

Recreational and Shallow Draft Harbors Workshop

MBIA Fall Education Conference

8:30-9:30 Breakfast
9:30-10:00 Legislative Update
10:00 Round Tables

11:30 AM Recreational and Shallow Draft Harbor Workshop
(*Working Lunch*)

Objectives:

- ❖ Bring together a variety of stakeholders to demonstrate how their aspect of the issue fits into overall picture;
- ❖ Characterize the problem with a view to quantifying the issue;
- ❖ Identify data and information gaps/needs;
- ❖ Build a coalition to address the issue;
- ❖ Identify leadership, e.g, steering committee;
- ❖ Identify an action plan/agenda for moving forward

Welcome and Introductions – Van Snider, MBIA

Overview – Van; Chuck Pistis, MSG; Dave Knight, GLC

Legislative Overview

- State Overview Dave Knight
- Federal Overview NMMA (Invited)
- Comments Van Snider

Legislative Panel

Legislators and staff members present invited to give a brief overview (approx. 5 minutes each) of what they see happening legislatively, outcome(s) they would like to see from the meeting, and what the coalition needs to do to help them move the issue forward.

Technical Panel

- Economic Overview: Dave Knight and Ed Mahoney, MSU
- Implications for Coastal Communities: Chuck Pistis
- Climate Impacts: Gene Clark, Wisconsin Sea Grant
- Implications of Further Lake Level Reductions: Ed Mahoney
- Homeland Security Issues: USCG (Invited)

Brainstorming – Jen Read, MSG

Moving Forward – (Facilitator TBD)

- Steering Committee
- Future Actions

4:00 pm Adjourn

Recreational and Shallow Draft Harbors Workshop
Friday, November 30, 2007
Acme, MI

Meeting Summary

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Welcome and Introductions – Van Snider, MBIA

The people in the room are all affected in one way or another by the low waters we've been experiencing. Michigan Boating Industries Association, Michigan Sea Grant and the Great Lakes Commission have been working together on the issue of finding resources to dredge recreational harbors and, knowing that there were others with a similar interest, decided the best way forward was to see where and how common interests lay.

He invited folks to introduce themselves and explain why they were at the meeting. See Appendix One: Attendees List

Legislative Overview

Federal Overview: Chuck Pistis invited Harold Chase and Brandon Fewins from Senator Levin's Office and Senator Stabenow's office respectively to discuss current relevant legislation.

The Water Resources Development Act (WRDA) is the US Army Corps of Engineers primary authorizing legislation that is periodically (typically biennially, although the most recent one was the first in several years) reauthorized. This latest version passed both houses in the fall, was recently vetoed by the President and the veto overturned in the past few weeks. It is not just a dredging bill and there were a number of additional projects of interest included in it, such as the invasive fish (Asian Carp) barrier at Chicago.

Senators Levin and Stabenow are also working with the Corps on how harbors are prioritized for dredging, e.g., commercial harbors are prioritized on a tonnage basis. The purpose is to broaden the equation to include smaller harbors that are feeding that tonnage to the larger harbors. They are also looking at how to prioritize recreational dredging b/c currently it is funded on a case by case (e.g., line item in appropriations bills) basis. A more sustainable, but longer-term, approach is to try to secure a pot of funds for the Corps to use to dredge recreational harbors without having to go the line item route. A case in point is the current Energy and Water Appropriations bill that includes line items for many recreational harbors. If that bill is vetoed, as is threatened,

there is no guarantee that there are enough votes available to overturn the veto. That would mean revisiting the individual line items and reducing them to a level palatable to the Administration.

The International Joint Commission is currently engaged in an International Upper Great Lakes Study (http://www.iugls.org/en/home_accueil.htm) One of the prominent aspects of that study will be investigating the Georgian Bay Association's assertion that dredging of the St. Clair River in the 1960s permanently lowered the levels of Lakes Michigan Huron. This aspect of the study should be completed within the next 15 months.

Meeting participants asked how they could best work with legislators to continue to make their case for dredging needs.

Both Harold and Brandon encouraged communication from communities in order to keep them apprised of what is going on in the field.

Also, making sure that the other states are making a similar case – common message – and bringing it to bear on senate and house members around the basin will be important; stimulate/facilitate discussion w/ other states; make sure key legislators hear the message, e.g., Oberstar, Obey, Visclosky; focus on the economic impact that is occurring; Ed Mahoney, MSU, has worked on the impact of low water on marinas and can update that for our use; he has an online tool (<http://www.marinaeconomics.com/>) that allows you to calculate the economic impact of a marina by entering the number and characteristics of slips; this could be used in reverse if you calculated the lost revenue associated with slips that are no longer available for use.

Onekama had determined that it would cost \$1.5 million a year in lost wages, loss to tax base and jobs if their channel could not be used.

State Overview:

Ken Osborn (Office of Sen. Allen) reported that Senator Allen had proposed the use of tax increment financing to support water-related development, incl. dredging. Historically this has been a tool for revitalizing downtowns, using the increment between current taxes and the potential taxes associated with a revitalized location (center/block/neighborhood) to fund redevelopment. This was an attempt to apply the model to issues such as dredging. Senator Allen has also been working on securing additional funding for tourism having seen recent evidence that one dollar spent on advertises secures an additional two to three dollars in revenue. Unfortunately, given the relatively long time that the legislature has been preoccupied with budget issues, they have not had an opportunity to do much policy work beyond replacing the single business tax and filling budget holes.

Dave Knight who is on the staff of the Great Lakes Commission, a compact of the eight Great Lakes states and two Canadian provinces of Ontario and Québec, noted that while the states have historically not been responsible for channel dredging in federally authorized recreational harbors, there is a growing recognition among the states of the

dual problem of the Corps of Engineers' lack of funding for recreational harbor dredging, and low water levels. At least one state, Wisconsin, approved funds for emergency dredging of a shallow draft harbor on Lake Superior last year to allow the Washington Island Ferry to continue operating. The states have also expressed support for adequate recreational harbor maintenance in the form of a resolution passed at the Commission's annual meeting in Chicago earlier this year (Appendix Two).

Technical Panel

Economic Overview: Dave Knight presented findings of a study on the economic benefits of Great Lakes recreational boating, much of which was compiled by a team led by Prof. Ed Mahoney at Michigan State University. See Appendix Three for presentation slides.

Corps of Engineers Overview, Dredging Needs: Wayne Schloop, USACE, Detroit District (See Appendix Four for presentation slides.)

Since the 1990s, there has been a problem with shallow draft and recreational harbors shoaling in. However, the Corps' policy is that there is no work on recreational harbors unless there is a congressional line item, otherwise, they Corps needs authorization and annual appropriation to do work. Since all harbors are individually authorized, the trick will be in setting up a permanent or central pot of money from which to meet dredging needs; the challenge will be in avoiding parochialism.

Recently, low water levels and reduced maintenance dredging; dredging backlog means that even commercial harbors are in trouble, especially channels where there are shoals; Indiana Harbor ran aground Aug 22, had to off-load to get into the harbor; Little Lake – no access, but it's a harbor of refuge; portage lake barracuda; dredging backlog in shallow draft harbors is even worse

Also need to budget two years in advance, and therefore don't have flexibility to make last minute changes if something occurs in the interim.

Take away: The long-term solution is NOT line items; the long-term solution is a central fund for dredging all shallow harbors in the GL region.

Questions:

Why not give a presentation like this to the boating caucus/Congress? Van could arrange it. We have to be careful, Wayne could do this but the Colonel could not. Can we send a copy of this presentation to legislators? Yes.

How much money would it take to solve shallow/recreational harbor dredging in the GL region? Not counting the backlog – would take \$5-7.5 million annually, a modest investment considering the economic stakes.

Discussed whether this was a challenge to the commercial harbor interests and concluded that if the ultimate goal was a separate pie altogether rather than a slice of the commercial harbor pie, then they might be convinced to be allies.

How do we change the mind-set of the administration regarding dredging priorities? The administration sees that it is not even an issue among the Great Lakes governors, so why should Washington pay attention?

Dave Knight mentioned the Corps' economic equations that emphasize national economic benefits over regional economic benefits and this issue is perceived to be a regional issue. That is economic value generated as a result of dredging here would be displacing economic value elsewhere rather than securing otherwise unavailable value.

The point was made that it is time to recognize that the federal emphasis may not be the best move in the long run; we need to begin thinking about Plan B and the locus of influence for it – the states?

Implications for Coastal Communities: Chuck Pistis, Michigan Sea Grant
Chuck gave a brief overview of dredging relative to “working waterfronts” which is quickly becoming a national issue. Traditional waterfront uses are being lost as marinas, aggregate docks and other commercial docks convert to private residential/recreational uses that do not incorporate public access. Traditionally private marinas have been an important source of access to the GL from boating standpoint, beyond state and municipal boat launches. Now as dredging and therefore full use of the facilities become less certain, private owners are inclined to sell, changing community character. We need to ensure places for visual access, cultural reasons, functional reasons – e.g., aggregates, where dredges, barges etc going to dock,

Climate Impacts: Jennifer Read, Michigan Sea Grant (See Appendix Five for presentation slides)

Take Away Message: While recognizing that the dynamics of daily, annual and longer-term fluctuation of Great Lakes levels is the primary concern, there is a need to take into account the longer-term implications that climate change represents especially when planning for infrastructure that may have a serviceable life of 100+ years.

Brainstorming – Jen Read, MSG

Issues

- Need better cooperation among Corps, DEQ and private entities
- Need to address administrative fees/permit costs, EIS costs, access to existing data or additional steps required to undertake work outside of Corps auspices
- Where to put dredge material? (note, this one is being tackled by the commercial harbor folks)

Needs

- A dedicated pot of federal money for recreational harbors
- Need to explore other options
 - E.g., a surcharge to boat registrations to provide resources at the state level
 - Pros: help alleviate ill will from commercial shipping industry, non-federal match;

- Cons: may be viewed as the states taking over responsibility; inland v. Great Lakes boaters – if these fees were voluntary you would get around this.
- Could these fees be used for long-term planning to reduce long-term costs of dredging?

Focal Point

- National level, most present have not given up on the federal option
- Discussion of energizing state level interests, e.g., the governors, who could go to the federal level

Next Steps

- Partner with other regions of the US with similar recreational harbor dredging issues, e.g., Florida and New England
- Grow the organization through partnerships with other business interests having a stake, e.g., industry, restaurants, etc; partner nationally
- Need a multi-level/pronged approach
 - Secure a dedicated GL recreational harbor fund – authorizing language needs to go into the next WRDA
 - Explore other options in case the first one does not work out
- Presentation of Corps dredging needs, economic and safety presentations to House and Senate boating caucus, also to the governors, with a specific need
- Resolution from every affected unit of government on the GL

Who should be involved?

- This is more than Michigan
- Boating organizations such as Boat US
- Other marine associations, e.g., Ohio
- Ken Merckel, MI Steelheaders
- Jim Mrozinski, Onekama Twshp
- Chuck May, Portage Lake Harbor Commission
- MI Township Assoc. (TBD)
- City Manager (TBD)
- Denny Grinold, MCBA
- Insurance
- CVB
- Joy Gaasch
- Dan Shepard, Little River Band
- Barry Smith, Michigan Harbor Masters
- Power Squadron
- Retail
- Technical Advisors

Potential Models:

T.I.M.E. Coalition

Federal, state, BIA, tribal, local Transportation coordination (Dan Shepard)

Adjourn.