LINKING CRUISE TOURISM TO URBAN REGENERATION

THE CTUR PROJECT AND BEYOND

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What kind of policies can cityports implement in order to link urban regeneration goals to the cruise tourism growth potential, with special reference to cities endowed with important historical areas? This is the key question behind the CTUR project (Cruise Traffic and Urban Regeneration), which involves eleven European cities that are quite different from each other (Alicante, Dublin, Helsinki, Istanbul, Matosinhos, Naples, Rhodes, Rostock, Valencia, Varna and Trieste), and is coordinated by Naples’ City Council. CTUR’s goal is to maximize the positive effects of a tourist market segment that is showing strong growth dynamics - even during the present economic downturn - by having the various stakeholders (starting from the respective “city” and “port” authorities) work together.

Linking cruise tourism to urban regeneration enables cities to ensure that cruise lines do not just simply touch and take advantage of urban communities, thereby generating limited and transitory economic impact. The aim is rather that new growth opportunities can be created through developing the relationship between city, port and tourism in every aspect and in this way contributing to a “real” urban regeneration, with special (yet not exclusive) reference to port areas. In a genuine regeneration programme the factors at stake should concern residential facilities, housing and public space quality, urban communities, human resources as well as employment, education and professional training.

Cruises and urban regeneration: looking for the link

The answer to the question of how it is possible to actually develop potential relations between cruise tourism and a “real” regeneration is neither straightforward nor mundane. The relation between regeneration and cruise tourism can work in two ways:
- when the growth of cruise tourism automatically determines regeneration effects in some parts of the city-port or when it becomes the main driver for regeneration measures;
- when an urban regeneration process triggers, among other things, the growth of the local cruise tourist flow.

Which conditions should be analysed in order to determine which approach should be used
to bring about the greatest regeneration impact (i.e. comprising the environmental, physical, social, cultural and economic levels)?

On the basis of the experiences made by CTUR cities and other locations, the prevailing policies can be ascribed to some basic approaches that can be implemented separately or in an adequate mix:

a) policies based on terminal facilities; b) policies based on a regeneration plan for a neighbourhood; c) policies based on education and up-skilling to sustain the offer of services to cruise lines.

Which are the strengths and weaknesses, the risks and opportunities for each approach? CTUR’s experiences (cases studies and Local Action Plans – LAP) can help find the answer to these key questions.

A terminal-driven approach...

The choice of linking cruise tourism to regeneration goals starting from the creation of a new and attractive cruise terminal was made by many European (as well as non European) cities over the last few years. In practical terms, there can be great differences in the approach (and outcome) of the various cases, as some significant “Local Action Plans” put forward by CTUR cities show.

The Portuguese city of Matosinhos (15,000 cruise pax) has chosen to create a new terminal with great architectural visibility in a part of the waterfront that is now peripheral, but which is located not far away from the city’s historical core. The idea behind this is that the new terminal can help increase cruise passenger flows based on image and service quality, which has positive effects on the economy of the port area (e.g. restaurants) and helps at the same time to revive the surrounding area. The terminal is conceived as part of a multifunctional urban facility which also hosts university research laboratories and conference rooms that should attract working population and new activities to the area also in low season, thus sustaining the demand for commerce and refreshments.

Varna, located on the Black Sea, has decided to re-launch a completely abandoned area of its commercial port by creating a new modern and prestigious cruise terminal. Behind Varna’s goals there seems to be a dynamic based mainly on real estate development with the creation of new residential homes and buildings with services for yachting. The growth effects are expected to expand to the neighbourhood close to the port area and to generate a value increase that is likely to, at least to some extent, be fuelled by gentrification processes.

Helsinki (330,000 cruise pax) also believes that a new cruise terminal, to be located in a peripheral city area, can play an important role as attraction pole for the creation of a new multifunctional neighbourhood. Helsinki’s LAP does not focus on the terminal as such since only a provisional facility will be used, at least in the short term. As other cities, like Hamburg, have done, the main goal in the short term is to transform that area from a peripheral to a central position by attracting flows of people to an area where there is plenty of space – for example old port warehouses that will be converted into cultural and shopping centres – where new events inspired by the idea of a “creative city” can be organized (shows, spectacle etc.) and commercial activities for tourist and citizens can be set up. In due course, new and more far-reaching interventions for housing, work and leisure will be carried out.

...or rather an urban regeneration driven approach?

Other cities have opted for different strategies by trying to link regeneration to cruise tourism starting from the urban regeneration of a historical neighbourhood connected to the port area and by considering cruise tourism as one of the opportunities that enable regeneration effects to be increased.

Dublin (100,000 cruise pax) has implemented a far-reaching multifunctional recovery...
The aim is that new growth opportunities can be created through developing the relationship between city, port and tourism in every aspect and in this way contributing to a “real” urban regeneration, with special (yet not exclusive) reference to port areas.

In 1992, Alicante launched a successful regeneration project in Casco Antiguo (the historical centre behind the waterfront) that was based on the purchase of degraded private homes and on providing support to entrepreneurs, thus aligning strategy with various international EU programmes. The goal of attracting cruise tourism (360,000 cruise pax) had been pursued almost exclusively by Port Authorities for many years; large investments were made on the terminal located at the end of the port’s breakwater and results were only partially successful in terms of utilization of the available capacity. It was through the CTUR project that cruise tourism was recently reintegrated into the regeneration of the historical centre aiming to exploit the potential contribution of visitors to the newly restored historical centre. The key measure in this was identifying and highlighting a series of “theme itineraries for visitors” within Casco Antiguo. The routes are presented to visitors in a brand new, dedicated info-point that has a fine architectural style and is located right at the beginning of the historical area. Here it is highly visible and can be accessed by visitors who reach the waterfront from the cruise terminal.

Naples (1.2 million cruise pax) is evaluating a complex urban regeneration project in a historical neighbourhood close to the port that is still in a highly degraded condition, in spite of a first series of interventions (paving and street lighting). The pursued goal is directed at relaunching craftsmen’s activities in the area (extending goldsmiths and handmade fabric producers activity already operating in a nearby area). It is anticipated that, in the future, cruise passengers will be able to contribute to sustaining the economic and social regeneration effects as a result of their purchases. The pre-requisites for this project are the redesi-
The assessment of the direct and indirect impact of cruise activity on an urban region in terms of added value is neither easy to draw nor often available; assessing the impact of cruise passengers flows in the long run. Moreover, the size of the local cruise industry impact depends on the underlying structure of the local economy (sectors involved, interconnectivity of the local economy, etc.). Speaking of terminals, Klein maintains that “the situation is a classic buyers market with the cruise lines doing the buying; they are able to play ports off against one another…” This is reflected in the willingness of many ports to build new terminals (often advised, among the scholar, by consultants with close links to the cruise industry). However, terminals do not guarantee continued cruise business (redemplacements of cruise lines) (Klein, 2006).

According to some studies, the added value generated at a local level by cruise tourism is generally not so relevant and it depends mainly on passengers’ expenditures, especially when the tourist area involved is rather small and covers only a few streets, or when sufficient annual flow thresholds are not reached? What if opting for a multifunctional terminal open to the city proves not to work as hoped? What if the terminal’s features (for example, a some what peripheral location) are not appropriate for urban functions? Is there a potential conflict between citizens’ and cruise passengers’ needs? What if deciding that a new terminal, as driver for a wider real estate development or for a new urban pole, rather than the means through which typical far-reaching social regeneration goals will be achieved, brings about no useful effects or even negative effects on pre-existing conditions (for example, because some categories of users are excluded or expelled)? Much depends on the capability to choose the right approach for the actual situation and not be deluded into thinking that a cruise terminal is the goal (or the panacea) of urban policies, rather than the means – one out of many – through which cruise-oriented urban regeneration can be implemented. However, as was outlined above, not all cities focus on terminals. In Dublin, Alicante and Naples, regeneration strategies have been drawn up without a specific regard for cruise tourism – also in terms of decision-making. This is a positive element, because it means that they represent real regeneration efforts and not superficial attempts to make small urban zones close to cruise terminals more appealing. However, their effect is potentially substantial also for cruise tourism, because of the urban quality of the whole urban fabric in connection with the port (and not the “terminal” building!) is gaining more and more relevance as an attraction factor for cruise passengers. Furthermore in view of the fact that cruise tourism is increasingly catching on in new socio-economic and cultural segments, the city benefits from new visitor groups that prefer organizing their urban visits by themselves.

Other open issues regarding terminal policies concern primarily the regeneration aspect. For example, what urban regeneration effects can actually be obtained by relying mainly on passengers’ expenditures, especially when the tourist area involved is rather small and covers only a few streets, or when sufficient annual flow thresholds are not reached? What if opting for a multifunctional terminal open to the city proves not to work as hoped? What if the terminal’s features (for example, a somewhat peripheral location) are not appropriate for urban functions? Is there a potential conflict between citizens’ and cruise passengers’ needs? What if deciding that a new terminal, as driver for a wider real estate development or for a new urban pole, rather than the means through which typical far-reaching social regeneration goals will be achieved, brings about no useful effects or even negative effects on pre-existing conditions (for example, because some categories of users are excluded or expelled)? Much depends on the capability to choose the right approach for the actual situation and not be deluded into thinking that a cruise terminal is the goal (or the panacea) of urban policies, rather than the means – one out of many – through which cruise-oriented urban regeneration can be implemented.

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Comparing the models

In the LAPs drawn up by the cities of Mato-sinhos, Varna and Helsinki, terminal facilities represent the main driver that should trigger urban regeneration processes, albeit through very different mechanisms. However, some questions arise. Since building new terminals requires a huge amount of public funds, first of all it is essential to determine what role a new terminal can actually play in terms of maintaining or increasing cruise passengers flows in the long run. The assessment of the direct and indirect impact of cruise activity on an urban region in terms of added value is neither easy to draw up nor often available; assessing the impact induced by the location of a new cruise terminal is even more difficult. According to a number of studies, cruise tourism has a limited local economic impact and in many cases the balance of costs and benefits produced by terminals is questionable.

The fact is that a new and prestigious terminal does not necessarily make a cruise destination more attractive, as some recent European cases of “over-investment” show. A ter-

minal is really attractive if it meets the actual needs of cruise lines and of their passengers. A terminal is fundamental in the case of turn-round ports: it is the actual “entrance and exit door” of the whole cruise supply chain and the logistics involved in the arrival phase, in passengers reception, baggage management and cruise ship supply must work perfectly. However, for ports of call (disembar-

kation and embarkation during visits) it is not as important to have a big and prestigious terminal. It goes without saying that a pre-stigious terminal does not make a city a turn-

around port, for that requires a city to be a key candidate for cruise tourism, which implies having flight connections, motorways, good road connections and being an attractive tourist destination. These are no minor requirements.
On the other hand, it is important to evaluate the negative impact that an increased number of cruise passengers may have on regenerated areas: for example, the commercial offer can change (consider potential price increases or the predominance of the leisure function) or there can be an excess of passenger flows in specific areas. However, it is self-evident that including the “cruise factor” in a far-reaching regeneration plan is less risky than choosing strategies that revolve solely around a new terminal project - both in terms of negative impact and in respect of inefficient use of public funds.

**A social-focused approach as a “third way”? Cruise tourism, employment and education**

Focusing on a terminal, or rather on the regeneration of a city’s historical centre, are two possible points of departure. However, both of them show that policies linking cruise tourism to regeneration do not often concentrate on social goals like creating employment. Yet, it is possible to decide to sustain the development of a working community by supporting activities (and services in particular) connected to cruise tourism. In general, “Cruise tourism development facilitates the social and economic potential of cities through new jobs, old skills and new skills” (Geoghegan, 2010) and it is a fact that the kind of locally available skills and dedicated services represent a key factor for cruise lines when they choose their ports of call. Furthermore, as was mentioned before, most studies on the economic impact of cruise tourism agree that the most important effect that cruise tourism has on the urban economy is not determined by how much passengers spend for services, which is often not a great amount. It is rather the expenditures made by cruise lines for services on land and the level of structural integration of the local economy in the cruise lines’ supply chain (Klein, 2006) which generate most impact. Education is an essential factor in this employment-support perspective.

Naples’ project also includes “training opportunities for young people in a neighbourhood with a high level of youth unemployment” and puts forward the idea of a “Sea Training Pole” for both personnel on board and on land (on board chefs, dock workers, cruise liner crew, head stewards for ferries, tour escorts for cruise liners, hostesses and stewards for ferries and front desk operators).

Rostock, in a joint enterprise with the local university system, which is traditionally maritime-oriented, has already created a “cruise tourism skills training academy” in cooperation with the local university system, which is traditionally maritime-oriented, has already created its headquarters in Rostock. This initiative was launched in order to deal with an issue that is extremely important for a growing sector like cruise tourism: the gap between the skills of available personnel (starting from language skills) and the actual cruise lines’ needs.

**Making the right choice**

Selecting the right strategy is actually no random choice: it is self-evident that each city has specific features (in terms of urban context and cruise tourism potential) and paths, and the option that fits them best must be chosen accordingly. In fact, there are some general rules of thumb that indicate when each strategy is most effective.

The best choice for cities that have the real potential to strongly develop their roles as turnaround ports is probably to opt for a new urban terminal, provided the terminal can at the same time effectively sustain its “logistics role” (for example, by way of road connections or parking lots). This is not always easy in areas close to historical centres (Policy Research Corporation, 2009).

Pursuing strategies based on offering services and skills specific for cruise lines is easier if the city’s role as turnaround port is already well established, but this requires the service network to be well structured. For ports that cannot guarantee all the basic conditions (accessibility, catchment area, facilities, sound service supply background) required to become effective “logistics bases”, it is far more important to invest in urban regeneration, so integrating their tourist goals into a wider strategy rather than creating expensive terminals: if a city becomes attractive, cruise lines will still choose it as a port of call, and the risk of building “cathedrals in the dock-desert” will be avoided.

**Bibliography**

CTUR case studies:


**MORE INFORMATION**


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