

The 110<sup>th</sup> American Assembly met April 17-17, 2011, in Detroit to consider strategies for cities losing population. Since the Assembly chose to meet in the only state to actually lose population over the last decade, there are numerous opportunities to see what is happening with local level efforts to combat the tide of decline. Emerging strategies were described in a study, entitled, "Reinventing America's Legacy Cities".

The Battle Creek Downtown Transformation initiative has been in the implementation phase since November of 2008. This study adds to the rich context of strategy development and adaptive capacity of cities that manifest the unmistakable characteristics of urban decline. In particular, the study outlines steps necessary to combat urban deterioration and decline.

The following outlines the steps recommended by the Assembly and how the formation and implementation of the DTI corresponded almost perfectly at the local level.

1. *Develop a creative vision for the future of the City of Battle Creek, grounded in a thorough understanding of the city's economic geography, the role it plays in the region, and its function in the global economy.*

Through work with JB Research of Ojai, California, the research of the Upjohn Institute, Brookings Metropolitan Policy Division, and numerous economic development practitioners who reviewed the material, a plan was forged. In September of 2008, a two day charette tested the premises of the plan and reached a consensus on the vision.

The creative vision is that Battle Creek becomes a global center for food safety and food security. The vision is based on the following economic geographical considerations:

- a) 37% of the Calhoun County Economy is rooted in agriculture.
- b) West Michigan agriculture powers Michigan to the top ten states in the production of forty-five different fruits and vegetables.
- c) Within eighty miles of Battle Creek is one of the richest and most diverse regions of food production and process in the country.
- d) A significant portion of the Battle Creek employment base is comprised of food production.
- e) Battle Creek's food science competency can complement Kalamazoo (pharmaceutical science), Grand Rapids (medical science), and Holland (material science).
- f) With the food supply chain now globalizing rapidly, there is an opportunity for Battle Cree, with the appropriate endowment of expertise, could realize global status.

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2. *Rigorously and objectively analyze the city's assets, understanding both opportunities and constraints.*

Opportunities include: strong food processing community, food safety and security concerns worldwide, and unique educational assets.

Constraints include: urban blight and manifestations of decline, education is not valued, very traditional local government structures making regional consensus almost impossible, and lack of an investor class or generational wealth.

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3. *Design strategies tailored to areas and opportunities with the greatest market potential, informed by social, environmental, and other values.*

Battle Creek's decline corresponds perfectly to the relationship between education, income, and employment. The metropolitan areas with the highest levels of educational attainment are also the ten highest compensated metropolitan areas. Similarly, the lowest educated metropolitan areas are the lowest compensated.

The plan also recognized a national trend in that areas below the Mason Dixon Line tended to experience population growth while areas above the Mason Dixon Line tended to experience income growth. Particularly, the recognition and enhancement of strategic competencies by certain northern cities have resulted in dramatic income growth. But we have also seen that income growth is based upon enhanced educational attainment levels.

An asset of the area is the Battle Creek Area Math and Science Center. The BCAMSC will relocate to proximity with food safety, security, and food research, thereby exposing our best and brightest to careers in food science and hooking our talented students to opportunities on the home front through an expansion of internship opportunities.

These elements make up what is known as the Education Pillar.

Battle Creek's infrastructure is following the path of urban deterioration. The plan calls for a dramatic reversal of the growing blight by the acquisition, preservation, or demolition of blighted buildings in the downtown. The power of blight as a negative force is formidable as crime in the downtown is far less than it is perceived.

Replacing the downtown infrastructure is a massive undertaking, but it is necessary to utilize new urban materials, to communicate new urban messages, and to bring new vitality to the central business district through enhanced buildings, better lighting, and a better environment.

The physical infrastructure is the backdrop for an "arranged spontaneity". Arranged spontaneity is a way to cause the formation of new ideas through creating spaces where researchers, students, business, and community people can interact—whether it be a coffee shop or a public gathering area.

Arranged spontaneity relies heavily on concentrations of or a critical mass of expertise that is in a position to interact.

Finally, it is generally agreed that the downtown is the signature of the community—that part of a community with which the outsider is most likely to be acquainted. As such, it is a powerful influence on the shaping of perceptions about the community.

These elements reflect the thinking and strategy behind the Infrastructure Pillar.

The lack of an investor class or of community oriented generational wealth has stymied retail investment and forcing an outside marketing effort.

Nonetheless, relocations of Kellogg work to the downtown, the investment of Covance, and numerous other projects have culminated in \$88 million in new investments.

An important challenge for the downtown will be to capture the purchasing power that has increased substantially in the past six months.

The Emerging Technology Accelerator is a source of potential for the development of new food safety technologies. A small business support and investment infrastructure can enable the rapid formation of technology based ventures.

An important challenge for BCU is to continue all efforts to attract investment. The concentration of spending power is largely in place, but it must be informed and channeled toward downtown prosperity.

These elements reflect the thinking and strategy behind the Private Investment Pillar.

Food safety and security is intertwined with the Battle Creek and Michigan economy. However, rapid globalization of the food processing industry has elevated the need for food safety and security.

The Food Safety initiative is broken into three parts: food safety training, new technologies to assure enhanced food safety and security, and a research collaborative approach to focus on food security.

The initiative was initially funded by a grant from the W.K. Kellogg Foundation, a private foundation long concerned with agriculture and food safety and security. Since then, the initiative has been supported by the U.S. Food and Drug Administration.

At its core, the food safety initiative is a response to a dysfunctional part of the market assuring the secure provision of safe food to increasing swaths of the world's population.

These elements reflect the thinking and strategy behind the Food Safety Pillar

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#### *4. Recapture surplus land for public uses in areas where private markets are dysfunctional.*

A legacy city is burdened with deteriorated properties resulting from neglect, tax advantage, and costs of rehabilitation. The costs to such cities are immense, not only in direct expenditures to cope with blight, but in lost opportunities, i.e., opportunity costs. Blight scares people, but it scares investors even more.

Battle Creek's coping with blight is hampered by the lack of capability to deal forcefully with conditions of urban deterioration. Opportunistic parasitical land ownership and acquisition stand in the way of progress, not only in Battle Creek, but especially, larger struggling urban areas like Detroit.

State law is heavily oriented to the rights of the property owner. This is as it should be, but the rights of the owner are attended with responsibilities. These responsibilities are to the neighborhood and the community.

The State of Michigan is going to have to be more cognizant of the legal structural difficulties associated with the healthy recapture and reuse of land at the local level.

Although condemnation activities across the country generated restraints on the use of condemnation by local governments, in particular, it also allows the perpetuation of some market dysfunction.

There is a genuine paucity in generational wealth in Battle Creek making it difficult for developers to generate the capital necessary to preserve and reuse buildings.

In spite of the paucity of generational wealth in Battle Creek, the downtown transformation initiative has caused the addition of 405,000 square feet of space since November of 2008. By any standard, this is the most rapid expansion of downtown space in Battle Creek since the work of the Kellogg brothers and the Michigan Railroad. And this expansion occurred in the worst economy in fifty years.

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5. *Build city's ability to execute complex revival strategies by strengthening governance and community leadership, growing financial capability, and investing in information infrastructure.*

The implementation of the downtown transformation plan has yielded up deficits in local governance and community leadership. This has frequently been cited in evaluations of the project. Where are the champions? Fractionalization continues to plague a better vision for Battle Creek.

Fractionalized leadership becomes lethal when it reaches a point where one or two units in the proposed consensus chain can stop the whole effort. To this point, fractionalized sectors such as the preservationist sector without positive direction have hampered views of the rehabilitation process as something that transcends the preservationist value and contributes to a dysfunctional market.

Growing financial capability in the community is emerging as Battle Creek's greatest challenge. Banks are almost always branches and credit unions have been historically inhibited on the local lending front. The preference of Kellogg managers and other professionals for living in communities outside Battle Creek rob the community of purchasing power and community leadership that is fundamentally knowledgeable about problem solving. Further, even public supported professionals such as teachers and municipal employees are choosing to live elsewhere. It is difficult for a community to demand more of its private sector when, increasingly, public sector employees are choosing also to live elsewhere.

The failure to aggregate new professionals in Battle Creek means decreased opportunities to build and involve generational and new wealth.

With a robust fiber optic ring throughout the community, investment came in Battle Creek, at least, “eight years ahead of most other communities” according to a Google executive.

The fiber optic ring has been invaluable in the retention of military installations and the attraction of data centers. The city and other governmental units need to refocus on the advantages associated with the cost effective delivery of public services via the internet.

6. *Forge supportive relationships/partnerships among federal, state, and local governments by targeting resources, revisiting regulatory policies, and incentivizing regional cooperation.*

Progress in the face of daunting urban challenges must come through beneficial relationships, partnerships, and alliances. The downtown transformation has been fostered by public/private partnerships as in the funding of much of the downtown effort by the Kellogg Foundation and by Battle Creek Unlimited.

Regulatory policies are varied and important. Regulatory policies have aligned the food safety initiative with the Food and Drug Administration as well as a founding partner, the Association of Food and Drug Officials.

Regional cooperation has always been a tough challenge for Michigan. Born under the shadow of the Northwest Ordinance, a cookbook for rampant fiefdoms, Michigan’s communities are SO LETHALLY walled off from one another, that even beneficial alliances are fraught with suspicion.

At the same time, a separate identity that characterizes West Michigan and the emergence of science-based economic development strategies set the stage for a higher level of regional cooperation than has ever been seen.

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### *Conclusions*

The study undertaken by the American Assembly on America’s legacy cities reveals a great deal of congruence between strategy formation to combat population loss and the approach taken by Battle Creek to revitalize its downtown and its overall competitive position.

This paper has identified the progress and the dysfunction endemic to an urban revitalization process.