Newport Waterfront Economic Study

City Council Workshop

9 November 2010
Why an Economic Study?

1. Compile “baseline” economic data for the waterfront study area

2. Provide decision makers with a tool to make informed land-use decisions

3. Address the question - Which waterfront land uses provide the most measurable benefit to the city of Newport in the waterfront study area?
AGENDA

1. Background & context

2. Data collection
   - Land side
   - Water side

3. Interviews w/Waterfront Property & Business Owners

4. Findings of Study
**GOALS - NEWPORT 2030 WORKSHOP**

**Top 3 Priority Recommendations**

1. **Create a continuous harbor walk** that links all waterfront parcels and allows public access both laterally and along the shore.

2. **Honor the working waterfront**, maintain its relevance, and preserve its identity.

3. **Develop mechanisms to encourage consistent coordination & communication** among different levels of government, commissions, and officials so that they may identify and work toward common goals for Newport’s waterfront.

**Steering Committee Observations:**

1. **PUBLIC ACCESS** was overwhelmingly identified by all groups as top priority.

2. **The working waterfront** was identified as a top priority.

3. **ZONING** is a critical element that relates to all potential future development in Newport’s Harbor/Waterfront

4. **TRANSPORTATION** was discussed in all groups but did not rank as high in the final voting.

5. **INTERCOMMUNICATION** between municipal commissions ranked high in the final voting, but also applies to all of the above elements.
PARTNERS

STAKEHOLDERS:
1. City of Newport – Planning Dept, Planning Board, Parks Dept
2. City of Newport – Waterfront Commission
3. Newport Co. Chamber of Commerce
4. Newport Co. Convention & Visitors Bureau
5. Alliance for a Livable Newport
6. Friends of the Waterfront

FUNDERS:
1. Rhode Island Foundation
2. Prince Charitable Trusts
3. RI Sea Grant
Did you know the City of Newport has a Harbor Walk?

NEWPORT HARBOUR WALK 2010: Building upon the accomplishments of Newport's Friends of the Newport... which has a public outreach and engagement program under the University of Rhode Island's Sea Grant program, and the Rhode Island Sea Grant College Program's support for... and other stakeholders in the development of appropriate and barrier-free...ACCIONA. Area A HarbourWalk system would connect seven along the waterfront:...Signature, leading into Thames Street and America's Cup Village, and extending to the Fort... Dyer and point north. Local residents and visitors to Newport are encouraged to go out and explore your Harbor Walk! Please look for this sign to guide you in your stroll.

PROVIDE YOUR INPUT! Please complete the SURVAY form provided below and tell us what you think about the Harbor Walk.

For more information:
For more information:
Please contact Teresa Craft, University of Rhode Island
Craft Marine Center
Rhode Island Sea Grant College Program
(401) 677-6520, teresa@uran.edu

RI Sea Grant, Newport Harbor:
http://cooperation.gov/url/ri/collaboration/all_sea_patch.html

Friends of the Waterfront:
http://www.cooperation.gov/url/ri/collaboration/all_sea_patch.html

Newport Harbor, Newport, Rhode Island
2009 Aerial Photography, RI GIS

9 238 500 1,099 1,500 2,090

Map courtesy of the City of Newport, RI.

5

3

10

20

50

100

500

1,000

2,000

3,000

5,000
**Newport's Harbor Walk**

**Opportunities for additional links along the water?**

1. **Brown & Howard Wharf:** Harbor Walk not clearly defined.
2. **Perrotti Park:** Harbor Walk very well defined.

**Opportunities to improve the legibility of Harbor Walk?**
A Quick Review & Update…

- Oct. 2007, Newport Waterfront 2030 Workshop
- Oct. 2007, URI Vibrant Waterfronts Symposium
- June 2008, Public Consensus Workshop for Newport Waterfront 2030
- May 2009, Friends of the Waterfront Annual Meeting
- Sept 2009, RI CoastWeeks, Harbor Walk Guided Tour
- Feb 2010, “Did you know…?” Display & Survey launched
- March 2010, Harbor Walk Guided Tour
- April 2010, Harbor Walk Survey Results Public Forum
- May 2010, Harbor Walk Design Charrette & Public Forum
- Summer 2010, Monthly guided Harbor Walk Tours! 3rd Sat. of each month, 10:00 a.m., Mary Ferrazzoli Park
What’s Next?

1. **Identify projects** that might be implemented & installed/constructed over short- and long-term.

2. **Produce a map** that can be used for self-guided tours of the Harbor Walk.

3. **Prepare an action strategy / implementation program** that can be used by various stakeholders to raise $$$ for future construction projects.
Scope - Economic Study

• Establish and describe an economic baseline for the Newport waterfront/harbor project boundary.

• Understand the value of the land-side and water-side economies in Newport Harbor and the interrelationships between the two to generate an analysis that synergizes both sides as one Harbor economy.

• Conduct an analysis that illustrates the economic impacts of land/water uses for the harbor and provide guidance to the City to set policies and make investment decisions related to the waterfront and harbor and the city’s revenue stream.
ECONOMIC STUDY STEERING COMMITTEE

1. City of Newport Planning Director
2. City of Newport Waterfront Commission Chair
3. City of Newport Redevelopment Authority Coordinator
4. City of Newport Economic Development Director
5. Newport County Chamber of Commerce Executive Director
6. Newport and Bristol County Convention & Visitor’s Bureau Executive Director

CONSULTANT: FXM Associates
Francis X. Mahady, Principal
ECONOMIC STUDY: DATA

**Land**
- Parcel Overview: Land Use/$ Value/Property Tax/Zoning
- Revenues: meal & beverage, hotel taxes, etc.
- Public Access
- Parking & Circulation
- Businesses/Employers
- Special Events
- Redevelopment Proposals
- “Anchor” properties

**Water**
- Moorings, Piers & Docks
- Marinas
- Special Events
- Excursions/Charters
- Commercial Fishing Operations
- Cruise Ships
RI Statewide Ports & Harbors

Water Dependency:

- **Water Dependent** – requires direct access to the water for viable operation
- **Water Related** – provide goods or services associated with water-dependent uses
- **Water Enhanced** – do not require direct access to the water for viable operation, but are enhanced by waterfront location
### Examples of Uses

<table>
<thead>
<tr>
<th>Water Dependent</th>
<th>Water Related</th>
<th>Water Enhanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marinas</td>
<td>Chandleries</td>
<td>Restaurants</td>
</tr>
<tr>
<td>Ship repair</td>
<td>Bait shops</td>
<td>Bars/taverns/night clubs</td>
</tr>
<tr>
<td>Commercial fishing facilities</td>
<td>Ice houses</td>
<td>Hotels</td>
</tr>
<tr>
<td>Cargo handling facilities</td>
<td>Marine supply stores</td>
<td>Residential with water view</td>
</tr>
<tr>
<td>Ferry terminals, water taxis</td>
<td>Fish processing facilities</td>
<td>Museums</td>
</tr>
<tr>
<td>Petroleum facilities served via marine pipeline</td>
<td>Marine repair facilities (welding, engine repair)</td>
<td>Educational institutions</td>
</tr>
<tr>
<td>Charter facilities</td>
<td>Tugboat dispatch</td>
<td>Offices</td>
</tr>
<tr>
<td>Cruise ship terminals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boat rentals/charter facilities (fishing, sailing, etc),</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulk cargo handling facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Coast Guard facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tugboat dock</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Container ports</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Commercial Fishing Operations

Commercial Fishing Pier:
State Pier #9 (RIDEM) – 60 full-time commercial fishing vessels, mostly lobster boats.

In 2006, 48 vessels with federal licenses listed Newport as their home port.

Fishing-related businesses have left Newport & fishermen must go to Point Judith or New Bedford for supplies.

Seafood Wholesalers:

1. Parascondolo – groundfish & squid (private dock in Harbor)
2. Aquidneck Lobster – lobster (location in Harbor)
3. Omega Sea – scallops & shrimp

Source: Ocean SAMP Fisheries Chapter, to be published August 2010
City Redevelopment Efforts

- U.S. Navy Hospital
- Van Zandt Pier
- Perrotti Park / Long Wharf
- U.S. Post Office
- Armory / Ann St. Pier
- Lee’s Wharf
- King Park
Harbor Uses & Revenues

**Moorings** = 943
Actual Revenues, 2009:
Mooring Fees = $441,727.00
Harbor Fees/Fines = $125,305.00

**Slips** (Comm/Industrial Prop) = 469

**Dockominiums** = 110

**Cruise Ships** = 59 (2009 season)

2009 Actual Revenues to Maritime Enterprise Fund = $284,568.00
SPECIAL EVENTS

Newport International Boat Show
Brokerage Boat Show / Wooden Boat Show
Tall Ships
Regattas
Sail Newport / 12-Metre / 6-Metre
Folk & Jazz Festivals @ Fort Adams
Black Ships Festival
Seafood/Chowder Festivals & Clambakes
Dockwise Transport
Interviews with Waterfront Businesses and Other Key Actors

• FXM contacted 25 individuals suggested by Study Steering Committee, conducted confidential interviews during October 2009 – January 2010

• Questions focused on these topics:
  - Recent business activity & trends
  - Newport assets, attributes & limitations
  - Value of Newport waterfront to business sales, growth
  - Future waterfront development, opportunities
  - Suggestions & recommendations
Interviews – Major Themes

1. Preserve working waterfront, attract more water-dependent and water-related uses

2. Maintain diversity of commercial uses, expand public access to the harbor, promote Newport’s distinctive features

3. Waterfront is the City’s key economic development asset – invest in public realm and manage effectively to leverage its potential to increase jobs and City tax base
Theme 1: Preserve Newport’s Working Waterfront

- Water-dependent, water-enhanced, and water-oriented business activity are of paramount importance to:
  - All waterfront and downtown property and business owners
  - Newport residents, visitors, and workers

- Retail, event, and hospitality clientele expect to walk around the waterfront, experience the harbor – many are repeat visitors and attractions need to improve over time

- Perrotti Park is central locus for waterborne transportation services, and should include dockage and ticketing for ferries, charter/excursion/tour boats, harbor water taxi, cruise ships
Theme 2: Maintain diversity of commercial uses and public access to the water

- Integrity and attraction of Newport waterfront requires balanced mix of complementary uses with substantial presence of water-dependent operations easily accessible to the general public.

- Residential development over past 20 years has reduced water-dependent uses, restricted physical and visual access to the harbor, diminished diversity of commercial activities -- weakening Newport’s waterfront “brand.”

- Short-term gains in municipal revenues may not offset long-term loss of tax revenue and economic development (jobs) potential for the larger waterfront area and downtown.
Theme 3: Better management of waterfront as economic development asset

- Investments by property and business owners have increased valuations and tax revenues *but* only minimally leveraged public improvements needed to sustain and grow waterfront economic vitality

- Public realm deterioration most adverse effects in Lower Thames Street business district

- Armory/Ann Street Pier project
1) Patrons of activities & uses on the water spend considerable amounts at waterfront area businesses and contribute to taxable property value & sales of commercial uses.

2) Activities on the water and public access to the water define the attractiveness of Newport Harbor and help distinguish Newport from other destinations.
Municipal revenues from property tax and other revenue sources in the Newport Harbor Study area, which totaled over $9.7M in 2009.
Of the $9.7M in City revenues derived from property and other taxes and fees within the Harbor Study Area in 2009, approximately $5.2M (54%) is attributable to water-dependent uses and public access to the water.
Table 1

Sample Worksheet for Estimating the Effect of Visitors Linked to Water-dependent Uses in the Newport Harbor Study Area (2009)

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>Waterfront Study Area Sales</th>
<th>% of Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water transportation</td>
<td>$ 37,400,000</td>
<td>24%</td>
</tr>
<tr>
<td>Eating &amp; Drinking</td>
<td>$ 66,000,000</td>
<td>43%</td>
</tr>
<tr>
<td>Apparel</td>
<td>$ 14,000,000</td>
<td>9%</td>
</tr>
<tr>
<td>Misc Retail</td>
<td>$ 18,300,000</td>
<td>12%</td>
</tr>
<tr>
<td>SUBTOTAL</td>
<td>$ 135,700,000</td>
<td>87%</td>
</tr>
<tr>
<td>Hotels</td>
<td>$ 19,400,000</td>
<td>13%</td>
</tr>
<tr>
<td><strong>TOTAL Sales</strong></td>
<td><strong>$ 155,100,000</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSUMER</th>
<th>Waterfront Study Area Purchases</th>
<th>Waterfront Study Area Purchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreational Boaters</td>
<td>$ 40,000,000</td>
<td>$ 40,000,000</td>
</tr>
<tr>
<td>Excursion/charter/shuttle/ferry passengers</td>
<td>$ 11,000,000</td>
<td>$ 11,000,000</td>
</tr>
<tr>
<td>Cruise Ship Passengers</td>
<td>$ 1,785,834</td>
<td>$ 1,785,834</td>
</tr>
<tr>
<td>Other Visitors &amp; Residents @ 30% of residual sales</td>
<td>$ 30,694,250</td>
<td>$ 30,694,250</td>
</tr>
<tr>
<td><strong>TOTAL Water-dependent Purchases</strong></td>
<td><strong>$ 83,480,084</strong></td>
<td><strong>$ 83,480,084</strong></td>
</tr>
</tbody>
</table>

*Sources: Claritas Site Reports (waterfront study area sales) and as noted in text*
Water dependent land uses in the Newport Harbor Study Area are directly and indirectly responsible for considerably higher municipal revenue yields per acre than either general commercial land uses or residential condominiums.
For every $1.00 of total municipal revenue attributable to water-dependent land uses, residential condominiums yield $0.40; commercial uses in general yield $0.49; and water dependent-related-enhanced commercial land uses on average yield $0.52 (2009).
Water-dependent land uses in Newport Harbor contribute substantially more to municipal revenues on a per-acre of waterfront land utilized basis than other waterfront area commercial and residential uses.
Next Steps - Economic Study

- Comprehensive Community Plan Update
- Possible future land regulation amendments
- City Budget – assist City Council & City Mgr. (Maritime Enterprise Fund)
- Assist with decision making for Planning Board, Zoning Board, Waterfront Commission, etc.
- Website Update – for public outreach
- Harbor Walk – evaluate economic strategy
- Harbor Management Plan implementation
Next Steps - Economic Study

• Team is willing to meet with Council members & other Boards & Commissions to review data & final report

• Contacts:
  - Paige Bronk, City of Newport Planning Director
    845-5450, pbronk@cityofnewport.com
  - Teresa Crean, URI-CRC/RI Sea Grant, Coastal Community Planner/Project Mgr.
    874-6626, tcrean@crc.uri.edu
Newport Waterfront Economic Study

City Council Workshop

9 November 2010