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Tax break urged for business

By Joanne Maliszewski staff writer

As far as many developers and corporate leaders are concerned, Farmington Hills apparently is well-known for its tough attitude toward granting tax abatement for business.

And most Farmington Hills council members don't mind the reputation. "You already have the reputation of not granting tax abatement under almost any circumstances," Bill Bowman of Thompson-Brown Realtors, told the Farmington Hills council Monday.

At the request of Mayor Charles Williams, council discussed the possibility of establishing a policy outlining which cases the city would or would not grant tax abatement under the state's Act 198.

Act 198 is a mechanism used by many communities to entice business into the area with the promise of tax abatement.

UNDER THE state act, a city, such as Farmington Hills, may grant an industrial business a 50 percent tax abatement on the cost of either a new facility or an addition to an existing facility. Tax abatement under Act 198 cannot be granted to an office development.

The abatement may be granted for a period of one to 12 years. The business would get a 50 percent tax break on city, county, school and state taxes.

In its 10 years of cityhood, Farmington Hills has granted tax abatements under Act 198 to only two businesses: Diamond Automation and Ingersoll Rand, said Councilwoman Jodi Soronen.

At the start of the meeting, Williams and Councilmen Joe Alkovech and Donn Wolf made it clear they opposed tax abatement.

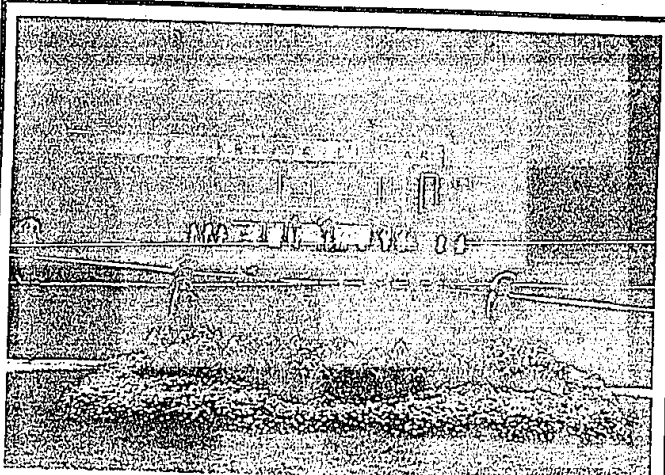
As discussion continued though, it appeared the establishment of a council policy could be in the offing.

BUT COUNCILWOMAN Joan Dudley cut short the discussion. "I had not planned on speaking on this," she said. "But I am getting disturbed."

Opposed to establishing any type of policy, Dudley said each request for tax abatement should be judged on its individual merits rather than according to a policy set by a council.

Without argument, council unofficially decided that businesses' requests for tax abatement under Act 198 will be handled as they always have been — on an individual basis.

"I'm concerned with listing even criteria," said Councilwoman Joan Dudley, who opposed establishing a policy. "It lists a dangerous limitation."



OU's 23-year-old Kresge Library boasts 488,000 volumes, including a 6,100-volume rare book collection. It also features subscriptions to 2,000 journals, back issues of various newspapers, a selection of government documents and a performing arts branch.

OU celebrates Campus marks 25th birthday

Editor's note: The Observer & Eccentric today looks at Oakland University, which celebrates its 25th birthday this month. Stories, appearing throughout the paper, are marked by a special anniversary logo.

By Kathy Parrish staff writer

Some folks will never forgive Oakland University for not becoming the "Harvard of the Midwest."

Dedicated to the ideal of a small liberal arts school catering to select students, they are upset that OU is now a mid-size university educating mainly commuters from Oakland and Macomb counties.

And they object to those diverse students learning not only philosophy but also such practical skills as how to take a temperature or use a computer.

BUT PRESIDENT Joseph Champagne contends that OU, at a quarter century, is doing just what its founders intended — serving the needs of the community that nurtured it.

"It's kind of a fun expression, but why would we want to aspire to be the 'Harvard of the Midwest?'" asks Champagne.

"All we need to be is the Oakland of the Midwest."

Twenty-five years ago this fall, Michigan State University-Oakland opened its doors to 570 commuter students. Meeting in classrooms that were once chicken coops on Manilla and Alfred Wilson's Meadow Brook Farm, they took basic courses taught by 24 faculty members.

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Michigan State University in 1957.

NOW AN independent university serving more than 12,000 students, the 1,600-acre, Rochester-area campus has 36 buildings. Some of those often need new steam pipes, they've been around so long.

With 1,400 full- and part-time employees, OU offers 60 undergraduate majors, 26 master's degrees and doctorates in engineering, reading and biological sciences.

Over time, the school's annual operating budget has grown from \$1 million to \$45 million in 1983-84.

Glenn Stevens, executive director of the Presidents' Council of State Colleges and Universities, credits OU with successfully addressing the needs of a rapidly expanding area.

While offering a balanced educational program, it reaches out into the community with cultural and academic offerings, he explained.

"It's a multi-purpose institution," said Stevens. "Oakland has been responsive to the demands and needs of the area. And I expect that to continue."

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Hills loses if 'Choice' wins voters

By Joanne Maliszewski staff writer

If the proposed Voter's Choice amendment on the Nov. 6 election ballot passes, Farmington Hills would take more of a beating than city officials originally expected when the amendment was first proposed earlier this year.

The proposed constitutional amendment would require cities to roll back the current tax level to the rate levied in 1981.

But Farmington Hills finds itself in a slightly different situation from some other cities.

In 1981, the city levied 3.5 mills (for operation and debt). That's more than the 8 mills levied this year.

"It's a ridiculous assumption that we can roll up the rate," said Charles Roach, finance director.

INSTEAD, Farmington Hills would have to roll back its tax rate to the lowest the city levied since 1981, according to the Michigan Municipal League's interpretation of the proposed amendment.

The lowest rate levied since that fiscal year was 7.4 mills in 1983, Roach said.

Much of the problem in pinpointing the exact impact of the proposed amendment is that its language leads to many interpretations, Roach said.

But if Farmington Hills was forced to roll back its tax rate to 7.4 mills, the city would lose approximately \$109,000.

Added to that loss is another \$233,000 the city would have gained through the 1983 Truth in Taxation Act. That brings the city's potential loss in property tax to a total \$432,000.

Under the Truth in Taxation Act, a city has to reduce its tax rate if a state equalized value has increased enough to provide additional revenue.

A city, however, can still increase its tax rate under the Truth in Taxation Act following a public hearing.

IN ADDITION to the loss of revenue from property taxes, the proposed amendment would also cause an \$8,400 cut in the amount of state shared revenue received by the city.

While city administrators find the potential loss in property taxes bad enough, concern is greatest for the estimated \$530,000 the city would lose in Act 31 (a portion of the state gas and weight taxes that the city receives for road maintenance) money.

The city's share would be reduced because the proposed amendment would also roll back the state's gas and weight taxes.

The city would also be affected by a similar cut in revenues to the Oakland County Road Commission.

"This will literally take us back three years to where the county was on a bare-bones budget with almost no construction money available," City Manager William Costick said in a letter to the city council. "With the number of Frisco county roads in our community this means that our road improvement plans on these roads would come to a halt."

THE PROPOSED amendment would also require the city to roll back its current 10-mill charter limit to 7.6 mills, Roach said.

"That represents an approximately \$2.3-million loss of potential revenue," Roach said.

"We would not be able to levy this," Roach said.

If the city cannot increase revenues, then expenditures would have to be reduced, Roach said.

"We're just going to have to reallocate a smaller pie," he said.

The issue would boil down to determining the priority between maintaining and repairing roads or refuse collection, for example.

If the proposed amendment passes, it would require a vote of the people on the adoption of any new taxes.

CONSEQUENTLY, Roach said, if the city requests a tax increase to balance the budget, the request would have to go to the people for a vote.

But that also costs money, about \$10,000, excluding the cost of advertising.

That means the city would have to ask for a slightly larger tax increase than needed to balance the budget to pay for the election.

The proposed constitutional amendment would also require a popular vote or four-fifths approval by a legislative body for the adoption of any new fees, license, user fees or permits.

Because the city council in the past has approved increases in fees, Roach said the current schedule of charges would most likely be unaffected by the proposed amendment.

"It wouldn't roll anything back but would raise problems in the future," Roach said, because of the four-fifths majority (8-1 vote of the council) or vote (of the public). "It cuts the ability to act quickly."

Under the proposed amendment, any fees that were not approved by a four-fifths approval (8-1 vote of the council), would revert to the level charged in 1981, Roach said.

The proposed amendment would also roll back the increase two years ago in the state's income tax.

Bilingual program opens up new worlds

By Jean Adamczak staff writer

An "English Survival" course offered by Farmington Public Schools is not a class about how to survive in England.

It is a course offered by the district's bilingual program designed to aid foreign students who are extremely limited in their use and understanding of English.

Last school year the program covered 13 different languages and cultures and had an enrollment of 383 students, according to Haroune Alameddine, coordinator of the bilingual program.

To organize the program, 64 languages spoken by students in Farmington schools were narrowed down to 13, and a specialized staff for each language was hired, says Alameddine, who has been with the school district for 15 years.

"We are a small United Nations in our district," says the coordinator. "The program services the Farmington Public School System, four area parochial schools, Oakland county schools, courts, police departments and addresses individual family problems."

"We are very happy giving these services," says Alameddine. "This is why we (the bilingual program) are envied by other area school districts."

Centered in the East Middle School on Middlebelt Road in Farmington Hills, the bilingual program services students in grades K-12 and is run as a pull-out program. Students are taken out of a class that will not hinder their main education such as shop or gym class, says Alameddine.

According to Alameddine, students stay in the program for as long as they need to even though state funds will only pay for three years.

"Beyond that three-year period, we can still help them (students), but can't claim them for state funding," he says.

"I will not drop a youngster out of the program. If he/she needs more help, we pick up the tab," explains Alameddine.

Last school year the bilingual program received over \$100,000 from the state for each student in the program, guaranteeing a total of \$100,000 for the school district, says Farmington Public Schools Assistant Superintendent Lawrence Frankowski.

The MAT is the bilingual program's "measuring stick," says Alameddine. It is an evaluation test which measures

students' reading, math and language capabilities.

If students score below 40 percent in any of the three areas, they are eligible to receive bilingual help. A score above 40 percent in all three areas means pupils may exit the program.

"But we keep an eye on them (students), to see how they do without our supportive help," says Alameddine.

If students regress after a year without bilingual help they can be re-enrolled in the program at the request of their parents and schoolteachers.

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oral quarrel

How do you feel about Voters' Choice ballot?

As the election draws closer, municipal officials are tallying up what will happen under the Voters' Choice Amendment?

To answer this question call 477-5498. You have until 1 p.m. on Friday to answer this question. Look in Monday's paper to see how your neighbors feel about this issue.

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