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Siemens plans big Charlotte expansion

Enlarging the turbine and generator manufacturing plant would bring up to 650 jobs and boost the city's effort to become an 'energy hub.'

By Steve Harrison

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Siemens Energy will expand its Charlotte manufacturing plant for turbines and generators and move part of its Canadian operations to the Queen City, an investment that will bring as many as 650 jobs to the region, according to three sources familiar with the negotiations.

The \$130million Siemens expansion bolsters Charlotte's quest to become an "energy hub" by bringing various manufacturers and engineering divisions to complement the Duke Energy headquarters. The city and Mecklenburg County had been heavily courting Siemens for several months, calling the potential expansion Project Cardinal.

The city pledged \$44.5million in federal tax-exempt bonds for the expansion in December, and Mecklenburg County last year pledged \$13.3 million. Siemens was considering a handful of other cities for the expansion and relocation.

The Recovery Zone Facility Bonds, which were part of the Obama administration's stimulus package, can be used to foster economic development. The new jobs must be created in Charlotte over a five-year period.

The N.C. Commerce Department, which manages the state's incentive programs, is expected to approve the Siemens deal this morning. Officials were planning a press conference for today.

In November, Siemens broke ground on a \$50million, 75,000 square-foot expansion of its plant on Westinghouse Boulevard, which is the company's largest U.S. manufacturing plant. That plant, which originally opened in 1969, was built by Westinghouse Electric, whose power-generation unit was bought by Siemens in 1998.

That office expansion will house engineers who will oversee the design and manufacture of generators, as well as refurbishing parts for nuclear, coal-and-gas-fired power plants. It will create 226 jobs over five years, according to Siemens.

The company employed 780 people in Charlotte as of last May.

Most of the new jobs will pay more than the area's median income, according to a source who

asked not to identified.

A company spokesperson, Melanie Forbrick, said in November that Siemens was considering Charlotte for another expansion related to the manufacturing and refurbishing of gas turbines.

Robert Aiello, a Siemens Canada regional vice president, referred calls from the Observer to a company spokesperson Wednesday. The spokesperson couldn't be reached for comment.

Siemens is headquartered in Erlangen, Germany.

As Charlotte's two large banks have faltered, the city has tried to rebrand itself as an energy hub.

The Shaw Group, which services the energy industry, has expanded in Charlotte. Fluor Corp. and URS Corp. have also located or expanded their power-plant divisions in Charlotte.

A nuclear division of Toshiba announced last year it would add nearly 200 jobs in the area.

Charlotte City Council member Edwin Peacock said he couldn't comment on Project Cardinal.

He said energy is becoming a critical part of the region's economy.

"Charlotte has the building blocks to leapfrog the rest of the country because of Duke and Shaw," Peacock said. "You can see that birds of a feather are coming together - so much of the workforce is already here." Staff Writer Bruce Henderson contributed.



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