

Oakland gets little from liquor tax leftovers

By Tim Richard
staff writer

Other counties are reaping the rewards of a 1985 liquor-hotel tax increase. But not Oakland.

"We come out on the short end of that distribution," said James Brennan, director of program evaluation for the county Board of Commissioners. In fiscal 1987-88, Oakland derived nearly \$923,000 from the liquor tax. This year it will get a bit more than \$17,000.

Next year, nothing. The liquor taxes were developed when the city of Detroit sought money to double the size of Cobo Hall, the riverfront convention center whose expanded facilities were dedicated last week.

THERE WAS a battle in Lansing in 1985. The names of Detroit, Cobo Hall and Mayor Coleman Young became fighting words. The Michigan Legislature said

Cobo Hall benefits the economy not just of Detroit but surrounding Wayne, Oakland and Macomb counties with more hotel rentals and tourism.

So revenues from the taxes were applied to pay off Cobo Hall bonds. But a state tax can't be applied only to three counties — it has to be levied statewide. What do you do with the rest of the revenue?

Use it for alcoholism programs, the Legislature said.

Now surpluses are going back to 80 outstate counties, saving endangered drug and alcohol programs, and acting as balm for the wounds of the opponents.

"You don't hear that outcry much any more," said Rep. Morris Hood Jr., D-Detroit, who sponsored the liquor tax measure that helped build the new Cobo Convention-Exhibition Center.

PART OF the \$225 million for the expansion came from a \$100 million

bond issue. And part of the bond payments come from a 4-percent tax on retail liquor sales statewide.

The rest comes from a tax on hotel bills of up to 6 percent, depending on a hotel's size, in Wayne, Macomb and Oakland counties.

Oakland's Brennan said bond payments on Cobo Hall will go up to \$22 million next year, eating up the three suburban counties' revenue. Thereafter, bond payments will drop to \$18 million and \$16 million, leaving small but growing amounts for the suburban counties.

When the liquor tax passed, some party stores outside Detroit posted signs telling patrons their Chivas Regal scotch was increasing from \$17.60 to \$19.43 a fifth, their Jim Beam Choice bourbon from \$6.23 to \$7.16 and their El Toro Gold tequila from \$7.32 to \$8.18 to pay for "Coleman Young's new hall," Detroit officials recalled.

"There was a lot of disgruntlement at the time," said Scott Schrager, a staffer on the state House Taxation Committee. He helped legislators, hotel owners and liquor store operators reach agreement.

THE FINAL bill said that if the tax brought in more than needed for the bond payments, the 80 counties outside Wayne, Macomb and Oakland would get back the revenues they raised.

If more money remained, it would be divided among those counties and the three in the Detroit area.

At the end of 1986, the first bond payments were met, and the coun-

ties outside Detroit got their liquor tax revenue back. The proceeds:

• Wayne County — about \$795,000.
• Oakland County — about \$763,000.
• Macomb County — about \$461,000.

THE BOND payments rise until fully phased in in 1989. So the return to counties dropped from \$12.5 mil-

lion the first year to \$9.5 million for 1987 and an estimated \$7 million for 1988.

By law, 50 percent of the money must go for drug and alcohol-abuse treatment. It has bolstered various sagging programs in counties hurt by federal and state budget cuts, said Candy Black, coordinator of the state Office of Substance Abuse Services.

Sen. Gil DiNello, D-East Detroit,

called the new Cobo Center beautiful and said Macomb County could well use its returned money.

"It most certainly was very vehemently opposed," Hood said. "But most of them have reaped benefits, most of them are very pleased. Finally some positive things are happening."

The Associated Press contributed to this story.

Ellis first provost at Lawrence Tech

Dr. Robert W. Ellis of Farmington Hills has been appointed to the newly created position of provost at Lawrence Technological University, a 5,000-student independent institution in Southfield.

President Richard E. Marburger said the appointment, effective immediately, was approved last week by the board of trustees.

Ellis has been Lawrence Tech's dean of engineering since 1984.

Succeeding Ellis as dean in Lawrence Tech's School of Engineering will be Khalil S. Taraman of Dearborn Heights. Taraman has been associate dean of engineering. The School of Engineering, Lawrence's largest, enrolls more than 2,500 students.

AS PROVOST, Ellis will be responsible for Lawrence Tech's 30 academic programs in architecture, arts and science, engineering, management and technology.

He also will oversee the office of admissions and the registrar, bookstore, and library, research, and cooperative and continuing education activities.

He holds three degrees in engineering from Virginia Polytechnic Institute and also attended Harvard University's Institute for Educational Management.

Ellis is a contract consultant with General Dynamics Land Systems Division, and has just experience as a senior engineer with the U.S. Army Tank Automotive Research and Development Center, as a research fellow at NASA's Langley Research Center, and as a metallurgical engineer with the Polyscientific Division of Litton.

He had earlier been president of Detroit Institute of Technology, provost and dean at the public Florida International University in Miami, and assistant vice president for academic affairs at the University of South Florida in Tampa.

He was named Michigan's 1987 Engineer of the Year by the Michigan Society of Professional Engineers (of which he has been president).

TARAMAN JOINED Lawrence Tech in 1988. Previously, he had been chairman and professor of mechanical engineering at the University of Detroit.

He holds undergraduate and master's degrees from Ain Shams University in Egypt, a master's of science from the University of Wisconsin, and a doctorate from Texas Tech University.

Hertel heads oceanography subcommittee

U.S. Rep. Dennis Hertel, D-Harper Woods, is the new chairman of the Oceanography Subcommittee of the Merchant Marine and Fisheries in the U.S. House of Representatives.

Hertel, starting his fifth term, said the subcommittee is charged with issues that involve the nation's waterways and bodies of water, such as marine science, oceanographic research and ocean environmental protection. It also covers coastal zone management, marine and estuarine sanctuaries, the National Oceanographic and Atmospheric Administration, the United Nations Conference on the Law of the Sea, sea grant programs and marine extension services.

Hertel, whose district covers part of Troy, said, "Now I will be able to have greater influence over many Great Lakes issues that have concerned me since I first came to Washington — like toxic contaminations, winter navigation, coastal erosion and the preservation of our wetlands and beaches."

His first act as chair was to authorize a \$15,000 reduction in subcommittee expenditures in light of the federal budget deficit.

He has been responsible for developing Lawrence Tech's research programs and has served as a senior technical consultant with Ford, Bendix, and General Electric. In 1988, he was named Educator of the Year by the Society of Manufacturing Engineers region that covers the western U.S. and Canada.



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