

The image shows the top portion of a magazine cover. The background is a photograph of a city street with brick buildings and trees under a clear blue sky. The word "encore" is written in a large, white, serif font with a thin black outline. Below it, in a smaller, white, sans-serif font, is the text "Southwest Michigan's Magazine".

encore

Southwest Michigan's Magazine



Search

Features

The Place to Be

Downtown Kalamazoo attracting residents, business

AUTHOR: ANDREW DOMINO

PHOTOGRAPHER: BRIAN POWERS

DATE: DEC 01, 2015



Downtown Kalamazoo is looking a lot like the future of the United States.

There's a definite movement of people and businesses to the urban cores of cities nationally, and Kalamazoo is no different, according to local economic development experts.

"Downtown has evolved into a destination," says Steve Deisler, president of Downtown Kalamazoo Incorporated (DKI), the organization that coordinates new business development in downtown and manages the area's parking and marketing. "Companies want to be downtown, close to the experience."

But it's not just companies that want to be "close to the experience." Employees of those companies are also looking for a place to call home just minutes from their office.

Doing business downtown

DKI defines downtown Kalamazoo as the area lying between Bronson Methodist Hospital to the south,

Kalamazoo Avenue to the north, Pitcher Street to the east and Westnedge Avenue to the west (see map, page 26). It's an area that encompasses many of the city's best-known sites such as Bronson Park, the Kalamazoo Mall, Arcadia Creek Festival Place and the Radisson Plaza Hotel & Suites.

Kalamazoo is a busy enough metropolitan area to sustain three colleges and nearly 76,000 people, according to 2014 U.S. Census data. The greater Kalamazoo area, which includes neighboring Portage and most of Kalamazoo County, is home to more than 250,000 residents.

Despite Kalamazoo's recognition as a thriving craft beer brewing hub and the global headquarters of medical products manufacturing giant Stryker Corp., those aren't the only two industries doing well in the area, says Tamara Davis, regional director for the Southwest Michigan branch of the Small Business Development Corp. (SBDC).

"The manufacturing industry had issues in the recession, but it's starting to re-emerge," says Davis.

Manufacturing is still the area's major industry, employing nearly 20 percent of the region's workers, according to information provided by the regional economic development organization Southwest Michigan First. The area's four largest employers are all manufacturers: pharmaceutical maker Pfizer, Stryker, auto supplier Summit Polymers and industrial parts maker Parker Hannifin.

Almost as many people, though, are employed in health care, including at Bronson and Borgess hospitals and their affiliate organizations. In 2016, Kalamazoo Valley Community College will open its new Bronson Healthy Living Campus, focused on food, health and sustainability. Economists at The Upjohn Institute report that the most common job postings for the Kalamazoo-Portage area in 2014 and 2015 were in health care and manufacturing, far outpacing the next highest industry in the study — retail.

The workers who will take those health care, manufacturing, retail and other jobs are interested in more than just a place to work, Deisler says. Compared to older workers, these so-called Millennials — those now in their late 20s and early 30s — are less interested in commuting by car from a house in the suburbs to their downtown workplace, preferring to walk or bike to where they work.

"They graduate and go to big cities. Then we see them coming back to a smaller city," Deisler says.

"They like walking on the mall, bumping into friends and talking."

Research by the statistics website Five Thirty-Eight shows that in 2015 "the most educated one-third of young adults are increasingly likely to live in the densest urban neighborhoods." Deisler says DKI is hoping to attract graduates of Kalamazoo Valley Community College, Western Michigan University and Kalamazoo College to downtown Kalamazoo.

With downtown residential units having a 98 percent occupancy rate, DKI and other developers are trying to figure out how to meet demand they know is coming.

DKI estimates a demand for more than 1,400 houses and apartments in downtown within the next five

years. Many new residential units are being eyed for the Arcadia Commons West area north of Bronson Park — 675 apartments in several building complexes — as well as the development of townhouses, condominiums and about 75 single-family homes in the Vine neighborhood, just south of downtown.

“There’s less than 2 percent vacancy,” Deisler says. “We need to build more residential (housing). Then the commercial (stores) follow (and) more offices downtown, offering that urban feel.”

But one thing that probably won’t happen downtown is the arrival of a Meijer supermarket or other big-box stores.

Deisler says the customers and the available acreage for these large stores simply aren’t there. Instead, downtown will continue to offer unique retail stores that focus on niche products like athletic clothing, home decoration, boutique clothing and even hats.

That won’t be a problem for the demographic that’s expected to be attracted to living downtown, Deisler says. For several decades, students from Western Michigan University and Kalamazoo College more or less stayed on or very near their campuses and did a majority of their shopping in conveniently reached major commercial corridors like South Westnedge Avenue and the intersection of West Main and Drake. But now “everyone is compacting,” Deisler says. “(Millennials) are willing to live in a small area if they have all these amenities around.”

The reality of parking

Kalamazoo officials want to be ready for newcomers, whether it’s a new drug company, a small clothing shop or a young professional fresh out of college. Deisler says DKI’s plans for downtown are starting to become more firm as the U.S. economy recovers from the recession. He cites Grand Rapids and Lincoln, Nebraska, as good models for the future of Kalamazoo. In order to build up its urban center, Grand Rapids had to create more housing and start something new — ArtPrize — that attracts people downtown.

“Creativity in living is where it’s going to be (in the future),” he says. “We have to have unique spaces.”

But there are perceptions to overcome in attracting folks downtown, and one of those in Kalamazoo is parking. Deisler says that, in the matter of parking, perception doesn’t reflect reality.

Displaying a map of all the public parking lots in the area, Deisler says there are almost more parking spaces than land available for new buildings in downtown Kalamazoo. Those who complain about the lack of parking are really complaining that there’s no available parking right next to their destination. Encouraging a brief walk or a bike ride is a DKI goal. In fact, DKI is currently looking ahead to 2020, with plans to create more parking for bikes and a possible shuttle system to transport people from parking on the edges of downtown into the heart of the city.

Encouraging entrepreneurs

While DKI concentrates on attracting people to downtown Kalamazoo, the Small Business Development Center, based at Western Michigan University, wants to get new businesses started here. Kalamazoo is a town with a deep entrepreneurial spirit — from the days of Gibson Guitars to the founding of Bell's Brewery to the newer Kalamazoo Coffee Co.

Davis says the SBDC exists to keep that spirit going. She encourages every would-be entrepreneur to come to the SBDC with a few key things: "A good idea and the energy to stay with it, capital to invest and a good economy."

The SBDC is a consulting firm in a sense — it doesn't charge for advice, but it does help people review the feasibility of their ideas. SBDC assistance begins with a feasibility study, determining the region's need for an entrepreneur's idea or product, potential competitors, and what is required to get the business off the ground.

The biggest question many entrepreneurs have is about start-up funding, says Rob Peterson, business consultant with the Southwest Michigan SBDC. He says many new business owners anticipate being able to win a grant from a government or nonprofit organization to start a company, but most business-development grants are awarded to existing businesses to help them improve their services or expand. Peterson says business owners looking to make their idea real will probably need to get a bank loan.

Davis says the SBDC's focus is not just on new businesses — about 60 percent of its activity is with existing businesses that have a product or a service, but not necessarily the marketing know-how to reach their target audience. The SBDC is also starting to look at exit planning, helping business owners figure out what will happen to their company when they leave the business — whether they retire to Florida or stay close to home in Kalamazoo.

"Every business owner needs to think about it," Davis says.

Ready for a renaissance

Whether you view it from a business development or a residential development standpoint, it appears downtown Kalamazoo is on the brink of a renaissance. And Kalamazoo is hardly alone. Downtowns — defined as tight-knit urban neighborhoods that are close to work and have lots of entertainment and shopping options within walking distance — across the country are enjoying growth. Downtown cores in cities such as Birmingham, Alabama; Louisville, Kentucky; Laredo, Texas; Boise, Idaho; and even Detroit are experiencing their largest population booms in decades.

In a 2013 article in *Forbes* magazine, Lee Fisher, CEO for Cities, a nonprofit organization focused on economic growth for cities, summed up why: "The cities that capture the mobile, college-educated 'young and restless' are the ones who are most likely to revitalize their downtowns and accelerate economic progress in their cities."

Given the goals of DKI, the SBDC and others, downtown Kalamazoo may join those ranks very soon.