

The Gilbert Effect

Detroit's latest "IT" guy brings high-tech development downtown By Wensdy Von Buskirk

When you think of investors who've had a high-profile impact on downtown Detroit's revitalization, Little Caesars Pizza billionaire Mike Ilitch and Compuware Corporation founder Peter Karmanos Jr. instantly come to mind.

Now there's another business leader helping fuel downtown's resurgence. Dan Gilbert, founder and chairman of Quicken Loans Inc., is making major things happen in Detroit.



▲ Dan Gilbert, founder and chairman of Quicken Loans.

Gilbert ramped up his commitment to the city in August of 2010, when he moved the headquarters of Quicken Loans – along with 1,700 employees – from Livonia into the Compuware Building in Campus Martius Park.

Since then, Gilbert, 49, has been on a buying binge. In the dizzying space of just one year, he has acquired seven buildings in the heart of downtown Detroit, renovated them to house a mix of retail and office spaces, then worked to lure other companies to the city.

The bait? Collaborative, colorful, state-of-the-art interiors equipped with the power – and pomp – to house everything from start-ups to established companies looking to be part of the new Detroit.

The focus is on creating a downtown Detroit tech hub, according to Dan Mullen, Acquisition Manager for Bedrock Real Estate Services, which oversees the purchase, leasing, redevelopment, build-out and overall management of Gilbert's downtown real estate investments.

"We have a master plan," Mullen said. "There's always deals in the works. We really just want to help reshape downtown and

make it a unique area for folks to live, work and play."

Quick Succession

Gilbert scored his first downtown acquisition, the historic Madison Theatre Building – redubbed the M@dison – in January.

The 50,000-square-foot high rise includes a rooftop terrace overlooking Comerica Park and a 138-seat auditorium intended for meetings and technology summits. According to Mullen, the building already boasts 100-percent occupancy.

Its anchor tenant, the creative design firm Skidmore Studio, left Royal Oak in October to take over the fourth floor.

"Dan Gilbert shares the same vision I have," said Skidmore Studio Owner, President and CEO Tim Smith. "We respect the hell out of what he's doing and being a part of it is just very fortunate."

After closing on the M@dison, Gilbert announced subsequent real estate purchases in quick succession – Chase Tower in April; the Dime and First National buildings in August; Lane Bryant and Detroit Arts League in September and 1550 Woodward Avenue in October.

Gilbert has maintained that his focus is bringing high-tech companies downtown.

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"There is absolutely nothing more important than transforming Detroit into an exciting place for young, eager, wealth-creating entrepreneurs to embark on their business journeys."
— Dan Gilbert, founder and chairman of Quicken Loans

Detroit's IT Timeline

Marketing Associates founded: This company staffs over 200 employees at its Campus Martius Park location and provides a wide array of marketing services with a high-tech edge for clients ranging from Ford Motor Company to Comcast.

1967

1973

Compuware Corporation founded: This Detroit-based technology giant supplies solutions, software and staffing for 7,100 customers around the world, including Google, Facebook and the NFL. Headquartered in Campus Martius Park, Compuware has 4,000 employees and nearly \$1 billion in annual revenue.

Quicken Loans, Inc. founded: The nation's largest online lender, Quicken closed \$29 billion of home loan volume in 2010. It employs 4,000 people nationally, including 1,700 at its downtown Detroit Compuware Building headquarters.

1985

1990

Strategic Staffing Solutions (S3), headquartered in Detroit's Penobscot Building, is a provider of consulting, customized project solutions, vendor management programs, executive search services, call center technology and IT and business development.

Building Detroit 2.0

Here's a snapshot of buildings bought by Dan Gilbert of Quicken Loans in 2011:



Lane Bryant Building and Arts League Building

1520 and 1528 Woodward Avenue

Purchased in September. Gilbert entered into an agreement with the Detroit Downtown Development Authority to acquire these adjacent buildings. Plans call for retail and office space.



The M@dison Theatre Building

1555 Broadway

Purchased in January. Tenants in this 1917 building, designed by C. Howard Crane, include Skidmore Studio, Doodle Home, Exodus Pictures, Detroit Labs, Angelina Italian Bistro and Stub Hub.



First National Building

660 Woodward Avenue

Purchased in August. Complete renovations are expected in early 2012 at this 25-story office tower designed by Albert Kahn and completed in 1930.



Dime Building

719 Griswold Street

Purchased in August. A 23-story historic skyscraper by Daniel Burnham, completed in 1912. The Financial District Garage at 730 Shelby, a 983-space parking structure, was also part of the deal.



Chase Tower

611 Woodward Avenue

Purchased in April. This 14-story building, designed by Albert Kahn Associates and completed in 1959, welcomed 1,500 Quicken Loans employees in October, with 500 more expected to move in next year. Other tenants include J.P. Morgan Chase.



Retail Space

1550 Woodward Avenue

Purchased in October. The one-story building will be used for retail.

their business journeys," he said. "More and more great people, investors and businesses are joining the initiative to build something very special downtown every single day."

To help entrepreneurs get their start, Gilbert co-founded Detroit Venture Partners (DVP) in 2010, a firm that provides financing and support to high-tech start-ups. So far, DVP has invested in

a roster of companies ranging from FLUD, a news-reader app, to Gumshoe, a mobile take-off of the classic game Clue.

"If these companies start out with four or five people and they hit a home run and grow into four or five hundred, you're going to see big growth down here," Mullen said. "We are focusing on small companies that we can mentor and scale." ■ Wensdy Von Buskirk is a Metro Detroit freelance writer.

Compuware announces its intention to build a new headquarters building in the city of Detroit Campus Martius project. Compuware employees number more than 15,000.

1999

In the company's **30th year of existence**, **Compuware** completes construction on its new world headquarters building in downtown Detroit. More than 4,000 workers are based out of the facility, which unifies Compuware's Southeastern Michigan workforce and improves the company's operational efficiency.

2003

2004

The new **Campus Martius Park** was dedicated on Nov. 19, 2004.

2007

Dan Gilbert establishes **Bizdom U**, a non-profit, entrepreneurship accelerator that trains, mentors and funds aspiring entrepreneurs to open innovative, growth-oriented, Detroit-based businesses.

Turn the page for more on the history of Detroit's IT growth. ►

'WEBward' Bound

When it comes to high-tech companies, Detroit is the "IT City" By Wensdy Von Buskirk

Quicken Loans has several buzzwords for its high-profile effort to create a high-tech hub in downtown Detroit. But when it comes down to it, the company doesn't care whether you call it "WEBward Avenue," "Detroit 2.0" or "Rock Detroit."

They only care if you come.

"There's kind of a million names going on out there," said Dan Mullen, acquisitions manager for Bedrock Real Estate Services. "Really, that just means we would like this area to be known as the place for cool tech companies to relocate."

Quicken Loans is banking on high-tech start-ups as a way to expand not only its own holdings, but also to lead the comeback of Detroit. The company made its mark as one of the first online mortgage lenders, and its founder and chairman Dan Gilbert has since invested in a roster of technology-based start-ups like ePrize, a leader in interactive promotions, and Quizzle.com, a free online personal finance tool.

Gilbert thinks that IT enterprises will "be the kind of 21st century businesses that the majority of our new economy in Detroit and Michigan will be based upon."

Other companies like Strategic Staffing Solutions (S3), Marketing Associates and GalaxE.Solutions are also helping to quickly make Detroit the "IT" city for high-tech jobs and Campus Martius the focal point of the region.

There's also a historical context for the type of energy tech companies can bring downtown. Peter Karmanos Jr. has proven that IT can drive the region, virtually transforming Detroit's once-downtrodden central business district around Campus Martius Park into a thriving business center with the grand opening of his Compuware World Headquarters in 2003.

According to Marketing Associates President Mike Petroff, there are strength in numbers when companies collaborate.

Petroff said that when Quicken Loans relocated downtown in 2010, they consulted Marketing Associates for advice on making the move. He added that Compuware is a close partner.

"We're able to be part of the incubations that are happening all along Woodward Avenue from a creative and technological aspect. It's very exciting," Petroff said, adding that the city's nightlife, sporting events, restaurants and volunteer opportunities also appeal to the company and its young staff.

At GalaxE.Solutions, Chairman and CEO Tim Bryan said that Detroit is in a great position to compete worldwide in the IT field.

"Right now the large offshore firms are struggling with quality. The demands require agility, and that's difficult to accomplish in an offshore model. And that provides a wonderful opportunity to bring jobs to Detroit, which is still a major American city. Detroit has all of the hallmarks of a rebirth," Bryan said.

Strategic Staffing Solutions, located in Detroit since 1990, moved to the Penobscot Building last year in hopes of hiring



▲ Dan Mullen, acquisitions manager for Bedrock Real Estate Services.

Detroit Development Center (DDC) is opened by Strategic Staffing Solutions with anchor customer **Blue Cross Blue Shield of Michigan**. The DDC opens with 57 IT specialists and, in one year, has expanded to more than 270 professionals.

2010

Entrepreneurs Josh Linkner, Brian Hermelin and Dan Gilbert, launch **Detroit Venture Partners**, a Detroit-based venture capital firm that invests in seed and early-stage technology companies to be located in Detroit.

2010

Two Detroit Center Parking Structure, a 1,095-space parking garage located in the central business district, is acquired by Dan Gilbert.

April 2011

2010

Compuware earns the **General Motors 2009 Supplier of the Year** award. It marks the third consecutive year of receiving this prestigious distinction through supplying exceptional people, processes and software to help drive business for the auto manufacturer.

April 2011

The Quicken Loans group acquires the 14-story Chase Tower located in Detroit's downtown central business district and immediately begins renovation to reflect Quicken Loans' culture.

May 2011

BCBSM consolidates its Metro Detroit workforce with the first group of employees moving into the GM Renaissance Center from Southfield.

Live Downtown

Reid Tatoris, co-founder of the Detroit Venture Partners start-up Are You a Human?, not only works downtown, he lives there.

Tatoris moved to the Garden Lofts in Brush Park when his business relocated from Ann Arbor in August. The 29-year-old entrepreneur said he loves the city's restaurants and nightlife, along with walking to work at the M@dison building every day.

"I think Detroit is really exciting," Tatoris said. "I would kind of describe it as a scavenger hunt. There's really interesting things going on, you just have to look for them. But that's part of the fun."

Tatoris fits the demographic some of Detroit's largest companies are hoping to lure to the city with the new Live Downtown initiative. The \$4 million, five-year program offers cash incentives to employees who move to select neighborhoods in Detroit.

Under the program, new homeowners may receive a \$20,000 forgivable loan toward the purchase of a primary residence, while existing homeowners can apply for up to \$10,000 in matching funds to spruce up the exterior of their property.

New renters can qualify for up to \$3,500 in funding, while existing renters may receive \$1,000 for renewing their lease.

Coordinated by the Downtown Detroit Partnership, the program models the successful Live Midtown initiative launched in January, and includes Corktown, Downtown, Eastern Market, Lafayette Park, Midtown and Woodbridge neighborhoods.

Compuware Corporation, Quicken Loans Inc., DTE Energy, Blue Cross Blue Shield of Michigan and Strategic Staffing Solutions have signed on so far, making more than 15,500 employees eligible for the grants. ■ Wensdy Von Buskirk



▲ Quicken Loans founder Dan Gilbert has purchased quite a bit of real estate in Detroit in the past year including the Chase Building, which has been transformed into a bright, vibrant work space.

400 people in five years. One year later, they've already brought on 251 individuals and are on track to doubling their original goal.

According to Carl Bentley, S3's senior vice president, IT is the place to be.

"What we've seen around the country is these companies and employers like to cluster together," Bentley said. "The Campus Martius District is an emerging IT cluster that will continue to grow as more and more businesses come downtown." ■ Wensdy Von Buskirk is a Metro Detroit freelance writer.

Skidmore Studio, a graphic design firm located in a nearby suburb, announces it will become the anchor tenant in the M@dison Building when it opens in fall 2011.

May 2011

June 2011

Tim Bryan announces that GalaxE.Solutions will bring 500 jobs to downtown Detroit at 2011 Mackinac Policy Conference.

Quicken Loans and four other downtown Detroit companies unveil the "**Live Downtown**" program, which offers financial incentives to team members to move into the city.

July 2011

July 2011

Earvin "Magic" Johnson joins Detroit Venture Partners to help fund start-up tech companies in Detroit.

The 101-year-old **Dime Building and the Financial District Garage**, a 983-space parking structure adjacent to the Dime Building, is acquired by Dan Gilbert.

August 2011

August 2011

Dan Gilbert purchases **First National** Building to house more team members as well as other businesses moving downtown.