



**GLOUCESTER HARBOR ECONOMIC
DEVELOPMENT PLAN**

DRAFT EXECUTIVE SUMMARY

AUGUST 2010

**PREPARED FOR:
THE CITY OF GLOUCESTER**

**SUBMITTED BY:
MT. AUBURN ASSOCIATES, INC.
VINE ASSOCIATES
KARL F. SEIDMAN CONSULTING SERVICE**

INTRODUCTION

Gloucester Harbor has played a central role in Gloucester's economic life and community identity since the city's early settlement nearly four centuries ago. The commercial fishing industry has sustained families and fueled the city's economy for generations while shaping its rich culture and traditions. Yet, it has become increasingly apparent over the last several decades that the scale of economic activity generated by traditional industries is not sufficient to sustain the harbor economy at healthy levels.

A consensus appears to be emerging within the community that, while everything possible should be done to support and sustain traditional harbor industries, the community must also pursue new economic opportunities that will complement rather than supplant traditional industries and, at the same time, build a more vibrant and robust harbor economy that will create jobs and business opportunities for community residents, stimulate harbor property investment, and generate more tax revenue for local government.

The objective of Gloucester Harbor Economic Development Plan is to help the community achieve this vision. The report assesses the economic position of existing harbor industries and identifies emerging industries with growth potential that are well-suited to a harbor location. The recommendations in the report lay out specific strategies and implementation steps designed to help sustain traditional industries while broadening the harbor's economic base with new industry development. This document summarizes the key findings and recommendations of the plan.

GOALS OF THE PLAN

Any economic development plan must be driven by a set of broad goals that embody the aspirations of community stakeholders. Goals set a benchmark against which strategies and individual initiatives are evaluated. The following goals were established to guide the plan's recommendations:

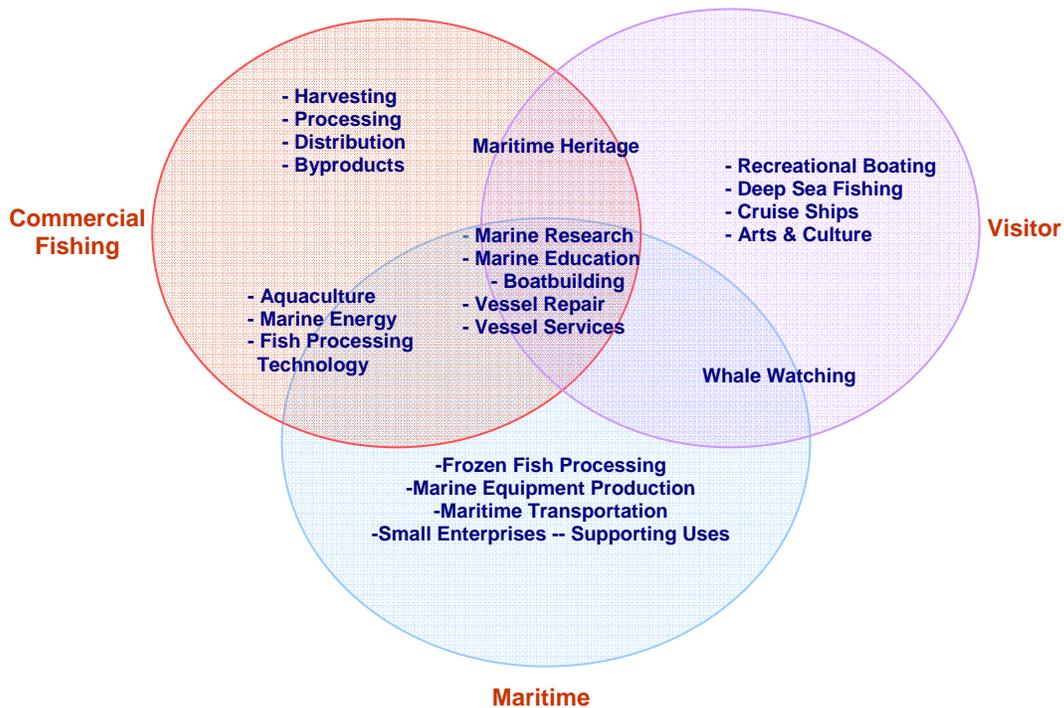
1. Diversify the harbor's economic base by attracting new industry and supporting commercial uses while sustaining traditional industrial uses such as commercial fishing.
2. Expand high-quality job and income opportunities for Gloucester residents.
3. Stimulate property investment and minimize the number of vacant and underutilized properties.
4. Enhance the area's role as a center of community life.
5. Preserve the area's heritage and character.
6. Make the area more accessible to visitors and residents.
7. Broaden the city's tax base.

SUMMARY OF KEY FINDINGS AND RECOMMENDATIONS

THE HARBOR ECONOMY

The Three Legs of the Harbor Economy

The key to creating jobs and stimulating property investment in the harbor area is to understand and build on the harbor's economic strengths. The three legs on which the harbor economy stands are commercial fishing, the visitor economy, and the maritime economy. As the diagram below illustrates, these industries are distinct but interdependent. Efforts to develop the harbor economy must recognize this interdependence and seek to build each leg in ways that strengthen rather than weaken the others.



The Commercial Fishing Industry

Key Findings

- Gloucester has become increasingly important among New England’s fishing ports, both in total landings and groundfish landings. It is the second largest fishing port in New England, after New Bedford, and the largest groundfishing port.
- After declining through the early 1990s, landings in the groundfish industry were relatively stable from the late 1990s to 2007, then increased considerably in 2008 and fell back moderately in 2009.
- Despite relative stability in groundfish landings, Gloucester’s commercial fishing fleet declined considerably since the early 2000s.
- New England groundfish stocks are expected to rebuild substantially — to three times 2003 levels by 2014 — as a result of the species recovery targets set in federal legislation. Because of these aggressive targets, catch levels are being set at very low levels in the years leading up to 2014.
- Low catch levels, along with the uncertainties introduced by the new “catch share” system for managing groundfish catches, have created severe financial hardships within the industry. However, once species recovery targets have been met, catch limits can be expected to increase substantially after 2014.
- While the commercial fishing fleet has declined, concerns remain about the adequacy of dockage, which is key to retaining the industry in Gloucester. A considerable number of vessels use private dockage that is not explicitly reserved for commercial fishing vessels, raising questions about its long-term availability.
- The number of businesses providing equipment, supplies, and services needed by the commercial fishing industry has declined with the scale of commercial fishing and the size of the commercial fishing fleet. Some of the remaining businesses are financially vulnerable, raising the possibility of further declines in the availability of key supplies and services.
- The aging of the fishing workforce and the difficulty of attracting new recruits, particularly to the groundfish industry, will present a challenge to fishing businesses as older workers retire and groundfish stocks recover. In addition, industry jobs are becoming increasingly skilled because of more advanced technology and more complex regulatory requirements.
- New marketing approaches for fresh caught seafood could increase recognition of the quality of the Gloucester “brand” and, consequently, the price paid to the harvester. A current example is Cape Ann Fresh Catch, operated by the Gloucester Fishermen’s Wives Association, which provides direct-to-consumer sale of whole fish.

Recommendations

➤ **Re-establish the Fisheries Commission to lead efforts to strengthen the economic position of Gloucester's fishing industry.**

The Fisheries Commission, established in the 1950s but not currently in place, should be re-established to take the lead role in planning and implementing local initiatives to sustain and promote Gloucester's fishing industry, including commercial fishing and supporting businesses. As an initial agenda, the commission should take the lead in implementing the commercial fishing recommendations described below.

➤ **Establish a dockage monitoring and brokerage program.**

The function of this program would be to ensure an adequate supply of dockage for commercial fishing vessels. It would involve monitoring supply of and demand for commercial dockage, establishing a brokering service to match supply and demand, and developing recommendations to: 1) address impediments to maximum use of existing commercial dockage; 2) develop additional commercial dockage to meet evolving needs; and 3) provide incentives for private marina owners to maintain or develop additional commercial dockage.

➤ **Develop a business retention program for commercial fishing-related businesses.**

A retention program would conduct outreach to businesses to assess their situation and develop a plan of assistance to address identified problems, including regulatory issues, technical assistance needs, and financing. The program should be particularly targeted to businesses that provide critical services to the commercial fishing industry.

➤ **Develop market opportunities to increase industry revenues.**

Helping fishermen increase their incomes is another way of sustaining the industry. Three specific initiatives should be pursued in this regard.

- *State Seafood Marketing Program.* The Fisheries Commission should work with the City's state legislative delegation, the Gloucester Fishermen's Wives Association, and the Massachusetts Fishermen's Partnership to broaden the Massachusetts Department of Food and Agriculture's "Massachusetts Grown...and Fresher Campaign," from its current focus on agricultural products to include seafood products.
- *Sustainable Fisheries Certification.* The Fisheries Commission, working with the commercial fishing industry, should initiate an effort to obtain sustainable fisheries certification for leading species of Gloucester-caught seafood. Certification assures buyers that fish come from a well-managed and sustainable source, strengthens the harvester's position against competitors, and can help gain a price premium similar to that obtained for organic produce.
- *Vessel-based Marine Research.* The Fisheries Commission should work with the commercial fishing industry to develop supplementary uses for vessels and crew,

particularly through tie-ins with marine research. Massachusetts is a large and growing center of marine research, and field research sometimes involves the leasing of commercial fishing vessels and crew. Another opportunity is to use fishing vessels for eco-tourism excursions during down times from fish harvesting.

➤ **Develop workforce training programs.**

While not an immediate problem, the workforce situation should be monitored and, as needs arise, appropriate programs developed through partnerships between the local industry, Gloucester High School, area workforce training organizations, and industry organizations such as the Massachusetts Fishermen’s Partnership

The Visitor Economy

Key Findings

- Gloucester Harbor is central to the city’s visitor industry. The harbor’s “authenticity” distinguishes Gloucester from many of the region’s other tourism destinations. There is also strong consensus within the local tourism community that the working harbor must be preserved, not only for its centrality to the maritime economy, but also for its role in drawing visitors to the city.
- Recent trends in local leisure and hospitality employment indicate that Gloucester’s tourism economy has lost ground.
- Gloucester offers a large and diverse number of water-based, maritime heritage, and arts and cultural attractions that draw visitors to the harbor. At the same time, the diversity of these attractions and the absence of a single major destination present challenges for how to best define or brand the “Gloucester experience” and how to ensure visitors’ awareness of and access to these many attractions.
- While tourism organizations and businesses already conduct marketing activities, there is no single brand or coordinated marketing effort, funds are limited, and marketing does not reach all important media and market segments.
- Reaching the harbor by land and water, and circulation once there, are difficult, constraining efforts to attract additional visitors.
- Lack of hotel facilities in proximity to the harbor limits the area’s ability to attract more visitors to the area for more extended time periods and to host business and professional meetings and events.

Recommendations

➤ **Strengthen and coordinate tourism marketing.**

Three local organizations that currently play leading roles in tourism marketing — the Cape Ann Chamber of Commerce, Seaport Gloucester Destination Marketing Organization (DMO), and the City’s Tourism Commission — should establish a coordinated marketing strategy. This should involve developing a common “brand” with themes and graphics, producing common marketing materials, developing a single web

portal, and coordinating outreach to media and key market segments. Marketing the harbor should continue to be part of a larger effort to market all of Gloucester's tourism attractions.

➤ **Improve access and circulation.**

A number of measures should be taken to improve access to and circulation within the harbor.

- *Land access.* Access by land is constrained by traffic congestion and limited parking. A number of measures have been recommended to address this problem including truck and bus parking restrictions, satellite automobile parking, and construction of a downtown parking garage. The city should take a staged approach to addressing this problem, starting with the easiest and least costly solutions, assessing their effectiveness, and then considering more aggressive measures if the initial actions prove inadequate. Initial efforts should focus on establishing satellite parking and truck and/or bus staging areas.
- *Water access.* Many visitors come to Gloucester by boat, but have difficulty accessing the harbor and downtown because of limited transient recreational berthing and public dockage. A number of actions have been planned or are under consideration to address this problem. These include:
 - Allowing shared use of facilities built for commercial vessels by recreational vessels for a short duration.
 - Using temporary bottom-anchored floats or rafts available for recreational vessels.
 - Changing DPA regulations to allow additional recreational berthing.
 - Establishing a water shuttle that could provide access to various locations including Harbor Cove, Solomon Jacobs Landing, Cripple Cove, Rocky Neck, Pirates Lane, and State Fort Park.
 - Reconstructing the Harbormaster's Dock at Solomon Jacobs Park to provide transient dockage for a water shuttle and other vessels.

While it is beyond the scope of this study or the expertise of the consultants to assess the relative feasibility or desirability of these or other options, it is important that action be taken. The Waterway's Board should lead a comprehensive effort to improve water access to the harbor by visitors and transient vessels, working with the Community Development Department and representatives of the visitor industry and harbor property owners.

- *Harborwalk.* The existing harborwalk along the "Inner Harbor" area should be extended as a means to improve pedestrian access to and along the harbor, to improve the physical appearance of the harbor front, and to stimulate property investment. While there are some physical, operational, property ownership, and financial constraints to creating a continuous harborwalk along the shoreline, there is opportunity for significant expansion particularly within the non-industrial portions of

Harbor Cove. Once fully implemented, the harborwalk would connect Stage Fort Park and Stacey Boulevard to the Cruiseport Terminal. Similarly, connections between the harborwalk and the downtown should be developed along existing streets in some locations.

➤ **Promote downtown hotel development.**

With its proximity to the waterfront, historic character, and stores and restaurants, the downtown is a strong location for a boutique hotel. To help bring a hotel to the downtown, the City should proactively work to solicit a hotel developer and operator through identifying suitable sites for a hotel, working with the site owners to confirm their interest in offering their properties for a hotel, and then packaging a solicitation of interest for potential developers. After developers express interest, the City can work with property owners to review the proposals and determine the most feasible proposal(s) and developer(s) with which to proceed.

➤ **Selectively develop additional attractions and events.**

While the City and the visitor industry should focus primarily on supporting and strengthening existing attractions and events, they should also develop more shoulder season events to extend the tourism season. These need not be limited to harbor tourism, but should seek to support the city's entire visitor economy. In addition, exceptional opportunities, such as the development of an appropriate site for the Schooner Adventure, should be pursued as they arise.

Maritime Industry

Key Findings

- The maritime economy is defined as commercial, industrial, and institutional activities that are supported by the port's maritime assets — both physical and intellectual — but do not primarily involve commercial fishing or tourism, although they overlap with and are complementary to these industries. For the purposes of this study, the maritime economy is divided into four segments:
 1. *Marine Research.* Gloucester has a number of assets that make it a desirable location for marine research, including availability of commercial vessels with experienced captains and crew, skilled technical labor, harbor front real estate, and proximity to the Stellwagen Bank and Gulf of Maine. While not currently a major center of marine research, Gloucester hosts a number of marine research organizations and activities, including two whale research centers and a field laboratory of the MIT Sea Grant Program.
 2. *Marine and maritime education.* With its maritime history, working harbor, active commercial fishing industry, and access to key sites for marine research, Gloucester has the potential to offer a continuum of educational programs at all points in the spectrum of marine and maritime education. Gloucester Harbor already has a significant cluster of marine educational activities, including the Whale Center of New England's internships programs, the Maritime Heritage

Center's Marine Education Center, and the SEA Initiative, multi-year partnership between Gloucester Public Schools, the Gloucester Education Foundation, and the Massachusetts Institute of Technology's Edgerton Center.

3. *Marine and maritime industries* Marine and maritime industries in Gloucester include boatbuilding, marine equipment manufacturing, fish processing equipment manufacturing, water transportation, aquaculture, marine renewable energy, and marine contracting (e.g., for coastal protection and restoration projects). The strongest opportunities for Gloucester are in small boatbuilding and industries emerging through marine research such as aquaculture and marine renewable energy.
 4. *Small technology-based, professional, and creative enterprises.* Gloucester Harbor, with its picturesque views, interesting mix of activities, and proximity to downtown shops and restaurants, can be an attractive location for small entrepreneurial companies. While not marine industrial, such businesses can qualify to use some of the space within the Designated Port Area as a supporting use. New opportunities have been created through the State's recent approval of the City of Gloucester's Harbor Plan that allows an increase in the supporting use category from 25 to 50 percent of total property square footage.
- These economic activities have yet to establish a strong foothold in Gloucester, so their potential for generating local business development remains speculative. Testing this potential will require a strong market development effort.

Recommendations

➤ Establish a Maritime Industry Development Unit within the Community Development Department.

The Community Development Department should hire a maritime industry specialist to lead a maritime industry development effort. The primary responsibilities of this staffer will be to develop and implement a marketing program targeted to maritime businesses and research and educational institutions, to assist organizations and firms considering a Gloucester location to find appropriate sites and navigate local and state regulatory approval processes, and to facilitate applications for state and local financing programs and tax incentives. An advisory committee comprised of individuals with backgrounds in maritime industry, research, and education should be established to help shape and support these efforts.

➤ Initiate a market development program.

The first task of the Maritime Industry Development Unit should be to design and implement a targeted marketing program. The program should have two targets:

- *Marine research and education institutions.* The Unit should conduct outreach to research and education institutions, and particularly those that have already expressed an interest in locating or expanding in Gloucester, and broker relationships between interested researchers and educators and property owners, vessel owners, skilled

tradesmen, and other businesses. If facility investments are required, the City could collaborate with the institution on state or federal funding proposals.

- *Marine technology businesses.* The marketing website planned by the City should be targeted, in part, to marine technology businesses. Marketing staff and/or volunteers could also become members of key industry, professional, and trade associations to facilitate networking and develop greater awareness of Gloucester and to track key industry, education, and research trends.

➤ **Develop specialized facilities.**

If information gathered through the market development program indicates potential demand for certain types of specialized facilities to meet institutional development needs (i.e., public or nonprofit research and education facilities) or business needs, the City should work with institutions or property owners to develop such facilities. Conducting a feasibility study would likely be the first step in determining demand for such a facility.

➤ **Market the harbor to small professional, technical, and creative enterprises.**

The increased allowance for supporting uses within the DPA to 50 percent should provide greater opportunities to attract these types of businesses. Because small firms typically locate close to the homes of the firm owners, the target market for these firms should primarily be the North Shore and, secondarily, metro Boston. Marketing should emphasize the setting and amenities of a harbor location. The City should also explore adding amenities in the harbor area, such as free WIFI, that are attractive to small technology and creative companies.

STIMULATING PROPERTY INVESTMENT

Key Findings

- Gloucester Harbor has a large supply of vacant and underutilized waterfront land and buildings for which there is very little local real estate demand under current land use regulations. Any significant new investment and economic uses for the waterfront will need to come from longer-term initiatives to attract and develop new marine-related industries and activities.
- Gloucester faces a range of real estate needs to support its vision for the harbor area and to capitalize on the opportunities to sustain and grow its existing visitor and commercial fishing sectors while nurturing emerging maritime industries. Its current supply of vacant space and buildings offered for sale within the DPA is sufficient to address most of these needs, with several buildings having sizable vacant space in good condition. Some public incentives or gap financing may be needed to support desired property investment.
- The regulatory environment within which prospective development proposals must be reviewed is very complex and includes local zoning and wetland reviews as well as State Chapter 91 licensing and Designated Port Area compliance. The existence of the DPA has placed significant use and expansion restrictions on properties and is

viewed by some as a significant factor limiting investment and economic diversity in the area.

Recommendations

➤ Streamline local regulatory processes and assist property owners with State regulatory approvals.

Simplifying and/or streamlining and encouraging transparent reviews will reduce concerns regarding development costs and timelines. To minimize unnecessary and/or redundant review, the City should ensure that the new Site Plan Review process proceeds in a manner that makes the special permit review process less complicated and does not add to the development review process. The City should also assist property owners interested in redevelopment that is not solely marine industrial to prepare Chapter 91 licensing applications and participate in pre-application meetings with DPA Waterways to discuss possible redevelopment opportunities on a parcel-by-parcel basis.

➤ Explore potential modifications to the DPA.

Over the next 18 months, the City should monitor the effectiveness of the 50 percent supporting use provision of the Harbor Plan to determine if it has led to measurable progress in stimulating additional investment and growth in the Designated Port Area. The Harbor Plan was only approved for a two-year period, which will expire in December 2011. The supporting use analysis should occur in advance of the expiration date to allow for any plan changes deemed necessary to facilitate redevelopment in appropriate locations or increase flexibility by allowing additional supporting commercial uses.

PROMOTING DOWNTOWN DEVELOPMENT AND DOWNTOWN-HARBOR LINKAGES

Key Findings

- The economic health of Gloucester Harbor and the city's adjacent downtown are closely linked. The more robust the harbor economy, the more patronage downtown merchants are likely to enjoy. And, the more vibrant and attractive the downtown, the more likely both the downtown and the harbor are to attract local and more distant visitors and keep them in the area for longer stays.
- Downtown business conditions can be described as moderately favorable. Main Street in the downtown is fully developed with retail and mixed use buildings occupying all sites. There are no vacant or underutilized land parcels along the Main Street corridor. Within buildings, some vacancies do exist among the ground floor retail spaces. The results of a business survey conducted for this study indicate that most downtown businesses are optimistic about their future.
- Economic linkages between the harbor and downtown are hampered by limited visual and physical connectivity. Identifiable pedestrian linkages are not present and

wayfinding is difficult. To some extent, connections between the two areas is hampered physically by the grade difference between Main and Rogers streets and visually by the land uses along the north side of Rogers Street, which include the back of the house sides of Main Street establishments and parking lots.

- Current downtown marketing and business development efforts are fragmented among a number of public and private organizations, including the Cape Ann Chamber of Commerce, the City’s Downtown Development Commission, and informal merchants’ groups, and would benefit from a more coordinated approach.

Recommendations

➞ Establish a Main Streets Program.

Current business development and marketing activities could be managed more effectively and have greater impact if they are integrated into a single organization that can coordinate activities and integrate marketing into a comprehensive downtown development and management program. A single downtown organization could also coordinate more effectively with the tourism industry.

A model that has been successfully implemented throughout the U.S. is the National Trust for Historic Preservation’s Main Streets Program. The Cape Ann Chamber has already organized its Gloucester Division under the Main Streets committee structure with the chamber executive providing staff support. This foundation should be expanded upon by identifying key members who can be recruited onto each committee and providing additional staff support through the City’s Community Development Department grants manager. A coordinating board should also be established with the chairs of each committee and other key stakeholders.

➞ Invest in streetscape improvements to strengthen downtown-harbor linkages.

A number of public infrastructure investments should be made to strengthen physical linkages and promote cross-traffic between downtown and the harbor. The north/south running street connections should be improved by widening sidewalks where possible and providing wayfinding signage to direct pedestrians between the two areas. On Rogers Streets, pedestrian safety would be improved by creating “bulb outs” as well as marked crosswalks at the intersections of the north/south cross streets, which would decrease the length of street crossings and provide opportunity for signage, seating, and landscaping similar to improvements on Main Street. Streetscape improvements should be made to three key harbor/downtown connection pathways, including Porter, Parsons, and Hancock streets, and the Duncan Street/Police Station Plaza.

The two defined gateways to the downtown/harbor area — Washington Street at Rogers and Main streets and Flanagan Square at the intersection of Rogers and Main streets — should be improved with traffic calming measures, streetscape treatments, and signage to better announce arrival to the city’s downtown/harbor area and direct visitors to key destinations, districts, and parking.

➤ **Encourage infill development on Rogers Street.**

The City should encourage infill development of retail and/or other facilities of public accommodation along Rogers Street that attract patrons. Design guidelines should be developed to ensure that new infill development is compatible in scale and design with the existing urban form present on Main Street. Redevelopment of the north side of Rogers Street with buildings fronting on the street with “front of the house” architectural elements would significantly improve the appearance and pedestrian scale of the street. Similarly, sensitive redevelopment of the I-4 C-2 parcel could also enliven the street with active uses and attractive, appropriately scaled structure(s).

The City should develop design guidelines and provide financial incentives, such as tax increment financing, to encourage appropriate forms of redevelopment. The bank-capitalized Gloucester Investment Corporation should also target part of its funds for infill development and mixed-used development along Rogers Street.

IMPLEMENTATION OVERSIGHT AND MANAGEMENT

Successful implementation of this plan, like any plan, requires a “keeper of the plan,” a leadership group that is dedicated to achieving the plan’s goals, establishing measurable objectives, mobilizing organizational and financial resources, monitoring progress, and adjusting strategies and tactics as circumstances change. Another important role of this group is to keep the public informed about what is being accomplished and to maintain public support. The group should be a public-private partnership, composed of government, business, and civic leaders, interested citizens, and representatives of key stakeholder groups — harbor industries, property owners, and downtown merchants.