

that merely extracted the value of an asset and left the community back at square one, with an additional dose of disappointment.

The *Lansing State Journal*, the newspaper of record in the Michigan state capital, took note of this in a recent editorial:

“While (the marketing) process unfolds, there are key points in which the community can take heart.

- Environmental cleanup efforts continue as the wait for buyers stretches on. Research has been done and long-term cleanup plans are being put into place. RACER is created to work with buyers, even after the sale, to assure all issues are properly handled.
- State and federal officials give high priority to working with RACER officials, who cite examples of cooperation and rapid response that they believe will help resurrect the properties into productive uses. They also believe those connections give the trust an edge in marketing the properties.
- While it may be puzzling that Lansing, economically more vibrant than most Michigan cities, hasn't generated more

interest, RACER officials set a high standard for buyers. Their goal isn't simply to sell the sites, but to see them successfully redeveloped. RACER redevelopment manager Bruce Rasher admits avoiding buyers whose prospects for success don't hold up well under scrutiny. In the long run, such caution should serve the region well.

What will become of these properties? It's too soon to know. But the RACER Trust is working diligently toward progress.”
[*Lansing State Journal*, May 1, 2013]

The RACER Trust is achieving what it was established to achieve — safe, effective, efficient cleanups that make properties more attractive to potential investors, thus promoting redevelopment and other economic and employment opportunities. As new buyers invest in job growth, communities reap both tangible and intangible benefits that enable them to continue growing and reinvesting in their futures.

The Trust values its relationships with community leaders, economic development experts, regulators and investors, and invites partnerships and innovative thinking that lead to broadly successful outcomes for its many stakeholders.



The RACER Trust: Partners in Progress

The RACER Trust, in many ways, is a result of hard lessons endured by communities over a period of decades.

The stories are familiar to all of us — the once-thriving, muscular hulks of industry left to wither and decay, their lifeless forms scarring the neighborhoods that long nurtured them. Communities living in the shadows of distress, without the resources or the means to shape a brighter, more prosperous tomorrow.

The architects of the GM Bankruptcy Settlement Agreement were determined to avoid the fate that befell so many closed and abandoned industrial facilities, and in the Revitalizing Auto Communities Environmental Response (RACER) Trust they created an entity with the twin mandates of remediation and revitalization.

The Trust not only was given funding and the ability to complete safe, comprehensive cleanups, but also a directive to seek buyers and other end users who would invest in sustainably beneficial economic development and job creation.

Our redevelopment mission is built on a framework of six sales and lease criteria that the Trust must consider, at a minimum, when evaluating potential property transfers.

It's important to stress that the six sales and lease criteria are specified in the Settlement Agreement — which was signed by the 14 states where the Trust owns property, as well as by the St. Regis Mohawk Tribe of Upstate New York and the federal government — because these are the basis for the Trust's sales and marketing efforts.

These criteria are published on the Trust's website, shared with our community partners and explained in detail to prospective purchasers and developers.

Because the Trust is unique in its structure, mandate and funding, transparency and clarity of expectations are essential. In the 26 months since the Trust was founded, our redevelopment and cleanup managers have forged many productive relationships with elected officials, community and economic development leaders and lead-agency regulators, as well as with buyers, developers and their consultants. We attribute this to clear, consistent communication between the Trust and various stakeholders, and also to the fact that, at its core, the Trust's primary redevelopment mission is to help communities and investors succeed together.

The Trust has validated the vision that is manifested in the Settlement Agreement

with significant, highly visible transactions in Ontario, OH; Shreveport, LA; and Kansas City, KS — deals that resulted in pledges from developers to create more than 4,500 jobs in those communities. The Trust is on the verge of announcing additional sales in Michigan, where in the past two months it has announced a sale that will enable a jet-engine maintenance firm to hire 25 new employees and a land sale that will enable a major regional sports complex to become the largest of its kind in the world.

Local partnerships and support were at the heart of each of these important transactions. In Ontario, Shreveport and Kansas City, the Trust worked with community leaders to determine the types of industry they hoped to attract, and targeted its marketing efforts accordingly. In all discussions with serious prospects, the Trust clearly communicated the expectation that the selected buyer would negotiate a binding development agreement with the host community as a condition of closing, with specific sanctions for failure to perform.

In exchange, the buyers are given assurances by the Trust that it will complete environmental cleanups with a goal of obtaining No Further Action letters from lead regulatory agencies. The Trust also aids buyers in accessing state and federal protections from environmental

liability, a belts-and-suspenders approach that further erodes a traditional impediment to brownfield redevelopment.

That each buyer willingly committed to job-creation targets is evidence that the sales and lease criteria work.

The Trust shares each community's urgency for redevelopment and job creation. However, we exercise great care in evaluating each prospective buyer or end user, a process that we understand can be interpreted as onerous. It is never easy to tell the mayor of a struggling community that a seemingly attractive development proposal does not hold up to rigorous review, either because the financing is uncertain, the promises are vague, or the developer's record is lacking. The Trust's approach, guided by the sales and lease criteria and backed by the evidence, is built on the belief that the right solution ultimately is worth the wait. That is, the community is better served by working with a responsible, well-organized and well-funded developer with a strong track record and concrete, viable plans for reuse that results in jobs and other economic benefits.

Failure to perform this due diligence — which is similar to the scrutiny applied by any funding source or grant-writing institution — would leave a community vulnerable to a scrape and scrap operation