

Techno music fest aims for business, art fusion

BUSINESS STAGE

Dan Thomas



Movement 2008 – Detroit Electronic Music Festival, the international techno music event held annually at Hart Plaza in downtown Detroit on Memorial Day weekend since 2000, is back again May 24-26.

Although considered to be an artistic success, the festival has struggled financially and faced controversy since its inception. The promotion staff and the name of the festival have changed almost yearly. It has played host to a parade of music innovators and performers who, despite name recognition and plenty of club-cred, failed to make it profitable and sustainable.

Paxahau Productions of Ferndale initially sponsored just one stage during the 2005 festival, the year it was dubbed Fuse-In by then artistic director Kevin Saunderson. Paxahau took over the entire event in 2006, and has focused on merging the artistic and business sides into a cohesive event.

“The audience always came because they



The Detroit Electronic Music Festival last year. | COURTESY SCOTT SPELLMAN BAND

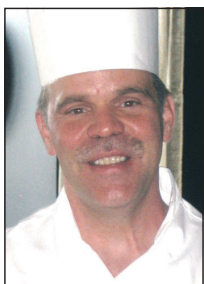
wanted to see the show,” says Jason Huvaere, Paxahau founder and president. “But there was always the question of: ‘Is it going to happen?’ The last few years we have stabilized the event.”

Paxahau has partnered with a core of local sponsors and regional vendors, including security, staging and concessions. It has secured national sponsors such as MySpace, Red Bull Music Academy and Scion. The

local infrastructure support, along with the exposure that comes with larger sponsors, is expected to improve the festival’s image

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Ask the Chef: Elegant atmosphere, ‘lighter’ cuisine of San Marino



CONOVER

Behind Troy’s San Marino Club sits Tre Monti, perhaps the only U.S. restaurant featuring cuisine from the tiny Republic of San Marino, the world’s oldest republic and the third-smallest state in Europe.

It’s not Italian cuisine, but it’s not far off, as San Marino is surrounded by Italy. “It’s lighter, cleaner, fresher cuisine,” said chef Richard Conover. You won’t find fettuccini alfredo or other cream sauces on the menu, Conover said, but he’s happy to make them on request.

Built by the San Marino Club as part of the group’s cultural center, Tre Monti’s elegant atmosphere is created by high ceilings, a spiral staircase, dual fireplaces, San Marino artifacts and decorative tapestries. Even the lighting complements the experience, Conover said. The overhead recessed lights enhance the food’s visual appeal, he said.

The 200-person brick patio sets a coun-

try-like scene – a setting Conover is looking forward to using for barbecues, bocce ball tournaments and s’more-making.

Tre Monti debuted in March 2008. “We’ve had lots of repeat business – people coming back three and four times in a week,” he said. “Our biggest problem has been that people don’t want to leave. They’ll sit for three hours.”

Dinners include Sammarinese classics like fish stew and risotto di San Marino with onions, chicken broth and white wine. There are also various seafood entrees, handmade pastas and brick oven pizzas. Meals are served with a pasta side and fresh baked bread.

The lunch menu incorporates antipasto plates and sandwiches with cured meats, plus out-of-the-ordinary picks like a marinated tuna salad sandwich or vegetarian sandwich with a black olive almond pesto.

Conover said Tre Monti offers a pick-up service for business diners. “We’ll pick them up in a van, and that’s 15 more minutes they have to sit out here on the patio and enjoy their meal.”

■ Pamela A. Zinkosky is a freelance writer.

Ask the Chef

Tre Monti Ristorante
1695 E. Big Beaver Road
Troy
(248) 680-1100
tremontitroy.com

Executive chef: Richard Conover.

Food style: Sammarinese – from San Marino.

Wine list: More than 100 wines in a range of prices. Predominantly Italian.

Ambience: Upscale and festive.

Hours: Monday-Wednesday 11:30 a.m.-10 p.m., Thursday and Friday 11:30 a.m.-10 p.m., Saturday 4-11 p.m. and Sunday 4-10 p.m. Bar service until midnight on Friday and Saturday.

Parking: Large parking lot.

Seats: 120 inside, plus 200 on patio.

Cost: Average \$22 for dinner entrees. Lunch \$8 to \$18.

On the crowd: Business people,

families, dates and large groups.

Specialty: “Good healthy food,” Conover said. As for a Sammarinese specialty, it’s the fish stew – calamari, scallops, shrimp, mussels, clams and coddle fish in a spicy tomato broth.

What’s good right now: The grilled vegetarian sandwich.

Most popular dishes: Involtini di vitello con prosciutto, or sautéed veal with prosciutto, mozzarella and Marsala sauce. The baked white fish with artichokes, mushrooms, thyme, bread crumbs and lemon caper sauce also is a favorite. The pizzas sell well as appetizers.

Recommended dessert: Mount Titano, a chocolate cake served with ice cream and fresh berries. Also, the apple crumb tart.

Business facilities/equipment: A media room upstairs seats 90 and includes wireless Internet and audio visual equipment. Plus a 25- to 30-person main-floor dining room with a private entrance.

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Jason Huvaere, founder and president, Paxahau

and bottom line.

It was an uphill battle, though. The city was hesitant, business owners were gun-shy and artists were skeptical.

“You can imagine how cautious anyone was to meet ‘Promoter Number Four.’ But that was our job: to earn that trust and to prove our business plan,” says Huvaere. “In the end, as with any business, it’s a leap of faith. The City



HUVAERE

of Detroit and Paxahau took that leap together.”

All the parties involved realized that there was a lot to gain. Festival attendance figures from the early years vary widely depending on whom you speak to, but solid num-

bers from last year were around 10,000 a day over the three-day course of the event, and projections are 15,000 to 20,000 each day this year. That’s a lot of ears listening to the music, and a lot of eyes on the advertising.

Techno music draws in hard-to-reach “20-somethings” advertisers seek. The festival’s appeal attracts local, regional and international music fans, says Huvaere. “This event specifically brings people from outside of the area. People are a witness to our city for a weekend and then they go talk about it for a year.”

They will also be talking about the music;

with all the talk of business models and organization, the music was never forgotten. Paxahau was careful to try to find the balance between celebrating Detroit’s local artists and including techno music’s biggest names.

VitaminWater will sponsor the main stage, with artists including Carl Craig and Moby; the Red Bull Music Academy stage features slightly different genres in the festival, the Beatport Stage hosts premier global artists, and the Real Detroit stage lineup is for local Detroit area artists or those with local ties. There is a VIP area, as well as general admission.

“In the artist line-up and in the production and logistics of the festival, we’ve really tried to create something for everyone,” says Huvaere. “We want as many people as possible to come out. The attention is back to the music, the event and the city.”

■ Dan Thomas is a Detroit-area freelance writer, playwright, actor and former trade analyst. Contact him at dan@inkwell313.com.

Close to home

• **Canada.** It’s not only the U.S.’ largest trading partner, it’s the world’s second-largest country. It has many ethnic groups, with most speaking French or English. Canadians, proud of their country, take exception to exaggerated comparisons with the U.S.

• **Mexico.** Most people appreciate visitors’ efforts to speak Spanish, even if it’s very broken. Be careful about drinking water from the tap to avoid “Montezuma’s revenge.”

ACCOUNTING ►

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• Tipping is generally considered an insult and should be avoided.

In India, men should generally try to avoid touching women, even to shake hands; a slight bow, with palms placed together, may be more appropriate. Also, there is a belief that the left hand is dirty, so food should be handled and passed with your right hand. And remember that Hindus do not eat beef and Muslims do not eat pork (strict Muslims don’t drink alcohol, either).

In general, business people in India aim to please their guests, so yes/no questions should be avoided because the answer will almost always be ‘yes.’

In Japan, never address a person by his or her first name. Instead, say the last name, followed by the word “san” (which is roughly equivalent to Mr.). Long, lavish dinner parties lasting for hours are common.

In Central and South America, you can expect a tremendous amount of diversity from one country to the next. In general, though, Latin Americans are warm and friendly and enjoy entertaining. The main meal of the day is at noon. Wearing proper attire is important; this includes a jacket and tie, if appropriate, even in extreme heat. Punctuality is generally not stressed, as a 30-minute delay is customary.

In the Middle East, specific customs and protocols in the will vary from one country to the next, but proper dress and decorum between the sexes is critical. In Islamic nations, everything stops five times each day for prayers. As a visitor, you are not expected to participate in these prayers, but you shouldn’t interrupt or act impatient while your host prays.

You must also respect the holy month of Ramadan, when no work is done after noon. And remember that pork meat and pigs are banned, and that it’s generally not a good idea to ask for alcoholic beverages.

Be sensitive

There’s no question that it pays to be sensitive to these and many other cultural “do’s and taboos” when doing business overseas. This will help you gain the trust and respect of your overseas business partners and boost your company’s international business efforts.

■ For more information on the rules of the road for international business, contact Julia Yue Qi at jqi@claytonmckerverve.com or (248) 208-8860.

CHIEF ►

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and Michigan doesn’t get them back. So those credits have been wasted.

What’s the MHC’s role today?

MHC and others got together for several meetings and recognized we’ve all been competing for the same resources. As the result, we are jeopardizing the affordable housing market in Michigan. If we keep fighting, we won’t see any new affordable housing in Michigan, so we need some consensus.

(In April) we sent to the governor and to the interim MSHDA director (Keith Molen) a consensus paper saying how we would like things to be done, how we would like to see the resources allocated.

Much of your effort will focus on the federal government’s low income housing tax credit program?

Those are a hot subject today. The idea of the credit is that they are used to raise capital to build new affordable housing or to update existing housing ... (when a developer takes them) out into the marketplace and syndicate(s) them. We allocate those credits to the investor, who puts money into the partnership, and we use that money along with money we borrow to create new affordable housing.

A credit is a dollar-for-dollar credit against income tax. The market for those credits is volatile. A year ago, institutional investors would contribute 95 cents for every dollar of credit available to them.

But we closed two deals last month, where the credits went for 80 and 82 cents. Now we’re down to the low 80s and the rumors are they’re continuing to go down.

Why are the credits worth so little now?

The institutional world is saying, “We need higher yields on our investments.”

... What that translates to is that we as developers have lost essentially anywhere from 10 to

Pending projects with MSHDA

Development, builder, units and mortgage amount:

• Prentis Apt., Oak Park, Jewish Apartments and Services/Kasco Inc. 124 elderly units, \$5.07 million

• Devon Square, Ferndale, Ginosko/RBS Construction 48 elderly and 12 family units, \$3.11 million

• Devon Road (name TBD), Royal Oak, Damone Group/Damone Construction 147 elderly units, \$16.07 million

• West Bloomfield Haven, RW Properties/MKK Technologies 112 elderly, \$12.09 million

Developments under construction

• South Hill Apartments, Milford, MHT/Rohde

40 elderly and 80 family units, \$7.373 million

15-month term, 87% done to date

Source: Michigan State Housing Development Authority

“Every project has to make financial sense. ... There has to be a return on that investment – someone has to pay the rent – or else those projects never get built.”

Sheldon Winkelman

20 percent of the equity we used to be able to raise to develop these projects.

That means you either slow down development, which is what a lot of my colleagues are doing, or you tighten the belt, or you find other sources to develop your product.

So what will that mean to the market?

There will be less and less new projects being built, and fewer projects coming on stream.

It would take a stronger developer to put these projects together. When you have that kind of situation, you only have a few choices.

One, you build a lower quality project, but you can’t “spec down” the project.

So the other way to go is you need another source of money – either your own pocket, or other forms of assistance from the community.

The good news is that we will have ... stronger projects with more equity and less debt. If my project needs more equity and I’m the developer and putting in that money, I will work harder to make that a successful project. You won’t see that turn into a slum.

What’s your ultimate goal for your term on the MHC?

To house people who need the housing and to stimulate the economy in Michigan. And in the last year or year and a half that stimulation hasn’t been there, at a time when Michigan desperately needed it. We’ll see it happen. I wish the credit markets were better, but we will see projects done.

■ Contact Carol Marshall covers commercial real estate. Contact her at (248) 374-4920.