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Midlink: A Model Development

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"We offer solutions, not just space," said David Smith, president of Midlink Business Park in Comstock Township, just outside Kalamazoo. While other industrial developers offer square footage and acres, Midlink Business Park offers solutions such as tax savings, business matchmaking and a restored environmental landscape. All in all, it's a success story in economic development done right.



Mixed-use has taken the development community by storm and Midlink Business Park is combining existing industrial space, a new industrial and distribution zone, an office and commercial campus and a retail corridor into a single, inviting package. The existing space, Midlink West and Midlink East was literally carved out of a two million square-foot General Motors stamping plant that closed in 1999. The rest of the mixed-use package is currently awaiting build-out. The old GM space was completely renovated and updated with new lighting, epoxy flooring and other amenities. "Essentially what we have now is something that looks more like a hospital than an industrial building," said Sean Hughes, a leasing agent for Midlink Business Park. The space in Midlink East and West is brightly-lit, open and impeccably clean. It boasts amenities such as overhead cranes, indoor heated truck docks, high-capacity electrical and fiber-optic connections, as well as modern, inviting office space and façade improvements.

Restoring a Wetland

Midlink is an example of environmentally-sensitive economic development that creates jobs while improving the quality of life for Michigan residents. Using Community Development Block Grant funds, the streets servicing Midlink were completely renovated, enhancing access to and from the site by adding two new miles of road. At the same time, Midlink's developers, Hackman Capital Partners, added a splash of natural ambience near the west entrance to the site by restoring 29 acres of wetland habitat. Smith describes the wetland restoration as a "win-win" for Midlink, the community and government, and it was recognized with a 2006 Environmental Award from the Kalamazoo Regional Chamber of Commerce. "There were five or six really deserving projects, so we felt very honored that they thought enough of the project to give it to us," Smith said.

Midlink represents a marriage of environmental quality with top infrastructure. It is one of the only industrial sites in Michigan to incorporate rail lines serviced by two different Class 1 rail carriers: CN and Norfolk Southern. Located just off Interstate 94, about midway between Detroit and Chicago, downtown Kalamazoo is less than 10 minutes away. On a typical day a steady stream of aircraft

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moves overhead; flying in and out of Kalamazoo-Battle Creek International Airport which is one mile southwest.

Location Pays Dividends



Excellent infrastructure pays off by attracting big shipping and logistics tenants. By attracting such tenants, Midlink can act as a matchmaker for other potential occupants who may need access to logistics expertise. One Midlink tenant, Kenco Group, set up a logistics and warehousing operation to service Kalamazoo-based Stryker Corporation. Kenco Group, one of the largest privately-owned warehousing distribution companies in the United States, performs subassembly, warehousing and logistics functions for Stryker. "For us, to be able to have that asset, that capability here in the community is great, because it manifests itself in a couple of different ways," said Smith. "[Kenco] is in California on a weekly basis delivering products, so they can backhaul things for people who need things hauled back here. They're in Chicago every day with trucks, picking up parts, so it makes a great attraction scenario for us and for the region."

Midlink Business Park has 1.6 million square feet designated as a Renaissance Zone, meaning that tenants within the boundaries of the zone can have their personal property tax, real property tax and Single Business Tax abated through 2017. In addition, Renaissance Zone tenants pay only 6.925 mills to Comstock Township versus the usual rate of nearly 46 mills. "It's huge. The carry cost of the facility is already enormous. Before we were doing any work, we spent \$4 million a year just to be able to keep the place up," said Midlink's Smith. "So having the attitude from the local municipalities and the state that they want to invest, in a sense, in the project and make it successful is a big plus. And there's the obvious benefit of not having to pay real property taxes while we're getting up and running redeveloping."

In the new world of public/private partnerships, Midlink shows how the creative use of targeted incentives can yield fruit, turning a potential liability into a community asset. "When you think about the Renaissance Zones, this is sort of a prototypical project for a Renaissance Zone. And a good use of the Community Development Block Grant which built these public roads that are out here," said Smith. "For us to be able to create jobs and be successful with the redevelopment of an existing facility, it seemed to fit right into all of those programs that the MEDC (Michigan Economic Development Corporation) makes available to developers such as ourselves."

For more information on Midlink Business Park, visit <http://www.midlinkbusinesspark.com>.

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300 N. Washington Sq., Lansing, MI 48913
1-888-522-0103