

CAMI Automotive Inc.

A Challenge For Ingersoll



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Mr. Hunt has obtained his Certificate in Economic Development from the University of Waterloo and has completed the requirements as a certified Industrial Developer (Ec.D.). He has also completed the Association of Municipal Clerks & Treasurers of Ontario course and Basic Building Officials course.

Edward has held many public service posts including: Municipal Councillor, Public Utilities Commissioner, Director of the Chamber of Commerce, President of the Southwestern Ontario Travel Association, and President of the Ingersoll Industrial Development Corporation, and he is now the Development Officer for the Town of Ingersoll.

On August 27, 1986 at Ontario Place in Toronto, General Motors of Canada and the Suzuki Motor company of Japan announced the site of their joint venture automotive assembly plant. The 590 acre site chosen is located in the Town of Ingersoll and the Township of Southwest Oxford. The announcement was the culmination of two and one half years work by the Economic Development Department, Town and Township Councils, the County of Oxford Planning Department, the Ministry of Industry, Trade & Technology, Pro Realty and Coopers & Lybrand Consulting. The location of the plant in our community would not have been possible without the co-operation and team effort by all parties involved.

The whole Town was ecstatic at the announcement which culminated weeks of speculation by the media. The Town was in a festive mood as was evidenced by the flying of the Japanese flag, welcome greetings on billboards and store windows and a celebration in the Town offices.

As this paper is being prepared the last steel column is being erected on the 1.6 million square foot CAMI Automotive Inc. plant. The plant is to be

totally enclosed by October 1987 with production slated for the spring of 1989. The plant will employ 2,000 persons by 1991 and will produce 200,000 vehicles per year comprising of 120,000 Sprint and Firefly cars and 80,000 4x4 sport utility vehicles. The plant represents a total investment of \$500 million and has the state of the art technology in automotive assembly. The GM/Suzuki joint venture represents the largest Japanese automotive investment to date, the largest plant, the most employees and the first Japanese automaker to enter into the Auto Pact providing for 60% Canadian parts content. Ingersoll and the Township of Southwest Oxford secured the plum of all foreign automotive plants to establish in Canada.

Many questions are being asked concerning the location of the joint venture in Ingersoll. Questions such as "Why was a small town such as Ingersoll (pop. 8,500) chosen?" "What were the attractions?" "What will be the impact on the Town and how will the community cope?" These are but a few of the questions raised and I will attempt to briefly answer them in this discussion paper.

Why Ingersoll Was Chosen

Many people both in and outside the Town are still pondering the answer to this question. Ingersoll was initially in competition with approximately 35 other communities of various sizes during the preliminary site search in 1984. It is interesting to note that Ingersoll did not get past the initial site search for the Toyota plant which located in Cambridge, Ontario even though the same site was promoted. However with the GM/Suzuki search, our community was shortlisted with five other communities and finally options were taken for sites in Ingersoll and another community in June of 1986.

In 1966 the Town council and Industrial Commission came to the realization that if they were to compete for industrial development, the Town required fully serviced and available land. At that time, the Town had 10 acres under option and four or five acres owned by the private sector. A consultant was commissioned to study the Town needs and bring in recommendations to establish and service an Industrial Park. The consultant recommended the southwest corner of Town beside Highway 401 along with lands in the Township of West Oxford. An annexation hearing took place and approximately 700 acres of land were brought into the Town. A portion of these lands are now part of the CAMI site. The Town purchased a 100 acre farm within the annexed area for a municipally owned industrial park. This purchase was made prior to annexation by the Ingersoll Industrial Development Corporation.

Since 1969 the Town has, in stages, constructed and serviced a major arterial road through the park to connect with the Culloden Road interchange of Highway 401. As a result of the land acquisition and infrastructure work the Town has secured six new industries plus two small industrial lease buildings plus CAMI Automotive Inc.

CAMI representatives have indicated to the Town that the availability of a large serviced site located on Highway 401 was a major factor in their choice of Ingersoll.

As mentioned earlier, the Town had been building infrastructure to accommodate industrial and residential growth. The sewage treatment plant was expanded in 1972 and was operating at approximately half of its rated capacity. The water system was also operating at half its rated capacity although two new wells are being drilled to accommodate CAMI and the resulting residential growth. Adequate power supply and distribution system was in place along with natural gas and storm drainage. Rail service was also available to the site

utilizing a rail easement already owned by the Town as part of our servicing plan.

Ingersoll had three subdivisions with draft approval and zoning in place containing a total of 316 single family lots and some multiple family blocks. One subdivision was active with building taking place. All services were installed to the property line for the subdivisions. Since the CAMI announcements, two of the three subdivisions have registered their plans and work has started on Phase I of development. In addition, two more plans have been filed for draft approval and registration for development.

The Town was prepared for industrial and residential development and has actively marketed the community to potential clients. However, no one in the community ever dreamed of landing a plant the size and scope of CAMI Automotive.

Why Was Ingersoll Chosen? We think because of the following:

- The working co-operation between the Councils of the Town of Ingersoll and the Township of Southwest Oxford. Without this co-operation CAMI would not be here. Ingersoll had the services and 1/3 of the acreage required and the Township had the remaining acreage to complete the 590 acre site. In fact the plant is 80% in the Town and 20% in the Township.
- The commitment made by Town Council following the 1966 study, to put in place all the infrastructure, with increased capacity and to provide properly zoned and serviced land for industrial development.
- The willingness of both Councils to be flexible in the negotiation with CAMI.
- The positive attitude of the residents of Ingersoll and Southwest Oxford towards the project.
- The availability of a large and serviced site with a good transportation network in place.

Mr. George Peapples, President of General Motors of Canada summed it up in his speech given at the sod-turning ceremony in October 1986 when he said,

"We made an excellent choice in locating our joint venture, CAMI Automotive Inc. in this community. It provides us with easy access to major transportation routes and is within close proximity of our major North American markets. Even more

important, it has the type of people that we know will make it a success. This population is noted as hard-working and industrious, who have high skill levels and in the long term are loyal to any endeavors they undertake."

A further testimony was given in Edifice, a publication of Ellis-Don Construction Ltd., the prime contractor for CAMI, by John Porter, Project Manager. Mr. Porter said, "Top marks are given to the Town of Ingersoll for their co-operation in processing permits and approvals. Everyone appreciates the importance of keeping work on schedule in order to meet critical production dates."

What Will Be The Impact?

Our crystal ball is as cloudy as the next person's as to the impact of the CAMI plant on our community. Council have had many proposals from consultants, universities, etc. to conduct studies to find out. However after reviewing the proposals and the studies done in Alliston and Waterloo Region, with respect to Honda and Toyota, Council decided not to conduct a study but to deal with the issues as they developed. Some issues have already surfaced and are being dealt with by both Councils, namely:

- Infrastructure improvements for roads, storm sewers, road relocation, two additional wells and a sanitary sewer trunk for the CAMI site are underway. The size and infrastructure requirements of CAMI necessitated improvements to the existing systems.
- The extension of Ingersoll Street, our main industrial road, across the river to connect with Highway 19 in the northwest section of the Town. This was one of the recommendations in the 1966 study and the last to be completed.
- The flood of inquiries from investors and developers.
- The approval and servicing of three residential subdivisions. Two additional subdivisions and multi-family developments are presently being reviewed.
- Commercial development proposals.
- The hiring of a full-time building inspector and two police cadets.
- A review and plan of action to finance the infrastructure improvements without a tax increase for Ingersoll and Township ratepayers.

- Joint agreements prepared and authorized by By-law by both Councils for cost-sharing of services, providing fire and police protection and building inspection services. Further agreements pertaining to sanitary sewer surcharges are pending.

Other issues that will require the attention of Council in the long term are:

- An extension to the existing sanitary sewage treatment plant.
- Construction and cost sharing of a major trunk sewer to service a large proposed residential development and future industrial lands.
- Securing and developing additional/commercial and industrial sites.
- A review of traffic flows.
- Funding for an indoor pool.
- Monitoring the Town services such as Fire, Police, Public Works and Recreation to ensure they are meeting the needs of a growing community.

If there is a negative effect of the CAMI location, it is the significant rise in land and housing prices since the announcements. Housing prices have increased 35-40% and land prices as much as 125%. This seems to be the major concern expressed by our citizens.

The impact is not limited to our community but the ripple effect is being felt by the rest of Oxford County and beyond as all communities look for industrial/commercial and residential expansion due to CAMI and to some effect from the location of Toyota in Cambridge, Ontario.

CAMI will employ 2,000 persons when the full production of 200,000 vehicles a year is reached. A large percentage of these people will come from outside of Oxford County. We feel that Ingersoll should be able to attract 500 of these employees to live in our Town, a population increase of approximately 1,600 persons. The Town feels it can handle and provide all the necessary services and amenities required as a result of this growth.

Ingersoll and its citizens are proud and happy to welcome CAMI Automotive Inc. as our new corporate citizen. This was evident in October 1986 when over 5,500 persons attended the sod-turning ceremony on the site. We are looking forward to meeting and learning from the Japanese people

who are coming from Suzuki in Japan. It will be a cultural exchange and learning experience. Already our schools are conducting classes on Japanese culture and looking forward to having some Japanese children in their classes.

Ingersoll views CAMI in a very positive way and looks forward to welcoming their employees and the new parts suppliers to our Town. We are confident we can deal and handle, in an efficient and professional way, the demands placed upon us by this large industrial concern. It is viewed as a challenge and one I'm sure many other communities would like to have.