

STATE OF THE COUNTY ADDRESS

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Mr. Chairman, commissioners and citizens of Oakland County:

This is the eleventh time I have appeared before you as county executive to assess the state of our county of Oakland.

During my previous ten messages I have often times had to report that the national economy or the state's fiscal crises or an automobile industry downturn would challenge us greatly to maintain our enjoyable financial position as one of Michigan's most stable and respected governments.

In fact, there has been no time when we have not had to use our combined energy and skills to assure ourselves that in spite of whatever external forces were working against us - - that we would stay on our course of sound management, and administer the people's tax dollars in the most effective and efficient manner.

We can be proud of our record but never satisfied with ourselves for there is much left to do.

Recently we have listened to President Reagan call for the Second American Revolution of hope and opportunity. Today, you will hear me talk about the concrete changes we must make if we, in Oakland County, are to lead the "comeback" and if Michigan will get a shot in the Second American Revolution.

Last year we saw Oakland County continue to benefit from the national recovery, which began in early 1983 and moved steadily through 1984. We saw nearly thirteen thousand new people enter the labor force in Oakland County, while eight thousand

unemployed returned to work. We are successfully meeting the competition of other business development organizations and I am confident we will reach our goal of eighty-nine thousand new jobs by 1990.

Durable goods and manufacturing -- the mainstay of southeastern Michigan's economic base continues to grow. Auto manufacturing was the bellwether. Nineteen eighty-four auto production in Oakland County was up eighty-four percent over 1983. Resumption of production at the General Motors Orion Plant and the Ford Wixom Plant contributed to this resurgence -- and added to the good news in the auto industry.

As 1984 drew to a close, about four million square feet of new office space was under construction in Oakland County, and another two million square feet were in the planning stage. Residential construction was up seventy-three percent --Southeast Michigan is moving again and Oakland County is leading the way.

While it is always exciting to talk about new jobs and new offices and new cars, we must never lose sight of our more established communities. After all, it is cities like Ferndale, Hazel Park, Royal Oak and Madison Heights which helped us build Oakland County into the fine place it is today, where people from far away mention us by name and say, Oakland County, where Success is a way of Life.

In efforts to help these more mature communities make the transition into the 21st century we are working directly with their representatives to formulate a plan for the economic impact of the I-696 freeway extension. Our plan will assist new companies moving in, showcase the advantages of being near a widely traveled freeway, and depict the increased access to a new market made available by the freeway service drive. We are

working with these community leaders on a marketing approach which will help assure positive results from the I-696 completion.

Our County Community Development Division has created a commercial assistance program using three hundred fifty thousand dollars in block grant funds to generate a two million dollar commercial property rehabilitation loan pool, with Manufacturers National Bank of Detroit — another example of government and private industry joining hands.

As a result, below market loans will be available to Oakland County businesses through their local communities. The program generates private investment for business retention and expansion throughout Oakland County.

We are constantly working on unique and creative ways to make Oakland County a better place to live and conduct business.

Last year, at this time, I indicated the emergence of a high technology economic base in Oakland — it's really happening now!

The one thousand eight hundred acre Oakland Technology Park, after only one year of development, is about five years ahead of schedule. The forty-five million dollar Comerica Operations Center is nearing completion and ground has been broken for the fifteen million dollar Oak Tech Building and the thirty million dollar Electronic Data Systems Center. At this time, GMF Robotics, the nation's largest robotics manufacturer, is awaiting approvals which will allow construction of their new twenty-six million dollar building. Toward the end of 1984, the Chrysler Corporation announced the purchase of five hundred acres in the Technology Park for the new five hundred million dollar Chrysler Tech Center. These five

projects in the Technology Park alone will ultimately account for about ten thousand high tech jobs.

In Southfield, Nippondenso Company, a leading Japanese automotive component manufacturer, partially owned by Toyota, has begun construction of a twenty-five million dollar research and development center.

Its events, such as these, which are creating a new county image. An image of being the nation's center for automated manufacturing systems. These companies, using new technologies, are building off the decades of manufacturing strengths we are so well known for around the world.

I am happy to report that our new Economic Development Group is now fully staffed and is aggressively moving ahead to assist existing county businesses to take advantage of expansion opportunities. We expect seventy-five percent of our new job growth will come from these businesses already located in the county. We expect the remaining twenty-five percent will come from new businesses attracted by our national and international marketing program.

To further our progress in this area, in April, I plan to attend the southeast Michigan Business Attraction and Expansion Council's trade mission to Japan. I plan to be accompanied by the Mayor of Detroit and the Executive of Wayne County. This mission will target automobile suppliers, particularly those who may be considering following Mazda which recently announced its new facility in Flat Rock.

Our mission will make history for southeast Michigan, because this is the first time three political leaders representing different constituents with divergent interests will work together overseas for the betterment of one region.

Nationally, our marketing efforts are targeted at companies that provide expansion of our county economic base.

The economic base developed by these kinds of businesses will put many more residents to work as well as provide new growth opportunities for our local market economy.

Perhaps this would be a good time for me to reduce some of this macro-economic and business development discussion to a size we can all more readily understand. In other words -- what does all of this really mean to the citizens of this county and to southeast Michigan. To do that I asked my staff to find an example of a new job here in our county and the spin-off benefits created by that job.

The Southern Steel Company recently opened a branch office in Madison Heights and a young man by the name of Brad Ray moved here from Kentucky to manage that office.

Mr. Ray bought a home in Troy where he lives with his wife and son. His family shops in Oakland Mall and recently he bought a car from Ed Rinkie Chevrolet in Centerline in Macomb County. He goes to many Red Wings and Tiger games in Detroit as well as frequenting trendy eateries in the tri-county area. This one example illustrates how one new job generates business as well as other new jobs -- for many others -- throughout the region and the state.

(PAUSE) More than fifteen years ago, when Governor George Romney was leading this state its financial situation was much the same as it is today, he studied our laws, our flaws and our future, and paralleled his job as a government leader to that of a corporation president. Governor Romney and I share the same belief that we owe it to you, the stockholders of this state, and this county, to manage your money the best way we know how. He said, and I quote

"The people are beginning to believe again, believe in their government, their institutions, their leadership and in their own ability to make a difference by their own personal contribution and their own individual and cooperative efforts."

This is a simple explanation of what the people of southeast Michigan and particularly Oakland County are all about. We're a county of strong individuals who want less government and more opportunities for personal investment. As President Reagan recently said, the best way to reduce government spending is to increase the incentives for private investment -- and we are doing just that.

The future demands that the creeping costs of government be controlled. My 1985 budget recognizes this as it anticipates expenditures to be nine million dollars less than in 1984. This was only achieved after my staff worked diligently for many months reviewing their department budgets and looking for ways to make an across the board cut of two and one half percent from all of their budgets. I am happy to report we accomplished that task. Even though the cuts were made, you, the taxpayers, will not suffer. We found ways to cut expenses while still maintaining our high quality of services in the departments of health, law enforcement and the courts. In fact, due to increased scrutiny of our funds, division managers found creative ways to offer new programs while phasing out some of the more out-dated ones that the public has lost interest in.

We have been working very closely with Sheriff John Nichols on complying with the consent decree regarding the jail expansion. The Sheriff has done a terrific job cooperating with others and devising creative use of current space for jail cells. We presently have plans drafted to use the garage for an area of expansion. And we are also moving closer to having the state appointed jail monitor dismissed. Sheriff Nichols came in and tackled that jail situation immediately and we now have a number of plans on the drawing board to alleviate the overcrowding problem. These are plans that keep us away from actual brick and mortar expansion.

I have always been a firm believer in cooperation and getting things accomplished by working with others. We know that team playing is the best method and offers the most fruitful results.

Since 1977 this administration had been working toward the day when an advanced nine one one system could be implemented on a county-wide basis. In recent months members of my staff have been working very closely with local communities on the nine one one project. I look at 1985 as the year when substantial progress toward early implementation of the nine one one emergency system will become a reality throughout Oakland County. When that happens it won't matter where you live, you'll know in case of emergency you'll just dial nine one one on your telephone and help is on its way.

We kept a tight rein on all spending so we didn't have to raise the tax rate this year.

Property tax revenue of seventy million dollars represents less than nine percent of total property tax collections -- the remaining ninety-one percent goes for schools, city and township services and special assessments.

With the turn of the century in sight with its rapid changes in technology, demographics and demand for services, it is important that we gear up for major changes in a manner that will maintain our past excellence and leadership at the right cost.

However, the fact remains that we can perform cost controlling in our county budget for decades, but it won't bring new jobs or progress to the state. We must realize that our county's future is directly linked to the state's business climate -- which must be improved.

As many of you may know, I am working closely with Detroit, Wayne County and Macomb County on leadership strategies for the good of southeast Michigan. One problem we are addressing is the future of the SEMTA board and how it can be restructured to operate in a more efficient manner than it currently does. We do not have a concrete plan yet, but we all recognize that the board is too large, with too many members, who are not responsible to the local units and who cannot carry on its function in a an effective manner. As soon as a restructuring plan is developed I will be back to discuss it with you.

We also recognize that we need each other to survive. If new businesses are going to seek out the region as a place to build their offices and if existing companies are going to expand their operations here, we must change the business climate now! The other Detroit area leaders have agreed and we have set our agenda to discuss methods to curb unemployment and workers compensation costs in Michigan. The cost of doing business in Michigan must become more competitive. We are now competing in a world marketplace.

Speaking of competition, let's talk about one of the biggest companies in the news that many states are trying to lure to their back yards -- the General Motors Saturn Plant. If

this plant were built in our area it could mean about one billion dollars of investment and seven thousand new jobs for area residents.

But I can tell you that the economic needs of the Saturn project go far beyond the resources of Oakland County. Yes, we have numerous sites that fit their criteria and we have skilled workers and highly progressive and stable local governments and we can offer many local financial incentives.

But what we can't offer at the county level are incentives needed by General Motors to reduce the cost of doing business in Michigan, and thereby allow the U.S. auto industry to be again competitive in the world market.

To gain this needed advantage the governor and the legislature will have to address the high costs of Michigan's workers compensation, unemployment compensation and taxes.

I have heard General Motors and other business leaders messages very clearly over the past few years. I only hope those in Lansing have heard it and will address this issue. We will be meeting with the chairman of General Motors in March to discuss the opportunities and benefits of why the Saturn project should be in southeast Michigan and more particularly in Oakland County.

Ladies and gentlemen, let me reassure you that I do not take the economic situation in Michigan or Oakland County lightly. I am publicly supporting a rollback in the state income tax, not the one-time property tax rebate the governor has proposed.

Frankly, I don't see the equity or the fairness of taxing all of the working people by an additional thirty-eight percent and then giving the surplus to some of the people. My sense of equity says you relieve the burden from the backs of those who bore it.

Michigan taxpayers are not going to be fooled by this now you see it, now you don't shell game that some in Lansing are playing.

I ask that you not take these cold facts and believe I don't think we have a place in the national recovery or that we can't be part of the Second American Revolution. We can. Let there be no mistake that together, with our legislators in Lansing, and a cooperative governor, we can keep Michigan on the recovery road and if labor costs are brought into line we can and will be able to compete with states like Indiana. But dramatic changes must be made if we are to be in the race.

So let me leave you today with the words of a British author and social critic which sheds some light on our present situation.

"There is no such thing as darkness, only the failure to see," we in government have been too long playing not to lose, instead of playing to win. (PAUSE) Let's play to win.