



Reaction to Accident Fund Development on Hold

7/03/2008

The Blue Cross lawsuit could bring a major development project in Lansing to a halt. The Accident Fund unveiled its plans to renovate the Ottawa Street Board of Water and Light power plant, but the lawsuit against the Accident Fund's parent company might destroy any chance of that happening. The city has been trying to find a tenant for old the power plant for 10 years now. City officials finally thought they'd found their chance with the Accident Fund, but now the building might just have to stay old and beat up. The curtain came off, and for the first time, the public got a look at how the Accident Fund would transform the historic power plant. This celebration is bittersweet.

Daniel Loepp, CEO, Blue Cross Blue Shield: "As many of you are aware, the attorney general made an announcement today that concerns both the Blues and the Accident Fund."

That announcement is a lawsuit which puts the entire project in jeopardy.

Steven Roznowski, project's Developer: "It would be very disappointing, not just to me, but to the whole city to have this project slowed down or have the risk of it stalling."

Not only would it be a disappointment, officials say stalling the project could devastate the entire city. The Accident Fund wants to bring in 500 new employees to work at their new headquarters. On top of that, renovation of the building would create 1,200 construction jobs.

Donald O'Connell, Operating Engineers Local 324: "It really hurts us hard, we've got members that have been sitting here waiting on this job since it was first announced and now I don't know."

No one knows if the development will move forward. The company's CEO says it's too early to predict just how all this will play out.

Elizabeth Haar, CEO, Accident Fund: "We really need to take more time to take a look at what the attorney general said today, and then take a look at what our options are."

Construction on the project was supposed to begin this fall, but now, of course, when the work starts is anybody's guess.