

Charting the Course:

A Sustainable, Productive and Robust Port
of New Bedford



RESEARCH | ENGAGEMENT | POLICY

Overview and Background of the Regeneration Project

The Regeneration Project began in March of 2014 when Mayor Mitchell asked many of the region's business and community leaders to serve as members of the New Bedford Regeneration Committee. The task before the committee was to articulate a strategy for the City's economic regeneration that builds on the committee's collective experience in leading successful enterprises.

The committee's final report, *Uniting in Pursuit of Growth and Opportunity*, is a statement that was intended to attract broad popular buy-in, shape the economic development strategy over a five-year period, and signal to both private investors and government officials outside the region that New Bedford has a clear set of objectives. The report highlights four main strategies: (1) bolstering local capacity to promote economic development, (2) fostering the development of Downtown New Bedford, (3) enhancing workforce development in advanced manufacturing, and (4) modernizing and growing our greatest asset—the Port

of New Bedford. Gerry Kavanaugh served as chairman and the NBEDC staffed the committee's work. The Boston-based non-partisan think-tank MassINC and the UMass Dartmouth Urban Initiative, together facilitated the committee's work and drafted their report, which was presented to Mayor Mitchell in November of 2014.

Many leaders from the original group now form the standing committee of the New Bedford Economic Development Council's Regeneration Project. The Project committee is co-chaired by Gerry Kavanaugh (as the original committee chair) and Tony Sapienza (as the President of the NBEDC) and is staffed by the NBEDC team.

The Project serves as the platform within the NBEDC that focuses on research, engagement, and policies that encourage dynamic and sustainable economic growth for a thriving New Bedford.

New Growth Opportunities for the Port of New Bedford

The committee's final report, *Uniting in Pursuit of Growth and Opportunity*, identified the growth and modernization of the Port of New Bedford/Fairhaven as one of the four main strategies to ensure that New Bedford is on a path toward long-term economic strength. Specific strategies identified included:

- Championing comprehensive land-use planning that increased the active engagement of waterfront stakeholders;
- Advocating for strategic investments in port infrastructure and dredging;
- And the transfer of State Pier to a transportation or development focused agency with an agreement for local operational management that would result in a long-term comprehensive development plan for the pier.

This policy statement will highlight the macro-development themes from the four key sites for port economic development that were the focus of the recently completed waterfront master plan and development plan. In addition, this policy statement will explore the long-term considerations for a newly constituted New Bedford Port Authority to manage the strategic and operational functions of the port.

For fifteen years, New Bedford has been America's #1 Fishing Port, and in 2014, more than 140 million pounds of fish was landed valued at \$329 million. New Bedford has become New England's seafood hub, with more than 30 processors and distributors, ranging in size from high-volume international wholesale to small-scale local retail processing and wholesaling over a billion pounds of seafood. It is a full-service port, with ship chandleries, ice houses, welders, net designers, boatyards, gear builders, engineers, maritime attorneys, insurance brokers, settlement houses and every other conceivable shore-side marine support business. New Bedford vessels landed two-thirds of the total value of all seafood landings in Massachusetts, one-third of the value of New England's landings and 10% of the nation's landings.

According to a recent study provided by FXM Associates, the New Bedford waterfront drives \$2.7 billion in business sales accounting for 20% of business sales within the overall economy of New Bedford and employing over 4,000 people. But as impressive as these numbers are, there remains room for growth

and diversification in critical areas that have been underutilized for decades.

For the port's growth to reach its full potential, land-use, infrastructure, and port management will need to reach an appropriate level of sophistication. Underpinning the importance of this effort is the game-changing gains in private sector investment and job creation that the port has the opportunity to generate for the city, region and the Commonwealth of Massachusetts. In interviews with private port tenants and operators, additional dredging will bring over 500 new jobs and tens of millions of dollars of private-sector investment to the harbor. Through a grant from the Seaport Economic Council, the Harbor Development Commission has retained nationally-renowned Martin Associates to conduct an economic assessment of the Port of New Bedford and Fairhaven. This study will quantify the overall economic impact of the port and calculate the return on investment (ROI) for dredging and the projects listed below that are outlined in the recently-released New Bedford Waterfront Framework Plan.

The next several pages demonstrate that there are many moving pieces that need to be in place to advance the growth potential of the Port of New Bedford with an equal number of public and private sector stakeholders who have a role to play in how those pieces fit together. It has become clear that there are many areas of consensus and a few specific elements that may require additional thought and discussion. What can be done in the immediate future should be done without delay, and what requires a closer look should be given the time and energy needed. What cannot happen is nothing—there is too much at stake for the city, the region, and the Commonwealth.

The Macro-Development Themes of Port Development
The Waterfront Framework Plan provides a framework for the long-term development of the north terminal, the south terminal, and the central waterfront – specifically the State Pier site within the central waterfront. Clear development themes for each area emerged from this exercise that are consistent with the specific

strategies identified in the original Regeneration Committee report. It is critical that opportunities for growth both in terms of new commercial investment and job creation are maximized.

While there is good land-use planning and economic data in place to serve as a foundation, private sector interests and all levels of public sector policy must be aligned to maximize these new growth opportunities. It is clear that the needed enhancements in waterfront related infrastructure will require a significant investment of public resources, and a longer than desired economic development timeline may be required due to funding limitations at all levels of government. But such public investments are needed to maximize the growth potential of water-dependent industry in New Bedford. Indeed, the Port of New Bedford is one of the few locations in the Commonwealth where such investments are not merely tolerated, but welcomed as a cornerstone of the cultural identity of the community.

While the Waterfront Framework Plan describes the development opportunities at each of these key waterfront sites in detail, a brief overview of each site’s potential is outlined below:

NORTH TERMINAL

The commercial fishing industry may be in contraction nationally, but it is expanding in the Port of New Bedford, where dockage is so valuable that vessels raft 3 or 4 deep. Investing in a new bulkhead along the North Terminal will provide safer and more expansive dockage for the port’s growing fleet and activate parcels owned by the HDC and leased to active and expanding private companies that currently do not have water access. Investment in this new infrastructure is ripe for public-private partnerships. While this expansion will not require a replacement for the New Bedford-Fairhaven Bridge, it will leverage other needed projects in the port, such as being an inexpensive beneficial reuse option to dispose of clean fill from maintenance dredging operations. As a next step in the plan, in April, 2016 the HDC submitted a USDOT TIGER Grant application for Phase I of the North Terminal Extension.

SOUTH TERMINAL

The Port of New Bedford hosts the nation’s first purpose-built offshore wind terminal and we expect the offshore wind industry to utilize the facility and the area around it in the short to medium-term for deployment, operations, and maintenance needs that could support hundreds of new jobs. As the offshore wind industry develops over the next 5-10 years, flexible interim cargo uses need to be explored to activate the site and diversify the port’s cargo portfolio. Exploring the need for an offshore wind training and research facility should also be considered as part of this area’s long-term growth.

STATE PIER

As a central waterfront asset owned and operated by the Commonwealth of Massachusetts, a higher level of industrial function and pedestrian use has been imagined for the State Pier since the late 1980s as a part of the planning to establish a New Bedford Heritage State Park for the waterfront and downtown. This effort, conducted by the Department of Conservation and Recreation’s (DCR) predecessor, the Commonwealth’s Department of Environmental Management, was the impetus to the establishment of the Whaling National Historical Park in 1996. Public support for the proposed concepts of waterfront plazas and an interpretive center was heard again in planning charrettes held by the Waterfront Historic Area League (WHALE) in 1995 and 1996. Such ideas that provided public access without impinging on the ongoing industrial uses of State Pier continued to have public support in the late 2000s through public planning exercises for the waterfront and downtown.

The current conceptual plan shows that a refrigerated facility and cargo operation will be able to expand on the pier, and there will be opportunities for the public to learn about the Longshoremens and the products they unload. Refrigeration of the pier facilities should be considered as an immediate capital investment since planning is well underway by DCR, a user has been identified, and economic impact can be measured.

As the nation’s #1 fishing port for 15 years, the role of the commercial fishing industry in the local and regional economy cannot be overstated. To highlight the industry’s position, a seafood offloading facility has been envisioned at the geographic focal point of the port, State Pier. This will provide the fishing industry with a public-facing facility that allows locals and visitors to learn about the industry, the fishermen, the regulations and the seafood supply chain all without negatively impacting the other critically important commercial operations at State Pier.

Finally, a limited amount of supporting retail uses should be developed on the underutilized parking area in the northwest corner of the pier that will support the Ferry Terminal with amenities for the thousands of passengers that use New Bedford as a gateway to the islands of Martha's Vineyard and Nantucket.

All of the proposed uses in the conceptual plan will require more detailed planning and coordination with existing tenants/users to ensure that all specific needs and potential conflicts of uses are being properly addressed. No function or individual user should be negatively affected by the final plan, and where possible, investments that will have an immediate impact on direct job creation should be considered a priority. However, it is critical to note that expanded or even continued use of the State Pier will require a significant level of investment in deferred maintenance. It is incumbent on the State and the City to determine a workable plan to schedule the physical improvements needed to be sure the pier can continue to be an asset to the working waterfront.

EVERSOURCE/SPRAGUE ENERGY SITE

The Eversource/Sprague site (long-held under option for casino gaming development) is large enough to accommodate multiple uses. The northern portion of the site can be explored for uses related to the downtown hotel and a potential relocation of the NOAA Fisheries Science Center from Woods Hole should also be a consideration. The southern portion of the site should continue to be developed for commercial marine-industrial uses and could include; ship building, offshore wind related uses, and expanded cargo operations.

What is most important is that the current owners, City and State officials, and the waterfront stakeholders work together to develop a comprehensive plan for the future of the site and build on the momentum of the broader waterfront planning work that has been recently completed.

Considerations for a New Bedford Port Authority

There has been increasing discussion and consideration in New Bedford to explore the benefits of creating a new port authority entity, from the NBEDC/HDC Concept Paper in 2014, to Mayor Mitchell's State of the City remarks, to the City's correspondence to the Secretary of MassDOT and MassDOT's recent analysis and proposal for a State Pier Authority. The belief is that a Port Authority structure that unifies City and Commonwealth management and resources would provide the Port of New Bedford with the organizational means and the stature it deserves. Creating a Port Authority, maximizes the usage and economic output of the state's #2 Port and nation's #1 fishing port, giving the Port of New Bedford the ability to plan and invest for the future. These are key elements that the HDC is unable to accomplish under its current structure.

Much of the recent analysis on this issue has focused on an authority or new state agency to operate the New Bedford State Pier—an asset that is owned by the Commonwealth and currently managed by the DCR. While several suggested models of operation have been put forward by the local legislative delegation, MassDOT, and the City of New Bedford, no final structure has yet to be finalized. A management structure beyond the State Pier is worthy of further exploration by the city and state stakeholders, however there are complicating factors that must be considered. A unified Port Authority model would need to address the issue of separate land ownership between the City and the Commonwealth—transferring ownership of these assets could be complex and will require legislative approvals at both levels of government. The board composition of a new Port Authority will also require great thought and compromise.

One of the real difficulties in planning and coordinating activities within the Port of New Bedford is the multiple number of public

entities involved, their varied priorities, the different levels of oversight and approvals, and disparate funding and revenue sharing structures. Creating a new authority that is responsible for only one asset (i.e. State Pier) on the waterfront may be a good first step and yield some benefits in expertise, but it may not streamline the overall process in the long-term to the extent desired.

Consideration could be given to a full-scale authority that can manage multiple facilities along the harbor in a coordinated way. In this model the authority would need to combine state assets and HDC assets under one entity and would control and manage those properties along the waterfront. While complicated to execute amongst the City and Commonwealth in a concurrent fashion, this will allow a comprehensive analysis of where to invest strategically and where to market appropriately, regardless of ownership of the assets.

Certain areas of the port may be better utilized for different purposes than what is currently occurring on those sites. As the 2014 Ports Compact Technical Memorandum #4 states in its section on cargo in New Bedford "the allocation of cargo types among the various facilities must be evaluated." The most effective way to conduct this evaluation and locate activities in the most efficient manner to maximize growth and value is to have one entity with the control and management of the multiple facilities. Such an Authority may be better positioned to evaluate the most advantageous locations for certain cargo operations and the best opportunities for increasing public access and recreational, cultural, and entertainment offerings. The Authority's budget would likely need to be funded through combined earned revenues, those currently generated by the HDC and the state facilities in the harbor as well as future revenues

from new sources. A state operational subsidy for a fixed period of years from the Commonwealth will in all likelihood be required for needed capital improvements to address the legacy expenses of deferred maintenance. The Commonwealth would have to commit to bringing its assets up to a state of good repair before transferring operational control to the new Authority and as with other authorities such as Massport, revenue streams from development and other activities would be used to subsidize operations. District Improvement Financing may serve as a funding mechanism on the waterfront for both Authority operations and site acquisition and development.

Over time, and with appropriate operating funds, a unified authority model would create a management structure that can fully serve the wide range of industries and needs in New Bedford Harbor. Such a model Port Authority may have staff or divisions such as:

- **Commercial Fishing Industry** - Serve the shore-side needs of the current fleet, monitor federal regulatory activity, advocate for the Port of New Bedford's interests at state and federal level, lead/participate in New Bedford seafood marketing efforts, conduct ongoing planning and participate in marine research
- **Port Development** - Partner with the NBEDC to manage current real estate leases and maximize landside development to generate ongoing revenue and job creation
- **Cargo Management and Development** – Coordinate operations and business development efforts for all industrial cargo facilities in the Port including State Pier, NBMCT, North Terminal and others TBD

- **Planning** – Responsible for all planning activities related to the port including, maintenance, capital investments, dredging, bridge improvements, DPA planning, etc.
- **Marketing** - Responsible for marketing Authority's non-industrial assets including but not limited to Marina facilities, tourism/cultural opportunities and ferry/cruise terminal

Given that in this model, the Authority would operate state and local facilities, membership too would need to be a combination of state and local representatives, with the state playing a significant and corresponding role to the size and number of properties it would assign to the Authority. Provisions could be placed where Authority members would need to have local ties and specific industry-related knowledge, particularly the commercial fishing industry. The City would need to yield a level of appointing rights to the state in seating new members to the Authority.

Potential New Bedford Port Authority Governance Structure:

- 1- Secretary of Transportation (or designee)
- 1- Secretary of Energy and Environment (or designee)
- 1- Secretary of Housing and Economic Development (or designee)
- 3- New Bedford Mayoral Appointees confirmed by City Council
- 1- Town of Fairhaven Appointee
- 2- Legislative Delegation Appointees

Next Steps

The City/Commonwealth model of a new Port Authority creates a framework that can best serve the diverse management needs of the harbor. However, given the potential complexity of establishing this model, we have outlined potential next steps that will improve communication and cooperation immediately, while moving toward the Port Authority model outlined above.

1. Establish an advisory board with public and private sector representatives from New Bedford, Fairhaven and the Commonwealth. These stakeholders would sit equally at the table to shape broader policy issues, advocate for new infrastructure projects port-wide and create a formal place for inter-governmental and private-sector corporation. This initial step would leave the City's HDC and DCR (with a new port manager) in place for State Pier and other State owned assets but build a foundation for dialogue and cooperation among all of the stakeholders.
2. Expand the existing membership of the HDC from seven members to nine, with the two new members appointed by the Secretary of Transportation and the Secretary of Housing

and Economic Development. Since the HDC was created by the Massachusetts General Court under Chapter 762 of the Acts of 1957, it is not a department of the City, but rather an autonomous body charged with managing the Port. This simple change would allow greater formal engagement by the Commonwealth and justify a re-naming of the HDC to the New Bedford Port Authority. It would also not require any changes to the ownership structure of assets owned by the City and the Commonwealth. The HDC would continue to be chaired by the Mayor of New Bedford, and the term of the Commissioners would remain three years. This option presents what is perhaps the simplest first step in advancing a fully unified City and Commonwealth authority, allowing time and comfort to exist while testing what will work best in practice.

3. With the formal interactions between the HDC and Commonwealth established, the advisory board along with the newly christened New Bedford Port Authority will continue to develop the operational, planning, marketing and development details mentioned above and determine the best next steps to the "full model" in a systematic, objective and collaborative way.

Conclusion

The Port of New Bedford/Fairhaven is the geographic, economic, cultural and political focal point for the greater New Bedford region. It is has been a source of pride for New Bedford citizens since the days that our historic whaling vessels sailed the world. The port is home to a diverse array of industries and the innovative and hardworking men and woman that operate businesses across the port are the driving factor behind the New Bedford's position as the #2 port in the Commonwealth and the #1 commercial fishing port in the nation for the last 15 years.

However, even with incredible success in fishing and fish processing, the port has not been able to fully maximizing all of its current growth opportunities due to unmet infrastructure needs and the lack of a unified, fully funded, management structure. The result is lost private investment and job creation opportunities for New Bedford, the region, and the Commonwealth. Such an asset cannot be allowed to operate at a level below its full potential when the city and region struggle with chronically high unemployment and a constant need to see new commercial growth.

While there are immediate actions that can and should be taken to address pressing issues, these actions should represent a beginning and not an end to the efforts to maximize the impact the port has on the overall economy of Greater New Bedford. A new, professional Port Authority model can play a critical role in activating underutilized portions of our waterfront, expanding current industrial uses and optimize operations to attract new jobs and private sector investments in the harbor. This Authority, created and managed in a way that is fair and equitable to both the City and the Commonwealth, can help lead ongoing strategic planning initiatives and identify the highest and best infrastructure investment opportunities.

Over the decades, the agencies that manage the public port assets in New Bedford have often served as an impediment for robust investment along our waterfront. The recommendations outlined in this policy statement allow the public sector to support the expansion of current businesses, foster new growth opportunities, and create a stable environment for continued and thoughtful investment in New Bedford's greatest economic engine.

The NBEDC is a nonprofit organization comprised of 250 successful leaders in business, education and government led by a nine-member Board of Directors. In conjunction with the Mayor's Office, the Council sets the agenda for the city's key strategic economic development areas. The Executive Director of the NBEDC, with a team of six, is responsible for the coordination and implementation of the organization's programs and initiatives.