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Mayor Tom Leppert calls on CEOs to relocate firms to Dallas

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Four hundred CEOs across the country will soon receive iPhones bearing Mayor Tom Leppert's pitch that Dallas is a great place for them to move their businesses.

It's part of an attention-getting initiative to use the city's economic resilience to attract more corporate headquarters.

Dallas' low business costs, affordable land and a major airport have served as relocation magnets for years. More recently, the city has gained attention for losing fewer jobs and faring better than most during the recession, leaving it positioned to benefit as the economy recovers.

To capitalize on those traits, Leppert will announce today the "Time for a Bold Move" campaign during his state of the city address at a Dallas Regional Chamber of Commerce meeting.

"When you are in a down market and cutting costs, relocating is the last thing on your mind," said Leppert, a former CEO of Turner Construction who moved the company to Dallas from New York in 1999. "But we think Dallas stands a good chance of attracting corporations."

The city and its partners in the venture – the Dallas Regional Chamber of Commerce and the DowntownDallas economic development group – are targeting U.S. companies that have at least \$500 million in revenue, especially those based in California, New Jersey and New York. Those states have regulatory environments and rising costs related to state budget problems that concern many CEOs, Leppert said.

"The resilience angle is interesting because ... over the course of this recession, Dallas ... if not recession-proof, has been recession-resistant," said Alan Berube, director of research for the Brookings Institution's Metropolitan Policy Program. "Its total output is up, its unemployment rate below the national average, and housing is pretty stable."

Officials of the Dallas Regional Chamber and DowntownDallas said they were picking up the estimated \$250,000 tab for the iPhones. TM Advertising, a company that moved to downtown Dallas from Las Colinas early last year, is helping with the marketing for free.



LARA SOLT/DMN
AT&T moved its headquarters last year from San Antonio to downtown Dallas, where its golden statue now stands. Low business costs and other factors attract relocations.

When the first 25 iPhones were sent three weeks ago, people thought the initiative was interesting and creative, Leppert said. He declined to name any of the CEOs or their companies.

Each iPhone is customized with a "Bold Move" icon that leads to personalized video messages from Leppert and Dallas CEOs such as Blockbuster Inc.'s Jim Keyes, as well as Dallas statistics customized to each CEO's city. For example, if the CEO is in California, the information might show that Texas ranks 43rd in overall tax burden vs. California's sixth-highest ranking, according to the Tax Foundation.

It's all about getting people's attention and changing their perceptions of Dallas, Leppert said. "To a lot of people, we're still J.R. in cowboy boots, we're not the fourth-largest metro area," he said, alluding to the TV show *Dallas*.

John Boyd, a relocation consultant in Princeton, N.J., said the timing is good for such an effort because "many companies are taking this downturn to reflect, to rationalize their cost structure, to reconfigure."

He also liked the notion of CEO endorsements, because "that's what moves decisions."

More than 50 companies, including Tenet Healthcare Corp., Capital One Financial Corp. and AT&T Inc., have moved to Dallas in the past two years, according to DowntownDallas.

A typical corporate relocation generates tens of millions of dollars in economic impact, Boyd said. Benefits typically extend beyond the payroll to more philanthropic activity, more air travel demand and spending, he said. "Our objective is simply to get the attention of the CEO," Leppert said. "If we get just one company ... then obviously it is a giant, giant win."

DALLAS SELLING POINTS

- 14 Fortune 500 companies call the city home.
- Dallas has been one of the 20 best-performing metro areas during the recession, according to the Brookings Institution's latest Metro Monitor report, released today.
- Dallas-Fort Worth's population growth slowed to 147,000 for the 12 months ending in July 2008, but that was still more than any other U.S. metropolitan area.
- The D-FW unemployment rate in July was 8.3 percent, compared with 12.5 percent for the Los Angeles area, 10.7 percent for Chicago and 10.3 percent for Atlanta. (The numbers are not seasonally adjusted.)
- Dallas' annual operating costs* for corporate headquarters are among the nation's lowest: \$24.5 million vs. about \$30 million in New York and San Francisco, for instance.
- The percentage of Dallas-area homes in foreclosure rose to 1.2 percent in July, still far better than the national rate of 2.8 percent.
- Forbes* magazine recently called Dallas one of North America's three "genuine emerging world-class cities."

*For a 75,000-square-foot office with 300 employees. Excludes compensation for top executives.

SOURCES: Boyd Co.'s BizCosts.com; DowntownDallas; First American CoreLogic; *Dallas Morning News* research