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A photograph of a young man with dark hair, smiling broadly. He is wearing a green ribbed sweater and is sitting at a desk in what appears to be an office or computer lab. The background is slightly blurred, showing other desks and computer monitors under warm, yellowish lighting.

## Net Growth

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# Adventures *in* Space

Jacques Habra made the transition from cyberspace to real space, and emerged as an undisputed master of both.

By Tom Henderson

**W**hen Jacques Habra wanted to make a statement — both to potential clients and hard-to-find programmers and technicians — that his was one Internet-related business that was going to survive the crashing turmoil of 2000, he decided it was time to turn to bricks and mortar.

Or, more accurately, birch and stainless steel.

Habra, the 27-year-old founder and CEO of Web Elite, an Ann Arbor-based web designer for Fortune 500 companies, bought the old Ann Arbor 1 and 2 theater building on Fifth Street in downtown Ann Arbor, spent \$400,000 on an impressive buildout and doubled the space for his fast-growing firm.

"It has been a pivotal year in the Internet space," says Habra. "There were so many bankruptcies and layoffs and here we were putting out our own shingle and moving into our own building. It was a real morale booster.

"This was a serious investment in the community. It lends a lot of credibility both to clients and to people joining the team. We're a company that's going to survive dips in the economy and preserve. And this space" — he gestures around the spacious upper floor — "has encouraged talent to come here."

"This space" is an eye-catching 6,400 square feet. Last winter, when Habra's company was jammed into 1,400

wanted our space to be a major catalyst," he says.

Then late last winter, Ann Arbor developer Ed Shaffran showed him the old theater building, which he owned. It had been in use until a few months before and was in good repair.

"Ed, this is our space!" Habra told him. The lack of a second floor was a plus, not a minus. Habra could build it out as he — or his architect, Michael Corby of Grand Rapids — saw fit.

Shaffran and Habra had a deal by early May and construction — Shaffran acted as construction manager, too — began immediately. By July 31, Web Elite was up and running in its new headquarters. Three months seemed interminable to Habra, having grown accustomed to Internet time. He was a slow adapter to the sometimes slow-motion time of major construction projects.

"If I knew what I was getting into when I started this project, I never would have done it," says Habra, though the gleam in his eye and smile on his face as he takes a visitor on a tour says just the opposite: He is proud of his building and happy to be there.

"If you have a perfectionist attitude, you better not get into construction, because it's not a perfect science," he says. "Things go wrong. It's not like writing a perfect piece of code. No matter how much planning you do, things

**"If you have a perfectionist attitude, you'd better not get into construction, because it's not a perfect science,"**

square feet at the City Center Building nearby, with 20 employees sharing desks in shifts, the upper floor where he now stands mostly did not exist. There was a small projectionist room but mostly what a visitor sees now was just empty air in the theaters.

Habra had been looking for new digs for some time. He had a tentative deal to share a new building with another Ann Arbor business, but that deal soured. And, with downtown space next to impossible to find, he began looking at the outskirts of town and out by the airport.

"But nothing felt right. Those places didn't have the right energy. Our culture isn't just inside the walls but what's available within a short walk, too. To establish our culture, to drive it, we

pop up. Every day there's a new obstacle. Every day there's a reason why something will take another week — coordinating a plumber and an electrician at the same time, or it rained and you can't get up on the roof."

Having said that, he also says: "I appreciate the science behind what they did. I didn't understand it then, but now I really appreciate it. To create a space correctly is an art. It really is. It's not a commodity. If you think it is a commodity, you're probably sitting in a pretty dull space. Everybody who comes in this space — I tell them we built it in three months and they're shocked. They think it should have taken six months."

Before visitors even get into the office, they are greeted by a new building facade of stainless steel bolted into



"We're dotcom-ing  
the company  
that dotcoms  
the world."

place, something that had to be approved, in a bit of a surprise, by the Ann Arbor Historical Commission. Habra says the commission and other powers-that-be saw the approval as a way for Ann Arbor to signal a big welcome to the technology folks who had become such an integral part of the local economy.

Habra has certainly done his part to bolster that economy. His staffing grew 80 percent to 36 in a year when most dot-com related businesses considered it a success if they could just get the fires out. Revenues grew well past expectations. He'd done \$1.2 million in 1999 and had projected sales of \$3 million in 2000. They hit closer to \$3.9 million, thanks to landing a very nice new account with General Motors, helping design and run its web-based Customer Relationship Management tools, such as customer-satisfaction surveys. Other new accounts included J. Walter Thompson, the ad agency, and Marsh McClellan, a major insurance broker in New York.

For 2001, Habra figures on growing to 55 or so in his Ann Arbor office and from five to 10 at his New York office and from three to 10 at his San Francisco office.

Since he figures his second-floor space can handle about 55, he'll have need for his ground-floor space in 2002. DTE Energy currently uses it, having just begun a nine-month lease while it awaits a buildout of permanent space nearby.

Upstairs, visitors are greeted by old and new. Industrial steel flooring in the receptionist area gives a sense of solidity; just behind the receptionist, a small-glass room housing the servers and high-tech equipment that runs Web Elite's operations quickly says this is a 21st Century operation, too.

"Usually people hid this stuff in a back closet. We wanted to show it off," says Habra.

Glass, stainless steel, acrylic, birch — old and new materials have been melded by Corby into exactly the feel Habra wanted — old world strength, new world ideas. There is no drywall, no suspended ceilings, no Dilbert cubicles.

The conference room is near the front, by Habra's small office. It has a long conference table that was specially designed and built. It has a glass top with steel supports and steel rods running underneath the glass to look like a circuit board. There are 12 Ethernet connections built into the table as well. Naked, thick birch wood is bolted on

the walls to stainless steel.

The entire back of the floor is wide open, to encourage the kind of collaboration and teamwork needed in high-end web design, with comfortable couches in the corner that invite a bit of relaxation, and also serve as a brainstorming area. Specially designed rolling, curved whiteboards can be pulled over to the couches. Ideas and schematics can be written or sketched. Then, after the conference, individual designers can roll the boards back to their desks if they need to work off the content.

Even the tiny kitchen in a corner of the designers' area has special design touches. One of the steel beams that was used to hold the theater marquee now sits on end and holds up the high, small oval table that workers can gather around to drink coffee or share a bite to eat.

"It all came together," says Habra of the space around him. "It feels industrial, but at the same time it's classy and creative."

The stainless steel facade going up over the old theater brought Habra to Ann Arbor's attention. The irony is that this young Midwestern entrepreneur with a small business was already on the national and international radar screen. When PBS superstar James Burke, who lives in London, or French-based magazine empire Hachette, publisher of *Elle*, *Woman's Day* and *Car and Driver*, needed web sites, they turned to Web Elite. As did Sun Microsystems, Hewlett-Packard and Wells Fargo, mammoth West Coast companies.

"Sun Microsystems can spit in any direction in San Francisco and find a company that fits our demographics. And they come to Ann Arbor for us," says Habra. "We're dotcom-ing the company that dotcoms the world."

All thanks to the worst day in Habra's life in the summer of 1996, when he got a phone message from a someone at Ford Motor in Dearborn telling him the company had decided to rescind its offer of a job as a computer programmer. "I was devastated," says Habra, who like other recent college graduates was looking forward to going from the semi-poverty of college life to the big bucks of the corporate world.

"I had just sold my old Toyota and was hours from signing a lease to a Ford Explorer. I had a lease on a new apartment in Dearborn and only had four days left on my Ann Arbor apartment,"

Space to page 10

"To establish our culture, to drive it, we wanted our space to be a major catalyst"

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says Habra. "I couldn't believe it. I just pretended I didn't get the message. I showed up at Ford anyway, and they told me to go home. It turns out that when they were checking references, someone told them I had this company I'd started that I was really passionate about, and they were afraid I'd just work there a little while and quit."

Instead of running Web Elite part-time, at nights and on weekends, Habra had no choice but to try it full-time. "It was a blessing in disguise," says Habra.

If Habra's building is an interesting amalgam of old and new, it serves as a metaphor for Habra, himself. Habra is a computer programmer who disdained computer-science courses while at the University of Michigan — "It was so cut and dried; I couldn't go at my own speed; it was take Computer Science I and then take Computer Science II and

so forth" — who graduated with a double major in English and philosophy and whose senior honors thesis analyzed how Kafka's characters, in Habra's words, "utilize and demonstrate Sartre's philosophical tenets. I did one thesis to fulfill both disciplines, hence the combination of philosophical and literal analysis."

He was born in Lebanon, he lived in Brussels from the time he was two till he was eight, then spent a year in Greece before finally moving to the U.S., and Kalamazoo, as a nine-year-old in 1981. Though he'd been a philosophy and English major, while at U-M, Habra had taught himself everything he could about computers. He worked his way through school in a variety of computer-related jobs on or around campus — as a computer consultant in the Executive Education Center, where he debugged code, designed software and eventually managed some 100 employees; as Chief

Information Officer of Branch Information Services (at the age of 20) and as a consultant for Wolverine Access, a web-based system for students wanting to access grades or reports.

While working for the university in 1995, he and other techies would surf the Web "looking for cool sites." They found an Armani site, a rather plain, ordinary site. Word was it had cost \$500,000 to build. "I was floored," says Habra. "In no way was the site a technical marvel. I could have made it a marvel in 40 hours. So, I said, 'I'm going to create websites, and even if I do them for \$1,000, I'm going to be famous.'"

His first site was for Jaya Travel in Southfield. He got paid \$600, then turned around and subcontracted the work out to a friend for \$125. "I thought, 'I've found the secret of life.'"

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## Moves and Mergers



**Ann Arbor — WebElite has opened its doors and settled into new headquarters in what used to be the Ann Arbor Theater. Their new location is 210 S. Fifth Avenue, Ann Arbor, MI 48104. The company can be reached at (734) 998-1031.**