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Contact: Mark Maley, 608.210.6706
mark.maley@wedc.org

City of Janesville receives \$500,000 state grant to support redevelopment of former General Motors plant

WEDC funds will help fund demolition of assembly plant area to make way for future development on site of century-old plant

JANESVILLE, WI. JUNE 20, 2018 – In a move that marks a significant step toward the redevelopment of the former General Motors assembly plant in Janesville, the Wisconsin Economic Development Corporation (WEDC) today announced it has awarded the city \$500,000 to help fund the demolition of the old factory.

The Idle Sites Redevelopment Grant will be used to help offset the costs of razing six buildings on the 114-acre assembly plant area, including the 3.9-million-square-foot main plant. Prior to its shuttering nearly a decade ago, the property's history includes the manufacturing of farm implements, automobiles, trucks and even artillery shells.

Demolition work is now underway and is expected to be completed by June 2020. Meanwhile, redevelopment and remediation activities are projected to take several years.

The grant being awarded today is for the assembly plant site, located north of the railroad tracks. The haul away yard area located south of the tracks also is being redeveloped, but is not included in the WEDC grant.

Commercial Development Co. (CDC), a leading North American commercial real estate and brownfield redevelopment company, plans to raze the buildings to make way for about 1 million square feet of space to be used for future industrial and warehousing end users that require railroad service.

Officials estimate the assembly plant site and haul away yard have the capacity for more than \$355 million in new development for projects that could result in up to 700 jobs.

“For nearly a century, the GM plant in Janesville provided family-supporting jobs to thousands of workers in Rock County and the surrounding region, and was a key part of the county’s manufacturing legacy,” said Lt. Governor Rebecca Kleefisch, who joined city and CDC officials Wednesday in making the announcement. “The work being done on this site today represents a rebirth of this property and a new future for the community and those who live and work here.”

“The former GM assembly plant represents nearly a century of Janesville history. While its demolition is an emotional event for many of our citizens, we look forward to closing this chapter and progressing towards the future,” said Janesville City Manager Mark Freitag. “This generous grant from WEDC will help move this major project forward. This site holds much potential for

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the residents of Janesville, and we're excited to see it put back to good use, bringing jobs to our citizens and progress for the community."

"The former assembly plant has unique features and logistical attributes that we believe create the potential for significant new development and more jobs for the entire region," said John Fonke, executive vice president of CDC. "There are many reasons why we're investing in Janesville, including the strong local workforce, access to infrastructure, transportation and the proximity to great universities."

James Otterstein, economic development manager for the Rock County Development Agency, said county leaders and the business community are hopeful about the future of the property.

"The property's railroad and energy infrastructure networks represent value-added assets that will assist with the redevelopment efforts," said Otterstein.

The redevelopment of the site will take several years and in addition to the demolition, the project will require internal roads and other infrastructure improvements, as well as on-site soil and groundwater testing and remediation. Various environmental issues have been addressed at the site over the past 20 years; however, city officials say more work is required, including cleanup of the Rock River sediment to restore the water quality in the area.

From 1918 to 2008, workers at the massive plant made tractors, trucks, cars and even artillery shells. The primary production processes involved metal working, sealing and welding associated with vehicle body and component fabrication, and vehicle engine and chassis assembly. At the height of its operations in 1970, the plant employed more than 7,000 workers.

WEDC's Idle Sites Redevelopment Program, created in 2013, stimulates investment and job creation at idle, abandoned and underutilized manufacturing sites that cannot be redeveloped solely by the private sector due to their scale and complexity.

The grants may be used for demolition, environmental remediation or site-specific improvements defined in the community's redevelopment plan. The goal of the program is to advance the site to shovel-ready status or to enhance the site's market attractiveness to encourage business growth.

One major success of the Idle Sites Redevelopment Program is the Ironworks Campus in Beloit, which was instrumental in transforming the abandoned Beloit Corp. plant into new office and flexible spaces. The City of Beloit received a \$1 million grant in 2014 for the project, which has created more than 700 jobs since then.

"In every region of the state, this program has helped jump-start major redevelopment efforts. Through this program, 18 communities have received more than \$15 million in grants so far," said Mark R. Hogan, secretary and CEO of WEDC, the state's lead economic development organization. "WEDC's investments through this program will support key economic development projects that are expected to create nearly 5,000 jobs and have an economic impact of more than \$600 million."

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About the Wisconsin Economic Development Corporation

The Wisconsin Economic Development Corporation (WEDC) leads economic development efforts for the state by advancing and maximizing opportunities in Wisconsin for businesses, communities and people to thrive in a globally competitive environment. Working with more than 600 regional and local partners, WEDC develops and delivers solutions representative of a highly responsive and coordinated economic development network. Visit wedc.org or follow WEDC on Twitter @WEDCNews to learn more.

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