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JANUARY 5 – 11, 2009

\$2 a copy; \$59 a year

# Novi's biz growth beats odds

*Location, state tax breaks spur an uptick*

BY CHAD HALCOM

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For a community far flung from the urban center, Novi has done better than the odds might call for in commercial growth and economic attraction.

In assessment numbers to be finalized later this month, city officials currently expect Novi's non-residential property valuation for 2009 to increase by at least \$50 million above the January 2008 valuation of \$1.34 billion, said City Man-

ager Clay Pearson. The total property tax base is roughly \$3.6 billion, in a city that's more than 60 percent residential.

"We're thinking about an even \$1.4 (billion)," he said. "And much of that is new business. It's not as much as we've added in some previous years, but it's one of the stronger results you'll see with all that's going on in the whole region, and the larger economy."

The increased tax base does not include the \$229 million **Providence Park Hospital**, which Warren-based

**St. John Health** opened in September and which pays no local property taxes to Novi as a nonprofit corporation. But Pearson credits Providence Park for attracting new medical office space and the 108-room **Staybridge Suites Hotel**, which opened across Grand River Avenue from the Providence medical campus in February.

The city hosts more than 1,600 businesses, an estimated increase of 2 percent to 3 percent over a year ago, according to Novi Economic Development Manager Ara

Topouzian.

Topouzian will give a report to the City Council tonight on Novi's progress toward its economic-development goals.

"It seems to be holding pretty steady," he said. "We're seeing new retail, but that's mostly part of a steady turnover in retail that's going on in many places, with just a little growth in other areas."

Matthew Sosin, president of Farmington Hills-based **Northern Equities Group**, said the company's 400 or so acres in Novi's Haggerty Corridor Corporate Park is proba-

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bly the company's single most successful property in the region.

The 1.5 million square feet of office park space developed thus far was at roughly 94 percent occupancy late in the year, he said. New tenants in 2008 in Sosin's properties included **The Art Institute of Michigan** with 35,000 square feet of space, and 50,000 square feet for **Harman Becker Automotive Systems**, in one of six economic-attraction deals approved for Novi in 2008 by the **Michigan Economic Growth Authority**.

"I think the appeal is it's a kind

of geographic center for the Detroit area and (other outstate) communities," he said. "There's a lot of retail and rental, and it's really not in the back yard of any one of the Big Three, so it's a bit more independent. And it seems to attract a lot of outside automotive research and development companies and new technology."

Novi's six state-approved tax-incentive packages, expected to generate a total of \$110.9 million in private business investment, puts it in a three-way tie for most Oakland County deals, with Troy at six

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deals for \$73.85 million and Auburn Hills at six deals for \$77.1 million. A seventh state-incentives

package was approved for \$320 million for the proposed **Pavilions of Troy**, but that project awaits the outcome of other state-incentive requests.

Elsewhere in Southeast Michigan, only Detroit and Ann Arbor attracted more 2008 economic-development incentives, at 12 and 11 respectively, among 79 total deals in five counties.

And Novi went on to lose one of its six gains — a June deal for **Brembo North America** to invest \$47 million and consolidate its headquarters. A California-based auto

supplier and subsidiary of Bergamo, Italy-based **Brembo S.p.A.**, the company announced in November it would instead move its headquarters, research and development into **MetroWest Technology Park** in Plymouth by mid-2009.

Pearson and Topouzian both said the city is known for being tougher than its neighbors about allowing for local property-tax abatements as a tool to retain jobs or to assist in state economic-attraction packages. But for the most part, that has not offset its more appealing attributes.

"We do have a property-tax abatement policy, but it's more stringent than many others," Pearson said. "For one thing, as a city you don't want to cut your own future income by delving too far into that. For another, there are training grants and other forms of assistance to offer that can be more tailored to a company's specific needs."

Christopher Quinn, founder and president of intellectual-property law firm **Quinn Law Group P.L.L.C.**, said he founded the firm in Novi in 2002 primarily because he was a city resident, but he is now ideally located for easy access to innovation companies in the Ann Arbor area and Oakland County.

From a sole practitioner firm six years ago, the company had grown to 11 lawyers in January. Quinn said it had a staff of 18 at year's end.

"Like many firms in this field, I'm doing my best to diversify out of state — I just came from California and will go to Boston next week," he said. "But Novi is just a great location for getting quickly to the airport, the University (of Michigan), to Troy, wherever."

"Not more than a handful of my clients are in the city, but I'm near almost everyone."

**Chad Halcom: (313) 446-6796, chalcom@crain.com**



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