

MIAMI TODAY

August 26, 2020

Circulation: 28,665/ UMV: 32,940

'Tremendous number of inbound calls' to move downtown

By KYLEA HENSELER

The boom in telecommuting, low tax rates and a new business incentive program are three major motivators for companies looking to relocate to Miami, Downtown Development Authority officials say.

"We're fielding a tremendous number of inbound calls from new and old companies," said Nitin Motwani, co-chair of the DDA's Enterprise Committee.

The DDA, he said, had been working on bringing companies downtown for years – a task made easier by the national passage of caps on SALT (State and Local Tax) deductions in 2017, which previously allowed residents of high-tax states and cities to have some of their taxes subsidized by the federal government.

Companies looking to relocate, Mr. Motwani continued, hail from a number of regions, primarily the Northeast, Chicago and California.

"What we're hearing loud and clear," said Philippe Houdard, co-chair of the Enterprise Committee and CEO of Pipeline Workspaces,

"is that the costs, including financial (costs of other cities) are not worth it. Costs of living and operating a business in Miami are much lower."

According to Mr. Motwani, the rise of telecommuting provides one more measure of comfort to companies looking to relocate or build a satellite office.

"Covid has shown that (employees) can work from anywhere," he said. So if a company were to move its headquarters from New York to Miami, its workers wouldn't necessarily need to move too. (The company) can open up offices in South Florida, and let employees telecommute from anywhere."

Individual telecommuters that have this new freedom to work remotely, he said, are also moving to Florida, but this is a much more difficult statistic to track.

The increase in telecommuting, Mr. Houdard said, also addressed important questions about the perceived relationship between in-office time and hard work for employees.

"This has been a longstanding issue in corporate life," he said. "There was equating face time in the office as a degree in productivity

– but people realize this isn't true, and there's been an opportunity to right that."

In the future, he said, "businesses are going to be a little more understanding of the need to take into account the total welfare of their employees."

Many, said Mr. Motwani, will be less willing to "put all their eggs in one basket" so to speak. At one time, he said, many businesses wanted to "compact" and have all their employees in one city or office – a trend that he says has probably fallen by the wayside.

To give companies one more reason to move to Miami, the DDA released the "Incentive Fund Program," which offers grants to relocating companies that meet certain conditions.

Under the program, the DDA will offer cash grants of \$500 per employee for the first 50 jobs, \$350 per employee for the next 50, and \$250 per employee after that. To qualify, a company must within three years create at least ten fulltime jobs, the average salary of which has to be "at least 125% of the city, county or state average (or at least \$67,860 annually as of June 2020),"

according to a press release.

The objective of the program, the release said, is to "grow high-wage jobs and to retain local talent."

Indeed, Mr. Motwani said, the lack of Fortune 100 companies in Miami feeds the false perception that Miami does not have as robust a talent network as other cities. On the contrary, he said, large companies have thrived here and found no shortage of talent, including Bayview Asset Management, Royal Caribbean and more.

To increase the visibility of local talent, he said, the DDA works with leaders of local colleges and universities to connect highly qualified students with companies.

Additionally, Mr. Houdard said, with companies moving offices to more diverse locations, the concentration of highly skilled employees in certain areas has become less pronounced.

"If your (company) is benefitting from the concentration of talent (in some cities)," he said, "and suddenly that concentration is no longer there because companies have dispersed, you ask yourself 'Why should I stay?'"