

Housing as a Vehicle for Economic Development



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Red Cedar Redevelopment Project

Lansing, Michigan

Agenda

- The Development Site
- Development Project Goals
- First Steps Toward Development
- Overcoming Obstacles
- Project Financing
- Project Results



The Development Site



A 60-acre site between Lansing and East Lansing adjacent to Michigan State University.



A former municipal golf course with a history of flooding.



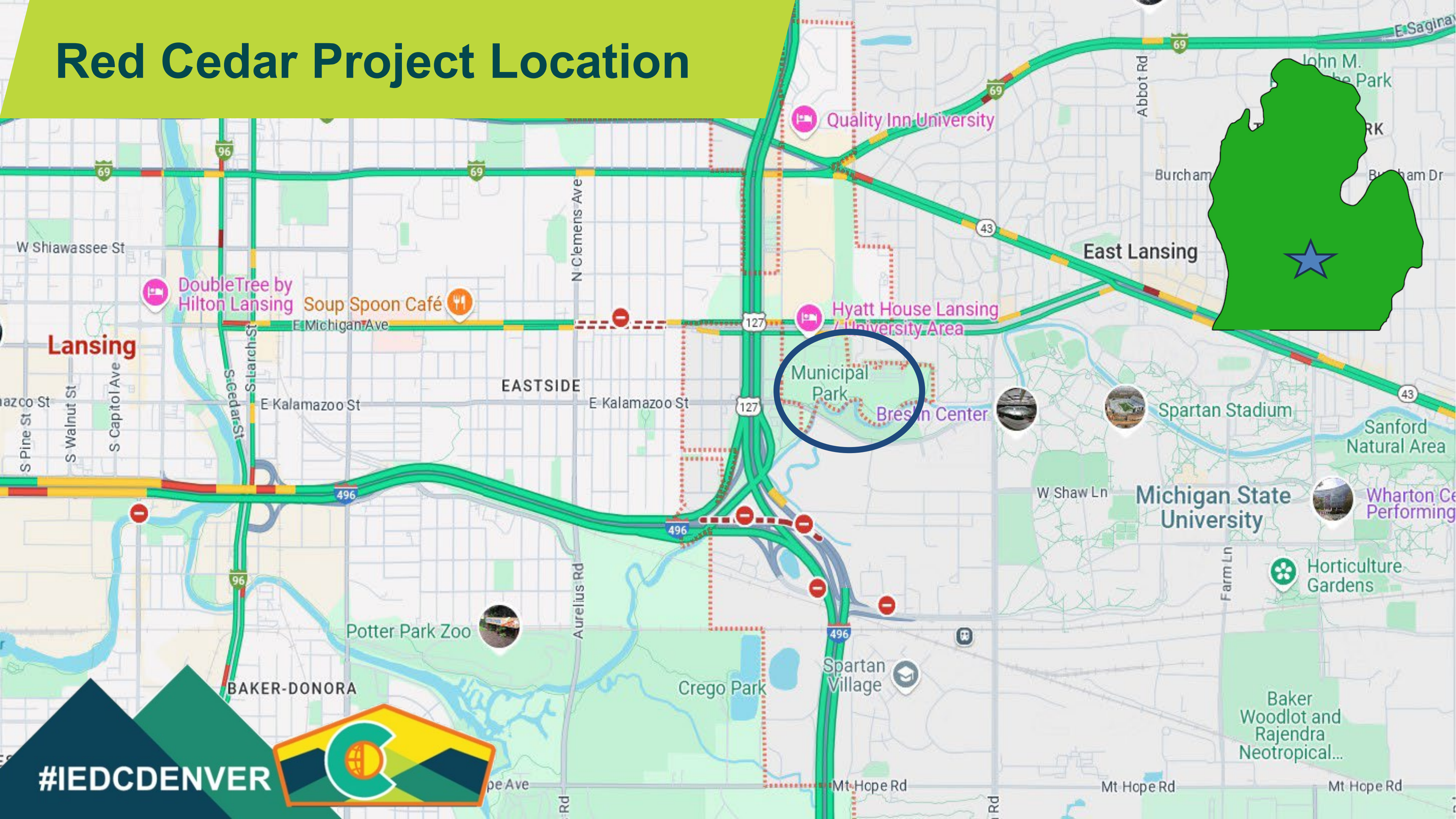
The terminus of the Montgomery Drain, a major source of water pollution into the Red Cedar and Grand Rivers.



A portion of a larger regional park system with great opportunities for additional recreational and non-motorized trails for connectivity



Red Cedar Project Location



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Red Cedar Park & Golf Course



Lansing

Mall

SkyVue

East
Lansing

Project
Location

Kellogg
Center

Breslin
Student
Events
Center

1855 Place

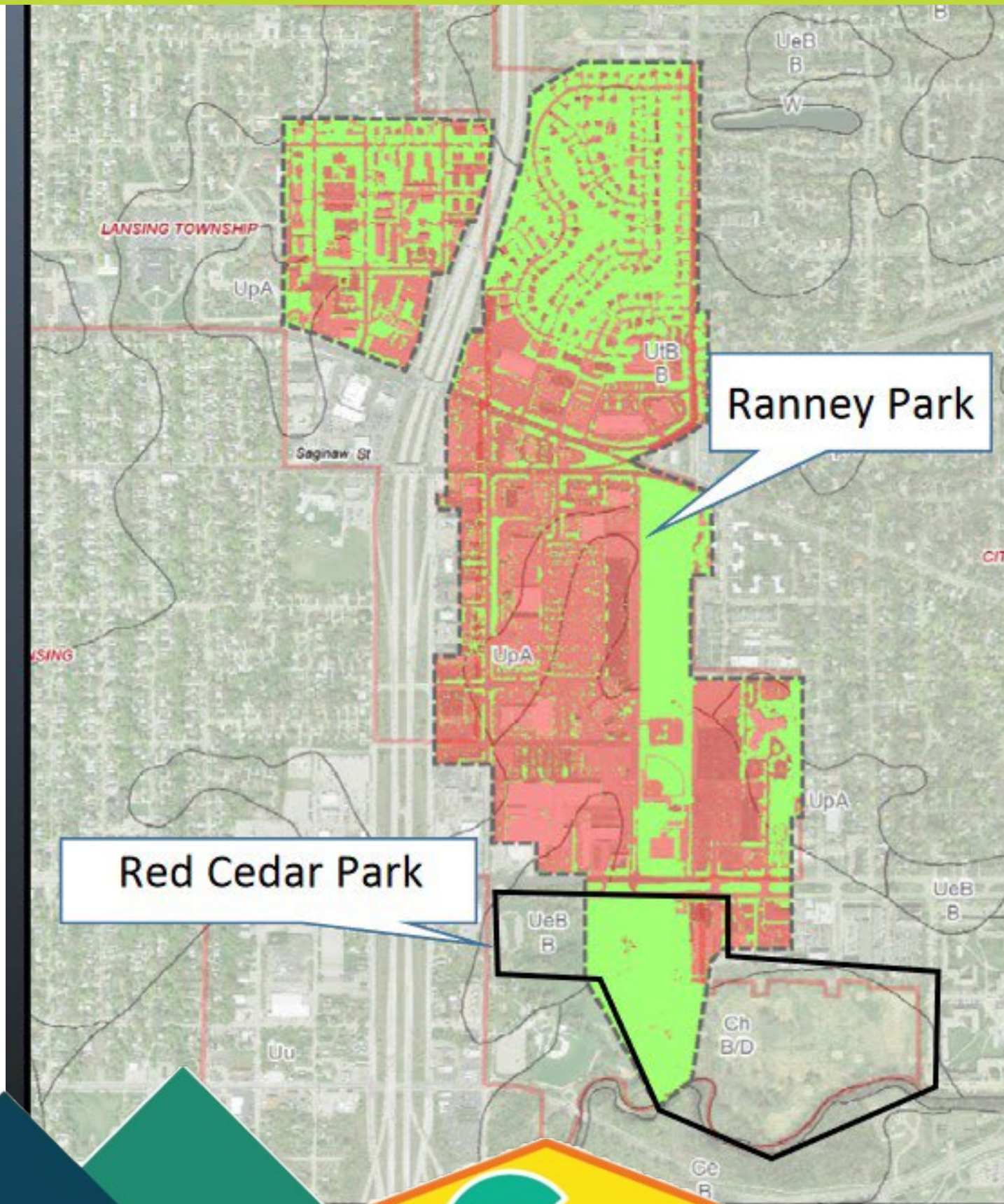
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Drainage Challenges

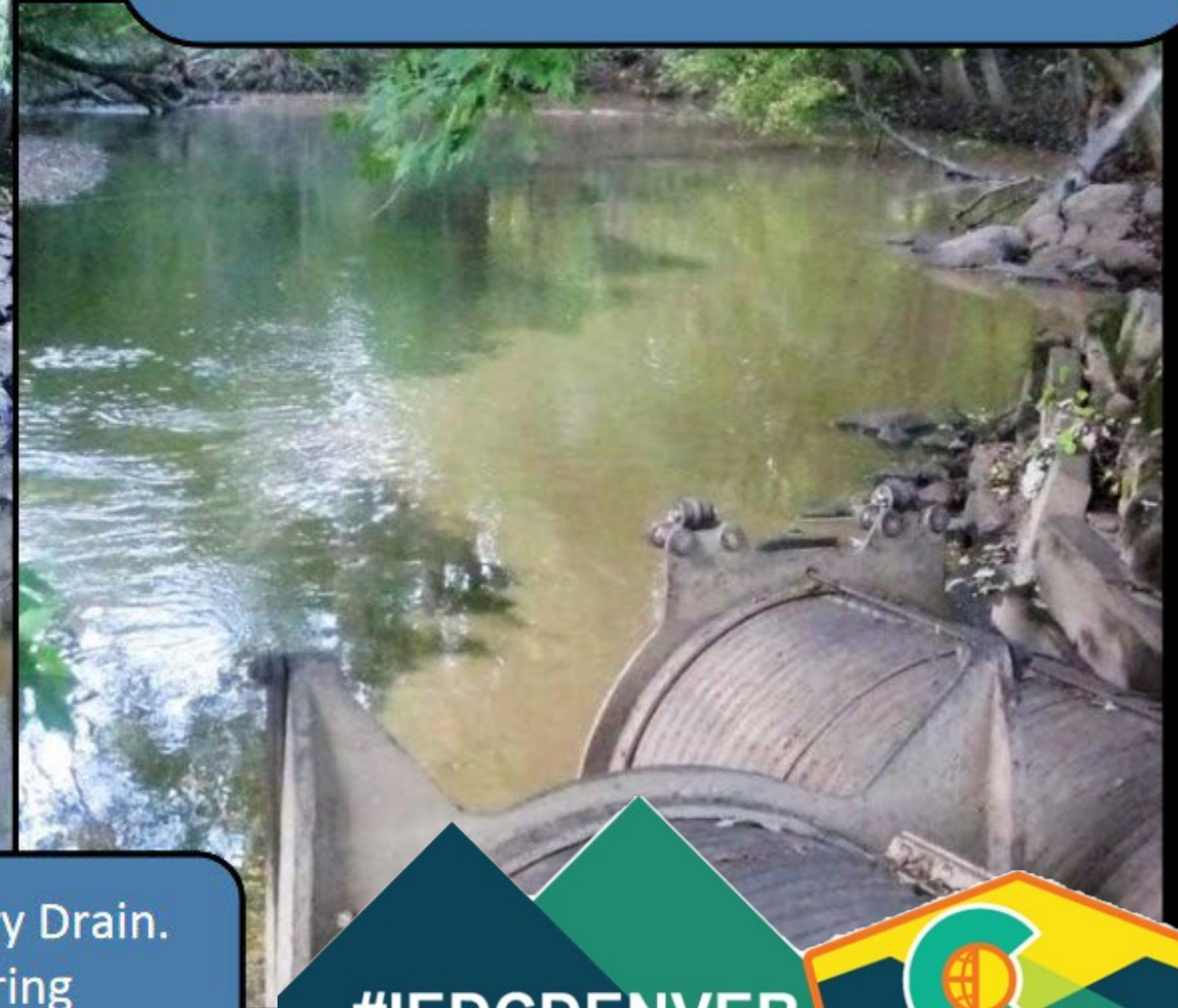
Intensive Land Use

Montgomery Drain's watershed is about 80% impervious. The stormwater from any storm event makes it to the Red Cedar River in a matter of hours or less, untreated and heavily polluted from impervious surfaces of its watershed.



Runoff Pollution Challenges

In 1995, and for many years after, the Drain Commissioners of Ingham and Livingston County's, looked closely at 236 County Drains tributary to the Red Cedar River in both counties. Detailed analyses showed that this drain was by far the most polluted.



These Pictures show Pollution coming from the Montgomery Drain. Draining into the Red Cedar River on a sunny day in late spring

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Floodplain Challenges



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Development Project Goals



Create a dense urban mixed-use development that reflected the vision of the City of Lansing's Master Plan by offering multi-generational housing and retail opportunities.



Meet the physical and economic challenges of developing a long-vacant, overgrown, contaminated, and flood-prone property that created a physical and psychological barrier between communities.



Manage local stormwater runoff with landscaping and water features that provide recreational opportunities, connecting pathways and access to a cleaner and healthier river system.



First Steps Toward Development

1

Attain public voter approval to sell the property.

2

Conduct a Request for Development Proposals process.

3

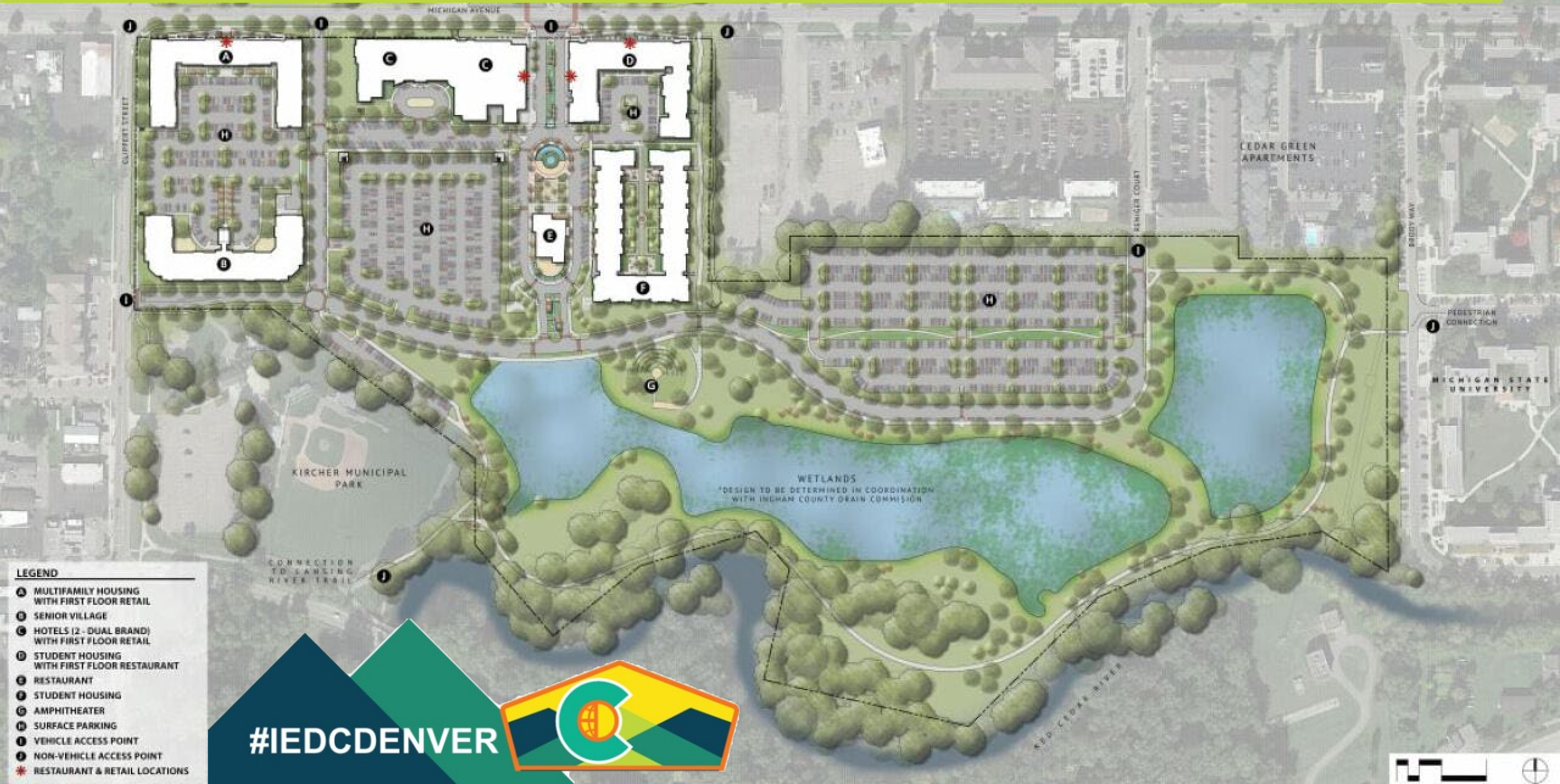
Select a proposal to pursue.

4

Negotiate the land sale and development agreement.



Selected Developer Proposal - Continental/Ferguson Lansing LLC



The Project Begins!



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Phase I Under Construction



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Overcoming Physical Obstacles

- 1 The creative site and building design minimized the impact of flooding.
- 2 Floodplain property was purchased upstream, and soil was removed to mitigate the floodwater management impacts caused by the Development.
- 3 The County Drain Commissioner was able to integrate improvements to the Montgomery Drain into the project.
- 4 Widespread soil contamination significantly increased development costs. The developer worked with state officials to reduce these costs by allowing the safe relocation of most of the contaminated soils on-site.



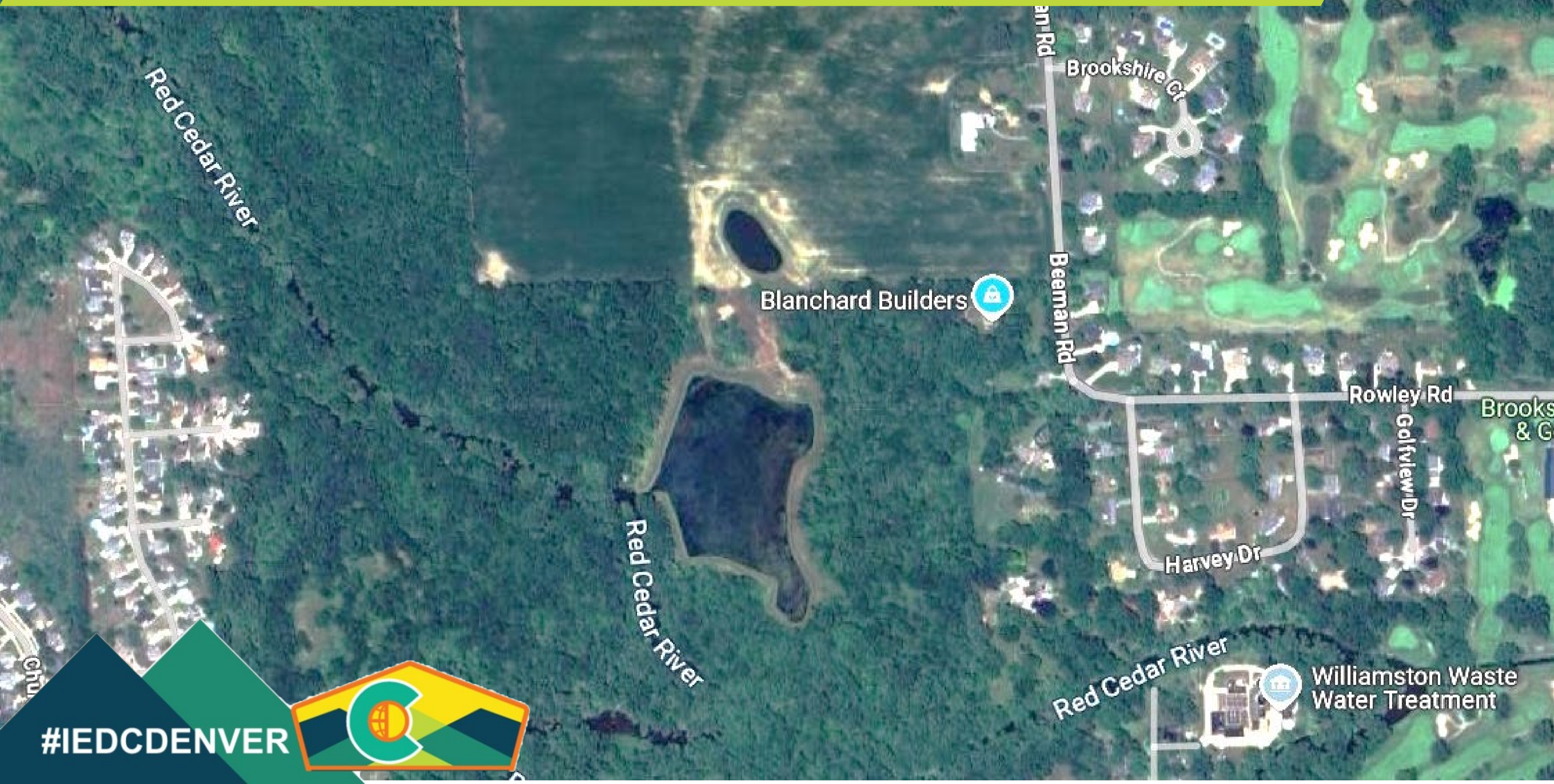
Cut and fill to manage Flood Water



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Compensating Cut Upstream to Retain Floodwater



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Stormwater Management



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Project Financing

1

The Developer financed and constructed the project in four phases over three years.

2

The Lansing Brownfield Authority issued and sold \$41 million of bonds to finance public infrastructure improvements and soil remediation.

3

Yearly bond payments are made from the new property taxes generated by the Development. The Developer or development owners are responsible for covering the gap if a revenue shortfall occurs in any future year.

4

The County Drain Commissioner issued bonds to finance the \$50 million Montgomery Drain project.



Phase II and III Follow



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Phase IV Under Construction



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All Four Phases Completed !



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Time to Cut the Ribbon!



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Project Finished!



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Project Results

1

\$260 million The Red Cedar development created a dense, walkable, pedestrian-friendly district. With two hotels, housing, retail and commercial space, and a large park with access to the riverfront.

2

Residents of all ages have moved in, visitors are staying in the hotels, and two full-service restaurants, a bookstore/coffee shop, fast casual restaurants, and a doctor's office have opened in the new commercial spaces.

3

The project's proximity to a major shopping center with a grocer, hardware store, and other retail and service businesses has created more synergy, increased nearby economic activity and generated interest in redeveloping nearby vacant and underutilized properties.



More Project Results



The stormwater management system is on track to eliminate 96% of the 50,000 to 75,000 pounds of pollution that currently flows into the Red Cedar River through the Red Cedar Development in Lansing each year.



The newly created water features, pathways, and amphitheater amenities provide great quality-of-life opportunities to the entire community.



The project encourages more pedestrian activity in a car-oriented corridor, increasing the number of Michigan State University students and visitors living, staying, and shopping in Lansing and enhancing the connection between East Lansing, Lansing, and Michigan State University.



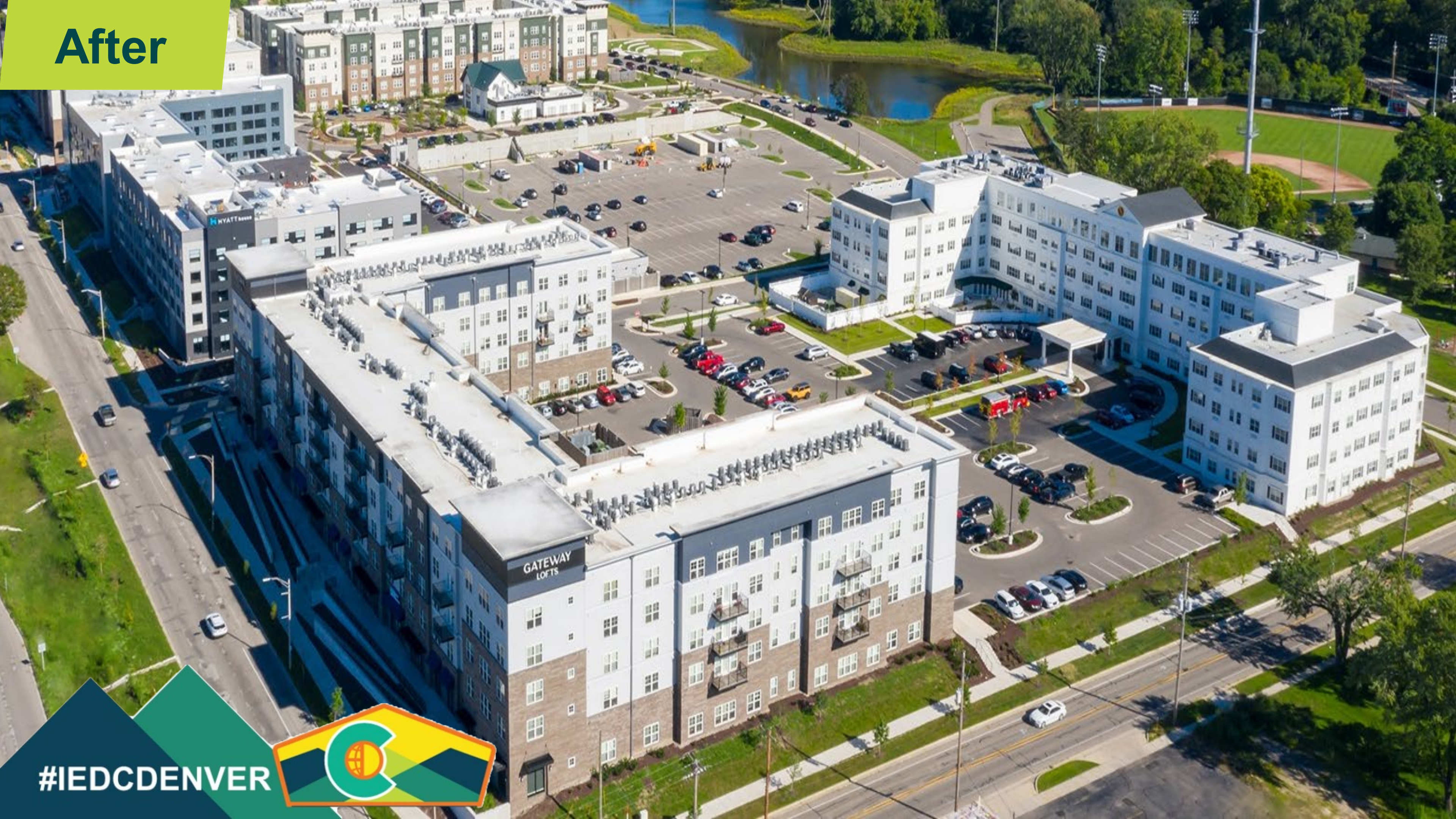
Before



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After



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Public/Private Project Partners:

Continental/Ferguson Lansing LLC the Developer awarded the opportunity to develop the former Red Cedar Park. Their extensive experience in the Midwest with large scale development design, finance, and construction was a great fit for the site.

The Lansing EDC, Lansing Brownfield Redevelopment Authority, and City of Lansing identified the potential of the vacant site, made it available for sale, selected the right Developer and Project, and provided economic development assistance to complete it.

The Michigan Economic Development Corporation and Michigan Department of Environment Great Lakes and Energy assisted with infrastructure improvement financing, environmental remediation, and floodplain mitigation efforts.

The Ingham County Drain Commission designed, financed, and constructed the stormwater management system, water elements, and recreation features.

The Lansing Economic Area Partnership, a three-county regional organization provided valuable assistance.

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Questions



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