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GM tech center expansion spurs growth in Warren

Tech center expansion spurs development

By Kirk Pinho



Photo by ©2015 GOOGLE This aerial view of Warren's city office complex (right center) is anchored by parks, courts and other buildings.

When one of the largest companies in the world decides to invest \$1 billion in your city, there are bound to be a few ripple effects.

Some of those ripple effects: More than 200 high-end loft apartments around City Hall, a new **Prestige Cadillac** dealership and possibly a new five-star hotel across the street from **General Motors Co.'s Warren Technical Center** -- all evidence that the automaker's planned spending barrage at the tech center is a catalyst to a range of investment in Warren's city square area.

City officials estimate about \$300 million in new development is planned in the Downtown Development Authority district alone, which is anchored around the tech center on Van Dyke Avenue north of 12 Mile Road.

Development in Warren

General Motors Co. Technical Center renovations

Cost: \$1 billion

Project: Expansion and renovation of the 326-acre campus, coupled with the creation of 2,600 jobs

Expected completion: End of 2018

Location: Van Dyke Avenue between 12 Mile and 13 Mile roads

This Wednesday, President Obama is scheduled to speak in Warren, nearby at **Macomb Community College**, on the importance of investing in skills and growing the economy. Warren's economy, meanwhile, is receiving an economic infusion from GM investment effect.

Retail prospects

Add to the mix for Warren a possible specialty grocery store like **Whole Foods Inc.** or **Trader Joe's** in the hotel's retail space, and you have the makings of what Mayor Jim Fouts called a community that is "a pretty hot commodity right now" for new development and redevelopment.

The development pipeline for Michigan's third-largest city also includes a **Menards** home improvement store, expected to open Sept. 21 following an \$8 million construction project at 14 Mile Road and Van Dyke; and another \$35 million spent by GM on the 10-story former **Campbell Ewald** building. The CE building reinvestment will bring another 800 white-collar jobs to the Macomb County city of 135,000 residents.

"GM is the train that is leading all that," Fouts said.

The Detroit-based automaker announced plans for construction and renovation of the sprawling 326-acre tech center in May, with work set to be completed by 2018.

"It's going to transform the tech center and make it a world-class engineering facility," said John Blanchard, GM's director of local government relations in the U.S. and the lead executive for the automaker's initiatives and projects within Detroit and Southeast Michigan.

The GM tech center, which includes a vehicle engineering center, design center and research and development operations, currently has an estimated 15,000 to 20,000 workers, with another approximately 2,600 to be added as part of its \$1 billion plan.

All that ties in with increasing ancillary development, evidenced by an increase of two-thirds in building permit and inspection fee revenue from \$1.9 million from Jan. 1, 2014, to Sept. 3, 2014, to \$3.2 million during the same period this year, according to the city's building department.

"In this particular case, we have one of the most dynamic job-generating facilities directly across the street with new white-collar, good-paying jobs, and we felt that was a game-changer and the city felt that way as well," said Larry Goss, the partner at **Burton-Katzman LLC** and executive vice president of **Core Construction Services LLC**. They are the Bingham Farms-based companies developing the 210-unit **City Square Lofts** south and east of Warren City Hall expected to cost about \$30 million and be complete in 2017.

The one- and two-bedroom lofts would rent for between \$1,200 and \$2,000 per month.

Blanchard said the company is supportive of "anything that gets developed (in Warren) that can provide amenities to our employees."

Walkable options

The hotel, in particular, would be beneficial to GM as the global travelers venturing to the tech center need overnight accommodations, Blanchard said.

"If there is a hotel there, we would be a natural customer for any number of large business travelers coming in," he said. "We are committed to supporting it."

But there isn't a formal agreement signed for GM's business travelers to rent a certain number of rooms at a possible hotel, which is planned by Lansing-

Former Campbell Ewald building redevelopment

Cost: \$35 million

Project: Renovation of 10-story building across from the GM tech center for 800 new GM jobs

Expected completion: By 2017

Location: Van Dyke north of North Civic Center Drive across from the tech center

City Square Lofts

Cost: \$30 million

Project: 210-unit loft project with rents from \$1,200 to \$2,000 per month by Bingham Farms-based Burton-Katzman LLC

Expected completion: 2017

Location: South and east of Warren City Hall

Five-star hotel

Cost: \$50 million

Project: 200-room hotel with retail space including specialty grocery store, a 1,000-person banquet center, conference room and rooftop swimming pool by Lansing-based The Boji Group

Expected completion: Not known

Location: East side of Van Dyke across from the tech center

Prestige Cadillac dealership

Cost: \$10 million

Project: New dealership by Gregory Jackson, chairman, president and CEO of Jackson Automotive Management, on 4.6 acres

Expected completion: April

Location: Van Dyke and 12 Mile Road

Majestic Plaza Shopping Center redevelopment

Cost: \$2 million

Project: Redevelopment of shopping center for new 40,000-square-foot Y & C Beauty Supplies store

Expected completion: 2017

Location: Van Dyke at Martin Road

Tech Plaza redevelopment

Cost: More than \$10 million

Project: Redevelopment of shopping plaza with at least a dozen new stores

Expected completion: By the spring

Location: Van Dyke at 12 Mile Road

Menards

Cost: \$8 million

Project: Construction of new 170,000-square-foot store

Expected completion: Sept. 21

Location: Van Dyke at 14 Mile Road

Art Van Furniture warehouse renovation

Cost: \$18 million

Project: Warehouse and office

based **The Boji Group**, which has developed properties in Lansing, Inkster, Hamtramck and Flint.

John Boyd, founding principal and executive vice president of Southfield-based **Signature Associates Inc.**, said there is strong demand for a first-class hotel in the area because of GM's investment.

He also said the lofts around city hall will provide more quality housing options for tech center employees and help promote walkability.

The DDA district is loosely bounded by 11 Mile Road to the south, Mound Road to the west, 14 Mile to the north and Van Dyke to the east, with some deviations for the **Heritage Village** subdivision and Warren's municipal campus, both of which bookend the tech center to the west and east, respectively.

Fouts, who also is chairman of the seven-member DDA board, said the momentum is encouraging.

"We can't equal Detroit because we don't have Dan Gilbert with an unlimited checking account, but we are doing better than we've ever done," he said.

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Expected completion: October

Location: 14 Mile east of Mound Road

Sources: Warren Mayor Jim Fouts, Burton-Katzman LLC; General Motors Co.

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