

CRAIN'S DETROIT BUSINESS

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EAST JEFFERSON'S NEW DIRECTION

Years of effort pay off as small businesses grow in Detroit corridor

By **Marti Benedetti**



Photo by Chris Ehrmann The intersection of Jefferson Avenue and Chalmers Street is part of Detroit's East Jefferson corridor, which is benefiting from an ongoing redevelopment effort.

A force she can't quite explain is responsible for Keasha Rigsby locating her upscale bridal salon in an 1889 mansion in Detroit's East Jefferson Avenue corridor.

"It was meant to be. Every time I drove by this mansion, something was pulling me there," said the co-owner of **Beautiful Bridal with Keasha**.

She and co-owner Vallery Hyduk moved to Detroit from New York earlier this year after starring in the **TLC** reality show "Say Yes to the Dress" and hosting "Keasha's Perfect Dress" on **TV One** last summer. Earlier this year, the partners were the recipients of a \$50,000 Motor City Match grant.



Photo by Beautiful Bridal by Keasha TV fashion star Keasha Rigsby co-owns a recently opened upscale bridal salon that is among the new businesses along the Jefferson corridor.

Beautiful Bridal, along with a new Caribbean restaurant, a Christian yoga center, women's clothing boutiques, a casual branded clothing store, a used record store, and a coffee shop and bakery, are a few of the more recent businesses that have planted roots along the eight miles between downtown Detroit and Grosse Pointe Park.

Josh Elling, executive director of **Jefferson East Inc.**, which promotes neighborhood redevelopment, said more than 20 years of efforts to revitalize the East Jefferson Avenue corridor on the city's east side have been paying dividends in recent months. "Over the last two years, the amount of interest we've seen in Jefferson Avenue has been astounding," he said.

Since 2009, \$1 billion has been invested in the five neighborhoods from Alter Road to downtown along East Jefferson, Elling said, adding that \$540 million of that went to improvements to the giant **FCA US** plant. Within the last year, seven new businesses have opened in the Jefferson-Chalmers neighborhood in the corridor. Since 2007, JEI's budget has climbed from \$140,000 to more than \$1 million.

"This is one of those areas that continues to grow, but is growing quietly," Elling said, adding that the city and mayor's office have been "very supportive of development deep within the city's neighborhoods."

JEI has its offices in an old bank building in Jefferson-Chalmers. Elling said Lester Gouvia will open a high-end Caribbean restaurant called **Norma G's Caribbean Cuisine** in the JEI building. The area's first sit-down restaurant in decades also will serve as a home base for Gouvia's popular food truck. Named after his mother, Norma G's will offer entrees that hail from Gouvia's Trinidad birthplace.

"Mr. Gouvia's passion for food and his desire to be a community anchor in the Jefferson-Chalmers neighborhood is one of the most exciting things I have witnessed during my entire tenure here at Jefferson East," Elling said.

"With Norma G's, we are able to provide that desperately needed community spot that allows long-term Detroiters to walk to a great meal from their homes."



Photo by Courtesy of Lester Gouvia Lester Gouvia: Set to open Caribbean eatery.

Construction is expected to begin in the fall, Gouvia said.

The 14,000-square-foot 14700 Jefferson building, on the first block of Jefferson-Chalmers that borders Grosse Pointe Park, was purchased in May 2015 and is being rehabbed by restaurant owner Jessica Caizza, who owns real estate development company **Jeff14700 LLC**. She said the building and improvements will total more than \$1 million.

The second floor of the building was gutted and will become a shared workspace, and retail on the street level will continue to include institutions such as **Marshall's Bar** and **Moe's Bait Shop**, she said. "I feel the resurgence of (downtown) Detroit, but I see the need to work on improving the bookends. I bought the building because I want to give more walkable retail to the people who live there. My building is (part) of bridging the two communities (Detroit and Grosse Pointe Park)."

JEI, formerly called the Jefferson East Business Association and founded in 1994, plans to move into the back of the former Kresge building at the corner of Lakewood Street and Jefferson. Four thousand square feet in the front of the building will be leased. JEI's offices will temporarily locate to a space near the intersection of Jefferson and Chalmers Street, while its old headquarters is being converted to Gouvia's restaurant.

Elling said the resurgence of downtown, combined with business-supporting organizations such as **TechTown Detroit** and **Motor City Match**, has had a positive impact on East Jefferson.

"Where you have a walkable area, people are gravitating there," he said, adding that would include The Villages, parts of **Rivertown** near downtown and Jefferson-Chalmers. Those neighborhoods are three of the five on or near East Jefferson. The others are the Marina District and Lafayette Park.

Elling said the refurbishing of a handful of large, old, empty buildings on East Jefferson is in the offing for the near future. One of those is the \$1 million redevelopment of the 12,000-square-foot, three-story St. Columba Parish building and the 7,000-square-foot church behind it on East Jefferson near Manistique Street. **Fox Creek Partners LLC**, a local investment group, purchased the buildings from the **Episcopal Diocese of Michigan**. The group stabilized the building and is beginning work on the upper floors and carving out storefronts for lease on the street level, said Kyle Hacias, co-managing member of Fox Creek Partners.

The ornate parish building was built between 1913 and 1922, and the church was built between 1913 and 1927, Hacias said.

Elling said it is too soon to disclose plans for the historic, long-vacant Vanity Ballroom building on East Jefferson at Lakewood Street or the empty, dilapidated block to the west of it, which is being held by the owner who is dealing with a longtime city nuisance-abatement suit.

Across the street from there, the historic building next to the **Perry Liquor** store will be renovated into the **Lakewood Century Apartments**.

The \$7 million project will include 35 apartment units with retail on the street level, said Dorayd (Ray) Bacall, owner of Detroit-based **Bacall Companies Inc.**, which is developing the apartments.

Meanwhile, two apartment buildings on Marlborough Street off Jefferson will be rehabbed into 19 units. "We are still finalizing financing on those," Elling said. "We want to make sure this is an inclusive neighborhood by providing (a percentage of affordable housing) so long-term residents can stay."

The multi-family housing projects, called the **Jefferson Chalmers Main Street Redevelopment Project**, will be redeveloped by JEI, **Shelbourne Development**, **Enterprise Community Partners** and the **Michigan State Housing Development Authority**. This year, JEI received a multiyear, \$825,000 grant from the Troy-based **Kresge Foundation** to help support the project.

Kathy Makino-Leipsitz, owner of Shelbourne Development, said the two 1920s Marlborough apartment buildings — the Marlborough and the IDEO — have been vacant and boarded for years. They will be gutted and turned into 11 and eight units, respectively. "We will preserve the exteriors of the beautiful brick structures," she said.



Photo by Chris Ehrmann Hello Again Records (left) is among the businesses that have opened this year on East Jefferson Avenue.

Since 2014, crime along the Jefferson corridor declined more than 31 percent. In 2015, there was a 38 percent drop in auto theft and a 22 percent reduction in robberies, according to JEI's "Safe Jefferson" program.

Of note is that the Jefferson-Chalmers street-scape improvements, which include a half-mile protected bike lane and a landscaped center island, will be extended all the way to East Grand Boulevard. The work for the extension will begin early next year and the city likely will tie in repaving and additional landscaped islands along Jefferson Avenue. "The mayor (Mike Duggan) likes islands," Elling said.

"People need a third place to go after home and work," he said, adding that Jefferson East keeps that in mind as it plans for new business. "We're also working on transit linkages that tie East Jefferson to downtown."

If given the go-ahead by voters, the **Regional Transit Authority** will step in to provide enhanced bus service; the city has already put efforts toward improved bus transit along the route.

The corridor has several retail strip centers, which were built about 15 years ago to revitalize the neighborhood. Before and during the Great Recession, the shopping centers struggled, resulting in high vacancy rates. In the past couple of years, new businesses have been slowly moving in. But, Elling said, the days of building suburban-style strip centers in the city are likely over. Duggan has emphasized a new vision that developers are embracing: for the city to offer the type of development the suburbs don't have.

Regina Ann Campbell, TechTown's managing director of place-based entrepreneurship, said that four years ago TechTown started the small-business support program SWOT (Strengths, Weaknesses, Opportunities and Threats). East Jefferson Avenue was one of four neighborhoods chosen. The other three are Brightmoor, Osborn and Grandmont-Rosedale.

"We were looking for neighborhoods that have a strong partner who invited us in," Campbell said. JEI's Elling filled the bill.

"The partner needs to understand what (businesses) and residents in the area want," she added.

Campbell has worked with Jefferson East to get the new businesses rolling. "We're very excited by the activity that has come from new and existing businesses along East Jefferson," she said.

She said of the four neighborhoods in the SWOT program, the area overseen by JEI, is making the most progress. "There's been a lot of investment, both economic and residential development. More people want to open businesses there. It's at a tipping point."

When asked why it has taken so long for East Jefferson to take off, Campbell said it took downtown's and Midtown's revitalization and Detroit riverfront's redevelopment "to spill over" to East Jefferson to make a difference.