

# The Ultimate Population Growth Tool

The Governor's Population Growth Council has just gotten underway, and it's already clear that Michigan needs to attract a young, talented population. In timely fashion, my friends at Michigan Future Inc. and Traverse Connect released a joint statement on the significance of investing public dollars to attract Generation-Z (Gen-Z).

It shouldn't surprise anyone that young, largely single people are more mobile than established families, and because of it, they're easier to attract to vibrant and energetic communities. A key takeaway in the joint statement is, *where young talent goes, high-growth, high-wage, knowledge-based industries grow and prosper.*

It might seem counterintuitive to the old-fashioned way of doing economic development, but anyone with kids who have moved away from our small towns can relate to the basic concept which says; when we're good enough to attract young people from other states, we're more likely to keep our own.

We should do more to help all of Michigan's great communities, large and small, catch the attention of innovative people from around the nation and the world. But once we use our resources to capture their attention, will we have the tools necessary to attract the capital to grow the jobs they need to thrive here?

Well, there is a way to do both. Michigan has a powerful tool in the palm of its hand, if it's used to its full potential. The Strategic Outreach Attraction Reserve fund (SOAR) is an economic development tool which could be transformed into the ultimate instrument for economic growth.

In its current form, it is known primarily as a big-ticket economic development closer. Spending hundreds of millions of dollars on the future of mobility was a necessity, but there's no reason not to expand its usage to build up our communities with smaller strategic investments.

In my original vision for SOAR, it would have been a revolving economic development fund, where the income tax from every SOAR investment would (and still can) be captured. The Legislature could still change SOAR to collect and capture all corporate and personal income tax.

The capture would happen only on new growth, which each SOAR investment secured. That tax capture would be transferred from the Treasury to the SOAR fund until the investment was paid off. From there, the state's general fund would be the beneficiary.

An additional benefit to creating this revolving fund, other than being able to use it repeatedly, is the ability to create a spending rule to make each investment "capturable". Like the Brownfield Transformational Act, which is currently building the Hudson Tower and repurposing the Vicksburg Paper Mill, any single-site multi-use facility could be eligible for any sized community.

Let me give you two examples. In my Great Lakes Bay Region, we have a major project with a specific economic gap which could be filled by SOAR. If the state made the up-front investment into seawalls on the river and helped with underground utilities (site preparation is a component of SOAR) the private development would have the potential to forever transform the city.

In Petosky, a beautiful five-story development has been stalled because neither the city nor the developer can justify the cost of the parking structure. SOAR could easily justify the expense of “filling the hole” in Petosky for a significant generational private investment.

In both cases, taxes could be captured on these sites. And with a revolving economic fund focused on both innovative job growth and the attraction of an innovative Gen-Z and I-Generation, Michigan will have its first real opportunity to grow.

The Growing Michigan Together Council workgroups still have a lot of work to do. We hope to make recommendations which are meaningful; with ideas that can help us overcome our talent, housing, daycare, and transportation issues. Either way, these are big issues stumping our current employers today and could use fixing.

Michigan is a big, bold, and beautiful state. We have a lot to offer. And the burdens we carry? Well, they’re not just limited to Michigan. But I can assure you this; the first state to solve the big, common problems... wins.

Let’s get growing!

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