

## Miami heads to icy Northeast to lure businesses

BY CATHERINE LACKNER

Representatives of Miami's Downtown Development Authority, the Beacon Council, and the Greater Miami Convention & Visitors Bureau were scheduled to venture to the frozen Northeast (temperatures predicted in the 20s and 30s) this week to pitch Miami's case.

"We'll be talking to site-selection firms, hedge fund managers, representatives of major corporations and other folks to tell Miami's story," said Danet Linares, vice chair of Blanca Commercial Real Estate. She is representing the downtown authority, of which she is a director. "The in-migration of funds has held steady." The group was expected to stay in New York City Monday (2/25), Tuesday and part of Wednesday, she said.

For the past five years, the downtown authority has sent delegations to New York and Connecticut to recruit financial services firms. The initiative has been successful: a number of well-known firms have either moved here or opened satellite offices.

Since the program began, there has been a 34% increase statewide and a 58% increase in Miami-Dade County in the number of fi-

ancial services firms, family offices, hedge funds and other investment companies, all of which are registered with the Securities & Exchange Commission, Ms. Linares said.

Universa moved from California to Miami in 2014, the same year that XP Securities, a Brazilian venture capital firm, opened a 15-employee office here that is expected to grow to 55 over the coming years, she said. In 2017, Starlight Capital moved its headquarters to Miami Beach, where the company is constructing a new headquarters building. I Squared Capital moved its headquarters from New York City to Miami last year, and is planning to grow its staff over the next five years.

"Miami-Dade County has grown tremendously, and you can't go wrong talking about the weather," Ms. Linares said. "We have an increase in the number the restaurants, as well as increases in arts and culture. And the tax structure is a strong plus."

The recent federal income tax revamp limits deductions for state and local taxes, including city and state income tax, to \$10,000, which is fraction of what many in the Northeast pay each year, observers say.

As one of only a handful of states with no personal income tax, Florida has become a magnet, and Miami, with an already established financial sector, expects to see a rush of transplants from the Northeast.

When the Senate approved the tax bill in December 2017, it was described as "an economic dagger aimed at high-tax, high-cost and generally Democratic-leaning areas, most notably New York City and its neighbors," in a New York Times story by Ben Casselman and Patrick McGeehan.

"The bill... could send home prices tumbling 10% or more in parts of the New York area, according to one economic analysis," the article said. "It could increase the regional tax burden, complicating companies' efforts to attract skilled workers. It could make it harder for state and local governments to pay for upgrades to the transit system and other infrastructure.

"Taxpayers in [Manhattan] take the highest average deduction for state and local deductions... on their federal tax returns," the article continued. "And among the top 12 counties in the United States, half are in the greater New York metropolitan area."