

Benton Harbor sees boon, bust in resort plan

It's cash at park's expense

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BY TINA LAM

FREE PRESS STAFF WRITER

BENTON HARBOR -- Four years after back-to-back nights of rioting drew national attention to the smoldering race and poverty issues of Michigan's poorest town, several nonprofits -- including an arm of Whirlpool Corp. -- are poised to execute a grand solution for Benton Harbor's ills.

They are ready to break ground on Harbor Shores, a \$500-million golf course, hotel, marina and luxury home development along the shores of southern Lake Michigan. They say it will help reinvigorate the bleak industrial town, provide jobs, pump up its tax base and send golf course profits to community groups.

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Critics say the plan mostly benefits well-off Whirlpool executives and golfers -- not the residents of Benton Harbor, which routinely leads the state in various poverty indexes.

They say it will take away much of a park deeded to the city 90 years ago so that three holes of the Jack Nicklaus Signature golf course can have panoramic views of Lake Michigan.

"This is not going to be all things to all people, but it will be a great catalyst," said Mark Mitchell, a Harbor Shores trustee.

Harbor Shores will sprawl across 530 acres -- nearly a square mile -- of Benton Harbor, Benton Township and neighboring St. Joseph.

Allowing parkland to be used for a development should concern people anywhere in Michigan, said Lana Pollack, director of the Michigan Environmental Council.

"It throws into question the permanency of any gift of land for public purposes," she said.

Infringing on Jean Klock Park

On a stretch of shore crowded with condos and cottages, Jean Klock Park stands out. It is serene and undeveloped -- a pretty half-mile beach backed by high forested dunes.

In 1917, town leader John Klock and his wife, Carrie, donated 90 acres of beach, dunes, forest and wetlands to the city to remember their daughter Jean, who died in infancy.

Residents grew up knowing the story.

"I was always told it was left as a legacy," said Michel Dasse.

Emma Kinnard was baptized at the park. Her class reunion was there. "The gift that was given to us is getting smaller and smaller," she said.

Needing revenue, the city sold 4 acres of the park bordering the beach for development in 2003. The Friends of Jean Klock Park, a citizen group, filed suit. A judge cited a technicality in ruling that the city was free to do as it wished with the land. To settle the case, the city agreed to leave the rest of the park undisturbed if it could sell the 4 acres.

But in December, city commissioners voted to lease 22 acres of the park just behind the dunes to Harbor Shores for its golf course. The beach still will be there, but a parking lot will be built on it.

Kinnard said she fears that local children will feel less welcome at the beach. "People in those lovely houses aren't going to want riffraff here," she said.

The city gets \$30,000 a year for the 35-year lease, with 1% annual increases. The lease is renewable for another 70 years. Nearby lots are selling for up to \$400,000 an acre.

"We don't oppose a golf course, but we oppose using Jean Klock Park for it," said LuAnne Kozma, Michigan director of Defense of Place, a national group that protects parks.

The project needed the park's land and its water views to succeed, Dave Whitwam, chairman of Harbor Shores, said in a presentation.

"Without an outstanding golf course, we see no way to bring needed investment into the Benton Harbor community," he said.

The developers still hope to break ground this summer, but need final approval from federal regulators. They would begin with the golf course.

Although just 25% of the park would be used for the course, all the rest -- except the sandy beach -- would be circled by golf holes and unusable, said Carol Drake, a member of Friends of Jean Klock Park.

Mitchell said people would be able to walk on boardwalks with overlooks to see other parts of the park, but won't be able to walk on it. Much of the park is unused now because it's undeveloped wetlands, he said.

Because state and federal tax money was used to develop park amenities, Harbor Shores must donate land to the city to replace lost parkland. The project is donating eight scattered parcels totaling 47 acres.

Some is in St. Joseph -- walkways through the middle of a proposed marina-townhouse development. All but one of the parcels are contaminated with heavy metals and chemicals, according to appraisals.

"How are people supposed to use that land as a park?" Kozma said.

Before the golf course can move forward, Harbor Shores awaits approval from the National Park Service to convert part of Jean Klock Park to a new use. Approval is required because federal money has been

used for the park under a law aimed at preserving parkland. If the park service blocks the plan, the three lake-view holes would have to go elsewhere.

Granholm, state back project

Harbor Shores is a carrot Gov. Jennifer Granholm used to help keep Whirlpool and its jobs in Michigan, a victory she pointed to often during last fall's re-election campaign.

In May 2006, days before Whirlpool announced it would stay in Michigan, Granholm sent a letter to the firm supporting Harbor Shores and promising full cooperation from state departments in approving the project. So far, the state has provided funding and tax incentives worth more than \$120 million.

The project is a coup for Whirlpool, which will have upscale homes and amenities to offer its executives. The developers expect two-thirds of the homes to be bought as second homes, many by Chicagoans.

City Commissioner Juanita Henry, who voted against leasing the park to Harbor Shores, said the city will see little revenue from the project for 15 to 20 years because of tax abatements and because the jobs it offers are mostly low-paying, like golf course maintenance.

Harbor Shores, which has not yet won tax-exempt status, plans to give profits from the course to community groups in the three towns, including several groups that work on literacy, job skills and housing.

How much those profits will be is hard to say. The nation has a glut of new courses since 1990 even though rounds played have stayed relatively flat.

Mitchell said he's confident that despite its seasonal nature, the course will do well.

"Nobody is coming in here with an auto plant," Mitchell said. "If someone has a better idea to create jobs, clean up all this unusable land and have a long-term impact, let's hear it."

Contact TINA LAM at 313-222-6421 or tlam@freepress.com. Staff writer John Wisely contributed to this report.

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