

Electric Boat to expand Groton, New London facilities in \$31.5 million project



[Buy Photo](#) Dana Jensen/The Day Jeffrey Geiger, president of Electric Boat, speaks at a press conference held by Gov. Dannel P. Malloy, right, U.S. Rep. Joe Courtney, center, and Sen. Richard Blumenthal at EB on Wednesday.

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By **Julia Bergman**

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Groton — A \$10 million loan from the state Department of Economic and Community Development and a more than \$20 million investment from Electric Boat will help the company expand its facilities in Groton and New London to meet increased hiring and industry demands, company and state officials announced Wednesday.

The total \$31.5 million project will include the purchase and upgrading of a Pfizer-owned property at 9 Kings Highway in Groton and upgrades to existing EB facilities and equipment in Groton and New London.



[Buy Photo](#) Dana Jensen/The Day Congressman Joe Courtney says a few words during a press conference at General Dynamics Electric Boat in Groton Wednesday, Oct. 29, 2014. Courtney, Sen. Richard Blumenthal, second from left, Gov. Dannel P. Malloy, background center, held the press conference to announce a substantial expansion of good paying jobs with good benefits at

the company. Joining them at the press conference was Jeffrey Geiger, left, president of Electric Boat and Catherine Smith, right, commissioner of Connecticut Department of Economic and Community Development.

As part of the expansion, EB expects to add up to 200 new employees to its existing workforce of 8,700 in the state.

“Electric Boat is projecting an opportunity to grow over the next 15 years,” said Jeffrey Geiger, president of EB, during a news conference Wednesday morning at company headquarters. That growth, Geiger said, is being driven by three projects: the \$17.6 billion contract that the Navy awarded EB last spring to produce 10 Virginia-class nuclear submarines; “a significant increase in the work we’re performing” on the Ohio-class replacement program, the newest class of submarines; and design and engineering work “for the development of an upgraded” Virginia-class submarine. As part of the Virginia Cost Reduction program, the latest block of Virginia-class submarines, or Block III, of which the recently commissioned USS North Dakota is now a part, are being redesigned to lower acquisition cost and increase operational flexibility.



[Buy Photo](#) Dana Jensen/The DayGov. Dannel P. Malloy says a few words while Sen. Richard Blumenthal, left, Congressman Joe Courtney, second from left, and Jeffrey Geiger, president of Electric Boat, right, listen during a press conference at General Dynamics Electric Boat in Groton Wednesday, Oct. 29, 2014, to announce a substantial expansion of jobs with benefits at the

company. Catherine Smith, not shown, Commissioner of the Connecticut Department of Economic and Community Development also participated in the press conference.

“That work,” Geiger said, “is ramping up now and hopefully will progress into construction work also out into the future.”

Gov. Dannel P. Malloy, joined by U.S. Sen. Richard Blumenthal, D-Conn., and U.S. Rep. Joe Courtney, D-2nd District, delivered the news of the loan, which will be provided at an interest rate of 2 percent for a 10-year term. If EB successfully fulfills its employment obligation of 8,900 total jobs within two years, the governor said, the company may be eligible for full loan forgiveness.

“Investments in shipbuilding, such as the one announced today, enable Electric Boat to continue to perform and improve as a world-class shipbuilder and help stabilize an increase in employment in Connecticut, and these are good jobs,” Geiger said. “They’re jobs with good wages and good benefits.”

Malloy said that 8,900 jobs, with a total average salary of \$90,000 in compensation, “would be reached within two years and maintained for 24 consecutive months by December 31, 2016, so this is a pretty big step.”

Currently, EB owns and leases more than 300 acres of facilities in both Connecticut and Rhode Island. The property being added is a former retail space behind Olio restaurant and a bowling alley. It is expected to house several hundred engineers, designers and procurement personnel.

“The urgency to get this facility on line is very important,” Geiger said. “We spend tens of millions of dollars a year upgrading and expanding our facilities, but despite those resources, there are limits. From a financial standpoint, there are limits. This buildout

and this expansion of a property would not have occurred without the support of the state and Governor Malloy.”

When asked why the state investment was needed, the governor replied that not so long ago, EB’s Rhode Island facility in “Quonset didn’t exist, and there’s a lot of jobs at Quonset. Some of those jobs used to be here. Some of those jobs might have been here but for the availability of Quonset. We’re in a competition.”

When he threw his hat in for governor in 2006 and again in 2010, Malloy said that he was most worried about the state’s relationship with United Technologies and EB.

“We have worked mightily in some cases to repair and/or strengthen relationships that existed,” he said. “Part of that is to be seen as a partner in this industry ... defense.”

Connecticut has demonstrated its commitment not only in words but in dollars, Blumenthal said, “and that may have a psychological effect way beyond the number of dollars involved. We are the submarine capital of the world, and we’re proud of it. We invest in it. We put our money where our mouth is.”

If the crowd needed further proof, Courtney noted that “there is a clear precedent for what’s happening here today and it’s right across the river,” referring to EB’s facility in New London, which formerly housed Pfizer’s research headquarters. “Ask anybody in New London if you have any questions about that.”

j.bergman@theday.com

Twitter: [JuliaSBergman](#)