Case Study:

WILLOW RUN POWERTRAIN PLANT
2932 ECORSE ROAD, YPSILANTI TOWNSHIP, MI 48198

FACTS
Site ID: 11991/11992
Acres: 311.68
SF at Time of Sale: 48,000
FMV: $1,200,000
Congressional District: MI-12
Date Sold: November 4, 2016
Buyer: Willow Run Arsenal of Democracy Landholdings Limited Partnership
End-User(s): American Center for Mobility
New Use: New 4-season autonomous vehicle testing facility
Jobs Pledged: N/A
Jobs Actual: N/A
Investment Pledged: $80MM
Investment Actual: N/A
Est. New Tax Base: 0
Lead Agency: MDEQ
Regulatory Programs: Part 201 of the Michigan Natural Resources and Envir. Protection Act; RCRA Corrective Action
Remedial Activities: Decommissioning and demolition of most site buildings; long-term GW and SW solutions designed and implemented; containment of LNAPL, DRC recorded in 2013 and 2016
Est. Cleanup Cost: $35,779,454

THE CHALLENGE:
Ford Motor Company built the Willow Run plant in 1941 to manufacture B-24 bombers during World War II. At peak employment, as many as 44,000 people worked at the plant, which consisted of more than 4.5 million square feet. GM bought the Property in 1953 and produced automatic transmissions there until 2010, when the facility closed. The community expressed to RACER a clear preference for the continued use of the building intact for manufacturing, but demand by single-employer manufacturing end-users to buy and operate the Willow Run plant and backfill the GM jobs lost at shutdown was at the time virtually non-existent. The building was functionally obsolete, and the cost to cure its deficiencies prohibitive vs. greenfield construction. Likewise, demand by industrial landlord prospects to buy, demise and tenant up the Willow Run plant was virtually non-existent and demand for industrial space in the market was virtually nil. The building slab, which covers more than 80 acres, has to remain in place as an engineered cap as part of the environmental remedy for the Property. Various underground utility infrastructure and easements limit the amount of developable area at the Property.

THE OUTCOME:
RACER aggressively marketed the Property to manufacturing end-user and industrial landlord prospects. After several years and with no viable prospects, RACER consulted with local elected and economic development officials, as well as market experts, and then decided to demolish the plant and market the Property as vacant industrial land for development. This resulted in the sale of Willow Run to an entity created by the State of Michigan, which leases the property to the American Center for Mobility (ACM). At build-out, ACM will become the premiere national facility for mobility and advanced automotive testing and product development. The center will also serve as a development facility that will allow companies to lease space for office and research use, garages and other amenities. ACM has captured a significant economic opportunity for Southeast Michigan and the United States.

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