



Next Move Group

We Are Jobs Podcast

with Special Guest: Jerry Lococo and Greg LaVann

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Chad Chancellor: Hello and welcome to this week's episode of the Next Move Group We Are Jobs podcast focused on creating economic growth for small to mid-sized companies, communities, and organizations. I'm Chad Chancellor, the co-founder of Next Move Group and today we got a real special treat for us, for Next Move Group that is.

We've got Jerry Lococo and Greg LaVann with us here today and Jerry owns SVN Velocity Commercial Real Estate out at Yuma, Arizona and he's actually our 100th customer since we started

business. As we were kind of looking at who our 100th customer might be, we got to 98 and 99 and Jerry actually had heard one of our podcasts.

He heard a podcast we did with Mark Manning up in Murray, Kentucky a few weeks ago and he was inspired by some of Mark's story and some of Mark's tips in his podcast. So, Jerry picked up the phone and called us and we developed a relationship and now we're doing business. So, I can't think of a better 100th customer to really spotlight this podcast, but also spotlight our mission.

So, Next Move Group exists to help small to mid-sized companies, organizations, and communities create economic growth and what we're going to be doing with Jerry and Yuma and SVN Velocity Commercial Real Estate really encompasses all of that. We're going to try and grow his business through some online marketing efforts that we have. He's interested in growing Yuma, so that will be part of our online marketing efforts is to pitch Yuma and then, of course, if we can reach a company that locates with Jerry in one of his facilities and they're going to have economic growth.

So, this is just-- Jerry, I just can't tell you, you're like our perfect 100th customer the way this thing all struck out. So, thank you so much for being with us today. He's got Greg LaVann also with us and Greg works with the Greater Yuma Economic Development Council. So, we're just so tickled to have two of you all with us today and appreciate your business.

Let's start out with Jerry. Will you tell us a little bit about Yuma and why you're so passionate about Yuma? Not only your real estate business but every communication I've heard with you you've said we've got to sell Yuma. We've got to sell Yuma. So, tell us really about Yuma and where that passion comes from.

Jerry Lococo: I moved here when I was five years old and I had a lot of really great people in the community that kind of took me in as a youngster and help guided me and helped me become the man I am today and all that was from just hard-working, smart, just good honest hardworking people here in Yuma and it's a testament to the community that we have here.

So, when my wife and I we decided to move back to Yuma when it was time to raise our family and being in a tertiary market, as you know and as many of your other guests have eluded to, is

it's not the easiest thing sometimes from an economic development standpoint because you just-- not that people don't-- people just don't realize you're there sometimes particularly where we're at.

We're basically situated in the middle of San Diego and Phoenix, Arizona. So, two large secondary markets and so sometimes we get overlooked. I think one of the biggest advantages that we have, that we've discussed is the fact that we have such proximity to California. However, we're not in California. So, you can service the southern California market without having to deal with many of the challenges that companies experience.

Chad Chancellor: You're really right on the border, aren't you? So, for the folks who may have never looked at Yuma on a map, you're on the California-Arizona border if I remember right.

Jerry Lococo: Yes, I don't have the arm I used to when I was 20, but I still think I can hit them with a rock from my office.

Chad Chancellor: And I know there's a whole lot of agricultural food type projects down there. We've represented quite a few ourselves out of that southern California area and I have looked at it just from a site selection standpoint and where Yuma is there are a whole lot of cost savings if you compare to California, not only property taxes that everybody thinks about but also electric rates, labor rates, and other ones.

I figured it's about a 40%-50% saving on some overhead costs and really you're right there in that market. Talk about some of the properties, kind of some of the deals that you do so people can understand the business you are in and what type of properties might be available in Yuma.

Jerry Lococo: The passion I have being in a smaller market, we don't focus specifically on light industrial, heavy industrial, but that's probably about 60% of my business. So, we have properties that-- for example, we have a light industrial park situated in San Luis, Arizona that is we have two five-acre parcels left now plus we have development ground available, but we have the fully entitled developed built, all the utilities stacked to the pad for \$45,000 an acre.

You can't even develop ground for that kind of price and it's in the new port in San Luis and that's just one example. What Greg and I see is just absolute screaming opportunity and we're starting to see some velocity in the market which is encouraging. So, I think Greg you want to talk about some of the other higher-level stuff from an economic development perspective?

Greg LaVann: Yes, I think our major sell is that the bedrock of any successful client to me has got to be your skilled workforce, right? So, when we're meeting with companies, I think our unique selling in Yuma is the fact that we can kind of pull in multiple alternative labor sources that speak to companies that aren't necessarily accustomed to trying to work with Mexico, working with California and also working with our community.

So, the fact that we're on the border of four states and two countries and we're a regional economy of 1.8 million people, really kind of puts us in a very strategic position to say even though you're in Yuma you're going to be able to collect talent and also supplier benefits from two different countries and another state.

So, the word leveraging our ag workforce that's seasonal. You have 30,000 individuals that work here for six months a year for the second-largest agricultural region in all the country and then have to move to Alaska or up to central California to find jobs for the other six months and we're saying hey, you can catch these individuals here.

They have skill sets beyond just working in the fields. They've worked in the plants. They have technical skills. They have maintenance technician skills and these folks want to stay in their community. So, they are willing to leave now, but they want to stay here. So, we are able to leverage that largely source that is underemployed, not unemployed.

Then we also have two military bases here that have upwards of 1400 individuals leaving on a monthly basis and so we are able to say you can also catch these individuals for some of your more skilled manufacturing labor in regards to technicians, service mechanics, logisticians and so forth. Along with that, you have the trailing spouses as well. So, I think that really puts us in a position to market multiple labor sources beyond just your traditional labor site.

Chad Chancellor: Who are some of your larger employers there?

Greg LaVann: So, from a manufacturing side, we have Shaw Carpet in our market. We have Johnson Controls Battery, which now I believe is Clarios. We have Associated Materials which is Alside Window here. We recently were able to locate a couple of other manufacturing groups such as [unintelligible 00:08:51.03] which manufactures for [unintelligible 00:08:53.28] and so forth and we have smaller manufacturers as well here.

Chad Chancellor: As California really-- as the taxes have gone up, electricity is going up and the usage of water has become a problem, have you seen more activity out of California? I'm sure you guys see activity from all over, but we have a lot of California companies, so I just wonder, have you seen an influx of them looking at you?

Greg LaVann: Those three companies I mentioned; Johnson Controls, Shaw, and Associated Materials all had California plants prior to relocating to Yuma and so that's where our big seller is at. You can see California, but not be in California. So, when they are manufacturing and they are getting their products ready, they are distributing to all their different customer bases and selling California along with New Mexico and even as far as Texas as well. So, you will be able to reach California from Yuma in a one day truck haul. You can reach half of southern California in one day and the entire state of California within two days.

Chad Chancellor: I want to brag on Jerry a little bit. So, some of the folks that listen to this podcast are board members of economic development organizations. So, something Next Move Group is going to be doing for Jerry's real estate company is some online advertising and the first rough draft that we came up with was really trying to sell all his properties and he came back and said hey, we've got to sell Yuma. I'd rather sell Yuma. Worry with our properties later, which I just found very refreshing.

I've been dealing with the other real estate folks in other places. So, Jerry, I've seen it firsthand just as we've started doing business here your commitment and passion to sell in Yuma. So, give us the Yuma sales pitch as far as you are concerned. Obviously, you love it. You are passionate about it. So, give us the pitch in your words.

Jerry Lococo: I don't know if you've ever read *Atlas Shrugged*, but there's a part in the book it's called-- a big, big part in the book it's called Galt's Gulch. It's basically where all the producers, the people that the means of production move their business to and it's essentially a place of freedom.

I look at Yuma in a very similar means not to say that we don't have taxing authorities and we don't have rules and regulations, but Yuma truly-- when I say Yuma I means Yuma County, is truly business-friendly. The people that we work with on a day-to-day basis, whether it be city

administrators or mayors or economic development coordinators you can pick up the phone, you can send then text messages and it's a coordinated effort to get deals done.

I think as a community, we understand that business and government need each other and we have to work together and we have to be better. We can't just be as good as primary, secondary markets. We have to be two to three times better. That's something that Greg talks about all the time. We do. We have to win the business. We have to really earn it and in Yuma, we're not afraid to do the work.

And the opportunity, there's just so much opportunity here. I went to undergrad at ASU, so I lived in downtown Phoenix when they were just starting their redevelopment in their downtown. That's something that's really neat about Yuma-- the city of Yuma because we have a really cool downtown riverfront from a quality of life standpoint. I think that there are just so many of these intangibles that you can see.

Greg grew up in other communities outside of Yuma and so we discuss it quite often is that Yuma truly is on the verge of great things and we're starting to see a lot of positive momentum.

Chad Chancellor: And so for our manufacturing prospects out there, if you call on Jerry, not only do you get somebody who can sell you property, he can actually go out within Yuma and find resources you need to help make your business successful. So, he's much more focused on a relationship than selling you a piece of property and making you successful.

Jerry Lococo: Absolutely. From a real estate perspective, I remember-- if you remember in math class if you got the answer right, but you didn't show the work you didn't get credit for it?

Chad Chancellor: That used to frustrate the devil out of me.

Jerry Lococo: One thing I've learned in brokerage is you might have the perfect property for a client, but if you don't show your work and you show how you arrived at that answer then that means showing other listings, other properties that you may not have listed. They need to see, they need to know and have the confidence that they are seeing all the properties on the market, all the opportunities and you've got to show them the work to arrive at the answer.

Chad Chancellor: You've already said the word velocity since you've been on this podcast and I researched a little bit about you and see you talk about the name and putting that in your companies name. So, talk about that word and how that's in your company's name and that philosophy.

Jerry Lococo: Velocity means growth. It means movement. It means capital exchanging hands. It means opportunity for people that maybe otherwise wouldn't have opportunity. I think commercial real estate brokers, economic developers play such a vital role in creating that velocity and helping breaking down barriers to deals. There's always going to be challenges. There's always going to be things that get in the way and being proactive, thinking outside the box, coming up with strategies to overcome those challenges and knowing that there are people counting on you to do that. Greg and I, we take our roles in this community very seriously.

Chad Chancellor: Greg, let's shift over to you. I know you guys are doing a lot of cool things that aren't just predicated on manufacturing. So, talk about some of the stuff you do to grow the Yuma economy in other areas.

Greg LaVann: yeah our areas in fact that we have a large aerospace and defense industry base here between Yuma Proving Ground which is the largest military testing facility in all United States along with our marine corps station which is the largest air station within the marine corps institution. That allows for us to focus on more than just manufacturing and food processing.

We're actually right now going to be designated as the only spaceport in Arizona. That's hopefully going to be signed by the governor in January. At that point in time, we're going to have the ability to launch small satellites and rockets from Yuma as a testing site and then with that hopefully we'll be a research and development facility standpoint so that companies from around the world can come here and do testing on that scale.

So, we're able to capitalize on the fact that we have a large unrestricted airspace. We have the unencumbrance of surrounding development that allows for a lot of different testing to occur and the fact that we already have a large workforce; over 3,000 technicians and engineers that are doing the work here in our backyard right now.

So, companies looking to get into spaceport travel can partner with our Proven Ground to do some work up there at the military secure facility and they can come down and work on the private land site to do the additional-- the final launching and so forth. So, there's a spaceport inside.

Then food processing is another area we're really working on and back-office space as well. When you're talking about right now we have Allstate in our area. We have Convey, ACT [unintelligible 00:16:14.10] for AT&T. We have a large segment of individuals who can work in a call center realm and what we found is the turnover rate in our community is less than 10% in call centers which is kind of unheard of.

Chad Chancellor: Yes, usually it's like 80%. So you are less than 10%.

Greg LaVann: Yes and we get those numbers from our call center folks. Again, that goes back to when we talk about the underemployed segment of our community along with our partnership with Mexico. We have thousands of people who can cross the border everyday legally through either visas or dual residency and work in our community. What that does too is that they can have a great quality of life without having to make top dollars for their job and so that keeps wages here stabilized. We can offer an opportunity that you don't have to worry about ten years from now things getting so out of control that now all your costs have gone up double.

Chad Chancellor: Right and of course, most call centers like bilingual speakers and so obviously you have a whole lot. How big is Yuma? Say the city and in a county. What would you consider your region?

Greg LaVann: Our regional area is 250,000, but then our captive market is over 1.8 million and that includes Mexico and if you looked at my card one side of it says Greater Yuma Economic Development and the other side it says [unintelligible 00:17:24.12]. So, we include our partners. We are connected with Louisville, Colorado. We are interconnected with Mexicali Mexico and we're interconnected with our partners in Imperial Valley, California. So, when we're talking about our area, we're talking about our real region, international region.

Chad Chancellor: So, what was your background before you came to Yuma?

Greg LaVann: I'm a lifer economic developer. I came right out of college and fell right into my job and so I'm a big city boy from New York City. I came out here for love and then decided after that it didn't work out. I've stayed in love with the community.

Chad Chancellor: It was a love, but a different one. The one that wouldn't leave you.

Greg LaVann: Exactly. Almost like an addiction. I don't know if it's good or bad either.

Chad Chancellor: That's right.

Greg LaVann: That's the charm of Yuma. You come here with a plan to get my feet underneath me and then go to some bigger community and when I found that this is virgin territory with a lot of opportunity. We hadn't gotten here as fast as we liked to, but I think we're starting to see the fruits of our labor. That's exciting.

I try not to be a sleazy salesman with this kind of stuff, but I genuinely believe you see folks who are looking for the American dream. I really think Yuma embodies that in so many ways from a cultural standpoint because we are 70% Latino officially, but more so 80% and for us, those individuals represent a workforce base that is dedicated, disciplined, and grateful for the opportunity to bring honor to the family name and to their communities. It's so different here from a lot of other places.

Chad Chancellor: Talk about some of the infrastructure. I know you're on the interstate there. I know one of Jerry's buildings I've already looked at is right beside the airport. So, talk a little bit about rail, transportation, interstate, and so forth.

Greg LaVann: Thank you for teeing me up on that. We have Interstate 8 that runs right through Yuma that interconnects to San Diego. We have Highway 95 that's offshoot of Interstate 8 that goes right into Las Vegas in the Reno area. Along with that Union Pacific has its high velocity Sunset Route runs from Southern California through Yuma, but we also have transload facilities that can take off from that line from manifest or origin cars.

We have the new commercial port of entry Jerry already talked about that he's got port authority for a [unintelligible 00:19:35.26] down there. That's about 160 acres and that commercial port is

less than five years old, state of the art, 8 lanes, all of the expedited screening that can get your truckloads across to and from north and south.

With that as well you can actually be able to interconnect to California as I mentioned before within a one-day truck turn to over 20 million people. From an infrastructural standpoint, we can get goods in and out of our community from both sides of the border very quickly.

Chad Chancellor: Do you have commercial flights there out of Yuma?

Greg LaVann: We do. Right now, we are flying to Phoenix and we are flying to Dallas.

Chad Chancellor: Okay, so you can--

Greg LaVann: [unintelligible 00:20:14.00] we're working on a third leg that is almost at the home stretch and that will be exciting to get folks to the northwest as well.

Chad Chancellor: All right, great. You can probably get to Dallas quicker than folks from Fort Worth can get to Dallas airport. Well, I'd like to ask both of you, part of our listening base are economic developers. So, I like to make a little of this a training segment. So, Jerry, being in the real estate business you obviously know how to close a deal. What would be your advice to economic developers who may be listening, who have prospects and maybe they haven't had that success closing a deal. What do you think is the key to being able to close a deal?

Jerry Lococo: It's funny-- I love that question. Greg and I were talking about this yesterday and if you are under request for a proposal and one of the things I have learned in this business is that what a client typically says in the beginning rarely is what they end up going with at the end. It always changes. It always changes. So, no matter what the request might say in the beginning, if you have a property that is 60% qualified or whatever, do your best to put your proposal together to pitch it.

One, because you got to make the effort and two, think about how much money people spend to get in front of these site selectors, right? So, you are getting a free opportunity to put a package in front of these site selectors. If you spend money flying to Dallas, New York, whatever at these conventions, you're spending several thousand dollars to maybe be able to put that in front of them and when you get their attention; probably not.

You've got this opportunity so I think sometimes, it's just-- you might get frustrated with the request for a proposal and maybe you might feel like the property won't fit. Just look at the opportunity you do have and maximize it and think that hey, maybe if it doesn't work for this site, this site selection group is now going to know because they're going to have to study this package. They are going to know this piece and it might be the next company that comes up that goes and buys that deal.

Chad Chancellor: I could not agree with Jerry more being on the site selection side. Our clients are constantly changing their mind on what they need even with us and we're talking to them. So, it's nothing for somebody to get a new contract and now the building has got to be bigger. Maybe they lose the contract, it needs to be smaller. Maybe they get into a new line of business; got to have ceiling heights or equipment in.

We actually keep track of communities who respond aggressively and I don't mean with necessarily a number, but just in an answer. You can read an answer and tell if someone is aggressive or not just by the words they choose. We actually keep a list of those and we end up taking more projects back to them even if they didn't have what we needed. So, I think that's great advice. Greg, would you have any advice along that question?

Greg LaVann: Well, you know I would say well, in your last podcast, you had a gentleman who spoke about 80/20 rule and we have 80/20 rule ourselves. We spend 80% of our money trying to track companies to Yuma, 80% of our time working with our local stakeholders.

We have found that approach has been so successful for us and building a champion group that when we bring in new companies, our manufacturers are sitting in front of them and they are selling Yuma just as much as any-- better than we were and it's because we've built that relationship locally that they know they are still being taken care of. We didn't just locate them and forget about them. So, they know that the entire community is routing behind them.

So, you build that goodwill and that trust from them and they again, become your best salespeople and along there is collaboration. I know that's a very anecdotal word or very general, but we are interconnected at every level; from our college that is interconnected to our workforce groups, it's interconnected to our [unintelligible 00:24:08.02] system.

We are all sitting around the table and that takes time and many years and trust as well to get everyone to understand that we all have a role and we all can benefit if we work together as opposed to separately because we are kind of an island out here and so we have to be interconnected at every level.

I would highly recommend to any economic developers that if you can gain the trust and loyalty of your local industry and then combine that with collaboration between your public sector and your private side, that it's been very successful for us. We know that we can get a company into the market. Our sales team is so wide and so diverse that we have a 90% conversion rate. The tough part is just getting people to fly out to Yuma.

Chad Chancellor: I wish I had a 90% -- I thought I was decent. I don't have a 90% conversion rate. As we wrap up, I want you to give these guys your website so that they can find contact information if anyone has interest in it. If there's anything that I didn't ask you that you'd like to brag about Yuma or get out there to the public, feel free to use this as your opportunity as you give the folks your website and contact information.

Jerry Lococo: Again Chad, I appreciate it and our website is pretty simple; yumacre.com and I'll just say again, for those fans of the book *Atlas Shrugged*, just think of Yuma as the land of opportunity very much likes Galt's Gulch and give it a look. There are so many people that-- like I said, I went to undergrad in ASU and a lot of people their impression of Yuma was there's a McDonalds on the way to San Diego.

“Yes, I know Yuma. There's that McDonald's right there,” and there's truly so much more and it's having kind of gone to school in Phoenix and lived in Tempe in downtown Phoenix, it's almost like being-- kind of traveling back in time and being able to forecast what is going to happen. You can see it. You can see many of the pieces of the puzzle that are starting to come together in Yuma. It's going to be an exciting ride. There's a ton of opportunity here.

Chad Chancellor: Awesome. Greg, give us your contact information for the website and any final comments you might want to make.

Greg LaVann: Thank you for your time, Chad. You do great work. It's www.greateryuma.org and my last final parting words would be that our community is in a place right now where we

want to see the right companies come to our area and support them in every way we can. I can guarantee any individual who's looking at our region is that we will make sure that if it doesn't work in our backyard, we'll make sure we direct them where it should be.

We want to do this smartly and responsibly and so we are looking out for the company first and foremost because if we don't it's not good for the community and it's not good for the company. So, I will highly recommend anyone who's looking to service the west coast market and get to all the major final markets within an expedited time frame to take a look at Yuma region and just consider us an extension of their site selection team in so many different facets. Also, we'll bring our partners to the table who will as well be part it.

Chad Chancellor: Well, thanks so much, guys. Greg and Jerry, we appreciate it very much. Thanks for being part of our show and not only sharing your experiences and expertise with us but telling folks about Yuma. We really appreciate it. Thank you.

Greg LaVann: Thanks for your time.

Jerry Lococo: Thanks, Chad.

[music]

Chad Chancellor: A special thank you to Younger Associates for recording, editing, and publishing this podcast for us. I encourage you to visit their website at younger-associates.com.