

Georgia eager to bid for GE headquarters

Friday, June 5, 2015

By [Greg Bluestein](#) and [J. Scott Trubey](#) - **The Atlanta Journal-Constitution**



GE is miffed about higher taxes in Connecticut.

The state of Georgia elbowed its way into a possible competition for General Electric's headquarters after the CEO of the Fortune 500 giant said it will explore relocation because of tax issues.

Gov. Nathan Deal spoke with GE officials this week after chief executive Jeff Immelt told employees the company could move from Connecticut to another state with a "more pro-business environment." Immelt said Connecticut's latest state budget, approved Wednesday, would impose "significant and retroactive tax increases for businesses."

Immelt's comments mobilized recruitment agencies in states around the nation.

"Gov. Deal wanted the phone number for the CEO to simply call and tell him about Georgia and its business environment and make sure he knew Georgia was open for business," Chris Riley, the governor's chief of staff, said Friday in a rare public acknowledgement of a recruitment effort.

Deal's office said the governor is scheduled to talk with Immelt next week.

GE's announcement could simply be sabre rattling and a bid to get Connecticut lawmakers to bend to the company's wishes.

But if it decides to move the company's headquarters would be a huge target. Were Georgia to prevail it would arguably be the state's biggest relocation win since UPS moved here in the early 1990s.

Georgia has been a pawn in corporate-state disputes before, showing interest that helped companies gain leverage. One example was the 2013 recruitment in 2013 of Archer Daniels Midland, which wound up staying in Illinois.

Metro Atlanta already has a sizable GE presence in the form of headquarters for two of its units: GE Energy Management and GE Power Generation Services.

The company employs 5,300 people across Georgia, including 1,600 in LaFayette who make kitchen ranges. GE Power & Water employs 1,400 in the region, and GE's financial services arm has more than 1,100 workers statewide.

How many jobs might be involved if the headquarters is at play isn't clear. It's likely that any formal recruitment would turn into a bidding war and include a heavy dose of state and local financial incentives such as grants and tax credits related to job creation.

A spokesman for GE declined comment.

Connecticut Gov. Dannel Malloy said he will consider revisiting the tax increases during a special legislative session this summer amid the backlash from GE.

"It's not over till it's over," he told The Hartford Courant newspaper.

Headquarters for Fortune 500 companies are coveted for their high-paying jobs, as well as the belief they boost a community's image and draw other companies.

Any courtship of GE could become a public affair — both because of GE's profile and the pressure such attention will put on its home state.

In an email to GE employees obtained by the AJC, Immelt said Connecticut lawmakers had raised taxes on the company five times since 2011.

“I believe we should pay our fair share and that all of us should give back to our communities,” he wrote. “But, we can compare Connecticut with other states where small and large businesses have a better environment to thrive and compete.”

He said the process “will take many factors, especially employee impact, into consideration.”

John Boyd, a corporate site consultant in New Jersey, said Immelt’s comments are “believable.”

“There are a lot of CEOs that will shoot their mouths off and posture and use tax hikes as a stalking horse for other things,” said Boyd, founder of The Boyd Co. of Princeton, N.J. “But what struck me is the source.”

Boyd said Georgia and many Southern states have lower tax, labor and real estate costs. Mercedes-Benz cited those factors in its decision to move its U.S. headquarters from New Jersey to a future site in Sandy Springs.

Competing states and Connecticut companies, such as health insurance firm Cigna and conglomerate United Technologies, Boyd said, “are all ears on this.”

General Electric

Headquarters: Fairfield, Conn.

CEO: Jeff Immelt

Employees: 305,000

2014 Revenue: \$148.3 billion (up 1 percent from 2013)

2014 Profit: \$15.2 billion

Fortune 500 rank: 8th

Products include: Jet engines, locomotives, oil drilling machinery, medical equipment and turbines