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**Packard plant plans have barriers to tear down**

**Diversity: Firms embrace it because it's good business**

**COTS reaches out to families**



**Crain's Lists**

**African American-, Native American-, Asian and Hispanic-owned businesses, Pages 16-18**

**This Just In**

**M-1 Rail expects to choose vehicle vendor next week**

The **M-1 Rail** Detroit street-car project expects to select its vehicle vendor from three bid packages by the end of next week, project spokesman **James Canning** said Friday.

The \$137 million nonprofit M-1 Rail effort remains in talks with all three bidders, which were not disclosed, and will have additional talks next week, Canning said.

After that, the project will negotiate a deal with the preferred vendor by the end of the year.

Bids for design, engineer and manufacture of six streetcars were due Oct. 21. Streetcars typically cost between \$2 million and \$6 million apiece, depending on size and options.

Construction of the 3.2-mile grade-level rail loop on Woodward Avenue by the public-private effort is expected to begin with the spring thaw, M-1 CEO **Matt Cullen** said. A ceremonial groundbreaking may happen yet this year, he said.

M-1, running between West Grand Boulevard and Congress Street, plans to be operating for paying passengers by February 2016.

— *Bill Shea*

## Karmanos: McLaren adds strength

*Acquisition expands reach, lifts cancer center's finances*

BY JAY GREENE  
CRAIN'S DETROIT BUSINESS

The addition of Detroit-based **Barbara Ann Karmanos Cancer Institute to McLaren Health Care**, with its 10 hospitals scattered over eastern, central and northern Michigan, is expected to create one of the state's largest oncology hospital providers, with more than 12,000

patients and 165,000 outpatient visits per year.

The acquisition means patient referrals for advanced cancer care to Karmanos in downtown Detroit from McLaren hospitals and 14 outpatient centers could significantly increase — primarily with stem cell and bone marrow transplants, rare and complex cancer

surgeries, and patients involved in early human phase-one clinical trials, said hospital officials and outside experts.

"We will have a significant influx of patients coming downtown," said Gerold Bepler, M.D., Karmanos' CEO.

For Flint-based McLaren, the addition of Karmanos is expected to help further develop its lucrative oncology program, which has been a major focus the past several years. To Karmanos, the deal is a financial lifeline because it comes with pledges for capital improvements



Bepler

and a way out of its ailing financial position. The deal with McLaren has been blessed by the Karmanos family, and doctors and downtown staff likely will welcome the \$80 million McLaren has pledged to upgrade facilities downtown and in two suburban clinics.

See Karmanos, Page 25

## Repair or replace? I-375 at crossroads

**City seeks expert to analyze the feasibility, impact of changing busy freeway to boulevard**

BY BILL SHEA  
CRAIN'S DETROIT BUSINESS

The city of Detroit is seeking an expert to tell it, along with a group of public and private stakeholders, whether a proposal to transform I-375 into a grade-level boulevard is a good or bad idea — or even feasible.

Detroit's **Downtown Development Authority** on Oct. 24 issued a request for proposals seeking a consultant to study and make recommendations on the project, which was floated in April as a way to boost investment along the roughly 1-mile stretch on the downtown's east side.

The bids are due Nov. 14 and a contract would be awarded by Dec. 6.

The DDA wants a consultant to do a traffic analysis, economic and district impact analysis, public engagement plan and alternatives plan.

The schedule within the RFP concludes with the final report being done by July. Along the way are various stakeholder and community outreach meetings, an economic impact analysis and other benchmarks.

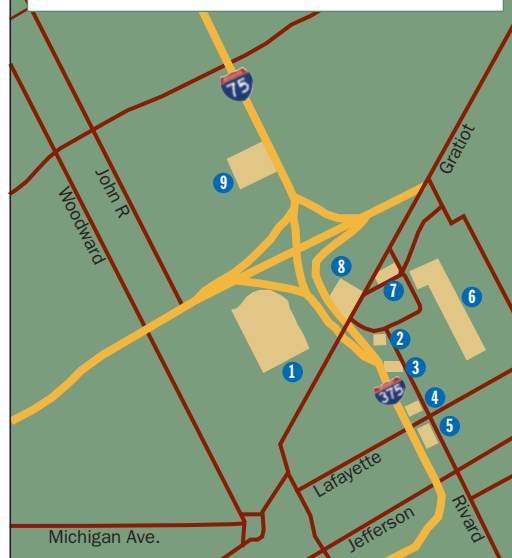
A technical team comprised of staffers from the DDA, Detroit city government, the **Detroit RiverFront Conservancy**, **Michigan Department of Transportation**, **Federal Highway Administration** and the **Southeast Michigan Council of Governments** regional planning organization will provide opinions on the technical information submitted by the consultant.

Early cost estimates say the effort to raise the four-

### THE ROAD TO REDEVELOPMENT?

Here are the key businesses and other entities that have land or buildings that could be included in a redevelopment idea that would convert I-375 into a boulevard and raise the roadway to grade level. The proposal would affect commuting patterns but is being evaluated as a catalyst for commercial development.

1. Ford Field
2. Horatio Williams Foundation
3. Shapero Hall
4. Woodward Academy
5. Jean Rivard apartments
6. Lafayette Park
7. Former Stroh's Ice Cream plant
8. Crain Communications Inc. land
9. Brewster-Douglass projects



See I-375, Page 23

## Walbridge land sale stokes I-96 development

BY DUSTIN WALSH  
CRAIN'S DETROIT BUSINESS

Oakland County's largest, and long-sought-after, single-owner land parcel is back on the market.

Detroit-based **Walbridge Aldinger Co.** put its long-held 515-acre site, near I-96 at Grand River Avenue and Milford Road in Lyon Township, up for sale because it no longer produces profitable returns, CEO John Rakolta Jr. told *Crain's* last week.

The timing, real estate and economic development officials say, could be just right as development of all types begins to heat up again along the I-96 corridor. The target price for the land is \$33.5 million.

The planned Lyon Township sale is just one of Walbridge's western suburb real estate initiatives. About 30 miles away, Walbridge is part of an ambitious development plan to create a connected vehicle research center in Ypsilanti Township.



Rakolta

See Walbridge, Page 24

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**MICHIGAN BRIEFS**
**Do I make more? Survey aims to tell N. Michigan workers**

What should you pay an employee? And what should your boss pay you? The *Traverse City Record-Eagle* reports that a study prepared by **Northwestern Michigan College**, the **Traverse City Area Chamber of Commerce** and others hopes to document the salary and wage scales of the workforce of northern Michigan. The report shows regional salaries depend in large part on a worker's experience, time on the job and where they work.

A sampling of the respondents:

■ Forklift operator at a small business: Expect to make about \$11 an hour.

■ A carpenter at a small business: \$10-\$24 an hour.

■ Chefs at small restaurants: about \$25 an hour; cooks: less than \$10 an hour up to \$21.

■ CEO of a company with 51-100 employees: up to \$150,000 annually.

■ Janitors at similarly sized businesses: up to \$15 an hour.

**List alert: In Grand Rapids, no average Joe among the inn crowd**

It's time for our weekly list of lists:

■ Readers of *Condé Nast Traveler* ranked two downtown Grand Rapids hotels among the best in a region encompassing Indiana,

**Grand Valley plans expansion of GR health campus**

Trustees of **Grand Valley State University** have approved an \$18.9 million expansion of its health campus in downtown Grand Rapids.

At a meeting Friday at Grand Valley's Detroit Center, the board approved the purchase of about 11 acres northeast of downtown. The area encompasses residential properties, most of which are not occupant-owned. Any construction probably will not start for about five years, said Matthew McLogan, GVSU's vice president of university relations. GVSU already owns 4 acres next to its **Cook-DeVos Center for Health Sciences**.

Grand Valley's College of Health Professionals and the Kirkhof College of Nursing offer 12 undergraduate and graduate degree programs and enroll about

5,000 students combined annually. The university wants to expand existing programs in areas such as physical therapy, physician assistant studies, occupational therapy and nursing, McLogan said.

By expanding its current programs and potentially adding more, GVSU hopes to double the amount of combined students in the College of Health Professionals and College of Nursing in the next 10 years.

If the purchase is approved, tuition will not be raised to pay for the property purchase, McLogan said. Rather, university reserves will finance the deal.

The next steps: Which programs to expand and which to add, McLogan said.

— Ross Benes

Ohio, Michigan, Minnesota, Missouri and Wisconsin. The **Amway Grand Plaza** ranked No. 6 and the **JW Marriott** No. 10.

■ A digital media company named **Thrillist** asked 11 coffee writers and shop owners across the country to rank the nation's best roaster. Their No. 3: **Madcap Coffee** in downtown Grand Rapids.

**MICH-CELLANEOUS**

■ **Michigan State University** plans to open a research institute in Midland to look at how businesses bring products and services to market, The Associated Press reported. The institute is being launched with pledges of \$15.5 mil-

lion. Donors include Midland-based **Dow Chemical Co.**, **Dow Corning Corp.** and **The Herbert H. and Grace A. Dow Foundation**.

■ The **Allegan City Council** awarded tax abatements on \$23 million of property owned by **Perrigo Co.**, MLive.com reported. The city hopes the move retains 918 jobs and generates an additional 172 jobs within two years, as promised in Perrigo's application. The pharmaceutical company, after announcing its acquisition of the Irish biotech company **Elan Pharmaceuticals**, plans to reincorporate in Ireland to take advantage of a lower tax rate.

■ A **Clinton County Circuit Court** judge struck down ordinances in

three townships that would have put restrictions on a \$120 million wind energy project in central Michigan, the *Lansing State Journal* reported. Judge Randy Tahvonen said the rules infringe on the county's zoning powers. The rul-

ing clears the way for Chicago-based **Forest Hill Energy-Fowler Farms LLC** to begin work on the project.

■ The **Flint City Council** passed the city's first comprehensive master plan in more than half a century, *The Flint Journal* reported. The plan will direct growth and development and create a new zoning code.

■ Thanks to a \$1 million gift from the Dan and Pamela DeVos Foundation, the new fashion studies program at the **Kendall College of Art and Design** in Grand Rapids is being renamed in honor of fashion designer Pamela Roland DeVos, The Associated Press reported. Kendall is part of **Ferris State University**.

Find business news from around the state at [crainsdetroit.com/crainsmichiganbusiness](http://crainsdetroit.com/crainsmichiganbusiness).

Sign up for *Crain's Michigan Business e-newsletter* at [crainsdetroit.com/emailsignup](http://crainsdetroit.com/emailsignup).

**CORRECTIONS**

■ Two photo captions in a story on Page 6 of the Michigan Deal supplement, which was bundled with the Oct. 14 edition, incorrectly identified entrepreneur Dick Sarns as a founder of **DLP Inc.** The company was founded by Jim DeVries and Ron Williams.

■ A story on Page 13 of the Oct. 28 issue about **TI Automotive Inc.** incorrectly identified a vehicle that the company supplies TAPT tanks for. The vehicle is the Mercedes-Benz S-class nonhybrid. Also, the description of how the company's technology works in hybrid vehicles should have said the tanks perform better under high pressure, not heat.



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# Packard plant no quick turnaround

*Some hurdles:  
Financing,  
liens dispute*

BY KIRK PINHO  
CRAIN'S DETROIT BUSINESS



GARY ANGLEBRANDT



COURTESY ALBERT KAHN ASSOCIATES INC.

The abandoned Packard plant today (far left) and a vision for the future from developer Bill Hults.

Bill Hults has big dreams to redevelop the carcass of the Packard plant site.

But the Chicago-area developer also has big obstacles ahead: Namely, financing the \$750 million to \$850 million he expects the project to cost, a less-than-desirable location off I-94 for more than 2,000 residential units and a dispute

over liens on the property.

Hults has until 3 p.m. Monday to come up with \$2.003 million for the 3.5 million-square-foot plant after making a \$100,000 nonrefundable deposit to Wayne County on Friday. Hults was the second-highest bidder in a Wayne County tax foreclosure auction and became first in line to buy the property after a

Dallas family physician and her investment group failed to make a down payment on a \$6.038 million winning bid earlier last week.

Hults, owner of **Packard Detroit LLC** and Evanston, Ill.-based **Durkin Joyce LLC**, is no stranger to the plant. He tried to purchase it in September for \$974,000 in back taxes, but that deal collapsed when a

financial backer fell through.

Now, he says, he has the money for the plant, which has long been a target of vandals, graffiti taggers, scrapers and arsonists.

His plans include a 120-room luxury hotel, 750-plus loft residences, 1,500 single-family homes, and dining and commercial space.

See *Packard*, Page 21

## COTS seeks to focus on families

### Shelter responds to rising need; some services for singles would continue

BY SHERRI WELCH  
CRAIN'S DETROIT BUSINESS

When the **Coalition on Temporary Shelter** opened in the Detroit neighborhood formerly known as the Cass Corridor 30 years ago, most of the people coming for emergency housing were single men.

But a growing number of families are making their way to the shelter, now a part of the booming area called Midtown, forced by the housing market bust and ensuing recession.

It's not out of the ordinary to see single mothers with children and married couples with and without children

going to the shelter for help.

But what has become jolting to CEO Cheryl Johnson is the number of families with multiple generations coming to COTS.

"We're seeing four generations at one time in the emergency shelter," she said. "What really happened with great-grandma that this cycle of homelessness has not been broken and continues, generation after generation?"

To help address the root issues and end the cycle of homelessness for families, COTS will ask its board in December to approve shifting its emergency shelter beds

See *COTS*, Page 23

CEO Cheryl Johnson is seeing multiple generations of families seeking help at COTS homeless shelter in Detroit's Midtown.



#### GIVING GUIDE



See the supplement delivered with this issue of *Crain's*.

Video: See COTS meet its mission, [crainsdetroit.com/video](http://crainsdetroit.com/video)

## Experts: Bottom line ... diversity is good for business

### HOW DIVERSITY WORKS



Kenneth Gardner of IAC

*Crain's* profiles four Michigan companies known for strong commitments to diversity and asks how they make it happen. **Focus**

section starts on Page 11.

BY AMY HAIMERL  
CRAIN'S DETROIT BUSINESS

When Stephen Lowisz was growing up in metro Detroit, his dad was "one of the most racist sons of a gun you'll ever meet," he said.

And he didn't know much better. "I went to a Catholic grade school in the suburbs," Lowisz said. "Diversity was what color tie you were going to wear."

When Lowisz went to college at **Lawrence Technological University** in



Lowisz

of **Qualigence International**, a Livonia-based recruiting and research

Southfield, though, his roommate was African American and he began to think about issues of diversity and culture.

Today, he is a diversity consultant and CEO

firm with more than 60 employees and \$5.5 million in annual revenue.

"When a client comes to me and says, 'We have a focus on diversity,' my first question is, 'Why?'" Lowisz said. "Is it a mandate from the top because it makes you feel better, or does it actually make sense for your business?"

If the answer is the former rather than the latter, you'll get

See *Diversity*, Page 22

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ISTOCK PHOTO

Macomb to expand online property directory, Page 4

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# Macomb County to expand online property directory

BY CHAD HALCOM  
CRAIN'S DETROIT BUSINESS

A Macomb County-led online property directory and showcase is being expanded as developers point to success in attracting new corporate interest in sites.

The county will announce this week that its Prime Properties Web tool, which allows local governments and developers to highlight industrial development sites, now features the land lots of **Chesterfield Towne Centre** in Chesterfield Township.

The Towne Centre is the long-vacant 190-acre site of a mixed-use development proposal east of I-94 and north of M-59 that was bought by **Center Management Properties Inc.** of Birmingham and Ohio-based **JR Anderson** in 2010.

Prime Properties launched in August and has since been featuring **Cherry Creek Corporate Park**, a 200-acre tract east of M-53 between 23 Mile and 24 Mile roads in Shelby Township that is about half-developed.

Eugene D'Agostini, co-owner

“The plan is to at least offer it for every community in the county.”

Stephen Cassin, Macomb County Planning & Economic Development

and principal of Sterling Heights-based **GS Roussillon LLC**, which owns most of the Cherry Creek property, said corporate tenant interest in the area is growing and the Prime Properties effort seems to be a big help.

He expects the newest Roussillon tenant to arrive by late next spring, when Sterling Heights automotive supplier **Jvis USA LLC** relocates its headquarters to a 100,000-square-foot new building at the corporate park.

Shelby Township in September approved a 12-year, 50 percent tax abatement for the Jvis building

construction, and D'Agostini said his company began clearing the lot for construction a few weeks ago. That deal has been in development for about eight months and is unrelated to Prime Properties.

“We've had various conversations with buyers and users from a tenant standpoint since that (tool) went online. The activity has definitely picked up, and the corporate community seems very receptive to getting its information on (development properties) this way,” D'Agostini said.

The Web tool has led to “substantive talks” with other prospective tenants or buyers, he said, and he hopes to close at least one deal from those discussions by the end of the year.

Stephen Cassin, executive director of **Macomb County Planning & Economic Development**, said the Chesterfield Township phase of Prime Properties launches this week, and Macomb Township is also in discussions with the county to add its own land sites to Prime Properties — possibly later this

year. Other communities have also been in discussions with the county, he said, but those are at different stages of development.

“The plan is to at least offer it for every community in the county to be able to participate, although we're not going to insist with anyone,” he said.

“The prime land areas to focus on for attraction will be large lots that are undeveloped so they don't have a brownfield history or cleanup cost, easy street access, already have the appropriate zoning and where it makes sense for large manufacturers to want to move in.”

The Macomb listing is at <http://gis.macombgov.org/primeproperties>.

Roussillon acquired the Cherry Creek land in 2010, and D'Agostini estimates that just over 80 acres of it remains undeveloped before the Jvis move, which will take up another 6.3 acres or so. Other companies with offices at Cherry Creek include **Eagle Manufacturing Corp.** and **KUKA Robotics Corp.**, which previously received a \$4.7 million incen-

tive to invest in its Shelby location.

Thomas Guastello, owner and president of Center Management, said he and partner Jeff Anderson acquired 178 acres of the Towne Centre site in Chesterfield from previous developers **Aragona Properties LLC**, **GTR Builders Inc.** and **Trinity Land Development** through a transaction brokered by **Fifth Third Bank**. The company also won a bid to acquire an additional 12 acres at that site from the township in the last several weeks.

Like the previous developers, Guastello also envisions a convention center of at least 100,000 square feet on that site, and a mix of industrial and retail properties between M-59 and 21 Mile Road. He also said his company is in the process of designs for two speculative industrial buildings of about 100,000 square feet and 75,000 square feet and hopes to go before the township board for regulatory approvals by December or early next year.

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## Crain Communications makes executive moves

**Crain Communications Inc.** last week named company executives Brian Reilly and David Klein to key positions.



Reilly



Klein

Reilly has been named director of digital strategy, reporting to KC Crain, vice president, group publisher for Crain Communications, the Detroit-based parent company of *Crain's Detroit Business* and 26 publication brands.

Reilly plans to split his time between Detroit and Chicago, with about 60 percent of his time in Detroit.

Reilly will be responsible for accelerating Crain's transformation to a digital- and mobile-first media company. He will work with company, brand and technology leadership on digital relationships with readers and advertisers.

For the past three years, in his second stint with the company, Reilly has been director of digital strategy for *Crain's Chicago Business*.

Klein was named senior vice president and senior group publisher overseeing a variety of titles at Crain.

Klein, based in Chicago, succeeds Gloria Scoby, who is retiring after 35 years. He will report to Rance Crain, president of Crain Communications.

Klein has been with Crain for 30 years, currently as group publisher over *Advertising Age* and *BtoB*. He will take on additional oversight for *Crain's New York Busi-*

*ness*, *InvestmentNews* and *Modern Healthcare*.

Chris Battaglia, publisher of *Pensions & Investments* and group publisher of *Business Insurance*,

will report to Klein.

As part of the realignment, KC Crain will add oversight of *Crain's Chicago Business* to his group duties.

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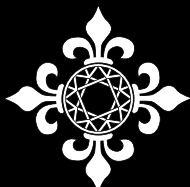
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# 51 semifinalists vie for Accelerate Michigan's \$500,000 top prize

BY AMY HAIMERL  
CRAIN'S DETROIT BUSINESS

There is \$500,000 on the line. That's the top prize for the winner of the annual **Accelerate Michigan**

**Innovation Competition**, which draws high-technology entrants from around the globe.

This year, 213 firms applied — from Ann Arbor to China — and were narrowed down to 51 semi-

finalists. That group will be judged by panels of venture capitalists and others during three grueling days on Nov. 12-14 at the **Westin Book Cadillac Detroit**.

"The quality of everyone in the finals is fully fundable right now," said Dave Egner, executive director of the **New Economy Initiative**, which leads the event. "There is incredibly high quality. We did not anticipate this caliber of concept, intellectual property and business development in Michigan."

The competition gives out more than \$1 million in cash and in-kind awards. First prize is that cool half-million, while second place is \$150,000 and third place goes home with \$50,000.

The competition covers nine sectors — advanced materials, advanced transportation, alternative energy, defense and homeland security, information technology, life science, medical devices, next-generation manufacturing, and products and services — each of which has a \$25,000 winner.

Plymouth Township-based **Algal Scientific Corp.** won the big prize last year for its process of converting algae into a food supplement for livestock.

"Getting that lump sum really gave us the chance to fast forward our projects," said Geoff Horst, CEO and chairman. "It allowed us to pull to trigger on some efficacy trials — one with shrimp and one with chickens — and those are very expensive to conduct. But they have already paid off in terms of garnering interest from some key customers."

While many of the competitors are from Michigan — including some bred at the **University of Michigan**, **Michigan State University** and **Wayne State University** — any non-local winner must relocate its headquarters to the Mitten state as a condition of the prize.

"The competition brings our top tech companies out of the woodwork and all together in one place, generating an excitement and buzz that is reflective of the burgeoning innovation economy in the state," said Tim Petersen, chairman of the **Michigan Venture Capital Association** and managing director of Ann Arbor-based **Arboretum Ventures**.

"Our original objective," added Egner, "was this: Can we get VC firms to look differently at Michigan? The answer to that has clearly been yes."

The conference is being headlined by **VMware Inc.**'s newly appointed CIO, Tony Scott, and **Morgan Stanley** Managing Director Carla Harris, who recently was appointed to chair the **National Women's Business Council**.

The program is organized by **New Economy Initiative**, **Michigan Economic Development Corp.**, **Quicken Loans/Opportunity Detroit** and the **Business Accelerator Network for Southeast Michigan**. *Crain's Detroit Business* is also a sponsor.

For more information, visit [acceleratemichigan.org](http://acceleratemichigan.org).

Amy Haimerl: (313) 446-0416, [ahaimerl@crain.com](mailto:ahaimerl@crain.com). Twitter: @haimerlad

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~Daren Bossenberger

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# General RV adds site in Fla., jobs in Mich.

BY SHERRI WELCH  
CRAIN'S DETROIT BUSINESS

As work continues on its new Wixom dealership, **General RV Center Inc.** is making plans to open a dealership in Florida near Tampa.

The 83,000-square-foot dealership will be located on 30 acres adjacent to I-4 in Dover, Fla., and feature a recreational vehicle service center, parts area and showroom.

"That's a good RV market ... one of the best ... in the country," said Dennis Anderson, vice president of marketing.

Meanwhile, construction on the privately owned company's new site in Wixom, on 34 acres that were once part of the Ford Wixom Plant, is scheduled to be completed by the end of 2014.

The company has added 100 new jobs across its six Michigan dealerships in Wixom, White Lake Township, Mt. Clemens, Brownstown Township, Birch Run and Wayland/Grand Rapids and sites in North Canton, Ohio; Huntley, Ill.; Draper, Utah; and Jacksonville, Fla., since January, Anderson said. That's brought its total employee numbers to about 700.

It plans to add roughly another 100 additional positions in marketing, sales and service across those locations by spring.

General RV did not release what it's investing in the Florida project, expected to be completed by fall 2014.

The Florida RV industry is a growing market, the company said in a news release, pointing to a report from **Statistical Surveys Inc.** that said motor home registrations were up 29 percent through May 2013, compared to the previous year.

General RV, on *Crain's* 2013 list of fastest-growing companies with 2012 sales of \$303 million, is projecting sales will increase about 15 percent this year, Anderson said.

And it projects similar growth in 2014.

"RV-ing is more popular than it's ever been," Anderson said. "With the high price of airlines and hotels, people are looking at RV travel and vacations as being very economical and family friendly."

In Wixom, the company is constructing an 83,000-square-foot, two-story building that will house a showroom, 40 service bays and a parts area, along with office space on its second floor.

It plans to consolidate its other Wixom operations and corporate functions from other states to the site once it's completed.

General RV employs about 75 people in Wixom and expects to double that number with the launch of the new dealership.

Anderson declined to say what the company is investing in the new dealership, which will have frontage on I-96.

"It's going to repurpose that property, and it's perfect for us," Anderson said.

General RV has outgrown its current facility, he said, noting the new dealership will give it the space it needs to better serve customers and display its products.

Sherri Welch: (313) 446-1694, swelch@crain.com. Twitter: @sherriwelch

**“RV-ing is more popular than it's ever been. ... People are looking at RV travel and vacations as being very economical.”**

Dennis Anderson, General RV

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## OPINION

# County mulls wrong questions on jail site

**W**ayne County and its building authority last week filed suit against the contractors on its unfinished jail.

Findings from the Wayne County prosecutor's one-person grand jury investigation of the jail project have been sealed.

Federal authorities are reportedly investigating.

Those three things do not change this: In its current state, the site is a white elephant and an embarrassing deterrent to additional development along a prime entry into downtown Detroit.

Wayne County commissioners said last week they wanted to wait to decide for more details about what went wrong on the jail before considering a purchase deal on the table. Others wanted more time to review plans.

The deal on the table — an offer of \$50 million for the site and surrounding county buildings by investor/developer Dan Gilbert — should stand on its own. Gilbert's Rock Ventures proposes a mixed-use project of housing, retail, parking and hotel rooms.

How does knowing what went wrong on the jail project have a bearing on whether the county should sell the site?

The real questions for the county are these: What is the best use of that site? Who else would buy it and have the wherewithal to develop it? And will the county have enough money to consolidate jail and court operations at a former state prison site offered to the city in the past for \$1?

Between Gilbert's cash, the remaining bonding money available for the jail construction and possibly dollars recovered in settlements with its jail contractors, the county might come out without a lot of financial pain — especially considering property taxes generated by the land's return to private hands. That's in addition to income taxes on construction jobs and eventually the jobs held by people working in the mixed-use project Gilbert envisions.

## Guide outlines the gist of giving

As 2013 winds down, some thoughts turn to ... tax deductions!

Subscribers this week got a bonus with their delivery of *Crain's*: the largest special feature on charitable giving and area nonprofits the publication has ever produced.

The 2013 Giving Guide includes our traditional lists of the region's top nonprofits, foundations and major gifts, as well as tips on how to evaluate nonprofits before writing the check.

Stories on topics like corporate volunteerism and endowment practices also make it a handy reference for companies and individuals as they build plans for supporting charities.

# KEITH CRAIN: It's important to vote in Michigan

Tuesday is a very important day for a lot of people — in Detroit, our region and our state.

And although I will not be able to vote in Detroit, I feel like I have just as much a right to voice my opinion as Detroit's citizens.

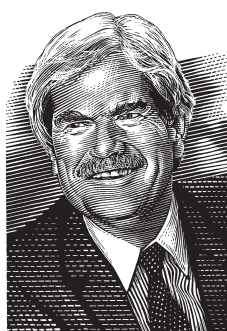
I've been working in Detroit for many decades and have been paying taxes all those years. You might say it's taxation without representation. Every day that I work in our city, I use the city services and am very aware of the good and the bad.

The election for Detroit's next

mayor is important not just for Detroit but for the entire region, perhaps even the state.

Detroit is in the spotlight today like no other city in the country. Since Detroit filed for bankruptcy, more has been written about our city than any other city in the world.

It is important for Detroit that as many citizens vote as are registered. It won't happen, but it should. Turnout predic-



tions hover around 25 percent or more. Some predict low turnout will be tied to Detroiters' view that they have lost control to an appointed emergency manager.

But this is a very important election.

That's why *Crain's Detroit Business* last week endorsed Mike Duggan. I was on the board at the Detroit Medical Center when we hired him. I saw what he did

## MARY KRAMER

# Detroit could try on 'Boots' plan

Bankruptcy or no bankruptcy, Detroit can't pull out of its malaise unless more Detroiters have jobs.

So, on the eve of Detroit's pivotal mayoral election and in the issue in which we've focused on the meaning of corporate diversity (See stories, Page 3 and Page 11), let me share an idea that could work for public- and private-sector investment in Detroit. James Moyer, associate vice president for facilities planning at Grand Valley State University, calls it "Boots on the Ground."

Since 2006, Moyer has asked contractors on major building projects to document and increase the diversity of their "boots on the ground" workers on that particular project.

Moyer said he wants to see more women and minorities on construction sites, particularly in skilled trades training programs. Each project is tracked by contractor and subcontractors, with each re-



porting the number of hours worked, the total payroll and the minority workforce payroll.

Full disclosure: I'm a member of GVSU's board of trustees and learned of the program when Moyer updated the board over the summer on the 2013 results.

Moyer, who is African-American, said most public-sector contracting programs push diversity of contractors, meaning one or two minority-owned ventures benefit. But that approach doesn't do much to increase minorities and women in the skilled trades, he said.

"Boots on the Ground" is not a quota system, Moyer said. And he can't require contractors to conform. But asking for reports sends a clear message that GVSU values diversity on the project.

He started with projects in 2006 with Erhardt Construction and Pioneer Construction and expanded with a housing project completed in 2010 in Allendale. In 2013, two

more projects opened: a new downtown business school building and an innovative library/learning center on GVSU's main campus in Allendale.

Some numbers: The \$43 million business school included a minority worker payroll of more than \$3 million. For the \$65 million library, the payroll was more than \$2 million.

"On the construction sites, we see more women and minorities," Moyer said. "Their presence is visible in all trades, from steel erection to electrical installations. We are also seeing more tours by construction trade training programs on our construction sites as the construction contractors showcase the projects as part of the training efforts."

Couldn't this work in Detroit to help get more Detroiters into skilled jobs?

*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.craindetroit.com/kramer. E-mail her at mkramer@crain.com.*

## TALK ON THE WEB

From [www.craindetroit.com](http://www.craindetroit.com)

### Re: Packard's new top bidder plans luxury hotel and mixed-use, manufacturing

Doesn't the county have any actual procedure in place to **verify before accepting a bid** if someone actually has the ability to complete a deal? What a joke.

John md

This **borders on the surreal**. Who would stay at a high-end hotel in this part of Detroit? And 750 lofts?

Dave W

### Re: Detroit Water and Sewerage Dept. offer: Turn green, ease fees

**Pie in the sky propositions** from DWSD instead of separating sewer pipes from rain pipes and building ditches for rainwater. Does anyone distinguish reality from fantasy?

Saulius Simoliunas

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

### Re: Wayne County asks for plan details before considering proposal for jail site

**Almost anything is better** than putting a prison in downtown Detroit. Allowing Gilbert to sprinkle more of his magic downtown seems like a no-brainer.

Shawn Duffy

### Analysis: Obamacare-driven insurance rate hikes don't tell complete story

The taking of money from one to give to another is called theft, if not done by the government. We should be able to **provide support to those who legitimately need it**,

through circumstance and not choice, without making things unaffordable for the majority.

Dpad

How does adding coverage that didn't exist before, forcing insurance companies to accept pre-existing conditions and adding people to the health care system without an increase in money (individuals who would rather pay the \$95 than the premium) **translate into lower costs?**

I Callahan

Thanks for this insightful analysis. I'm tired of all the paranoia and hatefulness some people are attaching to this. In the end, **it levels the playing field for everyone**. I know it's not perfect, but certainly a worthy try.

Guest



## CRAIN'S Health Care HEROES

### CRAIN'S SEEKS NOMINATIONS FOR HEALTH CARE HEROES

*Crain's Detroit Business* is seeking nominations for Health Care Heroes, a special report on health care professionals that will run in the Feb. 17 issue.

The program will honor top-notch medical innovators and patient advocates.

Our winners will be chosen in five categories:

■ **Corporate achievement in health care:** Honors a company that has created an innovative health benefits plan or solved a problem in health care administration.

■ **Advancements in health care:** Honors a company or individual responsible for a discovery or developing a new procedure, device or service that can save lives or improve quality of life.

■ **Physician:** Honors a physician whose performance is considered exemplary.

■ **Allied health:** Honors an individual from nursing or allied health fields who is deemed exemplary by patients and peers.

■ **Trustee:** Honors leadership and distinguished service on a health care board.

A panel of health care judges will choose the winners.

Nominations, which are due **Dec. 9**, can be made at [crainsdetroit.com/nominate](http://crainsdetroit.com/nominate). Statewide nominations accepted. Questions? Contact Bill Shea at [bshea@crain.com](mailto:bshea@crain.com) or (313) 446-1626.

### NOMINATIONS SOUGHT FOR CRAIN'S M&A AWARDS

Involved in a merger or acquisition in 2013? You may be eligible for *Crain's* M&A Awards.

## CRAIN'S M&A AWARDS

*Crain's Detroit Business* and the **Association for Corporate Growth** will honor companies and individuals

in the following categories:

■ **Best Deal of the Year:** Under \$100 million and \$100 million or more. The deal must have closed in 2013. The buyer or the business sold must be in Wayne, Oakland, Macomb, Washtenaw or Livingston counties.

■ **Dealmaker of the Year/buyer-seller.**

■ **Dealmaker of the Year/adviser.** M&A experts, lenders, CPAs, consultants and attorneys, among others, are eligible.

Dealmaker candidates also must be in Wayne, Oakland, Macomb, Washtenaw or Livingston counties.

Winners will be profiled in the March 24 issue of *Crain's Detroit Business* and will be honored at an awards event in May.

For questions concerning the nomination process or the nomination form, contact Amanda Duque at (313) 446-6083 or [aduque@crain.com](mailto:aduque@crain.com).

The deadline for nominations is **Jan. 13**.

# OTHER VOICES: Celebrate state's manufacturing

The image of Michigan's history is an image of manufacturing — since the first automobile rolled off the assembly line.

We make things; we create and innovate. Scan the cities of Michigan and you will find businesses specializing in a wide variety of manufacturing, including automotive, metals, machinery, food and beverage, a growing subsector of beer and wire manufacturers, plastics, rubber, bioscience, furniture, chemical, electronic, defense and many



Chuck Hadden

more. While Michigan manufacturing was jumpstarted by the automobile, our focus has never been limited to it. Despite the diverse manufacturing sectors in our state and the growing number of advanced manufacturing careers available, manufacturing is still considered a dirty, dingy, low-rate job path. This could not be further from the truth.

National Manufacturing Day on Oct. 4 provided Michigan the op-

portunity to trumpet the work we have always done better than any other state.

Continue the celebration of manufacturing for the rest of the year. Visit a plant or facility to see what it is all about. Students will discover an array of opportunities they never knew they had and perhaps spark a decision about what they want to do after they graduate. Educators will see the immense skills required to do these jobs. Parents will see men and women working to make a good living with great benefits and stable careers. Community

residents will see manufacturing's role as a focal point for their city or township, promoting the growth of jobs and investment for manufacturers and non-manufacturers alike.

National Manufacturing Day can be the starting point to change the image of manufacturing and Michigan. This is not the industry of your grandfather's generation, but an industry that will push Michigan toward a bright future.

*Chuck Hadden is president and CEO of the Michigan Manufacturers Association.*

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# House bill seeks to tally ACA's toll on premiums

Commercial health insurers and health maintenance organizations would be mandated by the state to include an estimate of how much of a customer's premium is attributable to the federal Patient Protection and Affordable Care Act, under a bill being considered in the state House.

Rep. Mike Shirkey, R-Clarklake, testified Thursday in support of his bill, HB 4816, saying it was about protecting insurance companies that will have to deliver the bad news of higher premiums.

"(It would) highlight to Michigan consumers the exact impact of

the Affordable Care Act on their health care costs and their health care decisions, so that there is no guessing," Shirkey said.

However, insurance companies aren't seeing this as protection, but as a mandate that would be difficult, or next to impossible, to meet.

Kristen Kraft, director of state relations for Detroit-based **Blue Cross**

**Blue Shield of Michigan**, said the Blues oppose the bill because it

## Capitol Briefings



Chris Gautz

would be a "nightmare" to determine premium increases attributable to the ACA for each of its 4.3 million customers.

It also could actually add to overall costs to do so, she said, if an insurer has to look at each individual policy and compare it to the policy that customer had previously, then determine how much of the old premium was due to state or federal

taxes, the ACA, or some other provision.

Kraft said Blue Cross is working with Shirkey on amending the bill to give an annual, aggregate percentage to give to all customers, rather than to determine it on an individual basis.

The Lansing-based **Michigan Association of Health Plans** is officially neutral on the bill at this time, but its deputy director of the office of legislation and advocacy, Christine Shearer, said the bill as written would be administratively burdensome to comply with.

"And in some cases administratively impossible," she said.

The health care law has been in

effect for three years already, she said, and some of the benefits, including allowing dependents under age 26 to stay on their parents' insurance, and full coverage for preventative care, are already included in premiums. To determine the amount of premium increase due to the federal law from previous years would be difficult, she said.



Shirkey

Shirkey said he does not think this would be burdensome or result in large cost increases to the insurance companies. Instead, it would "provide cover" to insurance companies

that are hearing from their customers about higher premiums.

"I think it's important to make sure we do everything we can to insulate them from being improperly maligned because they're actually delivering the bad news that is a result of this federal law," Shirkey said.

Democrats have scoffed at the idea behind the bill, saying it is politically motivated and does not include any provisions to show any cost decreases or added benefits to a health care plan under the ACA.

The bill remains in the House Insurance Committee.

## Ticket scalping would be legal

Ticket scalping would be legalized in Michigan, if House Bill 5108 becomes law.

The bill, introduced last week and sponsored by Rep. Tim Kelly, R-Saginaw Township, would bring Michigan in line with more than 30



Kelly

other states that allow some form of the practice of selling event tickets above their face value.

By repealing the 1931 state law, it would allow what has become a common practice outside sports stadiums and concert venues, with people offering tickets for sale at a much higher price.

Kelly said in a statement that a person who buys a ticket to a concert or game owns that ticket and should have the ability to sell that ticket for whatever price the market dictates if he or she wishes.

"If a willing buyer wants to buy a ticket from a willing seller, there's no reason why our government should get involved," Kelly said.

He said the bill would also reduce strain on the court system, as the police would no longer be arresting ticket scalpers.

Venues are expected to oppose the legislation, as they have in the past when attempts to undo the law have come up.

The bill has been referred to the House Criminal Justice Committee.

Chris Gautz: (517) 403-4403, cgautz@crain.com. Twitter: @chrisgautz



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## EDITOR'S NOTEBOOK

Amy Haimerl is entrepreneurship editor. She can be reached at (313) 446-0416 or at ahaimerl@crain.com



Amy Haimerl

## Can diversity come to Detroit's tech scene?

When **Twitter Inc.** announced its IPO, the filing revealed that the company has no women or people of color on its board. When the **National Venture Capital Association** completed its most recent census, it found that 87 percent of respondents were white and 80 percent were male.

And exactly nobody is shocked.

Detroit even has its own Twitter meme: #YoungWhiteEntrepreneurGuy.

"The composition of our boards and our teams don't look like the places we sit or serve," said Leslie Lynn Smith, executive director of **TechTown Detroit**. "There is this easy layup response that what the market provides is what the market provides and there just aren't a lot of tech entrepreneurs of color or who are female. That's not true. You have to attract them."

Darrin Redus has a few ideas.

Until recently he was the chief economic inclusion officer at Cleveland-based accelerator **Jumpstart Inc.** The



Redus

organization is committed to diversity in entrepreneurship, and when he left, more than 50 percent of deals came from the minority community.

The **New Economy Initiative**

brought his firm, **MainStreet Inclusion Advisors**, to Detroit to work with TechTown and its other grantees.

"When you look at all these incubators, accelerators, early-stage venture funds, angel groups, they are collectively charged with creating our most promising business of tomorrow," Redus said. "We've got to figure out how to infuse more inclusion into this budding ecosystem."

His mission isn't about tick boxes or set-asides; it's about connecting qualified talent with opportunities they didn't know about. For example, when he speaks with some African-American entrepreneurs, they are unfamiliar with **Bizdom Detroit**, one of the city's most identifiable tech resources.

On the venture side, Redus' network includes minority-led private equity firms. When he told **Henry Ford Innovation** about the potential funders, "They were like, 'That's fantastic,'" Redus said. "This is capital that should be connected to their deal flow."

It will be fascinating to watch his results. Maybe Detroit's first big tech IPO of this generation won't be embarrassed by a board devoid of women and minorities.

"We are trying to tackle it more head on than we have in the past," Smith said. "The meme is very real in Detroit. There is this whole savior complex in tech, so we have to address it head one. We can't just say we're doing it, we have to act."

# FOCUS

## DIVERSITY

To help organizations that are looking at diversity supplier programs and finding the best talent for their teams, *Crain's Detroit Business* gathered case studies on four Michigan companies that are doing that hard work. These are businesses that are known to have strong commitments to diversity and commentary on how it is implemented.

One universal takeaway: The commitment must come from the C suite.

The following interviews are edited and condensed for clarity.

The four companies profiled:

- **International Automotive Components**, this page
- **Warner Norcross & Judd LLP**, Page 13
- **Kelly Services Inc.**, Page 14
- **Dow Chemical Co.**, Page 15



GLENN TRIEST

Kenneth Gardner is manager of supplier diversity and business development at International Automotive Components. He also is chairman of the Rochester Hills-based Council of Supplier Diversity Professionals.

# How diversity works

## IAC: 'Treat it like its own business unit'

**I**nternational Automotive Components rose from the ashes of two distressed organizations. Billionaire investor Wilbur Ross assembled the deal, bringing together the interior systems division of **Lear Corp.** with the remains of **Collins & Aikman Corp.** to create the North American division of the global IAC group.

The company, created in April 2007, found itself in the position of being a global powerhouse with the ability to build its own corporate culture. The first goal: Create a strong diversity supplier initiative for the U.S.

Leading that initiative is Kenneth Gardner, who came from **Dana Corp.**, where he learned the value of the supply chain the hard way.

"Dana lost a quality award because we didn't have a supplier diversity program in place that demonstrated to a customer that we thought like they thought, that we wanted to do everything that we could possibly do to

### INTERNATIONAL AUTOMOTIVE COMPONENTS

**What it does:** Vehicle interiors supplier with clients such as **BMW AG**, **Chrysler Group LLC**, **Ford Motor Co.** and **General Motors Co.**

**Founded:** 2007

**Employees:** 18,000 in North America

**Annual revenue:** \$4.7 billion in North America

**Headquarters:** Southfield

**Diversity supplier program initiated:** 2007

**Why diversity matters for the company:** "Having a strong and diverse supply chain is the decision that gets IAC over the hump in obtaining new business as well as keeping our existing customers."

be a part of their culture," said Gardner, who also chairs the Rochester Hills-based **Council of Supplier Diversity Professionals**. "So they made me the director of minority business development so that wouldn't happen again."

His next challenge: Oversee diversity in a company that has filed for a \$115 million initial public offering.

*Crain's* asked Gardner about IAC's diversity initiatives.

**What is the business case for having diversity in your supply chain?**

It's about giving IAC the ability to use every supplier, the best suppliers. We take the supply chain seriously because it's our lifeblood.

**What was the impetus for creating these programs?**

We had initiatives from our customers, whom we cherished very much, surrounding quality, on-time delivery and supplier diversity. The expectation was there from them, so we knew we needed a supplier diversity initiative for our company.

See IAC, Page 12

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## Focus: Diversity

# IAC: Diversity's a process

■ From Page 11

### How do you connect with diverse suppliers?

We have a very strong bench of potential suppliers in Michigan because of the effort the automotive OEMs have done in the past. One of the immediate things we did with them was to go out and find different community-based groups, such as the **Hispanic Chamber of Commerce** and the **Michigan Minority Supplier Development Council**, which honors ethnic minorities. We also joined the **National Women's Business Council**. We treat these councils as customers, and part of my job is to go to these councils and search for diverse suppliers that have the right footprint.

Kamsickas) doesn't want it to be about numbers; he wanted the intent of the program to be the focus. Our intent is to make sure that we do business with as many diverse suppliers as we can. We don't measure it by trying to do as many dollars as we can. You can have one diverse supplier and do a billion dollars of business, but that's not the best thing for the community.

### What advice do you have for other companies implementing supplier diversity programs?

You have to have a dedicated process for supplier diversity. You have to treat it like its own business unit. Supplier diversity, it should touch every operation, every functional part. We educate all employees on the value of diversity.

### What trends do you see in supplier diversity?

If you think about it, we're talking about underutilized groups in the United States. Many companies already recognize gays and lesbians as being such a group that has been underutilized. Many companies, they recognize veterans as being underutilized. I think you'll see a more concentrated effort in accepting those types of groups.

### How do you discuss the case for diversity internally?

We basically tell them for IAC to continue doing business, we have to do a couple of things better than anybody else: quality, on-time delivery and supplier diversity. Having a strong and diverse supply chain is the decision that gets IAC over the hump in obtaining new business as well as keeping our existing customers.

### How do you measure the success of IAC's diversity supplier program?

Our president and CEO (James

## Crain's seeks nominees for 20 in their 20s

Do you know a 20-something who is someone to watch? *Crain's* 20 in their 20s recognition program seeks young professionals who are making their marks in the region.



Candidates are not limited to any particular field or activity but include up-and-comers who are making waves as young professionals within a company, have shown success or originality as entrepreneurs, or have made local impacts in some

other demonstrable way.

Besides the corporate world, candidates are considered from creative industries, nonprofits and social entrepreneurship arenas.

Winners will be profiled in the May 5 edition and honored at a future awards event.

Nominees must be 29 or younger before May 5. Nominations are **due Feb. 4**.

To fill out the form, visit [crainsdetroit.com/nominate](http://crainsdetroit.com/nominate).

Questions? Contact Amy Haimerl at [ahaimerl@crain.com](mailto:ahaimerl@crain.com) or (313) 446-0416.

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## Focus: Diversity

# Warner Norcross: Create environment for workers to find career opportunities

When Rodney Martin first interned at Warner Norcross & Judd LLP in 1979, he didn't expect to stay long. As managing editor of the *University of Michigan* law review, he had a number of attractive offers, and his friends were heading off to New York and Washington, D.C.

But he was attracted to the firm's diversity, something he'd been passionate about since high school when, as he said, it was called human relations work.

"There were only two women lawyers and no attorneys of color, but the firm had attracted lawyers from all over the country," Martin said. "They brought together lots of different perspectives, and I thought that was healthy and a good sign that a firm could do that."



Martin

Twenty-seven years later, Martin was tapped by the managing partners to be the firm's diversity partner, overseeing all diversity and inclusion efforts. At the time there was a committee in charge of that work, but the partners wanted someone to own the area, to be accountable for pushing things forward.

Today, 15 percent of the firm's partners are women — a 60 percent increase from when Martin took the reins. Almost 16 percent of the firm's associates are ethnic minorities, though they make up only 4 percent of the partners.

WNJ also helped form GRAB Law (Grand Rapids Achieve Balance Law), an initiative by the Grand Rapids Bar Association and 13 area law firms to market and promote Western Michigan as a great place for diverse talent to find opportunity. *Crain's* spoke with Martin about Warner Norcross' diversity initiatives.

## How does Warner Norcross define diversity?

We tend to focus on gender and race because we recognize that our profession is behind in attracting women and attorneys of color. But when we talk about it, we really have a broader definition. We talk about people bringing differences and perspective to the practice.

## What is the business case for having a diverse workforce?

We operate in an increasingly global economy, and our clients have expectations that we will be able to do well for them in all cultural contexts.

In the war for talent, we want to be able to attract the best and the brightest to our practice. If 46 percent of the people who graduate from law school are women and 22 percent are persons of color, and if you exclude yourself from those people, you've cut down the market.

Finally, we want people in our

## ABOUT WARNER NORCROSS

**What it does:** Law firm  
**Founded:** 1931  
**Employees:** More than 200  
**Annual revenue:** Not disclosed  
**Headquarters:** Grand Rapids  
**Diversity program initiated:** 1991  
**Why diversity matters to the company:** "The real work of diversity is making sure you are creating opportunity for people to perform at their highest level."

organization to be fully engaged. Being respected for who they are and the talents they bring is key to this.

## What was the impetus for creating these programs?

There is a program here in West Michigan called the Institute for Healing Racism, and it is a two-day extensive workshop on learning about institutional racism and understanding it. In the late 1990s, we had many people go through it. That gave us a critical mass of people who were willing to say, "This is important, important enough for me to devote some time working on it."

But the firm has been involved with diversity for a long time. In 1991, we worked with the Grand Rapids Bar Association and Floyd Skinner Bar Association and other law firms to create a minority clerkship program to attract first-year law students of color to come to Grand Rapids for the summer.

## How does WNJ develop its talent pool?

We continue to attempt to recruit women and attorneys of color to come in as starting associates, but we've also been working to identify established attorneys who would fit with the firm and would be willing to join us.

## How do you retain diverse talent?

There are two keys to retention. One is making sure that people have an opportunity to work on career-enhancing work; the other is to make sure that women and attorneys of color are in positions of leadership in the firm.

We developed a system that tracks every assignment made in the firm, so we can look at how opportunity is distributed throughout the firm.

## Do you use benchmarks for diverse hiring?

We don't establish quotas at all. But we do establish the goal of having a diverse class and attracting people who can be leaders.

A lot of people get stuck at the revolving door and they say, "Well, we can't find enough qualified candidates." But if you're the type of organization where people of color feel like they will have opportunity, word will spread.

## How do you discuss the case for diversity internally?

(In addition to a series of café

conversations about race, lead by Southfield partner Mary Jo Larson, the company also has a diversity book club.)

Every summer we choose a book that relates to diversity and inclusion and we encourage everyone to read it in the firm. Of course, they don't all.

(They have read *Stealing Buddha's Dinner*, Bich Minh Nguyen's memoir of growing up in Grand Rapids in search of American food and identity; as well as *Hands of My Father*, Myron Uhlberg's story of growing up as the hearing child of deaf parents.)

The book was all about deaf culture; I had never thought about deaf culture before that. One of my partners is the hearing child of deaf parents, so we had him come and talk about growing up.

## What advice do you have for other companies?

I think a lot of people when they are thinking about a diversity program, they think about doing a lot of lunch-and-learns — Mexican food one day and Asian food the next. That kind of cultural awareness stuff is good, but it's really not sufficient at all.

You need to be willing to look yourself in the mirror and figure out where the impediments are to success.

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## Focus: Diversity

# Kelly Services: Diversity must help bottom line to be sustainable

In 1979, Kelly Services Inc. became one of the first staffing companies to enact a diversity program. Today, its formalized supplier diversity program encompasses 4,600 suppliers worldwide and 800 in the U.S. The Troy-based company itself has grown, too, expanding beyond temporary staffing and into helping companies manage their talent supply chains.

For the past 12 years, Brenda Marshall, senior director of global diversity solutions, has been responsible for the day-to-day growth and development of Kelly's supplier base. Under her watch, the company has won the Michigan Minority Supplier Development Council's award for Corporation of the Year – Professional Services for the past five years.

*Crain's* talked with Marshall and John Healy, Kelly's vice president and talent supply chain strategist, about the company's diversity initiatives.

#### How does Kelly define diversity?

**Marshall:** We look at it as minorities, women, small disadvantaged, veteran-owned. As the economy continues to evolve, so does the face of diversity. Diversity started out of the civil rights movement. It was a process designed to ensure that minorities were incorporated



Marshall

Healy

### ABOUT KELLY SERVICES

**What it does:** Talent finders

**Founded:** 1946

**Employees:** 7,000 globally

**Annual revenue:** \$5.5 billion in 2012

**Headquarters:** Troy

**Diversity supplier program initiated:** 1979

**Why diversity matters for the company:** "Every initiative in a company has to be sustainable and deliver value. Diversity is no different."

into procurement as well as solutions to corporate consanguinity. Today, it's about business results. Every initiative in a company has to be sustainable and deliver value. Diversity is no different.

**What is the business case for having diversity in your supply chain?**

**Healy:** We're a talent supply chain. We need to ensure that our supply base reflects the community that our customer is operating within and that Kelly operates within. It's not just about capturing spend, which is how these initiatives began for some organizations.

**Marshall:** This is not about set-asides and preferential treatment. These suppliers have to compete, perform and deliver like everyone else. They just might not have the deep pockets or abundance of resources like a majority supplier. But they can be our most valued suppliers.

#### How does Kelly develop its diverse suppliers?

**Marshall:** A cornerstone of our strategy is development and continuing education so that once we find suppliers and assess their readiness and capabilities, we can make sure they become a sustainable profile in our supply chain.

(Kelly recently launched an office of innovation, which has a pilot project that was brought forward by one of the company's diverse suppliers.)

**Healy:** They had something that they thought was unique but didn't know how to bring it to market or have the network to extend that

out. Now it has the potential to change the staffing market, and Kelly's recruitment business is a supplier to one of its suppliers. That's an exciting thing to me, when the relationship becomes bidirectional.

#### How do you discuss the case for diversity internally?

**Healy:** This isn't something you do alone; diversity is a team initiative. This is a strategic imperative. We have CEO-level commitment that extends into a supplier diversity advisory council and a supplier diversity team that Brenda leads.

**Marshall:** Diversity does not belong to the diversity department. It has to be a part of your culture and how you do business.

#### How do you measure the success of Kelly's diversity supplier program?

**Marshall:** Obviously, we have our scorecard — on-time delivery, quality, etcetera — but we take it one step further. We look at business acumen, cultural alignment to Kelly and the value vendors bring in terms of innovation. If you're talking about building partnerships, it's about more than about performance; it's about the infrastructure, financial solvency, resources and technology to succeed.

#### What challenge does Kelly face in building its diverse supply chain?

**Marshall:** To maintain inclusion in our supply chain, it is important for us to develop a network of scalable minority, women and disadvantaged business enterprises. As such, professional development and continuing education is the cornerstone of our diversity initiatives.

By fostering ongoing growth and development, we have connected hundreds of diverse firms to staffing industry leaders, procurement specialists and leading Fortune 500 companies, creating viable, profitable, sustainable partners.

#### What advice do you have for other firms implementing supplier diversity programs?

**Marshall:** You must approach it as a business initiative, not just being a good corporate citizen. Everyone is lean and mean; we learned from the recession that we have to be smarter. So if your diversity initiative is not contributing to the bottom line and bringing value, then it's not sustainable.

It's not just identifying diverse suppliers; it's about building a network. It's beyond a commitment; it's an investment. Diversity doesn't just happen by itself.

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## Focus: Diversity

# Dow Chemical: Set diversity goals, then measure them

**D**ow Chemical Co.'s headquarters sits in Midland, a city of about 42,000 surrounded by rural areas. Many of its outposts are also found in smaller, rural areas. Add the fact that Dow looks to hire graduates from STEM fields — which are notoriously low in diversity — and that means the large publically traded company has more than a few challenges to finding and hiring diverse talent.

But this year, the company was on **DiversityInc Media LLC's** 25 Notable Companies list. The Princeton, N.J.-based publisher identified Dow as a potential candidate for the 2014 version of its top 50 list because of its high marks across the four areas it measures: talent pipeline, talent development, CEO/upper-management commitment and supplier diversity.

Leading the diversity initiative for Dow is Sarah Kok, global human resource director of organizational effectiveness and diversity and inclusion. She is a STEM graduate herself — from **Purdue Universi-**

## ABOUT DOW CHEMICAL

**What it does:** Plastics, chemicals, agricultural science, electronic materials and other products.

**Founded:** 1897

**Employees:** 54,000 globally

**Annual sales:** \$56.8 billion in 2012

**Headquarters:** Midland

**Diversity program initiated:** 2005

**Why diversity matters for the company:** "You can have a diverse workforce whether you're a Fortune 50 or 50-employee company. It can be done. Set goals and then measure them."

ty — but is now in charge of finding talent to push Dow forward.

"We look for a recruiting pool that reflects our shareholders, customers and communities in which we operate," she said.

### How does Dow define diversity?

We really talk about diversity in its broadest sense. It's not just gender or minority status; it's all forms of diversity: cultural, thought, etc. It's about how we re-

ally tackle the world's challenges. So when we talk about diversity, it is that whole spectrum.

### How does Dow develop its talent pool?

We started walking before we ran. We started by having key universities that we work with in terms of wanting to source their talent. We have strategic hiring teams for each of these universities plus a diversity liaison role.



Kok

That was where we started, but we had to broaden our sourcing pool. So we've gone to recruiting fairs that are aimed at underrepresented populations in our workforce. We've been doing this a few years, and we've really, really seen a big difference in the diversity of our recruiting pool.

### How do you retain diverse talent?

We have had great success with our employee resource groups. They are having an impact. We have really said it's everyone's responsibly. We want everyone talking, regardless of who they are, about why Dow is a great place to work. So we view it as not our CEO's responsibility or my responsibility, but it's everyone's responsibility.

### What metrics do you use for to measure success?

We do look at a bunch of different metrics in terms of hiring and promotions. Where we've really expanded recently is looking at what acceptances we are getting from people we offer full-time jobs. How many people did we make offers to? How many acceptances did we actually get? But it's no one thing; it's managing 17 different balls. Maybe 18.

### How do you discuss the case for diversity internally?

We used to really focus on the business case, but as a journey, that

starts to be "we've heard that already." So what we did last year was introduce unconscious-bias training. We all have unconscious biases, so this conversation takes away from that "it's all me" or "it's my fault." If you bring those biases to the forefront and are aware of them, you will potentially take different actions going forward. For example, my bias might not be skin color, it might be age or tech knowledge. Whatever it is, we all have one or more, and talking about them can help to create a diverse team.

### What advice do you have for other companies?

There is no one magic thing to do. If you are creating the right structure from the minute you source all the way to the life cycle of an employee, you can get the diversity talent and you can keep it. You have to work at it, but it can be done. It's easy to say you're in a small town or the tech industry or chemicals, but all of these are excuses. It can be done. Set goals and then measure them.

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*Thank you, Rick*



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*Ilana Kutinsky, D.O., is a board-certified cardiologist and specializes in treating atrial fibrillation at the Beaumont Atrial Fibrillation Center.*

# CRAIN'S LIST: LARGEST AFRICAN AMERICAN-OWNED BUSINESSES Ranked by 2012 revenue

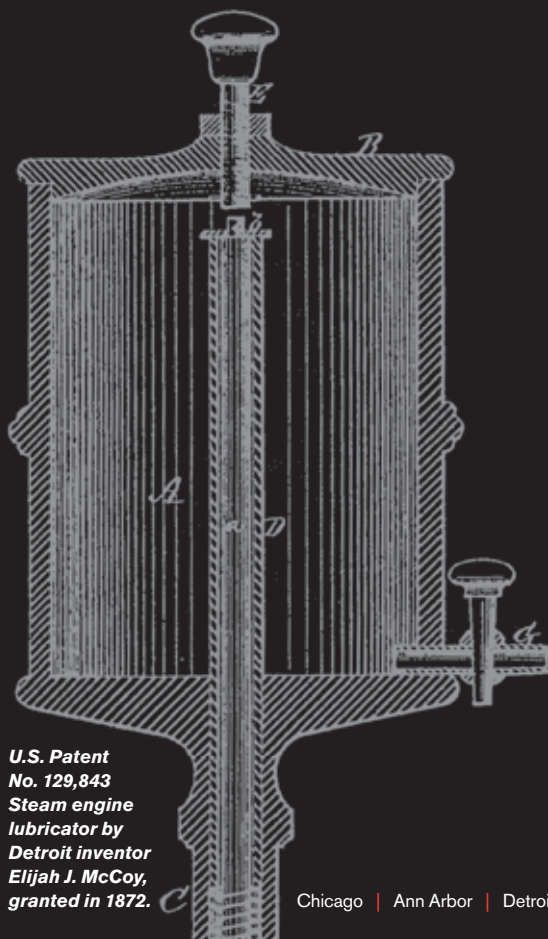
	Company Address Phone; website	Majority owner(s)	Revenue (\$000,000) 2012	Revenue (\$000,000) 2011	Percent change	Local employees Jan. 2013	Local employees Jan. 2012	Percent African American-owned	Type of business
1.	<b>Bridgewater Interiors LLC</b> 4617 W. Fort St., Detroit 48209 (313) 842-3300; www.bridgewater-interiors.com	Ronald Hall president and CEO	\$1,838.7	\$1,746.0	5.3%	NA	992	51%	Automotive interiors
2.	<b>Piston Automotive LLC</b> 12723 Telegraph Road, Redford 48239 (313) 541-8674; www.pistongroup.com	Vinnie Johnson chairman	569.9	473.8	20.3	225	226	100	Automotive supplier
3.	<b>Prestige Automotive LLC</b> 20200 E. Nine Mile Road, St. Clair Shores 48080 (586) 773-2369; www.prestigeautomotive.com	Gregory Jackson chairman, president and CEO	436.0	409.7	6.4	202	150	100	Automobile dealerships, insurance and real estate
4.	<b>Global Automotive Alliance LLC</b> 2627 Clark St., Detroit 48210 (313) 297-6676	William Pickard chairman and CEO	415.0	329.0	26.1	510	500	100	Automotive manufacturer, assembler, warehouse sequencer, aerospace warehousing and logistics
5.	<b>SET Enterprises Inc.</b> 30500 Van Dyke Ave., Suite 701, Warren 48093 (586) 573-3600; www.setenterprises.com	Sid Taylor chairman and CEO	350.0	330.0	6.1	180	165	100	Metal processing
6.	<b>Royal Oak Ford/Briarwood Ford</b> 27550 Woodward Ave., Royal Oak 48067 (248) 548-4100; www.royaloakford.com	Eddie Hall Jr. president	138.5	136.9	1.2	161	157	NA	Automobile dealerships
7.	<b>GlobalHue</b> 4000 Town Center Drive, Suite 1600, Southfield 48075 (248) 223-8900; www.globalhue.com	Donald Coleman chairman and CEO	121.8 ①	125.3 ①	-2.8	NA	NA	100	Advertising agency
8.	<b>Bill Perkins Automotive Group</b> 21800 Gratiot Ave., Eastpointe 48021 (586) 775-8300; www.merollishevy.com	Bill Perkins president	118.1	118.3	-0.1	127	126	100	Automobile dealerships
9.	<b>James Group International Inc.</b> 4335 W. Fort St., Detroit 48209 (313) 841-0070; www.jamesgroupintl.com	John James chairman and CEO	110.0	30.0	266.7	131	142	100	Logistics and supply chain management
10.	<b>Avis Ford Inc.</b> 29200 Telegraph Road, Southfield 48034 (248) 355-7500; www.avisford.com	Walter Douglas Sr. chairman and CEO	107.6	110.7	-2.8	102	102	NA	Automobile dealership

This list of African American-owned businesses is an approximate compilation of the largest businesses headquartered in Wayne, Oakland, Macomb, Washtenaw and Livingston counties. Percentage of the company that is African American-owned may not be solely held by a majority owner. It is not a complete listing but the most comprehensive available. Unless otherwise noted, information was provided by the companies. Actual revenue figures may vary. NA = not available.

① GlobalHue's capitalized billings were \$812 million for 2012 and \$835 million for 2011. Revenue is an estimate based on 15 percent of billings.

LIST RESEARCHED BY BRIANNA REILLY

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## CRAIN'S LIST: LARGEST NATIVE AMERICAN-OWNED BUSINESSES Ranked by 2012 revenue

	Company Address Phone; website	Majority owner	Revenue (\$000,000) 2012	Revenue (\$000,000) 2011	Percent change	Local employees Jan. 2013	Percent Native-American owned	Type of business
1.	<b>Rush Trucking Corp.</b> 35160 E. Michigan Ave., Wayne 48184 (800) 526-7874; www.rushtrucking.com	Andra Rush president and CEO	\$104.0	\$115.0	-9.6%	532	NA	Motor carrier
2.	<b>Systrand Manufacturing Corp.</b> 19050 Allen Road, Brownstown Township 48183 (734) 479-8100; www.systrand.com	Sharon Cannarsa president and CEO	49.8	45.0	10.7	222	50	Precision machining and assembly of automotive products
3.	<b>Arrow Strategies LLC</b> 30300 Telegraph Road, Suite 117, Bingham Farms 48025 (248) 502-2500; www.arrowstrategies.com	Jeff Styers president and CEO	38.0	29.5	28.8	235	100	Staffing firm specializing placement of professionals in the information technology, engineering, finance/accounting and professional services industries on a contract, contract-to-hire and permanent basis
4.	<b>RB Construction Co.</b> 6489 Metro Parkway, Sterling Heights 48312 (586) 264-9478; www.rb-construction.com	Russell Beaver president	18.0	3.0	499.2	5	NA	General construction company, Native American-owned, SBA 8(a) certified, minority business enterprise, service disabled veteran-owned small business, disadvantaged business enterprise
5.	<b>Elite Plastic Products/Elite Mold &amp; Engineering</b> 51548 Filomena Drive, Shelby Township 48315 (586) 314-4000; www.teameliteonline.com	Robert Mandeville chairman	15.2	12.0	26.7	71	60	Plastic injection molding, cleanroom medical molding, North American and Asian tool building, handling prototype through production orders

This list of Native American-owned businesses is an approximate compilation of the largest such businesses based in Wayne, Oakland, Macomb, Washtenaw or Livingston counties. Percentage of business that is Native American-owned may not be solely held by majority owner. It is not a complete listing but the most comprehensive available. Unless otherwise noted, information was provided by the companies. NA = not available.

LIST RESEARCHED BY BRIANNA REILLY

## CRAIN'S LIST: LARGEST HISPANIC-OWNED BUSINESSES Ranked by 2012 revenue

	Company Address Phone; website	Majority owner(s)	Revenue (\$000,000) 2012	Revenue (\$000,000) 2011	Percent change	Local employees Jan. 2013	Percent Hispanic-owned	Type of business
1.	<b>The Diez Group</b> 8111 Tireman Ave., Dearborn 48126 (313) 491-1200; www.thediezgroup.com	Gerald Diez chairman and CEO	\$612.0	\$562.0	8.9%	NA	100%	Steel and aluminum sales, scallops/wave blanking, blanking (exposed/unexposed), slitting, laser welding
2.	<b>Elder Automotive Group</b> 777 John R Road, Troy 48083 (248) 585-4000; www.elderautogroup.com	Irma Elder CEO	365.6	309.4	18.2	215	100	Automobile dealerships
3.	<b>Vision Information Technologies Inc. (VisionIT)</b> 3031 W. Grand Blvd., Suite 600, Detroit 48202 (877) 768-7222; www.visionit.com	David Segura CEO	226.5	239.0	-5.2	382	100	Mobile application solutions, IT managed services and talent management
4.	<b>The Ideal Group Inc.</b> 2525 Clark St., Detroit 48209 (313) 849-0000; www.weareideal.com	Frank Venegas Jr. chairman and CEO	182.0	200.0	-9.0	413	NA	General contracting, specialized miscellaneous steel manufacturing and distribution of protective barrier products, pure global supply chain management, centralized storage and on-demand distribution of parts for machinery and selling excess stock materials
5.	<b>Gonzalez Design Group</b> 29401 Stephenson Highway, Madison Heights 48071 (248) 548-6010; www.gonzalez-group.com	Gary Gonzalez CEO	70.0	82.0	-14.6	400	NA	Design engineering, staffing, manufacturing technologies, integrated marketing, production systems, containers, welding systems, assembly systems and printed circuit board assemblies
6.	<b>Industrial Control Repair Inc.</b> 28601 Lorna Ave., Warren 48092 (586) 582-1500; www.icrservices.com	Paul Gutierrez president and CEO	47.0	35.0	34.3	147	75	Electronic and mechanical repair of industrial equipment, buy and sell refurbished industrial electronics and robots, buy and sell machinery
7.	<b>PMA Consultants LLC</b> 1 Woodward Ave., Suite 1400, Detroit 48226 (313) 963-8863; www.pmaconsultants.com	Gui Ponce de Leon CEO	41.4	38.8	6.7	38	NA	Construction consulting; program, project and construction management; experts in dispute avoidance and resolution
8.	<b>Aztec Manufacturing Corp. Inc.</b> 15378 Oakwood Drive, Romulus 48174 (734) 942-7433; www.aztecmgcorp.com	Gregory Lopez president	26.0	25.2	3.3	62	59	Production machining for on- and off-road vehicle applications; castings and forgings; full product development capabilities
9.	<b>Reliance One</b> 1700 Harmon Road, Suite 1, Auburn Hills 48326 (248) 922-4500; reliance-one.com	James Beath president	25.0	21.2	17.9	800	51	Staffing and recruiting
10.	<b>ASG Renaissance LLC</b> 22226 Garrison, Dearborn 48124 (313) 565-4700; www.asgren.com	Lizabeth Ardisana CEO	20.6	28.4	-27.3	165	51	Marketing communications, public relations, staffing, performance management and diversity services
11.	<b>Three Star Trucking Co. Inc.</b> 36860 Van Born Road, Wayne 48184 (734) 728-5500; www.threestartrucking.com	Denise Rays president and CEO	15.9	20.0	-20.5	59	NA	Transportation
12.	<b>Alliance Technology Solutions LLC</b> 40 Engelwood Drive, Suite H, Lake Orion 48359 (248) 364-2195; www.ATS.biz	Margie Carlson president and CEO	11.9	13.3	-10.3	7	NA	IT infrastructure solution provider and value-added reseller offering high-end and low-end hardware, software, services, maintenance and maintenance renewals
13.	<b>Laurie Sall &amp; Associates LLC</b> 5435 Corporate Drive, Suite 205, Troy 48098-2624 (248) 641-2655; www.lauriesall.com	Laurie Sall president	8.5	6.3	34.9	3	100	Products sold include IRA's, 401(k) plans, pension plans, profit-sharing plans, executive bonus plans, business continuation plans, key person plans, deferred compensation plans, buy-sell agreements, individual disability income insurance, business overhead planning, long-term care insurance, group health, life and disability insurance, health savings accounts, health reimbursement accounts, key executive benefits, Cobra services assistance and self-insured prescription cards
14.	<b>Goodman Venegas</b> 2800 Livernois, Suite 170, Troy 48083 (248) 740-9090; www.goodmanvenegas.com	M. Paul Venegas president	2.9	2.8	1.8	15	51	Commercial insurance agency
15.	<b>Inteligente Technologies LLC</b> ① 17199 N. Laurel Park Drive, Livonia 48150 (734) 338-8980; www.inteligentetechnologies.com	Ignacio Salazar president Jacklyn Salazar vice president	1.2	1.0	20.0	35	51	Supplies die cut and adhesive backed products in foams, rubber, any soft material to automotive and other industries; also assembles various products into one; can perform multiple activities to make full assemblies.

This list of Hispanic-owned businesses is an approximate compilation of the largest such businesses headquartered in Wayne, Oakland, Macomb, Washtenaw or Livingston counties. Percentage of the company that is Hispanic-owned may not be solely held by a majority owner. It is not a complete listing but the most comprehensive available. Vetbuilt Building Group Inc., No. 10 on last year's list, which *Crain's* believes would make the list, was unable to provide figures, and a reliable estimate could not be made. Actual revenue figures may vary. NA = not available.

① Intelige Solutions Inc. and Plastomer Corp. joint venture.

LIST RESEARCHED BY BRIANNA REILLY

# CRAIN'S LIST: LARGEST ASIAN-OWNED BUSINESSES

Ranked by 2012 revenue

	Company Address Phone; website	Majority owner	Revenue (\$000,000) 2012	Revenue (\$000,000) 2011	Percent change	Local employees Jan. 2013	Local employees Jan. 2012	Percent Asian- owned	Type of business
1.	<b>Camaco LLC</b> 40000 Grand River Ave., Suite 110, Novi 48375 (248) 442-6800; www.camacollc.com	Arvind Pradhan president and CEO	\$350.0	\$300.0	16.7%	32	23	100%	Automotive supplier
2.	<b>NYX Inc.</b> 36111 Schoolcraft Road, Livonia 48150 (734) 462-2385; www.nyxinc.com	Chain Sandhu CEO	330.0	302.0	9.3	1,600	1,300	NA	Plastic injection molding
3.	<b>Acro Service Corp.</b> 39209 W. Six Mile Road, Suite 250, Livonia 48152 (734) 591-1100; www.acrocorp.com	Ron Shahani president and CEO	159.6	133.0	20.0	1,448	1,207	100	Staff augmentation (information-technology, engineering, office support, industrial, other), outsourcing and IT and engineering consulting
4.	<b>HTC Global Services Inc.</b> 3270 W. Big Beaver Road, Troy 48084 (248) 786-2500; www.htcinc.com	Madhava Reddy president and CEO	135.0	116.0	16.4	185	180	100	Application development and maintenance, business process management, document and content management and project management office services
5.	<b>Dass International Inc. (Netlink)</b> 999 Tech Row, Madison Heights 48071 (248) 204-8800; www.netlink.com	Dilip Dubey CEO, chairman and co-founder	84.5	71.5	18.2	112	90	NA	Managed IT, supply chain and business process solutions firm
6.	<b>Synova Inc.</b> 1000 Town Center, Suite 700, Southfield 48075 (800) 799-9625; www.synovainc.com	Raj Vattikuti chairman	69.8	74.2	-6.0	200	250	100	Custom software development, maintenance and support, SAP technologies, SAP enterprise applications, SAP performance management, mobile applications development for financial and telecom verticals, cloud enabling of organizational resources
7.	<b>Rapid Global Business Solutions Inc.</b> 31791 Sherman Drive, Madison Heights 48071 (248) 589-1135; www.rgsi.com	Bati Devi chairman	64.5	54.5	18.3	470	390	100	Engineering design services, staff augmentation, vendor management services, managed service provider, payroll, own vendor management system tool, recruitment process outsourcing services, production part approval process services
8.	<b>FutureNet Group Inc.</b> 12801 Auburn St., Detroit 48223 (313) 544-7117; www.futurenetgroup.com	Perry Mehta president and CEO	53.3 ①	32.6	63.7	113	64	100	Customized solutions for environmental and infrastructure improvement
9.	<b>Saturn Electronics Corp.</b> 28450 Northline Road, Romulus 48174 (734) 941-8100; www.saturnelectronics.com	Nagji Sutariya president	39.9	34.7	15.0	NA	175	NA	Printed circuit board fabricator providing quick-turn prototypes and high-volume production
10.	<b>WorkForce Software LLC</b> 38705 Seven Mile Road, Suite 300, Livonia 48152 (877) 493-6723; www.workforcesoftware.com	Kevin Choksi CEO	30.3	24.0	26.0	200	139	NA	Complete workforce management platform for large employers with complex needs. EmpCenter suite provides solutions for time and attendance, scheduling, absence and leave management and employee fatigue along with powerful reporting and analytics.

This list of Asian-owned businesses is an approximate compilation of the largest such businesses headquartered in Wayne, Oakland, Macomb, Washtenaw or Livingston counties. Percentage of the company that is Asian-owned may not be solely held by a majority owner. It is not a complete listing but the most comprehensive available. *Crain's* estimates are based on industry analyses and benchmarks, news reports and a wide range of other sources. Unless otherwise noted, information was provided by the companies.

Actual revenue figures may vary. NA = not available.

① Acquired Smith & Wesson Security Solutions Inc. July 2012.

LIST RESEARCHED BY BRIANNA REILLY

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*BTI Litigation Outlook 2014*
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Commercial Litigation  
*BTI Litigation Outlook 2013*
- **#1 IN MIDEAST REGION,  
#1 IN MICHIGAN AND #16 IN U.S.**  
Bond counsel law firm  
*2012 Municipal Markets Review by  
Thomson Reuters*

- **#1 LAW FIRM IN POLAND**  
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*Dziennik Gazeta Prawna*, the leading  
business publication in Warsaw
- **2013 PRO BONO CIRCLE  
OF EXCELLENCE**  
State Bar of Michigan
- **138 LAWYERS IN U.S.,  
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## CALENDAR

### TUESDAY

NOV. 5

**Capital Raise Meetup.** 9:30-11 a.m. Macomb-OU Incubator. For owners of startup or early-stage growth-based businesses seeking funding. With **Mike Brennan**, business commercialization and capital investment adviser, **Macomb-OU Incubator**. Macomb-OU Incubator at Velocity Collaboration Center, Sterling Heights. Free. Contact: Joan Carleton, (586) 884-9324; email: macinc@oakland.edu; website: www.oakland.edu/macombouinc.

### WEDNESDAY

NOV. 6

**Business Research: Feasibility to Expansion.** 9 a.m.-noon. Oakland County Economic Development & Community Affairs. For owners of startup or existing small businesses looking to research a business idea or find research for a business plan. Oakland County Business Center, Waterford Township. Free. Contact: Karen Lear, (248) 858-0783; email: smallbusiness@oakgov.com; website: www.AdvantageOakland.com/startabusiness

### THURSDAY

NOV. 7

**Wages and Income Mobility in the U.S.** 7:30-9 p.m. Lawrence Technological University. Addressing the issues of how well U.S. workers are doing compared to the rest of the world and whether America remains an upwardly mobile society. With **Stephen Spurr**, professor of economics, **Wayne State University**. Lawrence Technological University, Southfield. Free. Contact: Tracy Kash Thomas, (248) 204-3500; email: tkashthom@ltu.edu; website: www.ltu.edu.

**Eighth Annual Veteran Entrepreneurial Training Conference.** 7:30 a.m.-4 p.m. VetBizCentral Inc. Focusing on

### INNO-VENTION 2013: MEDICAL MAIN STREET

**Oakland County Economic Development & Community Affairs** hosts **Inno-Vention 2013: A Medical Main Street Conference** from 6:30-8:30 p.m. **Nov. 6**, 8 a.m.-4 p.m. **Nov. 7** and 9-11 a.m. **Nov. 8** at the **Troy Marriott**.

Learn how information technology is fueling changes in health care and its impact on the next generation of medical devices.

Welcome address, Oakland County Executive **L. Brooks Patterson**; keynote speaker, **Rick Valencia**, vice president and general manager, **Qualcomm Life**, addressing mobile technology and the future of health care; other speakers include **Subra Sripada**, executive vice president, chief administrative and information officer, **Beaumont Health System**.

Tickets are \$149. For more information, call Leslie Smith, (248) 353-0735, ext. 152; email her at [innovention2013@esd.org](mailto:innovention2013@esd.org); or visit [www.medicalmainstreet.org](http://www.medicalmainstreet.org).

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### UPCOMING EVENTS

**Health Care Reform Breakfast Symposium.** 7:30-10 a.m. **Nov. 12**. Construction Association of Michigan. Focus on health care reform and how it will

impact employers of all sizes and in all industries. With **Lenny Brucato**, director of sales and client services, **Priority Health**; **Paul Catenacci**, director of sales and client services, **Novara Testija PLLC**; **Leslie Loftus**, COO, **Veritas Benefits Group LLC**; and **Rob Walters**, director of sales, **CAM Administrative Services Inc.** Michigan State University Management Education Center, Troy. \$30 per person, \$150 table for six. Contact: Marie Magyar, (248) 972-1127; email: [magyar@cam-online.com](mailto:magyar@cam-online.com); website: [www.cam-online.com](http://www.cam-online.com).

**Higher Education Client Panel.** 8-10 a.m. **Nov. 13**. Michigan Chapter of the Society of Marketing Professional Services. Directors of facilities, planning, design and construction from Michigan colleges and universities will meet to discuss current and planned campus projects. With panelists **Ken Dawson**, project representative, **Michigan State University**; **Bryan Valachek**, construction project director, **University of Michigan**; and **Tamara Batcheller**, associate vice president, facilities management, **University of Detroit Mercy**. **Helen Dennis**, president and co-founder, **300 Decisions**, is the moderator. \$30 students, \$55 SMPS members, \$90 nonmembers. Walsh College, Novi Campus. Contact: Nicole Franzen, (248) 233-0107; email: [nrfranzen@hedeve.com](mailto:nrfranzen@hedeve.com); website: [www.smeps-mi.org](http://www.smeps-mi.org).

**Raising Capital to Grow Your Company.** 6-8:30 p.m. **Nov. 13**. Novi Oaks Chapter, American Business Women's Association. With **Ralph Sherman**, founding partner, **Sherman Law Offices**. Double-Tree Hotel, Novi. \$18.50. Contact: Holly Hengstebeck, (734) 634-8383; email: [publicity@abwa-novi.org](mailto:publicity@abwa-novi.org); website: [www.abwa-novi.org](http://www.abwa-novi.org).

**Walshpreneur Fair.** 5-7:30 p.m. **Nov. 18**. Blackstone LaunchPad. With **Vince Thomas**, founder-chairman, **Billhighway**; **Larry Gardner**, president, **Lawrence Gardner Associates**. Walsh College, Troy campus. Free. Contact: Carol Glynn, (248) 823-1262; email: [cglynn@walshcollege.edu](mailto:cglynn@walshcollege.edu); website: [walshcollege.edu/blackstonelaunchpad](http://walshcollege.edu/blackstonelaunchpad).



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## PEOPLE



Wiegand

### HEALTH CARE

**Deana Wiegand** to activities director, **Mendelson Home at Lourdes Senior Community**, Waterford Township, from activities assistant, **Cherrywood Nursing & Living Center**, Sterling Heights.

**Kelly Ann Dinnan**, D.O., to medical director, surgical intensive care unit, **Botsford Hospital**, Farmington Hills, from fellow training in surgical critical care and acute care surgery at University of California, San Francisco Fresno.

**Reginald Eadie**, M.D., to president, **DMC Harper University Hospital** and **DMC Hutzel Women's Hospital**, Detroit. He continues as president, **DMC Sinai-Grace Hospital**, Detroit.

### INSURANCE

**Eric Spencer** to vice president, claims, **Amerisure Mutual Insurance Co.**, Farmington Hills, from senior vice president, head of middle market claims, **QBE Insurance Co.**, Bellevue, Wash.

### MARKETING

**Eric Davies** to global director, business development, **Embark Digital**



Lutz

**LLC**, Farmington Hills, from senior director of sales, **Outcast Media**, Detroit.

### NONPROFITS

**Lori Lutz** to operations director, **Isaac Agree Downtown Syna-**

### IN THE SPOTLIGHT

**Portable Church Industries**, Troy, a provider of equipment and transportation for mobile churches,



Cougill

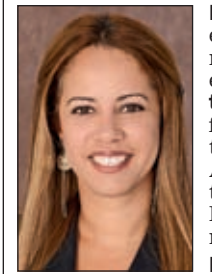
has named **Scott Cougill** its first CEO.

Cougill, 49, most recently was executive director of **Pacific Crossroads Church** in Los Angeles.

He earned a bachelor's degree in psychology from **Wabash College**, Crawfordsville, Ind., and an MBA in marketing and management from **Indiana University**, Indianapolis.

**gogue**, Detroit, from senior development and legal officer, **Alternatives for Girls**, Detroit.

### SERVICES



Bledsoe

**Karla Bledsoe** to energy industry relations manager, **Assets International LLC**, Southfield, from director of South American operations, **Continental Enterprises**, Commerce Township.

**Molly Smith** to vice president, customer support and services, **Channel-Net**, Dearborn, from director, **eBusiness Support Center**.

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# Packard: Finances, liens make plant site no easy turnaround

■ From Page 3

"There is a tremendous amount of work that's going to happen literally on the next day" after closing, Hults said. "We have to clean up the 40 years worth of debris and trees, and then we have to fence it. We'll also have our security force on site, making sure nobody has access. It's going to be insured in case anything crazy does happen. We'll go about the process."

Before founding Durkin Joyce in 2001, he worked from 1987-95 in advertising and marketing for *Golf Digest* magazine. Durkin Joyce is described as a company involved in the revitalization of blighted neighborhoods and the building of LEED-certified multifamily residences.

## Financing puzzle

One of the biggest stumbling blocks will be getting financing for the project, especially given its location between I-94 and East Grand Boulevard.

Dennis Bernard, founder and president of Southfield-based **Bernard Financial Group Inc.**, said Hults will need to approach

lenders with a significant amount of equity already secured for the development.

"There's no leases," Bernard said. "It's not in an area that's currently developing or thriving. It's not in the (central business district) or in Midtown — two areas in the city of Detroit that are thriving."

Drawing residents may also prove difficult, said Kyle Westberg, president and CEO of Pontiac-based **West Construction Services**, which developed the Lafayette Place project in Pontiac.

"It's not like a riverfront or lakefront, or somewhere there's an amenity that's going to drive people to want to live there," he said. "Are those loft-dwellers going to be people with jobs in the Midtown and downtown district? Maybe that's the first wave of renters. But I don't know."

**Colliers International Inc.** Vice President Brian Schwartz said he is encouraged by the ambition of the Hults project, but said it faces many obstacles.

"Those who are in commercial real estate in the downtown De-

troit market and understand that site know the level of contamination that are existing and how long the site has been deteriorating," he said. "The amount of investment just to repurpose it is going to far outweigh anybody paying a market value for (property there)."

Hults disagrees with the skepticism.

"This is a 15-year project," he said. "We'll begin to put in businesses that don't need any kind of residential. The Cadillac plant is literally a half-mile away, and there are 4,000 people working there. Wouldn't you want to have a five-minute trip to work?"

He said Durkin Joyce has done redevelopment work in Chicago and Minnesota and is pursuing other projects overseas.

Hults has hired the Detroit-based architecture firm **Albert Kahn Associates Inc.** for the project, and Joe Kopietz, a partner in the real estate practice at Detroit-based **Clark Hill PLC** who represents lenders and investors in economic development matters.

The project would be financed using a mixture of federal and

state tax incentives, and debt and equity, Kopietz said in an email to *Crain's*.

Among the incentives being considered are New Markets Tax Credits, Historic Rehabilitation Tax Credits, Community Revitalization Program credits, and tax abatements through the Obsolete Property Rehabilitation Act. Tax increment financing is also being considered.

There is "a significant amount of resources that are available to us," Hults said.

"The final mix on the incentives side is far from being fully developed since site control is required to even begin the process of pursuing many of these incentives," Kopietz said.

## Lien legwork?

There is also a dispute between previous owner Dominic Cristini's representatives and Hults' over whether he would have to pay off \$1.5 million to \$2 million in liens remaining on the Packard plant.

David Wax, the owner representative and senior sales associate

for Farmington Hills-based **Burger & Co.**, said Hults could not get a warranty deed — which guarantees a title is clear of all liens — until all liens are satisfied.

"And if you don't have a warranty deed, no bank will ever lend you money," he said.

But David Szymanski, chief deputy Wayne County treasurer, said that all liens had been eliminated through the tax foreclosure process.

"The prior liens were extinguished by the foreclosure and expiration of the redemption period, which occurred prior to the county's sale of the property at auction," Kopietz said.

Peter Letzmann, a former municipal attorney and sole practitioner of Kentwood-based **Letzmann Associates**, said that if the county notified the lien holders of the tax foreclosure process when it began and they didn't make claims on their liens, the liens can be eliminated.

The dispute could prompt litigation, he said, but if the county followed the proper legal procedures, it would likely be dismissed.

## MARKET PLACE

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# Diversity: Inclusion makes good business sense, experts say

■ From Page 3

schooled by Lowisz. Diversity, he tells his clients, is not about doing the right thing or creating set-asides; it's about building a business filled with the best and brightest talent so your firm can compete globally.

After all, research shows that diverse teams — whether in the office or the supply chain — are good for business.

In the U.S., for public companies with diversity on the executive board, return on equity was 95 percent higher than those without, according to a 2012 report by New York City-based **McKinsey & Co.**

The country's demographics are shifting, with people of color making up 36 percent of the labor force, according to the **U.S. Bureau of Labor Statistics**, and there will be no ethnic minority in the country by 2050.

Change is hitting Southeast Michigan, too, where the minority population is expected to reach 40 percent by 2040, according to the Detroit-based **Southeast Michigan Council of Governments**. (The mid-Atlantic region, including Michigan, was ranked as the most open to diversity in a recent report by the Washington, D.C.-based **Center for American Progress**.)

Companies must be prepared for this evolution and have products and services that meet the new demands, experts say. To do that, they need teams that understand and identify with their new customers.

"Diverse teams that come from various backgrounds actually come up with more creative solutions and new ideas and new products than groups that are all white males or all white females," Lowisz said.

## QUESTIONS TO ASK WHEN FORMING CORPORATE DIVERSITY PLANS

Answers from Stephen Lowisz, CEO of **Qualigence International**:

■ **Ask yourself why:** "When a client comes to me and says we have a focus on diversity, my first question is, 'Why?' Is it a mandate from the top because it makes you feel better or does it actually make sense for your business?"

■ **Culture is critical:** "Feeling good is the wrong reason to do this. If you get diverse talent in the front door with this attitude, they're going to run out the back door."

■ **Actively seek new talent:** "I would get involved in every local chamber, whether they are specific to an ethnicity or not. Fish in the ponds that have the quality you are looking for so you are putting people on equal footing."

■ **Put diversity recruitment in the C suite:** "I would be the one out there touting the flag and saying, 'We talk to all; we recruit all; we have an environment for all.' Don't pass it off."

■ **Insist on interviews:** "It's about more than just having a slate of candidates that are presented to a hiring manager. It's about, 'Who did the hiring manager sit down with?'"

■ **Bake diversity into the culture; don't use mandates:** "Hiring managers resent mandates. You don't want to set people up to fail just because they are diverse."

— Amy Haimerl

That's something to which the auto industry, and therefore Southeast Michigan, is no stranger. The number of Hispanic auto buyers, for example, grew 26 percent between 2011 and 2012, while the overall industry only grew 13 percent, according to Southfield-based automotive research firm **R.L. Polk & Co.** The automakers know they have to snag these new clients and are making strides to make their workforce and supply chains more representative of the country's future.

The **Rainbow PUSH Coalition and Citizenship Education Fund**, for example, gave **General Motors Co.**, **Ford Motor Co.** and **Chrysler Group LLC** top marks for their supplier diversity programs. GM and Ford also were commended for their hiring.

The efforts by the Detroit 3 have motivated many local organiza-

*For public companies with diversity on the executive board, return on equity was 95 percent higher than those without.*

tions to innovate.

"It's the industry that got us involved in our approach really early on," said John Healy, vice president and talent supply chain strategist of Troy-based **Kelly Services Inc.**

But the business case is an imperative regardless of industry. Take

**Blue Cross Blue Shield of Michigan.** In 2012, the Detroit-based company spent \$180 million with minority- and women-owned businesses in its supply chain, or about 15 percent of its administrative spend.



Keith

"The business case is really quite simple," said Tricia Keith, the health care provider's senior vice president, corporate secretary and services. "We are a strong Michigan-based business, and we need to look and act like our customers and our members, the people who are holding the BCBS card in their wallets."

However, Lowisz and Keith are quick to remind, diversity programs are no longer just about ethnic minorities and women, the industry is moving toward an "inclusion model."

"It's not just a white-versus-black issue," Lowisz said. "It also has to be inclusive of upbringing, education, all of the things that get you these new ideas, new thoughts, new perspectives. You want to reflect your consumer. So if your consumer happens to be heavily diverse and your company is not, are you really developing products and services that serve that consumer?"

With his own firm, Lowisz made diversity a priority from day one. Because his existing network was filled with people of different backgrounds — Arab-American, African-American, Hispanic — it was easy for him to build a team.

"We had more nonwhite males when I started the business than white males," he said. "We're fortunate today that most of our staff comes from referrals. Diversity just finds us because we are known to be background blind."

Of course, diversity doesn't just find everyone. Companies have to actively court and find diverse suppliers and employees. That means looking in different places and actively seeking the talent, not just waiting for who comes to you.

"Here's the great thing about diversity and inclusion," Keith said. "When we have a diverse slate before us, the best and the brightest are going to be who we hire. The demographics of the U.S. are changing so dramatically that we know that if we don't change, then we don't bring to the table the best and the brightest."

It's no different on the supplier side of the business.

"It needs to be part of the corporate culture; it needs to be a directive from the leadership," said Michelle Richards, executive director of the **Center for Empowerment and Economic Development** in Ann Arbor. "One of the biggest myths is that this is a set-aside or you're taking a contractor that's not the best. But corporations don't do that."

"Between us and the **Michigan Minority Supplier Development Council**, we have a tremendous pipeline of very capable, diverse suppliers. Behind us, we have almost 12,000 certified women business owners that, on average, have \$12.6 million in sales."

To find employees, Lowisz tells

his clients they have to actively search for the talent, use new channels and make it a C-suite priority. Don't just go to national conferences; connect with local chambers of commerce and organizations that can help identify suppliers and talent within their ranks.

"Make it local, not just national," Lowisz said. "Nationally, you will get accolades because you were involved in this or that program, but here the local chambers have connections and can find you the talent."

Of course, once you have the talent you have to keep it, executives say. Sometimes, that's the greater challenge.

"A lot of people get stuck at the revolving door, and they say, 'Well, we can't find enough qualified candidates,'" said Rodney Martin, diversity partner at **Warner Norcross & Judd LLP**, which has eight offices in Michigan. "But the real question is, 'If you're the type of organization where people of color feel like they will have opportunity, word will spread.' Creating opportunity, that's the hard work."

Detroit is tackling something that even Silicon Valley hasn't yet mastered: bringing inclusion and diversity into the startup tech firms that are flooding the city. This is the engine for the city's growth, and yet it remains very disconnected to diverse talent and funding pools.

"Diversity in this context is hugely important," said Josh Linkner, managing partner of **Detroit Venture Partners**. "But the tech community's success rate is mixed, frankly. We all would like to encourage more diversity."

"To me, diversity isn't just black and white. It's a lot more variety in terms of diversity. There is everything from sexual preference to gender to political views and everything else. In Detroit, we are overly focused on the black-white thing, but it's about more than that. It's about creating the opportunity for lots of different people to contribute."

To assist, the **New Economy Initiative for Southeast Michigan** hired **Independence, Ohio-based MainStreet Inclusion Advisors** to work with its grantees, such as **TechTown Detroit** and **Bizdom Detroit**, and other organizations in town.

MainStreet founder Darrin Redus had been the chief economic inclusion officer at Cleveland-based venture development firm **Jumpstart Inc.** When he left to start MainStreet, more than 50 percent of the deal flow was from the minority community and 30 percent of portfolio companies were led by women and minorities. That's a track record he'd like to duplicate — or improve — in Detroit.

"This whole discussion has been focused on corporate America," said Redus. "How diverse is your staff, your management team, your board, your supply chain? We are shifting that lens to the thousands of businesses that are emerging across the country. How do we connect the work to the relevant and strategically aligned but disconnected groups?"

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IN CONJUNCTION WITH



# COTS: Shelter's focus on families responds to rising demand

■ From Page 3

exclusively to families early next year. Single men and women will be referred to neighboring emergency shelters. But COTS plans to continue to provide transitional and permanent, supportive housing for single individuals.

COTS ended its fiscal 2013 June 30 with an operating surplus of more than \$421,000, operating on a budget of \$7 million, Johnson said.

"Right now, we get people housed, and that's a success because they're no longer homeless," she said.

But many of them are still dependent on subsidies and other types of services provided by the government.

"We want to push that where people are working and have income that will sustain them ... without being dependent on local government," Johnson said.

To do so, COTS is talking with local health care, K-12 and higher education, and workforce and career development providers.

It's not yet clear how much additional funding COTS will need to shift its shelter operations to families and to work with them to

help solve the root issues that contributed to their homelessness, Johnson said.

That will hinge on what the health, education and workforce/career development agencies bring to the table, she said.

In the meantime, COTS is talking with its funders, including the **McGregor Fund**, **Skillman Foundation** and **Homeless Action Network of Detroit** (HAND), which administers HUD funding for COTS transitional and permanent supportive housing programs.

"This also opens doors to new types of funding because the approach ... is a long-term solution to bringing these collaborative partners around the table in a different way to show different results," Johnson said.

Last year, there were 19,714 homeless people in Detroit, Highland Park and Hamtramck, the service area covered by HAND, said Executive Director Tasha Gray. That was up from 19,213 in 2011.

About 32 percent of the homeless in Detroit and the other two cities last year were families, ac-

ording to HAND.

At its Detroit shelter in the eight-story former **Imperial Hotel**, COTS provides 140 emergency shelter beds, four in each of 35 former hotel rooms on its third and fourth floors. Those rooms and beds will shift to serve families alone early next year, possibly with two families to a room for same-sex, single-parent families.

It's been a challenge for area shelters to house entire homeless families, said Chad Audi, president and CEO of the **Detroit Rescue Mission Ministries**.

"When we get a father and mother and children, we have to separate the father from the children," Audi said. "That goes against what we'd rather do, but it is the law and ethical to separate them. ... They have different needs."

But it's costly to put those types of separate areas and bathrooms in place, he said.

Because the number of homeless people exceeds the number of available shelter beds in Detroit, some families have been placed in shel-

ters outside of the area, as far away as Kalamazoo, HAND's Gray said.

By changing the way it provides services, COTS is responding to the needs of the community, and that's a good thing, she said. "There's definitely rising need from families."

But COTS' planned shift to serving exclusively families in its emergency shelter could increase demand on other shelters in the area and shift the over-occupancy issue even more onto single people seeking emergency shelter.

"We'll have to see how this plays out for the single people COTS provided services for in its shelters," and for surrounding shelters, Gray said.

Detroit Rescue Mission began working with education, transportation and health care organizations in 2008 to help solve the root causes of homelessness for all of the populations it serves, Audi said.

The success rate for the people who chose to enter its programs to help them solve key issues that led to their homelessness is more than 75 percent, he said.

"We're measuring it by them having a job, having a home and no longer in the system — shelter or transitional housing — or reliant on subsidies."

Detroit Rescue Mission has helped a minimum of 80 people to become 100 percent independent, some of them single and some of them the heads of a family.

With its planned shift, COTS is targeting a population that needs help, Audi said.

"I don't think anyone in the city right now has the capacity to keep the mother, father and children together in an emergency shelter," he said.

Detroit Rescue Mission will support COTS' approach with everything it can, "even with donors," Audi said.

If COTS is willing to take this on and has the capacity to do it, "we should all chip in," he said.

"That will help fix the problem of family homelessness down the road."

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# I-375: Repair or replace? City seeks experts to analyze project

■ From Page 1

lane freeway, which is about 20 feet deep, and transform it into a boulevard will cost about \$80 million, which is the same amount that MDOT believes will be needed in coming years for I-375 maintenance and repairs.

"The study will depict possibilities regarding potential economic development. That's why the public/private group is engaging job providers on the corridor," said Rob Morosi, an MDOT communications representative for metro Detroit.

The consultant also is being asked to consider any alternatives to the freeway-to-boulevard idea for the corridor.

If the study concludes the idea should not proceed, the state could begin making needed repairs to the corridor and its overpasses, which the state says are in poor condition.

Companies, entertainment destinations and other organizations in the footprint of the area under review are being consulted on the proposal and RFP.

## No money

I-375 is one of many roads the state knows needs to be repaired, but it does not have the budget to complete all of them. Gov. Rick Snyder and MDOT Director Kirk Steudle say the state needs about \$1.2 billion more annually to keep 90 percent of the roads in fair condition. The Legislature has not committed to such a plan because of the amount in taxes or fees that would need to be raised.

Project organizers freely admit there is no money to pay to transform the roadway.

"The price tag to rebuild the freeway, including pavement, overpasses, ramps, installing new drainage, utility upgrades and bringing the freeway up to current design stan-

dards, etcetera, would be roughly \$80 million. That is money we currently do not have," Morosi said. "And if we did have that funding available, we would need to be sure that what we are investing fits into the city's future plans."

Project backers have suggested private money could be an option to pay for construction, possibly exchanging frontage along the boulevard in return for cash.

"Since a final determination has not been made, it's premature to say if, and how much, public-sector funds would be used and how much would be tax dollars. But again, we do not have the funding available," Morosi said.

The roadway, which opened in 1964 at a cost of \$50 million, is owned by MDOT. Because it's part of the federal highway system, the **Federal Highway Administration** would have to grant permission to do the project.

Messages seeking comment were left for George Jackson, president and CEO of the **Detroit Economic Growth Corp.** That agency staffs the DDA on behalf of the city.

## Traffic questions

Nearly 80,000 vehicles use I-375 daily, the state said. Turning a stub of a major highway into a surface street raises questions about commuting, especially as Detroit attracts more downtown workers.

The freeway is a main east-side link to I-96 and the Lodge Freeway.

The study is looking at possibly transforming the corridor, not eliminating it, Morosi said.

"Keep in mind a freeway isn't always the best way to move traffic. Look at the numbers at Lafayette and Jefferson — 45,000 dropping to 14,000. You can bet that right lane at Lafayette backs up during specific times of the day," he said.

## TRAFFIC COUNT

Recent traffic counts at each I-375 exit in Detroit. The numbers, which have held steady for the past decade, are daily averages for traffic in both directions passing that intersection:

- 76,000 at Madison
- 45,000 at Lafayette
- 14,000 at Jefferson

Source: Michigan Department of Transportation

The Lafayette exit averages 45,000 cars passing in both directions daily, while Madison sees 76,000 and Jefferson sees 14,000.

"Could traffic movement be better facilitated with a dual right-turn lane instead of a single-lane exit ramp? Those are the types of situations/instances the group needs to keep in mind."

Morosi noted that commuter traffic would be able to use the new road, and pointed to Telegraph Road in Oakland County carrying 80,000 vehicles a day.

"It's not uncommon for a commuter boulevard to carry substantial volume," he said.

Major traffic generators for I-375 include **Greektown Casino-Hotel**, **Blue Cross Blue Shield of Michigan**, the sports stadiums, theaters, the riverfront and the **Renaissance Center** and other downtown office buildings.

## Development potential

A glance at a map suggests there is a finite number of areas along the route that could be opened for development.

Steudle in April said the boulevard idea opens about 12 acres.

The main open land is the unfinished Wayne County jail site, which Detroit real estate investor and **Quicken Loans Inc.** founder Dan Gilbert is in talks to buy from the

county for \$50 million so he can build \$500 million worth of residential, hotel and retail space on the 15.5-acre site. That includes the county's other justice facilities adjacent to the jail land and the **Greektown Casino-Hotel**, which Gilbert took ownership control of last year.

The RFP, in extolling recent investments in the city, directly mentions Gilbert: "Greektown Casino has recently been purchased by Detroit businessman Dan Gilbert, who is heavily investing in real estate throughout the downtown area."

Matt Cullen, CEO of Gilbert's **Rock Ventures LLC**, said he's reserving final judgment on the boulevard concept until the study is finished. He has previously called himself a "philosophic fan" of converting the freeway into a boulevard entrance into downtown that also provides better access to the riverfront while not splitting the city in half.

Other stretches of I-375 are flanked by **Ford Field**, Greektown's casino garage and the historic Lafayette Park neighborhood.

A narrow strip of land east of I-375 between the Chrysler service drive and Rivard Street is home to the **Horatio Williams Foundation** building; Shapero Hall, the former **Wayne State University** pharmacy school that has stood derelict since 2007; the **Woodward Academy** K-8 school; the Jean Rivard apartment buildings; and a couple of office buildings.

The former **Stroh's** ice cream plant near the Gratiot/I-375 overpass has been on the market for years. Across the street is the 5-acre grass lawn of the Brewery Park office (home of **Crain Communications Inc.**) that was the former Stroh Brewery Co.

The soon-to-be-demolished Brewster-Douglass housing projects just

northwest of the Fisher Freeway interchange could become vacant land open to developers as part of an at-grade I-375.

"That is a possibility. The group has invited the **Detroit Housing Commission** to the table to discuss possible usage of the land if a transformation were to take place," Morosi said.

Such freeway-to-boulevard proposals are a trend in U.S. cities, and in Detroit it makes sense to better connect Lafayette Park to downtown, said Robin Boyle, a professor and chairman of Wayne State University's department of urban studies and planning.

He did caution that commuting is a major question about the proposal.

"It's a big job. It's not a small-scale street closure," he said. "It does have an impact on folks who have a pre-determined route. That's one of the biggest issues, how this will impact the commuter traffic."

The Fisher Freeway interchange that links I-75 and I-375 is above and below grade level and likely would require some sort of alteration under a boulevard plan, the state said.

"If I-375 were to become a boulevard, we would have to design access to and from the freeway. It's too early to tell right now what exactly that change would be," Morosi said.

What a new I-375 would look like — or be called, because it no longer would be an interstate — remains unknown. What is known is that the four-lane highway likely would be narrowed into a boulevard, which opens additional space for development.

*Crain's reporter Chris Gaultz contributed to this story.*

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# Pure Detroit provides passport to shop-local campaign

BY AMY HAIMERL

CRAIN'S DETROIT BUSINESS

America is about to meet **Pure Detroit**.

**American Express** selected the 15-year-old seller of Detroit paraphernalia — such as its eponymous T-shirts and other swag — as one of six companies it's featuring as part of its Small Business Saturday/Shop Small campaign.

The financial services company filmed a two-minute video telling Pure Detroit's story, which will be a part of its marketing efforts that

debut today.

"It's going to be blasted out through their digital platforms," said Ryan Patrick Hooper, Pure Detroit's creative director. "They are estimating about 2 million viewers through digital media and social platforms."

It inspired Pure Detroit to create a shop-small campaign in the city. Company officials already had been thinking about developing something with all the retailers in the Fisher Building to draw more shoppers. But when AmEx contacted them, they realized they

could be thinking bigger.

So they created the Detroit Small Business Passport, a shop-local campaign that gives customers discounts at 18 area retailers.

"We wanted to tie together more businesses in the community, not just the Fisher Building, and make something like a passport so you are globetrotting in your neighborhood," Hooper said. "We wanted to give it a worldly feel."

The Detroit Small Business Passport works just like a regular passport: Shoppers get a stamp —

and a discount — each time they visit a participating retailer, which unlocks deals at other stores.

Passports are available starting today at any one of Pure Detroit's three locations: Renaissance Center, Guardian Building or Fisher Building. The passports are good through Jan. 31, but Hooper is already thinking about how to expand the program.

"I think you'll see this become a year-round kind of program," he said. "Detroit small-business owners look out for each other natural-

ly. It's exciting to be a small business and say, 'Let's help each other and do something positive and do it all together.'"

Participating in the holiday-season passport are **Vera Jane, Stella Good Coffee, Human, RunDetroit, Cass Corridor, Nest, City Bird, Detroit Hardware, Source Booksellers, Emily's Fashion Place, Todd's Facets & Jewelry, Detroit Athletic Co., Workshop, Hugh, Nora, Detroit Gallery of Contemporary Crafts and Rowland Café.**

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## Walbridge: Lyon Twp. land sale stokes I-96 area development

■ From Page 1

The Lyon Township land came with Walbridge's acquisition of a construction company in 1984.

**Toyota Motor Corp.** considered the site for a technical center in the 1990s, but the deal never closed and several more fell through over the years.

A *Crain's* report in 1999 estimated the asking price for the site at that time of \$100,000 an acre, or about \$51.5 million.

In 2006, Walbridge put the property back up for sale and even had a purchase agreement in 2007, but that deal fell through.

Walbridge currently leases the land to a company that subleases it to corn farmers, Rakolta said.

Walbridge has historically used the land as collateral in bonding construction projects, but Rakolta said it's no longer of value in that regard.

"The market has changed, and it's no longer an asset because it isn't helping our assurity limit," he said. "It's no longer providing returns."

Walbridge paid \$581,519 in property taxes on the land in 2012, according to township records.

The property is listed for \$65,000 per acre, or \$33.5 million for the entire site. Industrial plots up to 20 acres are listed for \$95,000 per acre and 20-plus acres for \$85,000 per acre.

Southfield-based **Signature Associates** is the commercial brokerage firm on the property.

Michelle Aniol, downtown development authority administrator and economic development coordinator for Lyon Township, said Walbridge is showing more initiative to move the property than it has in past years.

"We are happy that they've taken a more active role in marketing the property," Aniol said. "With manufacturing coming back to Michigan and a better understanding of economic development, there's more opportunity than before."

### Westward ho ...

Andrew Milia, president of Birmingham-based real estate development firm **Franklin Property Corp.**, said Lyon Township is one of the strongest housing markets in metro Detroit and missing complementing commercial development.

Franklin Property is developing three new-home subdivisions, which will include 217 lots, along 10 Mile Road in the township.

## Effects of jail project dog Walbridge; civil lawsuit filed against joint venture

The ripple effect from Wayne County's failed jail project in downtown Detroit is creating challenges for contractor **Walbridge Aldinger Co.**

Wayne County and its building authority filed a civil suit Thursday against Walbridge's joint venture with a Pittsburgh contractor, **Walbridge dck**, along with Dearborn-based architecture firm **Ghafari Associates** and Los Angeles-based **AECOM**, the project manager.

The county seeks to recover \$154 million in costs from the unfinished jail on Gratiot Avenue.

Wayne County had already spent more than \$130 million on the jail project when it learned the project cost had escalated to more than \$267 million from a previous estimate of \$220 million, Gary August, partner at Farmington Hills-based **Zausmer, Kaufman, August & Caldwell PC** and lead litigation counsel for the county, told *Crain's*.

Walbridge dck, the venture between Walbridge and Pittsburgh-based **Dck Worldwide LLC**, told the county in May via a final guaranteed maximum price statement that the jail project, originally set for completion in mid-2014, would actually cost nearly \$270 million, according to the lawsuit and August.

The building authority suspended work in June and terminated the price agreement in August.

Walbridge CEO John Rakolta Jr. is speaking out

against the county, telling **WWJ-AM 950** on Friday that the jail debacle has damaged Walbridge's reputation.

Walbridge signed a nondisclosure agreement without much thought, but "unfortunately it turned out that while the jail spun into disarray, we were unable to defend ourselves or to comment publicly," Rakolta said. The disclosure agreement is now terminated.

"We notified the county and AECOM through multiple forms whenever there was a legitimate price increase that they (had) asked us to price," Rakolta said. "We kept a running tally of those increases, and we only proceeded after receiving written authorization to proceed. In sum, we followed our contract and refused to proceed when it became apparent that the cost commitment was going to exceed the projects approved."

Rakolta said Walbridge also lost construction contracts tied to the **M-1 Rail** project due to the public criticism.

"We were selected for that project, but when the bad press reports came out, M-1 chose to begin negotiations with another contractor to avoid being subjected to public criticism," he told *WWJ*. "So now, many of the jobs and revenues are going to out-of-state contractors instead of staying in state."

—Dustin Walsh

"It's growing because there's available land and incoming infrastructure; it's also a very well-managed community," Milia said. "Those same elements make it attractive to commercial development because people want to live where they work."

Rakolta said Walbridge spent millions of dollars on new water, sewer and electrical for the property a decade ago to "protect our interest."

The growing interest in Lyon Township is part of the trend of new development heading westward.

Several foreign-owned automotive suppliers announced plans to open offices in the M-14 corridor near Plymouth Township, Northville Township and Novi.

German-based conglomerate **Freudenberg Group** recently announced the opening of its U.S. regional corporate center, **Freudenberg North America LP**, in Plymouth Township. Earlier in the month, German-based **Hengst GmbH & Co.** announced it was opening a technical center in Novi.

The region is becoming known

for research and development capabilities, experts said.

Lyon Township hopes the Walbridge land, currently zoned for light industrial, becomes a high-tech development, Aniol said.

"The township would prefer something more high tech, in the advanced manufacturing field," Aniol said. "They are going to want that over a distribution/warehouse operation, which doesn't provide the same type of jobs, for the tax base."

### Connecting Ypsi

Ypsilanti Township is also hoping Walbridge can spark a stronger tax base with a new development in that community.

Walbridge, which has built several test tracks and research facilities for automakers and suppliers in the region, is part of a concept for a new venture in R&D at a former GM plant.

After bidding to scrap the former **General Motors Co.** Willow Run Powertrain plant, it is taking steps to build a connected vehicle center on

the site, working with **Ann Arbor Spark**.

Connected vehicles use modems and sensors to wirelessly connect and communicate with infrastructure, other vehicles and systems. Connected systems are used for active safety systems, diagnostics and infotainment.

**Walbridge Development**, a subsidiary of Walbridge, proposed to redevelop the majority of the 332-acre site in Ypsilanti Township last month. The plant closed in 2010 during GM's bankruptcy and is one of many shuttered plants near Ypsilanti.

Experts say the project meets a need for the region to continue to develop disruptive vehicle technologies as part of its arsenal of R&D brainpower.

Under the memorandum of understanding, Walbridge would own and operate the shared research and development center, which will be used by automakers, suppliers and research institutions, Bruce Rasher, redevelopment manager for the **Revitalizing**



**Auto Communities Environmental Response Trust**, told *Crain's*.

Walbridge entered the deal with **RACER**, which owns the property. The trust was formed by the federal government in 2011 to liquidate GM's holdings and clean up the environmental contamination at its 89 sites across 14 states.

Walbridge was approached by **Ann Arbor Spark** on the connected vehicle center during the bid process.

"Our primary interest was the scrap value of the plant," Rakolta said. "But RACER asked for redevelopment ideas as part of the proposal and Spark had an idea."

The demolition is expected to be completed over the next 12 to 18 months, as Walbridge and Ann Arbor Spark continue to assess viability and concepts for the site, said Luke Bonner, vice president of business development for Spark.

Rakolta is traveling to the Netherlands this week to meet with European leaders in the connected vehicle development. He's already been to Japan to inspect their research developments.

"This idea is in its infancy, and it's unclear whether there is a need" for a center, Rakolta said. "What we do know is that no one company would need to use the center for more than five days to 10 days a year, so I need to find 50 companies who plan to use the facility in a given year."

Bonner said Walbridge is taking on significant risk, but the center would make Michigan more competitive as technology advances.

"This is a very competitive field," Bonner said. "While Michigan is the heart of the auto industry, pieces of it are being pulled out to Southern states, and this is the type of project that puts us ahead of the curve."

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# Karmanos: Cancer center stronger with McLaren

■ From Page 1

## The business model

Bepler said McLaren also will help Karmanos expand its geographic reach for patients seeking advanced patient care by referring cancer patients to Karmanos' cutting-edge research programs not generally available at community hospitals.

Under the agreement signed last week, Karmanos — one of the nation's 41 comprehensive cancer centers — agreed to be acquired by McLaren for an unspecified amount. The transaction also provides Karmanos with "a substantial capital investment over a multiyear period" to fund clinical trials, basic and translational research programs, said Bepler.

"We will jointly develop care plans so patients who are not able to come to Detroit will be cared for (at McLaren hospitals)," Bepler said. "It is difficult for (extremely sick) patients to travel more than 30 or 40 miles."

## Finding opposition

But the plan doesn't come without opposition; board members of **Detroit Medical Center** and **Wayne State University**, which have business and clinical relationships with Karmanos, have voiced dissent. Sources say Wayne State and DMC may react to the change by expanding relationships with other health organizations.

The agreement, though, is based on Karmanos continuing its longstanding relationships with the **WSU School of Medicine** and the DMC, from which it leases space. Karmanos does not plan to move from the DMC campus, Bepler said.

DMC CEO Joe Mullany said DMC, which sold its oncology operations to Karmanos in 2005, will explore developing additional oncology affiliations with other providers. DMC was acquired by for-profit **Tenet Healthcare Corp.** in June after



Mullany

**Vanguard Health Systems**, another for-profit chain, took over DMC in 2012.

"We are very disappointed in the decision of the (Karmanos) board and the way it was handled," Mullany said. "We are aware several board members are opposed. (The affiliation) is detrimental to cancer care in Detroit."

Sources have told *Crain's* that Wayne State medical school officials were not consulted about the deal and felt blindsided by it.

Voting against the agreement were Karmanos' Wayne State board members: Valerie Parisi, M.D., Wayne State's medical school dean; M. Roy Wilson, Wayne State president; and Debbie Dingell, Wayne State Board of Governors' chair, sources told *Crain's*.

Wayne State officials declined to comment, as did several other large cancer hospital providers in Southeast Michigan. They include **Henry Ford Health System** and the **University of Michigan Health System**, which operates the state's only oth-



The Barbara Ann Karmanos Cancer Institute plans, through its agreement with McLaren Health Care, to expand its geographic reach for patients seeking advanced patient care beyond its Detroit facility.

er comprehensive cancer center.

Sources also told *Crain's* that Wayne State could explore a closer relationship with Henry Ford. But sources said it was unlikely Wayne State would sever its ties with Karmanos or withdraw its comprehensive cancer center institutional sponsorship.

Bepler confirmed that a small number of Karmanos' 50 board members — several representing Wayne State — expressed concern about the agreement and voted against it. McLaren's board unanimously approved the agreement, said Phil Incarnati, McLaren's CEO.

"Some people are afraid of the future, the unknowns," he said. "This is a step forward" for Karmanos.

## Opportunity for growth

Incarnati said the nation's only multihospital system with a comprehensive cancer center can now grow financially stronger and offer patients care alternatives as pharmaceutical and medical device companies contract with the system to test their products.



Incarnati

Cancer is the second-leading cause of death in the U.S., and some 20,570 people are predicted to die this year in Michigan from cancer. In 2013, the **American Cancer Society** estimates, 57,560 people in Michigan will be newly diagnosed with cancer, including 8,140 with breast cancer, 9,490 with prostate cancer, and 8,250 with lung cancer.

Sources told *Crain's* that McLaren has pledged to spend \$80 million over four years to also upgrade Karmanos' downtown hospital and expand its two outpatient centers at the **Weisberg Cancer Center** in Farmington Hills and the **Monroe Cancer Center**, a joint venture with **Mercy Memorial Hospital System** and Toledo, Ohio-based **Promedica**.

"We will double the size of the Weisberg Center, add new radiation oncology equipment and make major investments in clinical trials," Bepler said.

Nick Karmanos, the son of Barbara Ann Karmanos, said his family fully supports Karmanos' decision to join McLaren. Karmanos'

mother is Barbara Ann Karmanos, the cancer center's namesake, who died from breast cancer in 1986.

"Our commitment to Detroit has never been stronger. The efforts will be centered here forever," Karmanos said. "My family is excited, and this (affiliation will) strengthen the mission for advanced cancer care in Detroit."

The acquisition isn't McLaren's first attempt at combining forces with another organization to expand its cancer care business.

Justin Klamerus, M.D., president and medical director of **McLaren Cancer Institute**, said McLaren has been building its systemwide cancer program the last decade with **Michigan State University**, but it was really only the past three years when everything began to gel. The MSU partnership ended last year.

"Our cancer service line is the most integrated one we have with McLaren," Klamerus said. "Most of our oncologists are employed (22). We are aligned with best practice guidelines" and electronic medical record systems.

Klamerus said McLaren has a growing network of 14 outpatient centers that provide medical oncology. Centered around its hospitals, other centers are planned, he said.

"This partnership will add great quality and infrastructure," he said. "Patients will get care where they live, and we will integrate that with academic programs through Karmanos" and Wayne State.

On its own, Klamerus said, it might take two decades for a community health system like McLaren to build what Karmanos brings with its subspecialty expertise, clinical trial portfolio and Wayne State affiliation.

"All the physicians are excited about this because it allows us all to take care to the next level of opinion," he said, adding it is much easier to collaborate on medical consultations.

"You are talking with your partners, you are sending emails, making a phone call" and conducting video conferences, Klamerus said.

## Why now?

There are two reasons Karmanos sought a larger system to join, officials said. First, complex clinical trials require a larger population base to draw upon to generate

enough patients to test drugs and treatments. Second, Karmanos has been struggling financially.

In November 2012, *Crain's* reported that Karmanos projected \$40 million in losses over the next 10 years under health care reform because of Medicare reimbursement cuts. Hospitals have accepted \$155 billion in cuts under the Affordable Care Act.

Bepler told *Crain's* that Karmanos could be forced to reduce research and eliminate some money-losing services to avoid having its projected net income of \$4 million for 2013 wiped out.

Karmanos has used its slim profit margins each year to help fund many of its more than 700 cancer research programs and clinical trials.

Over the past year, Karmanos has taken a number of steps to reduce costs. It has ended shared services contracts with DMC in a number of areas, including food service, laboratory, security, respiratory care, environmental, cleaning and intensive care.

Last year, Karmanos sold its 20-year-old hospice program to **Residential Home Health** in Madison Heights for an undisclosed price.

But Bepler said Karmanos cut expenses as much as it could on its own.

"We couldn't reduce costs anymore. You have to maintain your medical staffs. We haven't had raises in two years. You need to pay competitive salaries or people will leave," Bepler said.

So, starting 18 months ago, Bepler said he and Incarnati started talking about research partnerships and other joint activities. Those talks ramped up recently when the two CEOs finally agreed on a deal that would make Karmanos McLaren's 11th hospital and provide a shot of capital.

"We realized we could do more for our patients" as a single system, Bepler said.

Karmanos also entertained many offers from rival health systems in Michigan, but none offered the complete package as did McLaren, Bepler said.

"We talked with everybody in the state," said Bepler, declining to name any. "Maybe others will join us."

Sources say potential suitors included DMC, Henry Ford, **St. John Providence Health System**, **Trinity Health** and **Beaumont Health System**.

Incarnati said McLaren will bring additional economies of scale to Karmanos.

"There are substantial opportunities to reduce costs," he said. "We have done this elsewhere (with other hospital acquisitions), and we fully expect additional savings."

Bepler said cost savings will not come from employee layoffs or reductions in clinical care services.

"We are talking about efficient levels of care. It is impossible to say what the numbers (percent cost reduction) are," Bepler said. "We expect to reduce equipment costs, drug costs."

"The people who work here are valuable, the valet parkers, the nurses ... that is what this is all about."

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## CRAIN'S DETROIT BUSINESS

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## RUMBLINGS

# Allen rehash no comedy for newspaper

**O**akland Press Executive Editor **Glenn Gilbert** last week apologized in print for an Oct. 27 story about the 35th anniversary of actor and former Birmingham resi-



Allen

dent **Tim Allen's** cocaine arrest. The story prompted letters to the editor expressing outrage or

disappointment, and Allen's mother, **Martha Bones** of Bloomfield Hills, also complained to the newspaper.

"Don't blame the writer. Blame the editor — me — for allowing it to be published. We apologize to Martha Bones and anyone else offended by the story," Gilbert wrote Oct. 30 in a story about the reader blowback.

The newspaper also removed the story from its website. Removing stories, or "scrubbing" them, is typically frowned upon in journalism circles in favor of corrections and updates, but Gilbert said it was a case where important context was missing.

"The original story was taken down. There was nothing factually wrong, but we didn't feel, upon reflection, that it gave enough context. We've gotten a dozen calls and emails and half a dozen letters," Gilbert told *Crain's* on Friday.

The Oct. 27 story recounted Allen's 1978 cocaine arrest at the **Kalamazoo/Battle Creek International Airport** and subsequent two years in a federal prison in Minnesota.

Bones told the paper that the story was an "unnecessary stab" at her son.

Allen, 60, parlayed his stand-up comedy routine into stardom on the popular ABC sitcom "Home Improvement" and a movie career. He has been a noted supporter of Michigan's sports teams, and is the voice of the Pure Michigan tourism campaign.

### Comerica gets Tigers bump

Dallas-based **Comerica Bank** got an estimated \$25.8 million worth of media exposure thanks to the **Detroit**

**Tigers'** five postseason games in 2013 at **Comerica Park** this season.

That was second-most for all postseason baseball teams with naming rights deals, after an estimated \$58.8 million for St. Louis-based **Anheuser-Busch Companies Inc.** for its nine-game exposure of the **St. Louis Cardinals' Busch Stadium**.

The estimates come from Ann Arbor-based **Joyce Julius & Associates Inc.**, which measures the impact of sponsorships across all forms of media.

### Lunch launches economic development initiative

**McCormack Baron Salazar Development Inc.** Chairman

and CEO **Richard Baron** will be the guest speaker at a Thursday lunch event centered on the launch of the **Go East** economic development initiative promoting the revitalization of Rivertown, Lafayette Park, the Villages, the Marina District and Jefferson-Chalmers neighborhoods in Detroit.

McCormack Baron is the developer behind the proposed \$55 million Rivertown mixed-use residential and retail development in the area along Atwater and Franklin streets between the Dequindre Cut Greenway and Riopelle Street.

Jefferson East was formed earlier this year when the **Jefferson East Business Association** and the **East Jefferson Corridor Collaborative** merged. Jefferson East focuses on economic development along Jefferson from downtown to Alter Road. *Crain's* Publisher **Mary Kramer** is the emcee for the Thursday event.

Tickets for the noon-1:30 p.m. lunch at **Stroh River Place** are \$50.

Call (313) 331-7939, ext. 310 to purchase.



**Larry Williams** (right) receives a **Shinola** watch from **Keith Crain** (center), *Crain Communications Inc.* chairman and editor-in-chief of *Crain's Detroit Business*, and **KC Crain**, vice president, group publisher for *Crain*.

### A timely farewell to a longtime Crain employee

When someone works for your company for 47 years, you tend to have a lot of questions for him. One of them probably shouldn't be, "What are you going to do now?" Now ... really. *Forty-seven* years?

**Larry Williams** was part of the deal when **Slocum Publishing Co.**, owner of *Automotive News*, was sold to **Crain Communications Inc.** in 1971. So if you want to get technical about it, Larry was part of this company before a Crain was.

For the entirety of *Crain's Detroit Business'* nearly 28 years, no one has been there at the end of Friday deadlines for as many issues as Larry Williams. The staff box on Page 25 lists him as "production supervisor,"

which is accurate. But considering that Larry began in the era of Linotypes and hot lead and metamorphosed into something of a technology geek, that falls a bit short as descriptions go. So let's try to rectify that before Larry puts that Shinola you see in the photo above on his wrist.

Companies talk a lot about their brand. *Crain Communications* has a brand. People like Larry Williams are our brand. Or so we hope as we go forward, without him.

This is the last page we gave Larry on his last day putting the issue "to bed." On time. So he's happy. And on this, Larry's last page, we at *Crain's* want him to know that we hope the happiness never ends.

## WEEK ON THE WEB

FROM WWW.CRAINSDETROIT.COM, WEEK OF OCT. 26-NOV. 1

### Kickstarter push relights holiday celebration in Rochester

**T**he **Rochester Downtown Development Authority** turned to crowdfunding to successfully raise the \$27,000 needed for a main part of its annual **Big, Bright Light Show** through a **Kickstarter** campaign that ended Friday. The campaign followed an increase in installation costs and a decrease in the budget for the December holiday light show.

### ON THE MOVE

■ **Richard Gilfillan**, M.D., was named president and CEO of Livonia-based **CHE Trinity Health**, effective Nov. 18. Gilfillan, 64, was director of the **Center for Medicare and Medicaid Innovation**. At CHE, he will succeed **Judith Persichilli**, interim leader of the system formed in May through the merger of **Trinity Health** and **Catholic Health East**.

■ Canton Township manufacturing company **Schuler Inc.** named **Steve Healy** as CEO, president and chairman. Healy, 53, was vice president and general manager for Farmington, Conn.-based **Otis Elevator Co.** from 2009 to January 2013. Former Schuler President and CEO **Tim McCaughy** will remain board vice chairman through March 2014 and a board member through March 2015.

■ Former *Detroit Free Press* reporter and editor **David Zeman** was named editor of Ann Arbor-based *Bridge Magazine*. Zeman most recently was director of content and communications at Royal Oak-based **Education Trust-Midwest**, an education policy think tank. He replaces **Derek Melot**, who left *Bridge* last summer.

### COMPANY NEWS

■ **BAE Systems Inc.** has a new **U.S. Army** contract worth \$195 million starting next year for a variant of its M109 self-propelled howitzer, under a program engineered and managed out of its Sterling Heights offices. The award had been expected since the federal **Defense Acquisition Board** decided recently to proceed with an initial production run.

■ **Taubman Asia**, a subsidiary of Bloomfield Hills-based **Taubman Centers Inc.**, broke ground on a 4.5 million-square-foot shopping

### SUMMIT ON HEALTH CARE



The annual **Health Care Leadership Summit**, hosted by *Crain's Detroit Business*, drew 430 of metro Detroit's health care executives to the **San Marino Club** in Troy last week. Keynote speaker **Maureen Bisognano** (above), president and CEO of the **Institute for Healthcare Improvement**, offered ideas on how innovation can lower costs and improve health care across the country. Other speakers addressed health care reform and wellness programs in the workplace.

center in Hanam City, South Korea. **Taubman** is investing \$330 million in the \$1.1 billion **Hanam Union Square** project.

■ **Johnson Controls Inc.** said it would explore options, including a divestiture, for its unprofitable Plymouth-based automotive interiors unit, *Automotive News* reported.

■ At the last minute, **Chevrolet** and **Major League Baseball** canceled a "Silverado Strong" in-stadium promotion — a spot created by **Commonwealth** in Detroit — during Game 5 of the World Series in St. Louis due to fears it would strike fans as too similar to the "Boston Strong" relief mantra. The **Boston Red Sox** defeated the **St. Louis Cardinals** in six games.

### OTHER NEWS

■ The **Wayne County Commission** said it wants specifics before it votes on a proposal to sell the unfinished 15.5-acre jail site in downtown Detroit for \$50 million to **Dan Gilbert's Rock Ventures LLC**.

■ **Detroit Emergency Manager Kevyn Orr** testified at the city's bankruptcy trial that he would have listened to any proposal to preserve retiree pensions before the city's bankruptcy filing last summer, but that he probably would not have agreed to a deal.

■ Former **Detroit Tigers** manager **Jim Leyland** was named grand marshal for **The Parade Co.**'s Thanksgiving parade in Detroit Nov. 28. Meanwhile, **Tigers slugger Miguel Cabrera** underwent core muscle repair surgery in the lower abdomen area and is expected to be ready for spring training.

■ Michigan's business climate and economy have improved in the past few

years, but not enough to make Michigan a top-10 state, said a report from the **Business Leaders for Michigan**.

■ New York City-based **Fitch Ratings Ltd.** affirmed Michigan's AA credit rating on its roughly \$2 billion of general obligation debt. It kept the rating outlook at stable.

■ The rate that substantially determines businesses' cost for workers' compensation insurance will drop an average of 8.3 percent next year, the state's **Department of Licensing and Regulatory Affairs** announced.

■ The **Michigan Gaming Control Board** said it will deny charities a license to host millionaire parties at **Pocket Aces Charity Poker Room** inside **Foutch's Pub & Grill** in Flint Township, the 15th location where charity poker games have been terminated for illegal gambling and violating other state laws since 2010.

■ Michigan's nearly 1.8 million recipients of government food assistance began receiving less aid Nov. 1, when extra benefits that were part of the 2009 federal stimulus program ended nationwide, said the state **Department of Human Services**. Cuts will vary depending on income, household size and expenses.

■ The **Michigan Economic Development Corp.** launched its second "Michigan Moments" photo contest, with the winning photo to be featured in the 2014 Pure Michigan Travel Guide. Photos can be submitted through Nov. 10 on the Pure Michigan **Facebook** page or through **Twitter** and **Instagram** with the hashtag #puremichigancontest. From Nov. 11-17, Facebook fans will be able to vote for the winner from 10 finalists.

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# FOR SEENING

how the season is shaping up.



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