



PEACH PUNDIT
Fresh Political Pickins From The Peach State

How Religious Liberty Legislation and Export Import Bank Votes Will Affect GE's Possible Relocation to Atlanta

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by Jon Richards

A story originally written for North Carolina's *Triangle Business Journal* and republished in the *Atlanta Business Chronicle* provides some insight on where General Electric could end up moving its corporate headquarters from the perspective of a site selection consultant. In addition to Atlanta and the Research Triangle area of Raleigh-Durham, the conglomerate is considering Charlotte and Jacksonville, along with a new facility in New York close to its current Fairfield, Connecticut headquarters.

According to John Boyd, who is a principal at corporate headquarters consultancy The Boyd Company, there are three key factors that GE is likely considering as they approach their decision: airport location, the presence of related industries or talent, and politics.

For Atlanta, Hartsfield Jackson Airport makes the first consideration easy, especially with its nonstop flights to both domestic and international locations. GE recently sold most of its GE Capital financing arm, and is focusing on its traditional strength in manufacturing, and is increasing its growing software business. The presence of Georgia Tech, NCR, and the coming Mercedes Benz move to Sandy Springs all speak well for the Atlanta metro area as a headquarters site.

Boyd broke the politics affecting the decision down to several areas. The first concern is tax policy and possible tax credits. Connecticut's corporate tax structure is one factor in GE deciding to relocate. The second major factor may be a bit of a surprise:

Something he [Boyd] sees as prohibitive in these types of closed-door location discussions is social policy.

“You don’t want your state to be a headline,” he says, pointing to Angie’s List’s decision not to pursue a \$40 million expansion in Indianapolis over controversial legislation.

When Georgia’s legislature returns in January, it is widely expected to consider SB 129, Georgia’s Religious Freedom Restoration Act, which business leaders, including the Georgia Chamber will take a more active role in opposing, according to Jim Galloway’s column in Sunday’s AJC. The legislature is also expected to consider a Pastor Protection Act proposal from Speaker David Ralston. And Sen. Josh McKoon indicated over the summer he wants to introduce a state version of a First Amendment Defense Act.

The other political issue GE is very interested in is a renewal of the Export-Import Bank at the federal level GE is one of the bank’s biggest clients, and a story in the Wall Street Journal says that possible sites in Cincinnati and Texas were eliminated from consideration by their states’ lawmakers opposition to the bank.

The Ex-Im Bank has become a target of many conservatives, who see it as a giveaway to crony capitalism. According to the story, the support of Georgia’s legislators for reauthorizing the Export Import bank can boost the Peach State’s chances of landing the eighth ranked company on the Fortune 500 list.

Members of the the House of Representatives got 218 votes on a discharge petition to force a vote on the matter in the House. Democratic Reps. David Scott, John Lewis, Sanford Bishop and Hank Johnson all voted in favor, along with Savannah Republican Buddy Carter. It should be noted that Gulfstream Aerospace, which relies on the Export Import Bank to facilitate international sales, is in Carter’s district. And a late July Senate vote to reauthorize the bank saw Georgia’s senators split on the measure, with Johnny Isakson voting yes, and David Perdue voting no.

The prospect of having the prestige of a General Electric headquarters and the approximately 800 high level jobs to Atlanta caught the eye of Governor Deal and the state’s economic development arm. Yet many of Georgia’s conservative Republican voters are upset that the Religious Liberty bill hasn’t been passed in two legislative sessions, and are staunchly opposed to the reauthorization of Ex-Im.

Just like the struggle over the best way to run the U.S. House, it’s a battle between Main Street and Wall Street that remains to be played out.