



WORCESTER BUSINESS DEVELOPMENT CORPORATION

2007

ANNUAL REPORT

# LETTER FROM THE CHAIR & PRESIDENT



Nancy H. Sala  
Chair



David P. Forsberg  
President

Since our "rebirth" in 1999, the WBDC has been known for an ability to adapt and respond to the economic challenges facing Worcester and the region and for a knack of forging partnerships to take on difficult and complex projects which benefit the economy. So, it is fitting that this year's Annual Report focuses on the new WBDC Strategic Plan and on our most enduring partnership, Gateway Park, our collaboration with WPI.

During 2007, the WBDC adopted a new Strategic Plan which will guide the corporation from January 1, 2008 to December 31, 2010. The Plan makes downtown Worcester our top priority. We will work closely with the City to promote downtown development by identifying strategically important buildings and applying our skills and capital to stimulate and develop projects which will benefit downtown Worcester.

The 2001 President's report, stated, "Without WPI there would not be a Gateway project." Congratulations and thanks to WPI and President Dennis Berkey, our 2007 Bowditch Award recipient. The University's \$40 million investment in the WPI Life Sciences and Bioengineering Center is the linchpin of Gateway Park, a model of institutional citizenship, and a much needed source of jobs and tax revenue for Worcester.

In 2007, the WBDC continued its role as developer of the Hanover Theatre for the Performing Arts, culminating in a gala grand opening in 2008. Additionally, we completed infrastructure work at CenTech Park, formed a new partnership with Saint Vincent Hospital to assist in development issues at Washington Square, and was designated the developer of 31 additional acres at the Massachusetts Biotechnology Park on Plantation Street in Worcester.

Partnership remains the key to our success. The City of Worcester, State and Federal legislative delegations and the towns of Shrewsbury and Grafton continue to support our mission of job creation and tax base expansion; and an outstanding staff and dedicated Board completes the team.

Nancy H. Sala  
Chair

David P. Forsberg  
President

## OFFICERS & DIRECTORS

**Michael J. Bollus** (TREASURER)  
Bollus Lynch

**Gail Carberry**  
Quinsigamond  
Community College

**James Collins**  
Clark University

**P. Kevin Condon**  
The Granite Group

**Dix F. Davis** (CLERK)

**Stacey DeBoise Luster**  
Worcester Public Schools

**Sandra L. Dunn**  
DCU Center

**William R. Durgin**  
College of the Holy Cross

**Frederick H. Eppinger** (VICE CHAIR)  
The Hanover Insurance Group

**David P. Forsberg** (PRESIDENT)  
WBDC

**Lawrence J. Glick**  
Shrewsbury Street Associates

**Richard B. Kennedy** (ASST. CLERK)  
Worcester Regional  
Chamber of Commerce

**Thomas D. Manning**  
University of Mass.  
Medical School

**John F. Merrill**  
Sovereign Bank

**Frederick M. Misilo, Jr.**  
Fletcher, Tilton & Whipple

**Andrew B. O'Donnell**  
Mirick O'Connell

**Nancy H. Sala** (CHAIR)

**R. Joseph Salois**  
Atlas Distributing

**J. Robert Seder**  
Seder & Chandler

**John E. Smithhisler**  
Saint Vincent Hospital

**William C. Stock**  
Seven Hills Foundation

**George W. Tetter**  
Bowditch & Dewey

**Charles R. Valade**  
Commonwealth National Bank

**Todd H. Wetzel**  
Morgan Stanley

# NEW LOCATION



This past year the WBDC relocated our offices to a newly restored building on 89 Shrewsbury Street above VIA Italian Table Restaurant.

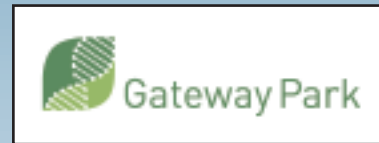
The WBDC shares the 7,100 sq.ft. renovated space with our partners MassDevelopment and Cardinal Construction.

The building and interior received a Silver Hammer Award from the Worcester Regional Chamber of Commerce. The space also is home to the Massachusetts Office of Business Development (MOBD) and the UniverCity Partnership.



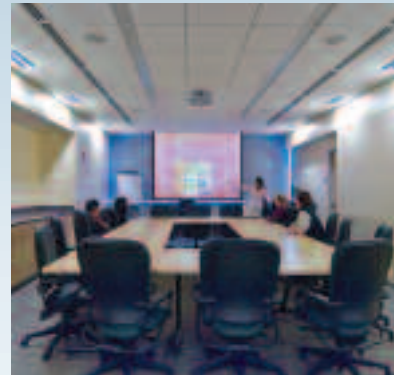


# GATEWAY PARK



In 2007 Gateway Park, the partnership founded by the WBDC & WPI, achieved four major milestones:

- The completion and opening of the WPI Life Sciences & Bioengineering Center
- The opening of a 680 car parking facility
- The completion of a new access road – Washburn Way
- The completion of the environmental remediation of four building pads



The park also signed leases with the Massachusetts Biomedical Initiative (MBI) for new incubator space and RXi Pharmaceuticals, the new research company founded by Nobel Prize Laureate Dr. Craig Mello.

This coming year Gateway Park LLC will partner with a major private developer and announce plans for the start of a third building.



# THE HANOVER THEATRE FOR THE PERFORMING ARTS



On March 14, 2008, The Hanover Theatre for the Performing Arts was unveiled to the public in the grandest of openings.

After 8 years, the idea of a performing arts theatre that would bring Broadway shows and top notch entertainers to Worcester came to fruition. A true community endeavor, over \$26 million dollars of public money has been raised for the renovation and restoration of this historic gem. Worcester is proud to be the home of one of the grandest theatres in the nation.







# BOWDITCH AWARD

In 1999, WPI and the WBDC entered into a strategic partnership and formed Gateway Park LLC. This 50 / 50 partnership has created a new mixed use development bordering the northern end of the central business district in downtown Worcester.

Over the past few years, WPI has taken the partnership to new levels by investing millions of dollars into a new state-of-the-art Life Sciences and Bioengineering Center to house their graduate research and foster the incubation of new start-up companies in Worcester. In addition, through the leadership of their innovative president, Dr. Dennis D. Berkey, they have attracted over \$11 million in research funding for Bioengineering Institute anchored at Gateway Park. This far reaching investment by WPI in Worcester will pay-off for years to come with good paying biotech jobs and much needed expansion of Worcester's commercial tax-base.

WPI is committed to a long-term strategy of investment in Worcester that will improve the quality of life and strengthen the economy of the entire central region of the state.

The WBDC is proud to present the 2008 Bowditch Award to WPI and President Dennis D. Berkey for exceeding Mr. Bowditch and the WBDC's expectations for economic development in Worcester and the surrounding region.



# SPECIAL RECOGNITIONS



**Aleta M. Fazzone**  
Regional Executive  
National Grid

The WBDC is fortunate to have a dedicated partner in National Grid who plays a vital role in the development process.

The success of our projects at Gateway, Hanover Theatre, and CenTech Park, are in no small part due to the work of Aleta M. Fazzone, Regional Director for National Grid. Aleta serves as the primary contact for commercial development. While this is one of her many roles with the company, she has proven to be an effective advocate for development projects in the Worcester area.

The WBDC is pleased to present a Special Recognition Award to Aleta M. Fazzone for being a true advocate for economic development.



**Robert L. Culver**  
President and CEO  
MassDevelopment



**James C. Garvey**  
President  
Flagship Bank & Trust Company



**Charles R. Valade**  
President  
Commonwealth National Bank

## **ROBERT C. CULVER, President / CEO – MassDevelopment**

MassDevelopment has been a financial partner on every major WBDC initiative. President and CEO Bob Culver and his entire team at MassDevelopment have provided the much needed patient capital to allow the WBDC to take on difficult projects in the Worcester area. Bob's no nonsense approach has provided for quick turn-around decisions on grants and loans that have allowed the WBDC to keep complicated projects on schedule.

In 2007, loan guarantees and the award of a Cultural Facilities Grant kept the Hanover Theatre on schedule and ultimately made it a reality for downtown Worcester. Early brownfields program lending allowed the Gateway Park project to start. Bob has been a true friend to economic development and the Worcester area. The WBDC is pleased to present Bob Culver our Special Recognition Award.

## **JAMES C. GARVEY, President – Flagship Bank**

In 1999, the WBDC approached the late Mike Toomey, then President of Flagship Bank, and requested some assistance with financing of some contaminated land. Mike was very helpful and assigned the project to his then senior lender Jim Garvey. Gateway Park was born. Jim went on to structure the Gateway Park financing with MassDevelopment operating under the new Brownfields Act of 1998. Jim rose through the ranks and was ultimately appointed President of the Bank in January 2001. Jim has continued to support the efforts of the WBDC with lines of credit and has been a staunch 100% supporter of the SBA 504 Loan program.

In recognition of his ongoing, unwavering support of the WBDC, we are pleased to present Jim Garvey with our Special Recognition Award.

## **CHARLES R. VALADE, President – Commonwealth National Bank**

Charlie Valade and Commonwealth National Bank have stepped into projects at critical points and made them happen. When a creative approach was needed to fund the Gateway Park Garage, Charlie was there. When the Hanover Theatre needed a creative solution to a gap in financing to maximize eligible tax credits, Charlie and Commonwealth were there.

For these two major projects in Worcester, The WBDC is proud to present Charlie Valade with our Special Recognition Award.



## MISSION STATEMENT

The Worcester Business Development Corporation is a private, non-profit business organization with a public purpose mission to serve as an innovative and leading force in the economic development of the City of Worcester and the region, resulting in job creation and tax base expansion.

## VISION STATEMENT

Grounded in a tradition of economic development accomplishment, the Worcester Business Development Corporation will lead economic and business development in Worcester and the region. Through targeted investment and strategic partnering, the Corporation will bring skills and resources to challenging and complex projects. The WBDC will continually adapt, responding to the economic challenges facing Worcester and the region.

## GOAL 1

The Worcester Business Development Corporation will focus its skills and resources on improving the economic and business climate of downtown Worcester.

### *Objective 1.A*

In conjunction with the City and others, craft a focused downtown development strategy in order to prioritize the WBDC's efforts and promote downtown development.

### *Objective 1.B*

Identify strategically important downtown buildings and locations for the purpose of site development by the WBDC singularly or in collaboration with others.

## GOAL 2

The Worcester Business Development Corporation will enhance our financial, governance, and systems infrastructure to deliver value-added services to our internal and external stakeholders.

### *Objective 2.A*

Design and implement criteria for evaluating the potential value-added of prospective development projects and establish exit strategies for projects undertaken.

### *Objective 2.B*

Establish an angel fund of \$5-10 million, comprised of new capital, intended to stimulate and develop the buildings and locations identified for site development in downtown Worcester.

### *Objective 2.C*

Through the appointment of an ad-hoc Board Committee, review current Board membership, committee structure, existing by-laws, and methods of operation in order to enhance fiduciary and operational effectiveness.





## GOAL 3

The Worcester Business Development Corporation will enter into a Memorandum of Understanding with the City of Worcester, clarifying our respective roles in the development process and establishing the framework for a collaborative, long-term partnership.

### *Objective 3.A*

Establish protocols for project specific Memoranda of Understanding.

### *Objective 3.B*

Schedule regular meetings with the City Manager and/or his Development Cabinet to help carry out the City's economic development agenda.

## GOAL 4

The Worcester Business Development Corporation will design and implement a comprehensive communications plan which will respond to the needs and interests of our internal as well as external stakeholders and advance the desired public image of the Corporation.

### *Objective 4.A*

Develop an internal communications strategy to enhance dialogue and exchange of ideas between WBDC staff and Board members.

### *Objective 4.B*

With professional assistance, execute an external communications strategy designed to positively position the WBDC as an economic and business development leader in Worcester and the region.

### *Objective 4.C*

Expand and improve the WBDC's legislative briefings and governmental relations to foster public support for our initiatives.





## EDA AWARD FOR EXCELLENCE IN URBAN OR SUBURBAN DEVELOPMENT

Sandy K. Baruah, Assistant Secretary of Commerce for Economic Development, on November 29, 2007, proudly congratulated Gateway Park LLC as a winner of EDA's Excellence in Economic Development Awards 2007.

The Excellence in Economic Development Award is given annually in seven categories to recognize "innovative economic development strategies of national significance." In particular, the award for Excellence in Urban or Suburban Economic Development is given to a project that "utilizes innovative, market-based strategies to improve urban or suburban economic development results."

## PHOENIX AWARD FOR EXCELLENCE IN BROWNFIELD DEVELOPMENT

Gateway Park LLC was named a winner of the prestigious national Phoenix Award for its brownfields revitalization project in downtown Worcester. The Phoenix Awards were created in 1997 to honor the groups that develop significant brownfields sites across the country. They recognize innovative yet practical remediation projects, which bring blighted, old commercial and industrial sites back to productive use.

In September 2007, Gateway Park opened its first building, the WPI Life Sciences and Bioengineering Center. In addition to housing WPI's life science-related graduate research programs from four of its academic departments, the WPI Bioengineering Institute (BEI), and the University's Corporate and Professional Education Division, the Life

Sciences and Bioengineering Center is also home to Massachusetts Biomedical Initiatives, an incubator for biotechnology and medical device companies.



# 2007 WBDC TEAM



FROM LEFT  
**MICHAEL A. LANAVA**  
Consultant

**JOAN M. KIREJCZYK**  
Receptionist

**WILLIAM M. CARKIN**  
Construction Manager

**JOYCE A. STEWART**  
Controller

**DAVID P. FORSBERG**  
President

**PAMELA A. DISCIPIO**  
Executive Assistant

**CRAIG L. BLAIS**  
Executive Vice President

**ROBERTA L. BRIEN**  
Project Manager

**JAMES P. LAVIN**  
SBA Loan Officer







Robert S. Bowditch  
Founding Member  
1965 – 1997

## PAST BOWDITCH AWARD RECIPIENTS

- 1999 John D. Hunt
- 2000 William J. Short
- 2001 Robert E. Maher, Jr.  
Joseph A. Podbielski, MD  
Alan M. Stoll
- 2002 The Crowley Family
- 2003 John LaPoint  
Sheila Ide
- 2004 Abbott Research Center  
Dr. Alejandro A. Aruffo
- 2005 John M. Nelson
- 2006 Charles F. Monahan, Jr.
- 2007 Robb & Madeleine Ahlquist

AWARDED EACH YEAR TO THE  
INDIVIDUAL WHO MOST CONTRIBUTES TO  
MR. BOWDITCH'S "EXPECTATIONS" FOR  
THE SUCCESS OF THE WBDC

# THE BOWDITCH AWARD