

THE ANN ARBOR NEWS

MONDAY, SEPTEMBER 5, 2005

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BUSINESS

Business Notes, C2
Stock market listings, C5



RICK HAGLUND
Ann Arbor News Bureau

Grim reality intrudes on anniversary party for UAW

It was a shame, really. The United Auto Workers union called the media to breakfast Aug. 26 to help celebrate the anniversary of the union's first convention in Detroit on that same date in 1935.

It was billed as an informal get-together - no speeches or news conferences. Just a chance to chat with former union Presidents Doug Fraser

Downtown project nears end

Tricky renovation of Mayer-Schairer building required creativity

BY MIKE RAMSEY
News Business Reporter

Jon Carlson said he has tried to block out how long the Mayer-Schairer building in downtown Ann Arbor has been under construction.

Carlson is one of the partners renovating and expanding the 150-year-old building at 110-112 S. Main St. His company is building a loft condo on top and digging and finishing a basement below. When completed, it will have taken three years to finish.

"The project kind of floundered awhile," Carlson said, attributing the delay to the complexities of renovating an historic building.

But Carlson, who has specialized in historical renovations such as the lofts above Grizzly Peak Brewing Co. and Cafe Zola, said

Mayer-Schairer building

A massive renovation and expansion of the former office supply store in downtown Ann Arbor.

Address: 110-112 S. Main St., Ann Arbor

Developers/owners: Jon Carlson and Greg Lobdell

Cost: \$5.4 million

Details: When completed, the building will include a two-floor restaurant called Vinology, two floors of loft-style offices and a 3,800-square-foot condo.

the end is now in sight and the results will not only restore an his-

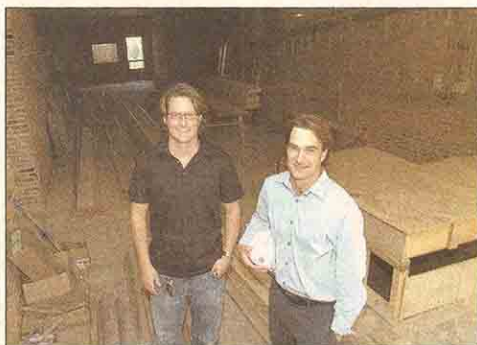
toric building, but also will add a new restaurant, another residence and increase the overall density downtown.

Adding density downtown has been a goal of city officials, who think the more people occupying space downtown, the more likely retail businesses will thrive and keep the city healthy.

"It's definitely been done before in other cities," Carlson said. "But it's a new model for Ann Arbor."

Carlson and his partner, Greg Lobdell, an architect and childhood friend from Traverse City, can see the finish line on this \$5.4 million project. Carlson has an undergraduate sociology degree from the University of Michigan and is finishing his executive MBA there. Lobdell has a

SEE MAYER, C2



ALAN WARREN/THE ANN ARBOR NEWS
Jon Carlson, right, and Gregory Lobdell, managing partners of 2mission, are overhauling the Mayer-Schairer building in downtown Ann Arbor. The building is being turned into a restaurant called Vinology, office space and a loft.

C2 | BUSINESS

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IN BRIEF

National

Judge OKs deal on airline pension

ALEXANDRIA, VA. - A federal court Friday approved a deal between US Airways Group Inc. and the Pension Benefit Guaranty Corp. that resolves the agency's nearly \$2.7 billion in claims in the bankruptcy case, and ensures its support for the airline's reorganization plan.

Judge Stephen S. Mitchell of the U.S. Bankruptcy Court in Alexandria, Va., signed off on the deal, which will give the PBGC cash, a note and an ownership stake in the reorganized airline to settle its claims rising out of US Airways' termination of its pension plans earlier this year.

MAYER FROM C1

Partners hope to have new restaurant open early next year

master's in architecture from U-M and a master's in real estate development from Columbia University in New York.

They hope to have two floors of loft-style, brick-exposed offices ready by December and open the wine-bar/restaurant, Vinology, in February or March. The new condo, an enormous 3,800-square-foot loft, will be finished around the same time.

Carlson declined to say how much the property cost, but the county has the building assessed for about \$900,000.

The pair will be partners in the two-floor restaurant, which is a sister location to Vinoteca in Royal Oak. The newly expanded basement also will feature a retail wine store.

Fred Beal, president of J.C. Beal Construction in Ann Arbor, will be moving into the condo. Beal's company has been doing the massive renovation work to the building.

Lobdell, who left a practice in San Francisco to join Carlson midway through the project, said adding another floor required them to construct new concrete footings and build additional support beams.

To qualify for a 20 percent tax credit offered by the federal government and a 5 percent credit offered by the state, the historic building's exterior must be returned as closely as possible to its original state.

Carlson said the pair are working with historians and using old

photographs as guides. He said the credits make the project possible. Otherwise, it wouldn't be worth it.

And although the interior doesn't have to be restored, the pair are trying to use as much of the original interior as they can. And what they can't use has been recycled or given away.

The building was home to the Mayer-Schairer Co., a printing company that became an office supply store. The second and third floors held printing presses on one side and pianos on the other.

Even though they have met challenges at every turn, the project has made the partners consider more ambitious renovations.

"I think it has emboldened us,"

Lobdell said.

And Carlson said the pair, who formed a company called 2mission, probably will be forced to consider only unique or challenging properties in Ann Arbor because the demand for land and buildings by outside investors has placed most of them out of reach.

Carlson said they have looked at purchasing other buildings recently, and prices are so high that even if they were fully leased out, the owner still would lose money.

"We will pick obscure structures because we will have to be as creative as possible" to continue to build in Ann Arbor, he said.

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KATRINA FROM C1

Volatility is big concern

these SUVs, dubbed the "GMT-900," that earlier this year the company halted work on several new front-wheel-drive cars, which get better mileage, to speed up the launch of the new SUVs.

Last week, as the extent of Katrina's damage became clearer, GM executives began edging back from earlier optimistic forecasts about the GMT-900 trucks and SUVs. Now, they don't expect the new vehicles to beat the sales peaks of a few years ago because of the impact of rising gas prices.

"What we need to learn from what's happening right now is that we're fragile," said Lawrence D. Burns, GM's vice president in charge of research and development and strategic planning.