

Part III

Market Overview

III.A Market Overview

Introduction



ABOVE: Bedford Bay Clothing and Claire's Bridal Boutique are two retail establishments that have moved into downtown New Bedford since 2007. They occupy a key location on the corner of North Water and Elm Streets.

BELOW: Rooftop view from the Elm Street Garage, looking toward the working waterfront. The red building in the photo now holds the Bedford Bay Clothing and Claire's Bridal Boutique.

This section addresses economic development aspects of the *Live, Work, Play, Learn* revitalization strategy for Downtown New Bedford with an overview of market conditions and business activity, recent developments, and recommendations. The *Economic Development Strategy for Downtown New Bedford* (2000) and *Economic Development Strategy for Downtown New Bedford Part II: Measuring Success* (2007) reports were previously prepared by FXM and are used as a basis for comparison in this study. The current examination of market opportunities expands on the prior assessments of Downtown 'Hidden Tech' and other Creative Economy niche markets that could be attracted to Downtown. In addition, Downtown retail business activity over the last two years--including new and expanded stores, restaurants, and entertainment venues -- is identified, as are recent private and public sector initiatives to strengthen, increase, and diversify the Downtown retail economy. The market overview references regional market conditions, trends, and growth forecasts as context for Downtown economic activity now and in the foreseeable future—the next two to three years.

The study client group (City of New Bedford Planning Department, New Bedford Economic Development Council, and MassDevelopment) provided recent reports, studies, and property inventory information. FXM analyzed secondary source databases, website sources, and the results of interviews with numerous individuals familiar with Downtown real estate, business, and investment activity as well as some familiar with successful Creative Economy initiatives in Massachusetts and other New England cities. Senior staff of FXM also attended and presented at Downtown Task Force and public meetings.



Background

From 2000 to 2006, more than 500,000 square feet of Downtown commercial space—one-third of the total 1.5 million square feet of inventory—was renovated for business, institutional, or residential use, representing a total investment value of \$55 million. In 2007, an additional \$25 million in renovations and new construction was underway or in pre-construction phases, representing a combined investment of more than \$88 million over a seven-year period. The dynamic changes in Downtown from 2000 to 2007 were attributed to a strong national and state real estate investment climate and the efforts of private property owners and real estate developers supported by initiatives of local public officials as well as federal and state historic tax credits. Specific contributing factors included:

- ▶ New Bedford Redevelopment Authority acted to make city-owned, targeted sites available to developers at nominal cost, and actively assisted developers through the permitting/approval process;
- ▶ New Bedford City Planning Department initiated zoning modifications to enable Downtown residential, commercial, and mixed-use development by relieving onerous parking and setback requirements;
- ▶ Federal and State historic tax credits helped developers make redevelopment more feasible where construction costs combined with limited market prices would have yielded inadequate returns;
- ▶ the real estate market overall was strong between 2000 and 2005, and underutilized Downtown properties had low valuation relative to more robust markets elsewhere;
- ▶ local and regional financial institutions adopted more positive risk assessment for Downtown property investment, enabling qualified developers to obtain construction and permanent financing at competitive rates; and
- ▶ there was widespread enthusiasm and support among Downtown businesses, residents, institutions, and non-profit and civic organizations to transform targeted properties, energized by the newly established New Bedford Whaling National Historical Park, and completion of Custom House Square/54th Regiment Massachusetts Voluntary Infantry Plaza.

FACING PAGE: Three of the reports released in the last two years that take downtown New Bedford as their focus. FXM's 2007 Economic Development Strategy for Downtown New Bedford Part II: Measuring Success was a key basis for comparison for this report.

As noted in FXM's 2007 report, one competitive advantage of Downtown—in addition to regional access and the unique physical attributes and mix of uses compared to suburban locations in the region—was and remains the amount of vacant and underutilized commercial property, most of which in 2009 was privately owned. Notably, several of the currently vacant or underutilized sites and buildings in Downtown are advertised for lease or sale, and occupy strategic locations within the Downtown historic district or very visible locations on one of the main business arterials—Union Street and Purchase Street.

Economic Development Strategy for Downtown New Bedford

Part II: Measuring Success

Prepared for
City of New Bedford
Planning Department

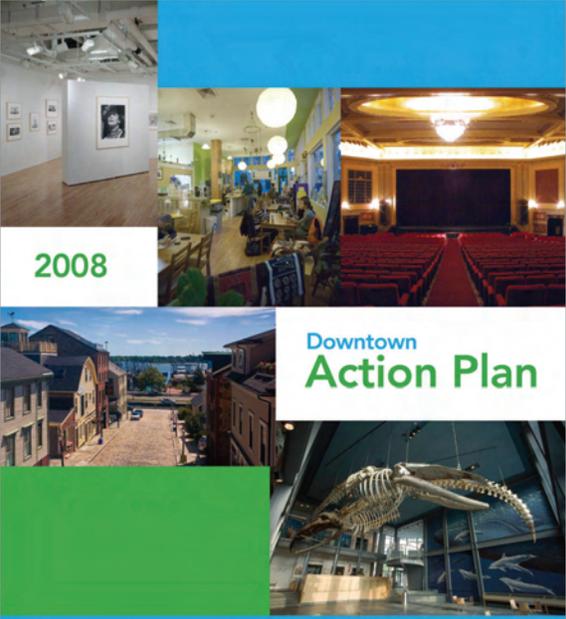
Prepared by
FM ASSOCIATES
ECONOMIC PLANNING AND RESEARCH

July 2007



2008

Downtown Action Plan



Open for Business!

A Guide to Storefront Design in New Bedford




City of New Bedford



New Bedford Economic Development Council
Uniting New Bedford's economic strengths

III.B Regional Market Context

While FXM Associates undertook no new market studies as part of this assignment, the following summarizes regional market conditions affecting development potential in Downtown New Bedford as documented in prior studies and recent updates:¹

Housing

Prevailing and foreseeable market rents and sales prices strongly indicate that new construction of private market rate residential condos or rentals is unlikely to be financially feasible in the foreseeable future. Recently completed and soon-to-be completed residential rehabilitation projects are likely to absorb demand for rental units over the next two to three years. Most of the demand for Downtown residential units has and is likely to continue to be generated by persons not now living in New Bedford who are either empty nesters (household heads over age 55), middle aged singles, graduate students or young professional living within a 20-minute drive time of Downtown. The condo market has been and continues to be weak throughout the New Bedford area and is unlikely to offer significant opportunities for market rate units over the next two to three years. Downtown condo sales have been extremely limited, and many units originally developed in renovated buildings to be sold as condos are now rentals. In prior reports (2000 and 2007), FXM urged that residential rehabilitation projects target niche markets such as live-work space and partially finished loft and other innovative residential products and that they be offered at prices below those prevailing in suburban locations. There have been some exceptional, but limited successes at the higher end market.

Office

With very limited growth forecast in the foreseeable future for office using employment throughout the Southcoast region, there is little or no general market demand for Class A office space in Downtown New Bedford. A leading national and regional property information and real estate forecasting service, *CoStar*, has projected negative absorption of Class A office space in the Southcoast region over the next two to three years. At current prices (about \$15 per square foot triple net) for Class

¹ Regional and local population and employment forecasts were reviewed and partially updated as part of the *South Coast Rail Economic Development and Land Use Corridor Plan* (August, 2009). FXM served as lead economic consultant on this project. FXM has recently conducted residential condo and rental market studies (June 2007 and December 2008) for private development interests involved in Downtown rehabilitation projects, and reviewed regional and local population and employment forecasts, and assessed office space and specific employment trends as part of the 2007 *Downtown Economic Development Strategy Part II: Measuring Success*. For this study a Retail Opportunity/Gap analysis was performed (using *Claritas Site Reports* proprietary data for 2008) and compared to the 2006 data reported in the prior study; the residential market assessment was partially updated based on interviews with local brokers and property managers. Proprietary data from *CoStar Commercial Property Information Services* (June 2009) was used to identify current volume, type, and prices for office property transactions as well as 3-year vacancy and absorption projections for office and retail space. These data have been presented to the Steering Committee and at the July 2009 Public Workshop and are available on the project website.



ABOVE: New residential units on the corner of Union Street and Acushnet Avenue have terraces that look over the street, bringing more round-the-clock activity to the downtown core.

BELOW: Vêtu Boutique, directly below the residential units.



A office space in Downtown new construction is not financially feasible and even rehabilitation projects are likely to require below market rate financing and tax credits. In prior reports (2007) FXM noted that several entrepreneurial businesses had found Class B and C office space in Downtown, and/or unfinished space, attractive to start up and early cycle businesses in professional and technical services and other creative economy niches. This is not to say that a major employer would not find Downtown attractive for corporate or regional headquarters or back office functions and might therefore support new construction for its own uses.

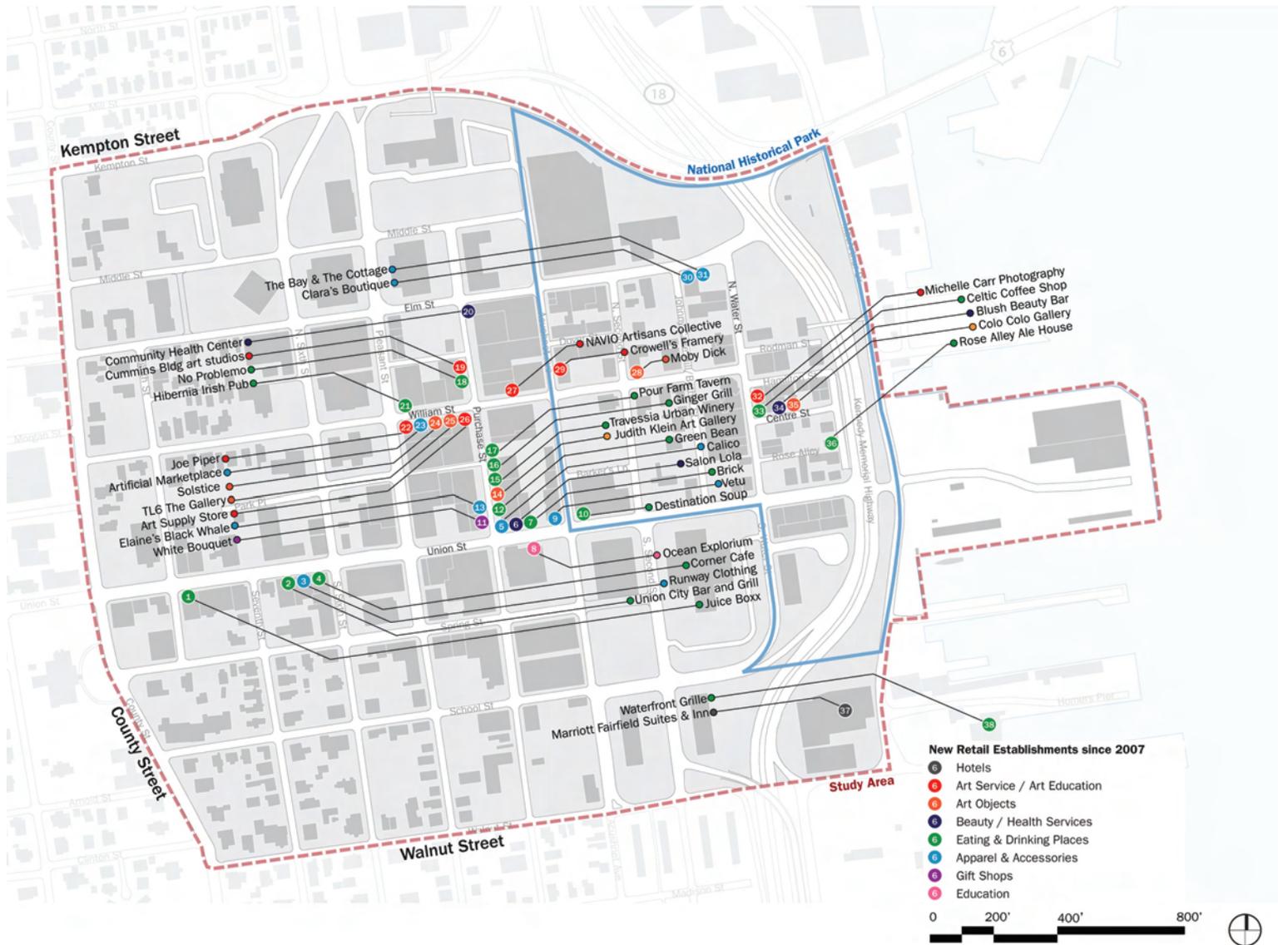
Retail

In both of its prior market studies for Downtown New Bedford (2000 and 2007), FXM identified targeted retail uses for which gaps existed in serving a 5 to 15 minute drive time market. More importantly, FXM recommended a recruitment strategy aimed at attracting retail/restaurant businesses already successful outside Downtown but within the Southcoast region for which the accessibility advantages and unique ambiance of Downtown could prove advantageous. Over the past two years, combined efforts of the City, NBEDC, local brokers and word-of-mouth encouragement by existing business owners have attracted over 30 establishments new to Downtown that have been able to take advantage of relatively low rents in existing or rehabilitated ground floor space. The map on the following page shows the location of these establishments throughout the Downtown study area. At prevailing market prices (about \$10 per square foot triple net) new construction of retail space is not financially feasible. Rehabilitated space may need to be supported by the cash flow of upper floor residential or office uses, as recommended by FXM in both prior studies and implemented in several Downtown rehabilitation projects. Given the economic recession and real estate market collapse nationwide over the past two years, the newly established businesses in Downtown in this same time frame represent an extraordinarily positive sign for future expansion of retail and restaurant businesses with continued recruitment and other outreach efforts.

BELOW: The Artificial Marketplace, a vintage furniture shop, is one of the many new or expanded business that line William Street.



Expansion of Downtown economic activity to fill vacant and underutilized commercial space is determined by the ability to respond to: (1) regional economic growth; or (2) redirected business and consumer spending from local, regional, and broader markets. Since little or no regional growth is forecast in population (support for residential and retail uses) or office using employment, FXM explored existing and potential market support for growth of established sectors of the Downtown economy, and opportunities to expand niche markets related to Innovation, Creative Economy, Hidden Tech business, and local consumer spending that could be redirected to Downtown establishments. As in the past ten years, successful implementation of Downtown redevelopment initiatives proposed in this study will require public sector initiative, investment, and leadership, including public-private partnerships similar to the wave of development projects during 2000 to 2005.





FACING PAGE TOP: Union Street retail activity from Purchase Street to Wings Court (The Green Bean, Salon Lola and Brick).

ABOVE: Union Street retail activity from Wings Court to Acushnet Avenue to (On a Roll and Vêtu).

FACING PAGE BOTTOM: The map indicates the over 30 new or expanded retail establishments in downtown New Bedford (from 2007—2009). The variety of retail types is one of the most remarkable aspects of this period of growth, as the key indicates. While the entire downtown core has benefitted from increased retail activity, certain key streets have seen the most consistent new storefront occupancy, including Union, Purchase and William Streets.

The 2000 and 2007 Downtown revitalization reports recommended that public sector officials and private real estate brokers reach out directly to successful niche businesses established outside Downtown and within the regional market as well as downtowns elsewhere, and induce these businesses to open a new location in Downtown New Bedford. The NBEDC used this strategy successfully to attract *Bedford Bay Clothing* to a new North Water Street location, and *Claire's Bridal Boutique* subsequently moved to the same building from Dartmouth. These new Downtown retail businesses occupy a commercial building strategically located near the northeastern gateway to Downtown, the historic district, and Whaling National Historic Park. Other recent Downtown business and real estate development activity includes:

- ▶ establishment of the Loop bus service between Downtown and the UMass/Dartmouth main campus, including evening and weekend service;
- ▶ opening a Downtown police substation on Pleasant Street;
- ▶ location, expansion, and relocation of more than 30 stores, restaurants, and entertainment venues in Downtown;
- ▶ National Park Service transformation of the fire-ravaged Corson Building on William Street into a state-of-the-art educational and cultural center;
- ▶ Downtown New Bedford, Inc. (DNBI) formation of cooperative advertising and establishment of standard hours of operation among Downtown retail and restaurants;
- ▶ regional recognition of the Zeiterion Performance Center on Purchase Street as 'high value' cultural and entertainment venue;
- ▶ facility expansion and upgrade, and additional services offered by the Greater New Bedford Community Health Center on Purchase Street; and
- ▶ publication of the NBEDC Creative Economy Task Force report and recommendations.

III.C Downtown Economy

The market area for most commercial uses in Downtown New Bedford has been conservatively defined as a 15-minute drive-time from the intersection of William and Purchase Streets, an area which extends to downtown Fall River (west), to Lakeville (north), and to Wareham (east).

In 2008, the Downtown study area had an estimated 626 business establishments, employing 6,214 workers and generating approximately \$500 million in annual sales; 42 of these firms each had more than 20 employees. Public administration businesses account for the largest number of Downtown workers (2,250 employed at 71 establishments), which is consistent with the City's status as the largest municipality in southeastern Massachusetts and the seat of Bristol County government. Other major sectors include legal services (129 firms with 406 employees), health and social services (combined 66 businesses with 692 employees); printing and publishing and allied businesses; engineering, accounting, research, and management related services (31 firms with 259 employees); and management services. There are 75 retail establishments in the Downtown with an estimated 474 employees and annual business sales of approximately \$34 million; 33 of these retailers are eating and drinking establishments with about 310 employees, and annual business sales of almost \$16 million.²

Creative Economy

The traditionally defined Creative Economy of artists and artisans is now generally more broadly defined to include technology, research, and design -- software developers, graphic designers, computer gaming, sound recording, and other knowledge-based businesses, many of which also are technology-oriented. The Creative Economy also has been described as comprising any business where creativity is essential to success, and the potential for wealth and job creation comes from the generation of ideas, products, or services. Creative economy businesses encompass both innovative companies and cultural organizations.³

The NBEDC Creative Economy Task Force was formed to develop recommendations that will support and advance the City's creative economy initiative.⁴ The task force collected data from eight cities with characteristics similar to New Bedford ("aspirant cities"), including downtown revitalization; National Park Service presence; and collaborative endeavors with art, cultural, educational, and civic sectors. Notably, five of the aspirant cities also have a full-time position dedicated to fostering creative economy economic development. Task force members conducted site visits to all aspirant cities, evaluated the effectiveness of their Creative Economy efforts, and identified approaches that are applicable to New Bedford. FXM contacted economic development officials in four of the

BELOW: Navio Artisans Collective at 65 William Street.



² Claritas SiteReports 2009

³ Creative Economy Association of the North Shore www.ceans.org

⁴ Creative Economy Task Force Report, New Bedford Economic Development Council (February 2008)



ABOVE: UMass Dartmouth College of Visual and Performing Arts (CVPA) in the Star Store in downtown New Bedford. Source: umassd.edu (top), City of New Bedford Planning Department (bottom).

aspirant cities with public or private business incubators serving artists and other creative enterprises (Pittsfield, Pawtucket, Lowell, Portsmouth) to gain a better understanding of how vacant and underutilized buildings in Downtown can accommodate Creative Economy entrepreneurs and businesses.

Based on preliminary findings of a citywide economic assessment, the Task Force report contained these highlights of the Creative Economy:

- ▶ New Bedford had a relatively high proportion of workers (nearly 3%) employed in the Creative Economy, compared to the national average of 1.6% and the state's 2.6%;
- ▶ nearly 1,400 workers in New Bedford were Creative Economy employees with annual compensation of \$48 million; and
- ▶ the mean salary for Creative Economy workers was \$38,000 compared to \$26,032 for seafood processors and \$30,350 for textile workers.

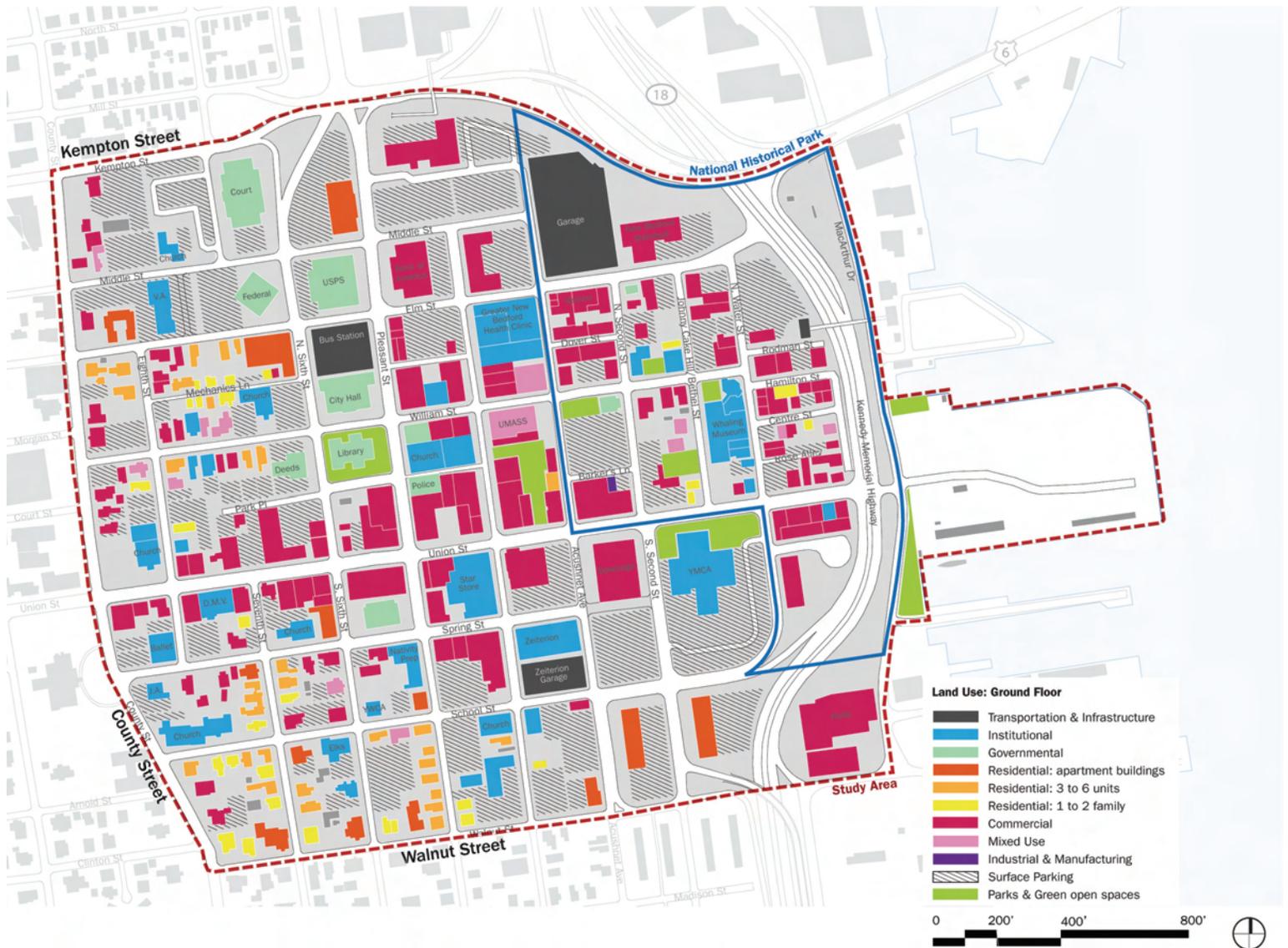
Key findings, recommendations, and action items relevant to Downtown redevelopment include:

- ▶ New Bedford is the largest city in southeastern Massachusetts and an established center of arts, culture, and education activities. Bring together communities from Westport to Wareham, and become a leader of a regional Creative Economy collaboration.
- ▶ State historic tax credits have proven an effective tool for commercial and mill building redevelopment in Massachusetts and Rhode Island. Advocate for an uncapped state historic preservation tax credit for the eleven Gateway Cities in the Commonwealth
- ▶ The presence of educational institutions and partnerships with the private sector has been a key driver of urban revitalization. Create a strong partnership with UMass/Dartmouth and Bristol Community College, and aggressively pursue keeping graduates in the region.
- ▶ Aggressively market New Bedford as an affordable option for Creative Economy businesses and residences, and promote its location between Boston and Providence.
- ▶ Establish a Downtown district way-finding system to facilitate visitor navigation, such as a city logo used throughout the downtown on signs, decals, or artist-designed pillars strategically located to orient visitors.
- ▶ Recognize the Creative Economy as a leading component of economic development citywide, use the Creative Economy to market the City's resurgence, and view the Creative Economy as a magnet for attracting young professional workers and residents.
- ▶ Plan to install WIFI in all Downtown public spaces and local parks to foster use by younger citizens.
- ▶ Include a cultural plan in the City's Master Plan, with mapping of the City's assets and an assessment of the economic returns on arts investment for the business community.

- ▶ Investigate a public arts ordinance to support and sustain the City's Creative Economy by dedicating a percentage of the annual municipal budget (1%) for creation of public art.
- ▶ Plan for the gentrification that typically follows successful urban revitalization and formulate a sound plan to combat this potential (predictable) problem when higher property values and rents may 'price-out' the artists and indigenous residents.

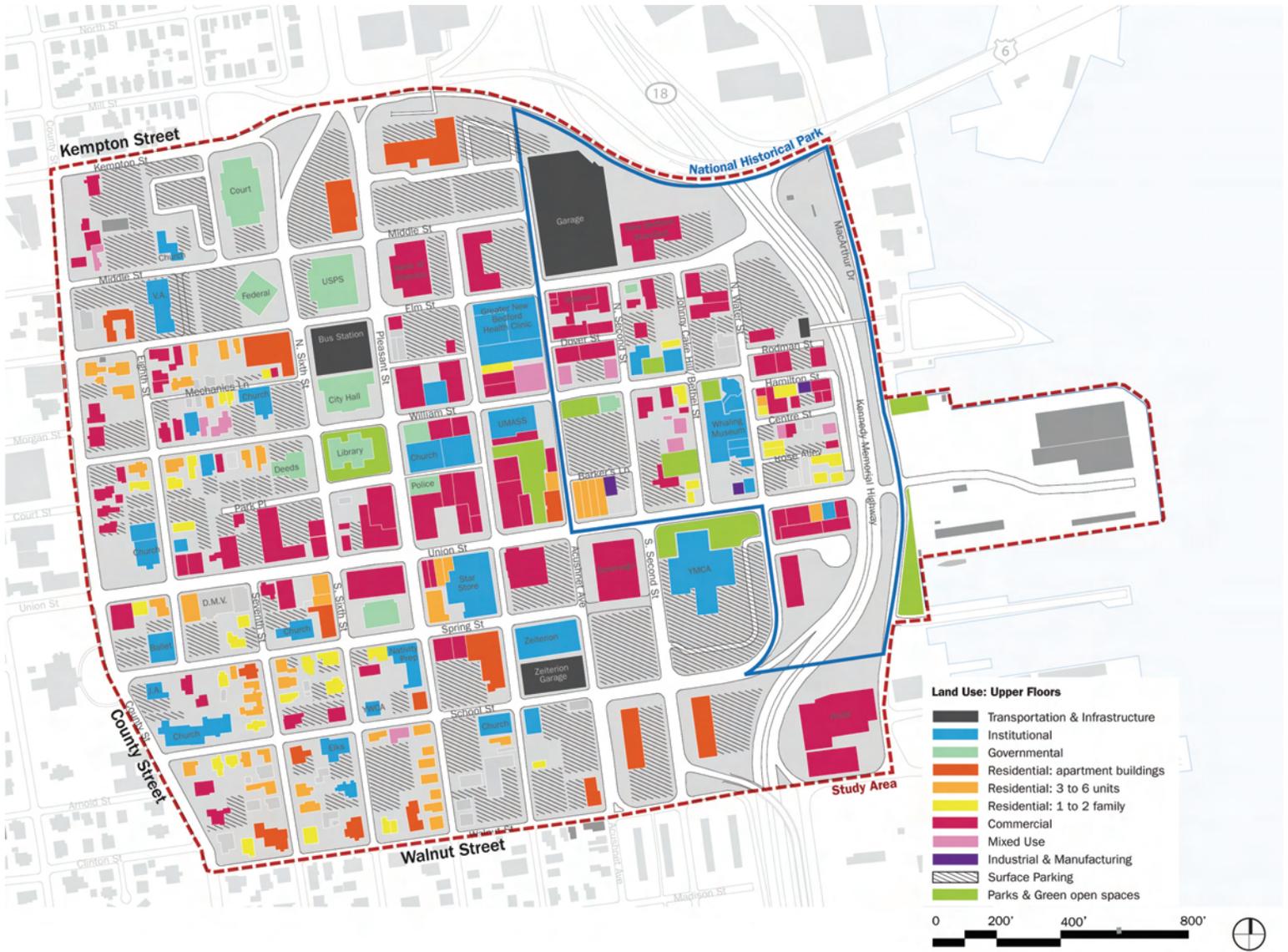
It should be noted that not all participants in the Creative Economy, or aspiring participants, are young people. There are many established artists and entrepreneurs in the New Bedford area that could be attracted to Downtown, as well as active retirees who can and will support efforts of Creative Economy businesses and may want to live in Downtown to be close to the "scene".

BELOW and FACING PAGE: These maps show current use on the ground floor (left) and typical upper floor (right) for all buildings within the study area. The base information for these graphics can be found in the Property Inventory—completed by MassDevelopment for this study—referred to on page 83, and included in full in Appendix B.



1. Office

FXM's 2007 report acknowledged that filling vacant office space would contribute to the attraction of Downtown as a destination, and new employees and residents would add to the spending potential for retail and restaurant uses. At that time, the 15% vacancy rate was considered to be within the norm of then-current market conditions throughout the southeastern Massachusetts region, and the report noted that filling that vacant space with office businesses or converted residential uses would not necessarily be driven by conventional private sector market factors. There were 120,000 people with college and advanced degrees in the regional labor force (20-minute drive-time from New Bedford), and businesses indicated high satisfaction with the quality of the Downtown labor force. The report cited the need to consider unconventional office



space users, specifically “Hidden-Tech” businesses⁵, given regional market conditions, competing commercial development, and limited growth forecast in 2007.

Similarly, there is virtually no employment growth forecast for the New Bedford region over the next three to five years, and this lack of market demand continues to constrain opportunities to fill the 19 % of Downtown office space which is currently vacant.⁶ The Spring 2009 *CoStar* quarterly market report of commercial real estate leasing activity and trends indicates vacancy rates approaching 10.5%, average time on the market reaching 20 months, and a net absorption rate of 1% or less in the New Bedford-Attleboro subregion through 2011. There are no reports of new Class A office space construction planned in the New Bedford area except specialized medical facilities in Dartmouth and ‘flex’ space (office-light manufacturing) in the New Bedford Business Park.

The property inventory prepared by MassDevelopment for this study identified 95,341 square feet of vacant office space in Downtown, representing 19% of the 495,498 square feet in 216 buildings. The vast majority of Downtown professional office space is rated Class B or Class C; the Class A Sovereign Bank Building on Union Street is the newest office building and also has access to the T1 fiber optic conduit that was installed along Spring Street. Current prices for office space in Downtown range from \$10 to \$15 per square foot triple net, and local real estate brokers describe the majority of existing and prospective office occupants as small professional services firms (attorneys, accountants, insurance agencies, financial advisers), and public or non-profit social service agencies.

Creative Economy Office Users

The Creative Economy Director of the Massachusetts Office of Business Development reports there are more than 45,000 designers in the Commonwealth; however, there is no known regional or statewide market study of Creative Economy business space needs or potential demand. There is significant anecdotal evidence that these businesses continue to increase in number, diversity, and geography. A potential niche market demand may exist for selected Downtown commercial buildings with office space that is or could be suitable for graphic designers, advertisers, architects, engineers, photographic production, software designers, and other artistic entrepreneurs and small businesses; however, many of these creative enterprises would require high-capacity fiber optic/broadband width to transmit/receive large volumes of visual or quantitative data, which is essential to conducting such business operations efficiently and

⁵ “Hidden Tech” refers to entrepreneurs working out of their homes or garages. In areas of Massachusetts and throughout New York and New England there are examples of mill and other space converted and available at low rents that have drawn such individual entrepreneurs and small companies. While the return to property owners will not be as great as it is for fully occupied Class A office space, the costs to deliver acceptable product are also less.

⁶ Source: MassDevelopment 2009 Downtown Property Inventory. The geographic area for the current study is not the same as that used in the 2007 study so precise comparisons cannot be made on vacancy rates.

FACING PAGE: Map indicates the vacancy rate of targeted downtown buildings. Source: E.J. Pontiff Real Estate and MassDevelopment.

BELOW: Architecture firm on Centre Street within the National Park area, one representative of the Creative Economy office user.

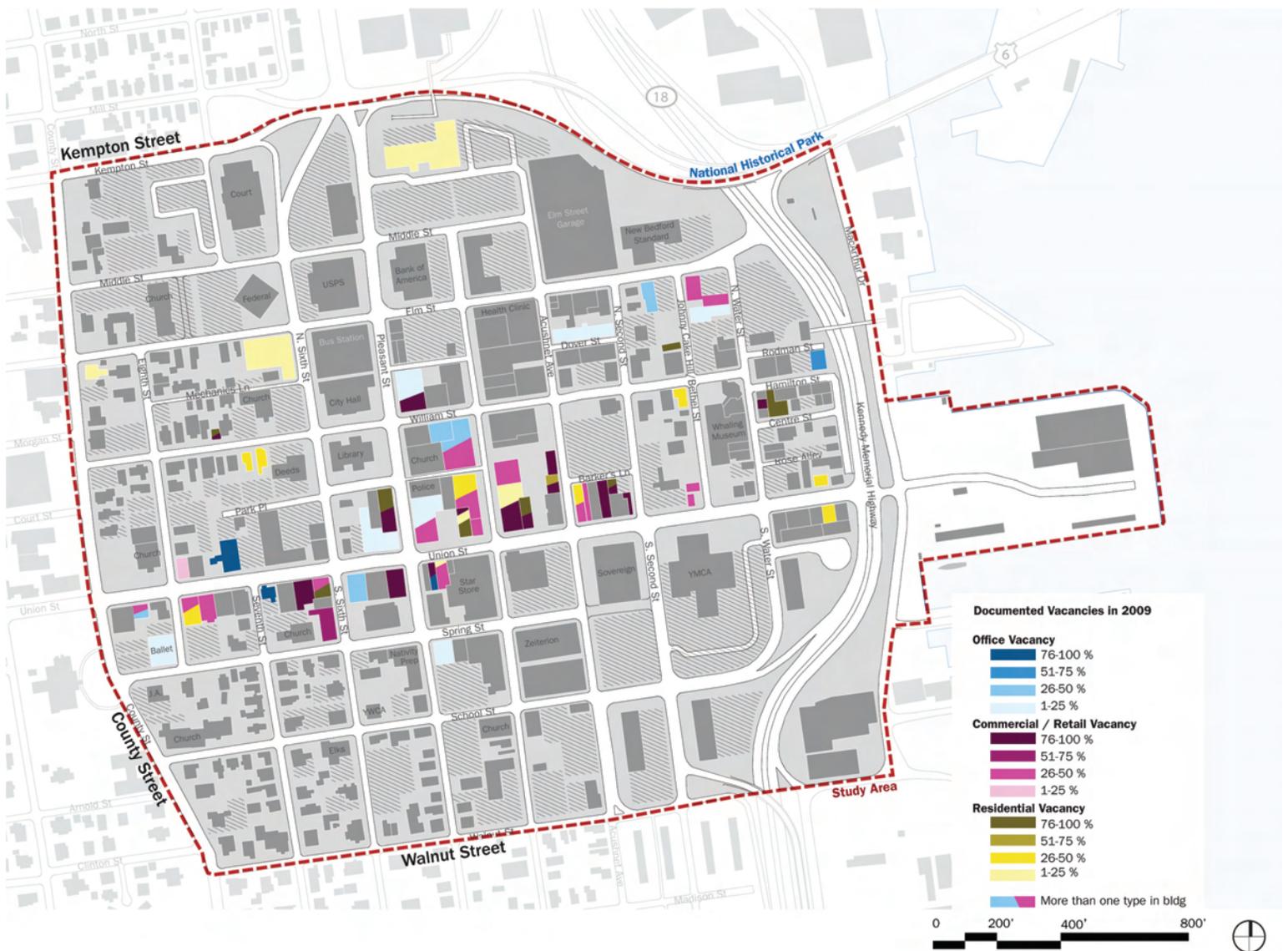


competitively. Prices are likely to be more important than the quality of finished space, and many Creative Economy businesses may prefer relatively unfinished and flexible space that they can adapt to their individual needs at relatively low cost.

2. Residential

Local real estate brokers and property managers report the demand for apartment rentals has remained fairly strong over the past few years as evidenced by high occupancy levels in Downtown multi-family residential buildings, several of which have waiting lists for rent-subsidized units. There are several large-scale, multi-family rent-subsidized apartment buildings in the study area and near Downtown, and these residents have significant influence on the Downtown economy (Melville Towers, Bayview Tower, New Bedford Hotel Senior Housing, Olympia Tower).⁷

⁷ FXM requested but has not received data from the Office of Community Development providing a profile of these units



Historically, condominiums have not been a significant residential product Downtown or Citywide largely due to the comparatively affordable prices of single-family houses. However, over the last few years a number of condominium projects have been developed in the Downtown, albeit with limited success due to design, pricing, and unfortunate timing during the market downturn and restricted lending environment. Currently, there are several renovated upscale and unsold condominium units in Downtown that are also available for rent at prices ranging from \$900 to \$1,200 monthly. As is generally the case throughout New England, there is little market support for new condominium development now or in the foreseeable future.

Over the past five years, mixed-use redevelopment of Downtown commercial property has attracted a growing number of young professionals, students, divorced singles, retirees, and empty-nesters to purchase or rent apartments. Local realtors and property managers have identified students from area colleges as a target population for Downtown apartment rentals, which have become more convenient with the Downtown to Dartmouth Loop bus service. Approximately 1,200 graduate students are enrolled at UMass/Dartmouth, and school administrators indicate that there is no on-campus housing for graduate students and the school does not plan to build graduate student housing in the near future. The Southern New England School of Law in Dartmouth has 234 students, no on-campus housing, and provides referral service to off-campus housing as well as an increased number of investor- and owner-occupied houses in neighborhoods abutting the study area.

Near-term demand for new Downtown apartments is expected to be satisfied by existing vacancies and permitted and planned residential development projects located in the study area and nearby neighborhoods. The 250-unit Lofts at Wamsutta Place complex at the former mill near Downtown achieved almost full occupancy of 119 units in January 2009, renting from \$900 to \$1,500, and construction is underway on the remaining 139 apartments. The 125-unit Regency Tower building located at the northern edge of Downtown has a new owner. Following rehabilitation of the 15-story landmark property, market rate apartments will rent from \$900 to \$1,300 monthly. In addition, there are reportedly two small mixed-use development projects and a 100+ residential unit development that are in the permitting phase and are expected to be available for occupancy during 2010-2011

Creative Economy Residential Uses

The City has been encouraging growth of its Creative Economy and promoting development of live/work space for artistic entrepreneurs. According to local real estate professionals, there are few legitimate live/work properties in the City, one of which is the Ropeworks ('Sawtooth') building about five miles north of Downtown that was redeveloped as condominiums in 2006. There are three ground floor commercial spaces with kitchens in the redeveloped Union Lofts-Coffin Building that were

FACING PAGE: New or expanded retail establishments throughout the downtown, including Runway Clothing (Union Street); Blush Beauty Bar (Centre Street); and Solstice skate shop (William Street).

BELOW: The Loop bus service that links the downtown (specifically the Star Store) with the UMass Dartmouth main campus.





advertised as live/work space, but subsequently rented for commercial uses. A majority of local artists reportedly unofficially utilize space in the City's numerous former mill buildings to accommodate their live/work needs. Artists typically seek large spaces, good light, unique atmosphere, and inexpensive rents; mill buildings with large windows, high ceilings, loading docks, architectural features and \$4 to \$5 per square-foot pricing are particularly attractive live/work spaces for these reasons. While there may be some Downtown commercial buildings with suitable space for office-based creative entrepreneurs, many artists and artisans have specific space requirements (kilns, venting, floor loading, etc.) that would be difficult to meet in most Downtown buildings due to building code and safety regulations.

3. Retail



Expansion of the Downtown retail sector is important to realizing residential and office space growth opportunities, and pervasive or persistent vacancies are particularly troublesome because retail, restaurant, and entertainment uses predominate on the ground floor, are highly visible, generate considerable pedestrian activity, and contribute to an image of a vibrant downtown. The 2009 property inventory compiled by MassDevelopment identified approximately 260,000 square feet of the total square footage of interior commercial space in the Downtown as vacant; about 42,000 square feet of which is classified as vacant retail (ground floor) space. Retailers were largely oriented to the daytime workforce and residents of Downtown and nearby neighborhoods. Some destination restaurants and Zeiterion theater crowds had demonstrated that New Bedford was capable of drawing customers from a broad geographic area. Retail space (retail goods and eating and drinking establishments) comprised only 9% of total Downtown commercial space in the MassDevelopment inventory, but accounted for 16% of all vacant commercial space (office, institutional, other commercial). From 2000 to 2007 the retail vacancy rate remained unchanged at 38%, and private sector stakeholders agreed that the space needed to be used for retail, restaurant, entertainment and cultural enterprises that would generate more pedestrians and contribute to a more vibrant street presence. MassDevelopment's space inventory reports a comparable current retail vacancy rate, which is somewhat at odds with the anecdotal reportage of local brokers who feel that the ground floor vacancy rate has declined. There may be some definitional differences between the latest space inventory and prior ones, and the geographic areas are not precisely the same in the 2007 study as the project area defined for this study.



In 2007, FXM identified retail opportunity gaps for several categories of consumer spending, including grocery store/specialty food stores, men's and women's clothing, computer and software stores, florists, physical fitness facilities, photocopying/duplication, photographic and portrait studios, business services, and restaurants. A retail opportunity gap indicates the difference between the amount of consumer spending in a

given area and the reported sales of stores within that same area; a gap exists when consumer spending for a retail category exceeds the retail store sales for that category – that is, residents are purchasing those consumer items at stores outside the area, and there is an opportunity to locate stores with those items in the area. The number of Downtown retail categories with opportunity gaps has diminished over the past two years in a number of categories reflective of the new stores opening at *Bedford Bay Clothing*, *Claire's Bridal Boutique*, *Calico's*, *Runway Clothing*, *Michelle Carr Photography*, *Juice Boxx*, *Corner Café*, *Celtic Coffee Shop*, *Izzy's*, *Union City Bar and Grill*, and *Pulse Printing Ink*. Although not part of the study area, two other new businesses, *Waterfront Grille* (opened in 2008) and the *Fairfield Inn & Marriott Suites* (in construction with target opening in 2010) are near Downtown.

The 2008 *Claritas Site Reports* retail market report indicates there is a retail opportunity in the category of supermarket/grocery stores; however, this gap is expected to be reduced significantly with the planned opening of a 94,000-square-foot *Market Basket* food store in the Whalers Landing retail complex (former Fairhaven Mill site) which is now under construction. There also is a new *Price Rite* grocery store on South Street adjacent to Route 18 which reportedly has attracted a substantial portion of the nearby South Central residential neighborhood as its customer base. These two stores are not within walking distance for Downtown residents. The presence of two full-service supermarkets within the immediate center city market area (convenience retailing is defined as within 1-2 miles or a 5-minute drive time), however, is likely to deter established grocery store operators from considering a Downtown location in the foreseeable future. Additionally, the two Downtown pharmacies, *Walgreen's* on Pleasant Street and *Rite Aid* on Purchase Street, as well as *Pic-a-Deli* on Pleasant Street, and *Costa's Cash Express* on Pleasant Street, all also stock an array of convenience grocery items, albeit at higher prices.

Over the past two years, there has been a notable increase in Downtown retail activity generated by new, expanded, reopened, and relocated stores, restaurants, art galleries, personal services, and entertainment venues. An inventory prepared by Downtown New Bedford, Inc. (DNBI) for this study identified more than 30 recently established businesses, many of which are located in formerly vacant or underutilized storefronts along Purchase, William, and Union Streets (see the map on page 56). Two new restaurant/bars that have been completely rehabilitated with high-end finishes are located in historic buildings on North Front Street. The majority of these retailers are locally-owned and family-operated, some have relocated in Downtown from nearby suburban communities, and at least three owners of new eating and drinking places have another retail business in Downtown.

Given overall national and state economic conditions and forecasts, the level of increased retail activity in Downtown is considered unique to



ABOVE: Michelle Carr Photography on North Water Street (top). Calico Clothing on Union Street (bottom).



ABOVE: ArtWorks! Partners for the Arts and Community, Inc., a vital community arts center serving the residents and artists of Southeastern Massachusetts. Source: ArtWorks!

BELOW: Crowell's Fine Art, reopened in their new space on Acushnet Avenue, next to Artworks!



New Bedford among other cities in southeastern Massachusetts. While real estate brokers point out that some retailers are new businesses with limited capital resources, and there is a relatively high turnover, it is equally significant that other retail businesses have been replacing those which are not successful. The dynamic retail business activity in Downtown indicates that owners of new and expanding businesses view the downtown as an attractive location.

Within the 5-10 minute and broader 15-minute drive time market area for Downtown New Bedford retailers, analysis of 2008 data show significant opportunities remain for expanded or newly located businesses in Downtown to take advantage of the Downtown's superior highway accessibility and unique ambience. These include full service restaurants and special foodservices restaurants (ethnic and other specialty menus and products); sporting goods stores; book stores and news dealers; camera and photographic equipment stores, and cosmetics/beauty supplies/perfume stores, among others. As evidence of outreach efforts have shown over the past two years, the objectively measured retail "gaps" are an attractive enticer to prospective retailers; but even if they do not exist the potential for successfully managed businesses and the means to achieve a competitive advantage in Downtown have been as much a product of the outreach and "deal making" efforts of public and private sector officials committed to achieving higher levels of occupancy in Downtown. It is essential that these efforts be continued and expanded where practicable.

Creative Economy Retail Activity

The number of commercial artist businesses in Downtown has increased since 2007 from four to nine galleries, including the reopening of *Crowell's Fine Art* on Acushnet Avenue, a new photography studio on North Water Street, and a florist on William Street. There is a new cluster of shops and studios selling fine art, crafts, jewelry, antiques, textiles, and a recording studio located in the Cummins Building on Purchase Street and in adjacent buildings on William Street, including the *NAVIO Artisans Collaborative* nearing completion in the N.P. Hayes Building.

4. Institutions and Organizations

Education

The UMass/Dartmouth College of Visual and Performing Arts (CVPA) at the Star Store Building is the primary educational use in the downtown and is the only public school for visual and performing arts in Massachusetts. There are about 800 students majoring in CVPA subjects, and 700 students travel between the main campus and Star Store daily; 20 full-time faculty and 200 students are based at the Downtown campus. Virtually all CVPA graduate students (48 to 50) and several UMD faculty and staff live in the downtown or nearby neighborhoods, and most of them obtain referrals from off-campus listings at the University housing office. In conjunction with SERTA, the University has established the “Loop” regular bus service between Downtown and the main campus with extended evening hours. CVPA facilities include the University Art Gallery, classrooms, studios, and broadband access for simultaneous broadcast with the main campus. The college collaborates with several Downtown arts and cultural organizations, hosts seminars and special events, and provides student internships with the Whaling Museum as well as art and education curriculum assistance for local private schools.



The UMass/Dartmouth Department of Professional and Continuing Education (PC&E) is located in the Cherry Building with 20 full-time faculty and staff serving approximately 300 students on a regular basis. The PC&E facility offers a variety of educational services and programs including credited and non-credited UMD classes, ESL, GED certificates, Upward Bound, citizenship classes, 7th grade through college level after-school programs, and the Community University School Partnership (CUSP). Classes and program activities are scheduled until 10:00 PM, professional development training and special events often occur on Saturdays at varying times, and special events are held throughout the year with an average of 200 to 300 participants. The majority of P&CE users are local residents with many living Downtown or in center city neighborhoods, and most of the students are independent and employed at one or more jobs.



Bristol Community College (BCC) has classrooms at the UMD Star Store building and leases space at several other sites in or near Downtown. The BCC New Bedford campus enrollment has grown to almost 2,800 students at a rate of 15% to 40% annually over the past five years and college officials are expecting an additional 1,500 students by 2015. The college offers flexible curriculum options that include classes during evenings, weekends, and summer, and an array of programs that has grown from six programs in its first year to 22 programs in 2008. Bridgewater State College also provides instruction on-site for upper-level BCC education courses.

ABOVE: UMass Dartmouth CVPA Art Gallery in the Star Store in downtown New Bedford (top). Bristol Community College (BCC) currently leases space within the Star Store and in numerous other locations in the downtown. The BCC continues to grow, and is looking for more consolidated space for their downtown offerings.

Community colleges offer college-level courses and have joint admission with all state colleges and universities in the Commonwealth. Additionally,

as a community college BCC has an essential role in regional workforce development and provides a variety of credit, non-credit, and on-site basic skill as well as corporate-specific training opportunities for residents of the Greater New Bedford area. According to college administrators, BCC outgrew its current New Bedford facilities three years ago. The planned new facility would expand and centralize the New Bedford campus in a Downtown location, although the college will continue to lease/use space at the CVPA Star Store building.

Arts and Culture

New Bedford Whaling National Historical Park (WNHP) represents a new model in the National Park Service (NPS), achieving preservation and education through partnerships rather than federal property ownership.⁸ Congressional legislation created the park in 1996; it encompasses 34 acres comprised of 13 city blocks, including two national historic landmarks – the Downtown Historic District, and the Schooner Ernestina berthed at State Pier. The NPS and its Park Partners preserve New Bedford’s historic landscape, structures, and collections, promote research and educational programs associated with the history of whaling.

BELOW: New Bedford Whaling National Historical Park Visitor Center at the Corson Building (top), and a National Park Ranger interacting with a visitor (bottom).



The Whaling National Historical Park is considered a tremendous addition to the Downtown by everyone FXM interviewed for this study. The National Park Service website affords national and international exposure for New Bedford overall, and Downtown historic sites, walk ability, and attractions in particular. Visitors as well as City residents and businesses praise the quality of the park visitor center and exhibits -- especially the recently completed reconstruction/reuse of the Corson Block as a state-of-the-art educational/conference center. The WNHP partnerships include, the New Bedford Historical Society, the Waterfront Historic Area League (WHALE), Schooner Ernestina, Rotch Jones Duff House & Garden Museum, New Bedford Port Society, Inupiat Heritage Center (Barrow, Alaska), and Wampanoag Tribe of Gay Head. Its partnership feature with City historical sites associated with the whaling era is credited with extending tourist visitation beyond Downtown to the waterfront, and other city historic districts and heritage sites.

The Zeiterion Performing Arts Center has been transformed into a significant regional cultural and entertainment attraction that hosts an expansive, diverse program of world-class musical and dramatic performances. On an annual basis, thousands of patrons attend events at 'the Z' and annual subscribers are drawn from throughout the South Coast region, Boston, Providence, and Cape Cod. The theater facility has undergone extensive renovation and upgrades, and there are plans to add a small café for patrons in a refurbished portion of the building.

Downtown New Bedford is home to a wide variety of smaller art and cultural organizations that sponsor their own signature programs, and collaborate

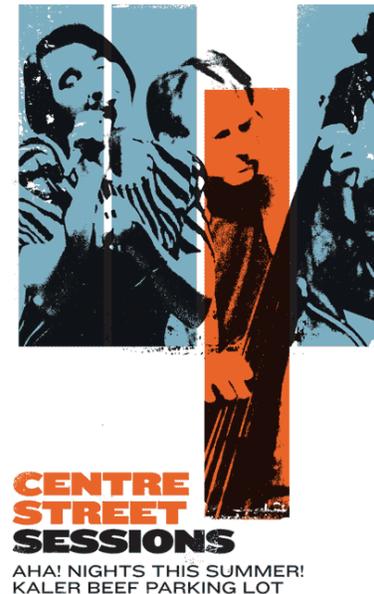
⁸ *Partner Strategic Action Plan*, New Bedford Whaling National Historical Park 2007-2012

to promote art exhibits and galleries, stage events, and administer numerous educational programs focused on City youth. Chief among these are the New Bedford Art Museum, Whaling Museum, Artworks!, WHALE, and the recently opened Ocean Explorium. New Bedford is now well known for its annual festivals and events – Summerfest, Seaport Chowder Festival, Taste Our Southcoast, and Working Waterfront Festival. In addition, AHA! (Art, History and Architecture) celebrates its tenth anniversary of programmed cultural activities on the second Thursday of each month, and Artworks!' 2009 5th Annual Open Studios Weekend will showcase the work of more than 85 participating artists at 15 studios and galleries citywide.

Previous Downtown revitalization strategy reports have noted that many local arts and cultural organizations are small, marginally funded, and engaged in multiple endeavors. Collectively, they lack the resources required to implement a coordinated, sustained strategy to promote cultural heritage tourism in New Bedford. Representatives of Downtown arts and cultural organizations also participate in other civic and business associations, including the Chamber of Commerce and Downtown New Bedford, Inc. The 2007 FXM report contains a suggestion that the City (perhaps through its Cultural Affairs Office) assume a leadership role in advocating the importance of arts and cultural activities, form an arts and cultural collaborative to secure national funding, and stress the codependence that exists between Downtown arts and cultural organizations and Downtown enterprises. During interviews for this study, Downtown property owners, businesses, and other stakeholders expressed concern that prevailing economic distress could limit the ability of non-profit organizations to continue to sponsor historic walking tours, festivals, and themed events which have substantially raised the City's regional profile and contributed significantly to the vitality of Downtown.

Health and Wellness

The Greater New Bedford Community Health Center functions as a health campus that has grown by offering space to the local business community and direct access to patients; this approach brought Walgreen's Pharmacy and Advanced Eye Care directly into the facility. This public-private alliance has enabled the Center to expand the range of services, and provided more financial stability. Currently, 50% of the facility occupants lease space on a triple net basis. The Center draws approximately 2,000 people daily (Monday through Friday) and 500 to 600 on Saturdays, including patients, doctors, and staff. The facility has 28 primary care physicians, 10 to 12 urgent care and specialized doctors, and is not affiliated with any local educational institutions, hospital, or health care group. Routine services range from pediatrics, women's health, diagnostic screening, and dental clinic. Special services include behavioral health and six staff members handle health care and insurance administrative matters. A marketing consultant is working on a product line to promote the new Wellness Center which is focused on weight loss, smoking cessation, and diabetes management.



ABOVE: AHA! (Art, History & Architecture) is New Bedford's free Downtown Cultural Night and collaborative cultural organization with 42 downtown venue partners. The AHA! mission is to be a cooperative venture dedicated to invigorating the downtown New Bedford cultural scene. Source: Deborah Hynes (top), ahanewbedford.org (bottom).

A new building for a geriatric unit next to the Center's parking area on Acushnet Avenue has received an \$8 million ARRA (American Reinvestment & Recovery Act) funding award. Other facility improvement and expansion plans include building a small theater (80 seats) for speakers, seminars, films, etc., going "Green" with glass sliding doors at the Purchase St. entrance and extending the white brick façade from the pharmacy across the rest of the front of the building to visually unify the Center's appearance, as well as provide a sheltered entrance with a domed canopy. Over the next few years, the staff at the Center will be focused on health and wellness and preventive medicine, and would like to collaborate with other local organizations to create a Downtown bicycle path.

The New Bedford division of the YMCA South Coast is located in Downtown on South Water Street and offers a wide variety of recreational health and wellness opportunities. The 6,000 square feet facility includes a swimming pool, indoor track, racquetball courts, stadium stairs, rock-climbing wall, gym, aerobics classes, child care and after-school program, and the Frederick Douglass summer camp.

5. Tourism

The New Bedford Tourism and Marketing Office operate the City's waterfront visitor's center in the Wharfinger Building on Fisherman's Wharf, featuring exhibits and a film about the city's commercial fishery. The office also collaborates with local businesses and organizations to present seasonal events such as Summerfest (35,000 weekend visitors in 2009), the Working Waterfront Festival, and WHALE's annual Wine Festival/Art Auction at Custom House Square. "Holiday Shops", a popular seasonal attraction, are held at venues throughout the Downtown historic district. The city averages 200,000 visitors annually, the majority originating from mid-Atlantic states, western Massachusetts, the metropolitan Boston area, and many day-trippers from Cape Cod. The largest number of international visitors during 2007-2008 came from Germany and Italy.

BELOW: "Urbana" Artisan Marketplace and Acoustic Sounds, Wings Court.
Source: facebook.com



Key Downtown visitor destinations were identified as the Whaling Museum, Whaling National Historical Park, Schooner Ernestina, Artworks!, New Bedford Art Museum, Zeiterion, University Art Gallery and Gallery X. Primary entertainment venues were identified as Rose Alley Pub House, Cork Wine & Tapas Bar, Catwalk, and the Zeiterion. FXM interviews for this study and prior Downtown revitalization reports revealed ongoing difficulty in collecting and evaluating City visitation information, largely attributed to the limited number of attractions and sites charging admission (typically point of sale (POS) is the easiest, most reliable data source).⁹

⁹ FXM requested but has not yet received a 2008 summary report prepared for the City Council.

III.D Highlights of the Interviews

The following bullet points summarize individual comments made to FXM during the course of one-one-one interviews with business owners and managers, senior officials of non-profit institutions, real estate brokers, economic development professionals and other Downtown stakeholders.

- ▶ Quest Incubator Center businesses are typically online sales needing basic office space with robust fiber optic service, preferably broadband, engineering services needing basic office space with fiber optic service or broadband, and unfinished space for small parts fabrication
- ▶ There is no market study describing/documenting general Creative Economy space demand or supply; many sub-sectors of Creative Economy need generic office space (e.g. designers, advertising, film production entrepreneurs).
- ▶ Artists, artisans have more specific space requirements that aren't easily met in downtown buildings due to building codes; City has been successful in attracting artists and other creative entrepreneurs. Entertainment oriented, technology-based businesses are doing well (video gaming, film production, etc.).
- ▶ There is no Boston real estate pressure driving artists to southeastern Massachusetts or shifting business locations in that direction; usually preferred locations within I-495. Architects and other designers would be the biggest target for New Bedford downtown, but that sub-sector is experiencing very rough times with current economic conditions.
- ▶ Creative entrepreneurs are footloose and New Bedford has to provide incentives and business support. One strategy would be to market one building and secure 1 or 2 key tenants that will attract related companies. Best approach to increasing Creative Economy businesses is to provide financing support –(working capital, space fit-up), marketing, technical assistance.
- ▶ Planned BCC Downtown campus would be important contribution to critical mass of educational activity/uses in Downtown.
- ▶ The City's goal should be to increase the number of specialty schools in Downtown and focus on niche programs such as health care and medical technology that can establish an identity and attract students from beyond the southeastern Massachusetts region.
- ▶ Possible schools for Downtown New Bedford would be a Science & Technology high school offering post-graduate studies or Art & Technology Institute for elementary, middle grades.
- ▶ What's missing in Downtown is a specialty or mini-grocery store near Pleasant or Purchase Streets, the Lupo Block, or Bristol Building. Downtown needs: a Korean market, produce or seafood store, used

 **mediumstudio**
design advertising print internet



ABOVE: The former industrial building that houses Medium Studios, a graphic design firm, represents the type of non-traditional office space attractive to the Creative Economy.

FACING PAGE: White Bouquet florist on Purchase Street is filling a retail gap that was identified in FXM's 2007 study.

furniture store, small, ethnic restaurants (Syrian, Greek, breakfast all day); clothing, gift, and book stores; used furniture. Store business hours are very sporadic and sometimes not even advertised – it's like some businesses are hobbies.

- ▶ The Dollar Store is in the wrong location, it's counter-productive to the dynamic character of Downtown's main street.
- ▶ The City needs an educated workforce, more schools Downtown, and ways to attract students and businesses to keep graduates in New Bedford.
- ▶ Downtown transportation system needs to include trolleys connecting Wamsutta Mills and planned redevelopment at Hicks Logan to Downtown and the waterfront
- ▶ An arts-based economy won't just happen -- City needs to support the effort with a person/position serving as business liaison to advocate for the arts community and with direct access to the mayor; need a very visible, energetic person who can work with public bureaucrats, but doesn't function on a 9 to 5 basis.
- ▶ Ultimately, the best Downtown marketing is having people say, "They're really doing things for artists in New Bedford" but to reach that "you've got to walk the talk."



- ▶ An important goal for improving Downtown is to capture staff after work with places to eat, drink, and gather (similar to what Providence did several years ago); many City Hall, bankers, other Downtown workers typically leave and drive elsewhere to restaurants, bars.
- ▶ Businesses are being attracted to Downtown by exposure from the National Park, island ferry service, cruise ships – all of which impact business activity; there’s increasing regional awareness of Downtown New Bedford.
- ▶ Over the past few years, there’s just a “buzz’ that New Bedford is “hot” – changes have happened and there’s more in the pipeline like commuter rail, Route 18, casino gambling.
- ▶ There’s a Downtown momentum that’s taken over, buoyed by the recent retail activity; even when a business closes, there’s another one soon in its place; that kind of turnover shows business interests are attracted to Downtown.
- ▶ Most other cities also promoting downtown revitalization and redevelopment would be envious of the number and variety of Downtown New Bedford businesses; the distinguishing features are types of new or expanding businesses, and that there are local and outside investors.
- ▶ A challenge to sustain Downtown revitalization momentum is to leverage public monies for priority development of a few important Downtown sites that are vacant or unused.
- ▶ Downtown business recruitment should look for regional companies with products or services related to New Bedford’s coastal location and resources -- or maybe new schools teaching or researching marine science or some of the new energy technologies.



ABOVE: Open spaces on the working waterfront, such as Coast Guard Park shown above, are among the amenities that visitors will remember about downtown New Bedford.

III.E Recommended Development Options

FXM examined niche market opportunities to help define possible development/redevelopment options for vacant and underutilized sites in the downtown. The four options with the most promise include the following: a new, expanded facility for Bristol Community College (BCC); institutional residences (dormitories) for graduate students and health care workers; incubator space for creative economy businesses; and Class B/C office space.

The BCC facility and institutional residences would require new construction, as illustrated in the architectural “test fit” section of this study (Chapter V). Test Fit 3 sites the proposed BCC facility on a parking lot on Purchase Street and Test Fit 2 locates a new dormitory or apartment building on the Keystone site. The other two options identified by FXM—creative economy incubator and Class B/C Office space—could be accommodated in any number of existing downtown buildings with relatively modest investment in tenant fit-up.

1. Bristol Community College facility near other commercial or institutional uses, as well as public transit and public parking. Site/building characteristics, proposed use requirements and space program considerations include:

- ▶ Vacant site for new construction of Signature building at a prominent location to serve the new BCC New Bedford campus, for which elected state representatives have earmarked a \$14 million capital authorization.
- ▶ Approximately 45,000-square-foot facility space needs and construction specifications as described in “Bristol Community College New Bedford Campus Expansion: Investment for the economic development engine for New Bedford” documents provided to the study team by BCC officials.
- ▶ Ground level space with street frontage and visibility for main entrance, public meeting space, and complimentary retail uses (child care center, café/bakery, bookstore, produce market)
- ▶ Priority location for expanded/upgraded Downtown fiber optic/broadband service access (e.g. new Elm Street connection with Route 18 utility improvements)
- ▶ *Potential Sites:* Bank of America parking lot (at the corner of Purchase and Elm Streets), vacant parcels with underutilized buildings on Walnut/School Streets

2. Institutional Residences for graduate student housing, as well as temporary medical and health care workers (travelers) near institutional and residential uses, public transit, public garage or private parking lot. Site/building characteristics, proposed use requirements and space program considerations include:

- ▶ Vacant site for new construction of approximately 30 to 50 two-bedroom/two bath residential units with standard market-rate rental apartment features and finishes, priced at \$950 to \$1,500 per month without utilities
- ▶ Ground floor retail space with modest amount of street frontage for complementary uses (specialty grocer, personal services, pet grooming, cyber café), potential building arcade affording interior pedestrian connection from Union Street to Pleasant Street
- ▶ Potential public-private partnership, design-build 'turnkey' development; possible pre-leases with institutional or corporate entities; probable PILOT agreement
- ▶ Lease limited number of reserved, assigned resident parking spaces in Zeiterion Garage with time restrictions to accommodate daytime business or school customers
- ▶ Target market segments: UMass/Dartmouth graduate students, Southern New England School of Law students, South Coast Health Care or Cape Cod Health Care specialized/temporary medical staff
- ▶ *Potential Sites:* former Keystone Building vacant lot

3. Designers Business Incubator to support current and potential demand from Hidden Tech-Creative Economy entrepreneurs, startup, established and expanding enterprises, similar to the Quest Center, sponsored by NBEDC/UMD partnership, accommodating three to four firms concurrently with an average 18-month cycle for graduates. Site/building characteristics, proposed use requirements and space program considerations include:

- ▶ Commercial building space suitable for approximately 6,000 to 7,500 square feet total (about 1,200 square feet of ground floor space with highly visible frontage for exhibits/gallery, sales, cyber café, etc.); 4,000 to 4,500 square feet of production space, ideally with rear loading dock/access
- ▶ Interior space suitable as is or requiring minimal renovation
- ▶ Existing high-capacity fiber optic/broadband access preferable, a priority site for expanded Downtown fiber optic/broadband service access (existing Spring T1 line or connection from Spring Street to Union Street)
- ▶ Target market segments: ceramicists, graphic designers, software engineers, video/game/website designers, sculptors, textile fabricators, woodworkers, printing and publishing, other visual artists, artisans, and technology-oriented enterprises
- ▶ *Potential Sites:* Smith Office Building (Union Street), McKenna Building (Union Street), 9 So. Sixth Street

4. Class B/Class C Office space suitable for office-based, and technology enhanced small businesses seeking modest sized space (900 to 1,400 square feet) at affordable prices (\$5 to \$10 per square foot). Site/building characteristics, proposed use requirements and space program considerations include:

- ▶ Commercial building(s) with upper floors, preferably code compliant, near commercial, government or institutional uses, proximity to public transit, public garage or private parking lot
- ▶ Interior space suitable as is, or requiring minimum renovation/upgrade
- ▶ Preferably located near existing high-capacity fiber optic/broadband service or a priority location for expanded Downtown fiber optic/broadband service access (existing Spring Street T1 line, or connection from Spring Street to Union Street)
- ▶ Target market segments: established Downtown service sectors (professional, business, financial, health care, education, printing and publishing, maritime, tourism-hospitality), and emerging niche markets (Creative Economy, energy, entertainment/film production)
- ▶ *Potential Sites:* Webster Bank Building on Pleasant Street

III.F Strategic Recommendations and Next Steps

- ▶ Continued targeted business development is essential, and recruitment efforts need to focus on retail stores and restaurants that are successful in other urban commercial districts and could be attracted to open another location in Downtown New Bedford.
- ▶ Implement the multi-faceted parking management improvements recommended in the DMJM-Harris report, reaffirmed in the 2007 FXM report, and discussed further in other sections of this report. The initial phase should focus on relocating reserved spaces for Standard-Times employees to the upper level of the Elm Street Garage, City incentives for public employees and Downtown business employees to park in public garages, and uniform posted time restrictions for Downtown on-street parking.
- ▶ Aggressively pursue federal ARRA or state Economic Recovery funding for the new BCC New Bedford campus in Downtown with the goal of completing construction by Fall 2013.
- ▶ NBEDC Downtown Development Coordinator to advance City, private, and public-private sector objectives; implement near-term strategic initiatives recommended to support and expand the Downtown economy; redevelop vacant and underutilized property; and coordinate efforts of City departments, NBEDC, DNBI, NPS, Chamber of Commerce, and other stakeholders involved in Downtown revitalization activities. Over the next 3 to 5 years, the Downtown Development Coordinator would have responsibility for the following tasks, subject to availability of professional resources and assistance:
 - ▶ Implementation of Downtown parking management recommendations
 - ▶ Spearhead business recruitment and facilitate existing business expansion
 - ▶ Coordinate citywide Creative Economy planning initiatives focusing on near-term Downtown business development opportunities
 - ▶ Facilitate standardization and expansion of Downtown business hours, collaborate with SEMAP and Northwest Maritime Association to organize/promote a regular Downtown Fishers and Farmers Marketplace
 - ▶ Participate in the recommended Downtown 'Public Art for Public Spaces' initiative, public realm maintenance and enhancements
 - ▶ Improve coordination between City, businesses, and special event sponsors
 - ▶ Serve as ombudsman for existing and prospective business owners and investors
 - ▶ Develop and maintain a Downtown space inventory and identify priority target investment opportunities

- ▶ Monitor/facilitate permitting, public funding, and City approvals required to complete reuse/redevelopment of targeted Downtown sites
 - ▶ Manage planning and pre-development process to establish NBEDC Designers Business Incubator, coordinate startup operations with NBEDC/UMD
- ▶ Establish NBEDC Designers Business Incubator to serve Hidden Tech-Creative Economy entrepreneurs, startups, established and expanding businesses, possibly as an extension of the NBEDC Quest Center operated in conjunction with the UMass/Dartmouth and the South Coast Partnership. A business “incubator” offers shared services and space to keep costs low for start-up companies. A few similar business incubators exist elsewhere in the state and have attracted architects, graphic designers, desktop publishers, software/game designers, and other office-based, technology-driven entrepreneurs and small businesses. These are small-scale operations serving 4 to 5 firms for varying periods. In addition to space, services, and support for startup companies, it was recommended that the incubator offer work space for established and expanding firms needing short-term access to additional space, technical resources, and specialized consultation. Ideally, firms ready to move on from the Designers Business Incubator would find suitable Downtown locations for additional space and help increase the amount and vitality of Creative Economy business activity in New Bedford.
- ▶ Reevaluate the feasibility of establishing a “retail incubator” for upper-level BCC students, as previously proposed by the NBEDC, DNBI and BCC. The retail incubator, which could offer student services at little or no cost to the business operation and would provide students with hands-on business experience, is envisioned as a way to attract existing businesses in the New Bedford region to locate in Downtown. There were positive responses to the concept when it was introduced to the Dorothy Cox. Company. Other companies viewed the incubator as a way to test the waters without a large capital investment, and BCC regarded it as an opportunity for students to gain retail experience.¹⁰
- ▶ Educational uses are a strong sector of the Downtown economy but they lack critical mass. The City, NBEDC, and Chamber need to initiate recruitment of additional educational uses, focusing on those with a complementary mission, potentially attracted to Downtown vacant and underutilized property, and willing to negotiate a PILOT agreement with the City. The potential for expanding and diversifying Downtown educational uses were a recurring theme throughout interviews that FXM conducted for this study, often referencing the City’s well established tradition of science and technology education –New Bedford Technical Institute became Southeastern Massachusetts University, which became

¹⁰ FXM requested but had not received a copy of the business plan at the writing of this report.

UMass/Dartmouth. Initial investigations should seek information and insight from Greater New Bedford Regional Vocational High school, Bristol County Agricultural College, South Coast Learning Center, and others involved in the business of education to explore possibilities from a range of private educational and research institutions.

- ▶ Suggestions for potential new, satellite or affiliate facility locations in Downtown offered during FXM interviews for this study included: Woods Hole Oceanographic Institute, Massachusetts Maritime Academy, New England Tech, and Johnson & Wales University.

- ▶ Convene a City task force charged with determining how to establish an Arts and Technology Institute in Downtown for high school and post-graduate students, or pre-school through middle grades. Several of those interviewed recommended focusing on the high school/post graduate levels to provide a high quality feeder system for UMass/Dartmouth, Bridgewater State College/University, and Bristol Community College, as well as cross-fertilization with workforce development education and skill training programs offered primarily through regional community colleges.

- ▶ Secure state and federal Economic Stimulus funds to expand fiber optic conduit/broadband high-volume capacity service in Downtown, starting with connections from existing T1 Line locations to provide service at targeted redevelopment sites. This is especially critical for the NBEDC to Hidden Tech-Creative Economy business retention, expansion, and recruitment, as well as the proposed Designers Business Incubator. In addition to existing infrastructure, Route 18 reconstruction should also incorporate installation of high-capacity fiber optic conduit/broadband to expand potential suitable locations for technology-based businesses.

- ▶ Expand the Downtown retail marketing strategy to include research and analysis about target market segments (e.g. workers, tourists, students, residents) that could provide a more informed basis for devising public sector strategic initiatives. Mechanisms for collecting data could include surveys (on-site, point of sale, electronic), interviews (on-site, telephone), or focus group meetings with key target segments (workers, students, residents). The information would provide an understanding of consumer spending preferences and needs, and also could be useful to DNBI marketing efforts and its reexamination of a proposed Downtown Business Improvement District (BID). Some Downtown retailers have expressed frustration with what is perceived as limited presence and spending by BCC students and faculty. The retailers would welcome a better understanding of their needs and their allegedly limited participation in the Downtown economy.

- ▶ Expedited Route 18 reconstruction to improve pedestrian connections between Downtown and the waterfront remains a critical and central goal of Downtown revitalization. Route 18 improvements have been

a longstanding objective of Downtown economic, cultural, and social interests; virtually everyone interviewed for this study expressed frustration with the 10-year pre-construction process and uncertainty about when the roadway would be rebuilt. A 25% design hearing for the project is reportedly scheduled for September, 2009.

- ▶ Appoint a *Public Art for Public Spaces* commission comprised of Downtown art, education, cultural, and business interests to organize and implement a three-year initiative to finance the design, fabrication, and installation of public art at significant locations. The approach should involve private and corporate sponsors and a variety of audiences and media with the goal of enhancing the overall visual and functional quality of the public realm in Downtown, as well as minimizing the unattractiveness of vacant and underutilized property.

- ▶ Potential sites identified as key public space opportunities for Downtown public art include:
 - ▶ Wings Court – reinstall Sgt. William H. Carney wayside at Union Street entrance
 - ▶ Custom House Square – North Second Street from Barkers Lane (proposed kinetic wind sail installation commemorating former sailcloth makers/merchants)
 - ▶ Custom House Square – 54th Massachusetts Volunteer Regiment Memorial, (proposed sculpture/plaque for National Park Service celebration of Civil War Sesquicentennial)
 - ▶ Lupo Block – entrance at William Street and Acushnet Avenue
 - ▶ Cherry Building – blank wall on William Street west of Sports Medicine Health Center to Café Arpeggio (suggested location for electronic “information “board” about City and Downtown
 - ▶ AT&T Building – blank wall from North Second Street to Acushnet Avenue