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## AIG eyes Atlanta for relocation and expansion



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Metro Atlanta will compete for hundreds of jobs that American International Group Inc. plans to relocate to less expensive cities.

AIG, whose headquarters is based in Manhattan, has launched a cost-cutting process that could boost its head count across the Southeast or possibly the Midwest. Atlanta is competing against an initial list of cities that include Charlotte, N.C., and Kansas City, Mo., according to commercial real estate executives familiar with the plans.

The move comes less than three months after AIG CEO [Robert Benmosche](#) told Bloomberg TV the company needed to cut expenses and might relocate "work centers."

AIG has hired consulting teams to study the feasibility of shifting operations. The studies have looked at availability of labor and incentives. AIG will begin interviewing Atlanta commercial real estate companies to represent the insurance giant in its search for office space.

CBRE Inc., **Jones Lang LaSalle Inc.** and Cushman & Wakefield are among the firms expected to pursue the assignment.

AIG would expand its presence in Atlanta, or the other cities, by at least 500 to 700 white-collar positions, with salaries of \$60,000 or greater, people familiar with the process said.

In Atlanta, the company would need at least 130,000 square feet of office space.

AIG has been a major player in Atlanta development. AIG Global Real Estate was part of the original joint venture that redeveloped the Atlantic Steel site. It became Midtown's Atlantic Station.

AIG declined comment to Atlanta Business Chronicle about its possible relocation.

AIG would join other insurance companies that have shifted operations to the Sun Belt.

State Farm Insurance Co. is carrying out a regional consolidation in metro Atlanta, leasing almost 1 million square feet in office buildings dotting the Perimeter.

In North Carolina, MetLife Inc. (NYSE: MET) is shifting at least 2,600 jobs to new office hubs in Charlotte and Cary.

Charlotte has emerged as the frontrunner to land AIG because of its large banking and finance sector, according to some real estate executives. Atlanta remains a contender.

In April, Georgia's economic development commissioner, [Chris Cummiskey](#), said the state is committed to landing more high-paying positions to offset the loss of those jobs during the recession. Atlanta was hit harder than other cities and has rebounded more slowly because so much of the local economy was tied to the banking and real estate sectors.

Atlanta has the advantages of relatively inexpensive housing and the international connectivity that Hartsfield-Jackson Atlanta International Airport offers.

Incentives, though, will also play a big role.

"They are a necessary evil," said [John Boyd](#), of The Boyd Co. Inc., a Princeton, N.J.-based site selection consultant.

The Georgia legislature increased its deal-closing funds, or discretionary cash incentives that can be critical in convincing companies to relocate. At one time the goal was set at \$100 million annually, though budget constraints have limited closing funds to about \$40 million.

"Georgia's competitive," said [John Gornall](#), a partner in the economic development practice of law firm **Arnall Golden Gregory LLP**.

"It may not be as large as the deal-closing fund the state was hoping for, but it's comparable to other states, and Georgia has a fine cadre of economic development officials at the state and local level that can leverage federal dollars and other monies."

Atlanta and Charlotte would compare equally well on the availability of relatively inexpensive office space in class A towers. North Carolina might have an edge over Georgia in K-12 education, Gornall said. Charlotte probably has a deeper pool of talent in banking and finance. Atlanta counters with a strong group of colleges that help fuel the local workforce with young talent.

Georgia State University has one of the largest risk management and insurance programs in the world, Gornall said.

Kansas City is the wild card.

"Compared to the other cities it might raise an eyebrow that it's in the mix," Boyd said.

"But, it has a strong insurance industry base, and it has the advantage of a central location within two or three hours from either coast."

Douglas Sams covers Commercial Real Estate