

# WICHITA BUSINESS JOURNAL

**Pump you up**  
Former SEAL to appear  
in Wichita.

DANIEL MCCOY, 4



## SPECIAL REPORT



### When the unthinkable strikes

It's the new human resources issue: Plans to handle active shooter situations in the wake of this year's shooting at Hesston's Excel Industries. **JOSH HECK, 6**



## EVENT

### MENTORING MONDAY OFFERING ADVICE 13



## 10 MINUTES WITH ...

### SCOTT STEELE, WELLS FARGO HOME MORTGAGE 27

## COVER STORY

# WANTED CORPORATIONS

### WHY WE NEED:

Corporate mobility is at an all-time high, and Wichita is feeling the pinch in a competitive environment. The Air Capital needs to keep and attract corporate headquarters because:

- They are the crown jewel of economic development.
- They have a major economic impact in the community.
- Losing them to other communities leads to an executive brain drain.

### WHAT WE CAN OFFER:

We are looking for corporate headquarters and can offer:

- No cash, but other forms of incentives are available.
- Improving public infrastructure and air service.
- A skilled work force vital to certain industries and training opportunities.



## 1986-2016

# WBJ 30TH ANNIVERSARY CELEBRATION

*30<sup>th</sup>*  
anniversary  
1986 2016

It began with the exclusive unveiling of Bank IV in 1986. The Wichita Business Journal celebrated three decades of leading the city in business journalism with a reception last week. **18-19**

## AVIATION

### Grumpy customers say Virgin is best

Virgin Airlines tops the list of airlines in the annual Airlines Quality Rating report. **DANIEL MCCOY, 4**

## REAL ESTATE

### McCurdy auctioning downtown space

The Wichita auctioneer will sell the former Gossen Livingston office. **JOSH HECK, 5**

## REAL ESTATE

### From Piccadilly to business center

A health food grocer is tabbed for a new building in the East Central complex. **JOSH HECK, 5**



WICHITA  
BUSINESS JOURNAL

April 8, 2016  
Vol. 31, No. 15, \$2.50  
121 N. Mead  
Suite 100  
Wichita, KS 67202



Breaking news online  
WichitaBusinessJournal.com



On smartphones and tablets  
WichitaBusinessJournal.com/apps



Daily email updates  
WichitaBusinessJournal.com/email



## COVER STORY

# Stemming the exodus

Wichita has had some notable corporate losses in the last 20 years – and more could be coming. The city has good things to offer, but will face increasing competition from other communities for its C suites. Why corporations are looking to move and what Wichita needs to do prevent an executive brain drain.

BY DANIEL McCOY  
dmmccoy@bizjournals.com  
316-266-6195, @ICTBiz\_dmccoy

Corporate migration has become the way of the world – and Wichita is not immune to the trend.

In the last month, Viega LLC announced it was moving its North American headquarters from Wichita to Denver and Cargill Inc. publicly confirmed it was evaluating options for the downtown headquarters of its meat solutions business, which it said were housed in facilities that wouldn't meet its needs in the future.

Wichita Mayor Jeff Longwell said last week that the city will work aggressively to keep Cargill in town.

And while Cargill hasn't said it is looking at other cities, Longwell said the city is working under the assumption that it is.

Behind the scenes, Wichita's more focused effort toward economic development continues to coalesce under the Greater Wichita Partnership.

But the prospect of losing another corporate entity has unnerved some and underscores the importance of the city to compete on the things companies are looking for in the communities where they put their headquarters.

"There is never a moment we should rest," says Jeff Fluhr, president of the GWP.

## The great migration

John Boyd, president of national site selection firm the

Boyd Co., says corporate migration has become more prevalent because companies are looking to improve their competitiveness.

He says that as corporations have re-engined their operations over the past few decades – think manufacturing work to Mexico and call centers to India – the last place to look for improvements has been the executive suite.

"There is definitely a trend toward big cities and downtown locations," he says. "Corporate mobility is at an all-time high."

One of the biggest reasons why is recruiting. Those cities typically have an existing pipeline of executive talent, or the amenities needed to attract the next generation of leaders from elsewhere.

And while Wichita may have trouble competing with cities like Chicago, Dallas or Denver, the Air Capital still has good things going for it in the chase for executives – including overall quality of life and a low cost of living.

And, as always, there are incentives, which are "becoming the rule rather than the exception," including the cash handouts that are a no-go in Wichita.

Local voters in 2014 rejected a sales tax measure that would have, in part, been used to help fund economic development incentives.

While incentives play a role, it isn't the first thing companies come looking for, says Bruce Glasscock, city manager in Plano, Texas.

Plano – rumored late last month by the Dallas Morning News as a possible landing spot for Cargill – has been a rock star in the chase for corporate headquarters in recent years, including its high profile get of Toyota's

North American headquarters.

Glasscock says Plano has an economic development war chest of only about \$6 million – other communities in north Texas have upwards of \$20 million – but they also make use of other incentives, such as tax abatements.

Toyota received a total of \$46.75 million in state and local incentives for its move.

Glasscock says what has attracted companies to Plano has been a good transportation system, proximity to a major air service hub in Dallas, a well-regarded school district and a regional approach with other communities.

They've also been attracted to its Legacy West district – where many of its headquarters recruits have located – a live, work and play environment he calls a "jewel" of North Texas.

"Incentives are an important piece," Glasscock says. "But they aren't the deciding factor."

Jeremy Hill, director of the Center for Economic Development and Business Research at Wichita State University, says corporate headquarters are important economic drivers.

First, the incomes typically are much higher among those occupying the C suite. Also, headquarters are regularly bringing in customers or suppliers for meetings and training, meaning full hotels, busy restaurants and other spending in the community.

Losing corporate headquarters can hurt in a variety of ways, including not just the loss of high-paying jobs and the brain drain that may make a city less attractive to other headquarters in the future. There is also

## ► CORPORATE SHAKEUPS

### 1995 — PIZZA HUT

## LEAVING WICHITA

Wichita used to be a corporate hub for the headquarters of some of the nation's most recognizable companies. But all that has changed over the past 20 years as several corporations have left Wichita for bigger cities. Here is a look at some of the biggest company moves — as well as near moves and a potential one — out of Wichita in the past two decades.



Founded in Wichita in 1958, Pizza Hut, now part of Louisville-based Yum! Brands, moved its corporate headquarters from the Air Capital to Addison, Texas, in 1995. It later moved to Plano, Texas, in 2010. Last year, the company announced plans to add another 75,000 square feet with two new buildings to be built at its \$35 million corporate campus.

### 1998 — RENT-A-CENTER



Founded in Wichita in the 1960s and branded in 1973, Rent-A-Center left Wichita in 1998 after its parent company, Thorn Americas, was bought by Dallas-based Renters Choice. The headquarters were relocated to Plano, Texas, eliminating around 550 local jobs and with Thorn leaving behind 100,000 square feet in local corporate office space.

### 2010 — HAWKER BEECHCRAFT



Hawker Beechcraft was courted by Louisiana and other states for a possible headquarters relocation in 2010. The company stayed in Wichita after receiving \$45 million in incentives from state and local governments. The company subsequently went into bankruptcy and was later bought by Cessna Aircraft's parent company, Textron Inc.

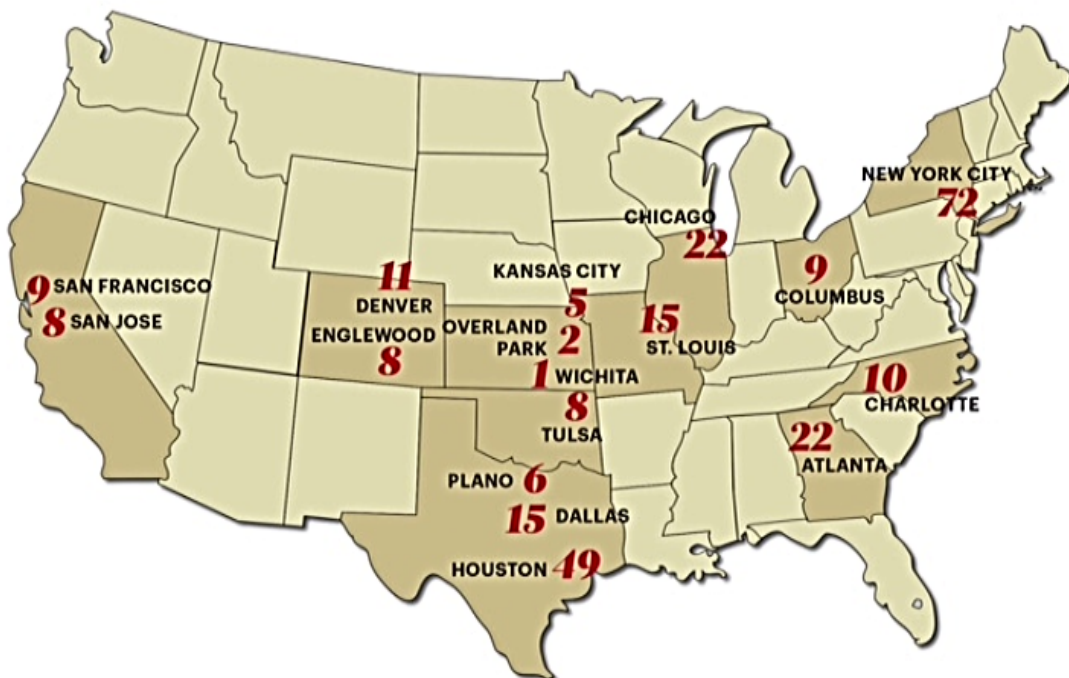


COVER STORY

► U.S. HEADQUARTERS

NATIONWIDE HQS

As this map of some of the headquarters of the Fortune 1000 in 2015 shows, big corporations often base themselves near big population bases. Not only does that allow access to a large talent pool, larger metro areas typically have the type of amenities that can attract talent from elsewhere. There are also increasing numbers of corporations moving their headquarters to communities near large cities, such as the Dallas suburb of Plano, or the Denver suburb of Englewood.



- New York City** — 72 companies
- Houston** — 49 companies
- Atlanta** — 22 companies
- Chicago** — 22 companies
- Dallas** — 15 companies
- St. Louis** — 15 companies
- Denver** — 11 companies
- Charlotte** — 10 companies
- Columbus** — 9 companies
- San Francisco** — 9 companies
- Tulsa** — 8 companies
- San Jose** — 8 companies
- Englewood, Colo.** — 8 companies
- Plano, Texas** — 6 companies
- Kansas City** — 5 companies
- Overland Park** — 2 companies
- Wichita** — 1 company (Spirit AeroSystems)

SOURCE: 2015 FORTUNE 1000

the impact on the overall social business network of the community and even ramifications on the housing market.

But, Hill says, Wichita is making some strides to be more competitive for those top-level jobs. With its robust manufacturing and engineering base, the city will always be naturally attractive to certain industries.

And both Hill and Boyd say Wichita is positioned to pick up some of the back-office functions of corporations, even if their headquarters are elsewhere.

But investments like the new airport terminal and a more regional approach to economic development will also make it increasingly attractive to other industries.

Perhaps most importantly, he says, is getting the message out — economic development leaders have to be selling the city to the companies and workforces of other communities.

“The cost of getting that message out ... that’s a lower cost-barrier to getting access to labor,” he says.

**Constant contact**

Fluhr, the GWP president, was busy with just that sort of messaging this week, as he was helping head up a contingent in Dallas at the MRO Americas show looking to attract new aviation maintenance, repair and overhaul work to Wichita.

That message is all about what Wichita has to offer — skilled workforce, pro-business climate, low cost of living, quality of life and access to training and more.

But there is no denying it truly is a competitive environment. And that means the city must remain responsive to the needs of the businesses already here and of those that may choose to move here.

It’s a continuous dialogue, he says, that has to take place.

“It doesn’t stop with a decision to relocate,” Fluhr says. “We are building on our strengths. We have to align and focus resources ... to make sure we’re meeting those needs.”

2011 — COLEMAN



Coleman Co. announced in 2011 that it would move its leadership from Wichita to Golden, Colo., marking the official opening of its corporate headquarters there the next year. It was a return to Golden for Coleman, which had been headquartered there in the mid-1990s before moving back to Wichita. The company maintains its local manufacturing operations.

2012 — BOEING



While not a corporate headquarters, Boeing Co. announced in 2013 that it would shutter its local defense facility and move the work to other locations. That decision included the eventual loss of more than 2,000 direct jobs in the community and ended Boeing’s 85-year presence in Wichita.

2016 — VIEGA



Viega LLC announced last month that it was moving its North American headquarters from downtown Wichita to Denver. The move will be completed by 2017, with all 113 local corporate employees offered jobs at the new location. The plumbing and HVAC products manufacturer will maintain operations at its manufacturing and distribution center in McPherson, where it employs more than 200 people.

2016 — CARGILL



In late March, Minnesota-based Cargill Inc. publicly confirmed it was exploring options for its meat solutions headquarters in downtown Wichita. That could mean a new location in the Air Capital, though local officials have also expressed their belief that the company could be looking at another city. The company employs more than 900 people in the city’s core.