

annual
gathering

Nov. 14, 2019

Frauenthal Theater

HILT BUILDING BALLROOM



community foundation

Muskegon County

Building an Inclusive and Equitable Community for Local Prosperity

INCLUSIVE PROSPERITY WORKSHOP



Jamie Bracey Green, PhD

Director, Center for Inclusive
Competitiveness® (CIC)
Temple University

Mike Green

Co-founder
ScaleUp Partners LLC



annual gathering

Nov. 13 – 14, 2019
Frauenthal Theater
Muskegon, MI



community foundation

Muskegon County

Building an Inclusive and Equitable Community for Local Prosperity

RECAP OF WEDNESDAY





WORKSHOP AGENDA

Welcome/Purpose (10 min)

Previous evening recap w/Q&A (20 min)

Objectives of the session/expectations from participants (10 min)

SMALL GROUPS: Developing a Muskegon 2040 Vision Statement (40 min)

SMALL GROUPS: Applying the Vision to economic inclusion and equity (40 min)

Final Reports

Wrap up and Q&A



RECAP takeaways

CEDS 2018-2022

Comprehensive Economic Development Strategy for the
West Michigan Shoreline Economic Development District

Lake, Mason, Muskegon, Newaygo, and Oceana Counties

VISIONING MUSKEGON 2040



community foundation®

Muskegon County

- CEDS Review
- Futuristic Thinking
- Brainstorming
- Synthesize a Vision Statement



VISIONING REPORT OUTS

Envision Muskegon 2040:

What would you like it to be - WHY?

WORKSHOP DEFINITIONS

MVP – Most Vulnerable Populations

SQB – Status Quo Beneficiaries

Equity – Ownership stake/share of prosperity

Generational Wealth – Ownership of assets that can be passed down

Inclusive Competitiveness – Strategies that improve the measurable productivity of underrepresented populations in the innovation economy (i.e. minorities, immigrants and white women)



EXAMPLES OF EQUITY IN OWNERSHIP

- Executed contract with clearly defined ownership and ROI
- Access to capital for both CapEx and OpEx
- Best value “D&I” procurement policies
- MVP intergenerational transfer of “sustainable” wealth

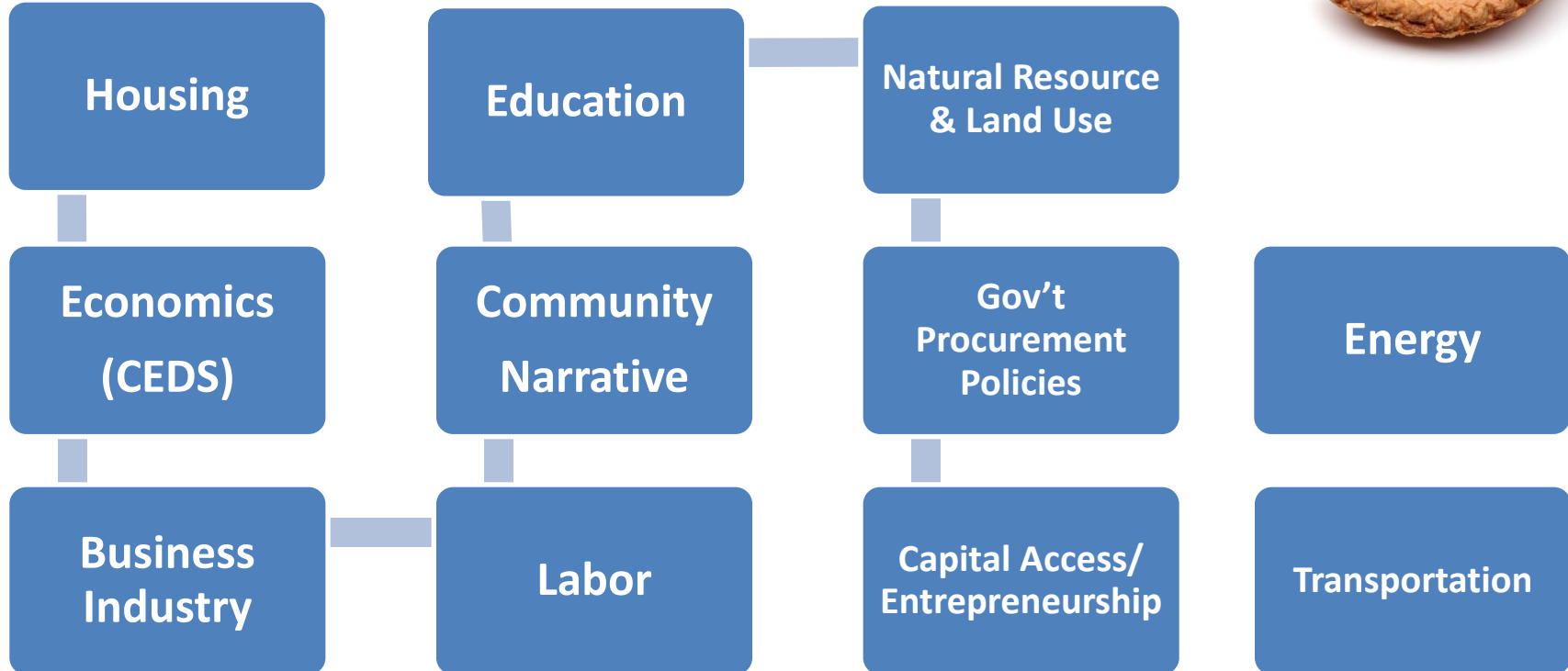
EQUITABLE OWNERSHIP

Owning a share of Muskegon's prosperity pie

Let's examine 11 elements
of the prosperity pie in
Muskegon's economic
ecosystem through the lens
of the MVP & SQB



PROSPERITY INGREDIENTS



REINVESTING ALONG THE LAKESHORE: OPPORTUNITY ZONES IN MUSKEGON COUNTY, MICH.



Muskegon County is in the midst of a historic transformation from an old industrial town to a vibrant community boasting advanced manufacturing, world-class recreation, a tourist destination and a regional health care center. It is home to five Opportunity Zone census tracts in the cities of Muskegon and Muskegon Heights with a variety of dynamic investment possibilities.

MUSKEGON COUNTY IS HOME TO:

- The largest kayak manufacturer in the world
- The top rated community college in Michigan
- A Top 10 summer art festival among dozens of major events
- The largest deep-water port on MI west coast
- The Lakeshore destination for state-of-the-art medical services
- An industrial legacy and expertise in metal
- Large, open waterfront properties with Great Lakes access
- Affordable near-water living options
- Miles of open, public sugar-sand beaches
- Abundant water and a world-class wastewater system



OPPORTUNITY ZONES EXPLAINED



Opportunity Zones are a new federal tax incentive program found in the Tax Cuts and Jobs Act of 2017 to spur private investment and economic activity in specific distressed or low-income census tracts. Muskegon County has five Opportunity Zone census tracts – three in the city of Muskegon and two in the city of Muskegon Heights – as designated by the state of Michigan.

At their core, Opportunity Zone allows for those with federal capital gain liabilities to delay or eliminate their tax burdens by making substantial investments in the designated zones. Capital gain liabilities can be generated by the sale of real property, businesses or stocks and bonds.

Opportunity Zone funds can be set up by financial institutions or groups of individual investors through a “self-certification” process with the U.S. Internal Revenue Service. Using Form 8996 with a federal income tax return, an eligible corporation or partnership can become a Qualified Opportunity Fund.

Qualified Opportunity Funds can receive three types of federal tax benefits by investing in Opportunity Zones. An investor can defer federal taxes on any income that generates a capital gain. Opportunity Zone investments held for a minimum of five years receive a 10 percent tax break and a 15 percent tax break if held for seven years. Long-term investments in an Opportunity Zone of 10 years or longer are permanently excluded from any future capital taxes.

Qualified Opportunity Funds can invest in real estate or businesses located in Opportunity Zones such as interest in real estate developments and infrastructure along with investments in for-profit businesses located in an Opportunity Zone. The funds can be invested in existing businesses and developments if “substantial improvement” is obtained by at least doubling the value of the initial business or development over the course of 30 months.

Finally, Qualified Opportunity Fund investments can be combined with other incentives such as New Market Tax Credits, Low-Income Housing Tax Credits, historic rehabilitation tax credits and other state of Michigan economic development programs. Local incentives available through the cities of Muskegon and Muskegon Heights are also available.



What benefits would OZs reap for Muskegon residents in the OZs if **YOU** were designing the strategy with equitable ownership outcomes?

For more general information on Opportunity Zones in Muskegon County, contact:

Muskegon Area First

Interim President/CEO Darryl Todd
380 W. Western Ave. Suite 202
Muskegon, MI 49440
231-722-3751 Email: DTodd@muskegonareafirst.org

OPPORTUNITY ZONES MAP



What benefits would OZs reap for Muskegon residents in the OZs if **YOU** were designing the strategy with equitable ownership outcomes?

EQUITABLE OWNERSHIP EXERCISE

“Owning a share of Muskegon’s prosperity pie”

DIRECTIONS

1. Join a subgroup
2. Review data on Most Vulnerable Populations (MVP) vs Status Quo Beneficiaries (SQB)
3. Complete chart with identifiable descriptors

EQUITABLE OWNERSHIP EXERCISE

“Owning a share of Muskegon’s prosperity pie”

SMALL GROUP EXERCISES

What does **[INGREDIENT]** look like for Muskegon’s MVP vs SQB in measurable impact for each?

- Year 2000
- Year 2020
- Year 2040

EXAMPLE “EDUCATION”

	MVP	SQB
YEAR 2000	Measures / descriptors	Measures / descriptors
YEAR 2020	Measures / descriptors	Measures / descriptors
YEAR 2040	Measures / descriptors	Measures / descriptors

EQUITABLE OWNERSHIP EXERCISE

SMALL GROUP REPORT OUTS



- Which ingredients most approach equity?
- Which have MVPs furthest from SQB?
- Which ingredients are prioritized in the CEDS or Business Benchmarks?

2040 VISION STATEMENT

What will Muskegon's 2040 prosperity pie look like for MVPs and SQBs in the context of the 11 economic ingredients?





GETTING FROM TODAY TO TOMORROW

What would a 1% change in MVP
productivity mean for Muskegon by 2040?

Identify the low hanging fruit to modify the
CEDs... and begin there!



WORKSHOP Q&A



community foundation[®]

Muskegon County

Community Foundation for Muskegon County

annual
gathering

Building an
Inclusive and
Equitable
Community for
Local Prosperity

annual
gathering

Nov. 14, 2019

Frauenthal Theater

HILT BUILDING BALLROOM



community foundation

Muskegon County

Building an Inclusive and Equitable Community for Local Prosperity

INCLUSIVE PROSPERITY WORKSHOP



Jamie Bracey Green, PhD

Director, Center for Inclusive
Competitiveness® (CIC)
Temple University

Mike Green

Co-founder
ScaleUp Partners LLC





community foundation[®]

Muskegon County