

# BUSINESS

NORTH CAROLINA

## John Boyd on what makes N.C. an economic development hot spot

By Kathy Blake - 02/11/2021



*John Boyd*

What does a guy in New Jersey know about business in North Carolina? Lots. We've heard about The Boyd Co. since he helped land the Stiefel R&D center in Research Triangle Park more than a decade ago. Company principal John Boyd, Jr. and his Princeton, N.J., site-selection firm advise Fortune 500 companies and others about costs, labor markets, support services, lifestyle considerations and more. They have several project connections in North Carolina, and he's familiar with why Raleigh, Asheville and other North Carolina hot spots are preferred places for business people to unpack their suitcase.

We asked John for his thoughts on what makes the Old North State a top pick for economic development. Answers were edited for brevity and clarity.

**Your clients include GlaxoSmithKline's drugmaker Stiefel's R&D center in Research Triangle Park. What are the most important considerations that make Raleigh a go-to place for business?**

We helped Stiefel locate in the Research Triangle Park, and the company has since expanded its investment and mission there. Some of the site-selection drivers in the Stiefel project are still paramount today and distinguish the park and the entire Research Triangle region. These include its deep reservoir of intellectual capital, world-class academic resources, attractive operating costs by national standards, executive lifestyle amenities and North Carolina's positive business climate. The latter includes the nation's lowest corporate income tax levy, right-to-work protection for its workforce and a robust incentive program. The Raleigh-Durham area is consistently on our shortlist of candidate locations for not only our pharma clients but companies in sectors like financial services, medical devices, software development and regional and national head offices.

## **Fujifilm Diosynth is considering a \$2 billion center in N.C. What are the main benefits North Carolina has over Texas, which also is vying for the plant?**

First, Fujifilm Diosynth — which has a successful biomanufacturing plant in Morrisville — is not a client of Boyd. The Morrisville facility houses operations of the Novavax COVID-19 vaccine currently in production. The company's proposed \$2 billion biomanufacturing plant is late in the site search and Raleigh-Durham is a finalist, along with College Station, Texas, where the company has another production site. North Carolina often competes with Austin, Texas, a hotbed of high-tech activity, but not so often with College Station — home of Texas A&M University, which is collaborating with Fujifilm Diosynth on two COVID-19 vaccine candidates with U.S. government support. This competition between North Carolina and Texas for this project is likely to go down to the wire, with incentives tipping the scale one way or another. Texas has a Texas-size incentive program, but North Carolina's, reconfigured by Gov. [Roy] Cooper, will be competitive with what Texas puts together.

## **What is The Boyd Co.'s relationship with the Piedmont Triad Partnership in Greensboro?**

Our firm's corporate site-selection work dominates our workload, but from time to time, we are asked by economic-development organizations to provide third-party research. The Piedmont Triad [group], back in the early 2000s under its former head, Don Kirkman, retained our firm for such research. While not a big part of our firm, some of the development groups that have looked to Boyd for consulting services have included The Howard Hughes Corp. in Las Vegas, The Investment Properties Division of the Mormon Church in Salt Lake City — the largest private landowner in the state of Florida — the Nevada Development Authority and the Province of New Brunswick in Canada.

## **What do you see as North Carolina's biggest asset for business?**

East Hartford, Conn.-based aircraft engine manufacturer Pratt & Whitney is a longtime client of Boyd, and its recent decision to locate a 1-million-square-foot advanced-manufacturing plant in Asheville is a major win for North Carolina. Greg Hayes, the CEO of Pratt & Whitney's parent company, Raytheon, said the project will result in a savings of \$175 million for the engine-maker.

From a corporate site-selection standpoint, this transformational Pratt & Whitney plant is expected to attract numerous other high-paying suppliers to the western N.C. region in months and years ahead.

This huge aerospace win for North Carolina can largely be attributed to the difficult but prudent decision made by Gov. Cooper shortly after taking office in 2017 to revamp and energize the state's incentive program. He was addressing the fact that North Carolina had a long string of second-place finishes in a number of high-profile industrial projects, especially in the auto industry, that went to other Southeast states with more robust incentive offerings.

Despite the collapse of the air travel industry due to COVID-19, we see aerospace rebounding, especially with vaccines being distributed, and a light at the end of the pandemic tunnel is beginning to appear. Another Boyd aerospace client, Boeing, estimates that there are well over 900 airplanes today that are in excess of 25 years old. By the mid-2020s, more than 500 airplanes a year will reach 25 years of age, fueling a robust retirement wave. Over 40% of the new airplanes will be needed to cover replacement alone, notwithstanding new demand, however dampened by the pandemic. Aerospace, especially with Pratt & Whitney's major endorsement of North Carolina, is definitely a timely and opportunistic target industry for North Carolina.

Also, we see North Carolina well-positioned to attract coveted projects in emerging industries linked to electric and autonomous vehicles, given the state's renowned universities and its deep pool of design and production skills in fields like electrochemistry, electronics, mechanical engineering, robotics, artificial intelligence, 3D printing and software.

On the office front, we know of no reason why Raleigh, Durham, Charlotte, the Triad and Wilmington cannot get far more than their fair share of projects. People are continuing to flee high-cost cities with fiscal problems and social unrest issues like New York, Philadelphia, Chicago, San Francisco and Los Angeles. We see new millennial-friendly, mixed-use developments in all of those North Carolina markets offering the types of work/live/play lifestyle amenities in a lower-cost setting being sought by those fleeing these difficult cities and others.