

# Agreement paves way for Joslin Cove redevelopment

Posted by Sean Bradley on August 4th, 2016



*New condos will be built alongside existing condos from when the development was originally undertaken in 2006. However, in 2008, the development was halted and not undertaken again until the last few years. (Sean Bradley/News Advocate)*

**MANISTEE** — Work can soon begin to redevelop Joslin Cove condominiums, located on Arthur Street in Manistee.

The Manistee City Council voted 5-1 Wednesday to approve a development and reimbursement agreement for the Joslin Cove project. Councilmember Lynda Beaton voted no and there is an open seat since former mayor pro tem Eric Gustad resigned last month.

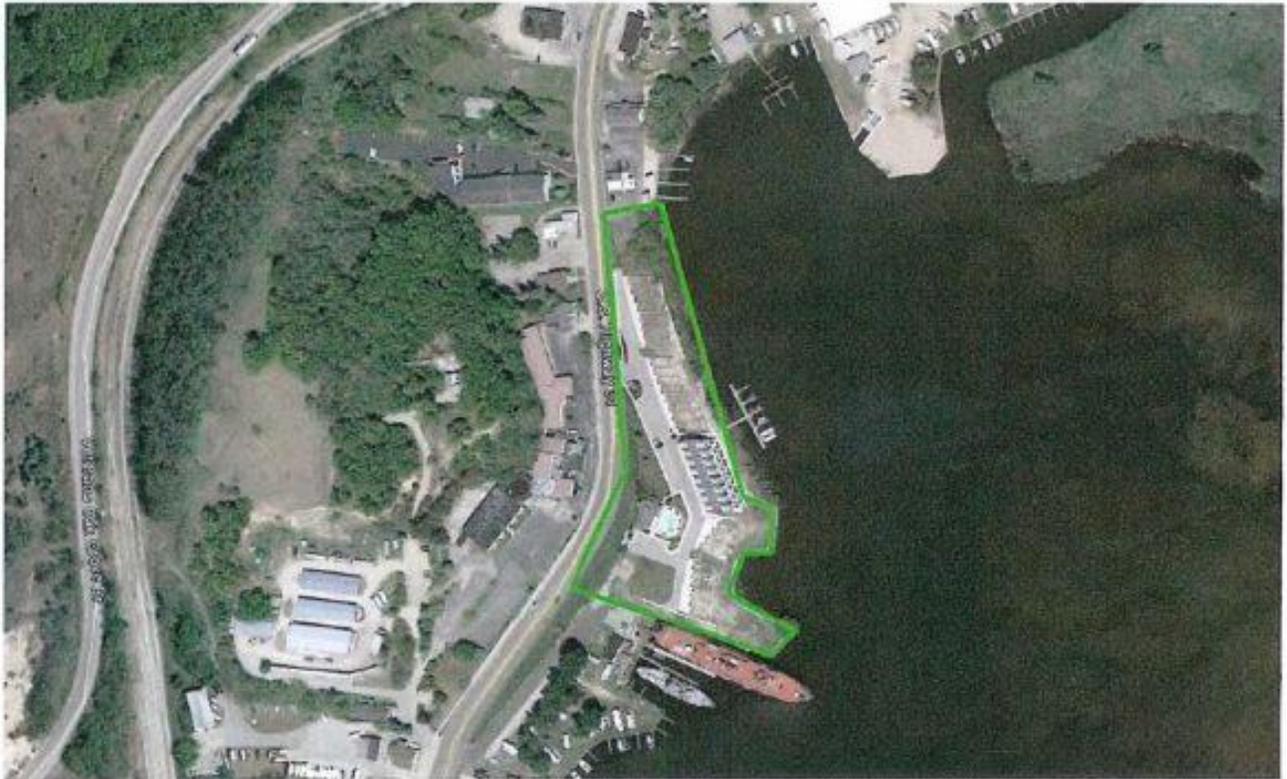
The agreement is between the City of Manistee, developer Manistee Lakes, LLC and the Manistee County Brownfield Redevelopment Authority.

Work will commence within two months of the agreement's execution but could start within the next month, according to developer Eric King. The project must be completed within 48 months of the agreement's execution.

The new development, including modifications to it such as reducing the size and costs of the condominium units, will result in \$8 million in investment, including the creation of 40 condominiums, a pocket park and pedestrian access, according to the agreement.

“There will be a place for lunch next to the lakeside. Landscaping and flowers will be

around to the entire development,” King said. “We wanted to keep the view of the lake and make it presentable for everybody to enjoy it by walking through it.” Along with the condos, King said a gazebo and sidewalks will also be built.



<b>Manistee Lake Condominium – Joslin Cove</b>	<b>Figure 2: Eligible Property</b>
<b>Manistee County Brownfield Redevelopment Authority</b>	<b>Date: July 6, 2016</b>

*This map indicates the area of the Joslin Cove project to redevelop condos at the location on Arthur Street in Manistee. The Manistee City Council approved an agreement Wednesday between developer Manistee Lakes LLC, the City of Manistee and the Manistee County Brownfield Redevelopment Authority for the condo redevelopment. (Sean Bradley/News Advocate)*

King and managing partner Warren Stansbury took on the redevelopment again after the initial work.

Originally started in 2006, the development was halted in 2008 because the original developer, West Coast LLC, defaulted on the prior agreement, signed in 2006, and stopped paying taxes, according to Manistee chief financial officer Ed Bradford. When the project was halted, about 25 percent of it was completed, according to an amended brownfield plan for the project. An amended brownfield plan was also approved unanimously by the council.

When King got involved with the development about two years ago, he said it was decided to make property prices feasible for anyone of any demographic to have the opportunity to purchase one of the 1,850-square-foot condos.

He said the condos are priced between \$200,000 and \$210,000 each, which will have two full baths and three bedrooms per unit.

“(Between) the people who know that we’re building, there’s been tremendous interest,” King said. “There’s been interest from the community. We haven’t even had a discussion with outsiders. It’s always been in the community.”

The agreement indicates that for the project to be completed and economically viable, revenues from future increased property taxes resulting from the project’s completion, are needed to reimburse the \$918,055.10 in eligible activities costs that came out of the original development agreement signed in 2006 by the city.

Rob Carson, Manistee County planner, said a portion of the eligible activities costs will go to the city for public infrastructure improvements, including upgrading the Arthur Street/Joslin Cove pump stations, stormwater improvements, a retaining wall at U.S. 31 and a sidewalk.

He said the remaining funds could go to the developer upon approval of their eligible activities, potentially amounting to \$918,055.10.

Carson said the future increases in property value, after the development is complete, will be captured by the taxing jurisdictions such as the city and the county and will be distributed to the developer to pay for extraordinary costs, which are eligible for reimbursement under the county’s brownfield plan.

The tax capture period will be for nine years, he added.

According to Bradford, the Arthur Street pump station project was added to the new agreement and was not in the original agreement.

“It’s not required to be built until the project is complete,” Bradford said. “We have a year to do it (after the condos are built), so it gives us ample time to work it into the budget.”

He said money from this part of the project is reimbursable to the city.

If the project is not finished within the 48-month window, for every month the project is not completed, it would lose 4 percent of however much the remaining balance of the eligible activities costs is, according to Bradford.

Councilmembers Jim Smith and Lynda Beaton asked about where the developer’s funding is coming from, raising concerns because, according to Smith, this information is not found in the agreement. “There’s no such indication of where the financing is coming from and how this project’s going to be paid for, in the development agreement,” Smith said.

Beaton also said she was uncomfortable with the financing aspect of it because it is unknown what banks and investors are involved. Bradford said that in an agreement such as this, the disclosure of where funding will come from is not usually part of it.