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USDA picks Kansas City over Raleigh — now what?



U.S. Agriculture Secretary Sonny Perdue

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When it comes to the fight for 700 research jobs with the United States Department of Agriculture, the Triangle officially lost out to Kansas City.

But that's just for now, says a site selection expert, who says a tightening talent pool in D.C. means more - and perhaps even bigger - "opportunities" ahead.

The USDA announced Thursday that it had picked Kansas City over fellow finalists Indianapolis and Raleigh for two of its research agencies - an operation estimated to mean 700 federal jobs.

But John Boyd, a site selection expert with New Jersey-based the Boyd Group says that - even with the loss - the recruitment process has not been a wasted effort, as it positions North Carolina for the next federal agency win.

"Government agencies are the next frontier in economic development," says Boyd.

In a press release, Secretary of Agriculture Sonny Perdue said that, "following a rigorous site selection process," both the Economic Research Service and the National Institute of Food and Agriculture would be moving to the Kansas City Region, a move expected to save the nation \$300 million a year.

In return for the investment, state and local governments in that region offered what the USDA described as "generous relocation incentives packages totaling more than \$26 million."

Local economic developers declined to comment on the news Thursday.

An email to Michael Haley, executive director for Wake County Economic Development, was answered by a spokeswoman who said "Commerce is taking all questions for now."

Spokespeople for the North Carolina Department of Commerce did not immediately return requests to comment on the situation Thursday.

But Boyd calls Kansas City a "logical choice," calling it a "cluster of the animal health industry." Its home senator, Sen. Pat Roberts, is the chairman of the Senate Agriculture Committee. And operating costs in Kansas City are lower than those in both Indianapolis and Raleigh.

According to *Kansas City Business Journal*, sister paper of the *Triangle Business Journal*, the USDA will be looking for 120,000-square-foot Class A office space to lease — enough to accommodate at least 568 employees who are expected to relocate from Washington, D.C. Overall, the U.S. government houses more than 18,000 employees in the Kansas City area.

Boyd calls the federal project a "good process for North Carolina," as it's unlikely to be the last case where federal agencies are looking outside of Washington, D.C. He points to a tightening labor market in the nation's capital, as well as rising real estate costs.

"More government projects will be leaving D.C.," he says, pointing to weather-related government agencies, in particular, as potentially "great opportunities for North Carolina, given its proximity to the coast."

The U.S. Department of Agriculture announced last year that it was planning to relocate the two bipartisan research units out of Washington, D.C. And officials in North Carolina confirmed early on that North Carolina's "Research Triangle Region" was throwing its hat in the ring. After a nationwide search involving 136 "expressions of interest" from 35 states, the agency narrowed the field to the Triangle and locations in Indiana and Kansas City on May 3.