



Blighted properties are downside to downtown rehab

The ultimate fate of seven familiar structures in Battle Creek's central business district remains nebulous as the city enters its final year of a four-year downtown-revitalization effort.

"We've seen some real serious change downtown," said Jim Hettinger, senior adviser to Battle Creek Unlimited, which has been spearheading the transformation effort. "The downside is that we can't seem to get rid of this blight issue."

About 250 blighted properties have been demolished in and around the downtown area since 2008, according to Battle Creek City Manager Ken Tsuchiyama, who added that about 80 more remain to be removed.

"Blight remains a challenging issue," Tsuchiyama said, "even with the efforts we've made in those neighborhoods that will have an overall benefit and expand the reach of what we're trying to do in the core of downtown."

"Some of the blight also is within the core of downtown," Tsuchiyama said. "The remaining vacant space that has not been filled we need to be a little bit concerned about. Are those properties in such a condition that we're not going to get the private investment to revitalize them? We'll

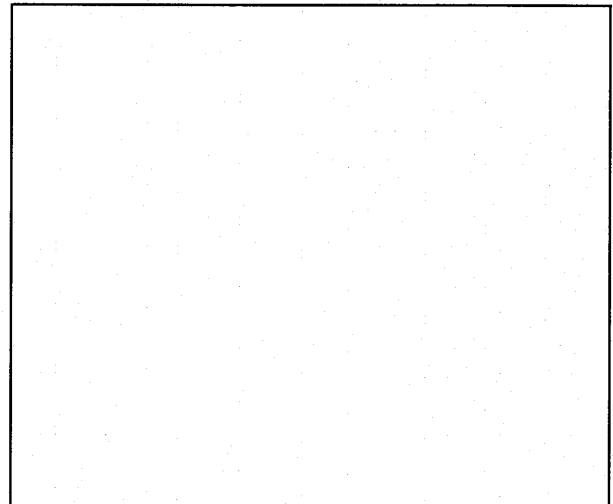
have to take a hard look at those properties and see what we can do."

BCU in November announced a plan to market seven downtown commercial properties for rehabilitation and restoration to productive use, with promises to help the purchasers find various resources, including tax incentives.

The targeted properties are:

- » 17 W. Michigan Ave., a four-story building plus basement, with 42,680 square feet of space.
- » 28 W. Michigan Ave., a two-story building plus basement, with 19,050 square feet of space.
- » 50 W. Michigan Ave., a two-story building that once housed a JC Penney store in the 1970s, with 22,000 square feet of space.
- » 64 W. Michigan Ave., a three-story building with 13,500 square feet of space, near the Battle Creek Tower.

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» 119 and 121 W. Michigan Ave., a three-story building with 13,600 square feet of space, plus basement areas.

» 15 Carlyle St., a two-story building with 13,150 square feet of space, being promoted as ideal for a residential development.

» 55/57 N. McCamly St., a one-story building with 4,700 square feet of space, near Battle Creek Central High School and W.K. Kellogg Auditorium.

"There have been nibbles," Hettinger said. "About a week after the program was announced, we toured about five to eight people through some of the buildings. Some of them had money. Some of them told us that they had interest in owning a downtown building.

"I expect we may be able to sell or participate with the rehab with at least two of the properties," Hettinger said, adding that he believed one property is likely to be purchased in the relative near future, although he declined to specify it.

It remains to be seen whether a wrecking ball might be necessary to prevent the buildings from deteriorating further and harming the downtown area's hopes of presenting a completely clean, bright and commercially viable image.

"But it's entirely possible that it might come to that," Tsuchiyama said. "We're hoping it doesn't, because all of those properties have been in the downtown for a long

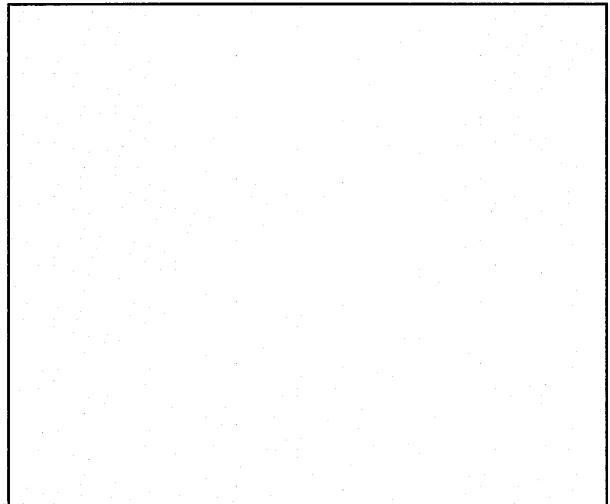
period of time. It's not that they wouldn't be noticed if they were gone. But, if they're not going to be developed, we might have to address this in that manner. Sometimes, tough decisions have to be made."

Hettinger said razing the properties would involve a "huge cost," and that restoring them to new uses would better serve the community. The dilemma is that the region's ongoing economic woes make the properties difficult to market to willing buyers.

"It compounds the problem," he said. "For some of those buildings, on the inside, the rehab process has been nonexistent." For example, Hettinger said, the basement of one of the buildings has standing water several feet deep.

Unlike such cities as Grand Rapids or Kalamazoo, Battle Creek lacks a core of what Hettinger called "huge generational wealth" with a vested interest in shoring up the community.

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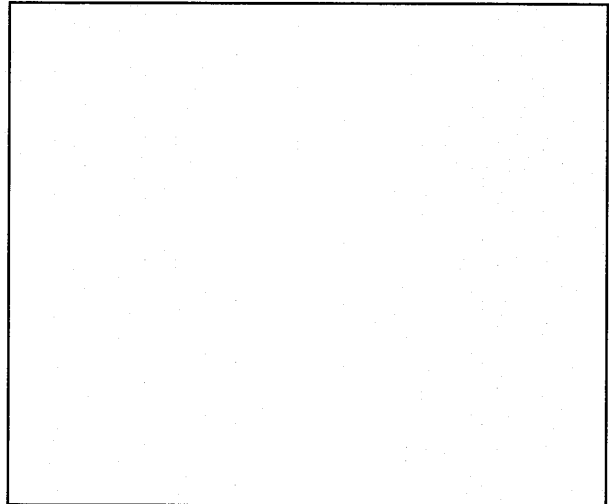
"We don't have that legacy of wealth from, say, the Amway or Upjohn people," Hettinger said. "It's hard to find someone who's willing to do something -- someone with a giant, good-sized heart and deep pockets who want to make an investment like that."

BCU personnel remain ready to work with anyone with ideas for the properties. Purchasers will be required to complete renovations within 24 months. A purchaser would have to enter into a development agreement and deposit \$10,000 into an escrow account -- money that would be returned after renovations are completed.

Those interested in touring the individual properties may contact Cheryl Beard, BCU's director of commercial development, at 441-1664 or beard@bcunlimited.org.

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