

CRAIN'S DETROIT BUSINESS

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Marysville looks to a riverfront renaissance

By [Tom Henderson](#)

The **DTE** coal-fired power plant in Marysville sits brown and hulking, its 12 stories and 300,000 square feet dominating the skyline from the banks of the St. Clair River.

If officials in Marysville, a city of almost 10,000 just south of Port Huron, have their way, what will rise on the site in the coming years will include a boutique hotel, condominiums, a fine-dining restaurant, a day-slip marina and perhaps a water park.

Built in 1922, the 167-megawatt plant employed 250 for most of its productive life, until it went offline in 2001. That hit to the city's tax base has been more than made up for by the rapid expansion in recent years by **SMR Automotive Systems**, a tier-one auto supplier whose campus is a mile south of the **DTE Energy Co.** site.

In bits and pieces, the DTE plant has started to disappear, its brick façade is being pulled off and stacked in piles, its tons of steel being torched into recyclable chunks.

The demolition crew originally planned to topple the main body of the plant on its side later this month and finish carting off its pieces over the next six months, but now it is considering imploding the building later in the summer.

It is expected to be at least 18 months before environmental remediation is complete, with groundbreaking on development scheduled for late 2016 or early 2017.

The plant sits on 20 acres of prime riverfront real estate, with a deep water port and 1,800 feet of river frontage, built in an era when riverfront meant industrial, not recreation, when housing values increased as you got farther away from water.

"We're going to make this a destination-type site. We'll create a riverfront with a town-square feel," said Randall Jostes, CEO of St. Louis-based **Environmental Liability Transfer Inc.**, which is responsible for turning what is a brownfield today into a greenfield ready for development.

"This is the future of Marysville," said Mayor Daniel Damman.

A river runs next to it

It's easy to pass through Marysville without knowing it. It has no central business district and seems to be just a southern district of Port Huron, its larger neighbor immediately to the north.

Marysville's main thoroughfare — Gratiot Boulevard, the northernmost stretch of the Detroit street of the same name — runs through town on its way to Port Huron's historic downtown and lakefront beaches farther on.

Until now, there hasn't been much reason to stop there.

City officials hope the DTE development will give people in nearby counties an excuse to drive to Marysville instead of through it, to give them a weekend retreat far closer than Traverse City or Mackinac Island, and to give Canadian citizens coming over the Blue Water Bridge



Photo by TOM HENDERSON Marysville City Manager Randall Fernandez (left) with Randall Jostes, CEO of Environmental Liability Transfer, Inc. which is responsible for slowly disassembling a former DTE Energy plant to create a prime piece of land along the water.

to shop a reason to head a few miles south and make a weekend of it.

With I-94 and I-69 both just minutes away, Marysville is an hour's drive away or less for millions of Michigan residents.

David Di Rita, a principal of **The Roxbury Group**, the Detroit-based real estate developer that renovated the old Globe Building on the Detroit River into the **Department of Natural Resources'** Outdoor Development Center, said that a marina on the DTE site will be crucial.

He said he is familiar with the DTE plant because as a kid his family drove past it on the way to Lexington in the summer. He said the **Army Corps of Engineers** built a break wall in Lexington in the 1970s that allowed for a large marina, "and that put Lexington on the map."

He added: "Absolutely, the key is opening up the waterfront. Creating more opportunities to interface with that property from the water is necessary."

Boaters in Lake St. Clair, for example, will have more of an excuse to pilot up the St. Clair River and make a weekend of it by having a place to dock, get a room for a night and have a nice dinner.

"Water brought DTE to Marysville, and it can bring people there now. You create a demand," he said. "Marysville is not that far away, and obviously the water there is beautiful."

"It takes a lot of vision to transform an industrial riverfront," said Mark Wallace, president and CEO of the **Detroit Riverfront Conservancy**. "It's usually had so much hard use you have to remind yourself that it was once a natural place.

"In Detroit, we took a very blighted area and turned it into one of the best parks in America. It's great to see cities like Marysville taking a look at their riverfronts, too."

Wallace formerly was the Detroit-based director of **Hines Interests LP** who managed **Bayside**, a 13-acre residential and commercial-use waterfront development in Toronto and was project manager of **River Point**, a 1.3 million-square-foot mixed-use development on the Chicago River.

Jostes has engaged **Sitetech Inc.** of Grafton, Ohio, to tear down the plant and handle the massive recycling involved. Tons of steel will be sold as scrap. Some bricks have gone to DTE to distribute to former workers as souvenirs. Many of the bricks now in large mounds on the site will be ground up and used as landfill on the site after coal-contaminated soil has been removed.

Environmental Liability shares ownership and some management with **Commercial Development Co. Inc.** of St. Louis, which began talks with DTE about buying the site in December 2012 and which closed on the deal in December 2013.

CDC was founded in 1985 to buy vacant industrial properties and either retrofit them into big-box distribution centers or do demolition and brownfield site reclamation.

CDC has since bought nearly 100 industrial sites in the U.S. with a total of about 54 million square feet, including a 100-year-old **G. Heileman Brewery** in Frankenmuth after the brewer declared bankruptcy in 1991.

That site is now home to the **River Place Shops**, an outdoor German-themed mall with 40 shops and attractions.

Jostes said CDC has engaged a firm that will begin marketing the DTE site to hotel and restaurant developers after further clean up.

He said that an architectural design firm will be hired soon to do renderings of possible development at the site, a mixed-use project that will include retail, too.

Jostes said his firm will do utility relocations and handle all the rezoning, turning the site into what he described as a pad-ready greenfield. He said CDC would prefer to then sell the land to a developer, although it could develop the property itself if necessary.

Fernandez said talks have begun with firms in Wisconsin that manage water parks about an installation on the DTE site.

More than \$5 million in waterfront grants have already gone to improve the city's waterfront, funding a new kayak launch south of the DTE plant, a boardwalk along the river and a new fish-cleaning station for anglers.

Fernandez said he is working on a grant for a fishing pier, too.

"A casino is on our wish list, too, although that might be difficult to get through the Legislature," said Fernandez.

The No. 1 project for the development, though, is the boutique hotel.

According to Daniel Casey, CEO of the **Economic Development Alliance of St. Clair County**, the hotel occupancy rate in the county is 60 percent, compared to 55 percent statewide, a rate that is expected to go higher with the opening in April of a new 43,000-square-foot convention center in Port Huron, under the Blue Water Bridge that connects Port Huron to Sarnia, Ontario.

"They just cut the ribbon. We won't have enough hotel rooms when it gets going," Damman said.

Post-industrial vision

Marysville officials credit DTE with making sure it found a buyer that would have a 21st century vision for what riverfront property could be, especially property on some of the bluest river water in the world, just a few miles downstream from Lake Huron.

"We'd been worried," Damman said. "There were rumors a scrap-metal recycler would buy the site and use it to load freighters going to the Pacific Rim. But DTE was keenly aware what that site meant for the region. You can't overstate what an exceptional partner DTE has been. They really worked hard to find the right suitor for the site."

"We all knew from the get-go that we had to do our due diligence and make sure it was developed right. It was very critical in doing our due diligence and in the bidding that we keep the city involved in every step of the process," said Ron Chriss, regional manager for DTE.

DTE continues to be active in Marysville. The **DTE Community Foundation** has donated \$25,000 to start fundraising for the new Marysville Community Endowment Fund, which will formally launch during an event at **Marysville High School** at noon on Friday, June 12.

The end of an era

Although the community looks forward to new development, the plant evokes nostalgia as an iconic part of Marysville's past and its sole landmark. It will be missed.

"That plant is an icon here. It employed hundreds of people, and it provided a huge tax base to the city," Fernandez said. "People will always associate that site with Edison."

Ryan Cooley, the founder of **O'Connor Realty Detroit LLC**, and his brother, Phil, the owner of **Slow's Bar BQ** in Corktown, grew up in Marysville. Their grandfather, Francis O'Connor, worked for Edison as a tree trimmer before retiring in the early 1970s to found **O'Connor Realty Inc.**

Ryan Cooley said some of his fondest memories are of the plant. "It's my first memory. My grandfather had access to the plant grounds, and we'd go fishing there. He always had time to take us fishing. We'd catch perch and walleye. They're special memories.

"I always thought the plant was a beautiful building architecturally, though others may have seen it differently. I look at it the way I look at the **(Michigan Central Depot)** across the street from where we're at. I'm happy to just have it sit there and be able to look at it, and I'd have been happy to see the DTE plant stay there, too, though I'm glad to see them developing something like this on the river."

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