



**Worcester  
Municipal  
Research  
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# **PROPOSALS FOR PROMOTING ECONOMIC DEVELOPMENT IN WORCESTER**

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## **Executive Summary**

The recent changes in the way Worcester's municipal economic development functions are organized present an opportunity to improve accountability and program coordination within and between the municipal agencies involved in economic development. In order to take full advantage of this realignment to promote increased investment and quality job creation in Worcester, the Research Bureau offers the following proposals which are based on an analysis of the successful experiences of other similarly sized cities throughout the U.S. :

- Since the quality and availability of the local labor force are reportedly the most important factors bearing on business location decisions, detailed information on the Worcester area labor force should be made readily available to prospective investors and other interested parties on the City's website.
- The City's Development Office and the Worcester Area Chamber of Commerce should work together to develop a comprehensive measure of the cost of doing business in Worcester. This measure should include the cost of labor, energy, utilities, land, and taxation.
- The City's Development Office should use this labor market and cost of doing business data to develop a targeted business recruitment strategy which identifies industries and firms for recruitment based on the ability of the local labor market to supply these enterprises with the skilled employees they need.
- The City should offer more assistance in obtaining and training workers to make Worcester more attractive to potential investors and employers seeking sites for their businesses. Consistent with this approach and the newly enacted Workforce Investment Act (WIA), the City Manager's Office of Employment and Training (CMOET) should shift its mission from directly providing workforce development services to facilitating the delivery of these services by local colleges, universities and community-based organizations. This will allow universal access to workforce development services previously only available to low-income and dislocated workers.

- Worcester should collaborate rather than compete with its suburban neighbors for new business investment and work with them to attract the kind of economic growth that is appropriate for each municipality in the region. Essential to the success of this collaboration will be the development of a common regional identity, support of a regional marketing campaign, and the active involvement of existing regional organizations including, Municipalities Organized for Regional Effectiveness (MORE), the Central Massachusetts Regional Planning Commission, and the Worcester Area Chamber of Commerce.
- To facilitate the implementation of the City's economic development goals, the City Manager should establish measurable performance targets that specify in detail what level of economic investment and quality job creation is expected within a reasonable time frame.

## **I. Introduction**

Recently the City Manager brought about an organizational realignment of the City's economic development functions. This realignment places the Chief Development Officer in charge of the Development Office, the Office of Planning and Community Development (OPCD), and, as of September 1, the Worcester Redevelopment Authority (WRA). Centralizing the control of Worcester's economic development activities under a single department head has long been recommended by the Research Bureau. (See Report #95-1, "Competing for Economic Development: What Can Worcester Do?" and Report #88-1, "Whither Worcester: Planning The City's Future.") However, while this realignment should promote accountability and program coordination, it will not suffice by itself to promote economic development. For that to occur a comprehensive plan of action will be required.

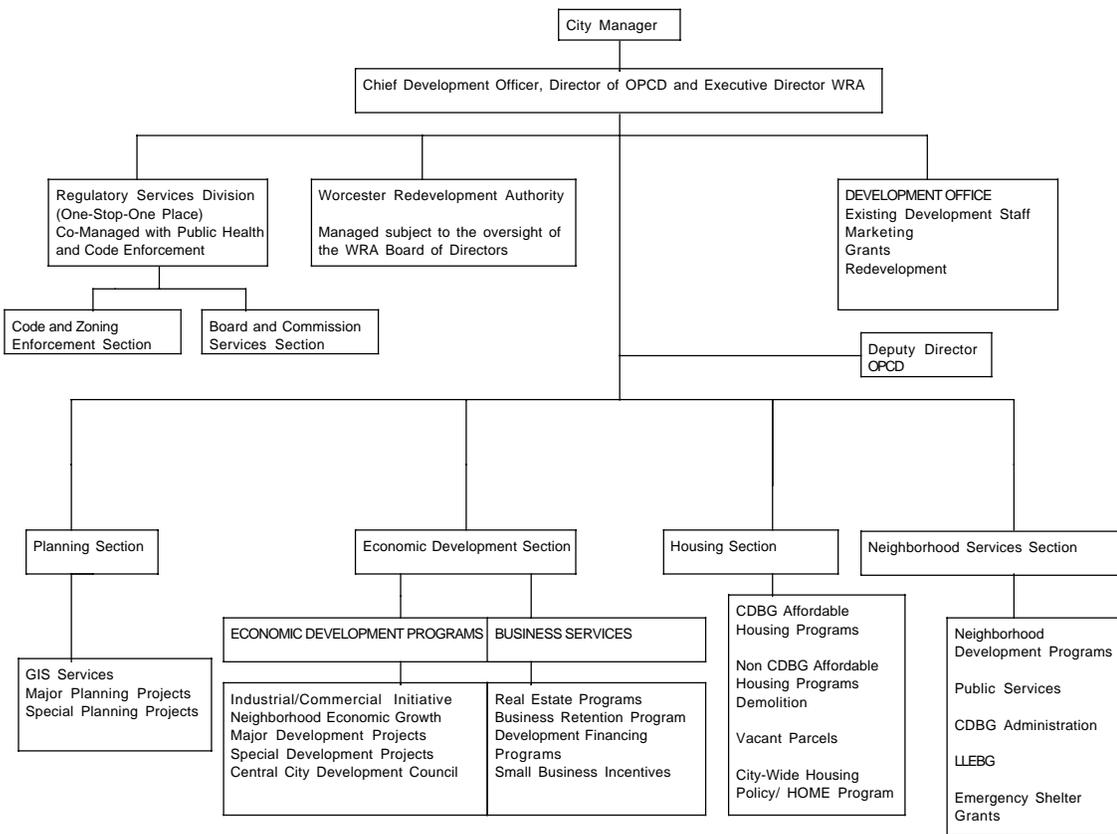
In recent years several plans and vision statements have been developed to serve as comprehensive plans for economic development in Worcester. Notable among these have been the Worcester Partnership for Progress Plan which was developed by the Development Office as a citywide planning document, and the Centre City Development Committee's Vision Statement, which outlined a plan for revitalizing the downtown area. While both of these documents contain a number of program proposals and general goals, an action plan laying out in detail how these goals will be implemented is still needed. This report seeks to contribute to the formulation of such a plan by describing

the challenges facing Worcester's economic development team and by making a series of recommendations derived from the successful experiences of other similarly sized cities and regions across the U.S.

## II. Municipal Economic Development Operations: After the Realignment

Even with the recent organizational realignment of municipal economic development functions (see Figure 1), a number of different independent economic development agencies are currently operating in the Worcester area. These public and private-sector organizations have a common mission--to increase the municipal tax base and to create job opportunities in Worcester and the surrounding area.

**Figure 1 Post Realignment Organizational Chart**



Source: Office of the City Manager, City of Worcester  
Prepared by: Worcester Municipal Research Bureau

Within City Hall the two main municipal departments that are charged with promoting economic development are the Development Office and the Office of Planning and Community Development (OPCD).

The Development Office has as its mission to "coordinate and promote economic development in the City with a focus on broadening the tax base, expanding employment opportunities and revitalizing the downtown" (FY01 Budget). Led by the Chief Development Officer, the Development Office currently has an authorized staff of 11 (with several positions currently vacant), including the Director of Marketing. The proposed FY01 budget allocation for this department is \$558,267, with an additional \$390,000 of tax levy funding dedicated to the development of a comprehensive marketing campaign.

The Office of Planning and Community Development (OPCD) is a municipal department with a number of different missions, among them to promote economic development in Worcester and its neighborhoods. Until recently each member of the OPCD staff was assigned to one of eight units. These eight units were recently consolidated into four sections which report to the Chief Development Officer. These units are: Planning, Economic Development, Business Services, and Neighborhood Services. This consolidation has not affected staffing levels at OPCD, which retains an authorized staff of 40. The proposed FY01 budget allocation for OPCD is \$2.25 million, \$1.85 million of which is funded by federal grants.

The Development Office has also formed three advisory groups which are designed to help plan and implement the City's economic development agenda. The Worcester Economic Development Council (WEDC), the Centre City Development Council (CCDC), and the Development Council are each composed of representatives from Worcester's municipal government, non-profit, and private-sector communities and receive no funding from the municipal budget.

### **III. Where Worcester Stands**

The City has been quite successful in creating new jobs over the past several years (see figure 2). Since 1993 both the number of jobs located in the City and the number of jobs held by residents have increased at a rate greater than in most other cities of comparable size examined in this report. The City's consistently low unemployment rate (less than 4% for over two years) and the number of job vacancies suggests Worcester may not have access to enough potential employees to fill available positions, a real threat to the future economic growth of both the City and the region.

These data suggest that rather than directing its efforts simply towards the creation of new jobs, the City's emphasis should shift to improving the quality of the new jobs that will be created in coming years and investing the time and resources in workforce development in order to ensure that employers in Worcester and the surrounding region are able to staff these high-quality positions. Recommendations on how the City and region can best approach the issue of workforce development will be presented below.

**Figure 2**  
**Job Creation in Worcester and Other Comparably Sized Cities, 1993-1999**

	Number of Jobs Located in the City (in 000s)							1993-1999	
	1993	1994	1995	1996	1997	1998	1999	% Change	
Des Moines	244.3	252.8	261.9	267.5	270.9	279.1	284.1	16.29	
<b>WORCESTER</b>	206.0	211.6	213.2	216.8	222.9	228.9	230.9	<b>12.09</b>	
Chattanooga	209.5	214.4	217.1	219.8	219.6	221.1	228.6	9.12	
Springfield	236.8	238.7	242.3	245.3	250.9	253.7	257.8	8.87	
Providence	479.1	486.6	495.3	497.9	505.7	514.8	518.6	8.24	
Dayton-Springfield	443.0	455.2	465.7	467.7	474.8	477.5	478.5	8.01	
Bridgeport-Milford	175.7	178	178.9	179.8	184.3	186.3	187.1	6.49	
Hartford	585.5	586.5	584.5	590.2	597.8	603.9	612.0	4.53	

	Number of Jobs Held by Residents						(December) % Change	
	1993	1994	1995	1996	1997	1998	1999	1993-1999
<b>WORCESTER</b>	72,098	72,671	72,422	72,916	75,480	77,072	76,920	<b>6.69</b>
Des Moines	113,905	114,691	115,334	117,371	116,052	117,603	120,523	5.81
Providence	63,787	62,141	62,069	63,642	64,541	64,406	67,318	5.54
Chattanooga	69,373	72,343	71,501	72,533	69,809	70,814	72,091	3.92
Dayton	70,755	71,586	72,116	72,028	72,657	71,692	73,433	3.78
Springfield	59,990	59,128	59,673	59,776	61,529	61,510	62,028	3.40
Bridgeport	57,414	55,704	57,112	56,462	57,324	57,851	58,341	1.61
Hartford	50,166	47,474	50,361	49,910	50,066	50,336	50,725	1.11

Source: Bureau of Labor Statistics  
 Prepared by: Worcester Municipal Research Bureau

While jobs have been created at an impressive clip, the growth in the municipal tax base<sup>1</sup> remains sluggish (see figure 3); since 1994 it has grown by 3.1% (the value of the residential and commercial components of the City's tax base have grown 1.1% and

<sup>1</sup> In this report we use the terms total assessed value of taxable property and tax base interchangeably.

8.6%, respectively). In this same period total growth statewide has increased 16.6% (MA Department of Revenue, Division of Local Services).

**Figure 3**

<b>Worcester's Tax Base, 1994-1999 (in \$)</b>							<b>% Change</b>
	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>1994-1999</b>
<b>Residential</b>	3,782,764,451	3,735,033,581	3,558,694,296	3,594,289,675	3,738,099,065	3,822,618,640	<b>1.1</b>
<b>% of total</b>	72.4	71.6	70.9	70.8	71.1	70.9	
<b>Commercial</b>	1,443,324,505	1,478,645,300	1,461,798,400	1,480,245,800	1,520,837,900	1,566,927,700	<b>8.6</b>
<b>% of total</b>	27.6	28.4	29.1	29.2	28.9	29.1	
<b>Total</b>	<b>5,226,088,956</b>	<b>5,213,678,881</b>	<b>5,020,492,696</b>	<b>5,074,535,475</b>	<b>5,258,936,965</b>	<b>5,389,546,340</b>	<b>3.1</b>

Source: City Auditor's Comprehensive Annual Financial Report, June 30, 1999  
Prepared by: Worcester Municipal Research Bureau

The growth in Worcester's property tax base has also lagged behind that of several comparably sized cities examined in this report, including Fort Wayne, Chattanooga, Dayton, Des Moines, and Bridgeport. While Worcester has managed to grow more rapidly than Providence, Springfield and Hartford, other regional competitors (notably Boston, Westborough, Marlborough, and Leominster) have grown more rapidly (see figure 4).

**Figure 4**

<b>Total Assessed Value of Taxable Property (in \$)</b>							<b>% Change</b>
	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>1994-1999</b>
Westborough	1,212,592,769	1,244,775,474	1,288,379,237	1,461,866,077	1,520,869,547	1,679,674,416	38.5
Boston	26,765,152,500	28,115,695,000	29,374,464,300	30,988,609,800	33,762,902,300	36,050,449,100	34.7
Fort Wayne	1,339,875,210	1,341,957,173	1,551,795,557	1,571,566,717	1,587,789,669	1,676,552,465	25.1
Marlborough	1,939,098,610	1,901,568,712	1,991,796,098	2,079,169,543	2,186,675,235	2,381,277,926	22.8
Chattanooga	2,171,396,746	2,198,869,948	2,224,070,683	2,295,859,675	2,259,989,692	2,604,110,025	19.9
Dayton	1,581,824,270	1,586,624,016	1,595,501,441	1,709,168,672	1,699,537,162	1,738,069,616	9.9
Des Moines	4,150,289,175	4,238,913,102	4,221,608,565	4,345,870,441	4,370,239,852	4,536,357,333	9.3
Bridgeport	2,277,403,103	2,287,638,477	2,327,768,854	2,366,391,682	2,401,232,146	2,420,308,000	6.3
Leominster	1,597,278,679	1,593,157,640	1,612,025,775	1,598,465,586	1,619,971,821	1,687,421,419	5.6
<b>WORCESTER</b>	<b>5,226,088,956</b>	<b>5,213,678,881</b>	<b>5,020,492,696</b>	<b>5,074,535,475</b>	<b>5,258,936,965</b>	<b>5,389,546,340</b>	<b>3.1</b>
Providence	6,193,522,899	6,229,080,090	6,216,921,875	6,269,915,986	6,346,996,400	6,346,334,100	2.5
Springfield	4,247,269,890	3,992,119,900	3,743,962,740	3,806,631,920	3,833,539,540	3,962,100,070	-6.7
Hartford	6,243,718,827	5,960,680,293	5,782,099,845	5,818,059,675	5,734,494,074	5,747,344,878	-7.9

Source: Comprehensive Annual Financial Reports, FY99, MA Department of Revenue, Division of Local Services, Rhode Island Public Expenditure Council  
Prepared by: Worcester Municipal Research Bureau

An examination of recent trends in new residential and commercial construction spending indicates that since 1994 there has been a significant decline in this kind of investment in Worcester (see figure 5).

**Figure 5**

<b>New Construction in Worcester, 1994-1999 (in \$)</b>							<b>% Change</b>
	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>1994-1999</b>
<b>Residential</b>	18,254,656	16,274,200	12,579,600	12,158,400	13,291,825	11,113,500	<b>-39.1</b>
<b>Commercial</b>	67,899,161	59,955,150	52,275,600	65,052,400	57,772,200	38,167,700	<b>-43.8</b>
<b>Total</b>	<b>86,153,817</b>	<b>76,229,350</b>	<b>64,855,200</b>	<b>77,210,800</b>	<b>71,064,025</b>	<b>49,281,200</b>	<b>-42.8</b>

Source: City Auditor's Comprehensive Annual Financial Report, June 30, 1999  
Prepared by: Worcester Municipal Research Bureau

New construction spending on commercial development has declined by 43.8% since 1994, while new residential construction spending declined by 39.1% in this same period. This disturbing trend is all the more worrisome when one considers that statewide new construction spending grew 48.1% between FY94 and FY99 (MA Department of Revenue, Division of Local Services). While some of this lackluster growth can be attributed to the lack of development-ready land (currently there are over 200 environmentally contaminated sites in Worcester), other Massachusetts cities facing similar challenges have managed to grow much more rapidly over the past five years<sup>2</sup>.

The relatively slow rate of growth in Worcester's property tax base creates several short- and long-term problems for the City. It decreases the property tax revenue available for infrastructure investments, economic development incentives, and other publicly funded programs. An increasing municipal tax base could produce the revenue needed to pay down the City's debt and allocate additional monies to the "rainy day fund," which would help to improve the City's bond rating and lower debt service costs. It could also be used to alleviate the burden placed on both residential and commercial property owners by allowing a tax rate reduction without a corresponding loss in tax revenue.

#### **IV. What to Do?**

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<sup>2</sup> Between FY94 and FY99 new construction in Springfield and Lowell grew 125.8% and 23.8% respectively.  
Source: MA Department of Revenue, Division of Local Services.

Worcester's newly realigned economic development team needs to focus its efforts on increasing the commercial tax base and improving the quality rather than the quantity of job opportunities for local residents. But how?

The experiences of other cities and a review of studies of the effects of local economic development policy<sup>3</sup> indicate that the role that municipal (and even state) government can have in promoting economic development is limited. While future economic development in Worcester and the surrounding region will largely depend on the decisions of private businesses and investors, a coordinated effort by Worcester's realigned economic development team can help to influence that decision-making process by providing the information and services that private businesses are looking for when selecting a site for their new or expanding enterprise. Our review of the economic development practices of other comparably sized communities throughout the United States suggests that what works best is an approach that assembles information in order to present the City to prospective new businesses in an attractive light while allowing these potential investors to make an informed cost comparison of rival sites.

Over the past several years Tax Increment Financing (TIF) and other economic incentives to business have become less important factors in the site selection process nationwide. Businesses are increasingly basing their location decisions on other factors, most notably the quantity and quality of the available local labor force<sup>4</sup>.

Four main recommendations have emerged from our examination of the economic development practices of other communities. These proposals are derived from lessons learned by the communities examined and have been modified to fit the City's current situation.

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<sup>3</sup> Feiock, Richard C. (1991), "The Effects of Economic Development Policy on Local Economic Growth" *American Journal of Political Science* 35: 643-655. Also, Bartik, Timothy. (1985), "Business Location Decisions in the United States: Estimates of the Effects of Unionization, Taxes, and Other Characteristics of States" *Journal of Business and Economic Statistics*, vol. 3, pp. 14-22, and Bartik, Timothy. (1991), *Who Benefits From State and Local Economic Development Policies?* (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research).

<sup>4</sup> In April, 1996 *Site Selection* magazine reported the results of a survey of thousands of economic development officials nationwide. They found that the most important factors driving site selection decisions were, in order of importance: labor availability and quality; overall operating costs; and the state and local business climate (including tax structure and the attitude of local government leaders).

## **1) Develop Comprehensive Data describing the Local Labor Market**

Since the quality and availability of the local labor force are reportedly the most important factors bearing on business site location decisions, it is critical that detailed information on the Worcester area labor force be readily available. The data should include detailed Bureau of Labor Statistics information describing the current composition of Worcester's labor market. At present, the City Manager's Office of Employment and Training, in partnership with the State Department of Employment and Training, assembles labor market data for those businesses that formally request it. Nationally, these data are increasingly available on municipal websites where data can be accessed by prospective businesses, site location consultants, and other interested parties 24 hours a day. Putting regularly updated labor market information on the web would (following initial website development costs) be a more cost-effective way to get critical information into the hands of potential investors in a timely manner.

Labor market data could also be used in a targeted business recruitment effort. A careful analysis of regional labor market trends<sup>5</sup> would allow the economic development team to select target industries and firms for recruitment based on the ability of the local labor market to supply these enterprises with the skilled employees they need.

## **2) Measure the "True" Cost of Doing Business in Worcester**

In addition to being concerned about the availability of a quality labor force from which they can draw employees, prospective businesses are interested in locating in areas where the cost of doing business is low enough to allow them to be competitive and profitable within their industry. While Worcester's high commercial tax rate remains an obstacle to attracting commercial investors to the City,<sup>6</sup> the commercial property tax bill is only one element of the cost of doing business in Worcester. Labor, energy, utilities and land are all major expenses for existing and prospective businesses. In many instances when all the costs of doing business are

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<sup>5</sup> For an example of what this analysis would involve see: 1997. "The City of Providence: Tax Policies, economic outlook, and competitive performance," Nexus Associates: Belmont, MA.

<sup>6</sup> The Research Bureau has issued a number of reports outlining the economic disadvantages of a high commercial tax rate. For two recent examples see: Report # 99-6, "Proposals for Reducing Worcester's Tax Rate," and Report # 99-5 "Worcester's Commercial/Industrial Property Tax Rates Top Comparable Cities and Surrounding Towns".

considered, Worcester may compare favorably to other parts of both the region and the country. Accordingly, the Development Office and the Worcester Area Chamber of Commerce should work together to develop a comprehensive measure of the cost of doing business in Worcester.

The City's role should be to develop business cost data that would highlight to prospective businesses the advantages of locating their operations in Worcester. A key to this effort would be the identification of other municipalities and regions that Worcester is competing with for business investment and presenting comparative cost information for both Worcester and selected municipal and regional competitors. Specific costs to compare could include: sewer and water charges; utility fees; labor costs; property costs and taxes. These kinds of cost comparisons have become standard features of economic development presentations nationwide and are commonly found in promotional materials and websites associated with economic development operations and campaigns<sup>7</sup>.

The Worcester Area Chamber of Commerce recently began participating in the American Chamber of Commerce Research Association's (ACCRA) Cost of Living Index (COLI) program. This program allows small- and medium-sized cities to measure their cost of living and to compare themselves to similar communities. Cost-of-living data are used by many businesses to estimate local labor costs and enable key development decision-makers to assess whether they and their employees will be able to attain an acceptable standard of living at an affordable price in a given area.

Previously the only available cost-of-living data covering Worcester also included the Boston area. This left prospective businesses with the false impression that moving to Worcester would require them to pay Boston prices and wages, putting the City and the region at a decided disadvantage in the statewide and national competition for business investment. With the Chamber of Commerce now participating in the ACCRA cost-of-living index program,<sup>8</sup> the City's economic development team has access to information which can clearly demonstrate some of the cost advantages to locating a business in Worcester.

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<sup>7</sup> Bridgeport, for instance, which from 1994-1999 expanded its tax base at twice the rate of Worcester (see figure 5), presents cost comparisons to prospective businesses on its web page. See [www.bridgeport-econ.org](http://www.bridgeport-econ.org).

<sup>8</sup> For the first quarter of 2000 the ACCRA Cost of Living Index indicates that the overall cost of living in Worcester is 8.9% less expensive than in Boston, while housing is 34.3% less expensive in Worcester.

### **3) Connect Existing Workforce Development Collaborations to a Targeted Marketing and Comprehensive Business Recruitment Initiative**

All this data gathering and analysis would serve at least two purposes. First, it would add some substance to marketing efforts. It would also allow the City's Development Office to identify cities and regions with which Worcester compares favorably, thus facilitating a business recruitment strategy that focuses on approaching businesses located in less favorable business environments. The City's realigned development agencies should work with the Chamber, local colleges and universities, and the WBDC to develop and disseminate this information. The data must be made available on the Internet in a database format that allows users to submit and process their own information requests.<sup>9</sup>

These data-gathering efforts would require either an ongoing cooperative relationship between the City and some external agency with research capacity that can collect this data and keep it current, or the development of this research capacity within City Hall.

There also needs to be a shift in the emphasis of local workforce development agencies (both public and private). There are two populations on whom these agencies should focus their workforce development efforts.

The first group is made up of lower-skilled workers, some of whom have dropped out of the labor force and are not counted in unemployment statistics. While the unemployment rate remains quite low by historical standards, local community development corporations and community-based job training agencies report that Worcester is home to a significant number of these "discouraged workers" who, while currently not participating in the labor force, could, with appropriate training and placement services, help staff new and growing Worcester-area businesses. The second group is composed of high-skilled area workers and graduates of the region's numerous colleges and universities.

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<sup>9</sup> Vallejo, CA, is an excellent example of a municipality that is taking full advantage of the Internet as part of its economic development and business recruitment efforts. See [www.ci.vallejo.ca.us/econdev/ed.html](http://www.ci.vallejo.ca.us/econdev/ed.html).

Recent research has shown that new business growth in Massachusetts is slowed by both the lack of skills and labor force participation among lower-skilled workers and the sheer lack of available highly-skilled workers<sup>10</sup>. An effective response to these facts will require that existing collaborations among the City Manager's Office of Employment and Training, Worcester Consortium for Higher Education members, the City's Economic Development team, and community-based organizations be expanded and strengthened.

Collaborative activities could involve expanding existing college and high school student internship programs, facilitating campus recruitment efforts, and placing graduates directly into available positions with existing and prospective employers. Existing relationships with agencies like the Martin Luther King Jr. Business Empowerment Center; the Colleges of Worcester Consortium; the Worcester Community Action Council; Youth Opportunities Upheld; Massachusetts Job Training; the Massachusetts Manufacturing Partnership; Area Chambers of Commerce; the Worcester Business Development Corporation (WBDC); Community Development Corporations and local vocational high schools should be expanded with a focus on developing customized training programs and placement services for existing and prospective businesses. Offering assistance in obtaining and training workers is one way in which Worcester could make itself more attractive to potential investors and employers seeking sites for their businesses.

This recommended shift in the emphasis in workforce development activities is consistent with the spirit of the recently enacted Workforce Investment Act (WIA). This act, which replaces the Job Training Partnership Act (JTPA), provides substantial Federal funding for job training and placement activities and sets rules for how these funds are to be spent. Two notable features of this new legislation involve providing universal access to workforce development services (formerly available only to impoverished individuals and displaced workers) and providing individuals "with choice by giving them the decision-making power over training funds through the use of vouchers, and by providing them with the information they need to make informed decisions"<sup>11</sup> about where they should receive workforce development services.

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<sup>10</sup> See Sum, et.al. (1998), "The Road Ahead: Emerging Threats to Workers, Families and the Massachusetts Economy" Massachusetts Institute for a New Commonwealth (MassInc): Boston, MA, and Harrington and Fogg (2000), "Threats to Sustained Economic Growth" Ctr. for Labor Market Studies, Northeastern Univ.

<sup>11</sup> Teegarden & Baran. (2000), *The Promise of the Workforce Investment Act*, p.3 (Progressive Policy Institute).

Currently, the City Manager's Office of Employment and Training is the designated agency responsible for overseeing workforce development in Worcester and 37 other area communities. The City Manager's Office of Employment and Training will receive over \$4.5 million in federal and state grants in FY01, \$1.6 million of which is budgeted for salaries for its 33 employees. With the constraints on program participation imposed by the JTPA now eliminated and with real incentives for expanded interagency collaboration in place, the City Manager's Office of Employment and Training can become a more active partner in City and regional efforts to promote economic development. Its mission should shift from directly providing workforce development services to facilitating the delivery of these services by local colleges, universities and community-based organizations.

#### **4) Adopt a more regional economic development strategy**

Rather than competing with its suburban neighbors for new businesses, Worcester should collaborate with them to attract the kind of economic growth that is appropriate for each municipality. Essential to this sort of collaboration is the development of a common regional identity in support of a regional marketing campaign and the active involvement of existing regional organizations including, Municipalities Organized for Regional Effectiveness (MORE), the Central Massachusetts Regional Planning Commission, and the Worcester Area Chamber of Commerce.

One region that has effectively developed regional economic development partnerships is the Greater Philadelphia region, which in 1983 formed "Greater Philadelphia First" (GPF) in order to market, disseminate information about, and attract investment to its region. Greater Philadelphia First is an organization funded and led by 33 local business leaders. GPF's approach to attracting and retaining businesses in the Greater Philadelphia area is described on its organizational website:

Working closely with regional partners, GPF has helped attract many new companies to Greater Philadelphia. Through focused marketing efforts and its many private sector networks, GPF identifies and works with 100 new prospects every year. Companies considering the Philadelphia area can receive important information and customized assistance from GPF and its regional partners. GPF provides demographic, labor force, economic and quality of life information, and most importantly, access to corporate executives willing to discuss the advantages of doing business

in Philadelphia. GPF also actively works to retain companies in Greater Philadelphia and has successfully kept thousands of jobs in the region (<http://www.gpfirst.com/economic.htm>).

Another way to develop a regional economic development partnership might be through the use of a comprehensive interlocal agreement. The City of Louisville and Jefferson County (KY) came to such an agreement in 1986. The Louisville-Jefferson County Compact provides for the joint operation of several agencies including economic development. Recently, Greater Louisville Inc. (a regional Chamber of Commerce organization) assumed responsibility for regional economic development functions for Jefferson County.

In an effort to promote a public discussion of these issues the Research Bureau (in conjunction with MORE and the Worcester Area Chamber of Commerce) is currently planning a public forum on October 27, 2000 which will address the issue of regional economic development.

## **V. Conclusion**

The recent changes in the way Worcester's municipal economic development functions are organized present an opportunity to improve accountability and program coordination within and between the municipal agencies involved in economic development. They also allow the City Manager and Chief Development Officer to more fully implement the economic development plans and vision statements that have been developed in recent years.

To facilitate implementation, the City Manager should establish measurable performance goals that specify in detail what level of economic investment and quality job creation is expected within a reasonable time frame.

It is clear from the experiences of other similarly-sized cities that the successful implementation of the City's economic development plans will require the development of information that presents the City to prospective new businesses in an attractive light while allowing these potential investors to make an informed cost comparison of rival

sites. Worcester's municipal government should expand existing collaborations with local business leaders, non-profit organizations and the higher education community. These collaborative efforts should focus on business recruitment, workforce development, and the development of data that can be used to advocate for increased investment and quality job creation that will help the City achieve its goal of making Worcester "the most livable medium- size city in the Northeast".

## **Upcoming Research Bureau Events**

*Thursday, September 28, 2000*

### **The Case for Expanding or Relocating your Business in Worcester**

3:15-4:45pm, New England Business Expo 2000, Showcase Corner, Worcester's Centrum Centre

#### **Speakers:**

Everett Shaw, Chief Development Officer, City of Worcester

David P. Forsberg, President, Worcester Business Development Corporation

Pamela McKinney, President and Principal, Byrne, McKinney and Associates, Inc.

Mark C. Roopenian, Partner, The Chiofaro Company

#### **Moderator:**

Mark Colborn, Vice President, Allmerica Financial, Vice President, WMRB

*Friday, October 27, 2000*

### **Promoting Regional Economic Development**

11:45-1:30pm luncheon, Mechanics Hall, Wasburn Hall

**Speaker:** Michael Bosc, Vice President of Media Relations, Greater Louisville Inc.  
Co-Sponsored with Municipalities Organized for Regional Effectiveness (MORE) and the Worcester Area Chamber of Commerce.

*Tuesday November 14, 2000*

**Round Three: Understanding and Interpreting Results of Statewide Testing (MCAS)**

7:45-9:15am, Location to be Announced

**Speakers:**

Jane M. Swift, Lieutenant Governor, Commonwealth of Massachusetts

James A. Peyser, Chairman, Massachusetts Board of Education

David P. Driscoll, Commissioner, Massachusetts Department of Education

James A. Caradonio, Superintendent, Worcester Public Schools

Richard P. Traina, President Emeritus, Clark University

Co-Sponsored with the Worcester Public Schools, Colleges of Worcester Consortium and the Alliance for Education.

*For reservations and more information please contact: The Worcester Municipal Research Bureau, 500 Salisbury Street Worcester, MA 01609, (508) 799-7169.*