

Naples Daily News

In the Know:

Five Below execs buy Southwest Florida mansions, opening corporate offices in Naples as part of Philadelphia pipeline

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Philly's in the house.

A week after we first told you about execs from a Philadelphia powerhouse moving here and setting up local corporate operations, a well-known brand based there wants a piece of the Southwest Florida action, too.

Five Below's taking over office space in the four-story 4099 Tamiami Trail building at Old Trail Drive across from DeVoe Cadillac in Naples.

That coincides with Collier County mansion purchases by the discount store's executives or their related trusts including a \$5.7 million Pelican Bay gem tied to CEO Joel Anderson, according to public records research by In the Know. Eric Specter, chief administrative officer, picked up a \$2.5 million pad just off Gulf Shore Boulevard North, not far from NCH Downtown Baker Hospital.

As corporation leaders have been making the move south during the pandemic and even previously, thriving companies like Five Below have been opening satellite offices to accommodate them and in some cases, shifting headquarters.

"We are currently seeing this 'cause and effect' playing out in Palm Beach County," corporate relocation specialist John Boyd Jr. told me. "Palm Beach has attracted a number of financial services industry jobs from New York City spurred by executives working remotely in their second homes there and concluding their companies can do likewise and do so at significant operating cost savings and with no loss of productivity.

"We see this same dynamic taking place in the Naples market in the months and years ahead."



A trust tied to Five Below CEO Joel Anderson built a \$5.7 million Pelican Bay gem that includes the property, replacing the 1984 home that had been there. Teardown projects are helping drive real estate in Southwest Florida. *Phil Fernandez/In The Know/Naples Daily News*

'Adamant' to get out of Pennsylvania

While not commenting on Southwest Florida moves, Anderson confirmed the strong performance of his chain that includes eight spots in Lee, Sarasota and Collier, where this month it marked its second anniversary of the opening we first reported in 2019.

"Sales grew 55%," he said of year-over-year results during this month's earnings report, as transcribed by The Motley Fool. "We now are on track to open 170 to 175 new stores this year and end fiscal 2021 with nearly 1,200 stores, leaving us a long runway ahead to reach the 2,500-plus total store potential we believe exists in the United States."



Five Below opened in Naples in September 2019.

While it has an impressive \$11 billion market cap, that's no where near the \$30 billion of Ametek, which is opening corporate offices in Naples that could become new headquarters and would make it Southwest Florida's highest. As reported last week through public records, some of those at the top of the organization call Naples home.

Although they had told others about being "adamant about getting out of Pennsylvania," Ametek and its representatives had declined comment in the week prior to last Monday's column, which published at 5 a.m. on naplesnews.com. That afternoon, a spokesman finally responded, saying they will have employees here but aren't calling it a headquarters. He defined it as a corporate meeting center.

So far, among other questions, they haven't commented on the reaction it has received to the possibility of leaving due to tax concerns, and if Naples will ever serve as a main office.

LandQwest's Adam Palmer represented the Kraft Center landlord in the Ametek deal while Tara Stokes of Investment Properties Corporation of Naples played that role in the Five Below

negotiations. A common thread was the CBRE firm that handled both companies through local rep Jeff Gage and its Philadelphia offices.

As it is, Southwest Florida has a bit of a Philly pipeline, and we're not just talking cheesesteaks or Phillies broadcaster and former player John Kruk, a local high school softball coach and restaurateur.



John Kruk (AP Photo /Carlos Osorio)

'Four Seasons Total Landscaping' CEO

CEO Chris Gheysens of Wawa has told me he feels kind of left out as his City of Brotherly Love comrades and fellow convenience store top dogs all seem to have Southwest Florida retreats.

"I'm an outsider from that regard," Gheysens said.

Even the CEO of Four Seasons Total Landscaping, in this case not the Four Seasons hotel, made famous by last year's wacky press conference by President Trump personal attorney Rudy Giuliani, has a place in Naples. Marie Siravo landed in Treviso Bay over the summer for \$820,000.



Attorney for the President, Rudy Giuliani speaks to the media at a press conference held in the back parking lot of Four Seasons Total Landscaping on November 7, 2020 in Philadelphia, Pennsylvania. The press conference took place just minutes after news networks announced that Joe Biden had won the presidency over Donald Trump after it was projected that he had won the state of Pennsylvania. *Chris McGrath, Getty Images*

Here's just a sampling:

- ▶ Pelican Bay resident and Gulfshore Playhouse board member Don McCulloch is the founder and chairman of Philadelphia-based MPS Capital, a private investment firm that focuses on consumer products and internet companies.
- ▶ Celebrating 15 years this month, the other two locations for Conshohocken, Pa. investment specialists Mill Creek Capital Advisors can be found in Pittsburgh and Naples.
- ▶ Naples resident and former Bucks County, Pa. police officer Kenneth Kochenour is CEO and founder of Philadelphia-based GF Hotels & Resorts, which has 140 properties from Key Largo to Seattle.
- ▶ Honchos for international insurance group Dual Commercial, which set up its U.S. headquarters in Naples and has other locations that include the "Birthplace of America" and nearby can still be reached via phone through an area code for that vicinity.
- ▶ In leadership positions, Philadelphia native Marty Manion left the Quaker City to become CEO of the Naples Area Board of Realtors; and Fort Myers Beach Mayor and Villanova graduate Ray Murphy runs a consulting firm off Immokalee Road in Collier.



Fort Myers Beach Mayor
Ray Murphy /Public Records

Hertz move spurred Florida trend

As Boyd said earlier in the column, expect to see more of a corporate presence in Southwest Florida. His Boca Raton-based international corporate site selection firm, The Boyd Company, tracks global development trends in working with dozens of Sunshine State and worldwide clients such as Boeing, Dell, The World Bank, Samsung and UPS for more than 45 years.

"You are right about corporate headquarters making their move to Florida. Southwest Florida, especially the Naples area, is certainly well-positioned to capitalize on this trend. (The) corporate headquarters office is now in play like never before," Boyd said. "Southwest Florida is increasingly on our site selection radar screen."

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John Boyd, Jr., principal with The Boyd Company, Inc. poses in a portrait in the hotel where he is staying while on business in Greenville on Monday July 24, 2017. LAUREN PETRACCA/Staff

Even though Estero-based Hertz has driven into some muck, its arrival nearly a decade ago spurred others to come to the Peninsula, Boyd said.

"We have developed a list of trend-setting corporate headquarters relocations moves for every year since 1972, and the Hertz move from northern New Jersey to Southwest Florida made this all-time list," Boyd said. It was "a precursor of a trend of Florida being viewed as 'common

ground' for reluctant transferees – often being asked to make long distance moves and from different U.S. regions and cultures.

"Today, we see Southwest Florida as a prime landing spot for these types of head office consolidations just as the South Florida cities of Miami and Ft. Lauderdale have carved out their niche for head office operations serving the Latin American market."



Hertz, whose car rental brands also include Dollar and Thrifty, lost all revenue when travel shut down due to the coronavirus. USAT

What's the draw?

"The absence of a personal income tax in Florida, relative real estate bargains, low property taxes and the impact of remote workers staying in Southwest Florida and bringing their companies with them from Boston, New York, Chicago, California, or from Latin America (and other locales) are all providing a tailwind for Southwest Florida economic development," Boyd said.

Last week, we reported that Cape Coral leads the nation's larger metros in the percentage of remote work applications, according to a study this month by the LinkedIn job web site. Those workers and the continuing influx could boost the employment pool, which has shrunk dramatically to the point that the region, by labor standards, is considered fully employed, with its low unemployment rates.

'Holy grail of economic development'

So why should we care where a firm is based?

Boyd calls it the "holy grail of economic development."

"The corporate headquarters is the gold standard in industry attraction given the prestige, human capital and the economic and philanthropic stimulus a new head office brings," Boyd said. CEOs are "turning to the remaining piece of the restructuring pie: The corporate headquarters. Most companies have already redeployed their manufacturing assets and outsourced other back office and customer service functions."



New \$8 million terminal project begins at growing Naples Airport.

And while office space is now at a premium in Southwest Florida, that may not be as much of a challenge for a corporation on the prowl.

"While there are more and more corporate headquarters moves, they are getting smaller and smaller in terms of real estate requirements," said Boyd, who has seen the average space per worker of 300 square feet for some projects cut to as low as 125 square feet. "With remote working firmly in place now, offices will continue to get smaller as the need for worker space will diminish."

And while Palm Beach may be initially benefiting more these days by corporate migration, this area might have the upper hand when it comes to its airports, which serve as a major economic driver. Last year, I referred to upgrading Naples Airport as the \$440 million driveway of the rich and famous, and its proximity to CEO mansions as compared to the other coast.

Executive Director Chris Rozansky has told me that, without question, the easy access two miles away from the Gulf of Mexico sands has helped with economic development.

But that's not the only runway where barrels of money are rolling into the region.

"The new \$331 million expansion of operations and added flights at Southwest Florida International Airport are positive new developments and important keys to attracting new head offices," Boyd said. "We see Naples and Southwest Florida as an increasingly popular destination for corporate headquarters, adding to its base of head offices led by Chico's FAS, Hertz, Arthrex."

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