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Packard Street business district gains 2 new tenants amid changes to corridor

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Improvements to the parking lot at the old Hollywood Video store on Packard Street were underway Tuesday in preparation for new tenant Bgreen, a locally owned green construction materials company. Photo by Dan Meisler.

Two new businesses are planning to open on Packard Street south of East Stadium Boulevard, providing a continuing wave of activity in what has been one of the more stable commercial real estate areas in Ann Arbor.

Despite some recent [closings](#) and proximity to the shuttered [Georgetown Mall](#) the corridor has been home to some longtime staples of the local business community like Dairy Queen, Fraser's Pub, Lou's Wolverine Transmission and the high-end Morgan & York food store, formerly Big Ten.

Now, [BGreen](#), a locally owned company that sells environmentally friendly construction materials will occupy the space that formerly housed Hollywood Video, and a medical marijuana dispensary is renovating the building that was previously occupied by the Aqua Tec pond supply retailer.

They are joining some other relatively new businesses in the area: [Liberty Title](#), which [purchased](#) a former bank building for a new branch office last year; [Cake Nouveau](#) which [moved](#) from downtown this spring; and a new nursery called Morty's Secret Garden next to Morgan & York.

Tenants, owners and brokers say a combination of relatively low rents compared to downtown and higher profile commercial centers, a stable surrounding neighborhood and a good deal of traffic have made the area an attractive commercial real estate destination.

Daniel Stephens, co-owner of Bgreen along with his wife, Delphine, said he needed a retail location with greater visibility than his current store on South Industrial. The Hollywood Video site also provides enough space to consolidate the company's warehouse -- currently at State and Ellsworth -- into one place.

He added that the stability of the neighborhood and the longtime businesses on Packard were pluses as well.

"The cornerstones are pretty stable," he said.

Stephens, who formerly operated the Ethnic Creation stores in Ann Arbor, said his goal is to boost the retail side of Bgreen's business, which also has a wholesale, business-to-business component with clients including the University of Michigan Hospital System cafeteria.

"The key is to get exposure on Packard," he said.

The larger space will also allow Bgreen to show more extensive displays of its materials like flooring and paint, Stephens said, and expand its product lines.

The expansion will almost double the company's footprint, from a combined 4,500 square feet to 7,500 at the old video store at 2111 Packard. Stephens said he signed a five-year

lease with two five-year extension options. Bart Wise of Swisher Commercial helped broker the deal.

"From my perspective, the tenant saw the value of the 'neighborhood center' characteristic as opposed to the 'high profile freeway interchange retail strip,'" Wise said. "The tenant is going to get a very visible, high profile suite with about 100 feet of frontage and relatively low rental rate. The landlord, with a long-term tenant in hand, is making improvements to the site including new parking lot and refurbishing the facade."

At 1818 Packard, the former Aqua Tec store is undergoing extensive renovations to become a medical marijuana dispensary. The Chicago-based proprietor would not comment for this article. Property owner Derrick Oxender also said he was under legal constraints, contained in the lease agreement, not to disclose any information on the business.

But he did say the company had invested \$80,000 in the property and signed a long-term lease.

City permit records show that the tenant, who Oxender said wanted to buy the building outright, has reworked the existing sewer and drain pipes under a bathroom, improved the duct and electrical systems, resingled the roof, and repaired a damaged fence.

Oxender said it was harder than he had thought to find a tenant for the building, but agreed that the combination of relatively low rents and high traffic made the area attractive.

"It was always a real solid, stable neighborhood," he said.

[Dan Meisler](#) is a freelance reporter.