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— PAGE THREE

Downtown Has Housing Potential

By David Czurak

GRAND RAPIDS — A national consultant said last week that developers of downtown housing could build 350 units each year for the next five years and capture only 15 percent of the potential downtown residential market.

Laurie Volk, a principal with Zimmerman/Volk Associates Inc., told the Downtown Development Authority that housing is a growing market for downtown, and that most developers are happy with the support they've received from city agencies like the DDA.

"I found the market to be quite strong," said Volk, whose firm is based in Clinton, N.J.

Volk reported that the potential market for downtown residences could reach 2,500 households over the next five years.

Three-quarters of that potential should come from people living in Kent County, 23 percent should come from those in other states, and 2 percent should come from within the region.

Young singles and young couples are the groups most likely to want to live downtown.

Volk said these two sectors make up 60 percent of the budding residential market. Empty nesters and retirees are next most likely to choose a downtown address at 29 percent, while single-parent families and two-parent smaller families fill

See Housing, page 10

Housing

Continued from page 3

11 percent of the possible market.

According to Volk, 55 percent of downtown's prospective residents would prefer to rent rather than buy.

Rents, she said, should range from \$650 to \$2,350 a month for units ranging in size from 500 to 1,600 square feet. Prices should stretch from \$110,000 to \$400,000 for homes having from 700 to 2,400 square feet.

"This is the broad market, what would appear in the middle of a bell curve," she said in reference to downtown housing costs.

Volk told the DDA that the adaptive reuse of downtown buildings was why the housing marketing was growing.

Downtown residents like the open space a renovated warehouse or factory offers.

But to reach the market potential, Volk said the city has to turn downtown into one big neighborhood by using an appropriate urban design throughout the district.

"People that want to live in a city don't want to live in a suburban setting," she said, while adding that the housing market had to be advertised and monitored.

Volk told board members that she was surprised to learn that downtown developers were a happy group.

Normally, she said, her talks with developers revolve around how cities aren't doing enough to help with projects.

But Volk remarked that isn't the case in Grand Rapids.

DDA Vice Chairman David Cassard suggested that board members should meet soon to look at what other groups are doing with residential projects in other downtowns.

"I don't think we should assume that everything we have done is everything we can do," said Cassard.

Some of the things that the DDA has done over the years include providing building reuse grants to owners, making street and streetscape improvements, and paying \$12,000 to Zimmerman/Volk for the housing market report. **BJ**



Boardwalk goes condo

Cheapest in town, developer says

By B. Candace Beeke
cbeeke@mbusinessreview.com

Developer Jon Rooks won't close on the Boardwalk in Grand Rapids until April, but already he's sent a letter to residents of the apartments offering them first dibs on the condominiums he plans to create there.

The owner of **Parkland Realty Inc.** and creator of several condo projects in Grand Rapids plans to buy the former Berkey and Gay furniture factory at 940 Monroe Ave. NW. for an undisclosed price and invest about \$2 million or more in renovating it. The property is listed for \$38.5 million by Chris Beckering, real estate advisor at **Grubb & Ellis/Paramount** in Grand Rapids and part of the father-son team that redeveloped the building in 2000 into retail, office and apartments.

The 242-unit six-story building laid empty for 50 years, Beckering said, before his father Tom and he restored it as **T.E. Beckering Enterprises**, sectioning off 100,000 square feet for commercial and office use, including a restaurant-bar downstairs. Some 300,000 square feet became modestly priced apartments that leased almost as quickly as the commercial component.

Commercial occupancy reached "100 percent since about a year after completion," Beckering said. "Residential occupancy has ranged from 92 to 99 percent"

Now Rooks, who's still finishing construction on Union Square condos not far from the Boardwalk, intends to convert the apartments into

condos — a popular word around downtown Grand Rapids of late.

"There are a lot of proposed condos in the downtown market — very few under construction," Beckering noted. "There definitely is a market for several different condo price points in and around the downtown area."

It's with price that Rooks intends to find his condo niche.

"Every project that's been announced for the future of Grand Rapids has got its lowest price in the \$180,000 range, and most of their condos are over \$250,000," Rooks said. "Ninety percent available in the market are over \$250,000."

That ignores a significant and eager buyer group, which he tapped with his Union Square conversion of a high school into condos, he said.

"Union Square has been sold out for everything under \$225,000 for the last two months," he said. "We continue to get calls for units in this price range. We have 210 names on a list of people that want condos" in that range.

Of Union Square's 180 units, 161 have sold, and that happened in 210 days, Rooks said. His conversion of the People's Building to CityView Condos a couple years ago also warranted quick sales, filling the building within a month and a half of its completion.

"We believe we'll be able to accomplish the same thing here," Rooks said of Boardwalk. "It's going to be the lowest price point Grand Rapids has ever seen."

Renters now pay \$675 to \$900 for a one-bedroom in Boardwalk, and

Talking points

■ Parkland Realty will **convert** Boardwalk apartments into condos

■ The condos could be the **lowest-priced** in Grand Rapids

■ Current renters have **first dibs** on the condos

between \$825 and \$2,000 for a two-bedroom, depending on size. Rooks proposes to charge between \$69,000 and \$199,000 for his condos there, totaling about \$150 to \$160 per square foot, he said.

In his letter to current renters, Rooks said "current residents will be offered the first opportunity to purchase the unit they currently rent."

Response from tenants has been quick.

"We have about 30 deposits so far," he said.

He hopes to offer a financing deal to buyers, as well, through the Community Reinvestment Act, which, if the building's approved, could discount interest rates 20 to 25 percent on a 30-year mortgage.

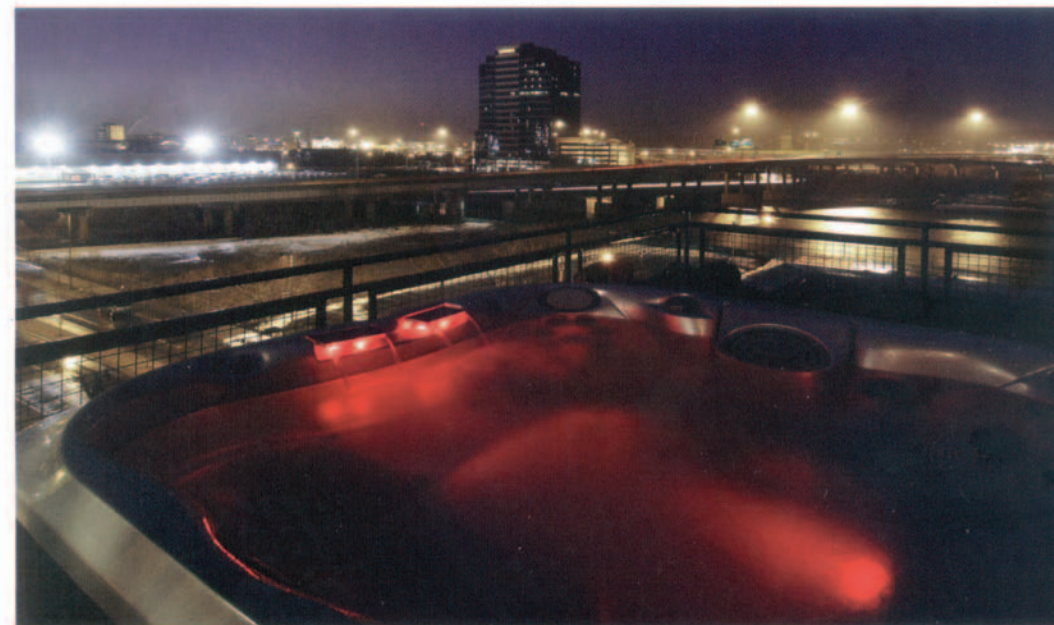
The property received other benefits when the Beckerings restored it, including brownfield funding, tax-increment financing and a historic tax credit — a program the requirements of which pushes off the sale until April, Rooks said.

But plans will move ahead before the sale officially closes. Rooks intends to hold an informational party for residents this month or early March, then open up to the general public in mid- to late-March, he said.

home&design solved

Through the glass ceiling

DEVELOPER JON ROOKS' CONDO IS TESTAMENT TO HIS RENOVATION INNOVATION AND ADVOCACY FOR A THRIVING DOWNTOWN. BY MARK JOHNSTON



Installation of decks on the roof provides an "outdoor" entertainment venue, expansive and unique views of downtown and in some instances, soothing refuge in hot tubs.

Like many convertible connoisseurs, Jon Rooks harbors concerns he may one day forget to put the removable hard top back on his Mercedes SL-55, leaving the sports car's interior at the mercy of a sudden summer rainstorm.

But unlike most (if not all) others who also enjoy the breeze in their hair, the sun on their skin and the stars in their eyes, Rooks also frets over the possibility that he may forget to close the roof on his home.

That's right, his home: A three-story, downtown condo in Monroe Terrace that features an upper level complete with a retractable, glass-like, structured polycarbonate roof that opens the 1,000-square-foot solarium to the heavens — and Rooks' innovative thinking to the endless possibilities.

Where others may see only the crescent, Rooks sees the whole of the designing moon — and he shoots for it.

"When you're a kid and you do puzzles, you enjoy the challenge of putting the pieces together," Rooks said. "It's the same feeling I get doing what I do now."

Therein lays the approach Rooks applied to converting the more than 80-year-old former furniture factory and electric company building into 24 residential and three commercial units. Seemingly taking a cue from the young protagonist in the movie "Ferris Bueller's Day Off," Rooks does not ask, "What am I going to do?" but instead ponders, "What am I *not* going to do?"

It's easy to get lost in the aesthetics of that approach, fueled by the fun designs of friend Dan Carlson, of Carlson Design in Ada, and Rooks' girlfriend Patricia Dubois. The solarium is particularly emblematic of their freewheeling creativity, from the half bath with a slab of raw slate serving as a countertop, to the quirky 4-foot squares of the checkerboard floor and the red kitchen/bar cabinetry with etched Plexiglas doors and backlighting. The lower cabinets are elevated a couple of feet off the marine-grade flooring (just in case Rooks does forget to close that roof).

Yet the chic décor shouldn't pre-empt appreciation of the not-so-visible design ingenuity. Rooks' vision for turning his

PHOTOGRAPHY BY MICHAEL BUCK



The third-level solarium is covered by a retractable structured polycarbonate roof that provides natural heat and light and opens the 1,000 square-foot entertaining area to the skies (with optional screens).

"When you're a kid and you do puzzles, you enjoy the challenge of putting the pieces together. It's the same feeling I get doing what I do now."
— Jonathan Rooks

six-story building at 600 Monroe Ave. into a truly unique downtown living experience went through the ceiling, literally, when "one big ugly roof" transformed in his mind into free real estate, fertile for creating the solarium for himself, and decks — some with hot tubs — for tenants in five other condo units.

Decks on a roof slanted to allow for snow and rain runoff? No problem. Build them three feet off the roof on pitch-compensatory I-beams supported by the building's sturdy column footings. Then, account for potential wind shear under the decks, and voila! You have rooftop deck living, accessible via spiral staircases that connect the condos to the roof.

"The roof's life is enhanced, too, by protecting it from ultra-violet rays," Rooks added.

Other potential original-architecture hurdles were similarly cleared. Relocation of a staircase leading from the lower level to second level in Rooks' condo eliminated some second-level loft space but allowed installation of a wood-burning fireplace in the lower level with a casing large

enough to support a plasma television.

A wall that would have divided the main lower-level space into a guest bedroom and living room was replaced by two connected, sliding, laminated plywood panels, providing the option of closing off the guest sleeping area (which includes a pull-out sleeper sofa), or integrating it with the living room as a sitting area. Similar wall reconfigurations, mirror locations and even strategic railing heights open sightlines to the 12 large, 6-foot-high windows in the first and second levels — not to mention the 10 sets of sliding glass doors in the solarium. The result:



The railings enclosing the computer work space just off the staircase on the second level were lowered to ensure unobstructed window views.

PHOTOGRAPHY BY MICHAEL BUCK



A wall that would have permanently divided the main-floor living area from a tucked-in guest bedroom was replaced by a sliding wall panel (top right corner) that offers the option of closing off the sleeping area or integrating it as a sitting room with the living room and kitchen.



PHOTOGRAPHY BY MICHAEL BUCK



The condo's second level contains the master bedroom and bath, both designed to maintain window views, whether from the bed, corner Jacuzzi or walk-through shower. The inner-wall window next to the fireplace was taken from Rooks' childhood home as both a memento and a view enhancer.

resplendent natural light, incredible views of the city below, and the feeling that the 1,300 square feet of living space in the first and second levels actually live much larger.

"Bigger, brighter, more interesting," Rooks said. "That was my thinking."

But not the end of the thought process, thanks to two advantages Rooks (and his tenants) enjoys. The building is located in the city's Renaissance Zone: a building designation that eliminates most state and local taxes in order to spur new jobs and investment.

"That's part of how you can justify doing something like this: Less cost allows you to do more interesting things," he said.

Yet, equally as important is a progressive city building department whose promotion of "adaptive re-use of existing buildings that are functionally obsolete" translates into advocacy for a thriving downtown.

"Our destiny as a city is tied to private development," said Edward Lumas, development center administrator for the city

of Grand Rapids. "When it comes to redevelopment, Jon is extremely tenacious. He works hard to find creative solutions to problems he runs into with the code."

Consequently, Rooks' thinking — and his condo — continue to evolve. Reclining on a sectional sofa that anchors the solarium's sitting area, he is animated when talking about his latest Renaissance Zone project: conversion of the former Union Square High/West Middle school building (a Neighborhood Enterprise Zone project, which offers additional tax benefits for tenants) into 140 condominium units with a planned rooftop swimming pool, a year-round clubhouse with kitchen, bar, Internet/coffee cafe, dining tables, exercise equipment ...

Then he pauses and looks toward an upper corner of the solarium, his thoughts shifting toward the possibility of adding a cable-suspended loft where he could place a mattress, noting, "You could get the sense that you're even that much closer to the stars."

And to Rooks' design universe.

GR



New 'SmartZone' to funnel technology into downtown

By Jack Naudi
The Grand Rapids Press

The high-tech future of downtown Grand Rapids has been mapped out — literally — by five agencies working together to create a "SmartZone."

Under the initiative — one of 10 zones approved today by the state — small technology companies will be enticed to the zone, and research at the Van Andel Institute will be turned into marketable products.

The focal point of the SmartZone will be the Michigan Street "hill." The corridor includes the institute and Grand Valley State University's planned \$60 million Health Professions Facility at Michigan Street and Lafayette Avenue NE.

"It will help put us on the map in terms of high-tech," said Susan Shannon, the city of Grand Rapids' business advocate. "Manufacturing is still our base, but we know that the growth areas are high-tech, and we want to be a part of that."

The final pieces of the much-anticipated SmartZone puzzle were unveiled at a news conference this morning by the Michigan Economic Development Corp. (MEDC), a quasi-public state agency that approved the proposal.

At the conference were representatives of the five local agencies involved: GVSU, the Van Andel Institute, the city of Grand Rapids, Grand Rapids Community College, and the Right Place Program, an economic development agency.

The organizations have proposed creating an irregular-shaped taxing district from Coldbrook to Fulton streets.

As property values grow in the area, most of the resulting increase in property taxes will be diverted to the SmartZone. The same process is used to fund downtown development authorities.

No tax increase is required, and the state will reimburse Grand Rapids Public Schools for lost revenues.

Over the 15-year life of the SmartZone, nearly \$8 million is expected to be

generated. About \$3 million will be used to create a laboratory at space donated by Grand Valley on the fifth floor of its Health Professions Facility.

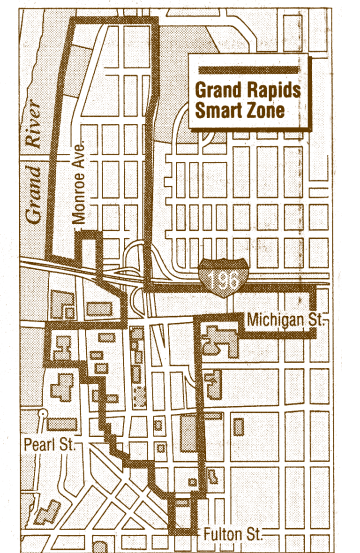
Grand Valley faculty and staff will work with researchers from the Van Andel Institute to create bio-technology products, and attract venture capital and small companies to bring the products to market.

"The end result: It will create jobs and bio-technology businesses," said John Gracki, associate vice president for academic affairs at GVSU.

"My guess is that we could have some real viable products in two to three years," said David Mielke, dean of GVSU's Seidman School of Business.

Mielke said he expects diagnostic products — rather than drugs, which must go through a lengthy federal approval process — would be the first products to market.

Creating high-visibility products also would be a feather in the cap for the Van



PRESS MAP

Andel Institute, said Jack Frick, the institute's chief financial officer.

SEE SMARTZONE, A8

Boardwalk being sold, apartments to be condos

By Karen Gentry
MiBiz Network
kgentry@mibiz.com

GRAND RAPIDS — Parkland Properties of Michigan LLC recently purchased the six-story Boardwalk building on Monroe Avenue and announced plans to convert 230 apartments into condominiums.

Parkland Realty Inc. Owner Jon Rooks said upwards of \$4 million will go for building improvements and new amenities, including individual balconies, new in-ground pool, clubhouse, theatre room and game room as well as improvements in the condo units themselves.

"We've added value and improved anything we've been involved in. We plan to add value in a variety of ways," Rooks said.

Rooks is currently marketing the Union Square Condos in the old Union High School and also sold out the Monroe Terrace condominiums and the Cityview Condos in the People's Building on the Monroe Mall.

Rooks told *MiBiz* he planned to close on the Boardwalk property April 7. Property managers T.E. Beckering Enterprises invested \$31 million in the property and completed renovations in the former furniture factory building in 2001. A decision was made to sell the historic building about a year ago, according to buyer's representative Chris Beckering from Grubb & Ellis/Paramount.

The Waterworks Pub located on the first floor of the Boardwalk will close early this month and local restaurateurs Larry Zeiser and Brian Giampapa will open J.D. Reardon's in May. Zeiser said the new restaurant will be an American bistro with "a fusion of different American food." Zeiser and Giampapa also own Logan's Alley on Michigan Street, the new Graydon's Crossing on Plainfield Avenue NE and Cambridge House on the lower level of Monroe Terrace Condominiums.

"We always try to get in places that are located in an up and coming area," Zeiser said. The partners will invest approximately \$200,000 in the remodeling for the 4,200-square-foot restaurant.

Along with the soon-to-open J.D. Reardon's, the Boardwalk also houses some law firms, offices, a health club, coffee shop and salon.

Rooks said first preference on the condo units would be given to current tenants. By March 15, 46 tenants had paid a \$1,000 deposit for the units, which were



Jon Rooks



With the recent purchase of the Boardwalk on Monroe Avenue NW, the 230 apartments will become condominiums. Parkland Properties of West Michigan LLC plans to invest \$2 - \$4 million in upgrades to the Boardwalk, including individual balconies overlooking two courtyards, a clubhouse, theatre room, in-ground pool and many in-condo improvements.

only advertised through word-of-mouth. Developers believe the condos will be in demand because of their affordable price of \$69,000 - \$249,000 for the 600-2,800-square-foot units. Rooks noted that condominium sales for his three other developments with higher prices sold quickly and his company averages about one condominium sale per day.

"This (Boardwalk) is a less expensive price point than Union Square, which is less than the People's Building," said Rooks. Demand for units under \$225,000 account for about 80 percent of phone calls to the developer, he added.

In a letter to Boardwalk residents, Rooks said the building is expected to be federally approved through the Community Reinvestment Act, which offers a 20-25 percent discount off current interest rates on a 30-year, fixed-rate mortgage. He assured tenants that the building's positive features, including brick, large windows, wood-beamed ceilings will be retained.

"It's a great building," Rooks said. The initial renovation of the Boardwalk and other downtown Grand Rapids

buildings would not have been possible without a historic tax credit.

"Without the historic tax credit we wouldn't have been able to hit the market at the right price," Rooks said.

The renovated building won the Governor's Historic Preservation Award, the Neighborhood Business Award and was featured in the book "Buildings of Michigan" for its historic renovation.

GR Spring & Stamping Inc. Owner Jim Zawacki believes condominiums are a good fit for the North Monroe area. Zawacki and more than 60 other business owners make up the North Monroe Business Association.

"I like the thought of condos versus apartments. Owners take better care of things," Zawacki said. He praised the foresight of city officials for building a riverfront park in 1997 across the street from the Boardwalk in a time when nobody was living in the area. He said that park has been "a boon for all the residents."

Conversion of the Boardwalk apartments into condominiums continues a decade of expansion and improvements

to the North Monroe area.

"We've been instrumental in cleaning up the area," said Zawacki about the association. Since he bought the building on Bond Avenue for his manufacturing plant, the number of workers has risen from 500 in the North Monroe area in 1996 to 2,000 employees today.

Zawacki believes the mixed-use neighborhood with manufacturing, retail, apartments, condominiums has been successful in part because of its close proximity to downtown and Michigan Street developments and easy freeway access. Zeiser said the area is reasonably priced to develop in comparison to other downtown locales such as South Division Street. Much of the North Monroe area is located in a state-designated Renaissance Zone and one of the state's SmartZones.

The Monroe North Business Association is working with city officials in efforts to get rid of a railroad track and the Monroe North Area Plan Steering Committee is working with the city on the master plan for input on future development.

BUSINESS

FRIDAY, APRIL 7, 2006

THE GRAND RAPIDS PRESS

IBM HELPS WORKERS SHIFT FROM BIG BLUE TO CLASSROOM, C6



PRESS PHOTO/PAUL L. NEWBY II

A change: Developer Jon Rooks is transforming the Boardwalk into condos, with the first models expected to be in place by June. The transition from apartments to condominiums could take several years.

Boardwalk goes condo

BY CHRIS KNAPE
THE GRAND RAPIDS PRESS

GRAND RAPIDS — Downtown's largest apartment complex is going condo, bringing some of the lowest cost owner-occupied homes to the central city area.

Developer Jon Rooks is expected to finalize purchase of the landmark Boardwalk building, 940 Monroe Ave. NW, later this month, beginning a transition that could take several years.

While the first models are expected to be in place by June, Rooks said he already has 50 preliminary reservations for Boardwalk units.

The former Berkey & Gay furniture factory, with portions dating to 1892, was converted into the Boardwalk in 2001 after a major overhaul by a partnership led by Thomas Beckering, garnering several accolades as a preservation effort.

While neither side would disclose the sale price, the building was listed last year for \$38.5 million.

Rooks said \$35 million was spent on the 2001 renovation, backed by historic tax credits.

One of the first noticeable signs of change is expected today when the Waterworks Pub closes after hosting a "Last Drip" party. By May 1 it is expected to be replaced by a new restaurant and pub, J.D. Reardon's.

J.D. Reardon's is owned by Larry Zeiser and Brian Giampapa, who also operate Cambridge House, Graydon's Crossing and Logan's Alley in Grand Rapids. It is expected to open May 1 following renovations to the Waterworks space.

Zeiser said he liked the location and the opportunity to work with Rooks, who helped develop the Monroe Terrace condos building, where Cambridge House is located. The restaurant is expected to be open from 11 a.m. to 2 a.m. seven days.

"The concept is going to be American bistro style," Zeiser said. "Take the four corners of America and combine that food in an Ameri-

can kind of way."

While the selling points for the old furniture factory include loft-style character, river views in some units and proximity to downtown amenities, the Boardwalk's prices are expected to be a major draw.

Starting at \$69,000 for an efficiency and rising to about \$250,000 for a three-bedroom, two-bath unit, Rooks said the condos will offer the lowest price per square foot among downtown condos.

Association fees are expected to cost between 20 and 27 cents per square foot, or \$150 to \$400 per month.

"We're really comfortable with this price ranges because there's a few project in the planning stages and we don't compete with any of them," Rooks said.

As with his other downtown area condo conversion project, Union Square — the former West Middle School — Rooks is putting a heavy emphasis on special mortgages available through National City Bank's N-Champ program.

The program, which is available at other specially designated projects, discounts a typical 30-year mortgage 1.5 percentage points below the market rate, saving a condo buyer thousands of dollars in interest over the life of a mortgage.

Plans are already afoot for renovating the building to add new soundproofing, a theater room, improved appliances, carpet and trim along with balconies on some units, a pool and Jacuzzi and rooftop deck.

So far Rooks said he has taken 50 reservations for the 230 Boardwalk units. All are being made available to existing residents before being put on the market to the general public.

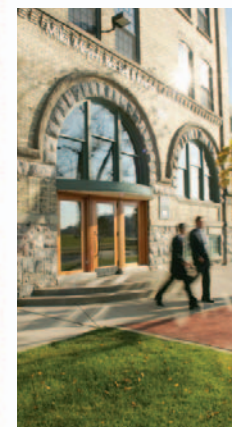
The goal is attracting and keeping an economically diverse community of young professionals, he said.

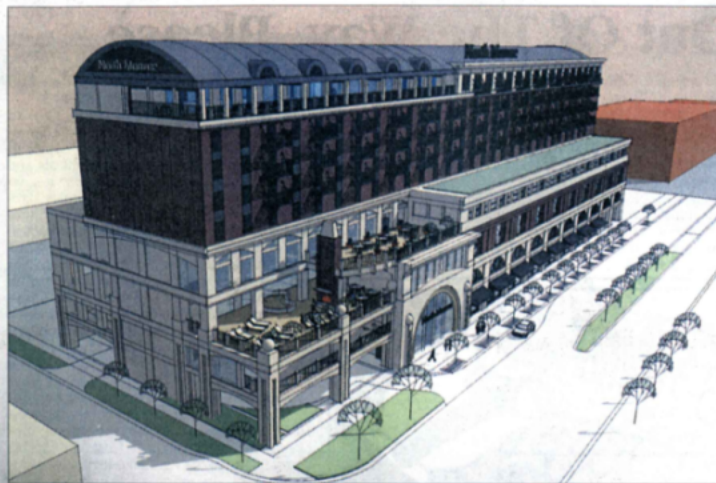
"This achieves a lot of the city's goal of getting diversity downtown and retaining young professionals who have been looking to locate somewhere else in the country," he said.

Chris Beckering, a commercial real estate agent and Thomas Beckering's son, is helping to shepherd the deal for the sellers.

He said the sale follows his father's and other investors' plans for the project.

"The investors got into this as developers, not long-term owners," Beckering said.





COURTESY HOTEL HOLDINGS MONROE LLC
An artist's rendering of a proposed hotel site, at the southeast corner of Monroe Avenue and Newberry Street.

Making Room For The Inn

*Commissioners Extend
Zone, Welcome Mat
To Hotel Developers*

David Czurak
GRJH REPORTER

GRAND RAPIDS — Peter and Brian Beukema want to build a \$28 million hotel on a key corner in the Monroe North Business District and the city wants them to do that, too.

City commissioners gave the father-son team, doing business for the project as Hotel Holdings Monroe LLC, an extension on the property's Renaissance Zone status last week so the Beukemas could get their project started.

"This project will create over 150 new jobs," said City Economic Development Director Kara Wood.

The site, at the southeast corner of Monroe Avenue and Newberry Street, is already in the zone, but the full tax break the zone offers comes to an end at the end of 2008, a year before the Beukemas plan to open their hotel, and only partial exemptions would have been available for the three following years. The commission's action extends the property's nearly tax-free status

through 2022, which gives the Beukemas time to recoup a much greater portion of their investment. "The 15-year extension will actually be a 12-year extension," said Wood.

Wood said the 40,000-square-foot site has been classified as obsolete and contaminated, and has a deteriorating and vacant building that has to be razed, so clearing and cleaning the site will be very expensive.

Under normal circumstances, Wood said a brownfield designation for the property would have given the Beukemas the incentive they're requesting. But she said the parcel is already in the SmartZone, a tax-increment financing authority that captures the district's property taxes, so little would be left for the Beukemas to collect with a brownfield designation. She added that if commissioners hadn't granted the extension, the tax capture would have gone to the SmartZone and not to the city.

The Beukemas' recovery plan includes replacing the utilities, adding a snowmelt system and upgrading the streetscape.

The 185,180-square-foot hotel will be nine stories, with one below ground for parking. It will have 250 rooms, a banquet room that will seat up to 300, a fitness center, and a rooftop, glass-enclosed restaurant. The hotel will have parking for 395 vehicles, including the 95 spaces planned for the below-ground level. Also part of the devel-

See Inn, page 6

Sub-Prime Hit Not A Knockout

Inn

Continued from page 3
opment is 8,000 square feet of retail space along Monroe Avenue, across from the city-owned Sixth Street Park.

Brian Beukema said the hotel would be priced at \$139 a night. Peter Beukema said the building would be as environmentally friendly as possible, but he noted they wouldn't apply for LEED certification because of budget constraints.

"We are proposing a development that will give new life to an existing eyesore and further strengthen the Monroe North Business District while adding much needed rooms to downtown," said Peter Beukema in a prepared statement.

When the hotel and its restaurant are

open for business in 2009, both will permanently employ at least 150 workers at an average hourly rate of \$11.50. Wood said the city would receive nearly \$36,000 a year in income taxes from those jobs. Seeing the site has been in the zone since 1997, the property hasn't been on the city's tax roll for the past decade.

The Beukemas bought the property in August from Blue Bridge Ventures LLC. Blue Bridge purchased the site three years ago from Western American Mailers Inc. when the company moved to 33rd Street SE.

The Beukemas own three hotels under the Suburban Inns of Rockford banner, the Hampton Inn and the Holiday Inn

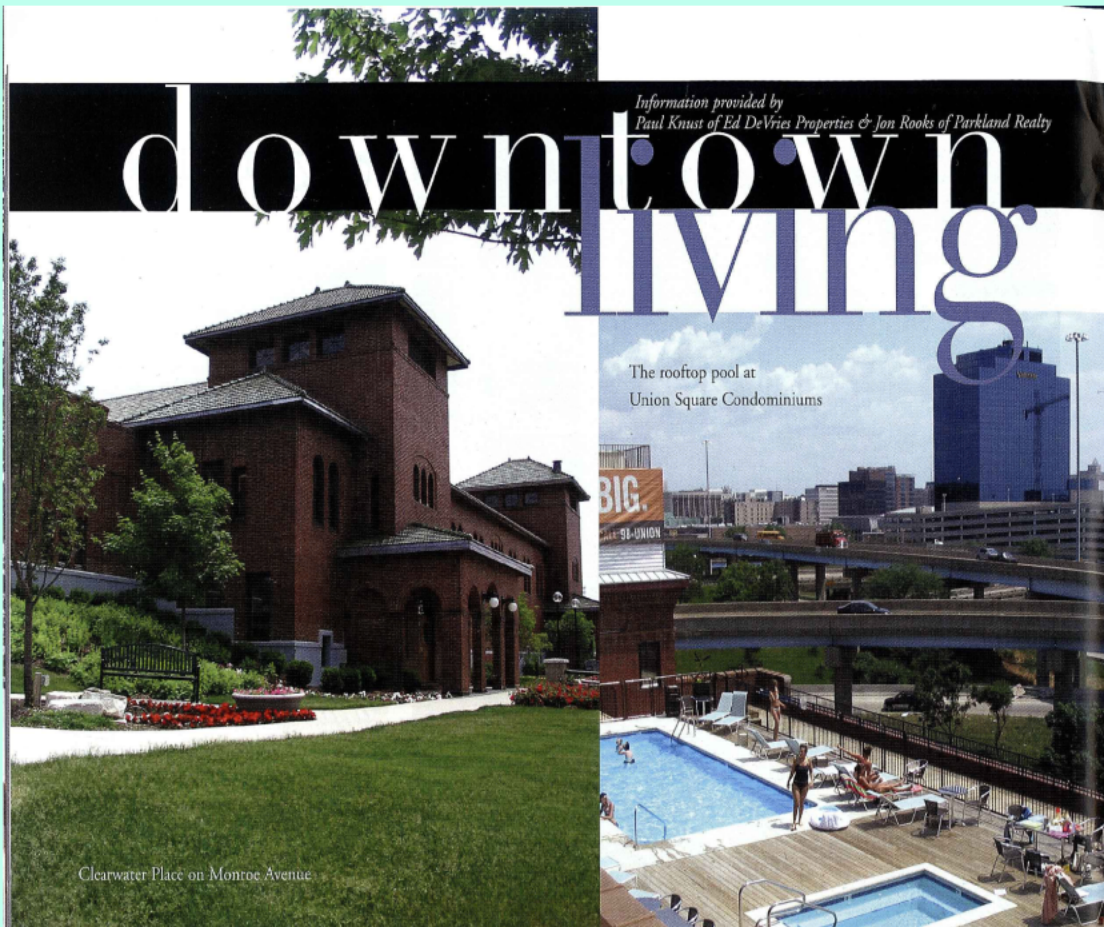
Express in Holland and the Holiday Inn Express in Grandville. They have been in the hospitality business for nearly 30 years.

Last week, they received an award from Holiday Inn for the operation of their hotels.

Wood assured city commissioners that the project wouldn't go forward without the zone extension and said the state has to approve the Beukemas' request.

"The state will have final approval for this project," she said. "The state is not granting an extension without a project."

Wood also said the Beukemas will ask the state for a credit on the Michigan Business Tax.



Clearwater Place on Monroe Avenue

Information provided by
Paul Knust of Ed DeVries Properties & Jon Rooks of Parkland Realty

Downtown Grand Rapids is booming!

With cranes and scaffolding gracing the skyline of Grand Rapids, it doesn't take long to see that rebirth is in the works. Just ten years ago there were only 1200 housing units in the downtown area. What began with just a few development pioneers taking risks with renovations in Landmark Lofts, Berkey and Gay Furniture Co., and the Brassworks Building has exploded across the urban landscape.

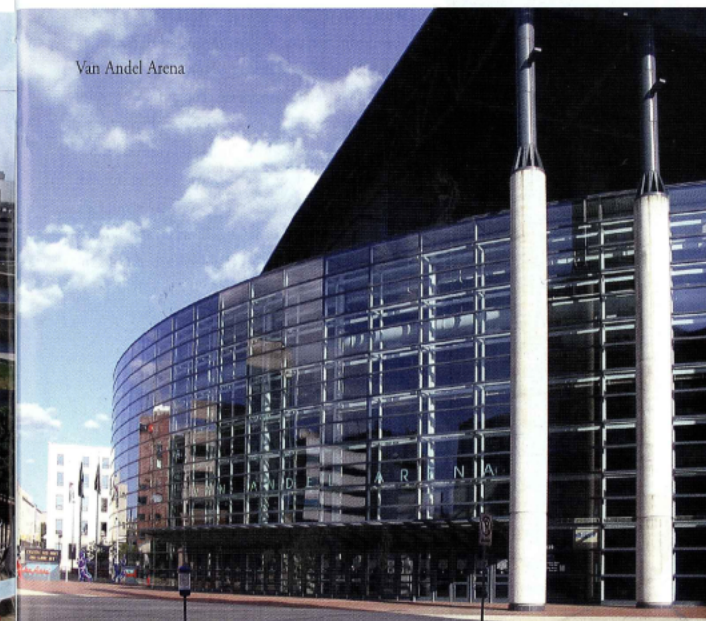
Since these first trailblazers began to flourish, there have been more than 1300 apartments and condos added with an estimated 800 more planned. There are also predictions for an additional 355 housing units added each year for the next several years. Wow! How did little Grand Rapids get to this place in time?

Remember when it was more like a ghost-town than a downtown in Grand Rapids? An evolution has been, and is still, taking place. In the arts community, the Grand Rapids Symphony, Grand Rapids Ballet, Opera Grand Rapids, Broadway Grand Rapids and the Civic Theatre have kept the generations coming downtown. Efforts to draw families and young professionals downtown have also been a success with attractions such as the VanAndel Arena and DeVos Place.

According to a 2004 study sponsored by the Downtown Development Authority (see stats on page 11), the highest percentage of people looking to move downtown are young professionals (either single or married with no children) and empty nesters in the baby boomer generation. Why these two groups and not traditional family units? The demographic lines become clearly drawn; families with children typically want a yard and more square footage to spread out because entertainment and nightlife isn't the main factor in their season of life. On the other hand, young professionals and empty nesters want freedom from yard work and other laborious household chores, and have the time and money to enjoy

Zimmerman/Volk Associates, Inc. Statistics
Empty Nesters rent the highest percentage of downtown properties
Rent downtown ranges from \$650 - \$2350 per month
Rental size downtown ranges from 500-1800 square feet

Young Professionals own the highest percentage of condos downtown
Purchase prices range from \$110,000 - \$400,000 excluding upgrades
Square footage ranges from 700 - 2400



Van Andel Arena

more entertainment and nightlife. The wonderful thing about downtown is that even those who don't live there can still enjoy all that downtown has to offer.

Downtown housing and the luxuries it entails offers a lifestyle that includes access to all the arts groups and entertainment opportunities, excellent restaurants for gathering with friends, a wide array of festivals and celebrations within walking distance, beautiful museums, gorgeous city and river views, and of course the potential tax savings incumbent with the RenZone status available for specific apartments and condos.

Another wonderful enticement is the model of diversity downtown Grand Rapids presents. You'll find different types of developments; restaurants, shops, offices, parks, cultural arenas, apartments and condos that are available for virtually every income level. Many mistakenly believe that you can only afford to live downtown if your income includes the mortgage on a high-end luxury loft, when in fact, the market for that type of unit is very small. The majority of properties available downtown are affordable for a middle class income. Properties are also available for lower incomes; a welcome assistance for students, persons with disabilities, or those who lack transportation and need to live nearby to where they work. "The healthiest neighborhoods are diverse neighborhoods," said Dennis Sturtevant, CEO for the nonprofit Dwelling Place, which serves as a catalyst for neighborhood revitalization by creating

2/27/08

Urban areas to see surge in residents

THE ASSOCIATED PRESS

UNITED NATIONS — Half the world's population will live in urban areas by the end of this year, and about 70 percent will be city dwellers by 2050, with cities and towns in Asia and Africa registering the biggest growth, a U.N. forecast said Tuesday.

The report predicted there will be 27 "megacities" with at least 10 million residents by midcentury, compared with 19 giant metropolitan areas today.

But it said at least half the urban growth in coming decades will be in smaller cities that now have fewer than 500,000 people.

According to the latest U.N. estimate last year, the world's population is expected to rise from 6.7 billion in 2007 to 9.2 billion in 2050. Over the same span, the new report said, the total population of urban areas is projected to rise from 3.3 billion to 6.4 billion.

"The urban areas of the world are expected to absorb all the population growth expected over the next four decades while, at the same time, drawing in some of the rural population," the report said. "As a result, the world rural population is projected to start decreasing in about a decade, and 600 million fewer rural inhabitants are expected in 2050 than today."

SPECIAL ADVERTISING SECTION

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CREATIVE SPACE UPDATES

URBAN RENEWAL
CUSTOM CONDOS

DESIGN HOME 2008
ENHANCING A LIFESTYLE





Revitalizing Home

AT PARKLAND PROPERTIES' UNION SQUARE
AND BOARDWALK CONDOMINIUMS, URBAN LIVING
HAS BEEN REDEFINED, AND INTEREST IN IT RENEWED.

BY CYNTHIA DROOG
PHOTOGRAPHY BY MICHAEL BUCK



LEFT AND OPPOSITE
PENTHOUSE CONDOMINI-
UMS AT UNION SQUARE
SHOWCASE EXPOSED BRICK
ARCHWAYS AND TWO-STORY
WINDOWS. WHILE THE
SECOND FLOOR LENDS AN
INVITING VIEW OF THE
MAIN LIVING SPACE, IT'S
ALSO MORE SPACE FOR
ENTERTAINING, EXERCISING,
WORKING OR SLEEPING.

BELOW
BEYOND THE BRICK
ARCHWAY, A STAIRCASE
LEADS TO BEDROOMS AND
ADDITIONAL LIVING SPACE,
PROVIDING PRIVACY IN A
CONDO OTHERWISE SET
FOR ENTERTAINING A LARGE
NUMBER OF GUESTS.

GRAND RAPIDS | HOME

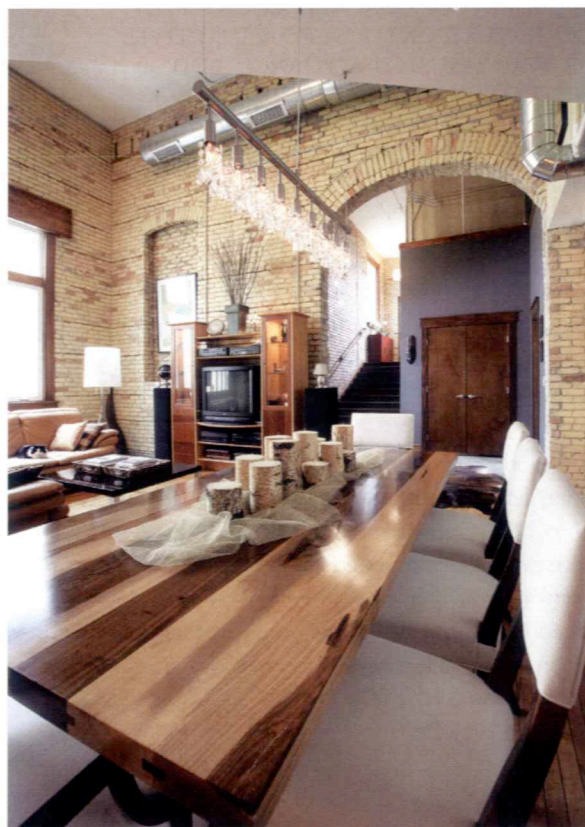
*H*ave you ever heard someone say how much he or she loves it here?

Perhaps they've moved back home to Grand Rapids after spending time in a bigger city with its unfortunate companions of traffic, noise, and pollution. Perhaps they landed a job here, and after considering it just a "stop along the way," fell in love and stayed. Perhaps they were born and raised here, and could never imagine living anywhere else.

No matter what the situation, it is a fair question to ask. If you love the city, why not live in it?

And that's exactly what a surprising number of people, young and old, are doing, thanks in part to the work of Jon Rooks and Parkland Properties, winner of the 2007 Helmholtz Grand Award for the best residential development with a role in revitalizing a neighborhood.

That award was bestowed on Union Square, the condominiums at the site of the former Union High School. Both here and at Parkland Properties' Boardwalk Condominiums, urban living has been redefined, and interest in it renewed.





ABOVE

IN THIS UNION SQUARE CONDOMINIUM, A GRAND SENSE OF SPACE IS CREATED BY THE WAY LIGHT ENTERS THE LIVING ROOM. WOOD PLANK FLOORS AND A CONTEMPORARY ENTERTAINMENT CENTER WERE MUST-HAVES FOR THE OWNER.

RIGHT

TWO SHADES OF CONCRETE COUNTERTOP ADD TEXTURED INTEREST TO A SPLIT-LEVEL BAR. STAINLESS STEEL APPLIANCES ADD ANOTHER TOUCH OF GRAY TO THE DRAMATIC BLACK AND WHITE BACKSPLASH, WHILE TRACK LIGHTING MAKES THE KITCHEN A BRIGHT SPOT FOR MEAL PREPARATION.



"Union Square was an amazing opportunity to save a really cool old building and make a huge impact on a neighborhood," Rooks said.

"We don't take the credit for bringing urban living to Grand Rapids, but we are very proud that we were the first to bring housing options priced under \$100,000 to downtown. We expanded the market when we committed to making sure that people who work downtown — like teachers, firefighters, nurses, and administrative support — can afford to live here. Meanwhile, we also sell lots of condos in the \$150,000 to \$450,000 price range in the very same projects.

"We've got happy, diverse buyers in each development, and that's been exciting for us and for our residents," said Parkland Properties salesperson, Arija Wilcox. "That diversity creates a socially and economically balanced

living environment where people and small businesses can thrive."

Both properties evoke a sense of urban beauty, from the exterior brick facade and view of some of the city's finest attractions, to the long, subtle hallways that lead to each door. Behind those doors, an eclectic vibe takes over, with each condominium reflecting the personality and design preferences of its owner.

"The buildings we renovate are typically about 100 years old," said Rooks. "They look historic, but the interior has a hip twist with the most up-to-date colors and modern finishes, so, they're really a dream to work on for interior designers, architects and developers."

"The tall ceilings, large windows, exposed brick — the charm factor is amazing, and when you pair that with the

tax benefits, you get double the benefits. We've never done a downtown project that doesn't include significant tax incentives for owners."

Between the Renaissance Zone, Neighborhood Enterprise Zone (NEZ) and the N-Champ program, owners do not pay city or state income taxes or property taxes. These incentives combined with lower interest rates help make housing affordable.

Beyond such investment incentives, amenities like forest courtyards with walking paths, a pool, hot tub, salon, club-

RIGHT

WHILE RENOVATED BUILDINGS LEND HISTORIC APPEAL, CUSTOM INTERIORS SHOWCASE MODERN HUES AND FINISHES. "THEY'RE REALLY A DREAM TO WORK ON FOR INTERIOR DESIGNERS, ARCHITECTS AND DEVELOPERS," ROOKS NOTED.

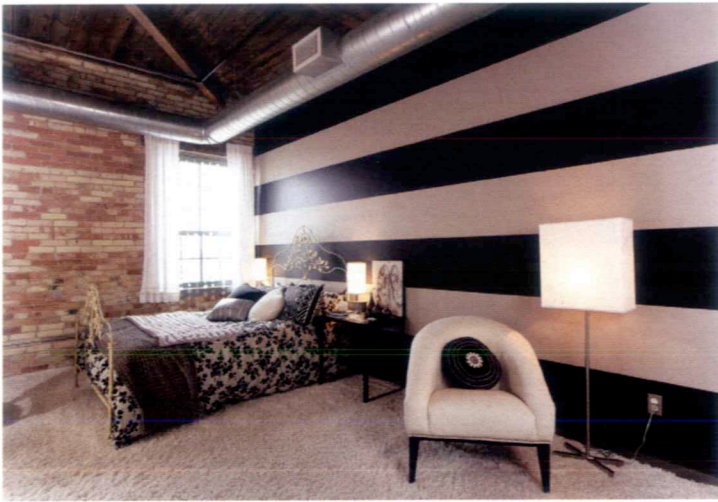


GRAND RAPIDS | HOME



ABOVE

TYLER DEVEREAUX DESIGNED THIS CONDO, ADDING DRYWALL AND A GRAYISH-BLUE HUE TO SOFTEN THE CONDO'S PRIMARILY BRICK INTERIOR.

**ABOVE**

BRICK CEILINGS, EXPOSED PIPING, AND A STUNNING VIEW OF CANAL PARK AND THE GRAND RIVER BRING URBAN LUXURY TO THIS BEDROOM. THICK SHAG CARPET, A NOTCHED WORKSPACE, AND BOLD, DRAMATIC STRIPES ADD COMFORT TO THE BLACK-AND-WHITE COLOR PALETTE.

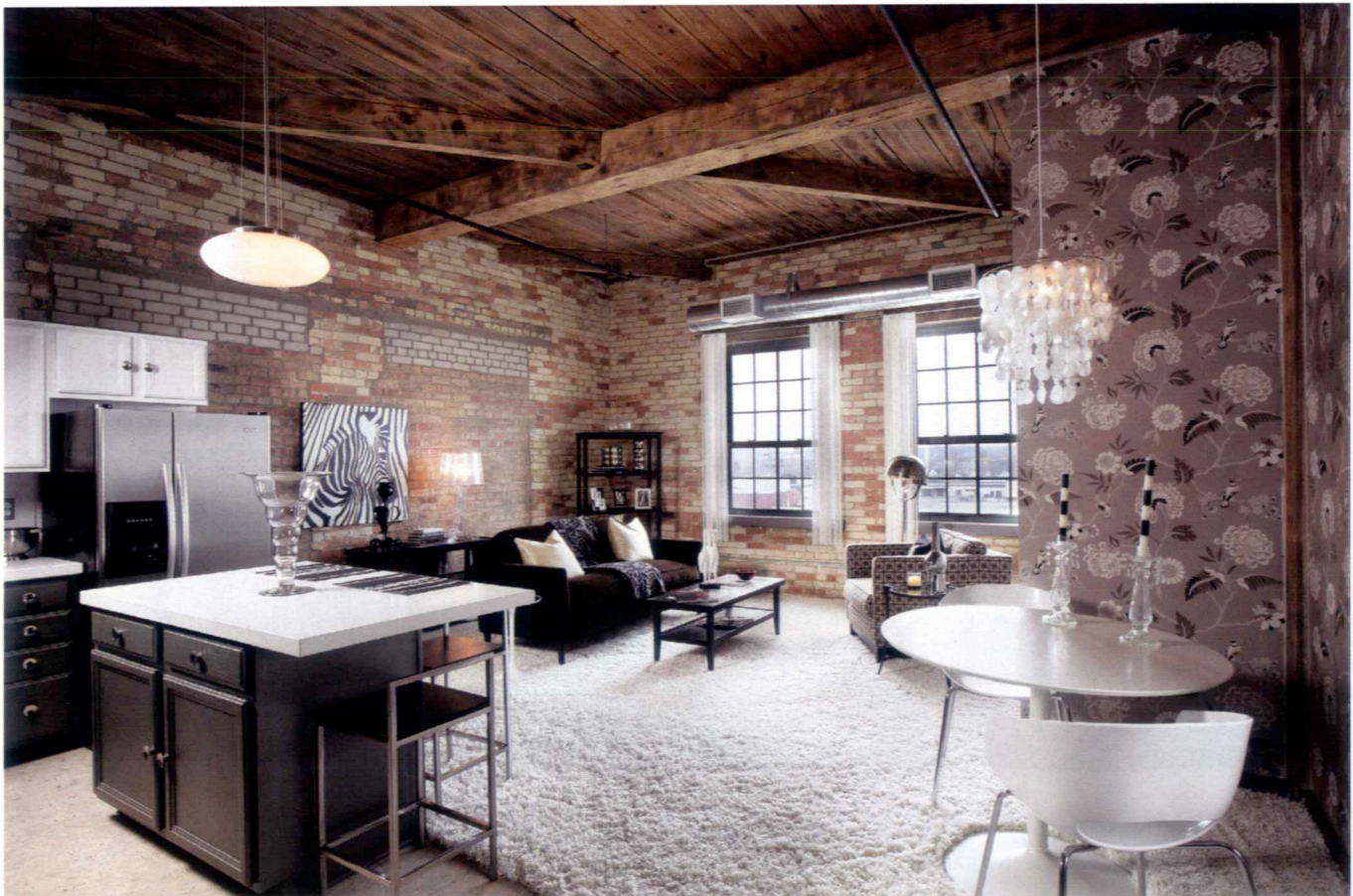
house, game room, fitness center, theatre room, rooftop decks, restaurant and bar, coffee shop, and onsite dry cleaner are attracting business professionals, empty nesters, and young singles alike.

"People who love this city love to live at Boardwalk or Union Square," said Wilcox. "We provide a worry-free, low-maintenance lifestyle and for everybody from medical professionals on call in the middle of the night, to snowbirds who fly south for the winter, these properties are perfect. Moving here is part of a greater trend of simplifying one's life."

In 2007 alone, Parkland Realty sold and closed over 210 condos downtown at Boardwalk and Union Square, roughly a mile apart. These two projects were the fastest selling condo developments in Michigan during 2006 and 2007 (based on closings), representing 80-85 percent of all downtown closings in those years. According to public records, the resale profits of co-owners in 2007

BELOW

PLAYFUL PATTERNED WALLPAPER IN NEUTRAL TONES GIVES TEXTURE TO THE ROOM'S ONLY NON-BRICK WALL. MINIMALIST LIGHT FIXTURES ALLOW THE NATURAL LIGHT, LET IN THROUGH LARGE WINDOWS, TO SERVE AS THIS CONDO'S PRIMARY SOURCE OF ILLUMINATION.





ABOVE

A LUXURIOUS POOL AND HOT TUB FILL THE NORTH COURTYARD AT BOARDWALK CONDOMINIUMS. A FOUNTAIN AND BEAUTIFUL LANDSCAPING COMPLETE THIS RESORT LIKE SETTING.

averaged \$27,000. Union Square has 8 of 180 units still available. Just 55 of 230 units remain at Boardwalk.

CUSTOMIZATION IS KEY

Parkland Properties hired its own staff so it could be flexible with customization. For example, one condo owner turned a 2 — bedroom condo into a large one bedroom with more living space. Another wanted a 100 — year old metal door installed as a room divider.

"Today, people use the Internet to find products you can't necessarily pick up in a store in West Michigan" Brad

Veneklase, also a sales agent for Parkland, observed. "They have us installing some very unique things, like a Murphy bed that folds out sideways, hidden in a bright orange cabinet."

Veneklase, who lives at Union Square and had a European stainless steel insert set into a six-flame fireplace topped with concrete mantle and steel separators, agreed. "Truly, the possibilities are endless."

To learn more, visit: www.boardwalkgr.com www.union-squaregr.com and www.parklandgr.com

COMING SOON: MUSKEGON'S HIGH POINT FLATS

Looking for amazing lake-shore views of both Muskegon Lake and Lake Michigan? Look no further than Parkland Properties' latest project, High Point Flats. A Renaissance Zone property until 2023, this renovated bank and office building is Muskegon's original high-rise. With ceiling-to-floor windows, pool and

marina access, High Point Flats is open for occupancy in 2009, and reservations are being taken now.

"The complete streetscape renovation in Muskegon is amazing, and we're excited to be part of the city's rejuvenation," said Parkland Properties salesperson, Brad Veneklase. "The Renaissance

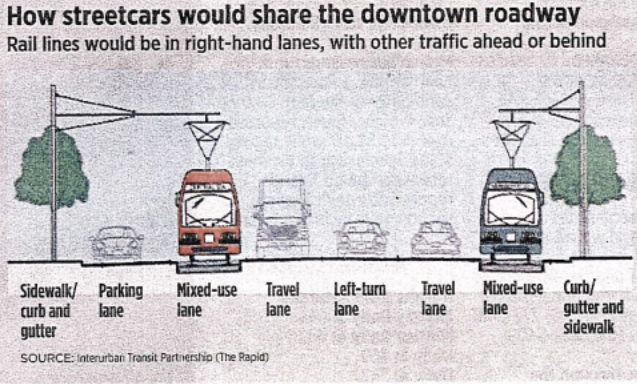
Zone is the greatest residential development tool in Michigan, and we're excited to pass on the savings to condo owners for another 14 years. The tax benefits on this property will outweigh the interest; so in essence, people are almost living for free." To learn more, visit www.highpointflats.com

Backers work on getting streetcars they desire

They tout development prospects, play down idea of new parking tax

BY KEN KOLKER
THE GRAND RAPIDS PRESS

GRAND RAPIDS — The vision is this: Sleek, electric streetcars running up and down Monroe Avenue NW, stopping every 10 minutes at canopy-covered stations. It also includes a new wave of downtown development: nearly \$400 million in restaurants, shops, offices, condos and apartments within blocks of the tracks. The question, however, is who would pay for it. A recently released consultant's study suggests a new local sales tax and a tax on nearby parking spaces



could be needed to help build and operate a Grand Rapids streetcar system. But supporters say it is too early to talk about new taxes. They say they would rather focus on

Grand Rapids — public and private partnerships," said Jeanne Englehart, president of the Grand Rapids Chamber of Commerce and a member of The Rapid's Public Transportation Tomorrow Task Force. "You're going to have to have partnerships because it's a big project and it's expensive," Englehart said. The big question from business leaders is whether a streetcar system can be sustained over time, she said. "This is an extraordinary exercise in going back to the future," said former Grand Rapids Mayor John Logie, referring to the late 1800s and early 1900s, when streetcars dominated city streets. The price tag already has climbed: from an estimated \$69 million when proposed last year to nearly \$79 million, or \$24.8 million a mile, if it were built today, according to the study by DMJM Harris. By 2012, the cost is expected to jump

SEE STREETCARS, A2

STREETCARS BACKERS AIM TO RAISE PRIVATE MONEY

CONTINUED FROM A1
to \$29 million a mile — a total of \$87 million. The Rapid has committed more than \$800,000 to the project: It spent nearly \$360,000 for the study and recently received a \$480,000 federal grant to continue. The consultant expects private donations will pay for up to half the project and suggests selling naming rights. Don Stypula, director of the Grand Valley Metro Council and a task force member, said he believes Grand Rapids is up to the challenge. "We are ideally equipped, both in our ability to work together in the public and private sector and just in terms of the overall health of our downtown," he said.

Taxing issue

The 32-page consultant report says cities in other states have relied on local sales taxes to help build their systems. In Michigan, that would require a constitutional amendment and approval of local voters. A 0.25 percent sales tax in Kent County — on top of the state's 6 percent — could raise as much as \$18 million a year, the consultant wrote. "In Michigan, the inability to pass enabling legislation ... creates a significant funding obstacle," the study says. Local leaders mention other possibilities: levying a special tax on new development along the route, borrowing money through a bond. "There are a lot of different ways to skin this cat," Logie said. Local supporters say the benefits would far outweigh the costs. The consultant says streetcars will generate nearly \$5 in development for every construction dollar — particularly on parking lots and riverfront land. Logie was among local supporters who visited Portland,

FACT SHEET A three-mile run through Grand Rapids

Highlights of the consultant's study of a streetcar route in downtown Grand Rapids:

VITAL STATISTICS
Route: From Sixth Street Bridge along Monroe Avenue NW, continuing across West Fulton Street along Market Avenue SW, to The Rapid Central Station.
Length: 3 miles
Stations: 16, each 60 feet long, with architectural canopies and electronic arrival signs.
Stops: Include DeVos Place convention center, Amway Grand Plaza Hotel, Rosa Parks Circle.
Estimated daily riders: 2,900

FUNDING
Operating cost: About \$1.75 million a year
Fares (similar to the Rapid) would generate less than a third of that:
• Single ride, \$1.30
• One-day pass, \$2.50
• Three-day pass, \$5
• Monthly (31-day) pass, \$35
Other funding: State of Michigan, elimination of the Rapid's DASH South system.
Parking tax: Consultant's report suggests 25-cent-a-weekday charge on public and private spaces around the route.

POTENTIAL EXPANSION
East: to Eastown and East Grand Rapids

helped spur development. "For a 10-block area, you can see the ripple effect," Logie said. "It's like taking Legos and stacking four Legos up right next to the (rails). One block away, stack it three up, another block away, stack it two up, another block away, just one up." Supporters say development naturally follows new transportation systems — no different than what followed the opening of M-6 in southern Kent County. "We don't expect freeways to fund themselves, do we?" said Don Lawless, a local at-



West: across the Fulton Street bridge to the Grand Valley State University downtown campus.
North: along Plainfield Avenue NE to the Red Ball Jet restaurant.

SOURCE: The Rapid's Public Transportation Tomorrow Task Force

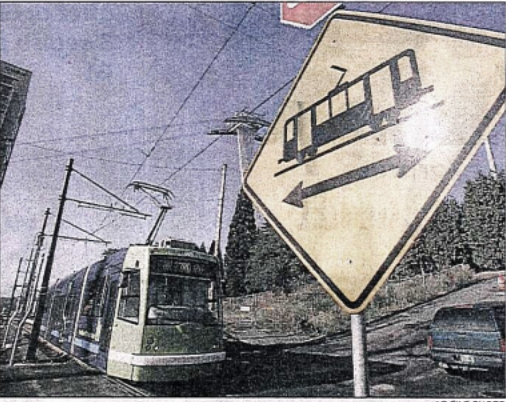
board of directors. "People will make decisions about development and employment based on that transit being there. It's just like the people who make decisions about where to put a new university and a Meijer because they know that the freeway is going to be there." Lawless says streetcars would make the city more "walkable," lead to fewer cars downtown and less need for parking. Workers who want to eat at Charley's Crab, for instance, could catch a streetcar instead of driving.

A2 SUNDAY, JULY 27, 2008

GR line could cost less than average

High end to build in one city: \$50 million a mile

New streetcar lines average \$25 million to \$30 million a mile across the country, according to a consultant's study for The Rapid's Public Transportation Tomorrow Task Force. The price might be lower in Grand Rapids because the route is flat. More complex streetcar lines, including those that intersect with other railroad crossings, are more expensive. Here is how it worked in selected cities:
■ Seattle built a 13-mile route for \$52 million last year and is considering extensions ranging from \$29 million to \$50 million per mile in 2010.
■ Sacramento, Calif., is studying a 2.2-mile line that would cost \$70 million (nearly \$32 million a mile) if



Comeback track: A streetcar travels through Portland, Ore.

they operate the same sleek, modern cars that would run in Grand Rapids.
■ Portland, Ore., built an eight-mile system for \$88.7 million, but the first phase opened in 2001. Nearly a third of the financing came from a bond supported by a 20-cent-per-hour rate hike at city-owned parking garages. Another big chunk came from raising property taxes in neighborhoods adjacent to the route.

— Ken Kolker

Redevelopment of the Year-West

Jon Rooks, owner, Parkland Properties, for Boardwalk Condominiums, Grand Rapids.

After turning a former factory, an office building and a high school into three distinct and nearly sold-out downtown condominium addresses, Parkland Properties owner Jon Rooks decided to go for a grand slam when he bought The Broadway Apartments in May 2006 and then began converting the 280 rental units into 230 condos.

Today, Rooks has sold 182 of the units in The Boardwalk, a former 400,000-square-foot furniture factory on the east bank of the Grand River at 940 Monroe Ave. NW. Rooks said his pre-sale effort for the building drew the fastest reservation momentum he had ever seen. He credited the speed with which the reservations were made to low interest rates, the riverfront park across the street, and the fact that he was selling the condos for only \$165 a square foot.

Because of his foresight into the downtown condo market, Rooks has earned the Redevelopment-of-the-Year Award — a nomination that came from none other than Grand Rapids Mayor George Heartwell.

“Boardwalk has brought in over 350 new downtown owners to Grand Rapids. The extra disposable income being spent and property taxes being paid will further support the downtown area. If each resident spends \$5,000 downtown per year, it would bring in an additional \$1.7 million to the city each year,” wrote Heartwell.

“Property assessments from the building have increased over 60 percent for the city of Grand Rapids since the renovation has been finished. This spending also helps to grow a stable platform for local businesses and shops to thrive,” the mayor added.

The renovation involved soundproofing the walls, adding balconies and some private roof decks. A new in-ground pool and Jacuzzi were added, as were a clubroom, private theater, reading room and game tables. The Boardwalk also features a restaurant, fitness center, hair salon, tanning salon and coffee shop. The property has a 10,000-square-foot courtyard with grilling areas and picnic tables. The building has a common deck area on the roof.

Monroe Terrace, City View Condos and Union Square are the other downtown condo addresses owned by Rooks. Monroe Terrace and City View are sold out, while only eight of the 180 units at Union Square are available.

Parkland Properties purchased The Boardwalk from 940 Monroe LLC, an investment group that was led by Thomas Beckering of Pioneer Construction. The partners adapted the vacant and massive structure into the apartment complex that also offered office space and covered parking, a project that won the Governor’s Historic Preservation Award and the city’s Neighborhood Business Award in 2001.

Housing forecast for downtown shows growth potential

Apartments and lofts, young adults, childless couples make up housing market. **DAVID CZURAK**

Downtown Development Authority Executive Director Jay Fowler's first public response to an updated report on the district's residential market potential was positive.

At the last DDA meeting, Fowler directed board members' attention to a key sentence on page four of the executive summary. It read, "Downtown Grand Rapids should be able to support 282 to 437 new units per year over the next five years."

The sentence Fowler found so satisfying came from a study done

by Zimmerman/Volk Associates Inc., a New Jersey firm with a national reputation as an expert in urban housing and mixed-use developments. In fact, the report is a follow-up on a housing analysis Zimmerman/Volk did for the DDA in 2004. The board hired the company again last May and the study was completed last fall, about the time the nation's housing market collapsed.

But what developers should know about that study's finding, which is just one of many contained in the report, is that the majority of those new units should be

rentals. Fifty-seven percent should be multi-family lofts and apartments that can be leased or rented. Thirty-four percent should be multi-family lofts and condos that can be purchased. Only 9 percent should be single-family townhouses that are put up for sale.

So it's no coincidence that the most recently proposed housing projects to come across the DDA's desk have been rentals. The Meridian Building Co. plans to construct 105 apartments in a new 10-story structure at Fulton Street and Sheldon Avenue, while Kendall Renaissance LLC wants

to renovate a seven-story building at 16 Monroe Center NE and add a dozen apartments to the downtown mix.

"That's great to get that mix of new construction and adaptive reuse because there is a segment of the market that wants new construction and wouldn't consider units in older buildings. Then there's another segment of the market that is exactly the opposite," said Laurie Volk, the "Volk" in Zimmerman-Volk.

As for who makes up the mar-

THE COMPLETED River House condominium project adjacent to Bridgewater Place is among the recent additions to the downtown housing stock.

Courtesy Wolverine Building Group

CONTINUED ON PAGE 21 ►

TOP: ©ISTOCKPHOTO.COM/MARSBAR

Focus: Residential Real Estate

Downtown outlook OK

◀ CONTINUED FROM PAGE 19

ket, younger singles and childless couples are still most likely to want to live in an urban setting — a finding that was also in the 2004 report. These two groups make up almost 70 percent of the downtown housing market. Empty nesters and retirees are about 20 percent, followed by families at 10 percent. Slightly less than half of all downtown residents would come from locations outside the city's limits.

The latest report from Zimmerman/Volk said there has been a significant increase in the size of the annual potential downtown market since the 2004 analysis.

The latest report from Zimmerman/Volk said there has been a significant increase in the size of the annual potential downtown market since the 2004 analysis. In the first study, that potential stood at 2,500 households. In the 2008 report, the number was 3,100 households, a jump of 24 percent over the past four years. But developers know that outside factors, such as a lender's willingness to lend, can play a major role in a market's potential. So does Volk.

"It's just too uncertain on what's going to happen. So much of this is outside of people's control. The situation with either lending or investors in housing is a disaster. When banks pull in loans on developers that they've lent money to, and give them 60 days notice ... So many of them are filing for bankruptcy. It's really very scary out there," she said.

"I'm hoping that (Treasury Secretary Timothy) Geithner is right with what he's doing and the stimulus plan is going to work, because

otherwise we're in trouble for a long period of time. It won't be a quick recovery, I think."

The Business Journal asked Volk how the downtown housing market, which Fowler said has seen more than 1,000 new units completed and proposed since 2004, stacked up to similar districts across the nation.

"Relative to its size, I think it's doing extremely well," she said.

"And also what I was amazed by, between the last time I'd been there and this time, that unlike so

many other cities, a lot of the new housing was actually reasonably priced, both rental and for sale."

But Volk did say she found a few of the newer units are overpriced. That number, though, wasn't to the extent she has seen

in other cities, which makes this market more affordable and more active than most of the downtowns she has visited.

"There were so many that had been brought on line and sold out or leased up in the interim, between when I was there and when we did that update, that I thought that was really terrific, because that shows that people were paying attention to where the market was," she said of downtown prices.

"There has been a lot of downtown development (in Grand Rapids). But I think it's particularly remarkable in the state of Michigan, because, as you know, most of Michigan is just suffering. And Grand Rapids, probably because of all the medical stuff that's happening there and the research and the university, is really ... I was very impressed."

RECOMMENDED DISTRIBUTION OF HOUSING

According to Zimmerman/Volk Associates Inc. of New Jersey, here is how the annual market potential of 282 to 437 new downtown housing units should be distributed by the type of unit, monthly rent and purchase price.

LOFT/APARTMENT DISTRIBUTION BY RENT

Monthly

Rent Range	Units per Year	Percentage
\$500-\$750	23 to 35	20.5%
\$750-\$1,000	32 to 48	19.8%
\$1,000-\$1,250	36 to 54	22.3%
\$1,250-\$1,500	34 to 51	21.1%
\$1,500-\$1,750	15 to 23	9.5%
\$1,750-\$2,000	13 to 19	7.8%
\$2,000 & up		8 to 12
5.0%		
Total	161 to 242	100.0%

LOFT/APARTMENT DISTRIBUTION BY PRICE

Price Range	Units per Year	Percentage
\$100,000-\$150,000	13 to 20	14.0%
\$150,000-\$200,000	21 to 32	22.4%
\$200,000-\$250,000	30 to 45	31.5%
\$250,000-\$300,000	14 to 21	14.7%
\$300,000-\$350,000	9 to 13	9.1%
\$350,000 & up	8 to 12	8.3%
Total	95 to 143	100%

TOWNHOUSE DISTRIBUTION BY PRICE

Price Range	Units per Year	Percentage
\$150,000-\$200,000	3 to 6	11.5%
\$200,000-\$250,000	6 to 12	23.1%
\$250,000-\$300,000	5 to 10	19.2%
\$300,000-\$350,000	4 to 9	17.3%
\$350,000-\$400,000	5 to 10	19.2%
\$400,000 & up	3 to 5	9.7%
Total	26 to 52	100.0%
Grand Total	282 to 437	100.0%

Source: Zimmerman/Volk Associates Inc., 2008

"There is a way of thinking and being when you live downtown — a textural quality that you're woven into and a pulse that you're in sync with. We like knowing that we're part of the change that's happening in this city."

— Tina Derusha





BY **ABBY HEUGEL**
PHOTOGRAPHY BY **MICHAEL BUCK**

CONDO COMMUNITIES

Young professionals are spurning the suburbs
and choosing to live downtown.

Union Square resident Justin Ruehs entered a condo, dropped off his donation of art supplies, picked up his wine glass and spent the next three hours trying new foods in 10 different condos and mingling with more than 100 neighbors — all without leaving the building he calls home.

While more than \$850 was raised for Very Special Arts at the Second Annual Union Square Progressive Dinner, the event also raised the sense of community among the residents. And that's the idea behind the myriad of events the residents hold throughout the year — to give a little more effort and make the building more than just a place to live.

"You see people in the hallway all the time," Ruehs said, "but they may not be your immediate neighbors or someone you share a courtyard with. You don't get

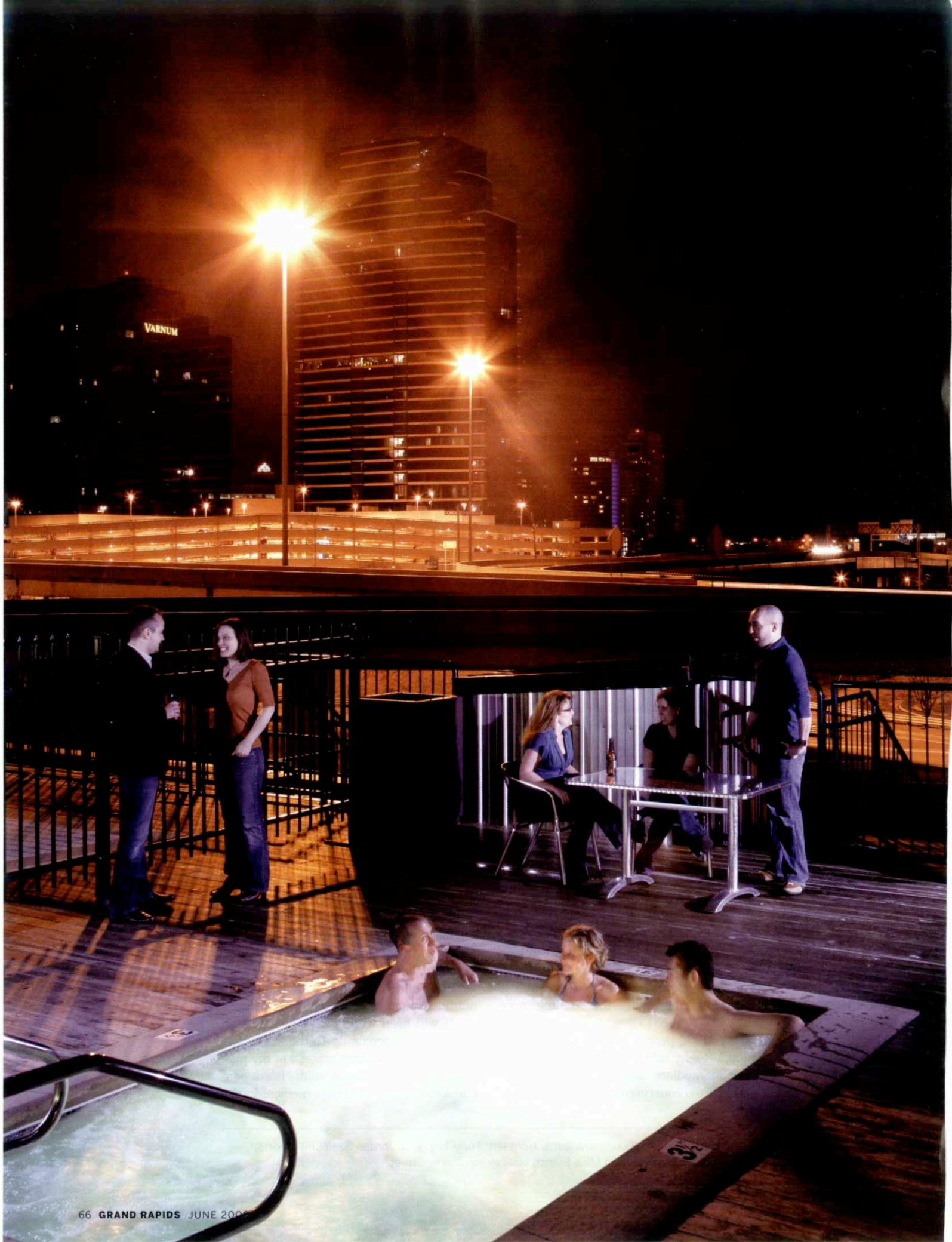
a chance to find out who they really are or what they do. This gives us a chance to see new faces, make new friends and build that sense of familiarity."

As many young professionals in the Grand Rapids area choose downtown condominium living, they're finding more than just a place to sleep: They're finding a connection to the community and the city they call home.

It was the initial appeal of living in a place perfectly located at the intersection of education and recreation that drew Michael Bianco into Hillmount Condominiums on Cherry Street. In his second year of medical school at Michigan State University College of Human Medicine, he's not far from any of the city's hospitals.

"I will need to be in the hospitals all next year, so proximity to them was one of the most important aspects of my purchase decision," Bianco said. "It's a central location for all things medical in the

Residents of Hillmount condominiums, from left, Tony Tagliavia, Jordan Beel, Emily Horton, Tamara Beel, John Kim and Mike Bianco walk along Cherry Street.





“The feel we have in our building is so vastly different than the neighborhoods many of us moved from. The residents have made this building one big community.”
— Justin Ruehs

Grand Rapids area, which will allow me to get to work earlier and stay later knowing that I’m only a few minutes away. Not to mention the fact that I can walk to a bar or restaurant, go to the symphony or spend some time downtown and know that I’m only a few minutes away from home.”

Fellow Hillmount resident Tamara Beel agreed with Bianco’s sentiment and is more than willing to extol the virtues of downtown living to anyone who asks. Beel and her husband have made friends in the building, hosted many rooftop deck get-togethers and feel their neighbors really care about the building as much as they do. In fact, Beel likes it so much she decided to work there.

“Although I lived in Hillmount first, I now also work for CWD Real Estate Investment, the developer of Hillmount and The Fitzgerald Residences,” Beel said. “I met the CWD team at a co-owner board meeting on the roof deck, and that turned into me taking a position as the

sales manager of the Hillmount building. I love telling everyone we can walk to most everything we do — dine, entertain, shop, attend concerts, visit museums. Everyone has a great attitude and is so happy to live here — not just in Hillmount, but in the city.”

“I think that the idea of living and working in the same space is a relatively new concept for Grand Rapids folks,” said Tina Derusha, a portrait photographer living in Union Square Condominiums on the corner of Turner and Broadway. “It’s one that is long overdue, in my opinion. Even though I’m shooting on location quite a bit, having a downtown studio draws a certain type of clientele to me. They love meeting me for consultations in our condo — the hip, urban lifestyle appeals to many people.”

A couple years after they were married, Tina and her husband, Allen, entertained the thought of moving out of state. Although Tina wanted to return to city

Gathering at Union Square are condo residents, clockwise, Tina Derusha (in orange), Jeff Steinport, Allen Derusha, Justin Ruehs, Lynnette Carpenter, Leta Flikkema, Alberto Garza, Ellen Dunn and Nickolas Morrow.



"Grand Rapids is really a great place for young professionals since there is pretty much something fun going on every night of the week, and having it all so close is a real asset."

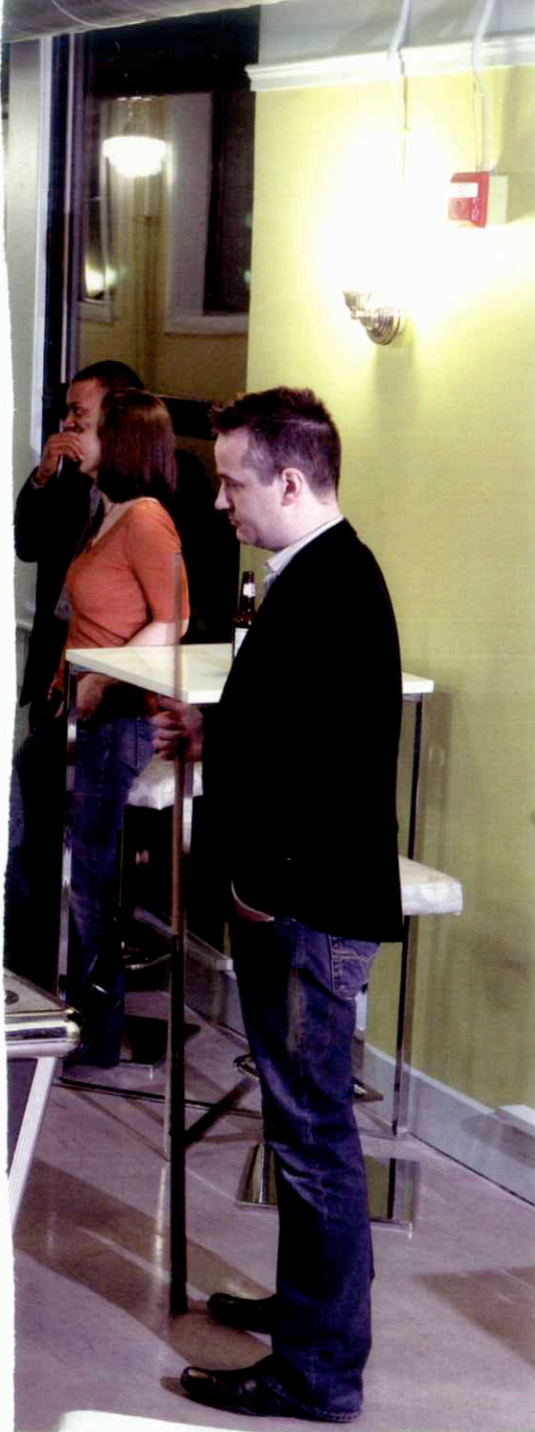
— Michael Bianco

life, the idea of living in the suburbs turned her off.

"We wanted to know our neighbors — not just try to keep up with them — help build a close-knit community and sustain a lifestyle that supported greener habits, like walking more," Derusha said. "With Allen's offices located on Monroe and my desire to move my portrait photography business home, we were sold a week after touring the building."

Hillmount resident and WOOD-TV 8 reporter Tony Tagliavia was initially a little wary of living so close to his office, but figured he was going to get called into a major event whether it was a 15-minute drive to work or a 30-second walk.

Union Square residents get together in the common area on the rooftop, featuring a pool table, TV and shuffleboard — plus a pool and hot tub outdoors.



"Living so close to everything and walking to work has been wonderful," Tagliavia said. "No gas, no (road) construction, and when I need to pop in after hours, it's not a big deal. Plus, the Hillmount community has been great. I've run into neighbors in the elevator who'll mention they're getting together with friends on the deck and invite you up. You meet so many different people."

And while these large buildings offer great professional networking opportunities — with so many neighbors, residents are bound to meet people from all professions and all areas of the work force — it's the residents who have formed communities.

"The feel we have in our building is so vastly different than the neighborhoods many of us moved from," said Ruehs. "The residents have made this building one big community. We've made it a point to get involved, to reach out and to include everyone. With so many people, there's always a group with a common interest — running groups, dog-walking groups, wine-tasting groups — and we've come to depend on each other. From our friendships these bonds grow, and whether it's networking to find a job or making sure we all have dinner, we work together."

At Union Square, that involvement includes potlucks, weekend brunches, pizza nights, pool parties and courtyard get-togethers. This past Christmas, neighbors shared a 14-foot tree in the courtyard and in March had a traditional turkey dinner for 12 to break up the winter doldrums.

"Personally, I've grown in community spirit," Derusha said. "Before living here, I never really felt connected to a place, and I feel like I'm really making a difference now. Last year, a group of Union Square neighbors did a spring community clean-up of several square blocks of the area surrounding our building. It made me feel a sense of pride and well-being for contributing to my neighborhood."

Many residents say living downtown has opened their eyes to the local community and encouraged them to frequent and support local restaurants, bars and businesses. For Union Square resident Angela Austin, it even encouraged her to start a business of her own.

Austin and her husband moved downtown three years ago from a peaceful subdivision in Kentwood where they were happy but felt like they wanted a greater sense of community. Moving to Union Square, she said, they've made many close friends — from single, young professionals to empty-nesters — and it has dramatically changed their way of life.

"Everyone in our building knows your name — or at least your unit — and is willing to lend a hand if needed, even if it's as small as borrowing household items," Austin said. "After living here for just a short time, I was encouraged professionally to open my own special occasion boutique, Renee Austin, downtown on Bridge Street. After living in and falling in love with the Stockbridge community and downtown Grand Rapids, I knew this was

the place to open my store."

Derusha also believes in loyally supporting local businesses, avoiding big box stores and national chains as much as possible. She marveled at what has become such a diverse array of options on any given weekend, remembering that even five years ago, you really had to hunt for something to do downtown.

"It's been really remarkable to watch the city grow and know that we're a part of the reason for new businesses springing up and more people wanting to live downtown," Derusha said. "Because we're on foot more, we also have an opportunity to notice things we wouldn't otherwise see from the car."

Hillmount resident Bianco admitted that he doesn't have a lot of free time to explore the city, but he said he's never at a loss for something to do when he does find the time.

"Grand Rapids is really a great place for young professionals since there is pretty much something fun going on every night of the week, and having it all so close is a real asset," he said. "The city is constantly changing and is never stagnant. It makes you feel good when your hardest decision for the day is what local restaurant to eat at or what downtown coffee shop or pub you want to meet up with friends at."

As more young professionals in the Grand Rapids area are deciding on downtown living, they're finding convenience combined with a sense of loyalty to the buildings in which they live, the neighbors they share it with and city they call home.

"There is a way of thinking and being when you live downtown — a textural quality that you're woven into and a pulse that you're in sync with," Derusha said.

"We like knowing that we're part of the change that's happening in this city."

GR

Abby Heugel is a freelance writer living in Grand Rapids.

FOR THE Urban SMART

There are creative souls that walk among us — unique visionaries that can take something old and forgotten and make it new again. It's no secret that the motto of today is: reuse and recycle. But how far can we take this environmentally-sound advice? After all, it's one thing to recycle our bottles and cans and then there's Jon Rooks ...

As the owner of Parkland Properties, Rooks has taken an approach to developing that is not only a sign of the times, it's as smart and cool as it gets. Parkland Properties specializes in taking historically-interesting, urban buildings and giving them new life — new life in the form of chic, condominium communities that are so unique, you have to see it to believe it.

It seems like an obvious thing to do: our tired planet benefits and everyone's trying to re-create the character of yesteryear anyway. It's pure smart. And when you consider the tax-free benefits of owning in a Renaissance Zone — smart gets even smarter. Parkland's Union Square project is a great example: As the oldest school building in Grand Rapids (built in 1872), it was the primary high school until 1968 and spans a full city block — it's overflowing with historical interest. Today it boasts 180 individually unique condominium units (with over 170 sold) offering affordable, luxury living with an address that falls within a Renaissance Zone.

Imagine sitting poolside with the city skyline as your backdrop. Union Square's rooftop pool, hot-tub, club house, exercise facility and rain garden are just a few of the on-site amenities. Then there's the historical charm: double banister stairways, 12-inch oak windowsills, genuine slate chalkboards, 12- to 21-foot ceilings, and maple floors. New rooftop penthouses complete the project and offer stunning views. Designed to accentuate the building's historic features by bold contrast, these new units feature smart design in a continuing fashion of the entire project.

"Jon has such good insight — he's very innovative when it comes to using space in interesting ways," said Richard Craig of Craig Architects. The architectural firm worked in collaboration with Rooks to design the unique 180 units (as well as other Parkland projects).

TEXT BY JENNIFER KONING

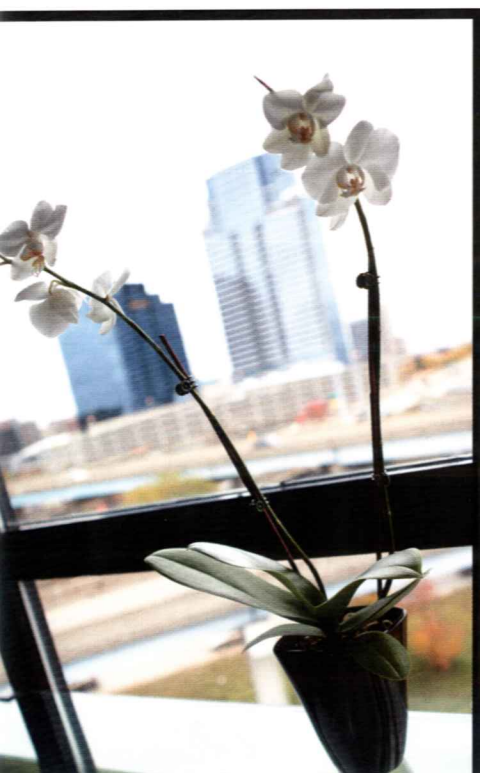
PHOTOS BY ASHLEY AVILA

RIGHT: This penthouse condo at Union Square showcases the owners' love of Miami and reveals the true customization each unit offers.

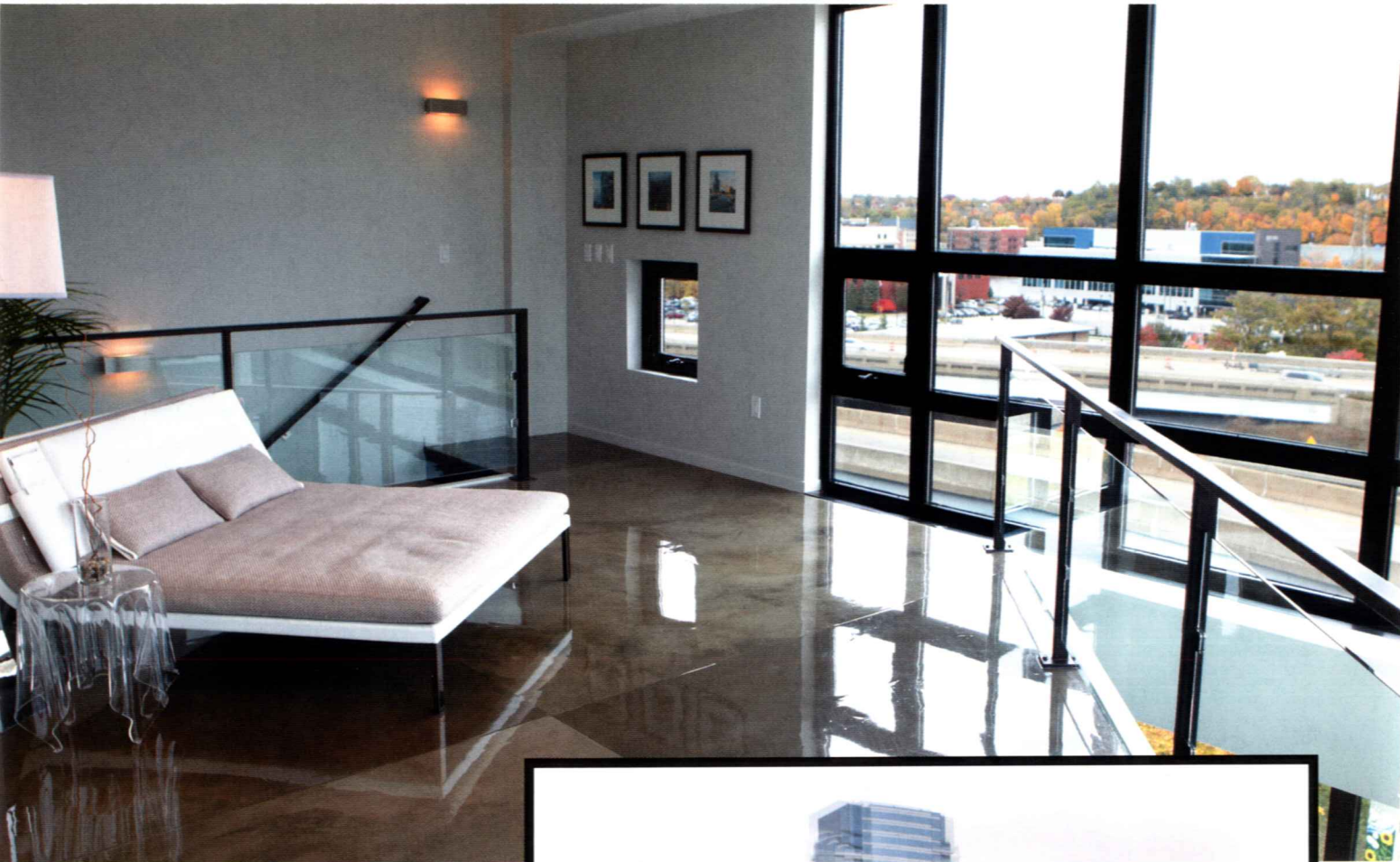
"We wanted to do something completely different design wise than our lake house," said the owner. "This is our city getaway."

The sleek lines of the black Egg chair invite comfort while its accessory serves as a subtle reminder that surrounding windows tempt voyeurism at all times. The Cassina dining table and chairs add to the South Beach feel.

All furniture, flooring, fabrics, lighting, hardware, color and finish selections by Tylor Devereaux Interior Design.

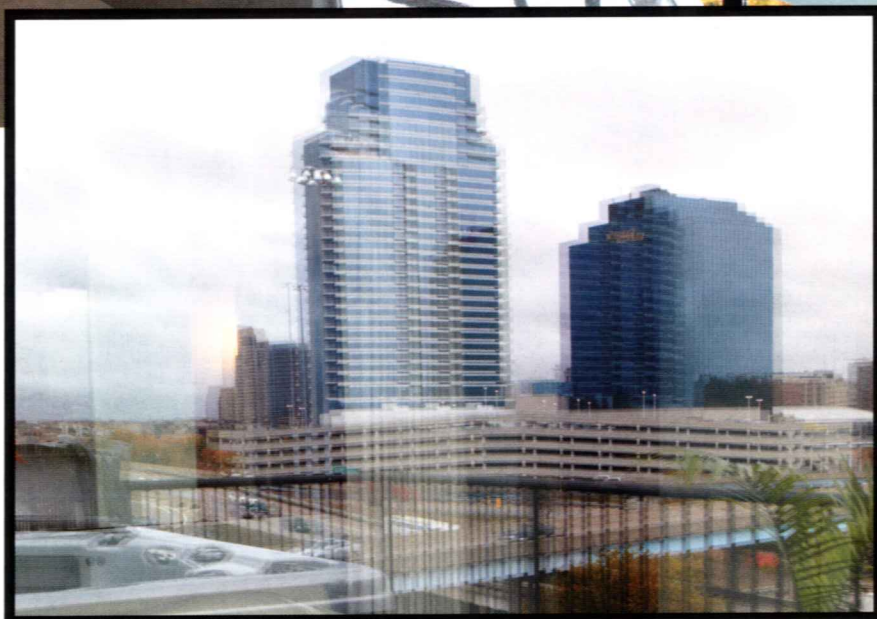






With multiple urban views there's always something to take in. The Minotti chaise on the penthouse's upper level provides posh comfort for the endless sight-seeing.

Concrete flooring finished with a thick epoxy sets a dramatic tone under foot and creates a reflective surface that reiterates the continuing views.



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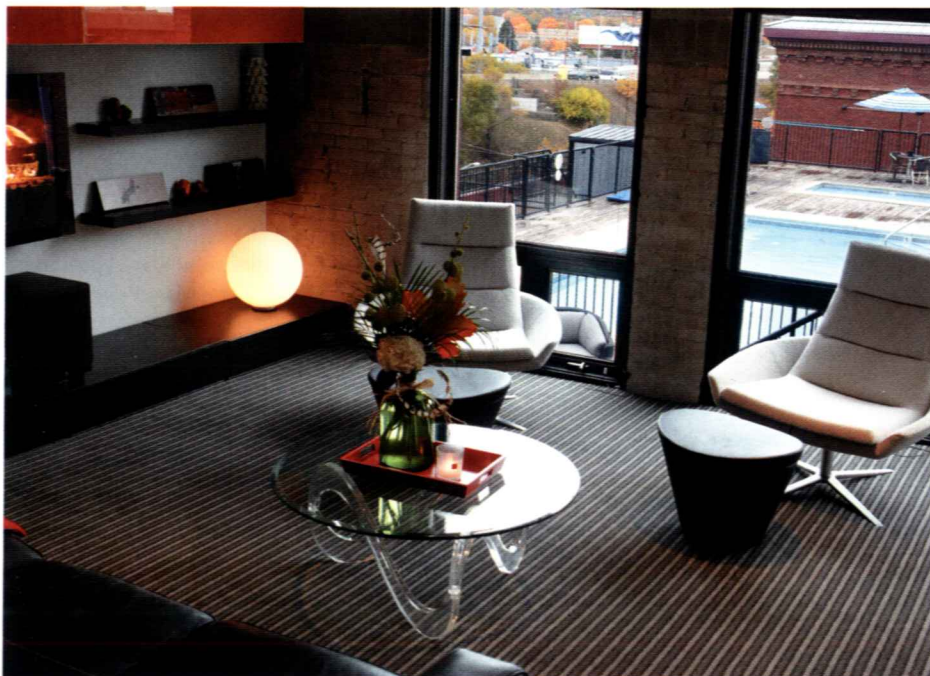
RIGHT: Luxurious furnishings add to the penthouse's getaway ambience. Both the white sectional sofa and master bed are by Poltrona Frau and exude the Miami flair while the sheer, white window coverings are reminiscent to one of the famed clubs on Ocean Drive.

ABOVE: The master bath features fixtures by Infusion by Etna. Designed to keep the morning routine hassle free, the bath features an open mirror allowing views at all times.



IMAGINE SITTING POOLSIDE WITH THE CITY SKYLINE AS YOUR BACKDROP. A ROOFTOP POOL AND/OR HOT TUB, DESIGNER CLUB HOUSE, EXERCISE FACILITY AND RAIN GARDEN ARE JUST A FEW OF THE AMENITIES VARIOUS PARKLAND PROJECTS OFFER.





ABOVE: Two swivel chairs by Montis and an entertainment center by Bo Concept bring the Miami feel to the lower level as does the view of the rooftop pool. The lower level serves as private guest suite for overnight visitors.

RIGHT: The rooftop pool and year-round hot tub reveal another unique use of space that the project exudes. Various units, private decks and patios surround the perimeter making the entire rooftop a platform for entertaining, exercise and fun.

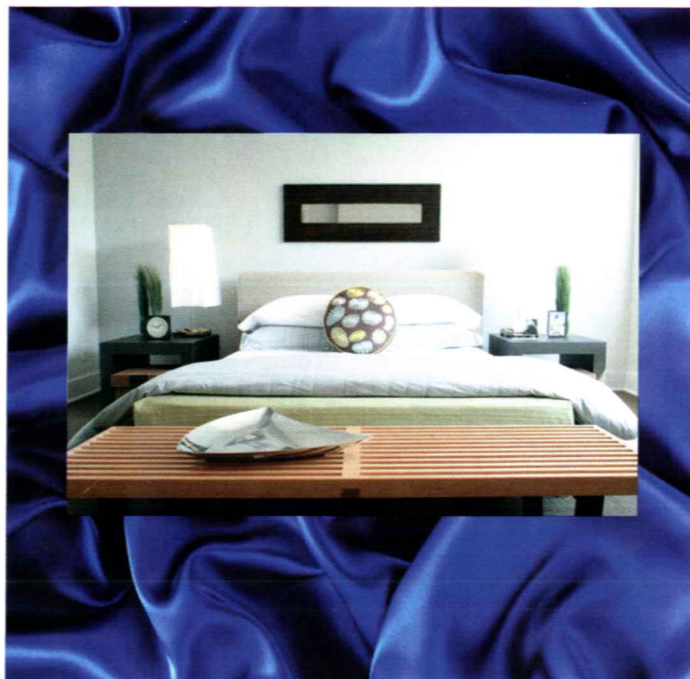


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"There's a lot more work and more chances for things to go wrong but the result is so unique," said Craig. "Every unit has something historically interesting."

Good riddance to the days of buying a condo in the cookie cutter fashion. Granny's condo in Florida wouldn't even offer custom carpeting unless what was initially put in was ripped out and replaced. Every customized unit at Union Square was uniquely designed to take advantage of all things historically cool. Consider what used to be the gymnasium: now two, two-level units "scissors" each other allowing both to take advantage of the same original-wall's huge windows. The innovative use of space can be mind boggling and yet it works so ideally, it makes perfect sense.

"It's one of the coolest projects I've ever worked on," said interior designer Tylor Devereaux. Devereaux contributed to the design of more than 20 units as well as some of the project's community areas.

"Every single condo is different — there's a bedroom that was once the girls' locker room and there's a living room that still has the lines from the gym floor," said Devereaux. "And, the auditorium stage is now someone's kitchen! There are lockers for closets and old light fixtures — even basketball hoops and name plates. It was so much fun."

URBAN SMART MEETS THE LAKESHORE

Union Square is just one of Parkland's unique developments. Boardwalk, Cityview, Monroe Terrace all share the unique vision that is the starting point. And, the newest on the list is Highpoint Flats, a modern, urban condo community with Lake Michigan as its playground. Muskegon's 90-year-old Hackley Bank building (an historic landmark) is now home to 70, fully-customizable condominiums that happen to fall into another designated Renaissance Zone (the longest in the state till 2023). Amenities include large balconies; rooftop deck with chaises, tables, grills and hot tub (tallest in the county); designer clubhouse, award-winning beach nearby; floor-to-ceiling windows (in many units); great views of Downtown and Muskegon Lake.


"There's so much happening in Muskegon right now — it's an exciting place to be," said Devereaux, who is also involved in the Highpoint Flats development. "It's another very cool project, you have to check it out."

With all the benefits the various Parkland developments have to offer: tax-free living for years to come, historical character mixed with luxury living, and city attractions and conveniences right outside the door — it easy to see why so many people are quickly becoming urban smart.

RESOURCE INDEX

Parkland Properties: *Developer*; Tylor Devereaux
Interior Design: *Interior Design*; Brigade Fire
Protection: *Fire protection*; Godwin Hardware;
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