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# NEWBURYPORT COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

## EXECUTIVE SUMMARY

April 2023



CITY OF NEWBURYPORT, MA

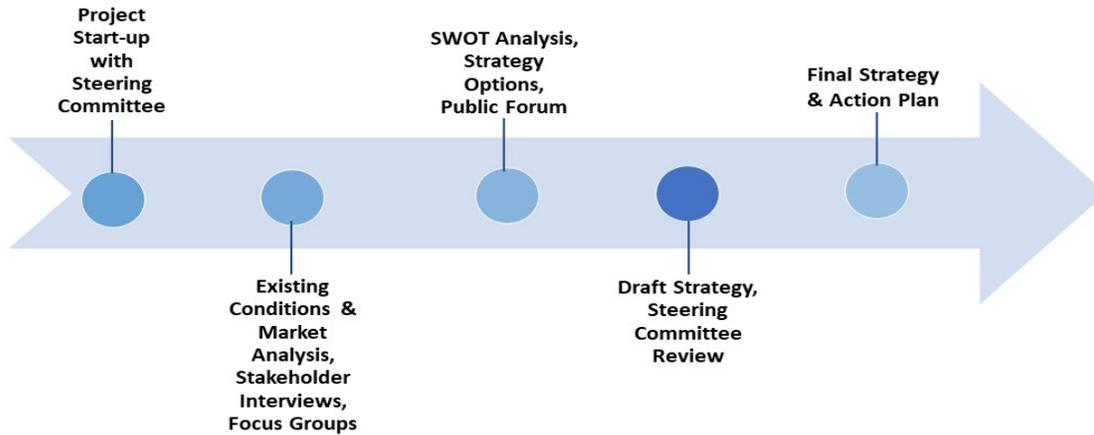
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with CivicMoxie, LLC

# INTRODUCTION

Newburyport’s Comprehensive Economic Development Strategy (CEDS) was prepared from October 2022 through March 2023 under the direction of the Mayor’s Office, the Office of Planning and Development, and an Economic Development Strategy Steering Committee, working

with the consultant team of Karl F. Seidman Consulting Services and CivicMoxie, LLC. The process, summarized in **Figure ES-1**, incorporated information, analysis and input from multiple sources including stakeholder interviews, focus groups and a public forum.

**Figure ES-1. Overview of Strategy Formulation Process**



## ECONOMIC BASE AND ASSETS

Newburyport had 990 establishments located within the city with average monthly total employment of 11,947 in 2021.<sup>1</sup> Small businesses dominate Newburyport’s economy with half of all enterprises employing five or fewer workers, and 84% having fewer than 20 employees. Four clusters are central to the city’s economy and its competitive strength:

- Tourism with 100 firms and 1,504 jobs in 2021. This cluster includes restaurants, lodging, and arts/entertainment/recreation businesses, and reflects Newburyport’s many natural, cultural, and recreational attractions.
- Health care with 89 firms and 2,583 jobs in 2021. This cluster includes Anna Jacques Hospital, nursing & residential care facilities, and medical offices, and reflects the city’s position as a regional health care center.

- Manufacturing with 68 firms and 2,159 jobs in 2021, and includes specializations in printing, metal fabrication, and computer & electronic equipment.
- Food with over 90 firms and 2,200 jobs in 2021. This cluster includes restaurants, food stores, breweries, and food manufacturing, and overlaps with the tourism cluster.

Newburyport’s economy performed well during the past decade with its rate of overall job growth from 2012 to 2021 (11.6%) exceeding that for the Merrimack Valley and metropolitan Boston regions.

Newburyport’s resident labor force is well-educated and largely employed in high-skill occupations but it has barely grown over the past decade and does not match the skills and occupations demanded by many of the city’s employers. This mismatch and the ratio of 1.18 jobs for every resident worker requires Newburyport to attract many workers from outside the city.

<sup>1</sup> This data is for businesses and organizations with employees that are part of the unemployment insurance system and does not include self-employed individuals. Data for 2021 is used since it is the most recent year for which employment data was available.

Newburyport has strong assets in historic and natural resources and a large arts and cultural community of for-profit and non-profit businesses and individual practitioners. The mostly intact historic downtown is unusual for its size and completeness and taken within the overall historic context of the surrounding residential areas, represents a unique destination. The arts and cultural community consists of several major institutional destinations, as well as smaller galleries, shops, and historic trails. Natural and recreational resources abound and include beaches and ocean destinations, natural areas, river resources, and parks and trails.

While there are robust assets and resources, the lack of coordination and marketing between sectors makes it difficult to find these resources and navigate available experiences and businesses. There are multiple labels for distinct areas in the city (historic districts, cultural district, trails) with no single map or descriptive system, and no single entity exists for coordinating, marketing, funding, and advocating.

## OPPORTUNITIES AND CHALLENGES

Newburyport has multiple opportunities to build on its considerable assets to sustain and strengthen its economy and quality of life:

- Expand its market share of the visitor and regional market and audience through improved branding and definition of its assets and unique character as a destination and expanded marketing.
- Capitalize on its real estate assets. Newburyport has several important sites and districts that provide opportunities for new real estate development to support business growth, address housing needs and support arts, cultural and historical enterprises and activities.
- Apply the skills and creativity of its population. Newburyport's existing population is one of its greatest resources that has been vital to its economic success to date. The city can sustain and expand the impact of this key asset by expanding support for local entrepreneurs, artists and nonprofit organizations and finding ways to simplify regulations and remove other barriers to local business and civic entrepreneurship.

- Utilize regional resources to support economic development. Newburyport has access to significant resources in the regional ecosystems for economic development and for the arts and culture sector. By and working with key state and regional organizations to design new services or projects that are customized to local needs, Newburyport can maximize the benefits from these resources.

To fully benefit from these opportunities and continue its economic vitality, Newburyport needs to address several challenges:

- Expanding economic development capacity and alignment. Newburyport needs to expand staff and organizational capacity dedicated to economic development to effectively implement new initiatives. A related need is continued alignment and coordination of stakeholders around shared priorities and CEDS implementation.
- Establishing and marketing a clearer Newburyport image and brand. To capitalize on its significant and multifaceted assets, Newburyport needs to establish a strong and shared brand to better market the benefits of visiting, living, working and locating a business in the city, along with audience-specific messages and outreach to different markets (businesses, visitors, etc.).
- Strengthening the enterprise support and advocacy ecosystem. With small businesses and the arts/culture/historic sector facing new challenges due to higher costs, increased competition and post-pandemic recovery, Newburyport needs to ensure that local and regional resources are focused on supporting these two key parts of the local economy.
- Revisiting and updating infrastructure and regulations. This updating is important to ensure that Newburyport's zoning and regulatory environment enables existing properties and future real estate development to respond to changing market forces and address the threats posed by climate change while advancing city economic development goals.

## CEDS VISION AND STRATEGY

The CEDS is guided by the following vision statement that reflects goals and values articulated by the Steering Committee and other stakeholders:

Newburyport has a diverse economy that embraces and supports entrepreneurship and local independently-owned businesses and works to maintain a vibrant downtown, strong Business and Industrial Park, and health services campus. Appropriate development at under-utilized properties and districts is supported to expand the supply of diverse housing options, provide space for businesses and entrepreneurs in a range of industries and in a manner that enhances the pedestrian environment, minimizes environmental impacts, and promotes resiliency. Newburyport's government, business, civic, and nonprofit sectors continue to invest in, and support, its rich historical, cultural, recreational, and natural resources to benefit residents, workers, and visitors, alike. The community welcomes visitors and recognizes the importance of a strong tourism sector in supporting local businesses and a vibrant downtown. The City and others work to promote activities and amenities that benefit both residents and visitors, and mitigate undesirable impacts associated with peak levels of tourism.

To advance this vision, the CEDS incorporates seven strategies that address distinct yet related areas that respond to key opportunities, threats, and weaknesses highlighted in planning process.

### 1. **Economic Development Capacity:**

Newburyport lacks sustained institutionalized capacity to advance its economic development vision and goals, address important opportunities and challenges, and align the efforts of government, the nonprofit and for-profit business community, and civic sector to achieve shared goals and priorities. A combination of a new full-time City Economic Development Director, creating a cross-sector Economic Development Committee, reviving the Business and Industrial Park Association, expanding the capacity of the Greater Newburyport Chamber of Commerce (GNCC) to serve as a destination marketing organization, and stronger utilization of, state and regional resources are needed to address these capacity gaps and enable CEDS implementation.

2. **Small Business Support:** Newburyport's economy is built upon small businesses and independently-owned businesses. Small

businesses face many challenges to their start-up, survival, and ongoing growth, including high commercial rents, difficulty in recruiting and retaining workers, challenges to understanding and navigating City requirements and regulations, and uncertainty or inconsistency in how some regulations are interpreted and administered. This multifaceted strategy works to address these challenges and strengthen the city's small business support ecosystem through: designating the new Economic Development Director to coordinate small business support; improving City online information; creating a small business grant program and an annual business competition; developing a business outreach program; and implementing regulatory and policy changes to facilitate small business start-up and growth.

### 3. **Support Tourism and Arts & Culture Branding, Marketing and Development:**

Newburyport hosts a wide range of businesses, amenities, and destinations that are enjoyed by residents and visitors alike. However, there is an absence of a strong city identity and brand to attract visitors and a fragmented set marketing and promotions efforts that presents challenges for cultural destinations that depend on consistent audiences and for all businesses that serve not only residents but visitors. The lack of comprehensive information and wayfinding in the city makes it difficult to find resources, understand what is happening, and navigate available experiences and businesses. Multiple initiatives are needed to establish and strengthen the city's branding, marketing and experiential infrastructure, including: creating branding that addresses the visitor economy and includes arts, culture and historical destinations and experiences; creating a unified tourism/events/arts & culture website and expanded visitor marketing materials and itineraries; implementing the Wayfinding Plan with visitor/arts & cultural destinations, cultural district and historic district signs; reviewing and expanding events; expanding the visitor center; and developing a downtown bike share program.

### 4. **Support & Advocacy for Arts, Cultural & Historical Assets:**

Newburyport is home to a varied and active arts and cultural community and significant historic assets and natural resources that offer residents and visitors unique opportunities. However, artists, cultural and historic institutions, and natural resource and recreation entities conduct separate marketing efforts and are

competing for the same customer and donor base. Improving the coordination and marketing among between sectors will help increase audiences and customers, and allow visitors, businesses, and city residents to fully connect with, and experience, what is available within Newburyport. The City also can enhance its support the arts, culture, historic, and nature/recreation communities. Initiatives to advance this strategy are: designating an Arts & Cultural Liaison in City Hall; identifying an umbrella organization for advocacy and collaboration among all arts, cultural, and historic organizations and destinations; conducting a space supply and demand survey; developing criteria/goals to support local businesses and destinations during festivals & events; and streamlining alcohol licensing, assembly, and events permitting.

**5. Real Estate Supply:** Newburyport is almost fully developed with limited buildable vacant land to support new development needed for business growth and to address pressing community housing needs. To address future needs, Newburyport increasingly will need to rely on infill development and redevelopment in existing business districts. Newburyport can undertake several planning and zoning actions to shape and facilitate future development that aligns with economic development and community goals. To expand the supply of real estate to address diverse community needs, this strategy includes: updating zoning for the Business and Industrial Park; promoting mixed-use redevelopment in the Storey Avenue district; utilizing the new Smart Growth District surrounding the MBTA Commuter Rail Station; supporting Waterfront West development; encouraging planning for reuse of the C & J Transportation site; attracting hotel development; creating a housing development strategy; and actively marketing Newburyport as a business and economic development location.

**6. Workforce Attraction and Development:** Newburyport businesses consistently report that finding and retaining employees is a major challenge. Although this challenge exists nationwide, it is particularly important for Newburyport with large parts of its economy in especially hard-hit sectors, including health care and restaurants, and, the city's dependence on the regional workforce to address hiring needs. This strategy seeks to address this critical business need through: organizing industry-based promotion of Newburyport as place of work; establishing a fund to support

local apprenticeships and internships; exploring the feasibility of developing workforce housing on the Anna Jacques Hospital campus; and expanding commuting transportation services and options.

**7. Climate Action and Resiliency:** Climate impacts pose a significant threat to Newburyport with considerable business activity and property value located adjacent to the riverfront. Rising sea level also poses risks to key tourism assets, most notably Plum Island and the waterfront boardwalk and park. Businesses and property owners also face a growing need to reduce their greenhouse gas emissions (GHG) and adopt more sustainable practices. This strategy involves City steps to create a stronger enabling environment for climate and resiliency investments by: adopting Commercial Property Assessed Clean Energy (CPACE) financing; exploring the feasibility and impact of establishing zoning requirements and/or incentives for sustainable/low GHG emission "green" buildings; and assessing conflicts and making adjustments to building, design and historic district regulations to better accommodate GHG reduction and resiliency investment needs. A second part of this strategy is expanding civic and business initiatives to promote awareness, information, and motivation to generate these investments by: organizing training, information, and technical assistance on business sustainability practices; launching a campaign for business adoption of sustainability, GHG reduction, and resiliency actions; and incorporating education and information on climate change into wayfinding, narratives, and experiences for residents and visitors.

## IMPLEMENTATION

CEDS implementation will be led by the City of Newburyport in partnership with economic development stakeholders. The new City Economic Development Committee will oversee strategy implementation—working to align actions across organizations and stakeholders, holding parties accountable for following through on responsibilities, and reviewing and adapting the strategy over time in response to new conditions and incorporating learning as initiatives are implemented. The City Economic Development Director will be responsible for the day-to-day CEDS coordination, both overseeing implementation of several initiatives and supporting the organizations and teams responsible for others.