

## REPORT CONCLUSIONS

A total of 267 automotive manufacturing facilities have closed in the United States since 1979. Of that number, 112, or 42 percent, were closed in the seven years between 2004 and 2010. Given that auto manufacturing plants are often one of the top three employers in a community, a closure negatively impacts the community in many ways. The large number of recent closures has presented communities across the U.S. with several challenges as they determine which steps to take to repurpose the property. Findings from this study provide insight for policy makers and communities to know how to best organize their resources toward repurposing auto manufacturing facility sites.

Given the high density of plants concentrated in the upper Midwest, it is harder for communities to repurpose the sites. The majority of closed automotive facilities are located in the region, with 173 of 267 (65 percent) located in Michigan, Indiana and Ohio. In fact, counties with ten or more closed plants had a repurpose rate of 35 percent, compared with 62 percent for counties with only one or two closed plants. Because of the difficulties involved with repurposing, targeted assistance to regions with a high density of plant closures is suggested.

High unemployment rates and decreasing population in a county are also conditions that make it difficult to repurpose a plant. Population change and unemployment levels are metrics often used to determine the economic vitality of an area. Given that counties with less economic activity have lower rates of repurposing former auto manufacturing facilities, it is therefore reasonable to focus assistance efforts to communities in this demographic.

Assistance at all government levels can encourage redevelopment. Several federal programs provided financial assistance in repurposing efforts from a variety of departments including the EPA, Commerce and HUD. This funding takes a variety of forms, from environmental remediation assistance to economic development and tax-related assistance. When communities receive federal funding, they are often able to leverage additional resources, such as state and local funding options, to make the redevelopment a reality.

There is no silver bullet that will always spur redevelopment, but there are several actions community leaders can take to assist in the redevelopment process. The first is to garner support of the broader region, so that the community is not acting alone. When redeveloping the site is part of a regional effort, chances are more likely that potential buyers will take notice.

Another helpful action is actively engaging community residents in potential site plans as they are established. This ensures that residents have a place to voice concerns for aspects of the development, and developers and community leaders have an opportunity to answer the concerns. While the community engagement method may take longer initially, it avoids delays and confusion later in the process.

Because development decisions are often made at a local level, understanding local politics is important. In a few case study examples, the developer did not necessarily connect with all the decision-makers, and some cite this issue as a reason development plans were turned down. When a developer understands the way planning decisions are made, he or she can communicate with the parties involved to ensure they are aware of and understand plans for the site.

The ability to customize both local and state policies was helpful in a few instances. When appropriate, policymakers amended policies to aid in the property redevelopment. Clearly, changing policies simply to encourage development is unwise, especially if there are negative externalities associated with those changes. But to the extent that a policy amendment makes sense, communities can recognize it may be an option at their disposal.

Investors looking to develop a property often have a tight timeline for when the development must generate revenue. When possible, reducing the bureaucracy and paperwork associated with redevelopment efforts, especially site permitting and financial assistance, is important. While it is imperative that regulatory requirements are met, and that a project is correctly assessed to ensure that benefits outweigh costs, recognizing when it is possible to streamline procedures is highly beneficial to the new investors and the community.

Finally, while there are many potential uses for closed automotive facilities, the highest and best use for a community is for the facility to remain in the automotive industry, which has been shown to support the highest number of quality jobs in the community. Beyond seeking new automotive investment, automotive communities have assets in their technological base, educational infrastructure, and skilled workforce. Capitalizing on these assets is paramount to moving communities forward.