

OCEAN CITY SENTINEL

Study picks EHT as top East Coast site for esports firms

July 20, 2022

SOMERS POINT — Esports don't get the same widespread attention as professional sports, but competitive video gaming has a massive audience and comprises a multibillion-dollar industry that is growing quickly.

Unlike sports, which are tied to a specific location, such as how the Eagles, Phillies, Sixers and Flyers are linked to Philadelphia, esports can be anywhere, viewed online by gamers around the world.

That flexibility is what has The Boyd Co. bullish on certain locations throughout the United States and Canada for esports software development because that industry doesn't have to be tied to expensive markets.

Company principal John Boyd, in an interview at The Anchorage Tavern in Somers Point last week, told the Sentinel one of the two top locations in the U.S. is Minden, Nevada. The other? Egg Harbor Township, N.J.

"This is a national study and we identified the two most attractive regions — Egg Harbor Township and Minden, Nevada," Boyd said, noting the two regions, although some 2,700 miles apart, share similar characteristics.

Boyd presented the report last week at the Hard Rock Hotel in Atlantic City that named Egg Harbor Township as the top site for esports software companies on the East Coast based on a number of factors.

The Boyd Co., based in Princeton, is a consultant that advises corporations on selecting sites. It bills itself as "devoted exclusively to corporate mobility."

John Boyd splits his time between southern Florida and Margate and has ties to Ocean City, where his family had a vacation home on Stenton Place for years.

His company's report explains that esports are firmly established in Asia and Europe and growing rapidly in the United States with revenues expected to reach \$350 million in North America this year and to approach \$10 billion globally within a few years.



David Nahan/SENTINEL

John Boyd, principal of The Boyd Company of Princeton, at the Anchorage Tavern in Somers Point last week. Boyd, who splits time between southern New Jersey and south Florida, says his company report found Egg Harbor Township the best location on the East Coast for esports companies. The report also picked Minden, Nev., below, as the other top location. He sees similar aspects for both areas.



Coinciding with that is the rise of digital media companies focused on esports, which the report says makes it “one of the most demanding and fastest-growing sectors of the corporate site-selection field.”

The report compares locations for siting companies in locations based on a range of factors including a workforce skilled in software programming and development, lifestyle amenities attractive to millennial tech workers and operational costs.

Stockton University ahead of the curve

At the beginning of June, Stockton University's esports team took second place in the Collegiate Rocket League World Championship Tournament in Dallas. The Stockton team qualified to be one of the 16 from North America and Europe competing.

The university has had a successful esports team for a few years now. A little more than a year ago the New Jersey Economic Development Authority board (NJDEDA) approved a \$200,000 grant to support establishing an esports Innovation Center at the university's Atlantic City campus.

"Atlantic City has always been a top destination for entertainment in New Jersey, so establishing the city as an epicenter of the growing esports industry is a logical and exciting step forward," Lt. Gov. Sheila Oliver said at the time.

During that announcement in May 2021, NJEDA Chief Executive Officer Tim Sullivan noted the importance of esports to future economic development in the Garden State.

"Esports is a large and rapidly growing industry that has the potential to provide significant economic benefits to communities throughout New Jersey. The esports Innovation Center at Stockton University is a timely project that will help to establish New Jersey as a hub for the U.S. esports industry and will create new opportunities for New Jersey businesses and workers to enter the sector," Sullivan said in the Stockton announcement.

Why EHT ranks so highly

Boyd's report hones in on a number of factors that make Egg Harbor Township so attractive.

Although this may seem like a benefit to a single community in Atlantic County, he explained the entire spillover effect of how corporations attract workers and impact areas within a 65-mile radius, which means a potential positive impact for Cape May and Ocean counties as well — including opportunities for young professionals should the esports industry take root locally.

The report cites Stockton's Innovation Center, that EHT has been designated as a "Regional Growth Area" home to a new wave of development, one of the lowest-cost home markets in the Northeast, recreational activities in the surrounding Pinelands, the Atlantic County Bikeway and being 20 minutes west of Atlantic City's hospitality infrastructure, including an airport, hotels, casinos and nightlife.

Boyd juxtaposed that with why Minden is the top location in the West, again having major factors in a smaller market outside Lake Tahoe and Reno that includes beneficial operational costs and activities for millennials such as skiing, snowboarding, water sports, nightlife and more.

Where New Jersey has the highest combined top corporate (11.5 percent) and personal (10.75 percent) tax rates, ranking it 50th among states compared to No. 7 for Nevada, EHT has a lower cost of living than Minden.

Minden ranks fourth among best states for software developer jobs and first for overall job growth; New Jersey is 17th in the former category and fifth in the latter.

Minden has the lowest in operational costs (\$17.8 million) for a hypothetical 50,000-square-foot software development facility with 150 workers, while Egg Harbor Township comes in at \$18.9 million, which the report calls “low by Northeast U.S. standards.”

Costs include labor, electricity, property and sales taxes, travel and amortization.

Not stuck in a single downtown location; region is attractive

Boyd said he has no vested interest in New Jersey, “except for my love of the state.” He pointed out other aspects that make this state attractive include investments coming from Netflix and Lionsgate, and that it is already home to other esports entities including G3, Amazon’s Twitch stream service, esports Entertainment Group and Harris Blitzer Sports and Entertainment.

The Boyd report notes that in a move accelerated by the pandemic forcing millions of tech employees to work from home, companies no longer have to rely on a single downtown location for functions such as software development.

Many companies “are moving toward a hub-and-spoke model” with one central office and satellite offices for functions such as software development.

With remote work and reduced in-office staff, site selection will focus more on “attractive, smaller-market suburban locations offering lower operating cost structures, favorable labor market dynamics and other required support services,” according to the report, “like an Egg Harbor Township location in southern New Jersey.”

Boyd said in addition to Stockton’s Innovation Center, the Hard Rock Hotel & Casino hosted the first sanctioned skill-based wagering event in the U.S. in cooperation with Esports Entertainment and FanDuel.

“This is just a fundamentally different landscape,” Boyd said, “given live, work and play, (an ethos among younger workers) that it’s no longer 9 to 5 Monday to Friday in the office. Lifestyle factors are dictating where these projects are going.”

That matters to CEOs as well.

Boyd also said “the demise of the suburban market was grossly exaggerated. The suburbs are alive and well and that’s where corporations are looking to do their projects today.”

He pointed out that many executives are looking to get out of their city environments.

“The executives already have second homes here. They want to live here full time and they realize it’s becoming an easier sell to their workforce,” he said.

By DAVID NAHAN/Sentinel staff