

Chapter 8

Economic Development



The purpose of this section is to provide an overview of the current economic climate in the Township as it relates to land use, planning, and zoning. With increased competition among Township and municipalities vying for employers and new industries, the Township must maintain its advantage and continue to foster and nurture start-up and existing industries. The education levels of its workforce, natural resources, strong neighborhoods and convenient commercial cores all contribute to a well-rounded community poised for economic development initiatives.

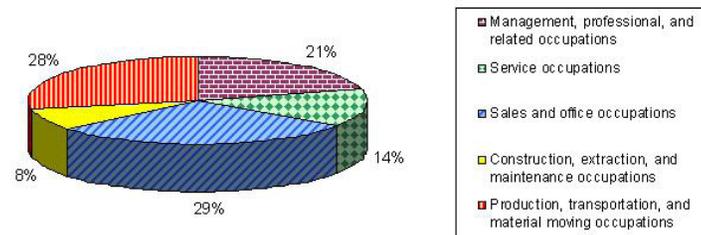
Employment

According to the 2000 Census, 29% of the Township's population 16 years and older was employed in sales and office occupations, followed closely by production, transportation and materials moving operations at 28%. The U.S. Census defines occupations as a general broad term of employment, which may account for multiple industries. Additionally, more than 75% traveled less than 25 minutes to work, hinting that most residents are employed either in the Township or in one of the surrounding municipalities.

According to Muskegon Area First, manufacturing comprised the County's largest employment sector in 2003 at 16.4% percent, and Herman Miller and Howmet Corporation employed more than 56% of those in the manufacturing industry.

The second largest industry is retail trade, which employs approximately 15.8% of the County's population. These businesses would include Meijer, Wesco and Kmart, along with small-scale commercial enterprises. The other two major employers within the County are

Figure 8.1 Township Occupations, 2000 Census



health care and educational institutions, comprising the various hospitals and school districts. Both of these industries require a highly educated workforce, often with a bachelor's degree or higher.

In Townships and Cities adjacent to Muskegon Township, the manufacturing sector also employs the largest percentage of the workforce. As of 2000, 30.24% of the workforce in the surrounding communities was in the manufacturing sector. By comparison, 31.33% of Muskegon Township residents were employed in the manufacturing sector. The second largest industry which includes, education, health and social services, employs 16.97% of Muskegon Township residents. With the national and statewide decline in manufacturing, the planned closure of the prison and the Muskegon Area Intermediate School District planning for stagnant or declining enrollment, the Township will need to find ways to attract new employers and keeps its residents employed. (Note that high education institutions, such as Baker College and Muskegon Community College are seeing record levels of enrollment.)

According to the West Michigan Shoreline Regional Development Commission (WMSRDC), recent trends indicate that the health care

and education industry will be increasing and is expected to surpass manufacturing within the next 20 to 30 years.

According to the 2009 Comprehensive Economic Development Strategy (CEDS) prepared by WMSRDC (and required by the Economic Development Association of the U.S. Department of Commerce), retail trade, which has grown by 3.83% within Muskegon County between 2001 and 2006, is also expected to continue to grow within the region, but does not provide as high of incomes as education, health and social services.

Retail trade currently accounts for an average of 13.65% of the employment within surrounding communities. At 15.81%, Muskegon Township has an above average amount of workers employed in retail

Table 8.1 Employment By Sector, 2000 Census

	Cedar Creek Township	Dalton Township	Egelston Township	Fruitport Charter Township	Laketon Township	City of Muskegon	Muskegon Township	City of North Muskegon	Sullivan Township
Agriculture, forestry, fishing and hunting, and mining	0.83%	0.64%	0.89%	0.34%	0.40%	0.26%	0.32%	0.45%	2.13%
Construction	10.26%	8.27%	7.52%	7.61%	5.47%	4.11%	4.88%	4.58%	8.61%
Manufacturing	39.88%	35.09%	36.70%	27.37%	22.73%	29.34%	31.33%	20.18%	34.88%
Wholesale trade	1.39%	2.23%	3.24%	3.87%	4.16%	2.50%	3.10%	3.32%	1.98%
Retail trade	12.34%	13.72%	10.72%	19.37%	13.16%	11.35%	15.81%	10.82%	16.15%
Transportation and warehousing, and utilities	3.26%	3.15%	3.03%	3.41%	2.49%	2.31%	2.53%	2.37%	3.81%
Information	2.98%	1.17%	1.46%	1.15%	1.47%	2.09%	2.57%	1.21%	0.91%
Finance, insurance, real estate and rental and leasing	4.51%	2.96%	2.35%	2.90%	3.99%	3.53%	4.42%	6.24%	0.91%
Professional, scientific, management, administrative, and waste management services	2.91%	2.27%	4.78%	5.08%	6.09%	6.10%	4.24%	7.80%	4.34%
Education, health and social services	10.26%	14.06%	15.12%	16.67%	24.69%	17.94%	16.97%	31.66%	13.02%
Arts, entertainment, recreation, accommodation and food services	5.55%	6.85%	7.71%	4.77%	7.40%	10.28%	5.60%	2.92%	7.24%
Other services (except public administration)	3.12%	4.23%	5.19%	4.37%	5.23%	5.42%	4.47%	5.13%	3.50%
Public administration	2.70%	5.36%	1.30%	3.08%	2.71%	4.78%	3.75%	3.32%	2.51%

trade. This is not surprising given the relatively significant extent of commercial land uses near US-31 interchanges in the Township; and retail uses outside the Township within commuting distance. It should come as little surprise that over time the number of persons employed in the region has decreased. The Michigan Energy, Labor and Economic Development Department (MELEDD) tracks unemployment statistics by Metropolitan Statistical Area (MSA). Muskegon Township falls within the Muskegon-Norton

Table 8.2 Unemployment

Non-Seasonally Adjusted Jobless Rate for Muskegon-Norton Shores-MSA	
January 2009	13.5%
February 2009	14.2%
March 2009	14.9%
Source: MELEDD	

Shores MSA. Within this MSA, the 2009 unemployment rates have increased, which is consistent with unemployment data for West Michigan and the County as a whole.

The industries seeing the greatest percentage of losses in March of 2009 include: natural resources, mining and construction (-22%), professional and business service (-12%), goods producing/leisure/hospitality (-10%) and accommodation and food service (-10%). These losses can be attributed to the recession and down-turn of the economy, as fewer people are traveling, constructing homes or other types of new buildings or expanding existing facilities.

Income

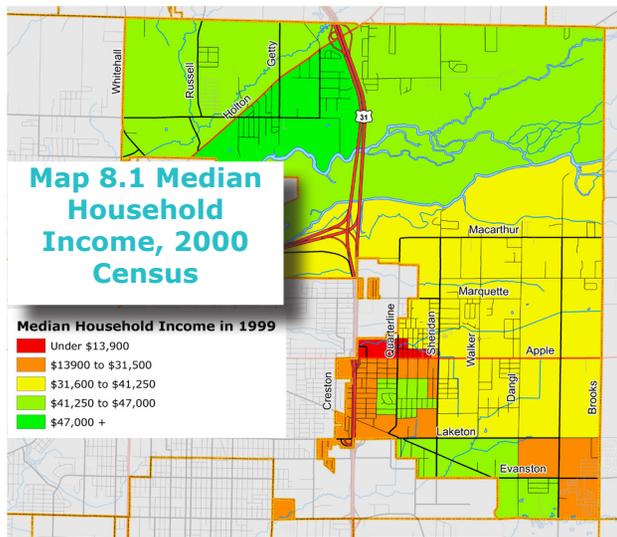
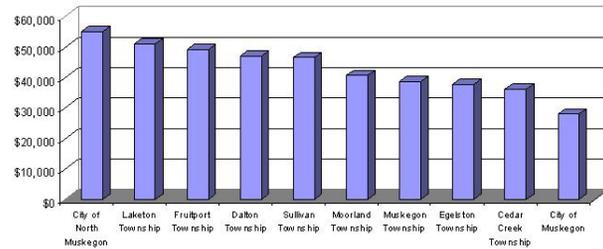
In 2000, the median household income in Muskegon Township was \$38,634, which is lower than the County's median household income of \$45,710. And, when compared to surrounding

Townships, Muskegon Township is below the average as indicated in Table 8.3, but is higher than the average in the City of Muskegon.

The highest median household income is located in the more rural portions of the Township, where the Township has some of the highest property values. Between 1990 and 2000, the central section of the Township showed the greatest increase in median household income as illustrated in Map 8.1 and Map 8.2.

Changes in income can be projected based on past trends. If past trends continue at the same pace as they were between 1990 and 2000 showing an increase of 54.18% in 10 years, then the projected median household income for Muskegon Township will be \$59,565 in 2010. This, however, is only a projection and is likely to be less since the unemployment level across the State have increased, meaning the supply of workers is greater, which results in lower incomes. In Muskegon County, the unemployment rate was 14.2% in April 2009. In the City of Muskegon, the unemployment rate was a staggering 18.20% during the same month, one of the highest in the nation.

Figure 8.2 Median Household Incomes, 2000 Census

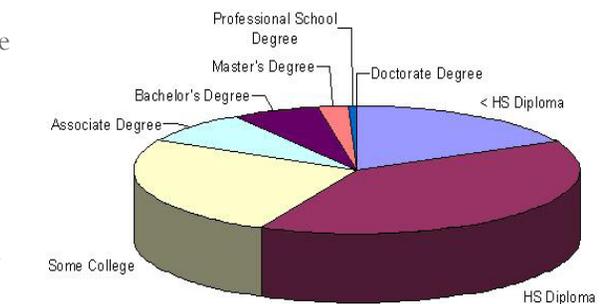


Education

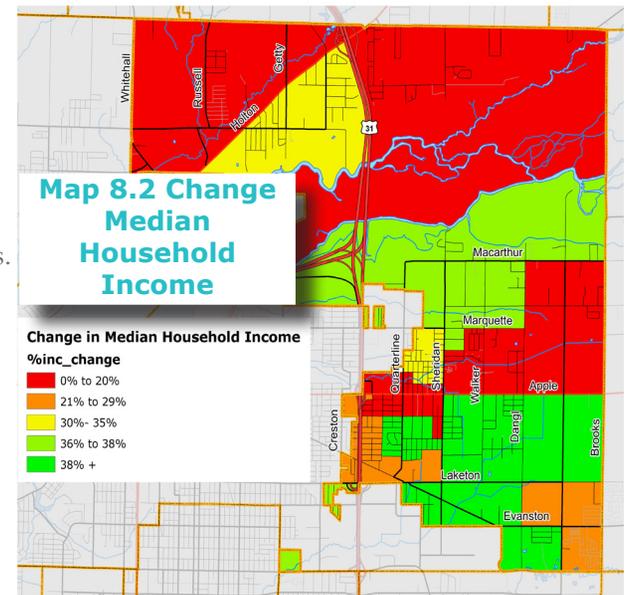
Recent trends show that employers are moving to areas with a high concentration of educated persons. Educational attainment is also a leading indicator of income level. According to the 2000 U.S. Census, 83.21% of the Muskegon Township

residents over the age of 25 had a high school education, 17.04% went on to receive an associate's degree and 8.82% earned a bachelor's degree. In comparison, the City of Muskegon had 77.86% of the residents over the age of 25 with a high school diploma, 15.13% with an associate's degree and 8.13% with a bachelor's degree. When compared to adjacent Townships, Muskegon Township was slightly below average in terms of residents with a master's degree or higher, with 2.42% in the Township compared to 2.68% on average for the adjacent communities.

Figure 8.3 Education



Three contributors to local educational attainment is the existence of Muskegon Community College, the Stevenson Higher Education Center and Baker College. These institutions offer a range of programs specifically geared to vocational trades, often in cooperation with



local industries. They also offer a range of night programs to allow further educational advancement while working full time. In terms of economic development, educational attainment is an important factor because particular higher paying industries, such as health care, will seek out locations with an educated workforce.

Income and Education

The importance of education levels may increase as the focus from manufacturing jobs changes to information, technology, health care

and education jobs, which require higher levels of education. In 2000, 83.21% of Muskegon Township residents graduated high school; however, only 8.82% had a bachelor's degree or higher. The average high school graduation rate for the immediate vicinity is 84.80% and 11.32% went on to receive a bachelor's degree or better, showing that Muskegon Township is slightly lower than average. The City of North Muskegon has the highest education rates and the highest income levels in the area. The City of Muskegon had the lowest income levels and high school graduation rate, as well as the highest poverty rate (39.27%) in 2000.

Table 8.3 Income, Education and Employment Comparison Chart, US Census and W&W

	Median Income in 1999	% Change In Income 1990-1999	Projected Median Household Income 1999-2010	High School Graduate	BA Degree (>25 years)	Unemployment*	% Below Poverty (<65 Years)
Cedar Creek Township	\$36,179	69.89%	\$61,463	89.15%	4.05%	14.20%	21.24%
Dalton Township	\$47,127	70.83%	\$80,507	85.73%	9.36%	14.20%	11.12%
Egelston Township	\$37,557	35.91%	\$51,045	79.40%	6.19%	14.20%	16.62%
Fruitport Township	\$49,065	55.14%	\$76,120	86.13%	14.45%	14.20%	12.69%
Laketon Township	\$50,913	37.36%	\$69,933	93.16%	19.47%	14.20%	10.57%
Moorland Township	\$40,669	46.84%	\$59,716	78.09%	5.53%	14.20%	13.82%
City of Muskegon	\$27,929	48.97%	\$41,606	77.67%	8.13%	18.20%	39.27%
Muskegon Township	\$38,634	54.18%	\$59,565	82.31%	8.82%	14.20%	17.39%
City of North Muskegon	\$55,063	47.70%	\$81,327	92.66%	29.52%	14.20%	6.21%

Economic Growth

Looking ahead, the Michigan Economic Development Corporation tracks industries projected for growth. With the state's focus on green energy, the Muskegon area is prime for growth in the renewable energy sector. One such company has recently located in the City of Muskegon. Windtronics, a start-up manufacturer of small-scale wind turbines for commercial and residential use will invest \$4.4 million to locate a manufacturing facility in Muskegon. The project is expected to create 462 new jobs, including 219 directly by the company. The Michigan Economic Development Corporation estimates the increased economic activity created by the project will create an additional 243 indirect jobs.

The Township's proximity to major employers and industry offers substantial opportunities for spin-off business providing value-added products or component products to major manufacturers or service providers. Such industries may include equipment repair, health clinics or medical support, tourism and hospitality. WMSRDC estimates

that the health care and social assistance industry will be the largest employment industry within the region, whereas manufacturing will continue to see significant declines in employment. Muskegon Township has the potential to capture many of these spin-off support industries due to its proximity to Mercy Health Partners, Baker College and Muskegon Community College. The Township also has the potential to attract talented and skilled workers through careful land use planning and a focus on building cultural, recreational and well-planned residential neighborhoods.

The Michigan Labor Market information tracks estimated annual job openings due to growth. Projections for the next 7 years for sectors where six or more jobs are expected are listed in Table 8.4.

Brownfield Redevelopment

Muskegon Township includes four significant brownfield areas prime for redevelopment. While the State does not have a specific definition of a brownfield, brownfields are areas that are generally abandoned, idle or under-used industrial and commercial properties

Table 8.4 Muskegon Township Job Projections 2009-2016, MELEDD

Occupation	Jobs
Business and Financial Occupations	20
Community and Social Service Occupations	18
Management Occupations	16
Counselors, Social Workers, and Other Community Social Service Workers	16
Other Management Occupations	13
Business Operations Specialists	12
Architecture and Engineering Specialists	8
Financial Specialists	8
Computer Specialists	6
Computer and Mathematical Occupations	6
Engineers	6

where expansion or redevelopment is complicated by real or perceived environmental conditions. Brownfield properties can also be classified as functionally obsolete, have leaking underground storage tanks and landfill sites. Regardless of the classification, redevelopment of brownfield properties can qualify for tax credits, tax increment financing and other grants and loans depending on the location, scale and type of contamination. A redevelopment project may also qualify for certain tax incentives, helping to off-set remediation and development costs, making these properties attractive to developers.

The October 2006 report by WMSRDC, entitled “West Michigan Shoreline Brownfields Inventory and Plan for Implementation,” includes four key properties in Muskegon Township prime for redevelopment. The properties and addresses are described in Table 8.5.

Green Jobs

As reported in the Muskegon Chronicle, one such brownfield redevelopment opportunity is the Northshore Hospital and Zephyr site. There may be an opportunity to convert the Northside tank-

Table 8.5 Muskegon Township Brownfield Properties

Name	Location	Size	Current Use	Proposed Use
Northshore Hospital	1092 Holton Road	14 acres	Vacant	Industrial/ Business PUD
Viking Foods	1764 Creston Street	12.55 acres	Vacant building, includes cold storage	Zoned for industrial
Marathon Oil (Superfund Site)	2920 E. Laketon Ave.	< 40 acres	Vacant	None given
Zephyr Refining (Superfund Site)	1222 Holton Road	70 acres, 33 used for refinery	Vacant	None given

farm property into a wind farm and wood-to-ethanol production plant. Capitalizing on the existing infrastructure, underground distribution lines, existing workforce, tax credit opportunities, and proximity to Lake Michigan, such an endeavor could be the County's largest economic development project in years. The result would create an estimated 100 to 150 jobs onsite, with an additional 200 to 300 construction and supplier jobs. According to the 2009, Green Jobs Report by the Michigan Department of Energy, Labor and Economic Growth, the opportunity to create new Michigan jobs rests overwhelmingly with the clean energy, green-collar economy. Michigan, including Muskegon Township with its high level of manufacturing expertise, has the workforce with the knowledge and talent and access to original equipment manufacturers (OEMs) and suppliers to be at the leading edge for creating green jobs. According to the report, "in the renewable energy sector, Michigan has the potential to become a regional and global powerhouse in wind turbine manufacturing with Michigan's engineering expertise and modernized machining." Investments in energy efficiency represent a major opportunity for Michigan to create jobs, save money and reduce reliance on fossil fuels.

According to the report, there are several public policies in place that support this transition towards the creation of green jobs in Michigan. These include:

- Michigan's adoption of a renewable portfolio standard is likely to increase investment in alternative energy production. Already, the state has seen an increase in interest in manufacturing wind turbines in Michigan.
- The requirement within recent energy legislation that the State's regulated utilities spend an increasing portion of their revenues on energy efficiency measures for their industrial, commercial and residential customers will create a fund of \$275 million for energy efficiency work by 2012.
- The Michigan Legislature has enacted incentives for advanced energy storage, strongly supporting a concentrated development of that industry in the State. Already, several firms in this field have made commitments to locate and grow in Michigan.

- DELEG has launched a \$6 million Green Jobs Initiative focused on helping industries cited in this report develop the workforce skills they will need to succeed.
- Substantial components of the American Reinvestment and Recovery Act provide funding to accelerate development of green jobs spanning renewable energy production, increasing energy efficiency of buildings and developing new energy transmission grids.