
Executive Summary

Harbor Study: New Bedford, Massachusetts



Goals

The New Bedford Harbor Development Commission (HDC) recognizes the tremendous actual and inherent value of the Port of New Bedford. To assist HDC in its efforts to preserve and grow the harbor's economy, this report seeks to evaluate the existing drivers of the harbor's economy, and identify areas of growth and new opportunity in the future. To this end, the attached industry memoranda include a port assessment and business inventory to identify port-related economic activity in New Bedford, an evaluation of a full range of economic impacts including the multiplier effects of the harbor economy, and identified opportunities for harbor industry growth through an evaluation of each industry's strengths and challenges.

HDC, like all public entities in the current economic climate, has limited financial resources available for core infrastructure improvements and business initiatives. Assessments and recommendations were formulated, therefore, to facilitate a prioritization of such resources with the flexibility to allow for inevitable shifts in priorities as new opportunities and mandates emerge. While grounded in reality of extensive market analysis, our recommendations are intended to be aspirational, yet achievable. They reflect the understanding that HDC will continue to be faced with a set of choices as to where to allocate scarce resources to achieve the greatest outcomes that leverage the unique assets of the New Bedford port, and align with HDC goals, including the most optimal economic returns on future public investment.

Current Port Economy

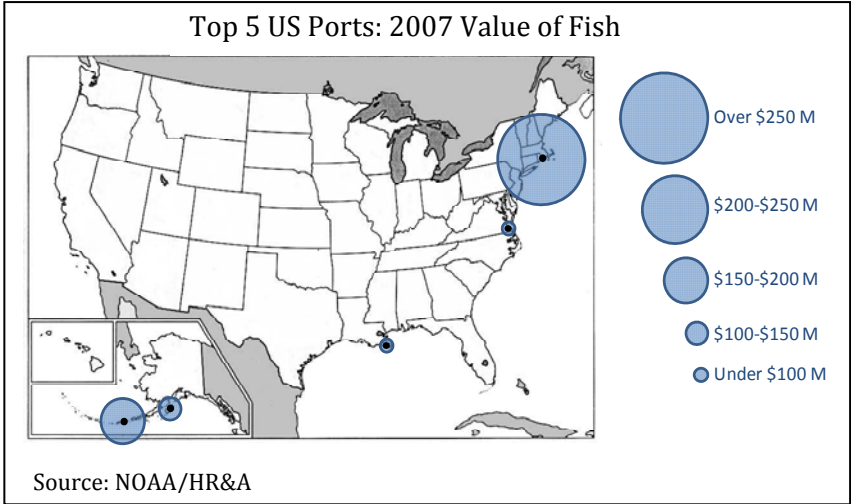
The New Bedford port economy today is quite diverse, with a mix of commercial and recreational uses. Fishing and seafood processing are by far the dominant employers and their presence defines much of the harbor's character.

Impacts of the Port of New Bedford <i>At a Glance</i>	
Direct Port Economic Output	\$579 million
Direct and Multiplier Economic Output	\$849 million
Direct Port Employment	2,645
Direct and Multiplier Employment	4,893
Port-Related Economic Output as percentage of City Output	13%
Port-Related Employment as percentage of City Employment	12%

Source: HR&A/IMPLAN

American Cruise Lines and locally owned harbor tours, and many other businesses that support the many harbor operations. This direct port activity represents nearly 10% of the total economic output of the City of New Bedford; its impact is even larger, 13%, when multiplier impacts are considered. The New Bedford port economy, which defines the traditional identity of the City of New Bedford, is an important employer and economic generator in the city today and should be positioned for continued growth.

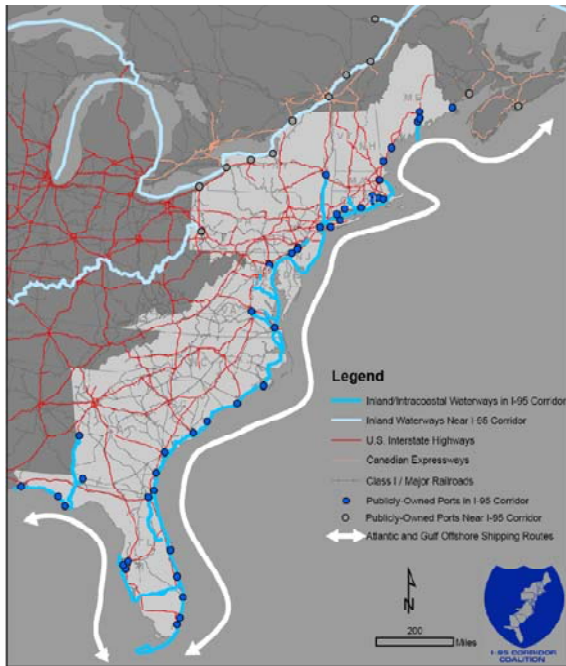
New Bedford's position as the highest value fishing port in the United States is an impressive distinguishing characteristic around which a diverse array of related businesses can be expected to continue to cluster. Seafood processing is the industry most closely tied with fishing, as seafood processors continue to rely on local catch for their product.



While traditional uses such as fishing and seafood processing define the identity of the port, New Bedford's current trade agreements and prospects for the future are growing. In the 2008-2009 season, New Bedford's Maritime Terminal landed fifteen vessels from North Africa as part of a citrus trade. This trade was made possible because of the terminal's refrigeration capabilities to protect the perishable goods and an efficient customs process to facilitate the complicated transition from the ocean vessel to sealed trucks for delivery in Canada.

New Bedford port activity contributes to an economic engine in the City of New Bedford that supports over 2,500 direct port-related employees and over 2,200 employees throughout the city through multiplier impacts. Harbor industries include a diverse range of businesses including the fishing vessels and seafood processing facilities, international cargo operations active at Maritime Terminal, passenger ferry operations serving over 100,000 passengers each year, growing tourism activity as a port of call for

Marine Transportation System in I-95 Marine Highway Corridor



Source: I-95 Corridor Coalition

While not an international cargo port, New Bedford is working to position itself for domestic trade possibilities through the emerging Short Sea Shipping network. The U.S. Maritime Administration has been investigating the potential to relieve congestion on roadways and make better use of port infrastructure and the system of more than 25,000 miles of costal, inland and intercostals waterways by developing a reliable and sustainable marine highway program. New Bedford's location along the congested eastern seaboard with direct access to the marine highway could position the port as a vital hub in this network.

Other emerging industries may also find New Bedford uniquely well suited to their success. Marine science, a small, but growing sector in New Bedford, should continue to develop in a synergistic way to support a range of innovations from new alternative energy technologies and best practices in fishing, while contributing to the

refinement of regulations which currently industry growth potential. The concentration of fishing industry operations at the City's central waterfront, and the collective knowledge of all aspects of the sea, could well become the nexus for greater collaboration and innovation with SMAST, Woods Hole and other leaders in research, development and technological advancement in marine science.

While the seafood related industries support much of the economic activity of the port, their future is threatened by economic and regulatory conditions. Uncertain fishing regulations threaten the long-term sustainability and profitability of New England fishing operations and worsening economic conditions could affect seafood sales.

Opportunities and Recommendations

We have analyzed in depth the numerous sectors HDC identified and found opportunities for further collaboration and growth, but also potential challenges to success. The harbor has the potential to sustain many disparate activities of a diversified economy, as it does today. But the port does have its physical constraints that limit the extent to which accommodation of expanding sectors can occur without impacting other existing uses. These circumstances will require balancing the economic promise of new uses carefully against the potential strains such change might cause. The following recommendations highlight opportunities for economic growth by in the port economy.

- ***Foster growth in niche waterfront uses.***

To protect and leverage the inherent value of New Bedford's working waterfront, niche waterfront industrial and commercial uses of an appropriate scale for the port and the city should be fostered. Opportunities include:

- *Refrigerated Cargo Operations:* New Bedford and the Harbor Development Commission should seek to maintain their competitive advantage in the refrigerated cargo industry. While the port has had recent successes in trade with Northern Africa, growth of this niche market is constrained by the barrier caused by the Route 6 Bridge. To allow for growth of this trade through accommodation of larger vessels, New Bedford could invest in refrigeration facilities in a location between the Hurricane Barrier and the Route 6 Bridge.
- *Short Sea Shipping/American Marine Highways:* Short Sea Shipping is an emerging industry that could be an important growth sector for New Bedford. As the federal government continues to prioritize sustainable policies and federal stimulus funding provides for investments in transportation and green innovations, this new mode of domestic freight transportation via marine highways could see significant growth. As this industry emerges, New Bedford should continue to position itself as a Short Sea candidate, including port capacity for Roll-on/Roll-off goods movement, through ongoing advocacy, marketing and cultivation of partnering ports and transport companies. These efforts require a relatively limited amount of financial investment to sustain, but can be expected to build greater awareness of New Bedford's assets, and strengthen the port's competitive position.

- ***Facilitate collaboration between harbor industries.***

There are significant opportunities for increased collaboration among waterfront industries to enhance the productivity, profitability, and local economic impacts of the port. Leveraging the fishing industry as the organizer of port activity and economic impact can benefit not only other port uses, but the fishing industry itself. The HDC should continue to strengthen communication and collaboration between the following industries:

- *Fishing Industry and Marine Science:* Cooperative research can facilitate data collection for marine researchers and aid in the development of innovative fishing techniques that are less disruptive to existing and protected ecosystems. New research could potentially lessen or refine government regulations regarding days at sea and maximum catch regulations.
- *Fishing Industry and Seafood Processing:* Seafood processing representatives suggest that it would be feasible and beneficial to have direct relationships with local fishing vessels. Fostering these relationships while simultaneously rewarding

high quality local fish product will incentivize seafood processing firms to source more of their product locally and develop a New Bedford seafood brand. The City's and HDC's efforts to market and support this branding campaign will increase profitability of these industries and further establish New Bedford's identity.

- *Fishing Industry/ Seafood Processing and Tourism industries:* With the success of the working waterfront festival and other public events as a guide, New Bedford should seek to leverage the unique and authentic fishing culture to benefit increased year-round tourism along the harbor. While locational decisions regarding recreation and commercial uses are critical to maximize benefits and limit potential conflicts, increased collaboration of the fishing industry with harbor tours and the cruise industry through scheduled lectures, tours of fishing boats and processing facilities, and more restaurant options, and markets with local fish available for purchase will increase the economic impact of these tourism uses.

- ***Draw downtown assets to the waterfront.***

It has been widely noted that New Bedford would strengthen its economic base were there greater connectivity between Downtown and the waterfront. Around the world, improved public access to formerly industrial urban waterfronts has been the catalyst for sustained and diversified economic growth. And yet, in New Bedford, the connectivity of downtown assets to the harbor remains quite limited. To improve the economic impact of waterfront tourism and leverage New Bedford's inherent strengths to attract emerging industries and provide amenities to city residents and workers, downtown assets should establish a presence at the waterfront.

- *Emerging Industries:* The marine science and renewable energy industries are important growth sector opportunities for New Bedford. SMAST, NOAA and the New Bedford Economic Development Council's Quest Center are all important assets in the growth of these industries but perhaps New Bedford's strongest assets are its port location, proximity to Buzzards Bay, and resident fishing fleet. New Bedford should leverage their strongest asset, the port, by creating incubator space or a satellite facility for the Quest Center on the waterfront. This type of investment will help attract new firms by facilitating collaboration with the fishing industry and providing easier access to testing facilities. An expanded facility could also serve as a vocational opportunity for the youth of New Bedford and an organizer for a sustainable waterfront.
- *Waterfront Tourism:* The New Bedford harbor and downtown have many engaging tourism destinations attracting visitors each year and yet at present there are few opportunities to capture discretionary spending by these visitors at the waterfront. Water-dependent recreational uses such as harbor tours and cruise ships as well as passenger ferry operations bring over 100,000 people to the waterfront each year.

Island-bound passenger ferries bring a particularly captive, high-income market to the waterfront seasonally but the economic spin-off from this activity is minimal. Drawing downtown establishments to the waterfront in the form of food and beverage carts, retail vendors, and satellite exhibits from popular museums such as the whaling museum can significantly enhance the value of this market to the City of New Bedford and transform the experience of waterfront tourism in New Bedford.

Note on Report Organization

In order to comprehensively assess and quantify the total economic impact of the Port economy, as well as identify opportunities for growth in targeted maritime-dependent sectors, HR&A collected and assessed census and Claritas data, conducted meetings and interviews with industry stakeholders, and analyzed previous relevant studies and industry research. We have prepared assessments of industries currently active in the harbor (Fishing, Seafood Processing, Import/Export, Cruise, Excursion Harbor Tours, Ferry, Recreational Boating, Cold Storage and Ice Manufacturing, Boat Manufacturing and Repair, and Rail and Trucking), as well as reports on growth industries of interest (Renewable Energy, Marine Science, Short Sea Shipping). When industries have symbiotic relationships, such as fishing and seafood processing, this type of interaction is highlighted in the individual analysis sections of opportunities and constraints. The industries are grouped into Commercial and Recreational Uses.