

How To Best Proceed – Interview Project



Ford Highland Park

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Woodward Heritage Team
with funding from the Michigan Economic Development Corporation

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I. Background

On July 29, 2003 Woodward Heritage requested from MEDC financial assistance in determining how to best proceed with the Ford Highland Park preservation/revitalization effort. It was felt that collecting information from various stakeholders through an interview effort, the direction to take the project would be clarified. It was also hoped that the site redevelopment would serve as a catalyst, for the development of other important sites within Highland Park and that the process developed might also be used as a model for other locations throughout the state.

It was initially anticipated that the Highland Park Revitalization Task Force could

- identify key individuals and representatives of organization who are involved in or should be involved in the preservation/restoration, development/redevelopment of Ford Highland Park,
- develop a list of critical questions, and
- employ a consultant to conduct the interviews and prepare a summary report of findings and recommendations.

However, shortly after receipt of the MEDC grant it became evident that before interviews could be conducted that a substantial amount of information first needed to be gathered and generated. Unfortunately all too many people have either not learned or have forgotten the globally significant history of the site. In addition, just knowing the history is not necessarily enough to entice interest/commitment from stakeholders. Questions first needed to be answered by the Task Force such as how big is the property, how many buildings and square footage, what conditions are they in, what are the possible reuses, is there a logical place to start?

Understanding the need for answers to the above question and the funding required to gather the needed information, the Woodward Heritage Team of the Woodward Avenue Action Association applied for a Motorcities grant. From summer 2004 – fall 2005 several consultants prepared the needed background information so that interviews could eventually be conducted. The work included:

- Preservation Planner – prepared reports on Regional Context, Site Specifics and Historic Significance,
- Preservation Architect – prepared an assessment of the existing buildings and possible reuse options,
- A landscape architect prepared a vision or future possibilities for the site and buildings,
- An economic development specialists prepared a report on possible Financing Options for the Administration Building on the site – which was identified as the starting point for site preservation,

- A power point presentation was prepared which summarized the above information,
- A “leave with” piece was also developed which summarizes development possibilities for the Administration Building, and
- A short video documentary of about 8 minutes was created explaining the significance of the site and the need for preservation.

Upon completion of the above reports/products, The Woodward Revitalization Task Force reviewed the material, suggested revisions, and identified critical interview/information meetings. Once the background material was prepared it became evident that the “interviews” were more of meetings to present information, garner interest in the interviewee and solicit any concerns that they might have.

II. Interview Questions

The Highland Park Revitalization Task Force felt that it was important to interview the owner for Ford Highland Park in addition to interviewing stakeholders or potential partners. The questions however to the owner were substantially different than those of potential stakeholders. The following list the questions of the owner and those which were developed for the stakeholders.

Owner Questions

How has the legend of Henry Ford influenced your plans for this property, if at all? Are you in contact with anyone from the Ford family about this property?

1. You've owned this building since 1982. Since that time, you have successfully redeveloped property, adding to the economic stability of the area. What were your original intentions when you acquired this property?
2. What are the strengths of this property?
3. What have been the barriers to the redevelopment of this property?
4. Why have you retained ownership of this property?
5. Have you or do you own anything similar to this property in size or condition? If so, what is the status of that property?
6. What kinds of proposals have you considered for this property? What were some of the best options? What options did you abandon?
7. Have your ideas for redevelopment of this property involved other developers or private entities? Did any include public or quasi-public entities? Would you consider partnerships for future redevelopment of this property?
8. How long do you envision owning this property?
9. Under what conditions would you consider making available all or part of it?
10. Under what conditions would you consider selling/leasing to another private entity? Would you consider selling/leasing to a public or quasi-public entity?
11. Have you been approached by a corporation interested in the property? If so what were their plans?
12. Would you entertain an interim public access area to the site to tell the mass production story - - if so under what conditions?

Stakeholder Questions

1. What are your reactions to the information that has been presented?
2. What concerns/issues or obstacles do you think there are that would prohibit restoration/preservation from moving forward?
3. Do you have an interest in being involved in advancing this project?

III. Interviewees

The following individuals/stakeholders were identified for interview:

1. The owner – Martin Ross, National Equities
2. Motorcities National Heritage Area – Mark Pischea, Executive Director
3. T-Plex (Ford Piquette – Ford’s first owned factory) Dr. Jerald Mitchell, CEO
4. Governor’s office – Robert Davis, Director of the SE Michigan Office
5. Various state offices:
 - a. Michigan Economic Development Corporation – Jill Babcock, Community Assistance Team contact for Highland Park
 - b. Michigan State House Authority - Clarence Stone, Jr. , Staff Attorney, MSHDA and Co-Chair of Highland Park Partnership
 - c. Michigan Historical Center – Sandra Clark, Director
6. Wayne County
 - a. Tamara Harmon, Wayne County Jobs & Economic Development
 - b. Theodore N. Buckner, Project Development Coordinator, Wayne County Dept of Economic and Neighborhood Development
7. Highland Park Stakeholders
 - a. Emergency Financial Manager, Art Blackwell
 - b. Maria Alfero-Lopez, City Attorney and Chief of Staff
 - c. Darwin Parks, Highland Park Administrator
 - d. Highland Park Woodward Avenue Partnership
8. Woodward Heritage Team
9. The Henry Ford – Christian Overland, Director
10. Ford Motor – James Graham, Director of Heritage Programs*
11. Developer Stakeholders
 - a. William E. Watch, President, First Commercial Realty and Development Company
 - b. Chuck Diamaggio, Burton Katzman
 - c. Artserve*
 - d. Sterling Group*
 - e. Shoestak*

* Numerous contacts were made to schedule an interview without success to date in securing a meeting prior to the preparation of this report. Interviews are desired and will be conducted in the near future.

IV. Summary of Findings

The findings are divided into two sections – information that was learned from meeting with the owner and information that was gleaned from meeting with various stakeholders.

Owner

In a meeting with the owner and on-site manager for the property in November 2005, the owner indicated that:

- He has/had no grand plans or vision for the site. There were conditions with Ford when he purchased in 1981 which almost established a mind-set of providing storage for Ford and others.
- In 2005 a lease was signed which extends the storage requirements for another 5 years with Ford.
- He had hoped to develop the Administration building into offices or similar use and had tried to market it on several occasions but there has been no serious interest. He appeared to have lost hope that it would happen and felt if development was to occur that it would be necessary to clear the site. He felt there isn't much hope of developing anything beyond the Administration Building since that site is probably the prime site and it has really generated no serious interest.

It is evident that the owners knows the history of the site and has a general appreciation but he not a preservationist. Any hope he had to leverage the history of the site has not materialized and therefore isn't of much value.

When questioned about the Administration Building on Woodward the owners first response was bring me a tenant. "I will gladly develop the building and I have on various occasions prepared marketing materials but there is doesn't seem to be an interest." He indicated that he has over the twenty some years received many phone calls of interest but no serious takers.

The owner has consistently indicated that he has no interest in selling any of the property and wants to be "brought the deal". However, at the November meeting the on-site manager indicated that they would consider selling the Administration Building, Executive Garage and perhaps the AA building if the "right offer" came along. When meeting was recapped, the interviewer repeated what the on-site manager had said about the sale of the Administration and connecting buildings and specifically asked the owner if the recap was correct that that he would sell for the right offer and he said yes.

The owner expressed frustration with Ford and their lack of interest on the site. The Administration Building was vacant for over 15 years when the present owner purchased the site. He has never had an interest in spec development of the building but it is evident that he thought Ford would assist him in finding tenants so that it could be developed.

The owner is touchy about comments made concerning the condition of the site or buildings. He indicated that no one is at a loss to tell him what he could be doing but no one is stepping up to assist. He noted that he had tried to secure the building and property but it was difficult with the vandalism which is an on-going expense.

A quick summary to specific questions are in the appendix.

Stakeholder Questions

The Stakeholders and Potential Partners were engaged in the information presented to them. Everyone knew Henry Ford had instituted industrial mass production at the site but they did not know nor had they totally appreciated how significant this site was and the global influence that had resulted from the activity.

Without exception everyone indicated that they wanted to help or assist in anyway they could. Everyone interviewed wants the site to be preserved.

There were three repeated concerns which were brought up in the interview process.

The first concern was the size of the property and massive square footage of existing buildings. The preservation architect noted that especially with the Crystal Palace buildings – WXYZ and trackways, that financing would be difficult because of the enormous size. She contemplated out loud that there were certainly reuse possibilities but to “bring it on-line” in a typical development financial timeframe with market absorptions would be almost impossible under current methods.

It was strongly encouraged to begin in small manageable, very visible chunks. The Administration building (45,000 sq. foot) on Woodward Avenue with the Executive Garage (8,900 sq. ft.) behind the Administration Building and the AA Building (70,000 sq. ft.) make them a logical choice. This can be done together or one at a time.

The second concern that was raised was the condition and stability of Highland Park City government. Especially those in the development community expressed concerns with city services such as fire and police. Several folks pointed to the lack of capacity by the city to not only assist and respond - -small to no city staff, but also the long term uncertainty for the future of the city.

The final concern has to do with ownership of the property at a minimum the kick-off project – Administration Building – possibly Executive Garage and AA Building. The concern expressed was that it was not the owner that was advancing the preservation efforts. And although he had expressed cooperation

that “control” was necessary to truly advance “buy-in”, since there was no assurances with a third party control.

Reinforcing this third point, a meeting was held with the folks from the Not For Profit Facilities Fund in December. They were being approached for a grant to determine property value, financial options, and preservation costs and requirements. We were informed that although interested in the project they would not consider it for funding until the not-for profit Woodward Avenue Action Association had at a minimum an agreement with the property owner for first right to purchase.

V. Next Steps

The interview project has helped to clarify some next steps and provide focus to the project and effort. The materials that were prepared were crafted to “spread the story” and have multiple audiences. Woodward Heritage will use these materials to make presentations to various interest groups to solicit interest and continued support.

Three steps that Woodward Heritage needs to pursue are:

1. A determination of what exactly the “kick-off” project consists of. It is evident that at a minimum it includes the Administration Building but what is unknown is if it includes the Executive Garage and AA building. The more this item can be defined the easier it will become to identify partners and uses.
2. Control of the Administration Building by Woodward Heritage (WA3 or other not for profit), possibly the Executive Garage and AA building needs to be secured. In the short term, control can be accomplished with a minimum of a written purchase agreement with a right of first refusal. However, eventually ownership is needed by a group determined to demonstrate preservation of the story and site.
3. Since Highland Park is still under the financial management of the State of Michigan, the state needs to either
 - step up it’s commitment to Highland Park in providing resources that can diminish concerns about existing capacity and the future of the city,
 - better communicate what it being done to provide resources and stability to address the perception that it is not adequate, or
 - both of the above.

The results of this interview project will be selectively shared to assist in moving the project forward.

VI. Appendix

Owner Interview summary

How has the legend of Henry Ford influenced your plans for this property, if at all? Not really. Are you in contact with anyone from the Ford family about this property? No. They are not interested.

1. *You've owned this building since 1982. Since that time, you have successfully redeveloped property, adding to the economic stability of the area. What were your original intentions when you acquired this property? Had hoped to develop the Administration Building but there has been no interest.*
2. *What are the strengths of this property? No answer.*
3. *What have been the barriers to the redevelopment of this property? Location, lack of city stability.*
4. *Why have you retained ownership of this property? The purchase arrangement. No need to sell and no offers of interest.*
5. *Have you or do you own anything similar to this property in size or condition? No. If so, what is the status of that property?*
6. *What kinds of proposals have you considered for this property? You name it . . . lots of big ideas but nothing of substance. What were some of the best options? No answer. What options did you abandon? No answer.*
7. *Have your ideas for redevelopment of this property involved other developers or private entities? No the preference is to do something himself but willing to listen to any serious proposals. Did any include public or quasi-public entities? Maybe. Nothing of significance. Would you consider partnerships for future redevelopment of this property? Probably.*
8. *How long do you envision owning this property? No plans to sell.*
9. *Under what conditions would you consider making available all or part of it? The right price.*
10. *Under what conditions would you consider selling/leasing to another private entity? The right price. Would you consider selling/leasing to a public or quasi-public entity? Yes.*
11. *Have you been approached by a corporation interested in the property? There have been all kinds of talk from lots of folks but nothing serious. If so what were their plans?*
12. *Would you entertain an interim public access area to the site to tell the mass production story - - if so under what conditions? Present me with something specifically and I'll let you know.*