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## Dan Gilbert's investment plan for downtown Detroit begins to take shape

Quicken Loans Inc. founder Dan Gilbert announced today the acquisition of yet another building in the city of Detroit.

The former Federal Reserve Building at 160 W. Fort St. will be the latest addition to his portfolio.

Gilbert's newest acquisition, expected to close this week, will be used for office space, possibly for one "larger single-use tenant."

"I'm not married to the concept, though," Gilbert said. "I'm open to creative ideas."

Gilbert announced the acquisition at the open house for his first Detroit real estate acquisition, the Madison Theatre Building, where Josh Linkner, who is a partner with Gilbert in Detroit Venture Partners LLC, said the startup-business tenants in the Madison could be "cycled" into Gilbert's other downtown properties as the businesses grow.

The Federal Reserve building was used by the Detroit branch of the Federal Reserve Bank of Chicago before the branch moved to its current location at 1600 E. Warren Ave., just north of the Eastern Market District in Detroit.

The building at 160 W. Fort St. is 176,000 square feet and is owned by a group of investors from Seattle area, according to information from Washington, D.C.-based CoStar Group Inc.



The building is currently vacant and was listed for sale for \$5 million.

Gilbert has been on a buying spree in Detroit through his Detroit-based Rock Holdings Inc.

He purchased the Chase Tower, the Madison Theatre Building, the Two Detroit Center parking garage, the First National Building and the Dime Building.

That portion of his real estate portfolio now comprises 1.7 million square feet and roughly 3,500 parking spaces in Detroit, making Gilbert the second-largest private owner of office space in the city's Central Business District, behind General Motors Co.

He has also purchased four properties on the east side of Woodward Avenue south of Grand Circus Park.

Gilbert's ultimate plan for his downtown investments remains unclear, though hints of what is to come were given during the Madison Theatre Building open house.

Gilbert purchased the Madison in January 2011 for \$1.4 million. The 50,000 square foot building is home to 15 businesses, including Skidmore Studio, Hired My Way LLC and Detroit Venture Partners.

Detroit Venture Partners is invested in seven of startup businesses in the building. Josh Linkner, founder and chairman of EPrize LLC and a DVP cofounder, said the plan is to move the startups, as they outgrow their space at the Madison, into Gilbert's other downtown buildings and bring more businesses into the Madison.

Detroit Venture Partners plans to invest in 12 to 15 new companies in 2012. and Linkner said most of them will be housed in or have a presence in the Madison.

One of the current DVP-invested tenants, Detroit Labs LLC, unveiled a smart phone application called "Chevy Game Time," made for Chevrolet's advertising agency, Detroit-based Goodby, Silverstein and Partners, to promote commercials during the Super Bowl.

Users will use the app to watch commercials, and when they answer polls or trivia questions about the commercials, a message powered by technology from EPrize lets users know if they won a prize, including pizzas, phones and Camaros.

"I'm not sure Detroit Labs would have gotten the deal if they weren't down here," Gilbert said. "If Detroit companies can do business with themselves, it will be better for everybody."

A residential component to the investment plan is in the early stages, Gilbert said.

He has announced plans to build a residential development on the portion of the former J.L. Hudson department store site immediately north of the Compuware Building.

He said he is looking for investment partners for that project.

"It's still early. We hope others will want to partner with us. We need more residential (property) downtown. ... Hopefully some investors will see that," Gilbert said.