

## City may sell part of beach park

By LYNN STEVENS / H-P Staff Writer | Posted: Wednesday, May 21, 2003 12:00 am

BENTON HARBOR -- The city could soon sell nearly 4 acres of Jean Klock Park for an upscale housing development.

The City Commission's Planning & Economic Development Committee met Tuesday night and agreed to refer the proposal to the full City Commission for a possible vote next Tuesday. Developers want to start as early as July 1, and several people at the meeting saw the developers' plans as a way to increase the city's tax base and fund maintenance for the park without damaging its beauty or natural habitat.

"I grew up in Jean Klock Park," Mayor Charles Yarbrough said after the meeting. "I fell in love with my wife in Jean Klock Park. It is near and dear to me. There's nothing this administration would do to harm Jean Klock Park, and I think all the members share that sentiment."

Not everyone shared his enthusiasm, though.

Committee Chairman Ricky Hill, a city commissioner, and committee member John Arnold agreed with Yarbrough to send the plans to the full City Commission.

Committee members Juanita Henry and Etta Harper, also a city commissioner, asked for more research. No vote was taken, but Hill said there was a majority consensus.

The proposal calls for selling a strip 100-feet deep and about 1,450-feet long beside Grand Boulevard. The partially developed street runs along the park's northern edge.

Scott Dienes, a lawyer for the developers, said the project would take about 3.8 acres of park property, roughly 5 percent of the present park area.

Grand Boulevard Renaissance L.L.C., with principals John Allegretti, Charles Ammeson and Louis Hoekstra, wants to build 28 single-family homes on the strip.

They proposed Tuesday night developing seven lots each year for four years. At closing the purchase of the first seven lots, Grand Boulevard Renaissance would pay the city \$500,000. Dienes called it a down payment for the first seven lots.

Further, the partnership would pay the city 75 percent - minus yet-to-be-calculated development costs - from what each lot buyer paid. This would be paid as the lots were sold.

Dienes said that as more lots were developed, the appraised value of the vacant land would rise. The city would share the rising values with the developers.

Finally, Dienes said, "The city wants long-term funding for the park. We've earmarked 5 percent of the purchase price for long-term maintenance of the park. The goal is to encourage additional use of the park."

If the partnership were unable to sell a lot within two years, it would pay the city 75 percent of the appraised value of the lot, Dienes said.

City Assessor Steve Archibald said an independent appraiser put the developed value of the project at \$8.4 million - or \$300,000 per lot.

He said the project would generate \$201,495 per year in property taxes over the estimated development term.

For comparison, Archibald cited tax figures for four beachfront lots off Grand Boulevard that Allegretti has been developing recently. Two have completed houses, a third is nearing completion and a fourth lot is undeveloped.

Archibald said the assessed values for the completed houses were \$230,000 and \$235,000. Assessed value is half what the assessor believes the selling price would be.

He said the unfinished house has an assessed value of \$216,000. The vacant lot is assessed at \$104,000. The four parcels are producing between \$21,413 to \$6,755 in taxes per year, he said. The developers plan similar houses for Grand Boulevard.

"In the past, we've always had to give out tax breaks," Archibald told the committee. "In Enterprise Zones or Renaissance Zones, the county or the school system loses money. In this, everybody gains."

City Manager Joel Patterson, who had approached Allegretti last fall about creating such a project, said the project would benefit the city several ways:

- u Proceeds from the land sale would allow the city to open the park with a full staff.
- u The project potentially would allow expansion of the land mass of the park.
- u Development would expand the property tax rolls.
- u It would address the city's budget deficit.
- u It would increase the value of 28 acres of land at the former Michigan 63 interchange, which the city wants to develop into a residential/commercial/recreational strip.

Deputy City Manager Dwight Mitchell explained further the city has received a grant to create a pedestrian and bicycle path from the Bobo Brazil Community Center to Jean Klock Park. The city has another grant for waterfront development along the Paw Paw River.

Both would help create a recreational belt from one block south of Main Street to the river and the former exit to Jean Klock Park.

He said some of the exit area must be left undeveloped because it is wetland, but about 12-15 acres could be used for homes and commercial buildings. Those would be more valuable because of the recreational development and because of the value of houses along Grand Boulevard.

City Attorney Char Pugh Tall said the city legally may sell the land along Grand Boulevard. However, she said there are some deed restrictions the developers want cleared. She said they have promised to pay all legal expenses to quiet title to the land.

Ammeson said the acreage at the M-63 interchange could be the city's collateral in case they cannot get the title restrictions settled. If they could not build on Grand Boulevard, the developers would ask for the M-63 acreage.

But Ammeson said that was unlikely. He was confident Wednesday night the title issues would be settled in time to begin building July 1, if the City Commission approves the sale.

Several neighbors from Higman Park, which borders Jean Klock Park on the north, objected to building anything in the city park.

Bob Burkholz said he sympathized with the difficulty city officials had in raising money for a park staff because he had served for 30 years on the Berrien County Park Commission. He suggested commissioners invite the county parks board to operate Jean Klock Park.

"They will do it, at no cost to you," Burkholz said. "All they ask is no interference."

Burkholtz warned that Jean Klock Park has friends all over the Twin Cities area who would object to putting houses in the park. He said if the city tries to sell park land, "This will be a legal nightmare."

Another Higman Park resident, Max Allen, said city officials should not compare Jean Klock Park with Edgewater as a development site.

He said Edgewater was "an industrial mess." Putting non-public, non-recreational buildings in the park violated the Klock family's trust in the city, he said.

Another resident cautioned against trading properties with a developer and mentioned a case in which Traverse City gave developers prime land in exchange for unusable land.