



Reviving Life in a Downtown Community



The completed MCVI in Saginaw, Michigan.

Saginaw, Michigan

Saginaw, Michigan, has established itself as a leader in the medical arts community through the redevelopment of its Washington Avenue Corridor, which is a major medical cluster in mid-Michigan. Following a 30-year decline in industrial jobs and businesses, Saginaw faced the challenge of finding new industry and business to revive Washington Avenue, a key corridor in the downtown area.

Michigan towns have a proud heritage of prosperous industry. Once boasting one of the largest foundries in the world, and supporting a population of 108,000 residents, Saginaw fell victim to a decades-long economic decline. The large employers of the past—lumber and manufacturing industries—gradually abandoned the region, leaving a third of the city in poverty and a nearly 10 percent unemployment rate. Dozens of idled and abandoned properties lined the downtown area, discouraging redevelopment and new business. Frustrated city residents finally voiced concern and prompted action to improve the city's economic situation.

With the help of an EPA Brownfields Assessment Pilot awarded in 1998, the city was able to target properties in the downtown area for environmental assessments. The city performed assessments on 39 properties, with the hopes of cleaning up and redeveloping them into prosperous business space. Based on the recent success of Saint Mary's Medical Center, a regional hospital, in acquiring and redeveloping properties downtown, the city hoped that additional medical users would see similar opportunities for expansion and relocation in the downtown area.

Prior to the EPA Brownfields Assessment Pilot, the city began demolishing impaired residential buildings in the corridor as an initiative to assemble smaller parcels to help attract larger development to the area. The cornerstone of this revitalization effort was the seven-acre former Genesee Packaging plant, targeted in 2002 for a redevelopment project. The property sat idle for approximately eight years, discouraging redevelopment around it, until the city and a developer saw the property as an opportunity for commercial reuse. The city used the EPA Brownfields Assessment grant to perform the environmental assessments on the property.

The former packaging plant was demolished and the property cleaned up, allowing the developer to investigate potential tenants for the area. At the same time, Michigan Cardiovascular Institute (MCVI) was searching for

JUST THE FACTS:

- Having experienced a 30-year decline in industrial jobs and businesses, Saginaw faced the challenge of finding new industry and business to revive Washington Avenue, a key corridor in the downtown area.
- An EPA Brownfields Assessment Pilot enabled the city to perform assessments on 39 downtown properties, including a former packing plant that sat idle for eight years.
- Assessment and cleanup of the former packing plant site led to a \$10 million redevelopment project that brought a private medical company and nearly 200 jobs to the once-idle property.
- With the subsequent redevelopment of other downtown brownfields, Saginaw's Washington Avenue is emerging as a prominent medical corridor.

"In the general downtown area, we have seen growing interest in the second phase of this project, driven by tenants that want to be near the emerging medical cluster... developers see that the city is willing to work with them and share the financial risk. They want to know how this project was completed, where the money came from, and how they can be assisted."

—Tim Dempsey,
Former Director of Development,
City of Saginaw

a new location for their consolidated business. With added incentives, including the location of the property in a Renaissance Zone, which frees the property owner from all property taxes and the Michigan single business tax (a modified value-added tax on Michigan businesses), MCVI became the first new tenant for the property. This \$10 million redevelopment project of the former packaging plant property brought nearly 200 jobs to the 90,000 square-foot-facility.

With the arrival of MCVI, traffic increased in the downtown corridor, and more development in the medical community was planned. The MCVI building has an additional 30,000 square feet of commercial space available for lease. Phase II of the project began with a second building that will be occupied by Bio Star, an emerging medical biotech venture capital firm. Saint Mary's also is completing a \$15 million expansion of its current building, with plans to complete an additional \$60 million expansion in the next few years. Washington Avenue is emerging as a prominent medical corridor, helping to attract more businesses to the area. Tim Dempsey, former Director of Development for the City of Saginaw explains, "In the general downtown area, we have seen growing interest in the second phase of this project driven by tenants that want to be near the emerging medical cluster. Other developers see that the city is willing to work with them and share the financial risk. They want to know how this project was completed, where the money came from, and how they can be assisted."

In 2001, the Downtown Saginaw Farmer's Market moved its location to a former warehouse manufacturing lot that had been vacant for a number of years. EPA Pilot funds were used to perform an environmental assessment of the area, determining that the property was ready for reuse. Before long, the organization felt comfortable building a permanent complex on the property. This new location, just down the street from the medical community, has helped the farmer's market triple its customer base.

Saginaw's downtown area continues to grow, with new office buildings planned, along with a bakery, coffee shop, brewery, and new restaurant, just to name a few. Brian Eggers, AKT Peerless, a Michigan based environmental consulting firm, says, "EPA funds have really helped inspire other investors in the area. No one was interested in the area five years ago. We would not be where we are now were it not for the EPA grant."

Many other smaller properties in the area are being combined to continue the momentum of attracting more private business back to the downtown area. Tim Dempsey credits the speed at which the EPA funds have been available with encouraging developers in the downtown community. "Once we identify a project and make a request to use the EPA funds, there is a quick turnaround time. The EPA has been great with timely responses. Many of these developers might be hesitant to come in and build, but they know that the city can bring some subsidy to the table early, which gives them an initial comfort level they need to proceed with the project."

If you would like more information on Saginaw, Michigan's brownfields redevelopment efforts, please contact Michael Gifford at (312) 886-7257 or gifford.michael@epa.gov.

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Visit the EPA Brownfields Web site at:

<http://www.epa.gov/brownfields/>