "good news for the state business climate."

"A lot of our projects, quite frankly, stopped in the pipeline until this bill was either repealed or there was [a compromise]," he says, adding that a "full repeal was not practical at this point."

Boyd, whose clients have included Office Depot, AT&T, Dell and Pitney Bowes, predicts that similar measures expected to pass in Alabama and Texas will capture the attention of the 24-hour news cycle and further "get the heat off of North Carolina."

Kevin Trapini, CEO of the Redwoods Group in Morrisville, agrees. But he says he's disappointed by the measure, and calls it a "continuation of HB2."

"Unfortunately, I do think most companies will see this as a situation resolved, unless the blowback is as intense as the initial and sustained reactions were to HB2," he says, adding that the state will know for sure in the next week. "Folks will either rise up or not and the NCAA will be an early proxy for the rest of the market's reaction."

Chris Heivly, a Durham-based serial entrepreneur and entrepreneur-in-residence at Techstars, calls the move "progress," predicting the measure will have a "positive effect" on the state's reputation. With HB2 in place, some entrepreneurial activists, including AOL co-founder Steve Case, canceled plans to speak in the state. Anecdotally, there was talk of venture capitalists refusing to invest in North Carolina entrepreneurs until a repeal was passed.

"Anything that changes the conversation and takes this off the national conversation is really big," Heivly says Friday from an entrepreneurial event in Washington, D.C. "That being said, we have not slowed down. As I sit here among community leaders from across the country ... no one has mentioned HB2 and whether it has impacted our growth."

Red Hat, whose CEO, Jim Whitehurst, has spoken out against HB2, referred Triangle Business Journal to a prepared statement.

"Red Hat applauds the bipartisan effort that led to the passage of HB142 in North Carolina, which represents important progress in fostering inclusiveness, economic growth, and jobs creation. ... Red Hat remains committed to greater diversity and inclusion to strengthen the fabric of our company, community and state."

In a prepared statement of its own, Research Triangle Park's largest employer, IBM, noted its consistent opposition to HB2.

"We welcome its repeal, but stronger, local nondiscrimination laws should not be pre-empted," the statement reads. "Our company will continue to provide IBMers in all communities the support they need to bring their whole selves to work."