

Tax break brings industry back

By SANDRA ARMBRUSTER

Despite reported fears that the metropolitan area is losing industry to Ohio, business seems to be booming, at least in western sectors of Wayne and Oakland counties.

When squabbles over a controversial tax deferral plan caused at least one industry to move to Ohio, government officials worried that their tax bases were being eroded.

Under the 1975 amended version of the state property tax plan, industries which expand or build new facilities have their tax payments cut in half on the new additions for a 12-year period. The plan is designed to encourage industry to remain in Michigan instead of locating outside the state.

Disagreement over the plan began when some school districts argued they could be penalized because of a state aid formula which reduces the

net revenue generated by industrial development.

In order to entice industrial development in that state, Ohio passed a similar tax abatement plan and has tried to capitalize on local dissension over the plan.

BECAUSE MICHIGAN municipalities have only just begun to issue the tax abatements, it is unclear whether the plan will succeed in keeping industry in Michigan.

Early indications are, however, that at least some industries are taking advantage of the tax break.

In Livonia, Ford Motor Co. is building a \$300 million expansion to its transmission plant on Plymouth at Levan, creating 2,000 more jobs under the next tax break program.

In Westland, General Motors is expanding its warehouse facility on Newburgh which is operated by Lea-

seway of Detroit. GM has declined to specify the dollar value of the expansion, which will tower more than 80 feet when finished later this year. The facility will be completely automated.

"It is better to keep jobs in the state and at least get 50 per cent of the property taxes instead of nothing at all," remarked Livonia Mayor Edward McNamara.

He added that the law may be unfair to those industries which have paid their full share of property taxes for years.

Other major expansions or additions include a \$1 million development adjacent to the warehouse of Action Distribution Company, 33901 Veronica in Livonia. The present beer distribution warehouse will be nearly doubled with the expansion.

The company also is constructing a 2,515 square foot truck repair building on that site.

Owner Ben Celari said he moved his company from Garden City to Livonia because of better access to transportation.

IN THE CITY of Wayne, Ford Motor Company has built a multi-million dollar expansion at its Michigan Truck Plant on Michigan Avenue at Newburgh. That expansion caused a 15 per cent increase in payroll at the plant of 2,300 employees for a total of \$39 million.

The 120,000 square foot expansion was expected to produce an additional 12,000 four-wheel drive vehicles for the company in 1978. Other expansion areas include conveyor systems and a 90,000 gallon paint tank.

On a smaller scale, industries in areas such as Canton, Garden City, Redford Township and Farmington also are expanding.

Ford addition means 2,000 jobs

By LEONARD POGER

The western Wayne County suburbs can claim credit to the second most expensive private development in the region's recent record books—thanks to Ford Motor Co.

The world's second largest auto maker is on schedule in building the addition to its transmission plant at Plymouth Road and Levan in Livonia.

The expansion, which started last year, is scheduled to be in completed next spring. The \$300 million project is second in scope only to Detroit's Renaissance Center, which carries a \$337 million price tag.

Ford completed the 318,000 square foot structure earlier this year. The next 12 months will be used to equip the structure with the machinery that will produce a new transmission for its 1980 downsized models. Actually, the machinery will cost nearly \$300 million of the \$713 million addition.

The transmissions, called Ford Integral Overdrive, is known inside the company as FIOD, and will be used on cars like the Fairmont, Granada, and Monarch.

The plant, which had 2.7 million square feet of floor space before the addition was started, will continue to make the C-6 transmissions, which are

installed in full-sized Fords and some vans and trucks.

THE EXPANSION has some obvious economic benefits for the area, particularly those employed in the building trades and machine building business.

Additionally, the expansion means more jobs when the addition is completed.

The company now has 4,400 hourly rate employees at the plant, plus 700 salaried workers. When completed, an additional 1,800 hourly workers and some 200 salaried employees will be hired.

The plant's current payroll of \$90

million a year will increase about one-third to \$125 million annually.

A Ford spokesman said the addition will have 750 new machines and 55 major systems installed. Those designs were started even before the addition was begun in the winter of 1976-77.

Ford said the FIOD transmissions will help the company make "substantial improvements in fuel economy vs. current automatic transmissions," needed to meet federal government gasoline mileage standards.

The new transmission will have an overdrive fourth gear.



Ford Motor Co.'s transmission plant on Plymouth Road in Livonia currently is the No. 1 example of industrial expansion in the area. When finished, the building and machinery will represent an investment of more than \$300 million. (Staff photo)

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