

Magna to stay in Aurora until 2022



Magna founder Frank Stronach, pictured here at last month's Hoedown with MP Leona Alleslev and MPP Chris Ballard, made Aurora the company's base. Auroran photo by Glenn Rodger

By Brock Weir

Magna International has put off its move out of Aurora to King Township until 2022, according to the company. The auto part manufacturer, which is the Town's largest and most prominent employer announced Monday they have extended their lease on their Aurora headquarters until 2022 after pausing the move to King. The company previously announced its intention to relocate to an extensive new corporate headquarters in King Township with a 2017 target.

“Magna confirms that the project to construct a new corporate headquarters building in King Township has been put on hold,” said Tracy Fuerst, the company's Director of Corporate Communications, said in a statement. “We have recently completed discussion with our landlord and have reached terms to extend our lease for the Aurora headquarters building until 2022.

“This provides Magna an opportunity to monitor current macro-economic conditions and to continue evaluating our future need. We are extremely appreciative to King Township for their hard work, support and professionalism provided throughout the development process.”

Magna's decision to postpone their departure by five years was welcomed by Town Hall.

“Obviously we're pleased that they are staying,” said Mayor Geoff Dawe. “I fully understand why they were looking at moving, so I assume they're going ahead with their new corporate office, but they are not starting that until 2020. I think that provides a more orderly transition on that space and I think that is probably the major outcome there.”

Magna's present headquarters is owned by Granite, a holding company. The future of that campus and finding a business to fill it, has been a top priority for municipal economic development staff since Magna announced its departure. While Mayor Dawe said the Town “put a couple of people onto Granite, nothing came from that” in the short term.

“We will continue that process,” he says. “It now gives us the breathing room, if you will, to sit down and have a more orderly discussion about that.”

As far as finding a business to fill some of the gaps anticipated by Magna's departure, Mayor Dawe said it is inevitable that when a business like Magna announces it is leaving, or a business of similar scale is coming in, it can be a distraction from the economic game plan as staff address that situation and re-assess.

“We now have a fairly well-defined timeline and it gives us an opportunity to work within that timeline,” he said.

But, does it also provide the Town with five years to make a good pitch on why they should stay? That's doubtful.

“Magna was gung-ho on moving forward [on the relocation] and then you had things like Brexit and the potential of a rather serious upheaval in U.S. politics,” say Mayor Dawe. “There are things that go on that are totally external. That is external to what they can do. Magna's decision, quite frankly, was external to what we do. It is a private company with a private landlord. You work with people and then you try and create an environment where they would like to stay. You would like to see them stay beyond 2022.”

This was a view shared by Anthony Ierullo, Aurora's Manager of Strategic Planning, who said they were “super-excited and elated about the opportunity to host Magna for an additional five years.” As a company with an international presence, he said they contribute significantly to the Town not just as an employer and through philanthropy, but also in building “our brand as a community.”

We would like to see this as an opportunity for us to continue dialogue with them and see if there is an opportunity to see them in Aurora long-term,” said Mr. Ierullo. “It is great news for us. Magna is a significant employer and employs hundreds of people at that particular location. Those people have a broader impact on our community. They visit local businesses, support the local community, a lot of them are local, so it is a great opportunity from that perspective.

Over in King Township, while there was a sense of disappointment the move has been delayed, they are optimistic it will be born to fruition.

“While Council and staff are disappointed the project is on hold, we understand Magna's decision in light of today's challenging global economy,” said Mayor Steve Pellegrini in a statement. “Since Magna is keeping its land in King Township, King will be ready to work with them again. The process to construct such a facility is going to take three years, realistically.

“Magna representatives have made it very clear that they have appreciated the efforts of Council and staff in support of their application. Magna does intend to complete the zoning process. King will encourage them to continue the site plan approval process, too.”