



Gateway Park

WORCESTER, MA
2007 REGION 1 WINNER

Key Project Lesson: Innovative public-private partnerships can transform a community's economic base and image.

Overview

Gateway Park, LLC was formed as an innovative “town and gown” partnership between Worcester Polytechnic Institute and the Worcester Business Development Corporation to undertake the large-scale brownfields revitalization project that has created a new gateway to Worcester. Worcester flourished as far back as the Industrial Revolution, but the steep drop in manufacturing that started in the 1960s took a toll on the city. Today, Gateway Park is an 11-acre, mixed-use complex in downtown Worcester that showcases the city's vibrant and growing life sciences and bioengineering industry. The city has leveraged private investment in transformational ways, building its strength in the sciences and creating an environment that will be a catalyst for innovation, economic growth, and new high-skill and high-wage jobs.

Featured Partners

- Gateway Park, LLC
- Worcester Polytechnic Institute (WPI)
- Worcester Business Development Corporation (WBDC)

Primary Reason for Redevelopment

The site provided a unique opportunity for redevelopment of a blighted, underused, and environmentally stagnant area. Located near WPI and just off Interstate 290, the site was the first view that greeted commuters and visitors approaching Worcester from the north. The Gateway Park partners, WPI and WBDC, along with the City of Worcester, had the vision to create a plan not only to clean up a blighted area, but also to build upon WPI's growing bioscience industry cluster and bring new high-wage and high-skilled jobs to local residents by integrating WPI's expertise into the city and the regional economy.

Approach

Following site selection, a master plan was commissioned to assess the development potential of the larger, 55-acre, commercial/industrial district, and to create an achievable plan to guide future development and public and private investment decisions. An 11-acre parcel near WPI was chosen for initial renovation and development. This parcel was envisioned as a smart-growth, work and residential area with increased pedestrian activity, a series of plazas and open spaces, and restaurants serving downtown residents, workers, WPI visitors, and people from nearby residential and commercial areas.

During the master planning stage, two sites were identified for environmental cleanup, one of which had a complex industrial history that required an aggressive cleanup strategy. The environmental investigations for this site resulted in a revision of the master plan and a zoning change so that parking could be located over this most-contaminated area as part of a cost-saving environmental cap, with denser development planned for cleaner parcels. Ultimately, four of the 11 acres required remediation.

Innovative Techniques

A combination of financial techniques and strategies has been used to redevelop the site, including private cash equity, loans, and grants. WPI and WBDC have invested \$64 million in cash equity and loans and provided matching funds to allow the city of Worcester to secure infrastructure grant resources from the U.S. Economic Development Administration (EDA). These infrastructure improvements not only facilitated the redevelopment of 60-68 Prescott Street for the WPI Life Sciences and Bioengineering Center, but also will be instrumental in the subsequent development of about one million square feet of new buildings. The latter will house life sciences companies, along with housing, retail establishments, and restaurants. Worcester also has been aggressively seeking other federal and state investment in Gateway Park. The Commonwealth of Massachusetts provided an environmental insurance subsidy through its Brownfield Redevelopment Access to Capital (MassBRAC) program, a state match to federal transportation funds, and a state public works grant. Federal involvement in Gateway Park has also been strong: In addition to the EDA grant, the \$13 million total includes federal transportation funds, a grant from the U.S. Environmental Protection Agency (EPA), and funding from the Department of Defense and the National Institutes of Health for WPI's Bioengineering Institute.

Challenges

One of the greatest challenges was identifying new economic uses that could overcome the stigma of Worcester's long industrial past, and pairing them with redevelopment efforts that would address fears generated by contamination. From a practical standpoint, these efforts were further complicated by physical factors such as railroad spurs and rights-of-way through the property that were built to enable daily rail deliveries to former steel mills, and several city drainage systems and culverts with unclear easements dating back to the early 1900s. Land assembly was also a significant challenge—there were seven separate parcels and property owners for the 11-acre target area. Rather than use eminent domain, the city and Gateway Park partners negotiated for the purchase of each parcel of land. In some cases, tracing current property owners created initial obstacles to successful land assembly.

Benefits

The completion of the first building in Gateway Park, the Life Sciences and Bioengineering Center, set the stage for a new economic-development driver to emerge in Worcester because 300 new jobs in the expanding bioengineering and life sciences fields were established there. The average yearly salary for these jobs is \$43,000. Plans are in the works for more than \$250 million in private investment in 500,000 square feet of office space and research and development facilities. Once all of the parcels in Gateway Park are developed, an estimated 1,600 to 2,000 high-wage and high-skill jobs will be created, mostly in the bioengineering and life sciences field—and Worcester will have a forward-looking gateway into the city.

Despite WPI's non-profit status, all but one Gateway Park property will pay property taxes. At build-out, projected annual property tax revenues from Gateway Park will be more than \$1.4 million, compared to the 2001 property tax revenue of just \$52,000.

Before



After



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Names of Participants:	Gateway Park, LLC; Worcester Polytechnic Institute; Worcester Business Development Corporation
Number of Acres:	11 acres
Former Use:	industry
Current Use:	mixed-use complex focusing on life sciences
Former number/Types of jobs:	7,800, manufacturing
New number/Types of jobs:	135, faculty, support staff, janitorial help, and students
Type of Site:	industrial (mainly steel)
List of Major Contaminants:	lead, arsenic, chromium, thallium, nickel zinc, petroleum compounds, polynuclear aromatic hydrocarbons, and several volatile organic compounds
Greatest Challenges:	stigma of its long industrial past, fear of contamination, defining marketable new use
Length of Time to Remediate Site:	5 years
Primary Reason for Redevelopment:	to showcase Worcester's vibrant and growing life sciences and bioengineering industry
Years Abandoned or Challenged:	since 1960s
Cleaned up under Consent Decree:	no
List of Financial Assistance:	MassDevelopment, Massachusetts Office of Housing and Economic Development, U.S. Environmental Protection Agency Brownfields Revolving Loan Fund, and the U.S. Department of Commerce's Economic Development Administration
Other Financial Techniques Utilized:	private cash equity, loans, and grants
New Tax Revenues:	about \$1.4 million in annual property tax revenues upon completion
Community Outreach Activities:	collaborative public/private partnerships, public meetings
Innovative Economic Development:	innovative "town and gown" partnership focusing on new community economic development drivers
Federal Partners:	EPA, EDA, Department of Defense, National Institutes of Health