

# SmithGroup shifting staff to Detroit HQ

Changes are under way at **SmithGroup's** Ann Arbor office, where the staff is being consolidated into the architecture firm's Detroit headquarters.

It's a business transition, said senior vice president **Gene Hopkins**, but one that will result in the long-time firm maintaining an Ann Arbor presence.

"The opportunity here is for us to be unburdened by the financial needs of having to operate as an independent office," Hopkins said. "We're able to really focus on what we like doing best, which is delivering good design, good architecture."

No layoffs are planned as part of the move, he said. But all of the staff that had been based in Ann Arbor will be assigned to the Detroit office, and working out of Ann Arbor on an as-needed, project-focused basis.

SmithGroup's office in Detroit already serves accounting, human resources and project management functions.

"Over the years, we've duplicated some of those overhead costs here," Hopkins said. Strategic planning made the firm look at whether the functions could be delivered from Detroit, "where we're already paying for that."

The resulting shift to Detroit took a year of planning, Hopkins said.

"We've taken a whole year to really ensure that there's not going to be any negative ramification from this," he said.

The office at 110 Miller has had 14 architects and support staff. Two employees have been reassigned, Hopkins said, but because of project loads they are still working out of the Ann Arbor facility.

No changes are planned in the existing office space, Hopkins said. SmithGroup shares space with landscape architects **JJR**, a related company, and that will continue.

"They're staying here," Hopkins said. "That's why it made sense for us to do this."

SmithGroup was named the nation's seventh largest architecture and engineering firm in late September. Its 10 offices in multiple states generated \$119.9 million in fee revenue in 2005. Among its sector gains: it moved from 16th to 10th in health care industry design.

Local projects in the planning stages include the massive Lower Town redevelopment and William Street Station, a mixed-use project on the former Y site downtown.

## Kelleher opts to stay in Ann Arbor

Another longtime local company wanted to expand its office space this year, and ended up making a choice that many Ann Arbor-area companies find in front of them these days: This area or the M-14 corridor?

Plymouth Township and its environs has become a magnet for companies shopping for offices since early this year (*Business Review*, Jan. 19–25). One of the highest-profile moves is **Flint**



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**Group**, which signed a deal to move there in early fall.

Availability, highway access and proximity to Ann Arbor all make the area competitive with the Ann Arbor market.

But over the last 12 months, price has emerged as another factor: many buildings in that area come with attractive financial packages.

So it was with **Kelleher Enterprises Inc.** The company, which provides recognition programs and awards to mostly Fortune 500 firms, has been around Ann Arbor for 25 years, said **Mike Kelleher**, son of the founders.

It's biggest client is **General Motors Corp.**, which hires the firm to run dealer recognition programs, from the event to the physical award given to dealers, which might involve rings, plaques or trophies.

The company sought larger offices so it could absorb its distribution functions under a single roof, Kelleher said.

The office search, with broker **Nick Rutan** of **Bluestone Realty Advisors**, yielded a number of

options. And the local landlords were just as competitive as the Wayne County owners in their pricing.

"We only look hard at two places," Kelleher said. In the end, he said, "there was not a significant enough price advantage in Plymouth to warrant the move."

So Kelleher Enterprises signed a deal to move into Eisenhower Commerce Center, the office park east of Briarwood owned and managed by the **Thomas B. McMullen Co.**

The office is about 4,500 square feet, and the company takes occupancy in mid-month, after its seven employees vacate existing quarters on East Stadium.

The move is part of an effort for Kelleher to add to its client base, Kelleher said.

"Our GM business has remained strong, but we are going to look to diversify our customer base," he said. "Our business is changing just a little in the fact that we're pursuing new accounts a little more strongly than we had in the past."

And, Kelleher added, the company is happy to remain in Ann Arbor. "We've been here since our inception," he said.

"Our ties here were the biggest reason why we decided to stay."

Rutan worked the deal with Brad McFarlane of McMullen.

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