

Cool Cities Growth Initiatives

Initiative Name	Consumers Energy's Corporate Headquarters & Post Office Rehabilitation				
Description of Initiative	<p>The Consumers Energy project represents a public/private partnership that was successful in redeveloping an abandoned and contaminated, 15-acre Brownfield site located in downtown Jackson, Michigan. But, that's not the whole story. Unlike many redevelopment stories, this is not just about redeveloping one site; it's about saving an entire community.</p> <p>Jackson, Michigan is located at the crossroads of U.S. 127 and Interstate 94 in south central Michigan. Historically, the region's primary rail lines converged in Jackson. This strategic location resulted in a manufacturing-based economy that flourished from the 1870s to the 1950s. Usually such a legacy would assure a vibrant community, but in Jackson's case, the story turned sour in the late 1970s and early 1980s. Those were economically difficult times for the community causing most of the larger manufacturers to leave Jackson. The city's population plummeted from 55,000 to 30,000. Since that time, recovery has been slow. The impact of the economic downturn was one vacant Brownfield after another. Most developers chose to invest in suburban greenfields rather than Jackson's Brownfields, impeding the City's recovery.</p> <p>One of the city's longest standing businesses is Consumers Energy. They began in Jackson in 1886 and have been one of the area's largest employers for decades. Consumers Energy's lease on their Jackson headquarters buildings was scheduled to expire in 2003. Consumers was aware that the easiest thing to do would be to build a new headquarters on a greenfield site, like so many others had done before. However, they understood the financial implications to the City resulting from the loss of 600 high-paying jobs, including a significant reduction of income and property tax revenues, as well as the negative impacts to downtown commercial and retail businesses. The Company was also concerned about attracting and retaining high-skilled employees into the 21st Century. As a result, in 1999 Company executives began discussing ways to avoid these negative community impacts as well as accruing the competitive advantages from consolidating their operations into a new, state-of-the-art downtown facility. The City responded positively by proposing a downtown site, consisting of 36 parcels that were abandoned and under-utilized on 15 acres, as the future location for Consumers Energy's new corporate headquarters.</p> <p>Through the cooperation of Consumers Energy and the City of Jackson in association with Jackson County, the State of Michigan, and several federal agencies, a blighted city block in downtown Jackson has been transformed into a \$113-million urban campus consisting of the new corporate headquarters for Consumers Energy, and its parent CMS Energy, a public amphitheater, sculpture garden, river promenade, two parking decks, green space, and over 700 new high-wage employees. At the heart of this redevelopment project is the preservation of a Beaux Arts style U.S. Post Office, which had been vacant for four years, but now serves as the grand entrance to the Company's headquarters. The building was rehabilitated, restoring the exterior façade and the historic public lobby. As a result of the new corporate headquarters and this significant public/private investment in the community's future, the marketplace has responded with new restaurants and businesses offering a wider variety of goods and services. This project presented many challenges in building partnerships and securing funding, but the outcome is a prime example of how a single redevelopment project has revitalized an entire community. The Consumers Energy project demonstrates that meaningful partnerships and community support must exist if Brownfields are to be redeveloped in Michigan, or anywhere in the United States.</p>				
Action Type	X	Build New	X	Expanding Existing	Attract From Elsewhere

<p>Timing</p>	<p>Planning for this project began in 1999. Construction of the Headquarters Building began in April of 2001. Certificate of Occupancy was received February 7, 2003. The associated improvements including Parking Decks, riverwalk and amphitheater were completed in summer of 2003.</p>
<p>Champions</p>	<p>Champions (for public contact) Steve Czarnecki, President & CEO – The Enterprise Group of Jackson sczarnecki@enterprisegroup.org – (517) 788-4455 Amy Torres, Economic Development Project Manager, City of Jackson – atorres@cityofjackson.org - (517) 768-6433 Beth Fields, Assistant Project Manager, Consumers Energy, Jackson blfields@cmsenergy.com - (517) 788-2269</p>
<p>Resources</p>	<ul style="list-style-type: none"> ▪ Michigan Economic Development Corporation (MEDC) ▪ City of Jackson ▪ EPA Pilot and Lab Services ▪ Tax Increment Financing (TIF) Environmental ▪ TIF – Infrastructure ▪ HUD ▪ Michigan Department of Transportation (MDOT) ▪ Community Development Block Grant (CDBG) ▪ Michigan Cultural Arts Alliance ▪ Michigan Urban Land Assembly ▪ Michigan Department of Natural Resources ▪ Clean Michigan Initiative Grant
<p>Performance Measures</p>	<ul style="list-style-type: none"> ▪ Satisfaction of employees with new headquarters ▪ Synergies of departments that were separated now working more closely ▪ Improvements in technological capabilities ▪ Increased patronage of downtown businesses ▪ Use of campus, including riverwalk and amphitheater by citizens
<p>Model or Case Study References</p>	<p>Revitalization of Columbus, Indiana</p>
<p>Alternative Strategies</p>	<p>Consumers considered a number of alternative locations for their corporate headquarters. The chosen location was the best location to meet the needs of the corporation and the City of Jackson. The redevelopment of this blighted site served as a catalyst for the revitalization of Jackson's downtown.</p>
<p>Synergy with Other Initiatives</p>	<p>The Consumers Headquarters project is actually a merging of a number of individual projects that come together to form a completed campus setting for the benefit of the citizens of Jackson. These parts include:</p> <ul style="list-style-type: none"> ▪ The Headquarters Building ▪ Restoration of the Historic U.S. Post Office building to create a conference center for Consumers Energy ▪ Uncapping and naturalization of the adjacent section of the Grand River. ▪ Creation of the adjacent Grand River Trail that is part of a public arts and culture promenade, complete with an outdoor amphitheater sculpture plazas. ▪ Construction of two City owned and operated parking structures. ▪ Redesign of the City's major streets to eliminate one-way pairs. This effort will provide improved access to the downtown area by visitors and citizens.

Marketability or Buy-in Potential	Initially the community and company employees had concerns about the changes associated with the project both to the City's infrastructure and to the employees' working atmosphere. An important part of the project plan was to alleviate these concerns through a wide variety of communication methods. As a result most parties affected by the project found the final product to be a positive experience.
Risk Factors	<ul style="list-style-type: none"> • Construction one of the City's largest buildings in a Brownfield adjacent to the Grand River • A number of grants and tax credits were needed to ensure the financial requirements were met • Community support was required to revise the City's infrastructure to allow for the new development • Parking requirements needed to be addressed in a manner to meet the corporation's and the public's needs
Supporting Documentation	Additional documentation is available at the Consumers Energy Headquarters lobby.
Success Factors	<p>There were numerous success factors for this project including the following:</p> <p>The key to success through out the project was partnering. Partnering was key between the corporation, the City, the numerous governmental agencies that assisted with funding and approvals, and the construction contractors.</p> <p>The development catalyzed the revitalization of the downtown and is assisting Jackson in becoming a community that is culturally vibrant and economically fertile.</p> <p>Building construction was completed ahead of schedule and under budget.</p> <p>The project redeveloped a Brownfield site and assisted the partners in meeting their goals of environmental stewardship.</p> <p>Communication between all parties was crucial to the success of this project.</p> <p>Turning a blighted area of Jackson's downtown into a beautiful campus the entire community can enjoy.</p> <p>A MEDC grant was received to assist in the funding of the headquarters and the City improvements.</p> <p>The historic U.S. Post Office was saved from its deteriorating state and turned into a state of the art conference center. This portion of the project included restoration of the historically important portions of the building and rehabilitation of the rest of the building to honor its original construction.</p>
Tactic and Action Plan	<p>Planning and Design: 1 year Environmental Due Diligence: 5 months Environmental Remediation: 16 months Headquarters Construction: 2 years Infrastructure: 1 year Deck Construction: 15 months Total length of project: 4 years</p>
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