1.3a Grand River Restoration Economics Student Handout

Name:_____

Designing a business that will benefit from the restoration.

The Grand Rapids Whitewater project, if implemented, will physically transform the city's riverfront by restoring the Grand River's natural flows and habitats while also improving recreational uses and accessibility. It is estimated that the expanded recreational uses will bring in between $15.9 and 19.1 million dollars in economic activity each year. Your group is tasked with creating a proposal for a business that will capture some of this new spending. To do this you will need to:

- Identify your target audience (who will use your business)
- Decide on a location for your business
- Determine what product or service you will provide

You will then create a poster or presentation to sell your business idea, Shark Tank style, to your class. You will be judged on the feasibility (does the idea make sense, do you give evidence and reasoning for your choices) & creativity (how will you distinguish your business from everyone else's).

Target Audience Analysis:

Four categories of users have been identified for the whitewater restoration. They are:

- **Whitewater Boating Users** - People who will raft the rapids
- **Non-Whitewater Boating Users** - People who will canoe or kayak (but not through) the rapids
- **Fishing Users -** People who will fish in the water
- **Shore-based Users** - People who will watch the events in the river and use the parks and trails alongside the river.

1. Look at the tables below. Then answer the analysis questions:

Tbl 1. Grand Rapids Whitewater Projected User Estimates

User Type	# New User Days (Low Estimate)	# New User Days (High Estimate)
Whitewater users	13,090	15,400
Other paddle and boating users	42,500	50,000
Fishing users	66,844	80,213
Shore based recreation users	110,000	392,7000

Note this an estimate of the number of days that will be used - not the number of new people using the river. For example, a person who comes to the river to raft on Saturday and Sunday would count as 2 user days.

Tbl 2. Amount of Money Spent

User Type	Daily Expenditure
Whitewater users	$100
Other paddle and boating users	$75
Fishing users	$125
Shore based recreation users	$10

Tbl 3. Where the User Comes From

User Type	% Out of Town	% From GR Area
Whitewater users	90%	10%
Other paddle and boating users	75%	25%
Fishing users	75%	25%
Shore based recreation users	75%	25%

Tbl 4. Ages of Downtown Residents

Age	# of People
Under 20	11,167
20-29	11,008
30-39	7,254
40-49	4,579
50-59	4,353
60+	4566

Tbl. 5 Home Ownership Downtown

Home Ownership	% of Homes in Grand Rapids
Owned	31.3 %
Rented	56.4 %
Vacant	12.4 %

Analysis:

1. What **use type** will have the *greatest increase* in time in Grand Rapids? _____

2. What **user type** will spend the *most money* in Grand Rapids overall? (Consider daily expenditures in Table 2 AND the number of user days in Table 1) _____

3. What are some **advantages** and **disadvantages** of trying to sell to a *local resident*?

Advantages	Disadvantages

4. What are some advantages and disadvantages of trying to sell to someone visiting from out of town?

Advantages	Disadvantages

5. Considering what you now know about who will use the restored rapids, what **good or service** would you like to offer? **Why** will this be needed by the visitors to the Rapids?

6. **Describe who** your target customer will be. Include *river use, where they come from, age,* and *home type.*

Location & Type of Business.
Land utilization refers to how well the land use matches the area around it and meets the needs of the community. Below are examples of levels of utilization, a ranking of how well the land adjacent to the rapids currently is being utilized, and a map of current utilization. After reviewing the links, select a location on the map for your business.

Grand River Adjacent Land Utilization

42% Low Level Utilization
37% High Level Utilization
21% Mid Level Utilization

■ Low Level Utilization
■ Mid Level Utilization
■ High Level Utilization

Low Level Utilizations	Mid Level Utilizations	High Level Utilizations
Road Commission	Commercial Shops	Hotel
Manufacturing	Restaurant	Park/Pathway
Parking Lots	Parking Structure	Condos/ Residential
Vacant		
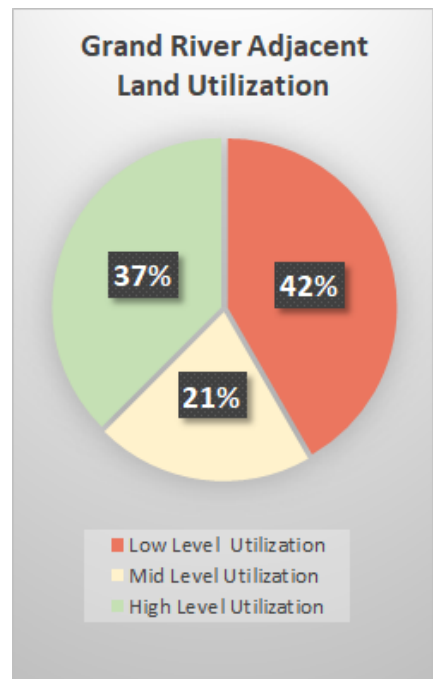
Use the following links or materials to identify locations that you might want to put your business:

Potential Development Locations: http://bit.ly/developmentpoints
Overview of Restoration Plan: http://bit.ly/restorationplan (be sure to zoom in for details)

Mark on the map below where you would like to place your business. Give two or three reasons why you are selecting this location:

- Reason 1

- Reason 2

- Reason 3

Create a Poster/Presentation to sell your business idea to your class. Be sure to include:

- A catchy name for your business

- What good/service you will be providing

- A description of who your target audience is

- Where you will locate your business

- What will set you apart from other businesses in the area
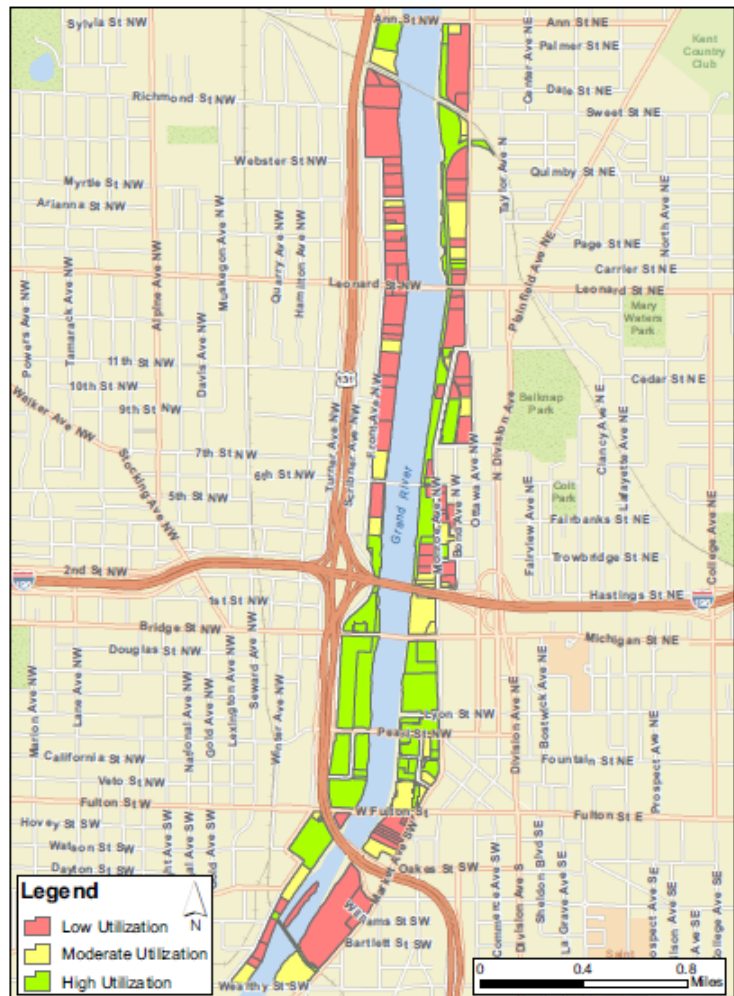
Source: Kent County Property Information System
Analysis: Anderson Economic Group, LLC

Data with permission from Grand Rapids Whitewater and can be accessed at:
Grand Rapids Destination Asset Study 2016 - https://static1.squarespace.com/static/5fe2327dad6d7024772306cf/t/65ae9a86b3a029683c6feea4/1705941645136/CSL+Destination+Asset+Study+FINAL+REPORT+12.05.16.pdf

Economic Benefits of the Grand Rapids Whitewater Project https://grandrapidswhitewater.org/wp-content/uploads/2013/04/GRWW_EconImpactReportJune112014.pdf