



## Whirlpool's divisive development

By Eartha Jane Melzer 4/14/08 6:47 AM



Julie Weiss had returned to Benton Harbor from Chicago to look after her parents and was walking on the beach at Jean Klock Park in September 2006 when she came upon a sign that said, "18th tee."

That's when the 54-year-old musician and former financial services

worker learned that part of the city's Lake Michigan dune park is slated to be absorbed by a controversial private golf course and luxury home development sponsored by Whirlpool Corp., the local manufacturing giant. The state has approved \$120 million in tax incentives for the project, known as Harbor Shores.

The 73-acre park was given to the city of Benton Harbor in 1917 by owners John and Carrie Klock to be used as a public park and bathing beach, in memory of a daughter who died as an infant. The park contains a half mile of Lake Michigan shoreline and is popular with picnickers, swimmers and wedding parties. It is home to a population of the threatened plant species Rose-pink and features dunes, marsh and interdunal wetland. It has become precious public real estate for Benton Harbor, where four residents in 10 live below the poverty line and 92 percent are black.

Now in a David-vs.-Goliath struggle, Weiss and a small group calling itself the Friends of Jean Klock Park are seeking to block a corporate and political juggernaut pushing an economic development project that supporters say will create hundreds of jobs. The controversy in Benton Harbor illuminates the tensions between corporate economic

development and public community interests.

*Continued* -Weiss is an amateur historian whose father was a Benton Harbor city commissioner for decades starting in the 1970s. She watched the once-proud city descend into disrepair and desperation. When she learned that the state's plan for the area involved massive subsidies for a luxury development and the virtual giveaway of the city's beachfront, she got angry and began to ask questions.

"While Whirlpool has offered much to the community historically, the public should not abdicate its citizenship role in favor of private-sector decision making," she told Michigan Messenger. "Once the public is eliminated from the planning process, because these public-private partnerships lack transparency ... the community, our constitutional democracy, in fact, becomes weaker and weaker."

Harbor Shores is slated to cover 530 acres and include 860 units of luxury housing, a 350-room hotel and conference center with an 60,000-square-foot indoor water park. The centerpiece of the project is a 110-acre, 18-hole Jack Nicklaus Signature golf course that requires stunning lake views and must be sited on 22 acres of Jean Klock Park, according to developers.

Whirlpool is used to getting its way in Benton Harbor. It was founded here in 1911 by Fredrick Upton, grandfather of Fred Upton, the Republican congressman who represents the region. Now the largest home appliance manufacturer in the world, the company has annual sales of approximately \$19 billion per year. Whirlpool has outsourced most of its manufacturing, but still runs its corporate offices from Benton Harbor.

So when Whirlpool and a coalition of local nonprofits and quasi-public economic development authorities began to tout the project, Gov. Jennifer Granholm paid attention. In a May 2006 letter to Whirlpool CEO Jeff Fettig, Granholm promised that the state would provide "technical assistance" in the matter of permit approvals for the project, which she called "a wonderful example of sustainable development."

The Michigan Economic Development Corporation promised more than \$120 million in economic incentives. Most of the state support comes from tax incentive programs that will allow the developers to pay environmental cleanup and infrastructure development costs instead of paying taxes on the increase in value of the property as it goes from empty land to luxury development. While supporters of the Harbor Shores project claim that the project will increase the tax base in Benton Harbor, according to the Berrien County Community Development Department the state's tax incentive program allows the developer to avoid increased tax payments for 30 years.

In October 2006, Benton Harbor's city commissioners and the

Michigan Natural Resources Trust Fund signed off on the project and approved the transfer of parkland to developers without much public debate.

But in October 2007, the National Park Service unexpectedly refused to sign off on the transfer. The Park Service has a stake in Jean Klock Park because it once gave the city a grant to build a bathhouse there. In a letter rejecting the land transfer proposal, the Park Service said that the deal appeared to transfer the entire city park to private developers in perpetuity and the proposal replacement parcels were not of equal recreational value.

"We can find no evidence that the public was accorded a minimum 30-day period during which they could provide comments specific to the environmental analysis of the subject conversion and replacement proposals," wrote Ernest Quintana, the Park Service's regional director.

The Park Service's action has given Friends of Jean Klock Park time to research, network and strategize. Opponents of the project have launched recall campaigns against three city commissioners who approved the Harbor Shores development, and have demanded the city find independent legal counsel to advise on the deal.

"It's borderline criminal what they are doing" in trying to rush through the land transfer, said Juanita Henry, the lone dissenter on the commission. Harbor Shores is "all about helping the real estate developers," she charged.

Wendy Dant Chesser, spokeswoman for Harbor Shores, told Michigan Messenger that although some aspects of the project have been revised — there have been no takers on developing the water park, which was once cited as a unique draw for tourists and essential to the project — the basic idea of building a luxury development around a golf course remains.

"We have five hotel operators that are interested in this project, and they are working on proposals for us," she said. In response to a question about the advisability of offering luxury housing in a bleak real estate market, Chesser said the market for second homes in the area has been less affected by the economic downturn.

Chesser said Harbor Shores developers have submitted a new park lease proposal to the Benton Harbor City Commission as part of a new attempt at winning National Park Service approval for their plan. The new lease proposal raises the portion of maintenance jobs promised to Benton Harbor residents from 25 percent to 40 percent. It also adds language to make clear that Benton Harbor residents can still use the beach, and it states that during the wintertime they will be permitted to use the whole park for activities such as sledding, she said.

Opponents are not persuaded. Armin Schlieffarth, a 25-year-old political science graduate who has made researching the Harbor Shores project his full-time hobby, says the jobs that Harbor Shores claims it will create are relatively low-paid service positions.

Golf is also a risky bet as economic development, the opponents say, because Berrien County and Michigan as a whole are full of golf courses, and even elite Jack Nicklaus Signature golf courses are failing in places with better weather and longer golfing seasons, according to [news reports](#).

Schlieffarth points out that the economic impact study for the Harbor Shores project — which was produced by the Upjohn Institute, a nonprofit employment research group, and included in the proposal made to the Park Service — was based on outdated figures from the developers. In recognition of this, this month the Upjohn Institute released an updated and more modest jobs projection with a new disclaimer stating that the report is not a feasibility study and that the group has no opinion on the land transfer involving the park.

“They are taking away land that was given in memory of a child, taking it away from other children who can’t vote, and who won’t be able to use it,” Schlieffarth says.

Friends of Jean Klock Park has petitioned Granholm, asking her to withdraw her support for the project, without success. They also appealed to the Department of Environmental Quality and the Department of Natural Resources, asking for an environmental impact study of the Harbor Shores project. This request was also rejected.

The Benton Harbor City Commission has opened a public comment period on Harbor Shores’ revised proposal for Jean Klock Park and scheduled a public hearing for Thursday.

The state remains committed to the project. Liz Boyd, a spokeswoman for Granholm, told Michigan Messenger, “Our goal is to work with all of the parties to make sure that this project can go forward.”

Friends of the park are still opposed.

“Beautiful, though tattered, public spaces like Jean Klock Park should be protected from any encroachment by tender loving care,” said Weiss, who discovered the golf sign in the park and who is now working on a history of Jean Klock Park. “Less-affluent people and communities should not have to sacrifice dunes or any special public land for part-time, seasonal jobs.”

If the development is not successful, she said, “the destruction would all have been for nothing.”