

©Entire contents copyright 2011 by Crain Communications Inc. All rights reserved

Page 3

Auto's gain coincides with retraining programs' loss



Schools power up programs to prepare students for electric vehicle tech

Northward on Woodward: Oakland suburbs eye rail

Inside

Debt ceiling debate prompts soul searching in Michigan, Page 2

GR-based Hope Network acquires New Passages in Pontiac, Page 4

Crain's List

Largest law firms, Page 14

This Just In

Getrag technical center part of GKN's acquisition

England-based GKN plc last week acquired the all-wheel-drive components business of private German supplier Getrag AG, including its North American technical center in Sterling Heights.

The business includes Getrag Corp., a North American joint venture with Dana Corp., and Getrag All Wheel Drive AB, a Swedish joint venture with Dana and Volvo Car Corp.

GKN acquired the units for a reported \$480 million. The deal is expected to close in September.

The acquired business units had combined revenue of roughly \$618 million in 2010.

GKN's business is predominantly based in Asia, and

See This Just In, Page 2

Questions dog Detroit Works plan

Advocates want to see long-term strategy

BY NANCY KAFFER
CRAIN'S DETROIT BUSINESS

The Detroit Works Project, Detroit Mayor Dave Bing's signature policy initiative, has been touted as a plan to make the city more functional by consolidating residents in seven to nine of Detroit's most viable neighborhoods.

What the mayor described last week was

something different.

As Bing unveiled the first phase of the project, he offered not a long-term plan but a short-term solution that aims to make life better for Detroiters by changing the way city services are delivered according to neighborhood conditions — while concentrating outside dollars in three demonstration areas.

And community development advocates are

still waiting for more details about how Bing will roll out the plan.

In the months ahead, Bing must juggle several tasks: implement the short-term plan while continuing to develop a long-term plan, appropriately handle foundation dollars and federal funds targeted in demonstration areas, forge relationships with community development advocates already working in the city and continue developing a long-term plan that

See Detroit Works, Page 19



GLENN TRIEST

All paths to Detroit Mayor Dave Bing lead first to his chief of staff, Kirk Lewis.

From exile to gatekeeper

Lewis back on the team, at his familiar position: Bing's right hand

BY NANCY KAFFER
CRAIN'S DETROIT BUSINESS

Dave Bing and Kirk Lewis are on a winning streak.

Every week, the mayor and his chief of staff play tennis with City Hall veteran Charlie Beckham and former Detroit Lions cornerback Lem Barney, a Hall of Famer like Bing. And for the past three weeks, Bing and Lewis have been prevailing.

Over the years, the men have met to play at the Eastside Tennis and Fitness Club, at the courts on Belle Isle when the weather is nice, or sometimes at the Fairlane Club in Dearborn.

The game, like the friendship, is longstanding. So enduring that when Bing fired Lewis for three months this spring, the tennis game

— and the friendship — continued.

"I mean, I may not have spoken to him, he may not have spoken to me (at the first post-departure match), but it's like anything in your family. You may disagree with folks, but you're family," Lewis said.

Bing welcomed Lewis back into the fold as chief of staff during a tumultuous week in mid-June that saw the firing of former Chief Communications Officer Karen Dumas and the resignation of then-Chief of Staff Shannon Holmes.

And thanks to an organizational restructuring completed last week, Lewis, 51, is once again Bing's right hand, the go-to guy for city operations and the only direct report to the mayor, overseeing every major department,

See Lewis, Page 20

AutoHarvest: Marketplace for car tech

Planned website to link IP providers, customers

BY TOM HENDERSON
CRAIN'S DETROIT BUSINESS

Dave Cole, the former chairman of the Center for Automotive Research, and Jayson Pankin, a former Delphi Holdings LLP executive, have formed the AutoHarvest Foundation, a non-profit to help automakers, auto suppliers and universities market and license their intellectual property through a website it hopes to launch in its final form next year.

Those entities have patents and other intellectual property they would like to commercialize, and they are sure there are potential customers or partners who would be interested. But until now, they have had no easy clearinghouse for finding them.

Potentially at stake, say the foundation's founders and industry supporters, are billions of dollars in revenue and a broad shift in how companies and entrepreneurs share technology to create products and profits.

"The auto industry has a lot of knowledge to share. There's a tremendous amount of intellectual property that hasn't been tapped," said



Cole



Pankin



Introducing the Business Side of Best Buy

BestBuy.com/business **FOR BUSINESS**

© 2011 BBY Solutions, Inc. All Rights Reserved. BBY11007

AutoHarvest: Marketplace for automotive tech

From Page 1

Cole, AutoHarvest's chairman. He retired from CAR late last year.

"There has been a huge gap in getting IP to people and companies who can commercialize it. We didn't have a way to connect people effectively. But now, social media tools and computing tools make it a lot easier," he said. "This can be very powerful in helping Michigan and the auto industry. It can be a game-changer."

"AutoHarvest represents a rare opportunity to change the auto industry for the better and really help Ford in the process," said William Coughlin, president and CEO of Ford Global Technologies LLC, the business unit of Ford Motor Co. that manages its IP. He is chairman of AutoHarvest's advisory board.

"With AutoHarvest, there is an opportunity for automakers, suppliers, universities, national labs and even user innovators to reach out in a much broader way than ever before to discover buying, selling and collaborating opportunities.

"If we do this right, we will greatly accelerate and foster the technology exchange process through transparency, standardized agreements, clever programming and a thriving online community of innovators and players," he said.

AutoHarvest, a 501(c)(3), was granted nonprofit status by the IRS last December and is headquartered in a small office on the fifth floor of Detroit's TechTown incubator. It also has space in the University of Michigan's North Campus Research Complex in Ann Arbor.

The plan is to have members showcase their technologies and patents online, for possible licensing deals or joint ventures with companies and entrepreneurs.

The foundation has received a \$300,000 grant from the Mott Founda-

tion to launch operations and begin building a rudimentary alpha version of a website. It is seeking support from other foundations for the build-out of the extremely robust website its founders envision.

Already pledging support, and in some cases up-front cash, are more than 60 organizations, including Ford; Chrysler Group LLC; General Motors Co.; Ohio State University; Kettering University; Visteon Corp.; Delphi; 3M Corp.; TARDEC; Sandia National Laboratories in Albuquerque, N.M.; Michigan State University; Wayne State University; NextEnergy; and Automation Alley.

AutoHarvest is also the subcontractor on a \$50,000 grant to MSU from the Michigan Initiative for Innovation and Entrepreneurship, a consortium of all public universities in the state. Business Connect, an MSU program that seeks to increase collaboration with the private sector, is administering the grant.

Pankin — who was new-venture specialist at Delphi Technologies Inc., a wholly owned subsidiary of Delphi that licensed out its intellectual property — is president and CEO. Eric Stief, the former director of venture development in the Technology Commercialization Office at WSU, is senior vice president.

At Delphi Technologies, Pankin helped spin out two companies, SpaceForm Inc., a welding-technology company, in 2006, and Monarch Antenna Inc. in 2007. Monarch's technology improves wireless communications for laptops and other devices.

"This is going to drive innovation," said Pankin. "What's been missing when it comes to sharing or finding intellectual property is a central marketplace that hooks up buyers and sellers."

Sandy Baruah, president and

CEO of the Detroit Regional Chamber, said the chamber supports AutoHarvest's pending application for funding from the New Economy Initiative and will help it with other potential funding sources.



Baruah

"We're fully on board with AutoHarvest. Jayson and Dave came to us almost a year ago, and we signed on as supporters. We are working together, joined at the hip," he said.

"We as a state have to stop looking at the auto industry as a dying and declining industry. The auto industry is the most technological industry on the planet. There's a stunning potential for diversification, and the key part of that is commercializing its intellectual property."

Leslie Smith, general manager at TechTown, is also helping AutoHarvest find funding sources.

AutoHarvest likely will have space in the new tech showcase Ford Motor Land Development Co. will open in Allen Park this fall. That building, at 800 Republic Drive, will house TechShop, a 15,000-square-foot, do-it-yourself fabrication facility studio scheduled to open Nov. 18. Members will pay a monthly fee for access to tools for working with plastics, metal and wood.

The rest of the 38,000-square-foot building will offer conference rooms and space for Ford and area companies and universities to showcase their technology. Pankin said about a dozen organizations he does not have permission to name have contributed money toward AutoHarvest's launch. Ford and Ohio State con-

firmed they were among the contributors.

Giorgio Rizzoni, a professor in the department of mechanical and aerospace engineering and the department of electrical and computer engineering, said he wants Ohio State to be one of the first to showcase its IP as the alpha version of the AutoHarvest website is built.

"One of the big difficulties for us is we have IP that can be commercialized. But how do you do that? Who are the takers? We're always looking for partners, but you don't know who out there might be interested. This will help us reach a global market," he said.

"This is marketing tool that allows people to say, 'I have this technology I'm ready to license.' Or, 'I'm missing a piece of technology, can you help?' Through AutoHarvest, you can find the bits and pieces of technology you need."

AutoHarvest has had talks with Covisint, a subsidiary of Detroit-based Compuware Corp., about building and hosting the final version of its site. A beta version of the site is expected to be operational later this year.

Covisint was founded in 2000 by Detroit automakers as an online purchasing exchange. It was sold to Compuware in 2004 and has thrived since as a secure Web-based exchange of data for large companies, government business units and health care organizations.

"Covisint has done such a great job of enabling just-in-time capability that it's a natural to apply their lessons learned for the supply chain to open innovation," said Pankin.

Tom Henderson: (313) 446-0337, thenderson@crain.com. Twitter: @tomhenderson2

Rail: Suburbs study expansion north of Eight Mile

From Page 3

aimed at bolstering Woodward Avenue organized the "Transform Woodward" Transit-Oriented Development Task Force in September 2010, and the plan is expected to be completed by September.



Carmona

LSL, which has a Royal Oak office, will create a "framework" plan for Woodward from Ferndale to Birmingham that will include a model transit zoning ordinance, development strategies and concept plans, she said.

The remainder of the grant will be used for initial data collection, outreach and communication.

The communities have different zoning for their respective portions of Woodward — some are blends of retail and residential, while others are purely commercial — and the study will be used in efforts to align rezoning that maximizes economic development along the corridor.

"Until now, there hasn't been consensus among these communities on what they envision for transit and how (transit-oriented development) factors into that,"

Carmona said. "Cities plan in isolation. Now they're looking at their shared borders and how that impacts the whole on Woodward in Oakland County."

Also on the task force are representatives from the SMART bus system, Southeast Michigan Council of Governments, Michigan Suburbs Alliance, Detroit Zoo and Beaumont Hospital.

Transit-oriented development is typically part of new commuter rail projects.

Installation of a rail transit line typically creates \$4 to \$8 in new economic development activity in that corridor for every \$1 spent on the line, transit insiders say.

The Federal Transit Administration — the agency that provides much of the federal capital funding for new mass transit projects — defines transit-oriented development as "compact, mixed-use development within walking distance of public transportation."

The FTA can provide funding for transit-oriented development activities such as real estate acquisition, demolition, site preparation, utilities, parking and improvements for pedestrians and bicycles.

The Detroit Department of Transportation's \$528 million plan is a

nine-mile line from downtown Detroit to the city limits at Eight Mile Road. The Woodward task force has met with DDOT and its hired planners to discuss the status of the city's project.

"The task force is interested in aligning the work they're doing now (with LSL) with (DDOT) and keeping communication open," Carmona said.

The city project is being financed by a mixture of public and private money, and construction (pending approval of federal aid) is expected to begin next spring.

Some of Detroit's most prominent business leaders, companies and organizations have pledged \$100 million toward the rail effort — something the private sector hasn't done in Oakland County.

And politically, there is some skepticism from Oakland County's dominant political force, Executive L. Brooks Patterson. He's said he's supportive of regional mass transit, but noted that there is no consensus on funding.

"I'm going to be a hard sell," he said. "I'm not going to block it. I don't have the ability to block it. Some serious research has to be done on where it goes and who pays for it. Right now, none of that

is happening."

There also is a need for a regional transit authority to govern a multicounty system, and providing funding through some mechanism — probably a regional tax. Efforts to create a regional transit authority have stalled over disagreement on funding-split formulas between the city and suburbs.

Capital costs are a major factor for extending the line into Oakland County.

Traffic improvements to Woodward made by the Michigan Department of Transportation north of the city limits make it more costly to build a rail line there — perhaps up to \$500 million to extend the line to 11 Mile Road.

"It could be a very expensive extension to advance north of Eight Mile," said Mark Ryan, a vice president with San Francisco-based engineering firm URS Corp., in a previous interview with Crain's. The firm, which has a Detroit office, has been contracted by the city to handle the preliminary engineering for the rail line and also prepare the funding application for federal transit money.

Bill Shea: (313) 446-1626, bshea@crain.com. Twitter: @bill_shea19

CRAIN'S DETROIT BUSINESS

www.craindetroit.com

EDITOR-IN-CHIEF Keith E. Crain
PUBLISHER Mary Kramer, (313) 446-0399 or mikramer@crain.com
EXECUTIVE EDITOR Cindy Goodaker, (313) 446-0460 or cgoodaker@crain.com
DEPUTY MANAGING EDITOR Jennette Smith, (313) 446-1622 or jsmith@crain.com
SENIOR EDITOR Bob Allen, (313) 446-0344 or ballen@crain.com
WEST MICHIGAN EDITOR Matt Gyczan, (616) 916-8158 or mgyczan@crain.com
COPY DESK CHIEF Gary Piatek, (313) 446-0357 or gpiatek@crain.com
ASSISTANT NEWS EDITOR Jeff Johnston, (313) 446-1608 or johnston@crain.com
DATA EDITOR Brianna Reilly, (313) 446-0416, breilly@crain.com
WEB DEVELOPER Steve Williams, (313) 446-6059, swilliams@crain.com
WEB EDITOR Gary Anglebrandt, (313) 446-1621, ganglebrandt@crain.com
EDITORIAL SUPPORT Robertta Reiff (313) 446-0419, Yahnica Crawford, (313) 446-0329
NEWSROOM (313) 446-0329, FAX (313) 446-1687 TYP LINE (313) 446-6766

REPORTERS
Daniel Duggan, senior reporter: Covers retail, real estate and hospitality. (313) 446-0414 or dduggan@crain.com
Jay Greene, senior reporter: Covers health care, insurance and the environment. (313) 446-0325 or jgreene@crain.com
Chad Halcom: Covers law, non-automotive manufacturing, defense contracting and Oakland and Macomb counties. (313) 446-6796 or chalcom@crain.com
Tom Henderson: Covers banking, finance, technology and biotechnology. (313) 446-0337 or thenderson@crain.com
Nancy Kaffer: Covers small business, the city of Detroit, Wayne County government. (313) 446-0412 or nkaffer@crain.com
Bill Shea, enterprise editor: Covers media, advertising and marketing, the business of sports, and transportation. (313) 446-1626 or bshea@crain.com
Nathan Skid: Multimedia reporter. Also covers the food industry and entertainment. (313) 446-1654, nskid@crain.com
Sherri Welch: Covers nonprofits and services. (313) 446-1694 or swelch@crain.com
Dustin Walsh: Covers auto suppliers, steel, high ground and Livingston and Washtenaw counties. (313) 446-6042 or dwalsh@crain.com

ADVERTISING
ADVERTISING DIRECTOR Maria Wise, (313) 446-6035 or mwise@crain.com
SALES INQUIRIES: (313) 446-6052; FAX (313) 393-0997
ADVERTISING SALES Christine Galasso, Matthew J. Langan, Lori Tournay Liggett, Tamara Rokowski, Cheryl Rothe, Dale Smolinski
CLASSIFIED SALES (313) 446-0351
MARKETING MANAGER Irma Clark
EVENTS DIRECTOR Nicole LaPointe
MARKETING ARTIST Sylvia Kolaski
SALES SUPPORT Suzanne Janik, Yahnica Crawford
AUDIENCE DEVELOPMENT MANAGER Candice Yopp
MARKETING COORDINATOR Jenny Griffith
PRODUCTION MANAGER Wendy Kobylarz
PRODUCTION SUPERVISOR Larry Williams

CUSTOMER SERVICE
MAIN NUMBER: Call (877) 824-9374 or write customerservice@craindetroit.com
SUBSCRIPTIONS \$59 one year, \$98 two years. Out of state, \$79 one year, \$138 for two years. Outside U.S.A., add \$48 per year to out-of-state rate for surface mail. Call (313) 446-0450 or (877) 824-9374.
SINGLE COPIES: (877) 824-9374.
REPRINTS: (800) 290-5460, ext. 125; (717) 505-9701, ext. 136; or rosie.hassel@theygsgroup.com.
TO FIND A DATE OR STORY WAS PUBLISHED: (313) 446-0387 or email dtinfo@crain.com.

CRAIN'S DETROIT BUSINESS IS PUBLISHED BY CRAIN COMMUNICATIONS INC.
CHAIRMAN Keith E. Crain
PRESIDENT Rance Crain
SECRETARY Merrilee Crain
TREASURER Mary Kay Crain
Executive Vice President/Operations William A. Morrow
Group Vice President/Technology, Manufacturing, Circulation Robert C. Adams
Vice President/Production & Manufacturing Dave Kamis
Chief Information Officer Paul Dalpiaz
Director of Audience Development Operations Michelle Roth
G.D. Crain Jr. Founder (1885-1973)
Mrs. G.D. Crain Jr. Chairman (1911-1996)
EDITORIAL & BUSINESS OFFICES: 1195 Grotiot Ave., Detroit MI 48207-2732; (313) 446-6000
Cable address: TWX 248-221-5122 AUTNEW DET
CRAIN'S DETROIT BUSINESS ISSN # 0882-1992 is published weekly, except for a special issue the third week of January, a special issue the fourth week of August, and no issue the third week of December by Crain Communications Inc. at 1195 Grotiot Ave., Detroit MI 48207-2732. Periodicals postage paid at Detroit, MI and additional mailing offices. POSTMASTER: Send address changes to CRAIN'S DETROIT BUSINESS, Circulation Department, P.O. Box 07925, Detroit, MI 48207-9732. GST # 136760444. Printed in U.S.A.
 Entire contents copyright 2011 by Crain Communications Inc. All rights reserved. Reproduction or use of editorial content in any manner without permission is strictly prohibited.