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It Takes Teamwork

6 -- ann arbor area BUSINESS MONTHLY, November 2005

Mayer-Schairer Building Undergoing Historic Renovation

By Kate Kellogg

A new development firm is infusing the downtown area with urban vitality, a historic presence, and, soon, some really great wines. 2Mission Design and Development LLC was formed last January to develop mixed-use, urban projects that increase density, improve downtown environments, and preserve historic treasures.

So where does wine come in? It's already flowing at Vinoteca Wine Bar in Royal Oak, one of 2Mission partner Jon Carlson's developments. The newest is Vinology, a wine bar, restaurant and retail wine store, slated to open next February at 110-112 South Main in Ann Arbor. The wine establishment will occupy the first floor and new lower level of the former Mayer Schairer Print Shop and Office Supply Building.

Carlson and his partner Greg Lobdell, the architectural half of 2Mission, have taken on complete historic rehabilitation of the 150-year-old building. When it is completed in a few months, it will stand as an example of the type of mixed-use (retail, office, and residential) development that brings new energy to an urban core. 2Mission is restoring the storefront to its original level of detail. The 1906 facade is considered Beaux-Arts, an eclectic neoclassical style given to elaborate ornamentation. With a new, below-ground level, the completed project will increase the site's density by 75 percent.

While in his early 20s, Carlson began redeveloping about a quarter block of West Washington Street. In 1993, he and another partner purchased and began historical renovation of the buildings that now house Grizzly Peak Brewing Co. and Café Zola. When he opened Grizzly Peak in 1995, it was the state's third micro-brewery. Carlson's other major projects include Vinoteca and three other restaurants in Royal Oak, and the North Peak in

Traverse City. Carlson received his undergraduate degree in sociology from the University of Michigan and is currently completing his evening MBA from the U-M Business School.

Lobdell grew up about three miles from Carlson on the Old Mission Peninsula near Traverse City. He also attended U-M as an undergrad, going on to receive his master's degree in architecture from the university. He then spent six years working as a designer for Kaplan McLaughlin Diaz, an international firm, in San Francisco. While at KMD, he designed major projects in Japan, China, and South America as well as California. His project areas ranged from residential and office to retail and health care. Lobdell went on to earn a master's degree in real estate development from Columbia University before joining 2Mission.

Carlson, his wife, and children live near Royal Oak but are looking to move to Ann Arbor soon. Lobdell and his wife live in one of the lofts on West Washington. The two old friends have reunited to combine their various skills and apply their shared philosophy of environmentally friendly urban development and preservation. 2Mission is based at 116 West Washington in Ann Arbor.

You two have a unique partnership in that you grew up together and now you're business partners. Back when you were kids, did you ever imagine you would go into business together?

GL: We've been best friends since we were five and started kindergarten together. I doubt we discussed business partnerships back then. When we were undergraduates at Michigan, we talked about forming a company someday. But first it made sense for me to hone my architectural skills in San Francisco while Jon got some real world experience. I enjoyed my work at KMD but I wanted to take it to another level

so I could have control of the entire process. At Columbia, I did my thesis on a potential project for Ann Arbor and that got me hoping that our discussions about working together here would become a reality. I liked the idea of becoming more entrepreneurial as opposed to working with a large developer. It's great that it worked out, as I think Ann Arbor is one of the greatest cities anywhere. And my wife and I both have family here.

JC: Before Greg came on board I had no staff and I have no design skills whatsoever of my own. I was limited to one project per year—to me, that's a big limitation. Greg gives me more of an edge. With his design skills, we can go through drawings in practically a second. Our ability to do projects has doubled now that we've teamed up and brought in Greg's abilities.

Greg, how did your international design experience with KMD help prepare you for the challenges of designing downtown projects here in Ann Arbor?

GL: I think it taught me to be more flexible under any situation and to understand different viewpoints that come up in collaborations. Doing design and feasibility studies for a mixed-use project in China was a unique cultural experience. Due to the economy at the time, it never got developed, but I learned a lot about the creative process. While I was with KMD, we also won a competition in Brazil to design corporate headquarters for a South American broadcasting company. Those experiences have helped me keep an open mind.

Jon, you had practically no development experience when you purchased the West Washington building complex in the early 1990s. How did you manage to pull it off successfully?

JC: In order to get bank loans, my partner, Chet Czaplicka, and I spent a lot of time making



Greg Lobdell and Jon Carlson in the interior of the former Mayer-Schairer building.

sure it was a calculated risk. The buildings had been occupied by the Cracked Crab, which we got out of bankruptcy, and the Old German restaurant, which had been there for 89 years. Since we were able to use the Old German's kitchen for the brewpub, our opening costs were pretty low compared to today's costs.

We looked into historic tax credits, which really made the project work. They made up for inexperience and cost overruns. Not many developers choose that path because it involves a ton of paperwork. There are usually higher costs on the construction side with historic rehabilitation, but a higher internal rate of return.

How did you get the idea to open the Grizzly Peak brewpub?

JC: Grizzly Peak's success was partly a product of intuition and dumb luck.

I had always liked beer. While visiting some friends out west, I went to a brewpub for the first time and liked it. This was the early 90s, when brewpubs were not yet real popular in the Midwest. When I came back, I learned from sales

figures that Washtenaw County was the state's largest purchaser of micro-brewed beers. That kind of supported my theory that a brewpub could work here. Grizzly Peak opened in 1995 and the lofts in our Washington Street Buildings were finished in 1996-97.

GL: My wife and I live in one of the third floor lofts above the brew-house and Jon's and my office is currently in a second-floor loft. It's a pretty short commute to work for me. And I can just open the window and see how construction is going on the Mayer Schairer Building.

Jon, do you operate the restaurants you own?

JC: I'm not really involved in the day-to-day management of the restaurant portion of the business. When I got close to opening Vinoteca, I realized I had no idea how to run a restaurant so hired Schelde Enterprises Inc. to operate all the restaurants we own. They've been great to work with and bring in a lot of good ideas. Schelde will be working with the managing owners of Vinology as