

Opinion

Robert Sklar editor/477-5450
Kathleen Moran assistant managing editor

33203 Grand River Ave./Farmington, MI 48024

Philip Power chairman of the board
Richard Agninan president
Dick Isaham general manager
Steve Barnaby managing editor
Fred Wright circulation director

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Standoff

Dispute sparks questions

WHO'S RIGHT? That depends on interpretation. And that's why the dispute could end up in court.

Is Farmington Hills' plan to use tax increment financing to pay for a \$164-million road improvement project along 12 Mile, west of Farmington Road, illegal?

Yes, say Farmington Public Schools administrators, who cite an attorney general's opinion as proof.

No, say Farmington Hills officials, who contend the city meets the four criteria necessary to pursue tax increment financing.

The schools aren't arguing against the planned road improvement project. They concur with the city that without improvement to 12 Mile, future development will be jeopardized along the corridor and the quality of life in the city could suffer as a result.

THE MOST controversial aspect of Farmington Hills' 12 Mile Road Master Traffic Plan for 1986 to 1991 involves a four-lane, landscaped boulevard with median cuts west of Farmington Road to Haggerty.

The purpose of the boulevard would be to separate south-side offices from north-side houses, reduce left-turn conflicts at intersections and allow non-disruptive, signaled business driveways.

The boulevard would carry a \$164-million price tag (the city's share would be \$9.2 million) and comparatively higher maintenance costs. Tax increment financing is proposed for the city's share.

Such financing results from capturing all or a portion of the dollars generated by a development area's increase in assessed value from the time the area's latest assessment roll was equalized. Farmington Hills proposes capturing a portion of the increase from the other taxing units in the tax increment financing district for up to 12 years.

THE PLANNED Tax Increment Financing Authority (TIFA) district is bounded by Haggerty, I-696, U.S. Postal Service property and 12 Mile.

A municipality can create a TIFA to

economic growth. Each of the four criteria must be met, according to Attorney General Frank Kelley's Jan. 16 opinion.

In question is the first criterion. The schools argue that a significant number of property values in the targeted area aren't declining. And, they argue, you can't halt something that doesn't exist.

In its 12 Mile Road Corridor Development Area Tax Increment Financing Plan, the city argues that improvements through tax increment financing will prevent a decline in property values.

Even though a significant number of property values within the planned TIFA district may not be declining at the moment, they surely will without road improvements, argues Farmington Hills Mayor Joe Alkatech.

SHOULD THE city scrub its TIFA, it's likely some developers will take their projects elsewhere. Those who don't will confront a city council poised to protect the city's quality of life by stopping development along 12 Mile, west of Farmington Road, until the road is improved. The two new local interchanges planned for I-696 also will be jeopardized if 12 Mile improvements don't extend to Haggerty.

A TIFA is generally a cost-efficient mechanism for financing necessary public improvements. The property-tax revenue that the improvements generate benefits each taxing jurisdiction.

Still, these questions require answers: Is preventing a decline in property values tantamount to halting a decline in property values? Is there any way to resolve the standoff between the city and the schools outside of court? How was Southfield able to create a TIFA for a proposed \$3.2-million Civic Center Boulevard between Borg and Lahser, where property values likely weren't declining?

The schools raised a legitimate question — and unwittingly uncovered a paradox in the law. Apparently, you can't use tax increment financing for public improvements until decay already has set in. There's no provision for TIFA to be used as a preventive.

Who's right in the Farmington Hills case? Only time will tell. But it's quite clear the letter as well as the spirit of the TIFA concept needs a pointed review.

— Bob Sklar



Tannian's access to Lucas

"Mr. Tannian had that most important asset, access to the top decision-maker."

THAT BIT of understatement comes from Richard Strichartz, Birmingham resident and former law professor at Wayne State University. In his capacity as special fact finder for the Wayne County Commission, it's tucked away in his 64-page report on County Executive William Lucas' procedures in letting a \$138 million contract to rehabilitate the Old County Building.

There's no "smoking gun" in the hands of either Bill Lucas or his chief of staff, Dennis Nystrom, on the question of conflict of interest.

Nevertheless, the picture that emerges is one of repeated, blatant favoritism toward Phillip G. (Jerry) Tannian, attorney for the firm that won the contract.

THE IDEA for renovating the Old Wayne County Building was hatched in May of 1983 by Robert FitzPatrick, head of the county's Economic Development Corporation — and the man Lucas defeated for executive in 1982.

A month later, Lucas announced his office — not EDC — would take over the project. No reason was given.

Could it have been because the EDC board must operate under the Open Meetings Act but staff work inside the Lucas administration could be closed to the public? Strichartz has no answer.

(Many months before Tannian's client got the contract, FitzPatrick predicted it would happen, based on the favoritism



Tim Richard

shown to Tannian.)

FitzPatrick had long business experience in real estate deals, but Lucas took the project away from him and placed Jamil Akhtar, one of his assistants, in charge. Akhtar had been a sheriff's deputy, union leader and law student. Questioned by Strichartz on why the renovation contract took so long, Akhtar admitted, "Well, this was the first time I was ever involved in anything like this."

TANNIAN WAS AN old pal of Lucas, dating to their days in the Detroit office of the FBI. Tannian went on to become Detroit police chief; Lucas, to become sheriff in 1989 and executive in 1983.

Tannian is counsel for a partnership called OCBR (Old County Building Renovation), one of five bidders for the contract. But in mid-1984 during staff discussions, Akhtar testified, "I was instructed by Mr. Nystrom that Mr. Tannian would be involved in this project."

How involved? Tannian was given an advance copy of a planning document called Request for Proposal "to look over and rewrite," Akhtar said.

Two companies emerged as top contenders for the renovation contract — Tannian's client OCBR and Amurcon. A

staff committee headed by Akhtar analyzed the bids and voted 4-2 for Amurcon.

Although Amurcon's \$144 million bid was \$6 million higher than OCBR's, Akhtar's committee strongly recommended Amurcon on a point system for reasons of "overall strength... far greater record of real estate experience generally... superior ability."

A DAY LATER, Lucas, without ever being given a copy of the Akhtar committee's report, decided in favor of Tannian's client.

A week later, Tannian, as a political friend of Lucas, arranged a \$186,000 loan from National Bank of Detroit to the executive's political fund in order to pay off Nystrom's legal fees in the infamous road patrol layoff case which Lucas-Nystrom lost.

Akhtar told Strichartz several other stories of how Tannian could "arrange favors" because of his access to Lucas. "What Mr. Tannian would do would be to work with the administrative staff, try to get the best deal that he could, and then go in and see the executive and try to get a better deal... I was affronted by Jerry's way of doing business."

Lucas is due to announce for the Republican nomination for governor on Feb. 12, "Honest Abe" Lincoln's birthday. It would be more appropriate for him to hold off to March 15, birthday of Andrew Jackson — "To the victor belong the spoils."

An example for the DAC

UNTIL 11:39 a.m. Tuesday the subject matter for this column was pretty much set in granite. Then in front of our eyes, a precious bit of America died.

We all will remember what we were doing the moment we learned that the lives of seven American astronauts were snuffed out. I was on the phone talking business when I heard.

"Steve, the shuttle just blew up. Everybody was killed," said the voice on the other end.

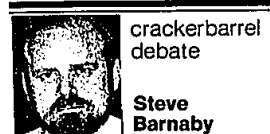
For a moment the words just wouldn't come. I looked down at my handwritten notes which suddenly seemed meaningless.

"Listen," I said, "anything I've got to talk about right now would seem pretty irrelevant. Why don't I talk with you later."

The other person, nearly in tears, agreed and we hung up.

LATER, LOOKING over the notes I had gathered for this column, I tried desperately to blot out the image of the fire ball framed by the crystal blue sky. The image just wouldn't go away.

Driving home that evening, I sorted through the reliable old mental file to salvage my column idea. (For some reason,



crackerbarrel debate

Steve Barnaby

most of the decisions I make in life are finalized while driving.)

Suddenly it all made sense. Today's column was to be about the Detroit Athletic Club's vote to continue its ban on full membership for women. I had typed a note to myself saying, "Business leaders have a special role to play in this country, an example to set. But last week's decision..."

That was as far as I had gone.

THEN I THOUGHT about all the women who had made an impact on the nation that day. Naturally, Christa McAuliffe, the school teacher turned astronaut, was first and foremost. And then there was astronaut Judy Resnik, whose determination made her one of the first American women in space.

Watching television later that day, we saw ABC's journalist Lynn Sherr, who has become one of the foremost space experts, tell us not only about the accident but about the astronauts she had come to know so well.

Finally, after an exhausting day of news reports, we saw Joan Rivers tell us she would not be telling any jokes that evening. It just wasn't appropriate.

All women, all successful, all contributing to society in one way or another. Two of them, in the blink of an eye, have become forever etched in our minds as national heroes.

THEY ALL possess one thing in common. None of them, despite their contributions, could be a member of the Detroit Athletic Club.

It's an affront that this community's most powerful male leaders could have the audacity to forbid membership to those who contribute so mightily to society.

We must question the viability and credibility of business and civic leaders who are so insecure as to want to belong to such an organization. Shame on them.



Farmington Public Schools science consultant Kathy McAdaragh, who vied for the honor of becoming the first civilian in space, is shown at work in a local classroom last year.

It's a time for reflection

Pray for the heroes' families, for heroes they were.

The space shuttle Challenger's seven-member crew, who together were a portrait of America, paid the ultimate price — they gave their lives — so that the world would have a sharper understanding of what lies beyond Earth.

Their lure? Money? Fame? No. It was something more basic: a pioneering spirit and the wonder of exploration and discovery.

The tragedy of Challenger wasn't far removed from the Farmington area. Two Farmington Public Schools teachers, Kathy McAdaragh and Marie Potts, shared New Hampshire teacher Christa McAuliffe's dream of teaching the first class from the stillness of space.

When the Challenger disintegrated shortly after liftoff Tuesday morning, a part of each person who joined in the sorrow seemed to die.

— Bob Sklar