

GM Verlinden Site: Redevelopment

Site Feasibility Study

Practicum Team

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outline

- **Section One: Background**
 - Introduction
 - Site description
- **Section Two: Analysis**
 - Socio-Economic profile
 - Transportation issues
 - Market analysis
 - Neighborhood questionnaire
- **Section Three: Assessment**
 - SWOT analysis
 - Regional assessment
 - Site assessment
 - Recommendations



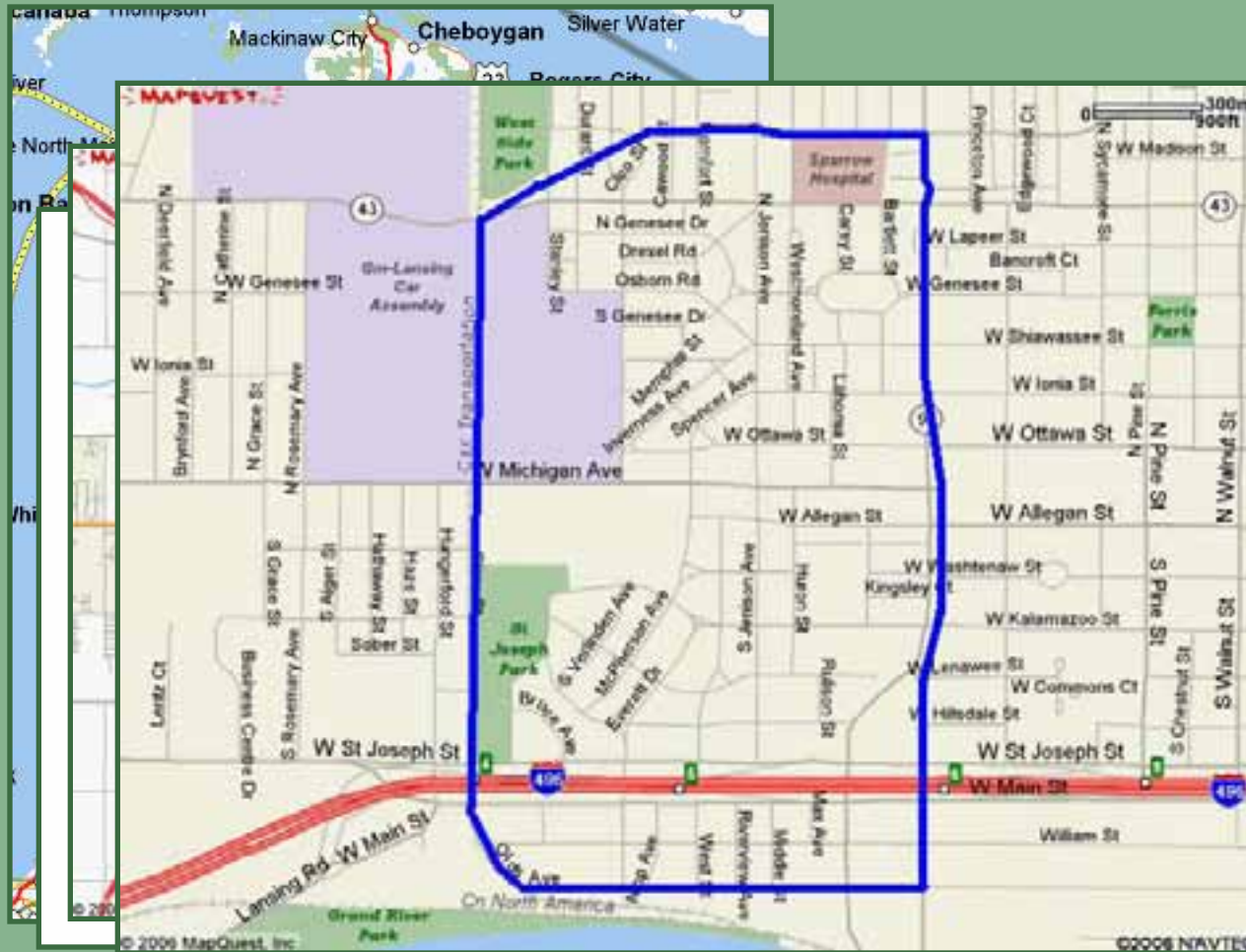
about our client

- The Northwest Healthy Communities Initiative (NWLHCI) was formed in 2000 when community members gathered for the Northwest Neighborhood Summit and identified recommendations for strengthening and sustaining healthy communities in the area.
- The mission of the NWLHCI is to help sections of northwestern Lansing “through community engagement and mobilization, NWLHCI advances the development of healthy, vibrant communities by building capacity to identify needs and formulate strategies to create change.”

scope of services

- The goal of this study is to recommend feasible redevelopment options for the now-closed Verlinden Avenue GM site that will benefit the City of Lansing and the adjacent neighborhood.
- To accomplish this, the following data were examined:
 - Land use and current zoning
 - Physical characteristics of the GM Verlinden Avenue site
 - Socio-economic characteristics of adjacent neighborhoods and Lansing Region
 - Transportation networks
 - Commercial, Industrial, and Residential Market potential
 - Westside Neighborhood resident opinions on redevelopment

study area



GM plant site

- Plant history

- Automobile manufacturing from 1901 – May 2005
- 3,500 workers employed

- Utilities

- Hook-ups for gas, electricity, water, phone, cable, & high speed internet services

- Assessed Value

- \$3.63 Million for 55.56 acres of vacant land

- Environmental status

- No BEA completed to date



LEGEND	
Red	Administration
Dark Red	(Lower level) Body Shop
Light Red	(Lower level) Body Shop
Yellow	Paint Department
Orange	Paint Holding Area
Pink	Trim Assembly
Light Purple	(Upper Level) Trim Assembly
Dark Purple	Trim Shop
Green	Shipping Department
Grey	Sewer House
Blue	Receiving Department
Light Blue	North Parking Lot
Dark Blue	Major Plant Access Roads
Black	Railroad

GM plant site

- GM redevelopment process
 - Currently in demolition phase
- Future plans



GM Verlinden Plant Demolition (April 2006)

westside neighborhood

- History
- Character
 - Varied Architecture
 - Community Involvement
 - Numerous Amenities



WN Boundaries

land use



Current Land Use/Zoning



Future Land Use

socio-economic profile

Census Data 2000	Westside Neighborhood	Lansing Township	City of Lansing	State of Michigan
Total Population	4,937	2,985	119,128	9,938,444
Median Age	35	32	31	36
Race	43% Caucasian 48% Afr. Amer. 9% Other Races	79% Caucasian 10% Afr. Amer. 11% Other Races	65% Caucasian 22% Afr. Amer. 13% Other Races	82% Caucasian 14% Afr. Amer. 4% Other Races
High School Diploma (25+)	76.4%	77.7%	74.3%	78.4%
Unemployment Rate	4.89%	3.42%	6.36%	5.79%
Household Income	\$46,235	\$45,094	\$41,238	\$44,667
Total Housing Units	2,125	1,470	53,195	4,234,279
Vacancy Rate	3.81%	7.01%	4.17%	10.59%

market analysis

- Understanding market demand for different types of development can give valuable insight into viable redevelopment options for the Verlinden Avenue site.

❖ Market Trends Examined:

- Commercial Retail
- Industry Sectors
- Residential



commercial

- ESRI data analyzed for ½ mile, 1 mile, 3 mile radii
 - Centered at Southeast corner of plant site (Michigan Ave./Verlinden Ave. intersection)
- Spending Potential Index (SPI)
 - Compares local expenditures to a national average of 100
 - No specific industry scored exceedingly well compared to the national average

Industry group	SPI example chart Radius		
	½ mile	1 mile	3 mile
Medical	83	70	76



Commercial Data Study Area

- Market Surplus/Leakages
 - Measures differences between supply and demand
 - High market potential within study area (½ mile radius)
 - Commercial market saturated at 3 mile radius (competing retail centers)

industry sectors

- North American Industrial Classification System (NAICS)
- 1998-2003 data examined to compare business market trends for Lansing, Ingham County, and State of Michigan
 - Number of total establishments for all 3 locations remain stable
 - 10% loss of manufacturing establishments (all 3 locations)
 - Growth in knowledge-based establishments (all 3 locations)
 - Modest employment growth for Lansing (Ingham and Michigan remain stable)
 - Approximately 20% loss in manufacturing employment (all 3 locations)
 - 4% growth in wholesale trade sector for Lansing (Ingham stable, Michigan loss)

residential

- Key indicators for residential demand - Lansing:
 - Low vacancy rates, remained stable 1990-2000
 - Overall employment growth 1998-2003
 - Overall increase in single-family housing permits issued 1999-2004
 - Many owner-occupied condominium projects proposed in the Lansing region
- ❖ Indicators show residential growth potential

transportation

- Major Thoroughfares

- Accessibility

- Site entrances
- Railroad spur
- Public transit (CATA bus system)
- Nearby freeway access



transportation

- Site visibility
 - Only visible from Saginaw Street



Visibility Of Site From Saginaw Street

lifestyle clusters

Lifestyle Type*	Number in Lansing MSA	Major Characteristics
Newly-Formed Households	26,161	<ul style="list-style-type: none">•Young single or single-parent•Low Unemployment•Service/Manufacturing employment•Live in older single-family homes or duplexes
Semi-Rural	24,622	<ul style="list-style-type: none">•Married couples aged 35-45 years old•No children•Variety of employment•Live in Single-family homes
Middle-America	17,238	<ul style="list-style-type: none">•Live in non-farm rural areas in single-family homes
Urban Professional Couple	13,628	<ul style="list-style-type: none">•Single or married; few or no children•Well-educated, professionals•Live in dense urban areas
Twenty-Something	11,808	<ul style="list-style-type: none">•Transition between education & career•Live in single or shared apartments•Part-time employment

*ACORN Lifestyle Clusters. Source: Anderson Group, 2004

WNA questionnaire

•Methodology

- 23 neighborhood questionnaires completed



•Findings from Questionnaire:

I. Strengths of Neighborhood

- Neighborhood Strength & Community, Diversity of Residents, and Housing

II. Little association with GM Verlinden Plant

III. Neighborhood preferences for redevelopment

- Mixed-Use Developments, Grocery Store, and Greenspace

IV. Neighborhood dislikes for redevelopment

- Industrial Facilities & Big-Box Retail

S.W.O.T. analysis

<p>STRENGTHS</p> <ul style="list-style-type: none">• Schools/recreation facilities• Diversity of Neighborhood• Close to downtown• Accessibility• Infrastructure – utilities• Walkable neighborhood• Neighborhood Association• Size of site property• Close to MSU/LCC	<p>WEAKNESSES</p> <ul style="list-style-type: none">• Environmental status unknown• Visibility of site from Saginaw St.• Accessibility• Noise of traffic from Saginaw St.• Size of site property• Adjacent GM plant plans unknown
<p>OPPORTUNITIES</p> <ul style="list-style-type: none">• GM decommission procedure• GM intending to sell site• Economic development tools<ul style="list-style-type: none">- Brownfield redevelopment initiatives• Existing infrastructure• High community involvement• Size of site property• Employment opportunities• Near educated workforce (MSU/LCC)	<p>THREATS</p> <ul style="list-style-type: none">• GM still owns site• Possible site limitations<ul style="list-style-type: none">- legal- environmental• Nearby shopping districts• WNA redevelopment preferences• Costs of development• Coordination among interest groups



regional assessment

FACTORS	CHARACTERISTICS	IMPACT
Socio-economic Profile	<ul style="list-style-type: none">• Relatively well-off economically• Well-educated• Low unemployment• Increase in knowledge-based/professional employment; decrease in manufacturing	<ul style="list-style-type: none">• Attract businesses to relocate or expand<ul style="list-style-type: none">- professional; high-tech• Commercial business viability<ul style="list-style-type: none">- Income & Lifestyles• Employment opportunities attract new residents• Weak industrial manufacturing market
Transportation Networks	<ul style="list-style-type: none">• Highway system• Public transportation• Capital City Airport• Railroads	<ul style="list-style-type: none">• Ease of travel throughout region• Connection to other markets• Variety of transportation networks could attract businesses
Financial Incentives	<ul style="list-style-type: none">• Many State and Local financial incentive programs• Tax climate fair to poor	<ul style="list-style-type: none">• Incentives provide “business-friendly” environment• Attract businesses to relocate or expand• Tax climate, however, may dissuade business

regional assessment

FACTORS	CHARACTERISTICS	IMPACT
Regional Costs	<ul style="list-style-type: none">• Relatively inexpensive land and construction costs	<ul style="list-style-type: none">• New developments more attractive to prospective businesses and developers due to low costs
Quality of Life	<ul style="list-style-type: none">• Recreational, cultural opportunities• Access to higher education• Good regional health system• Low crime rates	<ul style="list-style-type: none">• Amenities provide an attractive place to live or relocate-residents-businesses

site assessment

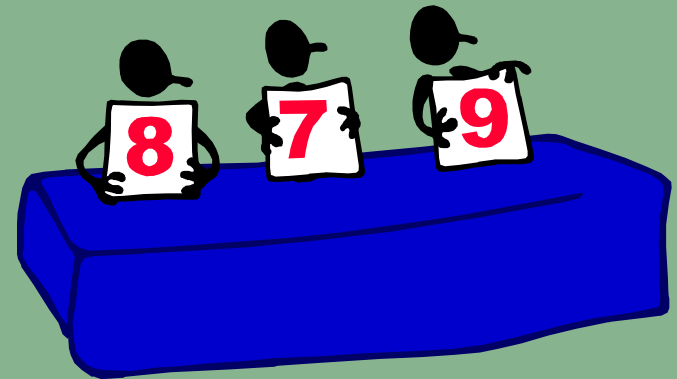
- Methodology

- Criteria to rank redevelopment options

- Existing infrastructure
 - Access to site
 - Visibility of site
 - Current land use and compatibility

- Scoring system (3 point scale)

- 3 points – specific criterion met
 - 2 points – some specific criterion met
 - 1 point – specific criterion not met



site assessment

	Commercial Retail	Office	Light Industrial	Residential
Total	8	11	10	10
Access	2	3	2	3
Visibility	1	2	3	3
Compatibility	2	3	2	2
Infrastructure	3	3	3	2

❖ Similar scoring = Potential for many different uses

recommendations

- Developed based on assessment of regional factors, site factors, & team expertise
- Three categories of recommendations:
 - Current actions
 - Temporary uses
 - Permanent uses



current actions

✓ Environmental assessment

- Baseline Environmental Assessment needs to be completed before redevelopment

✓ Collaborate with local municipalities

- Create connection between City of Lansing and Lansing Township

✓ Partner with a developer

- Act as liaison among community interest, developer, and GM

✓ Continued effort

- Redevelopment not instantaneous, sustained effort to keep community involved

temporary uses

- Low-cost options for a transitional use on the site
 - Lengthy redevelopment process
- Warehousing, small distribution center, or storage lockers
 - Demand for this type of business in the area
 - Provides jobs and tax revenue to City of Lansing
 - Buffer between current heavy industrial site (west) and adjacent residential area (east)
- Green space
 - Add amenity- link with other parks in the area
 - Buffer between heavy industrial site (west) and adjacent residential area (east)

permanent uses

	Site Assessment (out of 12)	Regional Assessment		Recommendation
		<i>Pros</i>	<i>Cons</i>	
Office Space	11	<ul style="list-style-type: none"> • Educated workforce • Good quality of life • Low costs; financial incentives • Increase in tech-based employment 	<ul style="list-style-type: none"> • 30% office vacancy • Tax climate 	<ul style="list-style-type: none"> • Future potential, but currently would not recommend an exclusive office development
Light Industry	10	<ul style="list-style-type: none"> • Increase in tech-based employment • Educated workforce • Low costs • Financial incentives 	<ul style="list-style-type: none"> • Manufacturing decline • Resident objection 	<ul style="list-style-type: none"> • Limited potential, may not be the most feasible option
Residential	10	<ul style="list-style-type: none"> • Housing demand • Employment growth • Good quality of life • Low costs 	<ul style="list-style-type: none"> • Existing adjacent GM Lansing Craft Center 	<ul style="list-style-type: none"> • Viable option for redevelopment • Buffer needed between development and GM plant
Commercial Retail	8	<ul style="list-style-type: none"> • Neighborhood market leakages • Disposable income • Business incentives • Good quality of life 	<ul style="list-style-type: none"> • Regional market saturated • Tax climate 	<ul style="list-style-type: none"> • Neighborhood business services have potential, but would not recommend a large-scale commercial development

conclusion

- Site lends itself best to **mixed-use** development
 - Residential, neighborhood commercial services, & office space
- Creates a variety of amenities
- Attractive to prospective Developers
 - Greater chance of success
- Compatible with adjacent neighborhood and region



acknowledgements

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Thank You

Questions Please