



Real Estate Information

NEWS



# Atlanta Believed to be Front Runner in National Competition to Land GE Headquarters Relocation

## Business Attraction Programs in a Dozen States Scramble to Put Best Foot Forward for Multinational Conglomerate

By **Randy Drummer**  
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The clock is winding down on General Electric Co.'s stated intention of deciding before the end of the year on where to relocate its global headquarters in Fairfield, CT, and insiders say Atlanta currently appears to have the inside track.

GE officials will tour potential sites in Georgia early in October as part of national and highly publicized search for a new headquarters location for the approximately 800 employees in Fairfield, where the multinational corporation occupies about 480,000 square feet.

The exact size of GE's space requirement is not clear and Georgia Gov. Nathan Deal, Atlanta Mayor Kasim Reed and state and municipal economic development declined to release details about the planned tour.

A GE spokesman released the same statement the company has been making roughly since GE CEO Jeffrey Immelt sent an email to Connecticut GE employees in June announcing the company's intention to seek options for relocating to "another state with a more pro-business



General Electric has been in contact with at least a dozen states about potential sites for relocation of its corporate headquarters from Fairfield, CT.

environment" following the state legislature's passage of retroactive tax increases, which Immelt said was the fifth tax increase since 2011.

"We have formed an exploratory team to assess the company's options to relocate corporate headquarters. The team is currently engaged in the process and is taking many factors into consideration," according to the GE statement.

Numerous reports indicate that GE has been in touch with local municipalities in least a dozen states, with the closest location to the current Fairfield headquarters being Westchester County, NY, about 35 miles away.

### **Atlanta: All The Ingredients for Corporate HQ**

However, Atlanta has clearly emerged as an early frontrunner in the search, according to corporate relocation experts consulted by CoStar News, which is also believed to include inquiries or outreaches from Tampa/St. Petersburg, Nevada, Washington, D.C. and even Albuquerque, NM, plus sites in Rhode Island, North Carolina and Indiana.

Offers from Texas and Ohio are believed to be off the table after congressional representatives from those states voted earlier this year not to authorize funding for the U.S. Export-Import Bank. Multinational firms such as GE strongly support the federal agency that lends money to foreign buyers to help stimulate demand for U.S. exports. GE cited Congress's blocking of efforts to reauthorize the bank's charter in its announcement Monday of the relocation of the GE Power & Water unit's gas-powered engine production to Canada from Waukesha, WI, along with 350 jobs. GE said the expiration of the charter at the end of June left it unable to guarantee loans made by banks to customers in developing nations.

The company also warned earlier this month that that it is likely to move 500 GE Power & Water jobs from the U.S. overseas, including from operations in Greenville, S.C., Houston, Maine, and Schenectady, NY, plant, because it no longer has access to U.S. Ex-Im Bank financing guarantees.

Meanwhile, GE's pending headquarters move is the latest salvo in companies making good on their threats to pull up stakes and move out of states and localities that they consider increasingly inhospitable to businesses and relocate to lower-cost, lower-taxed areas.

"GE has made no secret of its dissatisfaction with Connecticut," said John Boyd, Jr., principal of The Boyd Co. a corporate site selection consultant based in Princeton, N.J., which has advised a number of major corporate clients in relocations. "The state has raised its corporate income tax rate for the second time in the current governor's administration. It also approved plans to implement a California-like unitary tax in 2016, which is just anathema to a multinational corporation like GE," said Boyd.

Meanwhile, he added, Georgia and other low or no-business tax states have implemented

workforce training programs and other incentives that hold strong appeal for major employers.

"Georgia Governor Nathan Deal and Atlanta Mayor Kasim Reed have shown critical leadership in economic development," Boyd said. "They've demonstrated a bipartisan effort on building a platform for new jobs. We saw Mercedes move (its US headquarters) there last year and I think you'll see others follow."

The fact that Hartsfield-Jackson International Airport has more nonstop overseas flights than any other U.S. airport also is a factor in GE's decision, he added.

### **Tech, Financial Talent Beckons**

"The war for talent that everyone is fighting is over the science, technology, engineering and mathematics, the so-called STEM talent," noted Susan Arledge, global leader of tenant representative firm Cresa's site selection services unit in Dallas.

"States such as Georgia and Texas have an advantage because they're producing and retaining a lot of these graduates, in addition to attractive tax and regulatory structures."

While the GE headquarters move may not rank among the largest corporate relocations in size, the prestige of attracting a Fortune 500 company such as GE is huge, as well as the boost to payrolls, tax revenue generation and consumer spending, Arledge noted.

"Ancillary businesses tend to follow, similar to the way companies have followed with Toyota coming to Dallas. A lot of supporting companies relocate and expand. It is an exponentially huge investment opportunity for a community to win a big corporate relocation," Arledge said.

Economic development officials and developers in Georgia have been particularly aggressive in attracting the company. The Integral Group LLC, which is redeveloping the former General Motors plant in Doraville, GA into a mixed-use project called Assembly, and its leasing representative Cushman & Wakefield, recently revealed renderings of how GE would fit into the office component.

Other reports indicate that Tishman Speyer has contacted GE about occupying Three Alliance Center, its new tower in Buckhead, while ownership of Atlantic Station in Midtown also released renderings depicting how a GE headquarters would appear in its project.

GE is also said to be looking at four sites in Westchester, including White Plains, Armonk and Yonkers. Immelt met with New York Gov. Andrew Cuomo and other state officials in August.

Relocation experts said those locations may be attractive as they could help the company limit the impact of relocation by moving back-office operations within 80 miles of its current location.