

©Entire contents copyright 2007 by Crain Communications Inc. All rights reserved

THIS JUST IN

JCI to turn 4 plants over to Plastech

After months of negotiations, **Johnson Controls Inc.** last week agreed to turn four of its North American plastics parts plants over to Dearborn-based **Plastech Engineered Products Inc.**, which will use them for contract manufacturing of Johnson Controls parts.

The agreement covers plants in Holland; Whitby, Ontario; and Ramos Arizpe and Puebla, Mexico. Manufacturing responsibility will be turned over to Plastech on April 1, with Plastech leasing the equipment and sites, Johnson Controls officials said.

It also extends a strategic supplier business arrangement that the two companies worked out in 2001.

This year, Plastech is expected to receive an increasing amount of injection-molding business under the agreement with Johnson Controls, according to a report by credit-rating agency **Standard & Poor's**. Plastech's actual sales to Johnson Controls were lower than expected during 2005 and 2006.

But Johnson Controls met its financial obligations under the terms, and it proposed a plan to meet its Plastech commitment within the next several years, according to S&P.

"It's a way for our companies to grow together while leveraging the strengths and capabilities of each organization," Jeff Williams, group vice president for Johnson Controls, said in a press release.

The 2,600 employees at the four sites will be offered employment with Plastech.

Johnson Controls' automotive division in Plymouth has been seeking a way to shift production to an outside supplier of some parts, including door panels, floor consoles, overhead parts and visors.

— Crain News Service

See This Just In, Page 2

Mergers challenge brokers

Expanding firms chase talent; affiliations are growing

BY JENNETTE SMITH
CRAIN'S DETROIT BUSINESS

If only local office space was moving as fast as local brokers.

Mergers and expansions by national commercial real estate brokerages have translated into stepped-up efforts by local firms to recruit and retain top talent.

The December acquisition of Dallas-based **Trammell Crow Co.** by Los Angeles-based **CB Richard Ellis**



Gerard with it new clients like **Lear Corp.**, **Comerica Inc.** and **Ford Land**. And

is translating into a much bigger CB office here.

Mike Gerard, managing director for CB in Southfield, said the acquisition of Trammell

Crow brings with it new clients like **Lear Corp.**, **Comerica Inc.** and **Ford Land**. And

CB has boosted the number of local brokers from 17 in 2005 to 54. Total local employee count is close to 400 because of other lines of business such as property management, move management, appraisal and tax consulting.

"We are really expanding in terms of people and clientele," he said, adding that he's had a major emphasis on retaining and recruiting top talent. (See Page 25.) The office, along with other local broker-

ages, also has a hand in more international transactions. For example, CB is working on deals for **Questor Management** in Paris.

In a January deal that brought another international name to town, New York City-based **Newmark Knight Frank** announced it was opening a local office housed in the offices of Farmington Hills-based **Friedman Real Estate Group**.

The company hired Steve Mor-

See Brokers, Page 25

Developing duo

Buckhaves transform Michigan Gift Mart into retail, office hub in Northville

BY JENNETTE SMITH
CRAIN'S DETROIT BUSINESS

Margene and Bob Buckhave are turning the former **Michigan Gift Mart** building in downtown Northville into a breeding ground for new entrepreneurial businesses.

The 90,000-square-foot building takes up a full city block but was not open to the public during the more than 25 years it housed sales representatives for retail vendors. Prior to that, it had a short tenure as an enclosed shopping center.

Today it is back in business as a retail and office hub, but the Buckhaves' vision is far from the maze of hallways and sparse windows of the original 1970s structure they bought. Renamed **Northville Square**, the two-story, \$8 million site at 133 W. Main St. now boasts huge windows, skylights and ceramic floors designed to house a growing list of boutiques, restaurants and the right mix of office tenants.

"We basically took everything out ... back to the brick columns," said Margene Buckhave, co-owner and developer.

In many ways, the building's reinvention mirrors the Buckhaves own career evolutions.

Margene forged her hobby of stenciling into a stamping and scrapbooking business and, after a divorce in 1990, became the sole owner of the predecessor business to her **Stampeddler** store in downtown Northville. She had originally started the business with three friends.

Bob Buckhave, meanwhile, started out as a plumbing contractor and is a master plumber.



JOHN F. MARTIN

Marge and Bob Buckhave have given the former Michigan Gift Mart in Northville a new sheen, and the city hopes it leads to more redevelopment.

The two married in 1995 and in 1998 decided to take on their first real estate project together: renovating a 118-year-old Victorian church into a retail site with residential space upstairs.

See Northville, Page 24

Addition puts river refuge near 5,000 acres

BY SHEENA HARRISON
CRAIN'S DETROIT BUSINESS

Public-private partnerships are paving the way for wetland conservation along the Detroit River — something environmental and economic experts say will be crucial in helping the region attract and retain professionals.

About 780 acres of wetlands and habitats inside **Lake Erie Metropark** were added to the **Detroit River International Wildlife Refuge** last week.

By adding the property to the refuge, the Metropark retains ownership, but gains the assistance of the **U.S. Fish and Wildlife Service** in managing its ecology. That can include restoring eroded shorelines or controlling invasive aquatic species, which can harm or kill native Michigan wildlife.

Lake Erie Metropark and the **Huron-Clinton Metropolitan Authority** also can receive higher priority for state and federal grant funding, refuge manager **John Hartig** said.

The newest parcel brings the refuge to 4,985 acres, up from 304 acres in December 2001. Hartig said the Fish and Wildlife service approached the park authority about a year ago because of Lake Erie Metropark's reputation as a top spot for



Hartig

See Refuge, Page 25



CFO turnover increases as regulations, job duties grow, Page 11

CRAIN'S LIST
Largest general contractors, Page 16

DSO: Orchestra's outreach helps lure music conferences

■ From Page 3

The Metro Detroit Convention & Visitors Bureau estimates the conference will generate about \$4.2 million in direct spending.

The national music conferences "fit well (with) our new focus of attracting more single property bookings in addition to seeking city-wide conventions," said Carla Conner-Penzabene, the convention bureau's director of sales, in an e-mail.

They also fit well with the convention bureau's new brand identity for metro Detroit, which focuses on cars, culture, gaming, music and sports, she said.

"There is a lot of buzz in the orchestra industry about what the DSO is doing in terms of education, urban revitalization and balancing the budget," said Jill Woodward, DSO public-relations director.

"These conferences want to use our innovation as a backdrop for developing other progressive ideas that will positively impact our industry."

While many orchestras around the country are struggling to operate in the black, successful fundraising has helped the DSO

post a modest surplus the past three years, she said.

The DSO reported an operating deficit of \$1.07 million on its fiscal 2004 990 tax form, the most recent year available. But Woodward said the tax form combines results for the DSO and the **Orchestra Place Renewal Partnership**, which operates the Orchestra Place office building.

According to its audited financial reports, the DSO itself posted a surplus of about \$88,000 in fiscal 2004, followed by surpluses of about \$100,000 and \$45,747 in the following years. The DSO's fiscal year ends Aug. 31. This year, the DSO is operating on a budget of \$31.8 million, Woodward said.

The arts organization is working to help attract national conferences so that it can show off its "world-class orchestra and facility and continue (to) positively impact our city's economy, in every way we can," she said.

The DSO's willingness to work with the American String Teachers played a big role in its decision to hold the conference in Detroit, said association Executive Director

Donna Hale.

"Our conference is pretty complex when you consider all the performances that are happening," the workshops and the Saturday night gala benefit for the association, she said.

"This is the first time that we've worked so closely with a local symphony in terms of a hands-on partnership; it's been wonderful."

The DSO is making the Max M. Fisher Music Center available for performances during the conference, providing judges for the string solo competition.

Woodward said the DSO also expects to gain about \$45,000 through rental fees, concessions and the sale of about 1,700 tickets to conference attendees to concerts by the cellist Lynn Harrell and a conference-sponsored performance by the violinist Midori and the DSO's Civic Youth Orchestra.

Assistance from the Metro Detroit Convention & Visitors Bureau and the Detroit Marriott as well as the aesthetics of the area impressed the association when representatives visited, Hale said. "The view of the riv-

er is wonderful; it's just a very pretty area."

Additionally, Detroit is within driving distance of a large percentage of the association's 11,500 national members, she said.

The Renaissance Center will host the National Solo Competition for string musicians and the Alternative Styles Award competition covering folk, jazz, fusion and rock music performed by string musicians during the conference. The National Orchestra Festival will take place at the Max.

Arts and cultural organizations are increasingly going beyond their traditional missions of providing programming, said Maud Lyon, founding director of the **Cultural Alliance of Southeastern Michigan**.

"This is a great example where you've got a major arts organization taking the leadership role in bringing new conventions to Detroit, which not only is good for the convention business but also ... helps to spread the reputation of what we really have here," Lyon said.

Sherry Begin: (313) 446-1694, sbegin@crain.com

Northville: Old building gets new life, new look

■ From Page 1

Known as Old Church Square, the three-building project totals 25,000 square feet.

"We renovated it, put the (Stampeddler) store in and built two buildings in the front," Margene said. "Bob acted as the construction manager. We came in on time and under budget."

Margene moved her store to Old Church Square from the nearby store space she had leased for 15 years. It took seven months to renovate the store, 2.5 years to rebuild the residential space that is their home upstairs and a year to build the other two buildings.

With one successful team project behind them, breathing new life into the Michigan Gift Mart building didn't seem as daunting. After buying the building in 2005, they changed the roof design, put in 60 windows and doors, changed the entrances and facades and all floors and lighting. As the stores and restaurants lease space, each is built out with high-end finishes. They also returned the building to its original name of Northville Square.

The couple said they bring complementary skills she pushes for the more expensive materials; he handles project management.

The contemporary **Nomi** restaurant, open for six weeks, has been an instant hit, partly because of a look and feel different from what has traditionally been found in Northville, the Buchhaves said. Local entrepreneurs have opened up a **Madillu & Ethan Tool** kids clothing store, a **Pure Barre** workout center and a **Belli Couture** maternity boutique. Other stores in the works include a **Solid Grounds** coffee house and a store Margene Buchhave plans to own and run, **GG Resort**, which will sell resort wear.

The name for the GG store comes from its main line of clothing, **Girls Golf**, which is designed by Bloomfield Hills-based Girls Golf founder Annie Margulis. Margulis' line is sold in country clubs and resort stores locally and in Florida, Texas, California, Nevada, Barbados and Europe.

The Buchhaves bought the Michigan Gift Mart building in 2005 and have changed the roof design and added 60 windows and doors.

JOHN F. MARTIN



The Northville store is the first using Girls Golf as a launching point; Buchhave plans to add other resort clothing, such as tennis wear, as well.

Northville Square is a great site for the store because it will draw shoppers from as far as Ann Arbor, and the timing could not be better given the rising popularity of women's golf, Margulis said.

"I think there's a big desire to be fashionable," she said. "You can be feminine and have game."

Girls Golf has had extensive coverage in golf trade publications, and the **Ladies Professional Golf Association's** Vicki Goetze-Ackerman is wearing the line.

Downstairs from that store build-out, **CV Media**, a firm that produces Web sites, videos and other media, has moved in, and the 3-year-old **Main Street Bank** moved its headquarters in late January. It kept its first location, also on Main Street, as a branch.

Rick Shaffner, CEO of Main Street Bank, said the plan for the building was excellent and provided the space the bank needed, about 11,000 square feet. The addition of destination stores is a nice draw as well, he said.

"We're not going to be a big-box type of downtown," he said. "It's a beautiful building."

The Buchhaves say they hope to provide space for more success stories like Shaffner. Perhaps buyout offers at **Ford Motor Co.** will prompt people to consider a local franchise, Margene said. Shaffner, for example, found success get-

ting a new bank up and running despite the Fed's steady interest rate hikes.

"I just refuse to be a pessimist," Shaffner said. "Bob and Margene have the same mindset."

Northville Square has about 30,000 square feet of common areas, some of which could be used by kiosk businesses such as food vendors, but much of which would be available for public events. The project adds about 40 percent more retail space to the downtown, Bob Buchhave said. The couple is working hard to find the right mix of new tenants and not steal tenants from other downtown landlords, he said.

City Manager Patrick Sullivan said Northville Square is "unique because it's an indoor environment that continues the energy of the street into the building."

He said it complements other efforts under way downtown, such as a Downtown Development Authority marketing and branding strategy, and a renovated town square project. The city plans to spend \$1.5 million to improve its Main Street town square, and plans a \$4 million streetscaping program. Construction on the town square project will start this summer, he said.

Margene Buchhave said the combined effect of real estate investment, the additional business, and plans for a theater championed by Northville residents Chuck and Susan Gaidica (See box) should all move the city forward.

COULD PLAYS BE THE THING?

With a real estate deal and one step in the city approval process under way, opening night for a new professional theater in downtown Northville may be getting closer.

Northville resident and **WDIV-Channel 4** meteorologist Chuck Gaidica and his wife, Susan, are among those leading the effort to create the **Tippling Point Theatre**.

Christina Johnson, executive director of the nonprofit theater, said last week that Gaidica and local developer Chuck Lapham bought the building at 361 Cady St. that will house the theater. The 4,000-square-foot building has been a variety of businesses, including a testing site for car wash equipment, she said.

The theater board plans a March 10 fundraiser. It has raised about \$25,000 of the \$100,000 needed to get the basic expenses such as lighting and staging handled.

Johnson said the goal is to get a summer camp program started in July and a professional theater season started in the last weekend in August. Corporate sponsors also will be sought.

Patrick Sullivan, Northville city manager, said the planning commission recommended approval of rezoning needed for the site to be part of the central business district.

"It's a natural extension of our downtown," he said. "It's generating excitement."

Combined with other investments by developers and the city, the theater project will help Northville move forward while keeping its small-town charm, Sullivan said.

"These things give us the potential to draw from a bigger market, for people to come at night and do things," he said. See www.tipplingpointtheatre.org for more information.

— Jennette Smith

The architects of Northville Square are **CubellisMarco**, Northville, and **Kevin D. Hart & Associates**, Birmingham.

Jennette Smith: (313) 446-0414, jhsmith@crain.com

Labor: Supplier talks a mixed bag

■ From Page 3

yet to offer a new labor contract to the UAW hourly workers at the plant operated as part of Ford's **Automotive Components Holdings**, said Della DiPietro, a spokeswoman for Automotive Components Holdings.

Efforts to hold down costs are not restricted to new owners.

Detroit-based **American Axle & Manufacturing Holdings Inc.** said last week that it has a labor agreement that would cut wages and benefits for new hires to \$27 an hour, a drop from about \$66 an hour for current UAW employees, Bloomberg News reported.

The disclosure came in a filing with the **U.S. Securities and Exchange Commission** that also said the company plans to trim 300 salaried jobs. The company last month said it eliminated 1,474 U.S. union positions through an October buyout offer.

The company's reduced hourly rate for new hires is less than those being paid this year to new hires at some other suppliers linked to **General Motors Corp.** and **Ford Motor Co.**, according to data compiled by the Center for Automotive Research. American Axle was formed in 1994 from plants acquired from GM.

New workers at **Delphi Corp.**, spun off by GM in 1999, and at Ford's Automotive Components Holdings will earn about \$34.60 at the end of this year, including \$16.66 an hour in wages, the center said. Unions at those suppliers agreed to the lower pay for new workers in 2004.

Automotive Components is a collection of plants Ford took back from its former parts unit, **Visteon**, in 2005 and is trying to sell or close by 2008.

From Automotive News.