

Is Oakland economy shaky or strong?

By Janice Brunson
staff writer

The economy in southeastern Oakland County remains strong, according to some area business owners, corporate executives and others, but most have assumed a defensive posture anticipating a possible downturn.

Others suggest a downturn may already be close at hand.

"We've just had the strongest month ever in 31 years of business," said Dennis Dickstein, former president of the Southfield-based Builders Association of Southeast Michigan and owner of real estate offices in West Bloomfield, Birmingham and Rochester.

In May, Dickstein's sales totaled \$31 million, \$8 million more than in any other previous month, with Birmingham the most active office. Overall, new housing sales are down slightly, but residential resales remain strong, he said.

One new project, Meadowridge on Middlebelt just south of 12 Mile, is "going like bonkers. We're selling

one a week," Dickstein added. Starting in price at \$139,000, 16 homes in the 76-unit development have already sold.

But "the economy can't remain rosy forever. Builders, developers and banks have been burned in the past." In case of a downturn, Dickstein said, many businessmen have reduced risk factors, avoiding "leveraging into limbo and being left hanging on a dead limb if the economy turns."

JERRY MCKEON, a Birmingham broker who is current president of the Birmingham-Bloomfield Board of Realtors, is emerging from two months in which sales were "slightly down" in his office.

"I'm not alarmed. I have every reason to be positive. Interest rates are down. But we've had an early summer market," McKeeon said. Normally sales in April and May are brisk, followed by a general slowdown in July and August when people vacation. This year, McKeeon saw brisk sales in January and February and slower sales in the spring.

Mortgage broker Jeanne Abbott of Farmington Hills anticipates a strong fall market. "Business has been excellent and the economy is healthy. It looks very positive into the fall."

Abbott, a former Troy school teacher who founded Executec Mortgage Corp. less than two years ago, said the business has steadily grown. She has increased employees from two to six and everyone works seven days a week. Abbott managed her first weekend off in nearly two years last month.

Gayla Houser of the 560-member Troy Chamber of Commerce said business in the immediate area remains strong and competitive, based on feedback from such chamber members as Time Engineering, an automotive design and engineering firm. Company officials told Houser there are no indications of a cutback in orders.

MICHIGAN'S ECONOMY, once nearly entirely dependent upon the automotive industry, has diversified since the last major recession in 1982,

"I'm not alarmed. I have every reason to be positive. Interest rates are down. But we've had an early summer market."

— Jerry McKeeon
President, Birmingham-Bloomfield Board of Realtors

with jobs in other sectors nearly doubling as the number of automotive-related jobs has remained constant the past seven years.

The situation is most dramatic in Oakland County, according to Joseph Joachim, director of the county's Community and Economic Development, who said new jobs here exemplify diversification and the strength of the county's economy.

Between 1979, the peak year of employment before the 1982 recession, and today, jobs in the private sector increased 32.5 percent or by 170,000 positions, compared to 20 percent nationally and 5.2 percent elsewhere in Michigan. Service positions in Oakland County, those not

connected to the automotive industry, increased 11 percent and now comprise 33 percent of all jobs in the county, while manufacturing positions, those related to the automotive industry, fell 10 percent.

In addition, the total value of new construction starts in the county last year totaled \$1.5 billion, up from a paltry \$250 million in 1982. However, in recent months the county's economy has "cooled slightly."

Since the final quarter of 1988, the county has "tracked the national economy" and sustained a solid 3 percent growth rate. Joachim believes the economic plateau is here to stay, at least for the immediate future.

"TODAY'S ECONOMY is good, not a barn stormer, but healthy," he concluded.

Based on corporate accounts, West Bloomfield accountant Edward Rosenbaum said county diversification, especially into high technology, is strong. He also agrees the county's economy is good.

Still, "we are tied to the auto industry and if it takes a down turn, there's the ripple effect that we're bound to feel," Rosenbaum said.

Some economists and industry observers believe there are signs an "involuntary slump is at hand. New car sales are sagging 5 percent in spite of tempting incentives and retooling plants are cutting back, trying to reduce swollen inventories."

Marshall Bell, manager of Shearson Lehman Hutton in Birmingham, said he is optimistic about the future economic outlook. "We remain very bullish. We're recommending equities for the long term. The typical investor, if he can afford it, should be 65 percent in stocks."

Bell's final advice: "Take advantage of the good times."

Legislators put rival state aid plans on ballot

By Tim Richard
staff writer

One day it wasn't there. The next day it had a two-thirds vote of both chambers of the state Legislature, and it will be on the Nov. 7 ballot.

"It" is a pair of rival ballot proposals to change the way Michigan's 560 public school districts are financed.

"It came up much too quickly," said Sen. Doug Cruce, R-Troy, who voted against it. "You won't find any of my fingerprints on that. There was not a lot of debate. There were no committee meetings."

"I FRANKLY don't have the inside on what lit the fuse," confessed Rep. James Kosteva, D-Canton, who usually is on the inside. He said members of Gov. James Blanchard's staff met with House minority leader Paul Hillegoeds, R-Holland, and one or two others from the Democratic side, and out came the twin proposals.

Sen. Rudy Nichols, R-Waterford, said the Senate had to take two roll calls because the plan fell one vote short on the first try.

"They pulled a cat out of the bag. A dead cat," said Sen. Jack Faxon, D-Farmington Hills, a negative vote. A Constitutional Convention delegate in 1961-62, Faxon said it's improper to load two items into a single legislative vote.

But Sen. R. Robert Geake, R-Northville, disagreed on that point. "We've done it before on bond issues," he said. But Geake voted against sending the plans to voters.

"There was tremendous pressure from school administrators and unions," explained Sen. William Faust, D-Westland, who voted to put the plans on the ballot and probably will endorse the larger of the two plans.

AT THE SAME time Detroit and many cities conduct their general elections, state voters will decide whether to support both, either or neither of these two plans.

An early version of the Harden committee proposal — a half-cent increase in the 4 percent sales tax. It would pump \$400 million into schools with no property tax relief.

The revived Rye-Oxender proposal — a 2-cent increase in the sales tax effective in 1990, with \$468 million going for schools and \$1.1 billion for property tax relief. In a share-the-wealth, part of the property tax would be collected statewide instead of by districts — 14 mills of business property and nine mills of home and farm property.

If both receive majorities, the one with the most yes votes takes effect.

It's not 100 percent certain those proposals will be on the Nov. 7 ballot. They are tied to five House bills amending business property taxes and taking the sales tax off some utility bills. The House has approved them, but the Senate Finance Com-

At the same time Detroit and many cities conduct their general elections, state voters will decide whether to support both, either or neither of these two plans.

mittee has been sitting on them since March 7.

Faxon sees an opportunity for mischief. "I question whether you can tie-bar this to bills whose effect is unknown," he said, calling the step a "substantial flaw."

SEN. FAUST and Rep. Kosteva both lean toward the second plan.

"It's fundamental, long-term change. It addresses the complete problem — schools and the property tax," said Kosteva. He said the 2-percent plan was supported by in-formula districts such as Wayne-Westland but not by out-of-formula districts such as Plymouth-Canton.

"I was in touch with every superintendent," said Faust. "The majority wanted the 2-percent one and urged me to vote to put it on the ballot."

Faust added, "I was surprised at some of the Republican votes."

While Senate majority leader John Engler, the probable 1990 GOP gubernatorial candidate, voted no such leading Republican lights as Dan De-Grow of Fort Huron, John Schwarz of Battle Creek, finance chairman Norm Shinkle of Monroe and William Sederburg of East Lansing voted yes.

ENGLER WANTS existing and growing state revenue pumped into schools as a No. 1 priority. "We need new priorities, not new taxes," he said.

Nichols of Waterford agreed, even though "I have one of the more troubled school districts in Michigan. . . Pontiac. They want school finance reform, and they, too, believe we can find a way to bring more money into K-12 education through existing state resources."

Geake agreed. "I support increasing funds for public education through growth in the state general fund," he said.

Geake said out-of-formula districts such as Livonia, South Redford, Plymouth/Canton and Clarencerville wouldn't benefit, although Redford Union could.

"They're getting hold of our school money," said Faxon of the 2 percent plan. "They've got our road money now." Several schools in his Senate district — notably Farmington, Southfield and Novi — have large property tax bases.

How our reps voted

Here is how area legislators from Oakland County voted on the plan to put two school tax proposals before voters:

HOUSE
The total vote was 89-16.
Yes — Democrats Maxine Ber-man of Southfield and Wilfred Webb of Hazel Park; Republican Jan Dolan of Farmington Hills.
No — Republicans Matt Dunasniks of Lake Orion, David Hoonigan of West Bloomfield, Judith Miller of

Birmingham and Gordon Sparks of Troy.
SENATE
The total vote was 26-11.
Yes — none.
No — Doug Cruce, R-Troy; Jack Faxon, D-Farmington Hills; Rudy Nichols, R-Waterford.
Present but not voting — Richard Fessler, R-Commerce. His abstention has the same effect as a negative vote.

Ep Smile™, for the smile you've always wanted.

Achieve The Designer Smile



Ep Smile™ is a remarkable new tooth brightener and cleanser that can give you whiteness you can measure. Safe and powerful, it is the result of years of research by Dr. Irwin Smigel, innovator in the field of aesthetic dentistry and a leading New York dentist. Having earlier developed the technique of dental bonding, Dr. Smigel was particularly determined to find a new, non-abrasive, stain-removing formula for his patients with bonded teeth, a formula he later ascertained to be just as safe and effective on natural teeth.

Ep Smile also protects against plaque. ColProx™ the stain remover in Ep Smile, works by dissolving an invisible layer of protein that constantly forms over tooth surfaces and

attracts stain and plaque. When that layer is removed, there is nothing for stain and plaque to adhere to. Ep Smile also contains fluoride so it may be used in place of regular toothpaste.

Inside the Ep Smile box is a unique measuring device that lets you measure the improvement in the whiteness of your teeth. Measure before you start, then brush twice a day as directed. Generally after three weeks, you will begin to measure the difference. Your teeth will certainly feel different right away — slicker, smoother — on your way to the brighter smile you've always wanted.

Ep Smile comes in a 4 oz. pump container, \$12. Cosmetics, all stores except Twelve Oaks.

HUDSON'S