



**Worcester  
Municipal  
Research  
Bureau**

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# **PROPOSALS FOR REVITALIZING DOWNTOWN WORCESTER**

Report No. 99-1  
January 19, 1999

## EXECUTIVE SUMMARY

As the twentieth century draws to a close, downtown Worcester faces a number of serious problems. There are numerous empty storefronts, and according to an April 1998 survey by the Worcester Area Chamber of Commerce, the downtown office vacancy rate is 20.3%. A number of major financial institutions and accounting firms have left Main Street in recent years, thereby reducing the number of businesses with a direct financial stake in downtown Worcester. These and other problems facing downtown Worcester are serious and need to be recognized and addressed immediately.

This report examines the experiences of five cities whose downtown areas face similar challenges and who have taken concrete steps to address their problems. This examination is the basis for a series of recommendations designed to help Worcester learn from the experiences of these cities, and to encourage the development of some specific steps to revitalize downtown Worcester.

To this end the Research Bureau makes several recommendations:

- The City Manager and City Council should support the formation of a downtown partnership by appropriating a portion of **existing** tax revenues from the downtown area into a fund which would be devoted to enhancing the downtown area. A committee composed of public officials and private sector leaders from the downtown area should then work together to decide how the funds would be spent (with the City Manager retaining final authority over allocation decisions). The purpose of this fund would be to promote the attractiveness of Worcester's downtown. Its very existence could serve to improve the perceived business climate in the City, and thereby help to attract new businesses to downtown Worcester.
- The City Manager and City Council should also carefully examine traffic circulation and parking issues in the downtown. The conversion of one-way streets into two-way streets and the possibility of adding angled parking on Main Street should be explored and implemented where feasible. The purpose of these steps is to increase the amount of on-street parking available to downtown shoppers.
- Area financial institutions should consider participating in a private loan pool designed to promote the development and redevelopment of market-rate housing in downtown Worcester. This fund would have the advantage of reducing the risk and competitive disadvantage of making these loans by spreading the risk and reward among the participating institutions.
- The City Manager and City Council should seriously consider the formation of a downtown residential arts district. The formation of an arts district would primarily involve modifying the zoning ordinance to allow artists to live and work in the same location. Recently, an arts district has been proposed for the Green Island neighborhood. However, the current version of this proposal precludes the development of artist living and working spaces in the downtown area and should be modified to allow this use. In addition to bringing residents to an area sorely in need of them, a downtown arts district would help to promote the cultural vitality that has been critical to successful downtown revitalization efforts nationwide.
- The Chief Development Officer should work with the Worcester Consortium for Higher Education to open a downtown learning center. This learning center could be located in currently unoccupied space in a downtown office building and could offer continuing education for area professionals, and primary training for prospective para-professionals. There would be several advantages to such a facility. Currently vacant space would become occupied, additional educational opportunities would be made available to all Worcesterites, and there would be a steady number of responsible citizens in the downtown area after business hours. Appropriate incentives should be made available to bring this project to fruition.

- The City's Development Office should also explore the possibility of converting the existing reflecting pool on the Common into a public ice-skating rink during the winter months. Providence recently opened a downtown ice-skating rink which has been quite successful, and has thus far paid for itself through the modest fees charged to skaters.
- The City's Development Office should work with the arts community to expand, coordinate and organize public events downtown. These events could include more lunch time musical concerts, modeled after the successful "brown bag" series, and weekend events geared toward attracting area families and college students. Worcester is home to a large number of accomplished artists of all mediums and a number of active cultural and artistic non-profit organizations. To date the public events that do take place downtown (notably First Night and ethnic festivals) are generally well-attended and successful. The Development Office should help the arts community to build upon these successes.

## **I. INTRODUCTION**

In recent years the Bureau has published several reports which focus on issues related to Worcester's ability to encourage economic development, taking advantage of an unusually strong national and regional economy. Reports have addressed strategies for promoting economic development (95-1, *Competing for Economic Development: What can Worcester Do?*), regional cooperation (*Considering Regional Government, Parts I and II*), brownfields cleanup and development (97-6, *Facilitating the Cleanup and Development of Worcester's Brownfields*), and proposed changes to the way the city regulates and encourages growth (98-6, *Revisiting Worcester's Zoning Ordinance*). We now turn our attention to the condition of Worcester's downtown area.

The challenges that downtown Worcester faces as it enters the 21st century are both economic and cultural. Worcester's downtown, particularly Main Street, has numerous vacant storefronts and a 20% office vacancy rate. While there are several substantial developments taking place nearby, notably Medical City and Union Station, the economic problems facing downtown Worcester are serious and need to be recognized and addressed. The cultural challenges, while less immediately visible, are no less significant. An active and vibrant downtown area is an essential part of a healthy city. The downtown is the most public "face" of the city. Its condition, whether vital or run-down, speaks more loudly than the most effective marketing campaign. Worcester is one of many American cities facing these challenges.

This report examines the experiences of five of these cities in an effort to promote public debate about the future of Downtown Worcester. Four of the five cities have only recently undertaken revitalization efforts, while the fifth began its effort some time ago. In the former cases, we will briefly describe the approaches these cities have taken to renewing their economic and cultural centers. In the latter case, we will attempt to assess the impact of these approaches in a more systematic way, and compare its and Worcester's economic performance in the years since these revitalization efforts were implemented. The report concludes with a series of recommendations that are informed by the experiences of the cities examined, but are tailored to meet the unique needs of Worcester.

### **A. COMMON PROBLEMS AND COMMON SOLUTIONS**

We examine the experiences of five cities in this report: Bridgeport, CT, Providence, RI, Dayton, OH, Des Moines, IA, and Chattanooga, TN. They are all struggling to maintain or increase their population. Each city is engaged in vigorous competition with surrounding suburban communities for new residents and new businesses. Each city is centrally located within a growing regional economy. And all but Des Moines are located within the shadow of a significantly larger metropolitan area. They were chosen because their populations are similar to that of Worcester

and because they face similar challenges. Therefore, Worcester should be able to learn from the lessons of these five municipalities as it undertakes an effort to revitalize the downtown area.

**Figure 1**

<i>Cities Examined</i>	<i>Population in 1990</i>	<i>Population in 1996 (estimated)</i>	<i>Percent Change, 1990-1996</i>
Worcester, MA	169,759	166,350	-2.0%
Bridgeport, CT	141,686	137,990	-2.6%
Providence, RI	160,728	152,558	-5.1%
Dayton, OH	182,044	172,947	-5.0%
Des Moines, IA	193,187	193,422	+0.1%
Chattanooga, TN	152,466	150,425	-1.3%

Source: US Census Bureau  
Prepared by: Worcester Municipal Research Bureau

Three major themes emerged from the approaches taken by these five cities to the revitalization of their downtown areas:

- 1) Economic Revitalization - Renewing downtown as the commercial center of the city.
- 2) Residential Revitalization- Transforming downtown into a viable residential neighborhood.
- 3) Cultural and Recreational Revitalization - Making downtown a cultural destination for the region.

## **II. ECONOMIC REVITALIZATION STRATEGIES**

One strategy for promoting economic revitalization involves streamlining the city's economic development apparatus. An excellent model of how this is done can be seen in Bridgeport, CT, which has implemented a "one-stop shopping" system in support of efforts to retain existing and recruit new businesses to the area. The Bridgeport Economic Resource Center (BERC) is home to ten major economic development agencies. These agencies include the city's entire economic development team, satellite offices of the major state agencies dedicated to economic development, and the local Chamber of Commerce.

Siting these agencies at a single address provides potential business investors with a convenient location where they can learn about the financial incentives available to them, search databases for suitable business sites, and obtain guidance on how to navigate the local public bureaucracy. In addition to making the economic development process easier and more convenient for potential investors, BERC facilitates the coordination of state and local agency efforts to promote business activity in Bridgeport. The Research Bureau recently recommended that a similar one-stop shopping approach be implemented in Worcester in its report, (98-6), *Revisiting Worcester's Zoning Ordinance*.

Another common strategy used to promote downtown economic revitalization is the formation of Business Improvement Districts (BIDs). BIDs essentially are state-authorized and privately administered voluntary tax districts. Business owners in a BID area agree to an additional tax assessment, with the resulting funds being used to establish a private, non-profit organization which uses these funds for a variety of purposes. Typical BID activities include hiring private security personnel (sometimes referred to as downtown ambassadors) who can distribute

information and give visitors directions while helping to preserve order and maintain a secure environment in the area. BIDs also undertake beautification campaigns, impose common signage regulations, and engage in collective marketing and public relations efforts. According to the International Downtown Association, over 1,200 BIDs are currently operating nationwide.

Similar types of downtown business associations are currently in place in three of the five cities we examined for this report; Dayton, OH, Des Moines, IA, and Chattanooga, TN.

In Dayton, OH hundreds of individuals, civic associations and businesses from throughout the region have joined the Downtown Dayton Partnership. This private, non-profit organization was formed to promote economic development in Dayton's downtown area. Specific activities include efforts to expand and retain existing downtown businesses as well as aggressive efforts to attract new investment to Dayton's urban core. In addition to its economic development activities, the Downtown Dayton Partnership also promotes civic and cultural events in the downtown area and provides technical marketing assistance to local businesses .

The Downtown Partnership is also the name of the private, non-profit organization dedicated to promoting economic development in downtown Des Moines, IA. This organization manages a conventional downtown Business Improvement District. The Partnership's specific activities range from overseeing an aggressive business development and retention program to sponsoring downtown events, including a popular farmer's market.

The Chattanooga Downtown partnership is a public-private, non-profit organization which engages in a variety of activities designed to make downtown Chattanooga a more desirable place to live, work and do business. While the City of Chattanooga funds most of the partnership's economic development efforts, individuals and corporations fund the majority of the organization's event programming, beautification, and marketing efforts.

Providence has made improved parking and traffic circulation an important component of its downtown economic revitalization efforts. The city is currently in the process of converting several downtown streets from one-way to two-way. Providence is also examining proposals to add angled parking and non-metered, strictly enforced, short-term parking spaces to the downtown area. The goal of these efforts is to improve access and traffic circulation in the area, and to make it easier for consumers to find a place to park when shopping and attending cultural events.

### **III. RESIDENTIAL REVITALIZATION STRATEGIES**

Making the downtown a viable residential neighborhood is one of the main goals of downtown revitalization efforts in the five cities we examined. Although each city faces unique obstacles to downtown residential development, convincing private real estate developers that there is a market for downtown housing is a challenge common to them all.

What appears to be critical to the creation of viable downtown neighborhoods is changing the perceptions of the downtown area held by both potential developers and potential residents. Typically, economic incentives, often targeted to specific properties or areas within downtown, are made available in an effort to make residential development and redevelopment economically attractive to private developers. Frequently, a professional marketing campaign is required to help dispel popular misconceptions about the safety, livability and cleanliness of the downtown area.

In Providence, RI, the city has encouraged downtown living by creating the DownCity Arts District. Originally planned in 1994, this district is designed to encourage artists to both live and work in downtown Providence. Buildings rehabilitated for the purposes of creating artist living/working space are exempted from the parking requirements typically required for residential development. The city also obtained state approval to exempt artists who move into the district from sales and local income taxes due from sales of their works. While the district has not been in place long

enough to allow an objective evaluation of its impact, it is clear that it has served to attract a steady stream of artists to downtown Providence.

Dayton, OH, has adopted a broader approach to the residential revitalization of its downtown area. Earlier this year eight of the largest lending institutions in the area collectively contributed \$33.7 million to establish a loan pool designed to promote the development of market-rate downtown housing. Below-market-rate loans are made available to prospective developers who go through an application process overseen by the Downtown Dayton Housing Loan Pool Committee. This committee contains representatives from each of the eight participating lending institutions. Once an application is approved, loan funds are released to the developers with both the risk and reward being shared by the eight participating private financial institutions.

While it is too early to judge whether Dayton will achieve its goal of 500 new housing units downtown, knowledgeable Dayton observers point to the successes that both Cincinnati and Columbus, Ohio, have had in promoting downtown residential development using a similar approach.

Efforts to promote residential development in downtown Des Moines have only recently begun. However, making the downtown area a viable residential neighborhood is one of the central goals laid out in a recently released report by the Major Projects Task Force<sup>1</sup>. This task force is composed of a group of local citizens, civic and business leaders, and outside experts. The task force was convened to set project priorities for downtown revitalization efforts in Des Moines. One of the major recommendations made by the task force is to create 2,000 additional units of housing in the next ten years.

The City of Chattanooga has promoted downtown residential development by actively working with private developers to create housing in the area. One of the major projects that has resulted from this partnership between the public and private sectors is the Riverset Apartment Complex. The city's role in this project was to purchase the land which was then privately developed into a 41-unit apartment complex. The Riverset Project is fully occupied, privately owned and managed, and committed to repaying the city with its future profits. The success of this project helped to demonstrate to local developers that downtown housing is both in demand and profitable.

The City of Bridgeport facilitates potential residential and commercial real estate development by providing site location assistance, technical support and assistance in accessing a variety of state and federal financial incentives. These activities are coordinated by the aforementioned Bridgeport Economic Resource Center (BERC).

#### **IV. CULTURAL AND RECREATIONAL REVITALIZATION STRATEGIES**

One of the most common approaches to downtown revitalization involves encouraging the development and redevelopment of cultural and recreational attractions. These attractions build on the existing strengths of the city.

This strategy has been used by Bridgeport, Connecticut to attract people from throughout the region to its downtown area. One of the major projects it has undertaken is the construction of a 5,300-seat baseball stadium located downtown. Home to the Atlantic League's Bridgeport Bluefish, this facility was sited in an area which formerly contained a number of vacant and run-down buildings. The stadium cost \$19 million to construct, but the Bluefish attracted nearly 275,000 people to downtown Bridgeport during its recently completed inaugural season. Downtown Bridgeport also recently witnessed the opening of a \$27 million downtown campus of Housatonic

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<sup>1</sup>A New Era for Downtown Des Moines-Living, Learning and Growing, A Report of the Des Moines Major Projects Task Force, July 8, 1998.

Community and Technical College. This brand-new facility is intended to bring much-needed jobs to the downtown area in addition to creating yet another reason for area residents to come to the center of the city.

Providence, RI has also paid particular attention to the cultural character of its downtown area. Its efforts include helping to leverage the rehabilitation of downtown landmarks such as the Biltmore Hotel. By encouraging historic preservation and the rehabilitation of older buildings rather than exclusively providing incentives for new development, it has renewed and beautified its downtown area while at the same time preserving its classical architectural heritage. Providence also made the organization of public cultural events an integral part of its downtown revitalization strategy. This emphasis has resulted in increasing numbers of people coming to the downtown area for a wide variety of events. Recently, the city opened a new ice-skating rink in the downtown area, drawing families to the city's center on evenings and weekends. Dayton, OH has also pursued a strategy of organizing and promoting public events downtown. These events are organized, promoted and coordinated by the aforementioned Downtown Dayton Partnership.

Des Moines, IA is attempting to draw area residents to the downtown by planning an entertainment district in the heart of the city. The district, designed to attract people to the downtown area on nights and weekends, will include a multiple screen theater complex as well as several nightclubs and restaurants.

Chattanooga, TN has paid a great deal of attention to making its downtown area the cultural destination of its entire region. Specific projects include Bessie Smith Hall (a 264-seat cultural performance center and museum) and the development of two open and public spaces in the heart of downtown Chattanooga. These two areas, Miller Plaza and Miller Park, have become central places for Chattanoogaans to come together. Both spaces are heavily used as meeting places, and the Plaza (which is equipped with a performance stage) attracts over 55,000 people year-round to its two free concert series.

Attracting people to the center of the city has been a common element in the cultural revitalization strategies of each of the cities we have examined for this report. What appears to be critical to the success of such efforts is an effectively organized artistic and cultural community, as well as a focused marketing campaign which "sells" the downtown area as a cultural destination for the entire region.

**Figure 2**  
**Selected Downtown Revitalization Projects by City and Strategy**

	<i>Economic Revitalization</i>	<i>Residential Revitalization</i>	<i>Cultural and Recreational Revitalization</i>
<b>Bridgeport</b>	"One Stop Shopping" for Economic Development	Technical assistance and site location programs	Baseball Stadium
<b>Providence</b>	One-Way Street Conversions and New Parking Strategies	Downtown Arts District	Historic Preservation and Public Events
<b>Dayton</b>	The Downtown Dayton Partnership	\$33.7 Million Private Loan Pool	Public Events Downtown

<b>Des Moines</b>	The Downtown Partnership	2000 New Units Planned	Entertainment District
<b>Chattanooga</b>	The Chattanooga Downtown Partnership	Public-Private Partnership	Public Events Downtown

Prepared by: Worcester Municipal Research Bureau

**V. THE IMPACT OF DOWNTOWN REVITALIZATION EFFORTS: CHATTANOOGA, TN**

One of the clearest examples of a medium-sized US city successfully revitalizing its downtown area can be seen in the experience of Chattanooga, TN. Unlike the other four cities we examined for this report, Chattanooga undertook the majority of its revitalization efforts in the mid-to-late 1980s. While these efforts are still ongoing, this relatively early start allows us to assess the impact of its revitalization strategies and compare Chattanooga’s economic performance with Worcester’s over time.

The two indicators chosen to assess Chattanooga and Worcester’s economic performance are jobs created and the amount of funds invested in new residential construction. Each indicator has a direct impact on the well-being and tax base of both cities. And each has the advantage of being available from the same sources (allowing a good deal of confidence in their comparability).

Chattanooga has fared considerably better than Worcester in creating jobs for its residents. While both Worcester and Chattanooga began the decade with a decline in the number of employed residents, in the period from 1990 to 1997 Chattanooga increased the number of its residents holding a job by 3,086. In contrast, the number of employed persons in Worcester increased by only 281 in the same period<sup>2</sup>. This difference is made all the more dramatic when one considers that the two municipalities have been losing population at a similar rate in the years since 1990.

Chattanooga has also been creating more jobs that are actually located within the city limits in recent years. While both communities gained jobs from 1990 to 1997, the net growth in the number of new jobs in Chattanooga (21,500) was nearly double that of Worcester(11,300)<sup>3</sup>.

The amount spent on new residential construction offers insight into the willingness of developers to invest in an area, a sense of the demand for housing in the city, and some indication of the growth (or lack thereof) in the city’s property tax base. Figure 4 compares the citywide growth in new residential construction spending in both Worcester and Chattanooga. In the years since 1990 spending in this sector of the local economy has increased more than 200% in Chattanooga while declining by 50% in Worcester. While data that focus exclusively on the growth in downtown residential construction in each community are not available, a closer look at the kind of housing being built in each city suggests that the patterns we document are consistent with increased downtown development<sup>4</sup>.

<sup>2</sup>According to the Bureau of Labor Statistics, Worcester and Chattanooga began the decade with 75,060 and 68,029 employed persons respectively. By 1997 Worcester’s total had risen to 75,341, while Chattanooga’s had grown to 71,115.

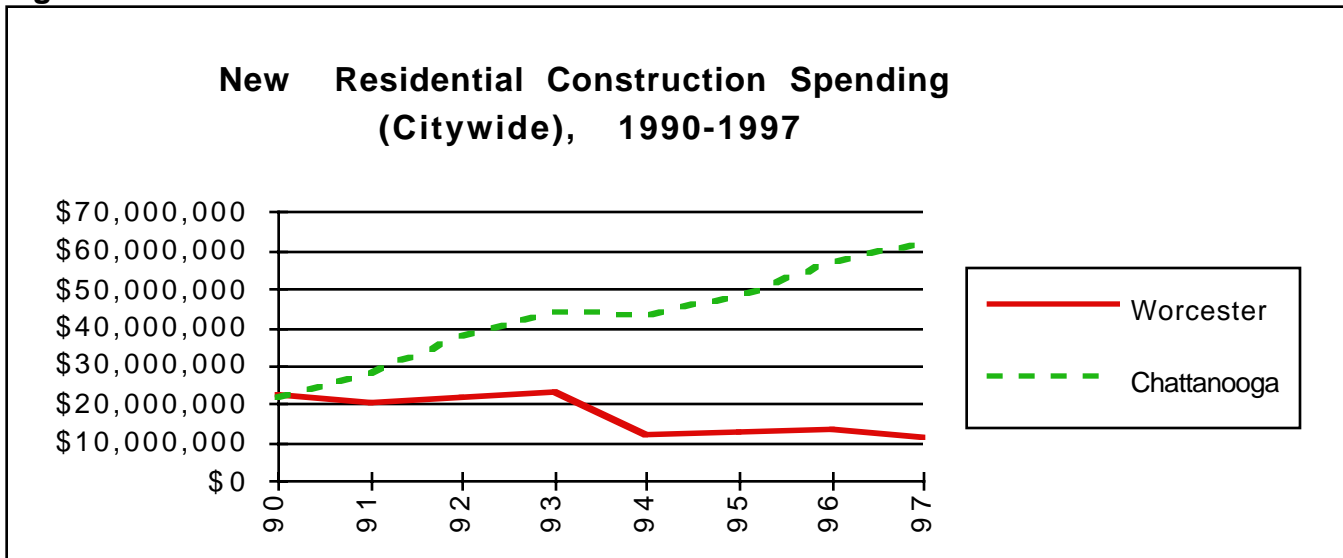
<sup>3</sup>Total nonfarm jobs in Worcester grew from 211,700 in 1990 to 223,000 in 1997. In 1990 Chattanooga had 200,300 nonfarm jobs. By 1997 this figure had grown to 221,800. Source: Current Employment Statistics, published by the Division of Monthly Industrial Economic Statistics, Bureau of Labor Statistics.

<sup>4</sup>A more careful look at the Census Bureau’s construction statistics suggests that the gap in new residential



A growing residential tax base offers a municipality a number of advantages. It raises the amount of property tax revenue available for infrastructure investments, economic development incentives, and other publicly funded programs. It can also allow for a property tax rate reduction. An increasing residential property tax base could be used to help to relieve the burden placed on commercial property owners by allowing a rate reduction without a corresponding loss in tax revenue.

**Figure 3**



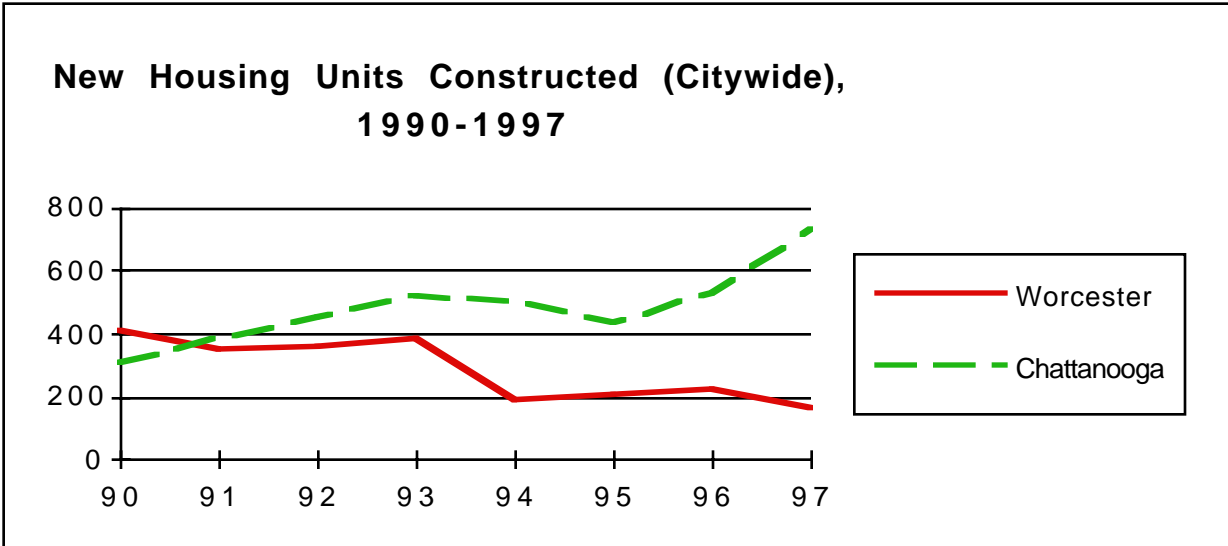
Source: US Bureau of the Census, Construction Statistics Division

Prepared by: Worcester Municipal Research Bureau

This disparity in residential construction investment can also be seen when the number of housing units created in both Chattanooga and Worcester are compared.

**Figure 4**

construction spending is not merely due to the construction of new single-family homes, which require greater land area per unit and are more likely to be located outside of the downtown area. According to the Census Bureau, Chattanooga has produced 679 units of housing in buildings containing five or more units since 1990, many located downtown. In contrast, Worcester produced 390 similar units during the same time period. In order to determine whether Chattanooga's relatively larger land area may have had something to do with the disparity in residential construction spending, we also looked at the type of housing that has been responsible for this surge in investment. Although Chattanooga has the advantage of more land to develop, its construction patterns suggest that this fact alone is not a plausible explanation for its success.



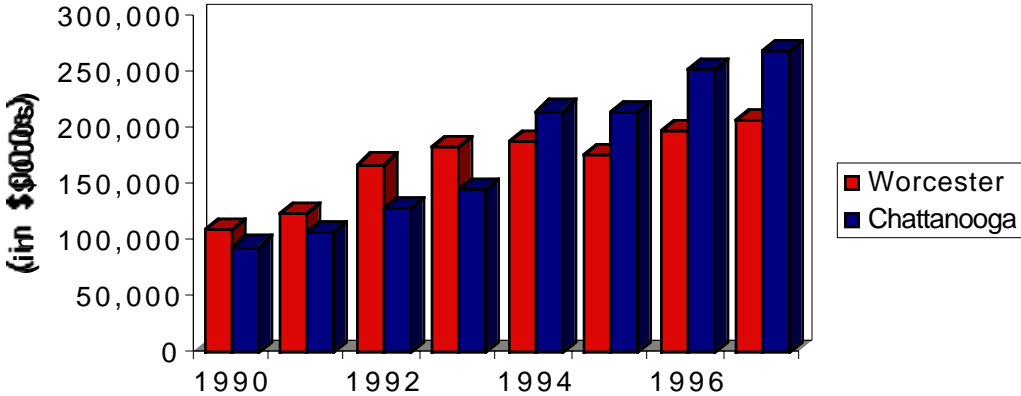
Source: US Bureau of the Census, Construction Statistics Division

Prepared by: Worcester Municipal Research Bureau

In an effort to assess whether the widening gap in the fortunes of Chattanooga and Worcester was due to larger regional economic factors we compared each region's growth<sup>5</sup> in new residential construction .

**Figure 5**

**Regional Growth in New Residential Construction**



Source: US Bureau of the Census, Construction Statistics Division

Prepared by: Worcester Municipal Research Bureau

As can be seen in figure 5, both regions were experiencing similar rates of growth in new residential construction during the 1990s. It is therefore reasonable to conclude that the differences documented between the two cities reflect the differential performance of these two cities themselves, rather than being due to regional effects.

<sup>5</sup> We defined the surrounding region as the PMSA (Primary Metropolitan Statistical Area) in which each city was located. The PMSA is a standard geographic classification used by the US Census Bureau to approximate geographic regions that are centered around medium and larger sized cities.

What Chattanooga did to revitalize its downtown area appears to have had a significantly positive effect on its economic performance. The downtown revitalization strategies that have paid off for Chattanooga and that have been adopted in recent years by Bridgeport, Providence, Dayton, and Des Moines merit the careful consideration of both Worcester's public and private sector community.

## **VI. RECOMMENDATIONS**

The experiences of the five cities offer several lessons that Worcester can learn from as it decides how to revitalize its downtown area. The following recommendations build on these lessons, but also recognize the particular challenges and opportunities facing downtown Worcester.

### **A. Form a Downtown Partnership**

One of the most popular and effective strategies for revitalizing downtown areas involves the formation of a business improvement district (BID). As noted above, BIDs are voluntary tax districts in which a majority of business owners agree to an additional tax assessment on their property which is then levied on all area business properties. The proceeds of this "contribution" are then used to form an organization that helps to clean up, market, and provide additional security for the area.

Given the already high tax rates that Worcester businesses pay, it is doubtful that the establishment of a conventional BID is appropriate for the city. Additionally, the institution of BIDs in Massachusetts is rendered difficult by a provision of state law (MGL Chapter 40-O, section 4) that prohibits requiring individual businesses within a BID to contribute to it if they choose not to<sup>6</sup>.

However, a promising alternative to a BID would be for the City Council to appropriate a portion of **existing** tax revenues into a fund which would be devoted to enhancing the downtown area. A committee composed of public officials and private sector leaders from the downtown area could then work together to decide how the funds would be spent (with the City Manager retaining final authority over allocation decisions). Not only would the fund serve concretely to promote the attractiveness of Worcester's downtown; its very existence might serve to improve the perceived business climate in the City, helping thereby to enhance its attractiveness for new businesses.

The City should also carefully examine traffic circulation and parking issues in the downtown. The conversion of one-way streets into two-way streets and the possibility of adding angled parking on Main Street should be explored and implemented if deemed feasible. The purpose of these steps is to increase the amount of on-street parking available to downtown shoppers.

### **B. Promote Residential Development Downtown**

There are at least two ways that Worcester can help to encourage more residential development in the downtown area. One of the more promising approaches which deserves serious consideration would be the formation of a downtown housing loan pool, such as that in place in Dayton. This loan pool would be dedicated to creating new market-rate housing downtown. The success of such an effort would largely depend on the willingness of local financial institutions to participate. However, there are good economic reasons for them to do so.

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<sup>6</sup>To date, Springfield is the only city in Massachusetts we are aware of with an active BID. Boston is in the process of seeking a home rule petition in order to avoid conforming to the opt out provision of the Massachusetts BID law (MGL 40-O, section 4), and preliminary efforts to organize BIDs are underway in Hyannis and Northampton.

First, spreading the risk and reward of downtown housing loans across a number of local financial institutions would minimize the potential competitive disadvantage that any given lending institution would otherwise risk by lending on its own.

Second, the costs of doing nothing are steep indeed. If the downtown area generally, and Main Street particularly, is unable to attract and retain commercial or residential tenants, the value of existing properties and the security of existing loans will be significantly compromised.

Another idea that deserves serious consideration is the formation of a downtown residential arts district, such as that in place in Providence. The formation of an arts district would primarily involve modifying the zoning ordinance to allow artists to live and work in the same location. Recently, an arts district has been proposed for the Green Island neighborhood. Supporters of this plan point to a recently completed survey which indicates that if this district existed, artists would move there<sup>7</sup>. However, this survey did not ask its respondents where the district should be located. While the arts district idea has merit, a strong case can be made that it would be more effective if located downtown, where it has been successfully implemented in both Providence and Peekskill, NY.

Proponents of an arts district, city officials, and downtown property owners should seriously consider the viability of siting an arts district downtown either as a supplement to or in lieu of the Green Island plan. In addition to bringing residents to an area sorely in need of them, a downtown arts district would help to promote the cultural vitality that has been critical to successful downtown revitalization efforts nationwide.

The City administration can further contribute to facilitating downtown residential development by revisiting certain parts of the zoning ordinance as we recommended in a recent report<sup>8</sup>.

### **C. Create More Reasons for People to Come (and stay) Downtown**

The Medical City and Union Station projects offer the downtown a valuable opportunity. With the relocation of over 2,000 jobs to the downtown area the question becomes, can a good number of these people be convinced to live or at least shop downtown? In this age of dual-income families, time is at a premium, and a revitalized downtown will be favorably positioned to be the convenient choice for many of these consumers/residents.

One major challenge will be convincing downtown workers to stay downtown after normal business hours. Currently, it is often hard to find people on Main Street after dark (except perhaps at the Irish Times). In order to encourage people to stay downtown, the Chief Development Officer should work with the Worcester Consortium for Higher Education to open a downtown learning center. This learning center, which could be located in currently unoccupied space in a downtown office building, could offer continuing education for area professionals, and primary training for prospective para-professionals. Historically, area colleges and universities have resisted the idea of opening facilities downtown. However, this facility would be different than those typically proposed because it would be geared to downtown workers and area residents who wish to take courses that are not currently available on the main campuses.

There would be several advantages to such a facility. Currently vacant space would become occupied, additional educational opportunities would be made available to all Worcesterites, and there would be a steady number of responsible citizens in the downtown area after business hours. Appropriate incentives should be made available to bring this project to fruition.

The City should also seriously consider organizing regular and free (or low-cost) public events downtown. These events could include more lunch time musical concerts, modeled after the

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<sup>7</sup>Survey of Artists Regarding Interest in the Proposed Worcester Arts District, June 1, 1998, Royce Anderson, Ph.D.

<sup>8</sup> For some specific recommendations see report; 98-6, *Revisiting Worcester's Zoning Ordinance*.

successful “brown bag” series at Mechanics Hall, and weekend events geared toward attracting area families and college students. These events need not be costly, only regularly organized and advertised. Worcester counts among its citizens enough musicians, high school bands, and other performers who would welcome a chance to perform publicly for free or for a nominal fee. The City should also explore the possibility of converting the existing reflecting pool on the Common into a public ice-skating rink during the colder months. Providence recently opened a downtown skating rink which has been quite successful, and has thus far paid for itself through the modest fees charged to skaters.

Other cities in the region support the coordination of an active schedule of public events. Boston, Lowell, Springfield, Providence, and Hartford all either employ a cultural affairs coordinator or have an active cooperative relationship with a local non-profit organization that provides these services. Worcester is home to a large number of accomplished artists of all mediums and a number of active cultural and artistic non-profit organizations. To date the public events that do take place downtown (notably First Night and ethnic festivals) are generally well-attended and successful. The City should work with the arts community to expand, coordinate and organize public events downtown.

## **VII. CONCLUSION**

In this report we have briefly examined some of the strategies undertaken by five municipalities to revitalize their downtown areas to cope with the serious problems they were facing. These communities face challenges that are similar to those facing Worcester, and they have each taken deliberate action to meet those challenges.

Main Street has lost a number of influential private financial institutions in the recent wave of mergers and acquisitions taking place in the banking and financial services industry. The loss of these businesses not only hurts the local professional services firms who have lost major clients, but also lessens the number of private institutions who have a direct stake in the future of downtown Worcester. Downtown Worcester’s remaining institutional stakeholders should recognize that they share a common interest in promoting vitality in the city’s center, and need to organize themselves accordingly.

In many respects, Worcester is better positioned than several of the cities we examined in this report for a successful downtown revitalization campaign. Worcester is centrally located, and with the newly-opened Mass Turnpike extension and a state-of-the-art Intermodal Transportation Center opening soon in Union Station, access to Worcester, particularly downtown Worcester, has never been easier.

Worcester is also home to a number of prominent institutions of higher education, has a well-educated labor force, and has a much less expensive local housing and commercial real estate market than the Boston Metropolitan area.

If marketed properly, Worcester, which currently suffers from a lack of identity in the eyes of many in the rest of New England, could well become a compelling alternative for businesses and families that are weary of Greater Boston’s high cost of living<sup>9</sup> and oppressive traffic.

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<sup>9</sup>According to Banker and Tradesman, in 1997 the median sales price for homes and condominiums in Boston was \$185,000. In Worcester this same figure was \$90,000, over 50% less expensive. Rental rates for commercial real estate also favor Worcester. According to Grubb & Ellis, in the third quarter of 1998 class A office space in Boston’s central business district was hard to find (< 3% vacancy) and rented for an average of \$44.90 per square foot. In some Boston locations rent can exceed \$60 per square foot. According to the Greater Worcester Chamber of Commerce, similar space in downtown Worcester is readily available for \$17-20 per square foot.

Further, the development of the Worcester Medical Center will bring scores of new people to downtown each day, and we must be prepared for them. The City's Administration, particularly the Chief Development Officer, should work together with area business and property owners to pursue strategies that will strengthen downtown Worcester's position as the commercial and cultural center of Central Massachusetts.

The lessons from cities examined for this report are clear. Local government should work with the local business community in an effort to facilitate and leverage private investment rather than to fund and manage projects on its own. Local government can also promote healthy and sustainable downtown growth by allowing mixed-use development in the downtown area, and targeting tax incentives to projects that bring people, jobs and further investment to the central-city area.