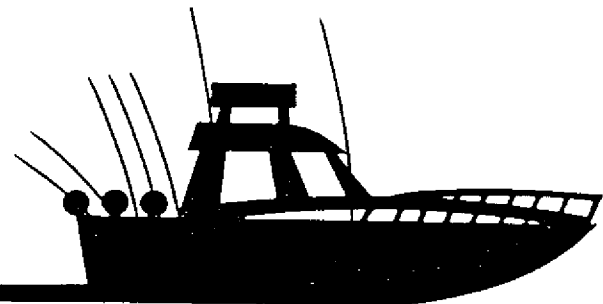


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# **Community Enhancement of a Great Lakes Charterboat Fishery in Grand Haven, Michigan**

**A Paper Presented to  
The Great Lakes Sea Grant Network  
Charterboat Workshop  
November 12-13, 1985**

**by  
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## COMMUNITY ENHANCEMENT OF A GREAT LAKES CHARTERBOAT FISHERY IN GRAND HAVEN, MICHIGAN

Abstract.--Charterboat fisheries have an economic impact on coastal communities. Quantifying the economic importance of recreational fisheries can result in community efforts to enhance and market the industry. Grand Haven, Michigan, developed centralized charterboat dockage to link the charterboat fleet with its downtown businesses. The facility known as Chinook Pier has become a focal point of Grand Haven's waterfront revitalization program.

### INTRODUCTION

The growth of the charterboat industry in Michigan has presented coastal communities with opportunities to enhance their local economies. Several conditions must be in place before a community is effective in promoting its fishery, not the least of which is recognition of the economic impact potential charterboats have.

This paper provides an overview of the process one community, Grand Haven, Michigan, utilized to enhance its charterboat fishery by development of centralized charterboat dockage. It is based on informal surveys and interviews, observations and involvement of the author as part of Sea Grant Extension's efforts in the community. Other communities striving to realize the economic potential of their respective recreational fisheries will find the information of interest.

### OVERVIEW OF THE INDUSTRY

Since the introduction of salmon to Lake Michigan in the late 1960s, a rapid expansion of the Michigan charterboat fleet has occurred. Data compiled from Michigan Department of Natural Resources indicates that in 1985 more than 900 charterboats were licensed by the State of Michigan (Table 1). This compares with only three charterboats licensed in 1966.

From 1966-1977, growth in the fleet was slow. By 1977, the fleet was comprised of 175 charterboats, the vast majority located on Lake Michigan. Since 1978, tremendous growth of the Michigan charterboat fleet has taken place. Numbers have roughly doubled every three years and nearly 35 percent of the fleet is now located on Great Lakes other than Lake Michigan.

The reasons for the rapid increase in the mid-1970s seem to revolve around two factors. First, a lag time was necessary for anglers to gain experience in consistently finding and catching Great Lakes sportfish, specifically chinook salmon. Chinook were first introduced in 1967, one year after the first coho plants of 1966. But it was not until 1973 that

TABLE 1  
MICHIGAN CHARTERBOAT FLEET 1966-1986

<u>Years</u>	<u>Number of Vessels</u>
1966	3
1967	17
1969	35
1971	60
1973	74
1975	146
1977	175
1978	270
1981	490
1985	920
1986 est.	1,000+

Lake Michigan plants of chinook exceeded those of coho salmon. During the rest of the decade and continuing into the next, chinook were planted in ever increasing numbers. By 1978, chinook plants were twice those of coho. With chinook salmon reaching supremacy as the preferred Lake Michigan salmon, the charterboat industry had another extremely attractive species marketable to potential customers.

The second factor relating to the development of the charterboat fleet is that it simply has become easier to obtain a charterboat operator's license. Coast Guard licensing requirements are appreciably the same, except now numerous private commercial "coaching" services have facilitated the task of obtaining one's license. In past years, license applicants may have taken the captain's exam two or three times before passing. Present applicants are usually successful at their first attempt.

The influx of new captains into the fleet has markedly shifted the composition to captains with less than five years professional fishing experience. A survey I conducted in 1978 indicated only 7 percent of the captains had three or less years of experience. A survey of 110 captains that attended Michigan Sea Grant educational events in 1984 indicated the fleet is composed of 45 percent of captains with less than three years professional fishing experience.

#### THE GRAND HAVEN CHARTERBOAT FISHERY

On a local level, individual Great Lakes ports like Grand Haven, Michigan, have experienced similar increases in their respective fleets. It is estimated that fewer than ten charterboats operated out of the Grand Haven area in 1977 (Adair, 1978). The most current estimate (1985) is that 62 charterboats now operate out of the same port.

The fishing season is relatively long by Great Lakes measures-- extending from early May to late October. It is fairly typical of Lake Michigan ports on the central and southern coast. Increasingly, May through early June has provided quality fishing for chinook, coho and brown trout. Many of the established captains experience their heaviest volume during this period. In summer months, lake trout and chinook salmon become the most frequent catch. Because August and September result in large concentrations of salmon hanging off their natal stream mouths, this time of year is generally associated with prime charterboat fishing experiences. After the major salmon runs and if Lake Michigan weather permits, excellent fishing for the upcoming season's run of chinook and maturing steelhead trout is available.

The City of Grand Haven and its sister communities of Spring Lake and Ferrysburg are located on Lake Michigan, roughly parallel with Milwaukee, Wisconsin, at the lower reaches of one of Michigan's largest river systems--the Grand. The Grand Haven area has achieved an excellent reputation for its recreational boating and fishing opportunities, major tourist attractions and festivals. As an example, in 1985, it was estimated that the week long Coast Guard Festival attracted 500,000 participants. Grand Haven's proximity to major metropolitan areas of Chicago, Grand Rapids and Kalamazoo has enhanced its status as a tourist destination area. Population of the three communities and adjoining townships was 38,500 in 1985.

The area has more than 1200 slips for recreational boats and nine full service marinas. The Grand River System is one of the most heavily stocked systems in Michigan, since 1978 receiving an average annual plant of one million salmonids. Salmonid plants are expected to remain relatively stable. The Grand has been designated an urban fishery river system. Several fish ladders--to pass fish upstream to cities like Grand Rapids and Lansing--are operational. To ensure adequate salmon runs to these inland communities, huge plants of salmonids were necessary within the river system. Grand Haven's Lake Michigan charterboat fishery became the indirect beneficiary of these extensive stocking programs. As planted chinook and coho moved out of the river to mature in Lake Michigan, it became apparent to certain business and community leaders that the area was in an excellent position to capitalize economically on sportfishing and specifically on charterboats.

#### COMMUNITY EFFORTS TO ENHANCE CHARTERFISHING

Community tourism leaders had long thought of the charterboat industry as a significant contributor to local coastal economies. Until recently, little data was available to support these contentions. Because supportive information about the industry and sportfisheries in general was lacking, those facilities and developments that could enhance the charterboat fishery lost out to more traditional uses.

At the request of local leadership and with the financial support of business, county government and grants from Coastal Zone Management and

Sea Grant, Michigan State University researchers Daniel Talhelm and Scott Jordan conducted a research project for the 1981-82 fishing season to quantify the economic impact of the sportfishery in Ottawa County, of which Grand Haven is part. The resulting report estimated that 3,479,000 angler days of fishing occurred in the Grand Haven area in the 1981-82 season. Direct economic expenditures were estimated at \$3.5 million annually. Approximately 53 percent of the angler days and 60 percent of the direct economic expenditures were attributed to nonresident anglers fishing in the area.

Twelve charterboats in the Grand Haven area generated over \$430,000. In addition to charterboat fees, there were expenditures for lodging, food and beverage, auto fuel and shopping. It was estimated that the average charterboat client in 1981 spent \$112.97/trip. Average length of stay was 2.167 days. Almost 3,813 angler days were spent on Grand Haven charterboats. Ninety-four percent of charterboat clientele were nonresident anglers.

In recognition of this economic potential, the charterboat industry, tourism leadership and the City administration set out to develop a facility which would capitalize on this market segment. As part of a major rehabilitation of the entire Grand Haven waterfront, centralized charterboat dockage would be provided. Previously, charterboats had been scattered around the area, berthed at the various marinas that would accommodate them. These locations were often difficult for clientele to find, and, because the charterboats were not physically concentrated, they had little tourist attraction value. The project plan called for, in addition to slips for 16 area charterboats, a berth for a paddle wheeler used for sightseeing tours, commercial and retail business, public restrooms, a fish cleaning station with viewing area, parking, picnic tables and a staffed ticket booth whose attendant provides tourism information as well as takes bookings for the paddle wheeler and the charterboats.

The site named "Chinook Pier" was located on vacant city-owned waterfront, immediately adjacent to Grand Haven's downtown. The primary design objectives were as follows:

First, to develop a facility that was both a functional marina providing access for the fleet to fishable waters, and a tourist attraction in itself. It should be a site the general public would like to visit regardless of their interest in charterfishing. Basic to this approach was the realization that sportfishing and charterboats were of interest to the nonangler.

Chinook Pier was designed to allow for pedestrian access. The stainless steel fish cleaning station, which employed a commercial disposal unit to grind fish wastes, was sunk a few feet below ground level and encircled with a viewing area to accommodate the interested public that tended to congregate at the facility whenever the charterboats arrived with their catch. Additionally, an area was set aside for captains to "hang" the day's catch for picture taking by customers. It

not only facilitated a permanent record of one's fishing experience, but served to publicize Chinook Pier and the Grand Haven area since these photographs often found their way into newspapers and other printed media.

Second, to link this concentration of charterboats with downtown retail establishments and thus capture as much economic spinoff as possible. A ground lease of the city property on which the Chinook Pier project was built was made available to a developer to construct two buildings that would house retail space. The businesses that typically located at Chinook Pier directly benefited from the numbers of people that milled around the area. In the first two years of operation they have included a party store, an ice cream shop, gift shops and a bait and tackle outlet.

Third, to enhance the "working waterfront" theme of Grand Haven. For years, the port of Grand Haven has been the site of a significant Coast Guard vessel. City leaders were aware that a key ingredient of most successful waterfront developments is its working nature. That is, waterfronts need to have a functional quality that imbues a maritime based industry "flavor." The charterboat fleet contributed to this theme.

Fourth, to solidify a partnership with area businesses and residents in Chinook Pier and the entire waterfront rehabilitation project. It was important that the community "buy into" the developments and view them as community improvements contributing to the quality of life rather than as simply tourism attractions. Community activities and fund raisers involved residents. A "buy a plank" effort raised thousands of dollars for boardwalk construction. At Chinook Pier, an area specialty metal working firm provided materials and labor to build the stainless steel tables of the fish cleaning station.

Operationally, Chinook Pier charterboats leased their slips with five-year contracts on a graduated scale to move in tandem with private slips within the port. Because many of the charterboats moved out of existing private marinas, the City did not want to appear to be undercutting these businesses; hence, lease rates were very similar to standard slip rates in the area.

Total cost of Chinook Pier was approximately \$400,000. Partial funding was obtained through a Michigan Department of Natural Resources Waterways Division grant of \$83,500 specifically earmarked for the dockage, lighting and grounds improvement. These funds are derived from state gasoline excise tax paid by Michigan boaters. Because of an adjacent previously funded transient marina, the project was viewed as an expansion project. It is significant to note that this was the first time Waterways monies were used to provide dockage for commercial vessels--in this case charterboats. In fact, in past years numbers of charterboats were severely restricted in Waterways marinas. The change has resulted from a policy to utilize scarce Waterways construction dollars for those projects that provide the greatest economic benefit to the host community and the region. The sportfishery economic impact research outlined earlier was used by the City and others to make this case.

The Waterways grant required that a 50 percent local match be available. To generate these dollars and the remaining cost of Chinook Pier, the City used a unique funding approach by enacting a TIFA, or Tax Incremental Financing Act, district which encompasses the entire waterfront area.

Because the waterfront had been experiencing decreases in assessed value as warehouses and older waterfront structures deteriorated, it was eligible for Tax Incremental Financing. TIFA allows a city to make public improvements in a specified redevelopment district that are necessary to stimulate additional private investment. Financing of these public improvements comes from tax revenues generated by the new private development. The amount of tax increment revenue available is determined by multiplying the total tax rate of the city by the projected increase in assessed valuation.

In this situation, several new projects, including a condominium development and a private marina expansion, provided the additional tax receipts for the waterfront TIFA. It was estimated that within the district a \$500,000 tax increment would be available and could be captured in the next ten years. A portion of the generated revenue was used as match for other grants for infrastructure improvement, including water, sewer and street projects. The remaining portion was allocated for Chinook Pier's development. The TIFA financing was very palatable to area politicians and residents because it did not involve new taxing. Rather, TIFA was perceived to be temporary earmarking of future tax revenues for specific projects.

The Chinook Pier project was completed in time for the summer fishing season in 1984. From personal observation, it has been a resounding success. Because the project is linked to a series of linear parks and the boardwalk as well as downtown businesses and major attractions, large numbers of people come to the immediate area. Each day, after the morning and afternoon charters, people congregate around the fish cleaning station to observe the day's catch. During special events, the author has observed literally hundreds of people at the cleaning station. Needless to say, as planned, immediately adjacent businesses have experienced direct benefits from their proximity to Chinook Pier.

More importantly, additional investment has been stimulated by the project. In 1985, Harbourfront Place opened. This project involved the rehabilitation of a turn of the century factory into retail shops, restaurants and other businesses. In itself, it represented millions of dollars of additional investment.

The charterboat captains are also pleased. They have reported significant booking increases because of their downtown location. Walk on charters, that is charters booked on site rather than by phone reservation, dramatically increased by the first summer of operation. It was reported that over 50 walk on charters occurred in August of 1984 alone. The Chinook Pier project has had other positive implications for



the Grand Haven charterboat industry by educating the public and others in the community to the economic contribution they can make in the area. Their graduation to a full fledged partner in the development of a coastal community ensures that their interests will be considered in any future decision making.

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