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# Riverfront suit costs city \$30M

## State's top court says Detroit must pay former landowners

By DAVID JOSAR  
The Detroit News

**DETROIT** — As the week celebrating the Detroit riverfront concluded, the city got some bad news: It will have to pay as much as \$30 million to former property owners along a stretch of the RiverWalk.

On Tuesday, the Michigan Supreme Court issued a one-page order saying it found no grounds to hear the city's appeal of a 2004 Wayne County jury verdict that

awarded the Detroit Plaza Limited Partnership \$25 million in compensation for the city's taking of their six-acre tract.

Attorney Jerome Pesick, who represented the property owners, said his clients wanted to keep their land until the market was right.

"They wanted to develop it just like (what) is going on along the river right now," Pesick said Thursday, noting investors are now building luxury condos that are selling for as

much as \$1.5 million.

The land, just east of the Renaissance Center, has been incorporated into a park near Rivard that is part of the 3.5 mile East RiverWalk.

City spokesman Matt Allen on Thursday said the city is still deciding its next step. "What we are going to do now is internally talk about this judgment and consider our options," he said.

The ruling came near the end of the Detroit International River

Days, a six-day festival which marked the opening of the East RiverWalk.

In addition, the city is wrapping up roughly \$30 million in surplus property sales that Mayor Kwame Kilpatrick said is needed to balance the budget.

Allen said it was unclear what impact the ruling could have on the budget.



Ricardo Thomas / The Detroit News

John Murphy and Patricia Rea enjoy the RiverWalk, which includes land taken from the Detroit Plaza Limited Partnership.

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## Riverfront

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Before the case even went to the jury, the Detroit Plaza Limited Partnership agreed to accept a mediation award of \$20 million for their parcels, but the city rejected that recommendation.

At trial, the city said the land was worth \$13.6 million, while the landowners pegged the value at \$31 million. The city initiated the lawsuit in 2000 as it tried to accumulate land for a later-scuttled

plan to locate three casinos along the Detroit River.

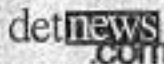
Pesick estimated the total the city will have to pay has grown to about \$30 million, which includes attorney fees and interest.

On Thursday, users of the RiverWalk were nonplussed the city might need to pay \$12 million more than what they had hoped for the land.

"It might seem like a bad deal now, but in the end, I think people will see the benefit of this park," General Motors Corp. employee Karen Tatum said while strolling along the RiverWalk.

### MORE ONLINE

Play a River Days audio slideshow and view photo galleries of downtown riverfront activities at [detnews.com/metro](http://detnews.com/metro).



Redeveloping the Detroit riverfront has been a sticking point for the city for years as plan after plan failed to take hold.

In 1998, then-Mayor Dennis Archer said the area would be used as a casino district. Detroit tried to buy up the land it could, and when it was unable to per-

suade landowners to sell, sued them under condemnation proceedings.

The Detroit Plaza Limited Partnership was one group that refused to accept the city's offer.

"This lawsuit is one of the biggest in a long line of missteps that took place along the river before this administration came to office," Allen said, noting at one point even the casinos had a \$150 million lawsuit against the city.

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