Updated: May 26, 2011

Acme Township Marina Feasibility Study
Executive Summary

I Background and Time Line

The thought of Acme Township operating a municipal marina first surfaced in Spring, 2008.

A. 2006: Acme Township Initiates Acme Shoreline Preservation Initiative

In 2006, a broad-based group of Acme Township Shoreline Advisory Committee members, elected officials, shoreline landowners, regional foundation and agency representatives and state legislators developed a strategic plan to open the waterfront to a broad range of public uses. They agreed on the goal of reclaiming and preserving the shoreline for public use in order to:

- Offer public access to scarce waterfront shoreline
- Showcase the natural beauty of Acme Township by opening viewscapes and providing a scenic gateway to Traverse City
- Boost tourism creating a more robust local economy
- Enhance the quality of life for Acme Township residents and those who visit
- Encourage non-motorized transportation by connecting to existing amenities, such as the nearby TART trail

B. Spring, 2008: Community Member Brings Idea to Township Leaders

Early in 2008, the majority slip owner of the privately-owned East Bay Harbor Corporation (EBHC) approached Acme Township leaders and asked if there was interest in purchasing his shares. The township had already started implementing its Shoreline Preservation Initiative, and the EBHC was within this 1.5-mile length of beautiful Lake Michigan shoreline. The Shoreline Advisory Committee leaders decided this potential opportunity needed its own dedicated team to focus on the pros and cons of municipal marina ownership.

C. Fall, 2008 – June, 2009: Acme Marina Advisory Investigates the Opportunity

In Fall, 2008, Acme Township formed the Marina Advisory and asked Acme resident and property owner, Jean Aukerman, to lead the team. She, with five other team members – Robin Ehardt, John Olson, Pat Parker, Sharon Vreeland, and Brad Zucco – studied the topic from multiple angles. The Advisory's specific task was to advise the Shoreline Advisory Committee, the Planning Commission, and the Board of Trustees as to whether and how it would be feasible and desirable for the township to acquire the EBHC in part or total. The team met monthly through June, 2009. Among other tasks, they interviewed several state harbormasters and surveyed local slip owners, and consistently sought counsel from the MDNR Waterways Commission in Lansing regarding funding, operating, and upgrading municipal marinas. While much information was learned, one main point was clear: the township would need MDNR guidance and funding to succeed, and the MDNR would not partner with a township on *partial* marina ownership. This meant the township would need to acquire the entire marina – not just a majority share. After reviewing solid financial statements of other municipal marinas throughout the state that demonstrated how municipal marinas could be self-sustaining and profitable, the Advisory recommended to the Shoreline Advisory Committee, the Planning Commission, and the Board that a Marina Feasibility Study be conducted to provide ultimate township decision

makers with fact-based market and economic data focused specifically on the Acme marina question.

D. Fall, 2009 into 2010: Waterfront Design Team Hired to Conduct Feasibility Study

After soliciting bids and interviewing several firms in Fall, 2009, the township selected the nationally-recognized waterfront design firm, Edgewater Resources, based in St. Joseph, Michigan. To help fund the Study, the township applied for a MDNR Waterways Grant in April, 2010, and was awarded the grant in late Summer, 2010. Following the MDNR's input and review of the township's contract with Edgewater Resources, the study officially commenced on December 1, 2010.

E. December, 2010: Three Objectives Drive the Study

The Marina Feasibility Study was designed to achieve three major objectives:

1. Determine whether or not a municipally-managed marina within the Acme Shoreline project area is physically and economically viable for the short and long terms.
2. If viable, develop a concept plan that balances forward-thinking ideas and best practices with "desires" expressed by the public.
3. If project is viable, identify funding sources and a winning strategy to support it.

II The Study and Public Input Process Have Spotlighted Key Issues

A. Key Findings Were Seen in the Marina Market Analysis

- Marina slip demand in excess of 310 slips exists today in the northern Michigan area
- Slips 35' and larger have greater occupancy than smaller slips (<30') for smaller boats
- Amenities are fairly consistent between marinas; boaters make choices based on availability of slips, and age and quality of facilities
- Location and quality of the destination drive transient slip occupancy
- EBHC's yearly slip rates are similar to Elk Rapids' which has higher quality docks and amenities
- Boat launches in Acme would be a very positive addition; the east arm of Grand Traverse Bay has six boat launches and the west arm has ten

B. Area Experts and Public Provide Feedback At the April 26, 2011, Public Meeting

Mark Benedict, Harbormaster, Elmwood Township

- Good idea to build a launch on East Bay
- Elmwood Township's launch facility is under significant pressure from East Bay boaters
- Elmwood Township Marina has 171 slips, six boat launch lanes, 134 vehicle/trailer parking spaces, and 86 vehicle parking spaces

Ben Bifoss, City Manager, Traverse City

- Oversaw marinas in Grand Haven, Manistee, and Traverse City, all of which achieved revenue positive operations
- Clinch Marina has insufficient parking for its boat launch, well below MDNR standards

- Charge $10 fee for overnight vehicle parking
- Consider peak periods when establishing parking demand
- Consider fish cleaning stations for charter fishing vessels
- Recommends running the marina like a business and creating a separate enterprise fund

Cheryl Werth, Harbormaster, Grace Marina, Elk Rapids
- Good idea to build another launch on East Bay
- All operational funds at Elk Rapids come from the boater fees
- Facility constructed with a very small initial loan, paid back from boater fees
- Marina requires dredging every year to a depth of 8', at a cost of $25,000-$50,000 per year

Jack Kelly, Township Manager, Elmwood Township
- No general funds used to run the marina
- Consider vehicle/trailer turning movements, entry/exit to highway
- Solve parking
- Approximately 75% of transient boaters are downstate boaters looking for a place to keep their boat for the weekend, as opposed to boaters arriving via water
- Recommends running the marina like a business and creating a separate enterprise fund
- Keep politics out of the marina operation

Paul Peterson, MDNR
- MDNR provides grants for planning, design, engineering, and construction
- Funding sources include marine fuel taxes, user fees, and boat registrations
- Provide one vehicle parking space for every four transient slips provided
- Provide one vehicle parking space for every seasonal slip provided
- Provide 25 vehicle/trailer parking space for every launch lane provided

Bill Boik, MDNR
- Focus is on grant communities, not State of Michigan projects
- Funding priority is on providing boater access (boat launches)
- One key to marina success is hiring top-notch courteous staff and maintaining a clean facility
- Management is more important to the success of the marina than the facility itself
- MDNR funding does not typically allow commercial vessels, but would consider if they do not displace recreational boaters.
- MDNR would consider allowing commercial charter fishing vessels if they provide significant public access
- MDNR will fund most marina/launch construction activities except land acquisition
- MDNR is now focused on working with communities to construct facilities that align with the goals of the community, as opposed to the more "top-down" approach of the past

General Public

- Fishing is fun; modern fish cleaning stations are clean, do not smell, and attract people
- Provide ADA compliant facilities
- Provide amenities for non-boaters such as accessible fishing piers, benches, beaches, and kayak launches
- Some would prefer beaches and open views of the Bay to a marina
- Attendees applauded statements suggesting the marina would not require general funds and be operationally self-sufficient
- Some expressed concern regarding traffic issues associated with vehicles/trailers interfacing with 31
- Several expressed concern about providing adequate parking
- Some want parking west of 31 for safety reasons; others voiced concern over parking that blocks the water view
- Several expressed support for enhanced public amenities, walkways, lighting, etc
- Many expressed support for a modern, functional, and financially self-sufficient facility with boat launch

C. Four Operational Scenarios* Demonstrate a Municipal Marina *Is* Feasible

- **Phase One:** This scenario is predicated on EBHC facilities remaining in place. This phase envisions construction of twenty-two slips and a four lane boat launch immediately south of the existing EBHC facility in conformance with MDNR standards. It also includes a boater services building, breakwater, 25 vehicle/trailer parking spaces, 87 car parking spaces, and landside recreational amenities. Operational expenses are 50% due to small number of slips.
- **Phase Two:** This scenario envisions demolition and reconfiguration of existing EBHC marina facilities to create 71 additional slips. Phase Two construction is predicated on completion of Phase One which provides essentially all necessary landside infrastructure, including parking. Phase Two includes construction of 71 slips, breakwater, and fishing pier amenities. Operational expenses are anticipated to be 25% due to the more efficient marina size.
- **After completion of Phase Two:** One of the following scenarios could be completed, incorporating all of the improvements from Phase One and Two.
  Phase Three Alternate A: This scenario is predicated on Phase One and Phase Two being completed. This phase envisions expansion of the Phase Two facilities to create an additional 52 slips, for a total of 145 slips. Phase Three Alternate A includes construction of 52 slips, shifting Highway 31 approximately 60'-80' to the east, construction of 100 vehicle/trailer parking spaces, 125 car parking spaces, and breakwater and fishing pier amenities, *or*
  Phase Three Alternate B: This scenario is also predicated on Phase One and Phase Two being completed. This phase envisions expansion of the Phase Two slips to create an additional 82 slips, for a total of 175 slips. Phase Three Alternate B includes construction of 82 slips, rerouting the downtown Acme "main street" (former Highway 31) to the east along the existing Mount Hope Road alignment, excavation of an expanded internal

marina basin, construction of 101 vehicle/trailer parking spaces, 192 car parking spaces, and breakwater and fishing pier amenities. Operational expenses are anticipated to be 25% due to the more efficient marina size.

In all four scenarios, the marinas proposed generate sufficient revenues to cover the cost of all revenue generating infrastructure, ongoing operational expenses, and contribute towards the cost of non-revenue generating infrastructure. The market analysis has clearly documented demand more than three times greater than the initial two phases proposed in this study, and nearly double the most ambitious concept considered. The ongoing success of the existing marina, preliminary assessment and analysis of the physical and coastal conditions, and conversations with MDNR, MDEQ, and MDOT indicate that a marina in this location is both physically and environmentally feasible. Therefore, all four phases described herein may be considered feasible by industry standards.

Based on the feedback received during the community outreach process, the majority of participants support the improvement of the waterfront and construction of a municipally operated marina, so long as it is financially self-supporting. The design of the marina and surrounding waterfront must consider views of the Bay, and views of parking west of Highway 31 need to be minimized. Parking and traffic considerations must be identified and resolved early in the process. Overall, the phased-in approach must be complementary to the goals of the Shoreline Preservation Initiative and comply with Acme's Master Plan.

D. A Profitable Marina Can Possibly Become *the* Catalyst for Acme's Downtown Center

- A municipal marina can become the anchor to Acme's acclaimed shoreline preservation initiative – a "charming place with a main street or downtown"
- Transient slips, fishing piers, boat launches, beaches and parkland will welcome the public
- New attractions and businesses will help create "sense of place" and a unique feel in an area already slated for commercial growth
- An overall "plan" for the total area is a *must* to help ensure efficiency of commercial development and "complete street" thinking while preserving Acme's scenic waterfront for all to enjoy

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** See operational scenarios for detailed estimates on construction costs, revenues, and ideas on funding sources.*