



The Research Bureau

What's Up With Downtown Worcester?: Prospects for Revitalization

For many years, Worcester's public officials, downtown business and property owners, workers who frequent downtown daily and residents who travel through occasionally have all talked about the need to restore the kind of vitality to downtown that existed in the 1950's. According to a number of the City's older residents, downtown in 1950 was a vital, bustling center of commercial and civic life with four department stores, five high schools, offices filled with doctors and dentists, and several movie theaters, among them the Poli Palace Theater (recently renovated into the Hanover Theater). While most of the retail and professional services are gone from Main Street, a number of projects have been completed in downtown Worcester during the past two decades which have brought new activity to the area. These include:

- Renovation of Union Station, including a bus station and a 500-car parking garage.
- Construction of the Worcester Trial Court on Main Street, now the largest courthouse in the state, replacing the outdated facility at 2 Main Street.
- Construction of the Hilton Garden Inn, a 200-room facility to enhance the appeal of the DCU Center.
- Construction of Route 146 connecting I-290 to downtown Worcester, a limited-access highway that provides Worcester with a direct connection to the Mass Pike.
- Development of a 600-student campus of the Mass College of Pharmacy and Health Sciences in downtown at 19 and 25 Foster Street, plus expansion plans for another 400 students.
- Restoration of the Hanover Theater into a 2,300-seat performing arts center.
- Renovation of buildings by the Mayo Group on Franklin, Salem and Portland Streets for housing, retail and office space.
- Development of Gateway Park by WPI and WBDC, a 12-acre mixed-use project for life sciences and biotech companies, residences and retail.
- Renovation of Worcester Public Library which added 50,000 square feet to the building and turned the main entrance to face Worcester Common.

There are also several proposed and ongoing projects that, when completed, will greatly enhance the vitality of downtown. These include:

- CitySquare, a 20-acre urban village consisting of medical and professional office space, market-rate condominiums, retail shops, a hotel, movie theater, and park-type open space.
- Renovation of Worcester Common that will include a plaza for events and will be converted into an ice rink in colder weather.
- Redesign of Federal Square and retrofitting underutilized buildings in the area.
- Redevelopment of North Main Street based on the City's recently-released strategic plan for that area.

While it is evident that much has been accomplished, Worcester faces some serious challenges to its renaissance. The most evident is the current condition of the national economy and the Commonwealth's fiscal difficulties. Real estate development is an extremely capital-intensive industry, heavily dependent on large, long-term lender commitments as well as significant equity on the part of the developer. The current credit crisis will make access to capital more difficult for developers and make privately funded, for-profit development in downtown Worcester harder. Since state funding played such a big role in revitalization of downtown in recent years, the condition of the state's economy may well hinder some of the planned revitalization efforts.

Second, Worcester has a very high commercial-industrial tax rate. Worcester's commercial-industrial tax rate of \$26.20 for FY08 was tenth-highest in the state, and more than double the rate of many of the towns along the I-495 corridor with which it often competes for business development. The adjoining town of Shrewsbury had a single rate of \$9.14 in FY08. Although Massachusetts does offer several types of tax incentives to attract businesses, many of them, according to a recent report by MassInc, an independent, nonpartisan research and educational institute, are not very helpful to older industrial cities like Worcester. The companies that these incentives assist are primarily firms from the knowledge-industry which have tended to locate in new suburban developments more than in older industrial areas.

In addition, downtown lacks "Curb Appeal." There are many empty storefronts along Main Street, obsolete signs for businesses that no longer exist, broken windows and torn awnings. Public perception is that downtown is not clean, even though City crews sweep downtown six nights each week. Downtown is also commonly perceived as a high-crime area. For example, in a 2006 Research Bureau online survey of those who work, live, and own property downtown, 74% of respondents felt that downtown is unsafe. However, this perception is not supported by data. To the credit of the Worcester Police Department, downtown does not have a crime problem. In the third quarter of 2008, downtown had a lower daily incident rate (30.4) than any of the other seven geographic areas in the city, with the exception of the Northwest.

In order to address some of these challenges, The Research Bureau recommends the following:

- The City Manager, who supports a single tax rate, should develop a plan for phasing out Worcester's dual tax rate.

- The state legislature should approve incentives that are targeted specifically to older industrial cities that would stimulate downtown housing development, property improvement, job creation, and “curb appeal” improvements.
- The City’s Director of Code Enforcement should enforce the City’s zoning ordinance with respect to removal of obsolete signs for businesses that have closed.
- The City Manager should authorize an increase in police foot patrols so that those who frequent downtown “feel” safer.
- Those interested in starting Charter schools should locate them in the downtown and/or the Worcester School Committee should develop pilot schools (in-district charter schools) within the downtown replicating the education complex Worcester had downtown in the 1950’s and promoting daytime foot traffic in the area.
- Interested colleges should establish a regional center downtown for training current and future public employees for local and state government in Central Massachusetts. Such a program would enhance the management capacity of the towns in this region and generate more evening foot traffic in downtown.

To read The Research Bureau’s report on downtown revitalization, go to www.wrrb.org

Roberta R. Schaefer, Ph.D.
President & CEO
The Research Bureau