



WOOSTAPRENEURS
TOUT DIVERSITY,
COLLABORATION,
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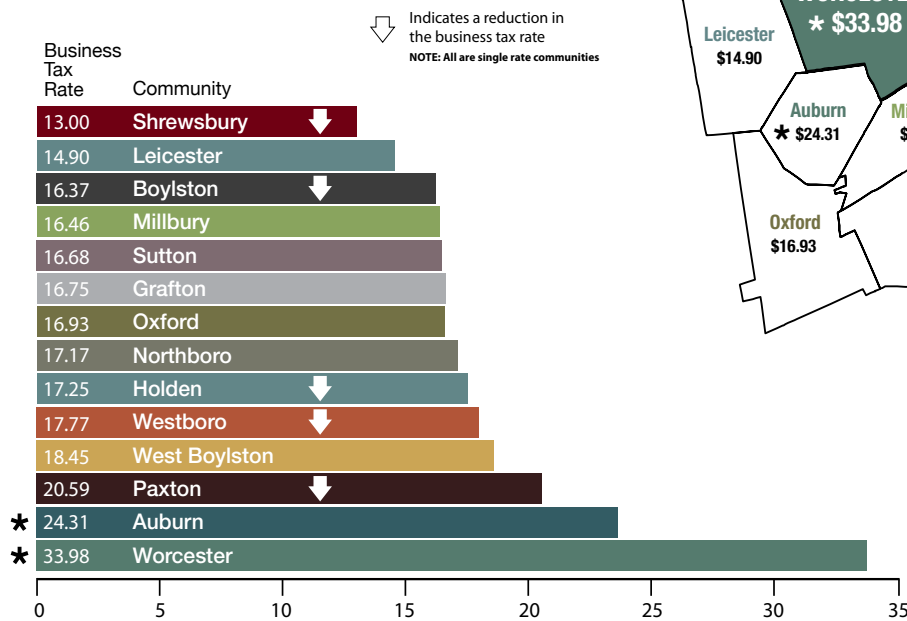
WORCESTER REGIONAL CHAMBER OF COMMERCE NEWSPAPER • VOL. 1 ISSUE 1 - NOVEMBER 2016

Tax classification, by the numbers

2016 Commercial / Industrial Tax Rates Worcester and Surrounding Communities

Residential properties account for 71.0% of the valuation with business accounting for 29.0%.

However, businesses are paying for 40% of the levy while residents are paying 60%



Need for more equitable city tax rate weighed

WORCESTER – With a City Council vote likely scheduled in December to set a new residential and commercial/industrial tax rate, recent developments have underscored the need for a more equitable percentage to ease the burden placed upon many businesses.

The Fiscal Year 2016 Worcester residential tax rate is \$20.61 per \$1,000 of assessed valuation and the commercial/industrial property tax rate is \$33.98. That commercial rate is projected to rise even further next year. Worcester's 2015 residential tax rate was \$20.07 per \$1,000 assessed valuation and the commercial/industrial tax rate was \$31.73.

NEWS ANALYSIS

As it now stands, Worcester sits at a competitive disadvantage to tax rate structures as compared to surrounding communities. Every year the Chamber compiles a fiscal analysis of the region's residential and commercial/industrial tax rates. In 2016, Worcester's residential properties accounted for 71 percent of the total valuation with businesses accounting for 29 percent. However, Worcester businesses are paying for 40 percent of the levy while residents are paying only 60 percent. This forced an 11 percent or \$30 million shift of the city's residential levy to commercial/industrial properties in 2016.

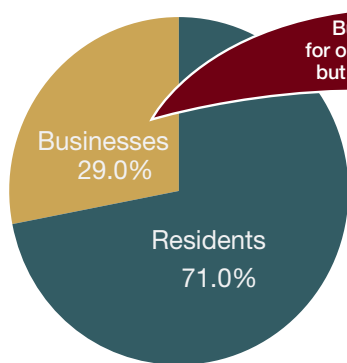
Most tax rates in surrounding towns are going down or holding stable. Worcester's commercial tax rate has steadily risen for many years. The city is only one of two municipalities out of 14 area towns that still utilizes a dual tax rate. Even the city of Boston's commercial tax rate is \$7 lower than the city's.

Moreover, Worcester's average residential tax burden is also lower than surrounding communities, with the cost per square foot less than half of neighboring towns resulting in Worcester residents getting a greater value for their investment. An average home's price per square foot in 2016 for Worcester was \$92 with the next highest cost being \$143 in Millbury. Meanwhile, Worcester enjoys the second lowest residential property taxes among five abutting towns at \$3,916 for the average homeowner

SEE TAXES, PAGE 16

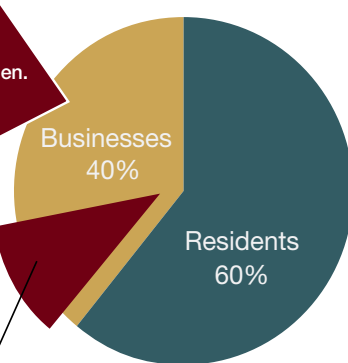
Property Tax Base

(Valuations)
\$11,236,881,245



Levy

(Property Taxes Collected)
\$274,868,950



Businesses account for only 29% of property values but are paying 40% of the burden.

Portion of the residential levy shifted to businesses in 2016 11% or \$30 Million

* Dual tax Rate Communities

WORCESTER REGIONAL Chamber of Commerce

Game Changers show in force at conference

WORCESTER – In a sold out Worcester Regional Chamber of Commerce event, Game Changers from across Worcester and Central Mass. converged upon Mechanics Hall Oct. 14 to celebrate business innovation while envisioning ways to attract even more development to the city.

“The fact that we can match our history with being the most innovative state in

the country is really a sweet spot to be in,” said Lt. Gov. Karyn Polito, who served as one of two keynote speakers along with Worcester Railers pro hockey team owner Cliff Rucker.

During her remarks, Polito highlighted recent initiatives her administration has brought to fruition, including a MassWorks grant to help enable the deal with Franklin

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Timothy P. Murray, president and CEO of the Worcester Regional Chamber of Commerce, speaks before a large audience gathered at Mechanics Hall during the Game Changers Business Conference.

Manufacturing confronts growth

Workforce shortage a key concern

WORCESTER – Capping off a month-long discussion and tours of manufacturing prowess throughout Central Mass., three experts gathered at Saint-Gobain's historic North Hall Oct. 27 to examine ways to attract the next generation of workers.

In recent years, Massachusetts' manufacturing companies have seen a 67 percent increase in jobs created, 71 percent increase in the number of new hires, 63 percent increase in sales and 79 percent increase in cost savings. Manufacturing in Worcester was the strongest sector in comparison to Boston, as reported in the most recent census. Across Worcester County, 31,279 people were employed in manufacturing, and nearly 10,000 people had city-based manufacturing jobs. State-wide, 300,000 people work in manufacturing but much of that same workforce is also nearing retirement age.

Worcester and Central Mass. parallel a manufacturing workforce gap nationally with more than 2 million unfilled jobs projected within the next decade, with at least 100,000 of those expected here in Massachusetts by 2020. A 2014 UMass Dartmouth survey found that one in three Massachusetts manufacturers report having a difficult time hiring the production workers they need. That has led organizations such as the MassMEP to develop new methods and training to inspire today's youth to view manufacturing as a career option.

"Manufacturing is fourth among the top employers in this region," said Timothy P. Murray, president and CEO of the Worcester Regional Chamber of Commerce. "The average annual wage in Central Mass. for manufacturing is \$60,000 and state-wide \$75,000. If we don't refill that workforce pipeline, companies have options where they can locate, grow and invest. So it's really in all of our best interests to make sure we are giving young people and those needing re-training those opportunities."

Ted Bauer, director of workforce development strategies at the state-wide Massachusetts Manufacturing Extension Partnership (MassMEP), said this severe workforce shortage needs the immediate and collective attention of employers, colleges and technical-vocational schools to re-brand manufacturing as a career pathway that is more advanced and technology-based today.

"There are multiple pathways for employees that might have very different interests," said Bauer. "Fifteen years ago, entry level positions may have been referred to as technicians. Today, the bar has been raised. There is more brain than brawn now."

A MassMEP-backed organization known as Manufacturing Advancement Center Workforce Innovation Collaborative (MACWIC) located on Grove Street in Worcester is now the statewide focal point for employer-led workforce training. "When our people retire, they leave with them a lot of knowledge," Bauer added. "Some of that knowledge can't be replaced. MACWIC has 235 company members that represent 19,000 employees and \$9 billion in sales. We tackled retraining incumbent workers, we communicated with vocational technical schools about what was important for recruiting new workers, and now we have a pathway and connected it to apprenticeships and college credentials. You can start on the shop floor and work your way to an associates' degree."

Nicole Zea, plant manager of superabrasives at Saint-Gobain, said her company tries to stress to new and future employees that it can be really fun and rewarding making cool things for a living. She added that there are a lot of different entry points today for

careers in manufacturing, including straight out of high school, trade or via internships.

"For us, you start at the shop floor level," Zea said. "A lot of what we do is on-the-job-training for those who want to do work with their hands in materials sciences like putting together a mold, filling that mold, and then making a solid from there. What are the physical properties that drive that?"

Zea added that "watching sheet steel be pressed at thousands of tons of pressure at 12 miles an hour through a factory and my wheel is grinding the side of that to make sure its surface is as shiny as possible for that kitchen countertop you're making is a really interesting connection to make. This all starts back at raw materials."

Not every manufacturing job has to be on the shop floor, either, according to Anna Robertson, human resources manager at Eaton Corp. Customer service, human resources and administrative roles are also in demand. She recommended that new applicants really think long and hard before and during a job interview about whether that potential role fits their own personality, acquired soft skills, and family

manufacturing. But she has also discovered that like many areas of Central Mass., there is a waiting list of students who want to enter vocational technical high schools.

"In meeting with superintendents, they have told me they don't quite know what to do because they are busy preparing kids for college preparatory education," Hebert said. "These kids are most at risk for dropping out of school."

Herbert said what the Valley is trying to do is get these students acquainted with local manufacturers and also bring guidance counselors along for tours. This year, four busloads of students journeyed to local businesses and a few for day-long apprenticeship programs. This year the chamber is looking to expand by bringing manufacturers into the classroom for presentations, and possibly customizing school curriculum for students poised to enter that industry.

Bill DiBenedetto, president of Lampin Corp. in Uxbridge who serves as chair on Hebert's chamber manufacturing committee, said he can't encourage his peers enough to get involved in local schools. "It really is an avenue of opportunity to reach out to middle and high schoolers in regular programs, not technical programs. We try to supplement that by giving kids an opportunity for an internship at Lampin," said DiBenedetto.

The state-wide Alliance for Vocational Technical Education (AVTE), which the Worcester Regional Chamber of Commerce helped establish recently under Murray's leadership, affects six different vocation schools in the region. Murray said there is a waiting list of about 3,500 students every year. As a result, AVTE commissioned a report lead by Secretary Jay Ash and Barry Bluestone (Staying Power I&2 manufacturing study author) that inspired Gov. Baker's Administration to allocate a \$75 million budget to upgrade equipment and expand vocational technical

schools state-wide. Baker's proposal was later pared down to \$45 million in the state Legislature. In that funding allocation was a \$1 million planning grant, which Worcester was awarded to examine how to improve Worcester Vocational Technical High School.

The Chamber of Central Mass. South Executive Director Alexandra McNitt and her members are getting excited about a new development set for September 2017 opening called the Innovation Technology Center. As part of the Patrick-Murray Administration's original vision, QCC in collaboration with local manufacturers, MassMEP and Fitchburg State University, the center will address the need for skilled manufacturing professionals by expanding educational opportunities for area residents in the QCC Southbridge location expansion with a back lab and concentration in optics and photonics.

"What electronics were to the 20th century, optics and photonics will be to the 21st century. Our young people don't even know that job exists in manufacturing," said McNitt. "We need to make sure that people looking for those opportunities know where to go. Hopefully, over the next few years of successes with our programs we can help people understand that there are some great opportunities in manufacturing."

Targeting students and parents at the middle school level seems to be a growing target demographic as well as shifting manufacturing career tracks more under the auspices of STEM and pharmaceutical programming. Hebert said one of the more compelling programs she heard last year was offered by Wyman Gordon Corp. that came to talk in one of the schools. "If they followed the program and advanced from machine to machine, within 10 years with stock options they could be making six figures," said Hebert.



TIF allows Imperial to relocate

WORCESTER - When city and business leaders gathered last summer to celebrate a ribbon cutting for the 610,000-square-foot 150 Blackstone River Road warehouse development in the Quinsigamond Village neighborhood, tax increment financing was the silent partner present.

Known as 150 Blackstone, leaders lauded the tax increment financing (TIF) agreement formed last year between the city and GFI Partners, an active real estate developer in Worcester since the mid-1980s, as the catalyst for the development's early success. After completion, a 15-year TIF propelling the \$26 million, 36-acre redevelopment will create about 300 new jobs over five years and generate \$1.4 million in property tax revenues annually.

Future tenants will include Imperial Distributors, Mid-States Packaging, a current tenant at the site for more than 30 years, and Gallo Wines. Imperial will occupy half of the total square footage and Mid-States' footprint will be 70,000 square feet, leaving the remaining space for Gallo. The Worcester Railroad that runs through the property and connects to the new building via rail spur makes it one of very few locations in the region with that connectivity.

Timothy P. Murray, Worcester Regional Chamber of Commerce president and CEO, credits GFI Partners President Steven Goodman for working diligently on the TIF deal with City Manager Edward Augustus, Mayor Joseph Petty, and the City Council. That teamwork allowed him to then work out an agreement with Imperial Distributors. Murray noted the need for more first class, commercial and industrial spaces in the city as the last major space developed here was back in the 1980s with the airport industrial park.

"Because of Worcester's high industrial tax rate, Steve Goodman would not have been able to offer a lease price to Imperial that was competitive for modern, commercialized spaces," Murray said. "Approval of this project and private sector investment is allowing his company to grow. With the iron up and construction underway, we are looking forward to a ribbon cutting."

Imperial Distributors, a third generation family-owned business based in Auburn that employs more than 700 people, has been operating from several locations for far too many years, according to its CEO Michael Sleeper. Imperial's first three warehouses were all based in Worcester. Eventually, the company moved operations to the Auburn Industrial Park and built a 30,000-square-foot facility. The family then expanded that building three times and added another building in Worcester until it had no more room left to expand.

"We were landlocked," Sleeper said. "So clearly we have outgrown our distribution and office facilities and were searching for quite a few years to support our growth and we found it here at 150 Blackstone River Road. Securing the TIF and the investment tax credit from the state was a game changer."

Imperial Distributors has been providing non-food products to about 3,500 supermarkets and merchandising services for 77 years. Once moved in, Imperial will occupy 325,000-square-feet at 150 Blackstone and its 40-foot high roof will allow three levels of steel pickling and an abundance of pallet positions for storage. "If you're in the distribution



GFI Partners President Steve Goodman, left, and Imperial Distributors, Inc. CEO Michael Sleeper.

business, doors mean a lot," Sleeper said. "The thing that gives me the most pleasure of all is to look at 45 doors for receiving and shipping and that this puts our entire family under one roof. We feel really blessed."

Goodman felt it was somewhat of a leap of faith by the city to agree to grant GFI Partners a TIF. However, as soon as that commitment was ironed out, his company was able to attract Imperial Distributors within 12 months. "We felt if we had a competitive position on the tax rate, we could encourage new businesses to come here and we would be successful," said Goodman. "Without the collaboration with the city of Worcester, we'd be sitting in the old U.S. Steel building (which closed in the mid-1970s)."

City Manager Ed Augustus noted that there's much discussion about ongoing downtown development, but that this is a prime example of leaders not forgetting about other city neighborhoods. Augustus worked closely with City Councilor George Russell and state Rep. Daniel Donahue as well as his Chief Development Officer Michael E. Traynor to help galvanize neighborhood support. "We are working downtown as well as with the rest of our city, whether it be the South Worcester Industrial Park, which is virtually filled, or numerous other projects," Augustus said. "We're focused on how to get it done, not why it won't happen."

The facility will open in January 2017.

Chamber, Greater Worcester Community Foundation announce Leadership Worcester Class of 2016

WORCESTER - The Worcester Regional Chamber of Commerce, the Greater Worcester Community Foundation, and the Leadership Worcester Advisory Committee have announced the selection of 27 talented professionals as the class of 2017.

Members of the Leadership Worcester Class of 2017 include Che Anderson, Sandra Brock, Liz Sheehan Castro, Peter Caruso, Jr., Alex Cruz, Micki Davis, Jared Fiore, Kwesi Foster, Laura Glaser, Andrea Gossage, Patrick Hare, Sam Kenary, Emily Kent, Jamie Leehy, Jessica Morris, David Murphy, Lauren Petit, Jake Poplaski, Jason Port, Sarah Potrikus, Stacey Price, Peter Rawinski, Giselle Rivera-Flores, Benjamin Rives, Jeannette Roach, Cornelius Rogers, and Elizabeth Wambui.

Selected from more than 40 applicants, the class includes a diverse group of 14 women and 13 men from Central Massachusetts. The rigorous application process included an online application, a video, and recommendations. The selection committee sought motivated individuals who aspire to take an active leadership role in Worcester and the surrounding towns and who want to learn and hone new leadership skills.

The Leadership Worcester Class of 2017 represents a variety of industry sectors, cultural backgrounds, and diverse educational experiences. Participants are affiliated with the following organizations or employers: American Red Cross of Central Mass., Central Mass. Workforce Investment Board, Clark University, City of Worcester, Commerce Bank, Bowditch & Dewey, EcoTarium, The Hanover Insurance Group, The Hanover Theatre for the Performing Arts, Lamoureux, Pagano & Associates Architects, The Learning Hub, MCPHS University, Mirick O'Connell, Morgan Stanley, National Grid, Niche Hospitality Group, Nitsch Engineering, Reliant Medical Group, Inc., Saint-Gobain Abrasives, Sustainable Comfort, Unum, Webster Five, Worcester County Food Bank, and Worcester State University.

The class got underway in September with an overnight retreat at the Beechwood Hotel, offering participants an opportunity to get to know one another, determine individual leadership strengths, learn more about participants' experiences, and to understand more about the Worcester community and the diversity of our emerging leadership.

Monthly sessions explore topics that are critical to Central Mass. The first session, Community and Economic Development, familiarized participants with Worcester's efforts to develop its downtown and neighborhoods.

The daylong sessions will take place between 8:30 a.m. and 4:15 p.m. on the second Thursday of the month through April and culminate in graduation in May 2017. Additional session topics include: Urban Environment and Sustainability; Diversity, Inclusion and Equity; Education and Youth Development; Arts, Culture and Quality of Life; and Justice, Law, and Community Safety. Applications for the next class will be available online in February 2017. For more information, visit www.leadershipworcester.com

HIGHER EDUCATION - BUSINESS PARTNERSHIP

The Worcester region is home to 12 colleges and universities, with a combined 35,000 students.

Anna Maria College | Assumption College | Becker College | Clark University
College of the Holy Cross | Cummings School of Veterinary Medicine, Tufts University
MCPHS University | Nichols College | Quinsigamond Community College
UMass Medical School | Worcester Polytechnic University | Worcester State University

With more than 10,000 faculty and staff at our area colleges and universities, higher education is Worcester's second largest industry—creating a hub of expertise right in our city.

The total economic impact of Worcester area institutions on the Commonwealth is estimated to be more than \$2.5 billion.

Supplement your workforce and provide an opportunity for a college student to gain experience through an internship program. Check out the Chamber's free and easy internship database for students and employers.

InternHub.com