

# General Electric to move headquarters to Boston

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This Jan. 16, 2014 file photo shows the General Electric logo at a store in Cranberry Township, Pa. General Electric announced Wednesday, Jan. 13, 2016, it will move its headquarters from Fairfield, Conn., to the Seaport District of Boston. (AP Photo/Gene J. Puskar, File)

General Electric announced Wednesday it will move its headquarters to Boston, leaving the sprawling suburban Connecticut campus it has called home over the past four decades for a technology-rich city it says better

fits its ambitions as an innovation leader.

Chairman and CEO Jeff Immelt said GE, one of the best known companies in corporate America, wanted to be "at the center of an ecosystem that shares our aspirations."

The announcement comes three years after the \$130 billion high-tech global industrial company said it began considering a new composition and location for its headquarters, and more than seven months after the firm threatened to leave Connecticut, complaining about the state's tax environment.

GE plans to initially move headquarters employees to a temporary location in Boston, starting in the summer of 2016. The full move is expected to be completed in several steps by 2018.

The announcement was mourned in Connecticut, but Massachusetts officials rejoiced.

"We won Powerball today here in Boston by having GE come here," Boston Mayor Marty Walsh said. "For two decades, we've had companies move out of our city. Now we have companies moving into our city."

Various states competed for the company's headquarters in Fairfield. GE, which ultimately reviewed a list of 40 potential locations, announced in June it was considering a move after Connecticut lawmakers passed some business tax increases. The General Assembly later scaled back some of the increases after other companies voiced concerns, including Aetna Inc. and the Travelers Companies Inc.



This Nov. 7, 2002, file photo, shows the General Electric Co., corporate headquarters campus in Fairfield, Conn. General Electric announced Wednesday, Jan. 13, 2016, it will move its headquarters from Fairfield to the Seaport District of Boston. (AP Photo/Bob Child, File)

Connecticut Gov. Dannel P. Malloy, a Democrat, also met with GE executives and offered an incentive package in hopes of keeping the iconic headquarters in the state.

Malloy acknowledged being disappointed in GE's decision and said he knows many in Connecticut share that disappointment and frustration. While Malloy said he was assured by Immelt in a phone call Wednesday morning that GE will keep many workers in Connecticut and continue working with various suppliers in the state, the headquarters relocation is a signal Connecticut must continue trying to adapt to a changing business climate and attract and retain more employers.

"You win some and you lose some, and luckily we've won more than we

lost. But this hurts," Malloy said.

The company employs about 5,000 people in Connecticut, including 800 at the Fairfield location. It currently employs nearly 5,000 people in Massachusetts. It was unclear how many of GE's Connecticut workers would remain in the state.

Seth Martin, a GE spokesman, said the Boston location will become home to 200 corporate employees and 600 digital industrial product managers, designers and developers. He said an unspecified number of corporate employees will stay in Connecticut and be moved to GE's offices in Norwalk.

A cheer went up in the Massachusetts House of Representatives Wednesday afternoon when Speaker Robert DeLeo announced GE's decision. DeLeo earlier told reporters he was unaware of any legislation that would be required to facilitate the move.

Massachusetts offered GE incentives up to \$120 million through grants and other programs, while the city of Boston offered up to \$25 million in property tax relief, according to the mayor's office. Additional incentives include \$1 million in workforce training grants; up to \$5 million for an "innovation center" to help forge relationships between GE and Massachusetts research institutions and schools; and assistance to eligible employees looking to purchase homes in Boston.

Republican Massachusetts Gov. Charlie Baker said discussions with the company began in earnest last summer and, at one point, about 200 state and city officials were involved in the negotiations.

"Keep in mind this is not the kind of decision that a company the size and scale of GE makes without spending a lot of time thinking about it," Baker said.

Connecticut Senate Majority Leader Martin Looney, D-New Haven, said GE is shifting its business model away from heavy industry and financial services to technology. He said the relocation has "nothing to do with taxes or even business costs and shouldn't be seen as a referendum on Connecticut's economy."

Others in Connecticut disagreed, worried the announced move will further hurt the state's reputation despite efforts to attract out-of-state companies and change the tax structure.

"We've got to make the environment here more attractive. I know that that doesn't sound real sexy, but that's the reality," said Joe Brennan, CEO of the Connecticut Business and Industry Association.

GE said its new headquarters will be in Boston's Seaport District, which has been undergoing a commercial construction boom in recent years. To offset the cost of the move the company said it will sell its offices in Fairfield and at Rockefeller Plaza in New York City.

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