

DFW Metroplex ranks second for corporate expansion, relocation

Stephanie Patrick - March 06, 2006

It seems the old saying “Everything is bigger in Texas” is true when it comes to sizeable new and expanded corporate facilities.

For the second straight year, Texas is the leader in national magazine *Site Selection*'s ranking of states with the most corporate expansion and relocation activity. Meanwhile, Dallas-Fort Worth-Arlington ranks second after the Chicago area as the top metropolitan market.

The announcement was made March 2 at Grand Hyatt DFW, where Conway Data Inc., *Site Selection*'s publisher, presented Gov. Rick Perry with an award. Texas' accomplishments, including information about local projects, are featured in the cover story of *Site Selection*'s March issue.

The ranking is based on projects in 2005. Projects are tracked in Conway Data's New Plant database each year.

Texas recorded 842 projects last year, up from 668 in 2004. The closest competitor was Ohio with 598 corporate expansions and relocations, followed by Illinois with 510.

Texas' repeat win “is evidence that economic development strategies for creating a healthy business climate in the state are working,” said Mark Arend, editor of Atlanta-based *Site Selection*, in a written statement before the announcement. *Site Selection*, the oldest publication in the corporate real estate and economic development field, is the official publication of the Industrial Asset Management Council.

Others on the list are Michigan, North Carolina, Pennsylvania, New York, Tennessee, Virginia and Georgia. Other metropolitan areas recognized are Houston-Baytown-Sugar Land; metro Detroit; metro Atlanta; the Cincinnati area; the New York and Newark, N.J., area; metro Cleveland; the Charlotte, N.C., area; and the Minneapolis/St. Paul area.

To qualify, each project must involve a capital investment of at least \$1 million, create 50 or more jobs or involve new floor space of at least 20,000 square feet.

Three hundred and nine companies chose the 12-county DFW metro area to expand and relocate in 2005, an 11 percent increase over the region's performance in 2004 when it earned first place in *Site Selection*'s metropolitan ranking. Some companies with new and expanded projects included Bimbo Bakeries USA, Recaro Aircraft Seating Inc. and Omni Hotel, all in Fort Worth; Triad Financial Corp. in North Richland Hills; Salon Support in Benbrook; Standard Meat Co. in Saginaw; and First American Corp. in Westlake.

“Fort Worth had more projects than any other individual city in the region,” said David Berzina, executive vice president of Fort Worth Chamber of Commerce. “We submitted 38 projects that fit into the criteria. The second highest came from the city of Dallas with 31.”

In *Site Selection's* list last year, Fort Worth reported 40 projects, while Dallas recorded 38. Conway's database doesn't track retail and government projects, or schools and hospitals; all of which have reported tremendous growth, too.

"The continued recognition as one of the nation's top marketplaces affirms what those of us in the Metroplex already knew: We're best for business," said Albon Head, chairman of the Fort Worth Chamber and partner at Jackson Walker LLP, in a written statement.

Bill Behr, a principal at the commercial real estate firm NAI Huff Partners in Fort Worth, said Tarrant County is growing in popularity for companies that already have a presence in the Metroplex and are looking to expand. That's particularly true in north and southwest Fort Worth.

"From a demographic standpoint, what these employers like, I think, about the Fort Worth/Tarrant County marketplace is that the labor pool is outstanding," he said. "It's a fairly well educated labor pool."

The area also is attractive to companies considering relocation from other communities because Tarrant County's office space remains more affordable than other metro areas. That's despite vacancy rates that are lower than areas such as Chicago, Kansas City, Las Vegas and Austin, Behr said.

Berzina said the Fort Worth Chamber typically gets anywhere from two to 15 inquiries each week on behalf of companies looking for information about relocation and expansion opportunities. While some "are just tire-kickers," the inquiries have been steady in the past few years.

Kathleen Wilkes, CEO of Dallas-based Preferred Corporate Suites Inc., a national corporate housing company, said her roster of relocations to Tarrant County has increased 42 percent since 2004.

"Many of the relocations have been related to manufacturing and service industries and Dallas/Fort Worth International Airport and Alliance Airport have been instrumental forces in bringing in new business.

"Our clients repeatedly stress that cost of living, lifestyle, housing prices and school districts influence families to relocate to Tarrant County," she said.

Mouser Electronics Inc., a longtime Mansfield-based electronics distributor and a subsidiary of Fort Worth-based TTI Inc., chose not to relocate because of its close proximity to D/FW Airport and the Federal Express and United Parcel Service hubs. Instead, the company broke ground in November on an expansion of its 173,000-square-foot headquarters.

The addition, which is scheduled for completion in June, will add 229,000 square feet to the Main Street building.

"Mouser has experienced explosive growth over the last several years and this expansion is the next logical step in our continued focus to support the needs of our growing customer base," said Glenn Smith, president and CEO.

Mouser is the largest private employer in Mansfield. Ellie Rovai, marketing manager, said the company plans to hire about 300 more employees for inside sales, product marketing and warehouse positions.

Access to the airport and room for growth also was a consideration for fellow electronics distributor Allied Electronics Inc. The Fort Worth electronics company purchased 40 acres at Riverbend Park West last year. It plans to break ground March 30 on a 365,000-square-foot headquarters and distribution facility.

The building on Jack Newell Boulevard will nearly double the space Allied has at its Pebble Drive location. And, like Mouser, there are plans to create 300 jobs.

The project is scheduled for completion in May 2007. Greg Nickell, vice president of operations, said some consideration was given to moving the headquarters to places such as Arkansas and Oklahoma, but staying in Fort Worth proved the better option because of Fort Worth's easy access to airports and an abatement given by the city.

"In our business 10 minutes can be life or death for an order," Nickell said.

Business and economic development experts aren't expecting the magazine's ranking to bring an immediate increase in business to the region. But such recognition is increasingly important because it provides a measure of "visibility and credibility" to the area when a company is pondering a list of possible relocation sites.

"It's a lot easier if other people are saying nice things about you, than if you are the only one saying nice things about you," said Daniel Short, dean of Texas Christian University's M.J. Neeley School of Business.

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