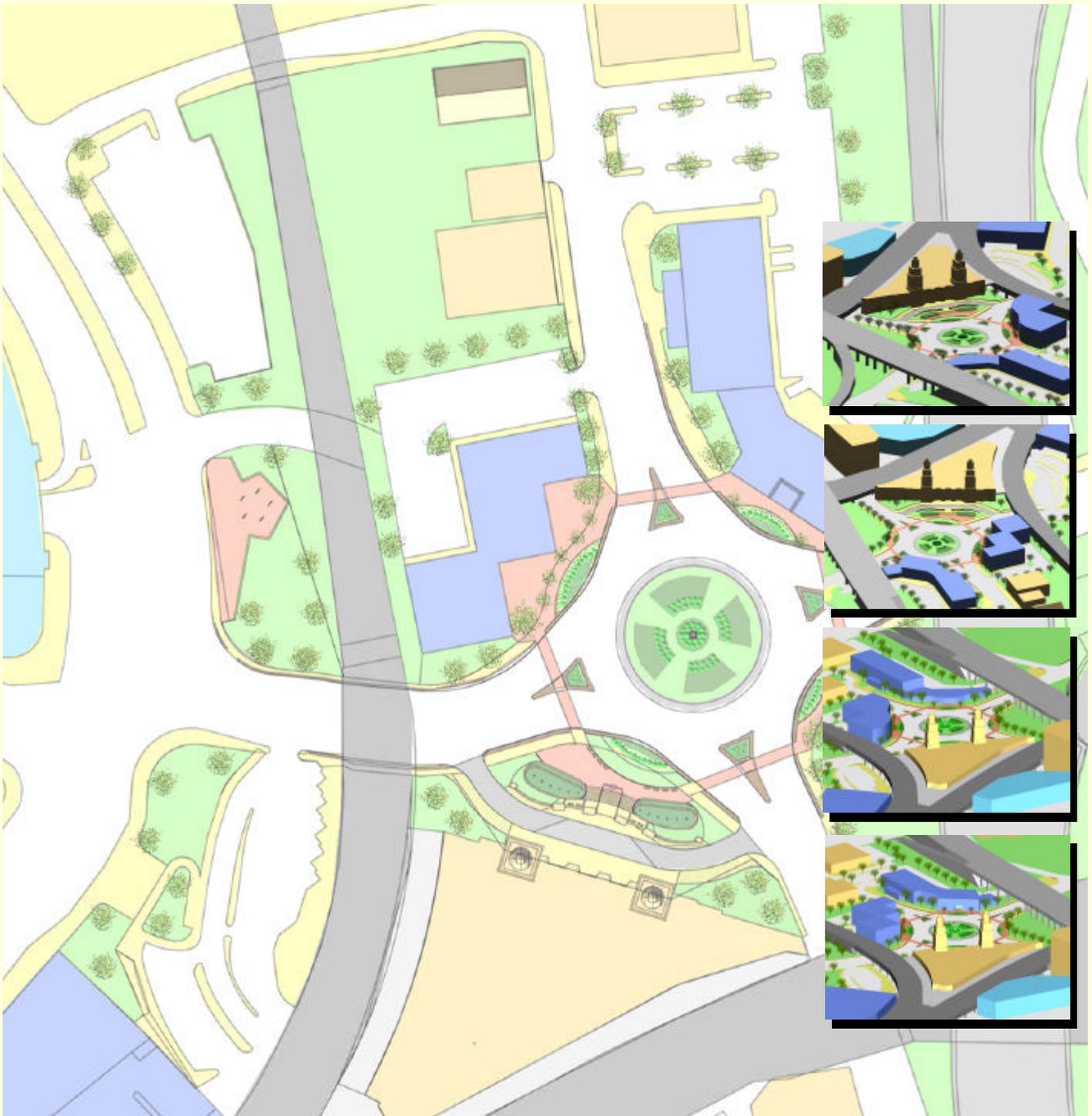


# WASHINGTON SQUARE REDEVELOPMENT STRATEGY

## WORCESTER, MASSACHUSETTS



Prepared For:



City of Worcester, MA  
Division of Economic Development

Prepared By:



33 Waldo Street  
Worcester, MA 01608

March 27, 2006

# WASHINGTON SQUARE REDEVELOPMENT STRATEGY

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## APPENDIX

### APPENDIX #1:

“MARKET ANALYSIS AND DISPOSITION STRATEGY FOR PARCELS AT WASHINGTON SQUARE IN WORCESTER, MASSACHUSETTS” – RKG Associates, Inc. December 1, 2005

*SECTION ONE* – Market Analysis and Disposition Strategy

- A. Washington Square and the Parcels
- B. Hotel Market Analysis
- C. Office Market Characteristics
- D. Other Uses
- E. Disposition Strategy

*SECTION TWO* - Appendix



# ***EXECUTIVE SUMMARY***

---

The reconstruction of the Washington Square Rotary, in front of Union Station, to a smaller ‘Roundabout’, will result in the creation of new parcels, that are surplus to the transportation needs of the City. These new parcels, when combined with existing parcels currently owned by the City, the Worcester Redevelopment Authority (WRA), and private entities, create the opportunity for three new development parcels on Washington Square. Two of these parcels will represent significant new development opportunities. The third parcel, due to size, location, and topography has very limited development potential.

In addition to these three parcels on Washington Square, there is another parcel controlled by the WRA located on Worcester Center Boulevard (WCB) adjacent to the new Worcester Bus Terminal at Union Station, that also has significant development potential.

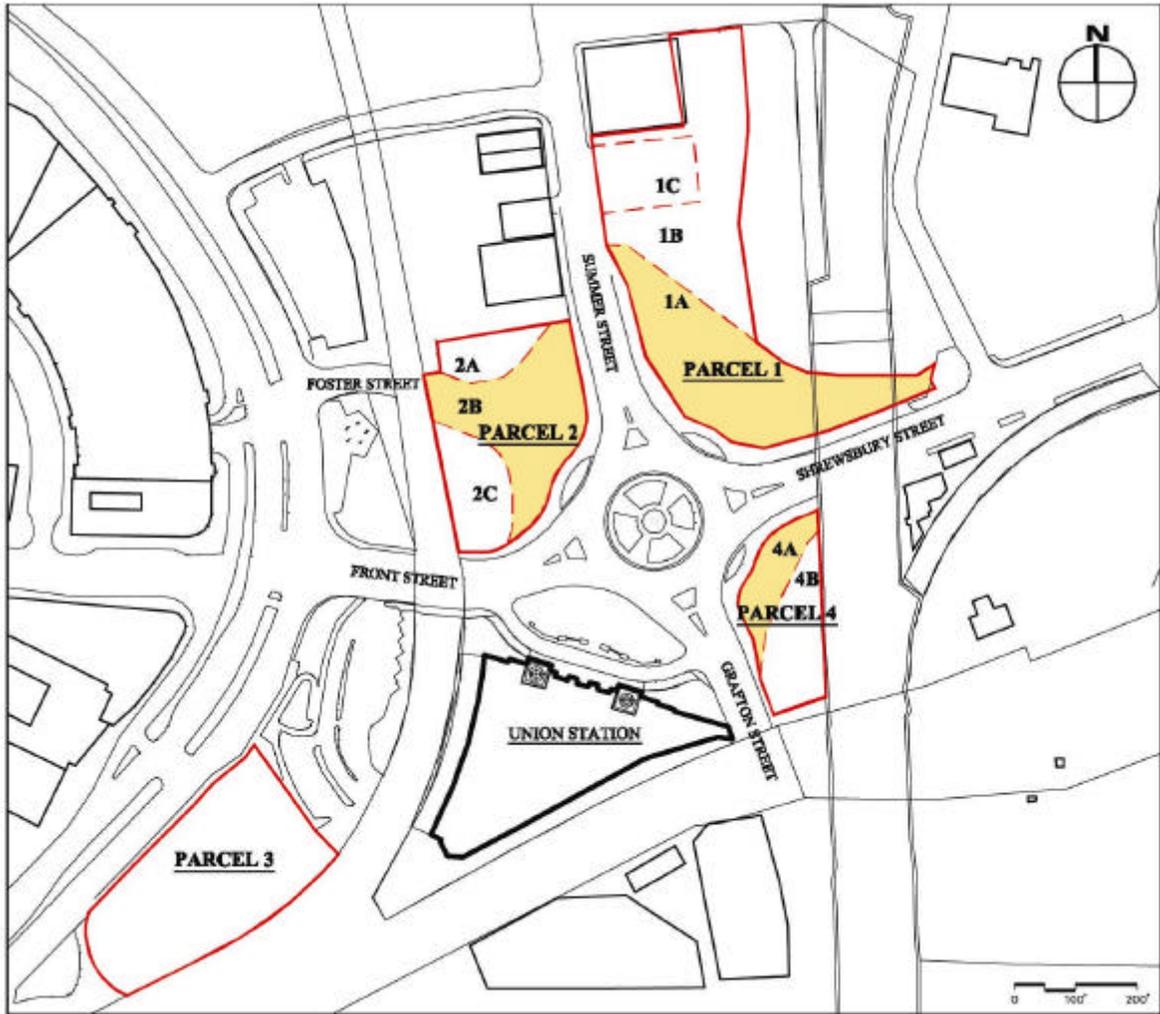
The focus of this study is to present the highest and best redevelopment potential of these four parcels. Therefore, the tasks integrated in this study include:

- prepare a base plan showing the size, location and configuration of the new city-owned parcels to be created along with the potential of each parcel to be enlarged through agreements with abutting land owners, and/or assembly by the City or WRA
- recommend the highest and best uses for these parcels based on current and projected market conditions
- confirm that the proposed uses are appropriate for each site based on parcel size, configuration, access, utility conflicts and urban design criteria, and
- propose a development implementation strategy that includes potential agreements with abutters to maximize the development potential of each site and the possible assembly of the sites by the City/WRA.

The four development parcels included in this study are shown on the plan below and are described as follows:

- Parcel #1 is located in the northeast quadrant of Washington Square, includes public and privately owned land and has a potential total size of 1.99 acres.
- Parcel #2 is located in the northwest quadrant of Washington Square, totals 1.07 acres in size and also has the potential to be combined with an adjacent parcel.
- Parcel #3 is located along Worcester Center Boulevard and is currently being used as a surface parking lot. It is 1.20 acres in size.
- Parcel #4 is located in the southeast quadrant of Washington Square and is only 0.48 acres in size when combined with some adjacent State owned land, but can increase in size if combined additional land owned by the State.





PARCEL	OWNER	AREA	
1A	CITY OF WORCESTER	39,954 SF	0.92 ACRES
1B	CHARLES, WILLIAM, BENJAMIN & FREDERICK HOUSTON	35,162 SF	0.80 ACRES
1C	CHARLES, WILLIAM, BENJAMIN & FREDERICK HOUSTON	11,851 SF	0.27 ACRES
	TOTAL	86,967 SF	1.99 ACRES
2A	WORCESTER REDEVELOPMENT AUTHORITY	6,343 SF	0.15 ACRES
2B	CITY OF WORCESTER	27,463 SF	0.63 ACRES
2C	WORCESTER CENTER REALTY TRUST	12,473 SF	0.29 ACRES
	TOTAL	46,279 SF	1.07 ACRES
3	WORCESTER REDEVELOPMENT AUTHORITY	TOTAL	52,246 SF   1.20 ACRES
4A	CITY OF WORCESTER	9,395 SF	0.21 ACRES
4B	COMMONWEALTH OF MASSACHUSETTS HIGHWAY DEPARTMENT	11,811 SF	0.27 ACRES
	TOTAL	21,206 SF	0.48 ACRES

Parcel Created by Washington Square Reconfiguration



Washington Square Redevelopment Strategy



All of these parcels are located in the City's Business General 6.0 (BG – 6.0) zoning district. This zone allows for most business uses, multi-family housing and some limited manufacturing uses either by right or by Special permit. Furthermore, this zone has very little dimension controls and no parking requirements.

The main purpose of this study is to determine the highest and best use of each of these parcels. In doing so, one objective is to determine if there is a market demand for a new hotel in the Washington Square area, as a hotel developer approached the City with a proposal for a new hotel on Parcel #1. The City requested the consultant team for a market assessment of such a use along with an assessment of the market potential for the other three parcels included in this study. The following is a summary of that market assessment along with the recommended actions to pursue the possible development of each parcel.

- **Parcel #1:** The market assessment conducted by RKG indicates that the City could support a new hotel on this parcel in about 5 years. This timeframe works well with the schedule to complete the Washington Square roadway improvements, make the land available for a new hotel and then get that hotel designed and constructed. Parcel 1A, which will be a City-owned parcel created after the Washington Square roadway improvements are completed, by itself has limited marketability due to its size, shape, limited access and the fact that a portion of the site is located directly under the I-290 overpass. A much more marketable development site would be created by combining the City's parcel with the two abutting privately owned parcels (1B and 1C) to create a larger (1.99 acres) parcel with better dimensions and better access opportunities. The City should initiate discussions with both the potential hotel developer and the abutting landowner, as soon as possible, to explore the hotel development option, which would include a mid-level hotel with an up-scale restaurant. If the interest in this site as a hotel location does not materialize, then office use would be a good alternative use for Parcel #1.
- **Parcel #2:** The highest and best use identified for this site would be an office building. In addition, a restaurant could be incorporated into the ground floor of this office building if sufficient land area is not available on Parcel #1 associated with a hotel use. However, the footprint and the consequent size of a building on this site will be limited by existing underground utilities running through the site, unless these utilities are relocated. The approximate cost to relocate these utilities has been initially estimated at about \$500,000 to \$1,000,000 in current dollars, and the City will need to assess the value of relocating these utility lines. In addition, the site created by combining Parcels 2A, 2B, and 2C will not provide enough land area to support both the maximum build out of office space and sufficient on-site parking to support the proposed use. Other available parking in the area will be needed to support this use. As an option, the maximum development potential may be realized if the parcel is offered to the private owners of the abutting property to the north of this site, provided such an agreement would result in a better development of the expanded Parcel #2.



- Parcel #3:** The development potential of this parcel on Worcester Center Boulevard is enhanced by its high visibility and prominent location directly across from the proposed \$560 million development of the mixed-use CitySquare project. The CitySquare project will involve the demolition of most of the former Worcester Common Fashion Outlet Mall and a substantial portion of the larger of two existing above ground parking garages. In its place will be a new 1,000 space underground parking garage and a multi-building complex that will include medical and commercial office space, market rate residential condominiums and apartments, new retail shops and restaurants, and entertainment venues; in total about 2.2 million square feet of space. However, at the same time, Parcel #3 does have some locational disadvantages, such as the adjacent bus terminal and the active elevated rail lines at the rear of the site.

The continuation of the parcel's current use as a parking lot is a good short-term alternative while the development value of the site increases as the proposed CitySquare project advances. The proposed long-term use of the site is a mixed-use structure featuring ground-level retail with upper level office use above along WCB, with a parking garage to the rear of the structure. The parking garage area could also support retail uses tied to the intermodal theme of the area, such as up-scale auto service, auto rental, bike rental and similar uses. Current projections for this area indicate the need for additional parking as new development occurs. However, parking should not front Worcester center Boulevard, therefore, the development proposal includes ground floor retail and upper level office facing WCB. A freestanding restaurant may also be another marketable use, although proximity to the bus terminal may prove problematic. Marketing this parcel should be considered a low priority (compared to Parcels #1 and #2) until the Union Station Garage is completed and CitySquare is well into development. Ultimately the City could issue an RFP or use a broker for this site when its redevelopment value increases as a result of new development on adjacent sites.

- Parcel #4:** This is the smallest site of the four and the most challenging to develop. Access to/from the site is the major issue for its redevelopment. Its only frontage is along Washington Square where no curb cuts would be allowed. Therefore, access needs to be from one of the adjacent parcels owned by others. As a result, assembling this parcel with the adjacent State property or gas station (on the other side of I-290) is necessary for development to occur. However, development below I-290 would not be desirable for most uses and new MassHighway regulations severely restrict if not prohibit most uses below elevated highways. However, since the service station is currently operating here, expansion of that business could be an option provided appropriate screening and urban design elements are incorporated. With the adjacent MBTA facility and new employment in the CitySquare and Washington Square area, the need for such auto service will increase in this area. A negotiated sale through the WRA would likely be the method of disposal if that were the case. If so, the portion of this site that is most visible from Washington Square should be improved as green



space. The green space should included elements suitable for the important civic space, such as public art, monuments, a fountain or similar feature.

If assembly with the adjacent site(s) is not feasible, the preferred option would be to leave the parcel as green space and have it landscaped to serve as an amenity for the new hotel, office development and uses in Union Station. Such a space could be used to support civic functions as described above, such as public art, monuments or a space for special events.

In conclusion, the proposed development parcels in the Washington Square area posses the potential to become very attractive and important development sites that complement Union Station and this gateway into the City. In addition, the proposed CitySquare project will create a new dynamic for the downtown Worcester market, which will further benefit the parcels in Washington Square and along WCB over time. The City should be patient and flexible in regards to any future development proposals for these parcels, and establish minimum design and landscape standards for each site.



# ***SECTION ONE – Purpose of This Study***

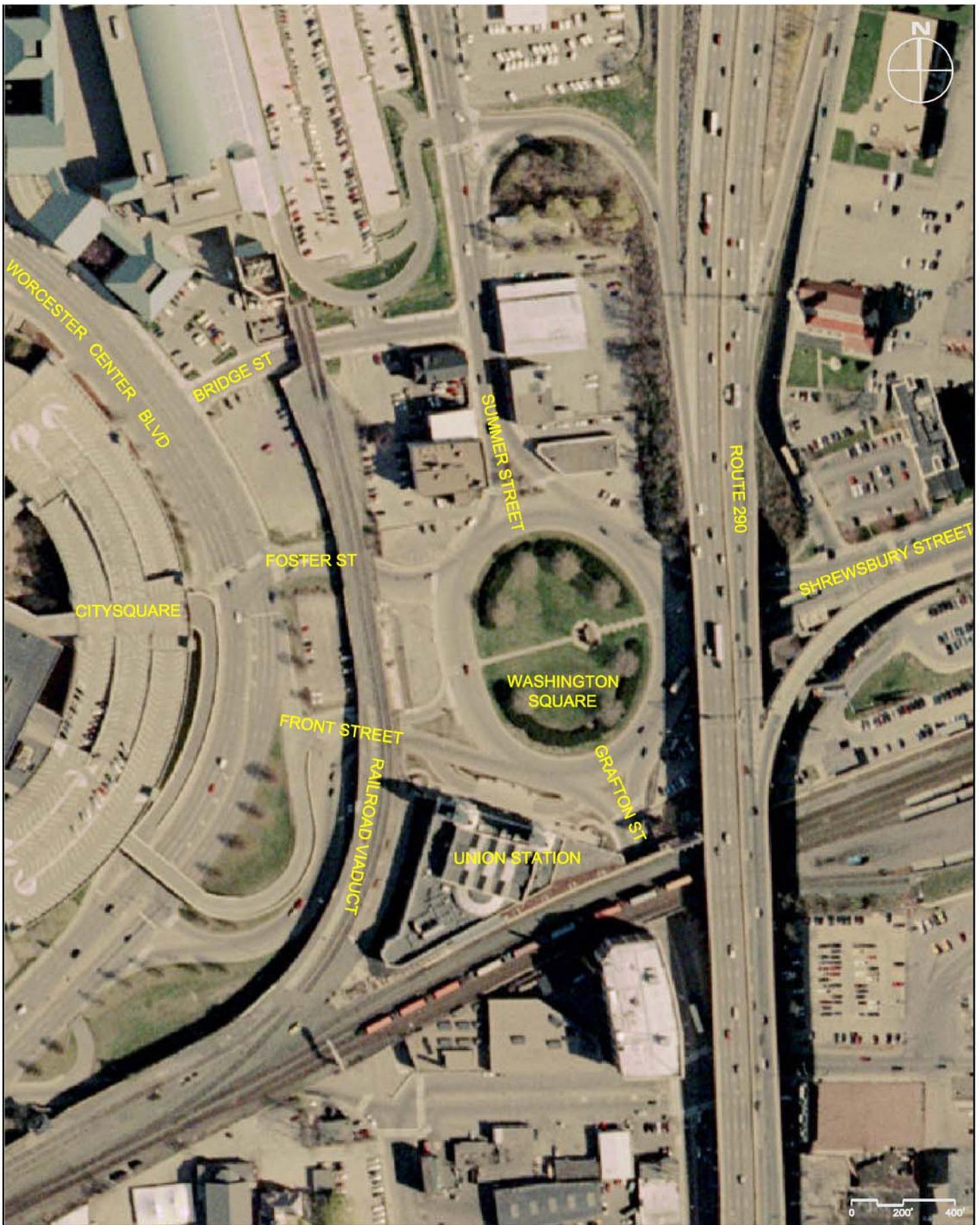
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BSC TerraSphere and RKG Associates completed this study for the City Manager's Office, Division of Economic Development for the purpose of identifying the highest and best uses for four separate parcels near Union Station. Three of these parcels will be created by the reconstruction of Washington Square and will be adjacent to the new Washington Square round-about and the fourth parcel is located along Worcester Center Boulevard, adjacent to the new Union Station Bus Terminal (see Figures 1 - 3). The three new parcels around Washington Square will belong to the City of Worcester and have the potential of being expanded in size by combining them with adjacent parcels either owned by the Worcester Redevelopment Authority, the Commonwealth of Massachusetts or private parties. The fourth parcel, which is currently used as a parking lot, is located on Worcester Center Boulevard adjacent to the recently constructed Union Station Bus Terminal. This parcel also has the potential of being expanded in size if Worcester Center Boulevard is narrowed in width, which is currently under discussion. The purpose of this study is to assist the City in deciding on the preferred use (or uses) for the newly created parcels, along with a disposition strategy.

One of the main objectives of this study is to determine the highest and best use of each of these parcels while simultaneously determining if there is a market demand for a new hotel in the Washington Square area. Recently, a hotel developer approached the City with a proposal for a new hotel on Parcel #1. In order to consider the future redevelopment of this area in a broader context, the City commissioned this study to analyze the viability of a hotel development on this parcel as well as evaluating the development potential of the other three parcels taking into consideration existing and proposed developments in the downtown and throughout the City. As part of this study, RKG Associates, Inc. completed a market analysis for the four new sites in December 2005 (see Appendix 1). For part of their study, the RKG analysis focused on the lodging industry. Although current needs are limited, significant future needs were predicted. Based upon their findings, this study will show how hotel development can occur in the Washington Square area.

In addition, RKG Associates, Inc. researched other potential uses for the study area, such as office, restaurant, various commercial, residential and automotive uses. The redevelopment options presented in this report include preferred uses for which there is a market demand. Some demands are stronger than others, and market demand is expected to improve once a number of planned projects are under construction, such as the CitySquare redevelopment, the Washington Square traffic improvements and the Union Station parking garage. This report provides a strategy for positioning the new sites for redevelopment based on current conditions, but also acknowledging conditions that may change as these other improvements proceed.





Prepared for:



City of Worcester, MA  
Division of Economic  
Development

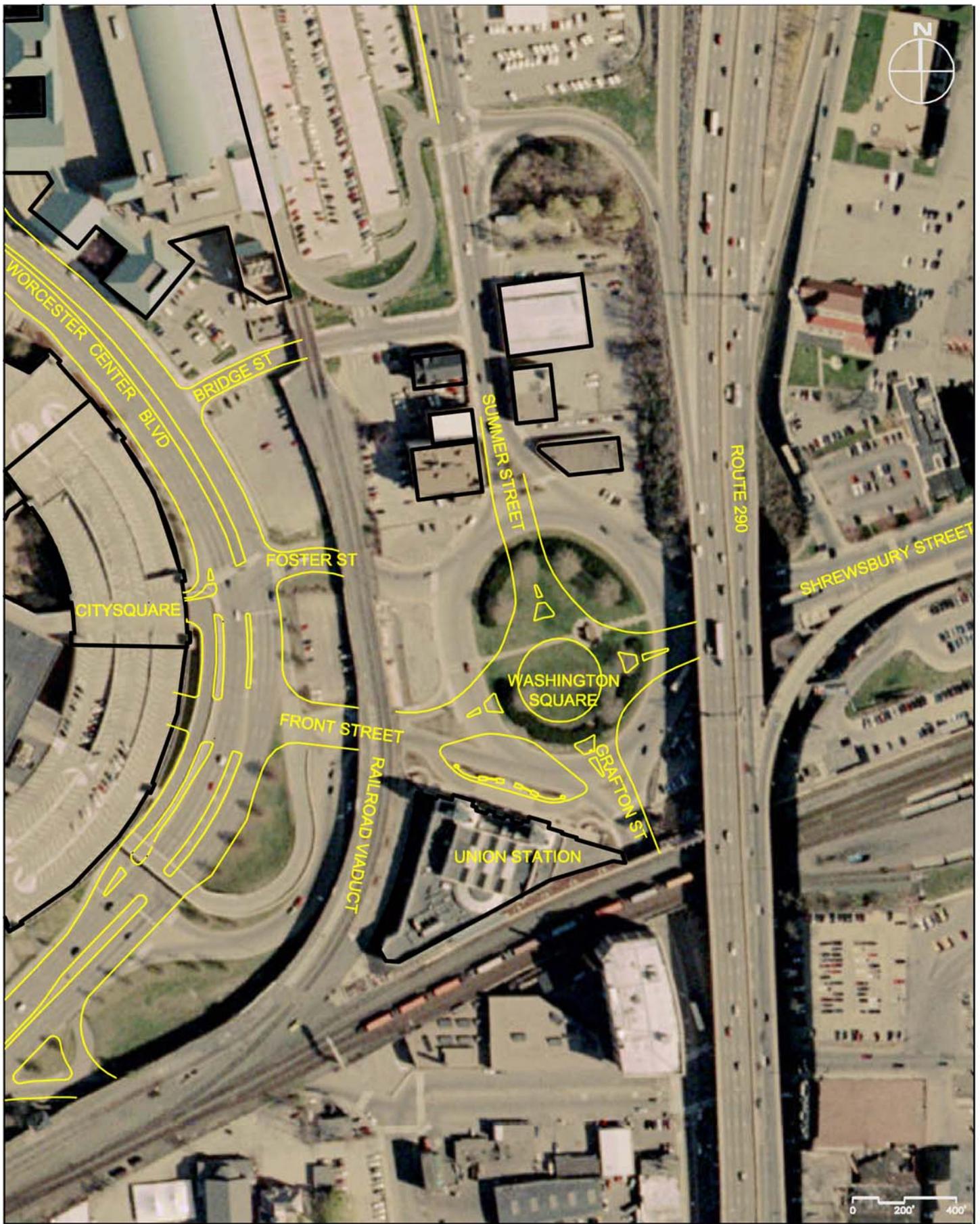
**EXISTING CONDITIONS AT WASHINGTON SQUARE AREA**  
Washington Square Redevelopment Strategy

FIGURE 1

Prepared by:



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Worcester, MA 01608  
March 27, 2006



Prepared for:



**PROPOSED ROADWAY LAYOUT OVER AERIAL PHOTOGRAPH**  
Washington Square Redevelopment Strategy

FIGURE 2

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33 Waldo Street  
Worcester, MA 01608  
March 27, 2006



Prepared for:



City of Worcester, MA  
Division of Economic  
Development

**PARCELS CREATED BY WASHINGTON SQUARE RECONSTRUCTION**

Washington Square Redevelopment Strategy

FIGURE 3

Prepared by:



33 Waldo Street  
Worcester, MA 01608  
March 27, 2006

## **SECTION TWO – Study Area Characteristics**

Washington Square is a very important area in the City of Worcester. It is the terminus of Shrewsbury Street, which has become a center of activity in the last few years with its increase in restaurants and recent roadway improvements. Washington Square connects Shrewsbury Street traffic to downtown Worcester. However, Washington Square was not originally intended to act primarily as the terminus of Shrewsbury Street, but rather as the front yard of Union Station.

It is our belief that Washington Square is and should be the ‘front yard’ of Union Station. Worcester’s Union Station, which was built in the early 1900s, was a focal point in the community for over half a century. As the use of trains declined so did the condition of Union Station. However, in the year 2000 the City/WRA completed a total restoration of the Station, which re-opened as an intermodal transportation center containing a mix of cultural and business uses. Presently, the Worcester Redevelopment Authority is aggressively seeking additional tenants to fill the remaining rental space. This significant investment in the Station (about \$35 Million) demands that any development that occurs around Washington Square should and must complement this revitalized building.

The City/WRA has recently built a new Bus Terminal at Union Station with the intent of the Station becoming a true intermodal center, becoming the hub of not only rail service but also intra-city bus service. The City has also begun construction of a new 500-space parking garage adjacent to Union Station on Franklin Street. These uses generate significant traffic of all types (vehicular, pedestrian, bus, and train) which becomes yet another catalyst for the future development of the adjacent parcels. Combined, these existing uses and the potential for new uses surrounding Washington Square make it a critical location in the City’s downtown.

The current rotary at Washington Square is the apex of five intersecting streets. Shrewsbury Street enters from the East, Foster and Front Streets enter from the West, Summer Street enters from the North and Grafton Street enters from the South. Route 290 is a major elevated highway that forms the eastern edge of the Washington Square area and also provides a major viewing area for traffic traveling north and south. The Providence and Worcester Railroad is an elevated railway that forms the Western edge of the Washington Square area.

Beyond the railway, further west, is Worcester Center Boulevard (WCB). This major roadway was originally associated with the Worcester Common Outlet Mall and was built in the late 1960s/early 1970s as a major portion of a circumferential roadway that looped downtown Worcester. Vehicles exiting the Washington Square rotary to the west pass under the railway and then connect to WCB, the roadway that connects to the Worcester Medical Center, the DCU Center and the future CitySquare project.

Currently, Washington Square abuts multiple privately and publicly owned properties.



- At the corner created by Shrewsbury Street and Summer Street is a 0.80-acre parcel owned by Charles, William, Benjamin, and Frederick Houston, which is the current location of an existing business with one structure. Adjacent to their 0.80-acre parcel the Houston's also own a 0.27-acre parcel that is a part of their business property and has an additional building.
- At the corner formed by Summer Street and Foster Street there is a 0.15-acre parcel owned by the Worcester Redevelopment Authority, which is the current location of a small surface parking lot.
- In the area surrounded by Foster Street, Washington Square, and Front Street, there is a 0.29-acre parcel owned by the Worcester Center Realty Trust, which is currently vacant. This parcel will be transferred to the City as part of the CitySquare DIF agreement.
- At the corner created by Shrewsbury Street and Grafton Street there is a large parcel owned by MassHighway, which is the current location of a parking area used by rail commuters, with some of the space being used by an abutting auto service station for automobile storage.
- The other parcel that is included in this study is a 1.20-acre parcel that is owned by the Worcester Redevelopment Authority and is located between Worcester Center Boulevard and the elevated Providence and Worcester Railroad tracks. This land has been transformed significantly in the last year as it changed from open space and roadway to its current use as a surface parking lot.

This area is currently zoned Business General 6.0 (BG – 6.0), which is the City's zoning designation for the entire downtown area. This zone allows most business uses either by right or through the granting of a Special Permit. Other allowed uses include multi-family housing and limited types of manufacturing. In addition, this zone allows a maximum Floor-to-Area Ratio (FAR) of 6-to-1, the most-dense zoning designation in the City. There are no frontage and setback limitations in the BG-6 zone, with the exception of a required ten-foot rear-yard setback. Finally, no accessory parking is required in the BG-6 zone. Therefore, this BG-6 zone allows for the dense development of these parcels with very few restrictions, with the exception that most proposed development would be subject to Site Plan Review by the Planning Board.

The new Washington Square round-about will significantly change the size and configuration of the existing Washington Square area. The center island of the round-about will be approximately one quarter the size of the existing rotary island. There will be only four roads that join the rotary. Foster Street will be the only road of the existing five that will no longer enter the rotary. However, this portion of Foster Street contains many utilities that will bisect the new Parcel #2 and impact its development potential. The impact of these utilities on the development of this parcel is explained in Section Four of this report.

With the reconfiguration of Washington Square there will be an additional 1.76 acres of developable land created directly adjacent to Washington Square. This report examines the development potential of this land and, in order to achieve the highest and best use of



these parcels, recommends that the City combine this new acreage with parcels directly adjacent to them, in order to create attractive parcels for development. Three new parcels can be created by this consolidation. They are described as follows:

Parcel #1: This parcel will combine the 1.07 acre property owned by the Houstons and 0.92 acres created by the Washington Square reconstruction to form one parcel that will total 1.99 acres. This new parcel will have frontage directly on the new Washington Square round-about as well as on Shrewsbury Street and Summer Street. This lot will become very attractive for development.

Parcel #2: This parcel will combine the 0.15 acre property owned by the Worcester Redevelopment Authority with the 0.29 acre property owned by the Worcester Center Realty Trust, with an additional 0.63 acres, created by the Washington Square reconstruction, to create one parcel that will total 1.07 acres. This parcel will have frontage on the new Washington Square round-about, Summer Street, and Front Street. However, this lot incorporates a portion of Foster Street that currently contains a number of underground utilities. These utilities should be relocated to the edge of the proposed parcel in order to maximize its development potential. This relocation can be done either by the City or a potential developer. However, if such relocation is not physically or financially possible, the build-out potential of this parcel will be diminished.

Parcel #3: Although this parcel is not located directly on Washington Square, it is an important parcel of land that is owned by the Worcester Redevelopment Authority. It is currently used as a surface parking lot to support tenants of and visitors to Union Station, as well as additional parking for MBTA commuters. Once the Union Station parking garage is constructed, the City would like to find a more suitable and long-term use for this 1.20 acre downtown property.

Parcel #4: A small parcel can be created here by combining a 0.27 acre portion of the property owned by MassHighway with an additional 0.21 acres created by the Washington Square reconstruction to form one parcel, which will total 0.48 acres. This parcel will have frontage on the new Washington Square round-about, Shrewsbury Street, and Grafton Street.

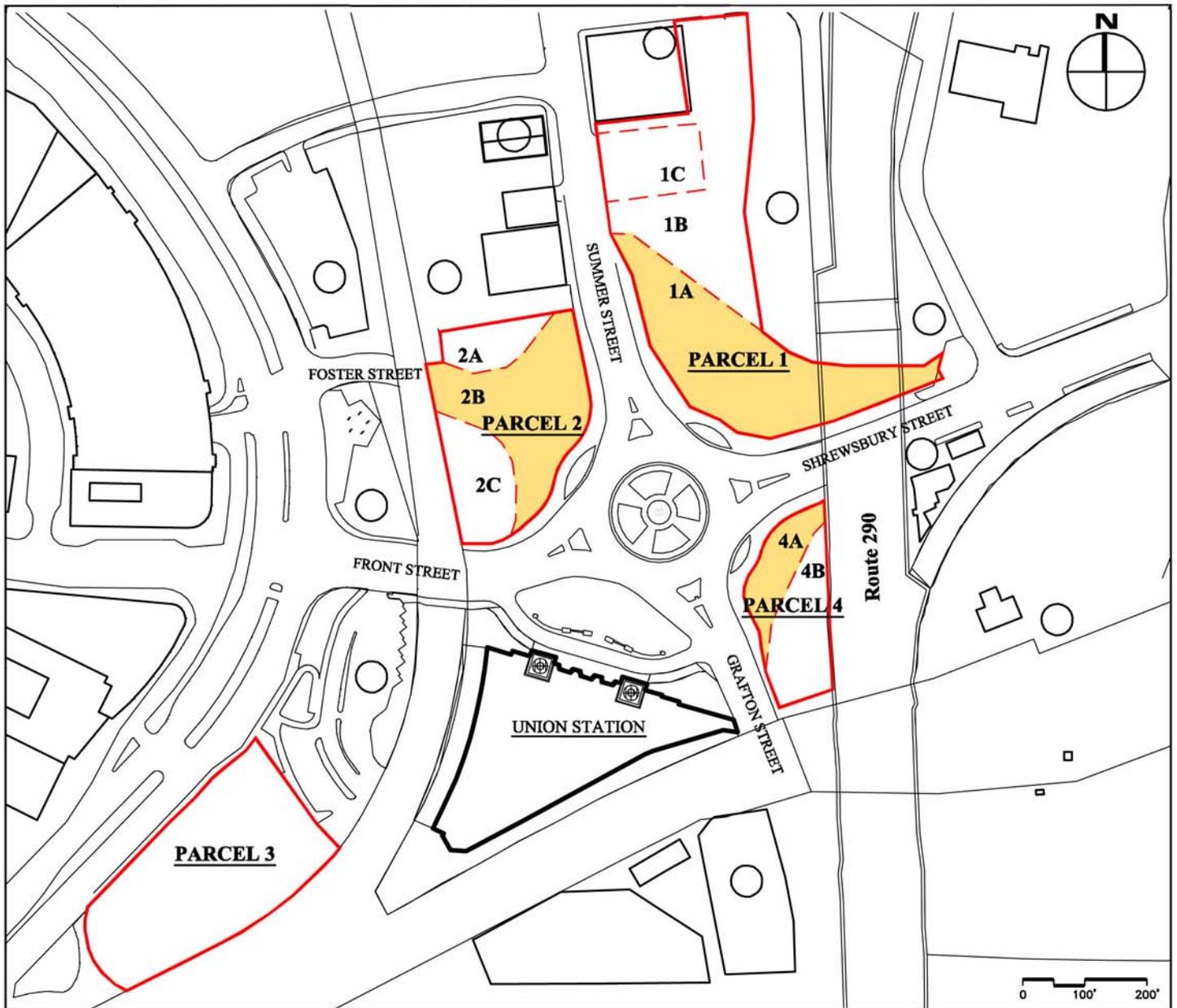
Although three of these newly created parcels will have frontage on the Washington Square round-about, none of them will be allowed direct vehicular access from the round-about due to traffic safety concerns. However, access will be possible from some of the side streets leading into the round-about. Each of the parcels, however, will have significant pedestrian accommodations adjacent to the round-about. As a part of the Washington Square reconstruction project, sidewalks, street trees, and plantings will be provided in the areas in front of the new development parcels. This is a significant public investment in these development parcels that the future developers of each parcel will not need to address or fund.

The City predicts that these parcels will be extremely valuable because of their important location adjacent to a high traffic and highly visible round-about, their close proximity to



significant traffic generators such as the DCU Center, Worcester Medical Center, CitySquare, and Union Station, and the infrastructure investment that will benefit the parcels before any private development occurs. To confirm the City's prediction BSC TerraSphere teamed with RKG Associates to conduct market analysis for these future parcels.





PARCEL	OWNER	AREA
1A	CITY OF WORCESTER	39,954 SF    0.92 ACRES
1B	CHARLES, WILLIAM, BENJAMIN & FREDERICK HOUSTON	35,162 SF    0.80 ACRES
1C	CHARLES, WILLIAM, BENJAMIN & FREDERICK HOUSTON	11,851 SF    0.27 ACRES
	TOTAL	86,967 SF    1.99 ACRES
2A	WORCESTER REDEVELOPMENT AUTHORITY	6,343 SF    0.15 ACRES
2B	CITY OF WORCESTER	27,463 SF    0.63 ACRES
2C	WORCESTER CENTER REALTY TRUST	12,473 SF    0.29 ACRES
	TOTAL	46,279 SF    1.07 ACRES
3	WORCESTER REDEVELOPMENT AUTHORITY	TOTAL    52,246 SF    1.20 ACRES
4A	CITY OF WORCESTER	9,395 SF    0.21 ACRES
4B	COMMONWEALTH OF MASSACHUSETTS HIGHWAY DEPARTMENT	11,811 SF    0.27 ACRES
	TOTAL	21,206 SF    0.48 ACRES

Parcel Created by Washington Square Reconfiguration

Prepared for:



City of Worcester, MA  
Division of Economic  
Development

### PARCEL OWNERSHIP

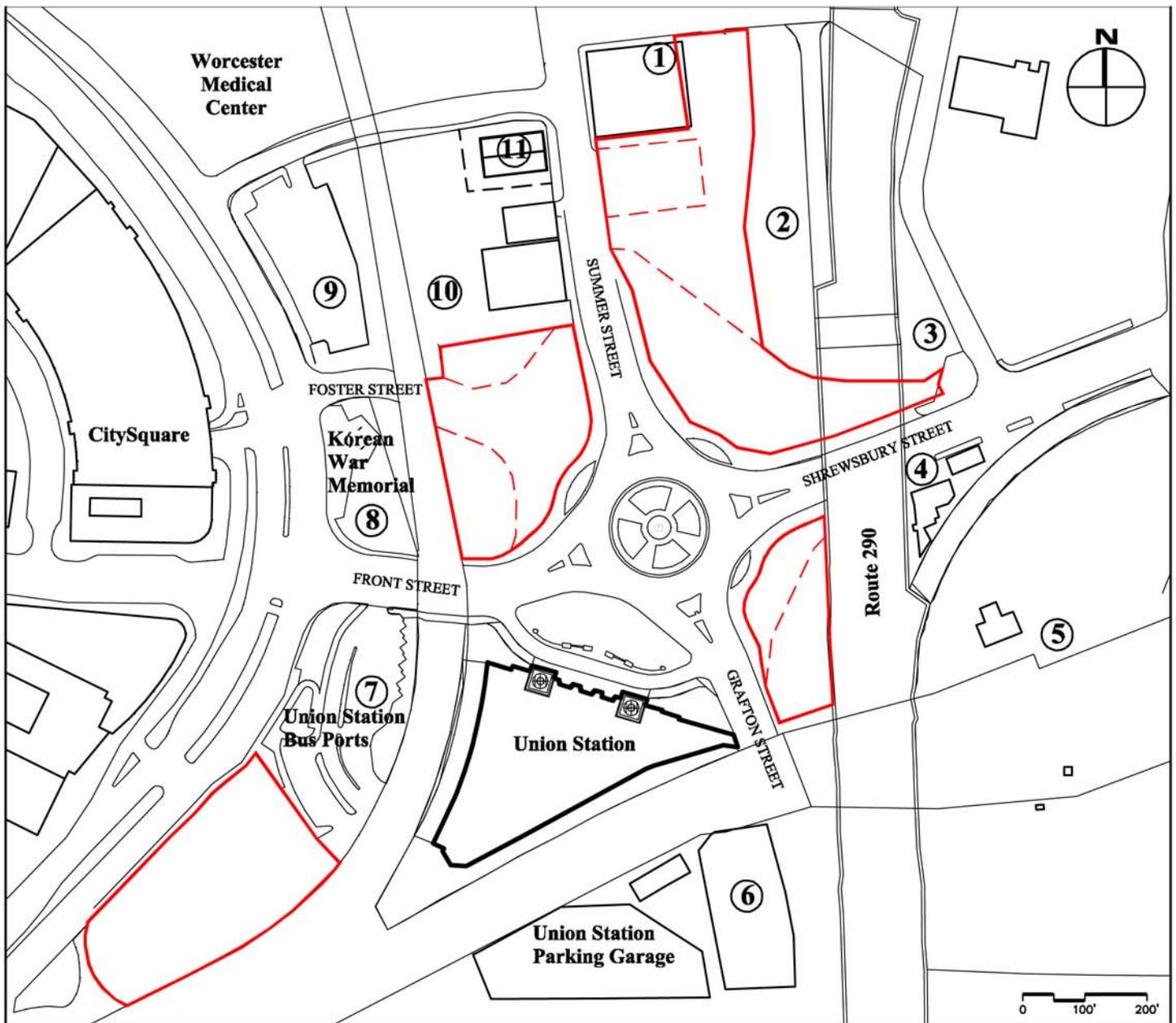
## Washington Square Redevelopment Strategy

FIGURE 4

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March 27, 2006



PARCEL	OWNER	AREA	
1	JOHN FOLEY JR., TRUSTEE	14,196 SF	0.32 AC
2	COMMONWEALTH OF MASSACHUSETTS - I-290		
3	COMMONWEALTH OF MASSACHUSETTS - I-290		
4	METRO MOTOR SALES, INC.	6,000 SF	0.14 AC
5	COMMONWEALTH OF MASSACHUSETTS HIGHWAY DEPARTMENT	59,548 SF	1.37 AC
6	OSGOOD BRADLEY BUILDING CORP.	32,020 SF	0.74 AC
7	WORCESTER REDEVELOPMENT AUTHORITY - BUS PORTS		
8	WORCESTER REDEVELOPMENT AUTHORITY - KOREAN WAR MEM.		
9	VHS ACQUISITION SUBSIDIARY	92,104 SF	2.11 AC
10	VHS ACQUISITION SUBSIDIARY	" "	" "
11	KUROSH MIZRAHI	10,556 SF	0.24 AC

Prepared for:

**DEVELOPMENT PARCEL CONTEXT**

Prepared by:



**Washington Square Redevelopment Strategy**



33 Waldo Street  
Worcester, MA 01608  
March 27, 2006

FIGURE 5

# EXISTING UTILITIES PLAN

FIGURE 6

WASHINGTON SQUARE  
REDEVELOPMENT  
STRATEGY



33 Waldo Street  
Worcester, Massachusetts  
01608  
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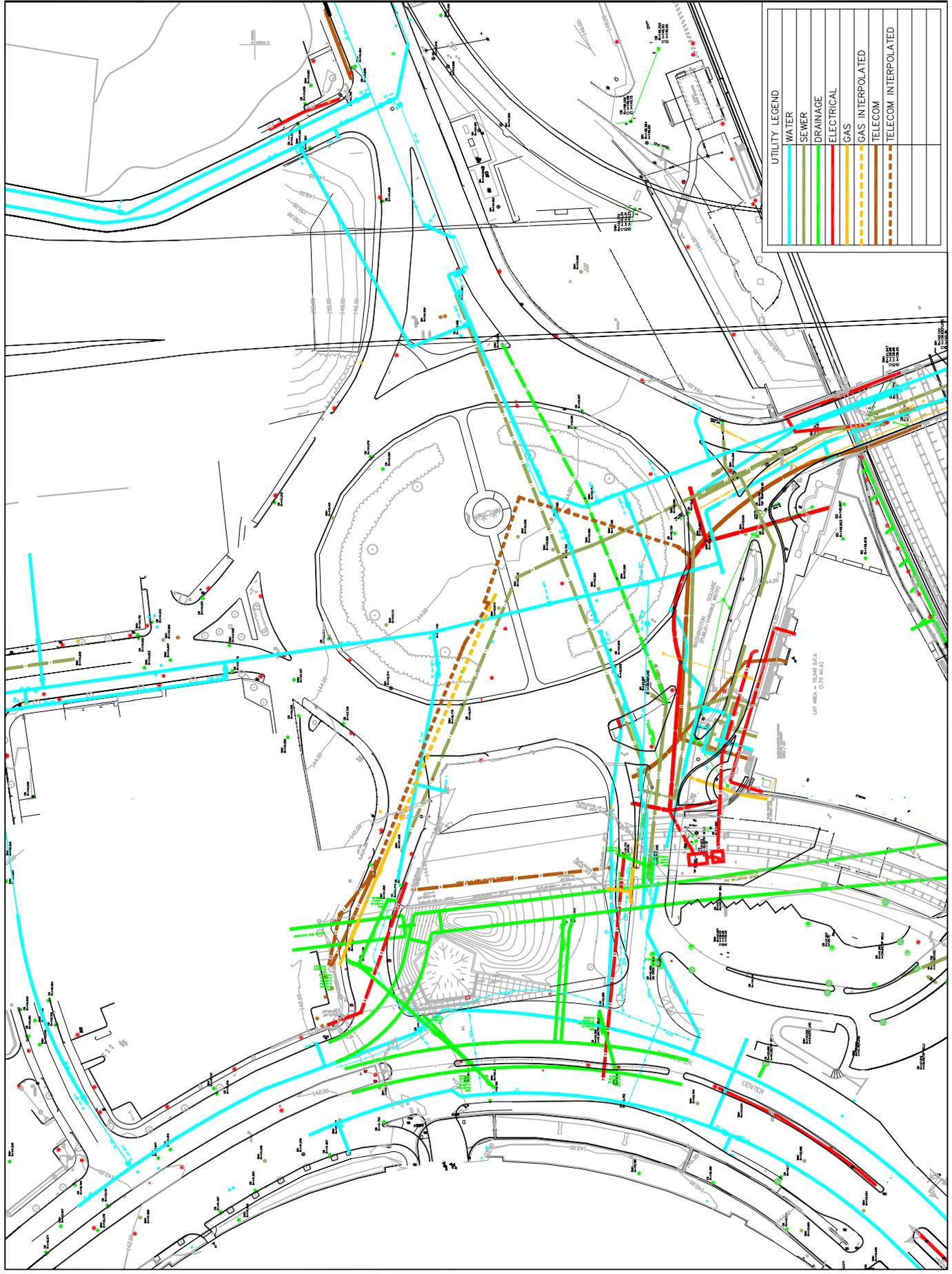
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SHEET 1 OF 1

JOB. NO. 61032



UTILITY LEGEND	
	WATER
	SEWER
	DRAINAGE
	ELECTRICAL
	GAS
	GAS INTERPOLATED
	TELECOM
	TELECOM INTERPOLATED

# EXISTING UTILITIES WITH PARCELS

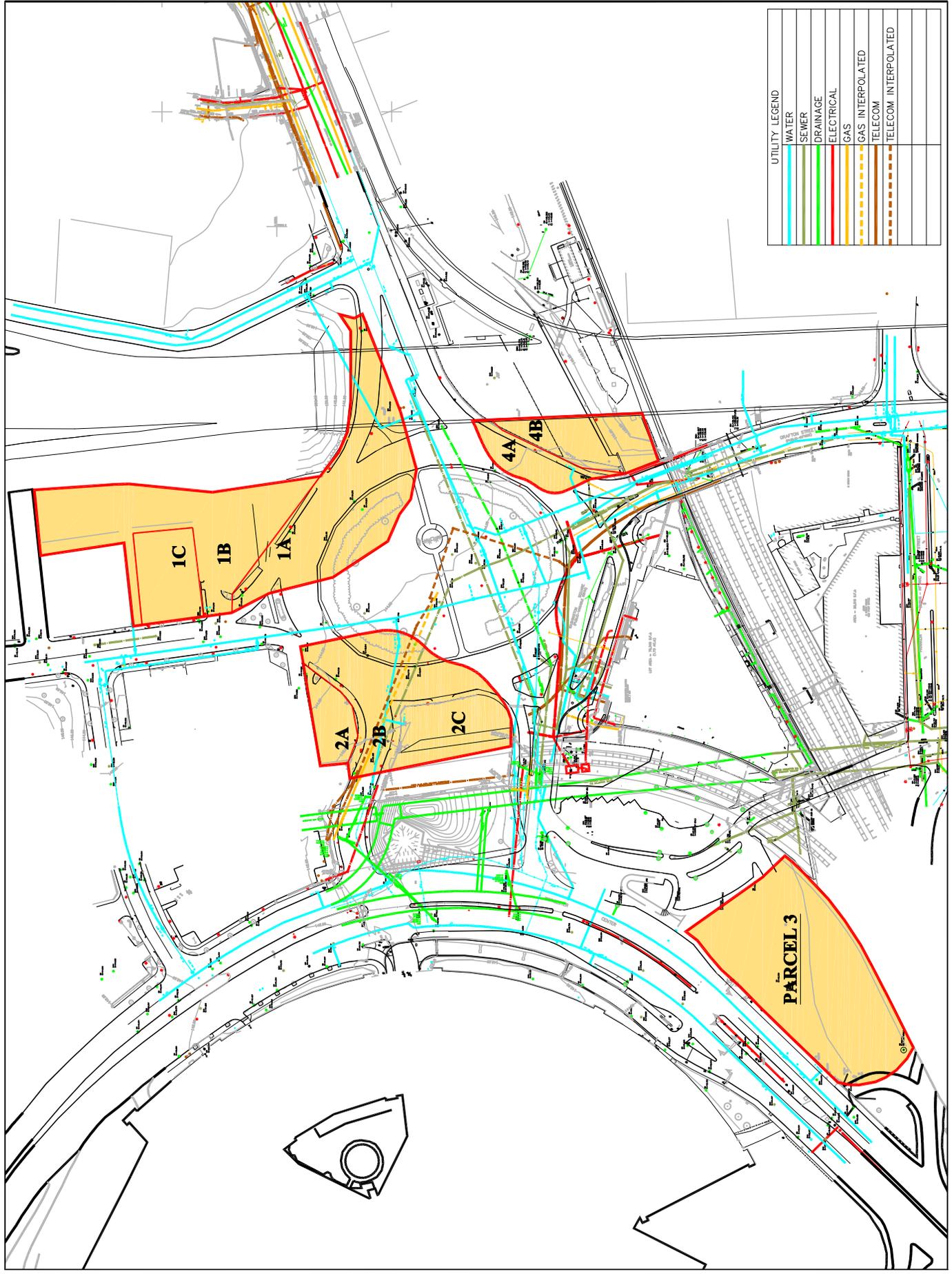
FIGURE 7

WASHINGTON SQUARE  
REDEVELOPMENT  
STRATEGY

**BSC GROUP**  
33 Waldo Street  
Worcester, Massachusetts  
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SCALE: 1" = 60'-0"  
0 30 60 120 feet  
FILE: 61032\Design\Draw\UtilityStudy.dwg  
DWG. NO.:  
JOB. NO.: 61032 SHEET 1 OF 1

UTILITY LEGEND	
	WATER
	SEWER
	DRAINAGE
	ELECTRICAL
	GAS
	GAS INTERPOLATED
	TELECOM
	TELECOM INTERPOLATED



## ***SECTION THREE – Market Analysis***

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BSC TerraSphere teamed with RKG Associates to perform the market analysis for different potential uses for the four new parcels. RKG focused on the lodging industry because of the specific interest shown in that area. However, RKG also performed a market analysis for office, automotive, and residential uses. A full copy of RKG's analysis, "Market Analysis and Disposition Strategy for Parcels at Washington Square in Worcester, Massachusetts", can be found at the end of this report, under Appendix #1. The following is an excerpt from RKG's report.

### ***Hotel Market Analysis***

*The hotel market in Worcester is dynamic, competitive and in transition. This section highlights conditions in the hospitality sector in the City and the region. The Appendix at the end of this report provides more details regarding the data including a map showing the City in relation to the region, plus tables and figures.*

### ***Hotel Supply Characteristics and Trends***

*The City of Worcester currently has six hotels with 802 rooms, while the fifteen-mile region (excluding Worcester) has another thirty-four hotel properties having 3,840 rooms. Other findings regarding the hotel supply trends are as follows:*

- In Worcester, two hotels are currently under construction having a total of 323 rooms, representing a 40% increase in supply upon opening, which is scheduled during 2006. This represents the first expansion in Worcester since 1999 when 130 rooms opened. Another 440 rooms or 52% of the current supply opened during this 1980s, and the remaining 260 rooms or 32% of the current supply are pre-1980.*
- In the region, one property was under-construction in Marlborough having 112 rooms, and was scheduled to open during 2006. Another 524 rooms, or 14% of the current supply, have opened in the region since 2000, including 277 rooms in Auburn within the last two years. During the 1980s and 1990s, approximately 1,200 rooms were added to the regional supply in each decade, and combined represent 64% of the current supply. A 170-rooms full-service hotel in Auburn will reportedly close at the end of 2005 for a non-hospitality related use.*

### ***Hotel Sample and 5–Years Operation Trends***

- The City of Worcester and the region lacked a "luxury" hotel, but nearly 65% of the City's supply was "upscale" in terms of quality as rated by Smith Travel research (STR) a national lodging industry firm, in comparison to 28% in the region (excluding Worcester).*



- *However, nearly 54% of the sample supply in the region was “mid-scale” as compared to 35% in Worcester.*
- *The remaining 19% of the sample supply in the region was “economy” but Worcester had no supply at this quality level.*
- *Nearly 86% of the room supply in Worcester was at “full-service” facilities, in comparison to 42% in the region.(excluding Worcester)*
  - *The remaining 14% in Worcester was at “limited-service” properties versus 32% of the regional supply.*
  - *Worcester currently lacks an “extended-stay” property, but will have one when the Residence Inn opens in 2006. Nearly one quarter of the sample room supply in the region was extended-stay.*
- *Recent construction trends in the region indicate a shift away from full-service facilities to more limited-service or extended stay properties.*
  - *Nearly 480 rooms opened in the region after 2000 and were either limited-service (277) or extended-stay (178).*
  - *The last full-service hotel that opened in the region was in 1997, and in Worcester was in 1999, and both of these were Marriott Courtyards.*
- *Over the last five years, hotel demand in Worcester peaked at 182,800 room nights in 2001, and declined to 161,100 in 2005. In the region, demand peaked in 2000 at 650,000 room nights and declined to 511,500 in 2003, and recovered somewhat to 563,500 room nights in 2005. During this five-year period, hotels in Worcester captured almost 25% of the total demand (City and region).*
- *The hotel occupancy rate averaged 69% in both geographies in 2000, and in Worcester, occupancy increased to 73% in 2001 but declined to 64% in 2003, where it has stabilized over the last two years. In the region, occupancy was at its highest in 2000 (69%), and dropped to 51% in 2003 and remained there in 2005.*
- *The combined occupancy rate for the City and the region was 54% in 2005, below the combined rate of 69% indicated in 2000.*
  - *Extended-stay properties exhibited higher occupancy rates over the last five-years in comparison to full-service, which had the lowest rate, and limited-service. Occupancy however declined for all types in the region from a peak in 2000, such that in 2005 the occupancy rate ranged from 66% at extended-stay, to 49% at limited service, and 47% for full-service.*
- *The average room rate in Worcester increased from \$98 in 2000 to \$107 in 2005, despite the drop in occupancy. In comparison, the average rate in the region peaked at \$101 in 2001 and declined to \$84 in 2004, but increased to \$88 in 2005.*
  - *Extended-stay (\$89) and full-service (\$87) properties had the highest average room rate in 2005 but were about \$20 lower than their peak in 2001. Limited*



*service (\$76) properties had the lowest rate in 2005 but it was only \$3 off its peak in 2001.*

- *In Worcester, RevPAR (Revenue Per Available Room) peaked at \$74 in 2001, and declined to \$65 in 2003, and by 2005 recovered to \$69 for a 6% gain in the last two years. RevPAR in the region also peaked in 2001 at \$66 and declined to \$43 in 2003, and subsequently increased to \$45 in 2005.*
- *RevPAR at extended-stay properties in the region declined by 40% between 2000 (\$90) and 2003 (\$54) but increased to \$62 in 2005, reflecting a 15% gain in the last two years. Similarly, RevPAR at full-service facilities declined by 40% between 2000 (\$65) and 2003 (\$39), but increased by 10% in the last two years to \$43 in 2005. RevPAR at limited-service properties increased to \$54 in 2001, but declined 33% to \$36 in 2004. It increased by 5% in the last year to \$38 in 2005.*

### **Hotel Market Conclusions and Future Opportunities**

*The STR data indicated that the hotel market in Worcester and the region is in transition because of soft economic times coupled with hotel expansion over the last five years. This “softness” was also evident throughout the hospitality market in New England caused primarily by the recession in 2001 and exacerbated by the terrorist attacks on 9/11. Recovery has only recently occurred and is limited to selected areas. Despite this finding new construction continued in the lodging industry since 2001 due in part to franchises entering new markets, the availability of capital, and historically low interest rates.*

*Locally, two major demand generators declined between 2000 and 2005, namely employment and visitors to the City and more specifically attendance at the DCU Center/Convention Center. In addition, commercial airline service out of the Worcester Regional Airport ceased operations in February 2003. These trends however are changing:*

- *Employment in the City declined by 4% and in the region by 1% over the last five years. However, recent indicators suggest some growth has occurred in both areas. Employment is projected to increase by almost 1% per year over the next five years, according to a recent forecast by the Massachusetts Division of Career Services.*
- *Attendance at the DCU Center averaged 800,000 per year at the turn of the century, but in 2005 attendance reportedly declined to 675,000 persons. However, anecdotal information suggests that attendance will likely recover in the future with increases in business/conference activity and the marketing advantage of a new “attached” hotel in addition to the other nearby “host” properties.*



- *Allegiant Air has commenced direct flights to Orlando, Florida in mid-December out of the Worcester Regional Airport, so low-cost passenger service is now available.*

*In Worcester, the upcoming opening of 323 new rooms during 2006 will cause occupancy rates to decline to as much as 44% assuming no increase in demand. This appears to be the general concern among contacted, competing hotel managers. To measure potential future hotel demand in Worcester, RKG prepared a hotel demand model based on STR data for 2000 and 2005, and assumptions about the market over the next five years, and the results shown in Table 6 in the Appendix are summarized below:*

- *The model indicates that hotel occupancy would recover to nearly 70% within the next five years. This would allow for additional expansion of 120 to 260 rooms. Inherent in the assumptions are the new dynamics that will be created in Worcester and more specifically in its downtown from the CitySquare project, which will be well underway within this time period*
- *At this time future opportunities in the hotel market at a Washington Square location would likely be for a mid-point product, given the location. Examples of such hotels include Courtyard, Hilton Garden Inn and Wingate. A limited-service or an extended-stay property would also be viable given the market performance shown by this type. A “luxury” product, which the City and the region lack, is unlikely to be attracted to a site such as Washington Square. Should the market warrant a higher quality product in the future, a possible location at CitySquare would provide a more viable location.*

## **Office Market Characteristics**

*This section highlights major findings of RKG’s review of business and employment trends in the City of Worcester and the region. Conditions in the office market are also summarized below:*

- *Between 2001 and 2005, Worcester experienced an 8% gain in businesses, which was primarily attributed to an increase in service-providing businesses. However, the percentage increases in Worcester was below that indicated for the region and the Commonwealth.*
- *Office-type employment in the region increased by 3% between 2001 and 2005, despite a 2% decline in Worcester. Most of the losses in Worcester were concentrated in the management and finance & insurance sectors, due in part to acquisitions and consolidations. Employment in educational services and other services increased in both areas.*
- *Downtown Worcester has 4.7 million SF of office space and 0.5 million SF was available indicating an availability rate of 11%, which was nearly identical to that in 2004, and slightly lower than the 12% indicated in 2002. In comparison, office vacancy in the 495/MA Pike region was 23% in 2005, down from the 32% rate reported in 2003.*



- *Absorption in the region totaled more than 1.14 million SF over the last two years. This absorption was supported by employment gains by office users in the region. This absorption figure also suggests that the 2.8 million SF of currently available office space in the region would equate to a four-to-six year supply to be occupied.*
- *Worcester, however, did not experience any significant increase in absorption during the last few years, but the downtown office market remained stable, as evident by little if any change in the vacancy rate from prior years.*
- *The office supply in Worcester, especially in its downtown, is at a disadvantage in comparison to much of the 495/MA Pike supply because most of it is older, and lacks free, on-site parking in some cases. The Class A supply in Worcester accounted for only 36% of the downtown inventory in 2005, a decline from 45% in 2002. Class A rents were quoted in the \$17 to \$20/SF range, and generally included some parking.*
- *New office construction has not occurred in downtown Worcester since the late 1980s. However, Berkeley Investments has reportedly attracted two major office users as part of the CitySquare project, because the users in part can attain more efficient operating costs with a new building than an older one.*
- *The Salter School was mentioned as potential educational use looking for a new location, and could be a potential for a site/future building at Washington Square.*
- *A major concern regarding office use at Washington Square is feasibility and the potential difference in the rental rate at the available supply (\$17 to \$20/SF) in comparison to achievable rent for new construction which may be as much as \$25/SF or higher depending on costs, design criteria, developers profit, a build-to-suit deal, etc.*

*RKG believes that new demand for office use will be created in Worcester over the next few years, because of the renewed market acceptance of the downtown due in part to the CitySquare project. Statewide employment growth in office-type industries was also forecasted by the Commonwealth over the next five years.*

## **Other Uses**

*Future demand for other commercial uses was more difficult to quantify. However, there may be some merit to the following use options.*

- *The restaurant sector is under-going a renaissance in Worcester, and Shrewsbury Street is now referred to as “restaurant row”, and new eateries are being created/developed in the Green Island/Canal District. Both these districts are neighboring areas to Washington Square.*
- *Restaurant use as part of a hotel, as proposed for one of the sites, would be a logical use, however, in a stand-alone situation it may not be suitable because of its isolated nature of the neighborhood, although this is changing.*



- *Restaurant use may not be consistent with the “urban” landscaping and focal point as a gateway into downtown and CitySquare.*
- *Automotive services, such as upscale auto-service, auto rental and detailing may be suitable for some sites, given the exposure to traffic, daytime workforce and commuter parking in the area. However, this use may also not be consistent with the “urban” environment.*
- *Currently, the residential for-sale sector appears to be the strongest market, however, residential does not seem suitable for any of the sites because of their small sizes and noises associated with either the interstate highway or active rail lines. In addition, the bus terminal may create air-quality issues for any residential use on the adjacent site.*

In summary, RKG found that the current market for hotel use is undergoing expansion and occupancy should reach approximately 70% by the end of 2010, opening the opportunity for more hotel rooms. The sale of the four new parcels is expected to coincide with the completion of the Washington Square road construction. This timing will allow the new parcels to benefit from other current construction projects that will be completed within the next two years, such as the new State Courthouse, CitySquare and the Union Station Parking Garage. These developments as well as the numerous other projects planned or underway totaling nearly \$1.3 billion will significantly improve the public perception of the City’s downtown area and contribute to demand for hotel room nights and other uses in this area.



## **SECTION FOUR – Redevelopment Plan**

Once the market analysis was complete, BSC TerraSphere then determined the feasibility of constructing the recommended uses on each site. For example, a potential hotel developer will need a site to accommodate a hotel and restaurant with a minimal requirement for the building footprint, square footage and parking. This study determined that it is indeed feasible to fit such a development on Parcel #1.

The Washington Square area will become an even more important gateway into Downtown upon the completion of the roadway improvements and the proposed CitySquare redevelopment. As such, any new development in this area needs to be of the appropriate scale and quality to enhance this key gateway, while at the same time not detracting from Union Station, the major architectural element of the Washington Square area. BSC TerraSphere applied certain urban design criteria to each parcel to make sure the proposed uses could fit on the site with the appropriate scale and massing for this important location.

Following is a summary of the type and characteristics (size, placement, massing and scale) of the uses proposed for each site. For the purposes of this study, various options were prepared for each site. These options are described below, with illustrative plans and 3-D building massing studies shown on the following pages.

### **Parcel #1 - Hotel Concept**

The proposed use for Parcel #1 is a mid-point hotel with limited services and some extended-stay rooms, along with an attached but independent up-scale restaurant. At one point, a developer had suggested a stand-alone restaurant on Washington Square with its own parking, but such a development would not be in keeping with the urban design characteristics recommended for this area. Therefore, the development recommendations incorporate the restaurant into the hotel building either as a one-story wing or in the ground floor of a four-story structure. BSC TerraSphere's preferred option is a four-story hotel with a restaurant in part of the ground floor.

For this study, BSC TerraSphere prepared two options for the development of this site with these uses. The design criteria for a mid-point hotel, as previously expressed for this site, includes a hotel footprint of approximately 14,000 – 15,000 square feet, a total building size of 55,000 – 59,000 square feet and parking for 110 cars. The restaurant size and parking requirements are not included in these numbers. A mid-point restaurant with sit-down service and a bar typically requires about 10,000 – 12,000 square feet and some on-site parking. Even though the BG-6.0 zone does not require parking, potential developers see the need for some on-site parking to support a viable development in this area. The following options were prepared to meet these requirements while at the same time providing a building placement and massing that complements the Washington Square area and does not detract from Union Station.



Should a potential developer express the need for additional land to accommodate their program for this site, the City should then explore the option of assembling the adjacent Foley property into Parcel #1 to accommodate that need. However, the City should complete a cost/benefit analysis first to determine if the acquisition cost of the Foley property adds significant value to the overall parcel.

#### Option “A”

**Building Massing and Scale** – This concept (Figures 8, 9 & 10) provides a four-story hotel on Summer Street and a one-story restaurant at the intersections of Summer and Shrewsbury Streets located directly on Washington Square. The height and setback of the hotel complements the existing urban architectural character, with a height to width ratio of building to road being similar and in character with other buildings on Summer Street. The restaurant building, located diagonally across from Union Station, provides a similar setback, massing and scale relative to the entry plaza to Union Station. The hotel is four-stories with a total of 60,000 square feet. The restaurant is one-story with a total of 10,000 square feet.

Although the hotel and restaurant buildings appear to be connected when viewed from the street, there is a transition area between the two buildings, which provides the opportunity to tie the buildings together physically while separating the uses. This transition area might be used as a bar or café, which could serve both the hotel and restaurant clientele. An atrium roof in this location would allow natural light into the building and would assist in physically differentiating between the two building uses. This atrium area could also serve as an access point to the parking lot located behind the building. The façade of the restaurant is shown with a curvilinear layout that reflects the proposed layouts planned for the Washington Square Roadway project and complements the curvilinear Concept Plan for Parcel #2. The resulting variation in width in the space between the building and the sidewalk provides for larger “pockets” that could be used for additional planting or plaza/sitting areas. In contrast, the hotel façade is relatively flat (except for architectural fenestration) which complements and blends well with the existing facades of adjacent buildings and the urban fabric of the street. The massing diagrams are intended to show how these buildings will relate to the Washington Square context, but do not include details and elements that would be incorporated into the final building design.

**Access/Drop-off/Parking** - The hotel would have a pedestrian entrance on Summer Street with a drop-off area located at the corner of the hotel furthest from the Square. Parking is located along the backs of the buildings (existing and proposed) and totals 154 spaces. In order to provide the number of spaces that might be required for hotel and restaurant patrons, an at-grade parking lot behind the building and a parking deck over that lot are anticipated. The design of this structure may require slight modification to the embankment of the I-290 roadway in the form of a short retaining wall due to the narrowness of the site. Parking behind the building may result in less desirable views from the rear units of the hotel. Access to the parking deck would be from Asylum Street and would pass behind the adjacent building. The slope of the parking deck would need to be steeper at the entrance to allow the deck to reach an adequate height so that service



trucks on the ground could pass beneath it where it passes over the former Fulton Street area. It is anticipated that the access to the at-grade lot will be two-way at Summer Street, with service-only access from Shrewsbury Street with a right turn-only restriction as drivers exit the lot.

### Option “B”

**Building Massing and Scale** – This concept (Figures 11, 12 & 13) provides a four-story hotel that wraps around Summer Street and Shrewsbury Street with a restaurant located within the building. The restaurant would be located on the first floor of this building directly on Washington Square as shown in Option A. The height and setback of the hotel complements the existing urban architectural character similar to Option A with the exception that a four-story section of the building sits directly on Washington Square. However, the distance between this section of the building, located diagonally across from Union Station, is enough to ensure that the massing and scale does not dwarf the Station. In fact, this massing may provide a better definition and urban design element with Washington Square. The hotel totals 57,600 square feet and is four stories in its main section and three stories above the restaurant. The restaurant totals 11,000 square feet.

Although the restaurant is part of the overall hotel building, there may still be opportunities on the first floor to provide a transition area between the two uses. As in Option A, this transition area could be used as a bar or café and serve as an access point to the parking lot located behind the building. The façade of the building allows for the restaurant and pedestrian entrance to the hotel to be located close to the sidewalk, while allowing for recessed facades on either side of the section of the building that houses the restaurant. This would allow for “pockets” along the façade that could be used for additional planting or plaza/sitting areas. This design complements both the existing facades of adjacent buildings on Summer Street and the building proposed in Option B for Parcel #2. The façade setbacks of both buildings (Parcels #1 and #2) offer a transition between the flat facades of Summer and Shrewsbury Street, presenting a more dynamic appearance and an opportunity to provide additional streetscape amenities such as plazas and planters.

**Access/Drop-off/Parking** - The hotel would have a pedestrian entrance on Summer Street with a drop-off area located around the corner of the building on the former Fulton Street. The parking layout is similar to Option A with one exception. The smaller hotel footprint and size allows for an additional at-grade parking lot in the Fulton Street area, resulting in 185 parking spaces, or 31 more than Option A.

### **Parcel #2 – Office Concept**

The proposed use for Parcel #2 is an office building with the option of adding some first-floor retail if the developer chooses. An office building on this site needs to be of a sufficient size and height to anchor this parcel so that it does not appear out of scale in this prominent location. Therefore, a four-story building is proposed, as shown on the



following options. Proposed is a building footprint large enough to anchor the structure on Washington Square and small enough to allow space in the rear for limited parking and service access. However, unless they are relocated, underground utilities running through this site, in what is now the Foster Street right-of-way, severely limit the development potential of this parcel.

Existing conditions plans for this site (Figures 6 & 7) show that the following utilities are currently located within Foster Street: gas, water, sewer, telecom, electrical and drainage. BSC TerraSphere completed a *preliminary* assessment of these utilities to determine the cost of relocating them to the northern edge of the site, under what is being proposed as surface parking, in order to open-up the center of the site for a new building. The preliminary cost is estimated at \$500,000 to \$1,000,000. However, much more information will be needed on each utility's size and load to better quantify the relocation costs.

From an urban design perspective, BSC TerraSphere recommends relocating these utilities to the edge of the parcel in order to open up a large portion of the site on Washington Square for development. Options A and B (Figures 8 – 13) show two preferred development scenarios with the utilities relocated. A third Option C (Figures 14, 15 & 16) is included to show a more limited development option should the utilities remain in their current location.

In addition, the City may wish to approach the owners of the site located to the north of Parcel #2, to ascertain if they may be interested in combining Parcel #2 with their site to create a larger development lot. Such a parcel may allow for the sharing of parking lots and land area to create a larger building footprint for this site, especially if the utilities cannot be relocated.

#### Option "A"

**Building Massing and Scale** – This concept (Figures 8, 9 & 10) provides a four-story office building located directly on Washington Square with a limited amount of on-site parking behind and beneath the building. The height and placement of the building complements the urban architectural character of the hotel site and helps provide a unified edge to Washington Square. The façade has a curvilinear layout that reflects the proposed layouts planned for the Washington Square Roadway project and complements the curvilinear hotel plan also shown in Option A. The resulting variation in width between the building's curved facade and the sidewalk provide for larger "pockets" that could be used for additional planting or plaza/sitting areas in front of the building. This building totals 76,000 square feet and the massing diagrams that follow are intended to show how this building will relate to the Washington Square context, but do not include façade details and elements that would be incorporated into the final building design.

**Access/Parking** - The office building would have a pedestrian entrance on Washington Square. A limited amount of parking is located along the back of the building and beneath the building. The surface lot would have access from Summer Street in approximately the same location as Foster Street and would accommodate 51 spaces. In



addition, access to a parking and service area beneath the building would be provided from Worcester Center Boulevard using the old Foster Street connection beneath the railroad tracks and into the lower level of the building. This lower level parking area could accommodate 85 spaces, for a total of 136 spaces, which is far less than will be needed for a building of this size. However, it is not appropriate for this site to have much on-site parking due to its prominent location on Washington Square. Therefore, off-site parking will need to be provided to support the proposed use.

This option requires the relocation of the existing underground utilities to the northern portion of the site beneath the surface parking lot. The City would need to retain a utility easement in this area should the utility companies need access to the utilities.

#### Option “B”

**Building Massing and Scale** – This concept (Figures 11, 12 and 13) also provides a four-story office building located directly on Washington Square with a limited amount of on-site parking behind and beneath the building. However, the façade of the building is more angular to be consistent with the hotel Option B and unify the Washington Square edge treatment. This option results in a 64,000 square foot building. Due to the variation in width between the building’s facade and the sidewalk, there are triangular “pockets” that could be used for additional planting or plaza/sitting areas. The massing diagrams that follow are intended to show how this building will relate to the Washington Square context.

**Access/Parking** – As with Option A, the office building would have a pedestrian entrance on Washington Square and a limited amount of parking would be located along the back of the building and beneath the building. The surface lot would have access from Summer Street and would accommodate 51 spaces. Parking and service area access and overall layout beneath the building would also remain the same as Option A. This lower level parking area could accommodate only 68 spaces, for a total of 119 spaces, which is 17 less than Option A. However, as with Option A, additional off-site parking will be required.

This option also requires the relocation of the existing underground utilities to the northern portion of the site beneath the surface parking area. The City would need to retain a utility easement in this area should the utility companies need access to the utilities.

#### Option “C”

**Building Massing and Scale** – This option (Figure 14, 15 & 16) was prepared to show the site’s development potential if the underground utilities that bisect the lot cannot be relocated. The recommended build-out incorporates 2 buildings in an attempt to maximize the potential build-out. This build-out contains one larger, four-story building in the southern portion of the site. This building totals 36,000 square feet. A smaller building is located just north of the utility corridor and is two-stories in height with a total of 8,800 square feet. To give the impression of a unified façade from Washington Square, these two buildings are connected with a trellis structure along Washington Square that



still allows access to the utilities below. The area between the buildings and above the utilities would become a landscaped plaza.

The larger building would be an office building, and the smaller building could contain offices, retail or a restaurant. In fact, the smaller building could be taller than two stories if the developer chooses, but needs to be at least two stories to provide sufficient massing.

Access/Parking – As with Options A and B, the buildings would have a pedestrian entrance on Washington Square and a limited amount of parking located along the back of the building and beneath the building. However, the below building parking could be greatly limited by the existing utilities. The surface lot would accommodate 49 spaces. The parking and service area beneath the building may be able to accommodate 64 spaces at the most, for a total of 113 spaces. However, as with Options A and B, additional off-site parking will be required.

Parcel #2 Summary – Since the cost of relocating the utilities to the northern part of this site is significant, the City Assessor’s office was asked to comment on the expected tax revenue of the three development options for this site. Following is a summary of this information:

Option	Estimated Building Size Gross Sq. Footage	Estimated Construction Cost / SF	Estimated Annual Tax Revenues
“A”	76,000	\$ 90.00	\$172,368.00
“B”	64,000	\$ 90.00	\$ 145,152.00
“C”	44,800	\$ 90.00	\$ 101,606.40

Once the City has a better understanding of the costs associated with the relocation of the utilities, it will need to determine if relocating the utilities is worth the investment. This decision will be based on the expected tax revenues, as well as urban design considerations. Another option is to let a potential developer relocate the utilities if they determine it provides a better development plan. However, a developer may ask the City to discount the purchase price of the parcel to help offset the utility relocation costs.

**Parcel #3 – Retail with Parking Concept**

Parcel #3 has short-term limitations but future potential for development. As mentioned previously, location disadvantages, such as the adjacent bus terminal and elevated rail lines to the rear, limit the value of this redevelopment site. However, the site does have great visibility from Worcester Center Boulevard (WCB) and its value will increase as CitySquare and Washington Square are developed. The proposed short-term use for

Parcel #3 is to keep it as a parking lot. As development occurs in the area, there may be a need for additional parking, which has already been identified as a need for the office building proposed for Parcel #2. Therefore, future development for Parcel #3 could include a parking structure to the rear of the site with first floor retail on WCB and possible office space above based on market demands. The parking structure could also expand on the intermodal services provided at Union Station, such as a car rental facility. The following are two options for this site.

#### Option “A”

**Building Massing and Scale** – This concept (Figures 8, 9 & 10) provides a parking structure with first-floor retail along WCB. This build-out yields 15,000 square feet of retail space and parking for 170 cars on two levels, with the potential to add approximately 109 additional parking spaces per level as additional floors are added to the garage. If there is a market to add office space above the retail space, then upper level floors would have less parking, but the WCB façade would be more interesting and the space better used for offices. Since three sides of this building would be visible from WCB, Union Station, and Green Street, they would need to have a façade treatment consistent with the new CitySquare development and Union Station.

**Access/Parking** – The main pedestrian access to the retail and potential office space would be from Worcester Center Boulevard, with secondary access from the parking garage. Vehicular access into the parking garage would be from either Franklin Street or the access drive into the Union Station bus port area.

#### Option “B”

Option B (Figures 11, 12 & 13) reflects a larger parcel area, which could result from the City’s efforts to reduce the width of Worcester Center Boulevard to make it more pedestrian friendly. The City is currently studying this potential, and therefore, this option reflects an assumption on the ultimate width of the street, which may change once the WCB study is completed. On the plan shown in this report, a reduced width of WCB would mean the first floor retail space in this structure could be 24,000 square feet, or 9,000 more than Option A. Parking would remain the same on the first level (61 spaces), but upper level parking could increase to 134 spaces per floor. Again, if office space were above the retail space then upper level parking would be reduced.

**Access/parking** – Pedestrian access would be from WCB and vehicular access to the parking garage would be from Franklin Street and the bus ports access drive, the same as option A.

### **Parcel #4 – Open Space Concept**

As stated earlier, Parcel #4 has very limited development potential at this time. The parcel has frontage on Washington Square, but there are no curb cuts into the site, meaning access to the site would need to come through the abutter’s property. Abutters include the Massachusetts Highway Department and the owner of the adjacent service station. In addition, the site is relatively small, 0.48 acres, and the adjacent land is



beneath the Route 290 overpass, further limiting its development potential. The recommendation is to landscape the portion of Parcel #4 that fronts on Washington Square to screen the uses behind this parcel. The landscape treatment could include pavement areas where special events such as civic celebrations, craft shows or a farmers market can occur. These uses would be dependent on access being allowed from the abutting parcels. In addition, the landscape treatment should also include elements to complement this important civic space, such as public art, monuments or a fountain. In fact, the area would make a very attractive setting for the Cristoforo Colombo monument, currently planned to be relocated from the middle of the Washington Square Rotary to the front of Union Station. However, Parcel #4 would give this monument its own unique location that does not compete with the prominent façade of Union Station.

Some limited expansion of the service station use into this area could be considered, provided such a use is adequately screened. Uses could include up-scale auto drop-off service for commuters, auto detailing (cleaning and washing), auto rentals and similar services. There probably is and will be a higher demand for automobile service in this area due to the commuter rail, increased office and residential use at CitySquare.



	<b>OPTION A Curvilinear</b>	<b>OPTION B Rectilinear</b>	<b>OPTION C</b>
<b><u>PARCEL #1 SUMMARY</u></b>			
HOTEL	4-story 60,000 SF	4-story main building 3-story above restaurant 57,600 SF	
RESTAURANT	1-story 10,000 SF	1-story beneath hotel 11,000 SF	
PARKING DECK	72-spaces	72-spaces	
SURFACE PARKING LOT	82-spaces	113-spaces	
TOTAL PARKING	154-spaces	185-spaces	
<b><u>PARCEL #2 SUMMARY</u></b>			
OFFICE	4-story 76,000 SF	4-story 64,000 SF	split building 4-story / 2-story 44,800 SF
SUB-SURFACE PARKING LOT	85-spaces	68-spaces	64-spaces
SURFACE PARKING LOT	51-spaces	51-spaces	49-spaces
TOTAL PARKING	136-spaces	119-spaces	113-spaces
<b><u>PARCEL #3 SUMMARY</u></b>			
RETAIL	1st floor 15,000 SF	1st floor 24,000 SF	
SECOND STORY PARKING LOT	109-spaces portion over retail	134-spaces portion over retail	
SURFACE PARKING LOT	61-spaces	61-spaces	
TOTAL PARKING	170-spaces	195-spaces	

Prepared for:



City of Worcester, MA  
Division of Economic  
Development

## BUILDING ANALYSIS TABLE

Washington Square Redevelopment Strategy

Prepared by:



33 Waldo Street  
Worcester, MA 01608  
March 27, 2006

FIGURE 17

## **SECTION FIVE – Redevelopment Strategy**

The following actions are suggested to begin and implement the redevelopment recommendation for the Washington Square area.

- A. Open a dialogue with the potential hotel developer and the Houstons as soon as possible to see if they are still interested in Parcel #1 utilizing the Houston property and City property.
- B. Designate the WRA, the redevelopment arm of the City, as the project managers for this project. Staffing for the WRA is provided through the City Manager’s Office, Division of Economic Development with technical support from the City’s Budget Office and Law Department. Designation of the WRA as the redevelopment agency is recommended because the WRA has the authority to negotiate directly with private property owners and developers for the purpose of economic development. As such, the City can avoid the public advertisement of parcels for disposition as per the requirements of M.G.L. Chapter 30, unless it is determined that such a process is preferred. If so, the WRA can still be used as the agency to issue such an RFP, with ability to negotiate with any potential bidders.
- C. Amend the Union Station Urban Revitalization Plan, which is a State-approved urban renewal plan for the Washington Square area, to include the acquisition of certain parcels to create potential development parcels #1, #2 and #4 as shown in this plan. Amending the Union Station Urban Renewal Plan (USURP) will give the WRA authority to acquire certain privately owned parcels should that be the preferred strategy to assemble multiple parcels for disposition to private developer(s).
- D. Initiate actions to acquire the parcel owned by the Worcester Center Realty Trust that is to become part of Parcel #2. The transfer of this parcel from the Worcester Center Realty Trust to the City is included in the District Improvement Financing (DIF) agreement between the City and Berkeley Investments, Inc. for the CitySquare project. Once the City owns this parcel, it should be transferred to the WRA.
- E. If the hotel developer is still interested in Parcel #1, then begin negotiations with the owners of parcels 1B and 1C (Houston) to assemble those parcels with what will become City-owned Parcel #1A once the roadway improvements are completed in Washington Square. Then negotiate an agreement that would transfer all three properties(1A, 1B and 1C) to one owner, either the City or the Houstons, for the purpose of private hotel/restaurant development. A Land Disposition Agreement (LDA) should be written specifically for this purpose. The LDA should contain specific language on how the parcel is to be developed, including approved uses (mid-level or better hotel with up-scale restaurant), minimum and maximum size of building(s), financing, timetable, urban design criteria and job creation. If the developer has no interest in the site, or if an LDA cannot be negotiated between the parties, then the City should initiate actions to



acquire parcels #1B and #1C and assemble them with #1A for disposition to another developer through an RFQ or RFP process.

F. Consider the potential of incorporating the adjacent Foley property into Parcel #1 if there is need for additional square footage to construct the hotel/restaurant project, or if there is a need for a stand-alone restaurant pad. The Foley property may not add enough value to Parcel #1 to justify its acquisition, but the potential should be explored further if necessary for the preferred development of Parcel #1. For example, a stand-alone restaurant with surface parking should not be allowed to be built fronting on Washington Square, but the Foley site would provide a reasonable alternative.

G. After the Worcester Center Realty Trust property is transferred to the City, assemble that parcel with the WRA parcel across Foster Street and City parcel to be created after the roadway improvements are constructed to create a 1.07-acre Parcel #2. One major obstacle to the maximum development of this site is the presence of underground utilities in this area. Therefore, the City should further explore the relocation of these utilities with the associated costs. This information can be used when an RFP is issued for the redevelopment of this site.

H. Once the new Parcel #2 is created, the City can then advertise for developer interest. However, the WRA may wish to talk to the adjacent property owner to the north to assess their interest in adding this parcel to their existing property. An office building in Parcel #2 would augment the existing office uses on this adjacent parcel. In addition, parking could be combined and function more efficiently if the land areas were assembled as one. Furthermore, utility conflicts may not be such an issue if Parcel #2 becomes part of a larger parcel.

I. Parcel #3 is currently being used as a parking lot for Union Station and is owned by the WRA. It should continue to function as a parking lot until the Union Station Parking garage is completed. At that time, the CitySquare project should be in the midst of redevelopment, the Washington Square roadway improvement underway and a decision reached on the potential of reducing the width of WCB in this area, all of which make Parcel #3 a much more attractive development parcel. The WRA could issue an RFQ/RFP for developer interest at any time after the Union Station garage is constructed, as the value of this parcel should increase by that time.

Another option is to have the City or WRA develop this Parcel #3 as a public parking garage with first floor retail and upper level office space. With new development in Washington Square as well as the already high demand for MBTA parking spaces, there may be a need for additional parking in this area, but the parking should not have frontage on WCB. Access to the parking can come from both Franklin Street as well as the access drive beneath the rail lines to the bus port area. The WCB frontage should be reserved for the retail uses.

J. Parcel #4 presents the most obstacles to development. It is a small parcel with no direct vehicular access. Discussions should begin immediately with the Massachusetts

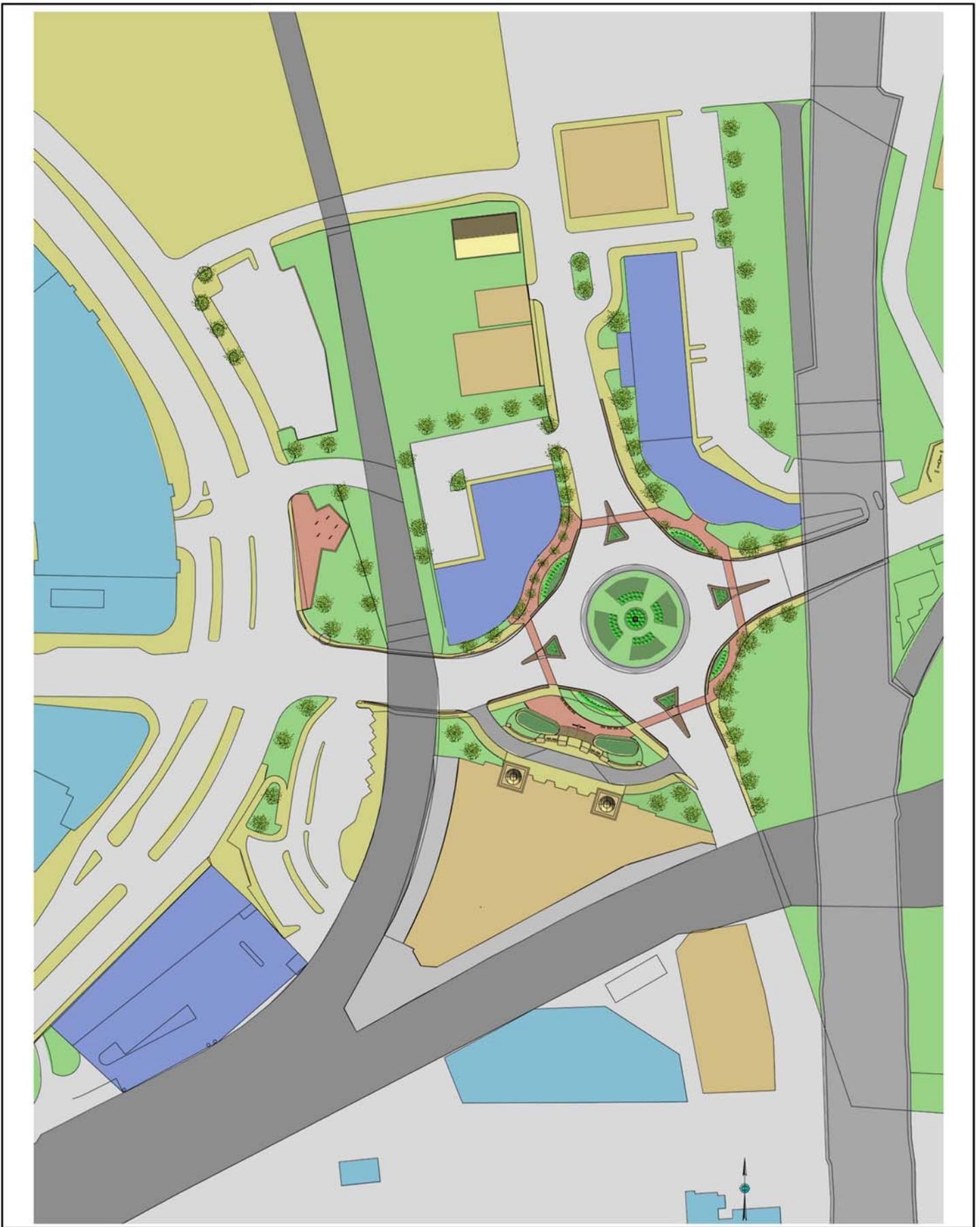


Highway Department to determine what, if anything, can be built beneath the I-290 overpass. This discussion should also address the potential of accessing this site from the MassHighway property. In the short-term, the portion of the parcel closest to Washington Square should be nicely landscaped, and any development here should retain some of this landscaping. If MassHighway will not allow access from their property or any new building in this parcel, then the site should be developed by the City as a park to serve the new development in this area. A small retail function could be incorporated into the park for foot traffic only, such as an historic Worcester “Diner”, a satellite Worcester Visitors Center, café or similar small-scale building.

In addition, if the adjacent service station wishes to expand and MassHighway is willing to transfer some of their property to the City to incorporate into a development parcel for such a use, then the WRA could negotiate directly with that land owner. Architectural guidelines and screening need to be incorporated into any land disposition agreement.

K. As a general approach, all of these parcels could be packaged into one RFQ/ RFP to solicit interest from one master developer who could develop all parcels over time. To maximize the distribution of such an important RFQ/RFP, the WRA could consider hiring a broker for such a solicitation. Since the WRA is exempt from the State’s M.G.L. Chapter 30 requirements for land disposition, the WRA could negotiate directly with brokers and developers. If the City/WRA chooses to pursue the master developer option, they may wish to include the build-out and operation of Union Station in such an arrangement. However, this approach has been tried in the past with no success. But, as the area starts its transformation in the year of 2006, there may be new interest in this area and Union Station from a master developer. However, the City should explore the immediate interest from the hotel developer for Parcel #1 before making a decision on pursuing the master developer option.





Prepared for:



City of Worcester, MA  
Division of Economic  
Development

**OPTION A BUILDING MASSING STUDY PLAN**  
**Washington Square Redevelopment Strategy**

FIGURE 8

Prepared by:



33 Waldo Street  
Worcester, MA 01608  
March 27, 2006



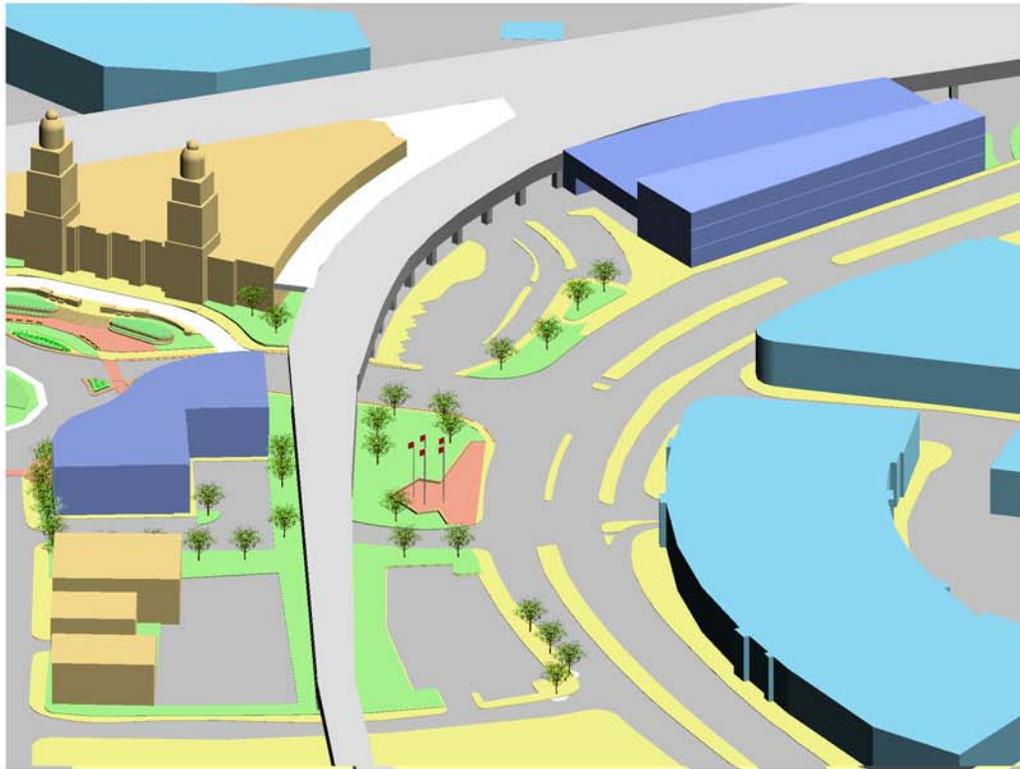
**PARCEL 1**



**PARCEL 2**



**UNION STATION**



**PARCEL 3**



Prepared for:



City of Worcester, MA  
Division of Economic  
Development

**OPTION B BUILDING MASSING STUDY PLAN**  
**Washington Square Redevelopment Strategy**

FIGURE 11

Prepared by:



33 Waldo Street  
Worcester, MA 01608  
March 27, 2006



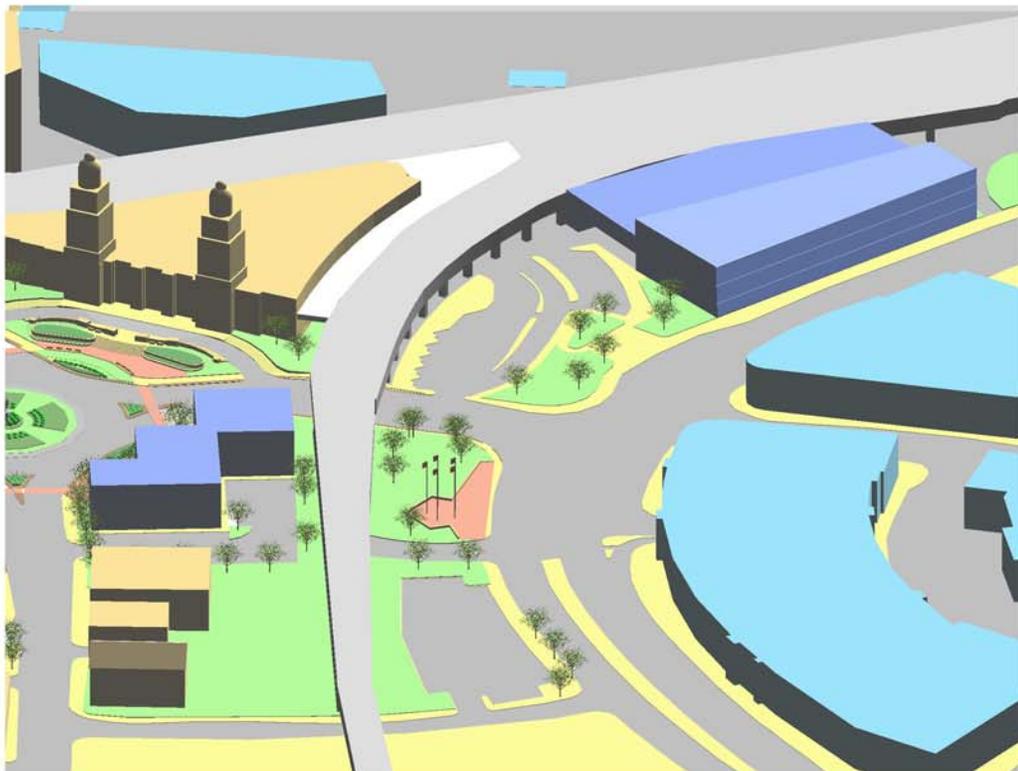
**PARCEL 1**



**PARCEL 2**



**UNION STATION**



**PARCEL 3**

Prepared for:



City of Worcester, MA  
Division of Economic  
Development

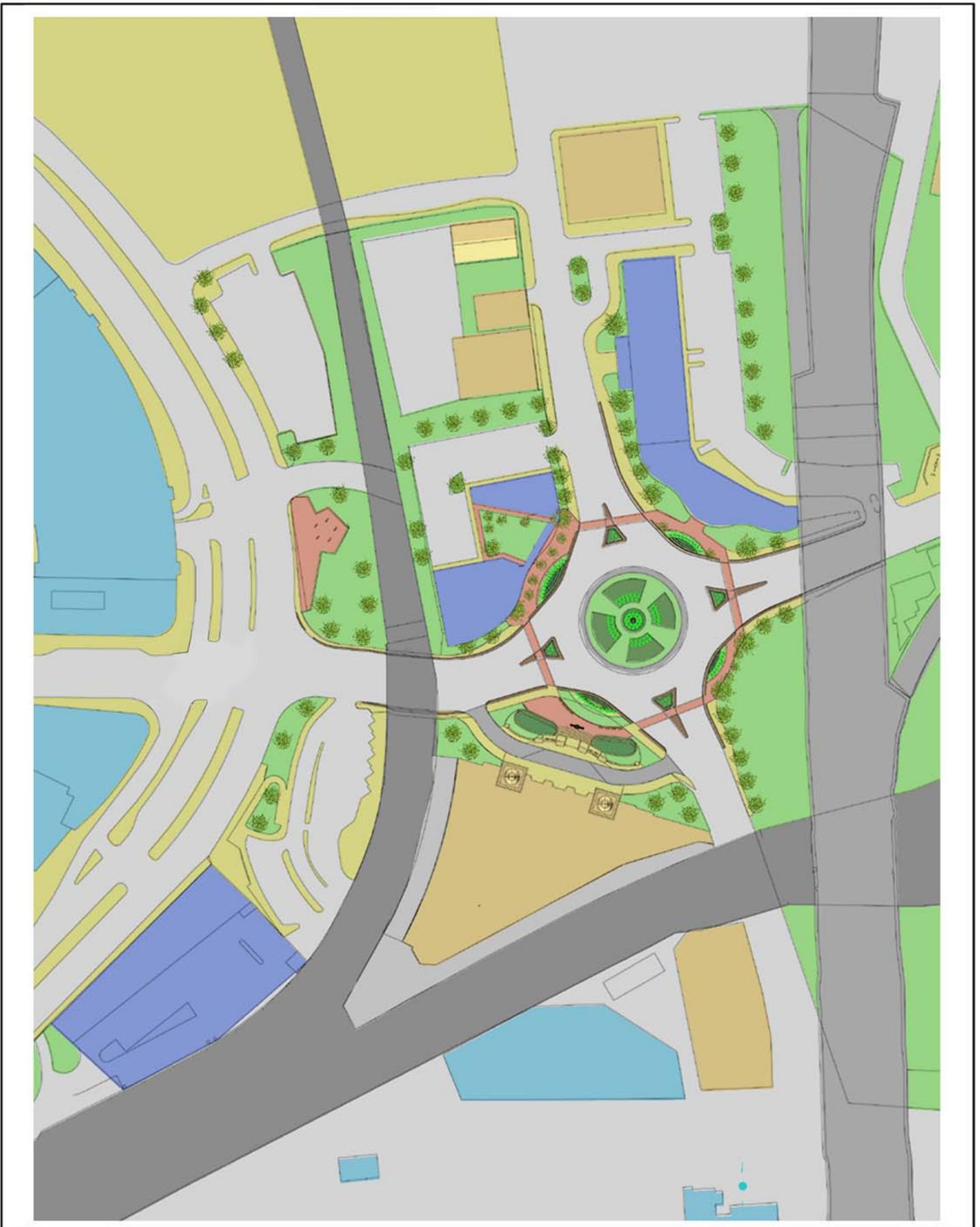
**OPTION B BUILDING MASSING STUDY**  
**Washington Square Redevelopment Strategy**

FIGURE 13

Prepared by:



33 Waldo Street  
Worcester, MA 01608  
March 27, 2006



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**OPTION C BUILDING MASSING STUDY PLAN**  
**Washington Square Redevelopment Strategy**

FIGURE 14

Prepared by:



33 Waldo Street  
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March 27, 2006



**PARCEL 1**



**PARCEL 2**



**UNION STATION**



**PARCEL 3**