

Old Madison Electric building fills children's recreation niche

BY PAULA GARDNER

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A new recreation facility is taking shape on Jackson Road, filling a former industrial building with tenants that offer children's activities.

Miniature golf, gymnastics, dance instruction and a drop-in play place are the new functions at the former Madison Electric Building, located just east of Sesi Volvo in Scio Township.

The co-tenancy combines to create a recreation-centered niche for the building that is proving to be a powerful-enough draw that the owner is considering new construction that could add 70,000 square feet of space to the 31,000 square feet that is nearly 100 percent leased.

The buyer, Jackson Madison LLC, acquired the existing building as part of the purchase that was finalized in the fall. The deal includes vacant land, with the parcel totaling 11 acres.

The zoning is C-4, which allows recreation use. So keeping the structure on the property and finding allowed uses for it that made the deal viable was key to the deal, since buyers seeking to build a retail strip would have needed to gain township rezoning, said listing broker Bela Sipos.

Eventually, the potential to create recreation destination emerged, as the tenant mix gelled over recent months.

"It's going to be a very attractive center that appeals to younger families," said Bill Conlin, Ann Arbor developer and the new owner. "That's what we're looking for."

The new tenants include Jungle Java, a drop-in play space that is expanding from sites in Farmington Hills and Canton (*Business Review*, Nov. 16-22, 2006).

Also moving into the building is:

- **Putt & Glow**, an indoor miniature golf facility.

- **Michigan Academy of Gymnastics**, which will move from a nearby facility on Aprill Drive.



Left to right, John Evans, Karen Bentley and Bart Wise of Swisher Commercial.

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- **Sylvia Studio of Dance**, which will move from East Liberty Street in downtown Ann Arbor.

Pulling together the potential for the uses was partly creative problem-solving and partly market circumstance, said co-listing broker Bart Wise of Swisher Commercial.

"We had a situation where we saw the potential under the zoning, but the market drove the use," Wise said. "We had some other parties that showed some preliminary interest, but they didn't fit together quite as cleanly."

Sticking to the recreation theme has resulted in a unique offering, Wise said. Other recreation facilities tend to be large standalone buildings, or they're smaller tenants in retail centers that may have nearby businesses that don't mesh and parking lots that have unpredictable traffic patterns.

Improvements have begun on the building, both for the suite buildouts

and exterior upgrades that will elevate the appearance, Wise said.

Many of the deals were long-term, said co-listing broker John Evans of Swisher, and they all were finalized within the past month or so. Asking rental rates were \$9 to \$12 per square foot.

The brokers noticed "we were getting a huge response to the building," Wise said.

And despite the overall commercial real estate market, which has been defined over the past year by higher vacancy rates and caution on the part of tenants, the leasing pace on this property was fast.

"We think it's a reflection of their customers being stable and committed," Wise said. "I think it's very interesting that parents are going to spend their money (on these businesses) even in difficult times."

Added Evans: "The parents will cut other costs, but keep their kids'

activities."

The building has about 2,000 square feet available, Evans said, and two potential tenants are emerging. Both options would be fast-foot outlets, a function that is complementary to the family friendly concept, the brokers said.

The asking price was \$6.5 million, Sipos said. The seller was an entity related to Gordon Cadillac Saab, which had planned to move its dealership from Washtenaw Avenue to the Madison Electric site, but was unable to secure township approvals on its timetable. That dealership was sold in summer 2005 to The Suburban Collection, which now operates as Suburban Chevrolet Cadillac Saab Hummer at Jackson and Wagner roads.

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