

## **Proposed Purchase of “Bambrough Property” Restoring the Castle Park Reserve**

The original Castle Park Reserve was platted in 1897, with open fields and distinctive buildings that provide a natural center for Castle Park activities year-round. In 2019, the one piece of the Reserve that had been sold for development—commonly called the “Bambrough Property”—was purchased by the Carter Brown Legacy Preservation Fund (“the Fund”). The Fund has offered to return it to the Castle Park Association (“the Association”) for a nominal fee, thereby restoring it to the Reserve permanently.

As background, under a 1993 Michigan Tax Tribunal Stipulation and Agreement codified in the Association’s Bylaws, the Association Common Area property has been designated Restricted Association Property and valued at zero for Laketown Township tax purposes. The value of those Common Areas is dedicated to the use of the owners of Castle Park property and the value was incorporated into the assessed values of the houses and cottages at the time of the Tax Tribunal Agreement. The Fund has confirmed its intent is to return the property to Restricted Association Property. The current taxable value of the property is \$94,400 and the current assessed value is \$132,000 (\$264,000 of true cash value).

The Association’s attorney (who represented the Association on the 1993 matter as well as the transaction involving the Dance Dune so is well-versed in the Association’s property history) has talked with Laketown Township, which has agreed for 2024 as follows:

1. The acquisition of this property will not affect the zero value of the other Association Common Areas.
2. This property will be valued at zero dollars for real estate taxes and there will be no taxes on the property starting 2024.
3. If the Assessor decides to add any value to the current Castle Park properties, due to the restrictions placed on the property as Common Area, and to the Fund’s restrictions, the amount would be substantially less than an equal share of the current value of the property. This would produce a small increase in property tax per cottage.

While we have the Township’s agreement for next year, as described above, the tax rolls are not finalized each year until February.

The terms of the purchase by the Association of the Bambrough property include:

1. The property would become Restricted Association Property.
2. The property may not be used for any residential, commercial, industrial, or business purposes in the future. There will be a separate restriction back to the Fund confirming this in addition to the Association’s bylaws and the required restrictions under the 1993 Michigan Tax Tribunal Stipulation and Agreement.
3. The purchase price is \$10 (Ten Dollars).
4. 2023 property taxes are to be paid by the Fund.
5. Should the Association determine the final tax resolution is undesirable, the Agreement provides that the Association may return the property to the Fund anytime within 12 months of execution of the Agreement.

To accept the property, the Association’s bylaws require that two-thirds of voting members present at a meeting of the Association must approve the transaction. Your Board expects to bring the matter for a vote on August 19 at the Association’s Annual Meeting, and while the Information Meeting that the Board held over the July 4 weekend drew little attendance, we want to provide you with this information so that you can be prepared for the meeting.

If you have any questions, do not hesitate to contact any member of your Board.