



## Constant Collaboration and Dedication to Business Needs Anchors Mitsubishi Hitachi Power Systems Americas in Savannah, GA

### DRIVER

With increasing sales and demand for combustor components and large frame gas turbines, Mitsubishi Hitachi Power Systems Americas (MHPSA) initiated the search for its new facility in 2007. They would need a site large enough to manufacture, maintain and transport large gas and steam turbines.

The MHPSA team developed a criteria matrix against which to judge all the sites under consideration. This matrix included some of the following: valuable tax and land incentive package from local and state governments, location in close proximity to a major deep-water port system, close proximity to intensive rail system, qualified and extensive technical labor pool, and customized workforce training.

East Coast states under consideration were Alabama, Georgia, Florida and South Carolina. Locations started to fall off the table as the MHPSA team analyzed the incentive packages and site details offered. Georgia, initially, was one of the states kicked off the list. However, in December 2008, upon the recommendation of GDEcD, Governor Sonny Perdue agreed to subdivide the 1500-acre, GRAD ready "Megasite" in the Savannah-area community of Pooler, GA. This decision was a turnkey game changer for Mitsubishi's site selection conquest.

### SOLUTION

The decision to subdivide the Megasite was the first in a line of valuable offerings that drove the MHPSA stake into Georgia soil. The State's willingness to include the purchase of a heavy lift crane, located at the Georgia Ports Authority Ocean Terminal, was of utmost importance for MHPSA and sealed the deal on the decision-making process. No other state under consideration made such an offer alongside an applicable incentive package and a site close enough to the port and rail systems.

### Company:

Mitsubishi Hitachi Power Systems Americas

### Facility Type:

Manufacturing

### Key Requirements:

A sizeable location close to a deep-water port that included an attractive incentive package aligned with a predetermined criteria matrix.

### Number of Jobs Added:

500

### Investment:

\$325 million

### What Georgia Provides Mitsubishi Hitachi Power Systems Americas:

- Heavy lift crane, purchased by the State of Georgia, located at the Georgia Ports Authority Ocean Terminal, for shared use.
- Free customized training assistance through Georgia Quick Start – the nation's top-ranked workforce training program.
- A 119-acre lot within the GRAD shovel-ready, 1500-acre Savannah Megasite
- Easy access to major ports, interstates, rail and air systems.
- Competitive incentive package

### Incentives:

- 10-year partial property tax abatement
- Foreign Trade Zone status with no inventory taxes on qualified products
- Monetization of FILOT with \$5 million loan/grant by SEDA.
- Extension of rail system, water and sewer into the Megasite.
- Job tax credits toward state income tax liability.



Other factors that closed the deal included access to a deep water port and high-tech workforce. Due to the advanced nature of the skills required for the new facility, workforce availability was one of the top priorities on MHSPA's checklist.

"What set Georgia apart was the employment factor," says James Williams, SVP of MHPSA's North American Manufacturing and Repair Operations. "Quick Start has been wonderful in customizing the training program for workers to adapt to what we are actually doing within the plant."

Alongside Georgia Quick Start – the nation's top ranked and widely copied workforce training program – the state also boasts an expansive system of technical colleges and universities as well as nearby military bases from which to supply the necessary workforce for the MHSPA's facility.

Williams explains, "22% of our workforce at the Savannah facility is former military from the nearby bases. These workers come with a technical knowledge from working on helicopters and other military machinery. And 75% of our workers are in the local, 3 county area – which is a big deal to any company looking for such an advanced set of skills."

Some of the remaining incentives that brought the plant to the Savannah site included a 13-year property tax abatement, a SEDA land grant equal to \$5 million, extension of local rail systems to the site, water and sewer infrastructure brought in, as well as job tax credits and Foreign Trade Zone status with no inventory taxes on qualified products.

## RESULTS

MHPSA found the right combination of incentives and continuous support from the local and state governments, and construction began in September 2009. By early 2010, they started hiring - using Quick Start to train the new workers. The facility was fully operational in Fall of 2010.

The successful collaboration, perseverance and fortitude from the Georgia economic development team brought in a state-of-the-art manufacturing facility for the development of next-generation energy solutions. The MHPSA project resulted in an investment of \$325 million, with 500 new jobs averaging a yearly salary of \$64,000. As the anchor tenant on the Savannah Megasite, MHPSA will have a deep economic impact on the region for many years to come.

“The state of Georgia truly understands business and the requirements of doing business better than most other states. From the start, we appreciated and recognized the business friendly community. This type of environment, along with a valuable incentive package, attracts big companies, and compels them to get involved and give back. At least that's what any good company, like us, should do.”

– James Williams, SVP North America Manufacturing and Repair Operations  
MHPSA

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