

GM asks \$1 million tax break for proposed plant

Cadillac division of General Motors Corp. has taken the second of two key steps to get a 50 per cent property tax break on a proposed \$102 million engine assembly plant in Livonia.

The company filed a request Monday for an industrial facilities exemption certificate, the instrument by which the firm hopes to win approval from the Livonia City Council in the near future.

The engine assembly plant, combined with its existing engine machining plant on the east side of Middlebelt, north of Plymouth Road, would eventually employ 1,600 persons, compared to the current workforce of 400.

Cadillac hopes to have the assembly plant completed by 1983 to be able to produce smaller, more fuel-efficient motors to meet federal government gasoline standards.

In previous meetings, GM officials told the city council that even with the tax break, allowed under a state law, it would pay an estimated \$2.2 million in local property taxes by 1983, compared with the current payment of \$640,000.

The council last week approved the first step in the Cadillac bid for a tax break by establishing an industrial development district on the 11 acres of land on which GM plans to locate the assembly plant. The council excluded the property on which the existing machining plant is located.

The GM application filed with the city clerk's office Monday contained the first formal declaration in writing from the company of what it plans to do to get the tax break.

The tax break is allowed under a 1974 state law which was written to encourage the growth of industries and the addition or retention of industrial jobs in the state.

Cadillac said in its application that it already has permission from the Detroit City Council to build its assembly plant in Livonia. Cadillac engines are now made in a plant in southwest Detroit.

The state law providing the tax break requires that if a company is moving an operation from one Michigan city to another, the city council where the plant is located must grant permission.

Cadillac has said that if the engine assembly plant is moved to Livonia from Detroit, the Detroit facility will be converted for other uses.

In explaining its proposed addition to the Livonia complex, Cadillac said the expansion would require 400,000 square feet of floor space.

"Existing federal regulation regulations mandating fuel economies and miles per gallon requirements for the future make it necessary for Cadillac to employ a smaller displacement engine for its autos," the company said.

"This proposed facility would be utilized to machine auto engine components and to assemble and test the new Cadillac engines. The Livonia facility will supplement other engine machining and assembly facilities in Detroit."

Of the \$102 million building estimated, about \$20.5 million would be for the building itself with the balance for the equipment to be installed to build and assemble engines.

Cadillac said that the building would be completed by the fall of 1980 with

the machinery and equipment installed shortly after that time.

The company said it hopes to complete the project by early 1982 but indicated that it might take another year, or until 1984, to finish.

Cadillac admitted that the Livonia plant addition would require the transfer of workers now at the engine assembly plant in Detroit but that Detroit city council has given its required permission for the switch to Livonia.

The state law providing for the tax break allows the tax benefit for a maximum of 12 years, but the Livonia council may insist on a shorter time period.

At the time of the recent approval of the GM industrial development district, councilmen commented that they would want the taxbreak for a period less than the maximum of 12 years.

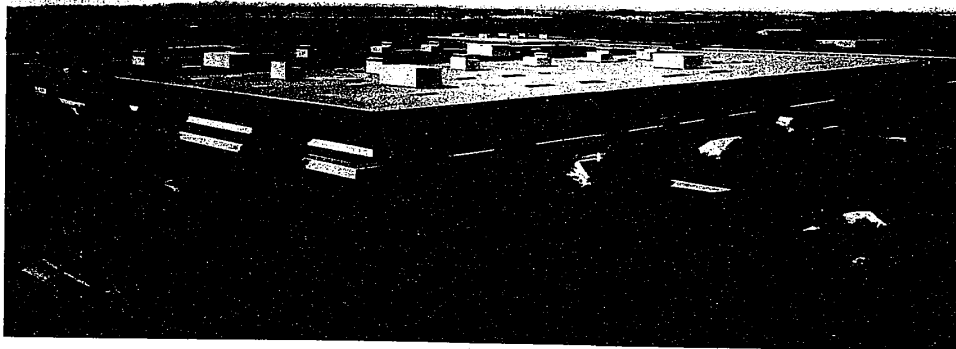
Ford Motor Co. received a tax break last year for 12 years from the council for a \$318 million addition to its transmission plant on Plymouth Road at Levan.

During the public hearings and meetings on the GM request for a development district, there was little opposition from the general public. The only councilmen to object were Robert Bennett and Jerry Raymond, for different reasons.

Bennett, as in the Ford request in early 1977, philosophically disagreed with the state law providing the tax break, saying that the state is asking local governmental units to pay for the state problem of retaining and expanding jobs.

Raymond said he would support the Cadillac tax break, request if the company assured him that it would be built in Livonia if the break were approved. The company refused to guarantee that it would locate its assembly plant in the city even if it got a tax break.

The company said the tax break, if approved by Livonia, would be one of several factors considered by GM in deciding where to put the engine plant.



Architect's rendering of the plant GM hopes to build in Livonia to turn out engines for the next generation of downsized Cadillacs.

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Winter campers shun state's public parks

Winter campers are expected to give state-run campgrounds the cold shoulder and use private parks in record numbers again this season, according to Automobile Club of Michigan.

"Luxuries such as heated shower and toilet buildings, plus open park stores and game rooms were the attractions that lured winter campers away from state parks and to private campgrounds," said Joseph Ratke, auto club touring manager.

"Most private parks responding to an auto club survey reported an average 16 per cent more business last winter compared to the previous season," Ratke said, "while state park campgrounds open last winter registered a 24 per cent drop in campers over the same period."

This season, winter campers can select from 109 private and 56 state parks.

State park campgrounds offer only at-site electricity and water from central wells. Only a limited number of campsites and park roads are kept plowed.

"Most of the new business at private campgrounds last winter was cross-country skiers and snowmobilers," Ratke said. "This fall, many private park owners are making an effort to coax those customers back."

Thirty-three of the winterized pri-

vate facilities on the auto club's 1978-79 guide list are adjacent to groomed snowmobile or cross-country ski trails in state and national forests and two ski and service snowmobiles.

"Six parks have instituted guided snowmobile safaris on weekends and one near Copper Harbor in the Upper Peninsula sponsors snowmobile obstacle course races with cash prizes for best times," Ratke noted.

Cross-country skiers can rent equipment at five parks and enter an 11-mile-long race or participate in family oriented courses and programs at two others. Skiers at a private park near Gaylord can choose between in-park downhill or cross-country programs.

Private parks on auto club's guide charge an average \$5.40 nightly for sites with electricity, which are available at 103 campgrounds listed. Prices range from \$1 to \$10. State parks listed charge \$4 per night for a site with electricity and \$2 for a primitive site. In addition, campers must purchase a \$5 annual or \$1 daily use permit.

While shower buildings at state parks are closed, heated shower buildings are open at 41 private parks and game rooms are available at 41. There are 26 parks with at-site sewage and 66 with disposal stations. Forty-nine parks keep stores open all year.

State offers home loans

Purchasers of energy efficient homes, or those using solar energy, can save money on interest rates under a new Michigan State Housing Development Authority (MSHDA) financing program.

The Energy Saver Plus program offers reduced interest rates and slightly higher mortgage ceilings for

homes which qualify. MSHDA loans are available on new or substantially rehabilitated homes for families with incomes not exceeding \$17,830 per year.

MSHDA interest rates will be reduced by one-quarter of one per cent for mortgage loans on new single family houses containing certain energy saving items.