



## RI out of the running to land GE's new HQ

### Multinational giant chooses Boston for new home base after souring on Connecticut



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PROVIDENCE, R.I. (WPRI) – Rhode Island is out of the running in the contest to become General Electric Co.'s new corporate headquarters after the company announced plans to move to Boston.

Two people familiar with the matter, who declined to be identified due to the sensitivity of the discussions, said Rhode Island was among the finalists considered by GE executives, but officials learned recently that the state would not be the final choice. New York was also said to be a top contender.

- **Update:** GE praises RI, says it may add jobs in the state

GE confirmed its selection of Boston's Seaport District on Wednesday afternoon, saying it was one of 40 potential locations considered by company leaders.

"We want to be at the center of an ecosystem that shares our aspirations," GE CEO Jeff Immelt said in a statement. "Greater Boston is home to 55 colleges and universities. Massachusetts spends more on research and development than any other region in the world, and Boston attracts a diverse, technologically-fluent workforce focused on solving challenges for the world. We are excited to bring our headquarters to this dynamic and creative city."

The Boston Globe reported Wednesday that GE could receive up to \$120 million in state incentives and \$20 million in city tax breaks to subsidize its move.

The company revealed last year it was considering leaving its longtime home in Fairfield, Connecticut, after state officials there threatened to raise corporate taxes. GE said roughly 800

employees will be based at the Boston headquarters once all is said and done, joining nearly 5,000 other GE employees who already work in various locations in Massachusetts.

With annual revenue of \$149 billion and 305,000 employees in 2014, GE is one of the largest and most storied companies in American corporate history, rooted in Thomas Edison's invention of the lightbulb. It currently ranks eighth on the annual Fortune 500 list, two spots ahead of Woonsocket-based CVS Health.

Gov. Gina Raimondo has repeatedly declined to comment on the state's talks with GE, citing the confidentiality of the process. Her aides have privately emphasized that they see it as a good sign that Rhode Island was seriously considered.

Kevin Hively, an economic-development consultant at the firm Ninigret Partners and former aide to then-Gov. Lincoln Almond, suggested Rhode Island was always a long shot in the competition for GE.

"I think it was a bit of a stretch for GE to come to Providence," Hively said. "That would be a very calculated decision on their part. But I think from a state development perspective, every once in a while you've got to stretch – you've got to try." (Hively's firm has worked on projects in Rhode Island, Massachusetts and Connecticut, but has not been involved in GE discussions.)

"What I hope doesn't happen now is that Rhode Island – which does its kind of continual lament about how awful it is – doesn't take this personally," he said. "This is business, it's not personal. Take the opportunity to learn, but then also get back to focus on the things that are actually going to matter and drive Rhode Island's economy."

He added: "I think it's a positive sign for Rhode Island to be considered for one of the leading corporations in the world for a corporate headquarters space."

John Boyd Jr., principal at the New Jersey-based corporate relocation firm The Boyd Company Inc., suggested Rhode Island leaders should seek to capitalize on its prominence in the GE discussion to woo other businesses.

"Being a finalist will be an opportunity for Governor Raimondo and her economic development team to leverage and promote the idea that Rhode Island is open for business – much like Tucson and San Antonio did after losing the highly coveted Tesla 'Gigafactory' to Reno last year," Boyd said in a recent email.

Among those who had given credence to the possibility Rhode Island could land GE's headquarters was John Frey, a Connecticut lawmaker who is close to senior executives at the company and was looped in about the discussions.

"Rhode Island wouldn't surprise me," Frey told the Hartford Courant in November. "It's been expressed to me by a couple of people at GE that they've been impressed by what the governor

has done with state employee liabilities. ... Their feeling is that if she tackled these things ... her likelihood of coming back to the corporations for a tax increase are less.”

There has been speculation that GE executives’ positive impression of Rhode Island from the headquarters talks could still lead them to move an office or division to the state, particularly with its headquarters in nearby Boston rather than Fairfield. But it’s unclear if anything will actually come of that.

Hively said there are “a number of overwhelming reasons” why Boston makes sense for GE, including the city’s deeper talent pool of workers, especially in high tech; Logan Airport’s many direct domestic and international flights; its larger community of corporate executives; and its many top public and private schools.

“Corporate headquarters are prestigious,” he said. “I have questions about the number of jobs and the actual impact they have on the community.” In some cases, there could be more jobs associated with housing the integrated headquarters for a single division of a company than with the top-level corporate headquarters.

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