



## What is 'Project Falcon,' and what does it mean for the future of Wells Fargo?



By Mark Calvey – Senior Reporter, San Francisco Business Times  
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Wells Fargo is reported to be on the hunt for a large new office in North Texas. Dubbed "Project Falcon," the search is giving a lift to persistent speculation that the bank's headquarters could one day move out of San Francisco.

Wells is looking at several sites in the Irving-Las Colinas area of Dallas-Fort Worth, according to the Dallas Business Journal, which notes that the Irving City Council is set to meet behind closed doors Thursday to discuss economic development negotiations regarding Project Falcon. Wells is said to have been looking at Dallas real estate for at least two years as it seeks a build-to-suit site for a few hundred thousand square feet of offices that's expected to house thousands of employees, the paper reported.

Speculation that the bank's headquarters could be on the move also has been fueled in the last few years by Wells Fargo CEO Charlie Scharf and much of the C-suite now being based in New York, while its largest concentration of employees is in Charlotte, North Carolina.

When I asked Wells this week about plans for a Dallas regional office and whether it involved a headquarters move, the bank simply told me, "We don't have anything to share."

Wells Fargo's commentary about keeping its headquarters in San Francisco, the city it has called home since 1852, has gradually grown less definitive. Every time the rumors flare anew, I check back about them. In April 2020, the bank told me, "Wells Fargo will continue to be headquartered in San Francisco." But by December 2020, the bank's response became more of a statement of fact as of the moment: "Wells Fargo continues to be headquartered in San Francisco." Now the bank simply has nothing to say on the headquarters question.

Wells might be tight-lipped, but site selection consultants have plenty to say when it comes to prospects of Wells Fargo's headquarters moving out of California.

“It would almost be an insult to the business acumen of senior Wells Fargo executives if they haven’t been contemplating this move for quite some time now,” site selection consultant John Boyd said. “It shouldn’t be a surprise to anyone.”

One factor coming into play is the expiration next year of a powerful economic-incentive program, Texas’ Chapter 313 property tax abatements. The program’s expiration is expected to put a damper on Texas’ long streak of winning big economic prizes, some of them at the expense of the Bay Area, such as Charles Schwab Corp. and McKesson. But for now, it appears there’s something of a land rush to take advantage of the program before it ends.

“We’re seeing a lot of companies apply for these incentives and make a major move now before the spigot gets cut off,” said Boyd, who is principal at The Boyd Co., which recently moved to Boca Raton, Florida, from New Jersey. “For months now, the development community and business community have looked at Wells Fargo as a likely candidate to leave San Francisco. In an interesting way, maybe the 313 expiration in 2022 actually accelerated their decision to actually do a headquarters relocation to Texas.”

Wells is far from alone in looking to expand in the Lone Star State.

“We have had an enormous amount of data requests for Texas, since it was announced that the legislature did not re-up the 313 incentive program,” Boyd said. “I can only attribute that to this kickstarting of a lot of relocation projects that were put on hold during the pandemic.”

Texas economic development officials echo Boyd’s assessment of the pace of activity.

“Our team at the Irving Economic Development Partnership is currently working on more than 100-plus active projects in our pipeline that are looking to either relocate, remain in Irving-Las Colinas or expand their operations within our community,” Beth Bowman, president and CEO of the economic development agency, told me Wednesday. She declined to discuss Project Falcon.

Others see Las Colinas as a strong candidate to capture Wells Fargo’s headquarters. The planned community in the Dallas suburb of Irving in fact calls itself the “headquarters of headquarters.”

“Dallas really has emerged as one of the nation’s premier financial services markets and premier fintech markets,” Boyd said.

“Las Colinas is one of the most prestigious addresses in Texas,” Boyd said. In addition to ExxonMobil, other companies based in affluent Las Colinas include Kimberly-Clark, Fluor and McKesson, which moved its headquarters from San Francisco in 2019. McKesson initially billed its Las Colinas office as a regional office in capturing millions of dollars in economic incentives.

“There is a steady stream of financial expert graduates from seven colleges and universities in the Dallas area,” said Joseph Vranich, a site selection consultant with Spectrum Location Solutions, which recently moved from Pennsylvania to the Dallas suburb of McKinney.

(Apparently site selection consultants are taking their own advice and moving to Texas and Florida.)

“The No. 1 issue these days — it’s not rent, it’s not transportation — it’s the workforce,” Vranich said. “In other words, how many people can you find within a 10-mile, 20-mile or 30-mile radius?”

But site selection also goes well beyond the dollars and cents of taxes, real estate prices and the cost of labor.

“We’re living in an era of unprecedented mobility among people and companies,” Boyd said. “A major reason you’re fueling this mobility is lifestyle factors like unprecedented levels of violent crime, homelessness and other issues,” Boyd said. “The business community wants to feel that it has a seat at the table in solving these problems.

“In many major urban markets today — like New York, Chicago and San Francisco — the business community does not feel that it has a seat at the table,” Boyd said. “A lot of executives would prefer not to say that on the record, but I can tell you that they ask us to document crime levels.”

Asked how Dallas might stack up against Charlotte as the future site of Wells Fargo’s headquarters, site selection consultants were hesitant to publicly tip one over the other.

Vranich declined to say which city Wells should choose, simply saying: “Wells Fargo is not my client, but if they were my client, I would be encouraging them to relocate their headquarters.

“I can’t say whether Dallas is better than Charlotte or better than some other place,” Vranich said. “All I know is just about any place is better than California, especially San Francisco, California.”