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Real Estate

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ON SHORE

*Lake Geneva goes with the flow
of development, up to a point*

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Author Anne Wolfmeyer's 1880s' book called it "Lake Geneva, Newport of the West." And for scores of Chicagoans, it is indeed a quintessential summer and winter vacation spot, complete with excellent fishing and boating, and scenic landscape.

Lake Geneva, Wisconsin about 70 miles northwest of Chicago, has an old world charm and quaintness that for many, represents an alternative lifestyle to the fast-paced living characteristic of its larger, neighboring communities.

For many local residents, however, the winds of change are blowing—and moving in directions that have produced myriad reactions among permanent residents.

"Change is inevitable" said Kevin Fleming, owner of Flemings Ltd., a clothier on Lake Geneva's Main Street.

"The key lies in the planning and preparation. We want to be careful about what we do here, and how much," said Fleming, who also is a member of the city's parking commission and business improvement district.

Lake Geneva has been gradually expanding its residential base with pricier new homes and condominiums, while still trying to maintain its small-town integrity and avoid overdevelopment.

Most of the land within the Lake Geneva city limits has been developed for some time, but new projects being built around the lake have raised the specter of sprawl.

"Everyone here is concerned about the pre-existing quality of life," said George Hennerley, executive vice president of the Lake Geneva Chamber of Commerce. "Many people came here for that. There's always the challenge of how we absorb growth and enhance the lakefront."

It was a debate over one of the last available development parcels in the city itself that set off Lake Geneva's recent soul-searching.

Ten acres of prime downtown lakefront land that had been owned by a local family for 56 years was finally sold in 1993 for \$2.8 million to Diversified Real Estate Concepts, Inc., owned by Michael Peterson.

Today that land is occupied by The Cove, featuring 222 condo units, opened in December 1994 and sold out in July 1995.

"[Former] Mayor Jane Brandy and city officials looked at other options, but this was their choice for the city," Peterson said. "But in general, all tourist areas resist development."

The swift success of The Cove prompted Peterson to buy a Lake Geneva hotel known for years simply as the "Hilton." After a \$2.5 million renovation—including a new outdoor pool and fitness center—Harbor Cove, featuring 108 condo units, opened in August 1995 and sold out in March 1996.

"We picked Lake Geneva because of the Chicago market, which has always supported it," said Peterson. "It always had the potential to be developed. Jobs are created because of what we've done, the tax base is positively affected, and spending within the

city is increased."

Peterson said The Cove took two years to gain approval. The Wisconsin Department of Natural Resources delayed permits while it sought to ensure no runoff would pollute a stream running through the development to the lake.

The city and developer negotiated lakefront controls, which included restrictions on the number of boats slips the developer could construct.

"There are 331 units here (in both projects), but only a handful own boats," Peterson said.

Not all Lake Geneva residents have embraced the project.

The destruction of trees on the site brought protests that were mitigated by a reduction in the number of units allowed and preservation of more green space.

While neither The Cove nor Harbor Cove boast permanent residents (another part of the city's agreement with the developer stipulates no condominium owner may establish primary residence there), their impact on the city is being felt.

Hennerley estimates that The Cove and Hilton projects will add close to \$1 million to the city's tax base, but the added revenue may be a double-edged sword.

"There is the mentality at the state level that believes money abounds in Lake Geneva," said Hennerley. "Sure, there are the million-dollar homes that pay \$25,000 in property taxes, but there aren't that many of them. We get no state aid for our schools whatsoever, and the legislature continues to believe we don't need it."

The narrated boat tours of Lake Geneva tell their cruise customers that Lake Geneva is "the playground of the Chicago rich"—a reputation that perhaps continues to economically misrepresent the area.

"Tourists who come here don't see the poorer wards," said Hennerley. "It's like going to Chicago and only going to the lake or downtown. That isn't all there is to it."

**HOW DOES A
RESORT TOWN
CATER TO
NEW RESIDENTS
AND STILL
MAINTAIN ITS
OLD-WORLD
CHARM?**