

# Master Land Use Plan

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# Section D: Economic Development

## Introduction

Downtown Muskegon serves as the main hub for cultural and entertainment activity in Muskegon County. Since demolition of the Muskegon Mall in 2003, redevelopment downtown has included a number of mixed-use buildings. A residential development boom in the 2010s saw an increase in the number of downtown residents, and was followed by new restaurants and entertainment venues, though attracting retail remains difficult. Small retailers have had a difficult time succeeding outside of private or public retail incubators (Western Market, Russel Block Market), as most cannot afford the rental rates typical of new buildings. These incubators have proven that small businesses can succeed in downtown Muskegon when given the chance, that they can attract people from throughout the region, and that more retail will help to support the restaurants and other existing businesses.

Muskegon also has a strong and diversified industrial presence. Industrial jobs account for # in # jobs for residents. While good paying, skilled industrial positions do exist, a fair portion of the industrial base consists of low-skilled, low-wage jobs. Local training efforts are needed, as many skilled positions continue to be filled by workers from outside the city or county.

Muskegon's industries once concentrated along the waterfront, which severely impacted the environment and limited recreational opportunities on Muskegon Lake. Transformed through decades of regulatory changes and environmental clean-up efforts, Muskegon Lake has seen a return to prominence, now supporting marina and seasonal commercial activity.

While some scattered industrial properties still exist, most are located in the southeast corner of the city in the Port City Industrial Park and Medendorp Industrial Park. In 2019, the City acquired additional land which once housed the former prison property in the Port City Industrial Park. This provided much needed space for new industry. As the City works to develop these properties, it will be important to attract employers that can bring living wages through sustainable industries.

## Goals & Recommendations

1. Bolster business retention, expansion, and attraction initiatives with a robust portfolio of economic development programs and services.
  - E1.1 Maintain an updated tax abatement policy.
  - E1.2 Identify land for future business expansion.
2. Create viable commercial corridors and community nodes.
  - E2.1 Invest in placemaking opportunities that capitalize on community assets.
  - E2.2 Encourage the formation of business district associations and development of corridor improvement plans for active business districts.
  - E2.3 Support retail development, growth, and expansion through zoning amendments and economic incentives that encourage a range of potential unit sizes.
  - E2.4 Promote walkability through pedestrian-focused ground-level activities and use micro-transit to bridge long distances.
  - E2.5 Simplify zoning regulations to permit flexibility in business types.
3. Create opportunities for local residents to participate in the workforce.
  - E3.1 Improve workforce training efforts and opportunities.
  - E3.2 Create a pipeline of workforce talent from schools to local industries.
4. Create a business community that is reflective of the diversity of the city.
  - E4.1 Help create networking and mentoring opportunities for those interested in local business opportunities.
  - E4.2 Create a community engagement portal to address the concerns and needs of local entrepreneurs.
5. Utilize our natural resources to develop a strong blue economy.
  - E5.1 Increase and enhance publicly-accessible amenities along the waterfront and soften shorelines where possible.
  - E5.2 Become regionally and nationally designated by organizations that will bring visibility and economic development to Muskegon Lake.
6. Provide a diverse supply of housing options that focuses on infill development.
  - E6.1 Maintain a database of available lots and incentives for residential development.
  - E6.2 Engage with developers to create agreements to provide diverse types of housing options.

**Goal 1:** Bolster business retention, expansion, and attraction initiatives with a robust portfolio of economic development programs and services.

**Discussion**

The goal of economic development services is to create an environment that is conducive to business growth and success. By providing a range of services and support, several Muskegon organizations help attract and retain businesses, create jobs, and drive economic growth.

As the local economy grows, businesses may face challenges with expansions and hiring. Some companies may be looking for resources such as training programs, mentorship programs, or access to capital while others may seek regulatory assistance on zoning procedures and building permits. A diverse team of professionals are needed to help address a company's gaps in resources. Muskegon recognizes that a collaborative effort with local, county, and regional organizations is the best approach to providing a wide array of services to meet all of a business's needs. By doing so, we can create a positive investment environment where all businesses are encouraged to grow, create jobs, and make positive contributions to the community.

Maintaining a complete economic toolbox with relevant information is the first step in the development process.

## Recommendations

### E1.1 Maintain an updated tax abatement policy.

A business considering a significant investment in real and/or personal property may be eligible for a number of statutorily provided and locally approved tax incentives or abatements. The City of Muskegon strives to apply these incentives with maximum return on investment for the developer and community.

The policy should explain all of the tax abatements that are offered by the City along with metrics listed to determine how long the abatement will be granted. The metrics can be developed in a way that can help address certain needs of the City. Additional years may be granted based off of factors such as taxable value creation, location, resident hiring practices and community improvement projects. The policy should include a list of cognates along with a scoring matrix to determine the eligibility and length of abatements.

A Tax Abatement Policy may be crafted to:

- Encourage business expansion
- Provide for improved housing and commercial amenities for the community.
- Increase employment opportunities for City residents
- Reduce functional obsolescence of existing buildings
- Require design criteria or beautification efforts

Maintaining an updated tax abatement policy ensures successful development. Federal and State statutes may be created or amended, offering new avenues to assist development projects, and the policy should always reflect the most current statutes. Over time, the goals and target areas of the City may change, which will require amendments to the tax abatement policy to reflect the new vision and outcomes. Annual reviews of the policy are encouraged.

### E1.2 Identify land for future business expansion.

As a developed city, Muskegon is somewhat limited in the expansion opportunities it can promote. However, opportunities exist to transform certain vacant and underutilized properties into destinations for commercial and industrial expansion. Existing infrastructure in most places will support additional development and future expansion. In 2020, the City purchased 60 acres of a former state prison to provide additional industrial space in the Port City Industrial Center. As the needed infrastructure was lacking in this case, new infrastructure was installed to attract a new industrial tenant that will invest millions of dollars, create hundreds of jobs, and foster economic prosperity.

New potential industrial sites should be inventoried and studied for suitability; areas exist in the Nelson neighborhood (former Brunswick property), Marsh Field (south of Holbrook), and Jackson Hill (Getty/Access Highway, Ottawa Street) neighborhoods where industrial expansion could be explored. As certain commercial corridors fall out of favor, industrial zoning designations should be considered for future use.

Muskegon Industrial Parks					
Industrial Park	Total Acres	Undeveloped Acres	Developed Acres	Developed Occupied	Developed Unoccupied
Port City Industrial Center	424	20	404	328	76
Medendorp Industrial Center	360	110	250	250	0
Seaway Industrial Park	55	0	55	15	40

WMSRDC Industrial & Business Park Inventory 2019.

## Goal 2: Create viable commercial corridors and community nodes.

### Discussion

There are several business corridors throughout the city that provide commercial activity that stimulates the local economy. Some of these corridors have seen recent public investment to increase walkability and decrease automobile speeds. Some business corridors have organized associations that pool resources together to advertise and promote events. Others have gone a step further in formalizing Business Improvement Districts and Corridor Improvement Authorities in efforts to form a cohesive retail district. However, some business corridors have seen high turnover, vacancy, and disinvestment with little chance to recover as an active district.

During the neighborhood discussions for the Master Plan update, many residents expressed the desire for the return of neighborhood-scale commercial options. Decades ago, it was common for many of the neighborhoods throughout the city to host small scale commercial activity. As dedicated business districts became more prominent, many neighborhood-serving stores went out of business. However, many of the actual buildings still exist, sitting vacant, stifled by zoning codes that prohibit reasonable reuse.

Allowing flexibility for higher-intensity uses within long-vacant, stagnant, or underutilized buildings located in residential areas could help revive these areas. Many such buildings were built specifically for non-residential uses and are too costly to convert to residences leaving them vacant and dilapidated; those buildings that cannot be redeveloped should be targeted for demolition freeing up land for new development to meet current needs.

To establish new commercial nodes that cater to presently underserved neighborhoods, live/work units and accessory commercial units should be considered. Currently, some zoning classifications permit live/work buildings in limited locations, but design requirements often prohibit existing houses from adding a commercial unit. Land use regulations that allow accessory commercial units can aid in establishing new community nodes and lower the bar for entry for small business owners.



Accessory commercial units can take various forms, such as small retail kiosks, food stalls, or standalone structures that are ancillary to the house. They can contribute to the vibrancy and diversity of a neighborhood or commercial district by offering a range of services, attracting foot traffic, and creating opportunities for local entrepreneurs. They can also help activate underutilized spaces, foster economic development, and contribute to the vitality of neighborhoods. Accessory commercial units should be considered within a certain radius of existing commercial districts, near community nodes and gathering spaces, and at popular destinations.



Existing Corridors	Former/Under-Utilized Corridors	New or Potential Corridors
Apple/US 31 Apple/Getty Getty Getty/Laketon East Laketon West Laketon Laketon/Henry Lakeside Ottawa Downtown Midtown East Apple Governmental Peck/Sanford Sherman (Lincoln to McCracken to Cumberland) Sherman (Pine Grove to BR 31) Henry Hackley/Barclay	Marquette/Quarterline/Harvey Getty/Marquette Irwin/Pine Glade Lakeshore - West of Lakeside Lakeshore - Marina Corridor <b>*Scattered Interior Neighborhood Commercial Buildings</b>	Indiana St Former paper mill site Harbor 31

**Interior Neighborhood Commercial Buildings**

See commercial properties map in Appendix (pending)

## Recommendations

### E2.1 Invest in placemaking opportunities that capitalize on community assets.

Effective placemaking techniques can produce numerous benefits for business corridors and community social nodes. Placemaking efforts can be applied in a variety of places – at varying scales; such as a park, business corridor, or even an entire downtown. These efforts have the ability to improve a commercial corridor in several ways, including:

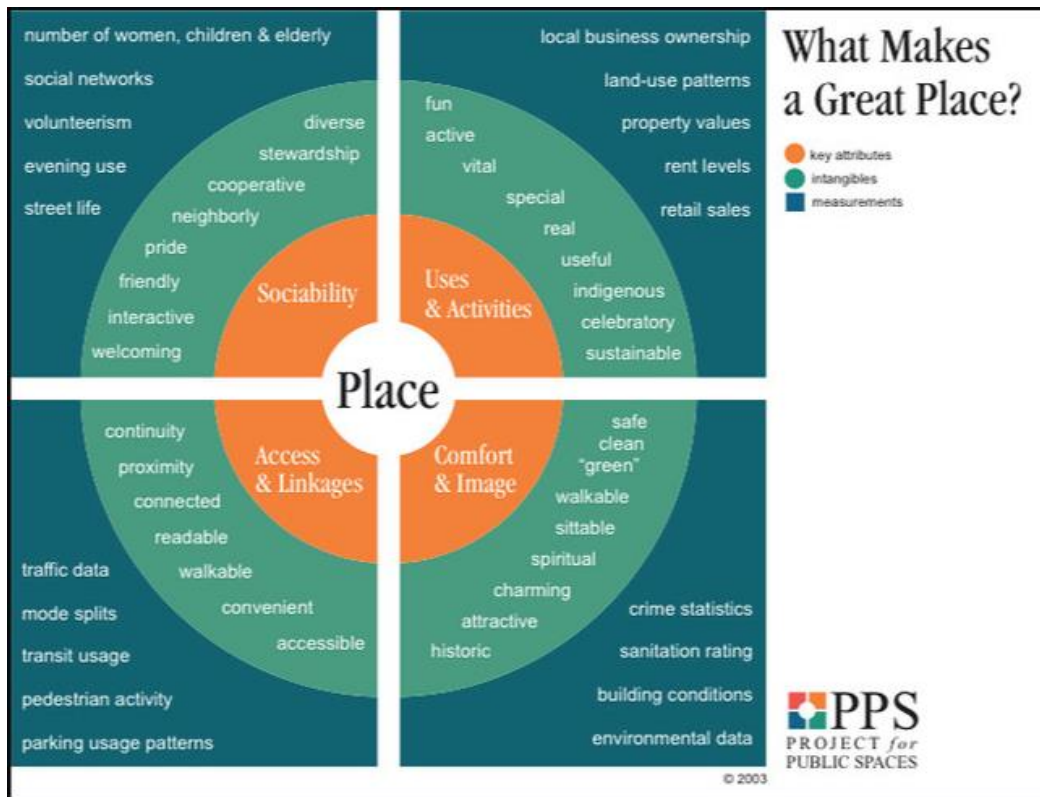
**Enhancing the physical environment:** Placemaking focuses on improving the physical elements of a space, such as streetscapes, landscaping, and signage. These enhancements create an inviting and visually appealing atmosphere that attracts customers and encourages them to spend time in a place.

**Creating a sense of place:** Placemaking helps establish a unique identity for the business district, distinguishing it from other areas. This sense of place can be achieved through public art installations, historic preservation, cultural events, or incorporating local themes. A distinctive character attracts visitors and fosters a sense of pride among residents, increasing foot traffic and supporting local businesses.

**Promoting social interaction:** Placemaking efforts often prioritize creating spaces that encourage social interaction and community engagement. This can include public seating areas, gathering spaces, or pedestrian-friendly designs that facilitate conversations and connections among residents and visitors. Increased social activity in the district can lead to stronger community bonds and a vibrant atmosphere that draws people to business.

**Supporting diverse activities:** Placemaking aims to accommodate a range of activities beyond just shopping or dining. By integrating elements like outdoor seating, performance spaces, or recreational areas, businesses can benefit from increased foot traffic and a broader customer base. These diverse activities make the district more appealing and attract people with varying interests, increasing business opportunities.

**Improving walkability and accessibility:** Placemaking often focusses on improving the pedestrian experience by creating pedestrian-friendly streets, wider sidewalks, and safer crossings. Enhanced walkability encourages people to explore the district on foot, leading to increased exposure to businesses and higher spending. Improved accessibility, including bike lanes or public transportation connections, can also attract customers who prefer alternative modes of transportation. Many suggestions to this end are discussed in the Transportation and Mobility section.



**E2.2** Encourage organization of business district associations and development of corridor improvement plans for active business districts.

Organizing a business association offers several benefits to a business corridor; including enhanced collaboration, increased marketing and promotion, and unified planning efforts. Engaged business owners communicate with one another to coordinate events, sales, and a vision for the district. A business association serves as a platform for members to collaborate, share resources, and address common concerns.

Placemaking efforts are often championed by established business associations. These efforts may be developed into a formal document like a corridor improvement plan, which outlines specific initiatives and actions aimed at enhancing the overall appearance, functionality, and economic viability of a business district. It typically involves collaboration between the City, business owners, and community stakeholders. The plan may include initiatives such as streetscape enhancements, facade improvements, landscaping, signage, parking strategies, and marketing campaigns to attract more customers and businesses to the area. Corridor improvement plans should strive to create an inviting and vibrant environment that supports the success and growth of local businesses.

Well established business associations may consider self-imposed fees, through the formalization of a Business Improvement District (BID) or Corridor Improvement Authority (CIA), that fund district improvements and services, such as landscaping and snow removal. A BID or a CIA can help a business association improve infrastructure and maintenance, increase safety and security, and attain financial sustainability. By pooling resources through mandatory contributions from businesses within the district, BIDs/CIAs can secure additional funding for projects and initiatives that benefit businesses in the area. Active business associations should consider the adoption of BIDs/CIAs to help create distinct, viable corridors where people want to spend time.

Corridor Improvement Plans will be developed for active and potential business districts. A template for formalizing business associations will be developed for interested corridors, and BID/CIA templates for established business associations will also be developed.

- E2.3** Support retail development, growth, and expansion through zoning amendments and economic incentives that encourage a range of potential unit sizes.

Most startup retailers need a low cost to entry, a small space, and high visibility with steady foot traffic. Downtown Muskegon offers a couple of options for start up businesses to get started in micro-retail spaces (150-500 sf). Western Market is a City-run retail incubator that provides 17 separate “chalets” ranging from 90-150 sf. Other privately-owned retail incubators offer micro-spaces as small as 150 sf. Muskegon also hosts numerous large retail spaces, but lacks medium-sized (500-1,500 sf) retail spaces for entrepreneurs, hampering economic growth in the City. Businesses should be able to grow incrementally and withstand a changing retail landscape.

The City can incentivize the development of mid-sized commercial spaces through zoning and economic incentives. Tax abatement policies should be amended to reflect the needs of the business community, providing bonus years to developments that provide retailers with the spaces they need.

- E.2.4** Promote walkability through pedestrian-focused ground-level activities and use micro-transit to bridge long distances.

Muskegon’s downtown is vast and somewhat unconnected. The Downtown Development Authority boundary encompasses over one square mile, containing numerous shopping districts, restaurants, entertainment venues, and outdoor recreation opportunities. Most of downtown is walkable, but longer distances between some districts present challenges. Bridging these gaps encourages people to stay in the area longer and patronize more businesses.

One way to bridge these gaps is to create a more pleasurable experience. Vibrant storefronts with clear glass can showcase products or services creating visual interest and enticing people to stop in. Interactive features such as art installations or outdoor seating encourages people to linger and explore beyond traditional corridor boundaries.

Another way to bridge gaps between districts is to provide more micro-transit options. The City tram service utilized during busy summer events is a great example of a neighborhood circulator, a localized transit service connecting residents to nearby amenities that are too far apart to walk to. Other options for micro-transit include bike-sharing programs and electric scooters. These mobility options could help people experience all of downtown and connect to different business corridors, parks, or other destinations.

- E2.5** Simplify zoning regulations to permit flexibility in business types.

Current zoning regulations hamper local business growth by prohibiting the reasonable reuse of existing buildings. Commercial uses are almost entirely outlawed within the interior of neighborhoods, limiting business types that could serve the community. In other instances, numerous commercial zoning designations can complicate business attraction and growth. Zoning regulations must be updated to support local entrepreneurship and business expansion.

Zoning regulations should encourage reutilizing existing buildings through expanding their footprints and increasing permitted uses. Currently, inappropriate zoning designations have led to vacant or underutilized commercial and industrial buildings located away from traditional commercial corridors in the interior of neighborhoods. Public workshops should be held with neighborhood associations and residents to determine acceptable reuses of these buildings. Small building additions could introduce neighborhood-serving accessory commercial units to areas where businesses may be feasible but do not currently exist.

Multiple zoning designations currently allow for commercial land uses. Some commercial zoning designations are extremely similar, with minimum lot size and coverage requirements being the biggest difference. Such regulations have little discernable impact on the types of businesses or building types that exist or are built in an area. These regulations further complicate the process of opening a business when a special use permit is required, despite being a permitted use in similar places. Land use regulations and the process of opening a business can be simplified while still offering protections expected by nearby residents. This may include allowing more uses by right, combining certain zoning designations or amending area and bulk requirements to allow simpler business expansions.

**Goal 3:** Create opportunities for local residents to participate in the workforce.

**Discussion**

The city is home to several industrial companies that rely on a highly-skilled workforce. These positions are often filled by workers from out of town as the education level of the local workforce is lower than average. This helps contribute to a low workforce participation rate. Residents must be able to compete for employment opportunities and benefit from economic prosperity.

The result of a low workforce participation rate includes a smaller labor pool, which can lead to labor shortages, reduced productivity, and slower economic growth. It may also increase the burden on the remaining workforce, limit innovation and diversity, and strain government resources due to decreased tax revenues and increased social welfare spending. Additionally, it can contribute to income inequality and hinder the overall development and competitiveness of the region.

## Recommendations

### E3.1 Improve workforce training efforts and opportunities.

Workforce training programs are designed to improve the skills of current employees and prospective job applicants in any industry. Many different types of programs are included under the umbrella of workforce training programs. Technical trades programs are workforce training programs but customized training and individual soft skills courses can be, too. These types of programs are all about providing people in the workforce with the skills they need to succeed there.

We must engage employers, educational institutions, industry associations, and community organizations to develop partnerships and ensure training programs align with market needs. Training programs must be developed that address identified skill gaps. These programs can include vocational training, apprenticeships, internships, and certification courses.

### Workforce Participation Rate



### E3.2 Create a pipeline of workforce talent from schools to local industries.

To fill local jobs with local talent, we must bolster the pipeline from public schools to major employment sectors. We must utilize existing educational institutions, such as public schools, the community college, and technical schools, to deliver training programs. Students must be able to tap into existing expertise, facilities and resources to gain a competitive edge in the workforce.

Students would benefit from vocational courses or programs that focus on specific industrial trades such as welding, machining, electrical work, plumbing, or carpentry. These programs provide hands-on training and skill development. Partnerships with local industries to establish training programs and internships will allow students to gain real-world experience and learn industry-specific skills. Technical education courses can be incorporated into local curriculum, covering topics like engineering, mechanics, robotics or computer-aided design (CAD), to provide a foundation for industrial jobs. Partnerships should be made with technical schools and the community college to create pathways for students to pursue further education in industrial fields after high school, such as associate degree programs or apprenticeships.

**Goal 4:** Create a business community that is reflective of the diversity of the city.

### **Discussion**

Diverse businesses reflect and celebrate the cultural richness of a city. They contribute to a vibrant community by offering a variety of goods, arts, events, and experiences that attract residents and visitors alike. A diverse business climate promotes inclusivity and social cohesion by providing opportunities for individuals from various backgrounds to participate in the local economy. It can reduce disparities and promote a sense of belonging for all residents.

In a place as diverse as Muskegon, the business community should be reflective of the community as a whole. The City must provide opportunities to all citizens and assist underrepresented groups with business development plans. Businesses must be encouraged to adopt inclusive policies and practices that value diversity and foster opportunities for all members of the community. This may include educational programs, workshops, and training sessions on topics such as cultural competence, unconscious bias, and diversity and inclusion in the workplace to promote understanding and create a welcoming environment.

Individuals with diverse backgrounds and perspectives must also be encouraged to take leadership roles within business organizations and community boards to ensure representation in decision-making processes. Proper representation of the community's diversity is necessary within these organizations to build an equitable community.

Recognizing and celebrating the achievements of diverse businesses and entrepreneurs through awards, events, and media coverage showcases their contributions and inspires others. Spotlighting success stories within the community can spread encouragement and confidence to the next generation of minority entrepreneurs. It can also lead to collaboration and mentorship opportunities where successful business owners can assist with the business development of the youth.

By actively engaging with diverse community organizations and minority-owned businesses, the City can build relationships and partnerships that can help address the needs of all businesses throughout the City.

## Recommendations

### **E4.1** Help create networking and mentoring opportunities for those interested in local business opportunities.

Many local residents entering the workforce may not meet the educational or training requirements in a specific sector or they may have barriers preventing them from opening their own business. Networking and mentorship programs offer guidance to those that may still be figuring out their career path. The City can collaborate with businesses and non-profit organizations to create a support network with mentoring opportunities for those entering the workforce. Efforts may include:

- Facilitating networking events, matchmaking sessions, and industry-specific conferences that connect minority business owners with potential clients, investors, and mentors, fostering collaboration and growth opportunities.
- Implementing mentorship programs that connect experienced entrepreneurs with individuals from underrepresented communities, providing guidance and support to help them succeed in their business endeavors.
- Assisting in the formation of local business associations that focus on representing minority interests.
- Organize networking events and forums where business owners and entrepreneurs from diverse backgrounds can connect, share experiences, and collaborate.

### **E4.2** Create a community engagement portal to address the concerns and needs of local entrepreneurs.

A community engagement portal is an online platform or website designed to facilitate communication, collaboration, and participation among members of a community. It serves as a central hub where community members can share information, express opinions, discuss issues, and participate in decision-making processes. It often includes features such as forums, surveys, event calendars, document sharing, and notification systems to keep community members informed and involved. This portal could help ensure equitable access to resources, such as capital, grants, and business development programs, to empower entrepreneurs from diverse backgrounds and reduce barriers to entry. It can also be a place to advocate for policies at the local, state, and national levels that support minority-owned businesses, address systemic barriers, and promote equitable opportunities for entrepreneurship and economic growth. Portal members may also facilitate collaboration with educational institutions and community organizations to offer training programs and resources that specifically address the needs of minority entrepreneurs, focusing on areas such as financial literacy, digital skills, and marketing strategies.



## Goal 5: Utilize our natural resources to develop a strong blue economy.

### Discussion

Muskegon’s waterfront has come a long way from its industrial past, and the massive effort to restore Muskegon Lake recently paid off in the lake’s removal from the U.S. Environmental Protection Agency’s list as an Area of Concern. These restoration efforts have also shifted public perception of Muskegon Lake spawning a new economy along the shoreline, this time with cleaner, more sustainable uses.

A Blue Economy integrates water resources with jobs and development. In 2022, it was reported that the transportation, ports, and shipping industries in Michigan contributed \$3 billion to the state’s economy. Water placemaking activities, such as environmental cleanup, recreation, and waterfront development account for more than 175,000 jobs in the state and contribute \$12.5 billion to the economy annually.

Muskegon has always strived to grow industry and jobs in water-related sectors by utilizing our resources. The old Blue Economy of Muskegon consisted of heavy industry that polluted the lake. Today, relocation of industries and massive restoration efforts have shifted how Muskegon utilizes its Blue Economy. Our award-winning beaches, outdoor recreation and water-based activities such as world-class fishing and sailing fuel our tourism industry. In recent years, Muskegon has become a popular destination for fresh water cruise ships. While the shoreline continues to redevelop into a more recreational, commercial, and tourism economy; it still balances some of its historic uses with the continuation of deep-water port activities. Muskegon Lake is the largest natural deep-water port on the east side of Lake Michigan. The Port of Muskegon handles over one million tons of freight, aggregate, coal and salt every year. There has been an effort over the past few decades to locate these port uses in a central location at the east end of the lake.

Water research and technologies is a growing industry in Michigan, especially on the east side of the state. This industry is led by a conglomeration of universities and research laboratories that have created a “technology cluster” that have created a whole new sector of the local economy. Muskegon is well positioned to develop its own technology cluster focused on water research, education, technology, and innovation. The city is home to the Grand Valley State Annis Water Resources Institute which actively applies for state and federal designations that would put Muskegon on the map as a top designation for water research and technology.

By supporting a diverse array of water uses, Muskegon has continued to grow its blue economy through different sectors over the past few decades. Continued support of these industries will help bolster the waterfront economy. Plentiful acreage of developable land along the shoreline provides enormous potential for economic growth. Bringing people to the water and providing them access to the shoreline and waterfront amenities is essential to growing the local blue economy.

#### Blue Economy Across the State of Michigan

- **\$60 billion** – Annual economic impact of the **blue economy**, providing roughly 1 in 5 Michigan jobs. - the Anderson Economic Group for the University Research Corridor (URC), and the Michigan Economic Center.
- **\$3.9 billion** – direct and indirect spending of **recreational boaters**, contribution to over 50,000 jobs. – Great Lakes Commission Study
- **\$2 billion** – annual contribution brought by **anglers** – Michigan EGLE
- **\$955 million** – annual earnings from **Coastal Tourism**, which also responsible for creating 57,000 jobs – Michigan Sea Grant and Michigan’s Great Lakes Job report.
- **\$3.5 billion** – Annual **tax revenues** from properties on inland lakes – Progressive AE study.
- **\$140 million** – Annual revenue brought in from the **canoeing and kayaking industry** – Great Lakes Commission study
- **\$500 million** – Economic impact of the \$163 million spent on **Great Lakes Restoration projects** – Great Lakes Commission report

### Recommendations

**E5.1** Increase and enhance publicly-accessible amenities along the waterfront and soften shorelines where possible.

Access to the waterfront is a crucial element in the success of the blue economy. The community as a whole and visitors alike are drawn to the water and seek publicly-accessible shorelines with amenities that will keep them engaged. Past efforts created amazing amenities like the Muskegon Lakeshore Trail, which provides pedestrian access along a majority of the south shoreline of Muskegon Lake. Residents continue to push for redevelopment projects to include publicly-accessible waterfronts. We must define the community’s desires for lakefront amenities and require them in the approval process for waterfront development. These amenities help define a sense of place and encourage economic prosperity. Additional waterfront access and amenities will help create new opportunities for recreation and hospitality businesses and provide incentives to develop quality housing.

Current zoning ordinance regulations require some waterfront developments to provide publicly-accessible waterfront features. However, it is not well defined on what this access must entail. Residential Planned Unit Developments along the waterfront must commit to having at least 50% of the waterfront accessible to the public, though this could technically be as minimal as a sidewalk or strip of greenspace. The quality of public waterfront access is just as important – if not more important in some cases – as the quantity of public waterfront access.

Would the community benefit more from a small beach, kayak launch or playground or 300’ of sidewalk? Planned Unit Development requirements offer opportunities for the community to enhance their waterfront experience, which, in turn, helps sustain the economy along the waterfront.

In addition to creating new publicly-accessible amenities, we must also strive to improve existing shoreline developments to enhance the public’s experience. Much of Muskegon Lake’s south shoreline is man-made. Where possible, removing artificial barriers and restoring a more natural shoreline is not only great for the environment, but has a tremendous positive impact on the local economy. A 2017 study\* estimated an aggregate increase of \$11.9 million in property value due to restoration efforts on the south shore. Based on the study’s analysis of Muskegon Lake, approximately 119% of the \$10 million in remediation cost was returned in housing values alone. The study also found that as the distance from a restoration increases, the value change decreases.

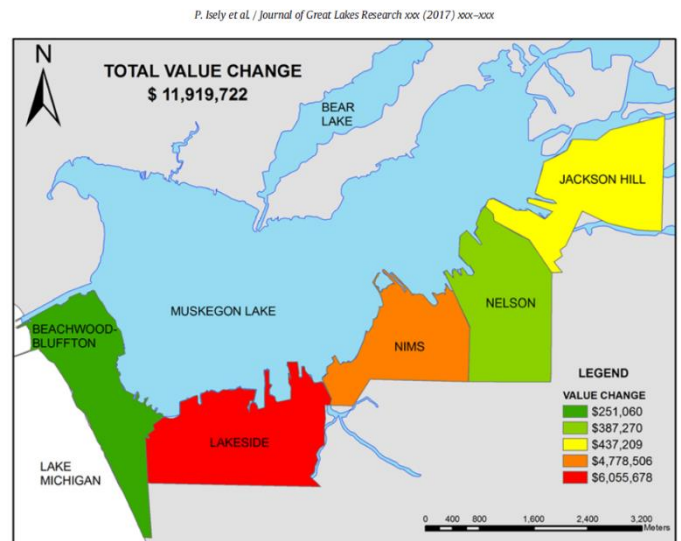


Fig. 5. Cumulative change in housing value segregated by neighborhoods adjacent to Muskegon Lake.

**Action Steps**

- Draft ordinances that require publicly-accessible waterfront amenities in new developments on Muskegon Lake.
- Partner with local environmental agencies to secure funding to restore areas of the Muskegon Lake shoreline to a natural state, where feasible.
- Develop economic and zoning incentives for private developments to do the same.

\* Isely, P., et al., A socioeconomic analysis of habitat restoration in the Muskegon Lake area of concern, J. Great Lakes Res. (2017)

**E5.2** Become regionally and nationally designated by organizations that will bring visibility and economic development to Muskegon Lake.

Muskegon is fortunate to be located in a region with tremendous water resources that have the potential to grow the local economy through regional and national partnerships. Both the recreation and research/education sectors of the local blue economy could be enhanced by working collaboratively with other organizations to bring new opportunities to the area.

The Great Lakes Way is a proposed 160-mile greenway and 156-mile blueway from southern Lake Huron to western Lake Erie. The project is led by the Community Foundation for Southeast Michigan in an effort to ensure that all residents and visitors of southeast Michigan are connected to and benefit from world-class freshwater, wildlife, recreation, and heritage.

The Muskegon Lakeshore Trail has the potential to connect to other greenways and blueways to create a network similar to the Great Lakes Way. The Transportation and Mobility chapter explores opportunities to connect the Lakeshore Trail with the regional Musketawa Trail. A designation as a national trail would increase Muskegon’s visibility, creating new economic opportunities.

Another aspect of the blue economy is water education, research, and innovation centers. The Great Lakes are home to companies that are pioneering solutions to local, Great Lakes regional, and global freshwater problems: from innovating and leading local water ecosystem restoration efforts, to making freshwater cheaply available for a water-starved developing world; removing pollutants; and adapting to climate change. These institutions are also educating and training the water “talent” of tomorrow, from entry-level wastewater technicians, to engineers managing ecosystem restoration projects, to the scientists finding ways to reduce pollutants from water, and turn it into clean energy.

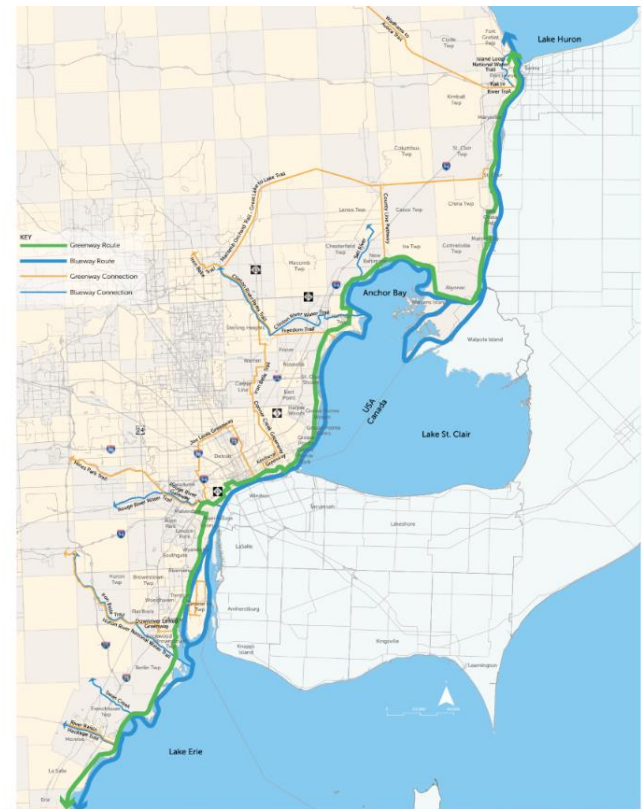
The Robert B. Annis Water Institute is a multidisciplinary research organization within the Grand Valley State University College of Liberal Arts and Sciences located on the Muskegon shoreline near downtown. They integrate research, education and outreach to enhance and preserve freshwater resources. The Institute has opportunities to apply for federal designations such as National Estuarine Research Reserve System (NERRS). NERRS is a network of 28 coastal areas designated to protect and study estuarine systems. Created by the Coastal Zone Management Act, the reserves are a partnership between the National Oceanic and Atmospheric Administration (NOAA) and coastal states. Such a designation would bring in top-level research staff from a variety of fields to study the freshwater estuary.

Existing local institutions such as NOAA, AWRI, the Muskegon Conservation District, and a multitude of private sector environmental companies could serve as resources toward accreditation such as NERRS.

**Michigan Sea Grant Report – the Blue Economy contributes over \$60 billion annually to Michigan’s economy and supports over 600,000 jobs.**

<http://michiganblueeconomy.org/wp-content/uploads/2015/03/Michigan-Blue-Economy-Report.pdf>

<https://www.visualcapitalist.com/great-lakes-economy/>



**Goal 6:** Provide a diverse supply of housing options that focuses on infill development.

**Discussion**

Housing development should be considered alongside employment, transportation, and business development as a central component of economic development. The lack of housing availability, flexibility, and affordability prevents labor mobility. Areas of high demand and spiraling prices make wages and rent higher for businesses, but poor housing options make it difficult to attract a skilled workforce.

Stable housing conditions support social cohesion, foster community engagement, and enhance the overall quality of life, which, in turn, attracts businesses, investors, and tourism. Newfound popularity for urban living has positioned Muskegon to utilize housing as a means of economic growth. The 2023 Muskegon Housing Needs Assessment suggests that an additional 3,000 housing units are needed over the next five years. A mixture of housing types is necessary to meet that demand, including redeveloping hundreds of vacant residential lots throughout the city. The Housing and Neighborhoods section further explores strategies to meet the current demand for housing.

## Recommendations

### **E6.1** Maintain a database of available lots and incentives for residential development.

The City owns several hundred vacant lots that previously contained houses. A list of these lots is maintained to aid in marketing them for residential development, and could be compiled into a database that includes other useful information like asking price, permitted housing types, sample house designs and site plans, and available incentives. Having this information readily available saves time in reviewing proposals to develop multiple lots.

When the inventory of City-owned vacant properties gets low, an inventory of privately-owned vacant lots should be assembled. Compiling a list of addresses and contact information for privately-owned vacant lots may prove beneficial to efforts to provide more housing.

### **E6.2** Engage with developers to create agreements to provide diverse types of housing options.

The substantial number of housing units needed to meet current demand will require a variety of developers. Identifying who is capable of redeveloping parts of neighborhoods with appropriate architecture, diverse housing types, and a range of price points is important in adding more units that fit the needs of all.

The City's lot sale policy has worked well in encouraging small-scale development of infill housing by local developers and individual homeowners. However, to address the current shortage, personalized development agreements and economic incentive packages will be necessary to make large-scale residential developments feasible.