

Pennsylvania Gov. Ridge's Keystone Opportunity Zones Reach Yet Another Historic Landmark: More Than 3,000 New Jobs Created

Gov. Ridge Makes Announcement at Ribbon-Cutting Celebration for GUARD Insurance Group; Firm to Create 150 New Jobs in Wilkes-Barre KOZ

SOURCE: Pennsylvania Office of the Governor

Wilkes-Barre, Pa., Nov. 8, 1999 -- Joining employees to celebrate GUARD Insurance Group's decision to expand its corporate headquarters in Northeastern Pennsylvania, Pennsylvania Gov. Tom Ridge today announced that more than 3,000 new jobs already have been created in Pennsylvania's new "tax-free" Keystone Opportunity Zones.

Gov. Ridge designated the 12 zones -- which cover more than 26,000 acres -- last February. In less than nine months, not only have 3,028 new jobs been created, but 2,196 jobs have been retained in Pennsylvania, too.

"The job-creating powers of Keystone Opportunity Zones are in high gear," Gov. Ridge told nearly 200 GUARD employees joining in today's celebration. "With more than 3,000 new jobs in just over eight months, we're already seeing tremendous results. This is great news for Pennsylvania families and our communities."

State and local taxes are eliminated in Pennsylvania's Keystone Opportunity Zones, to stimulate job creation and community renewal in some of Pennsylvania's most challenged communities.

In each zone, state corporate net income, capital stock and franchise, and personal income taxes are waived for 12 years for employers and residents doing business or living there. Local governments have agreed to waive local real estate, earned income/net profits and business gross receipts taxes.

"For decades, government has tried numerous well-intentioned spending programs to help our most challenged communities," Gov. Ridge said. "But in some corners of Pennsylvania, they just haven't worked. So we decided to try something different. By temporarily giving up our power to tax in blighted areas, we stand to turn those communities into prosperous areas -- people will get good jobs, and, ultimately, government will get additional tax revenues to boot."

A total of 54 of the Commonwealth's 67 counties will participate in the KOZ program, covering more than 26,000 acres and including 118 subzones. Each zone includes as many as 5,000 acres and can comprise up to 12 subzones of at least 20 contiguous acres.

GUARD Insurance Group has expanded to include two new buildings in downtown Wilkes-Barre, in the Luzerne/Lackawanna KOZ, creating 150 new jobs over the next three years.

"GUARD Insurance Group is helping build the New Economy in Pennsylvania," said Gov. Ridge. "Since its first modest footsteps in 1983, GUARD has taken giant strides toward the future. Their dedication to quality and growth has set an example to make all Pennsylvanians proud."

GUARD Insurance Group acquired two new buildings as part of an extensive expansion project. The new facilities will add an additional 50,000 square feet of workspace. GUARD plans to hire up to 150 employees in technical and support roles.

"We thank Gov. Ridge for his participation in the ribbon cutting and for his commitment to economic development in Northeast Pennsylvania," said GUARD Chairman and CEO Judd Shoval. "We believe this facility will be a great asset

to us and to the local community."

The Ridge Administration awarded GUARD a \$100,000 grant for Customized Job Training, assistance that will prove important as the company continues to grow. GUARD plans to use these funds to train employees to be fully functional in the ever-changing technologies of the future.

GUARD Insurance Group, headquartered in Wilkes-Barre, specializes in workers' compensation insurance. GUARD currently writes policies for approximately 20,000 employers along the eastern seaboard of the United States. The company is licensed in 15 states and the District of Columbia.

In April, Gov. Ridge announced that the Pennsylvania Insurance Department approved a 5.26 percent rate reduction for workers' compensation premiums, which will save employers an additional \$80 million in workers' compensation costs this year.

"For the fourth year, this Administration has reduced rates for workers' compensation premiums," Gov. Ridge said. "And if you add the \$80 million we'll save this year to savings from the past three years, it totals nearly \$1.7 billion in cumulative rate reductions over the past four years."

While workers' comp savings have increased workplace fatalities and on-the-job injuries have decreased to record lows.

"We thank Gov. Ridge for his active role in helping the Commonwealth achieve critical legislative reforms to an out-of-date workers' compensation law back in the early and mid-1990s," Shoval said. "Today, insurance consumers enjoy reduced workers' compensation costs, because of the impact of Acts 44 and 57, while insurance companies are better able to contain expenses and achieve growth. The situation has been a win-win-win for all parties."

Under Gov. Ridge, Pennsylvania families and employers have saved nearly \$7.4 billion through tax cuts workers' compensation reform, electric competition and reduced red tape. These savings have helped create nearly 300,000 new jobs.
