

CRAIN'S

DETROIT BUSINESS

NOVEMBER 30-DECEMBER 6, 2015

New industrial, warehouse construction looms on large sites in metro Detroit,

PAGE 11



The not-so-sweet story of rival fountain drink sellers — and the lessons learned

Soda war ends with settlement, new plans for Leonard's



By Robert Snell
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An expensive three-year legal battle over the metro Detroit soft drink syrup market has left one firm standing and an upstart rival crushed like a pop can.

The battle — and allegations of spies, lies and even mob-style

business tactics — offers a glimpse into the local portion of an \$11 billion industry providing soft drink syrups to bars, nightclubs and restaurants.

Federal court records and interviews chronicle a David-versus-Goliath battle between the upstart, Detroit's **National Beverage Systems Inc.**, and **Leonard's Syrups**, the Detroit-based company

known for its rainbow-logo laden delivery trucks providing discounted syrup.

In an interview last week, Leonard Bugajewski Jr., CEO of Leonard's Syrups, reflected on the legal battle with National owner and President Eric Weiss that roiled an industry built on knockoff soft drink syrups. Think Red Baron, not Red

SEE **SYRUP**, PAGE 20

Crittenton shores up finances, invests

Hospital buoyed by Ascension's capital, expertise

By Jay Greene
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Bleeding red ink most of the past five years, **Crittenton Hospital and Medical Center**, now under the management of Warren-based **Ascension Health Michigan**, expects to turn the financial tide yet this year and embark on an ambitious capital improvement plan.

A third-party analysis shows a tidy operating profit for Crittenton for 2015 — while hospital officials are making plans to expand services and make improvements to the north Oakland County hospital. On



Gwen MacKenzie: Ascension leader says renovating Crittenton ER a priority.

Oct. 1, Ascension Health closed on the noncash deal that transferred Rochester Hills-based Crittenton's estimated net assets of \$166.2 million in 2014 to the Roman Catholic system, the nation's largest non-profit group with 129 hospitals and \$31 billion in assets. The financial data, which is based on Medicare

cost reports, was provided by **Cost Report Data**, a Louisville, Ky.-based consulting firm.

During the next several months, Ascension and Crittenton will finalize a list of the capital and clinical service improvement projects on deck.

Hospital officials say the much-needed investments will well exceed \$6 million for six major projects. Officials declined to state total capital spending, but experts estimate, based on the described projects, spending is likely to total more than \$25 million.

The infusion of upgrades is expected to immediately make the 330-bed hospital more competitive, and profitable; it competes with such nearby rivals as **Beaumont Hospital Troy**.

Beaumont officials in Troy declined to comment on Ascension's acquisition of Crittenton and potential competitive responses.

Areas of expansion at Crittenton will be focused on adding more employed physicians, beefing up primary care, oncology, women's and children's services, emergency, surgery, oncology and cardiac care,

SEE **CRITTENTON**, PAGE 17



DETROIT PISTONS CHEF LAMAR NOLDEN



**DETROIT TIGERS CHEF MARK SZUBECZAK (LEFT)
DETROIT RED WINGS CHEF JOHN BORSIO**



DETROIT LIONS CHEF JOE NADER

SPORT ORDER COOKS

Team chefs cater to changing appetites

By Bill Shea
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Joe Nader had to feed 65,000 people for Thanksgiving. He's spent the past 10 years as executive chef at Ford Field for the **Detroit Lions**, and the team's annual tradition of playing at home on Thanksgiving means some extra duties. He oversees not only the usual concessionaire operations for fans at the game, but also the menus for ownership, the suites, media members, staff, coaches and players.

Among his Thanksgiving highlights for this season of eating: locally sourced heirloom carrots.

"It sounds like a little thing to someone else — but to me it's a big deal," Nader said.

Nader is one of four executive chefs employed directly, or by the concessionaires, for Detroit's four pro sports franchises.

From the traditional hot dogs and beer on the concourse up to elaborate specialty menus for team owners and executives, food is an important aspect of the business operations for sports teams. Nachos and Bud Light sales generate millions in revenue, and fancy fare adds a bit more as the public's gameday palate grows increasingly sophisticated.

The four chefs shared with *Crain's* some of their culinary philosophies and details about their backgrounds.

READ THEIR STORIES, PAGES 18-19

PHOTOS BY ANDREW POTTER (TOP); LARRY PEPLIN (LEFT)

MICHIGAN BRIEFS

'New economy' angle for data center thrills West Mich. biz

How excited are West Michigan business leaders over the prospect of a supersized high-tech data center near Grand Rapids? "It's almost an industrial park for the new economy," Jim VanderMey, chief innovation officer and co-founder of Grand Rapids-based **Open Systems Technologies**, told the *Grand Rapids Business Journal*.

Some OST clients work with **Switch**, the Las Vegas data company that, pending approval of tax incentives by Michigan legislators, would bring a Supernap data center to Caledonia in the former pyramid-styled home of the office furniture company **Steelcase Inc.** Over 10 years, Switch would invest about \$5 billion into what would be the largest data center campus east of the Mississippi River.

"The future of business will be driven by data, and Michigan will be well positioned as a hub of data innovation," said Birgit Klohs, CEO of Grand Rapids-based business development agency **The Right Place**,

in a news release.

Among Switch's clients are **eBay, Intel, Dreamworks, Hitachi, J.P. Morgan Chase, Sony, Google, Amazon, Time Warner, Eli Lilly** and **Fox Broadcasting**.

Fifth Third puts downtown GR home on market

Fifth Third Bancorp has put its longtime home in downtown Grand Rapids on the market, and its sale could reshape the city's central business district, MiBiz reported. Executives at West Michigan's largest regional bank stopped short of saying a sale is imminent, but multiple sources told MiBiz that developers have started looking at the campus.

John Zimmerman, a senior vice president and affiliate market director at Fifth Third Bank, said the company is "exploring possibilities" for a campus with "great potential to be a destination hub to drive growth in downtown." Even if Fifth Third sells its property downtown, the banking and financial services firm plans to remain as a tenant under any new ownership, he said.

MICH-CELLANEOUS

■ **Consumers Energy Co.** will hike commercial electric rates by 4.4 percent in 2016, the **Michigan Public Service Commission** said. The MPSC, which oversees electric and gas utilities, last week approved the Jackson-based utility's rate plan, which will go as high as 4.5 percent above all current rates for an extra \$130 million in revenue next year. Rate increases take effect Dec. 1.

■ Gary Peters and Debbie Stabenow of Michigan are among eight U.S. senators from the Great Lakes region pushing for federal funding of a new icebreaking vessel to clear paths for winter cargo shipping, The Associated Press reported. The senators sent a letter to leaders of the Senate Appropriations Subcommittee on Homeland Security requesting money to design and build the craft. The **U.S. Coast Guard** has nine cutters on the Great Lakes with icebreaking capability, but the Mackinaw is the only "heavy icebreaker" assigned to the lakes, which has led to backlogs in recent winters.

■ Crews are expected next week to begin cleaning up a contaminated property in Grand Rapids that contains thousands of gallons of toxic chemicals, MLive.com reported. The **Kent County Land Bank Authority** acquired the former **Hard Chrome Plating Co.** property last year from the city of Grand Rapids after

it was abandoned by the owners and foreclosed for nonpayment of taxes.

■ Bay City is no resort burg, but that doesn't mean there isn't demand for upscale housing. Less than a year after the first residents moved in at Uptown Bay City, the city's newest business district, 18 of the 20 available luxury condos, including two of the four penthouses, have been sold, MLive.com reported. The transactions reflect a trend in which home prices throughout Bay County have increased 6.46 percent from a year ago while going up 3 percent in sales.

■ **Drummond Island Resort**, once **Domino's Pizza** founder Tom Monaghan's dream getaway and corporate retreat, is going to auction, the *Detroit Free Press* reported. The 1,600-acre resort, which Monaghan built in the late 1980s for \$30 million and sold in 1992 for \$12 million — will be at auction with a price of \$3.5 million. Current co-owner Clif Haley, former CEO of **Budget Rent A Car**, is retiring and has decided to sell the resort.

■ The **Michigan Nurses Association** filed an unfair labor practice charge against Lansing-based **Sparrow Health**, alleging that the health system restricted employees' social media use and prohibited them from speaking to the media without prior authorization about the hospital's decision to move its sub-

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stance abuse unit from its St. Lawrence campus to its main campus, the *Lansing State Journal* reported. The charge, which claims Sparrow threatened disciplinary actions if these rules were violated, go to the **National Labor Relations Board** in Detroit for a decision that could take up to two months.

■ Lansing as a Music City mecca? The **Tequila Cowboy Bar & Grill** is slated to open Dec. 3 in the Lansing Mall with the intent of bringing north the musical and culinary feel of Nashville, Tenn., the *Lansing State Journal* reported. The 18,000-square-foot space will include four bars in Tequila Cowboy and the adjoining **Wanna B's Karaoke Sports Bar & Grill**, plus live music acts from Nashville on weekends and regional performers and line dancing lessons at other times. ■



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“We do trim all day long for car seats; they do it for coats.”

Eric Michalak, chief engineer, advance product development, Johnson Controls Inc.



Eljeana Lee (above) sews a sleeping bag coat for The Empowerment Plan. Johnson Controls Automotive Seating helped The Empowerment Plan cut the cost of their coats (below) nearly in half.

JOHNSON CONTROLS

A stitch in time

Supporters help Empowerment Plan sew up more jobs, add products

By Sherri Welch
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The Empowerment Plan is positioning itself to keep its sewing machines humming and create as many as 600 additional jobs over the next five years by adding new product lines and greatly scaling up production.

The ramp-up plan is possible with help from local companies and supporters including Johnson Controls Inc., Carhartt Inc. and General Motors Co.

With a budget of just \$1.1 million this year and only 30 employees, the Detroit nonprofit, which hires previously homeless women to make sleeping bag coats for homeless people, already has significant reach with its flagship product.

During its four years of operation, it's made 10,000 of the coats and shipped them to 30 states, six Canadian provinces, New Zealand, Australia and France, said founder and CEO Veronika Scott.

It's grabbed national headlines and at-



tracted funding from donors including singer Madonna and the GM Foundation, which awarded it a \$100,000 grant in October during the Detroit Homecoming event.

And its board is seated with power brokers including philanthropist Julie Fisher Cummings; Carhartt CEO Mark Valade; Shinola/Detroit LLC President Jacques Panis; and Dan Mullen, vice president of development at Bedrock Real Estate Services Inc.

The Empowerment Plan has made a

name for itself largely because of its sleeping bag coats, and demand for them continues to rise, Scott said. But its mission is really about creating jobs and helping people develop a job skill.

Next year, it plans to hire 20 more people, and its strategic plan calls for hiring 600 over the next five years, she said. As envisioned, half of those employees would use the nonprofit as a stepping stone to go on to other jobs.

“We want to diversify our product line (and) add other items that we’re working on ... to sustain those jobs,” Scott said.

The first new product is a children’s version of the sleeping bag coat, she said. And from there, a regular winter coat for both the homeless and others “as a way to help create jobs for others.”

Being able to improve and streamline its current process for making and distributing the sleeping bag coats makes the nonprofit’s process more effective and

SEE EMPOWER, PAGE 21

High returns lure buyers from abroad

Latest local property deal: Trombly House to Germans

By Kirk Pinho
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Comparatively high rates of return on real estate investments in greater downtown and metro Detroit as a whole continue to drive foreign investors to the region in search of deals.

It’s difficult to quantify exactly how much money from overseas has been spent on real estate investment sales in the past few years, but it’s well into the several hundred millions of dollars, said Dennis Bernard, founder and president of Southfield-based Bernard Financial Group Inc.

The reason for the influx of international funds is simple: Compared with other hot markets, the payout in Detroit is greater.

Real estate investment returns are measured in capitalization rates, commonly called cap rates among industry experts. They are calculated by dividing the asset’s total value into its net operating income.

In major markets like New York City, Los Angeles and Miami, investors can expect capitalization rates of 4.5 to 6 percent. Locally, they are between 6.75 and 7.75 percent, Bernard said, with the best investment-grade properties in prime locations having capitalization rates of 7 to 8.5 percent.

“That’s why foreign money is coming here,” he said.

The buyers are largely from Asia, the Middle
SEE TROMBLY, PAGE 19

COSTAR GROUP INC.

The Charles Trombly House at 553 E. Jefferson Ave. is one of the few remaining pre-Civil War buildings in Detroit still standing.



MUST READS OF THE WEEK

London calling

OptimizeRx Corp., a Rochester-based company that offers discounts for prescription drugs, has a new minority owner from England, **Page 6**

Chipping away at snack biz

Better Made Snack Foods, celebrating 85 years in business, has branched out its product lines, but potato chips still rule, **Page 4**



Roll changes

Molina Healthcare of Michigan has acquired the Medicaid membership of HAP Midwest Health Plan in two state regions, **Page 16**

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LOOKING BACK: On Dec. 2, 1985, Better Made Potato Chips was enjoying a boost in sales because employees of its largest competitor, Frito-Lay Inc., went on strike. Today, Better Made Snack Foods, its name since 2003, is enjoying growth as it evolves to meet demands for healthier snack foods. [More at crainsdetroit.com/30](http://Moreatcrainsdetroit.com/30)

READERS FIRST FOR
30
 YEARS

Better Made has chipped away at customer tastes for 85 years

By **Marti Benedetti**
 Special to Crain's Detroit Business

Better Made Snack Foods, celebrating its 85th year in business, keeps rethinking its products as consumer tastes continue to shift to snacks that are lower in salt, fat and calories. But regardless of national trends, chips still rule.

"Our best seller is still chips," said Mark Winkelman, president of the Detroit-based company.

The company has subscribed to the "if it's not broke, don't fix it" business model, keeping many aspects of its business the same. It still has its sprawling vintage plant on Gratiot Avenue, its employees are unionized through Teamsters Local 337, it continues to be owned by a co-founder's family, and it distributes its products only in Michigan. Snack food giant **Frito-Lay** still dominates the market.

According to **Nielsen Co.**'s latest figures, Frito-Lay has 52 percent of the Southeast Michigan snack food market, while Better Made has 13 percent. Frito-Lay has seven of the top 11 top sellers; Better Made has three.

In 1985, Frito-Lay had 51 percent of the local market, and Better Made had 19 percent.

Better Made is part of a group of regional family-owned chip companies such as **Utz Quality Foods** in Hanover, Pa.; **Mikesells Snack Food Co.** in Dayton, Ohio; and **Ballreich's Potato Chip Co.** in Tiffin, Ohio. In Michigan, the only other chip maker is family-owned **Uncle Ray's** in Detroit.

Better Made and other family-owned companies have gained market share as smaller competitors folded because they were unable to keep up with trends such as healthier foods and the proliferation of cracker-type snacks.

Better Made has no intention of getting into the cracker business, but it has been active in introducing new products. For example, it expanded its chip flavors to include honey BBQ, jalapeno, garlic dill and green onion, which are all popular sellers, Winkelman said.

In response to offering

healthier choices, Better Made created Better Pop Guilt-Free Popcorn, which is lower in fat and sodium. It also manufactures low-salt, no-salt and baked chips.

Better Made also made the packaging tin for its chocolate-covered potato chips more distinctive, which pushed up sales in recent years. This year, the chips will be sold Thanksgiving through Valentine's Day, instead of just through Christmas, he said.

Although crackers and other snacks are gaining in popularity, chips as a side offering at restaurants, both house-made and bagged, have grown 5.1 percent from third quarter 2014 to third quarter 2015, Rachel Royster, senior coordinator of editorial content with Chicago-based **Technomic Inc.**, said in an email.

Despite few dramatic changes through the years, Better Made is thriving. It has 250 employees, and sales revenue for fiscal year 2015 ended March 31 was \$62 million, a considerable increase from 2004 when it had sales of \$37 million. Thirty years ago, the company ran one eight-hour shift; now it has two. It uses 138,000 pounds of potatoes to make 34,000 pounds of chips per day, similar to what it was doing 30 years ago.

The company, founded by Salvatore Cipriano's father, Peter, and Cross Mocerri in 1930, now is owned by Salvatore Cipriano, brother Isidore and sister Cathy Gusmano. Seven of their children are shareholders, and five of them work for the company.

"For fiscal year 2015, we pro-

duced 8.5 million pounds of chips," said Winkelman, the company's former controller and vice president of finance who was named president in 2011.

Changing tastes

All snack companies realize American snack preferences are changing. U.S. consumers love salt, but they realize too much is not good.

"People are looking for a cleaner nutrition statement. They want few additives and preservatives," Winkelman said.

The way people eat is changing, he said. Rather than three large meals a day, consumers snack more or eat five to six smaller meals. The choices are much broader and include pretzels, popcorn, tortilla chips, granola bars and individually packaged fruits, nuts and cheese.

"We haven't done a snacking survey since 2014, but in that report, 51 percent of consumers say they snack at least twice a day, up from 48 percent in 2012," Royster said in an email.

Ken Dalto, management consultant and retail analyst with **Kenneth J. Dalto & Associates** in Farmington Hills, said today's snacks are all about fewer calories, less cholesterol and more fiber. "However, people still want taste; they don't want to eat cardboard," he said.

"Better Made is a little behind Frito-Lay, but it is catching up on taste and health," Dalto said. "They are trying to extend their market. They need to capture people who have been with Lay's and like jalapeno chips. They lost these people, but are competing to get that market back."

Internet sales boom

By selling chip products online, Better Made has capitalized on the nostalgia ex-Michiganders feel for the brand. "Internet sales have doubled in the last five years," Winkelman said.

Sales also are up as a result of the company's mobile app. "We're the first snack food company to have one," he said, joking that there may be another app he doesn't know about.

Moving forward, the company has no plans to move, expand or remodel its plant.

"We will continue to monitor consumer trends and to give our customers the best product we can for another 85 years," Winkelman said. ■



Mark Winkelman: President says chips are still top seller.



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 #REFLECTINGDETROIT

Drug discount coupon provider gains minority owner

By Jay Greene
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OptimizeRx Corp., a Rochester-based company that offers electronic discounts to patients for prescription drugs from pharmaceutical companies, has a new minority owner: **WPP**, a London-based global advertising and marketing firm.

WPP, a media conglomerate involved in the automotive, health care, retail and pharmaceutical industries, and its New York-based operating subsidiary, **Grey Healthcare Group**, have invested \$4.7 million in OptimizeRx to become a 20 percent minority owner, said David Harrell, OptimizeRx's chairman and president.

Since 2010, OptimizeRx (OTCQB: OPRX) has offered custom software that is integrated into physician electronic health record systems. The software helps doctors search for prescription drug discounts and electronically sends the coupons and orders to pharmacies.

The automated system is intended to replace free drug samples at physician offices, Harrell said.

"As we started to integrate with their pharmaceutical clients, (WPP) became interested in us," he said. "They realized traditional marketing and advertising (of pharmaceuticals) are being minimized by traditional channels of sales reps, product infor-



David Harrell

mation and patient support."

Harrell said the investment by WPP represented two years of talks with the company.

"This shift to electronic workflow provides an opportunity for new on-demand tools to help physicians better serve their patients and meet the challenges of practicing medicine today," said Lynn O'Connor Vos, CEO of Grey Healthcare, in a statement.

OptimizeRx's relationship with WPP and Grey will not only give the company more capital to expand, Harrell said Grey will help market OptimizeRx to patients and doctors.

"We want to help consumers find the most cost-effective places to reduce prescription costs and show the cheapest place where they can buy with the coupons," Harrell said.

During the past nine years, more than 2 million people have used OptimizeRx to obtain co-pay coupons for drug samples ordered by their doctors or nurse practitioners, Harrell said. More than 300,000 health care providers use OptimizeRx through their electronic medical record systems, he said.

OptimizeRx's 16-member workforce is expected to double during

the next year, Harrell said.

"We don't need to be a large company," he said. "We are looking at account management support for (electronic health records) and working with **Oakland University** for interns," Harrell said.

During the first nine months of this year, OptimizeRx lost \$181,000 on operations on revenue of \$5.2 million. Revenue increased 38 percent to \$6.5 million in 2014 from \$4.7 million in 2013, but operating losses totaled \$1 million and \$267,000, respectively.

Harrell said the company earns about \$4 for every discount coupon it distributes.

Over the past decade, drug companies have been reducing their once-legendary workforces of drug representatives who provided education and free drug samples to doctors, said Harrell, who was a pharmaceutical representative for 10 years at then-**SmithKline Beecham** before founding the OptimizeRx in 2006.

Surveys have shown the number of physicians who see pharmaceutical representatives has dropped to 40 percent from 80 percent.

"Doctors are being bought up by hospitals and told to use their electronic medical record," Harrell said. "Hospitals don't want to let drug reps and samples in. This is an integrated way for doctors to add a free sample voucher sent to

a pharmacy."

Customers of OptimizeRx are primarily 25 drug companies, including **Pfizer**, **Novartis**, **Merck & Co.**, **GlaxoSmithKline**, **Sanofi** and **AstraZeneca**, Harrell said. Suppliers to OptimizeRx are at least 350 EHR systems that have programs integrated into their systems, including **Allscripts Healthcare**, **Quest**, **Practice Fusion** and **DrFirst**.

Daniel Pucci, Allscripts vice president of life sciences in Austin, Texas, said Allscripts has embedded OptimizeRx software in its electronic medical record system for providers since 2010.

"Our primary client is the providers. They are constantly looking to understand what the best medication is for their patients," Pucci said. "Often the best med is a branded medication that is more expensive than generic."

Doctors want the drug financial assistance programs in Allscripts EMR, Pucci said. "They feel more confident the therapy they are recommending isn't too expensive," he said.

Harrell said the average patient stays on chronic disease drugs for only about four or five months.

"The biggest reason they tail off is out-of-pocket costs. By offering \$15 co-pay coupons, it helps them stay on therapy longer," said Harrell. ■

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BAE unit, SAIC to compete for Marines deal

By Chad Halcom
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BAE Systems Inc.'s Sterling Heights division edged out two other Southeast Michigan companies for a **U.S. Marine Corps** amphibious vehicle engineering contract and will go head-to-head with **Science Applications International Corp.** for a \$1.1 billion-plus production deal.

The Marine Corps Systems Command in Quantico, Va., announced a pair of two-year, pre-production awards for engineering, manufacturing and development on the proposed Amphibious Combat Vehicle, for \$103.8 million to BAE and \$121.5 million to SAIC.

The companies edged out rival bidders **General Dynamics Land Systems** in Sterling Heights, **Advanced Defense Vehicle Systems Corp.** in Lake Orion and **Lockheed Martin Corp.** of Bethesda, Md.

Both winning bidders must complete the development work and furnish at least 13 prototype or early model vehicles for the Pentagon by September 2017 — and have options to produce 208 more vehicles afterward. But the Marines are expected to make that production award to only one company.

"We are proud to continue our long history of providing the Marine Corps with superior amphibious capabilities," said Deepak Bazaz, BAE director of new and amphibious vehicles, in a statement. The company has been collaborating with **Iveco Defence Vehicles** of Italy on its proposed version of the ACV, a wheeled armored landing craft that carries 13 Marines ashore.

The new fleet would replace the Corps' current Assault Amphibious Vehicles, which have been in service since the 1970s.

BAE said in a statement last week it will actually produce 16 prototypes for the Marine Corps to begin testing third-quarter 2016, and will source much of the pre-production work in Quantico, San Jose, Calif. and York, Pa. The program is part of its combat vehicle business in Sterling Heights, and external communications manager Megan Mitchell said the company will source some engineering and management work here. ■

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CRAIN'S
DETROIT BUSINESS

OPINION

A few of the things we're thankful for

Thanksgiving may be past, but it's still the season, and there is much to be thankful for. Our thank-you list ranges from people to things to states of mind, but it's always a good exercise to take stock. Here are some of the highlights from our editorial team:

■ **Joe Hudson Jr.** The longtime civic volunteer will receive the Alan E. Schwartz Community Leadership Award on Tuesday. Hudson, now 84, convened New Detroit in the wake of the 1967 riots. He was the founding chairman of the Community Foundation for Southeast Michigan and the first president and CEO of the newly merged Detroit Medical Center in 1985. Senior Reporter Sherri Welch's conversation with Hudson can be found at crainsdetroit.com.

■ **The AFL-CIO**, which plans to spend up to \$30 million to rehab up to 300 vacant homes in Detroit. The project includes providing apprenticeships to Detroit residents. The homes would be transferred to the union's housing investment trust from the Detroit land bank.

■ **City parking meters that work!** The \$3.5 million kiosk parking system is accessed by entering license plate numbers into the multi-space kiosks. Businesses can cover part of the cost of customer parking through the ParkDetroit merchant validation system.

■ **A recovering economy**, which shows many Michigan employers oriented around hiring and growth. The state is adding jobs faster than other states in the nation, per-capita personal income growth rate ranks 10th, and our per-capita GDP growth rate is third-fastest in the country, according to a new study conducted by Michigan Future Inc.

■ **Engineering innovations** channeled to help provide efficiencies — and new jobs. See Sherri Welch's story on Page 3 on how supplier Johnson Controls is coming to the aid of The Empowerment Plan's well-known sleeping bag coats.

■ And, last but not least, the many **new restaurant offerings** both in Detroit and the 'burbs that serve up dishes that delight even the fussiest foodies with creative menus and locally sourced items. Among the restaurants is Mabel Gray in Hazel Park, where customers might sample anything from duck confit to a burger.

DPS fix a public responsibility

Solving the financial crises at Detroit Public Schools and other troubled districts around the state is a front-and-center policy issue.

House Speaker Kevin Cotter said earlier this month that Gov. Rick Snyder's proposed financial rescue plan for DPS would be easier legislatively if there was more private money coming from the philanthropic community.

That's true, but public schools are, well, a public responsibility. Businesses and foundations have contributed money and time to DPS. Teachers and administrators have paid for supplies out of their own pockets.

We will not defend the poor decisions that got DPS into these straits, but we do want to assert that fixing the district — both financially and educationally — is essential. It is an investment in the future economic prosperity of Michigan.

UAW vote offered lesson on social media

Area retailers got a happy Thanksgiving — and will likely have a better Christmas because of fat bonuses paid by Detroit's automakers as part of new contract settlements.

But it almost didn't happen. For the first time in memory, the rank-and-file came close to nixing all three pacts at FCA, General Motors and Ford. The United Auto Workers blamed part of the discontent on newly hired workers with higher expectations.

But an even bigger factor? The power of social media to shape the agenda.

The United Auto Workers union leadership was largely in a reactive mode throughout the ratification process. When one of the pacts was in trouble, a UAW leader was quoted in the media as saying "we need to educate them on the process." But top-down, command-and-control doesn't work so well in the age of social media.

Eventually, the UAW hired the public relations agency Berlin-Rosen to help get its message across. The folks at that agency — which has veterans from Democrat-



MARY KRAMER:
Publisher

ic political campaigns — know the power of social media. Now UAW leadership does, too.

We should all look at the auto contract votes as a case study on communication. There are plenty of other case studies. Consider how social media shaped student protests at the University of Missouri that led to the resignation of its president this fall.

Posts are shared and seen instantly, but damage to company and institution reputations can take a long time to repair.

Domino's Pizza learned that lesson in 2009 when franchise employees in North Carolina posted a video of some disgusting abuse of food items. That video went viral

and the pizza chain's reputation was on the line.

The employees were fired, and Domino's used the same social media tools to respond to the crisis — honestly, with a full explanation of how they were correcting the situation and making sure it wouldn't happen again. The top executive, CEO Patrick Doyle, was front and center in the company response, a sign that it was taken seriously.

That was six years ago. At the time, Domino's didn't have corporate social media accounts. You can bet it does now, and so do many other organizations.

What will be interesting is to see what the UAW learned from this skirmish with disaster. Will social media be part of its strategy going forward?

Mary Kramer is publisher of *Crain's Detroit Business*. Catch her take on business news at 6:10 a.m. Mondays on the Paul W. Smith show on WJR AM 760 and in her blog at www.crainsdetroit.com.

TALK ON THE WEB

Re: Patterson yanks welcome mat for Syrian refugees

If you were a terrorist from Syria and wanted to get into the U.S. to wreak havoc, what would you do, sneak in with false IDs or walk in with 10,000 other refugees? I'm all for welcoming Syrian refugees; 10,000 in Detroit would be great. But let's take a deep breath here and figure out how to be merciful and welcoming, but protect ourselves at the same time. Brooks isn't being a bigot, **he's being practical.**



Brooks Patterson

Thomas Page

Regarding terrorists in America, **the most lethal people in America are Americans.** I will do my best to lobby for these refugees and others seeking to flee from terror and war. This is America, a nation built with immigrants and others.

Greg Thrasher

France still welcomes the 30,000 refugees it committed to help. But fearmongers and bigots in America slam the door and pretend this makes America safe. Divisiveness, **fearmongering and paranoia give the terrorists exactly what they want.** America's regressive closed-door fearful policymakers lead to ever-more hatred of Americans, which results in less security here at home, not more.

OrganicFairTrade

Re: Skillman CEO draws fire in school debt blame game

For far too long, Republicans in



LON HORWEDEL

Amy Emberling, co-managing partner and owner of **Zingerman's Bakehouse**, places dough into pie tins before shaping.

Reader responses to stories and blogs that appeared on *Crain's* website. Comments may be edited for length and clarity.

Michigan have abdicated responsibility for basic human needs, education, mental health and social services to anyone else to whom they could lay responsibility. **The Skillman Foundation**, among many other local foundations, **should be lauded for its commitment to our community.** Our local foundations are more functional than our state government, sadly.

Dan McDougall

Re: For pie makers, 'everybody's in the kitchen' for Thanksgiving

Great story about the larger impact of major businesses throughout the state.

Kate Hill

This **timely, in-depth report is admirable** for including a minority-owned Detroit business and a fami-

ly-run Macomb bakery. While it's impossible for all deserving Detroit pie sellers to get a shout, it seems a **missed opportunity** to bypass plucky startups such as Sister Pie in West Village or Dangerously Delicious Pies in Midtown while including non-Detroit big shots such as Zingerman's and Grand Traverse Pie Co.

Alan Stamm

Re: Crain launches digital publications in 9 U.S. cities

Welcome to Philadelphia! **Looking forward to seeing your coverage** of our small business and entrepreneur hub.

Small Biz Philly

Re: Gilbert trying to buy garage under Hudson's site

This would be great. **Detroit needs that gap filled.** It is odd that cities like Rochester and Royal Oak have a larger central shopping district than Detroit. Time for that to change.

Dave Giffordk

Michigan can lead nation in building biz ties with India with connected cars

There has never been a better time than now to build a groundbreaking business relationship between the United States and India — and Michigan is sitting in the driver's seat to pave the way for the rest of the country in 2016.

Michigan's dedication in the development of connected vehicles and other technologies, along with Gov. Rick Snyder laying a welcome mat for highly skilled foreign-born workers, puts the state in the fast lane for the world's two largest democracies to come together in their continued pledge for deeper business relationships.

The benefits would not just be economical for Michigan, they also would help the progression of connected vehicle development that will create safer roads worldwide.

Last month, the Michigan Department of Transportation published data from its study "Connected and Automated Vehicles for Travel Demand Modeling," concluding that partnerships should be made around the world in order to better understand the evolving technologies related to automated cars. India and the U.S., with Michigan steering the way, just makes sense.

To set the stage for progression, during a recent four-day trip to Michigan this fall, Arun Kumar Singh, the newly appointed Indian ambassador to the U.S., visited local cities, including Ann Arbor, Lansing, Southfield, Detroit, Birmingham and Livonia, to discuss the natural alliance between the two nations.

It is expected that India and the U.S. will deepen their economic ties with an increase in bilateral trade to \$500 billion, from the current \$120 billion, in the next few years. That is good news, of course, as both countries share common values, multi-



Narendra Modi: Looking in the U.S. for biz partnerships.

culturalism, pluralism and reciprocal visits by Prime Minister Narendra Modi and President Barack Obama. Their similar challenges, which include terrorism, maritime and cybersecurity,

have given tremendous reason for both leaders to engage in further dialogue.

A four-year increase in defense-related purchases hovering around \$13 million by India from the U.S., plus co-developed aerospace technologies, is a marker of the trust that has been formed.

In September, Modi visited the West Coast to look for new business partnerships. While Silicon Valley is an undeniable natural location, Michigan also is a logical choice. Our state's innovation, entrepreneurs, startups and digital technology in the area of connected cars leads the nation.

Snyder, who refers to himself as "the most pro-immigration gover-



OTHER VOICES Ted Ganesan

Ganesan is CEO and president of Kyyba, a Farmington Hills-based IT, engineering services and software product company. He is also president of TiE Detroit, the local chapter of The Indus Entrepreneurs.

nor in America," has asked the federal government to grant 50,000

"Michigan cannot afford, and does not deserve, to lose its place in its role between the U.S. and India's strategic business relationships. Connected vehicles will change the shape of the world. ..."

Ted Ganesan, CEO and president of Kyyba

visas to the state over five years for skilled immigrants, especially those most likely to work in, and create, high-tech jobs. Those increased visas, if approved, will help Michigan in its role between the

two nations. It also will ensure that local small to midsize innovators recruit the top worldwide talent necessary for connected cars' advancements.

Even without those visas, Michi-

gan cannot afford, and does not deserve, to lose its place in its role between the U.S. and India's strategic business relationships. Connected vehicles will change the shape of the world as profoundly as assembly lines, the Web and text messaging have.

As we are home to the world's first controlled environment designed to test the potential of connected and automated vehicle technologies that will lead to driverless cars, the upcoming year will bring great opportunities for our state to help build the new economic superpower. We certainly are ready. ■

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AUTOWEEK

Buhl Sport Detroit chooses former Corktown factory as headquarters

By Bill Shea
bshea@crain.com

Buhl Sport Detroit, formed last month as a racing team and motorsports marketing business, said it will establish its headquarters in Detroit's Corktown neighborhood.

The company, founded by brothers Robbie and Tom Buhl, said last week it will renovate more than 44,000 square feet of space at 1907 and 1927 Michigan Ave., known as The Factory at Corktown.

The two- and three-story space, which was built in 1907 and later expanded, is across the street from the old Tiger Stadium site, and was home to the former Chicago Hosiery and Detroit-Alaska Knitting Mills factories.

"We decided to make the investment in the city to keep our brand local and to be a part of the continuing renaissance of the area," Robbie Buhl said in a statement.

"Corktown has a great neighborhood group with a special entertainment vibe, and we want to contribute to that atmosphere."

Buhl Sport will use the space as the team headquarters and for events and parties.



COURTESY BUHL SPORT DETROIT

An artist's rendering of **Buhl Sport Detroit's** Corktown headquarters that it will renovate and occupy next year.

"We are going to invest in the building's infrastructure while maintaining its historic patina," Buhl said. "There is enough room to house our Red Bull Global Rallycross team as well as companies with like-brands that can benefit from a Detroit address."

Buhl Sport Detroit debuted its competitive racing team Nov. 4 in the Red Bull Global Rallycross season finale in Las Vegas. Team driver

Augie Lerch finished sixth in a field of 10 in the GRC Lites division.

The motorsports company said it intends to also focus on community involvement and interaction and tout the benefits of living in and visiting Detroit to a national audience.

Robbie Buhl, 52, is a retired championship race car driver who won the Walt Disney World Speedway race in 2000 as a driver for Dreyer & Reinbold Racing. Thomas

Buhl, 48, is a financial adviser at the Grosse Pointe branch of **Wells Fargo Advisors**.

They are sons of the late Detroit civic leader Lawrence Buhl Jr., who died in 2014, and descendants of brothers Frederick and Christian Buhl, who were Detroit mayors and industrialists in the mid-19th century. The Buhl Building in downtown Detroit was built by the family in the 1920s. ■

Schostak group to buy Olga's assets

By Robert Snell
rsnell@crain.com

A federal judge last week approved the sale of the bankrupt assets of **Olga's Kitchen Inc.** to an affiliate of Livonia-based **Team Schostak Family Restaurants**, offering the new ownership group a chance to rejuvenate the slumping restaurant chain.

U.S. Bankruptcy Judge Walter Shapero's order came four days after the affiliate, **SOK Venture LLC**, won an auction for Olga's assets with a \$10.95 million bid plus a \$305,596.33 payment to creditor **Syco Corp.**

SOK plans to close the sale by Dec. 11.

"We are very happy with the court's ruling, and my client is excited about the opportunity to revive the Olga's brand," SOK attorney Joseph Sgroi said.

The previous week's auction involved competing bids from SOK and Troy-based **Cosmo Hospitality LLC**. Cosmo initially bid \$8.55 million for 26 Olga's restaurants, topping SOK's \$8.3 million stalking horse bid.

SOK agreed in October to acquire 15 restaurants independently operated by Olga's Kitchen and the 11 restaurants owned by a joint venture between SOK and Olga's Kitchen's **OKI LLC**, according to a filing in U.S. Bankruptcy Court in Detroit.

"It has been a long process, but with the cooperation of all of the parties in interest, we were able to come up with an agreed-to process to sell Olga's to maximize the distribution to its creditors," Olga's attorney Robert Bassel wrote in an email. "The purchaser of Olga's is familiar with the business because they own 11 of the stores with Olga's, and everyone in Detroit wishes them success to continue the brand started in the 1970s by Olga Loizon."

The judge's order largely caps a high-profile bankruptcy case filed in June that followed a bitter legal battle and allegations of a years-long campaign by owner Robert Solomon and others to strip Olga's restaurants of cash for their own benefit.

The key issue remaining in the bankruptcy case is distributing sale proceeds to secured creditors.

The alleged campaign damaged Olga's reputation, stripped away working capital and left certain locations facing possible eviction, according to court records.

Olga's was founded in Birmingham in 1970 by Loizon and is best known for its gyro sandwiches. ■



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KIRK PINHO

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Aging industrial complexes get new purposes

Who says you can't teach an old dog a new trick? Or, in this case, a massive former industrial building complex in the heart of Detroit?

The **Russell Industrial Center** is nearing 50 percent occupancy of its 2.2 million square feet for the first time in at least three decades, and earlier this year brought in a 290,000-square-foot user in **Rickman Enterprise Group LLC**, a Detroit-based construction and facility management and warehousing logistics company that also provides environmental and industrial services.

But the majority of the tenants in the complex, which consists of seven interconnected Albert Kahn-designed buildings at I-75 and Clay Street, are much smaller, consisting of spaces between 800 and 1,200 square feet, said Eric Novack, leasing agent for the 90-year-old complex.

"When we got the place in 2003, we saw the potential for repurposing it for smaller offices for artists and businesses," he said. "That really worked for a lot of businesses in the downturn. A lot of people needed to downsize or just needed more affordable space."

Space in the Russell Industrial Center leases for \$6 or \$7 per square foot, Novack said, adding that he conducts about 20 showings of space per week at the property, which had housed the **Murray Auto Body Corp.** until 1960, when it became the **Michigan Stamping Plant**.

The complex, which is owned by **Clay Street Group LLC**, registered to Detroit real estate investor Dennis Kefallinos, made wings for B-17 bombers during World War II.

It is just one of the large former industrial properties looking for new life with expanded or modified uses. For example, the 3.5 million-square-foot **Packard Plant** on the east side was purchased two years ago by Fernando Palazuelo, who plans a mixed-use redevelopment with a variety of uses that would cost hundreds of millions of dollars over the course of 10 or 15 years.

"You get a good place where your space is secure and you have the needed infrastructure," Novack said. "If (companies) need or could build to suit, they would."

Those two properties and other smaller ones throughout the city and region sit in contrast to the continuing high demand for new industrial and warehouse/distribution space I write about in this section.

That demand, which is caused by low vacancy rates in properties with the most modern amenities, is expected to continue for a while. ■

SPECIAL REPORT:

REAL ESTATE



Sitting on 265 acres of land, the Crossroads North Distribution Center in Belleville is one of several large sites primed for new industrial and warehouse/distribution development.

PHOTO BY ASHLEY CAPITAL

Betting on building

Developers see big future in warehouse, industrial space

By Kirk Pinho
kpinho@crain.com

A lack of modern warehouse and industrial space has local developers betting big on large swaths of vacant property across metro Detroit for new building.

More than 3,000 acres in the five-county region bundled in 80-acre-plus packages are available for new development, according to a review of properties listed by **CoStar Group Inc.**, a Washington, D.C.-based real estate information service.

Those marketing the land are bullish that the economy will continue to strengthen, vacancy rates will stay low and rents will rise.

In the third quarter, there were 369.7 million square feet of industrial space — which includes warehouse/distribution, light industrial, research and development, and flex space — in Wayne, Oakland, Macomb, Livingston and Washtenaw counties, according to data from the Southfield office of **Newmark Grubb Knight Frank**.

"Developers are still pretty cautious, but they are also optimistic," said Dan Labes, a senior managing director for Newmark Grubb who ear-

lier this year closed on 2.3 million square feet of industrial deals in just 45 days. "That's why they are buying land and proposing spec projects."

Those deals included new leases, renewed leases and building sales for companies such as **Amazon.com Inc.**, **Hollingsworth Logistics** and **KeyStone Automotive** in the Brownstown Business Center in Brownstown Township.

There was just a 6.7 percent vacancy rate overall, with Macomb County posting just 3 percent vacancy in its 75.9 million square feet of space. The city of Detroit's vacancy rate was the highest, at 22.1 percent of its 45 million square feet.

Yet most other areas were between Livingston County's 4.3 percent vacancy rate (on 13.1 million square feet total) and southwest Oakland County's 7.1 percent vacancy rate (on 32.4 million square feet total), according to Newmark Grubb.

"There are some larger buildings available," said Conrad Schewe, senior vice president of project management for Bingham Farms-based **Core Partners LLC**, "but there are very few of them that meet the contemporary logistics needs."

SEE WAREHOUSE, PAGE 12

SPECS TO WATCH

Two possible building projects in metro Detroit are on sites with some local lore:

FORMER PONTIAC SILVERDOME SITE

■ **Owner:** Triple Properties Inc.

■ **Specifics:** 750,000 to 1,250,000 square feet

■ **Status:** Being considered for development for light industrial

FORMER SUNNYBROOK GOLF & BOWLING INC. SITE, STERLING HEIGHTS

■ **Owners:** J.B. Donaldson Co., Sterling Group

■ **Specifics:** 144 acres

■ **Status:** Planned for industrial development, along with two hotels

HAZEL PARK RACEWAY SITE COULD FIND NEW USE, PAGE 13

SPECIAL REPORT: REAL ESTATE

WAREHOUSE

FROM PAGE 11

Those include things like nearby intersections with stoplights, ceilings with 30-foot clearances and a significant number of loading and unloading docks.

That's where Core Partners enters the picture. The company is planning an 80-acre development of warehouse and distribution space in Romulus with about 1 million square feet for a total development cost between \$60 million and \$80 million, Schewe said.

The land, on the east side of Wahrman Road south of Eureka Road, could have four or five buildings between 200,000 and 400,000 square feet. Construction is expected to start in the spring.

The 6.7 percent vacancy rate is the lowest in 20 years, according to Newmark Grubb, which added that there are 23 new construction projects totaling more than 3.3 million square feet ongoing and more than 1.3 million square feet has been completed in the last year.

To justify new speculative construction — meaning that a building is built without a specific tenant lined up to occupy it — developers generally have to command north of \$5 per square foot in rent for warehouse/distribution space, not including utility costs, and light industrial space needs to command



MICHAEL WEINSTEIN/MICHIGAN COSTAR GROUP INC.

Part of the 127.5-acre **Pontiac Silverdome** site (above) is being considered for development into light industrial space, as is the former **Sunnybrook Golf & Bowling Inc.** site (right) at 17 Mile Road and Van Dyke Avenue in Sterling Heights

\$7 to \$8 per square foot, according to real estate experts.

But because of the lack of space, rents are expected to increase, justifying new construction.

For example, in Belleville, the Canton Township office of New York City-based **Ashley Capital** is market-

ing new development on its 265 acres of land between Ecorse and Van Born roads for warehouse and distribution space.

The company plans a 575,000-square-foot building at the Crossroads Distribution Center North, a sister development to the Crossroads Distribution Center South developed about 15 years ago with three buildings and 1.25 million square feet on the south side of Ecorse Road across from the Crossroads North site.

The Crossroads North building, which would be the fifth building on the site, is expected to be completed in the fourth quarter next year, said Susan Harvey, senior vice president in the Canton Township office of Ashley Capital, which has a portfolio of about 16 million square feet of mostly industrial property in Michigan.

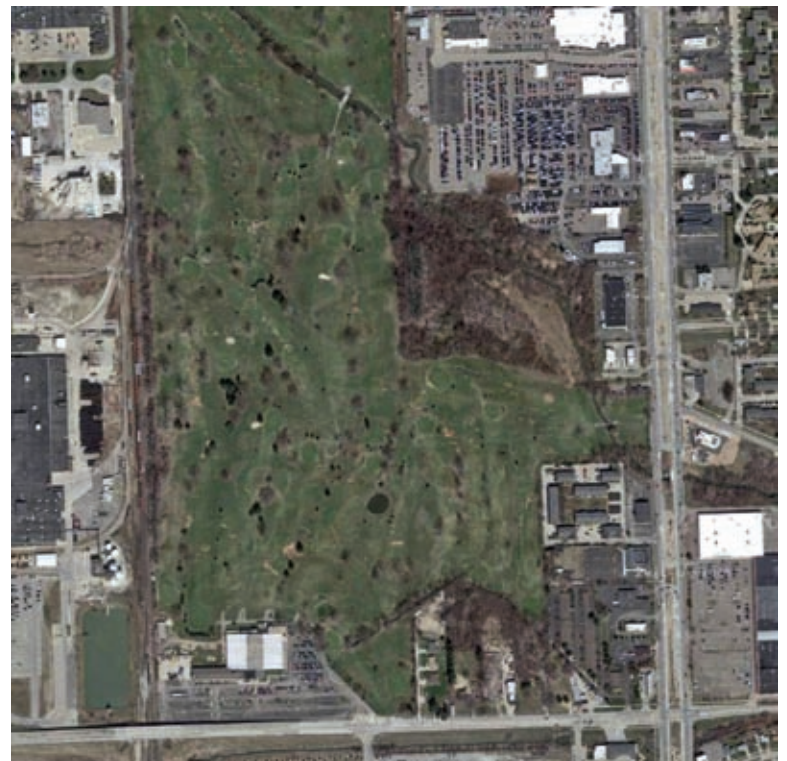
Pre-leasing efforts for Crossroads North will begin soon, Harvey said. **CBRE Inc.** is the brokerage firm on the project.

Former **General Motors Co.** land in Livonia is also up for redevelopment as Ashley Capital has purchased 116 acres from the **Revitalizing Auto Communities Environmental Response Trust**, more commonly known as the RACER Trust, for a multiple-tenant industrial park at 12950 and 13000 Eckles Road. The 14 buildings totaling 2.1 million square feet on the land at Eckles at Amrhein Road were demolished in 2001.

In Lyon Township, Detroit-based **Walbridge Aldinger Co.** owns close to 500 acres near I-96 at Grand River Avenue and Milford Road for sale.

More than just vacant land is on the horizon for development, including a pair of sites with their own fair share of local lore.

For instance, part of the 127.5-acre **Pontiac Silverdome** site is being considered for development into light industrial space at Featherstone and Opdyke roads. Owned by



GOOGLE EARTH

Triple Properties Inc. since 2009, the former home of the **Detroit Lions** could become the site of four single-story light industrial buildings totaling 750,000 square feet.

Depending on a variety of factors, an additional 500,000 square feet of light industrial space could be tacked on to the site. The Southfield office of CBRE is marketing the property for sale.

In addition, the former **Sunnybrook Golf & Bowling Inc.** site in Sterling Heights has 144 acres planned for an industrial development, along with two hotels. Up to 1 million square feet of build-to-suit manufacturing buildings on 2 or more acres of the site at 17 Mile Road and Van Dyke Avenue could be accommodated. That property is being marketed by Southfield-based **Signature Associates Inc.**

Danny Samson, chief development officer for **Sterling Group**, which bought the property in a joint venture with Farmington Hills-based design/build construction company **J.B. Donaldson Co.**, said activity in the industrial and distribution market prompted the Detroit-

based company to buy the property. New construction is at times preferential for users because the cost of rehabbing existing building stock to meet modern needs can be prohibitively costly.

"You'd think there would be a lot of that in Detroit proper, but it's limited," he said. "So the case gets made for new construction."

So can we expect the demand for new warehouse/distribution and industrial space to continue?

"Hell yes, we can," said Dennis Bernard, founder and president of Southfield-based **Bernard Financial Group Inc.**, which is arranging financing on the Sunnybrook project. "Everything is demand-driven right now, and there is demand for it. There is not a lot of unused, great space."

Labes of Newmark Grubb agreed.


"If you break ground on a project in the spring, and it's not done until the first quarter of 2017, everyone is expecting we'll continue the growth at least through then," he said. ■

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SPECIAL REPORT: REAL ESTATE

36-acre development planned for part of Hazel Park Raceway site

By Kirk Pinho
kpinho@crain.com

Ashley Capital is at the starting gate of a large industrial development on property that's part of the Hazel Park Raceway site.

With 36 acres of largely unused land to work with in the track's northwest quadrant at 10 Mile and Dequindre roads, the Canton Township office of the New York City-based real estate developer is in the planning stages for the 575,000-square-foot **Tri-County Commerce Center**, which is expected to be complete in the fourth quarter next year.

The site, a former municipal disposal site, is part of the 120-acre horse racing track that has been in operation since 1949 but has struggled financially in recent years as lawmakers have quashed — in part because of the casino industry — efforts to increase gambling revenue through modes like slot machines.

City Manager Ed Klobucher said the project is welcome news because it is expected to add \$200,000 to \$300,000 per year in property taxes. It will cost about \$35 million to develop and result in 200 to 300 new full- and part-time jobs and 125 temporary construction jobs, he said.



JOHN SOBCHAK

The **Hazel Park Raceway** has been in operation since 1949 but has struggled financially in recent years. A large industrial development is now planned on part of the site.

"Back in the 1950s, the racetrack provided 48 percent of the city's general fund, and in the early 1980s, it was nearly a quarter," he said. "Now it's 2 percent. It's been a significant decline for us, for the racetrack, and it's very unfortunate because it's 10 percent of the city's geography."

Susan Harvey, senior vice president of Ashley Capital, said racetrack operations will not be affected by the development, which is up for consideration for a brownfield tax package through the city that is expected to come up for approval be-

fore the City Council on Monday.

Southfield-based **Signature Associates Inc.** will be the brokerage firm on the project, which would be suitable for both manufacturing and distribution tenants, Harvey said.

There is expected to be strong demand for the development because of its location near the I-75 and I-696 freeways and because vacancy rates for large Class A buildings like the planned Tri-County Commerce Center are below 5 percent, Harvey said. ■

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Kirk covers real estate, Oakland and Macomb counties.

Keep up with Kirk at crainsdetroit.com/blogs

KIRK PINHO

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CRAIN'S LIST: LARGEST BUSINESS PARKS

Ranked by total acres

	Property name city, zip code	Owner Phone	Property manager Phone	Total acres 2015	Number of occupants	Occupants
1	Haggerty Corridor Corporate Park Novi 48377	Northern Equities Group (248) 848-6400	Northern Equities Group (248) 848-6400	400	75	Ryder, Harman Becker Automotive Systems, Henry Ford Health System, Magna Seating of America, Dana Corp., Paychex, Starbucks, Art Institute of America, Tognum, Robert Bosch, NGK, Stoneridge, DMG Mori Seiki, Novelis, Garmin, Farmers Insurance, Ecolab, Botsford, Intel
1	Oakland Technology Park Auburn Hills 48326	General Development Co. LLC & Premiere Equities	Stacy Fields (248) 227-5000	400	8	Atlas Copco, Delphi, Faurecia North America Inc., Henniges Automotive North America Inc., Hirotec America, Marposh, Noah's, U.S. Farathan
3	McPherson Industrial Park Howell 48843	multiple	multiple	242	NA	Pepsi, Thai Summit (formerly Ogihara), Key Plastics
4	Port Huron Business Park Port Huron 48060	multiple	multiple	239	29	All Temp Warehousing, Black River Plastics, Comau Inc., DTE substation, Eissmann Group Automotive, HP Pelzer, IAC Group, Michigan Metal Coatings, U.S. Farathane, Wirtz Manufacturing Co.
5	Frenchtown Charter Township Industrial Park Monroe 48162	multiple	multiple	176	11	1800 Dixie Highway LLC, Aztec Land Holdings, Buddy LLC, GMRI Inc., Home Depot USA Inc., JCIM, JM Excavating, Merritt Holdings, Moosehead Truck & RV Wash, Spiratex Co., Sterling State Auto Wash
6	Beck North Corporate Park Novi 48377	Nadlan LLC (248) 380-7100	Dembs Development Inc. (248) 380-7100	160	NA	Broad Ocean, Carcoustics USA Inc., Chicago Miniature Lighting, Coordinate Measurement, Creform, Design Research, Enersys, Fujitsu, Hengst, Kistler Instruments, Mando, Macprofessionals, Metalsa, Molecular Innovations, Sun-Tec Corp., Trek
7	Avis Farms South Ann Arbor 48108	Avis Investments LLC (248) 702-8675	Wayne Avis (248) 702-8675	155	2	CityMortgage, Thomson Reuters
8	Quadrants Industrial Research Centre New Hudson 48165	Q Industrial LLC (248) 770-8484	Versa (248) 770-8484	150	10	A&M Label, Kawasaki Robotics, MC Carbide Tool Co., Testek Inc., Future Pak LTD, Lord Corp., Mohawk Industries Inc./Dee, Cramer Carpet, AEV
9	Dexter Business and Research Park Dexter 48130	multiple	multiple	146	25	DAPCO Industires, Doors & Drawers, Berry & Associates, Growers Supply, Northern United Brewing Co., UIS, Variety Die & Stamping, K-Space, Siko Products Inc., Licon, Fusion Dental, Zekic LLC, Merlin Simulators, Midwest Graphics and Awards, Traditional Metals, Dexter Fasteners, Vancon, Automation Controls, Protomatic, Vanston O'Brien/QED, Die Cutting Services, MC3
10	I-94 Industrial Park, Phase 1 Detroit 48211	EDC/City of Detroit (313) 963-2940	Detroit Economic Growth Corp. (313) 963-2940	111	2	Exel Logistics, Crown Enterprises
11	Brownstown Business Center Brownstown Township 48183	Ashley Capital (734) 394-1900	Ashley Capital (734) 394-1900	109	20	Amazon, C-Mac Transportation, MTU America, ThyssenKrupp Industrial, Syncreon Technology, Dakkota Integrated, Metro Outdoor, Ford, GM Subsystems Mfg, ProTrans International, Hollingsworth Core Logistics, RMP Powertrain Solution, Butcher Engineering, Cabot Street Real Estate, Norplas Industries, Watkins & Shepard Trucking, American Tire Distributors, Keystone Automotive Warehouse, MXD Group, Transfreight LLC
12	Edward F. Redies Industrial Park Saline 48176	City of Saline (734) 429-4907 ext. 2211	City of Saline (734) 429-4907 ext. 2211	108	13	Aero Corp., American Soy Products, Davco, Flatout, Hiblow USA Inc., K&F Electric, Liebherr Aerospace Saline, Liebherr Gear/Automation, Molded Materials, Norgren Automation Solutions, R&B Plastics Machinery, SISU Mouthguards, True Wave
13	Centerpoint Business Park Pontiac 48341	multiple	multiple	99	31	Marathon Gas Station, Burger King, Wendy's/Tim Horton's, Papa Vino, MI Zarape Mexican Restaurant, Dunkin Donuts/Baskin Robbins, Kentucky Fried Chicken, Taco Bell, Arby's, JAC Products, Takata/Irvin Automotive, Ultimate Soccer Arenas, SH North America, Chrysler, Marriott Hotel, Residence Inn by Marriott, Courtyard by Marriott, Verizon Wireless, Michigan Motion Picture/Raleigh Studios, Freedom Equities, Arts & Technology Academy, Leo's Coney Island, Shirley Berney Salon, Etkin Management Office, Lemon Grass Thai, Guido's Pizza, Detroit Lacrosse, Zoup
14	Sauk Trail Business Park Saline 48176	City of Saline (734) 429-4907 ext. 2211	City of Saline (734) 429-4907 ext. 2211	96	6	Condat Lubricants, JAC Products, Mectron Engineering, Peters Building Company, Production Services Management Inc., Windsor Mold USA Inc.
15	Donald E. Shelton Industrial Park Saline 48176	City of Saline (734) 429-4907 ext. 2211	City of Saline (734) 429-4907 ext. 2211	73	8	Allegra Print & Imaging, Arrow Energy Inc., C&M Tool Inc., Fastenal Co., Mikan Corp., Plastechs, Tri-County Electric Co., Waterscape
16	Wixom Business Center Wixom 48393	NA	Karl Griffin, property manager (517) 244-2731	45	20	AVI-SPL Inc., Dimensional Measurement Inc., Hitachi Chemical, Java Master, Keykert U.S.A., Inc., Mitsubishi Heavy Industries America Inc., Pak-Rite, The Bear Factory, Wenzel America Ltd.
17	Romulus Business Center Romulus 48174	Ashley Capital (734) 394-1900	Ashley Capital (734) 394-1900	44	12	Hollingsworth Core Logistics, Exel Inc., Penske Logistics, Pratt (Classic Container Inc.), Progressive Distribution Center, Great Lakes Portable Storage, Three Star Trucking Co., MTM, Plastipak Packaging Inc., Accuflex Industrial Hose, Eby-Brown Leasing, Nitto Denko Automotive, Owens & Minor Distribution
18	Springwells Industrial Park Detroit 48209	EDC/City of Detroit (313) 963-2940	Tracie Tillinger (313) 237-4635	29	4	LaFarge, McCoig, Detroit Windsor Truck Ferry, Homeland Security detail
19	Livonia Corporate Center Livonia 48150	Ashley Livonia North LLC (734) 394-1900	Ashley Capital (734) 394-1900	26	5	Technicolor, International Paper, JMA Logistics, U.S. Signal Co., Millennium Park
20	Crossroads Distribution Center Van Buren Township 48111	Ashley Capital (734) 394-1900	Ashley Capital (734) 394-1900	25	9	AEL Span LLC, FedEx Smart Post, Rose Moving & Storage, Glovis Alabama LLC, Pro Trans International, Scholastic Book Fairs, Lagasse Brothers, Exel Inc., GE Aviation

This list of business parks is an approximate compilation of the largest such properties in Wayne, Oakland, Macomb, Washtenaw and Livingston counties. It is not a complete listing but the most comprehensive available. Information was provided by the Michigan Economic Development Corp., CoStar Realty Information Inc., developers, leasing agents and property managers.

LIST RESEARCHED BY SONYA D. HILL

CALENDAR

TUESDAY

DEC. 1

Inside the CEO Mind. 8-10 a.m. Detroit Regional Chamber. **Kouhaila Hammer**, CEO, **Ghafari Associates LLC**, shares her story and unique perspective on leadership. Hammer is the board president of the **Engineering Society of Detroit** and is on the **Detroit Regional Chamber** board of directors. Cranbrook Institute of Science, Bloomfield Hills. \$30 chamber members, \$55 nonmembers. Pre-registration is required; no refunds will be given. Contact: Beverly Maddox, (313) 596-0343; email: bmaddox@detroitchamber.com.

UPCOMING EVENTS

Successful Turnarounds: The U.S. Banking Industry and Detroit. 11:30 a.m.-1:30 p.m. **Dec. 7.** Detroit Economic Club. Speaker is **Bruce Van Saun**, chairman and CEO, **Citizens Financial Group**. Westin Book Cadillac Detroit. \$45 DEC members, \$55 guests of DEC members, \$75 nonmembers. Contact: (313) 963-8547; email info@econclub.org.

State of the Region. 5-7 p.m. **Dec. 9.** Detroit Regional Chamber. The chamber will release its second annual State of the Region, which offers an analysis of the economic indicators related to business growth, talent, innovation and international commerce for Southeast Michigan. Westin Book Cadillac Detroit. \$30 chamber members, \$595 to join. Contact: Janelle Arbuckle, (313) 596-0340; email: jarbuckle@detroitchamber.org.

Michigan Supreme Court Justices. 11:30 a.m.-1:30 p.m. **Dec. 15.** With Justice **Bridget Mary McCormack** and Chief Justice **Robert Young Jr.** MotorCity Casino Hotel, Detroit. \$45 DEC members, \$55 guests of DEC members, \$75 nonmembers. Phone: (313) 963-8547; email: info@econclub.org.

Multicultural media luncheon. 11 a.m.-2 p.m. **Jan. 14.** The Ajamu Group LLC. Honors ethnic groups for their achievements in the automotive industry. Keynote speaker is Heisman Trophy winner **Tim Brown** on "Managing Your Brand's Image." A portion of the proceeds benefits **Orchards Children's Services** of Michigan and **Project Medlshare** of Haiti. Westin Book Cadillac Hotel-Detroit. \$75 general admission; \$150 VIP admission includes reception with Tim Brown after luncheon. Contact: Cheryl Ajamu, (248) 223-0904; email: cheryl.ajamu@ajamugroup.com; website: www.ajamugroup.com

Calendar guidelines. Visit crainsdetroit.com and click "Events" near the top of the home page. Then, click "Submit Your Events" from the drop-down menu that will appear. Fill out the submission form, then click "Submit event" at the bottom of the page.

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ACQUISITIONS & MERGERS

The **Promanas Group**, Ann Arbor, a commercial real estate investment and management firm, acquired the Livonia Office Portfolio, adding 135,750 square feet of multi-tenant office assets to its fund. The portfolio consists of seven single-story office properties in nine buildings and includes various professional services, but mostly medical and law offices, insurance services and financial consulting firms. Website: promanas.com.

CONTRACTS

The Training and Simulation Division of **Arotech Corp.**, Ann Arbor, provider of defense and security products for the military, law enforcement and homeland security markets, has received \$8.7 million in incremental awards and contract modifications since September. Recent orders include MILO Range Use-of-Force simulators and municipal and research driving simulator applications, along with funding for logistical support of its fielded systems. Also the Power System Division, which includes **UEC Electronics LLC**, has been awarded \$10.7 million in orders since August. Delivery is expected to begin later this year and to run beyond 2016. Website: arotech.com.

Altair Engineering Inc., Troy, announced that **Lund Combustion Engineering, LOGE AB**, Lund, Sweden, a consultancy and software develop-

DEALS & DETAILS

ment company, has joined the Altair Partner Alliance, adding LOGEsoft and LOGEengine for chemical kinetics modeling and internal combustion engine simulation. Websites: altair.com, loge.se.

EXPANSIONS

Benefit Review Services Inc., Sterling Heights, an employee benefit insurance and consulting firm, opened a new regional office in Vero Beach, Fla. Consultants there will advise clients with corporate locations in the southeast region of the U.S. Website: benefitreview.com.

Salvation Army Southeast Michigan Adult Rehabilitation Center opened a thrift store, the Saline Family Store, at 423 E. Michigan Ave., Saline. Telephone: (734) 429-9838. Website: salarmythrift.com.

Menchle's Frozen Yogurt, Encino, Calif., opened a self-serve frozen yogurt franchise at the Westland Shopping Center, 35000 Warren Road, Westland. Telephone: (734)

855-6900. Website: menchies.com.

MOVES

Total Health Foods has moved from 2938 Biddle Ave., Wyandotte, to 2948 Biddle Ave., Wyandotte. Telephone: (734) 246-1208. Website: thfdownriver.com.

NEW PRODUCTS

365 Retail Markets, Troy, a self-checkout MicroMarket technology company for vending, food service and hospitality, has launched Verli, an in-office snack station for companies with fewer than 150 employees. The proprietary app allows for employee purchases, inventory tracking and product reordering, all controlled by a company-designated administrator. Website: 365retailmarkets.com.

GKN Driveline, Auburn Hills, part of **GNK plc**, has developed lightweight constant velocity joint systems to help premium vehicles be lighter and more efficient. The VL3 joint will be in new vehicles from 2016. Website: gkn.com.

iDashboards, Troy, a supplier of business intelligence dashboards, has released iDashboards version 9.0, the newest version of its data visualization software. Website: idashboards.com.

ZF TRW Automotive Inc., Livonia, the active and passive safety technology division of **ZF AG**, has developed a new airbag designed to help vehicle manufacturers improve side impact protection. The center airbag is integrated into the inner side of the seat back and deploys to help protect the head, shoulder and torso areas of occupants in the front seat in far-side and near-side crashes. Website: trw.com.

NEW SERVICES

ProQuest LLC, Ann Arbor, has expanded its database of British periodicals with the launch of Collection IV, offering key publications of the 20th century. ProQuest also is digitizing records of the **Bureau of Indian Affairs** and the major council meetings of American Indian tribes, with other collections from the **U.S. National Archives** and the **Chicago History Museum**. Website: proquest.com.

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Molina buys most of HAP Midwest's Medicaid roll

By Jay Greene
jgreene@crain.com

Molina Healthcare of Michigan in Troy announced last week it acquired the Medicaid membership of **HAP Midwest Health Plan** in two regions in the state for an unspecified amount.

HAP Midwest, a part of **Henry Ford Health System** in Detroit, just lost a state contract appeal for approximately 85,000 Medicaid members in Southeast Michigan and counties near Ann Arbor. The counties are Wayne, Oakland, Macomb, Livingston, Jackson, Hillsdale, Lenawee and Washtenaw.

In a statement, Molina said it will fund the transaction with available cash on hand. The deal is subject to state regulatory approval.

"Although we are disappointed by the state's decision to reduce the number of Medicaid plans in Regions 9 and 10, we are grateful for the opportunity to transition our members to Molina, a quality plan with a similar commitment to the Detroit market and a good working relationship with Henry Ford Health System," said Mary Ann Tournoux, HAP Midwest's interim president, in a statement.

"HAP Midwest will continue to

provide services to Medicaid members in Region 6, as well as those enrolled in the dual-eligible demonstration product (MI Health Link) in Wayne and Macomb counties."

Stephen Harris, president of Molina Healthcare of Michigan, said in a statement: "We are pleased to welcome HAP Midwest's Medicaid and MICHild members in Regions 9 and 10 to the Molina family.

"This agreement with HAP Midwest will provide our new members with a seamless transition as the state begins a new managed care contract on Jan. 1, 2016."

So far this year, HAP Midwest has

posted \$20 million in profit and has contributed more than \$70 million in income to Henry Ford since it was acquired in 2011. Projected revenue this year is \$500 million.

HAP Midwest officials told *Crain's* earlier in November that they hoped to sell the Medicaid membership for enough to generate a decent return on investment.

Henry Ford acquired HAP Midwest for \$70 million four years ago and has invested additional funds on information systems and other improvements. ■

Jay Greene (313) 446-0325

Twitter: @jaybgreene

PEOPLE: SPOTLIGHT

Detroit Future City names Goss-Foster exec director

Detroit Future City has named **Anika Goss-Foster** as executive director, effective Jan. 4.



Anika Goss-Foster

She will succeed **Ken Cockrel Jr.**, who stepped down in June after serving as executive director of DFC's implementation office.

Goss-Foster, 44, will lead Detroit Future City as it transitions to an independent nonprofit. She served for the past four years as vice president of the Midwest region, providing strategic and technical support for seven **Local Initiatives Support Corp.** offices.

Before that, she was vice president of sustainable communities at LISC. In 2006-08, she was director of philanthropic affairs for the city of Detroit.

Cushman & Wakefield names Keais to new office

Garrett Keais has left Southfield-based **Signature Associates Inc.** to join



Garrett Keais

the new Detroit office of **Cushman & Wakefield Inc.** Keais, now senior managing director of Cushman, will be responsible

for expanding leasing services, according to a news release.

Keais, who came to Signature in 2003, joins **Brian Plergentill**, managing partner of the Cushman & Wakefield local office.

Holland named Snyder's communications director

LANSING — **Meegan Holland**, a member of Secretary of State



Meegan Holland

Ruth Johnson's communications staff since June, will become Gov. Rick Snyder's communications director Dec. 7. She will replace

Jarrod Agen, who will become Snyder's chief of staff in January when **Dennis Muchmore** retires.

Holland, 59, worked for Booth News Service covering Michigan state government for the then-Booth Newspapers chain. In 2012, she helped start the **MLive Media Group's** Lansing newsroom, a division of Staten Island, N.Y.-based **Advance Publications Inc.** She joined the **Michigan Department of State** in June after her MLive position was eliminated. ■

ADVERTISING SECTION

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FINANCE



Ira Goldberg and Michael Lee

Wealth Advisor and Chief Operating Officer (COO)

Schechter Wealth Strategies

Schechter Wealth announces Ira Goldberg has joined the firm as Wealth Advisor. Goldberg brings over 20 years of Wall Street experience, with a focus on family office investment platforms, wealth transfer, charitable planning, estate and tax planning strategies. Prior to Schechter, Goldberg was Managing Member at Longview Investments in New Jersey. Prior to that, he founded Dix Hills Partners in New York. Before that, Goldberg worked for 15 years at Merrill Lynch & Company.

Michael Lee was promoted to Chief Operating Officer at Schechter Wealth. Lee is responsible for all of Schechter's accounting, financial management, and business planning functions. He also provides leadership to guide the firm's expansion and growth. Lee brings over 30 years of experience in finance and operational leadership. Prior to joining Schechter, Lee was Vice President of Finance at MXM Health. Prior to that, Lee served for 20 years as Director of Finance at Carlson Marketing Group.

ACCOUNTING



Monica Silwanowicz, CPA
Manager,
ShindelRock

In addition to assisting ShindelRock clients with accounting and tax planning needs throughout the year, Monica will now provide staff mentoring and hiring, client development, and help lead overall firm administration.

MEDIA & ENTERTAINMENT



Stephen Colvin, CEO,
Robb Report

Robb Report, the luxury lifestyle authority, announced Stephen Colvin has been promoted to Chief Executive Officer, effective November 23, 2015. The announcement was made today by Bill Curtis, the company's current Chief Executive Officer. Most recently, Colvin was Executive in Residence at much celebrated New York based VC firm Lerer Hippeau Ventures. Previously, Colvin spent several years as CEO of both Newsweek and The Daily Beast and Executive Vice President at CBS Interactive.

ACCOUNTING



Dana Cinquepalmi, CPA
Manager,
ShindelRock

In addition to assisting ShindelRock clients with accounting and tax planning needs throughout the year, Dana will now provide staff mentoring and hiring, client development, and help lead overall firm administration.

ACCOUNTING



Karla Harrington, CPA,
Manager,
ShindelRock

In addition to assisting ShindelRock clients with accounting and tax planning needs throughout the year, Karla will now provide staff mentoring and hiring, client development, and help lead overall firm administration.

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CRAIN'S DETROIT BUSINESS

The 290-bed **Crittenton Hospital** in Rochester Hills is now under the management of **Ascension Health Michigan**.

CRITTENTON

FROM PAGE 1

said Terry Hamilton, Crittenton's acting president. "We have a capital planning agenda for Crittenton with Ascension," said Hamilton, who replaced CEO Roy Powell on Oct. 1 when the transaction closed. Hamilton also is president of **St. John Macomb-Oakland Hospitals**.



Terry Hamilton: Crittenton will be stronger than ever.

"Crittenton will be stronger than ever. One way is through capital investment," he said.

Project priorities

One of the first capital projects will be renovation of Crittenton's emergency department to improve aesthetics and patient flow, Hamilton said. Construction could start in January with completion in early 2016.

Other projects include increasing the size of two of Crittenton's 11 operating rooms and upgrading the hospital's electronic medical record system. Both Ascension and Crittenton use a **Cerner Corp.** EMR.

Improving Crittenton's heart program also is key, said Gwen MacKenzie, Ascension's Michigan market leader. Earlier this year, Crittenton ended a cardiac care contract with the **University of Michigan**.

"We brought in two cardiac surgeons from **Genesys (Health System in Grand Blanc)** to help build up the cardiac surgery program. It is a priority for us," MacKenzie said.

Hamilton said equipment upgrades will include cardiology imaging and interventional radiology. Crittenton also will get a new picture archiving and community system (PACS) to store multiple types of medical imaging, and a new cardiac catheterization lab in 2017.

Cancer care legacy, plans

Over the past several years, Crittenton's cancer program took a hit when former oncologist Farid Fata was arrested in 2013 and charged with under-treating and over-treating dozens of patients. He was convicted last year and sentenced to 45 years in prison for health care fraud estimated at more than \$225 million.

Additional cancer specialists will be recruited as needed for Crittenton's renamed **St. John Cancer Center**

in **Rochester Hills**, he said.

"We are establishing a center for breast health" with additional equipment and a large facility, said Hamilton. The center is likely to be located at the hospital's outpatient center on Squirrel Road in Auburn Hills.

Crittenton also has hired three primary physicians and is setting up a regional physician network that will eventually become part of **Together Health Network**, a joint managed care contracting venture between Ascension Health Michigan and Livonia-based **Trinity Health Michigan**.

"Physician integration is very important to make sure we have adequate capacity," Hamilton said. "We will bring in more doctors to the community as needed."

Last year, the two Roman Catholic health systems formed **Together Health**, a clinically integrated network with dozens of physician practices affiliated with Ascension and Trinity.

The network is marketing itself as having a hospital or physician practice within 20 minutes of 75 percent of Michigan residents. It also plans to offer population health management, advanced care coordination and several new health plan products.

Crittenton is 18 miles north of Ascension's nearest hospital — **St. John Oakland Hospital** in Madison Heights — and 38 miles southeast of **Genesys** in Grand Blanc.

Market penetration

The acquisition of Crittenton was unusual for Ascension Health Michigan.

"We are doing more networks of care, not hospital acquisitions," said MacKenzie, who came to Ascension Health Michigan last year after several years as CEO of **Sarasota (Fla.) Memorial Hospital**.

But the opportunity to add patients in the communities around Rochester was appealing.

"There is a wide band of area around Crittenton, space we don't cover," she said.

Ascension Health now operates 13 hospitals in Michigan, including five hospitals in the **St. John Providence Health System** and **Borgess Health** in Kalamazoo, **St. Mary's of Michigan** in Saginaw and **St. Joseph Health System** in Tawas.

Restructuring of Crittenton's debt into Ascension Health's obligated group is saving \$350,000 per month, and by year's end more than \$1 million is expected to be saved,

MacKenzie said.

While Crittenton lost more than \$73 million on operations the past five years, Crittenton is projecting an operating profit this year. In 2014, Crittenton lost \$2.7 million on operations while generating net income of \$10.4 million, said Cost Report Data.

Finding purchasing efficiencies and some new revenue streams are also helping.

Conversion to Ascension's supply, equipment and service purchasing contracts is expected to save \$3.4 million this year, she said. Ascension also brought in a mobile PET imaging scanner last month that is generating revenue of \$100,000 per month, MacKenzie said.

Executive recruitment

Ascension is conducting its own executive search with the board and a physician advisory committee, said MacKenzie, who expects to fill the position in four months.

Besides Crittenton's CEO, the hospital's chief legal officer, Michael Clark, has resigned, MacKenzie said. Ascension is moving to centralize certain administrative functions nationally and at the state level. For example, **Hall, Render, Killian, Health & Lyman** has been appointed Ascension Health's law firm in Michigan, she said.

MacKenzie said integration efforts between Crittenton and Ascension Health are being led by Hamilton, along with a team of executives that includes Jean Meyer, CEO of **St. John Providence Health System**, and Pat McGuire, system CFO.

Catholic guidelines

Another change for Crittenton is that while it is will not become a Catholic hospital at this time, the hospital board agreed to comply with Roman Catholic ethical guidelines.

Catholic rules forbid certain reproductive technologies to be performed. They include abortions, sterilizations, in vitro fertilizations, tubal ligations and ectopic pregnancy procedures.

As an independent community hospital, Crittenton performed a small number of tubal ligations and ectopic procedures, MacKenzie said.

"Doctors will do what is necessary to save the life of the mother," MacKenzie said. ■

Jay Greene: (313) 446-0325
Twitter: @jaybgreene

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When it comes to gameday, these chefs

LAMAR NOLDEN, EXECUTIVE CHEF, DETROIT PISTONS

Lamar Nolden, 44, was promoted by Chicago-based concessionaire **Levy Restaurants** in 2014 to become executive chef for the **Detroit Pistons**, along with **The Palace of Auburn Hills**, **DTE Energy Music Theatre** and **Meadow Brook Music Festival**.

Schooling: Trombly High School in Detroit

What was your first food service industry job: Washing dishes at an Italian restaurant.

Have you been an executive chef elsewhere: Four years at **TD Ameritrade Park Omaha** in Nebraska from 2010-14. The stadium is home of the College World Series and the **Creighton University** baseball team.

What are your current job duties: Overseeing all food and beverage at The Palace, DTE Energy Music Theatre and Meadow Brook Music Festival.

How many staffers do you oversee: Anywhere from 30 to 60 on a given night throughout our main kitchens.

Do you have a role in creating the concession menus for fans/event-goers: Yes, I help direct menus for suites, the Palace Grille and club areas throughout all properties.

Do you have a role in the team training table meals: I create menus for the team, handling breakfast and lunch.

Do you have a particular dish that is a favorite to prepare for guests: Braised short rib taco or our open-pit pork belly slider, new this year to our East Terrace Maplewood Barbecue location.

Do you prepare elaborate meals at home: On special occasions.

What trends have you noticed in concessions at sports facilities in recent years: The increase in moving more toward local fresh flavors and gourmet menu selections and less of the traditional concessions items. Craft beers are trending heavily.

Do you have a philosophy when it comes to creation of menus and dishes: Keep it simple with the freshest ingredients, bold flavors and appealing to a wide variety of demographics.

What is most misunderstood by fans/customers/clients about sports venue concessions: That we only serve hamburgers, hot dogs and nachos.

How has technology affected event concessions: Digital boards display menus while simultaneously drawing customers' attention to other information, like current arena promotions. Also new: self-serve craft beer stations. ■



ANDREW POTTER

Lamar Nolden, executive chef of the **Detroit Pistons**, has a "keep it simple" philosophy to meal prep. Here, he prepares wings before a recent game at **The Palace of Auburn Hills**.

JOHN BORSO, EXECUTIVE CHEF, DETROIT RED WINGS

John Borso, 41, was promoted by the **Detroit Red Wings** to executive chef for the team and Joe Louis Arena in 2003.

Schooling: Monroe County Community College (culinary/hospitality management).

What was your first food service industry job: Dishwasher at **Piper's Restaurant** in Flat Rock at age 15.

Have you been an executive chef elsewhere: No.

What are your current job duties: I develop menus for the International Bancard Olympia Club, suites at Joe Louis Arena, the Legends Club on suite level and the media lounge. I coordinate with the team nutritionist to maintain performance standards and recovery meals for the Red Wings.

How many staffers do you oversee: 25.

Do you have a role in creating the concession menus for fans/event-goers: Yes.

Do you have a role in the team training table meals: Yes.

Do you have a particular dish that is a favorite to prepare for guests: Balsamic mustard-glazed cedar plank salmon.

Do you prepare elaborate meals at home: Yes, but more often in the summertime when I can grill up big outdoor barbecues for my

family and friends.

Is there a particularly funny or memorable meal experience during your time as executive chef at your current venue: When the Red Wings won the Stanley Cup at Pittsburgh in 2008, we transformed the airplane hangar into an elaborate setup to welcome the team home.

What trends have you noticed in concessions at sports facilities in recent years: Fresher food, more restaurant quality.

Do you have a philosophy when it comes to creation of menus and dishes: I like to integrate seasonal, local foods into my menus. Collaborating with my culinary staff to create some of the best options for our guests.

What is most misunderstood by fans/customers/clients about sports venue concessions: That sports venue concessions are limited to items such as hot dogs, pretzels and nachos. There is so much more to experience.

How has technology affected event concessions: I believe technology has helped teach our guests about some of the good local foods available. It also has helped chefs stay more on top of culinary trends and the market costs associated with those trends. ■



SPORTSERVICE

A bacon and deviled eggs snack — the creation of **Mark Szubeczak**, executive chef of the **Detroit Tigers** — was on the concessions menu this year.



DETROIT RED WINGS

John Borso works to integrate seasonal, local foods into menus for the **Detroit Red Wings**.

know the score

Stories by Bill Shea
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LARRY PEPLIN

Joe Nader has been the executive chef of the Detroit Lions for 10 years; he often ventures to Eastern Market for ingredients to build his gameday menus.

JOE NADER, EXECUTIVE CHEF, DETROIT LIONS

Joe Nader, 45, was named executive chef of the Detroit Lions and Ford Field in 2005 by Chicago-based concessionaire Levy Restaurants.

Schooling: Bachelor's degree in philosophy from Eastern Michigan University and culinary degree from Washtenaw Community College.

What was your first food service industry job: Dishwasher and busboy at Pizza Hut.

Have you been an executive chef elsewhere: I was an executive chef for multiple restaurants and a country club in Los Angeles and San Diego areas. My last job before I came back and took this job was the executive chef of the W Hotel in San Diego.

What are your current job duties: I oversee all of the food and beverage service for the stadium at Ford Field, and that includes on game days everything you could imagine. It's all of the concessions, it's all 132 suites, all of the restaurants and club-level concessions. All of the team-related stuff, the locker room, the officials, the press, TV crews, employees. I also oversee the food service at the training center, so the whole nutrition program for the team.

How many staffers do you oversee: 85 at Ford Field; eight in Allen Park.

Do you have a role in creating the concession menus for fans/event-goers: I am directly involved with that every year. We don't change it too much during the year because the season goes so fast and we only have 10 games. We are always looking to how we can innovate.

Do you have a role in the team training table meals: I work with the dietitian that we keep retained for the team, and we do all of the menus for the training table at the training center (in Allen Park). Then for some of our big stuff, when we went over to London for the last couple of years, I traveled with the team to oversee that as well.

Do you have a role in preparation of meals for ownership/executives and corporate events: We do many events for the ownership and for the executives, whether they are at Ford Field or are at the training facility. We do multiple events with the Detroit Economic Club. Hob Nobble Gobble for 2,000 people. Auto Glow every January that is the night of the auto show gala. We do Taste of the Lions. There is a multitude of annual events and all of the other events that get sprinkled in.

Do you have a particular dish that is a favorite to prepare for guests: Some of my favorite stuff to do is go to Eastern Market, whether it is on a Tuesday or Saturday, and go through the market to build menus off of that. We really try to utilize as much local flavor and local farmed and sourced items as we can.

Do you prepare elaborate meals at home: I do not just for myself. I always use the analogy that chefs are like mechanics. Mechanics often drive really crappy cars and chefs usually eat, like, sandwiches or something really simple if you're cooking for yourself.

What trends have you noticed in concessions at sports facilities in recent years: Guest palates have changed and the expectations have changed. Yes, you can always come and get a good hot dog at the game, but we have noodles, bau buns, stuff like that, that you would never expect to find.

What is most misunderstood by fans/customers/clients about sports venue concessions: Even though the trends in stadiums and arenas have gone to great levels, that people are still surprised with some of the things you can get here. You can get an awesome craft cocktail here, we have Sugar House here or we have our Bar 35's and concessions, which are craft cocktail concepts that we run. You can get a bowl of Asian noodles (and) we still have all of this great variety, but we are still steeped in tradition. ■

MARK SZUBECZAK, EXECUTIVE CHEF, DETROIT TIGERS

Mark Szubeczak, 55, has worked since 2002 for Buffalo-based concessionaire giant Delaware North Sportservice as executive chef of the Detroit Tigers and Comerica Park.

Schooling: Henry Ford Community College (culinary hospitality); certified Chef De Cuisine from the Culinary Institute of America at Greystone (Calif.)

What was your first food service industry job: Dishwasher and dietary aide at former Heritage Hospital (now Beaumont Hospital - Taylor).

Have you been an executive chef elsewhere: 18 years at Chicago Road House in Dearborn (which now is Andiamo West).

What are your current job duties: Managing culinary staff to perform duties to exceed guest satisfaction.

How many staffers do you oversee: 65

Do you have a role in creating the concession menus for fans/event-goers: Yes, that is the most fun part of my job.

Do you have a role in the team training table meals: No.

Do you have a particular dish that is a favorite to prepare for guests: There are too many to list, but we favor live-action display cooking for freshness and "wow" factor.

Do you prepare elaborate meals at home: I do the inconvenient meals, breakfasts, barbecues. My wife cooks the elaborate meals.

Is there a particularly funny or memorable meal experience during your time as executive chef at your current venue: One time on the last day of a season, one of our cooks buttered hot corn on the cob with what he thought was melted butter. It was actually my whipped eggs for omelets! When I went looking for my eggs just before we opened for business, no one could find them. After questioning the entire staff, I discovered "scrambled egg corn on cob." I had to scramble to change the menu and it all worked out fine, but without omelets and without scrambled egg corn on the cob.

What trends have you noticed in concessions at sports facilities in recent years: Healthier choices, large variety of offerings, gluten-free requests, local fare being partnered into venues. ■



Mark Szubeczak: Looks for the "wow" factor in meal prep at Comerica Park.

TROMBLY

FROM PAGE 3

East and Canada, said Mike Schick, director of Birmingham-based Q10 | Lutz Financial Services, which arranges debt financing on real estate acquisitions and development projects.

"These regions have more available capital to invest and fewer local investment opportunities," he said. "The U.S. becomes an economically and politically stable place to invest. Detroit is an area where the investment returns can make sense."

Most recently, a German investment group with its eyes set on more than a dozen multifamily conversion projects in the greater downtown area closed on its first purchase: The pre-Civil War era Charles Trombly House at 553 E. Jefferson Ave., which has 5,000 square feet that could be repurposed in a small apartment redevelopment.

One of the brokers on the deal, Randall Book, executive vice president in the Southfield office of Colliers International Inc., said the investors have "no problem" putting between \$400,000 and \$600,000 into a conversion, putting the price tag at \$80 to \$120 per square foot.

But that's just the beginning for the investors behind Optima Larned LLC, which purchased the Trombly House and lists a Toronto-based real estate developer, Thomas Yarmon, as an authorized agent on one of its filings with the state Department of Licensing and Regulatory Affairs.

The group is also looking at Midtown properties and others throughout the 7.2 square miles of greater downtown, Book said.

The investment comes on the heels of recent notable moves in foreign investment downtown, just one of which was Carlos Slim Helu's purchase of the 164,000-square-foot Marquette Building on West Congress Street downtown late last year. Helu, a Mexican telecommunications mogul who is one of the wealthiest men in the world, paid \$5.8 million for the nearly vacant building near Cobo Center.

But others are in the process of exiting the downtown market entirely, having seemingly reaped substantial returns on comparatively small investments.

For example, DDI Group, a Shanghai-based group of investors, parted ways earlier this year with the David Stott Building and Clark Lofts building in Capitol Park, selling them to Dan Gilbert's Bedrock Real Estate Services LLC in May for a combined \$18 million, nearly 50 percent more than the \$12.05 million it spent two years ago buying them.

Earlier this year, DDI also put the former Detroit Free Press headquarters building on West Lafayette Boulevard up for sale for \$16 million, nearly four times what it paid for the building two years ago. The 302,000-square-foot building is the last remaining property in DDI's downtown portfolio.

Some foreign investors, such as DDI, a few years ago were simply

"What we are seeing now is the wave of people coming in and maybe they are paying a little bit higher prices, but they can pay more than what they would have (historically) and see that it's worthwhile to invest the money."

Mike Schick, director of Q10 | Lutz Financial Services

looking to park their money in Detroit real estate because the prices were so low and they knew they would only increase over time, Schick said.

"That's worked for a number of people," he said. "What we are seeing now is the wave of people coming in and maybe they are paying a little bit higher prices, but they can pay more than what they would have (historically) and see that it's worthwhile to invest the money."

"They seem to be building ties with the communities and be legitimate real estate owners in this market."

Milan, Italy-based Akno Enterprises also struck a deal with Gilbert earlier this year, selling him nearly 500,000 square feet of space between the Book Tower, the attached Book Building and a nearby three-story community center building for a reported \$30 million.

Others, such as Packard Plant owner Fernando Palazuelo, a native of Spain who has been developing properties in Peru, are playing the long game on their initial investments. Palazuelo earlier this year anticipated his planned 10- to 15-year redevelopment of the 3.5 million-square-foot plant on the city's east side — for which he paid just \$405,000 at a Wayne County tax foreclosure auction — would cost more than \$400 million.

It's not just downtown and other parts of the city where foreign money is making waves. In Southfield, a group of primarily Israeli investors purchased the 382-unit So-laire Active Adult Community on Providence Drive in March for \$20 million.

A Toronto-based company, Triple Properties Inc., owns the Pontiac Silverdome and is currently marketing its 127.5 acres and the stadium that sits on it for sale, with a massive redevelopment planned, possibly with 1.6 million square feet of space.

And look for foreign investors to continue to scout the area for opportunities to get in on the action.

"From an investment standpoint, Detroit still looks very good," Schick said. ■

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"I don't want to start spouting off expletives, but it was a terrible thing we went through - but you have that in business." Leonard Bugajewski Jr., CEO, Leonard's Syrups

SYRUP

FROM PAGE 1

Bull, and Twin-Up instead of 7 Up.

Bugajewski also discussed lessons learned from a spat that ended with a shuttered National and a cash settlement and left him looking ahead to the next chapter in the soft drink syrup business.

"In a way, I'm glad he's out of business. He doesn't belong," Bugajewski, 73, said. "I don't want to hurt the guy, but he was hurting us."

Weiss, 48, declined to comment during a brief phone interview except to say: "We were put out of business by Leonard's."

Antitrust lawsuit

The legal fight between the companies dates to February 2012 and was as colorful as Leonard's trucks.

That's when National filed an antitrust lawsuit against Leonard's Syrups in federal court.

Weiss alleged in the lawsuit that Leonard's maintained a monopoly built on discount alternatives to brands such as Coca-Cola and Pepsi, and crushed competitors through racketeering, trying to steal customer lists and instituting predatory pricing, according to court records.

The eight-count complaint offered a snapshot of two firms fighting over a piece of an \$11 billion industry in the U.S. comprised of syrups, flavorings and concentrates dominated by Coke and Pepsi. Manufacturers are facing a drop in demand, however, amid health concerns about sugar and artificial sweeteners, according to industry researcher **IBISWorld**.

The two local firms, Leonard's and National, were designed to serve customers who want discount syrup for, among other uses, fountain drinks and cocktails. In the discount-syrup world, when someone orders a Jack and Coke, the Jack Daniels may be real; the Coke, not always.



Weiss: National Beverage owner filed antitrust case.

National was incorporated in 2009 and tried cracking the local syrup market dominated by Leonard's, a family business launched in 1964 by the late Leonard Bugajewski Sr. and currently headed by son Leonard Bugajewski Jr.

National's small roster of taste-alike syrups included P-Cola, instead of Pepsi; Vern's Ginger Ale, instead of Vernors; and Desert Mist, instead of Sierra Mist.

National once controlled about 1 percent of the bar and nightclub market in metro Detroit and about 10 percent of the discount soft drink syrup market in the region, according to court records, and had plans to boost its share locally.

CEO Bugajewski said Leonard's controls about 35 percent of the



ROBERT SNELL

Leonard Bugajewski Jr., CEO of **Leonard's Syrups**, right, and son **Len**, left, run Leonard's, which provides flavored syrups and other products to clients such as restaurants.

local market and employs 65 workers. Its revenue tops \$12 million, he said.

Bugajewski's son Len is company president and grandson Leo could run the company someday.

"If we're all in the same room," Bugajewski said, "it can get confusing."

Syrup is one facet of Leonard's business, built to withstand constant pressure from soda pop titans. The company, formally incorporated as **Leonard Fountain Specialties Inc.**, also has a beer coil cleaning division, supplies bulk carbon dioxide and other beverage gases to restaurants such as **McDonald's** and **HopCat** in Detroit, and installs and services soda, wine and beer equipment for companies that include **Bells Brewery Inc.**

"I might not be that smart, I might not have that many great ideas, and I'm probably not the most entrepreneurial guy," Bugajewski said, "but I don't quit."

An example: Last week, one of the soda guns behind the bar malfunctioned at client **Duggan's Irish Pub** in Royal Oak, one day before the popular Thanksgiving Eve bar night.

Chef Jeff LaPointe called Leonard's, which provides syrup and equipment to the two-story bar on Woodward Avenue.

"They took the call real quick and were here in the afternoon," LaPointe said. "They're very organized... We're loyal to them and don't feel there's anybody better at this point."

When Leonard's launched in 1964, there were 16 syrup competitors. Today, Bugajewski said, there's just Leonard's locally.

"If you're not tough, you'll be wiped out," Bugajewski said.

'Everyone wants to win'

After a half century in business, Leonard's has 225 syrup flavors and varieties.

Instead of Vernors, there's Diet Jamaica Gold, produced at Leonard's 225,000-square-foot headquarters, a former **Lear Corp.** seating plant on the city's east side.

Around 2011, National moved into an 18,000-square-foot building on Detroit's east side with plans to add staff, the lawsuit alleges.

That's about the time Leonard's allegedly tried to eliminate the rival — at least according to the antitrust case filed by National. Leonard's engaged in industrial espionage in a bid to steal National's client list, Weiss alleged.

In May 2011, a Leonard's worker tried to steal the rival's proprietary information after showing up at National's facility posing as a **Michigan Department of Agriculture** agent, according to the lawsuit.

The phony agent said he needed to take photos of the facility, Weiss alleged.

Not so, Bugajewski said.

Bugajewski describes a benign reconnaissance mission by his late son Stephen Bugajewski as part of Leonard's desire to have the **U.S. Food and Drug Administration** inspect National's facility.

His son managed to take two photographs while standing in an alley behind National's before being spotted.

"The guy said 'Hey, what are you doing?'" Leonard Bugajewski recalls. "He was a big guy."

Bugajewski said his son was not posing as an inspector.

Four months later, in September 2011, a Leonard's employee allegedly shadowed a National delivery driver to identify customers, ac-



ROBERT SNELL

National Beverage, which is no longer in business, had operated its syrup business out of this Detroit industrial building.

ording to the lawsuit.

"The very next day, a representative from Leonard's visited all four companies and harassed them to the point that one owner had to physically escort the Leonard's representative from the premises," National's lawyer Ari Lehman alleged in a court filing.

Not true, Leonard's said in a legal filing, one of the few documents that weren't sealed in federal court to protect proprietary information.

The allegations included Leonard's giving National's customers free product, offering below-cost pricing, and spreading a lie that National was under criminal investigation. Bugajewski concedes only that he erred by lowering his prices — a tactic he says had nothing to do with National.

"It was 2009 and the recession hit and I didn't want to lay anyone off," he said. "The only way to get more business was to lower my prices. (Weiss) thought we did all of these underhanded things."

The lawsuit allegations might reflect the serious competition in the soft drink market dominated by heated rivals Coke and Pepsi, said Darren Tristano, president of **Technomic**, a Chicago-based market research firm.

"That's the competitive nature of the industry. Everyone wants to win," Tristano said. "If you're a big soda company, you're trying to dominate the restaurant and own it. You want to have all the beverages there and you don't want anyone else there."

Armed and angry

Heated competition is one thing; the legal drama between Leonard's and National turned potentially dangerous on Oct. 14, 2013.

That's when Leonard's lawyer David Steingold showed up at National's east-side plant for an agreed-upon inspection. Near the docking area, Steingold's investigator tried snapping photos of an abandoned car and a "mountain of trash" surrounding National's product, according to court records.

Weiss forbade the photos and kicked the lawyer out of the building, Steingold alleged.

Near the exit, Weiss allegedly

grabbed Steingold. Steingold suggested he was being assaulted.

"I'll give you an assault," Weiss said while pointing a gun at the lawyer's face, according to court records. Steingold's colleague captured the incident on camera and the lawyer filed the snapshots as evidence in federal court.

Weiss was charged and sentenced to probation after pleading guilty to assault with a dangerous weapon, according to Wayne County Circuit Court records. Plus, he had to pay Steingold \$1,000.

Meanwhile, the lawsuit between the competitors continued for another 17 months. Leonard's spent \$400,000 and was looking at spending another \$500,000 at trial.

National wanted at least \$500,000.

"The lawyers said, 'Settle for \$250,000,'" Bugajewski said. "I'm glad I didn't give him that much."

They settled in March. All it took was Leonard's insurance company cutting a check for less than \$50,000, Bugajewski said.

After surviving another rival, Bugajewski is introspective and focused on the future.

"I don't want to start spouting off expletives, but it was a terrible thing we went through — but you have that in business," Bugajewski said. "We didn't do anything wrong."

His advice to others following a costly legal battle: amass a rainy-day fund to bankroll litigation.

Bugajewski is now focused on new products soon to hit the market and on opening an office in Grand Rapids to serve West Michigan and the entire Lower Peninsula.

And on the product side, Bugajewski is finalizing a nitrogen-infused cold coffee. It's black, has zero calories and is sugar-free.

And Leonard's is close to unveiling a new line of craft soda. The man who specializes in knockoff pop syrup applied for two trademarks in August for similarly named drinks: Detroit City Soda and Motor City Soda.

Why? Knockoff protection. "I didn't want a competitor to take it," Bugajewski said. ■

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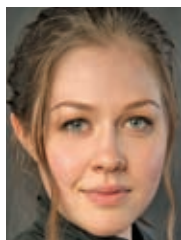


JOHNSON CONTROLS

Johnson Controls' Plymouth-based team applied its development and continuous improvement processes to improve The Empowerment Plan's overall product design, manufacturing and supply chain approach.

EMPOWER

FROM PAGE 3



Veronika Scott: Grateful to get outside expertise.

makes it more powerful while extending its reach, Scott said. Assistance from local companies is helping the nonprofit on that front.

“Expertise is something we would have to pay for and really couldn't afford to bring on,” she said. “These are talented individuals ... that have years of experience that we just don't have.”

Collaborative efforts

Garment maker Carhartt helped develop the current sleeping bag coat pattern and has donated material for the coats for the past five years. And General Motors has been donating scrap insulation from door panel assembly since 2013.

More recently, The Empowerment Plan has been working with companies like Detroit-based **Lean Machine Manufacturing LLC** and John-

son Controls to improve its processes and logistics.

Over the past nine months, with their assistance, it has been able to:

- Reduce assembly time by 73 percent to 1.4 hours per coat from 5.2 hours.
- Reduce the amount of fabric used in the coats by 20 percent or two yards per coat.
- Cut the cost of the coat nearly in half to about \$58.80 from \$114.90.

JCI's work with The Empowerment Plan is not the first time it has turned its manufacturing expertise to the benefit of a local nonprofit. In 2011, it donated an unused assembly line to **World Medical Relief** in Detroit and helped make its processes more efficient in the interests of preventing much-needed medical supplies from expiring or being misplaced.

A team from JCI's Plymouth technical center visited The Empowerment Plan and its operation in the Pony Ride building in Corktown early this year and immediately saw opportunities to help improve its sewing, assembly, logistics and material handling, said Eric Michalak, chief engineer, advance product devel-

opment.

The Detroit nonprofit is one of many JCI is supporting this year with a \$1,000 grant and employee volunteers.

“Our two end products are very similar,” Michalak said. “We do trim all day long for car seats; they do it for coats.”

About 20 executives, designers and engineers from JCI's materials, sewing and logistics teams have consulted with The Empowerment Plan on all aspects of its operation. On the sewing/assembly side, the supplier's team suggested changes that helped cut the amount of material needed to make each coat. It cut new Mylar patterns or templates for different sizes and fits of its sleeping bag coat and cut out the material pieces for 40 coats so the nonprofit could do an initial run of the new designs late this summer, Michalak said.

It referred The Empowerment Plan to another supplier that may be able to provide clothing-quality Velcro at costs below those it has been getting through the Internet. And it sent insulated and non-insulated versions of the sleeping bag coat out to be tested for a thermal rating, at Scott's request.

“There has been a lot of cost improvement with the coat itself ... but one of JCI's biggest contributions to the nonprofit has been on logistics and shipping,” Scott said.

JCI connected the nonprofit with some of its suppliers, including **Petoskey Plastics Inc.** to give it pricing for the plastic bags in which it ships each coat. The bag supplier told The Empowerment Plan it was paying way too much for these bags off the Internet, offered to supply them at a lower cost and wound up donating a year's supply of the bags once it met the women working for the nonprofit, Michalak said.

Process improvements

After identifying storage issues hampering processes, JCI donated three 12-foot-high pallet racks (picture those in **Costco**) to improve the nonprofit's materials and coat storage.

And after learning the nonprofit was purchasing larger bags that could ship only up to five bags per order, JCI offered the 2-by-3-foot quality cardboard boxes that had been used to ship materials but were still in good enough shape to ship goods again, Michalak said. It also cut templates so the nonprofit could spray-paint its logo on the shipping boxes.

The donated boxes have eliminated the nonprofit's need to purchase large plastic bags for shipping coats and may cut shipping costs by enabling it to send more coats in each shipment, he said.

Seeing the value in using a single shipper, JCI also introduced Scott to its shipping supplier, **UPS**. The two are still negotiating, “but so far it looks like we're going to really cut shipping costs for one coat all the way up to 1,000 coats,” Scott said.

Additionally, The Empowerment Plan should be able to give consistent pricing information and plan around those costs, regardless of where it is shipping to, she said. Currently, shipping costs can range from \$5 to \$50. The nonprofit asks organizations ordering the coats to give a \$100 donation for each.

When you're not in logistics and don't have anyone dedicated to it, it can be very challenging to manage orders and shipping, Scott said.

“We're really young ... and figuring this all out,” she said. “After partnering with JCI, we've been able to make a lot of these advancements.” ■

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WEEK ON THE WEB

NOV. 21-25

Quicken launches new mortgage service: Rocket

Quicken Loans Inc. announced the launching of a new service for desktops and smartphones called Rocket Mortgage with the promise that consumers can obtain a mortgage in 8 minutes on their computer or mobile phone. Rocket Mortgage customers can visually compare and customize interest rates, mortgage terms and monthly payments for numerous products with current pricing, the Detroit-based company said.

COMPANY NEWS

■ The Detroit Lions said they have tapped longtime **National Football League** executive **Ernie Accorsi** to help lead the search for a new general manager. The team is looking to replace **Martin Mayhew**, who was fired earlier this month along with team president **Tom Lewand** after a 1-7 start to the season. Accorsi is part of the league's Career Development Advisory Panel, which meets throughout the season to identify potential head coaches and general managers.

■ **Blue Cross Blue Shield of Michigan** acquired Southborough, Mass.-based insurance software vendor **IkaSystems Corp.** as an independent subsidiary. The Detroit-based health provider did not disclose the sales price.

■ Auburn Hills-based **Palace Sports and Entertainment** agreed to manage event bookings, marketing, ticket sales, public relations and more for **Freedom Hill Amphitheatre** in Sterling Heights. The facility's owner, Novi-based **Luna Entertainment**, hopes to bring in higher-profile acts through the teaming with PS&E, which owns **The Palace of Auburn Hills** and **DTE Energy Music Theatre** and manages **Meadow Brook Music Festival**.

■ Roseville-based **Tubby's Sub Shops Inc.** plans to use a sandwich shop location in Riverview to test possible new fast-casual food and services. The shop, expected to open next spring, will be a launching point for gourmet baked goods and **Tubby's Pizza** fare, the company said.

■ The **Detroit Garment Group** is launching the city's first fashion incubator program. The Detroit-based nonprofit collective plans to open the incubator in early December with a special focus on business training.

■ **Rivian Automotive LLC**, Livonia, plans to invest \$29.5 million and add 174 jobs at a new Dearborn R&D center to develop high-tech vehicles. It obtained a \$1.77 million performance-based grant

Detroit Digits

A numbers-focused look at last week's headlines:

51.4

The percentage of workers at **Ford Motor Co.** that supported a narrowly approved contract deal with the **UAW**. With that approval, the union has new four-year pacts in place with all three Detroit automakers.

\$600M

The new estimated value of the **Detroit Red Wings**, according to data published by **Forbes.com**. The estimate is a 5.3 percent increase from last year's \$570 million value estimate and moves the Wings up one spot to eighth in the 30-team **National Hockey League**.

27

The consecutive term in Congress for which U.S. Rep. **John Conyers** has declared his candidacy. The 86-year-old Detroit Democrat was first elected in 1964.

for the project from the Michigan Strategic Fund, a division of the **Michigan Economic Development Corp.** The fund also approved a local and school capture of more than \$1.2 million (capped at \$700,000 by a prior agreement) for Romulus-based **Packaging Specialties Inc.**, or **PackSpec**, to invest \$5.6 million and add up to 70 jobs in Romulus.

■ **Banza LLC**, the Detroit-based maker of gluten-free pasta made from chickpeas, won \$100,000 from The Innovation Fund, a \$2.7 million initiative from **J.P. Morgan Chase & Co.** and **Macomb Community College's** Strategic Fund to grow economic development among Detroit-area entrepreneurs and next-stage companies. Other Innovation Fund winners were Sterling Heights-based **Lighthouse Molding** (\$100,000); Ann Arbor-based **PHASIQ Inc.** (\$50,000); Detroit-based **Pro:Up** (\$25,000); and Bloomfield Hills-based **Sterilogy** (\$25,000).

■ The **Salvation Army Eastern Michigan Division** launched its annual Red Kettle campaign with a goal to raise \$8.7 million during the holidays, on par with the nearly \$8.7 million raised last year. The campaign helps fund the cost of providing meals, lodging, utility assistance, free legal aid and other programs.

■ **Flat Chrysler Automobiles** must invest an additional \$1 billion in Michigan by 2029 to receive the maximum amount of state tax credits it is entitled to under a modified agreement ap-

proved by the Michigan Strategic Fund board, *Automotive News* reported.

OTHER NEWS

■ Officials of Detroit's **M-1 Rail** streetcar line postponed the announcement of its new name because of what a statement called "additional steps to complete in the process." Construction continues toward an opening in 2017.

■ The **AFL-CIO Housing Investment Trust** said it will invest up to \$30 million in the new Detroit Neighborhood Home Repair program to rehabilitate up to 300 blighted single-family homes owned by the city. Proceeds from the home sales will be shared by **HIT** and the city.

■ The vacant **Williamson House** in Midtown, a former home for World War II veterans transitioning back into civilian life, is being turned into six market-rate apartments by Detroit-based **TOAD Management LLC**. The \$750,000 renovation of the 6,000-square-foot house is expected to be complete by spring.

■ Mayor **Mike Duggan** and the **Michigan Black Chamber of Commerce** unveiled the Detroit Neighborhood Business Directory, with information on more than 170 small businesses. The free directory will be available at locations throughout the city and at detroitmi.gov/Detroit-Opportunities.

■ Employer health benefit costs for active employees are projected to rise next year by 5.9 percent in Michigan, according to a new survey by **Mercer LLC**, a New York City-based human resource consulting firm. The projections are lower than this year's 5.3 percent increase in total health benefit costs.

■ Speaking on a White House-arranged conference call, Detroit Mayor **Mike Duggan** said the city will welcome Syrian refugees despite pushback from Gov. **Rick Snyder** and other leaders after the recent attacks in Paris, AP reported.

■ The **University of Michigan** awarded \$5 million to three projects that could help transform learning for students. The awards, from the Transforming Learning for a Third Century grant program, are for projects to focus on writing-to-learn in large courses, case-based approaches to sustainability training and field-based experiences about environmental topics.

■ Oakland County officials were warning restaurant managers about a health inspection scam, AP reported. The **Oakland County Health Division** and the **Oakland County Sheriff's Office** said some restaurants were getting automated calls from someone claiming to be a health inspector scheduling inspections. ■

RUMBLINGS

GM, Gilbert developing land near riverfront?

General Motors Co. and **Dan Gilbert's Rock Ventures LLC** are working to develop more than 20 acres of land, at least some of which GM owns, near the Detroit River just east of the **Renaissance Center**.

According to sources, the development of the area south of Jefferson Avenue would be mixed use, with a combination of multifamily units, retail and other uses.

Sources' accounts of the project status differ. One said an architectural firm has been chosen and Gilbert's company selected to develop the land. Another said negotiations between GM and Gilbert's team are ongoing.

The exact boundaries are believed to include property bought by GM within the past 18 months, all of which is just west of another mixed-use project, the \$65 million the **Orleans Landing** development that recently broke ground.

Unicorns, Beavers part of new minor league

Through this holiday season, Southeast Michiganders will have a new topic to spark family debates: Will they root for unicorns, diamond hoppers or beavers?



Andy Appleby: His baseball league will open in May.

Those are the team names settled on by Rochester-based **General Sports and Entertainment**, whose owner, **Andy Appleby**, is starting a new baseball minor league called the **United Shore Professional Baseball League**.

The league comprises three teams: **Utica Unicorns**, **Eastside Diamond Hoppers** and the **Birmingham Bloomfield Beavers**.

The names were chosen through an online poll. League play is expected to begin in May at the 2,000-seat **Jimmy John's Field** in Utica, which is being built at a cost of \$12 million.

Albom talks of possible departure from Free Press

Mitch Albom's days at the *Detroit Free Press* may be nearing their end.

In a profile of Albom published last week by the website **Buzzfeed**, the columnist and best-selling author said the trigger for his potential departure was the recent retirement of **Gene Myers**, the newspaper's sports editor for the past 22 years.

Myers' departure "might be a signal that it's time for me to get out,"



Mitch Albom: Editor's departure "might be a signal."

Albom was quoted as saying.

Albom, 57, joined the paper in 1985. In recent years he's had a string of bestselling books, four of which were made into TV movies.

His latest book, *The Magic Strings of Frankie Presto*, hit bookstore shelves earlier this month.

Wireless Toyz loses appeal at state Supreme Court

At least one franchisee seems to have gotten the last word in a long legal battle with **Wireless Toyz Inc.**

A majority on the **Michigan Supreme Court** turned away the Southfield-based mobile device retailer's appeal Wednesday. That means a 2010 jury verdict will stand, awarding more than \$200,000 to **Colorado Toyz Inc.** and franchisee **David Abbo**.

Jurors originally awarded the damages against **Wireless Toyz** and its finance director, **Richard Simtob**, for silent fraud in 2010. Several franchisees around the same time had alleged **Wireless Toyz** made misrepresentations about costs and chargebacks.

But the **Oakland County Circuit Court** trial judge in Abbo's case retired later that year. The new judge, **Shallina Kumar**, scrapped the verdict in 2011, and then the state **Court of Appeals** reinstated it last year.

Last week's Supreme Court decision was in response to an appeal against that reinstatement.

Local duo dreams of publishing success

Two local women have published a children's book under a new publishing business they launched.

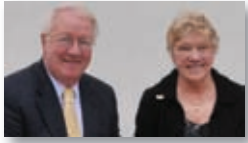
Their business, Grosse Pointe Shores-based **Kadoo LLC**, has released *Rosaline's Big Dream*, a book about a young giraffe at the **Georgetown Zoo** who learns lessons on never giving up on her dreams.

The authors, **Gall Kachadourian Howe** and **Laura Grande Adams**, wrote and illustrated the book. Howe is a former reporter at *Automotive News*, a sister publication of *Crain's Detroit Business*.

The book's reading level is for children ages 4 to 8. The price is \$17.99, and the book is available at certain local stores, including **El's Boutique** in Grosse Pointe, **Adventures In Toys** in Birmingham and **Toy Box** at **Lakeside Mall** in Sterling Heights. It's also on **Amazon.com**. ■

Association of Fundraising Professionals Greater Detroit Chapter Congratulates the 2015 National Philanthropy Day Honorees!

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Television



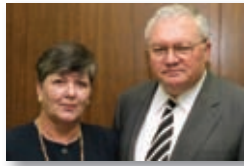
**DR. JOHN S. LORE OUTSTANDING
FUNDRAISING EXECUTIVE**
Richard Martin; nominated by
Lutheran Social Services of Michigan



**OUTSTANDING CORPORATION
AWARD**
Kroger Corporation; nominated
by FAR Therapeutic Arts and
Recreation, Forgotten Harvest,
and Gleaners Community
Food Bank



**EDMUND T. AHEE JEWEL AWARD
FOR OUTSTANDING VOLUNTEER
FUNDRAISER**
Elizabeth "Betty" Brooks;
nominated by Reading Works Detroit



**GEORGE W. ROMNEY
AWARD FOR LIFETIME
ACHIEVEMENT IN
VOLUNTEERISM**
Gail and Lois Warden;
nominated by the Detroit
Zoological Society



**OUTSTANDING
FOUNDATION AWARD**
**John S. and James L.
Knight Foundation;**
nominated by the Detroit
Symphony Orchestra



**NEAL SHINE AWARD FOR MEDIA
COMMITMENT TO PHILANTHROPY**
Paula Tutman; nominated by Big
Brothers Big Sisters of Metropolitan
Detroit



**SPARKY ANDERSON YOUTH IN
PHILANTHROPY AWARD**
Thomas Allen; nominated by the
Autism Alliance of Michigan

2015 Distinguished Volunteers

Elizabeth Abowd-Rockwell, Marian High School
Anita Adams, The Children's Center
Les Adams, Marian High School
Kirk Albert, Arbor Hospice
Diana Allen, The Children's Center
Ashi Arora, Novi Youth Assistance
Dr. Mandip Atwal, McLaren Macomb Healthcare
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Jeff Baker, The Children's Center
Melissa Beert, Detroit Public Television
Rick Berschback, Walsh College
Charles Borgsdorf, Arbor Hospice
Hannah Buonomo, Cranbrook Schools Horizons-
Upward Bound
Cynthia Collins, CARE House of Oakland County
Howard Cooper, Arbor Hospice
Phyllis Cornell, Henry Ford Village Foundation
Dawn Crowley, Children's Hospital of Michigan
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Kevin Cunningham, University of Michigan - Dearborn
Toby Dahm, The Salvation Army
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Michigan
Larry Fleischmann, MD, Children's Hospital of
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Steve Gadzinski, Lawrence Technological University
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Upward Bound
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Diane Lueck, Marian High School
Dr. and Mrs. James Lynch, Beaumont Health,
Beaumont Foundation
Hugh Mahler, Forgotten Harvest
John Mills (posthumously), Oakland University -
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Ravinder & Chitra Shahani, Henry Ford Health System
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