

PRESS-REGISTER

Waterfront condos still on

Lien against developers, death of lead partner hasn't halted Water Street Landing

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Neither an \$869,724 lien against the developers of the planned 241-unit Water Street Landing downtown nor the death of its lead partner has halted what would be Mobile's first waterfront condominium project.

"We own the property and we are doing everything we can to move the project forward," said John Bostick, a partner in the Los Angeles-based Millennium Pacific Icon Group. Millennium plans to build the estimated \$80 million riverside residential and retail complex at the foot of Government Street on Water Street.

"First we have to deal with the passing of our partner," Jim Maloney, Bostick said. "We have to educate his estate about what the process was, where we were at and get them to buy into the next step."

Maloney, a Californian, died unexpectedly last month. Officials with the project had earlier attributed the project's slow development, in part, to Maloney's ill health.

California developers with roots in Mobile proposed what was then tabbed a \$45 million condominium development in late 2004, with Mobile native Andrew Oliver the development group's first face in the community.

Oliver is still an investor, said Bostick. But, "Mr. Maloney was running this project and had full rein and control. Since his passing, we need to get our hands around it."

The local architect for the project, Watermark Design Group, has filed a lien against the property bought for the condo by Millennium Mobile LLC, according to records filed Jan. 2. The 1.6-acre site was formerly owned by CSX Railway.

"This simply was a business decision in order to make sure no matter what happens with the project, that our unpaid interests are protected," said Dan Dealy, project director for Watermark. "It's not an adversarial situation. This project still stands and is still viable."

Watermark has completed about 40 percent of the overall design of the project, Dealy said. The company has put its work on hold until the development group's leadership succession is worked out, according to Dealy, but could certainly withdraw the lien when the issue is resolved.

Water Street Landing will also include 60,000 square feet of retail space. The condo units will be built on the west side of the CSX track, and trains will travel underneath the project.

Demolishing the existing CSX building is a priority and should happen in the near future, according to Bostick. "We have to work hand in hand with CSX on that because of the relationship with the railroad track."

The lien on the property does not have to be removed in order for developers to demolish the building, he

said.

Designers were working on the commercial portions of Water Street Landing rather than the condo plans, at Maloney's request, Dealy said.

Condominium unit prices have not been released, and Bostick said investors continue to evaluate that element.

"Do we do a unit customization program and allow the buyer to do a more customized interior, and widen the price point," Bostick offered as an example.

As has been the case in many condo projects, the Water Street Landing developers went into a slow mode to try and figure construction costs, which have been volatile within the last year or so, according to Dealy.

"We couldn't come up with a price without knowing the construction costs," said Paige Thatcher of REMAX by the Bay in Daphne, which is set to market the units along with Roberts Brothers.

Still, Millennium investors have confidence in Mobile's real estate market and their mixed-use project.

"We don't want to own that property and grow grass on it," Bostick said. "We are doing everything we can to move the project forward."