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New federalism threatens city's tax base

By M.B. Dillon
staff writer

The commercial tax base of Farmington Hills could be eroded if efforts by the Reagan administration to phase out Economic Development Corporation (EDC) funding are successful, according to Robert McConnell, Farmington Hills EDC president.

The EDC seeks to create jobs, relieve the residential tax burden and increase communities' corporate tax base by issuing tax-free bonds to new or expanding industries.

A bill now pending before the U.S. House Ways and Means Committee's Oversight Subcommittee would greatly reduce the amount of funding available through the EDC this year, and eliminate it entirely by 1984.

Currently, Resolution 4420 is tied up in committee.

With assistance from the EDC, five or six projects have added millions of dollars to the state equalized valuation

of Farmington Hills, increased tax revenue and created employment for hundreds of people, McConnell said.

"Without it, the growth of the tax base is likely to be slowed terribly," he said. "I'd like to see it continued. It's done lots of good, particularly for small business."

THE EDC PRESENTLY is working on 29 projects, but McConnell expects the number to increase after the threat to EDC funding is more widely publicized.

"It's likely we'll see an influx of applicants in the near future because it's not yet that well known outside legal fraternities, bond markets and the EDC community," McConnell said. "If regulations are tightened up, one of the things we're hearing is the possibility of eliminating funding to commercial interests."

"Assistance would be limited strictly to industry, apartment-type complexes and senior citizen housing."

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EDC president

Interest in the outcome of this has mounted to the point where a substantial amount of lobbying is underway, McConnell added.

Members of Farmington Hills EDC have been aware of the precarious position of the EDC since last September.

"WHAT WE'VE attempted to do (since then) is protect all applicants who have already made applications," McConnell said.

"We've been working with our bond

council and with city attorneys trying to make sure every 'I' is crossed and 'I' is dotted so that they can be grandfathered in."

Among those projects is the move to Farmington Hills by the worldwide Robert Bosch Corp., a German manu-

facturer of fuel injection systems and electrical components for the automotive industry.

The corporation has begun construction of a 34,000-square-foot facility on 20 acres of property on I-696 between Halsted and Haggerty roads. It is scheduled to start operations July 1, 1982.

The facility will house its Michigan sales office, auto motive part development laboratories and high-technology research and testing facilities, McConnell said.

It's expected that the corporation will supply an additional 250 jobs.

GOV. WILLIAM Milliken and members of Farmington Hills EDC considered the firm's decision a huge victory

for Michigan. Milliken, who went to Germany last fall to entice industry to expand to Michigan, formally announced the Bosch Corp.'s decision.

Despite the availability of EDC assistance, Uniland Corp., a major local land developing firm, is delaying construction of a three-story, 200-room motel on the southwest quadrant of 12 Mile and Orchard Lake roads.

"Until the marketplace turns around, we can't even take advantage of tax-free bonds because the interest rates at which they would be sold would be in excess of what these projects can generate in support," said Jay Eldridge, executive vice president of Uniland Corp.

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Lunch program collapse predicted if cuts win

By M.B. Dillon
staff writer

Lunch programs in school districts operating on tight budgets will collapse if \$500 million in federal cutbacks are approved.

The statement was made Monday by U.S. Rep. William Brodhead, D-Detroit, who disapproved of original federal cutbacks which chopped \$1.4 billion out of this year's \$4.5-billion program.

"At some point, the program will collapse because districts will be losing money on it," Brodhead said.

"For school districts on strict budgets, federal subsidies, together with the prices charged to children, won't be enough to support a lunch program."

FOR THE Farmington School District, which must meet tremendous demands despite a decline in state and federal support, the move would mean just another expense that local taxpayers would have to absorb, he said.

"Cutting the program was not a wise

thing to do," he added. "It worked efficiently and made an important contribution to education."

"Any program has some fat in it, but Reagan has cut beyond that level and into the bone."

Because of cutbacks, more than a million students who formerly received free meals now are paying for lunches, while 450,000 students who received lunches at reduced rates now are charged the full price.

THAT FULL rate has jumped 40 to 50 percent, varying from district to district, Brodhead said.

"What has already happened as a result of the cutbacks," he added, "is that there are many fewer lunches sold because of the increase in cost."

"Therefore, many schools are cutting the program out, which means many poor children no longer have access to a school lunch."

In the Farmington school district, prices have increased from 80 cents per lunch last year to 95 cents this year at the primary level, and from 95 cents

to \$1.15 at the middle and secondary school levels.

"WE'RE TERRIBLY disappointed that the federal government hasn't been able to support us like they did in the past," said Lewis Schulman, Farmington School District superintendent.

"We've been forced to raise prices to maintain quality and quantity and as a result, fewer students are buying lunches."

In all likelihood, further cutbacks will force the Farmington district to take revenue from funds earmarked for educational purposes in order to continue the lunch program, Schulman added.

Federally supplied commodities of fruits, vegetables, and meat items are insufficient at present, according to Mike Howard, supervisor of food service for the Farmington School District.

"I DON'T think they're adequate," said Howard. "I'd like to see better variety and more fresh fruits."

Five to 10 percent fewer students are purchasing lunches, Howard added.

"More of them are going without lunch. They'd rather spend it on a Coke and a pack of cigarettes."

In Oakland County, participation in lunch programs is down 10 percent, according to Vera Jensen, director of School Food Services for the county's 28 districts.

"We've lost a large percentage because of the 10-20 percent increase in prices due to cuts in federal reimbursement," said Jensen.

"More students are skipping lunch or are buying snack items."

THE RESULT, said Jensen, affects scholastic performance.

"Good nutrition is as important as any class students attend. Eating nutritionally unsound lunches can cause an inability to concentrate on studies and can lead to health problems in later life," she said.

"It goes back to the theme that you can't teach a hungry child. More cutbacks would do great harm."



RANDY BORST/staff photographer

Winning form

North Farmington's Alyene Wolf aided her teammates in beating out Harrison counterparts at a meet earlier this week. Here, Wolf works toward a

second place on the balance beam. She took a first place in vaulting. To read more about the match, turn to the sports section.

Chamber growth plan outlined by president

The fate of the business community rests with greater participation from its own ranks, according to Margaret Halava, newly-elected president of the Farmington/Farmington Hills Chamber of Commerce.

"We must be strong in numbers so that our collective business voice will be heard where it counts," she said in a recent message to chamber members.

To meet that goal, the chamber has outlined a five-point program to draw new members into its ranks: change in dues structure combined with a membership drive; political and legislative action; local government involvement; and increased meetings and workshops.

The membership drive was launched on Jan. 13 at the Botsford Inn. Terry Sever, membership chairman, said the chamber was aiming for 100 new members this year.

To heighten political awareness, the chamber has formed a political action committee. It allows a local chamber to maintain a separate fund to solicit and receive contributions from local businesses and to make contributions to candidates for state elective office.

The chamber also is in the process of reactivating its legislative action committee.

"The purpose of this committee is to study current legislative issues affecting business, keep the membership informed on these issues, make recommendations to the chamber's board of directors, and communicate with legislators," she said.

EXAMPLES of issues addressed by the chamber are workers' compensation, unemployment compensation and the single business tax.

On Feb. 4, a workshop will be con-

ducted explaining what it means to local businesses. Stated to last from 8-10 a.m., it will feature both state Sen. Doug Ross, D-Southfield and state Rep. Sandy Brotherton, R-Farmington. Also attending will be Richard Studley of the Michigan State Chamber of Commerce.

Persons interested in attending that seminar can make reservations by calling chamber executive director Ron Rice at 474-3440.

While the PAC and legislative action deals mostly with politics on the state level, the chamber also has resolved to study and take stands on local issues, according to Halava.

"Active chamber involvement at the local level is imperative," she said.

"It is our intent to keep the business community informed on issues affecting it through meetings with city officials. Likewise, we will make chamber positions on these issues known to city officials," she said.

In hopes of spawning interest among potential members and to keep current members informed, a series of workshops have been instituted for the coming year.

HALAVA, an executive with the 'Suburban Communications Corp., parent of the Farmington Observer, also expects to expand the format of the chamber's publication, the Intercom. The tabloid-size magazine is mailed to every business in the community.

"This is not only a good vehicle for keeping the business community informed on what the chamber is doing, but also serves as an excellent advertising medium and forum for chamber members," she says.

By Craig Pichura
staff writer

This Saturday homeowners in four Farmington Hills subdivisions will attend informational meetings on street paving.

Farmington Hills officials hope to pave about 10 miles of residential roads in 1982 at a cost to the city of about \$1.4 million — if residents agree to pick up a large portion of the cost of repaving streets with asphalt or a cement/asphalt mix.

Saturday's sessions are designed to eliminate some of the rancor and confusion that often accompanies such assessments.

From 9-10:30 a.m. residents of Dohany and Broadview streets in Section 22, north of Ten Mile, east of Power, will listen to city officials discuss engineering studies and cost estimates of street paving.

From 11 a.m. to 12:30 p.m. residents of Westhill and Hollywood subdivisions in Section 26 are on the agenda. Streets cited for possible paving include a section of Springbrook and Lamar and

Leclane, Westhill and Rockdale. Paving on Gill Road and Colfax in Section 33 (south of Nine Mile, west of Farmington Road) will be discussed from 1:30-3 p.m.

The last session Saturday, from 3:30-5:30 p.m., concerns Pleasant Valley Farms subdivision in Section 16 and includes portions of Meadowview, Pleasant Valley and Lyman roads and all lots in the Hidden Valley subdivision.

RESIDENTS LIVING in areas where paving is planned have been mailed a notice by city officials, according to William Costick, assistant city manager and acting public services director of Farmington Hills.

"I can say all this has come about because of some degree of citizen interest," Costick said. "In all of the cases we've had letters requesting pavement and complaints about dust, mud and flooding problems."

Costick stressed that the four informational meetings on Saturday and two similar meetings scheduled next month aren't public hearings.

"It's up to residents to circulate peti-

tions on paving if they're interested," in the public interest, approval by 51 Costick said.

Unless the city determines paving is

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what's inside

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