



CITY OF NEW BEDFORD
JONATHAN F. MITCHELL, MAYOR

March 24, 2017

The Honorable Karyn Polito, Lt. Governor
State House, Room 280
Boston, MA 02133

Dear Lt. Governor Polito,

I write to request your assistance in securing the Commonwealth's support for the dredging of New Bedford harbor, the inclusion of sufficient "bond cap" within the state's long-term Capital Plan, and access to an appropriate portion of an existing \$35 million state bond authorization established under the 2014 Environmental Bond legislation.

The basis for a Baker-Polito Administration investment in New Bedford harbor is compelling: The Port of New Bedford, the state's second largest port and nation's top commercial fishing port for the past sixteen years, has long been recognized as an important economic driver of both the Greater New Bedford and state economy.

But until recently, the size and extent of our Port-related economy had not been determined with any real accuracy. As you know, thanks to research funding made possible by your Administration, we have a much greater and nuanced understanding of the economic role the Port of New Bedford.

According to the same research firm (Martin Associates) that conducted the Port of Boston's economic impact study, we now know that the Port of New Bedford contributes fully 2% of the Commonwealth's entire Gross State Product, generating \$9 billion in direct and indirect economic activity. In total, our waterfront employs more than 6,200 workers (compared to the Port of Boston's 7,200) with a healthy average salary of \$57,000. State and local governments also benefit from the \$151 million in tax revenues paid annually by Port-related companies and workers.

In terms of laborforce and economic output, the Port of New Bedford rivals the Port of Boston to a much greater extent than anyone recognized previous to the state-funded study. And in certain key sectors, the Port of New Bedford is the clear leader. We know from previous research that our commercial fishing sector is responsible for one-third of the value of all seafood landed in the New England and nearly two-thirds of all seafood landed in Massachusetts.

With the Commonwealth moving forward with a 1600-Megawatt, decade-long build-out of the offshore wind energy industry (and New Bedford's distinction as the closest industrial port to the envisioned wind projects) the immediate economic prospects for our Port are strong, and growing stronger.

At the same time, it has become clear that the long-term viability and competitiveness of this key economic engine is threatened if investments in harbor dredging are not made. New Bedford harbor has been left substantially un-dredged for sixty years, with the exception of occasional spot-dredging required for specific projects.

The historic lack of attention paid to dredging in New Bedford is not only troubling, but it reflects an unfortunate inequity when contrasted with the major effort underway by Massport to dredge in Boston harbor. In the same 2014 Environmental Bond legislation, \$65 million was earmarked for the Port of Boston's dredging program (versus New Bedford's \$35 million), a Boston commitment which the Administration has already proceeded to honor.

It is time to address this historic neglect and inequity. Not since the 1950s here in New Bedford, has any serious effort been undertaken to address harbor sedimentation that, left unaddressed, makes channels and berths impassable to vessels, and fundamentally jeopardizes the Port's long-term viability.

In recent years, as cargo activity has grown, we have seen freighters forced to idle for hours outside the Port waiting for tide changes. Other commercial ships have been unable to enter the harbor at all due to the size of their draft.

Most important, over the years many commercial fishing businesses have forgone land-side improvements such as modern bulkheads, seafood offloading terminals, and vessel repair facilities because the financial basis for such investments is weak as long as shallow berth depths limit water-side access.

The Martin Associates economic impact study confirmed the unrealized economic potential of our harbor. *Their research calculated that dredging the harbor would result in 900 new jobs, a \$260 million increase in economic activity, and a \$12 million increase in state and local tax revenue.*

Suffice to say, dredging is critical if the Port of New Bedford is to retain its leadership position in commercial fishing, continue to function as a cargo port, and take advantage of new opportunities associated with the offshore wind energy.

The Port of New Bedford's request for state support for its dredging program takes three forms, in order of priority--

Funding for Design of "Phase V" Commercial Berth Dredging

The most pressing need is for \$650,000 in state funding—ideally from the Seaport Economic Council—to allow the New Bedford Harbor Development Commission (HDC) to proceed with the design of a "Phase V" commercial berth dredging project in Fiscal Year 2018.

Twenty-five commercial operations in the harbor have been waiting since 2008--nearly a decade--for the HDC to initiate a new round of berth dredging that would allow them to improve the water-side access to their properties.

Phase V dredging will not only reverse the slow sedimentation which has come to threaten many of the berths used by these twenty-five businesses, but it will open the door to an array of new, privately-financed investments that this group of commercial operations are eager to pursue.

The focus of the design work in Fiscal Year 2018 would be to precisely engineer the CAD cell ("Confined Aquatic Disposal" cell) and determine the material from the individual properties that will be deposited into the CAD cell. The CAD cell serves as the repository for the materials which are generated once the dredging is undertaken in subsequent annual dredging seasons.

Funding for "Phase V" CAD Cell Construction and Berth Dredging

Once CAD cell design is completed, the project would move into a four-year construction and dredging period, with the associated annual expenditures shown below.

	FY2018	FY2019	FY2020	FY2021	FY2022	TOTAL
Design	\$650,000					\$650,000
CAD cell construction		\$5,425,000	\$5,425,000			\$10,850,000
Berth dredging				\$4,062,500	\$4,062,500	\$8,125,000
TOTAL	\$650,000	\$5,425,000	\$5,425,000	\$4,062,500	\$4,062,500	\$19,625,000

Implementing the above construction/dredging program would therefore require the assignment of sufficient "bond cap" to the appropriate state agency/secretariat under the state's long-term Capital Plan, as well as access to approximately \$19-20 million of the existing \$35 million state bond authorization.

Meeting The Matching Requirement Of U.S. Army Corps of Engineers For Federal Channel Dredging

While the economic benefits are substantial for Phase V, attention to the Federal Channel remains an imperative. As you know, I have long advocated for the dredging of the Federal Channel because it is the main thoroughfare for all vessels entering and exiting the harbor; the depth of berths obviously matters little if vessels cannot reach their berths.

In the next 3-5 years, the US Army Corps of Engineers expects to receive a federal appropriation to begin the dredging of the Federal Channels in New Bedford/Fairhaven. While the majority of the approximately \$75 million project will be federally funded, the Army Corps requires a 35% state/local match to help cover the cost of disposing contaminated material. Port of New Bedford engineers estimate the matching requirement to be approximately \$7 million.

I well appreciate the capital budget challenges facing the Commonwealth were it to concurrently fund both the Federal Channel dredging and Phase V's commercial berth dredging. It is with that in mind that I propose a united, proactive approach whereby the Port of New Bedford, the local legislative delegation, the federal legislative delegation, Governor Baker, and yourself first work cooperatively toward persuading the U.S. Army Corps of Engineers to allow certain expenditures of Massachusetts Coastal Zone Management (CZM) to count toward the local/state share of the Federal Channel disposal costs.

It is my understanding that CZM incurred approximately \$8 million in costs during the partial dredging of New Bedford's Federal Channel in 2015 as part of the "Interim Federal Channel Dredging Project." In my view, it makes sense on many levels to begin discussions with the Army Corps by presenting a united appeal to count CZM's costs as match toward the federal maintenance project. In the event that this approach is unsuccessful, then the Port of New Bedford would simply request that the Administration reconsider access to available funds from the \$35 million state bond authorization for the purpose of meeting the Army Corps' local/state matching requirement.

Thank you very much for you time and attention to this important matter, and for your ongoing support of the Port of New Bedford. Please feel free to contact me directly, my Chief of Staff Neil Mello, or Port Director Ed Anthes-Washburn, if you need any more information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jon Mitchell', written over a large, stylized blue scribble.

Jon Mitchell
Mayor

cc: New Bedford Legislative Delegation
Secretary Kristen Lepore, Executive Office for Administration and Finance
Secretary Matthew Beaton, Executive Office of Energy and Environment
Secretary Jay Ash, Executive Office of Housing and Economic Development
New Bedford Harbor Development Commission
New Bedford Economic Development Council
New Bedford Regeneration Committee