

ONCE AGAIN, DETROIT PAYS A LOT MORE FOR LAND GRAB - JURY SAYS RIVERFRONT PARCEL IS WORTH \$25 MILLION

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A jury has ordered Detroit to pay \$25 million, twice as much as the city wanted to, to the former owner of riverfront property seized by the city.

The Wednesday verdict was the latest in a string of examples going back at least to the Poletown case a quarter-century ago in which the city has been told to pay more for land seized through condemnation proceedings than it had anticipated.

The case decided Wednesday involved a vacant 6.3-acre parcel east of the Renaissance Center. Sometimes called the Blain parcel, after Jim Blain, a Livonia-based architect and developer who bought the land with his partners in the 1980s, the land was seized by the city in 2000 as part of former Mayor Dennis Archer's riverfront parks-and-casinos plan.

That plan foundered, and the property now is slated to become part of Mayor Kwame Kilpatrick's ambitious eastern riverfront development, which includes a recreational path along the Detroit River and residential and commercial uses just inland.

The city claimed the parcel was worth about \$13.7 million, and it paid that much after seizing the land. But after a trial this month before Wayne County Circuit Judge Michael Sapala, a jury awarded the Blain group, known as Detroit Plaza Limited Partnership, \$25 million. If not reversed on appeal, the verdict means the city will have to make up the difference plus interest.

AveryWilliams, an attorney representing the city in the case, could not be reached for comment. A spokesman for the mayor's office said the city plans to appeal the verdict.

Southfield attorney Jerome Pesick, one of Detroit Plaza's lawyers, said the case proves again that seizing private property for public use is never an easy solution to land assembly.

"When you're talking about parcels with this kind of value, there's an element of risk involved, there's no doubt about it," Pesick said. "They can be very expensive, as this is turning out to be."

Land acquisition for the General Motors Corp. Poletown project in the early '80s cost more than twice the original estimate of \$62 million. Later, land acquisition costs for Chrysler's Jefferson Avenue plant ran \$40 million over budget.

Vacant for years, the Blain parcel has inspired many proposals, from a condominium tower to a dock site for a riverboat casino. Today's plans call for the parcel to become part of the state Tricentennial Park now under construction as part of the eastern riverfront makeover.

Whether the Blain parcel case has a chilling impact on further riverfront development depends on whether the city contemplates using its condemnation powers again.

Kilpatrick, who was out of town Thursday and could not be reached for comment, has spoken disparagingly about condemnation efforts, preferring negotiations instead. But negotiations don't always work.

As part of that effort, the city hopes to move three cement plants off the east riverfront but has concluded deals with only two of them.

Matt Cullen, who heads GM's economic development efforts and co-chairs the Detroit Riverfront Conservancy, said seizing land through condemnation, also known as eminent domain, hasn't been discussed lately.

"I don't think it has any impact," Cullen said of the Blain case. "We're not really proposing to do eminent domain on any of them, including the Cemex plant," the riverfront cement plant that has yet to come to terms with the city.

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