

# Business

## COMPANY TRANSFORMS STRUGGLING STREAMS

CFI Global Fisheries Management of Fort Collins is making a splash by merging the ecological and economic benefits of stream restoration.

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For lifelong angler Shannon Skelton, standing in the midst of a clean, healthy river—watching the water swirl around boulders while fish collect in pools—is a “sexy” experience.

In recent years, Skelton turned that sexy experience into a highly profitable one. As CEO of Fort Collins-based river restoration company CFI Global Fisheries Management, Skelton has become what he calls a “river-keeper”—a man who specializes in transforming downtrodden rivers and streams in the Rocky Mountain West into healthy fisheries bursting with trout.

“I have been a full-time student of water and fish as far back as I could remember,” he said in early January. In college, he spent most of his year guiding flying fishing trips on private ranches. “And on some of these private pieces that kind of led me to saying, ‘You know, ranch owner, this could be a lot sexier.’”

As he guided clients on riverfronts damaged by decades of cattle grazing, all Skelton could see was room for natural improvement.

“Sexier” for Skelton means bigger fish, deeper pools, more insects and lush riverbanks. Skelton’s job is to put them all there, changing the river flow or seeding riverbanks.

In 1997, he founded CFI in Fort Collins and made “playing God” on the river



Weminuche Creek, near Pagosa Springs, flows past river enhancements made by CFI Global Fisheries Management. Fort Collins-based CFI seeks to enhance and restore first-class fisheries in the United States. COURTESY OF ROSS DURBIN

a profession. In 2012, CFI garnered national attention when a private equity fund, Sporting Ranch Capital Management, hired Skelton’s team of seven employees to restore a few miles of river on private ranches in Colorado and Utah.

Sporting Ranch paid CFI \$2 million in 2013 for its river work. The going rate for a mile of river restoration can be about \$250,000, Skelton said.

With drought and a changed economy, working ranchers are embracing stream enhancement for anglers as a potential moneymaker. In the past four to five years, Skelton has seen an increase in interest in enhancement projects as “there has been more of a push toward land and habitat stewardship,” he said. In Colorado, where real estate investors can purchase stretches of riverbed, stream enhancement boosts the prospects of an already lucrative real estate deal.

That’s exactly what Jay Ellis, founder of Sporting Ranch, had in mind when he hired Skelton. Ellis knew Skelton for years before he hired CFI to transform a few miles of the Weminuche Creek on his Hidden Lake Ranch outside of Pagosa Springs. An avid fisherman himself, Ellis liked Skelton’s instincts—“his stream restoration development is with the fly fisherman in mind,” he said—but Ellis also liked

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### Streams

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the value potential.

River restoration, or “stream enhancement,” is a common practice for ranchers looking to restore worth to cattle-damaged property, said Brian Smith, a ranch broker based in Steamboat Springs. For Ellis, who bought several ranch properties across the West with plans to sell them, restoring a river and increasing property values go hand in hand.

While developing the idea for the fund, Ellis watched a CNBC special on live water properties that caught his attention. From it, he learned that “a great fly fishing stream can (more than) double the value of your property,” he recalled.

“That stuck with me. So I started looking into it,” he said. “There is a giant percentage of the population that just doesn’t have any idea that you can create a gold medal plus fishery with stream enhancement.”

For ecologists, the merits of stream enhancement go beyond property values. Non-profit Trout Unlimited uses stream restoration to help working ranchers with irrigation, said Drew Peternell, the director of water programs for the group. Following the catastrophic September floods in Color-

do, a few communities will have to restore their rivers, such as the Big Thompson, which sustained up to 75 miles of damage that a stream enhancement company will restore, according to the city of Loveland.

While private, for-profit stream enhancement may target a few miles of river, the benefits can be seen up and downstream, Peternell said. Because of this, Ellis and Skelton say there has been little resistance to CFI’s work in Colorado.

“We hire groups like them (CFI) on occasion to consult with on various projects, to the extent that they are benefiting a fishery. Fish will migrate from private to public water,” Peternell said. “If the project is done right, the fishery as a whole will be better. It might not be accessible to the public. But the fish are migratory.”

But “stream enhancement” and “river restoration” can straddle an ambiguous line when it comes to method. Peternell approves of projects that restore truly destroyed properties; his organization shies away from “heavy handed” enhancement of a river that needs no restoration, he said.

“Some of these groups of for-profit fishery improvement firms, some are more sort of light-handed and trying to restore



Shannon Skelton, CEO of CFI - Global Fisheries Management in Fort Collins. COURTESY OF SHANNON SKELTON

damage that been done historically,” Peternell said. “It can go too far.”

CFI is known for its natural approach to river restoration, said Smith, who has worked with CFI for more than a decade. The company avoids the

“Disneyland look” — man made barriers, for instance— and tends to repair rivers using boulders and vegetation from the

surrounding environment, Skelton said.

Skelton sees the river “as its own living, breathing organism,” and before making changes, the team spends up to a year closely examining the river’s ecosystem.

For Skelton, building a good fishery, or a healthy fish habitat, doesn’t mean plunking a few extra healthy trout in the water. It’s about creating riffles

where insects collect and pools where fish will wait to dine on the bugs as they float downstream. Skelton’s team will intersperse boulders in streams and dig deeper channels to create a riffle-pool sequence that both anglers and fish desire.

“Well, if you don’t focus on creating and maintaining quality insect habitats, you are not going to maximize that fishery’s po-

tential,” Skelton said.

“It’s not just digging a bunch of deep holes. It’s a very strategic, purposeful design. In the end it looks like nature put it there. You are not seeing the concrete walls. It’s very natural.”

If done right, restored rivers will naturally enhance themselves, said Peternell.

“Take care of the fish, and the fishing will take care of itself,” he said.

Ultimately, Skelton thinks his company’s work is a “tougher sell” for ranch owners who might be looking for a quick fix. As with all projects affecting bodies of water and ecosystems, CFI’s work has to be approved by the Colorado Division of Parks and Wildlife and the U.S. Army Corps of Engineers. The work is also not cheap — Sporting Ranch Capital paid CFI \$775,000 to enhance 3 miles of the Weminuche Creek and \$252,000 to create a lake on the ranch property, Ellis said. It’s a worthwhile investment for Ellis, who watched his 760-acre Pagosa Springs property transform from a denigrated circa-1903 cattle ranch into a premier piece of real estate.

“We have created absolutely something that doesn’t exist in the marketplace today,” he said. “Six lakes, 3 miles of river. It’s spectacular. ‘Sound of Music’ beautiful.”