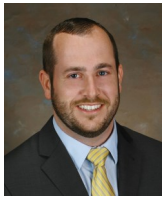


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From the President's Desk

By Joe Sobieralski
President & CEO



The past few months have been a whirlwind for BCU. In late October, I traveled to Japan with BCU's Vice President of Attraction Robert Corder and Ken Masumoto, BCU's Japan consultant. On the way, we stopped in Seattle to meet with Boeing and begin building a relationship with them. Gary Konop, formerly the MEDC's representative

in Japan, is now responsible for Government Relations at Boeing. He provided us with a tour of the Redmond factory where Boeing assembles the 777, 747 and 737.

From Seattle we flew to Tokyo and hit the ground running. We had meetings in Tokyo, Kyoto, Osaka, and Nagoya with the Japanese companies which have facilities in the Fort Custer Industrial Park. In these meetings, we updated the companies on BCU's activities over the past year and discussed our mutual interests in Battle Creek. This year, we also organized group dinners in Nagoya and Tokyo which allowed us to talk in a more relaxed setting. BCU has been going to Japan and building relationships in this way for more than 40 years, which is part of the reason BCU has been so successful in attracting investment from Japanese companies.

After a little more than a week in Japan, it was time for me to return home. Ken and Robert still had more work to do and stayed for another week and a half. They attended the U.S.-Japan Council's Annual Conference in Tokyo, then traveled to Takasaki, Battle Creek's Japanese sister city. They participated in meetings with prospective companies set up by the US Commercial Service in Japan. Over four days, Ken and Robert traveled to Tokyo, Hiroshima, Yokohama, Nagoya and Osaka, and met with 15 different companies to introduce Battle Creek and learn about their plans for expansion.

See "President's Desk" on page 4

BCU Moves into New Offices

Battle Creek Unlimited (BCU) inaugurated its new offices with an open house and ribbon cutting ceremony on Wednesday, October 17, 2018. BCU renovated a 5,400 square foot cross-dock space in the Frederick R. Brydges Customs Cargo Center, which is adjacent to BCU's old office. In addition, the Customs Cargo Center building was given a facelift. This included a fresh coat of paint; new windows and doors; a new building access control system; and resurfaced parking lots. Schweitzer Construction of Battle Creek served as the construction manager for the project.



BCU Board Chair John Gallagher and BCU President Joe Sobieralski cut the ribbon on BCU's new offices.

The Customs Cargo Center has been BCU's home since it was built in 1978. The building was constructed at a cost of \$2.4 million, financed by the U.S. Department of Commerce and the City of Battle Creek's Economic Development Commission. The facility provided rail and truck loading/unloading facilities, offices for U.S. Customs Border Protection personnel, a customs brokerage firm as well as office suites for startup companies. In 1986, the warehouse was expanded with a 50,000 square foot addition, with a portion of the space designated as Foreign-Trade Zone #43. Work on the recent renovations started in April 2018 and were completed in early October at a total cost of \$1.8 million.



BCU staff pose for a picture at the open house for the new office.

The new space features 14 staff offices; a large board room with a high-tech audio/visual system; a project room. BCU also installed two electric vehicle (EV) charging stations, each with two charging ports, which are part of the ChargePoint network. The interior includes a timeline of BCU's milestones, starting with the construction of the Fort Custer Industrial Park in the early 1970s.

See "New Offices" on page 4

Update on Downtown RFPs

In December 2017, BCU put out a series of requests for proposals (RFPs) for the disposition of several downtown properties. At the same time, a separate RFP was issued to attract a brewer or distiller to downtown Battle Creek, which included \$200,000 in economic incentives. The number of submittals far surpassed our expectations. The RFPs garnered interest from developers both near and far. Earlier this year, BCU announced the winning bids.

BCU awarded the property at 64 W Michigan Avenue to New Holland Brewing Company. New Holland also was awarded the \$200K incentive for the establishment of a brewery. In the fall, BCU closed on the sale of the property to New Holland and the company expects renovations to begin soon and continue into the spring. New Holland hopes to be open by Memorial Day.

At 15 Carlyle Street, local developers Restore (269) are renovating what will be the new Record Box facility. The building will house a brewpub on the first floor, office space on the second, and an event space on the top floor overlooking the river. Ownership of the property has transferred to Restore (269) and the company is working to secure the final piece of funding. Once that is in place, work on the interior will begin. The project is on schedule for completion in mid-2019.

BCU Awarded Grant for Drones, Missile Defense Positioning

In September, Battle Creek Unlimited (BCU) was awarded a Defense Industry Growth Area Grant for \$150,000 by the Michigan Economic Development Corporation (MEDC). The grant is part of the Michigan Defense Center's Protect & Grow Initiative, which seeks to grow the state's defense sector.

BCU will use the grant money to assess Battle Creek's existing aerospace infrastructure and position the city to attract investment from companies developing unmanned aerial vehicles (UAVs), more commonly referred to as drones. Funds will also be used to identify business opportunities for local companies if/when Battle Creek is designated as the site for the proposed missile defense site.

The Defense Industry Growth Area Grant is intended to expand and grow key defense and homeland security sectors in Michigan, including 3D printing, aerospace, advanced manufacturing, autonomous aerial systems, autonomous ground systems, cybersecurity and robotics. The grant is for a period of one year beginning September 30.

BCU adopted a new five-year strategic plan in August. The plan identifies several priority growth sectors, including Aviation & Defense. The plan seeks to leverage Battle Creek's existing assets, such as the W.K. Kellogg Airport, which has more than 250 acres of land with runway access available for development.

The Fort Custer Training Center is one of three sites being considered for the Ground-based Midcourse Defense (GMD) installation. A total of 44 Ground-based Interceptors have already been installed at Fort Greely, Alaska, and Vandenberg Air Force Base, California.

Joe Sobieralski, President & CEO of BCU, remarked, "Battle Creek is hitting this at exactly the right moment. The Defense Industry Growth Area Grant aligns perfectly with BCU's newly adopted strategic plan and we are excited to partner with the MEDC on this effort. We believe that autonomous aerial vehicles are the future of the aerospace industry and Battle Creek has the right assets in place to attract companies to the region." Mr. Sobieralski added that "if Fort Custer is chosen for the missile defense site, there will be significant demand for business services. BCU is committed to helping Battle Creek companies take full advantage of this opportunity."

"We are very pleased that BCU submitted and were awarded an Emerging Growth Industry Grant," said Sean Carlson, Executive Director of the MEDC's Michigan Defense Center. "Battle Creek Unlimited is home to two significant military assets in our state. Also, Fort Custer is a finalist for a new Department of Defense mission named the East Coast Missile Defense System. Their solid proposal and this grant will help them to continue to grow the defense industry in Michigan."

MAMA Boeing Supplier Event Recap

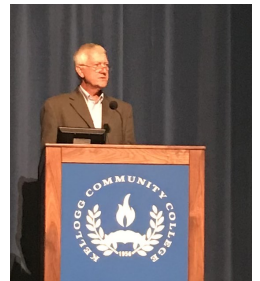
On Thursday, September 27, BCU hosted a meeting in Battle Creek with the Michigan Aerospace Manufacturers Association (MAMA) on supply chain opportunities associated with Ground-based Midcourse Defense. More than 70 people from all over the Midwest participated in the event, all eager to learn about the status of the proposed missile defense project.

Battle Creek's Fort Custer Training Center is one of three locations being considered for construction of an intercontinental missile defense system called the Ground-based Midcourse Defense (GMD). The GMD system would provide 24/7 protection and detect, intercept, and destroy long-range ballistic missiles during the midcourse phase of flight. The other locations being considered by the U.S. Missile Defense Agency are in Ohio and New York.

Brigadier General Michael Stone, Assistant Adjutant General - Installations Michigan Army National Guard, shared his insights on threats to national security. Dan Shanahan, Director, Global Sales & Marketing Missile & Weapons Systems Division, at Boeing delivered the keynote address and talked about Boeing's role in the project.

BCU partnered with MAMA, Boeing, the Fort Custer Training Center and the Michigan Air National Guard to provide a detailed briefing on the scope of the project. Following the formal presentations, attendees participated in a tour of the Air National Guard base as well the two proposed sites at the Fort Custer Training Center.

Thanks to MAMA for bringing this event to Battle Creek as well as to the supporting organizations for making the event a success.



Mark Clem, Boeing's Small Business Liaison Officer, talks about their supply chain

Second Wave Media Expands into Battle Creek Market

In October, Second Wave Media expanded its "On the Ground" news coverage to Battle Creek. Second Wave Media is owned by the Detroit-based Issue Media Group, a publisher of online magazines which focuses on local communities. Second Wave Media covers the "people, projects, and innovations" on the community's horizon.

With a focus on Battle Creek, Second Wave will dig deeper into local storylines and focus on the people having an impact on the community. Their On the Ground program provides a comprehensive form of local journalism: the company embeds a reporter in community, which provides an intimate understanding of the issues affecting that community.

Coverage of Battle Creek is led by Jane Simons, a local journalist and writer with more than 20 years of experience at the Battle Creek Enquirer and Kalamazoo Gazette. Since then, she has undertaken new objectives in public relations and marketing. "In an era where 'fake news' is actually a thing and the term 'news desert' is a reality," Simons said, "this project that we are

embarking on together has never been more critical."

Issue Media Group publishes local online magazines about growth, investment, and the people leading cities across the country. The On the Ground model originated in Philadelphia and has since spread to Memphis, Tampa, Grand Rapids, Dearborn, Ypsilanti, Pontiac, Cincinnati, and Detroit. The program is tailored for each city and involves identifying local partners who can help connect it with residents. The On the Ground project will also train Battle Creek residents to serve as local reporters. After attending four classes, participants will be paid for publishing their stories online. The goal is to create a roster of resident reporters who can serve as local contributors.

Second Wave's coverage of Battle Creek is supported by BCU, the United Way, Michigan Works!, the City of Battle Creek, the Battle Creek Community Foundation, the Miller Foundation, Calhoun County Visitors Bureau, and MEDC. To read their stories about Battle Creek, visit: www.secondwavemedia.com/southwest-michigan/cities/battlecreek/

Company Spotlight: Omega Castings, Inc.

For this edition, we turn the spotlight to Omega Castings, Inc., which has been in the Fort Custer Industrial Park since 1974. The company has been in the same building since they opened, more than 40 years ago. The building previously housed a swimming pool for the Army post, with the depth markers visible on the walls.

Omega Castings specializes in providing high quality products for the heat-treating industry. The company is one of the world's largest producers of high quality, cast-link conveyor belts; its systems include cast-link conveyor belts, roller assemblies and drive drum assemblies. The company serves both large and small customers.

According to Office Manager Charlie Mead, "Often, our customers require a specific type of metal called a nickel-based superalloy. This is because of the harsh temperature cycling, raising the temperature from room temperature up to 2,100°F or more and back down again, in their furnaces. We provide the engineering necessary to determine the exact needs of each furnace. This includes using the best available technologies, including casting simulation software and finite element analysis, to develop and propose a solution to our customers. We then recommend the best parts for the project and create those parts which are made through the casting process."

When Omega Castings first started, the company ran into some issues with their contractor. BCU connected the company with a local bank which provided much needed start-up capital. Robert Cutshall, President and Founder of Omega Castings said, "This was a service I have always been grateful for. It was well beyond my dreams."



Omega Castings President and Founder Robert Cutshall in his office

As with most businesses, Omega Castings has weathered ups and downs over the years. By maintaining a conservative approach and utilizing the newest and best tools, the company has been able to sustain the operation and their employees. It is with this approach they are hopeful to expand their current product line and thus their overall business. Currently, Omega Castings employs ten full-time permanent employees.

BCU thanks Omega Castings for its dedication to Battle Creek. We are glad to have you as part of the Fort Custer Industrial Park community.

Northern Initiatives Opens Offices in Battle Creek

New office will support the Battle Creek Small Business Loan Fund

As a part of the BCVision, the community identified the need for more support for small business, especially loans, business coaches, and other resources. This is especially important, given that small businesses create two-thirds of all new jobs in the U.S. In August, the W.K. Kellogg Foundation announced a \$10 million Battle Creek Small Business Loan Fund. The Kellogg Foundation seeded the fund with \$1 million and pledged a 2:1 match for all contributions. BCU, the Kellogg Company, and the Miller Foundation all made major contributions, and the fund is already more than half way to its goal.

The Small Business Loan Fund is managed by Northern Initiatives (NI), a 25-year-old community development financial institution with a focus on startups, women-owned businesses, and underserved communities. NI will provide loans to small business owners and entrepreneurs that might not qualify for loans from traditional banks for a variety of reasons. One of its goals is to make sure every small business owner has the knowledge and confidence to grow their business. Every loan they provide comes with complimentary access to a suite of practical trainings and tools on topics that matter most to business owners – money, marketing, and management. Since 1992, over \$60 million has been loaned to small business owners.

NI set up an office in downtown to effectively administer the loan fund and serve clients in Battle Creek. On Wednesday, November 7, the organization officially opened their new office at 2 W Michigan Avenue.

According to Kellie Hoffman, Commercial Lender with Northern Initiatives, three loans have so far been approved: Torti Taco, Shwe Mandalay, and Kitchen Proper. In addition, four more loans have been approved and are waiting to close. Kellie went on to say, "There are five in underwriting and we have about 30 prospects that have contacted NI for information or have begun the application process".

To learn more about the Small Business Loan Fund, contact Kellie Hoffman at khoffman@northerninitiatives.org or call 269-224-6940.

New Networking Organization Launches



Battle Creek's resurgence depends on more than just new investments, businesses, or job growth. It hinges on people. Ignite BC, a grassroots movement, is complementing these initiatives. The organization held its kickoff party atop McCamly Plaza on November 9, and drew over a hundred attendees.

Founded by several professionals who live and work in Battle Creek, Ignite BC's pillars are threefold: social, growth, and community. Members can network with others in the community, grow as individual professionals, and give back to local causes. BCU is a supporter of Ignite BC's efforts and was a sponsor of their kickoff event.

Still in its infancy, Ignite BC aims to engage professionals who want to become more involved in their community – and each other. "We're igniting new activities, new engagements, new relationships," Kayla Thompson, of the steering committee, said. Adam Kingston, also on the steering committee, emphasized, "Get engaged with Ignite BC if you want to mobilize our vibrant community and create innovative opportunities and partnerships."

Ignite BC's next event is a broomball tournament at The Rink in Battle Creek on Saturday, December 15. Teams are encouraged to register by December 7. More information on BC Ignite and the broomball tournament can be found at www.ignitebc.org

Save the Date: BCU Economic Outlook - February 21, 2019

Mark your calendars! BCU will hold its annual Economic Outlook on Thursday, February 21, 2019. The event will be held at the McCamly Plaza Hotel downtown and is open to the public. The event is free but advance registration is required. The event will begin at 8:00 AM and will include breakfast. More details will be announced in January.

President's Desk...cont'd

Big things are also going on downtown Battle Creek. In early October, BCU finalized the sale of the property at 15 Carlyle Street to Cody and Caitlynn Newman. Their company, Restore (269), is renovating the three-story building, which will have office space, event space, and a brewery. In early November, BCU completed the sale of the 64 W Michigan Avenue to New Holland Brewing Company. New Holland will soon begin their renovations and are on schedule to open in summer 2019.

The most recent development for Battle Creek's downtown came on Tuesday, November 27, when the Michigan Strategic Fund Board approved \$10 million in project financing for the redevelopment of Heritage Tower, a 19-story building in heart of downtown. This was the final piece of funding needed to make this project a reality.

Heritage Tower was built in the 1930s to house the Old Merchants National Bank and Trust. At 238 feet, 6 inches, it is the tallest building in the

city and is on the National Register of Historic Places.

Despite this, the building has been empty for more than a decade. After many years of work, funding for the project is finally in place. Plans call for a complete rehabilitation of the building, which will have 85 market-rate apartments, with space on the first two floors for office and retail.

BCU has been part the community effort to redevelop Heritage Tower since the beginning. Local partners in the project include the MEDC; the City of Battle Creek; the W.K. Kellogg Foundation; the Battle Creek Community Foundation; Heritage Tower BC, LLC; the Direct Investment Fund Committee; the Small Business Development Fund; the Battle Creek Brownfield Redevelopment Authority Board; and new to the area, 1st Source Bank from South Bend, Ind. BCU has invested \$3 million in the project.

The funding from the state will come through the Michigan Economic Development Corporation's Michigan Community Revitalization Program

(MCRP), which provides gap financing for properties that may be contaminated, blighted, functionally obsolete or historic resources. The financing will be in two parts: a loan for \$1.7 million and an equity investment of approximately \$8.3 million. In September 2018, the Battle Creek City Commission approved two tax abatements worth \$7.9 million for the development, which has a total estimated cost of \$34 million. Construction on Heritage Tower is expected to last 12-15 months. The first apartments are expected to be ready in the spring of 2019.

Heritage Tower is key to the revitalization of downtown Battle Creek. The Art Deco building has been called Battle Creek's crown jewel. Imagine the impact of 85 new apartments downtown, all the people that will bring to downtown, frequenting new places to eat and hang out. This project will truly transform downtown and I am proud of the role BCU has played.

With everything we have accomplished in 2018, I am confident that 2019 will be even better. See you in the New Year!

New Offices...cont'd

The open house was attended by more than 200 business leaders and government officials. BCU staff provided tours of the new space and were excited to show off their home. Catering for the event was provided by Kitchen Proper, with desserts from Continental Bakery. Beverages for event were from Territorial Brewing Company and New Holland Brewing Company.

In his remarks, BCU President & CEO Joe Sobierski thanked past and present members of the BCU Board of Directors as well as the Battle Creek Tax Increment Finance Board of Directors for their support for the project. He said that the new office will be a powerful tool as BCU works to create jobs and attract companies to Battle Creek.

Battle Creek Mayor Mark Behnke congratulated BCU on its new home and said that it was a fitting space for BCU's dynamic, young team. Consul Yuki Ebihara, representing the Consulate General of Japan in Detroit, offered congratulations on behalf of the Government of Japan. He noted that Battle Creek is home to 18 Japanese companies, one of largest clusters of Japanese companies in Michigan, and that this new facility could help bring more Japanese companies to Battle Creek. BCU Board Chair John Gallagher expressed his excitement at the latest addition to the Fort Custer Industrial Park and said that he expects big things to come as a result. The remarks concluded with the reading of a letter from Michigan Governor Rick Snyder offering his congratulations and thanking BCU for its dedicated service and positive impact on the state's economy.

Contact Us

Battle Creek Unlimited (BCU) is focused on investment generation and job creation in Battle Creek, Michigan. BCU works closely with community partners to attract new companies to the Battle Creek region while also supporting the growth of existing companies. BCU was established in 1972 to develop the Fort Custer Industrial Park (FCIP), the largest industrial park in Michigan. Today the FCIP is home to over 80 companies, including 25 international organizations, which collectively employ more than 13,000 people. FCIP covers more than 3,000 acres, with over 1,000 acres available for development, and offers convenient access to rail, air cargo, interstate and international trade highways, as well as an international port of entry and a Foreign-Trade Zone.

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Follow BCU online:



BCU Out and About



The BCU team at a dinner in Tokyo hosted by Toyota Tsusho.



Robert Corder, Ken Masumoto and Joe Sobierski at Boeing's Redmond factory.



A delegation of Battle Creek community leaders attended the November meeting of the Michigan Strategic Fund Board where \$10 million in project financing for Heritage Tower was approved.