# Business

## *Reforms needed to aid industry, Exchange says*

By RON GARBINSKI

• *"Higher interest rates (for the construction industry) aren't going to solve inflation."*

• *"I see a lot of subcontractors going out of business. . . a lot of people (such as carpenters) will be laid off. . . in some areas we could see 50 percent unemployment this summer."*

• *"An energy allocation system (for builders and the construction industry) would be disastrous."*

• *"There's going to be a crushing halt in the next three months."*

• *"(High mortgage) payments are killing the residential (housing) industry."*

• *"Down the line you won't see new home prices going down. . . I don't think you'll find bargains."*

• *"The economy is crummy."*

***'The majority of the Democratic-controlled state legislature is afraid to pass any legislation that may be considered offensive by the powerful labor lobby. But what is really happening is that labor is only fooling itself.'***

***— Legislative Agenda '80***

Another gloomy outlook? Old news?

Nonetheless, that's what Henry Tarnow, spokesman for The Builders Exchange of Detroit and Michigan's Legislation Action Committee, said Monday in presenting the Exchange's Legislative Agenda '80.

The agenda is the Exchange's position on problems facing the construction industry.

It's the result of a survey by the Exchange, a statewide organization with more than 2,360 non-residential construction companies.

THE ASSOCIATION'S top issue for 1980 is reform of Michigan's worker's compensation system.

It calls for intensified efforts by the "legislature and the state's administration to reform Michigan's unjust and burdensome" system.

The second major concern is for equitable business taxes. Other issues center on reform of the state's unemployment compensation system, labor law reform, more just economic policies, energy availability for the construction industry and occupational safety and health affairs.

The Exchange calls for total reform of the existing worker's compensation system.

"It's essential for the economic survival of the (state)," Tarnow said prior to the Exchange's annual meeting Monday.

The Exchange supports the original "White Papers" on worker's compensation as published by the Michigan Construction Industry Worker's Compensation Task Force.

It also backs Gov. William Milliken's approach to handling reform as "a reasonable starting point toward reform."

***'A prime example of the misuses and abuses of the MESA is the voluntary quit.'***

***— Henry Tarnow***

"Worker's compensation is a hidden tax no one has control over," Tarnow added.

IN ITS AGENDA, the Exchange says Michigan employers pay up to 10 times more for worker's compensation insurance than employers in other states. And employees receive less in benefits than they would in other states.

According to the agenda, this exists "because the Michigan Legislature is afraid to reform the existing (law). The majority of the Democratic-controlled state Legislature is afraid to pass any legislation that may be considered offensive by the powerful labor lobby. But what is really happening is that labor is only fooling itself."

Tarnow said the longer reforms are delayed, the fewer employers will locate in the state. "No business growth means no new jobs."

On taxes, the Exchange "would like to see the state's Single Business Tax transformed into an Equitable Business Tax — a taxation system that is equitable for all businesses."

"Simply stated," Tarnow said, "unreasonable business taxes are crimping the ability of more and more Exchange members to exist."

THE MICHIGAN Employment Security Act should reflect only its original intent, the Exchange maintains. It should benefit only those "unemployed through no fault of their own."

Tarnow pointed out that this concept has eroded to where it is now possible for those unemployed through their own action to collect benefits.

"A prime example of the misuses and abuses of the MESA is the voluntary quit," he added.

The association believes loopholes could be eliminated if those receiving MESA assistance were to report once a week and put to work in their community.

On labor law reform, Tarnow said the Exchange's position is to reasonably support "changes in the labor law that would address union abuses as well as employer abuses. We oppose, vigorously, all attempts at one-sided change."

A new law isn't necessary. Rather, rules of the Wagner Act of 1935, which set guidelines for the basic rights of workers, should be followed by all parties involved in labor relations.

***'Federal money supports a lot of construction either directly or indirectly. It is true that the federal government has used construction to raise the economy out of recession and to bring it back from overexpansion. Typically, the result is a contrived disaster.'***

***— Tarnow***

"Changes now being suggested (in the law) would increase labor's power by putting the U.S. Government behind union organizing activities, and use that power to ramrod labor's ultimate programs through Congress," according to the agenda.

That would be unfair, the Exchange claims.

TAXES SUPPORT "a lot of construction either directly or indirectly. It is true that the federal government has used construction to raise the economy out of recession and to bring it back from overexpansion. Typically, the result is a contrived disaster. Either the (construction) industry has too much capacity or too little," Tarnow said.

He said the industry must operate in a stable market in order to prosper.

To maintain a stable market, the Exchange supports the elimination of deficit spending by the federal government, accelerated write-outs to allow business to recover investment in capital equipment at a faster rate, and rigorous controls on interest rates.

## *Condo care*

### Service offers full 24-hour home repair and maintenance

By JACKIE KLEIN

Builder-developer Al Kanfer claims for 34 years he's been eliminating complaints. Now he's buying them.

The Southfield-based builder and his daughter and son-in-law, Judye and Larry Glazer, conceived a new concept called Condo Care, a service of Kanfer's Kanal Building Co. on 12 Mile. The business is just getting off the ground after a year of research and planning.

Condo Care provides a one-telephone number service to make it easy for condominium co-owners to get interior repairs, replacement and maintenance, Kanfer said. For $300-a-year, condo dwellers buy an unlimited warranty in case anything goes wrong with their heating, plumbing, air conditioning or electrical system.

"I've been building homes since 1946 and I know how aggravating and expensive it is to get service when you need it," Kanfer said. "With Condo Care, all you have to do is call our number and we'll make our quality plumbers, electricians and heating and air-conditioning contractors available to you 24-hours-a-day, seven-days-a-week.

KANFER: "It takes somebody with financial staying power and a good track record to go into a completely new field in times like this."

MRS. GLAZER: "We want renewals and our motto is 'If you're not satisfied, tell us. If you are, tell everybody.' "

"CONDOMINIUM LIVING is supposed to be worry-free and that's what our service is aiming to help provide. There are no hidden costs or gimmicks. It's like buying Blue Cross insurance and hoping you don't have to use it. The key to our success is volume."

The service also includes preventive maintenance — regular inspections and keeping tabs on often forgotten items like furnace filters and blower motors, hot water tanks and air-conditioning compressors.

Condo Care provides other items like hardware, locks and hinges, kitchen and bath cabinet adjustments and adjustments to doors and doorwalls.

"Say your water tank is defective and it can't be fixed," said Mrs. Glazer. "We'll replace it with one as good or better than the original at no extra charge. But our service technicians aren't salesmen and they won't solicit you to get a replacement you don't need.

"We follow up to make sure the serviceman was courteous and did a good job. We want renewals and our motto is: 'If you're not satisfied, tell us. If you are, tell everybody.' You can cancel your service plan and get a refund for the remaining months. And if you sell your unit, the service agreement is transferred to the new owner."

IN EMERGENCIES, which usually occur late at night or over the weekend, Condo Care provides an answering service, Glazer said. A computer verifies that the caller is covered by the plan and a repairman is contacted immediately, he said.

The 12 Mile office also serves as an information center which Condo Care users can call for advice, Glazer said. But the most important part of the operation, he said, is to avoid inferior service which reflects not only on the condominium project but on the community.

Kanfer said he is concentrating on the new enterprise because, with escalating interest rates, the building business is virtually at a standstill. If Condo Care is as successful as he believes it will be, Kanfer said, he'll devote all his time to the operation to avoid losing control by "wearing two hats."

"It takes somebody with financial staying power and a good track record to go into a completely new field in times like this," he said. "I have a reputation to protect and I and my partners are only as good as the work we do."

The number to call for Condo Care is 557-6830.

GLAZER: "In emergencies, which usually occur late at night or over the weekend, Condo Care provides an answering service."

## *Tax inducements make new development attractive*

By KEVIN ROSEBOROUGH

The prospect of reaping sizable industrial tax dividends has made new and relocating facilities welcome in developing municipalities.

Avon Township has made use of a pair of tax inducements to make the still-developing area more attractive to industry. The offering of those incentives greatly aided Avon in attracting two firms from neighboring Troy.

Lectron, Inc., an automotive parts manufacturer and assembler, and Troy Plastics, a plastic injection molding manufacturer, have utilized available tax breaks.

One such tax reduction came in the form of financing through an Economic Development Corporation (EDC). Through an EDC incorporated by Avon, new or transferring companies could qualify for tax-exempt loans.

In the case of Lectron, this meant securing a loan at 7½ percent — between 3 and 4 percent less than without the exemption.

The other tax incentive offered by Avon was the Industrial Facilities Tax Exemption (IFTE). Under IFTE guidelines, Avon Township trustees could grant firms a 50 percent tax reduction on their property for up to 12 years.

LECTRON TREASURER Howell Ridley said the combined tax breaks his firm received made it possible for his company to move into Avon.

He calculated a 4 percent interest savings through the firm's EDC-backed loan of $3.1 million. He figured that savings to total approximately $100,000 per year in savings.

Working with the $3.1 million construction figure, Ridley estimated the IFTE to be worth between $35,000-$40,000 over its eight-year life as allowed by township trustees.

Ridley said his company bought a 13-acre site at 1400 S. Livernois in February, 1978, expecting to secure tax advantages from Avon. "We were aware of the public acts available to us," he said.

"We aren't big enough to triple our size without favorable treatment," Ridley said bluntly. He added that his firm was not solicited by Avon Township.

Township trustees last month approved Troy Plastics' bid for tax-free EDC financing not to exceed $1 million. The firm has started construction on a 25,000 square-foot building at the Northfield Industrial Park on Crooks Road, south of M-59.

No application has been made for IFTE reduction by Troy Plastics, according to township assessor Leonard Kutschman. He said their construction site lay within an Industrial Development District, however, the prerequisite for an IFTE.

KUTSCHMAN SAID Avon Township has never publicized its tax advantages since the two were authorized by state law. Legislation allowing municipalities to incorporate EDC's was completed in 1974.

IFTE guidelines were also passed by the Michigan Legislature in 1974.

"We've only registered with the (state) Department of Commerce," he said. "We've never done any publicizing — what's appeared in the press has been our only publicity."

Kutschman said he thought the tax inducements played a crucial role in attracting the two Troy firms. "One of the big things was that we had an EDC and Troy didn't," he said.

The transfer of any company planning to make use of either of these tax breaks is subject to approval by the city or township the firm intends to leave.

Ridley said although his firm had a good relationship with Troy officials, City Council informed Lectron their firm was the last to be allowed to leave the city.

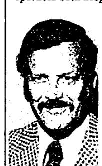
## business people

PAUL LARSON of Orchard Lake was appointed chief engineer for trucks and DONALD ZIEMER of West Bloomfield was named chief engineer for electric vehicles in the GMC Truck & Coach Division engineering department. An electrical engineer, Larson joined the AC Spark Plug Division of GM in Milwaukee in 1952. Ziemer, who had been assistant chief engineer for electric vehicles at GMC since 1977, joined GM's AC Spark Plug Division in Milwaukee in 1956.

LARSON

ZIEMER

GLENN ANDERSON, director of management services at St. Joseph Mercy Hospital in Pontiac, was named chief executive officer at Mercy Hospital in Port Huron by the Sisters of Mercy Health Corp. of Farmington Hills which owns and operates both hospitals.



HEUGHENS

KLASEN

RICHARD KLASEN of Bloomfield Hills appointed manager of Ford Motor Co. Dearborn Glass Plant. Klasen was manufacturing and plant engineering manager in the glass division general office. He had joined Ford in 1951 as a diemaker apprentice.

DAVID CEMATE of Troy was appointed administrative assistant at Harper-Grace Hospitals in the office of corporate administrative affairs. Cemate completed an administrative residency at the Grace Hospital Division prior to this appointment.

Baker, Abbs, Cunningham & Klepinger Advertising and Public Relations announced KAREN AABERG has joined the agency as associate creative director. Prior to joining the Birmingham office, Aaberg was copy chief at the Troy advertising agency, E.A. Robinson, Inc.

LEE HINCH, director-state and regional government relations officer, retired after 27 years of service with the Chrysler Corp. The Rochester resident was appointed the director position 1974. He has served as executive assistant-civic affairs, 1959; special assistant to the vice president of public relations, 1964; manager-community affairs, 1966; and director-government and community relations in 1969.

Troy resident MELVIN HEUGHENS was named the administrative assistant for Automobile Club of Michigan's corporate planning department. Following promotions to the post of systems and programming supervisor and staff assistant, Heughens was appointed a staff assistant in the planning and development department then named administrative assistant of auto club's insurance group.

FRANK HOAG of Bloomfield Hills was named Detroit zone sales manager for Chrysler Corp. Hoag entered the automobile business in 1968, and worked as director of field operations, broadcast supervisor, and vice president and senior account supervisor.

## Realtors back 6-point plan to boost economy

Increasing home mortgage interest rates to 15 percent and more dampened an already depressed local housing market, reported the Western Wayne Oakland County Board of Realtors.

"It's becoming obvious that these increases, which could go even higher, will squeeze more prospective buyers out of the market and stymie many sellers who want to move up," said John Halser, president of WWOCBR.

"As representatives of these two (buying and selling) groups, we see them as victims of a bad mix of federal government fiscal and monetary policy. Federal deficit spending, too rapid growth of the money supply and enactment of inflation-causing regulations have been major causes of the accelerated consumer price inflation. It rose from a level of 4.8 percent in 1976 to 13.2 percent last year," he said.

Halser said one result has been that typical mortgage payments for an average house have climbed past $500 per month, compared to about $380 a year ago.

Existing home sales, which peaked near four million in 1978, are expected to drop below three million during 1980.

NEW HOUSING needs, estimated to be two million or more units a year, will be left largely unmet with starts expected to dip as low as 1.2 million units this year.

"We support recommendations of our national association for six steps that should be taken and which would bring some relief to home buyers and sellers," he said. Those include:

• A 2 percent reduction in the growth of federal spending during 1980.

• A 1 percent slower growth rate in federal spending than proposed by President Carter in 1981.

• A balanced budget in the 1981 fiscal year.

• Tax relief in 1981 to remove the incentive for the federal government to increase inflation and inflation-induced tax receipts.

• Limiting the growth in federal spending in future years to be at least one percent slower than growth in an individual's income. Holding federal spending to no more than 21 percent of the gross national product in 1985 and lower thereafter.

• Emphasizing tax relief to encourage savings and investment in residential, commercial and industrial structures and equipment; to increase productivity and real income for workers and to lower interest rates and inflation.

"IF THESE recommendations are followed, our national economists estimate that by the mid-1980s, prices would drop 3 percent, two percentage points could be shaved from mortgage and other long-term interest rates, 400,000 additional new homes would be built and a million more families would be able to improve their housing, we would realize a 2 percent productivity improvement and add a million new jobs, and the average household would have 3 percent higher income — or nearly $900 — after taxes," Halser said.