



Legislation Text

File #: 24-0199, Version: 1

Title

Business Location and Expansion - Siemens Energy, Inc.

Action

ACTION:

- 1) Open public hearing to receive comments on a proposed Business Investment Program grant to Siemens Energy, Inc.**
- 2) Close public hearing**
- 3) Adopt a resolution approving a 10-year, 50% Business Investment Program grant to Siemens Energy, Inc. for a not to exceed amount of \$2,811,248 and authorize the County Manager to negotiate and execute the contract**

Staff Contact: Shahid Rana, Deputy Director of Economic Development

Presentation: Yes

BACKGROUND/JUSTIFICATION:

Siemens Energy, Inc. is headquartered in Orlando. The parent Siemens AG is headquartered in Berlin. The company employs 10,000 people in 80 offices in the U.S., including 26 manufacturing facilities. The existing facility on Westinghouse Blvd. that manufactures power generation equipment was opened in 1969. Siemens has been an exemplary corporate steward over the years, forming close ties with CPCC, CMS, and various Veterans organizations as well as helping with many philanthropic causes.

Siemens Energy, Inc. seeks to establish an advanced manufacturing facility for the production and service of Large Power Transformers. This facility will employ a skilled workforce of over 475 new full-time manufacturing, engineering, and other professional employees to meet a critical demand for the increased production and service of high-voltage transformers that will further help strengthen the domestic U.S. supply chain and facilitate the transition to sustainable energy in the U.S.

Siemens Energy anticipates that this Project's scope will include approximately 118,400 square feet of new space and 53,820 square feet of refurbished space on its existing site.

Siemens Energy, Inc. proposed project meets all the following grant guidelines for a five-year Business Investment Grant, specifically:

- A taxable investment of \$149,895,000 to be completed in the next two years.
- Creation of 475 new jobs with an average wage of \$82,052 (which is equal or greater than 100% of the average SOC codes for each job position for the Charlotte-Gastonia-Rock Hill M.S.A.).
- There is competition for this project from Hutchinson, KS.

The general terms and condition of this grant include:

- A portion of the grant must be repaid if the company moves this investment from Charlotte within 10 years of the end of the grant term.
- Actual grant payments are based on the value of the investment as appraised by the Mecklenburg County Assessor's Office.
- All property taxes due from the company must be paid before a grant payment is made.

The Board of County Commissioners indicated its intent to approve this grant in a closed session on January 17, 2024.

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

Business Investment Grant Account: first estimated payment would be in FY30