

## Phoenix 'a strong contender' for new Apple campus as company brings billions back to U.S.

By Mike Sunnucks – Senior Reporter, Phoenix Business Journal - Jan 17, 2018

Phoenix has a strong shot at landing a new Apple Inc. campus, according to a leading national site-selection expert.

Apple Inc. (Nasdaq: AAPL) said Wednesday it plans to open a new, large campus in the U.S. as part of push to hire 20,000 new workers and infuse \$350 billion into the American economy after tax cuts passed by President Donald Trump and Congress.

Apple said the campus “will initially house technical support for customers.”

That is right up Phoenix’s alley, according to John Boyd Jr., a site-selection expert with Boyd Co. in New Jersey.

“I have to say Phoenix will be a strong contender for a project like this,” he said.

Phoenix is one of the leading call center hubs in the U.S. JPMorgan Chase & Co. (NYSE: JPM), State Farm, Macy’s (NYSE: M), Wells Fargo & Co. (NYSE: WFC), USAA, American Express Co. (NYSE: AXP), Bank of America (NYSE: BAC) and GoDaddy (NYSE: GDDY) are among those with customer service and back-office operations throughout metro Phoenix.

Boyd said support centers require large labor pools that can accommodate worker turnover. That makes larger but less expensive markets such as Phoenix desirable. Phoenix has a regional population of close to 4.7 million people — 12th largest in the U.S.

“This is a customer-support center,” Boyd said of the proposed Apple site. Apple already has a data center campus in Mesa.

Boyd also listed Dallas, Atlanta, North Carolina and Florida as potential leads in what is expected to be an intense recruitment process for Apple. Costs and labor market size could work against some markets such as Austin.

A smaller number of potential targets stand in contrast to the 238 bids put in for a second headquarters for Amazon.com (Nasdaq: AMZN). Phoenix, Tempe, Mesa and Tucson all have bids in for Amazon's HQ2.

That site selection may favor more expensive markets such as New York, Washington or Boston, tech hubs such as Austin or states offering big incentives such as New Jersey and Maryland.

Phoenix's odds with Apple are a lot better than with Amazon, Boyd said.

Customer service centers like growth markets that have plenty of workers to deal with turnover. Those employers even like to see new workers coming in those operations, Boyd said.

"It helps keep the workforce fresh," he said.

The Apple move comes after tax cuts passed by President Donald Trump and Congress that sliced corporate rates and offered one-time tax rates to companies such as Apple that bring back money from offshore tax havens.

Apple said it will invest \$350 billion in the U.S. during the next five years and pay \$38 billion in taxes on money it will bring back from offshore.

"Apple, already the largest U.S. taxpayer, anticipates repatriation tax payments of approximately \$38 billion as required by recent changes to the tax law. A payment of that size would likely be the largest of its kind ever made," the company said in a statement.