

New \$11 million industrial development coming to Battle Creek

Elena Durnbaugh Battle Creek Enquirer

Published 12:48 p.m. ET Jul. 22, 2020 | Updated 1:29 p.m. ET Jul. 22, 2020

Battle Creek Unlimited has sold 55 acres along Watkins Road and Interstate 94 to Industrial Partners USA for the construction of a new industrial space.

The development will feature a 270,000 square-foot industrial speculative building, which will include office space, 32-foot ceilings, 16 truck docks and the potential to accommodate a future rail spur.

The total investment is expected to cost approximately \$11 million. The developers plan to break ground later this summer and expect to have the building ready for move-in by March 2021.



Rendering of the industrial speculative building on Watkins Road. Developers plan to break ground later this summer. *Battle Creek Unlimited*

As a speculative development, there is no tenant lined up to occupy the space. This kind of investment indicates the confidence the developers have in the Battle Creek market, President and CEO of Battle Creek Unlimited Joe Sobieralski said.

"When you have someone who is willing to invest in your community well over \$10 million in the middle of a pandemic, I think that's a signal to the market that we've got some things going on here in Battle Creek," he said.

The property, which is just off exit 92, was owned by the Battle Creek Tax Increment Finance Authority, which is managed by Battle Creek Unlimited. Since 1997, the property has been leased for farmland, but it's zoned for industrial use in city's master plan.

The development by Industrial Partners USA is a joint venture between Clark Logic and Great Lakes Capital.

Clark Logic is based in Portage and provides warehousing, real estate management and transportation and logistics services. Established in 1969, the company owns 45 properties with more than 2 million square feet of space in Calhoun, Kalamazoo and St. Joseph counties.

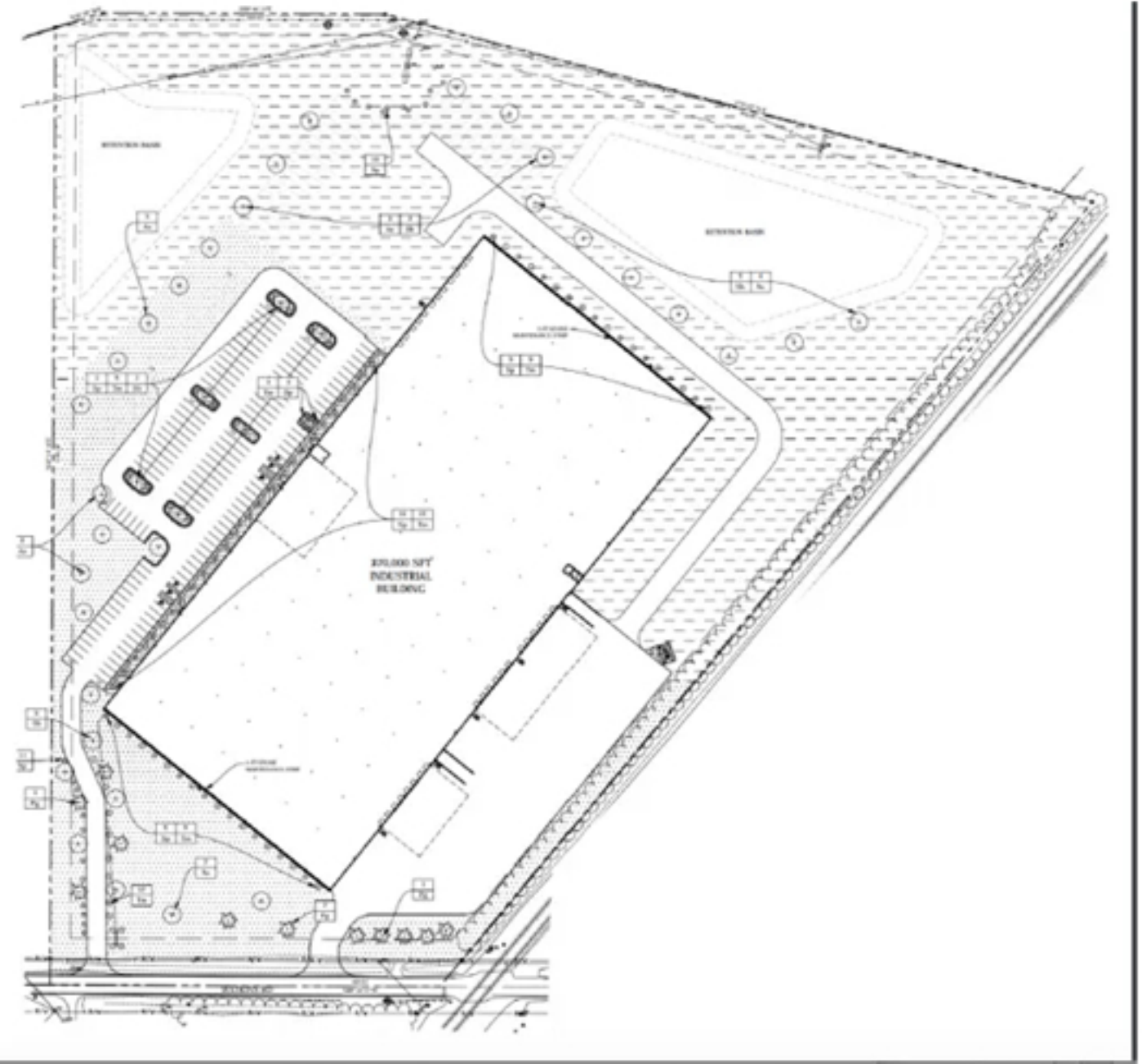
Great Lake Capital is a real estate private equity firm based in South Bend, Indiana. It has developed seven industrial speculative buildings in northern Indiana, which now house companies including Amazon, AM General and Borg Warner.

"Our understanding of Southwest Michigan has been gained by building relationships with communities for the last 50 years," Clark Logic Vice President of Development Greg Dione Jr. said in a press release. "Given Battle Creek's location, workforce and competitive costs, we believe there is a tremendous opportunity here."

Construction of the 270,000- square-foot facility is just the first phase of the project, according to the developers. If the building fills up, Industrial Partners USA plans to build two more facilities to create an additional 500,000-square-feet of industrial space.

Creating new industrial space that is ready for companies to move into is important for Battle Creek's continued development Sobieralski said.

"Depending on what their business model is... a lot of them, until they see it they can't believe it... Until we build it, they won't come," he said. "Having something that somebody can quickly occupy has worked in several other markets, and we believe Battle Creek is primed for that, and so do the investors."



Proposed site plan and concept for Watkins Road industrial speculative building *Battle Creek Unlimited*

A speculative project like this hasn't happened in Battle Creek since the Fort Custer Industrial Park was developed more than 30 years ago, according to Sobieralski, and a development of this size will stand out in the region.



Rendering of the industrial speculative building on Watkins Road. Developers plan to break ground later this summer. *Battle Creek Unlimited*

"This development will be a complement to the Fort Custer Industrial Park. There is nothing like this property available in this region right now," Great Lakes Capital Managing Director and Principal Jeff Smoke said in a press release. "With its easy access to the highway and high visibility along I-94, we expect that this project will attract a lot of attention from major national companies."

Tuesday night, the Battle Creek City Commission voted unanimously to establish an industrial development district for parcels located on the property.

Some of the parcels on the north side of the property are adjacent to a residential and a wooded area, which Ward 3 Commissioner Kate Flores said gave her some cause for concern, and she raised it as something to consider as the city moved forward with development. City Manager Rebecca Fleury said that any social or environmental impacts related to the development of the area would be a part of future development plans.

Establishing an industrial district will allow the developer to qualify for a tax abatement for the facility, which would need to be approved at a future commission meeting.

Having this industrial space ready for investors has the potential to set Battle Creek up for growth in logistics and other industrial development projects that are in more demand due to COVID-19, Sobieralski said, especially as companies consider the need to increase domestic production of items like personal protective equipment and vaccines.

The new space could also help already established local companies expand, Sobieralski said.

"It's been a win-win relationship thus far," he said. "Our market is primed."

Contact Elena Durnbaugh at (269) 243-5938 or edurnbaugh@battlecreekenquirer.com. Follow her on Twitter at [@ElenaDurnbaugh](https://twitter.com/ElenaDurnbaugh).