

Plastics News

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HEADLINE: **Rubbermaid** closing 1 plant, expanding 3

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BODY:

Newell Rubbermaid Inc., in the midst of a long-term plan to spend nearly \$90 million on upgrades to its Home Products Division, is closing a Graco plant in Greer, S.C., that makes car safety seats and other baby products.

The company is consolidating all baby-product production at its plant in Macedonia, Ohio, according to Cynthia Konrath, spokeswoman for Graco Children's Products. Closing Greer will eliminate about 100 jobs, she said. "It's part of our consolidation strategy," Konrath said. No details were available on the type of production equipment in Greer.

The consumer products giant entered the baby-product market in 1996, when it bought Graco. Two years later, **Newell Rubbermaid** added Century Products Co. and combined it with Graco. Century bought two Ohio factories, including molding operations: one in Macedonia and one in Perry Township, near Canton, Ohio.

The Graco plant's closing comes as the Home Products Division is seeking tax abatements for major new capital equipment spending at three plastics plants, two in Ohio and one in Texas.

One of the abatement deals involves the former Century Products plant near Canton. Last spring **Newell Rubbermaid** announced it was shutting that plant, but the abatement plan would keep the facility open. Konrath said the baby-seat production has been moved out, to the Macedonia plant.

Meanwhile, with three tax-break proposals emerging in August and September, abatements clearly are part of a strategy by the Home Products Division, based in Wooster, Ohio. Spokeswoman Keri Butler has declined to say how the company is upgrading machinery or give any details about the tax abatements.

Earlier this year, **Newell Rubbermaid** placed an order for 45 injection molding machines from Husky Injection Molding Systems Ltd. The order - which Husky officials said in a

quarterly conference call was for more than US\$30 million - was one of the largest press orders in recent years.

You need a score card to keep track of the tax deals:

* **Newell Rubbermaid** and local government officials announced a 10-year, 100 percent tax abatement on all new investments in the old Century Products factory near Canton, as a condition for keeping the plant open after the baby-product operation moved out. The company apparently plans to injection mold housewares there, such as laundry baskets and storage bins. A published report said the company plans to spend \$12 million on renovations.

* In Texas, Home Products is seeking 100 percent tax abatements for six years to add machinery to a factory in Greenville, near Dallas. Published reports said the company plans \$26.8 million worth of expansion and investments there, at least partly to launch a new plastic storage product to expand home drawer space.

* The third, and newest, tax abatement proposal centers on an injection molding factory in Mogadore, Ohio, near Akron. The company wants a 10-year, 100 percent personal property tax abatement on about \$50 million worth of new equipment, according to Juliann McCulley, clerk/ treasurer of Mogadore.

Newell Rubbermaid has centered its food-storage container business in Mogadore, including its new thin-wall Take Along, designed to compete against GladWare and other inexpensive thermoformed products.

On Sept. 23 the Mogadore school board approved the package, which includes a payment of cash to the schools from **Newell Rubbermaid**, McCulley said. The Village Council then approved the tax abatement Sept. 25.

The Mogadore factory employs 750 full time and 40-50 part time.

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