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## \$85 million project set for downtown

Kellogg's, BCU plan office building, research center

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*The Enquirer*

Get ready for a better, brighter, busier downtown Battle Creek.

Today, economic development firm Battle Creek Unlimited and the Kellogg Co. announced plans to redevelop downtown Battle Creek — and the change is beginning now, with Kellogg announcing a new \$22.5 million six-story office building, to be built next to the McCamly Plaza and Hotel.

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BCU's current marketing director, Karl Dehn, who will take over as BCU's president and chief executive officer when Jim Hettinger retires in December, will oversee the project.

## KELLOGG EXPANSION PLAYS CRITICAL ROLE

The \$85 million proposed plan, more than a year in the making, was sparked, in part, by Kellogg's decision to expand downtown. It is expected to bring more people downtown and create a momentum for future downtown business recruitment and the need for more service-oriented businesses, such as restaurants and entertainment venues.

Kellogg's new building will be constructed on the current McCamly Festival Market Square, located on the corner of Jackson and McCamly streets, adjacent to its global headquarters. The six-story, 122,500-square-foot building will be built by a local developer, McCamly Office, LLC and leased to Kellogg.

Kellogg Chief Executive Officer David Mackay said the move will enable Kellogg to relocate approximately 680 employees who currently work in its Porter Street office complex to the new building, which is expected to be operational in late 2010. The building plan is still contingent on securing local and state incentives, Dehn said.

"We are quite full (at headquarters), we have 680 people on Porter Street," Mackay said. "And while (Porter Street) is only five or 10 minutes down the road, actually having everyone on one campus is going to be hugely beneficial to all of us and allow for better communication."

Mackay said no employees will stay at the Porter Street office, and it will most likely close. He did not have any details on the facility's future.

Mackay also said the move will be a boost to downtown Battle Creek, with an influx of close to 700 people on the streets.

"This has the huge benefit of giving us a critical mass, so that if a restaurant comes in or any shops come in, you have the ability to have a lot more people to utilize the facilities," Mackay said.

## **AN "ALL ENCOMPASSING" PLAN**

Although Kellogg's expansion was a big factor in getting the downtown revitalization rolling, Dehn said the two are not mutually exclusive.

"(Kellogg's) decision was very helpful, because we were planning a downtown transformation, but, essentially, the overall downtown plan will benefit many employers in downtown Battle Creek, and Battle Creek as a whole," Dehn said. "It's a very comprehensive plan with strong economic development components that promotes growth through innovation."

The new plan targets not only business growth, but growth in the community and education. Those plans include:

- Increasing downtown's educational presence, with a possible relocation of the Battle Creek Area Math and Science Center from Springfield to a site downtown.
- An established food science technology development and commercialization program, where BCU will collaborate with area educators and employers to establish internship programs that will allow area students the opportunity to increase their awareness of career options available locally.
- A collaboration with area educators to enhance curriculum focused on food testing, food research, and food science in an effort to prepare area youth for such careers.
- A possible consolidation between Battle Creek Family YMCA and Battle Creek Parks and Recreation, with the potential of moving much of both operations to the current Full Blast site in downtown Battle Creek.
- Creating more safe, walkable spaces for residents to use, to encourage foot traffic downtown.

Charles Coleman, superintendent of the Battle Creek Public Schools said the educational element of the plan could be great news for the entire county, and that moving the Math and Science Center could create "incredible" opportunities.

"If the Math and Science Center does indeed change venue to downtown, it puts the program in a real central location as far as allowing students to interface with a wealth of companies, including Kellogg's, the Kellogg Institute, Ralston's and the Federal Center," Coleman said. "It means possible programmatic expansions that we're really excited about."

## **DOWNTOWN GETS A FACELIFT**

In addition to the major additions, about \$2 million in work to improve the look and safety of downtown Battle Creek is expected to begin. The projects include:

- Making a more attractive "gateway" to Battle Creek, by adding signage, lighted elements and art to the Sojourner Truth Memorial Parkway off of M-66.
- Creating a "walkable urbanity" by increasing green spaces and improving the cleanliness and safety

of the entire downtown area.

Mackay and Dehn said the move will help make downtown Battle Creek a place that people want to be — and that will drive business and increase activity.

"At the moment, you can't shop, you can't find many places to eat and it's a little limiting," Mackay said. "I think if they just make the downtown safer — adding lighting and open spaces, more for people to do — downtown will become a place where you will see more and more people want to live and to utilize."

## WHO'S PAYING?

While the developers will take on full financial responsibility for the construction of the new Kellogg office, Dehn said the estimated \$62.5 million in costs to complete all other elements of the BCU downtown revitalization project will be funded from a variety of places, including public and private sources.

The W.K. Kellogg Foundation, in an effort to move the project forward and in support of city leaders, has approved up to \$35 million to fund its various components. It has not yet determined how that money might be allocated.

"We'll be part of that (allocation) process as time goes on, but no real decisions have been made yet," said Reggie LaGrand, the foundation's director for Battle Creek programming.

The reasoning behind the Foundation's hefty grant? It fits in with W.K. Kellogg's Foundation's goal of promoting health and building community, said the foundation's president and CEO Sterling Speirn.

"We've sat here and been watching Grand Rapids re-invent itself in the area of health care and Kalamazoo re-invent itself with pharmaceuticals," said Jim McHale, Kellogg Foundation senior vice president for programs. "This is an opportunity for the greater Battle Creek area to re-invent itself."

## THE COMMUNITY EFFECT

State, city and economic officials have given their full support of the project and Dehn said he expects a lot of support as the project moves forward.

"This is an enormous opportunity for Battle Creek to create a very special and vibrant downtown area while capitalizing on our unique food science technology concentration," said Battle Creek Mayor Mark Behnke.

"Revitalizing our cities is a key component of our strategy to grow Michigan's economy and create jobs, but it requires a strong partnership between public and private sectors," said Gov. Jennifer Granholm in a statement. "I applaud Kellogg for its vision and generosity to make Battle Creek a dynamic city of the future."

Mackay and Dehn both said, "this is more than Kellogg" and said they see the downtown plan as a way to not only pump up business and people downtown, but as a long-lasting way to create meaningful change in the community.

"This is big because it is a plan that really sets a direction, and it will affect innovation, education, culture and youth programming, more so than any single project has in a long time," Dehn said. "There is definitely something in this for everybody in the community."

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## Additional Facts

What's in store?

- A new, six-story "green" office building planned by Kellogg Co., to be located on the Festival Market Square site. The new building will be 122,000 square feet and cost an estimated \$22.5 million. The building will be LEED-certified and fit with Kellogg's new focus on environmentally friendly practices.
  - An estimated \$2 million will be spent on infrastructure improvements to improve the appearance of downtown. This includes an overhaul of the Battle Creek sign at the M-66 gateway, lighting enhancements and more usable public spaces.
  - BCU will explore the potential of relocating and expanding the Battle Creek Area Math and Science Center to downtown Battle Creek. The center, which is operated by Battle Creek Public Schools, would create a downtown campus for all BCPS schools and centers.
  - The plan includes support of ongoing efforts between the Battle Creek Family YMCA and the city's Parks and Recreation Department to create an upscale fitness and recreation center downtown. Full Blast has been considered as a location for the fitness and recreation center.
  - BCU will help establish a research center to attract and recruit new companies and jobs. BCU is putting together a plan, expected to be announced in late December, that will increase research, development and commercialization of new technologies in food sciences and food protection.
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