



# 2016 Annual Report

# LETTER FROM THE CHAIR & PRESIDENT/CEO

As the WBDC moves into our 52<sup>nd</sup> year of economic development in the Worcester area, we celebrate our successes and advance a bold new agenda for future development in the region.

This past year, we continued to develop our project at 20 Franklin Street, expanding our innovation space in partnership with the new Idea Lab and new start-up companies occupying our 4<sup>th</sup> floor incubator. We have raised a substantial amount of capital to commence construction in 2017 on new cultural space and a “Black Box” theater. Our partnership with Quinsigamond Community College continues to thrive as more programs and students now occupy their downtown campus. We continue to look outward as the Theatre District is now taking shape, new infrastructure has been completed by the City, and the Theatre District Alliance is now on the path to becoming a successful “Business Improvement District” (BID). Our commitment to downtown remains strong. We look forward to working in partnership with the City on successfully implementing a new Urban Revitalization Plan to improve the walk from CitySquare to Main Street. Our brownfields redevelopment efforts continue to be successful. In 2016, we completed the demolition and cleanup of the former GKN Sinter Metals site in the Canal District and, in partnership with the development team at the Worcester Sports Center, have begun construction of a new 100,000 SF twin ice rink and retail center. We will continue to work in partnership with the City to expand our brownfields efforts to other industrial sites in the City and region. 2016 brought a record year for the WBDC’s SBA 504 Loan Program portfolio, adding 14 new loans totaling \$10 million.



We are pleased to be honoring Mark Stebbins and Leo Xarras from XSS Hotels with our 2017 Bowditch Economic Development Award. XSS has successfully developed three hotels in Worcester with an exciting fourth full service hotel in downtown Worcester at CitySquare. The new AC Marriott will provide full service amenities to guests and provide much needed room capacity to our ever increasing conventions and meetings held at the DCU Center. Mark and Leo truly represent what our founder Bob Bowditch described as “exceeding expectations for success and economic development”.

Looking forward, we are excited to announce we will be breaking ground on a new project; the creation of a Biomanufacturing Park as an expansion to the existing Massachusetts Biotechnology Park in Worcester. In addition, we will continue our efforts on completing a new housing project at 332 Main Street, working with our clients on repositioning the Mercantile Center project at CitySquare, the Southbridge Inn & Conference Center, and our involvement in the Economic Development Coordinating Council (EDCC).

Sincerely,

Handwritten signature of John F. Merrill in black ink.

John F. Merrill  
Chair

Handwritten signature of Craig L. Blais in blue ink.

Craig L. Blais  
President & CEO



## 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.



# WBDC BOARD OF DIRECTORS

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### John F. Merrill

WBDC Board of Directors, 2006 - 2009, 2011 - 2017  
Chair, 2015 -2017

The Worcester Business Development Corporation proudly recognizes John F. Merrill for his leadership and commitment to the mission of the WBDC.

John has been involved in a number of successful endeavors. His time and effort has been a great asset to the WBDC and its projects, which in turn has benefited countless people in Worcester and the surrounding region.

The WBDC acknowledges John for his many contributions and thanks him for his service to our community.

# ROBERT S. BOWDITCH ECONOMIC DEVELOPMENT AWARD

The WBDC is pleased to recognize Leo Xarras and Mark Stebbins from XSS Hotels as the 2017 Robert S. Bowditch Economic Development Award recipients. This prestigious award is given each year in the memory of Robert Bowditch, a founding member of the WBDC. The recipients are annually selected based on Mr. Bowditch's expectation for success in economic development. Both Leo and Mark from XSS Hotels have exceeded this standard over the last 20 years in the City of Worcester.



XSS Hotels was the very first tenant in the proposed Gateway Park in 1995. Leading the way in brownfields redevelopment, XSS Hotels creatively took title to a contaminated site in partnership with the Central Mass Economic Development Authority on Grove Street. The enterprise served as a pilot brownfields project prior to the passage of the Massachusetts Brownfields Act of 1998. XSS Hotels constructed a 134-room Courtyard by Marriott Hotel on the site which launched the development of Gateway Park.

Leo and Mark did not stop there. XSS Hotels acquired another very difficult site off Plantation Street adjacent to the Massachusetts Biotechnology Park, and constructed a 122-room all-suite Residence Inn. This hotel met the needs of the University of Massachusetts Medical Center and the Biotechnology Park by offering a longer stay product for hospital staff and patient families.



Following the success of Plantation Street, XSS Hotels returned their sights to Gateway Park and constructed a second hotel, the 100-room Hampton Inn and Suites on Prescott Street. This new state-of-the-art hotel offered business travelers an additional accommodation option, as well as meeting an increasing demand for hotel beds in Worcester. Incredibly, XSS Hotels was not done. In 2015, they announced the development of a 168-room AC Marriott Hotel to be constructed downtown in CitySquare, with an expected opening in the Winter of 2018.

Leo and Mark are not just your typical developers. They are both huge supporters of the communities in which they do business. Many are not aware that it was Leo Xarras who introduced Worcester's CitySquare project to Roseland. Consequently, they are now constructing over 300 units of market rate housing in downtown Worcester. Additionally, many are not aware that Mark Stebbins was the pioneer at Gateway Park, who in 1995 envisioned the idea for the contaminated site and took a chance on the development.

For these reasons and so much more, the WBDC is pleased and honored to recognize Leo Xarras and Mark Stebbins from XSS Hotels by naming them the 2017 recipients of the Robert S. Bowditch Economic Development Award.







# SBA UPDATE

Commitment to increasing and retaining jobs that small businesses bring to Worcester County is part of the WBDC's mission. This past year, the WBDC added a record 14 small business loans to its growing SBA 504 Loan Program's portfolio. With the addition of these loans, the total loan investment through the SBA program reached a new high of \$44 million and created and retained over 60 jobs in 2016. President & CEO Craig L. Blais hopes to provide more small businesses the opportunity to grow their business with the help of SBA 504 Loans.

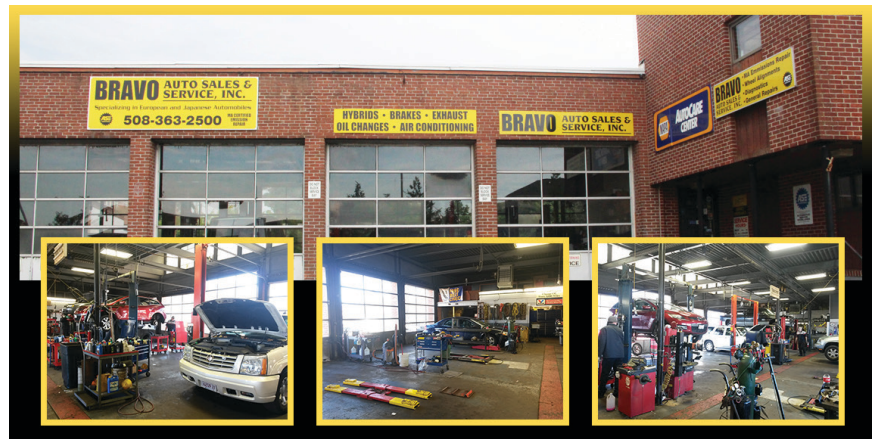
Participating banks present the borrowers with a 50/40/10 lending package consisting of 50% bank financing, 40% SBA 504 financing and 10% borrower's equity. With 90% financing, the owner occupied business allows for growth without major cash flow constraints. The 20-year fixed rate assures businesses the flexibility to stay on track with their business plan in terms of building acquisition and machinery costs.

The program fees WBDC receives through the SBA 504 Loan Program are reinvested in Worcester County and its local economic development to create jobs and expand the tax base. The SBA appoints local Certified Development Corporations like WBDC to partner with banks and credit unions to assist small businesses and serve as an advocate for the country's 30 million small businesses.

"Our small businesses are the largest source of job creation in our country."  
- Linda McMahon, Administrator, U.S. Small Business Administration

## 2017 SBA HIGHLIGHT AWARD BRAVO AUTO SALES & SERVICE, INC.

Partnerships formed in 2013 when George Sotiropoulos and wife Susan Scanlon had interest in moving to the site of the former Sainsbury & O'Connell Auto Sales & Service location. Owned since 1977, Bob Sainsbury stayed on as an employee when Sotiropoulos took over and the pair combined workforces to have four ASE certified technicians working full time. Sotiropoulos has made sure to keep the same values of excellent personal service that Sainsbury had, while using modern computer diagnostic software and current technology to service all types of vehicles.



WBDC participated with Commerce Bank & Trust Company to structure the financial funding for Bravo Auto Sales. The WBDC made sure the process from application through closing was seamless to complete the acquisition. With the help of the SBA 504 Loan Program, Sotiropoulos and Scanlon pursued their business plan of acquiring their current garage on May Street in Worcester, MA.

Open 6 days a week, Bravo Auto Sales & Service Inc. prides itself on customer service for the local community as well as their reputation for honest, excellent service. For creating new jobs and expanding the regional tax base, the WBDC is honored to present Bravo Auto Sales & Service, Inc. with the 2017 SBA Highlight Award.



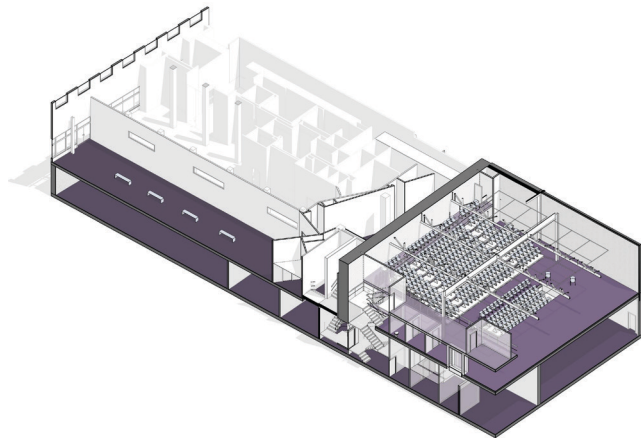
# BLACK BOX THEATRE AND GALLERY



Located at 20 Franklin Street, the WOOteria is a storefront being converted into a multi-purpose art center for emerging and seasoned artists. The WOOteria: Community Gallery is an exhibition space to house cultural activities that encourages cross-collaboration and will serve as a work and retail space for local artists, craft and creative entrepreneurs. A Black Box performance venue connected to the WOOteria will provide a unique space for local theater, film and dance groups to showcase their works. The WOOteria is a concept created by the Worcester Cultural Coalition (WCC). This vision meshed well with the long term vision of the Theatre District Master Plan which led to a partnership between the WBDC and WCC.

The WBDC retained Wilson Butler, an architectural firm with expertise in performance venues, to design both spaces. The approximately \$2.3 million project will be constructed in two phases. The Community Gallery will commence construction in May 2017 with a late Summer or early Fall completion date. Immediately following, the partnership hopes to continue construction into the Black Box slated to open in 2018.

The WBDC retained Wilson Butler, an architectural firm with expertise in performance venues, to design both spaces. The approximately \$2.3 million project will be constructed in two phases. The Community



## THANK YOU!

This project could not have proceeded without the generous support of contributors listed below:

The George I. Alden  
Trust

The Fred Daniels  
Foundation

The Francis A.  
& Jacquelyn H.  
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The Stoddard  
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Warren A. Ellsworth  
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The Jeanne Y. Curtis  
Charitable Trust

The George F. & Sybil  
H. Fuller Foundation

The Mildred H. McEvoy  
Foundation

# CITY SQUARE & MERCANTILE CENTER

The Worcester Center Galleria opened its doors in 1971 as the landmark project of Urban Renewal within the City. Over a span of 30 years, the Galleria went through a number of changes as the Downtown market changed, eventually leading to the closure of the Worcester Common Fashion Outlets in 2006. The predominantly vacant complex became a figurative and literal wall within the Downtown, separating Worcester's Main Street from the activity at Union Station.

Known today as CitySquare, this \$565 million, multi-phased project is one of the largest public-private development projects in the Commonwealth. Upon completion, the project will create more than 2.2 million SF of commercial, medical, retail, entertainment and residential space. The completed first phase of CitySquare includes the 175,000 SF Unum office building, the Saint Vincent Cancer and Wellness Center, and the new 300-space underground public parking facility. The next phase of the overall CitySquare development includes projects by both Roseland Development and XSS Hotels. Roseland Development is currently constructing a luxury residential community that will include 365 rental units, concierge service for its residents, and 10,000 SF of retail space. Roseland expects to open its doors by mid-2017. XSS Hotels will be opening the doors to the new, upscale 168-room AC Marriott Hotel that will feature state-of-the-art conference space, dining options, as well as expansive outdoor public space, bolstering the activities that are occurring on Worcester Common.



As part of the overall CitySquare project, Mercantile Center was purchased in 2015 by a Boston-based development team led by Great Point Investors and Franklin Realty Management. Mercantile Center represents the largest office/retail project within the Downtown, consisting of two first-class office towers totaling 430,000 SF, a 200,000 SF two-story mixed-use building, a stand-alone 12,500 SF retail building and a 1,647 space structured parking garage. The redevelopment of this portion of the complex includes the construction of a new facade on the mixed-use building, the build-out of 92,000 SF of office space for UMass Memorial Health Care, and a multi-million dollar upgrade of the building lobbies and common areas. This redevelopment plan also includes upgrades to the Commercial Street garage, a major asset to Downtown Worcester, and a critical piece for success.





# WORCESTER ICE CENTER

Worcester has often been noted as the birthplace of the American Industrial Revolution with its rich history in industry and manufacturing. A key component for this designation was the Blackstone Canal, an industrial waterway linking Worcester to Providence, Rhode Island that allowed for goods to be transported via water, opened once landlocked communities to shipping, trading and product development opportunities, and encouraged new industrial development along its banks. As Worcester saw the end of the Industrial Revolution, many of its successes slowly began to disappear. The Canal was closed and buried beneath the street grid in 1848.

Since the closing of the Canal, the neighborhood has evolved from an industrial stronghold into a unique, mixed-use neighborhood known as the Canal District. To build upon the continued revitalization of the Canal District as a flourishing commercial destination, the WBDC purchased the former Presmet/GKN Sinter Metals industrial complex and completed a \$2.6 million environmental remediation and demolition project.

This remediation and demolition work has paved the way for the construction of a state-of-the-art 100,000 SF ice skating facility that includes two full sheets of ice, locker room facilities, and approximately 38,000 SF of retail space, including a new café and restaurant, a physical therapy program, a merchandise store and an ice skate sharpening company. Known as the Worcester Ice Center, this new rink facility will serve a number of Worcester area schools, youth and adult recreational hockey leagues, the new Worcester Railers Hockey Club, and the general public.



Beginning in early Fall 2017, the rink is expected to attract hundreds of thousands of new patrons visiting the area annually, increasing the demand for hotel rooms within the City, increasing patronage within the area's restaurants and small businesses, and creating new employment opportunities for Worcester area residents. The project is being developed by Worcester Railers owner Cliff Rucker and his partner, Scott Rouisse.



# DR. GAIL E. CARBERRY HONOR



September 4, 2014 marked the opening of Quinsigamond Community College's Healthcare and Workforce Development Center in downtown Worcester. It was the culmination of years of planning, fundraising, and construction. It was also the result of one woman's dedication to her students, her faculty and the renaissance of Downtown Worcester.

The renovated QCC downtown campus stands proudly among other renovated structures in the newly christened Theatre District as a tangible symbol of Dr. Carberry's mission - to educate the student through gifted teaching and superb facilities and to champion social equality. Its students, faculty, and staff add population and vibrancy to the district, directly contributing to the economy of the district. Its completed renovation stabilizes the downtown and encourages businesses to open, and further investments to be made.

Dr. Carberry's contribution to downtown Worcester, through the execution of a 75,000 SF lease, is hereby recognized as a significant contribution to the downtown, and a significant symbol of partnership with the business community.

In honor of Dr. Carberry's commitment and contribution, we hereby name Quinsigamond Community College's downtown campus The Carberry Center.



## PAST BOWDITCH AWARD RECIPIENTS

Awarded each year to the individual who best contributes to Mr. Bowditch's "expectations" for the success of the WBDC.

- |      |  |      |   |
|------|--|------|---|
| 1999 | John D. Hunt   | 2008 | WPI, Dennis Berkey                      |
| 2000 | William J. Short   | 2009 | Mary C. DeFeudis, Frederick H. Eppinger |
| 2001 | Robert E. Maher, Jr., Joseph A Podbielski, MD, Alan M. Stoll | 2010 | Charles & Janet Birbara                 |
| 2002 | The Crowley Family   | 2011 | Timothy P. Murray                       |
| 2003 | John LaPoint, Sheila Ide                                     | 2012 | David P. Forsberg                       |
| 2004 | Abbott Bioresearch Center, Dr. Alajandro A. Aruffo,          | 2013 | Unum Group                              |
| 2005 | John M. Nelson   | 2014 | Michael V. O'Brien                      |
| 2006 | Charles F. Monahan, Jr.                                      | 2015 | Congressman James P. McGovern           |
| 2007 | Robb & Madeleine Ahlquist                                    | 2016 | QCC, Gail E. Carberry                   |



# WBDC STAFF



Craig L. Blais  
President &  
Chief Executive Officer



Roberta L. Brien  
Vice President of Projects



Kathleen A. Kelleher  
Chief Financial  
Officer



William M. Carkin  
Director of Construction  
& Facilities



Joyce A. Stewart  
Executive Director  
of SBA & Finance



Julie A. Holstrom  
Senior Project  
Manager



Lisa A. Drexhage  
Project Manager



Steven Bertel  
Property Manager



Pamela A. DiScipio  
Executive Assistant/  
Portfolio Manager  
SBA 504 Program



Samantha I. Spiewak  
Office Administrative  
Assistant



Bridget L. Carney  
Property Manager &  
A/P Clerk

For an online version of this annual report,  
please visit the WBDC website at:  
[www.thewbdc.com](http://www.thewbdc.com)



# WBDC

Worcester Business Development Corporation

Worcester Business Development Corporation  
89 Shrewsbury Street, Suite 300  
Worcester, MA 01604

P: 508-755-5734  
F: 508-755-9639

[www.thewbdc.com](http://www.thewbdc.com)

