

Final Report
Muskegon Shoreline Development
Site Assessment Fund Grant Project #94-31
1995 - 2008

Grant Recipient: **City of Muskegon**
County: **Muskegon**
Grant Amount: **\$1,000,000**
Grant Awarded: **July 1995**
Date of Completion: **December 2008**

Project Description

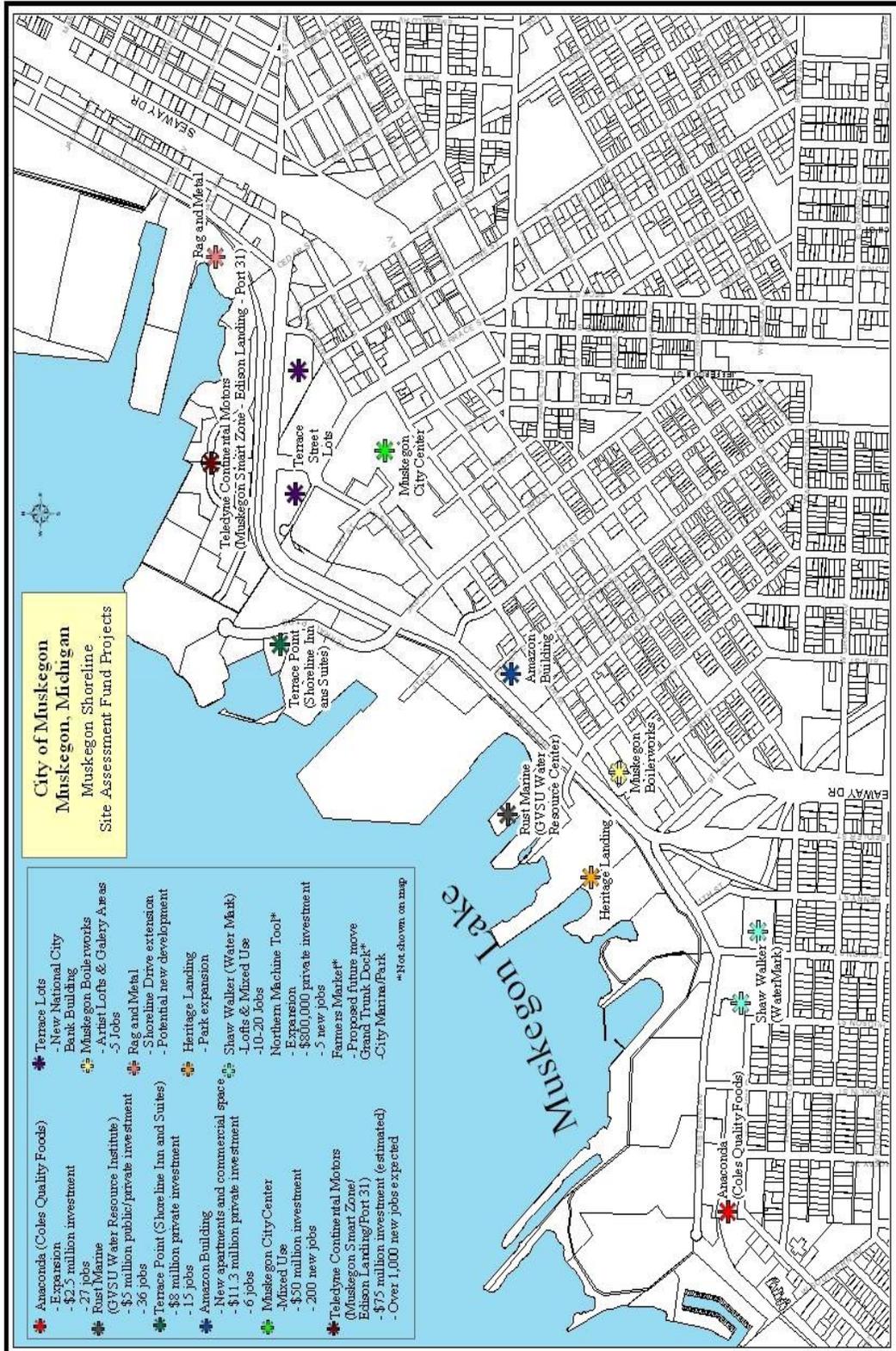
The Muskegon Shoreline Development SAF Grant was used to conduct environmental due diligence activities on parcels where specific redevelopment projects were planned. Funds were used for 21 individual projects, as well as for a comprehensive Areawide Fill Assessment along the Muskegon Lake Shoreline.

Grant Funded Activities

Phase I Environmental Site Assessments
Phase II Environmental Site Assessments
Baseline Environmental Assessments
Due Care Plans
Lead and Asbestos Surveys

Redevelopment

The status of redevelopment for each project where grant funds were used is provided in the attached summaries.



Areawide Assessment of Historic Fill Muskegon Lake Shoreline



***Grant Info: Phase I and II Assessments, Final Summary Report
1995 - 2008 \$317,917***

An Area-wide Assessment of Historic Fill along the Muskegon Shoreline in downtown Muskegon was conducted to locate, identify and characterize the fill materials used in the 19 and 20th centuries for the purpose of filling low areas for development. The presence of historic fill materials along waterways is ubiquitous in urban areas throughout the country, and the associated contamination often impedes redevelopment. The Areawide Assessment of Historic Fill is designed to: 1) reduce uncertainties and risks with respect to environmental issues related to historic fill; 2) Reduce environmental transaction costs; 3) Provide time savings in transactions; and 4) Provide data that can be used to evaluate protection of public health, safety, welfare, and the environment in the redevelopment of the Muskegon Shoreline properties with respect to historic fill issues.

The City of Muskegon is unique in its approach to identification and management of the environmental issues related to historic fill materials on a large, area-wide basis. The Muskegon Shoreline area has, for several years, been targeted by the City of Muskegon for redevelopment, in an attempt to transition the shoreline from heavy industrial use to recreational, commercial, and residential use. The goals of the fill study were to assess the potential risks to human health and the environment that the fill materials pose, eliminating the need for property-by-property characterization and evaluation. A Part 201 Due Care Plan and an "Existing Contamination" section for BEA's has been prepared through the resources provided by the SAF grant, addressing the historic fill conditions in this area, and is available on the City's web site. Several of the individual properties evaluated as part of this grant project utilized data from the Area-wide Assessment.

Muskegon Boilerworks
600 W Clay



**Grant Info: Phase I and II ESA, BEA, Due Care Plan, Lead and Asbestos Survey
\$28,937 2000 - 2002**

This former industrial foundry, vacant for several years, has been transformed into Artists Lofts and gallery areas. Now known as the "Artworks" apartments, it has been designated as a tax-free Renaissance Zone. With \$6 million in private investments and 5 new full-time jobs being created, the Artworks has attracted an artist community to downtown Muskegon. The property was also added to the City of Muskegon Brownfield Plan to allow "eligible Taxpayers" to avail themselves of a Brownfield business tax credit.

1995 Taxable Value: \$10,900 2008 Taxable Value: \$691,600
2009 True Cash Value: \$1,353,545

Parcel #24-205-317-0009-00

Former Teledyne (Edison Landing; Port 31)



**Grant Info: Phase I and II ESAs, BEAs, Due Care Plans
\$65,000 1996 - 2002**

The former massive Teledyne/Continental Motors foundry and manufacturing facility, located on the shores of Muskegon Lake, manufactured tanks during WW II. Now demolished, this brownfield site has been designated Muskegon's SmartZone and is being transformed into a multi-use development including businesses, residential, and commercial uses. Its first project was the Grand Valley State University Michigan Alternative and Renewable Energy Center (a platinum LEED certified building, shown above left). The new headquarters of the law firm Parmenter-O'Toole was completed in 2006, and was included in the City's Brownfield Plan. The first phase of a four-phased project, Vida Nova condominiums, featuring green roofs, is also completed, and was included in the City's Brownfield Plan in 2006. Estimated total investment on build-out is \$75 million. The SAF funds also were used to conduct the due care planning to facilitate construction of the infrastructure (financed, in part, with a CMI Waterfront Grant), and further positioned the site for a \$1 million Site Reclamation Grant.

1996 Taxable Value: \$68,050 2008 Taxable Value: \$1,744,545
2009 True Cash Value: \$10,211,520

Parcels:

24-817-000-0000-00	24-607-000-0008-00	24-607-000-0011-00
24-607-000-0003-00	24-607-000-0004-00	24-607-000-0015-00
24-607-000-0005-00	24-607-000-0006-00	24-607-000-0016-00
24-607-000-0007-00	24-607-000-0010-00	24-607-000-0000-00
24-607-000-0012-00	24-607-000-0013-00	24-607-000-0014-00

Muskegon Rag and Metal (Shoreline Drive)



Grant Info: Phase I & II ESA, BEA, Due Care Plan

The second (eastern) phase of Shoreline Drive was completed with the assistance of SAF monies to evaluate environmental conditions of properties acquired to construct the road (including Muskegon Rag and Metal, a former junkyard). Shoreline Drive is the key element of Muskegon's efforts to re-open its shoreline and focus redevelopment toward Muskegon Lake. Business Route 31 has now been re-routed along Muskegon's shoreline, creating redevelopment opportunities all along the once-industrial dominated shoreline.

Kirksey/Anaconda (Coles Quality Foods)
1188 Lakeshore



Grant Info: Phase I and II ESA, BEA, and Due Care Plan
\$62,000 1997 - 1998

A vacant industrial facility (Anaconda Steel and Wire) was demolished and significant cleanup undertaken to facilitate the expansion of Cole's Quality Foods, a popular baker of frozen Garlic Bread. The expansion involved \$2.5 million in investment, and created at least 27 jobs. The demolition of the former industrial facility and cleanup of soils will also facilitate future expansion of the Cole's Quality Foods bakery. The SAF monies positioned the project for a \$427,000 Site Reclamation Grant, which provided funding for demolition and environmental response activities. The property was the first project to be included in the City of Muskegon's Brownfield Plan, so that eligible taxpayers could avail themselves of the Brownfield Single Business Tax Credit.

Taxable Value 1996: \$198,301 Taxable Value 2004: \$2,096,000

True Cash Value 2009: \$4,610,190

Parcel #24-205-469-0008-00

Grand Trunk Dock (City Marina)



Grant Info: Phase I & II ESA; \$40,000 SAF 1996-1997

SAF funds were used to conduct environmental due diligence on this public marina to facilitate improvements and expansion.

SEV 1995: \$42,000

SEV 2005 \$485,500

True Cash Value 2009: \$1,784,400

Parcel # 24-205-597-0008-00

Terrace Point (Shoreline Inn and Suites)



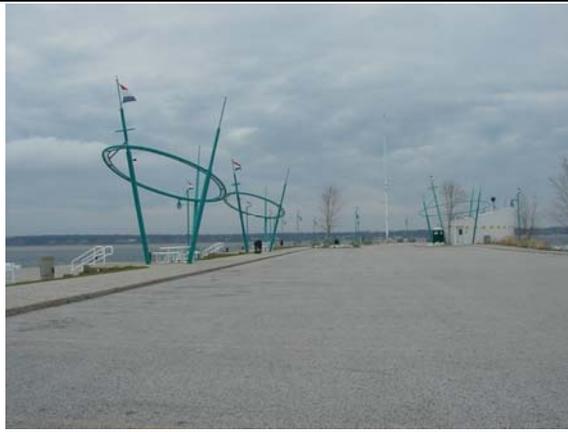
Grant Info: Phase I and II ESA, BEA \$76,000 - 1996

This former foundry and heavy manufacturing area was transformed to this new luxury waterfront hotel. The Shoreline Inn and Suites represented approximately \$8 million in private investment and created at least 15 jobs.

1996 Taxable Value: \$687,956 2008 Taxable Value: \$2,469,679
2009 True Cash Value: \$4,993,927

Parcel #24-205-558-0005-20
#24-205-558-0005-10
#24-205-558-0005-30

Heritage Landing (Expansion)



**Grant Info: Phase I and II ESA, BEA, Due Care Plan
\$21,000 1999**

This popular City waterfront park, home to the famous *Summer Celebration*, was expanded and enhanced to accommodate the many concerts and functions staged at Heritage Landing. These improvements represented \$1.2 million in public investment.

1998 SEV: \$92,500 2004 SEV: \$1,934,168 2004 Taxable Value: \$0
2009 True Cash Value: \$3,308,668

Parcel #24-205-572-0001-00
#24-205-571-0001-00

Amazon
550 West Western



Grant Info: Phase I and II ESA, BEA, Due Care Plan
\$21,100 1999 - 2000

This former knitting mill, constructed in 1895, was renovated and transformed into market-rate and subsidized apartments. Private investment was approximately \$11.3 million, with over 6 full-time jobs created. Most importantly, it has brought more residents to downtown Muskegon. Located across Shoreline Drive from the Heritage Landing festival center, with views of Muskegon Lake, the Amazon Apartments are a in a prime Downtown location.

1996 Taxable Value: \$80,698 2008 Taxable Value \$3,805,100
True Cash Value 2009: \$7,486,341

Parcel # 24-205-568-0001-00

Rust Marine (GVSU Water Resources Institute)
740 W. Shoreline



Grant Info: Phase I and II ESA, BEA, and Due Care Plan
\$31,600 1998 - 1999

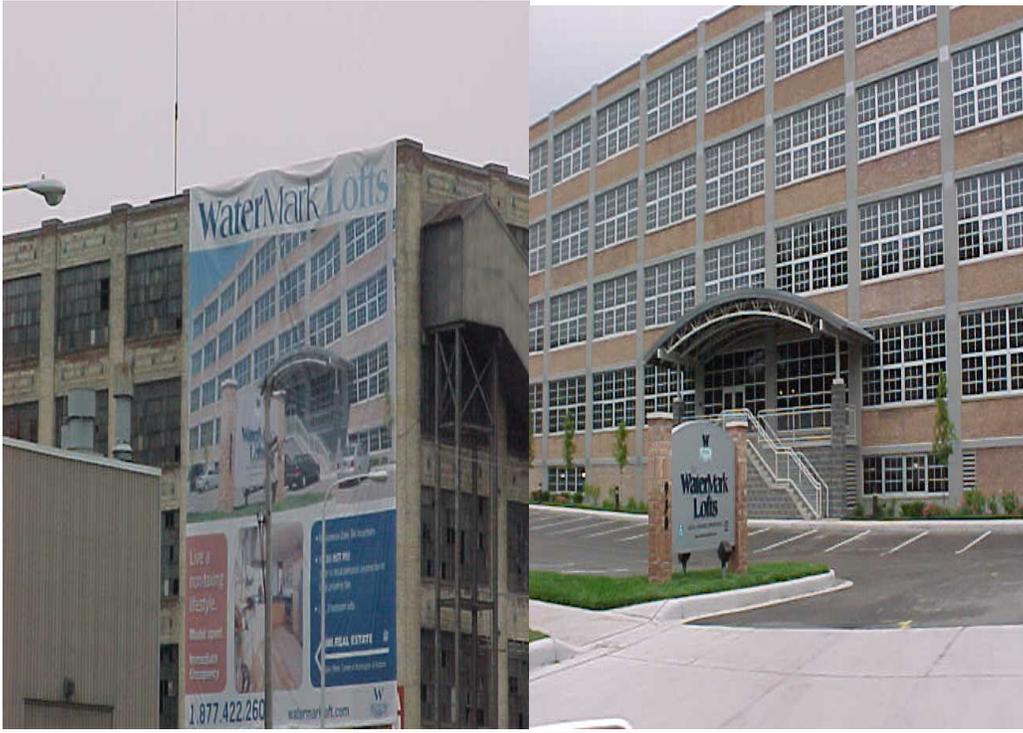
This former marine construction yard was transformed into the Grand Valley State University's Annis Water Resources Institute, now called the Lake Michigan Center. AWRI is committed to the study of freshwater resources. The mission of the Institute is to integrate research, education, and outreach to enhance and preserve freshwater resources. Nearly 100 GVSU staff, administrators, instructors, researchers, and graduate/undergraduate students are involved with the Institute at any one time. The Institute occupies the Lake Michigan Center on Muskegon Lake in Muskegon, MI. Facilities include classrooms, conference areas, analytical labs, research labs, mesocosms, dockage, and ship support and storage. AWRI operates its own research vessels, the [D.J. Angus](#) and the [W.G. Jackson](#), and offers the Water Resources Outreach Education Program for K-12 schools and community groups. This project represents \$5 million in public/private investment.

1996 Taxable Value: \$123,360 2008 Taxable Value: \$0 (tax-exempt)

2009 True Cash Value: \$3,583,933

Parcel #24-205-571-0001-20

Shaw-Walker (WaterMark Lofts)



**Grant Info: Phase I and II ESA, BEA, and Due Care Plan (Portion of site)
\$6,000 1999**

This vacant former furniture factory has been, and continues to be developed into a mixed-use residential and commercial/retail complex. The first phase of owner occupied lofts has been completed, and has been extremely well-received. The first phase represented over \$1.8 million in private investment, has created 10-20 jobs, and it has brought more residents to downtown Muskegon. Plans for the future include development of a movie production studio. This project has been designated a State Renaissance Zone, and was added to the Muskegon Brownfield Plan in 2004.

2004 Taxable Value: \$0 2008 Taxable Value: \$1,134,696
2008 True Cash Value \$11,606,822

Parcel #24-205-468-0001-10
#24-205-466-0001-00
#24-205-467-0001-00
#24-855-000-0000-00

Terrace Lots (National City)- 715 Terrace



**Grant Info: Phase I and II ESA, BEA, Due Care Plan
. \$23,150 2001 - 2002**

This area was formerly part of the Teledyne/Continental Motors industrial complex. It is now the new location of PNC (formerly National City Bank), as well as other commercial tenants. Private investment in this project was approximately \$4 million. It has been designated as a Renaissance Zone, and was added to the Muskegon Brownfield Plan in 2004.

2004 Taxable Value \$0 2008 Taxable Value: \$938,705
2009 True Cash Value \$1,908,884

Parcel #24-205-562-0001-00 (OPRA Exemption Parcel)
#24-958-005-0003-00 (OSB Rehab Parcel)

Northern Machine Tool
761 Alberta



Grant Info: Phase I and II ESA, BEA, Due Care Plan-
\$31,200 2004

Northern Machine Tool is an existing Muskegon business that needed to expand its manufacturing operations onto adjacent property. After SAF activities cleared the way for property acquisition and development, the property stands ready for an expansion valued at \$800,000, with a potential for creation of 5 new jobs. This property has recently been designated as a Tool and Die Recovery Zone, and was added to the City's Brownfield Plan in 2004.

1996 Taxable Value: \$142,886 2008 Taxable Value: \$383,537
2009 True Cash Value: \$883,619

Parcel #24-400-000-0032-00

Muskegon City Center (Former Mall)



Grant Info: Phase I ESA, BEA Due Care Plan for infrastructure; asbestos surveys
\$26,650 2003 - 2004

The former Muskegon Mall previously constituted the heart of Downtown Muskegon. A public/private partnership, the Downtown Muskegon Development Corporation, acquired the properties to facilitate the redevelopment of the downtown Muskegon core. All structures in a 3 square-block area were demolished, but for a few historically significant buildings, to make way for the new Downtown Muskegon - an Urban Village design with stores, offices, restaurants, and residential uses. The City Brownfield Authority approved a Brownfield Plan that will capture Brownfield TIF (upon expiration of the Renaissance Zone designation) to pay for various site improvements. An estimate of at least \$50 million in private investment, with the creation of 200 jobs, is anticipated and much of this is already underway. Several active projects on the former Mall have received assessment funding through the City's 2004 Site Assessment Fund Grant, which determined "facility" status and allowing for MBT Credits through the City's Brownfield Plan.

1996 Taxable Value: \$6,573,112

2008 Taxable Value: \$1,040,452

2009 True Cash Value: \$12,712,175

Parcel Numbers: (Listed on following page)

24-234-000-0007-00	24-233-000-0022-00	24-233-000-0020-00
24-234-000-0008-00	24-233-000-0001-00	24-431-000-0007-00
24-234-000-0009-00	24-233-000-0002-00	24-431-000-0006-00
24-234-000-0000-00	24-233-000-0006-00	24-431-000-0005-00
24-234-000-0005-00	24-233-000-0005-00	24-431-000-0002-00
24-234-000-0004-00	24-233-000-0004-00	24-431-000-0001-00
24-234-000-0003-00	24-233-000-0025-00	24-431-000-0003-00
24-234-000-0002-00	24-432-000-0000-00	24-431-000-0004-00
24-234-000-0001-00	24-432-000-0004-00	24-431-000-0008-00
24-233-000-0015-00	24-233-000-0000-00	
24-233-000-0014-00	24-233-000-0009-00	
24-233-000-0013-00	24-233-000-0008-00	
24-233-000-0012-00	24-233-000-0007-00	
24-233-000-0011-00	24-233-000-0010-00	
24-233-000-0024-00	24-431-000-0000-00	
24-233-000-0023-00	24-233-000-0016-00	

Other Targeted Properties

Additional properties evaluated in this study included:

- Getty Street
- Farmers Market
- CMS
- West Michigan Steel
- Westran
- McCracken St. Corridor
- Fisher Steel

These projects did not result in a specific economic development project for one or more of the following reasons:

- 1) Site Access could not be secured
- 2) Efforts to move industrial operations off the lakeshore were not successful
- 3) Portions of the property were acquired for the Shoreline Drive expansion
- 4) Soon after the grant agreement was signed in 1995, Part 201 became effective, which changed the approach being used to evaluate sites and also changed the scope of the environmental assessment to a Baseline Environmental Assessment and Due Care approach. As a result, the emphasis of the Muskegon SAF program changed to undertake work only on those sites where a specific development project was identified and evaluated.