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## Business

# Lynn Haven business climate cited

## City ranks among best for manufacturing plants

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**LYNN HAVEN** — Lynn Haven is catching the eyes of manufacturing companies looking to relocate or expand, beating out other small cities nationwide.

"There's a very compelling reason to live here, to build a career here, to raise a family here," said John Boyd Jr., vice president of The Boyd Company.

Among 45 small cities the company studied, Lynn Haven ranked in the top 10 for low-operation costs and great business climate, according to a recent study released by The Boyd Company. The company is renowned for providing independent location recommendations for U.S. and overseas corporations.

More than ever, companies want to locate in smaller cities to lower business costs during the worst recession since 1975. Lynn Haven fits the bill, Boyd said.

Lynn Haven maintains lower wages than surrounding areas, comparable electric costs and lower property and sales taxes. Boyd said companies are interested in places that maintain ready-to-use buildings access to plentiful and alternative energies, great infrastructure and a skilled work force — all of which Lynn Haven has.

Among eastern U.S. cities, Lynn Haven ranked sixth for lowest operating costs. The city ranked eighth-lowest nationwide, according to the report. Okaloosa County's Crestview landed in the top 10 as well.

"Costs only tell one side of the story, but obviously, it's a major driver right now because of the recession," Boyd said.

Industries interested in The Boyd Company study include those in high-tech industries, such as aerospace engineering. Lynn Haven is situated to take advantage of the military, the recent aerospace corridor agreement between Northwest Florida and three other states, the new international airport, and Port Panama City and its new intermodal distribution center, Boyd said. The Boyd Company only studies cities in which former or current clients show interest.

"That means there's

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a company that's looking to come here, and that's exciting," said Janet Watermeier, Bay County Economic Development Alliance executive director. "This really gives credibility to the fact that this is a good place to do business."

Lynn Haven has worked hard to garner this kind of recognition, City Manager John Lynch said. City leaders focus on infrastructure, low taxes and developing a skilled work force. About 10 years ago, the city turned down "dirty" industry, wanting something better than coal or gravel running through the city, Lynch said.

Lynn Haven has other advantages, too.

Watermeier said Lynn Haven has a nice industrial park and several large-scale, ready-to-use facilities. The major reason Trane Company is considering creating 150 to 160 jobs at its Lynn Haven facility and reducing its plant in Fort Smith, Ark., is that Trane already has the space and the site is situated to serve the Southeast, a spokesman said.

Every couple of weeks, a company inquires about Lynn Haven, Lynch said. He expects more companies to take steps to move or expand in Lynn Haven this year.

Boyd said Lynn Haven was representative of the entire metro area, meaning Panama City also has a good chance to draw attention. Currently, three companies have sent proposals for moving to Bay County, and one aviation-related company recently visited a site. That could mean a new business in the area in a year or two, Watermeier said.

"There is action. There is interest," Watermeier said. "Even if they aren't making a move yet, it's good they're looking."

## BY THE NUMBERS

What it costs to operate a high-tech manufacturing plant in Lynn Haven:

	Lynn Haven	Lenoir, N.C.*
Nonexempt Labor		
Average hourly earning:	\$17.86	\$18.91
Annual base payroll costs	\$10,201,631	\$10,801,392
Fringe Benefits:	\$3,774,604	\$3,996,515
Total annual labor costs:	\$13,976,236	\$14,797,907
Electric power costs:	\$3,063,600	\$1,454,400
Amortization costs:	\$2,907,273	\$2,620,000
Property and sales tax costs:	\$964,074	\$1,016,448
Corporate travel costs:	\$79,565	\$84,491
Total annual operating costs:	\$20,990,748	\$19,973,286

\*Lowest Cost Eastern City

Source: The Boyd Company, Inc.

## ABOUT THE STUDY

The Boyd Company studied 45 top small-market cities in the U.S. comparing operating costs for high-technology manufacturing. The study focused on cities with populations under 50,000.