

Trucks under-taxed, county road chief says

By Tim Richard
staff writer

Trucks should be taxed more heavily to help pay for Oakland County's "urgent" road needs, said the man who runs the road system.

"Trucks are not being taxed sufficiently," John L. Grubba, managing director of the County Road Commission, told a League of Women Voters audience Monday in the Birmingham Unitarian Church.

Grubba had finished the script of a standard speech he gives to civic groups on the coming \$600 million gap between 1995 road needs and county road revenues when the question arose.

"MORE AND more industries are adopting the 'just in time' concept of supply," he said, noting that major auto manufacturers want supplies to be within four hours of their plants. The reasons for "just in time" delivery are to hold down warehousing needs, to stockpile less capital and to cut insurance costs.

"Our roads have become warehouses for these firms," he said. "Motorists will notice more truck traffic on major routes."

"It's a new use of our roads. We should look at this new use and find a way to tax it."

TAXING TRUCKS more heavily and charging fees to land developers are two new ways of raising road revenues, Grubba said.

He threw out no numbers but dwelled more on those answers in response to audience questions.

Last January, after meeting with local officials, particularly those in high-technology growth areas, Oakland County road officials identified



John L. Grubba
new tax for new use

nearly \$750 million in road needs to be met by 1995.

The Road Commission, a semi-autonomous unit of government, has no tax sources of its own but shares state gasoline and weight tax revenues on a formula basis — a source Grubba said would run \$600 million short of 1995 needs.

He identified several Oakland cities as lying in "Automation Alley," a corridor from Cincinnati to Flint identified by "Megatrends" author John Naisbitt. The county will see a total of 250,000 new jobs by 1995 — including 55,000 in Troy, 30,000 in Southfield, 30,000 in Farmington Hills and 50,000 in Auburn Hills, he said.

Communities not affected by office and plant development are feeling residential growth, he noted.

SEVERAL NEW sources of revenue are possible, Grubba said, identifying:

• Fuel tax — a one-cent-a-gallon voted increase would yield \$5 million a year. State permissive legisla-

tion would be required. Florida and 25 percent of Indiana counties do this.

• A county sales tax on automotive-related products — 1 percent would yield \$12 million a year. State legislation would be required.

• A countywide property tax — one mill would yield \$15 million a year. A proposal could be placed on the ballot by a simple resolution of the County Board of Commissioners — no special state legislation would be needed. But while several cities have passed millage for local roads, a countywide property tax is "not very popular," Grubba said.

• Tax increment financing authority (TIFA) — usable only by cities. Under a TIFA, property taxes on new business developments are used to pay for public works within a TIFA district. Southfield, Madison Heights and Auburn Hills have TIFAs, he said.

SINCE STARTING the road needs study, Grubba said, the idea of charging "traffic impact fees" on developers has gained some attention.

The concept is in use in North Carolina and Florida, particularly around freeway interchanges that are expected to generate lots of traffic.

"Developers are realizing that if they don't help, they don't get roads," Grubba said. "Developers in Florida liked the idea with two conditions: 1) that their area benefit and 2) soon. It's an attractive mechanism."

The developer fee idea is embodied in a package of bills introduced by state Sen. Richard Fessler, R-West Bloomfield, chairman of the Senate Transportation Committee. "That, hopefully, will be looked at and enacted," said Grubba.

The city of Troy is working with one developer on the idea, he said.

STATE GOVERNMENT has been able to pledge development money for major proposals such as the GM Lake Orion plant, the Fiat Romo Mazda plant and the Chrysler Auburn Hills project.

IMPACT OF OFFICE DEVELOPMENT ON SELECTED ROADWAYS

Selected Roadway or Corridor	Estimated Floor Areas (Square Feet)		Percent Change
	Existing in 1980	Existing in 1986	
Big Beaver Road	3,706,000	5,737,400	+ 54.8%
Haggerty Road	65,000	236,600	+ 264.0%
I-75 Corridor	775,350	1,254,550	+ 61.8%
Northwestern Highway	2,928,650	6,537,150	+ 123.2%
Twelve Mile Road	474,900	2,064,400	+ 334.7%
Woodward Avenue	1,053,300	1,928,000	+ 83.0%

Chart shows the impact of Oakland County office development on certain roadways, with floor area used to estimate the number of trips per day. Source: Oakland County Road Commission.

"But that doesn't respond to the communities with many small manufacturers," Grubba said.

The state Legislature has debated but rejected higher truck taxes based on axle weights.

Chief reason: Michigan is off the national east-west railroad path and must permit heavier trucks than other states allow. Michigan's problem is further aggravated by its mild climate with its frequent freeze-thaw cycles that damage pavements. Simply raising gasoline taxes won't work, Grubba said, because new cars burn half as much fuel as a few years ago.

"We're going to have to get used to bigger trucks and smaller cars," he quipped.

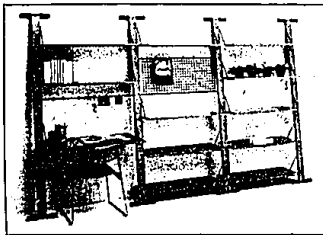
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Warren firm acquires Harris

Modern Engineering Service Co. of Warren announced it has acquired Harris Design Service Inc., a specialized CAD/CAM engineering service company headquartered in Farmington Hills.

The acquisition of Harris Design will enable Modern to undertake larger, more complex projects, said Modern President Ralph L. Miller.

Miller announced that Bill Harris will remain as president of Modern's new Harris Design division and will be named a vice president of Modern Engineering.

THE ACQUISITION was made through Modern's parent holding company CDI Corp.

Harris Design Service Inc. is one of the area's leading computerized die design companies. Harris has developed specialized computer application packages that decrease the time required for die design and development.

Modern Engineering is the largest supplier of technical services to the automotive industry.

Harris Design brings to Modern an expert team of automotive design engineers and numerical control programmers. Harris' 41 tube CAD/CAM and data tracking systems assure complete coordination of its product and manufacturing database information.

Harris Design's computerized die design system sharply cuts the time between the design and manufacture of metal stamping dies, which means that Modern will increase its capability to meet the automotive industry's demand for a more rapid response to its competition and market changes, Miller said.

THE HARRIS acquisition gives Modern Engineering the capability to go directly from design to the production of metal stamping dies, eliminating much of the time and expense of models and tooling aids. Modern will break ground this year on a 110,000-square-foot engineering building in Warren with a highbay assembly and mockup area.

When completed in 1987, the new structure will be used for various build and test programs for both vehicles and components.

Network series starts for women

The fall Women's Network luncheon series at the Highland Lakes Campus of Oakland Community College will open with "Women and Change" on Wednesday, Sept. 17. Certified social worker Bernice Gaden is guest speaker.

The luncheon program will begin at noon in the Student Center Arena on campus at 7350 Cooley Lake Road, Union Lake.

Admission, which includes lunch, is \$5.50. Interested persons should make a reservation by Sept. 11. Call 360-3041.

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