



STATE OF NEW YORK | EXECUTIVE CHAMBER
DAVID A. PATERSON | GOVERNOR

For Immediate Release: August 19, 2009

Contact: Marissa Shorestein | Marissa.Shorestein@chamber.state.ny.us | 212.681.4640 | 518.474.8418

ESDC Contact: Warner Johnston | wjohnston@empire.state.ny.us | 212.803.3740 | 1.800.260.7313

GOVERNOR PATERSON ANNOUNCES GEICO TO CREATE NEW OPERATION'S SITE IN ERIE COUNTY

Company to Invest \$2.4 Million in New Division over the Next Two Years, Creating 300 New Jobs

Governor David A. Paterson today announced that GEICO will open a new operation's site in Amherst in Erie County, for the GEICO Insurance Agency. The company, a subsidiary of GEICO, will sell homeowners, renters, boat and other types of insurance coverage. GEICO will invest \$2.4 million in the expansion, creating an estimated 300 new jobs over three years and laying the foundation for future growth.

"I am pleased that GEICO, a nationally-recognized company, is successfully operating and growing in Western New York," said Governor Paterson. "During these challenging fiscal times, such achievement becomes increasingly important for our local and State economies. GEICO has the full support of the State in its efforts to expand its business operations and we wish them much continued success."

GEICO Chairman Tony Nicely said: "GEICO opened for business in Western New York nearly five years ago, and it was one of the best decisions we made. We've been able to effectively serve a growing number of Northeast policyholders from here, and we've seen our staff continually expand and develop new skills. We are very pleased with what our associates have accomplished so far and that they took to heart our pledge to provide career opportunities. We know this new GEICO operation will be every bit as successful."

John Zinno, head of the GEICO Insurance Agency, said: "Opening this new operation in Western New York is a great opportunity for us. This will allow us to expand our business by tapping into the talented workforce in Western New York. GEICO is committed to providing more of our customers with the valuable insurance products they need like homeowners, renters, and boat coverage. We are excited that Western New York will help us achieve this goal."

Empire State Development Chairman & CEO designate Dennis M. Mullen said: "For GEICO to select Western New York as its primary location to expand its business is an enormous win for this region. The company's decision speaks volumes to both the quality of the local workforce here in Western New York, as well as the pro-business environment New York State offers for companies and entrepreneurs alike. ESD is committed to working with Governor Paterson to ensure businesses can thrive and compete in our State in any economic climate."

In 2003, GEICO chose to expand their operations and build a new facility in New York State. The company embarked on a two-phase, \$36.3 million project to create a 250,000-square-foot customer service center in Amherst to provide sales, service and claims for GEICO auto insurance. The project resulted in the creation of more than 1,500 permanent full-time jobs in Western New York, exceeding the

original goal of 1,200 new jobs. The Amherst facility has the capacity to accommodate more than 2,500 employees. As a result, the site was ideal for GEICO Insurance Agency to establish a second center to help support the growth of this division and provide a back-up location to its center located in Fredericksburg, Virginia. The latest expansion of operations for GEICO Insurance Agency is expected to bring least 300 new jobs to Western New York, in addition to continued growth expected at the existing auto division in Amherst.

The key component in attracting GEICO Insurance Agency to Amherst was to certify the location and GEICO entity as a Regionally Significant Project (RSP) for an Empire Zone. With the support of the Town of Amherst, the Town of Tonawanda Empire Zone will serve as the local Empire Zone administrator and provide this designation. The collaboration and approval given by both towns was instrumental to getting GEICO Insurance Agency and the Amherst location RSP designation.

To support the company's efforts, GEICO will receive an estimated value of \$1.5 million in Empire Zone tax credits over the next five years from Empire State Development. Further, the company will receive sales tax exemption on equipment purchases from the Amherst Industrial Development Agency and an extension of low-cost power to 2013 from the New York Power Authority for the company's Amherst facility. Additionally, the Erie and Niagara County Workforce Investment Boards will provide GEICO with workforce training assistance, as well as connect available workforce with the company.

ESD's Western New York Regional Office helped lead the RSP designation process by coordinating with local economic development officials and by working closely with both Erie and Niagara County Workforce Investment Boards to connect GEICO to recruiting and training resources.

GEICO has been a privately owned subsidiary of Berkshire Hathaway since 1996 and is the third-largest passenger auto insurer in the United States. The company insures over nine million auto policyholders and more than 16 million vehicles and employs 24,000 associates with 12 major offices around the country.

###

The following statements were provided in support of the GEICO expansion:

New York Power Authority President and CEO Richard Kessel said: "GEICO's decision to expand and reinvest in Western New York is illustrative of the region's appeal, especially given the potential to use low-cost hydropower to attract and retain significant businesses. Under Governor Paterson's leadership and direction, the Power Authority will continue to use its resources to revitalize the Western New York economy and help create much needed jobs for its residents."

Senator Michael H. Ranzenhofer said: "GEICO's expansion illustrates how State government can create a business-friendly environment to encourage economic development and create jobs. The project's \$2.4 million investment and 325 new jobs will strengthen our economy in Amherst and Western New York. I am excited that GEICO continues to succeed and expand its operations in Amherst."

Senator William T. Stachowski, Chairman of the Senate Committee on Commerce, Economic Development and Small Business, said: "I commend GEICO for its decision to expand its operation in Western New York as well as Governor Paterson for his hard work throughout this process. Job creation is vital to the overall health of our state's economy and especially to our local economy here in Western New York. Residents will benefit from these new employment opportunities and I am certain that the company will prosper as a result of the excellent workforce in our region."

Assemblyman James Hayes said: “GEICO’s expansion in Amherst is a bright spot in difficult economic times for New York State. I applaud GEICO’s decision to bring needed jobs and economic activity to Western New York.”

Assemblyman Robin Schimminger, Chair of the Assembly Economic Development Committee, said: “Five years ago, we celebrated the announcement that, with the help of the State Empire Zone Program and the cooperation of the Town of Tonawanda, GEICO would come to Western New York, bringing with it hundreds of much-needed jobs. Today we celebrate the success of that undertaking, GEICO’s continued growth as a job creator in our region, and the pro-Western New York message this sends to other companies considering relocation.”

Erie County Executive Chris Collins said: “My administration has identified our community’s potential to become the ‘back office’ capital of America as one of our key economic drivers. GEICO’s continued investment and growth in Erie County highlight exactly why our community is the ideal place for businesses to establish back office operations. I am pleased Erie County was able to partner with the Buffalo & Erie County Workforce Investment Board and GEICO to support employment training initiatives critical to the success of this project.”

Town of Amherst Supervisor Satish Mohan said: “In 2003, the Town of Amherst was privileged to be selected as home to GEICO’s auto insurance customer service center, which brought over 1,500 new jobs to Western New York’s talented workforce. GEICO’s continued growth is a reflection of its expertise in the delivery of quality insurance products. It is also testimony to the success that can be achieved by pooling together government, business, and community resources to create a business-friendly environment. The Town of Amherst extends our sincere appreciation to GEICO for its contributions to job creation and economic growth and pledges to support initiatives that encourage your future prosperity in our town.”

Town of Tonawanda Supervisor Anthony Caruana said: “In 2003, the Town of Tonawanda took the bold step of expanding its Empire Zone boundaries to include lands in the Town of Amherst, a step that secured the creation of 1,500 jobs by GEICO to date. This includes nearly 200 residents of the Town of Tonawanda. We are pleased, therefore, to sponsor this new venture through our Empire Zone and leverage even more good-paying jobs for our Erie County and Western New York region.”

Amherst Industrial Development Agency Executive Director James Allen said: “This announcement is exciting news for Amherst and the entire region and we are pleased that GEICO chose to place this new business venture here. We appreciate the efforts and contributions of our economic development partners to get this deal done. This expansion sends a strong message to the business community that WNY is open for business.”

Buffalo Niagara Enterprise President & CEO Thomas A. Kucharski said: “We’re very pleased to have been able to work with GEICO again on a project of such regional significance to our community. GEICO’s commitment to bring another 300 jobs to the Buffalo Niagara region is a testament to the quality of our workforce and further proof that we can effectively compete in attracting business investment from signature companies.”

###

*Additional news available at www.ny.gov/governor/press
High resolution images available at www.ny.gov/governor/mediaimages / password: paterson
New York State / Executive Chamber / press.office@chamber.state.ny.us / 212.681.4640 / 518.474.8418*