

Is City Grabbing 'Rich' Tax Base?

By EMORY DANIELS

FARMINGTON
Annexation opponents have prepared an argument to convince voters the City of Farmington does not want the southern portion of Farmington Township solely for the Farmington Freeway Industrial Park.

The industrial park, developed by Thompson-Brown, is located at 10 Mile and Grand River and is included in the area proposed to be annexed to the city.

Also included in the area is the Independence Commons and Green housing complex located at Grand River and Haggerty.

FOR SOME TIME now, the annexation opponents have claimed the city wants the annexation only to "grab" the rich tax revenues produced by the industrial park and apartment complexes.

The forces backing annexation have prepared a set of figures in an attempt to establish that the city wants and needs growing room, and not just additional tax base.

The main point being made by the annexers is that if annexation passes, the expanded City of Farmington's tax base per person would decrease.

Conversely, it is argued, if annexation passes the tax base per person for the remaining area of the township would increase.

FIGURES USED in the study are current population, state equalized valuation (SEV) totals and a SEV per capita for the city, township, area proposed to be annexed, expanded city if annexation passes, and the remaining portion of the township.

The total SEV represents the tax base of a municipality. A tax rate (millage) is multiplied against the tax base to produce that municipality's tax revenue.

Thus, tax base represents a government's ability to produce revenue. The SEV per capita figure represents how much tax base the government has behind each person it must serve.

Farmington Township, for instance, has an estimated

population of 46,000 persons with a tax base of \$238.7 million. The township, then, has a tax base of \$5,150 for each resident it serves. This does not, however, mean the township has \$5,150 to spend for each resident. It's the amount of property subject to taxation.

To get revenue per person, you would have to multiply the township tax base by the millage rate (a mill is \$1 per \$1,000 SEV).

THE SEV per capita figure is a proper tool to use for analysis provided the reader keeps

analysis

clear that SEV is tax base (ability to produce revenue) and must be coupled with the tax rate (millage) to determine actual revenue.

As already determined, then, Farmington Township in 1970 has \$5,150 of tax base for each resident living within its present boundaries.

The City of Farmington, on the other hand, now has about 11,000 persons with a total tax base of \$6.5 million which amounts to \$5,100 worth of tax base per resident.

Thus, between the two existing units of government there is now only a \$50 difference in the tax base per resident yardstick with the township holding the slight edge.

THE SOUTHERN portion of the township proposed to be annexed has an estimated population of 19,000 persons and a tax base approximating \$76 million.

Thus, in the south end alone, there is only \$4,000 worth of tax base for each resident. This is \$1,150 lower than the total township SEV per capita and \$1,100 lower than the city's SEV per capita.

What will happen then should annexation be approved on Nov. 3?

The expanded City of Farmington would have a population of some 30,000 persons and a total tax base of \$122.5 million. The tax base per person for the new city would be \$4,100, or a 15% decrease from what the city's present SEV per capita is.

The contracted Farmington Township would have a population of about 27,000 persons with a tax base approximating \$160.7 million.

The new township area, the north end, would then have a tax base of \$5,900 which would be 15% higher than the township's present SEV per capita.

AND SO, annexation supporters argue that if annexation passes, the balance of the township would gain about 15% tax base per person, and the new city would lose about the same percentage.

The advantages of the

19,000 persons and \$76 million worth of tax base while the township would lose those same amounts.

It must also be pointed out that tax base which now stands behind each south end resident (\$5,150 as part of the entire Farmington Township would decrease by \$750 if the south end became part of the city.

Although it might be interesting to separate the population and tax base of the south end for discussion purposes, it must be remembered that the township's tax rate is applied over the entire township's tax base.

"The City of Farmington being centrally located to serve the affected area makes it feasible for us to furnish adequate municipal services economically," says Dinan.

"The city would be able to extend the services without increasing our basic administrative overhead. In other words, we can serve 30,000 population with the same number of department heads as our present 11,000 population."

Aboard Cruiser

FARMINGTON
Navy Seaman Apprentice Stephen Button, son of Mr. and Mrs. William Both of 27409 Haggerty Rd., Farmington, returned to his hometown of Mayport, Fla., after a seven-month deployment in the Mediterranean aboard the guided missile cruiser USS Albany.

gingiss'

formalwear center
4222 N. WOODWARD
12 Miles South of I-4 Area
376-1206
EXACTLY RIGHT FOR THE OCCASION

SPECIMEN TREES and SHRUBS

Now is the time to plant trees and shrubs. Experience and research has shown that fall is an ideal time to plant as the newly set plant has time to establish a root system capable of transpiring moisture, in the spring, to the upper portions of the tree, a process extremely vital to the plant.

As Oakland County's fastest growing landscape construction firm it is our privilege to offer you the highest quality available in the area of patio, pool and building, as well as landscape construction.

Call on us NOW for consultation on what your needs might be to best enhance your home environment.

Landscape Specialties

Phone: 626-4427 30740 W. 12 Mile Rd.

"Where an expert's presence is required and perfection is a must."

Baruch Sees Tax Problem

Leonard P. Baruch, Democratic candidate for state representative in the 64th District, speaking to a Homeowners Civic Association meeting, criticized the "let-it-wait attitude" of the Legislature on taxes.

He advised the homeowners that the budget allocation which has been proposed for school aid cannot be paid for because there is not enough tax money available.

Baruch said: "This would be comparable to each homeowner going out and buying anything he wanted without worrying about whether or not he could pay for it."

He added, "The property tax is an oppressive tax. We need tax reform and we need it quickly."

Baruch pointed out that most candidates are not ready to call attention to the fact that the state is in a tax bind.

"I take pride in feeling that the voter is an intelligent person who can make the proper decision if he has all of the facts. I pledge to continue providing the facts during the campaign, and especially after I am elected."

Baruch, who lives in Southfield, is seeking to defeat incumbent State Rep. Raymond L. Baker (R-Farmington).

Longacre Boys Are Thanked

FARMINGTON
Walter Jablonski, principal of Longacre School, recently received a gratifying letter from the Detroit Society for Crippled Children and Adults, Inc.

A letter of thanks, it commended a group of Longacre students who held a carnival during summer vacation and donated the proceeds to the Society.

Students singled out for this special "thank you" were Kurt and Geoffrey Kallinger, Mark Peters, Scott Kenerson, Scott Chesley, Mark Bekkila, Bill Herman and Steve Manz.

Bronze Clipper Barber Shop
FREWAY SHOPPING CENTER
BY APPOINTMENT IF PREFERRED
476-0007
FARMINGTON INDUSTRIAL PARK FARMINGTON

50%

WE NOW PAY DAILY INTEREST ON PASSBOOK SAVINGS

5 1/4% ANNUAL RATE SIX MONTH CERTIFICATE SAVINGS	5 3/4% ANNUAL RATE ONE YEAR CERTIFICATE SAVINGS	6% ANNUAL RATE TWO YEARS CERTIFICATE SAVINGS
--	---	--

FIRST FARMINGTON

SAVINGS & LOAN
22725 ORCHARD LAKE RD.
Phone GR 4-7250

Open Daily 9:30 to 5, Friday 9:30 to 7
Saturday 9:30 to 12

Opposite Farmington Plaza

THIS STORE ONLY!

BIG 3-DAY SALE

THURSDAY • FRIDAY • SATURDAY

CHILDREN'S SHOES 96¢

WOMEN'S SHOES \$384 \$288 \$192
Dress & Casual

MEN'S SHOES \$480

WOMEN'S & CHILDREN'S WATERPROOF SHOE BOOTS \$384

WOMEN'S HANDBAGS \$192

SOX 6 pairs 96¢
MEN'S, WOMEN'S CHILDREN'S

Kinney SHOES

MIDDLEBELT and 9 MILE FARMINGTON 476-9825