

Miami Herald

October 8, 2020

Circulation: 100,564 / UMV: 8,943,266

BUSINESS

Private equity giant Blackstone set to open tech office in Miami

BY ROB WILE

Miami is moving one step closer to its goal of becoming a tech hub.

Private equity giant Blackstone is coming to Miami, bringing as many as 215 tech-focused jobs.

In an interview, Blackstone chief technology officer John Stecher said the Magic City was chosen from among a host of options thanks to its talent pool, lifestyle and proximity to New York.

“You’ve got a great college ecosystem — one-quarter of all university students in Florida are in the Miami area, and they tend to want to stay near where they’ve graduated,” Stecher said. “We want, from a tech perspective, a peer to New York in terms of talent, and the population and universities, and the tech pipeline, all that mirrored what we [have] here.”

And with coding boot camps like Wyncode and growing tech firms like Ultimate Software based in the area, Stecher said there is now “a lot more tech talent in the area that we can tap into.”

“All those factors, when you combine them together, and contrast that with other cities, Miami ranked consistently higher,” he said.

With Miami’s world class amenities, he said, Blackstone believes it will be easy to attract and retain qualified individuals.

Blackstone’s move is evidence that the city’s efforts to establish itself as a tech hub may be gaining traction. While Amazon passed on Miami as the site for its much-touted HQ2, many other tech-centric companies have opened smaller offices here, including Google, Microsoft, and Softbank.

Blackstone plans to lease as much as 50,000 square feet of office space for up to \$25 million to launch what it’s calling a regional, technology-focused headquarters. Blackstone would secure temporary space in the area for the first 12 to 15 months as it identifies a permanent location in Brickell or downtown Miami by the end of 2021 and occupy it in 2022.

Miami-Dade County is set to kick in as much as \$650,000 over 10 years in jobs incentives to make the deal happen. It expects to generate \$910,303 in new County General Fund Taxes over the period. County commissioners approved the package Thursday.

Stecher said the company plans to start hiring immediately for the jobs, which would pay an average annualized salary of \$200,000. Stecher said the jobs will be focused on building out Blackstone’s internal software.

“These are not traditional, lower-level [information technology] roles,” he said. “These are high-end IT tech roles, on par with what we’re doing in NYC,” he said.

Leading the pitch to bring the company to the area was the Miami-Dade Beacon Council, the economic development wing of Miami-Dade. Beacon President and CEO Michael Finney said in a statement that he was gratified Blackstone recognized Miami for its pool of potential employees.

“The ability to recruit and retain this kind of top-level tech talent was the top priority for Blackstone as they explored potential sites for their advanced FinTech center,” he said. “As a global city with a strong base of highly qualified Tech talent, Miami enjoyed a distinct competitive advantage.”

Added Miami-Dade Mayor Carlos Gimenez: “I’m excited that Blackstone will be opening a regional financial technology headquarters in our County. With its commitment to add 215 FinTech jobs and \$25 million in capital investments in our County, Blackstone has chosen the best place to do business. This is another example of our great partnership with the Beacon Council as we continue to grow good-paying jobs and expand our County’s efforts to diversify our economy.”

Miami Mayor Francis Suarez hailed the move.

“Miami is morphing into a real player among tech ecosystems nationally and internationally,” he said. “This shows we do have the talent to compete, in addition to all the other benefits we’ve always had — weather, low taxes, and extremely high quality of life and safety. As mayor I’m proud to help create a city that attracts a move of this kind, a move that brings high paying jobs.”

Gov. Ron DeSantis’ administration was also involved in talks to bring Blackstone here.

“Blackstone’s decision to expand its technology team’s footprint in Miami is a testament to the pool of talent graduating from our top universities and the large technology community serving the companies that have made Miami their home,” DeSantis said in a statement. “We look forward to welcoming the growing Blackstone Technology team to the sunshine state.”

In its most recent ranking of cities for tech talent, real estate services group [CBRE ranked South Florida 37th out of 50](#) — scoring highly on “brain gain” or tech jobs added.

In a statement, Wyncode co-founder Juha Mikkola said it is eager to supply Blackstone with new hires from one of its programs.

“We’re thrilled that Blackstone is opening an office in Miami,” Mikkola said. “We — along with the rest of the Miami Tech community — have worked for years to highlight what an incredible tech market Miami is and this is a huge validation of that thesis. As one of the leading global investment businesses in the world, Blackstone’s opening of a Miami office demonstrates how our city and its tech scene is on the rise, and also shows the world how innovative and progressive Blackstone is.”

Blackstone's announcement helps break a logjam that saw companies interested in relocating to South Florida [pause as coronavirus cases surged in Florida](#). Last month, Bloomberg reported a Chicago-based hedge fund, Balyasny Asset Management, [was now also planning a move to Miami](#). That firm was lured in part by the Downtown Development Authority's new "Follow The Sun" campaign, which is offering firms up to \$150,000 over three years to move south. A DDA representative said the agency was planning an incentives vote on Blackstone soon.

"What began as a trickle in 2013 when the Miami Downtown Development Authority launched its finance sector initiative has become a steady stream of finance firms making the move to Miami in search of lower taxes, better weather, diverse talent, and limitless opportunities for growth," said Miami DDA Chairman and Miami City Commissioner Manolo Reyes in a statement. "The arrival of these companies are stimulating our local economy — bringing jobs, private investment and new residents to Miami's urban core and putting our district on the track to sustained growth."

Said Miami-Dade Commissioner Eileen Higgins, who sponsored the job tax credit proposal for Blackstone:

"The decision by Blackstone to open a regional headquarters in downtown Miami demonstrates what we can do for economic development in our county when we work in collaboration with partners like the Miami Downtown Development Authority and the Beacon Council. I'm also proud the Board adopted my legislation allocating \$650,000 in county tax incentives to the firm as long as they meet long term job creation goals. These are exactly the type of high-skill, high-paying jobs we need to create as we strive to diversify our economy and build greater economic resilience for our residents and our tax base."

Herald reporter Doug Hanks contributed to this report.