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Will Wells Fargo's San Francisco headquarters head to Texas?



Wells Fargo's San Francisco headquarters could be heading to Texas, if the bank follows a familiar playbook.



By Mark Calvey – Senior Reporter, San Francisco Business Times
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Wells Fargo's big announcement Tuesday that it's building a major corporate campus in the Dallas area fueled persistent speculation that it's only a matter of time before the San Francisco bank's headquarters goes in the same direction.

The bank is building a multitower regional corporate office campus in Las Colinas, an upscale area in the Dallas suburb of Irving that touts itself as the "headquarters of headquarters." Indeed, Las Colinas is home to McKesson and Kimberly-Clark, among others. Wells Fargo's planned campus will be able to accommodate 4,000 employees, according to the Dallas Business Journal. Wells currently employs 3,000 in the Dallas area, across multiple offices.

The 22-acre campus is near existing offices, employee homes and public transportation. That's a winning combination for the lifestyle talent is seeking today.

"This new mixed-use development is interesting. It's in line with what we're seeing. This live-work-play model that we expect will be desirable for relocating Wells Fargo workers," site selection consultant John Boyd, a principal at The Boyd Co., told me Tuesday. "With this new facility, Wells Fargo will become a trophy employer and employer of choice in Dallas. It's a difficult labor market, even in high-growth Texas. So with that prestige, Wells Fargo will enjoy some recruiting advantages."

As Wells Fargo (NYSE: WFC) grows in Dallas and Charlotte remains its largest employment center, the bank's C-suite at its nominal headquarters has become a ghost town. It's a letdown for San Francisco, where Wells was founded in 1852 amid the Gold Rush era.

Wells Fargo, which has regularly denied speculation its headquarters is leaving California, told me Tuesday: "Wells Fargo is not moving its San Francisco headquarters."

Such denials are common among the dearly departed, often choosing Texas for their new headquarters. Those who have moved their headquarters out of the Bay Area in recent years include McKesson, Charles Schwab and Oracle — all to Texas.

Both McKesson and Charles Schwab initially established regional offices in the Dallas-Fort Worth area before eventually designating those locations as their new headquarters. Companies often deny their headquarters are moving — until the day they announce otherwise. It's a playbook long familiar to those in Texas.

Case in point: Even as McKesson was denying to me that its San Francisco headquarters was moving to Texas, Texas economic development officials were signaling the company headquarters was heading their way.

Wells Fargo's big news in Texas Tuesday did little to quell speculation the bank's headquarters could be in play.

"This certainly indicates that the center of gravity for Wells Fargo increasingly is in the Dallas metroplex region," Boyd said. "Dallas really has emerged as a financial services powerhouse."

In addition to Schwab's headquarters, the area is home to major operations for JPMorgan Chase and Goldman Sachs.

There are plenty of reasons Wells could want to make Las Colinas its new headquarters. In addition to the region's talent pool for financial services, becoming the largest bank based in Texas could have its marketing advantages in the Lone Star State. Choosing Texas over Charlotte also could help Wells avoid playing second fiddle to Charlotte-based Bank of America, a bank that grew into what it is today in part by purchasing one of Texas' biggest failed banks in the 1980s.

A headquarters move for Wells Fargo could also help the bank burnish its image following a series of scandals that first came to light in 2016, including one involving fake accounts and most recently concerns over minority recruitment.

Plus, it's never been easier to relocate a corporate headquarters.

“The corporate headquarters is one of the most mobile areas of the corporate structure today,” Boyd said in a 2020 interview. That’s especially true in an era when the headquarters isn’t necessarily where the CEO sits. For instance, Wells CEO Charlie Scharf — and a good portion of the bank’s C-suite — is based in New York. “Companies no longer view the headquarters as simply housing its talent and real estate. They view the headquarters site selection process as an opportunity to rebrand the company and recalibrate its image in the marketplace.”

Taxes are an increasingly important factor in where a company is based. Taxes on employees, that is. Former Bay Area residents often cite California’s high personal income taxes as a key factor in moving to Texas and elsewhere.

“The idea that an executive can save potentially tens of thousands of dollars in income tax, that’s significant,” Boyd said.