

BUSINESS

As COVID rolled on, legions of companies migrated to Florida. Which metro areas gained the most?

While COVID-19 remains a lingering menace to society, there appears to be no end in sight for the corporate relocation and expansion boom it fostered in Florida.

Two years after the pandemic's start in early 2020, the wave of companies from the Northeast, Midwest, California and Texas looking to move to the state's major metropolitan regions is accelerating as they search for friendlier business climates, more space, less red tape and lower operating costs.

"All parts of the **Sunshine State have been firing on all cylinders** with respect to economic development activity," said relocation consultant John Boyd of The Boyd Company in Boca Raton. "Obviously Palm Beach County and Miami-Dade have done very well attracting new banking, financial services and technology companies."

Business development specialists in Florida haven't been shy about promoting their parts of the state to would-be migrants.

"Never let a crisis go to waste," said Aundra Wallace, president of JaxUSA Partnership, the economic development arm for Jacksonville and a surrounding region encompassing seven counties. "It's kind of been a motto. We understand what's going on, but we're going to be aggressive, work with companies and help them."

As measured by office leasing demand, the spike in relocations has focused mainly in South Florida and Tampa, but less so in Orlando and Jacksonville, said Marc Miller, senior associate for research in Florida for CBRE, the real estate services firm.

"For years there was more hype around it than needle-moving activity," he said. "Since COVID, particularly in 2021, that's when it started to ramp and it's still continuing into 2022."

Which regions are coming out ahead?

An eye test of company movements suggests that Miami-Dade is attracting the heaviest volume of companies. But in some instances, firms are spreading out among cities across county lines, setting up a headquarters in one place while building a manufacturing operation in another.

Here is a snapshot of what types of companies that major metropolitan areas have attracted since the pandemic broke out in March 2020.

Miami-Dade County

Amid the media hype and conferences focusing on Bitcoin, uninitiated visitors to Miami might think it's all cryptocurrency all the time.

But in a recent annual report for 2021, the City of Miami's Downtown Development Authority said it tracked more than 100 companies of various stripes that established a presence in the city "or announced their intention to do so over the past year."

“New-to-market” firms include financial and technology companies that are expected to create more than 5,000 jobs and occupy more than a half million square feet of real estate. The firms include Blackstone, CI Financial, Zumper, Thoma Bravo, eToro, BlockTower Capital, Marathon Asset Management, Boston Private, Spotify, ShiftPixy, Atomic and Point72.

Kevin Ruiz, the strategic business development director for Venture Miami, which reports to the city manager’s office, said there has been a sweeping joint effort including the office of Miami Mayor Frances Suarez, the Beacon Council, the county’s economic development arm, among others, to promote the city and metro area.

James Kohnstamm, executive vice president of economic development for the Beacon Council, just returned from a road show in New York designed to bring in more financial and technology firms.

“From our perspective, it continues a trend that was rising from the movement of businesses and talent before COVID,” he said. “They were looking at Miami before the pandemic.”

The attraction, according to Kohnstamm: “We are the most diverse and international city of our size, not only in Florida but in the country.”

A strong vibe is important.

Attorney Jaret Davis, who is a member of a relocation task force at the Greenberg Traurig law firm in Miami, said companies that took an initial look at the city liked the favorable tax treatment compared with cities in other states. But when they took a closer look, “they were impressed by the talent landscape and the energy of the city.”

“The city reminds them of Silicon Valley 20 or 30 years ago,” he said.

And there is a surge in companies supporting the crypto rage, what Davis sees as being akin to the 1849 gold rush in California. From an all-time high of \$68,990, Bitcoin was trading at \$28,569.25 on Friday after falling below \$26,000 Thursday for the first time in 16 months.

Despite the dramatic fluctuations, Davis is bullish on the alt currency. “The city is becoming one of the true hubs of Blockchain activity” he said, referring to the digital ledger system that keeps track of accounts. “The entire premise is freedom and activity. Miami has a strong ethos of that. You’ve got the Bitcoin conference in its second year. It’s definitely real. Every day there is a new major player.”

Broward County

As with other economic development agencies in the state, the Greater Fort Lauderdale Alliance is targeting life science, aviation and technology companies.

“Fort Lauderdale has not captured the number of projects Miami and Palm Beach have had,” Boyd said.

But Broward has scored important wins. JPMorgan Bank is expanding its private bank operation for wealthy clients in Fort Lauderdale.

“There are clearly financial service firms that are choosing Fort Lauderdale as a location,” said Bob Swindell, president and CEO of the Greater Fort Lauderdale Alliance, the economic development agency for Broward County.

Other newcomers range from high tech companies to those involved in transportation and consumer products.

Future Tech Enterprise, an IT service provider, moved its headquarters from New York to Fort Lauderdale.

Norse Atlantic Airways, a new foreign airline, set up its U.S. headquarters in Fort Lauderdale and is scheduled to start direct flights from Fort Lauderdale-Hollywood International Airport to Paris, London and Oslo this summer.

American Queen Voyages of Indiana, a river boat tour company, moved its operations headquarters to Fort Lauderdale.

Pherros Biosciences is a biotech company that will develop and produce novel drugs and treatments in Deerfield Beach.

ICON International, a company that provides bartering services for companies from various industries, is adding 100 jobs in Fort Lauderdale.

And the Yacht Portfolio, a maritime investment firm, decided to move its headquarters from Miami to downtown Fort Lauderdale next year after ending its lease and finding a more compatible space for its workers.

Several unidentified companies are close to announcing their presence in the county, including a toymaker, boating and fishing supply retailer, and a sales coaching firm from Boston.

Palm Beach County

The county's Business Development Board notes that prior to COVID, 70% of the companies the agency assisted were local firms wanting to expand, with the balance coming from out of state. Now those figures are reversed.

According to Unacast, a relocation tracking firm, 41% of the companies moving to Palm Beach County were from the New York City area, the most in the state.

One example is Andrew Alfano, CEO and a co-owner of Retro Fitness, a West Palm Beach-based company once based in New Jersey, got help and then some. The firm had planned on coming to Florida before the pandemic, but didn't open its first site in South Florida until last year.

When it did, the company got a public shout-out from Gov. Ron DeSantis, who had started his "free state" of Florida campaign to welcome businesses frustrated by COVID lockdowns elsewhere. The firm recently opened sites in Tamarac and Wellington, and intends to open 30 locations in Southeast Florida.

"The fitness industry was the first industry to shut down and the last to open back up," Alfano said. "Florida was the first state in the country to open the health clubs back up to the public."

The county's financial services firms, an industry that has served the uber-wealthy for many years, employ 37,225 people. Arrivals last year included Elliott Management, NewDay USA, and Virtu Financial.

"The companies coming to the area most likely have an executive that already had a home in Palm Beach County that they stayed in during COVID when they were on lockdown," said Kelly Smallridge, the board's president and CEO. "These executives realized they could very easily do business in Palm Beach County and that we had Class A office space to accommodate their needs."

Smallridge is in the tenth year of waging a “Wall Street South” campaign designed to attract more financial firms to the county. She acted after her organization noticed that many owners of oceanfront homes in Palm Beach had their permanent residences in places like Manhattan, Greenwich, Connecticut, and Boston.

But Wall Streeters are not her only focus.

Last week, the board celebrated the arrival of several companies that few people know about — smaller companies including Percepto, an Israeli drone maker, Uovo, a storage firm that provides a safe haven for art collectors who bring their treasures to town, Procaps, a pharmaceutical company, Renco USA, a manufacturer of molded composites for the construction industry and My Bambu, a bank serving “unbanked” Hispanic immigrants who need to transfer money back home to Latin America.

And that was the point, Smallridge said. “We are getting business from everywhere; all of our eggs are not in one basket.”

Brevard County

Space launches and defense are the bread butter of Florida’s Space Coast.

So it’s no surprise that one of the biggest arrivals of last year was Terran Orbital, a satellite maker that will employ 2,100 people by 2025 to build commercial spacecraft in Merritt Island.

“I think down the road we will see companies tied to satellite development,” said Lynda Weatherman, president and CEO, Economic Development Commission of Florida’s Space Coast. “We were simply a launch site not that long ago. This whole industry expanded from launch to the development of launch vehicles. Now we’re developing payloads.”

The Space Coast also won the hand of an arms maker, Dark Storm, that left New York for Florida. The company’s decision, she said, “had to do with having the right site, we had a good competitive package and I think it’s the legacy of our manufacturing economy we have here, too.”

Overall, recruiting has picked up again since 2020.

“Our activity list slowed down a little bit,” when COVID started, Weatherman said. “Now it’s accelerated again. A lot centered around our biggest competitive advantage: aerospace, space and avionics.”

Orange County

Tom Giuliani, president and CEO of the Orlando Economic Partnership, said “cabin fever COVID moves” have not been the sole reason for companies locating to Central Florida, home to Disney and an associated enclave of sprawling entertainment destinations.

“That’s not the bulk of what we’re experiencing,” he said. “A number of these projects were in process when the pandemic started. Some companies went on pause.”

But in May 2020, “people started moving forward on things.” Since then, there have been 54 relocation projects yielding 8,899 jobs and \$1.6 billion in capital investment.

Disney is the area’s headliner relocation story with its parks experiences and resorts headquarter operations moving from California to the Lake Nona area. The company announced the move last year but it has yet to be completed, according to media reports.

“They’re bringing a divisional headquarters here but the heart of the creative element of Disney is coming here as well,” Giuliani said.

Entertainment is not the region’s only employment source.

A semiconductor company called Skywater Technology moved to the area and brought 250 jobs from Minnesota.

“We’ve been working for 10 years to get semiconductor manufacturing into the area,” Giuliani said, citing the involvement of the state, county and University of Central Florida.

Another company, Red 6, an in-flight training company for military pilots from California, is an example of a firm that picked two Florida cities instead of one.

Orlando is the technology hub while corporate headquarters is in Miami.

The company’s presence has exposed an employment trend not usually associated with Orlando.

“More people are employed in professional services and business and technology than entertainment,” Giuliani said. “That’s a big story.”

Duval County

Aundra Wallace of the JaxUSA Partnership said company relocations are coming from financial services firms and medical device manufacturers.

Dun & Bradstreet, the business data and analytics provider based in New Jersey, moved its global headquarters with 500 employees to Jacksonville.

Cantor Fitzgerald, the securities firm from New York, set up a suburban office for 80 to 100 employees.

Other recent headquarter relocations or expansions include the fintech firm NYMBUS, the shipping organization American Roll-On Roll-Off Carrier Group, the contact lens maker Johnson & Johnson Vision and the aerospace firm Redwire Space.

Hillsborough County

The Tampa Bay Economic Development Council said on its website that last year began with “some remaining uncertainty from the ongoing pandemic.”

But around mid-year, “the impact of the COVID exodus to Florida became clearer” as recruitment leads were up 33% over 2020.

“Technology companies from the West Coast made a beeline for Tampa Bay, intent on hiring local employees,” the agency said.

Four global companies relocated their headquarters to the area, helping the agency to surpass its recruiting goals, closing the year with 22 projects that added 2,789 jobs and \$325 million in capital investment to the community.

The agency’s president, Craig Richard, was unavailable for comment.