



June 2, 2009

As GM plant closes, doors open for new development

By *ERIC RUTH*
The News Journal

The closing of the 62-year-old General Motors plant near Newport is a big dose of bad news for Delaware, but it could bring new opportunities.

That's the lesson learned by U.S. communities that worked to quickly redevelop plant properties into projects that brought their own economic benefits.

In Farmington Hills, Mich., a developer plans to use a shuttered plant property for housing and industry. In downtown Detroit, GM is working with the city to transform one site into a mixed-use riverfront center similar to Wilmington's. In Van Nuys, Calif., an old Chevy plant was transformed into 35 stores and restaurants.

Because it's located in a part of New Castle County that boasts precious little open space, the Boxwood Road plant offers a rare opportunity to carry out a large, coordinated project that addresses community needs.

"Many of the sites are very well-located [across the country], said Nancey Green Leigh, professor of city and regional planning at the Georgia Institute of Technology, who has studied closed plant property sales. "They were originally built in what were the far suburbs, but over time, the cities have grown."

Others worry that the GM site's suburban location could make it less attractive to developers.

"Boxwood will be a different venue, and probably a more difficult sell, just because the way it's landlocked," said Alan Levin, director of Delaware's Economic Development Office, in comparing the site to Chrysler's closed Newark assembly plant. "There's no frontage there to speak of."

Levin said the state has talked with companies -- including automakers -- about using the GM site, although he didn't offer specifics. He said the state would watch GM's effort to sell its Saturn division, and look to market the factory to Saturn's buyer.

"Our first goal would be to use it for what it is today," Levin said.

As governor in the 1990s, Sen. Tom Carper commissioned a task force to explore uses for the Boxwood Road site after GM announced its intention to close the plant. GM reversed its decision, but the task force report is probably "on a shelf in state government," he said.

Nationwide, few closed auto plants are repurposed for another big industry, partly because of the task-specific layouts of the assembly plants and their enormity, experts said. Aged auto plants also have significant cleanup challenges.

In some cases, workers are needed to disassemble machinery and demolish buildings, tasks that can provide jobs for the workers who have been laid off.

In Doraville, Ga., Georgia Institute of Technology researchers examined what could -- and should -- be done with the closed GM plant there.

"It was an opportunity to try and take this site and reweave it back into the community," said Leigh, the study's leader.

It was clear there was faint hope of finding a new industrial tenant for the entire plant, she said, and city officials were leery of putting all their economic eggs in one basket again.

In Newark, the next chapter could be ready to unfold for the now-closed Chrysler plant. The University of Delaware wants to buy the property for use as a biotechnology center, and negotiations between the university and Chrysler are ongoing, said David L. Brond, vice president for communications and marketing at UD.

"We're out of space in the current biotech park, and with a lot of the partnerships we're forging ... that is what a dominant portion of that space would be used for," Brond said. The university sees the property as a place to expand its focus on health care training and research, as well as alternative energy research.

Newark Mayor Vance Funk III said he has endured many "false alarms" about a deal to sell the Chrysler plant in recent weeks and "it's just beyond frustration at this point."
