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# Town of Bar Harbor Cruise Tourism Destination Management Plan

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Prepared for the Maine Department of Transportation  
Maine Port Authority and Town of Bar Harbor

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Preliminary Draft Executive Summary  
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# I.0 Overview

## ES I.1 Background and study objectives

In 2006, the Maine Department of Transportation, in cooperation with Maine Port Authority, retained B&A to complete a Cruise Tourism Destination Management Plan for the Town of Bar Harbor, Maine.

The Plan provides an analysis of the Town of Bar Harbor's existing cruise industry conditions and growth potential, together with suitable guidelines and recommendations for future cruise tourism operations planning and development, in concurrence with stakeholder input aimed at promoting citywide and regional sustainability. Goals of the management plan include:

- **Cruise Operations Assessment & Strategic Recommendations.** Based on cruise line feedback, stakeholder input and overall data collection, the management plan aims to define the strengths and weaknesses related to the present and anticipated future cruise operations for the Town of Bar Harbor and provide guidance to ensure future operational integrity.
- **On-Site Conditions & Local Traffic-Activity Analysis Related to Cruise Operations.** Specific information for data collection includes marine infrastructure and supporting facilities; roadway, parking and related transportation features; vehicular and pedestrian traffic issues; downtown retail and entertainment activity; general urban contextual issues and their intrinsic relationships to the project site(s).
- **Environmental Review.** Identifies current ISPS, State of Maine, U.S. Coast Guard, and other environmental regulations related to the Town of Bar Harbor cruise operations.
- **Economic Benefits & Cruise Satisfaction Benchmarking.** Provides tools to identify potential economic and social benefits to the community, with specific emphasis on citizen and cruise visitor benchmarking issues.
- **Regional Cruise Industry Market Study.** A Cruise Market Analysis was conducted in order to present an indication of the present direction of the industry overall and anticipated growth patterns, as it relates to the Town of Bar Harbor.

A significant aspect of this study is community input and participation that shapes the plan's inherent recommendations. The sustainability of Bar Harbor's local economy and attractiveness is incumbent upon the relationship between Bar Harbor residents and visitors, both cruise-tourism and land-based tourism alike. Hence, helping to inform the community and prepare local business and residents for a cruise-tourism presence may serve to be mutually beneficial for both local constituents and visitors to the Town of Bar Harbor. The Town of Bar Harbor Cruise Tourism Destination Management Plan (CTDMP) is a public project geared towards harnessing the potential opportunities for Bar Harbor as an economically vibrant, attractive tourism destination. Bar Harbor boasts a beautiful scenic landscape and a proud cultural heritage - providing a firm tourism and economic base from which to grow and expand in order to benefit community residents and business-owners alike, as well as all those eager to experience what Bar Harbor and surrounds has to offer. The CTDMP serves as a key informative reference guide for the local citizenry, as well as professional insight for the key stakeholders and agencies that influence the Town of Bar Harbor's future.

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## 2.0 Findings and Recommendations

### ES 2.1 Summary

Recommended development strategies and actions items are presented in the following discussion. The recommendations are based on Ground Transportation Area (GTA) observations, community and industry stakeholder interviews, and B&A's previous project experience with best destination management practices. Items are categorized as follows:

- **Transportation Operations;**
- **Streetscape Improvements;**
- **Direct Policy Implications;**
- **Financial Implications;**
- **Community Outreach & Participation; and,**
- **Marketing Initiatives.**

Bulleted items are marked as either Immediate Action Items (■) or Secondary Action Items (■).

### ES 2.2 Transportation Operations

#### PHYSICAL INFRASTRUCTURE

- **SAFETY & SECURITY PROCEDURES (■).** Identify and establish safety and security procedures for the cruise ground transportation area (GTA) and operations associated with cruise tourism, ensuring these procedures satisfy the required measures as established by local regulations, State of Maine, International Ship and Port Facility Security (ISPS) and U.S. Coast Guard. Bar Harbor is a unique port-of-call in that cruise passengers tender into a private facility that is under separate security guidelines.
- **TRAFFIC PATTERNS (■).** Consider one way traffic flow(s) on certain roads contingent upon cruise schedules (e.g. west bound traffic only between 8:30-10:30AM, and noon-2:00PM, along West Street on two-ship days). Re-organize all vehicular traffic flows so as to alleviate downtown traffic - and provide necessary signage to assist in this process. A further traffic analysis is recommended.
- **PARALLEL PARKING: INTERSECTION OF WEST & MAIN (■).** Due to the positioning of two Tour Coaches along the northwestern edge of Agamont Park, the fluidity of pedestrians and vehicles at the intersection of Main Street and West Street (Area 1) is jeopardized. In order to avoid complications here, parallel parking positions directly opposite the loading area to the west (along Main Street) should be restricted during peak loading times. Enforcing this regulation would account for the temporarily restricted access of four to six parking spaces. In tandem with restricted vehicular flow through the pedestrian-only zone on two-ship capacity days, this would help to ease traffic congestion as it applies to the intersection, alleviate view blockage, and facilitate safe pedestrian movement.

## TOUR-COACH MANGEMENT & VISITOR-WELLBEING

- **MOTORCOACH COMMUNICATION AND CONDUCT (■)**. The main shore excursion providers work well with the industry and local community on operational issues. Smaller independent providers should do more to coordinate daily operations with the cruise line and community. Certainly, land-side motorcoach tours entering Bar Harbor should also conduct themselves in the similar manner as that expected of the cruise tourism providers and coach companies. This is inclusive of street use, parking, loading zones, engine idling and others.
- **TOUR COACH LICENSING (■)**. Overland coaches entering Bar Harbor should be required to purchase a temporary or seasonal license from the Town of Bar Harbor either in advance or upon entering the Town pertaining to cruise coach guidelines. Rules, regulations and any special events can be given to the coach driver/tour guide. All coaches should stop at the Chamber of Commerce Visitor's Office, or the proposed Acadia Gateway Center, on entry. Revenues could be used to support infrastructure development, while the licensing may assist in regulating downtown traffic.
- **OPTIONAL DROP-OFF AREA (■)**. Consider an optional debarkation point at the Village Green for coaches in order to provide cruise visitors the opportunity to walk through the downtown and primary retail areas between the Village Green and Agamont Park.
- **CREATION OF PEDESTRIAN-ONLY ZONES (■)**. As part of peak tourism day operations or special occasions provide for the separation of pedestrian and motorized vehicles on key downtown streets. The downtown area as a whole may be limited due to a combination of street traffic, parking accommodations, sidewalk capacity and overall mix of retail and restaurant during peak days. These are likely primarily in late August. The Town of Bar Harbor should assess the need for pedestrian only zones in the downtown area (specifically, outside Harbor Place) on peak days to ease overall congestion. Parking impacts and related traffic on adjacent streets must be part of the analysis.
- **TOUR COACH OPERATIONS (■)**. Identify challenging areas concerning coach operations and routes for both overland and cruise coach operators. Applicable rules for overland coaches entering and circulating through Bar Harbor and surrounds can be addressed via direct mailing to operators or through the National Transportation Association (NTA). Cruise coach operators can be readily identified by the Town of Bar Harbor. Rules and regulations concerning engine idling, circulation, parking and associated items should be identified and reiterated to the coach operators prior to each tourist and cruise season. Addressing issues related to overall numbers of coaches circulating can be addressed through pre-registration of overland coaches, satellite parking lots, staggered arrival times for cruise ships, and others. Some parking will also need to be provided for both anticipated taxi and service business for small ships calling in Bar Harbor and for other staff, CBP and others.
- **ADDITIONAL EMBARKATION AREA (■)**. We recommend considering an additional coach embarkation point in the area adjacent to the passenger waiting zone, across from the Quarterdeck restaurant.

## MARITIME-RELATED

- **TENDER OPERATIONS (■)**. Regulate speed limits and wake limits to assist and protect other fishing and marine operations in the area. Identify a capacity allowance for tenders in

the interior Town of Bar Harbor basin. Communicate these accordingly for daily cruise operations.

- **HARBORSIDE TENDERING FACILITY (■)**. Permit applications have been submitted to create a new expanded private tendering facility adjacent to the Harborside Hotel & Marina. While further information is required to assess the impacts on the GTA, movement of passengers and other issues it appears this would certainly alleviate any coach parking difficulties at the current location as one would assume coaches would be parked within the Harborside area. However, this movement would impact West Street by increasing coach movements to/from the new site and there would be considerable impacts on the hotel itself as the pool facilities are immediately next to the proposed site. The proposed facility should be taken into account in the recommended traffic analysis.
- **NOVA SCOTIA PIER CRUISE FACILITY (■)**. Development of any pier structure is a costly endeavor. In this particular case there is a limited return on investment due to the overall direct revenues it would potentially produce over a 20 to 30-year period for cruise operations. Further, development of a cruise pier at the Nova Scotia Ferry Terminal involves additional infrastructure costs, specifically with the development of shuttle operations to move passengers in/out of the Town of Bar Harbor, traffic signalization, and sidewalk, signage and other roadway improvements at the entrance to the terminal facility. Resulting economic impacts must be considered in determining the overall positive impacts in the community.

### ES 2.3 Streetscape Improvements

- **VISITOR EXPERIENCE (■)**. Accommodating a more pleasurable experience for the walking visitor via sidewalk improvements (inclusive of curb-cuts, delineated pedestrian crosswalks, street furniture, etc.), and streetscape beautification in the realm of uniform signage and landscaping treatment would further assist the efforts in alleviating any congestion in the downtown area on peak tourism days.
- **VIEW BLOCKAGE (■)**. Continue to monitor parked coaches and enforce a no-parking policy along scenic drives to avoid 'view blockage'.
- **STREET SIGNAGE (■)**. Improved street signage and way-finding mechanisms for pedestrians and vehicular traffic along Main Street, West Street, Town Pier area, and activity zones targeted to all tourism sectors associated with Bar Harbor. Specific signage at the entrance to the City and within the main GTA area can be specifically targeted to entering overland motor coaches and cruise line coaches.
- **TRANSIT CORRIDOR IMPROVEMENTS (■)**. Specifically addressing needed street enhancements on West Street to encourage a more pedestrian- and cyclist- friendly corridor, while also looking at potential traffic control measures that would ease traffic during peak days on all Town roadways via traffic patterns.
- **MAIN STREET SIDEWALK IMPROVEMENTS (■)**. The level of grading along Main Street, between West Street and Newport Drive, is at roughly 20%. This steep upward incline, in addition to generally crowded sidewalks at peak times, results in a pedestrian corridor that is difficult to negotiate, especially for older visitors. Street and sidewalk enhancements (such as wider sidewalks, restricted parallel parking, and/or greater connectivity between east and west Main Street) can alleviate this burden. It should be noted

that particular sections along Main Street leading up to the Village Green also suffer from likewise congestion, and should be addressed.

## ES 2.4 Direct Policy Implications

### CRUISE TOURISM-RELATED

- **CRUISE PARTNERSHIP (■)**. It is highly recommended that the Town of Bar Harbor partner with the cruise line industry in the creation and implementation of future daily cap regulations. Where feasible the cruise lines should be notified immediately if there are conflicts so itineraries may be adjusted accordingly.
- **CRUISE CAPACITY POLICIES (■)**. Create a range of daily cruise capacities for Bar Harbor based on seasonality, cruise venue capacity and operational criteria. The capacity range should be flexible to allow for assistance in cruise line deployment while also adhering to standards set by the Town of Bar Harbor. As an example we would envision a cruise capacity policy based on per ship passenger capacity, not on vessel numbers. This capacity range would likely be further established based on peak summer season days – June through August - (low capacity) vs. Fall Foliage season – September through October (high capacity). This would be adjusted periodically based on landside infrastructure improvements, cruise ship development and deployment trends and other standards to be identified.

### CITYWIDE INITIATIVES

- **GENERAL MARITIME REGULATIONS ENFORCEMENT (■)**. Identify and continually work with the cruise industry to meet local and national standards related to the maneuvering and anchorage of vessels in Bar Harbor inclusive of providing charted courses for the best entrance to the anchorage areas. Communicating these and other marine criteria will assist in alleviating any future issues. Smaller ships should follow recommended established routes to avoid upsetting lobster pots and creating wake disturbance around Town Pier.
- **ENVIRONMENTAL MONITORING (■)**. Continue to monitor the various local and regional environmental indicators (e.g. wastewater management, air quality & emissions, maintained presence of diverse marine life, etc.) – standard for any coastal community that experiences a yearly influx of cruise ships and visitors. In addition to increases on local solid waste and recycling vendors due to docking vessels, the additional visitors onshore will likely also produce an increase in solid waste and solid waste management services. Additionally, a demand for ash trays, litter bins and recycle bins would be anticipated throughout Bar Harbor to ensure efficient and sanitary means for solid waste disposal. The cruise line industry is continually trying to work with federal, state and local government on this issue. Bar Harbor is in a unique position to have an independently established environmental monitoring program of the cruise industry. Monitoring is an important part of the overall system of checks and balances and one which the cruise industry has encouraged.
- **COMPREHENSIVE PLAN (■)**. In the interests of inter-governmental coordination and smart growth management practices, it is recommended that Bar Harbor maintains good communication with the necessary parties in order to consider all current and planned improvements in the ongoing comprehensive plan efforts as they relate to cruise tourism operations and their impact on future planning efforts and growth.

## ES 2.5 Financial Implications

- **BUNDLED FEES (■)**. Implement a *bundled-fee* structure directed towards cruise lines. This will allow for fees inclusive of marine, transportation and security fees to be budgeted directly by the cruise lines.
- **ECONOMIC IMPACT (■)**. Monitor and regulate the economic impact(s) of the cruise-tourism industry on Bar Harbor businesses, job generation, employment levels within job sectors, tourism-based revenue sources through annual data collection and analysis. A broader tourism industry analysis could also be conducted to set a baseline for future growth in Bar Harbor and surrounds. This may be in the form of a public economic development director, a separate governmental agency, or private consultant.
- **CRUISE PORT DEVELOPMENT FEE (■)**. To assist in providing for necessary infrastructure items to support cruise operations, a lump sum contribution or per passenger fee would be established. Specific items for development or enhancement should be targeted to meet the needs of the lines and support the views of the city residents. As an example, a fee of \$1.00 per passenger would provide an additional \$100,000 plus to use toward the Town of Bar Harbor's needs. This fee would off-set some of the local commentary tied to the cruise passenger's use of infrastructure, while also targeting the needs of the cruise industry and the satisfaction of their clients. (We do not imply through this additional fund that current fee levels are not appropriate. Instead, we are creating a fund mechanism for future cruise infrastructure projects.) This fee should not be used to address issues that directly apply to land-based tourism only.

## ES 2.6 Community Outreach & Participation

- **CRUISE TOURISM COMMITTEE (■)**. We recommend the establishment of two entities related to cruise. First, a public entity as part of the Town of Bar Harbor tasked to focus on scheduling, operations and cruise line specific public relations and marketing. This may be either a full time position or part time with another task within the tourism or marine department. This would allow for a direct point of contact and an easier decision-making process than is currently observed. Thus, more direct work could be done with the cruise line industry to influence their itinerary planning and conduct of operations. Second, provide a cruise tourism committee with the authority required to ensure that cruise-tourism related issues (local revenue generated from the cruise industry, overall operational organization and implementation of the Comprehensive Plan) are in line with community interests. (The second body already exists within the Chamber of Commerce. This is a cruise tourism committee of local stakeholders working with the Town of Bar Harbor, cruise industry and other stakeholders to address needs and concerns of the local businesses and residential community of Bar Harbor.)
- **ONLINE RESIDENT SURVEY (■)**. Administering a resident survey (amongst others) as a tool for general tourism and cruise operations impacts will assist the Town to better assess the impacts of cruise-related activities on residents, local businesses, and industry stakeholders.
- **CRUISE SCHEDULE POSTING (■)**. Posting the season's cruise schedule on a website that may be accessed by residents and local business-owners (e.g. Chamber of Commerce website, Town of Bar Harbor website, CruiseMaine.com, etc.). An email list should be established that serves local businesses in order to notify them of any changes to the schedule so that staffing requirements, store hours, and inventory may be adjusted

accordingly. This information should include the passenger and crew capacity, hours in port, type of cruise vessel and brand.

## **ES 2.7 Marketing Initiatives**

- **“EXPERIENCE THE TOWN OF BAR HARBOR” INFORMATION BROCHURE (■)**. Provide cruise passengers with a pamphlet illustrating visitor activities prior to arrival in Bar Harbor. This package would include information on local trails, maps, points of interest, local history, etc. Doing so helps to accommodate a more pleasurable destination experience for a cruise passenger, as well as equip the passenger with information that encourages a potential return visit.
- **CRUISELINE COMMUNICATION (■)**. Communicate to the cruise industry Bar Harbor’s [infrastructure] capabilities and requirements as a desired cruise destination. Items of this nature include Bar Harbor’s cruise season, sustainable cruise passenger traffic, explanation of fees and others to ensure further partnership opportunities.

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## 3.0 Town of Bar Harbor Cruise Facilities Assessment

### ES 3.1 Summary

This section provides an overview of the cruise line selection process for a port-of-call and a direct link to Bar Harbor's cruise operations. A discussion of the primary cruise port infrastructure, security review, and overall recommendations are presented. A summary is provided:

1. Cruise lines and their respective decision making groups—marketing and sales, marine operations, logistics, and finance—expend significant effort in evaluating a destination, and congruently, an itinerary to ensure it meets the various criteria established to differentiate their product offering and sell desirable and profitable cruise products.
2. For Bar Harbor the primary focus of cruise operations are shore excursion programs - the ability of passengers to be moved efficiently and effectively from the vessel to shore and a Ground Transportation Area that offers a safe and practical area for the movement of coaches and other forms of transportation is required. Secondary, is the movement and satisfaction of independent cruise visitors to the destination and their ability to spend a reasonable amount of time in the Town of Bar Harbor.
3. Bar Harbor offers a unique anchorage and tendering opportunity for a marquee destination. The two main anchorage positions offer relatively short (less than 15-minute) tender moves to the main downtown area. A private tender facility, one of very few in existence, provides the main reception area for Bar Harbor.
4. The Town of Bar Harbor is adequately monitoring the safety and security situation both from a landside and waterside perspective when cruise vessels are in port. This includes the monitoring of vessel tenders by the Harbormaster in terms of speed and wake creation that may disrupt small boats and rock docks within the marina. On the landside, local police are used to assist in securing safe passage for cruise passengers crossing from the tender landing to the GTA and uptown area. Overall, a Facility Security Plan is in place and the safety and security of the cruise vessel passenger is being adequately taken care of in Bar Harbor.
5. There are currently no large ship berths, thus some vessels bypass Bar Harbor as they do not want to conduct tender operations. However, this also provides a limiting factor on cruise tourism passenger throughput for Bar Harbor. Thus, growth is constrained to Bar Harbor, while also regulating cruise call and passenger levels in order to preserve the local tourism infrastructure and balance cruise and land-based tourism needs with the requirements of the Town of Bar Harbor community.
6. Based on operational and capacity issues we recommend imposing a daily cap on cruise tourism based on a range of total cruise passengers. This daily cap range should be assessed on an annual basis by the Town of Bar Harbor and adjusted accordingly to meet the needs of the industry based on vessel growth and seasonal expansion in the region.
7. Conducting a venue capacity analysis for all tourism entities in Bar Harbor is not part of this planning process, but as a baseline, further work should be conducted in order to establish

tourism venue use capacities and potential growth projections in order to establish overall strategic planning parameters for future tourism to the Town of Bar Harbor.

We recommend establishing a bundled fee package inclusive of a port or dockage fee; tour coach fee per operation; and security fee per operation. This will allow the Town of Bar Harbor to be paid more monies sooner in the billing process, allow the cruise lines to better manage their budget and provide the tour operator with a fee simple billing process.

Based upon the requirements for selecting a port-of-call and cruise line stakeholder interviews, we have provided a matrix for consideration by Bar Harbor in terms of strengths within a core group of factors.

**Bar Harbor Attractiveness vs. Selection Criteria**

Source: B&A 2006

Criteria	Placement
<i>Marine Conditions and Access</i>	
Marine conditions	■
Channel access	↑
Channel depths	■
Tidal conditions	■
<i>Cruise Facilities</i>	
Large vessel berths	↓
Anchorage	■ / ↑
Scheduling and operations	■ / ↑
Ground transportation area	■ / ↓
Security	■ / ↑
Tender operations	■ / ↑
<i>Supporting Cruise Infrastructure</i>	
Landside mobility	■ / ↓
Attractions and venues	↑
Shore excursion providers	■ / ↑
Cruise port charges	■ / ↓
Other operational charges	↓
Regulatory issues	■
Environmental issues	■
Regional and local marketing	■ / ↓
Intangibles	↑
Key: Strong (↑), Fair (■), Weak (↓)	

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## 4.0 Cruise Tourism Operations

### ES 4.1 Summary

After review of Ground Transportation Area (GTA) operations, we have provided observations that may assist to regulate the movement of pedestrian and vehicular activity in and around the Town Pier and downtown area, including discussion(s) on the transportation conditions and recommendations as they relate to Town Pier vehicular traffic, and movement of cruise passengers around Town Pier and Harbor Place. Following a look at the existing conditions and typical passenger experience in the realm of vehicular and pedestrian activity, challenges and recommendations are assessed, followed by future development considerations.

### ES 4.2 Existing Conditions and Passenger Movement

This section illustrates the present conditions regarding cruise passenger flow for one-ship and two-ship days. Presently, the Town of Bar Harbor has limited itself to a daily capacity of two cruise ships. This equates to an estimated one-ship capacity day of 2,600- to 3,200-passengers, or a two-ship capacity day of roughly 5,200- to 6,400-passengers. It is noted that the Town of Bar Harbor should impose a daily cap not on the number of ships that visit, but rather by total passenger capacity. On peak cruise activity days, there are roughly 51 tour coach departures, which equate to 102 coach movements (i.e. departures and returns). Staggered arrival of coaches to the loading areas is crucial to maintain a smooth flow of passengers – this is carried out well by the tour operators. There is room for improvement, however, in the coordination between the ship staff, cruise tour operators, and independent tour operations.

### ES 4.3 Challenges & Recommendations/Options

There are a number of challenges and opportunities that relate to operational improvements, infrastructure enhancements, capital improvements, and traffic regulations that can assist in better controlling pedestrian and vehicular movement. This section addresses these issues, inclusive of community and stakeholder concerns. We have identified specific areas of concern that should be addressed in order to accommodate best management practices for pedestrian and vehicular traffic. These areas include the Intersection of Main Street & West Street; Passenger Waiting and Tour Coach Loading Area; Agamont Lane Tour Coach Loading Area; and, Main Street Restaurant/Retail venues. In addition, specific elements of our recommended GTA operational plan include:

- Restricted parking along Agamont Lane;
- Pedestrian-only zone in front of Harbor Place;
- Restricted parallel parking along Main Street across from tour coach loading area; and,
- Proposed embarkation area adjacent to the passenger waiting zone.

### ES 4.4 Transportation and Development Considerations

This section considers potential future development as it relates to the Town of Bar Harbor's ongoing Comprehensive Plan efforts; a more in-depth look at vehicular movement in the form of a focused traffic study; pier development at Harborside Resort; more efficient usage of the Village Green (and how it affects the Main Street retail corridor); as well as the potential use of the proposed Acadia Gateway Center for both cruise-related and independent tour coaches.

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## 5.0 Environmental Review

### ES 5.1 Summary

The purpose of the environmental review was to identify applicable rules/regulations and outline best management practices that fulfill the environmental regulatory obligations specifically related to the cruise industry as they relate to Bar Harbor. This entails addressing the applicable regulatory requirements and best management practices for air and water, and the recommended guidelines should be considered an overview of general issues/impacts and should not be considered a surrogate for an Environmental Impact Assessment (EIA).

Recommendations include monitoring wastewater discharge from docking vessels and overall water quality to help in sustaining acceptable standards dictated by the appropriate rules, regulations, and publications applicable to Bar Harbor operations. Increases on local solid waste and recycling vendors (due to docking vessels), and additional visitors onshore will likely produce an increase in solid waste and solid waste management services. A demand for ash trays, litter bins and recycle bins would be anticipated throughout Bar Harbor to ensure efficient and sanitary means for solid waste disposal. Similarly, incorporating the inherently recommended air emission reducing elements for land-based operations into Bar Harbor's future development as a tourism destination will assist in maintaining Bar Harbor's environmental health.

As part of the Plan's overall recommended guidelines, it is equally important to continue to monitor the various local and regional environmental indicators (e.g. wastewater management, air quality & emissions, maintained presence of diverse marine life, etc.) – standard for any coastal community that experiences a yearly influx of cruise ships and visitors. The cruise line industry is continually trying to work with federal, state and local government on this issue. Bar Harbor is in a unique position to have an independently established environmental monitoring program of the cruise industry. Monitoring is an important part of the overall system of checks and balances and one which the cruise industry has encouraged.

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## 6.0 Town of Bar Harbor Cruise Market

### ES 6.1 Summary

This section analyzes the current situation for Bar Harbor in terms of cruise tourism operations and looks at the cruise sub-regions and itinerary patterns directly relevant and impacting Bar Harbor cruise operations. Each is discussed in terms of the characteristics of vessel deployment, passenger demographics and volumes, leading regional operators and itinerary composition, as well as presents the relevance to each for present and future operations in Bar Harbor.

1. Selection of a model design vessel(s) dictates a programmatic response for Bar Harbor, one that will allow the destination to meet industry needs, maintain competitiveness in the region, and plan port-of-call operations as deemed viable and within best practices policies established by the Town of Bar Harbor in order to be a marquee cruise tourism destination;
2. In 2006 the Town of Bar Harbor hosted approximately 108,000-cruise passengers on 82 sailings, a 7.3% increase over the previous year. Over the past five years overall growth has been limited in Bar Harbor due to a combination of leveling in the region and an artificial cap on cruise calls established by the Town of Bar Harbor during the period;
3. As presented above, Bar Harbor's strength in terms of strategic fit is to serve primarily as a port-of-call for the regional Canada & New England deployment patterns. As a port-of-call, Canada & New England (all durations) and Atlantic Coast small ship sailings have a strong appeal given present cruise line deployment strategies;
4. In general, Bar Harbor fits into most of the cruise sectors given its geographic location and visitor-appeal. Bar Harbor competes directly with Portland, Maine and Saint John, New Brunswick for cruise traffic on the Canada & New England itinerary patterns. However, due to the value of Bar Harbor - in conjunction with the length of cruise and geographic placement - most ports in the region can be viewed as complementary ports with each benefiting due to their influence on the overall marketing value of the itinerary pattern.

Currently, the Town of Bar Harbor limits conventional cruise calls to two ships per day in consideration of the overall tourism elements of Bar Harbor and surrounds. Based on our cruise line interviews this limitation has forced lines to either adjust itineraries to call in Bar Harbor on alternative days or it has prompted cruise lines to bypass Bar Harbor in favor of alternative ports in the region. This capacity limit is evident in the flattening of growth as illustrated in the cruise passenger throughput, cruise calls and passengers per ship. This limit may discourage larger vessels in the region from placing Bar Harbor on its itinerary patterns. In addition, the lack of berthing facilities also provides a limiting factor for larger ships as it is difficult to conduct tender operations for some of these ships.

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## 7.0 Projection of Cruise Growth Opportunities for the Town of Bar Harbor and Demand

### ES 7.1 Summary

This chapter examines the potential future cruise passenger and vessel throughput for Bar Harbor based on our current knowledge of the region overall and historical data collected during the study. This projection base can assist the Town of Bar Harbor in determining future requirements for physical infrastructure in relation to anchorages, tendering, berth requirements, ground transportation and supporting upland tourism infrastructure. Based on an assessment on the total anchorages/berths required to support cruise operations, a total of necessary accommodations for Bar Harbor can be established over the long-term.

1. Conventional cruise passenger volumes under the Approach A<sup>1</sup> - Natural Growth scenario are envisioned to increase to between 125,226 (low) and 139,410 (high) passengers by 2020. Similarly, vessel calls are forecasted to be between 67 (low) and 75 (high) calls in 2020. The actual drop in passenger calls is based on the continued deployment of larger vessels into the region, increasing to a capacity of approximately 1,865-passenger per ship in 2020;
2. Under Approach B, cruise passenger throughput expands from approximately 108,000 passengers in 2006 to between 144,069 (low) and 186,244 (high) passengers by 2020. Cruise calls reach between 77 (low) to 100 (high) in 2020;
3. Under Approach C, cruise passenger throughput expands to between 182,958 (low) and 212,990 (high) passengers by 2020. Cruises increase to 98 (low) to 114 (high) based on our projection models;
4. As the size of the vessel's passenger capacity grows over the study period, a limiting factor on cruise calls or passengers will eventually prohibit and restrict growth. This will cap Bar Harbor's overall growth at approximately 215,000-passengers based on capping the season to fall months only (approx. 60-day season);
5. Bar Harbor is a significantly different port-of-call with a distinct seasonality for both cruise and land-based tourism. To a great degree the success of Bar Harbor is very much linked to this identity. Changing cruise patterns that may predominantly utilize Bar Harbor during the peak summer months for land-based tourism may provide a negative impact on the destination overall and may provide for a limited cruise guest satisfaction over time if expansion of upland and tourism infrastructure is not incorporated to meet demand; and,
6. Regional cruise growth and Bar Harbor cruise expansion offer some level of social and economic opportunities. However, Bar Harbor must determine to what extent they wish to support each facet of tourism using the limited infrastructure available within Bar Harbor and its surrounds.

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<sup>1</sup> Approaches A, B, & C Growth Scenarios refer to those further discussed within the report (and graphically illustrated throughout the chapter).

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## 8.0 Cruise Related Capital Costs and Revenues

### ES 8.1 Summary

Within this section a series of budgets for the Town of Bar Harbor cruise operations as presented based on the most likely future cruise vessel growth scenarios. Additionally, capital costs and program are included for the Nova Scotia Ferry site in terms of a potential future pier development opportunity, if deemed viable by the Town of Bar Harbor at a later time.

### ES 8.2 Cruise related revenue models

Overall, gross revenues range from \$938,176 in 2020 under the A MID projection (LOW) to \$1,382,081 in 2020 under the C MID range (HIGH). Overall, direct cruise revenues to the Town of Bar Harbor are minimal based on the current fee structure; and the use of private tender facilities that do not allow for additional passenger fee revenues. With the recommended Port Development Fee proposal revenues overall increase significantly over time and produce in the range of \$2.8 to \$4.0 million over the 14-year time period allowing for an implementation in 2007.

The addition of the Port Development Fee to the overall fee structure for the Town of Bar Harbor not only provides for additional revenues to the Town of Bar Harbor, but more importantly a pool of funds can be created and allocated to those infrastructure projects affected by cruise tourism. A more in depth analysis must be conducted by the Town of Bar Harbor to itemize those projects that are candidates for this type of fund. This process should be done by the Town in conjunction with local stakeholders, State of Maine and the cruise line industry. We do not imply through this additional fund that current fee levels are not appropriate. Instead, we are creating a fund mechanism for future cruise infrastructure projects that would, if not earmarked early in the process, likely either cause large financial impacts to the Town or affect the cruise line industry negatively over time in terms of both port charges and passenger satisfaction.

### ES 8.3 Nova Scotia pier overview and capital cost estimates

Development of any pier structure is a costly endeavor. Total anticipated construction and development costs sum to \$29 million (insurance, bonding and other requirements associated with general conditions, allowances, contingencies, local contracting, permitting, security, marine construction conditions and other costs are not included). In this particular case there is a limited return on investment due to the overall direct revenues it would potentially produce over a 20 to 30-year period for cruise operations. Further, development of a cruise pier at the Nova Scotia Ferry Terminal involves additional infrastructure costs, specifically with the development of shuttle operations to move passengers in/out of the Town of Bar Harbor, traffic signalization, and sidewalk, signage and other roadway improvements at the entrance to the terminal facility. Resulting economic impacts must be considered in determining the overall positive impacts in the community.

Generally, to design, finance and construct a pier of this nature is at least an 18-month to 2-year project. Based on our cruise projection models we do see a pattern of ships bypassing Bar Harbor in some small numbers presently due to the lack of cruise pier facilities. However, we cannot currently determine the overall future impacts on the growth of Bar Harbor if a pier is not included although we do believe this is minimal overall. Further analysis must be considered in this regard over time.

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## 9.0 Cruise Vessel Growth Trends

### ES 9.1 Summary

Within this chapter cruise vessel growth trends and the relevant physical requirements of cruise facilities to meet the needs and expectations of the cruise vessel, operator and passenger are presented. This chapter specifically illustrates the requirements of the industry relevant to the construction and deployment of cruise vessels into the worldwide cruise market and Canada & New England in general.

1. In February 2006 Royal Caribbean International announced an order for the next generation of cruise vessel – Project Genesis - for delivery in fall 2009. As of September 2006 NCL contracted with Aker Yards to build two new 150,000-GT, 325-meter LOA cruise vessels capable of accommodating more than 6,400-passengers and crew. The vessels are scheduled for delivery in 2009 and 2010.
2. Four small ships have also been ordered in 2006 for the first time in more than five years – since the advent of American Classic Voyages. Pearl Seas Cruises have ordered two ships being built at Irving Shipbuilding in Atlantic Canada. These vessels ranging from 166 to 214-passengers are tentatively scheduled to be deployed along the Eastern Seaboard. For Bar Harbor this could provide additional small ship deployments for Canada & New England.
3. The evolution of the cruise vessel has been one of the principal mechanisms propelling industry growth. Over the past five years, the newest and most popular generation of vessels continues to have greater volumes and lengths to accommodate the area needed for large scale outside cabin development. These vessels range in length from 965 – 1,200 feet and have lower berth passenger complements of between 1,950 and 3,600.
4. For Bar Harbor, the net result of the cruise vessel development trends is that current and future anchorage, new pier facilities, tendering facilities and uplands areas will need to be able to accommodate these large cruise vessels for the destination to remain competitive in the regional marketplace and be able to fully accommodate the future generation cruise vessels' service requirements. This will include the ability to offer industry operators facilities and venues capable of accommodating a passenger complement upwards of 3,000 – 6,000 persons per vessel.

Selection of a model design vessel(s) dictates a programmatic response for Bar Harbor, one that will allow the destination to meet industry needs, maintain competitiveness in the region, and plan port-of-call operations as deemed viable and within best practices policies established by the Town of Bar Harbor in order to be a marquee cruise tourism destination.

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# 10.0 Appendices

## ES 10.1 Worldwide Cruise Market

This section analyzes the major trends prevalent for the worldwide cruise industry. Included is a summary that delineates the major issues that shape the current global cruise industry.

## ES 10.2 Satisfaction Benchmarking

This chapter provides a brief summary of potential efforts the Town of Bar Harbor could consider from a benchmarking aspect. This is inclusive of economic and operational benchmarking approaches. As an example, it will help to address issues such as:

1. **Assessing Economic Impact.** Spending patterns, total dollars, revenue flow, local business impact(s), direct and indirect affects of visitor spending.
  - *Economic Impact Survey:* Survey questions that address *Economic Impact* issues should be incorporated into both the *Visitor* and *Residents* surveys. Questions should target local retailers and restaurants, tour operators, cruise passengers and land-based visitors, and residents. Questions aim to assess to overall economic impact with regard to average passenger spending, local business dependence, and visitor demographic.
2. **Assessing Visitor Satisfaction.** A survey covering the territory more conducive to those elements required for meeting the needs and expectations of the cruise ship and land-based visitor. These include both port-related services and tourism infrastructure.
  - *Visitor Survey:* This survey would be distributed via personnel in a port-of-call scenario to be done either through the utilization of survey takers or via direct input and return from each passenger selected. Only a small percentage of each cruise line would be targeted. The cruise line and ship should always be advised, provide approval and be involved in the survey process.
3. **Determining Resident Attitudes.** A survey to assist in the assessment of the community's perception of and attitudes towards the development of Bar Harbor as a cruise destination, and to better gauge community support for potential future projects.
  - *Resident Survey:* This survey should be geared towards assisting in the assessment of the community's perception of and attitudes towards the development of Bar Harbor as a cruise destination, and to better gauge community support for potential future projects. Residents may further assist Bar Harbor in identifying those items of need and defining more specific timelines for the implementation of these hardware/software infrastructure and service programs.

## ES 10.3 Terminology Used in the Study

Several definitions, cruise industry terms and acronyms used throughout this report may not be familiar to the reader. We define several of these terms.