

Worcester's Zones, Districts and Overlays

A Guide to the City's Government-Designated Geographic Areas

Report 21-01

March 2021

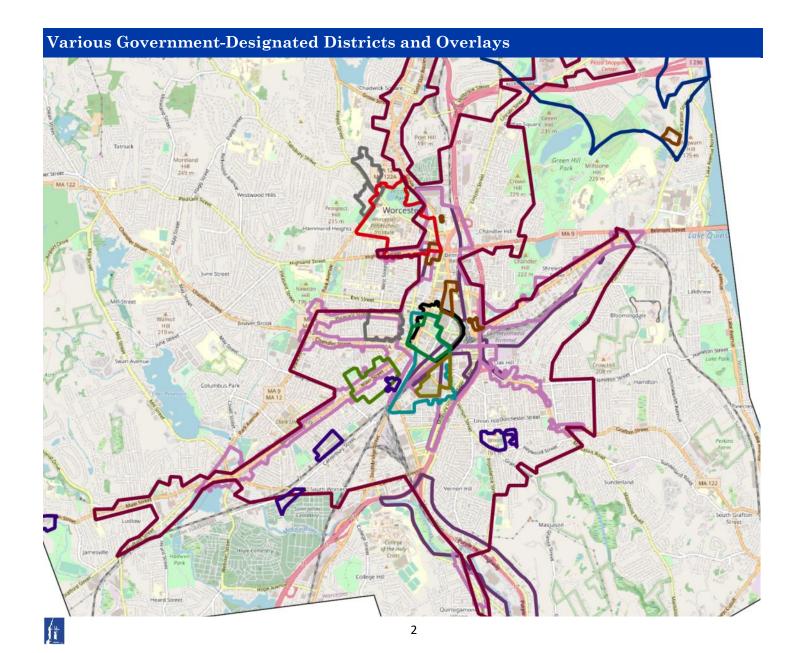
Worcester Regional Research Bureau, Inc.

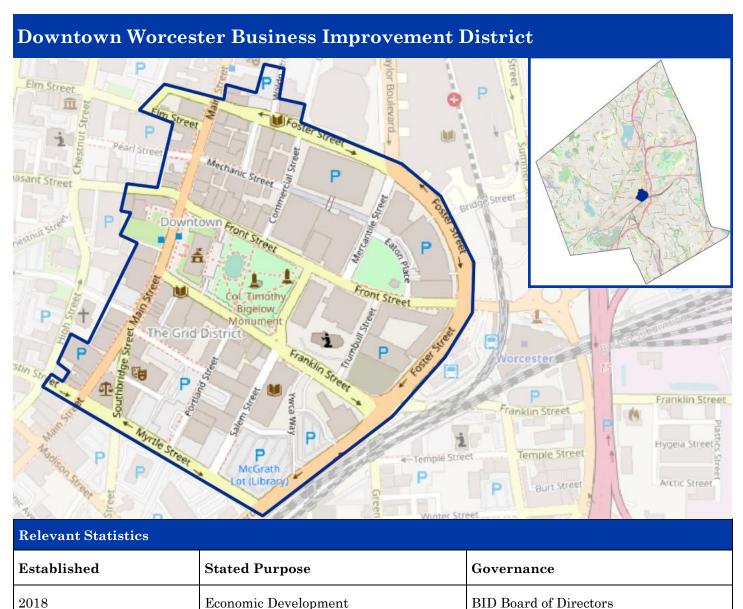
Introduction

Worcester, on a map, changes over time. Old buildings are demolished and new ones rise. Once sparse avenues become thriving commercial corridors, and empty land becomes filled with homes and new neighborhoods. City leaders have watched as private development and population patterns make hotspots out of previously sleepy areas and bring changes to the character and function of Worcester's many neighborhoods.

Sometimes, though, government leaders take a more active role and draw on Worcester's map themselves. These city-designated zones and areas can shape the world just as effectively as private developers. They can provide an incentive for new types of businesses, or put restrictions on undesirable land uses. They can preserve old features or encourage demolition and reuse. Some of them make newspaper headlines—others have existed for years with barely any recognition from the population that lives or works in their borders.

This report catalogues many of Worcester's official zones, districts, overlays and areas. Where available, information is taken from the City of Worcester's Geographic Information System department. The intention is for those interested in Worcester to gain a better understanding of the underlying map that governs the structure and function of the world around them.





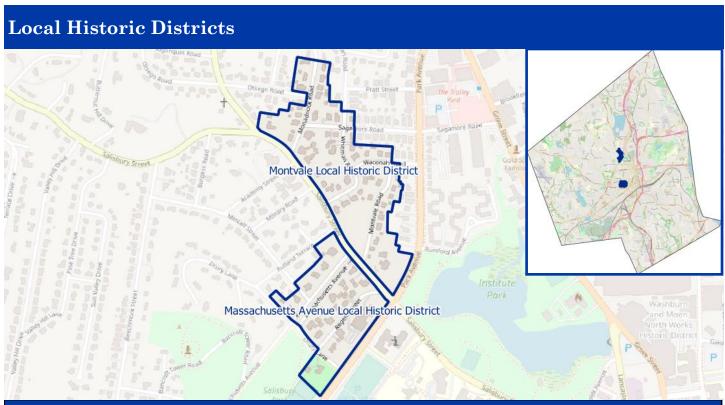
The Downtown Worcester Business Improvement District was approved by the City Council in November 2018, becoming the eighth such Business Improvement District (BID) in Massachusetts. It was formed after an initial vote of property owners in the district—per state law, at least 60 percent of property owners in a proposed district, who among them hold at least 51 percent of the assessed valuation of all property in the district, must vote in favor of forming a BID.

The BID is governed by a board of directors, which hires a director to oversee day-to-day

operations. In Worcester, those operations include beautification and marketing efforts. It is funded by an additional assessment/fee on properties within the BID. All properties are subject to the fee, whether or not the owner voted in favor of the BID, although there are exceptions for certain residential properties and those for whom the tax would create "financial hardship." This fee is equal to 0.3 percent of assessed value, and provides more than \$900,000 annually for BID operations. Although the BID is privately run, this assessment is collected by the City and disbursed to the BID.

The BID was approved for five years, and is up for renewal in 2023.





Relevant Statistics	evant Statistics		
Established	Stated Purpose	Governance	
Mass Ave: 1975 Montvale: 1993 Crown Hill: 2013	Historic Preservation	Worcester Historical Commission	

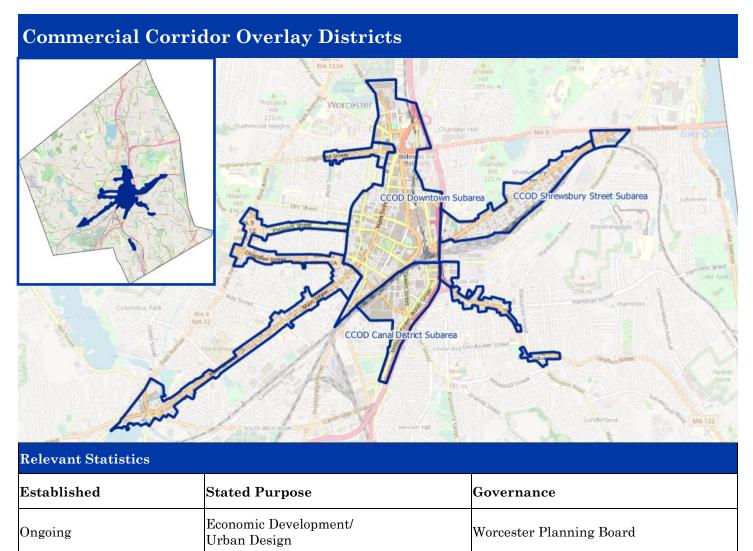
Under Massachusetts state law, city councils or town meetings can vote to establish local historic districts, designations that protect areas with a high concentration of historically and/or architecturally significant buildings. The districts exist in addition to other protections, such as National Register of Historic Places listings.

Worcester's three districts—Massachusetts Avenue and Montvale off of Salisbury Street and Crown Hill near downtown—restrict certain alterations to buildings in their borders. Any change to visible exterior architectural features, up to and including demolition, must be approved by the local authority in charge, which in Worcester is the Historical Commission. Commissioners weigh both the appropriateness of the change and the hardship caused by not allowing it, and can issue permission to continue based on either factor (or deny the application).



More than 220 local historic districts have been established in Massachusetts since the first in 1955, according to the Secretary of State.



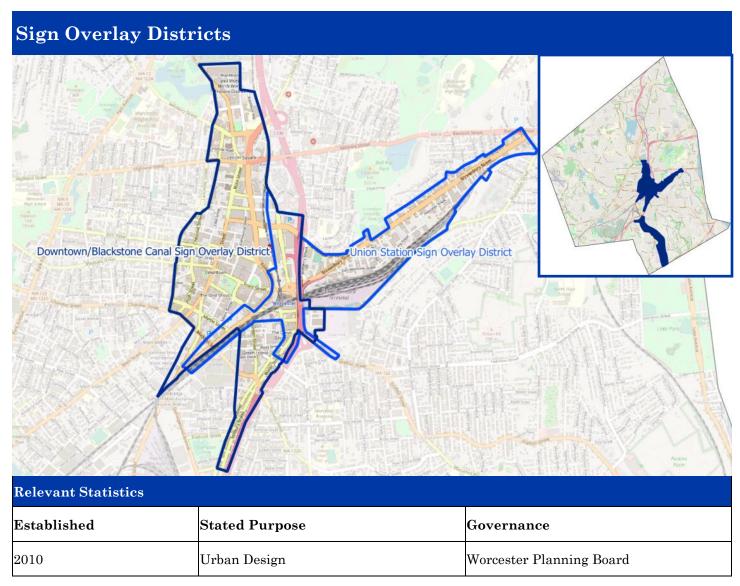


Worcester's zoning ordinance sets out a number of rules on design, parking requirements, and other considerations for developers and property owners. The Commercial Corridor Overlay District program lays out modifications to those rules for specified areas that are currently or theoretically prime commercial zones.

The intent of the districts, according to the Worcester zoning ordinance, is to "encourage compact, pedestrian friendly development that is physically and functionally integrated through site design, dimensional and parking standards that limit parking, provide flexibility for development initiatives and provide incentives for mixed-use development."

The districts introduce form-based urban design and site layout requirements. Various automobile related uses, including gas stations and repair shops, are not permitted—even if they would be under the rules of the underlying zoning for the area. Single-family and two-family housing is also not permitted, in line with the stated goal of encouraging mixed commercial and residential development. More severe restrictions on drive-throughs are also included, as are prohibitions against most stand-alone parking lots.

In other cases, the districts provide more flexibility. Minimum parking requirements are relaxed, and in some cases parking requirements can be waived entirely. There are no parking requirements in the Downtown Subarea, one of three subareas, along with the Canal District and Shrewsbury Street.



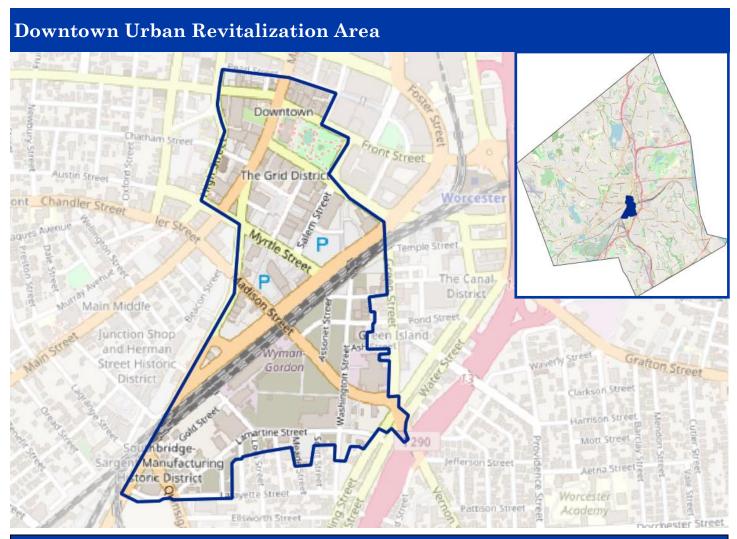
Worcester's zoning code contains extensive regulations for signage in the city—everything from billboards to business signage is covered, with regulations for size, placement, lighting, and other aspects of sign design.

The three sign overlay districts exist to "restore the landscape and prevent incompatible uses" (Blackstone River Parkway), "protect the sense of place and character" (Downtown/Blackstone). In the case of the Union Station overlay district, regulations exist to provide both a sense of place and orientation by preserving the visibility of the transit hub from multiple vantage points in the city.



The major restriction of the districts is a ban on non-accessory roof or freestanding billboard signs.





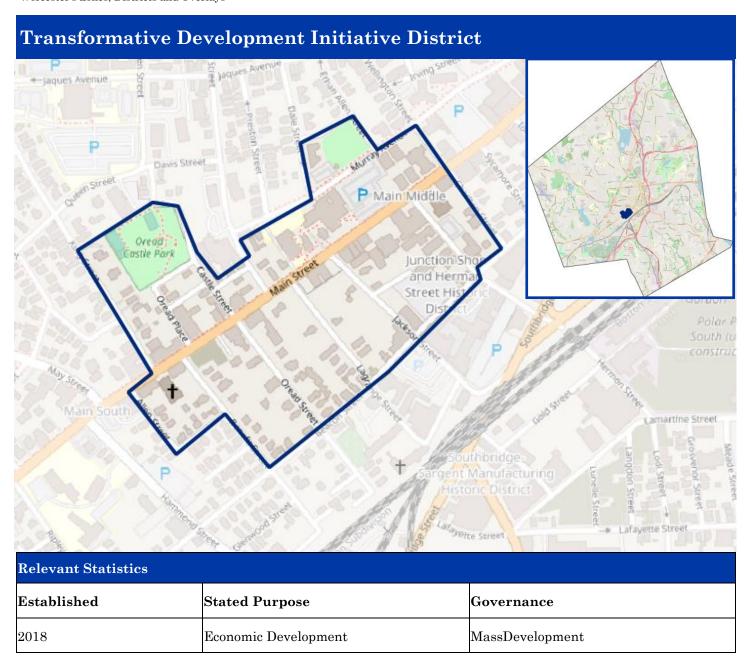
Relevant Statistics	levant Statistics		
Established	Stated Purpose	Governance	
2016	Economic Development	Worcester Redevelopment Authority	

The same Massachusetts state law that governs the creation of redevelopment authorities sets out rules for creating urban renewal programs. The Worcester Redevelopment Authority (WRA), in collaboration with the City of Worcester, used this law to launch the 2016 Urban Revitalization Plan, which contained a defined area that, according to the WRA, was a "decadent and blighted" area in need of targeted intervention.

The vision of the project is "to build on the current momentum of downtown revitalization through strategic public investments." The most powerful tool granted by the Commonwealth's approval of the project is the designation of 24 parcels and six condos as "candidates for acquisition," allowing the WRA to use eminent domain authority to force a sale to a buyer who would hopefully invest more in the property (although those involved in the plan have said they prefer to use other tools, saving eminent domain for a last resort).

The Urban Revitalization Plan was amended in 2018 to expand the borders of the URA. It is the latest in a series of urban renewal projects undertaken by the WRA, the most famous being the Medical City Urban Renewal Project.



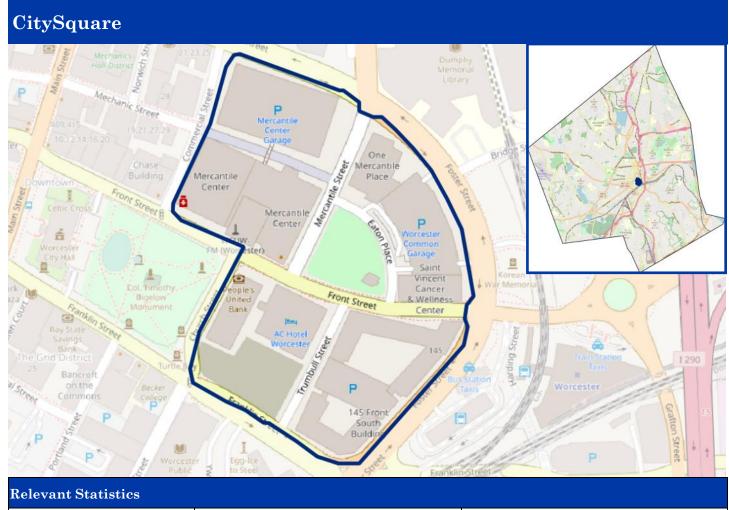


MassDevelopment, an economic development agency tasked by the Commonwealth of Massachusetts with stimulating businesses and growth in cities statewide, runs a series of "TDI Districts" in Worcester and other Gateway Cities. These districts are located in mixed-use, dense and walkable areas, and MassDevelopment works with local partners to "to create a critical mass of activity that inspires investments by local residents, entrepreneurs, and businesses, as well as additional private development."

According the of Worcester. to City accomplishments in the current Worcester TDI District include the creation of the Main South Business Association, the organization of "fan plan" meetings to discuss the PawSox relocation and the awarding of several grants targeting local addition to the businesses. In City, MassDevelopment lists the Main South Community Development Corporation, Clark University and the YMCA as local partners.

The Main South TDI District is the second such designation in Worcester. The Theatre District was announced as a TDI District in 2014 and wrapped up in 2018.





Established Stated Purpose Governance 2005 Economic Development City of Worcester

Background

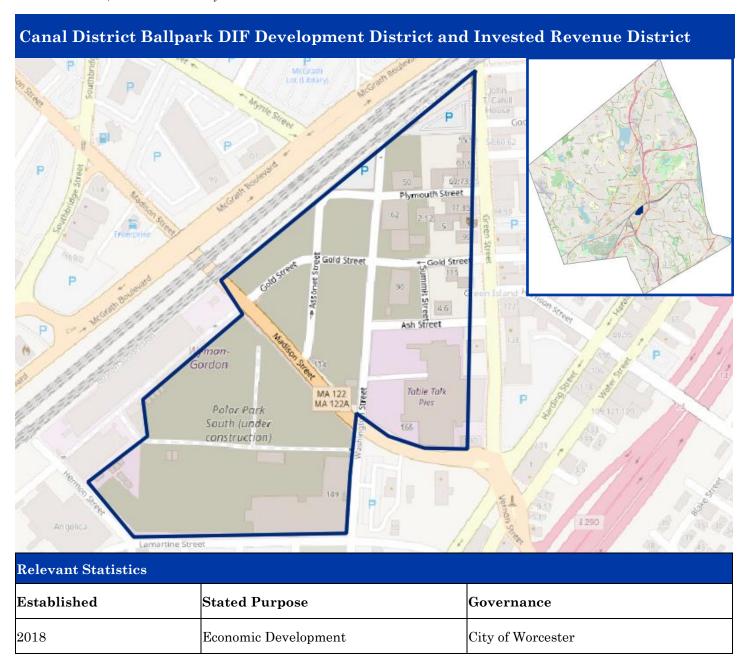
CitySquare is the brand name of the first official DIF (District Improvement Financing) district in the Commonwealth of Massachusetts. It was drawn to encompass the site of the Worcester Galleria, a large downtown shopping mall opened in the 1970s that city leaders decided was more of a negative than a positive. The area was designated as a DIF district in 2005, the mall closed in 2006, and after a long demolition process construction started in earnest with Unum's (now former) headquarters in 2010. The area now features housing, office space, hotel and retail uses.

While development at the site is private, public involvement paved the way for the area's current

redevelopment. The DIF district financing, which pays off an initial investment by taking a percentage of additional value created after the DIF designation, paid for the demolition of the mall. The City also rebuilt the road network in the area, since one of the downsides of the Galleria was its severing of downtown from the rest of the city. In total, the City estimates that \$90 million in public investment (including non-DIF revenue) has resulted in \$298 million in private development, with the potential for more.

The district was expanded in 2012 to include 5 Salem Square (the location of the former Notre Dame Des Canadiens church). In addition to the DIF district, individual projects inside the zone may have Tax Increment Financing (TIF) deals, which in FY20 totaled \$3.6 million for the zone.

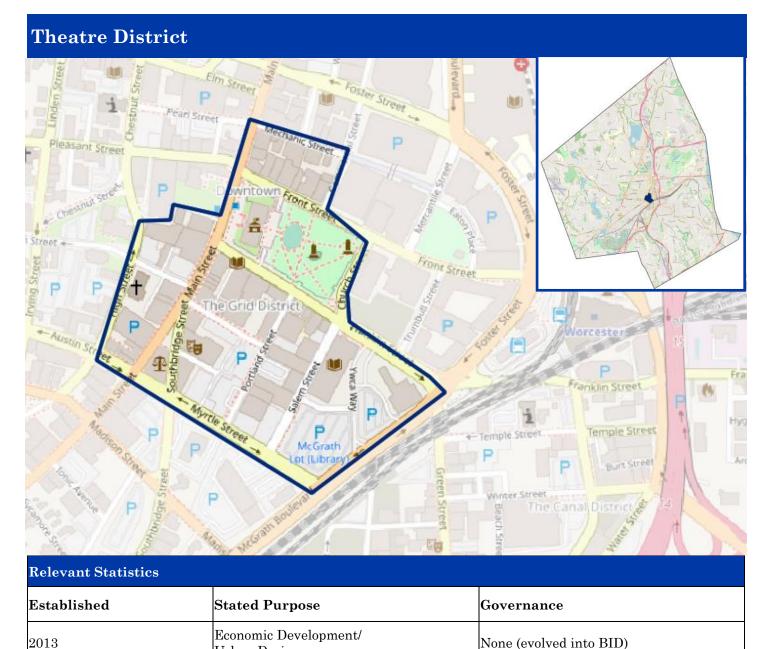




The Polar Park DIF District, as it is sometimes called, was established in 2018 to facilitate the construction of the municipally-owned Polar Park baseball stadium. The stadium was promised to the Boston Red Sox's Triple-A affiliate as part of their move to Worcester, but one of the City administration's promises was that no taxpayer money would be spent on the project. To that end, the City used the District Improvement Financing (DIF) model to capture increased tax revenues from expected new investments to repay the bond financing.

DIF districts work by taking a percentage of additional value created after the beginning of the DIF designation. The assessed value of all properties in the DIF before the stadium is built is \$14 million. Any additional value—which the City is projecting to be substantial, given economic spinoff effects from the stadium—will be taxed and used to pay off the City's construction debt. Originally, the DIF District was aimed at paying back \$70.1 million in bonds, while \$30 million would be covered by Red Sox rent payments. The Worcester City Council has since authorized \$32 million in additional borrowing to cover increased construction costs. The DIF district was expanded in 2020 to include 14 additional properties on Green Street.



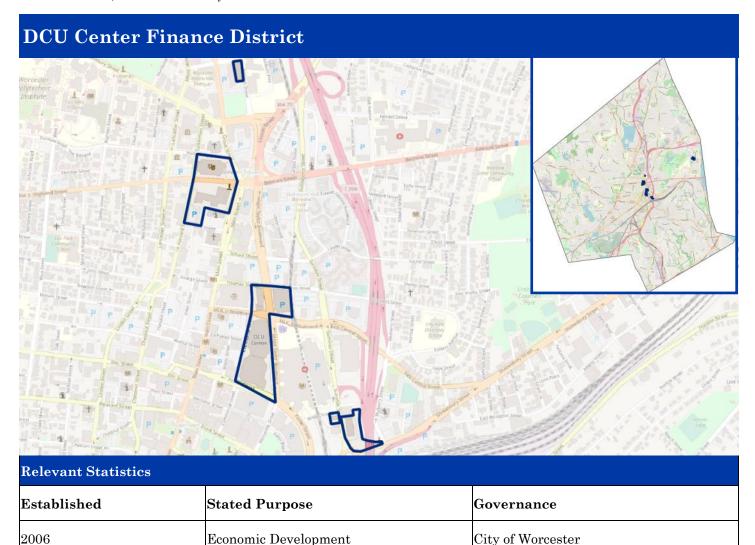


The Theatre District refers to the study area targeted by a public-private master plan to boost economic development and dense urban design downtown, using the Hanover Theatre and other cultural institutions as anchors for that vision. The plan was developed by the private nonprofit Worcester Business Development Corporation in collaboration with the City of Worcester, and was approved by the Worcester City Council in 2013.

Urban Design

The Theatre District does not have any unique rules or regulations in the same vein as other districts and zones. Instead, the master plan lays out a series of goals, targeting the area because of its existing cultural institutions and opportunities for redevelopment. The ultimate goal is an "active, mixed-use, 18-hour neighborhood with significant institutional and residential growth supporting a vibrant entertainment and cultural environment." Among the points on the "action agenda" to meet this goal are an increase in market-rate and student housing, expanding district connections, improving the pedestrian experience and increasing and managing parking in the area.





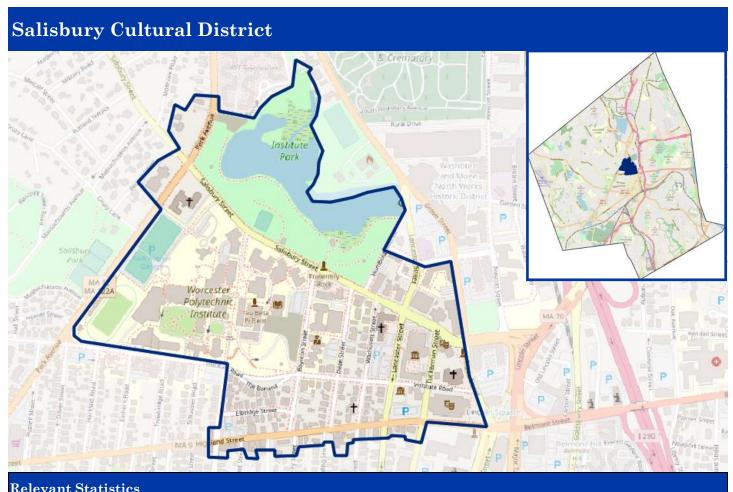
The DCU Center Finance District is a collection of properties, both near and far away from the DCU Center, that generate tax revenue to maintain the city-owned arena and convention center. It was created by an act of the state legislature, and diverts hotel, meals and sales tax—which would usually go to the Commonwealth of Massachusetts—to the City of Worcester for use in maintaining and improving the DCU Center.

When it was created in 2006, the district included the DCU Center itself, two hotels and the cityowned Major Taylor parking garage, funding up to \$30 million in borrowing capacity. It was amended in 2014 to include two additional hotels and other assorted property, including the Worcester Memorial Auditorium, raising the maximum borrowing capacity to \$60 million.

Revenue generated by the district varies year to year, based on activity in the designated areas. In FY20 the city received \$1.7 million in designated hotel and meal taxes.







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Established	Stated Purpose	Governance
2015	Economic Development	Cultural District Partnership

The <u>Salisbury Cultural District</u> was approved by the Worcester City Council in 2014 and by the Massachusetts Cultural Council (MCC) in 2015 as a means of attracting and supporting "creative businesses." It is Worcester's first, and to date only, state-designated cultural district, and one of 49 statewide.

Per MCC specifications, a cultural district "has a number of cultural facilities, activities, and assets. It is a walkable, compact area. It is easy for visitors and residents to recognize. It is a hub of cultural, artistic and economic activity."

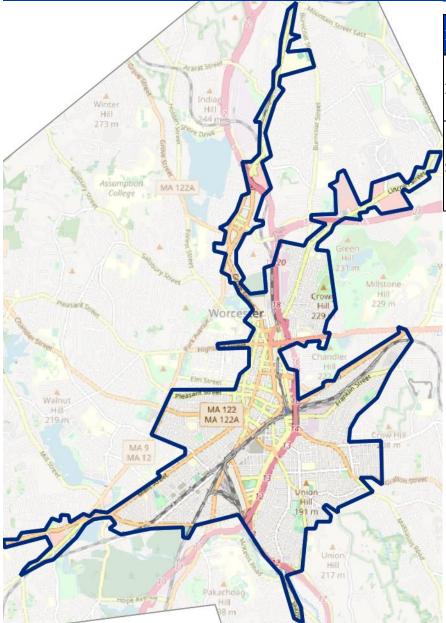
The other requirement for a cultural district is a cultural district partnership, in which

stakeholders from the community—the majority of which must be physically located in the district—combine with city or town officials to do the business of the cultural district. In Worcester. stakeholders included Polytechnic Institute, whose campus makes up much of the land area of the district, as well as large nonprofits like the Worcester Art Museum, Worcester Historical Museum and American Antiquarian Society. While there are no guaranteed funds or advantages attached to a cultural district designation, it does facilitate inclusion in state marketing efforts and grant applications. The MCC, for example, allocated \$5,000 to the district for marketing and outreach.

The Salisbury Cultural District was renewed in 2020 and will be in effect at least through 2025.



HDIP Urban Density Residential District



	Relevant Statistics		
0.0	Established	Stated Purpose	Governance
	2014	Economic Development	City of Worcester/ Commonwealth of Massachusetts

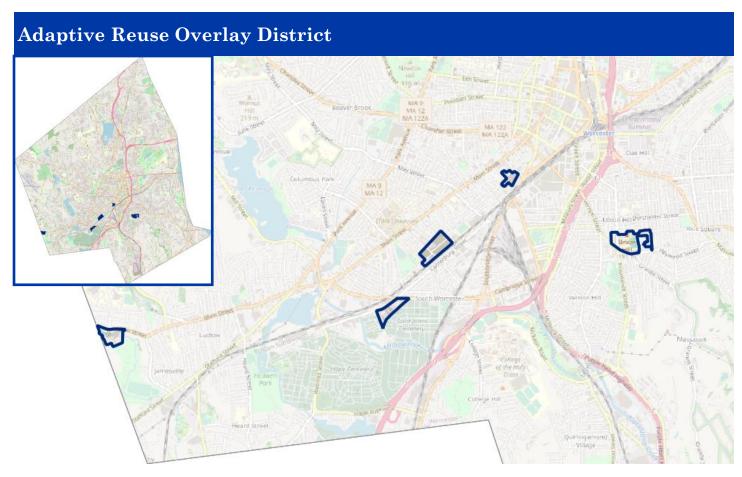
Background

The Housing Development Incentive Program (HDIP) is a state tax incentive designed to encourage the development of multi-unit housing in specific areas. It is available to Gateway Cities like Worcester, so long as the target community proposes and approves an "HD Zone" and HD Zone Plan.

Once the HD Zone is in place, two tax incentives become available to eligible projects in that zone. A local property tax exemption with varying benefits can be approved by the Worcester City Council. A state investment tax credit up to 10 percent of renovation costs can be approved by the state Department of Housing and Community Development.

An eligible housing development project is any new construction or "substantial renovation" resulting in a variety of outcomes, including two or more market-rate housing units, a project with 80 percent or more market-rate housing, and a minimum construction cost per unit of \$30,000.





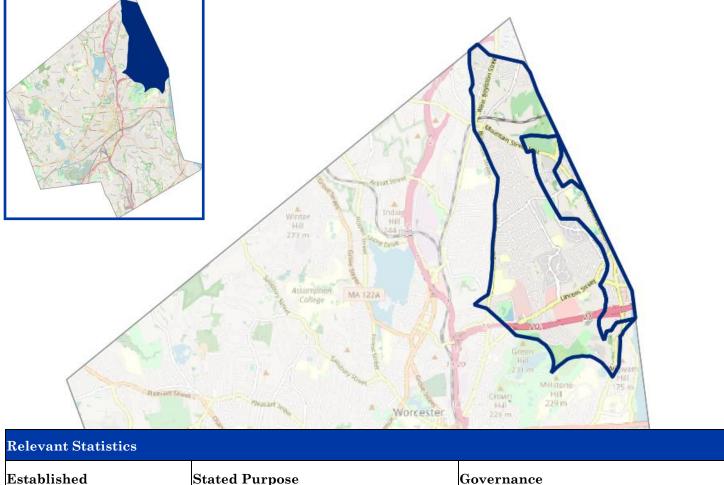
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Established	Stated Purpose	Governance	
2002	Economic Development/ Urban Design	Worcester Planning Board	

The Adaptive Reuse Overlay District functions as a targeted means to redevelop vacant or underutilized structures—such as old mill buildings—into residential or commercial uses. The AROD is designed to encompass specific buildings that would be suited to this purpose.

One benefit of being in an AROD zone is the ability to override the underlying zoning of the area in order to accommodate a residential or commercial use. For example, if an area was zoned for industrial uses—the Junction Shop Lofts and Kettle Brook Lofts, both former manufacturing complexes, are both in the AROD zone—an AROD designation would allow the new use without rewriting the zoning code for the whole neighborhood.

An AROD designation also relaxes dimensional requirements and parking minimums. Properties can be added to the AROD by an action of the Worcester Planning Board

Water Resources Protection Overlay District



televant Statistics		
Established	Stated Purpose	Governance
1991	Conservationism	Worcester Planning Board

Background

The Water Resources Protection Overlay District (WRPOD) is designed to protect the quality and the quantity of the area's groundwater reserves, both for environmental purposes and for health reasons, as it safeguards potential sources of drinking water for the community.

The WRPOD was drawn to encompass the aquifer zone—an area that can hold a substantial amount of water—for the Quinsigamond Well and Shrewsbury Well. It consists of two areas—the Zone of Contribution (farther east), or the area that contributes the most to the wells and the Secondary Recharge Area, which contributes surface and groundwater flow to the Zone of Contribution.

Both zones ban or restrict certain activities that might otherwise be allowed by the underlying zoning, including disposal, manufacture or storage of hazardous materials, disposal of snow deicing chemicals, and application of pesticides or herbicides.

In addition to protecting water quality, the WRPOD restricts impervious surfaces, with the goal of not diminishing groundwater buildup. Parking garages, freight terminals and automotive shops are also banned or restricted to special permit. In the Zone of Contribution, rendering more than 20 percent of the lot area impervious is only allowed by special permit.



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