



DRAFT MEMORANDUM

Date: April 24, 2012

To: Grant Trigger, Michigan Sites Cleanup Manager, RACER Trust
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Bob Trezise, Lansing Economic Area Partnership
Steve Willobee, Lansing Economic Area Partnership
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From: Matt Robbie, Skeo Solutions
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Re: Former GM Lansing Plants March 7 Reuse Working Session Summary

Working Session Overview

The EPA Region 5 Superfund Redevelopment Initiative is sponsoring a reuse assessment to assist the RACER Trust, Michigan Department of Environmental Quality, municipal jurisdictions and community stakeholders in developing a reuse framework for the former General Motors Plants 2, 3 and 6 located in Lansing Township and the City of Lansing, Michigan. On March 7, the Lansing Economic Area Partnership (LEAP) convened a ½-day working session. Facilitated by Skeo Solutions, the working session brought together 35 local stakeholders to review previous reuse visioning work undertaken by municipalities, share regional opportunities for collaboration around redevelopment, refine reuse options and identify redevelopment opportunities and incentives for the three properties.

The working session included the three main components outlined below (See Attachment 1 for an agenda, participants list and working session materials).

- A presentation on the site's background, stakeholder reuse goals gathered to date and site reuse considerations, including maps showing development suitability based on RACER Trust's site investigations and potential remedial approaches.
- A roundtable discussion on regional initiatives and funding opportunities.
- Small group discussions focused on 1) reuse scenario development and 2) market opportunities and incentives.
- Discussion on shared reuse goals.

The following sections summarize reuse suitability, roundtable and small group discussion findings to help inform a reuse framework for the three properties.

Reuse Suitability

The reuse suitability zones developed as part of the reuse assessment identify reuse considerations for the three properties to help guide site planning work. A list of reuse suitability zones and associated acreage is outlined below (See Attachment A for maps and additional details).

Reuse Suitability Zones

- Zone A: Structural development (72 acres)
- Zone B: Development Over Existing Slabs (52 acres)
- Zone C: Development Considerations – Plant 3 Press-Pit Basements (8 acres)
- Zone D: Plant 6 Buried Foundations/Structures (12 acres)

Discussion

Participants noted the following considerations during an open discussion regarding site status and reuse suitability.

- Several participants recognized that the reuse zones map is a critical step toward redevelopment. It provides a reality check for preliminary plans and can help municipalities refine development approaches and market the properties.
- Participants noted that suitability zones do not cover the entire site (approximately 35 non-contiguous acres shown on reuse suitability maps are not specifically characterized. RACER staff clarified that the suitability zones identify significant factors that are most likely to influence redevelopment and that the remaining areas may be incorporated into site redevelopment plans under a non-residential cleanup scenario.
- RACER representatives and participants discussed the Trust's obligations regarding closure and the related reuse implications. The Trust is obligated to complete environmental remediation necessary to achieve a commercial/industrial cleanup. Certain areas of the site have been identified that are likely to have fewer development limitations based on historic use (Reuse Zone A). If future use goals and redevelopment plans indicate potential for uses other than commercial/industrial, RACER can carefully consider closure options in these areas and future use restrictions that may allow for mixed-use with a residential component.
- Participants asked how additional remediation that may be necessary to achieve higher cleanup levels than RACER's cleanup and closure obligations would be funded. RACER representatives indicated that the Trust will work with any party to characterize and address contamination necessary to support redevelopment. However, the Trust is only funded to support a commercial/industrial cleanup. Additional sources of funding may be needed to finance supplemental investigations and remediation.

Regional Initiatives Roundtable

Municipal and state government representatives shared updates regarding the state programs and regional initiatives listed below and discussed further on pages 3-4.

- Delta Township: Saginaw Corridor Market Study
- Michigan Economic Development Corporation/Department of Environmental Quality: Funding and Technical Support Programs
- Tri-County Regional Planning Commission: Mid-Michigan Program for Greater Sustainability Update

Market Study

In 2012, Delta Township commissioned a commercial market study for the Saginaw Street Corridor within the Township's jurisdiction. The market study, originally conducted for a specific proposed use, was expanded to help evaluate commercial development potential along the corridor. Ed Reed of Delta Township shared the following highlights from the market study.

- A common misperception regarding commercial retail development is that declining or poor-performing commercial corridors are *under developed*. In reality, corridors like Saginaw, are *under demolished*. Faced with an oversupply of commercial retail uses, future commercial development along the corridor needs to selectively target the right type and amount of retail with potential for growth.
- Commercial activities in demand were identified as: car dealerships, consulting services/professional office space and mixed-use residential.

Additional market study discussion items included an update from LEAP on a proposed market study.

- In partnership with Lansing Township and the City of Lansing, LEAP has applied for a planning grant, through EPA's Areawide Brownfields Program to conduct a market analysis for the Saginaw Corridor. The proposed study area would extend from Willow (north) to Michigan (south) along Saginaw, through both jurisdictions and would include the three former GM plants. EPA anticipates awarding Areawide Planning Grants in April 2013.
- Participants noted that the proposed market analysis would be a key factor in evaluating and targeting specific redevelopment options for the three properties and suggested that the reuse framework provides an opportunity to help define the scope of a market study to ensure that findings are relevant and useful.

Grant Programs and Funding Opportunities

Michigan's Economic Development Corporation (MEDC) and Department of Environmental Quality (MDEQ) administer grant and loan programs that are well-suited to help support business attraction and brownfields redevelopment efforts at sites like the former Lansing Plants 2, 3 and 6. An overview of selected grant and loan programs discussed during the working session, along with status updates are provided below (the underlined program names provide links to websites, where available).

- [Community Revitalization Program \(CRP\)](#) – MEDC provides CRP grants (up to \$1,000,000) and loans (up to \$10,000,000) for developer-driven revitalization projects. Selection criteria include geographic location and development type. Funding preferences favor mixed-use development.
- [Business Development Program \(BDP\)](#) – MEDC provides BDP performance based loans and grants to businesses undertaking economic development efforts expected to generate 50 jobs or

more. Grant-making preferences are given to businesses seeking to locate in Michigan rather than another state. Loan award preferences are given to businesses seeking to expand in Michigan. Combined grant and loan amounts cannot exceed \$10,000,000 for a single project.

- [Redevelopment Ready Communities](#) (RRC) – MEDC administers a statewide certification program for local governments designed to promote transparency across planning and economic development policies and processes. RRC Certification indicates that a community has effective policies, efficient processes and broad public support that can attract investment in redevelopment projects. RRC certification is based on a local government’s use and implementation of best practices across six administrative areas, including: (1) community plans and public outreach, (2) zoning and policy, (3) development review, (4) education and training, (5) redevelopment ready sites, and (6) economic prosperity. Specialized site-specific marketing assistance is offered to RRC certified communities that meet the six criteria.
- [Brownfield Tax Increment Financing Program](#) (Brownfield TIF) – Enrolling a site in a Brownfield TIF allows a local governmental to receive existing taxes on the property, capture the increased tax revenue resulting from a redevelopment project, and use that incremental tax capture to reimburse the developer and offset the costs of environmental and non-environmental eligible activities. Potentially reimbursable non-environmental eligible costs can include: demolition, lead and asbestos abatement, infrastructure improvements, and site preparation.
- Brownfield Revolving Loan Fund (RLF) – MDEQ administers the statewide RLF, which provides local brownfield redevelopment authorities with access to funds for capitalization of individual loan funds. Two types of funding are available to support planning, site assessment and remediation activities tied to economic development:
 - Grants (capped at \$1,000,000)
 - Loans (capped at \$1,000,000 / year) are financed interest free for 5 years with a rate of 1.5% thereafter)
 - \$15,000,000 remain in the statewide grant fund; \$50,000,000 remain in the statewide loan fund.
- Future Brownfield Redevelopment Fund – MDEQ or MEDC will administer a newly created Brownfield Redevelopment Fund. After 5-7 years, this funding source is expected to be capitalized and could offer an additional incentive for redevelopment efforts at the former Lansing Plants.

Mid-Michigan Program for Greater Sustainability

The Tri-County Regional Planning Commission (TCRPC) is developing the Mid-Michigan Program for Greater Sustainability, funded through a HUD-DOT sustainability grant. The program consists of nine initiatives. TCRPC staff offered updates on two initiatives most relevant to redevelopment of the former GM Lansing plants.

- Community Reinvestment Fund – Non-profit organizations and local governments in the region can apply for capacity building mini-grants (\$500-\$5,000) to help promote engagement of under-represented stakeholders in community planning and economic development discussions.

Lansing's Westside Commercial Association was just awarded a grant. The next round of grant applications opens in April 2013.

- Michigan Ave Corridor – A transect planning project is underway for the Michigan / Grand River Ave. Corridor. The corridor design study will extend from the Capitol to Webberville. In early May, a week-long design charrette will provide many opportunities to learn about and participate in the development of a vision and conceptual design for the corridor. While, the former GM Lansing Plants are not located within the study area, the outcomes of the effort are intended to help inform future regional corridor development and would likely have broad applicability to the Saginaw, Michigan and Willow corridors.

Reuse Scenario Development Focus Group

Participants in the reuse scenario development break-out group engaged in a mini site planning charrette. The participants identified a range of reuse principles outlined below. Initial location suggestions and site configuration recommendations are included on the draft reuse principles map (See Attachment B).

- Define the three properties as a “community neighborhood center.”
- Pursue commercial uses along the Saginaw Corridor.
- Consolidate light industrial and intense commercial uses in interior areas.
- Ensure a balance of higher density mixed-use with appropriately-scaled buffer uses around the perimeter.
- Integrate green infrastructure stormwater management and complete streets corridor concepts.
- Improve connectivity by:
 - Increasing auto connections to and through the site properties.
 - Increasing pedestrian connections to and through the site properties to support adjacent schools and neighborhoods.

Market Opportunities and Incentives Focus Group

Participants in the opportunities and incentives break out group offered the following strategies to help reposition the former GM Lansing Plant properties for reuse.

Incentivize Borderless Development

- Inter-local Agreement/Joint TIF District – Representatives of Lansing Township, City of Lansing and LEAP identified an opportunity to create a joint tax increment financing district spanning the three properties that would allow businesses and future developments to locate in areas most suitable for the type of development. Discussion highlighted the benefits of a joint TIF district for funding infrastructure improvements across municipal boundaries. As an initial step, participants suggested that municipalities consider an inter-local agreement to begin coordination efforts.

Market Opportunity Considerations

- Participants agreed that renewable energy generation is not desirable as a single use or anchor activity; roof-top solar was identified as a potential option; refining, packaging or processing biomass feed stocks are an emerging sector.

- Evaluate potential target or niche retail market opportunities for the Saginaw corridor.
- Evaluate potential demand for market-rate or mixed-rate residential as part of mixed-use development scenario.
- Conduct detailed evaluation of sectors and industry types that may be expected to benefit most from site and regional assets.

Site Assets and Reuse Considerations

- Participants agreed that redevelopment efforts should leverage the following strategic assets:
 - Frontage on Saginaw Street corridor
 - Electric substations (currently owned and maintained by RACER Trust; electrical service provided by Lansing Board of Water and Light)
 - Steam lines
 - Rail access
- Discussions also highlighted the benefits and limitations of the 50+ acres of concrete slabs which will remain in place after RACER's cleanup is complete. Some felt that the slabs represented a significant asset that could support future uses, while others saw the slabs as a barrier to reuse. RACER representatives indicated that developing on former parking areas and parking on concrete slabs has been an effective strategy at other sites with strong market potential for redevelopment. Participants noted that such an approach could be applicable provided that use restrictions do not preclude removal of slabs at a later date to allow for additional cleanup, accommodate infrastructure corridors and future road alignments, or other site improvements necessary to support reuse. .
- City and Township representatives agreed that reuse zone A-5, located in the northern portion of Plant 6, presented a potential opportunity for residential use (given its limited visibility and access from Saginaw and close proximity to existing neighborhoods).

Shared Reuse Goals

Participants recapped the following set of mutually beneficial reuse goals for the area.

- Leverage site assets to support multiple uses across the three properties.
- Consider light industrial or commercial uses that generate high-wage jobs and contribute to the local tax base.
- Provide mixed-use neighborhood commercial center that compliments surrounding neighborhoods, businesses and schools.
- Coordinate redevelopment and marketing efforts across jurisdictions.

Recommended Next Steps

Participants reconvened after breakout group discussions and acknowledged that the working session provided a valuable opportunity for coordination of Township, City and RACER efforts to revitalize the

former GM properties. Based on the working session outcomes, Skeo Solutions recommends the following next steps:

- Draft Reuse Framework: Integrate site reuse principles, market opportunities and relevant funding considerations into a draft reuse framework.
- Second Working Session/Public Open House: In coordination with RACER, LEAP, City and Township representatives, Skeo will coordinate a mini-working session to review a draft reuse framework, refine reuse concepts and confirm near-term actions. Based on the draft framework and second working session outcomes, provide a community reuse planning update and opportunity to review draft reuse framework in an open house setting (to be coordinated with the second working session). The community meeting or open house could be integrated as part of a future RACER community event to maximize efficiency and reach.
- Final Framework and Summary Document: Finalize draft reuse framework based on input gathered during the mini working session and open house.