

## State fund, not TIFA, eyed for 12 Mile plan

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ness and divert them for specific purposes.

"The amount of taxes paid by taxpayers will be the same whether or not a tax increment plan is adopted by the authority," the high court ruled.

Under the TIFA mechanism proposed by Farmington Hills two years ago, property values in a district along 12 Mile would have been frozen. Tax increment money is derived from the increase in assessed valuations in the district

over the initial value at the time the TIFA plan is effective.

The schools opposed the 1988 proposal, arguing that Farmington Hills did not meet the criteria of TIFA because there was no decline in property values along 12 Mile. The school district also argued that the city could not legally capture revenues for purposes other than school-related items. Allowing a TIFA would breach the district's contract with bondholders to levy all taxable property in the district, according to the school districts' argument.

## Hearing planned to debate tax hike

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finance director Charles Rosch.

For residents with questions about the Headlee Constitutional Tax Limitation Amendment, the city's 10-mill charter maximum is reduced. But that has no real effect on the city this year because the maximum is not being levied, Rosch said.

City officials propose raising the tax rate because they say they are encountering "a financial dilemma." "If we hadn't cut the tax rate last year, we wouldn't have a problem this year. Last year, we dropped taxes because we had revenue growth. Now we're in a completely different situation," city manager William Costick said in May.

EXCLUDING DEBT retirement, the proposed \$24 million budget represents a 6.5 percent increase over the current budget.

The city is faced with a more than \$1 million revenue loss because of the lack of a surplus (\$500,000) to carry over into the new year, decreasing building permit fees (\$325,000) and elimination of federal shared revenues (\$112,000).

Increased costs, particularly in refuse disposal, general costs, such as police services, property assessment administration and employee health benefits, are further pinching the proposed budget, Costick said.

The proposed budget provides for an average 4-percent salary increase

for employees, including department heads. The budget also includes the addition of five new full-time positions — one police officer, one police dispatcher and three maintenance workers. New part-time staff also are planned for in the budget.

THE PROPOSED budget also reflects increases for maintenance and operations of the city's new parks, the 210-acre Heritage Park and 15-acre youth athletic Pioneer Park. The city's debt retirement shows an increase primarily because of the transfer of principal and interest payments on the city's \$7 million general obligation bonds for the three-year road improvement program.

In previous years, the city had a surplus because more revenue was generated than was expected or budgeted. That surplus was used the following year to help balance the budget. That's not expected to be the case anymore because revenues are not coming in excessively over projections, Rosch said.

The total general fund balance is expected to drop to \$1.7 million, which is about 7.2 percent of the city's proposed \$24 million budget. Financial analysis recommend that municipalities maintain a budget surplus equal to 10 percent of the city's operating budget. The amount of surplus affects a city's bond rating.

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## Fund may aid 12 Mile project

By Joanne Maliszewski  
staff writer

Farmington Hills officials are looking to the new Michigan Transportation Commission Economic Development Fund as a way of financing construction of a boulevard on the 12 Mile Road office corridor.

Though applications for financing under the state's new program are still unavailable, city officials expect to begin the application process in June.

"Hopefully, we'll get on a priority listing for funding," said assistant city manager David Call. "Unless we get enough documentation and get a high priority immediately, 1990 (for construction) is more realistic."

Because 12 Mile is under the jurisdiction of Oakland County, the state application will be given to the county even though it is the city that has developed improvement plans for the congested roadway, Oakland

County has no plans or money available for necessary improvements on the thoroughfare.

The Economic Development Fund is designed to provide \$53 million annually for statewide transportation needs. The state financing the city is seeking would provide 75 percent of the money needed for the 12 Mile project. The remaining 25 percent would be financed with local money provided by the city and county.

"The county has already told us they will not contribute any cash. They said they would provide soft costs such as design work, right of way assistance and negotiations and environmental engineering," Call said.

THE PROPOSED three-mile boulevard, for which cost estimates are still unavailable, would have a 50-foot median and provide two lanes in each direction with loops for turns.

**The proposed three-mile boulevard would have a 50-foot median and provide two lanes in each direction with loops for turns.**

"It would be very similar to Big Beaver (in Troy)," Call said.

The improvements in Farmington Hills would extend from just west of Farmington Road to Haggerty. A transition area from Farmington Road west to near Bunker Hill on the north side of 12 Mile would contain five lanes running into the boulevard, Call said.

Novi officials have shown an interest in continuing the boulevard through their city to just past Novi

Road. The financing application may include both projects, making the boulevard six miles long, which, according to state transportation officials, might require phased construction, Call said.

The Farmington Hills Economic Development Corporation has already completed a computerized right of way plan for the proposed boulevard. The plan shows how much right of way is needed for the project, as well as a conceptual plan of the boulevard.

UNDER THE state Economic Development Fund's program, the city's plans would fit into two of six categories that would be eligible for financing. The category considered most appropriate provides financing for areas experiencing economic growth on a major road that is incapable of handling the existing and expected development, Call said.

## \$24 million budget includes pay raises

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- Deputy clerk: \$32,240 (\$31,000).
- Community relations specialist: \$21,520 (\$20,230).
- Police chief: \$56,880 (\$54,500).
- Deputy police chief: \$40,984 (\$47,087).
- Fire chief: \$52,520 (\$50,500).
- Deputy fire chief: \$46,748 (\$44,928).
- Public services director: \$55,640 (\$53,500).
- Assistant to public services director: \$33,200 (\$37,100). A new staff person is filling the job left vacant

by the promotion of Dale Countegan.

- Zoning office supervisor: \$31,483 (\$34,098); the position was changed with the retirement of former supervisor Hal Rowe.
- Community development director: \$43,472, a new position.
- Community development coordinator: \$41,800, a new position. The discontinued community development manager's position had a salary of \$41,808 last year.
- City engineer: \$52,520 (\$48,500).
- Department of public works superintendent: \$46,644 (\$42,200).



RANDY BORST/staff photographer

### Hugs 'n' cuddles

Five-year-old Alyson Adams, a student at Fairview Early Childhood Center in Farmington Hills, hugs her favorite friend during a Teddy Bear Picnic at the school May 25. The spring picnic featured activities for the children, plus entertainment by the school's music therapist.



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