

Residential ready to tower over downtown Battle Creek

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By Jessica English
MiBiz Network

BATTLE CREEK—Seventeen luxury units planned for the top floors of a former office building will bring Battle Creek one step closer to its vision of a bustling, residential downtown.

The Hinman Co. of Kalamazoo is revamping the top 11 floors of the Battle Creek Tower into 17 luxury apartments. The bottom 10 floors of the facility are being leased to area businesses as office space.

Built in 1931, the 21-story building is the former regional headquarters of Nationwide Insurance. Hinman Co. CEO Roger Hinman has owned the Battle Creek Tower on W. Michigan Avenue since 2000.

The first residential unit is near completion and will be ready for occupancy by March 1. The company will develop further units as market demand dictates, according to Anmar Atchu, Hinman's vice president of marketing and leasing.

"We've been receiving a lot of phone calls and inquiries on that first unit," Atchu told *MiBiz*. "Further development will be based on continued interest. If we get a strong interest, we're in a position to start hammering all these units out at once."

Among the 17 units, floor plans will range from 1,300-3,000 square feet. An even more spacious two-story penthouse will occupy the building's top floors. Atchu said construction costs are expected to approach \$3.5 million for the total project. The apartments will rent for \$1-\$1.15 per square foot.

Battle Creek Unlimited's Kathleen Eriksen said the tower project fits nicely with her organization's vision for residential development downtown. Currently, she noted, there are just two residential units and three people living in downtown Battle Creek.

"Downtown residential development was the number one goal in our five-year work plan for downtown (which was released in 2003)," said Eriksen, who is downtown development director at BCU.

Toward that goal, BCU is developing its own residential project downtown. The Riverfront Condominium project spans three historic buildings and will eventually include 24 condos overlooking the Kalamazoo River. Four of those units are pre-sold, and construction is expected to begin in the spring.

BCU has also launched a Rental Rehabilitation Program that offers forgivable loans to area business owners who develop residential units on the upper floors of their buildings. Randy Case, owner of Architecture + Design on E. Michigan Avenue, is the program's first applicant. Initial plans call for three residential units to be added in his facility, two of them targeted toward low- and moderate-income residents. Eriksen said she expects construction on that project to also begin this spring.

"The Hinman development complements the other projects quite nicely, because we're creating a momentum and helping one another by offering different products," said Eriksen. "By providing more options, people will begin to think about living in downtown Battle Creek as a very attractive, viable option."

Battle Creek hasn't commissioned any market studies to document the demand for downtown housing, but Eriksen said she's confident that it exists. BCU has carefully examined data from studies conducted in similar communities, including Kalamazoo and Jackson. The organization has also looked at general industry formulas that equate the number of downtown workers with housing demand. Eriksen estimated an eventual demand for at least 100 residential units downtown.

Atchu said that Hinman officials were initially hesitant about pursuing residential development in the Battle Creek market. But they too have been watching what's happened in other communities—especially Kalamazoo.

"We saw Kalamazoo start to erupt with all sorts of downtown living, and we saw the product being swooped up rather quickly," said Atchu. "So we started to explore the idea with the tower. In part, it's a gamble, but we believe there's a market for downtown luxury housing and we're looking to take advantage of that market."

The Hinman Co.'s marketing efforts may get a boost from the fact that the Battle Creek Tower is located within a Michigan Renaissance Zone. That means that in most cases residents will be exempt from state and local income taxes. In some instances, Atchu noted, the tax savings could outweigh the cost of living in the suite.

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Hinman Co. continues to invest in city of Portage

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By Tim Gwozdz
MiBiz Network

PORTAGE — Not only does the Hinman Co. call Portage home, the development company also has made a substantial investment into the economic vitality of the community.

“We have an investment and a great interest in the city of Portage,” said Hinman Co. COO Rich MacDonald. “We live here, we work here and we care.”

One major chunk of that investment is a 32-acre parcel of land at I-94 and South Westnedge Avenue that is owned by Hinman and American Village Builders (AVB). On that site can be found the Trade Centre office complex, a joint venture between Hinman and AVB.

The first Trade Centre building is an 85,000-square-foot, three-story structure. Built just over a year ago and now completely leased, it contains offices for Stryker Corp., Plante & Moran LLC and Merrill Lynch, as well as Hinman’s corporate office.

Construction is now underway on the second Trade Centre building just to the west of the original. MacDonald explained that this newest structure would offer 114,000 square feet of Class A office space that will be spread over four floors.

The building is unique in that it has 27,000-30,000-square-foot floor plates to accommodate larger businesses that want to keep their operations on a single floor. The Trade Centre also is constructed with an infrastructure that delivers the highest quality energy efficiency.

“This second building will have fitness center located inside that tenants and their employees will be able to use the center at no additional cost. There also will be parking all around the building,” said MacDonald. “When we designed this building we tried to perfect what in our minds is the perfect multi-tenant office building.”

MacDonald said he has confidence in the marketability of the new Trade Centre project because of its location.

“It offers the same kind of visibility and name recognition that you find in markets like Chicago and Detroit. You also have the ability to get anywhere easily — Battle Creek, St. Joseph or Grand Rapids.”

The second Trade Centre building is being marketed nationwide and MacDonald said both local business and businesses that would be new to the market are showing interest.

Hinman and AVB have also teamed to build two Walgreen drug stores in Portage. The retail chain has two extremely successful outlets on South Westnedge and Romence Road, but those stores were built following Walgreen’s original design model and can no longer keep up with its considerable customer flow. The stores being built by Hinman and AVB incorporate the retailer’s latest, most upscale prototype design and will replace the existing locations. The first location at Milham and South Westnedge is one mile north of the original Westnedge location. The second is being built one mile south of the original Romence

location. It will be at Shaver and Center roads, across from Portage City Hall.

“These two locations based on the new prototype design will help Walgreen address the problem its facing — significant demand for its business,” MacDonald said.

The Hinman COO feels good about the real estate development company’s presence in Portage and said that commitment would continue.

“The city of Portage is strict in what they want to see in a development. They want quality projects and they want what’s good for the community and the economy. They’ve done a great job at balancing all of those.”

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