

STATEMENT ON SALE OF DEHOCO LAND

January 16, 2002

Today a majority of the Detroit City Council voted in support of selling several parcels of city-owned property in Plymouth Township to the Kojaian Management Corporation.

I joined my colleagues in supporting this sale at a price of \$50 million. When the plan to sell this property was first presented by the Archer Administration late last year, it generated tremendous controversy and a number of questions from the public and City Council members. Some questioned whether or not the city could have received an even higher price for this prime real estate. Others felt the timing of the proposal was wrong and that incoming Mayor Kwame Kilpatrick should have been given an opportunity to review the deal.

These and other concerns led City Council to postpone action on this matter until this month. Though many of these issues resurfaced during the latest Council discussion on the matter, I believed it was time to move forward on this deal for three major reasons.

First, Mayor Kilpatrick's staff has reviewed the deal and given it his blessing. Second, while it is possible that postponing action further might have allowed us to get an even higher price on this land it is also possible that it might have resulted in a lower price. City Council's Fiscal Analyst concluded that delaying action in favor of another developer might have forced the city to sell the land in parcels through a "piece by piece" process to various developers. Third and perhaps most importantly, this sale is intended to help reduce the city's current \$75 million deficit. The sale of this land will wipe out two-thirds of that deficit.

For these reasons, I believed the sale of this land was in the best interests of the City of Detroit.