

Farmington Observer

Volume 92 Number 3

Thursday, October 23, 1980

Farmington, Michigan

72 Pages

Twenty-five cents

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There's gold in them thar Hills

By MARY GNIEWEK

The Farmington Hills Economic Development Corporation (EDC) is celebrating its first anniversary this month by pondering \$71.5 million worth of new business propositions for the city.

The EDC was formed last October to boost the city's sagging commercial tax base, which dropped from 35 percent in 1975 to only 28 percent last year. With the genesis of the EDC, the city is experiencing its biggest commercial boom in its history.

The EDC was created by a state act in 1972. In short, its goal is to acquire low-interest loans for new business developments.

This is how it works: The EDC issues revenue bonds of up to \$10 million per project. Interest rates are considerably lower than the prime lending rate for industrial, commercial and office developments. Regulations exempt interest earnings from income tax, saving companies thousands of dollars.

"The EDC can exercise control by giving a financial break to the types of businesses the city wants," explained Michael Sinclair, the city's bond attorney.

Sinclair says the Farmington Hills EDC, comprised of seven local businessmen and two city officials, "has the sharpest pair of collective eyes."

"They're extremely active," he said. "They examine everything thoroughly to make sure a proposal conforms with the definite conception they have."

THE EDC MEETS once a month to toss out shaky proposals and firm up those that appear to be financially sound. Developments must fit the city's

image by creating desirable land uses, like research parks, office buildings and shopping malls.

The EDC is headed by Robert McConnell, president of MCF Sales Inc., a Troy-based fabrics supplier for the auto industry. McConnell is a former mayor, city councilman and Oakland County Commissioner from Farmington Hills.

Incentive for business expansion on an EDC loan speaks for itself. A.C.E. Inc., the largest independent owner of ACE Hardware stores in the nation (34 stores in southeastern Michigan) received an \$8 million loan at 8 percent interest last April when the prime rate was 20 percent.

Its corporate headquarters under construction in the rear of the city's industrial park near 10 Mile and Grand River is slated for a March opening. It plans to expand an employment base of 85 workers to 125 workers over the next several years.

A.C.E. Inc. represents the city's first completed bond project. Several others are pending. Once a project gets a "green light" from the EDC, it can start construction using bond proceeds for financing.

In order to receive a resolution of intent, a firm must prove its business will create employment or provide a needed service to the community, in accordance to the act.

NINE OTHER PROPOSALS have received resolutions of intent. The corporations, loan amounts and brief descriptions are:

- Hunters Square for \$8.5 million. Loehmann's discount store at 14 Mile and Orchard Lake roads.

- Roson Company for \$6 million. Shopping mall and offices adjacent to Loehmann's.

- Greenberry-Arrowsmith for \$1.7 million. A tool and die manufacturing subsidiary moving into a vacant tennis court building in the industrial park. It's a logical use for an otherwise

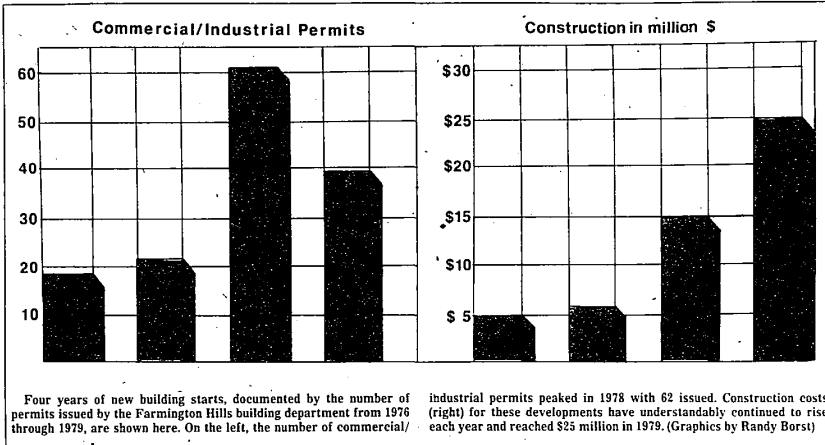
unused building because its presses require high ceilings.

- Carrefour Corp. for \$5 million. A medical and legal office complex on the southwest corner of Northwestern Highway and Middlebelt.

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PROGRESS UPDATE

Despite the recession in Michigan, the city of Farmington Hills has defied the downward economic trend. A number of business and municipal leaders were interviewed for a closeup look of the record-breaking growth that continues to make Farmington Hills a financial trend. A number of business and municipal leaders were interviewed for a closeup look of the record-breaking growth that continues to make Farmington Hills a financial trend.



Mel bets on city's future

By MARY GNIEWEK

If there's an economic slowdown, Farmington Hills land developer Mel Rosenhaus doesn't know about it.

Rosenhaus, the mastermind behind his 16-year-old dream, the \$16 million Hunters Square & Tally Hall development at 14 Mile and Orchard Lake roads, quickly spouts off a litany of 40 stores that will grace his development before the end of the year.

"It's 75 percent committed," says the 55-year-old developer, a Detroit native. "That figure boggles my mind. We started this project in the worst economic times last year. And we've had a convergence of specialty merchants."

At Hunters Square, even in its skeletal stage with just two shops open — the highly touted Loehmann's, an east coast-based women's clothing store, and a Hallmark card shop — the mall parking lot is always full.

"This village type of center has several unique draws," says Rosenhaus, a second generation developer.

"It's just the type of thing the area needed. Specialty merchants can converge, like along Maple street in Bir-

'I think the market will always continue to be good in Farmington Hills simply because a major part of our growth is right here in southern Oakland County. It will continue to grow more steadily.'

— Mel Rosenhaus

mingham. But here we have convenience parking and cohesiveness."

Rosenhaus expects Tally Hall to be a big draw, with between 30 and 40 vendors selling exotic foods of every ethnic origin, similar to market places Rosenhaus has seen in Asia and Europe.

ANOTHER DRAWING POINT for the mall is its location, Rosenhaus says.

"It's at the end of Northwestern Highway. And the Orchard Lake Road widening project has been brewing for the past 10 years."

"Over the past 20 years, projected growth in Oakland County has been in the Farmington, Farmington Hills, West Bloomfield area."

What kept delaying the persistent de-

ice development in February. The office building is 70 percent committed.

"Our commitment to Farmington Hills is so large now, we feel we should be in the city," he explained.

Rosenhaus, whose specialty is multi-family housing, developed 100 acres at Hunters Ridge and 320 acres in the Fairview Subdivision of Farmington Hills, both multi and single family dwellings.

SON OF THE late Sol Rosenhaus, a home builder, the younger Rosenhaus says he was "never much given a choice of what I was going to do. I was the only son."

He dropped out of the University of Miami where he studied engineering to help his father, build homes in Florida following World War II.

He cites the \$6,000 homes at a percent interest rates sold to returning veterans with no downpayment to emphasize his disgust with today's housing market.

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Mel Rosenhaus, land developer, in his office talks about his long-time dream come true: the \$16 million Hunters Square and Tally Hall project he just built in Farmington Hills. (Staff photo by Randy Borst)

Business healthy despite the trend

By MARY GNIEWEK

Though the Wall Street Journal reports a record-breaking 5,500 small businesses across the country have gone under this year, Farmington Hills is going against the national trend. In the first six months of 1980, 17 commercial and industrial building permits were issued for new restaurants, banks and industrial shops. Reported wholesale cost of the new construction is \$9.8 million.

New building starts have been healthy for the past several years, according to statistics provided by building supervisor Barbara Aldrich. In 1978, 62 commercial and industrial permits were issued at a cost to builders of \$15 million.

Despite spiraling construction costs last year, 39 permits were issued and \$25 million worth of new commercial buildings were erected in the city.

White Motor Corp. filed the city's only bankruptcy this year, according to City Finance Director Chuck Rosch who reviews the legal news for bankruptcy notices.

Even the predicament of White, which manufactures heavy duty trucks and farm equipment, is far from dire. Under Chapter 11 of the Federal Bankruptcy Code, the organization can continue its business operation while working with creditors to implement a re-organization plan.

IN FACT, White Motor is planning an expansion of its corporate headquarters on Grand River between Drake and Gills roads.

"We're seeing development of a lot of smaller sites that have remained vacant for a long time because there was no market for growth," said Laurence Leeds, city staff planner.

"Now with an estimated population of 58,000 in the city, up 10,000 from 10 years ago, there's a lot of in-filling."

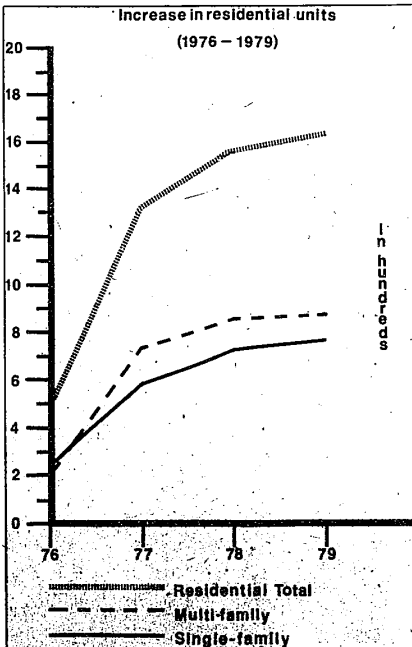
The smaller lots with soil problems or irregular shapes are more worthwhile to developers now because of the solid residential base, Leeds says.

Statistics back up Leeds. The Southeast Michigan Council of Governments (SEMCOG) proclaimed Farmington Hills number one in the region in residential growth in 1979, based on the number of permits issued for housing: 820 single home permits and 334 multi-family housing permits in the first six months of last year. SEMCOG doesn't keep such records for commercial growth.

"What we're seeing in Farmington Hills is a natural trend. Once commercial interests see a market, they'll follow," Leeds said.

"Several existing businesses are expanding, which indicates many companies are still secure and confident to keep investing."

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Hills leads pack in home building

By STEVE BARNABY
Farmington editor

Farmington Hills has experienced an unprecedented housing boom in the second half of the decade, making it southeastern Michigan's fastest growing community.

In four years, 1976-79, it moved from ninth to first place in number of new residential units (single- and multi-family), according to the Southeast Michigan Council of Governments (SEMCOG).

In 1978, 536 residential units were built. By 1979, that number had increased to 1,622. Within that period, 5,027 units were built.

The growth has, in part, been responsible for increasing Farmington Hills residential State Equalized Valuation (SEV) from \$284.7 million in 1976 to \$409.5 million in 1979.

The statistics demonstrate a dramatic turnaround when compared to Farmington Hills' growth in the beginning of the decade.

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Janet Brown sold her 1975 Capri with the first phone call she received after advertising in her hometown newspaper. "I'm on my way to the Secretary of State office right now. I just wanted you to know how quick the results were and how pleased I am!"

There's not a better way to get results.

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