

## How Miami Is Recruiting Finance And Tech Firms — And Maybe Elon Musk

January 20, 2021 [Deirdra Funcheon, Bisnow South Florida](#)

South Florida has always had abundant sunshine and no state income tax, but in the past couple of years — and especially with the coronavirus pandemic boosting remote work — the state is on a run, drawing high-profile billionaires, hedge funds, financial firms and tech companies.

And if social media rumblings are to be believed, Miami could soon lure one of the biggest names in the game.

Over the weekend, [Elon Musk](#) tweeted that slow battery cell production was holding up a sustainable energy future. [Miami Mayor Francis Suarez](#) tweeted that Musk should come to Miami to discuss it. Musk responded he actually wanted to build tunnels under Miami to alleviate traffic and had already been in touch with Florida Gov. [Ron DeSantis](#) about it.

"Count me in! No brainer...we would love to be the prototype city," Suarez said.

Their exchange led to [arguing](#), with some people laughing that Florida's porous limestone couldn't accommodate tunnels and others pointing to a tunnel that was recently completed at the [Port of Miami](#). An engineering professor [told the Miami New Times](#) it is possible but would be expensive.

While all of this seemed off the cuff, it was in some ways a culmination of a years-long effort to recruit the nation's most bustling businesses to Miami.

"I have reached out to [Musk] publicly a few times and will continue to privately," Suarez told *Bisnow* in a call last week. "... All the commercial Realtors and residential Realtors are super happy and thrilled. In a COVID environment, with people working more and more from home, it was a question mark: How would CRE do? They're breathing a sigh of relief. Major companies are signing big leases here for hundreds of thousands of square feet."

[Blackstone](#) finalized a [41K SF lease](#) in downtown Miami where 200 tech-focused new hires will work. Any day now, [Microsoft is expected](#) to announce a new office in one of two Class-A buildings downtown, and more announcements are coming soon, the mayor said.

Smaller companies like ShiftPixy, Boston Private and Nucleus Research have set up shop, and celebrities are coming too. In the past month or so alone, [Ivanka Trump](#) and [Jared](#)

[Kushner](#), [Tom Brady](#) and Gisele Bundchen, and Cindy Crawford and Rande Gerber have all been reported to pick up swanky Miami properties.

Suarez said he is enjoying a spate of flattery from the tech community after a company tweeted at him in December that it would move to Miami and he responded, "How can I help?" That led to a monthlong tweetstorm during which tech leaders like Reddit co-founder Alexis Ohanian and [Founders Fund](#) partner Keith Rabois have hyped Suarez and South Florida, and the mayor invited newcomers for cafecitos in his office.

Suarez is far from tech-averse. He uses Bitcoin and installs coding games on tablets for toddlers in his family. He wants to get [digital currency accepted as payment](#) for city services, and Miami has already become a [testing ground for autonomous vehicles](#).

"Things have been at a simmer for a while, and over the last couple of years, things have really started to percolate — today at the full boil," said [Philippe Houdard](#), CEO and co-founder of [Pipeline Workspaces](#), a flex office space provider that has locations in South Florida, Orlando, Tampa and Philadelphia.

Houdard also serves on the board of the [Miami Downtown Development Authority](#), an economic development agency that is funded by a special tax within its boundaries but is independent from the city. He chairs its enterprise committee.

It may seem like Miami is popular all of a sudden, but "it was like the longest overnight success," said [Nitin Motwani](#), developer of the \$3B [Miami Worldcenter](#) who is also on the DDA board and whom Houdard credits with having started a recruiting effort seven years ago.

Over the past few years, DDA leaders took trips to New York and Silicon Valley to pitch company leaders on relocating, and they coordinated with other Miami business and culture incubators like the Beacon Council and the Knight Foundation. In California, the DDA sponsored an event with the Hedge Fund Association. Motwani says they would tell prospects, "Come stay for the week and plug in your Bloomberg terminal."

Investment firms, family offices and venture capitalists began migrating to "[Wall Street South](#)." Motwani said the DDA built on the success of Miami-based private equity firms like Bayview Asset Management and H.I.G. Capital, and tech entrepreneur Manny Medina helped evangelize. [SoftBank](#) set up an office for its \$5B Innovation Fund, and tech incubator [500 Startups](#) came too.

The Floridians played up the fact that Miami, which was long considered to have too few highly educated workers, has about 250,000 college students and a burgeoning scene of

coding academies. Babson College and Northwestern University's Kellogg School of Management have set up MBA programs in South Florida.



Courtesy of Pipeline  
A Pipeline office in Coral Gables, Florida

About three years ago, the DDA started an innovation advisory committee with representatives from [Uber](#), Magic Leap and Chewy. Their input eventually led the DDA to launch a “[Follow the Sun](#)” program last October. Companies with at least 10 employees that relocate within DDA boundaries and pay salaries of \$68K or higher are eligible for a one-time payment of \$500 per person who relocates, up to \$50K per business annually and \$150K over a three-year period. Suarez said he is trying to triple city incentives. The county has additional incentives.

As those incentives bring newcomers, the transplants will soon have something of a home base. For years, billionaire entrepreneur [Moishe Mana](#), who helped transform industrial neighborhoods in Manhattan, Jersey City, Chicago and Wynwood by providing local artists studio and gallery space, has bought up over \$1B of property in the downtown core, where he envisions a sustainable, campus-like environment oriented in part around the tech industry.

The Flagler District of Downtown Miami would be developed in three phases and entail the renovation of some 50 buildings. Construction has just begun.

"We've been working on downtown for the last 10 years," Mana told *Bisnow*. "I was the first to envision it as an international tech hub. Back then, everyone thought I was crazy. This area is the original economic engine of Miami as envisioned by Henry Flagler. It has everything needed for a tech center: mass transit, nearby housing that is cool and affordable, upgraded fiber optics, plus it's close to local government buildings. Now we are creating an ecosystem that is perfectly in line with our vision and the changing demands of the tech industry."

Houdard's company is offering a "Welcome to Florida, Doors Wide Open" promotion, giving two months of free flexible office space to incoming companies that were previously registered outside the state of Florida. The deal has no strings attached and applies for up to five workers.

"We're at about 80% occupancy at most of our locations," he said. "In Brickell, we're at 100%, and in Coral Gables, we have 52 offices. We have 50 that are occupied right now."

Class-A office space in Miami averages \$48.90 per SF, which compares favorably to \$92.94 in New York City and \$96.73 in San Francisco, according to JLL Research quoted by the DDA.

"If you walk up and down downtown Miami, right on the other side of the bridge, all those little restaurants, all the dry cleaners, all of the mom-and-pop stores, they need clients," said Houdard, [who worked for](#) Democratic politicians before attending Harvard and becoming an entrepreneur. "I feel encouraged that this is all very, very positive for the economy. And I think that it'll filter through all the different strata of society."

Those rallying for tech relocations downplayed potential deterrents from making the move. So far, they said, the looming issue of climate change doesn't seem to be scaring anyone off.

"That is not part of the conversation that I'm hearing right now, but it's a real issue," Houdard said.

"It's an attempt at counterbranding of the city," said Suarez, who added that he sees himself as competing against all the other cities in the world.

He said that leaders are acknowledging the problem and rattled off funding and [resilience measures](#). In the past few years, he said, "New York has suffered more hurricane damage than the city of Miami."