



*Philippe Houdard, CEO of Pipeline Workspaces, is excited by the pipeline of Bay Area companies considering moves or expansions into downtown Miami.*

## **Miami sees surge of interest from Bay Area companies as Florida rises on exodus radar**

By Mark Calvey

A city long known for its beaches, big parties and low taxes is now touting its ability to compete with Silicon Valley's tech ecosystem.

Miami economic development officials say they've seen a big jump in interest from Bay Area companies considering relocations or expansion offices.

Over the past six months, the Miami Downtown Development Authority said it has conducted meetings with 40 firms from the Bay Area. To put this in perspective, the DDA conducted five meetings — total — with Bay Area companies during the entirety of fiscal year 2020, which ended Sept. 30.

“This surge on Miami from California is, without a doubt, unprecedented,” **Philippe Houdard**, CEO of Pipeline Workspaces and a Miami DDA board member, told me in discussing the developers, coders and designers that have joined prominent investors and entrepreneurs in moving to Miami. “Historically, we have not had that many people from California coming to Miami. That clearly changed in the last six months. It’s been a very radical shift and a very welcome one.”

One factor fueling the interest from the Bay Area is a new Miami DDA initiative, called Follow the Sun, that provides up to \$150,000 in economic incentives to eligible businesses creating jobs that pay a minimum annual salary of \$68,000 in downtown Miami.



A billboard in San Francisco features a tweet from Miami Mayor Francis Suarez.

The incentive is not a lot of money when it comes to economic development, but the DDA says it's part of a package that also includes helping a company search for real estate, tapping local tech talent and networking opportunities. The assistance is probably viewed as more valuable than the money, given the importance of networks and connections to those coming from Silicon Valley.

The Miami DDA said so far eight companies from across the country have taken advantage of the financial incentive — and it expects that number to reach 10 by the end of this week. The companies remain unidentified for 12 months, in line with Florida law, the DDA said, adding that the companies tend to be early-stage growth companies.

Miami is eager to tout recent wins, especially from California. Florida's largest city is even happier to share who it's beating out in the beauty contest that often occurs when Bay Area companies decide it's time to move or expand outside of California.

The Miami DDA said it beat out Dallas, Austin and Nashville for a regional headquarters of a California-based health and wellness company that will employ 50

people earning an average annual salary of \$100,000 in downtown Miami. The company is publicly identified only as “Project Vigor” by the DDA.

“Miami has always been known for its great weather and low taxes, but the pandemic has awakened many companies and executives to the reality that they can operate their business from virtually anywhere,” Houdard said.

South Florida has long benefited from New Yorkers heading to Florida’s warm weather and low taxes, thus the recent “Saturday Night Live” joke that Boca Raton, Florida, is New York’s sixth borough. But now the Sunshine State is moving higher on the radar among Bay Area businesses and residents looking to join the out-migration from California.

The Golden State’s proposed wealth tax is expected to have more residents thinking of moving to a lower-tax state such as Florida, which has no personal income tax.

The growing interest in Florida also follows an expansion of Miami’s recruiting efforts to go beyond hedge funds and financial companies to include Bay Area tech companies.

“Our focus has become very tightly defined on San Francisco and Silicon Valley,” Houdard said. “We’re getting tremendous, positive feedback from a lot of people that we’re engaging with.”

So what’s resonating?

“The first is the sheer openness and receptivity that they’re experiencing in Miami, from government officials as well as just people that are part of the ecosystem,” Houdard said. “We’re highly motivated, we’re enthusiastic, we’re doing everything possible to grow what we’ve started.”



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