



Case Study:

PONTIAC CENTERPOINT CAMPUS CENTRAL

200 SOUTH BOULEVARD EAST, PONTIAC, MI 48341

FACTS

Site ID: 13050
 Acres: 73.92
 SF at Time of Sale: 1,177,407
 FMV: \$7,100,000
 Congressional District: MI-14
 Date Sold: January 15, 2015
 Buyer: Industrial Realty Group, LLC
 End-User(s): Energy Power Systems, LLC; FANUC America Corp.; other smaller tenants
 New Use: Multi-tenant manufacturing facility; industries include battery technology, robotics, CNC, factory automation, etc.
 Jobs Pledged: 200
 Jobs Actual: 59 retained, 45 temp. construction (Energy); 115 new, 50 temp. construction (FANUC)
 Investment Pledged: \$7.2MM
 Investment Actual: \$8.4MM
 Est. New Tax Base: \$3.72MM
 Lead Agency: U.S. EPA
 Regulatory Programs: N/A
 Remedial Activities: \$0 EA Budget Site
 Est. Cleanup Cost: \$0



THE CHALLENGE:

The Pontiac Centerpoint Central property consisted of a 1.2-million SF facility that GM repurposed as an engineering center in 1994. It was among several manufacturing properties in the city of Pontiac that GM relinquished as part of its bankruptcy, which together had a devastating impact on the local economy. The buildings on the Property were in relatively good condition, so despite weakness in the regional and national economies, a market existed for end users who were experienced with repurposing and productively reusing industrial assets to function as multi-tenant incubators or industrial parks. Remediation was previously conducted to address historic environmental concerns, and deed restrictions were in place. 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 a buyer. It fell to RACER to close the sale.

THE OUTCOME:

Not long after the effective date of the Trust, RACER determined that the buyer in the contract negotiated by Motors Liquidation Corporation and assumed by RACER was either unable or unwilling to perform, and so RACER and the buyer mutually agreed to terminate so that RACER would be free to market and sell the Property under the terms of the Settlement Agreement. RACER aggressively marketed the Property to landlord developer prospects. In the intervening time, while marketing the Property, RACER leased a portion of the building to a local user. RACER ultimately sold the Property to Industrial Realty Group (IRG), a national leader in the adaptive reuse of commercial and industrial real estate. IRG renovated the building to accommodate multiple tenants, including Energy Power Systems, an advanced battery technology company, FANUC America Corp., a robotics company, and several smaller, light-industrial companies. Together these tenants have created or retained more than 175 permanent full-time jobs and close to 100 temporary construction jobs, with more expected as IRG continues to secure additional tenants.



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