Grand Rapids pays $3.3M to upgrade industrial riverfront property

Kate Carlson - June 13, 2024

The city of Grand Rapids acquired this riverfront property on Market Avenue SW from Gelock Heavy Movers to improve sewer infrastructure and ultimately convert the area to greenspace. Credit: Joe Boomgaard, Crain's Grand Rapids Business

The city of Grand Rapids has spent $3.3 million to acquire a pair of flood-prone, industrial riverfront properties and expedite a sewer separation project that's needed to keep a large nearby mixed-use development on track.

The city bought 501 Market Ave. SW for $2.4 million and 489 Market Ave. SW for $176,400 on May 30 from Gelock Heavy Movers, according to property records. Gelock provides warehousing as well as rigging and cranes for moving heavy industrial equipment.

The acquisitions were part of the city's larger $3.3 million deal with Gelock to gain access to 489 Market to separate storm and sanitary sewer infrastructure, and ultimately convert the industrial site to greenspace. That sewer work is needed between the Grand River and Market Avenue to coincide with upcoming sewer separation nearby along the $147 million Factory Yards development.

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The city commission in April approved the Gelock agreement, which includes paying for Gelock's appraisal and relocation costs involving an onsite storage facility, and attorney fees. The deal also included a 30-month lease-back for Gelock for the portion of the site that's not needed for the sewer work.

The industrial riverfront properties sit between the proposed Acrisure Amphitheater and Factory Yards projects. Credit: City of Grand Rapids

The nearly 2-acre parcel at 501 Market has had five incidents from 2013-2023 when water from the Grand River seeped through the floor of the 26,720 square foot building where Gelock stores heavy equipment.

"Naturally, that's a concern for the city because it highlighted a weak spot in our flood protection system," Grand Rapids City Engineer Tim Burkman said. "We have been investigating that for years to determine how water is getting there and seeping up under the floor."

The city's "extensive investigation" included sending divers to examine the floodwall of the property to look for weak points or penetrations, Burkman said. However, the city has been unable to find the cause of the flooding on the property when water levels rise, he added.

The two-parcel property deal came after Gelock refused to grant the city access to the 489 Market for the sewer separation project unless the city also provided flood mitigation assistance on the adjacent property at 501 Market, according to a city memo.

A Gelock representative could not be reached for comment.

Gelock Heavy Movers is headquartered across the street from the two parcels it recently sold to the city. Credit: Joe Boomgaard, Crain's Grand Rapids Business

The city agreed to remove the portion of the building at 501 Market that is blighted and experiencing flooding to hopefully get to the root of the flooding issue and restore the structure. That work should occur later this year, Burkman said.

"Our engineers have some ideas of how to resolve it, but we really need to get in there and get a full look and excavate it to find a necessary solution," Burkman said.

Meanwhile, the two properties sit about halfway between the proposed

Acrisure Amphitheater and Factory Yards, a 15.5-acre, $147 million mixed-use renovation of a former factory about a half-mile south at 655 Godfrey Ave. SW.

While a potential major flooding event wouldn’t necessarily reach either of the developments from the former Gelock properties, Burkman said such an event could “have a significant impact on Market Avenue.”

Heritage Development has started work on the $147 million mixed-use Factory Yards project, a renovation of a long-vacant 15.5-acre industrial property near 655 Godfrey Ave. SW. Credit: Kate Carlson, Crain’s Grand Rapids Business

Sewer separation project

The Grand Rapids City Commission last week approved a cost-sharing agreement with Heritage Development Partners, the metro Detroit-based Factory Yards developer, to accelerate the storm and sanitary sewer separation work along their project and help the developers meet their construction timeline.

The sewer infrastructure updates along Factory Yards on Godfrey from about Oxford Street to Chestnut Street are expected to happen in the 2025 fiscal year. Sewer work is then scheduled to continue up to the Grand River, including the 489 Market parcel, in fiscal years 2026-2027.

Under the cost-sharing agreement, the Factory Yards development team will pay about $1.7 million to expedite the sewer project, while the city will contribute about $10 million for the entire reconstruction of Godfrey Avenue from Oxford to Chestnut and remaining costs for street improvements.

"The Godfrey sewer separation project is taking a significant area that is currently a combined sewer system and it is going to fully separate that area," Burkman said. "It's a significant project that has been worked on for quite some time. When you separate sewers, you're not sending all of that stormwater (unnecessarily) through the wastewater treatment plant and so you are not overwhelming the capacity by treating stormwater."

When Gelock's lease with the city expires in 2026, Burkman anticipates the property will be turned into a greenspace, although that ultimately will be a decision for the Grand Rapids Parks and Recreation department.

"It is anticipated that after Gelock's lease expires in 2026 the City will use the riverfront property for public park purposes including access to the Oxford Trail pathway and bridge over the Grand River," according to the April 9 city memo.

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Kate Carlson

Kate Carlson is a reporter covering commercial real estate and development trends across West Michigan for Crain's Grand Rapids Business. She has been covering the commercial real estate market in the region since 2020. Email Kate at kate.carlson@crain.com.