

## Triangle's 'next phase of growth' is luring more company HQs – here's how, why



*Pendo image of its HQ sign at new Raleigh headquarters.*

by Sarah Glova, WRAL TechWire — June 13, 2022

**RALEIGH** – The Greater Raleigh Chamber of Commerce is hosting its annual Economic Development Meeting on Tuesday, with a focus on “Creating a Headquarters Community.” The event comes as the Triangle is surging with new economic development projects and thousands more jobs. But a missing piece for all the good news is the securing of more company headquarters.

Michael Haley, Executive Director of Wake County Economic Development and Senior VP of the Raleigh Chamber, said that the theme’s focus on headquarters is “all about our community’s next phase of growth.”

“Headquarters impact communities by bringing jobs, increasing philanthropic investment, attracting talent and much more,” said Haley.

Ryan Regan, VP of Economic Development for the Greater Durham Chamber of Commerce, plans to attend Tuesday's meeting and agrees that "attracting headquarters" is an important part of economic development.

"When a company moves their headquarters to a community, it usually means they are going to be in that community for a long time," said Regan. "This of course creates many positive ripple effects in the community as residential, commercial, and retail density typically increases around a headquarters location."

Wendy Coulter is Chair-Elect of the Cary Chamber of Commerce Board of Directors and agrees that attracting headquarters is a key part of Cary's economic development strategy.

"In Cary, we are focused on the right infrastructure, business parks, and available Class A office space, as well as great Class A build-to-suit space, perfect for HQ opportunities," said Coulter.

### **What about companies that are already in the Triangle?**

In addition to her role with the Cary Chamber, Coulter is also a local business owner; she founded the Cary-based marketing firm, Hummingbird Creative Group, over 25 years ago. She says Cary's strategy includes a focus on local companies like hers.

"We also are working closely with existing firms locally to help them grow and get into larger spaces to fit their growth needs," said Coulter.

Similarly, Haley said that the headquarters strategy is "two-fold".

"We want to attract headquarters into our market and also invest in companies that are born and growing here," said Haley. "Companies that originate and scale here are a huge credit to the resources, ingenuity and opportunities available right in our own back yards. Our homegrown companies have been and will continue to be critical to our success."

Regan also agreed, calling support for existing companies a "focal point" of the Durham Chamber's economic development strategy.

"Software companies like Teamworks (Durham) and Pendo (Raleigh) are great examples of homegrown tech companies that are thriving in the region," said Regan.

### **Is 'headquarters hunting' a smart investment?**

Site-selection expert John Boyd, Jr., says corporate headquarters have become "more mobile than ever before," meaning that companies now consider an HQ relocation when responding to environmental, social, and governance (ESG) policies.

“Historically, the corporate headquarters office was off the table in any corporate re-engineering,” said Boyd. “Now, companies view a head office move through several different prisms, like rebranding the image of a company, reacting to public policy and ESG initiatives, adjusting to new remote working dynamics, and reducing operating cost structures—such as a headquarters relocation from cities like New York, San Francisco and Boston to a Raleigh, or a Durham, or a Cary, for example.”

Boyd is Principal of the site-selection firm The Boyd Company Inc., which has worked in North Carolina with clients like GlaxoSmithKline, TD Bank, and Dell. He called the corporate headquarters “the holy grail for industry-seeking governors and economic developers.”

“Above and beyond the high-paying jobs, attracting an HQ enhances the image of a city and leads to other positive economic activity, like boosts to local retail, housing and philanthropy—as well as a market driver for more direct flights at RDU,” said Boyd.

Attracting headquarters and large campuses can be expensive. This spring, Apple announced that it will build a new technology campus in Wake County, adding thousands of high-paying jobs to the region. In exchange, North Carolina’s Economic Investment Committee awarded the company the largest-ever tax incentive package for the state—one that adds up to more than \$958 million.

## **How is the Triangle attracting headquarters now?**

Boyd said that the Triangle has changed significantly in the past decade, in ways that make it more attractive to corporations that are looking to move their head office.

“First, the Triangle has matured from a largely tech- and life sciences-centric market into a diversified and sophisticated economy that is well-equipped to accommodate the demanding needs of a corporate head office relocation,” said Boyd.

Regan added that the Triangle has an advantage in today’s war for talent.

“We have a big leg up on many peer communities when it comes to our ability to produce talent within the region,” said Regan. “Having premier Tier 1 research institutions like NC State University, UNC, and Duke that collectively produce tens of thousands of graduates a year is a competitive advantage unique to the Triangle Region. The number of nationally acclaimed HBCUs in North Carolina and in the greater Triangle Region is also an increasingly important differentiator for us as more and more companies—especially tech companies—seek to tap into diverse talent pools.”

Coulter added that Cary is a part of what makes the Triangle a strong region for headquarters.

“Our corporate tax structures, quality of life, and business climate make Cary an ideal fit,” said Coulter.