

Mitsubishi To Build \$325m Plant In Georgia

Russ Bynum, Associated Press Writer

POOLER, Ga. (AP) — After sitting vacant for seven years, a 1,500-acre industrial site near Savannah landed its first manufacturer Monday as Mitsubishi Power Systems announced plans to produce giant steam and gas turbines in coastal Georgia.

The company said it will begin construction before the end of the year on a \$325 million plant that will employ about 500 workers. The plant will manufacture and service turbines used by power plants to generate electricity.

The state bought the industrial site for \$23 million in 2002, as part of an incentive package Georgia used to woo DaimlerChrysler to agree to make cargo vans here. The deal, expected to bring 3,000 jobs, fell through in 2003 because of economic turbulence.

State economic development officials held out for years trying to find a single manufacturer. Finally, they opted to parcel out smaller tracts of the site to different businesses.

During Mitsubishi's announcement at the plant site, covered by tall weeds, Gov. Sonny Perdue acknowledged the state's seven years or corporate courtship in search of a match for the site.

"This state has dated a lot of pretty girls, but it hadn't found the right one yet," Perdue said. "You got one to bring home to momma today."

Mitsubishi Power Systems, which is based in Lake Mary, Fla., will build its plant on 119 acres, leaving about 600 acres open to future development. Roughly half the site is protected wetland.

Koji Hasegawa, the company's president and CEO, said a major draw was the site's location at the intersection of Interstate 95 and I-16, and just a few miles from Savannah's airport and its bustling container port -- the nation's fourth largest.

"The availability to us of this portion of the mega site made locating a new facility here a very easy decision," Hasegawa said.

Senior Vice President Dave Walsh said the company plans to begin construction in December and start hiring next year. He said it plans to employ 200 workers within two years. State officials said wages at the Mitsubishi plant will average about \$58,000 a year.

The governor's office said Mitsubishi Power Systems, a subsidiary of Mitsubishi Heavy Industries, would receive \$30 million in tax credits for locating its plant in Georgia.

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The announcement was welcomed in the Savannah area, where unemployment hit 10 percent in July. Hundreds of manufacturing workers have lost jobs in the past year as the sour economy forced layoffs at private-jet maker Gulfstream, Great Dane Trailers and construction equipment maker JCB.

"How many other communities would love to be talking about what's going on with us today?" said Rick Winger, executive director of the Savannah Economic Development Authority.

Mitsubishi plans to start up quickly with temporary facilities that will enable it to begin manufacturing turbine combustor components as early as fall 2010. A second phase will involve construction of a service plant that will repair and upgrade steam and gas turbine parts for utilities such as Georgia Power.

Walsh said the finished plant will produce gas turbines six times larger than a 747 passenger plane's engines, each capable of generating enough electricity to serve 100,000 people. The company didn't estimate when the plant would be completed.

The governor said having a widely known, brand-name company like Mitsubishi moving into the coastal Georgia site should help attract other manufacturers.

"I think it will enjoy the benefits of a cluster effect," Perdue said. "While we did try to market it intact for a while, I think we're better off with more than one tenant here. If you give me 500 jobs on a little over 100 acres, we'll do that every day."

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