

Dearborn wants steel site for K-8 school - Developer plans to contest price district is offering

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DEARBORN -- Dearborn Public Schools administrators will know as early as next month whether they can acquire the former Sharon Steel site for a new K-8 school to relieve overcrowding.

The district filed a condemnation complaint July 1 with Wayne County Circuit Court to secure the property from Northwind Developments for \$2.4 million through eminent domain -- the taking of private property for public use. The company bought the 12 acres in 1999 through a bankruptcy auction after the site sat abandoned for about four years .

Northwind will contest the price the school is offering within a week, its lawyer said.

"It's gross, unmitigated low-ball," said attorney H. Adam Cohen of Southfield. "The district signed a purchase agreement for over \$5 million last year and backed out at the last minute. Now they are trying to take it on the cheap."

The company originally wanted to build 47 single-family homes. City officials supported the project and got the state to invest more than \$1 million to clean up the site. The property was used for steel annealing and treating from 1932-89.

Assistant Supt. Ron Gutowski, citing ongoing litigation, said he could not say why the agreement was terminated. "We're just hoping for the best, because our schools are really tight," he said.

The district passed a \$150-million bond last November to finance a new school for 1,200 students, plus other upgrades. Dearborn has struggled with classroom overcrowding for several years. Most of the problem is on the east side of the city, where the Sharon Steel site is located.

During the past 20 years, the district has increased by about 5,000 students. The 2000-01 academic year saw an enrollment of about 17,000 children who speak 31 languages. The district added 400 students last fall.

While a judge is likely to hand the property to Dearborn Schools, the district may pay more than intended.

Cohen plans to have the land appraised for the current market value. If a judge rules in Northwind's favor on an undetermined purchase price, Dearborn will be asked to pay its \$2.4-million offer up front, leaving the remaining cost to be paid later.