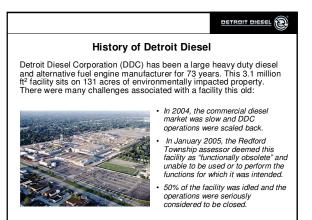


Detroit Diesel Redford Renaissance Brownfield Redevelopment Project

The 2008 EPA/Phoenix National Award Winner

AHMP Annual Conference, Austin Texas August 31, 2011 8:00 am

Presented by: Karen Goryl – Sr. Environmental Engineer Detroit Diesel Corporation



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Assessing for Redevelopment

DDC has a long standing history and reputation in the metro Detroit area, with deep roots and a history of community involvement. Although a green field option was considered, revitalizing its existing brownfield site could be advantageous for both the company and community – by winning the next generation diesel engine platform we would keep 2,450 jobs in Michigan!

Significant efforts and a very large capital investment would be required to renovate, revitalize, and transform the ageing facility.

DDC invested \$275 million to initiate a large brownfield redevelopment project with the support from Corporate Daimler AG, Redford Township, and the State of Michigan. As of July 2011 our total investment has reached \$350 million.

 Redford Township awarded DDC with a \$13 million brownfield grant.
 Approximately \$65 million of total tax credits and other incentives from State of Michigan were granted.

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Redevelopment Strategy and Planning

Early 2005, DDC's "Redford Renaissance" Redevelopment Project was launched (2005 – 2008). To meet this commitment, DDC needed to:

- Demolish 8 machining and assembly lines - Renovate and upgrade the building envelope
- Install the next generation new diesel engine production and machining lines
- Reduce environmental liabilities (asbestos, PCBs, USTs, etc.) - Continuously remediate the subsurface pollution



Establish an effective environmental management system



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Challenges Faced Along the Way

To turn around a 73-year old large production facility was not easy. It would cost a tremendous amount of time, money, and effort: - Infrastructure improvements: water, steam and utility upgrades.

- Removal of old machinery lines and foundations.
- Replacement of 1 million ft² of the roof.
- Raising 127,000 ft² of the roof to fit the new production equipment.
- Removal of 30 active and abandoned roof-top PCB transformers.
- Repave 60% of parking lots.
- Repair & upgrade 52 air supply houses, expand the chiller plant, & upgrade the cooling towers.
- Renovate office areas for 5 new tenants.
- The facility demolition, renovations, and environmental improvements cost exceeded \$64 Million.



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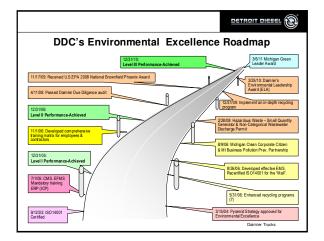
All this needed to be done while production continued!

Facility & Community Benefits from the Project Retained 2,450 jobs and created additional 450 jobs. Installed innovative technologies to reduce the plant emissions. Installed energy efficient systems (i.e., roof, energy optimization system, natural and censored lighting improvements, etc.) Added 7,700 ft² of new green space. Secured and increased the tax base. Attracted new tenants to this location (MTU-Detroit Diesel, Axle Alliance Company, Purem, Mercedes Benz, Sterling Trucks, and Western Star Trucks.) Public road improvements were funded from the State Brownfield

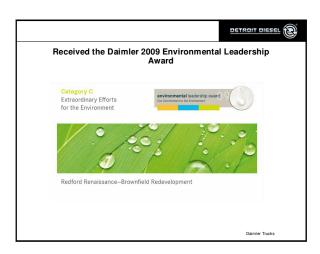
Redevelopment Plan. - Local commercial establishments, suppliers, vendors, and service providers continue to benefit from the plant operations.

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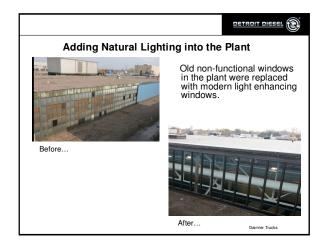




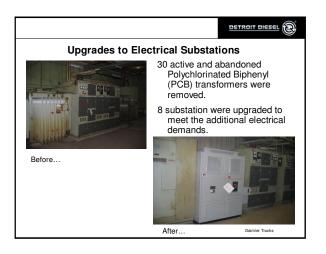








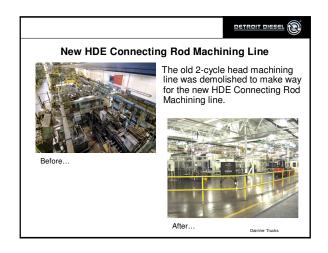






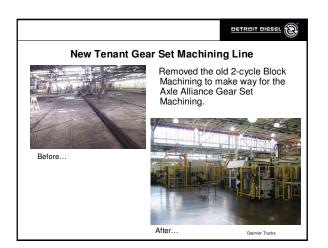
















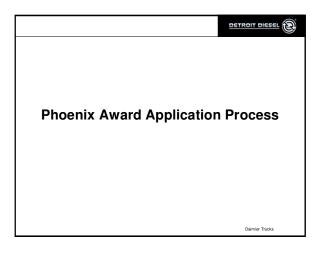
Redford Renaissance One Team Drives Excellence

After 4 years of hard work, DDC successfully completed the "Redford Renaissance" Brownfield Redevelopment Project and re-invented itself as a world class leader!

We revitalized and transformed this old diesel engine plant into a modernized "Manufacturing Mall" to produce a range of commercial vehicle components for the world market.

We continuously strive for excellence and innovation to be an industry leader in manufacturing, as well as a respected, responsible member of our community.







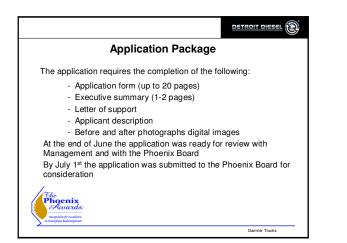
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Case Evaluation and Summary In March 2008 data was collected on the brownfield project from many departments and groups. Facility Engineering, Plant Engineering, Production, Finance and Environmental. All applicable material was evaluated and compared to the requirements of the Phoenix Award Application A management review was prepared to obtain support for the application submittal. Plant manager's letter of support was received on June 30th.

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