



Michigan Strategic Fund provides \$1.95 million loan for HighPoint Flats, Muskegon apartment construction to begin



By [Dave Alexander | dalexan1@mlive.com](mailto:dalexan1@mlive.com)

on February 27, 2013 at 6:40 PM, updated February 27, 2013 at 6:44 PM

LANSING, MI – The Michigan Strategic Fund Board approved a \$1.95 million state performance-based loan for the HighPoint Flats apartment conversion of the former Comerica Bank building in downtown Muskegon.

Parkland Muskegon Inc. [plans to create 48 market-rate apartments](#) in the heart of downtown Muskegon. Jon Rooks' Parkland Muskegon will invest \$10.7 million in the eight-story building converting it into apartments.

Construction must begin in the next 90 days and will take 18 months to complete, officials said of Parkland's development agreement with the city of Muskegon.

The Muskegon City Commission in August established a brownfield redevelopment district for the HighPoint Flats property at West Western Avenue and First Street across from the Muskegon Post Office.

The redevelopment district allows for new property taxes for the apartment building to be captured in support of the project. Rooks' Parkland Muskegon Inc. would receive up to \$750,000 from the brownfield tax increment fund by 2030 to pay back the state loan, city officials have said.

"My hope is that this will spur additional development in downtown Muskegon," Rooks said after the state approval. "And I hope that we are able to show demand for market-rate housing that we know exists in downtown Muskegon."

The Parkland state loan for HighPoint Flats was part of a \$6 million outlay approved by the Michigan Strategic Fund Board on Wednesday afternoon in Lansing. The HighPoint Flats loan came from the Michigan Community Revitalization program.

The \$6 million in state assistance went to HighPoint Flats and seven other business expansions totaling \$95.8 million in new capital investments that will create an estimated 789 new jobs. The Parkland development is expected to create two new jobs beyond the construction employment it will generate.

"Today's Strategic Fund actions will mean new investments in university programs to commercialize the results of research and business expansions across Michigan that, taken together, will promote economic opportunities for our businesses and citizens," Michigan Gov. Rick Snyder said in a prepared statement.

“These new investments in our state will strengthen communities and fuel new opportunities for our talented work force.”

The Michigan Strategic Fund Board also approved \$6 million from the state’s 21st Century Job Fund for six state universities and the Michigan Economic Development Corp. to bring research to market.

Rooks purchased the old Comerica Bank tower in 2008 and the Grand Rapids condominium developer announced plans to convert the building into condominiums. But the Great Recession eliminated bank financing for such condominium purchases and stalled the project until it was again launched as an apartment development.

Plans are for one-, two- and three-bedroom units with rents from \$650 to \$950 per month. HighPoint Flats is within a state low-tax Renaissance Zone and apartment residents will not pay city or state income taxes through 2023, Rooks has said.

Besides HighPoint Flats, Rooks also received approval this week from the Muskegon City Commission on a planned unit development amendment to allow [for Terrace Point Landing](#) – a \$14 million, 70-lot single-family residential development on Muskegon Lake. Proceeds from that waterfront development will be plowed back into the HighPoint Flats project, Rooks told city commissioners.

Meanwhile, Rooks has completed a deal with the city [to purchase its former Central Fire Station](#) at 75 W. Walton Ave. for \$1 and convert it into his Parkland Development offices, which he is moving from Grand Rapids to Muskegon. Rooks has agreed to have his offices moved to Muskegon by June 1 and he said he is in the process of leasing a portion of the building to another office user.

Email: dalexan1@mlive.com

Facebook: Dave Alexander

© MLive.com. All rights reserved.