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Chamber: We're busier than ever

Visits by cos. interested in Austin up significantly

Austin Business Journal - by [Kate Harrington](#) ABJ Staff

It would have been easy for Valence Technology Inc. to make plans for its proposed manufacturing plant in Nevada. The Austin-based company has a presence there with a laboratory, and Nevada was among several states that courted the battery maker.

But the company chose the Austin area, Valence CEO and President Robert Kanode said, partly because of the region's economic health and because it has a climate that "really would nurture alternative energy solutions, not just talk about it."

Austin Chamber of Commerce officials are hoping a recent spike in inquiries and company visits prove that more businesses — across a spectrum of industries — are also seeing Austin as a desirable spot to relocate or expand.

According to the chamber's data from January 1 through May 31, the Austin region has seen 76 site visits in that time frame from companies looking to relocate. During the same period last year there were 54 site visits, and in 2007 there were 43.

In the past, chamber President Mike Rollins said site visits didn't necessarily mean a high level of interest because chambers, cities and states didn't have as much material and research available online. But now if a company makes an initial site visit, it usually means Austin has been well-researched and made it to a short list, Rollins said.

Of the 76 site visits so far this year, 32 have been repeat visits. Chamber executives decline to say which companies have visited — and in some cases they may not know themselves due to cloak-and-dagger tactics used by some site selectors.

Rollins said the increase in interest is likely because companies are exploring cost savings. Austin, one of the few metropolitan areas in the country with positive job growth and a relatively low cost of living, is attracting attention from companies on both coasts.

Rollins said the factors influencing how many of those companies actually land here have changed too. Historically, one out of three visits ended up in a site selection within 16 to 18 months. But he said that with nationwide economic uncertainty, many companies reach the final stages of a site search and then put all plans on hold, waiting until the economy takes a clearer direction.

Brokers also say they've seen an increase in activity in the region. Scott Flack, vice president of leasing with Live Oak-Gottesman, said while Central Texas still faces challenges with incentives, all deals start with a visit, and there have been plenty of those in the past 90 days. Flack said his company is actively involved with two prospects.

“In my mind, we have everything we’ve always had to offer, just more of it — talent, quality of life and available quality space,” Flack said. “We just need that edge, incentives, to make some deals happen.”

Jeff Pace, vice president of office development with Simmons Vedder Partners, said he saw an uptick in activity from the Austin and Round Rock chambers in January and February. Two of Simmons Vedder’s new office developments, The Crossings at Lakeline and Frontera Vista, have been short-listed as possible locations for out-of-town companies, he said. But Pace also said such inquiries have slowed recently.

“Out-of-town inquiries regarding our office buildings have been noticeably slower since the first of the year, although one or two prospects continue to express interest. San Antonio won the Medtronics relocation, and two others have postponed decisions.”

Joe Vining, vice president of economic development with the Round Rock Economic Development Partnership, said Round Rock has also seen strong interest and a jump in visits and inquiries this year.

“Here we are in the crappiest economy since who knows when, and I’m being run over by people prospecting,” Vining said.

Vining and Rollins said they have seen an increase in inquiries from companies that would move their headquarters to the region. So far this year, the Austin area has seen four headquarter relocations, according to statistics from the Austin Chamber. In 2008, 11 companies moved their headquarters to the region, and in 2007 there were 12 headquarter relocations.

Courtesy of JB Goodwin