

# **SPATIAL PLANNING FOR CRUISE TOURISM: MAXIMISING THE BENEFITS**

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## **Abstract**

Many port cities have encouraged tourism-related activities in recent decades as an alternative to port or shipping activities. There has also been a significant expansion of the global tourist cruise industry, with increased capacity in terms of ships, length of operating season, and area of coverage. Hence there has been consequent development of related infrastructure such as cruise passenger terminals in many cities. There are clear economic, social and environmental benefits which are linked to cruise tourism, arising for instance from the spending power that visitors bring, as well as the possibility for passenger terminals to act as a venue for a series of associated activities. However, problems may also arise from cruise tourism, for instance in terms of increased congestion and pollution, and damage to historic heritage; moreover, anticipated economic benefits are uncertain and vulnerable to external factors. In such a context, spatial planning can provide a means of maximising benefits and minimising associated problems.

## **Keywords**

Cruise, tourism, passenger, terminal, regeneration.

## **Introduction**

In recent decades there have been major shifts in the pattern of uses within port cities. Specifically, the technological development of port functions (arising from factors such as containerisation and transport technology) has led to a shifting of port uses away from historic dockland areas, with the development of specialised dockyards, container ports and distribution centres in peripheral areas of cities, served by new communications links. The result has been the creation of voids in many historic docks areas, which have compounded wider processes of economic and social decay. In many cities this has been exacerbated by the disconnection between such areas and central business districts, including retail and cultural uses.

The implication of the voids created as a result of the shifting of port functions away from historic docks areas has been the need for regeneration, and indeed such areas have often been seen as opportunities to 're-image' the city, provide new leisure and cultural uses, and restore linkages between the waterfront and the city centre. Hence new and innovative retail, residential, leisure and cultural uses have been created, often applying 'masterplanning' principles in relation for instance to integration of uses, and large-scale 'flagship' developments have frequently acted as a focus of such development partly to ensure the

maximum effects of 're-imaging'. Tourism and related uses have often formed an important part of regeneration schemes for port-cities, since they can provide an alternative to employment and income based on port or shipping activities, and can allow such cities (for instance in the Mediterranean region) to make use of advantages arising from location, climate and historic heritage. It is helpful in this respect that tourism as an activity is increasing in importance globally, relative to other economic activity, and cruise tourism – often a significant component of regeneration strategies for port cities – continues to grow faster than most other types of tourism activity.

### **The Cruise Industry**

There has been significant growth in this activity in recent decades, with expansion leading to increased capacity both in terms of ships and cruise passenger terminal facilities. There was significant expansion in the 1960s, as well as in the 1980s and 1990s when standardisation increased the capacity of cruise ships and passenger terminal facilities. The cruise market in the Mediterranean has been a particular focus for growth; this is the result of the diversity of the region, allowing innovative itineraries to be organised in a relatively small area, as well as improvements in security standards and port facilities such as passenger terminals. More recently, niche operators have exploited the changing image and appeal of cruise tourism, targeting a younger 'mass' consumer base, linked to more flexible travelling routes and seasons, and provision of a broader range of facilities and activities (both on- and off-ship). Hence there were around 1 million British cruise passenger tourists in 2004, and some forecasts suggest there will be 2 million by 2012.

The growth in the global cruise tourism industry has led to increased capacity in terms of ships (Capocaccia, 2001). Indeed, around £1 billion was invested in new, larger cruise ships by the world largest cruise firms in 2008; this included the new 160,000 tonne 'Independence of the Seas', for the Royal Caribbean International cruise company, which has a capacity of 3,600 passengers and contains facilities such as a climbing wall, an ice rink and a shopping mall. In addition, the P&O cruise operator has developed the 116,000 tonne 'Ventura' which has a capacity of 3,100 passengers. Furthermore, Royal Caribbean International's 'Project Genesis' involves a ship under construction, of 220,000 tonnes, with sixteen decks, able to carry 5,400 passengers, and with an internal park over 300 feet long. This is planned for completion in 2009 and will operate from Fort Lauderdale, Florida. It will be the largest cruise ship in the world.

Clearly, an important implication of this increased capacity in terms of cruise ships is the need for enhanced capacity in terms of cruise passenger terminals, which many cities have sought to develop in order to compete more effectively in the global market for cruise tourism, particularly where cities aspire to become 'home ports' (from where passengers start or end their journeys) since such cities may enjoy economic benefits in terms of tourism-related income.

### **Benefits**

Cruise (and other tourism) activity can offer significant benefits which can contribute to the achievement of regeneration outcomes for port-cities (McCarthy, 2003a; Kotval and Mullin, 2001), and this has caused cities to compete to develop terminal facilities so as to exploit such benefits (Millsbaugh, 2001). Specifically, economic benefits can include: increased visitor spending and job creation [including direct and indirect effects]; enhancement of the city's

image due in part to the cachet associated with cruise tourism (arising from associations with modernity, leisure and luxury); the attraction of new service industries in the wider port area linked to this change in image (Figueira de Sousa, 2001); the extension of the tourist or visitor 'season' with the increasing operation of year-round cruise tourism; and additional revenues from passenger terminals where these include other uses such as retail and leisure in addition to the terminals' primary function (Capocaccia, 2001), leading to a synergetic effect on the regeneration of the wider area (Bruttomesso, 2001).

There are also clear environmental benefits, for instance: the re-use of docks areas as 'brownfield' sites with particular advantages in terms of location (Millsbaugh, 2001), as well as the preservation of historic heritage where this can house new uses; more effective use mixing compared to the city as a whole, which can result from a 'master-planned' approach which prioritises integration of uses, with improved linkages between the waterfront and the city; more sustainable urban densities than many other parts of the city, arising from the possibility of incorporating relatively high residential densities; and an improved overall environment, particularly where resources and planning allow the best use of the visibility of the waterfront area, representing the city as a whole and acting as a gateway (for instance by applying high-quality iconic architecture as a feature and focus of regeneration). These factors reflect in part the potential of activities based on maritime transport to achieve sustainable development outcomes (Matvejevic, 2001).

In addition, social benefits of cruise tourism may include the potential use of 'planning gain' or community benefits, which are benefits funded by developers and designed to offset the potential negative impacts of the development. Such benefits could include for instance community facilities, environmental improvements and enhanced infrastructure, which could be of benefit to local communities as well as visitors. In addition, developments associated with cruise tourism, such as cruise passenger terminals, may allow greater access to the waterfront (for instance via public walkways) than was previously available, and this too can be enjoyed by local communities as well as visitors. There may also be other facilities that can be enjoyed by local communities within cruise-related developments, such as retail and leisure facilities. In addition, related tourism developments may enable local communities to 'reconnect' with historic port areas, particularly where interpretation techniques are used effectively, without compromising authenticity.

Moreover, the development of cruise terminals may involve 'planning gain' or community benefits which offset negative effects of such developments. This occurred in the case of Palma de Mallorca, where there was provision of a new road system, a new public walkway, and the handing-over to the municipality of the ownership and management of the seafront promenade (Triay, 2001).

### **Problems**

However, cruise tourism development (and other tourism development) in port-city waterfront areas may also involve costs or problems. For instance, much of the employment created may be seasonal, low-wage and low-skilled. In addition, the income (direct and indirect) derived from visitors may be small, particularly where visitors spend minimal time in the city. Such income is also vulnerable to global shifts in fashion as well as the effects of events in terms of perceived risk. Moreover, the economic impact of visiting cruise ships may be relatively small largely because competition amongst host ports leads to relatively small

fees for users, reducing the overall benefit to port-cities. In addition, on a broader level, it may be argued that the increasingly globalised pressures for cruise tourism may lead in the longer term to a homogenisation of the waterfront areas of port-cities, in the context of pressures for place branding which emphasise the need for local distinctiveness. Income from products sold on board ships may also accrue direct to ship owners, minimising benefits for host cities (Figueira de Sousa, 2001). Furthermore, tourism-related regeneration strategies for economic regeneration may create long-term vulnerability to external factors such as visitor numbers (Bianchini, 1993).

There may also be environmental costs deriving for instance from the inadequacy of infrastructure such as transport to cope with large numbers of cruise passengers. This may be particularly important for 'home' ports where passengers embark or disembark (sometimes with a throughput of over 10,000 passengers per day with more than one ship disembarking) (Capocaccia, 2001), resulting in congestion, and effects may be felt particularly in sensitive historic urban areas where heritage conservation is a key issue (Shaw, 2001). Such problems may even affect cities where cruise terminals are planned carefully in the context of the wider city (Martini, 2001). Congestion may be exacerbated by the (albeit decreasing) seasonality of cruise (and other) tourism (particularly in Mediterranean ports, which lack space in comparison to those in northern Europe for instance) although efficient scheduling of cruise traffic can seek to minimise this.

Other issues include environmental pollution arising from noise and reduced air, ground and water quality as well as loss of natural habitats (Matvegevic, 2001). Air pollution may derive from sulphur-rich exhaust fumes, and water pollution may derive from the waste from cruise ships, comprising for instance waste water, sewage and oil-contaminated water. The United Nations has indicated that passengers on a typical cruise ship account for 3.5 kg of garbage daily, and it argues that since most regulations concerning pollution were developed prior to the development of cruise tourism, there are many loopholes and exemptions within the regulations which result in significant pollution effects, though these may be related to the passage of ships through open seas rather than within port cities. There may also be loss of natural habitats.

In addition, social costs may derive from increased crime and anti-social behaviour in some contexts, as well as a broader decrease in the quality of life for local communities, linked to environmental effects such as congestion. There may also be a degree of marginalisation or even displacement of local communities as a result of the gentrification effects of prestige waterfront development which may result from tourism development.

### **Examples**

Malta presents an interesting case of cruise passenger terminal development since the country has become increasingly dependent on tourism, but it also has an extremely valuable historic heritage, particularly in the Grand Harbour area of Valletta, where the new cruise terminal is sited (the Grand Harbour is also a World Heritage Site) (McCarthy, 2003b). Hence there have been some tensions between the need for tourism development and protection of historic heritage. The area for the cruise passenger terminal in Valletta was identified in the city's strategic spatial plan, and a development brief was prepared for the scheme. Part of the area selected for the scheme was of great value in terms of historic heritage, comprising seventeenth century stores as well as historic bastions, though many of the buildings were in a

state of decay, and other parts of the area were vacant and derelict and used for car parking and port-related storage. Partly due to the requirements of the development brief, the scheme includes a new-build cruise passenger terminal, a new retail complex, and a range of leisure and recreation uses with new bars and restaurants on the waterfront.

Elements of good practice include the emphasis on high quality design which is carefully integrated into the site, adaptive re-use (or re-creation) of historic buildings, new landscaped areas and a new walkway along the waterfront. However, there were several problems with respect to the Valletta terminal development. For instance, while there is a range of uses as required in the Development Brief (Maltese Planning Authority, 1998), this does not include residential uses (as set out in the Grand Harbour Local Plan) which form a desirable component within such schemes (Brutomesso, 2001b). In addition, it may be argued that, in terms of regeneration benefits, the uses incorporated within the scheme cater primarily for visitors rather than local people – as indicated for instance by the restaurant and associated uses in the scheme. This reflects wider concerns of waterfront regeneration in port cities (Hayuth and Hilling, 1992; McCarthy, 1995; 1998). Moreover, in terms of integration with the surrounding area, it may be argued that the scheme does not provide sufficient linkage between the waterfront and the city centre, largely as a consequence of the problem of the change in level from the waterfront to the city centre. In overall terms, the scheme is therefore likely to result in increased congestion affecting a designated Urban Conservation Area and surrounding areas of sensitive heritage quality. Furthermore, the visual impact of the scheme may detract from the unique historical context as reflected by the Structure Plan (Maltese Planning Authority, 1990) and this could ultimately erode the area's distinctiveness which is critical for its wider tourism function (Chapman, 2000). Finally, the scheme does not appear to have involved inclusive partnership, perhaps in part because of the priority for national economic regeneration and the possible limitations of the Maltese development planning system in encouraging community benefits (Constantinides, 2001).

Other European examples include a new cruise passenger terminal in Amsterdam, which shows innovation in design and highly-developed transport infrastructure to minimise congestion (but with problems in terms of lack of public access to the adjacent waterfront because of heightened security concerns). In addition, the case of a terminal development in Genoa illustrates the use of a detailed masterplan with a resulting high level of integration of uses. Here, the scheme allows year-round operation, combining passenger services with commercial and other tourism-based activities, and helping to link the port and the city (Matvejevic, 2001).

### **Critical analysis**

The case of Valletta illustrates the difficulty of balancing the need for cruise tourism and cruise terminal-related development with environmental protection. Clearly, the cruise terminal here has the potential to help exploit growing international demand for cruise tourism, and to promote Malta as a Mediterranean hub for passenger vessels. As a consequence, the Development Brief for the cruise terminal site states that 'Given its strategic geographic location, and the importance of tourism to its economy, Malta *cannot afford to miss* the opportunity to capitalise on this trend' (Maltese Planning Authority, 1998, 4, *emphasis added*). This is certainly understandable given that around 25% of Malta's economic activity is dependent upon tourism-related activities. Moreover, the terminal was intended to enhance the international image of Malta by providing an important landmark.

Nevertheless, it is equally clear that the scheme is problematic in some respects, for instance in terms of its effect on local heritage and amenity.

The case of Valletta and others therefore show the need for spatial planning to manage the potential conflicts between tourism and related development and heritage or amenity interests, and to take account of such conflicts in decision-making for the strategic regeneration of city-port waterfront areas. Such decision-making should involve a wide range of interests including local communities, so that appropriate community benefits are included. It should seek to ensure that development schemes involving tourism-related activities include appropriately-integrated uses, and that schemes are integrated with the wider city, with adequate provision of transport infrastructure. It can also assist in ensuring that the distinctiveness of the area is maintained, which is necessary to ensure its long-term attraction for tourists and visitors.

Moreover, with relevance to the development of cruise passenger terminals – clearly an important physical effect of the expansion of cruise tourism – there would seem to be a need for clearer and more careful regulation of the process of development and expansion of such terminals, taking account of all potential impacts. In fact an analogy may be suggested here in terms of the process of ‘containerisation’. Like the expansion of cruise tourism, this led to significant changes in the way that (commercial) ports operated; while there were major associated benefits including wealth creation, there were also significant associated problems including congestion and adverse environmental impacts (Bruttomesso, 2001a), which the regulatory infrastructure was often slow to respond to. In such circumstances, areas of heritage value (for instance within historic port cities) are likely to be particularly vulnerable (Marshall, 2001b).

One potential means of evaluating the potential effects of cruise passenger terminals – as a key component of cruise tourism promotion – could be by the application of generic criteria to ascertain the potential contribution of such development schemes to broader regeneration outcomes. Such criteria could include for instance: internal functional integration of an appropriate mix of land uses, including re-use of historic buildings where appropriate; integration with the surrounding area, particularly the city centre; regeneration effects on the city as a whole; and inclusive partnership in the development of the scheme. These are based on case studies of waterfront development in practice (McCarthy, 1996, 1998), and they reflect a degree of consensus that on good practice in waterfront development/regeneration. For instance, Bruttomesso (2001b) stresses the desirability of a mix of a plurality of functions and activities; Rogers and Power (2000) highlight the need for adaptive re-use of historic buildings; Marshall (2001a) shows the importance of linking the scheme with the surrounding area; Tunbridge and Ashworth (1992) show the need to ensure linkage of leisure and tourism-related uses to others in the area; Van der Knaap and Pinder (1992) suggest the need to ensure linkage with city centre uses; Burwood and Roberts (2002) indicate the importance of broadly-based, inclusive and equitable partnership; and Jauhiainen (1995) highlights the need for community involvement.

In addition, in terms of specific mechanisms in spatial planning, it may be argued that greater certainty within spatial planning might have been helpful; in this context, Home (1997) suggests that Malta’s spatial planning system may compromise aims for environmental quality by its use of discretion (Home, 1997). It may be suggested that a ‘master plan’

approach, incorporating a clear and specific vision for the Valletta waterfront, could have assisted in providing a more useful framework for development than that afforded by statutory plans. In the case of Genoa, for instance, such a master plan provided a design vision for the area incorporating the proposed cruise passenger terminal.

## Conclusions

Tourism and associated uses, often based on the cruise industry, are increasingly being encouraged in many cities. However, there is an evident trade-off between benefits and problems in this respect. The case of the Valletta Waterfront Project crystallises both the tensions between economic and environmental aims within such cities, and the potential of spatial planning processes and mechanisms to assist in addressing such tensions. In particular, these can assist in ensuring adequate infrastructure, appropriate mixing and integration of uses, provision of appropriate community benefits, and maintenance of distinctiveness. Nevertheless the performance of spatial planning in this respect can be enhanced by the use of master planning techniques and clearer frameworks to allow comparison of benefits and problems, informing the trade-off between economic and environmental aims. This can assist in maximising sustainable regeneration benefits for the city as a whole.

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