



Case Study:

CLARK STREET REDEVELOPMENT INDUSTRIAL LAND

2751 & 2860 CLARK STREET, 2730 SCOTTEN STREET, DETROIT, MI 48210

FACTS

Site ID: 12930

Acres: 35.710

SF at Time of Sale: N/A (vacant land)

FMV: \$780,000

Congressional District: MI-14

Date Sold: December 16, 2014

Buyer: General Clark Street

Associates, LLC

End-User(s): Fiat Chrysler Automobiles, N.A.

New Use: New 190K SF warehouse, cross-dock facility and paved yard for 350 trucks

Jobs Pledged: 66 new

Jobs Actual: 228 new, 200 temp. construction

Investment Pledged: \$15MM

Est. New Tax Base: \$10.48MM

Lead Agency: U.S. EPA

Regulatory Programs: N/A

Remedial Activities: \$0 EA Budget Site

Est. Cleanup Cost: \$0

BEFORE



AFTER



THE CHALLENGE:

The 74-acre Clark Street Technology Park consisted of four buildings and four vacant parcels, zoned for industrial use and located in Detroit's Empowerment Zone, which was developed prior to GM's bankruptcy on a portion of the former GM Clark Avenue Facility, headquarters for the Cadillac Motor Car Division until 1993. Historic maps show the Property in use by the Michigan Car Company in 1884. The Property received a no further action determination by the U.S. EPA prior to GM's bankruptcy and so RACER has only very limited environmental obligations there. However, RACER assumed only a minority (25%) interest in the partnership that owned the real property and other assets of Clark Street Technology Park and subject to an operating agreement that survived the bankruptcy. The partnership's managing partner and other partners' interests were not aligned with RACER's redevelopment mission, complicating RACER's ability to market and sell the Property according to the terms of the GM bankruptcy Settlement Agreement.

THE OUTCOME:

RACER marketed the Property independent of the partnership and managed to secure a buyer for most of the vacant land. The buyer planned to construct a cross-dock logistics facility and create 200 new jobs in this economically distressed area. RACER then brought the deal to the managing partner and negotiated a set of transactions by which the buyer's acquisition, development and operation would satisfy the Settlement Agreement criteria in the portion to be purchased, and the partnership would agree to sell and to terminate RACER's interest in the partnership in one fell swoop. Construction has been completed and the facility is now in operation. RACER retains its limited environmental obligations for the Property, subject to scope, terms and funding limitations under the Settlement Agreement.



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