

Farmington man to head land lobby

By SUSAN AVERILL
Roy J. Russell of Farmington was recently elected president of Michigan Land Development Association (MLDA), a group formed to watchdog state legislation on land development and use.

"The purpose of the group is three-fold," Russell said. "The MLDA is a group which is trying to have the buying public become aware of what makes good development and good land development."

"The second purpose is to monitor legislation that affects the land industry and to appear at hearings and legislative and committee meetings." The final purpose of the "representative" land developers is to get the legislation affecting land development tempered down.

RUSSELL IS ALSO senior vice president of Thompson-Brown Co., a Farmington-based land development and real estate firm. But he said that the "land development" appellation may have to be stricken if repressive legislation continues to discourage Michigan land developers.

Although he and most other land developers are in favor of good land use, they disagree with the stringent rules and regulations of a recently passed state land use bill. The cost of compliance with the rules is practically prohibitive, he said, and according to one report, has

forced nearly 60 per cent of the state's land developers to "give up."

If other pending legislation is passed, a seven-man commission will have the authority to halt any Michigan land development for up to three years until complete geographic, topological and environmental studies and plans have been made.

"It will create a shortage of housing sites. We question where the money will come from for the planning," Russell said.

Fine topographic surveys are required to determine flood planes and other features. The mandatory survey is costly, and unavailable from the state, he said.

If the area is timbered, further studies are required to determine how many trees should be left standing and where.

"We estimate that it will take millions of dollars to find out which land is best for what purpose. The money hasn't been provided for."

ALL THE COSTS which go into land development for having to comply with all these rules are built into the product. The consumer has to pay for it.

Several years ago, Thompson-Brown began "Michaywe," a second-homesort development near Gaylord in northern Michigan. The project is now faltering mainly because of red tape and difficult restrictions, according to Russell.

Sited on an attractive 2,833 acre tract of land, Michaywe has a golf course, ski area, community-owned forest areas and lake access. Despite its appeal, the community sites haven't been selling. Part of the reason, Russell said, is the land developer's obligation to make sure each prospective buyer reads a "State of Michigan Property Report."

"We have to make sure they read through it and understand it. It contains a kind of full-disclosure act. Unfortunately, it highlights the negative-type aspects, we can't use it as a selling tool. It slowed the sales pace down."

In 1973, Thompson-Brown sold 355 lots in the Michaywe development. Sales dropped by more than half in 1974 when only 112 lots were sold. With five months left to 1975, the company has sold only 36 lots, a drastic plunge from two years ago.

Russell admits that not all the drop can be attributed to the legislation. "WE DON'T KNOW how much of it is due to economic conditions," he said. But he is convinced that land development would be better off without the restrictions.

According to a report in a recent issue of "Great Lakes Real Estate Journal," an land development industry journal, there are five issues which are hindering the Michaywe development and the land industry in general.

"If tax breaks are being used to lure commercial and industrial facilities to Michigan, why should the state discriminate against existing development and construction projects that are being throttled out of competition with land developers in other states," the journal reads.

It also makes the point that the recent rules, regulations and red tape are unprecedented and have "effectively curtailed any further developments by major investment groups."

Blanket requirements like paved roads, underground utilities and sewer systems "create increased costs which have definitely contributed to the pricing of recreational properties out of the reach of the average

wage earner, retirees and even those who could well afford a second home."

"All factors contributing to increased valuations, assessments and taxation, are a travesty of justice imposed upon those who are retired and others who spend only weekends and vacations at their second homes."

"THE VAST majority of vacation home owners are charged school taxes in their home towns, as well as in districts remote from their regular school district," the journal continues. "Double taxation for school operations is going to kill the goose that already have laid some golden eggs," it concludes.

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