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# Revival of downtown Kalamazoo's east end nears a tipping point

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on October 27, 2016 at 6:30 AM, updated October 27, 2016 at 8:01 AM

KALAMAZOO, MI — A once neglected section of downtown is giving birth to a renaissance of development in Kalamazoo.

Formerly characterized by active and shuttered industrial and warehouse facilities and vacant land tracts, the east end of downtown is becoming a hub for redevelopment. City planners and private real estate developers are looking to the skeletal remains of Kalamazoo's industrial past as fertile ground for the next decade of expansion.

City officials believe Kalamazoo's east end is close to reaching a "tipping point." The success of early projects along East Michigan and Kalamazoo avenues, like Shakespeare's Pub, Bells Eccentric Café and others have shown developers the area's potential.

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"When (early businesses in an area) are successful, other people want to come in and be near them," said Deputy City Manager Jeff Chamberlain. "What happens is you achieve critical mass and the whole character of the area starts changing."

Chamberlain has had a guiding hand in the transition of Kalamazoo's downtown spaces for years. The long-time former city planner said City Hall's job is to create the conditions that will make businesses on the east side successful, then let the market do the rest.

The strategy is paying off.

For years, Barfly Ventures LLC had been looking to place a [HopCat in Kalamazoo](#) to take advantage of the growing craft beer

scene in Southwest Michigan. Chris Knappe, Barfly's vice president of marketing and communications, said the **100-year-old restored train depot** at 300 E. Water St. chosen for the 11th HopCat was like filling a "missing tooth" in the city's downtown east end.

Knappe credited other established businesses like Bell's Eccentric Café, Arcadia Ales, the Kalamazoo Beer Exchange, Old Dog Tavern and Waters Street Coffee Joint for paving the way for the recent development.

They've also cultivated a culture that makes residents comfortable with going downtown, Knappe said. It's Kalamazoo launch was the most successful since opening a HopCat location in Detroit two years ago.

"The response has been outstanding from the community," Knappe said. "It's also a testament to (Kalamazoo's) hunger for new and exciting experiences downtown. (PlazaCorp) had an ambitious plan for developing the property. We appreciated maintaining the character of building while injecting new energy, keeping the bones of an old building while making it into a great bar."

### **Forces of growth**

Momentum for the east end's recent uptick in development was started with a few strategically placed projects.

Arcadia Ales' Riverfront Brewing Company served as the anchor on the east end, said Jerome Kisscorni, assistant city manager and economic development director. He said the \$7-million, 30,000-square-foot brewery was instrumental in grasping a foothold for development near the Kalamazoo River.

The project is also an example of the need for collaboration between developers and units of government. Arcadia was built on the site of a former coal-burning Consumers Energy power plant that sat vacant for two decades.

The land was valued at \$88,000, but the Kalamazoo Brownfield Redevelopment Authority sold it to Arcadia Ales owner Tim Surprise for \$5,000 in 2013. The authority also reimbursed a quarter-million dollar cleanup effort to cover the cost of disposing contaminated soil.



### **Kalamazoo brownfield board agrees to front \$250,000 to remove contaminated soil on future Arcadia Brewing Co. site**

Fritz Brown, vice president and principal owner of local developer Treystar, said incentives offered by state and local governments push development on Kalamazoo's east end. Without those incentives, cleanup of former industrial sites wouldn't be possible.

Treystar developed the Arcadia Ales site and is currently working on an \$11 million project hailed by city officials as the next major renovation. An overlooked former foundry building at 600 E. Michigan Ave. will be transformed into an office complex with sprawling communal spaces and an attached restaurant.

Built in 1907, the building was originally a metal foundry but has only been used for warehousing during the past few years. Money from the Michigan Department of Environmental Quality, the state's Economic Development Corporation and Tax Increment Financing offered by the city's brownfield redevelopment authority was secured for the project.

Though the development cost may be high, Kisscorni said land on the east side is generally cheap. As the businesses around vacant parcels flourish — and space in the center of downtown is bought up — he said the land will become more valuable for redevelopment.

"I'd say in the next five years you'll see some pretty big changes," Kisscorni said.

MacKenzies Bakery, the People's Food Co-op of Kalamazoo and Black Owl Café were other examples of businesses that proved

the viability of attracting residents to the city's east end. Recent mixed-use housing projects from NoMI Developers LLC and others will give them a reason to stay.



### **Micro apartments are part of new development in River's Edge area**

"I'm not so sure without those guys pulling the trigger that we would be as confident," Brown said. "I'd like to make us look like we were the mavericks here but we're not. We were the ones who saw this land and said there is an opportunity here."

The Kalamazoo City Commission's approval of a memorandum of understanding with area philanthropists, will remove another barrier to development. A \$70.3 million donation would allow the city to cut its general property tax levy 38 percent, from 19.27 mills to 12 mills starting in the next fiscal year.

President of Downtown Kalamazoo Incorporated Steve Deisler said the current millage rate has made Kalamazoo less competitive in Southwest Michigan.

"With the drop in taxes and hopefully maintaining existing incentives, it could add double the benefit to economic development," he said. "Those properties on the east side have been low in terms of cost for property and taxes. Now it's changing and to add this new tool of incentives by saying your taxes will go down by (more than) 30 percent is an enormous thing."

### **Eye toward the future**

City leaders envision a mix of civic, commercial, office and residential uses that will invoke connectivity with the city center, surrounding neighborhoods and nearby college campuses.

Kalamazoo's east end is within walking distance to city and county government offices, Bronson Park, the Civic Auditorium, Kalamazoo Institute of Arts and the Kalamazoo River Valley Trail. It's also in close proximity to many of the region's major employers including Bronson Medical Center, Zoetis, Greenleaf Hospitality and the West Michigan Cancer Center.

The new Kalamazoo Valley Community College Bronson Healthy Living Campus and Western Michigan University Homer Stryker M.D. School of Medicine, both on downtown's near southeast side, are two other developments bringing a young population downtown.

More people are choosing to live in the center of town, feeding the conversion of existing buildings and upper floors to apartments and condos. Less than 2 percent of the residential units in downtown Kalamazoo are available for rent or purchase, according to DKI's Deisler, and market studies have indicated that the city can support 1,400 additional units in the next five years.

In response to the demand for new housing, Chamberlain hopes developers will look at land and facilities adjacent to the central business district for new mixed-use projects.

"Once you get people living downtown and you increase those numbers, then (residents) need services that will spur additional development," the deputy city manager said. "It kind of feeds on itself and opens the door for new businesses."

It's comparable to the chicken-and-the-egg conundrum in practice. What comes first, a reason to come downtown or a reason to entertain people living there?

Baker said the relationship is symbiotic, and one doesn't grow at a much faster rate than the other. Treystar expects future development on parcels near The Foundry project to replicate the open office space concept, but Baker acknowledged if there is a

need for apartment units and the city incentivizes it, mixed-use housing could be added instead.



## \$10M office-restaurant project reclaims more of Kalamazoo River's Edge

The Foundry site sits south of the intersection of East Michigan Avenue and Harrison Street, in a 100-acre area being considered for rezoning. It's an example of the city creating conditions for a certain kind of development.

The Kalamazoo Community Planning and Development Department wants to rezone 59 parcels of land between South Pitcher and Mills streets and between East Michigan Avenue and Gibson Street for commercial and mixed-use developments.

In the past, the area was zoned for heavy industrial use. A change to a commercial, mixed-use zoning district would allow a variety of commercial and residential uses, according to city planning staff. The city also intends to apply a set of subarea standards to would promote an urban, pedestrian-friendly atmosphere.

"Because of the change in development and business moving away from industrial manufacturing, we see enormous benefit to filling those areas with more productive uses," Deisler said.

Buildings would be required to be minimum of two stories tall and no more than two stories larger than adjacent buildings. Developments would also have to be constructed close to street frontage, with parking at the rear or side.

Whenever possible, building and site design would be also required to take advantage of Portage Creek, which cuts through many of the parcels. Balconies, porches, sitting areas and outdoor customer areas should offer a view of the creek.

Bike lanes will be included in the street areas and the street network will be required to offer multiple connective and circular routes to adjacent areas.

Chamberlain said the city wants to design places that physically have a "friendly" feel. Studies have shown safe, walkable roadways with buildings closer to street fronts are simple ways to accomplish this.

"We want to avoid a mistake that this city will regret for the next 50 years," he said. "It's trying to be reasonable but recognizing (that) areas that have a strong urban feel and are walkable have higher property values in the long run, because the trend is that businesses and people want to be there."

Walkability and connectivity is also important because it encourages residents to bounce around locations during a night out. Chamberlain said people coming to the east end for a good time will visit multiple other businesses if they have a positive experience.

The new HopCat is right in the heart of the city's growing beer district, within a short walk of Bell's Eccentric Café, Arcadia Ales, the Kalamazoo Beer Exchange and Old Dog Tavern.



## 14 features to love about the new HopCat in Kalamazoo

Knape said the cross pollination among nearby businesses was another reason the east end attracted HopCat.

"In a lot of ways Kalamazoo is the crossroads for the Midwest craft beer scene," he said. "We saw it as an opportunity to create a hub in the scene that allows you to experience a lot in a fun atmosphere."

Deisler said there is a large influx of people visiting bars and restaurants on downtown's east side, but slim parking options outside the core downtown. The city has 15,000 spaces, but few are on the east end.

"It's getting really exciting; we're just going to have to address some of the connectivity," Deisler said.

On the other side of the Kalamazoo River, **Merchants Crossing** is a collection of vacant commercial buildings and parcels off Mills Street acquired by the Kalamazoo County Land Bank.

Originally home to the Merchants Publishing business, the site has housed numerous businesses over the years, before falling into disrepair, vacancy, and eventually tax foreclosure in 2014 and 2015. The land bank has released requests for proposals that would transform previously blighted parcels into a vibrant and attractive hub to complement the nearby redevelopment.

Ultimately, Chamberlain said the east end is likely to continue to be a destination for entertainment, but the growth has snowballed to begin to drive other kinds of significant development.

"A successful downtown will radiate out into areas around it," he said. "A decaying downtown will have a tremendous drag on the areas around it. That is so much of the work communities do now is to create successful downtown and neighborhoods. They go together."

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