



RANDY BORST/staff photographer

AT RIGHT: A sun-splashed morning view of Northwestern Highway in Farmington Hills, looking east toward Inkster Road. Office buildings can be seen on the left. Northwestern, which runs from Telegraph Road in Southfield to Orchard Lake Road in West Bloomfield Township, is commonly called the golden corridor.

Northwestern: a prestige business address

By Joanne Mallaszewski
staff writer

BACK IN the early 1960s, Wood Creek Farms Village residents were those who tired of the tree-laden and mostly vacant lots along Northwestern Highway to revel in a rural atmosphere.

When Farmington Hills incorporated in 1973 — including Wood Creek Farms Village in its boundaries — only two commercial developments stood along the village segment of Northwestern.

Today, at least 17 office buildings, offering more than 30,000 square feet of space, dot the divided state highway.

In all, 53 businesses and office developments line the Northwestern frontage. More than 400,000 square feet of office space is now under construction and more than 700,000 square feet is planned for construction.

"It's hot as long as there continues to be land available," said Joseph Joachim, Oakland County Economic Development Group director. "As it develops, it will move most likely to 12 Mile. But I don't see any major slowing down in development. It may level off."

THE MAJOR boom in development along Northwestern began about three years ago. The majority of the vacant property has been developed — from

Inkster to Orchard Lake — within the past two years, City Manager William Costick said. And within the next two years, city officials expect the "golden corridor" to be completely developed.

While many residents have been unhappy about the commercial and office growth corridor, which now boasts prestige business addresses, there's no doubt the development has been a boon to the city's status and coffers.

"Today, it is fast becoming a prestige address," said Robert McConnell, chairman of the city's Economic Development Corp., which has helped finance many of the developments with low-interest, tax-exempt bonds. "We have tenants (in the offices) in the top 500 companies (nationally)."

Costick agrees: "Northwestern was synonymous from the Southfield experience with signature names of firms and developers. And we have seen a natural development of that. It is synonymous with signature names of both developers and corporations."

While city officials are hard-pressed to say what percentage of the city's non-residential tax revenue is due to the major development along Northwestern, they all agree it has added handsomely to the tax base.

"THE MAJOR development we are having out there is correspondingly creating an increase to the tax base," city assessor Dean Babb said. "Right

business talk

A page of local business news

'It (Northwestern Highway) is synonymous with signature names of both developers and corporations.'

— William Costick
city manager

now, because of all the new construction, we are getting the advantage of all the new buildings placed on the tax rolls. When it levels off, we should see some stability on the tax rolls."

As of Dec. 31 of each year, a project — regardless of its status, even if it's only partial construction — is put on the tax rolls, Babb said. Consequently, the city takes in additional revenue even before an office development is completed.

Unlike residential property, which places a financial demand on the city

in the way of providing services, office development provides a positive impact on the tax base per square foot, while requiring fewer public services.

"Generally speaking, the expense associated with office complexes are somewhat less than for residential areas," Joachim said. "They are also a good foundation for the school district. Businesses don't send kids to school."

Asked what an average assessment of the office buildings along Northwestern is, Babb said, "I can't. They are all unique."

BUT TAXES typically run about \$2 a square foot along Northwestern. To get an even better idea of the financial value of the development, consider that as of October 1985, office rents ranged between \$16 and \$18 a square foot, Babb said.

"That's considered expensive. It's at the higher end of the rent spectrum. In 1982, it was about \$12 a square foot for the same type of space," Babb said.

Consider that land on Northwestern has been selling for \$3-\$3.50 a square foot. There are 43,560 square feet in an acre. "That's expensive land. The value of property on Northwestern has been astronomical," Babb said.

The highest price tag Babb has seen on property in the corridor was \$4.20 a square foot. As he put it: "You pay what the market demands."

The sale price on a new office building would probably run \$75-\$100 a square foot, Northwestern "is one of our hottest office development locations," Babb said. "When it can command high rents, then it's going to create a higher market value."

TO DATE, the city's EDC is financing approximately \$42 million in tax-exempt bonds to 10 office projects — worth \$56.7 million in construction costs — on Northwestern. When complete, the projects will add \$29.2 million to the tax rolls. That works out to an estimated \$1.4 million in additional

tax revenue to the city. "That's an EDC projection. The assessor's figures may be more or less," McConnell said.

In terms of employment, the 10 office projects will provide construction jobs for 1,050 workers, based on information in project applications. The projects will also provide jobs for 2,500 permanent employees, McConnell said.

"The struggle here has been to maintain a good industrial tax base to keep residents' taxes down," McConnell said.

While office developments don't place a heavy burden on city services, maintaining Northwestern, now a heavily traveled thoroughfare, will cost the city.

Although the data is about 18 months old, Paul Riley of the Michigan Department of Transportation (MDOT) said that traffic counts for the highway total of roughly 30-40,000 daily in both directions.

"THINGS ARE changing so rapidly from one month to another that the volumes are going to change," Riley said.

Yet the condition of the road itself "has not really felt the impact of development," Riley said. "I can't say the maintenance costs have gone up. One of our problems though is that it is an old road to begin with."

But, the amount of traffic on

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short takes

If you recently opened a shop, captured an award, earned a promotion or are planning a new venture or project — and there's a Farmington-area business angle — we'd like to hear from you so we can share your news item with other Farmington Observer readers. Send items to: Short takes, Farmington Observer, 33203 Grand River, Farmington 48024.

• VIDEOTAPED INTERVIEWS

As former president of Win Schuler Foods and vice-president of Vlastic Foods, Larry O'Brien, now president of the Michigan franchise of the Corporate Interviewing Network (CIN), is aware of how precious a company executive's time can be.

Farmington Hills-based CIN is the originator and marketer of a new system that provides employers with videotaped interviews. The system allows companies hiring personnel to cut the amount of time and money spent on recruiting.

The concept is simple. After employers advertise in the newspaper and choose the most qualified applicants for the job, they submit candidates' names and telephone numbers to CIN. CIN contacts the applicants to schedule interviews in Farmington Hills or in one of 22 affiliate offices nationwide. Each candidate is asked the same questions previously formulated by the employers along with CIN.

Cost varies. The cost of a 40-minute interview is \$100 per candidate. A 20-minute interview is \$50 per candidate.

At present, CIN has several large and small Detroit-based companies using its system.

• COMPANIES ACQUIRED

Carr Industries has acquired Carr Tool Co., Farmington Hills, Richard Brothers Punch Co., with plants in Detroit and Chicago, as well as American Drill Bushing and Welch Drill Bushing, both of Los Angeles.

American Drill Bushing and Welch Drill Bushing have represented the "standard of the industry" for 40 years, supplying machine-tool bushings, jigs and work-holding fixtures, clamps, and safety-engineered hoist rings, among many other standard and custom machine-tool accessories, according to Farmington Hills-based Carr Industries.

• HE'S PROMOTED

Farmington native William Melhargey, formerly health care national account coordinator for Standard Register, was promoted to manager, national health care accounts.

Melhargey joined Standard Register as a sales representative in Fort Wayne, Ind., in 1973. He transferred to the Toledo District Sales Office later that year. He moved up in the sales organization to become a group executive in Toledo in 1978.

Melhargey was transferred to Atlanta in 1979 and was promoted to his original position in Dayton in 1984.

• CHIEF ESTIMATOR

Robert Tompkins of Farmington Hills, was named chief estimator at Albert Kahn Associates, Inc., Architects and Engineers, Detroit.

Tompkins, a registered architect in Michigan and Ohio, brings 30 years of experience in estimating to his new position.

• NOW A VP

A veteran of the automotive supplier industry, Ernest Smutek, was named vice chairman of Dura Corp., Bloomfield Hills.

The Farmington Hills resident has been president and chief operating officer for the company since 1980. He has served in various sales, marketing and general operating management roles since 1957.

• PR FIRM CHOSEN

President Tuxedo, Michigan's largest men's formal wear chain, has chosen Hermanoff & Associates of Farmington Hills as its public relations agency.

President Tuxedo has 16 store-owned locations in Michigan, including Farmington Hills, and one in Ohio.

It has five franchises in Colorado. The company plans to triple the number of franchises in 1986.

The first President Tuxedo store opened in 1970. The company began its franchising operation in 1984.

• JOINS LAW FIRM

James Szafraan, an attorney with 16 years' experience in arson investigation and property law, has joined the law firm of Kaufman and Payton at its Farmington Hills headquarters.

Szafraan, who has litigated product and general liability cases in state and federal courts, will concentrate primarily on the firm's growing product liability and arson-related practice.

The Plymouth resident is a member of the State Bar of Michigan and the American Bar Association. He is admitted to practice in the U.S. District Court and the U.S. Court of Appeals.

Szafraan, who worked as a firefighter for 15 years, investigated 700 fires during four years as a lieutenant in the Detroit Fire Department's Arson Section.

• MOVING UP

Thomas Comptels was appointed to mortgage representative at Mortgage One, Inc., West Bloomfield Township.

The Farmington Hills resident's responsibilities include developing mortgage plans for prospective property buyers. He previously worked 10 years as an independent licensed real estate agent specializing in new construction.

He is a member of the Southeastern Michigan Builders Association and won the 1980 award for sales, marketing and product presentation.

• BOTSFORD CONTROLLER

Donna MacDonald, CPA, was appointed controller at Botsford General Hospital, Farmington Hills.

MacDonald joined Botsford in 1981 initially as general accounting manager. He was promoted to director of financial services before being named controller.

• NEW IN TOWN

Bergstrom's Plumbing & Heating has opened a retail outlet at 2845 Orchard Lake, Farmington Hills. To reach proprietors Daniel and Lynn Bergstrom, call 553-2225. Edward Bailey is the outlet manager.

Woolman Chiropractic Center, P.C. has opened a chiropractic health care facility at 23030 Mooney, Farmington. To reach Dr. Richard Woolman, call 478-4499. Evening and Saturday appointments are available.

Steven Cohen, CPA, announces he will conduct business as Cohen & Associates, P.C., Certified Public Accountants, 31800 Northwestern Highway, Suite 201, Farmington Hills.



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