



Case Study:

FLINT WAREHOUSE FACILITY

4002 JAMES COLE BOULEVARD, FLINT 48505

FACTS

Site ID: 11200
Acres: 22.96
SF at Time of Sale: 157,340
FMV: \$1,500,000
Congressional District: MI-05
Date Sold: May 29, 2015
Buyer: Johnston's Enterprises
End-User(s): Martin Transportation Systems, Inc. and Bay Logistics, Inc.
New Use: Reuse of existing warehouse as shipping/storage logistics hub
Jobs Pledged: 135 new, 75 retained
Jobs Actual: 45 new, 90 retained; 35 temp. construction
Investment Pledged: \$250,000
Investment Actual: \$1.3MM
Est. New Tax Base: \$1.04MM
Lead Agency: U.S. EPA
Regulatory Programs: N/A
Remedial Activities: \$0 EA Budget Site
Est. Cleanup Cost: \$0



THE CHALLENGE:

Built in 1985, the Flint Warehouse retained significant value for modern logistics operations insofar as its access to interstates, layout, dock doors, flat floor, racking height and condition were concerned, but was challenged by the very weak demand for warehouse space in the Flint market. The Flint market generally was weak, with very low demand for industrial space amid what was, at the time, ongoing retrenchment in manufacturing. As a community, Flint suffered widespread disinvestment in the manufacturing sector, with tens of thousands of GM jobs lost during a decline that started in the 1980s, and was struggling with perceptions that it was not an attractive place for new investment. It was vitally important to the city that RACER find a buyer who would utilize this asset to create jobs for the community.

THE OUTCOME:

RACER aggressively marketed the Property to potential warehouse logistics users. RACER turned down several

proposals that would not have maximized the economic potential of the Property. As a stronger economy improved market demand, RACER sold the Property to locally owned Johnston's Enterprises, a trucking and automotive logistics company that located two affiliate companies in the facility, which it uses as a shipping and storage hub. To date, the sale has resulted in the creation of 45 new full-time jobs and investment of \$1.3 million for facility improvements. Both major end users — Martin Transportation Systems, Inc., and Bay Logistics — are based in Michigan and have operations in multiple states, indicative of stability and success. At the time of the sale, Martin Transportation Systems was operating 15 terminals in the United States and Canada, and employed more than 1,200 drivers, owner-operators and support staff. Bay Logistics was operating 12 distribution centers in the U.S., Canada and Mexico. Surging demand for e-commerce fulfillment, as well as the supply and storage needs of local manufacturers and increased activity at the nearby Buick City property, have solidified the value of the Flint Warehouse.



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