

Rockwell lobbies Halton to defer expansion tax

By ANGELA BLACKBURN
The Champion

Rockwell International wants Halton Region to soften the blow of development fees as the local plant bids internally to its head office for an expansion that could bring 25 new jobs to Milton.

"We'd like to forego the charge but if we can get a deferral, it would help," said Rockwell plant manager John Gates who, along with Rockwell manufacturing engineer Jeff Dixon, appeared at Halton Region's administration and finance committee last week.

The Rockwell representatives said their company's Detroit head office is two weeks away from a decision on adding a fifth coil spring manufacturing line in Milton — a 30,000 sq. ft. addition and 25 new jobs — or putting the line at another of its plants.

Mr. Gates said the decision could set the stage for the addition of a sixth coil spring line over the next decade, and was at the Region seeking deferral of \$70,000 in associated regional development fees until a review of the Region's new development charge bylaw is complete next spring.

"I think we're creating an image at this point that's critical to us," said Mr. Gates, describing the development charges as "a disadvantage" and "detrimental to our expansion and development."

Both Mr. Gates and Mr. Dixon called the issue one of philosophy and emotion in regard to the upcoming expansion decision.

"We're two weeks away from making a decision that's going to paint a picture of where we're going to go in the future. We're faced with questions from head office like, 'What is a region? What is regional government?'" said Mr. Gates.

"Our assembly line rates aren't \$9/hour, they're \$17 to \$20/hour, they're good jobs for the community to have and bad jobs for the community to lose. We're looking for your support to help us develop our business in this area," stressed Mr. Gates.

The Milton Rockwell plant is the largest automobile coil spring manufacturer in the western world, providing coil spring suspension systems to Chrysler, as well as a worldwide after market, said the plant manager.

Mr. Gates said the possible addition of a sixth line is something "we believe to be far more significant than what we're currently looking at."

"The decision will be made on the underlying philosophy. Your flexibility to defer payment until you make a decision on whether the charge is going to stand — that flexibility will carry a lot of weight on their decision of where the line's going to go."

"We're looking for your support to help us develop our business in this area. Our goal is to develop the Milton facility as the centre of expertise for coil spring manufacturing," said Mr. Gates.

Milton Mayor Gord Krantz's sympathy was won as he noted concern about potential loss of any local industry, such as Rockwell. The plant was almost lost over a decade ago, he said, when a strike severely affected business and resulted in a substantial downsizing. The plant now employs over 125 people in what Mr. Krantz described as a high-tech industry.

Currently, the Region's development charges bylaw levies fees against new industrial/commercial growth to pay for utility servicing and roads. However, the charges are also applied against expanding existing business, allowing an exemption for only the first 5,000 sq. ft. and a five-year payment plan beginning a year after the expansion.

"You don't want to pay the expense in this year. In fact, you don't want to pay the charge at all but that's not likely to happen," said Oakville Councillor Kevin Flynn.

Mr. Gates said the "lingering issue" was the perception that the charge meant future expansion "already had a knock against it."

At the committee's direction, senior regional staff met with the Rockwell representatives, to draft a letter outlining that there is opportunity for relief — the deferred payment plan — and that should the Region's development charge bylaw change as a result of the review, Rockwell would have the new bylaw applied to its expansion.

The issue was a repeat of a recent

challenge from a Halton Hills man who sought a waiver of development charges associated with expansion.

It gave regional Chair Peter Pomeroy the floor to voice concerns that through business tax and property tax, industrial/commercial development carries a heavier financial burden than residential development.

Last summer the Region settled a development industry challenge to its first such bylaw with passage of a new one. However, the Region is

still facing a line-up of complaints from existing businesses that want to expand, including Ford of Canada Ltd., which recently launched a legal challenge against the \$2.1 million it had to pay for building its new paint facility in Oakville.

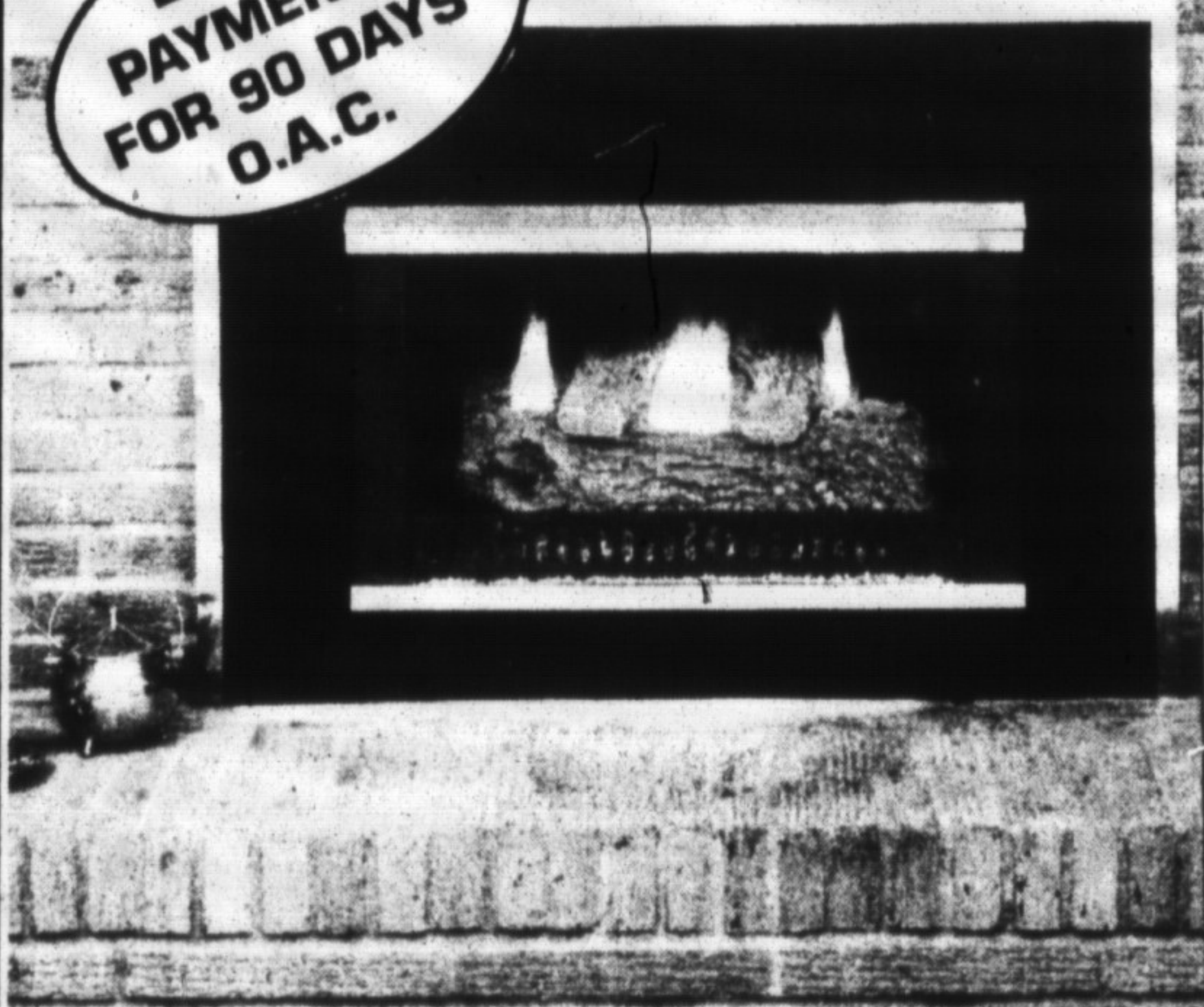
When regional councillors heard the complaint from the Halton Hills man, they opted to loosen industrial/commercial development charge repayment and review the development charge's fairness with regard to various development classes.

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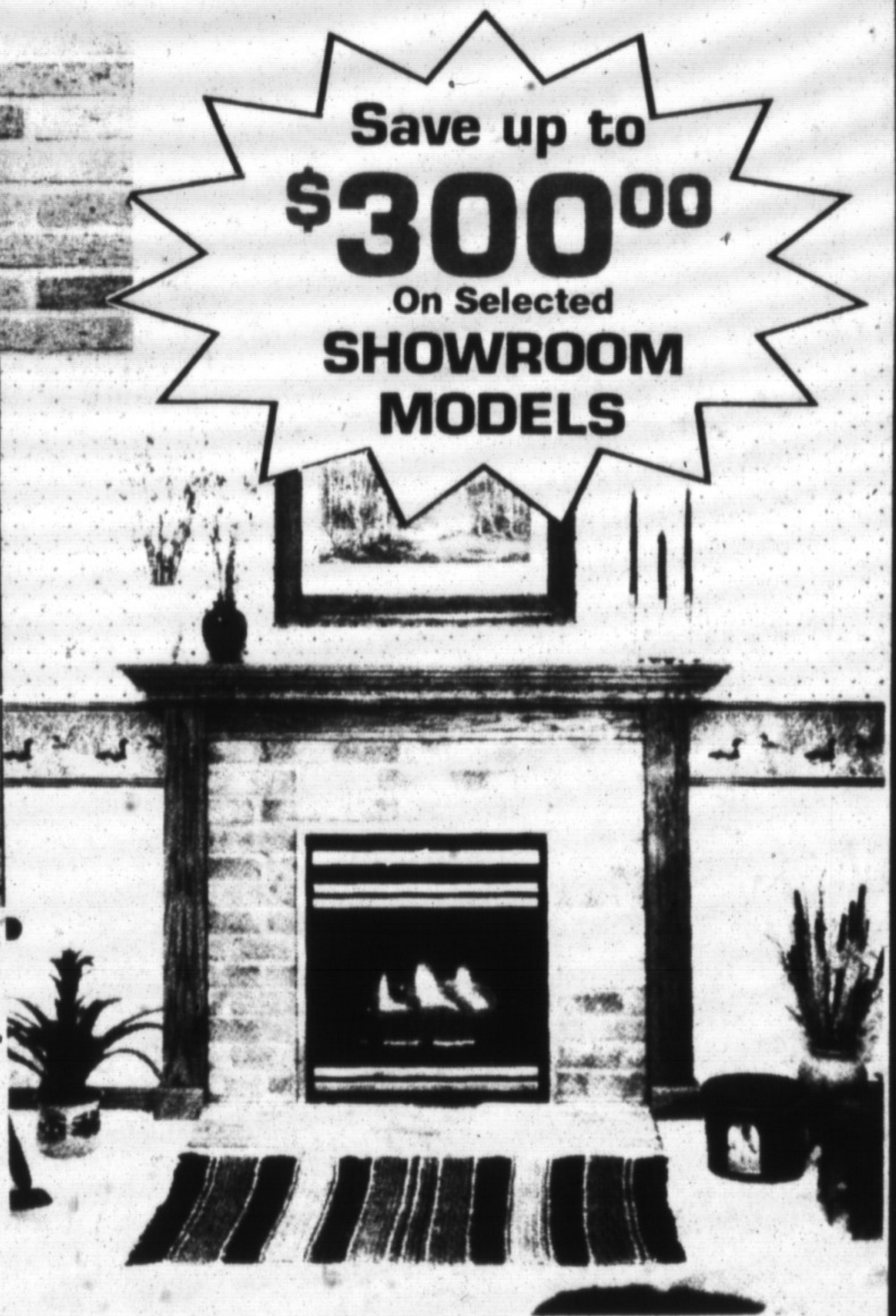
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