



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.



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