



Wall Street titan Goldman Sachs may pick South Florida for \$8 billion division

By David Lyons - South Florida Sun Sentinel | Dec 07, 2020

A trove of rich economic benefits might be in store for South Florida if investment giant Goldman Sachs chooses to relocate an \$8 billion division from New York to the tri-county area, analysts said Monday.

News that the Wall Street investment powerhouse has scouted office locations in Fort Lauderdale and West Palm Beach emerged recently in a report by Bloomberg, which characterized a plan to house Goldman's asset management division here "as another potential blow to New York's stature as the de facto home of the U.S. financial industry."

The division generates an estimated \$8 billion in annual revenues, according to the New York Times.

In a statement Monday, Goldman Sachs said that while it is in the hunt for locations outside New York, the firm has nothing to report.

"We are executing on the strategy of locating more jobs in high value locations throughout the U.S.," said spokesman Patrick Scanlan. "But we have no specific plans to announce at this time."

Commercial real estate analysts said that over the last one to two months, the firm was in talks to lease space at the Related Companies' Rosemary Square project in West Palm Beach, and also expressed interest in Stiles' new office, residential and retail high-rise in downtown Fort Lauderdale.

"The Goldman name was out there as they talked about space in the market when they started the process many months ago," said Jonathan Kingsley, executive managing director of office services at Colliers International. "We understand there were negotiations for space at the Rosemary building."

Two of South Florida's economic development agencies kept their cards close to the vest.

The Business Development Board of Palm Beach County declined to discuss Goldman's search, but said it would welcome a firm of Goldman's caliber.

"Their well-known and respected brand would speak volumes and confirm the attractiveness of Palm Beach County, said board president and CEO Kelly Smallridge in a statement. "These firms bring good jobs and capital investment and we will continue to roll out a warm welcome mat."

Bob Swindell, president and CEO of the Greater Fort Lauderdale Alliance, said he could not discuss specifics. "They have been looking at South Florida, yes."

A windfall in the works?

It remained unclear how many jobs a Goldman move would generate, but they would fall within the brass ring category of economic development: high-paying and high-skilled. The firm currently maintains smaller offices in Miami and West Palm Beach. Although the New York head count of the asset management division was not immediately available, its arrival in South Florida would give Goldman's employment footprint a significant lift, analysts said.

Statewide, the finance and insurance sector of Florida's economy has been one of the few to show resilience during the coronavirus pandemic, standing at 402,700 jobs as of October, a gain of 5,500 since October 2019, according to the Department of Economic Opportunity.

Between September and October, the sector added 1,600 jobs.

John Boyd Jr., whose New Jersey-based location consulting firm has advised companies such as aircraft engine maker Pratt & Whitney and the Royal Caribbean Group cruise line of Miami, said a business of Goldman's size would deliver a healthy lift to the region's real estate and retail businesses, among other things.

"The housing and retail markets will get a boost and new sales and property tax revenue will be generated," said Boyd, whose company is not involved with Goldman. "New corporate business travel related to the project and Goldman's global presence will generate new business tourism revenue."

Kingsley agreed.

"The clear benefit would be the significant amount of new multi-family rental and condo development going up in all of the major markets in South Florida," he said. "You're going to have an opportunity to sell or rent real estate to the people working for Goldman. The condo market is overbuilt in South Florida and this could be significant relief in that regard."

For Main Street South Floridians, Boyd said, "anyone selling goods and services in Miami-Dade, Broward and Palm Beach counties would have potentially hundreds of new highly paid customers."

He added that Goldman has been a Wall Street leader in philanthropy “that prioritizes social impact.”

If the firm chose South Florida, he said, it would likely create “internships, scholarships and other partnerships” with schools such as Florida Atlantic University, the University of Miami and Miami-Dade College.

Beyond dollars and cents, Boyd predicted South Florida would receive “enormous ‘location branding’ value as a premier money hub.”

The momentum is building in the form of big-name firms that already have moved here, or made commitments to do so.

The multibillion-dollar investment firm Elliot Management is relocating its headquarters from Manhattan to West Palm Beach. The private equity giant Blackstone intends to place a regional technology headquarters in downtown Miami that will employ 215 people.

And Icahn Enterprises, the investment business of longtime shareholder activist Carl Icahn, set up shop in Sunny Isles Beach in a move from the New York City area.