Case Study:
PARMA POWERTRAIN PLANT
5400 CHEVROLET BOULEVARD, PARMA, OH

FACTS
Site ID: 12030
Acres: 56.92
SF at Time of Sale: 527,000
FMV: N/A
Congressional District: OH-16
Date Sold: May 26, 2011
Buyer: Michael Kadis as Trustee for the
Michael Kadis Trust (in partnership with
Chelm Properties)
End-User(s): Pitt Ohio; Renova
New Use: Reuse of existing multi-tenant
manufacturing facility; new construction of
100K SF trucking terminal
Jobs Pledged: 200
Jobs Actual: 100; 10 temp. construction
Investment Pledged: $3.3M
Investment Actual: $2MM
Est. New Tax Base: $1.6M
Lead Agency: Ohio EPA
Regulatory Programs: Ohio Voluntary Action
Program
Remedial Activities: Working to obtain a
covenant not to sue (CNTS) for the 56.92
acres sold to Michael Kadis/Chelm. A CNTS
was obtained for a 6.086-acre parcel sold
separately to the City of Parma.
Est. Cleanup Cost: $555,000

THE CHALLENGE:
The Parma Powertrain plant Property consisted of a
527,000-square-foot industrial building, which was built by GM
in 1970 to manufacture transmissions. RACER is continuing
to perform remedial activities related to soil and groundwater
impacts on the Property, with the oversight and approval of
the Ohio Department of Development and Ohio EPA. RACER
assumed title to the Property subject to a purchase and sale
agreement that had been entered into prior to the effective date
of the Trust by Motors Liquidation Company and the buyer, 54
Chevy LLC. It fell to RACER to close the sale. The stormwater
runoff from a portion of RACER’s Property flowed into the system
at the adjacent GM property, which remains in active operation.
By the terms stipulated in a bankruptcy-related agreement,
RACER’s buyer is obligated to separate from GM’s system and
construct a stand-alone stormwater management system for the
RACER Property, but had no viable plan for doing so.

THE OUTCOME:
RACER addressed the buyer’s stormwater management
challenge by structuring and completing a second, separate
transaction with the City of Parma for the construction of a
stormwater retention pond to manage stormwater from the
RACER Property. This creative approach to resolving the issue
satisfied the buyer’s obligation and allowed the larger transaction
to move forward. The buyer, an Ohio-based development firm,
soon attracted All Pro Freight Systems of Avon, Ohio, which
leased 150,000 square feet for a distribution center. Pitt Ohio, a
Pittsburgh-based trucking business, also relocated its Cleveland
trucking terminal to a portion of the Property. A third tenant,
Comprehensive Logistics, Inc., which provides assembly for the
automotive industry, is bringing additional economic investment
and jobs to the community. In 2020, the Property was sold
to Industrial Commercial Properties, an Ohio company that
announced plans to renovate the main building and increase its
occupancy.

CONTACT: BRUCE RASHER
Web: racertrust.org  |  Email: brasher@racertrust.org  |  Phone: 734-355-2900
Twitter: BRasher_RACER  |  linkedin.com/in/brucerasher/