

Committee on Waterfronts and Economic Development
Joint Oversight Hearing
NYC EDC's Maritime Support Services Location Study
April 28, 2008

Testimony by Roberta Weisbrod, Ph.D.¹
Partnership for Sustainable Ports, LLP

Thank you for taking this issue seriously and holding this follow up hearing. The challenge before this committee, I believe, is how to preserve the vitally important and growing maritime sector, a sector that is expected to play increasingly important roles to relieve roadway congestion related to transport of people and freight.

Other localities are grappling with the same issues. For example, the City of Baltimore enacted *The Maritime Industrial Zone Overlay District* in 2004, "in an effort to reduce increasing conflicts between mixed-use development and maritime shipping by demarcating deep water areas in industrial precincts and reserving them for industrial use." What the law the law requires is annual reporting out on the status of five basic indicators, two of which are fixed cost investments and tax revenues. Among the findings of the 2007 annual report are that, "Tax credits offered to properties in the MIZOD are being increasingly utilized and accessed for incentivizing capital improvements and/or employment in the Port of Baltimore. Also, the credits have not prevented the City from increasing its tax revenues generated from the area." The 2007 annual report concluded that, "The trends that these indicators exhibit show that the City has a very robust and healthy maritime industry with firms that are continuing to maintain their properties, expand their operations, and contribute to the City's overall revenue generation." Currently the issue is that the law is set to expire in 2014 and many in industry and government believe it should be extended soon to comport with investment horizons.

The City Council and the Mayor's office may want to examine the effectiveness and potential applicability of similar legislation.

¹ Dr. Weisbrod has worked on port and maritime issues for over thirty years. She worked in the public sector for NYS DEC and NYCEDC. She is on the Steering Committee of the Harbor Operations Committee, a public-private coordinating body for New York Harbor sponsored by the US Coast Guard – on its Maritime Support Services Task Force. She is currently as Chair of the Board of the Working Harbor Committee, which is dedicated to informing the public about the working harbor. She is an officer of the Ferry Committee of the Transportation Research Board and is also working with Interferry (the international ferry association) and the International Maritime Organization on an international ferry safety project. In addition, she has been asked to speak about the issue of maritime support services before the Transportation Research Board Ports and Waterways conference in Baltimore this June.

I will limit my remarks to suggested actions that would flow from the Maritime Support Services Location Study, given the conclusions that the industry is growing; the maritime industry is crucial to the current economy and quality of life of New York given that 20% of domestic freight in New York City moves by water; and the maritime industry will need to play a larger role in the future for support of marine transport of people and freight, given the need to address growing road congestion. Regarding the fifteen recommendations offered by the EDC – the foremost principle to keep in mind is to conserve what maritime infrastructure that we have so the businesses can thrive.

To conserve what we have is the critical objective. We need to protect from development pressures those maritime support services in the Special Maritime Industrial Areas (SMIA) as well as all those maritime support businesses and infrastructure that are outside the designated area. Conserving what we have is not trivial and it is not easy and call for actions by the City Council, the Mayor, and the Governor:

The City Council can:

- **Through these committees, inform all members of the Council about the importance of maritime support services.** This will help council members have all the information to make the right decision.
- **Propose legislation that preserves the existing designated SMIA's, together with the de facto maritime support areas that have no formal protection**
- **Require reporting out by EDC and City Planning** on how the sector has been protected and how it benefits the city.
- **Continue its important oversight function** holding hearings on this matter. The hearing could focus on a series of critical indicators that the council devises.

The Mayor can:

- **Direct City Planning, Buildings Department, and Parks Department** to incorporate findings in their guidance and regulations.
- **Support expansion of the Special Maritime Industrial Area Zoning** to other parts of the city. There is maritime activity well beyond the SMIA zones and they need to survive and thrive if the city is to be able to expand without congestion but continue in its material prosperity.
- **Relay the importance of maritime support to the governor**

The Governor can:

- **Direct his Executive Staff and relevant agencies, especially ESDC and DEC,** but also Department of State Coastal Program to embrace the Study and its implications and incorporate them into policy, discretionary actions, guidance and rulemaking. He should pay especially attention to DEC which has in this region overstepped its discretion by such recent actions as fining the floating pool for its tie up in Brooklyn; forbidding a public access ferry landing on the west side; and insisting on rip rap even where tie ups are needed, and etc.

Thoughts about EDC's recommendations:

Most of the recommendations have value –but they don't assign responsibility for what agency or entity would take the lead and what it would take (legislation, regulation, outreach, funding) to make them happen. The most critical recommendations are those that would flesh out how we can conserve the existing maritime support infrastructure.

Short term:

1. Build more floating dry docks, rebuild graving docks, and seek maximization of use. (There needs to be a plan to make this happen. The US Maritime Administration just provided nearly \$10 million in grants to shipyards throughout the nation.)
2. Encourage investment in equipment in existing facilities. (Similar to Baltimore legislation)
3. Increase tie-ups. (Will usually require DEC approval.)

Longer terms:

4. Maritime support policy to develop the port as a hub for the maritime support service industry. (It is a hub– but it needs to be conserved).
5. Preserve existing berths by retaining M3 zoning. (Agreed!)
6. Creating a regional planning consortium among agencies. (Nothing to stop EDC from doing now).
7. Developing a network of service hubs and charging for the service;
8. A hub in each borough;
9. Collecting user's fees to provide funding. (These related ideas would need to be developed further, with a cost benefit analysis).
10. Develop buoy zones;
11. Charge for use of mooring buoy zones. (Idea needs to be developed further – but in the first instance we need to preserve what we have and making sure new public infrastructure² contains mooring).
12. Governments should use more waterborne transportation. (The National Energy Independence and Security Act enacted in late 2007 requires governments to consider use of the marine highway (short sea/freight ferries).
13. Governments should support investments and zoning, allocation of space, permits, loans, and extended contracts. (This series of important ideas are under the control of the administration and should be fleshed out in specifics for the city council to review).
14. Undertake planning for maritime support services and marine transport – working with stakeholders. (It is not clear whether this recommendation involves integration with PlanNYC2030, but it should.
15. Additional research

² The Savannah waterfront has mooring for tugs integrated into their version of South Street Seaport, adding to the liveliness.

April 28, 2008
Committee on Waterfronts/Committee on Economic Development
Oversight Hearing

Good afternoon. My name is Jennifer Barrett and I am the Research and Policy Associate for the New York Industrial Retention Network (NYIRN). NYIRN is a citywide economic development organization that works to promote both blue-collar jobs and sustainable development.

NYIRN's involvement in the waterfront is a direct result of our interest in the:

- 1) role of the waterfront in moving freight in an efficient and sustainable manner;
- 2) concentration of industrial jobs on the waterfront (both water-dependent and not water-dependent);
- 3) jobs created by maritime support industries and related industrial sectors, and;
- 4) potential to combine waterfront uses with green job creation.

Over the past decade, the City has rezoned tremendous sections of its waterfront to encourage residential development. While the City may have had a surplus of industrial waterfront space at one time, we may be reaching a point where additional rezonings will undermine basic infrastructure and a sustainable economic future.

Waterborne transportation can assist the City in meeting its goals for sustainability. According to the Maritime Support study recently issued by the NYC Economic Development Corporation, 90% of goods arrive in New York's harbour by boat. Stronger industrial zoning and investment in waterfront infrastructure will help:

- allow for the efficient movement of freight;
- help reduce the negative consequences of increased trucking, and
- prevent the displacement of important maritime support services and related industries.

Second, the waterfront is a place to keep and create living wages jobs. As per the EDC study, maritime support industries provide more than 11,000 direct and indirect jobs.¹ There are several times more manufacturing jobs in waterfront areas such as Sunset Park, Red Hook, Gowanus, Long Island City/Newtown Creek, South Bronx and parts of Staten Island. While not water-dependent today, they may benefit from proximity to waterfront in the future as the City looks for ways to decrease trucking and promote waterfront transport.

By maintaining areas as industrial districts, we are preserving thousands of well-paying jobs and creating opportunities for new jobs, including new green industries. For example, the City's recycling facilities, many of which are already on the waterfront, can be a resource for emerging industries that rely on the reuse of materials such as wood, metal and glass.

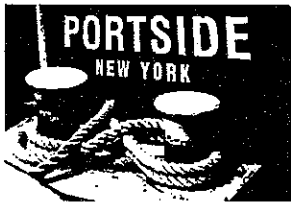
Many communities already see and welcome the job potential of waterfront industrial areas. For example, the Sunset Park 197-a plan calls for zoning to protect its industrial district and investment in a "green" port. Similarly the "Working Waterfront" Committee of the Metropolitan Waterfront Alliance (MWA) is developing policy recommendations to:

- a) revise waterfront zoning to strengthen industry and maritime uses;
- b) prioritize transportation and infrastructure investments to link waterfront with other land use strategies, and;
- c) create incentives and/or financial assistance to support green business development along the waterfront.

In conclusion, we urge the Council Committees on Waterfront and Economic Development to look critically at further waterfront rezonings which might displace existing industrial businesses undermine the City's ability to create new green industries, or chip away at the City's ability to maintain its basic infrastructure. Rather, the City should seize opportunities for growth and an improved environment that can be achieved through a vibrant working waterfront.

Thank you.

¹ EDC Maritime Support Service Location Study, 2007, p. 83.



Carolina Salguero Testimony

**New York City Council Committees on Economic Development and Waterfronts
4/28/08Hearing: EDC Maritime Support Services Study – hearing #2**

Thank you for this opportunity to address these City Council Committees. I would like to commend you for spending time of this important topic and encourage you to reach out to the media with press releases on this issue. Media rarely attend Waterfront Committee hearings and your work here does not receive the press coverage it deserves.

The New York City waterfront has been my specialty since 1998, as journalist, activist, and founder of waterfront-oriented non-profit PortSide New York of which I am the Director. With the acquisition of the 172' oil tanker that is PortSide's home, I and PortSide have become part of the working waterfront. We contract marine services from the marine industry. We have been based in the Red Hook Containerport and GMD Shipyard at the Brooklyn Navy Yard giving us more hands-on knowledge of the working waterfront.

As to the study conclusions, we hold these truths to be self-evident, as they have been for years to anyone versed in the working waterfront.

The key questions are what next and what else.

Under “what next” – this study should not be just laid to rest on a shelf. Mayor Bloomberg has declared a goal to make NYC a greener more sustainable city. If he is serious in that goal, PlanYC 2030 must incorporate the contents of this study. Prior to now, PlanYC 2030 has been largely mute on the subject of waterborne transportation, and Bloomberg waterfront policy until recently has focused more on re-zoning and decommissioning working waterfront facilities than preserving, expanding or innovating them.

Which leads to the “what else” question:

What this study does NOT include are working waterfront areas outside the SMIA's (Significant Maritime Industrial Areas), so many significant areas (creeks and canals) and facilities are omitted.

This study does not analyze marine facilities that could and should be re-activated such as the former banana piers on the lower East Side of Manhattan.

This study does NOT include new waterborne transportation modes.

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Aboard the tanker Mary Whalen

P.O. Box 195 Red Hook Station, Brooklyn, NY 11231.

718-852-0821, mail@portsidenewyork.org

This study documents what is and recommends preservation of what is, but this city needs more than that. We need more waterborne services, but most essentially we need new ways of thinking about how to have a working waterfront and the “new, revitalized waterfront.” We suffer from an apartheid mentality that says it is either industrial OR it is park. This is wrong; it is a waterfront; some things can only be on a waterfront and so we need to find out how to combine those things. Calls for removing a waste transfer station from a park are wrong if the only way to move the garbage sustainably is by water. The approach should be to accept that it moves by water, and then find designs and programs to make the garbage and the park work together. The Hugo Neu facility proposed for Sunset Park (though flawed for being a shallow water use of a deep water berth) reflects such a good design blend. The facility is designed to be attractive, include a ferry stop and to include educational programming.

NYC needs to look at how to move freight by water. Our bridges are overwhelmed. Through-trucks clog inner-city streets. We have Big Box stores clustered along the waterfront. We have depots for our express cargo facilities (FedEx and UPS) located next to the waterfront. Our fish and produce are concentrated in Hunts Point obliging delivery vehicles to traverse the entire city to deliver our most perishable foodstuffs.

All this stuff and more should be moving by water.

Doing so will alleviate traffic, road wear and tear, and air pollution. And here is the key, doing so would provide the revenue to make commuter ferries sustainable. Better than direct government subsidy.

Planners here need to wake up. New York City is an archipelago. How do most islands supply themselves? Ferries. And the ferries carry freight trucks, passenger vehicles, bicycles and walk-on passengers. We used to have such a system. Then cars became affordable, the highway system was invented, Robert Moses came along and laced the city (and waterfront) with highways, and everyone thought that shipping was over. That was a novel idea 60 years ago. It's out of date now. Go look at a street or elevated highway near your district. Is it looking like cutting edge technology? Likely not. Look to the water. And yes, you can have waterfront parks too.

Lastly, two points.

1. The study refers to an area Sunset Park/Erie Basin. No such place exists for mariners or landlubbers. You can't give a truck driver or a tug captain directions to Sunset Park/Erie Basin. Erie Basin is in Red Hook. Sunset Park is across a large body of water or congested bridge. Associating Erie Basin with Sunset Park weakens the maritime brand of Red Hook. Red Hook has a containerport, a major barge port in Erie Basin, a fuel terminal and tug and barge port outside Erie Basin in Gowanus Bay, a cruise terminal, AND a major maritime asset in Atlantic Basin. The term Sunset Park/Erie Basin should be dumped.

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Aboard the tanker Mary Whalen
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2. PortSide is ready to fulfill one recommendation of the study—that marine industry service hubs be located in each of the five boroughs—and we seek your support in securing a home for us to create one of those hubs. The Executive Summary says a hub should include:

- Emergency response facility
- Maritime support service and commercial center
- Recreation facility
- Maritime education and heritage preservation facility
- Office building and office space
- Access to ferry system and transit system
- Access to arterial roads and highways

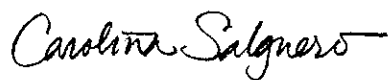
The city has already invested in PortSide's executing such a hub. We received funding from the Department of Small Business Services to create our business plan, finished May 2005. We were to be located on private property that included the new Fairway Market in Red Hook, and PortSide's proposals, from tugboat grocery shopping to a maritime museum and community-oriented retail and services had a synergistic relationship to Fairway and community needs and assets. I would welcome an opportunity to meet with you individually to describe the full PortSide New York plan.

The landowner never made the promised space available to us. Since submitting the business plan to SBS in 2005, we have succeeded in offering some programs, such as our highly popular opera on the tanker last September, but have been severely constrained in our ability to offer the full suite of programs, earn revenue, or raise funds because we lack an operating space fully accessible by land and sea. We are currently located in a containerport where access is very constrained by Homeland Security regulations.

PortSide has been looking at other locations, and we see several places on the Brooklyn shore with the hub concept could be realized. Each site has different characteristics so PortSide would rejigger the plan to fit the synergies of whichever site becomes our home.

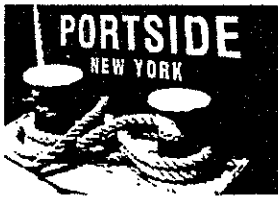
Thank you for your time.

Sincerely,



Carolina Salguero
Director

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PortSide New York seeks to breathe life into the relationship between landside communities and the maritime sector—to the advantage of both. Our chief ambassador in this mission is the tanker *Mary Whalen*.

Our approach is to create activities and spaces that benefit both groups, nurture economic connections between the two, foster their mutual appreciation, and make the waterfront neighborhood they share a better place to live, work and visit.

Our diverse programs are all linked to the waterfront.

Tanker Tours

The *Mary Whalen* is available for school tours and visits by other organized programs. We will expand open hours as our funding grows. We are working on plans to convert the 2,800 square foot cargo tanks to museum and function space. We will move the Whalen around the harbor with mobile programs. If you want us to visit your neighborhood, get in touch!

H2O Arts Series

We host exhibits, performances, movies, readings and happenings with a water and waterfront theme. A Puccini opera in the Red Hook Containerport during September inaugurated this series. A November book reading in a shipyard shed was H2O Arts Event #2.

H2O Arts Repro

PortSide will sell reproductions of 2D and sound arts with a water and waterfront theme. These will include images and sound from our own archives, vintage material, and content produced by living, local artists. Artists get in touch!

Community Sailing

A clunky but established term for affordable sailing programs—an alternative to privately owning a boat or joining a yacht club. We are laying the groundwork now for such a program in Red Hook's Valentino Park. We need to hear from interested parties now!

Kayak Valet

We provide valet parking for kayaks in Valentino Park. NYC's only such event! We see this as a first step in getting a boathouse in the park. Summer 2007, we designed a boat storage unit for Valentino with two other boating programs. The Parks Department Parks has given preliminary permission for the three of us to store our boats there.



Red Hook Promotion

We create and host the only calendar of Red Hook cultural events. We promote Red Hook. See our table here with cards from Red Hook businesses.

Aboard the *Mary Whalen* 40° 41' 15" N 74° 00 19" W
P.O. Box 195 Red Hook Station, Brooklyn, NY 11231, 917-414-0565, mail@portsidenewyork.org

Maritime Trail

We are working on creating NYC's first maritime heritage trail, to be located in Red Hook. This trail will also serve to promote Red Hook. See our mini museum for a glimpse of what we have learned. We co-produced the first Red Hook guide for the inauguration of the Red Hook cruise terminal last year.

Operation Christmas Cheer

On Christmas Day, Nemodeer and a band of elves go about the harbor in a small powerboat giving out cookies and newspapers to tugs and at work.



Flotsam Project

This youth carpentry program, the first in New York City to recycle old pier remains, in search of a home. Contact us if you know a free or cheap 700 square foot workshop where we could start a carpentry shop. Waterside locations preferred.

School Programs + Curricula

We are in discussions with several teachers to create school curricula related to the *Mary Whalen*. Her history as a tanker makes her a good jumping off point to study the energy industry, energy sustainability, and our local and national dependance on oil.

Reporting, Testimony, Urban Planning

We report, testify and consult, often on request, on issues pertaining to recreational boating, the working waterfront and the massive re-planning of NYC's waterfront.

Volunteers

This is a learning experience and way to get aboard the *Mary Whalen* as much as a way to help us. It's always fun around PortSide, and you get great waterfront experiences in the deal.



Donating to PortSide NewYork: complete and mail this form with a check to P.O. Box 195, Red Hook Station, Brooklyn NY 11231.

PortSide NewYork is a 501(c)3 organization. Donations are tax deductible.

Donor Name _____

Add to mailing list _____

Address _____

I wish to volunteer _____

Address _____

Email _____

Phone _____

In the following capacity:

Donation amount _____

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mail@portsidenewyork.org



Testimony of Roland Lewis, President and CEO

THE METROPOLITAN WATERFRONT ALLIANCE

Before the Waterfronts Committee

250 Broadway, 16th floor, Monday, April 28, 2008 at 1:00 PM

Good afternoon. My name is Roland Lewis and I am President of the Metropolitan Waterfront Alliance, a coalition of 329 groups working together to transform the New York Harbor and its waterways into a world class resource for work, play, transit and education.

I'd like to thank the Committee and especially Chairman Nelson for bringing us all here to discuss the critical issues facing our working waterfront, and particularly the needs of waterfront and water-dependent businesses. I would also like to commend the New York City Economic Development Corporation and its dedicated staff and consultants from SUNY Maritime for the creation of the thorough and updated Maritime Support Services Location Study.

My testimony will focus on four areas: 1) improving air quality through waterborne transit of goods and people, 2) land use innovations that can help our maritime economy;

3) simplifying the waterfront permitting bureaucracy; and 4) the pressing issue of what to do with – and how to pay for – the dredge from harbor.

- 1) Increasing water transit of people and goods can help improve air quality and reduce asthma in neighborhoods overwhelmed by traffic and congestion.

Our city suffers from an epidemic of asthma especially among children. A recent Columbia University study done in conjunction with the Harlem Children's Zone found that one in four Harlem children suffers from asthma. Another recent NYU study found a direct correlation between truck traffic and asthma rates. Waterborne movement of goods can be a key part of solving this problem. But, to really make the most of our waterways as transportation resources, we need to a) invest in clean fuels and clean fuel technology for our ferries and tugboats, and b) make water transit for people and goods more accessible by finding ways to subsidize our water transit system just as our highway system is subsidized.

Currently, the US Army Corps of Engineers is helping to re-power a number of tugboats serving this Port to help reduce the levels of air emissions that these working vessels create. The Report we are discussing here today reminds us that there are literally hundreds of tugboats based and in operation in this Port and we should allow all of these businesses access to cleaner fuels, such as creating grant programs just as we do for private vehicle fleets such as school buses. The Council and the Mayor have taken a great step forward for cleaner air by providing the Staten Island Ferry

with Ultra Low Sulfur Diesel and Biodiesel. , We should make these fuels more accessible and cost-effective for smaller maritime businesses too. Ultimately, every ton of cargo and every passenger commuter that moves by water is reducing the stress and congestion on our land-based transit and highway system, and therefore they are creating a public benefit that is worthy of public support.

- 2) The Maritime Support Service Businesses of dry docks, graving docks, and ship repair facilities can only continue to function in our area if they are protected by a Land Use Regulation framework that gives greater priority to job creation and retention rather than property values.

Over the last five months, MWA has been bringing together a number of Policy Task Forces to identify major issues facing our waterfront and to build support for solutions. On our Waterfront Works Task Force, which includes representatives of nearly 50 private businesses, civic groups as well as public agencies, there is wide agreement that the land use pressure to convert working waterfront to luxury housing is still pervasive, even in a seemingly “slower” economy. MWA is now researching possible models, including Chicago’s “Industrial Sanctuaries” and Maine’s “Transfer of Development Rights,” two different but potentially useful mechanisms that might help us protect working waterfront jobs. There is also the proposal for an Eco-Industrial Park in Sunset Park that the New York Industrial Retention Network and others are pulling together, which could help us all see how not to just simply *protect* working waterfront jobs, but proactively create and grow working waterfront jobs, as

well as “Green Jobs,” those forms of employment which through their processes and through their end products represent a more sustainable approach to manufacturing and economic development.

- 3) The health of Maritime Support Services and water-dependent jobs are undermined by the rising cost of dredging our harbor and determination of who should bear that cost.

Waterfront businesses such as marinas and ship repair facilities are faced with huge dredging bills – due to no fault of their own. One of the legacies of the Industrial Revolution has been a huge volume of contaminants along the bottom of our Harbor, Rivers, Bays, Canals and Creeks. Much of this contamination is Dioxin that came down the Passaic River or PCBs that came down the Hudson. Unfortunately there is currently no public funding so small maritime businesses are forced to pay for the dredging themselves, which is prohibitively expensive and an unfair burden on them. To preserve our maritime industry, we desperately need to address this.

- 4) The health of Maritime Support Services and water-dependent jobs are also undermined by the myriad of government regulations that provide the needed permits for waterfront construction and uses.

Securing permits for waterfront construction (including dredging) can be arduous and expensive. Caddell Dry Dock, for instance, has now spent as much money just testing their dredged sediment for contamination as they spent a few years ago on the entire dredging project. New construction on the waterfront is formidable because it requires getting permits from a variety of New York City Agencies, as well as New York State DEC, the US Army Corps of Engineers, and sometimes the National Marine Fisheries Service. One of the proposals recommended by our Waterfront Works Task Force is the creation of a “One-Stop Shop for Waterfront Permitting” to help make this sometimes byzantine system of regulation a more transparent and efficient. Most governing agencies agree that supporting maritime use of the harbor is a very critical goal. Helping the businesses that comprise this vital industry “get to yes” for necessary waterside repair and improvement projects is essential to achieve this goal.

Attached to this testimony are the minutes from the launch of our Waterfront Works Task Force, as well as the list of agency and organizations working with MWA to address these issues.

Overall, MWA believes that increased water transit for people and goods is critical to solving city’s Air Quality problem which gives our residents asthma and other health problems. We very much appreciate the Council drawing attention to these issues and

also for recognizing that waterfront and water-dependent businesses can be a part of the solution.

Thank you for the opportunity to testify today and I'd be happy to answer any questions you might have.



Participants in “Waterfront Works” Task Force

Brooklyn Navy Yard Development Corporation
BWC
Caddell Dry Dock
Center for Maritime Systems, Davidson Laboratory
Circle Line-Statue of Liberty Ferry Inc.
Classic Harbor Line
Coalition for Healthy Ports
Con Edison
Concerned Citizens of Bensonhurst
DUMBO Improvement District
Earth Society
Erie Basin Marine Associates
Fireboat John J. Harvey
Fordham University
GMD Shipyard
Hughes Brothers, Inc
Ironwood Manufacturing Fund, LP
J.M. Kaplan Fund
Lower East Side Ecology Center
Maritime Association of the Port of NY&NJ
Mayor's Office of Industrial and Manufacturing Businesses
Nation's Port
New York City Council, Economic Development Committee
New York City Council, Waterfront Committee
New York Industrial Retention Network
New York Shipping Association
NYC Economic Development Corporation
Parsons Brinkerhoff Ports and Marine Partnership for New York City
Place in History
Port Authority of New York & New Jersey
PortSide NY
Regional Plan Association
Scherman Foundation, Inc.
Sebago Canoe Club
Sims
South Street Seaport Museum
Southwest Brooklyn Industrial Development Corporation
Statue Cruises
Sustainable South Bronx
The Municipal Art Society
United States Coast Guard
Water For All Campaign
Working Harbor Committee



WATERFRONT WORKS TASK FORCE

Launch Meeting

October 31st, 2007 – Noon to 2:30pm
Seamen's Church Institute.

MINUTES

I. INTRODUCTION AND OVERVIEW

Roland Lewis, President and CEO, MWA: All of us at MWA are excited to be a part of this community, all working to make the waterfront a better place. My personal bridge is EQUITY. Just as my experience at Habitat for Humanity focused on the belief that everyone should have the precious resource of shelter, the same case must be made for our waterfront – it must be shared by all. Our role here today is MWA as convener. The waterfront community often seems very disconnected. Working waterfront people don't always know what environmentalists and fishermen are doing, and kayakers don't always know what ferry operators are doing. Oysters don't know what anyone is doing. We have an opportunity and a need to build a lot of bridges.

Over the next twelve months, we want to develop and begin to implement an "Action Agenda" for the waterfront and waterways. We are doing this through consultation with the 321 groups who are members of MWA. This includes all of you, and more!

What will select the most important and highest priority recommendations from each of our six Task Forces that we as a community can support, and we will ask our forthcoming elected officials to support as well.

The six Task Forces that MWA organized include:

- Waterfront Works: Strengthening the waterfront labor force including port, industry, and tourism
- Mass Water Transit: Linking water transit to upland mass transit and making it affordable
- AquaTecture: Designing for the waterfront and the water
- Harbor Education: Maximizing the educational potential of our waterfront and waterways
- Green Harbor: Realizing the goals of the Clean Water Act for swimmable, fishable waters
- Waterfront Play: Making the most of our waterfront and waterways as open space and recreational resources

In this process we want you and every one of our Task Force members to please think expansively. At end of the day, it will be MWA, as an alliance, that pursues the determined agenda.

MWA will announce these Action Agenda items at (or before) the 2008 MWA Waterfront Conference. We very much want this to be a “common ground” agenda that diverse stakeholders will support.

II. PERSONAL INTRODUCTIONS (see attached list of task force members)

III. INTRODUCTION AND REMARKS OF CO-CHAIRS

Frank McDonough, President, New York Shipping Association: MWA continues to be a forward thinking organization. This is an exercise in prioritizing issues and energizing all of us. There are so many organizations with different agendas...we hope this will all culminate in one voice. We also have to be cognizant of and continue our outreach to organizations that are not here today. For instance the Maritime Association couldn't join us today because of their Board Meeting.

We are not here to reinvent the wheel or even relocate any businesses... we are here to focus on the future. We also have to keep in mind that there are some natural conflicts between uses of the waterfront. In my mind, we all need to better define what water dependent businesses are. Regional mobility needs to be looked at because we really don't make the best use of transportation for goods or for people. Waterfront education is also a huge priority for the NY Shipping Association. And this education -- on all levels -- needs more resources. As we go through this process, we should help others understand how the NY harbor is a LIVING entity, alive with wildlife and natural forces as well as human activities that support our quality of life.

Adam Friedman, New York Industrial Retention Network: MWA has been a great model for advocacy, building consensus, etc. They stay ahead of the curve and shape the debate. For this meeting, pretend you're not in NY, go real slow, and please indulge me if I ask lots of questions.

On the wall there are a couple of maps showing industrial business zones. There are about 250,000 industrial jobs in New York City, though by some counts it's 500,000. The primary issue is real estate.

Carter Craft, Director of Programs and Policy, MWA: Too often these meetings can create laundry lists of complaints, but let's be focused on solutions. We want SPECIFIC ideas from you as to what our next generation of elected officials ought to do to make the waterfront an even stronger and more productive component of our regional economy.

IV. DISCUSSION

[Over the course of the next 90 minutes, a facilitated discussion took place amongst the more than 50 participants. The comments produced a list of “issues” facing the waterfront and waterfront community as well as specific “proposals” the Waterfront Works Task Force should consider supporting as we plan together for the future. At the end of the meeting, participants were invited to “vote” for the most pressing issues or timely proposals that should be considered a fundamental part of the Waterfront Works Task Force platform. Each item that received a vote is included in the lists below.]

A. Summary of Issues

- Need to prioritize transportation investments and link it to a land use strategy.
- Urgency: given the rapid pace of waterfront development “we don’t have the luxury of time.”
- Imbalance in the world of issues where working waterfront chronically is underappreciated.
- Real estate instability.
- Lack of plan for dredge material management (sampling, testing, disposal).
- Risk of relying on quantitative v. qualitative criteria.
- Science or policy, what rules?
- Lack of thorough science (re: environmental impact, shading, etc.).
- Need for freight plan.
- Need for a passenger transport system and plan.
- Waterways are critical for redundancy; can they fill the need if necessary?
- Emergency use of waterways has been demonstrated for passengers. What would we do about freight disruptions?
- Need to thoroughly and meaningfully consider human and community health, impacts, and consequences.
- Marine emissions are a growing concern, as a city, state, region and a Port, we “need to raise the bar.”
- There is an opportunity to increase employment along the waterfront, such as “zoning for jobs.”
- Need to strengthen/target sub-sectors for growth that are clean and economically viable, e.g. bio-diesel, etc.
- There is a lack of a comprehensive vision/plan/or framework.
- Are we moving towards a waterfront single use “monoculture” in land use (whether mostly port *or* residential *or* parks)?

- How do we define “water-dependency” and bolster policy to protect water dependent businesses?
- How do we dispel the perception that the waterfront is meant to be “entirely” park or “entirely” working waterfront?
- Water dependent businesses need stability in the form of buffers from adjacent and particularly residential uses.
- New pier and bulkhead construction and design should accommodate a wider range of potential water uses, such as transit, habitat, etc.
- Access/infrastructure is also needed for historic and educational ships.
- Need for NYC to lead.
- Need for marketing and selling as public relations campaign (e.g., working waterfront = “dirty” in many people’s minds and that is false).
- Need for one-stop shop on waterfront goings-on, land use regulation, etc.
- How to navigate/negotiate to deliver as a group/constituency.
- Need funding for water, open space, infrastructure.

B. Summary of Proposals

- Create a city and regional freight plan that minimizes air quality impacts and maximizes use of the waterways.
- Elevate ferries (passenger and freight) higher on the agenda of NY and NJ.
- Conduct water dependent business studies to devise baseline economic impact of port, transit, education and tourism.
- Create industrial employment districts to clarify and strengthen job growth as a land use goal.
- Create dredge material management plan to use/reuse dredge material in some way (e.g., range from habitat restoration to containment islands – support for these specific uses has not been uniform).
- Create costs and benefits of waterfront use/development that lifts up everyone, considers public health and opportunity cost of land use decision-making.
- Create low-interest loan funds to support green business development and practices.
- Actively seek models of waterfront design and development that have proved successful in other states.
- Define/redefine “water dependent” to better reflect and ensure public preferences and needs, whether for transport, parks, etc.
- Utilize coastal Zone Management Act and other existing laws to their maximum leverage and influence.
- Balance policy goals of the Clean Water Act (natural resource protection and conservation) with the Coastal Zone Management Act (human use, public access, etc.).

- Create special “building code” for waterfront sites relating to design, construction, and performance.
- Shift jurisdiction for dredge materials from the NYC Department of Sanitation to EDC or Port Authority.
- Revisit science on sediment and shading in terms of environmental impacts and benefits.
- Develop pier and edge design guidelines and policies that ensure safety, flexibility, etc.
- Revise waterfront zoning to strengthen industry and maritime use (e.g., land use buffering).
- Develop an educational continuum which links public schools, after-school programs, community colleges, colleges and job training programs.
- Create workshops and other customized training and continuing education courses for waterfront designers (architects, landscape architects, engineers, etc.).
- More education of boaters and recreational users to understand complex workings of the harbor and port.
- Create one central location where politicians can go to get educated.

V. CLOSING THOUGHTS

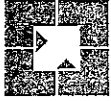
Majora Carter, Executive Director, Sustainable South Bronx: Thank you MWA. So many organizations and so many agendas and often there is not a great willingness to work together. Obviously that’s got to change. There are some really important issues of balance – particularly recreation v. industry. I don’t like to put “versus” in middle of that. We want industry, but not the kind that’s going to kill us. It’s not jobs verses the environment. We don’t want to get bogged down in studies because they can keep us away from the real work that we need to do. We need to see the city exhibiting the kind of leadership that we’re exhibiting. I hope that Working Waterfront Task Force proposals take off in all five boroughs. We need jobs not jails. We are a part of a region and we need to show some leadership. We have no reason not to.

VI. NEXT STEPS

Roland Lewis: We’re all very busy and none of us wants to create more work...this may be the only sit-down meeting we’ll have. MWA will tally the outcomes and outputs of this meeting and we’ll be in touch via email and phone to solicit your feedback. We will also be in touch in the coming months to share what the other Task Forces are doing. I sense that you’ve been here before and I get the sense and I hope that you’ll come back!!

Meeting adjourned at 3.05pm

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Economic Development
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Testimony of Venetia Lannon, Senior Vice President and

Andrew Genn, Vice President

Maritime Department

New York City Economic Development Corporation at a

Hearing of the New York City Council

Committee on Waterfronts and Committee on Economic Development

April 28, 2008

Good afternoon, Chairman Nelson, Chairman White and members of the Committees on Waterfronts and Economic Development. My name is Venetia Lannon and I am the Senior Vice President of the Maritime Department at the New York City Economic Development Corporation (EDC). With me is Andrew Genn Vice President of Port and Rail Development in the Maritime Department.

We are pleased to be back and thrilled by the Council's interest in this issue that is of vital importance to the economic well-being of the City. When we were here this past February we presented the preliminary findings of the Maritime Support Services Location Study and committed to return with the recommendations of the Study. We are here today to do so, but let me first begin by summarizing the impetus for the Study.

In recent years the Port of New York and New Jersey has been growing at a sustained rate, which is expected to continue into the future. This growth is driven by increased global trade and the large consumer market in our region; the Port serves 13 states and about 100 million people. To New York City with its limited highway and land capacity, having access to water transportation is crucial. Water transportation is the least expensive and most environmentally sustainable way to transport goods. A recent article in The New Yorker magazine highlighted the fact that carbon emissions from ocean-going vessels are 1/60th those of airplanes. The article pointed out that it is actually more sustainable to import wine from Bordeaux by ship than it is to transport from California by truck.

The water-highway also removes a significant number of the heaviest trucks from our city's roads, thereby saving on infrastructure maintenance costs and improving safety.

Beyond the public policy rationale for developing maritime infrastructure, financial institutions have discovered the maritime sector as a good place to invest their money. Even usually conservative pension funds have purchased port facilities in New York because they are seeking stable, long-term investments.

While the maritime industry in New York Harbor is growing, the pressure to develop waterfront property for commercial and retail uses is also growing. Major rezonings in Greenpoint and Williamsburg, the development of big box retail in

Erie Basin and the replacement of traditional maritime uses even along gritty stretches of the New Jersey waterfront provided a cautionary note that more and better information was needed to understand the full impact of the maritime industry on the City's economy.

This is the context in which EDC commenced its study of the maritime support service industry in New York Harbor. In the summer of 2006, EDC retained the SUNY Maritime College through a competitive procurement to conduct the Study. SUNY Maritime College is the oldest maritime college in the United States, located right here in the Bronx. The team was ably led by Dr. Shmuel Yahalom and Captain Eric Johansson.

I am also pleased that we are joined today by Richard Drucker, Senior Vice President of External Affairs at the Brooklyn Navy Yard. One of the elements of the Study that we are most proud of is the collaboration we have enjoyed with the Navy Yard. As you'll hear in more detail when Mr. Drucker testifies, the Study played a significant role in highlighting for the Navy Yard the critical need for ship repair facilities in New York Harbor.

For a description of the findings and recommendations of the study, let me turn it over to Andrew.

Thank you Venetia. Let me begin by reminding the Committee that the City's Revitalization Program identifies Six Significant Maritime Areas in which working waterfront uses are protected and encouraged to grow. These areas include:

South Bronx, Newtown Creek, Brooklyn Navy Yard, Red Hook, Sunset Park/Erie Basin, and Staten Island's North Shore.

The Study had several objectives. The first objective was to perform an inventory of the existing tug, barge, ship repair/dry-dock and government services sector in New York Harbor; this took the form of a detailed survey that was sent to each of the businesses. Many of these businesses were personally interviewed by the study team to gain a better understanding of their current operations and future plans.

Using the survey results the team identified current capacity and estimated future demand for each of the maritime sectors through 2016. In addition, the team analyzed specific needs for the dry-dock operations at the Brooklyn Navy Yard. This portion of the Study received a great deal of attention because of competing needs of space at the Navy Yard.

Because the maritime industry is highly capital intensive, we asked the SUNY team to propose a funding mechanism that defray the cost of waterfront maintenance.

The Study had several surprising findings related to the strength of the maritime support services sector in New York City. In the past, the conventional wisdom was that New York City had lost its port in the late 1960s and early 1970s as a result of containerization. While it is true that many of the deep-sea vessels call

at New Jersey facilities each one of these vessels receives at least one service provided by a New York based maritime support business.

- NYC is home base for 205 tugboats, representing 98% of total fleet within the Harbor
- These businesses are primarily located along the North Shore of Staten Island and Erie Basin in Brooklyn
- Since 1991, the demand for tug services has increased and the vessel fleet has grown by 37%.
- Demand for barge services has also grown. The barge vessel fleet has gone up by 20% from 1000 barges to 1200 since 1991
- The maritime support service industry has a significant contribution to the regional economy, supporting 11,870 individuals of which 7,100 are direct waterborne positions in New York City. In contrast, the total number of longshoremen that unload ships at port terminals portwide totals only 3,500 people.
- These are high paying jobs that support a living wage and generate \$1.1 billion in annual regional income.
- The maritime support service industry generates an overall regional economic impact of over \$2 billion per year
- Maritime support services are environmentally friendly: one standard barge handles the equivalent of 60 trucks; one tug boat frequently handles six barges at a time

- The study calculated that the tug-barge tow industry eliminates 3.1 million trucks annually from NYC roads
- Because of growth in demand for maritime services, the Port of New York is experiencing a shortage of places to dock or tie-up work boats. The six SMIA's provide 40 percent of the docking needs of the workboat fleet, which is insufficient to meet growing need.
- Similarly, due to increased port demand, ship repair capacity is also in short supply. The Study found that it is likely that a minimum of seven dry-docks will be needed to meet this demand over the next decade.

Based on these findings, the SUNY team made a series of recommendations to EDC that we will be developing into a detailed implementation plan. Let me outline these recommendations and initiatives briefly.

The first is to develop strategic maritime centers in the City for work boat tie-ups, fueling, crew changes, provisioning among other essential operations. The first maritime center we are pleased to announce will be at the SUNY Maritime College. As part of its capital plan to upgrade its docking facilities, the college will set aside an area for crew changes and provisioning. This will be the first of its kind in the City and will serve the needs of mariners along the northern reach of the East River and western Long Island Sound.

To address the needs in other parts of the harbor, EDC will turn to potential sites within its maritime portfolio. Several promising sites exist along the Brooklyn waterfront and on Staten Island.

The second is to establish additional mooring zones within City-owned waters to meet tie-up needs of the industry. EDC is developing an RFP for release this summer for the interpier areas along the Sunset Park waterfront for tug and barge docking. The plan is to provide space -- for a fee -- to vessel operators who wish to tie up.

The third recommendation is to address the shortage of dry dock space the harbor. As Venetia said, one of the outcomes of the Study that we are most proud of is our relationship with the Brooklyn Navy Yard. To address the need for additional capacity, the Navy Yard has agreed on a long-term lease with the current operator, GMD. This will allow GMD to make investments in graving docks. In addition, working with EDC, the Navy Yard has secured New York State funding to dredge the basin serving the graving docks, which will allow deeper draft vessels to get service at GMD's facility.

Lastly, the Study reinforces the City's Waterfront Revitalization Plan by identifying the current state of the maritime support sector. This will ensure that going forward the protections embedded in the Zoning Resolution for the six significant maritime areas will remain strong. As EDC goes forward with its West Shore and North Shore Staten Island planning studies, these

principles will be incorporated into the planning for these areas that are critical to the maritime industry.

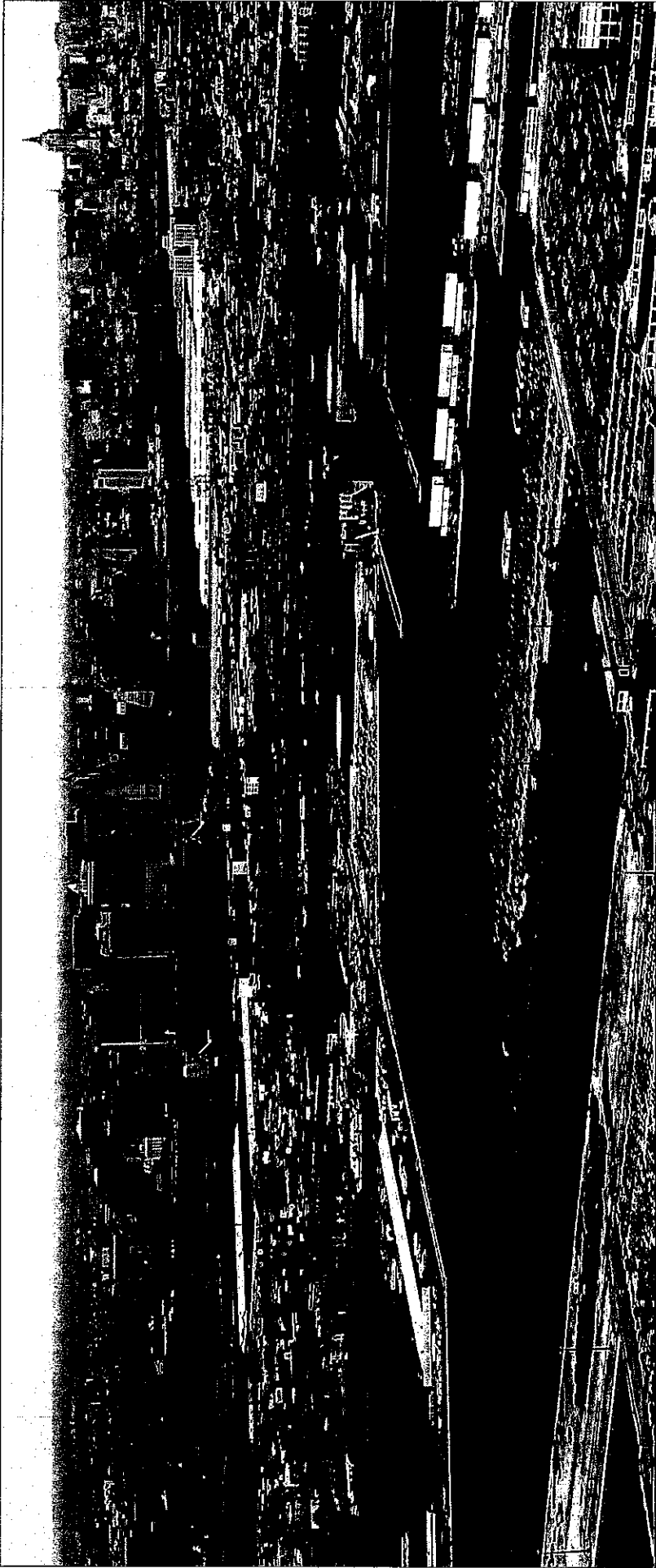
Let me turn it back to Venetia to close our presentation.

Thank you, Andrew.

As I said last time, there is a Phase II of the study. Going forward, we will analyze other maritime support industry sectors such as passenger ferry transportation, how to resolve and balance the conflicting recreational and commercial activities in the navigational channels, and most importantly we will be expanding the geographic scope area beyond the six Significant Maritime Industrial Areas – the sites that will be evaluated include: the West Shore of Staten Island, Coney Island Creek, Sheepshead Bay, Jamaica Bay, Mill Basin and others.

We are looking forward to the final findings and presenting them to you. We are happy to take any questions that you might have.

Thank you.



Committee on Waterfronts & Committee on Economic Development

April 28, 2008

Venetia Lannon

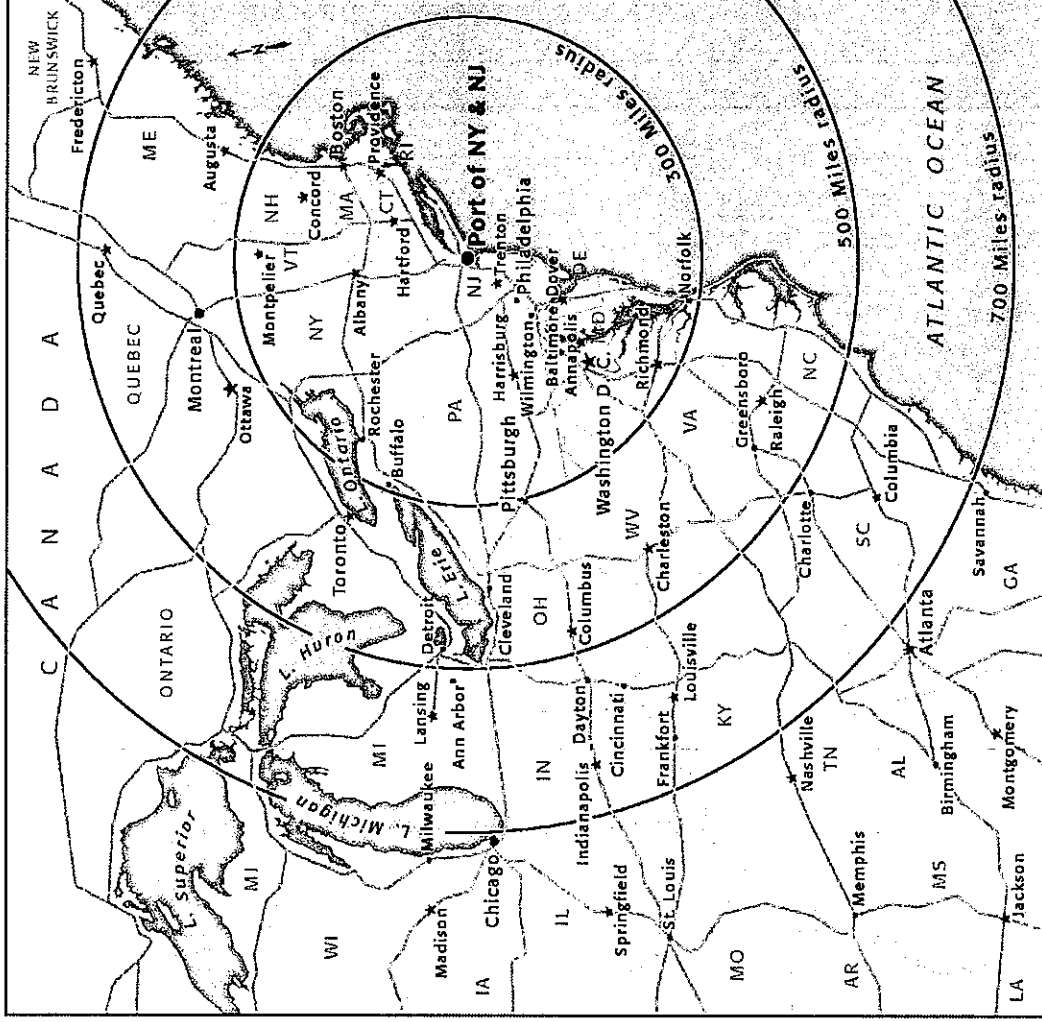
Senior Vice President, New York City Economic Development Corporation



New York City
Economic Development
Corporation

Port of New York and New Jersey

- Third largest port in the nation
- #1 port on the East Coast of North America
- Serves 13 states and 100 million people
- Handled more than 5 million TEUs in 2007
- Largest vehicle and break-bulk port in the nation



Port of New York service region

Carbon Cost for Wine Trade

- Wine from Bordeaux is more 'green' than from Napa Valley, CA

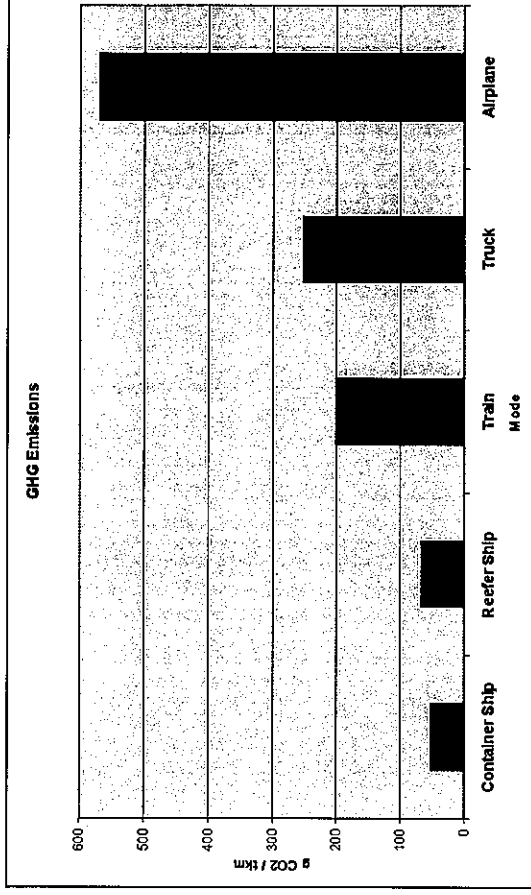
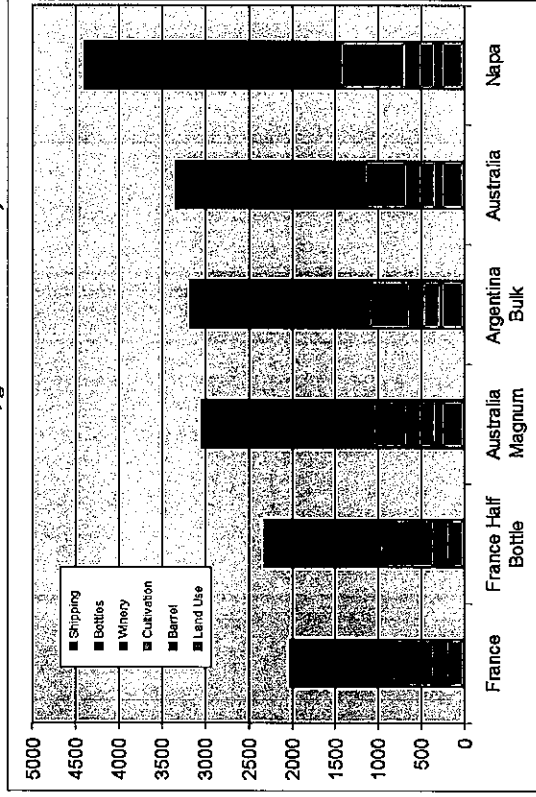


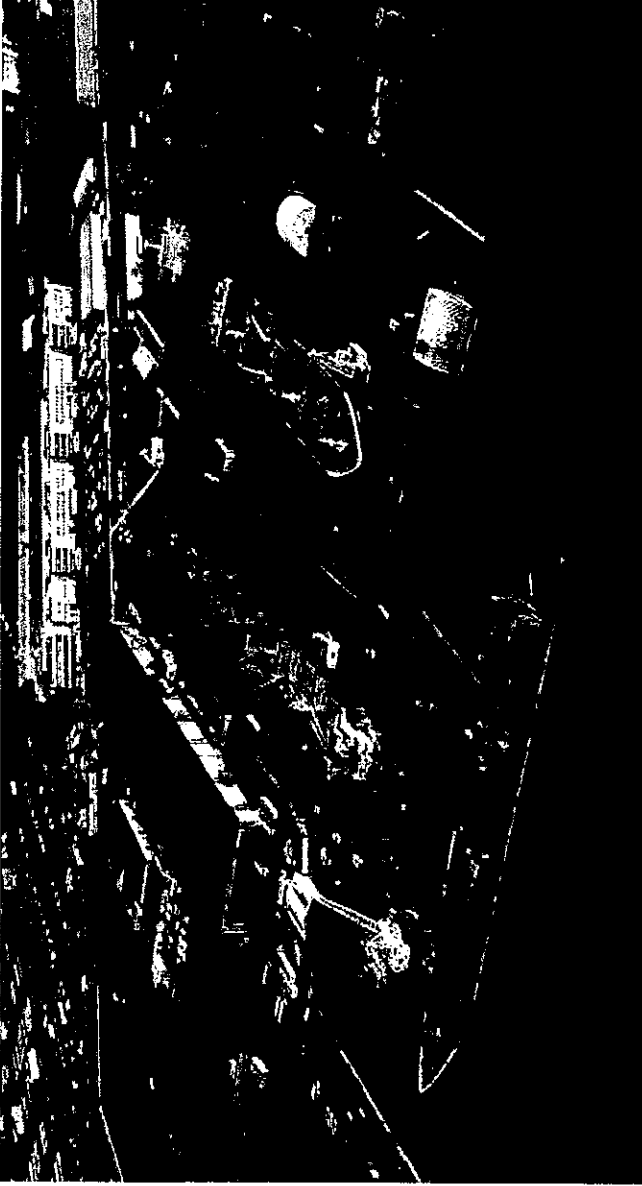
Figure 2. The carbon intensity of several different wines (normalized to the 750 ml bottle, grams of CO2/tkm)



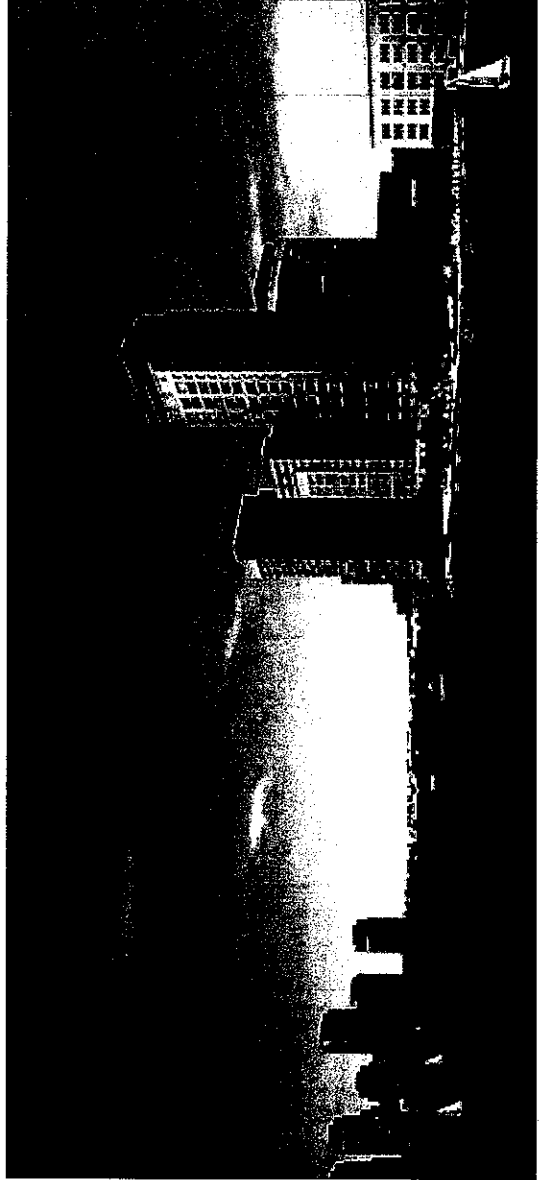
Comparative Cargo Emission –
American Association of Wine Economists

- Wine transported by ships is 1/60th of emission than of airplanes

Balanced Waterfront Use



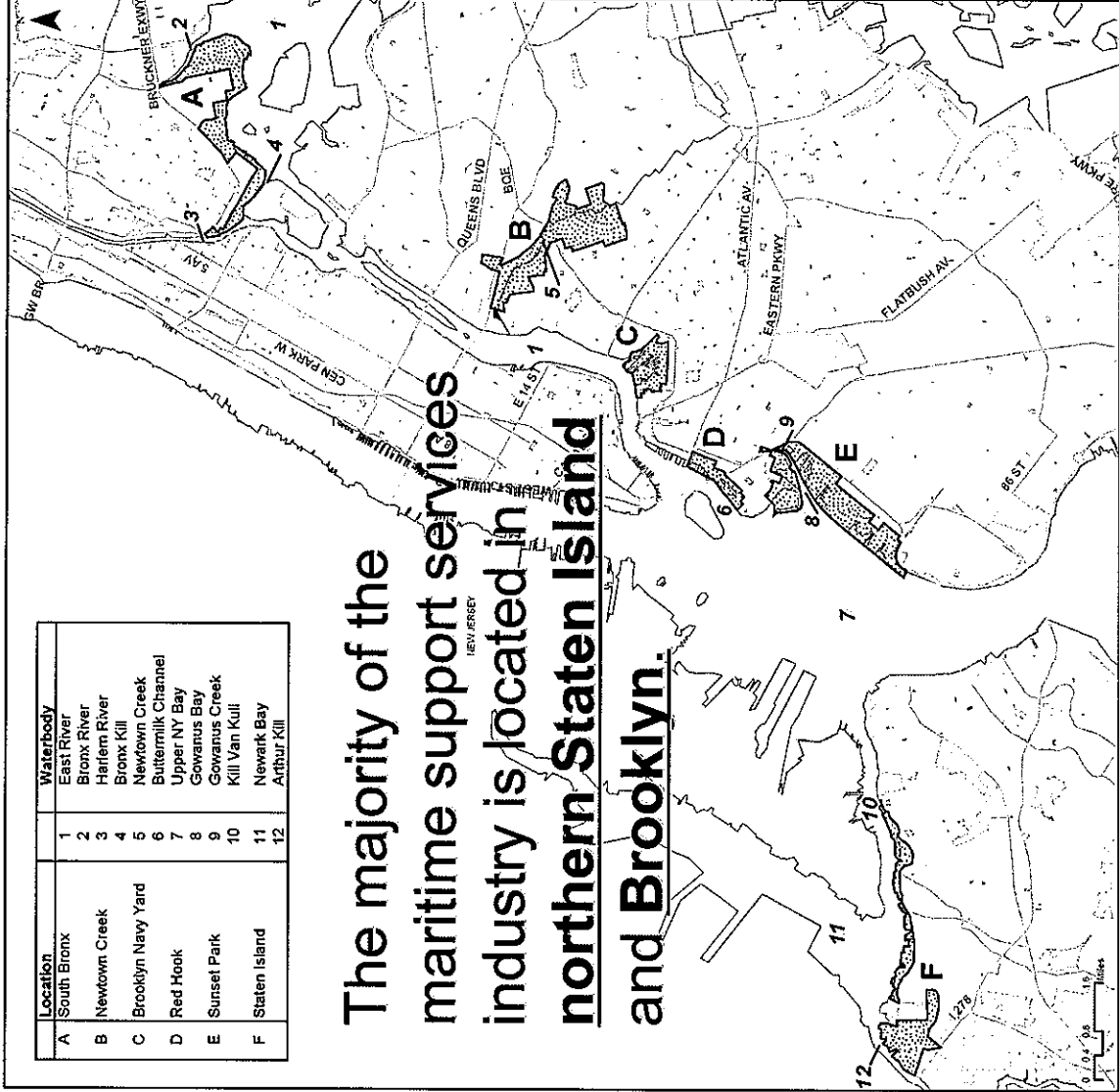
Brooklyn Navy Yard



Proposed Williamsburg
Waterfront Development

Study Locations

- NYC Waterfront Revitalization Program
 - Six significant maritime & industrial areas
- ↓
- South Bronx
 - Newtown Creek
 - Brooklyn Navy Yard
 - Red Hook
 - Sunset Park/Erie Basin
 - Staten Island – North Shore



Study Objectives

- Update inventory of existing companies in the tug, barge, ship repair/dry-dock and government services sector
- Forecast supply and demand of maritime support services through 2016
- Evaluate Brooklyn Navy Yard dry dock economic impacts
- Analyze of pier infrastructure costs
- Recommend policies and programs to strengthen New York's maritime industry

Prime Maritime Locations

Maritime Support Services Location Study - Staten Island



North Shore Staten Island



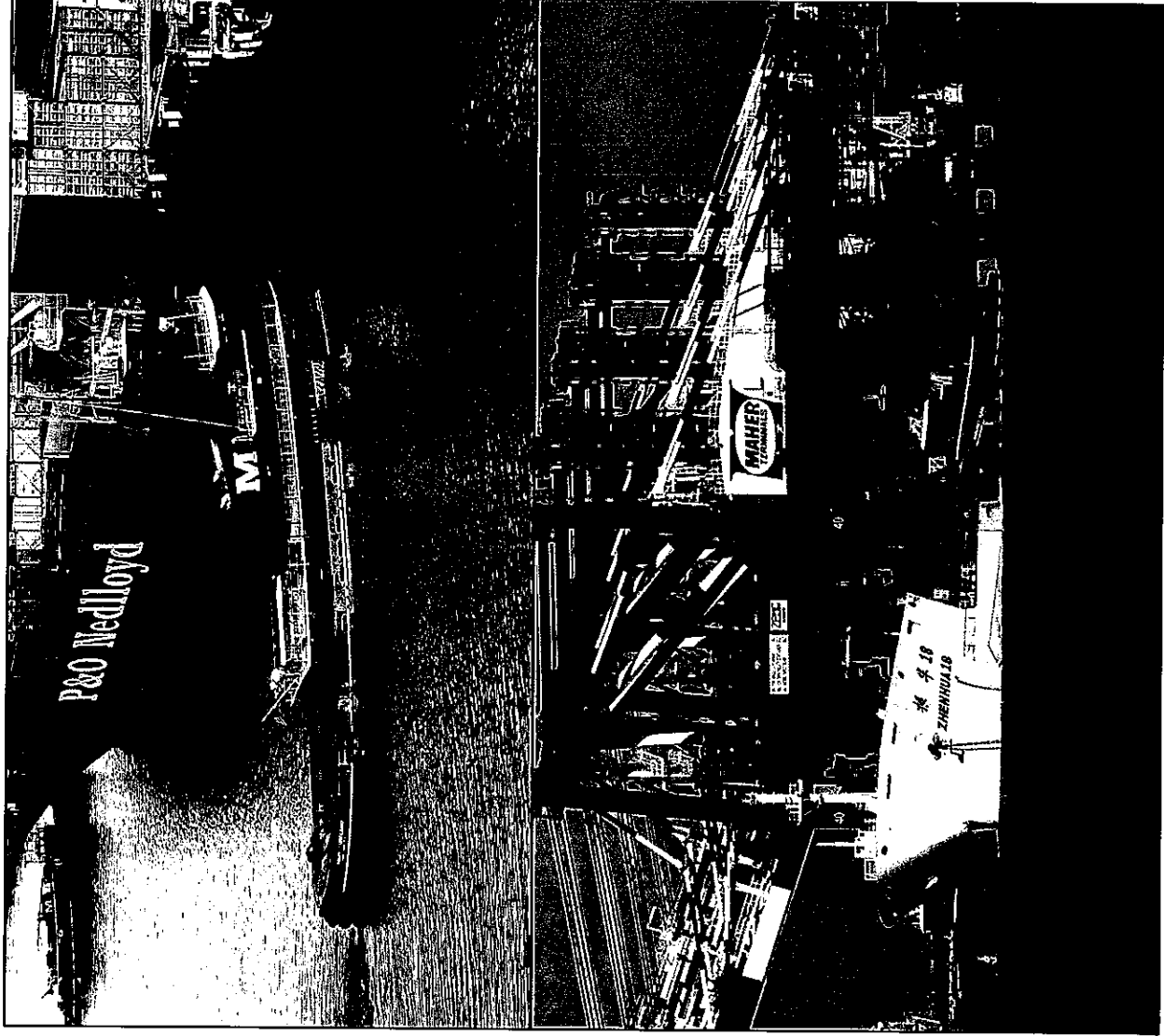
Tug and Barge Facility - Erie Basin Brooklyn



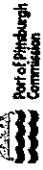
Towing Yard - Staten Island

Surprising Facts

- 205 tug boats are home-based in NYC
 - 37% increase since 1991
- 1200 barges are home-based in NYC
 - 20% increase since 1991
- 11,870 people employed by the industry in NYC
 - 7,100 positions are directly waterborne in NYC
- \$1.1 billion in annual income
- \$2 billion in economic activity
- 3.1 million trucks taken off the roads
- 7 double occupancy dry-dock shortage
- 40% of total demand for tie-up met by SMIA's



Environmental Benefits



Port of Pittsburgh Commission 425 Sixth Avenue, Suite 2990 Pittsburgh, PA 15219 www.port-pittsburgh.pa.us

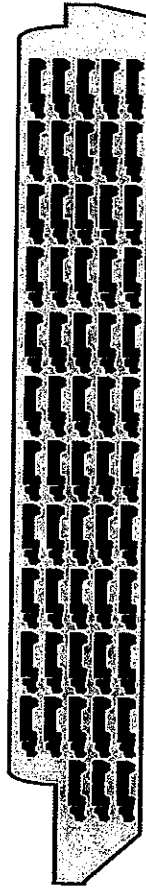
CARGO CAPACITY COMPARISON



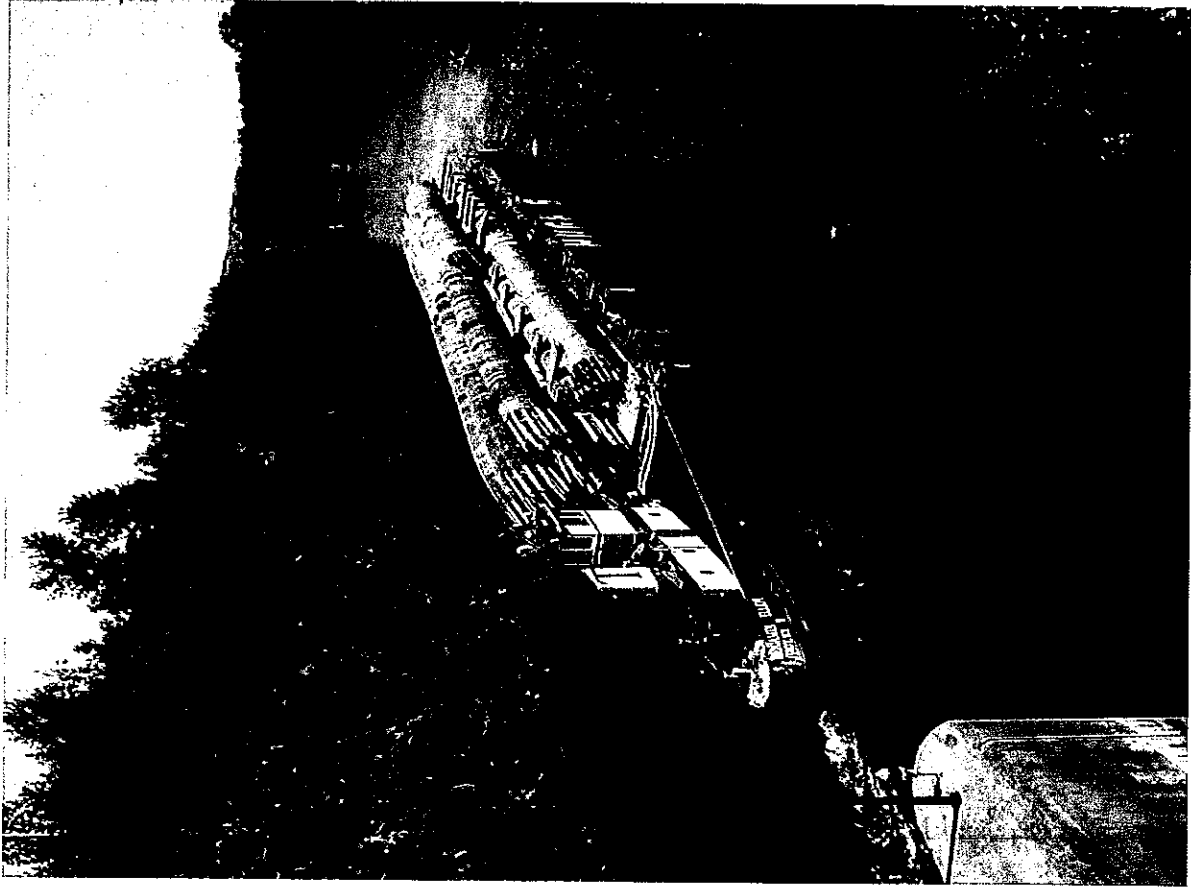
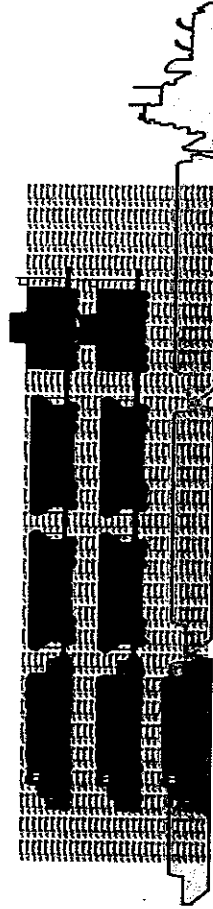
ONE BARGE (1,500 TONS) = 15 JUMBO HOPPER CARS



ONE BARGE (1,500 TONS) = 58 LARGE SEMI TRUCKS

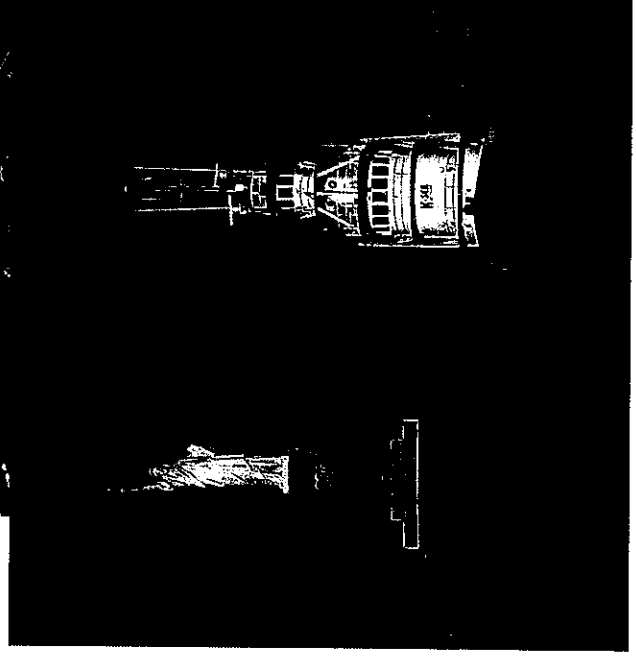
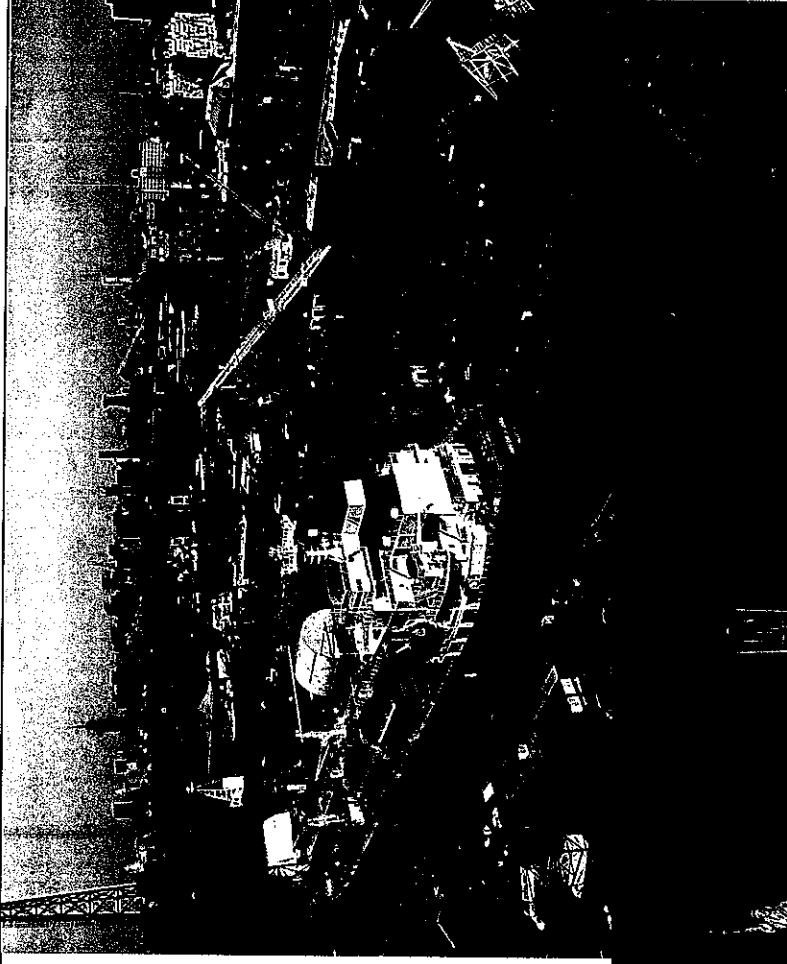


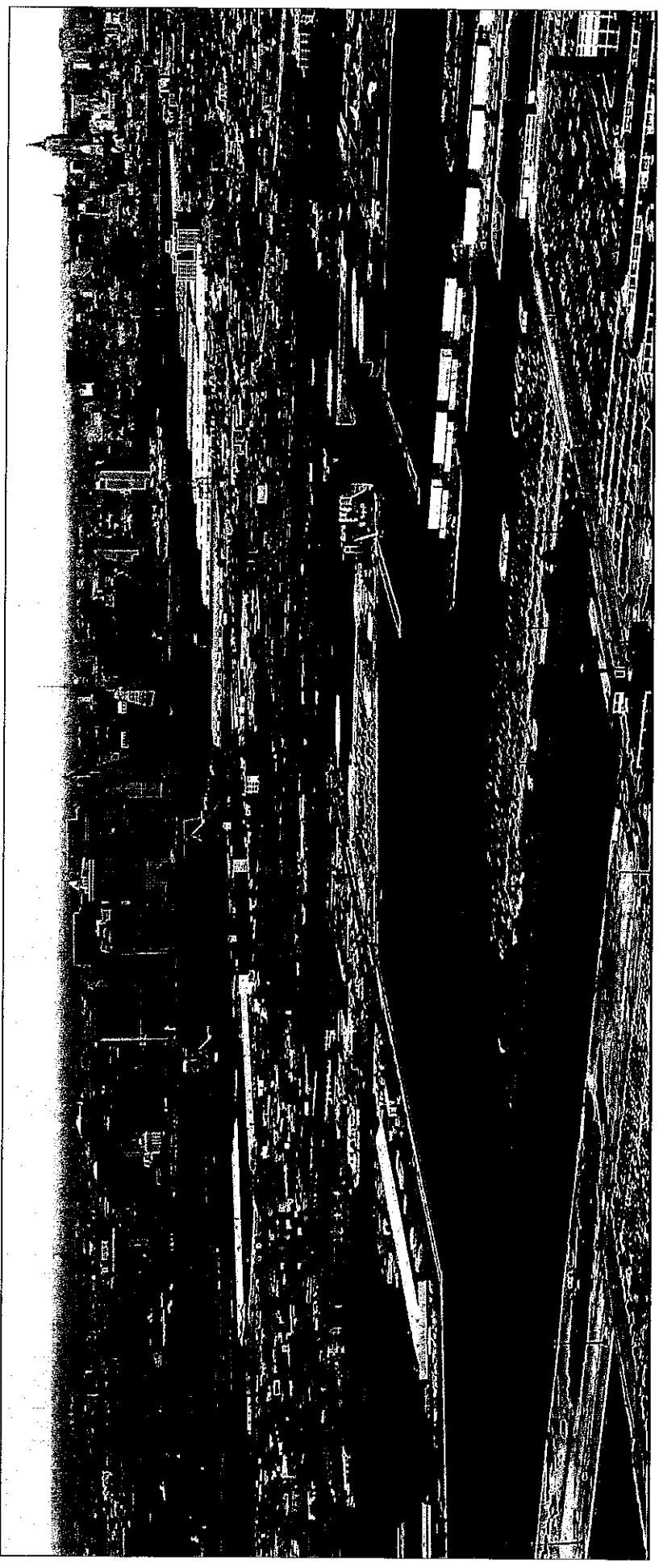
15 BARGE TOW = 225 RAILROAD CARS OR 870 TRUCKS



Recommendations / Next Steps

- **Develop maritime centers in NYC**
 - Included in SUNY Maritime College development plan
- **Establish mooring zones for additional tie-up space**
 - EDC is in process of releasing an RFP for mooring buoys
- **Address dry-dock shortage in the Port**
 - BNY extended lease w/ GMD; facility upgrades will be made
- **Reinforce protection for maritime zoning resolution as part of the Waterfront Revitalization Program**
- **Commence Phase II**





Committee on Waterfronts & Committee on Economic Development

April 28, 2008

Venetia Lannon

Senior Vice President, New York City Economic Development Corporation





**Testimony of Richard H. Drucker, Senior Vice President for External Affairs
Brooklyn Navy Yard Development Corporation**

New York City Council—Waterfronts and Economic Development Committees

April 28, 2009

The Brooklyn Navy Yard Development Corporation (BNYDC) is a not-for-profit local development corporation that manages the Brooklyn Navy Yard (the Yard) industrial park on behalf of the City of New York.

Its mission is to create industrial jobs, develop underutilized areas within the Yard to attract more businesses, and modernize the Yard's infrastructure, including its 40+ buildings that continue to be used for their original industrial purpose.

The Yard currently has 4 million leasable square feet and has been fully occupied for the last three years by more than 230 businesses that cumulatively employ over 5,000 people. The growing business sectors in the Yard include film, food, fine arts, furniture, biotech/life sciences & green tech manufacturing.

The Yard is in the midst of its largest building campaign since World War II. Within the next three years 1.7 million square feet of industrial space will come on line. Thanks to the Bloomberg Administration over \$200 million in City Capital funds are being invested in basic infrastructure. These investments have leveraged over \$250 million in private investment including major expansions to Steiner Studios and B&H Photo.

BYNDC has made a major commitment to sustainability as a part of this expansion including the nation's first multi-tenant, multi-story green industrial buildings and numerous historic renovation and adaptive reuse projects.

Other projects are underway to improve the perimeter and character of the Yard include:

- Restoration of the historical Sands Street Gate
- A Yard-wide Signage Program funded by the City Council to improve the look of the Yard and make it easier to get around; and
- The establishment of the Brooklyn Navy Yard Center at Building 92 that will open the Yard to the community and include an exhibit celebrating the Yard's past, present and future. This project is also receiving significant Council capital funding.

During its long history, dating back to 1801, the Yard built and/or repaired many of the greatest military ships that protected our nation, our state and our city, including: outfitting of the USS Monitor, our first iron-clad-ship; construction of the USS Maine, sunk in Havana Harbor at the beginning of the

Spanish American War; the USS Arizona, sunk at Pearl Harbor on December 7, 1941; and the USS Missouri, the ship on which the Japanese signed the surrender papers to end WW II.

On the Yard's waterfront today, there are three active dry docks, two wet-births, many birthing locations and four active piers. Five tenants currently lease space along the waterfront, including: Lehigh Cement that operates a floating barge in which it receives powdered cement and packages it or sells it in bulk; New York Sand and Stone that sells aggregate stone, a key component in making concrete; Circle Line cruise line; the New York City Fire Department that repairs and moors its fire boats; and GMD Shipping Corporation that operates two massive dry docks and a wet-birth. GMD also operates historic Dry Dock 1, a much smaller dry dock where the Monitor was ironclad.

Employing around 150 skilled ship repair workers, GMD plays an important role in New York Harbor's maritime industry; the numerous tugs and barges--some almost 1,000 feet long--that are repaired and overhauled at the Yard provide fuel, assist with docking and provide regional goods distribution to the larger tankers and ships that ply the harbor, the nation's second largest port.

To better understand the role of the Yard's dry docks in supporting the economic vitality of the New York Harbor, BNYDC agreed to participate with EDC and SUNY Maritime College in its *Maritime Support Services Location Study* (the Study).

The Study helped BNYDC to appreciate the Yard's significant role in providing the support services necessary to maintain the viability of New York City's waterfront. Vessels operating in the New York harbor frequently are in need of repairs and maintenance that can only be accomplished with the ship out of the water. Having repair facilities in close proximity to the harbor, such as at the Yard, assures a quick return of the vessel and allows the ship owner to continue with its business without long interruptions. The three dry docks at the Yard are "graving" dry docks and can support heavier ships. There is only one other graving dry dock in the harbor, operated by GMD at a facility in Bayonne, New Jersey. The remaining 14 dry docks are "floating dry docks" and most of them are on Staten Island.

Armed with the draft findings of the *Maritime Support Services Location Study*, BNYDC began formal discussions with GMD and several competitor ship repair companies vying to operate the Yard's three dry docks. Through this competitive process, BNYDC decided that it would renew GMD's lease for ten years. Under the terms of its new lease, GMD will invest \$5 million for repairing the dry docks, cranes and pumping rooms. The Bloomberg Administration is investing \$20 million to fortify the piers that hold the dry docks.

BNYDC is proud of its role as one of New York's premier industrial parks and its contribution in maintaining the viability of our City industrial waterfront.



STATE UNIVERSITY OF NEW YORK MARITIME COLLEGE

Testimony of Shmuel (Sam) Yahalom
Director of Research
SUNY Maritime College

**Before the Joint Committees of Waterfront and Economic Development regarding
oversight of Maritime Industry Support Services**

April 28, 2008

Good afternoon Chairperson, Committee Members, Ladies and Gentlemen.

Thank you for allowing me the opportunity to offer testimony regarding the maritime industry support services.

My name is Sam Yahalom, and I am the Director of Research of State University of New York Maritime College and the Principal Investigator of the Maritime Support Service Location Study. Together with me are the Co-Principal Investigator, Prof. Eric Johansson, and a member of the research team, Prof. Chang Guan.

Maritime College faculty and staff have been engaged in maritime education and research since 1874. The College became a part of SUNY about 60 years ago. The College's graduates serve in the armed forces, merchant marine industry, and various transportation agencies internationally, nationally, and regionally. The New York metropolitan area is a large employer of the College's graduates.

I am a college faculty member since 1978. Over the years I have conducted transportation and maritime research for the Port Authority of New York & New Jersey, New York City Department of Transportation (NYCDOT), New York State Department of Transportation (NYSDOT), New York Metropolitan Transportation Council (NYMTC) and others. I have a Ph.D. in Economics from the Graduate Center of the City University of New York.

Study Objectives and Methodology

The Maritime Support Services Location Study was commissioned to provide an update to the 1991 study by the same name. The study focused on New York City Waterfront Revitalization Program's **six significant maritime and industrial areas**. These areas include the South Bronx, Newtown Creek, Brooklyn Navy Yard, Red Hook, Sunset Park/Erie Basin, and Staten Island - Kill Van Kull.

The study objectives were to:

- Obtain an inventory of existing companies in the tug, barge, ship repair/dry dock and government sector
- Evaluate the future supply and demand of maritime support services through 2016
- Provide an analysis of pier infrastructure maintenance costs and suggestions of how to recover these costs
- Evaluate the dry dock economic impact on New York City and
- Provide recommendations of industry needs including policy recommendations

The study's methodology included survey, interview, and data analysis of primary and secondary vessel activities to obtain the demand for maritime support services.

Study's Major Findings

The Maritime Support Service Industry Study that we just completed shows that the industry:

- **Employs 11,870 individuals (7,100 waterborne)**
- **Contributes over \$1.1 billion in annual regional income**
- **Generates overall economic impact of over \$2 billion annually**
- **Eliminates 3.1 million trucks from New York City roads**
- **Had 231 towboats registered in New York and New Jersey in 2004, compared to 150 in 1990**

Furthermore, the study also shows that:

- **The tug and barge industries play an instrumental role in the Port;** for example, on the average, in 2005, one tugboat assisted in handling almost 382,000 tons of cargo.
- **There is an increase in the demand for tug and barge services with the increase in oceangoing vessels arriving in the port;** for example, in 2005 oceangoing vessels generated more than 21,000 towboat calls for service, or, on average, every oceangoing vessel required 4.2 tugboat services.

The tugs and barges face a tie-up space shortage. Frequently you can see three or more tug-barge combinations anchoring along the Hudson River.

The maritime support service vessel fleet uses the local 18 dry dock facilities; however, **the industry requires an additional 25 dry docks at single occupancy or 7 dry docks at double occupancy** to comply with the Coast Guard maintenance regulations alone. **The East Coast of the United States exhibits a dry dock shortage**, as well.

The dry dock shortage in the New York Harbor implies:

- An **additional cost** of \$16,000 to \$30,000 a trip to move each vessel somewhere else for service
- An estimated **annual loss of revenue** for the Port of New York at a range of \$50 million to \$150 million
- An estimated **increase in costs** of doing business in the Port of New York at an additional service fee of \$75 to \$150 per tug and/or barge service

- **Bottlenecks** in providing services
- **Erosion of maritime industry** support base and
- **In the long run compromising the Port's standing and reputation**

A different aspect of findings indicates that the **upgrade of the 35,000 linear feet** of privately owned pier infrastructure to good condition is estimated at \$50.5 million to \$101 million.

Recommendations Including Policy Recommendations

Regional development and growth requires paying attention to the waterfront to assure its functionality in the years to come. Waterborne services are also key in improving the quality of life for New Yorkers.

In order to support oceangoing trade and reduce road congestion by taking trucks and passenger vehicles off the road, we need to **preserve existing berthing areas for maritime support service vessels** and its support industry.

The New York Port is the largest port along the East Coast, serving a very large population. In order to preserve this hub status, we need to **initiate a Maritime Support Service Policy to develop the Port into a super-center for Maritime Support Services**. The center should have robust network capabilities for North Eastern U.S. The center could be created by **establishing a Seaport Planning Authority or Agency** that would provide long-term plans for the maritime support service industry with the cooperation of interagency groups.

In order to provide relief for the tie-up problem, we recommend developing a network of **new tie-up sites or hubs** for tugs and other workboats for a fee. These hubs will be designed to accommodate the workboat operators' need for supplies, water, bunkers, changing crews, removing sludge, having a pick-up location, mooring and performing other functions. As a matter of fact, the **first hub is expected to open in the summer in Maritime College in the Bronx as a result of this study**.

A hub could also include:

- Emergency response facility
- Maritime support service and commercial center
- Recreation facility
- Maritime education and heritage preservation facility
- Office building and office space
- Access to ferry system and transit system
- Access to arterial roads and highways

A hub could be **self-sustained by collecting users' fees** for "leasing and/or parking" at the hub. These funds will be used for pier maintenance and repair. For example, a five tie-up slots hub that charges \$200 per two-hour tie-up per workboat could generate an estimated \$4.2 million annually.

A different alternative for tie-up relief is an increase in the number of tie-up facilities such as mooring buoys and stake boats. The City could designate **mooring buoy zones** in the Port, and issue buoys licenses to private operators for a fee. A buoy fee could generate \$6,000 to \$15,000 annually.

A sustainable development plan for the maritime support service industry should be incorporated into the regional development plan. The plan should include these and other initiatives that would provide congestion and environmental relief. Obviously, the plan will be exempt from infrastructure investments because the waterway is self-sustained by nature.

In order to move forward on these issues and others, some **additional research and feasibility studies** are needed to address some of the issues mentioned.

We should note that, even though the Maritime Support Service Industry is small, it is instrumental in the health of the New York and regional economy.

In conclusion, port attractiveness to the shipping industry is rooted in having a healthy Maritime Support Service Industry, which provides efficient maritime support services, has access to shoreline property, has affordable facilities and has the long-term support of the City, the other government agencies in the region and the community at large.

Thank you for the opportunity to testify today. I would be happy to answer any questions you might have.

Regional Plan Association

Comments on the Final NYCEDC Maritime Support Services Location Study

New York City Council Committee on Waterfronts
and Committee on Economic Development

Monday, April 25, 2008

Tiffany Smythe
Regional Plan Association
Ph.D. Candidate, Department of Marine Affairs, University of Rhode Island

Thank you for this opportunity to testify on the findings of the NYCEDC's Maritime Support Services Location Study. My name is Tiffany Smythe. I am here representing Regional Plan Association, a not-for-profit planning, research and advocacy organization. I am also here because I have been conducting research on coastal land use issues for the past four years as a doctoral candidate in Marine Affairs at the University of Rhode Island.

For the past several months, I have been working with Regional Plan Association to study issues affecting the viability of water-dependent land uses, such as maritime support services, in the tri-state area. We are studying these issues because we have observed many recent changes on this region's waterfronts and are concerned that these changes may result in a loss of water access for individuals and for maritime businesses. The results of our study will be released to the public later this year.

We would like to commend the EDC and the SUNY Maritime team on the Maritime Support Services Location Study. It contains a wealth of information on the maritime support businesses that are located within the city's six Significant Maritime and Industrial Areas and about future demand for maritime support services in the Port.

However, we believe that the findings of this study will only be meaningful if they are integrated into the regional context and into the decision-making processes of the multiple city, state and federal agencies who are engaged in coastal management and land-use planning. In this regard, we'd like to draw attention to the study findings that we think are most important as next steps:

1. The study recommends the establishment of a "Regional Seaport Planning Consortium." In our own research, we have found that there is a lack of regional waterfront planning

with regard to our waterfronts, both here in the Port and in the entire tri-state area. Waterfront land-use planning is fragmented, both within the city jurisdiction and across city and state boundaries. Regional planning requires cooperation among the different city and state agencies engaged in making coastal land-use decisions. We think it makes sense to bring together all of the different agencies who make decisions about our waterfront – including but not limited to NYCEDC, PANYNJ, the Parks Department, City Planning, the state coastal management program (Department of State), the state DEC, the Army Corps, and others. Such a forum could be structured in a number of effective ways.

2. The study recommends the evaluation of “current regulations and zoning codes.” In our own research, we have found that coastal land-use planning takes place within the context of a complex, multi-layered system of governance. There are multiple city, state, and federal agencies which have either jurisdiction over or a hand in permitting either the in-water or the upland elements of a waterfront facility. Moreover, we’ve found that it is not always regulations that are the problem – it is the way those regulations are implemented and enforced on a day-to-day basis through permitting decisions, the granting of variances, and the like. Therefore, for such an evaluation to be meaningful, it must do two things: first, it must begin with consideration of the many different agencies involved in coastal land-use planning and decision-making; and second, it must evaluate not only regulations themselves but the ways those regulations are applied through implementation and enforcement.
3. Finally, we’d like to point out that this study is limited in scope and geography – it focuses only on maritime-industrial support services, and only on the six Significant Maritime and Industrial Areas of the City. In doing so, it overlooks other maritime uses and areas of significance to both commercial and recreational mariners – such as Tottenville in Staten Island, or Sheepshead Bay in Brooklyn, or City Island in the Bronx. We strongly encourage future efforts to inventory all other types of maritime land-uses both in all parts of the City, and in the entire tri-state region.

In conclusion, we commend the work of the EDC and the SUNY Maritime team on the Maritime Support Services study, and support the implementation of study findings through future research, interagency cooperation, and regional waterfront planning. Thank you again for the opportunity to testify on this issue.