

2017 NAIOP Georgia School Challenge – Case Study

Zephyr Corporation has deep roots in New Jersey. As the company approaches its 100th anniversary, the decision is made to relocate the corporate headquarters to Atlanta. Approximately 1,000 employees are involved, many of whom are expected to move south. Zephyr is a consumer goods company whose sales are increasingly generated online.

George Bunch, the company's CEO, is excited about the move. Cost savings are a primary motive, but an opportunity to attract a young, well-educated work force is another driver. A consultant has determined that the company needs 200,000 square feet of office space to accommodate current and anticipated needs. No specific location or buildings have been selected in Atlanta, and the company's leadership is open to the full array of possibilities, including a lease arrangement.

On a recent visit to Atlanta, Bunch toured the sites where Mercedes Benz USA and NCR are building their corporate headquarters, and also noted where Pulte went from Detroit. He is told that Honeywell and Anthem recently committed to locate major operations in Atlanta, and hopes to learn from each of these moves. A central question is whether to consider a two-stage strategy, like NCR did, by occupying leased space for several years before developing a corporate campus.

Several criteria have been established. Mass transit access is vital. LEED certification at the highest practical level is an aspirational goal. A work environment that promotes collaboration and employee interaction is key. A high-profile presence is important to this consumer goods company. Leadership is intrigued by adaptive use of non-traditional office space but not universally sold on the concept. Of course, the company hopes to fully leverage state and local financial incentives. Timing is flexible.

Your team has been hired by Zephyr to orchestrate its move due to your local market knowledge, objectivity, and analytical ability. Bunch wants to consider the full range of options, and he expects a complete accounting of relative costs. This is a major corporate decision with lasting consequences.