

# SAN FRANCISCO BUSINESS TIMES

## Amid Bay Area exodus, will Wells Fargo, Uber or Chevron's headquarters be next to go?



*The San Francisco skyline could be in the rear view mirror for Bay Area companies who sound increasingly less committed to keeping their headquarters in California. Todd Johnson | San Francisco Business Times*

By Mark Calvey – Senior Reporter, San Francisco Business Times - Dec 24, 2020

With Oracle moving its headquarters to Texas, there's a growing sense that it's only a matter of time before another major Bay Area company takes its head office out of California.

There's a short list of companies that already seem to have one foot out the door — whether it's Wells Fargo (NYSE: WFC), with its CEO based in New York, or Chevron (NYSE: CVX) employing more people in Houston than it does in the Bay Area.

The Bay Area's Fortune 500 companies often reiterate their commitment to the region — until one day unveiling plans to move their headquarters out of state. Such was the case with McKesson (NYSE: MCK), which told the San Francisco Business Times on Nov. 8, 2018, that its headquarters is in San Francisco. Three weeks later, McKesson disclosed that its headquarters was headed to Texas.

Site selection consultant John Boyd told me in April that a headquarters move is one of the easiest elements of a corporate structure to move since it can be done with the issuance of a press release — or dropping the news in an SEC filing, as was the case with Oracle.

"Companies no longer view the headquarters as simply housing its talent and real estate," Boyd said. "They view the headquarters site selection process as an opportunity to rebrand the company and recalibrate its image in the marketplace."

Here's a look at a handful of companies I'm keeping an eye on for a possible headquarters move out of the Bay Area and how what they've told me has subtly changed over time when I asked if they were considering doing so. One wants to be careful about reading too much into a corporate statement, but it's good to be observant. Companies often choose their words very carefully when discussing sensitive topics, such as a potential headquarters relocation.

Readers hoping to hear the Bay Area's corporate titans praise the region's strengths as a place to do business or wax poetically about how they've done business in San Francisco since the Gold Rush, will be disappointed.

**Wells Fargo** — The bank, founded in 1852 in San Francisco to handle the gold coming out of California, now has its largest employment center in Charlotte, North Carolina, and key elements of its C-suite in New York. Wells also aims to cut \$10 billion or almost 20% of its annual expenses, so a headquarters move could be appealing.

"It would almost be malfeasance if Wells Fargo executives did not consider leaving California," Boyd told me.

When I asked Wells Fargo in April whether the bank's headquarters would leave San Francisco, a spokesman said: "Wells Fargo will continue to be headquartered in San Francisco. The company has a nationwide footprint, a nationwide customer base, and a workforce of 263,000 dedicated to serving our customers and communities during these challenging times and beyond."

When I asked Wells on Dec. 23 about a possible headquarters move, the same spokesman said, "Wells Fargo continues to be headquartered in San Francisco, and we have more than 13,000 employees in the San Francisco Bay Area."

**Levi Strauss & Co.** — The jeans maker (NYSE: LEVI) is seeking to sublease more than 25% of its San Francisco headquarters, or about 100,000 square feet.

Asked about the possibility of the company leaving its hometown since Levi Strauss stitched his first pair of jeans amid the Gold Rush, a company spokesman said: “The sublease listing is our only current update. We can confirm that two floors of our San Francisco headquarters at Levi’s Plaza (1155 Battery St.) have been listed for sublease. These plans do not affect our current lease agreement.”

**Chevron** — The oil giant has gradually moved more executives to Houston, where the company employs more people than in the Bay Area. Chevron employs 5,187 people in the Bay Area, as of last July, and 6,989 in the Houston area, as of September, according to data from the San Francisco Business Times and the affiliated Houston Business Journal.

When asked in March 2019 whether the company will move its longtime Bay Area headquarters from San Ramon to Texas, a spokesman said, “Our corporate headquarters is and will remain located in San Ramon, California, in close proximity to major energy assets in the state. Chevron is a California-based company, and has continued to be an important part of the state’s economy and growth for more than 140 years. We remain committed to the state.”

When asked Dec. 23 about a possible headquarters move, another spokesman said, “Our corporate headquarters are located in San Ramon, California, in close proximity to major energy assets in the state. Chevron is a California-based company, and has continued to be an important part of the state’s economy and growth for more than 140 years.”

**Visa** — Visa (NYSE: V), with a large campus and former headquarters in Foster City, is planning to move its San Francisco headquarters from 1 Market St. to the Mission Rock development in San Francisco. In recent years, I’ve asked CEO Al Kelly about the company’s commitment to keeping the headquarters in San Francisco.

After the January 2020 annual meeting, Kelly spoke with me about Visa’s decision to keep its headquarters in San Francisco: “It’s been our home for quite awhile, and we have a lot of talented employees here. We want to keep them close to home and at the same time we wanted to get a larger space.”

Asked in the January interview whether Visa had considered moving the headquarters elsewhere, Kelly said, “We looked at a wide range of options, but we didn’t go into it with any religion on what we would do one way or another.”

Pinterest has shown that leases can be broken, saying in August that it had paid \$89.5 million to get out of a lease for 490,000 square feet in San Francisco that it had just signed in 2019. Visa has much deeper pockets should it decide that it has had enough of San Francisco’s zest for new business taxes.

When asked on Dec. 23 whether the payments giant is considering a headquarters move out of California, a spokesman told me: “No, nothing has changed regarding our plans to have San Francisco remain our corporate headquarters.”

**Uber** — The ride-sharing company turned heads in 2019 when it got \$36 million in Texas government incentives for what was billed as a “new U.S. general and administrative hub.” That was one of the largest incentives in the past decade to spur economic development in Texas, igniting speculation that Uber's (NYSE: UBER) headquarters could be heading to Dallas. In August 2019, the company was eager to squash that idea, with a spokesman saying: “We are not moving our corporate headquarters there, and we don’t have plans to.”

Last May, with Uber seeking to cut costs as the pandemic slammed ride-sharing, I asked again whether the headquarters was moving to Dallas. The same spokesman said: “We’ll decline to comment on this.”