ECONOMIC DEVELOPMENT INVENTORY

INTRODUCTION - ECONOMIC TRENDS

Since the end of World War II, the national and global economies have undergone change on a scale which rivals that of the industrial revolution. Manufacturing, which was concentrated in mill towns in the northeast and Great Lakes regions, has been steadily moving south and west. The 1950s and 1960s saw significant industrial development in these other regions of the country. Since the late 1970s, manufacturing operations have increasingly chosen to locate overseas, mostly in Latin America and East Asia, to pursue lower labor costs and less regulation. Of particular importance to Fitchburg, the paper industry, an industry not easily exported, has instead moved steadily north to more remote areas that can accommodate the extremely large-scale integrated mills which have become the norm.

A sustained period of economic growth occurred nationally during the 1980s, ending in approximately 1988-89. This general growth coincided with an intense boom period in the Massachusetts real estate market, which is reflected in the employment figures for construction and financial services. Similarly, the recession of the early 1990s, which lasted in Massachusetts until the early to mid 1990s, hit the real estate market particularly hard. These events notwithstanding, a general trend away from manufacturing and towards services, including finance, transportation, and communication, can be seen.

The loss of heavy manufacturing, for decades the backbone of Fitchburg’s economy, has led to a less prosperous population, and decreased the demand for office space and other businesses which serviced the mills and those who worked in them. This development took its toll on Fitchburg’s commercial sector, contributing to a downward trend begun by the relocation of shopping areas from downtowns to highway-oriented regional shopping. While locations such as the Twin City Mall area on South Street continue to attract shoppers from throughout the region, Fitchburg as a whole, and especially the Central Business District, has seen a decline in retail sales.
ECONOMIC DEVELOPMENT

FITCHBURG EMPLOYMENT BY INDUSTRY

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance, Insurance, &amp; Real Estate</td>
<td>522</td>
<td>1011</td>
<td>764</td>
<td>93.7</td>
<td>-24.4</td>
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<tr>
<td>Transportation, Communication &amp; Utilities</td>
<td>501</td>
<td>735</td>
<td>684</td>
<td>46.7</td>
<td>-6.9</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Trade</td>
<td>3526</td>
<td>4730</td>
<td>3330</td>
<td>34.1</td>
<td>-29.6</td>
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<tr>
<td>Construction</td>
<td>684</td>
<td>1353</td>
<td>403</td>
<td>97.8</td>
<td>-70.2</td>
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<tr>
<td>Manufacturing</td>
<td>10,340</td>
<td>4033</td>
<td>3684</td>
<td>-61</td>
<td>-8.6</td>
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<tr>
<td>Services</td>
<td>3532</td>
<td>4816</td>
<td>4312</td>
<td>36.3</td>
<td>-10.5</td>
</tr>
</tbody>
</table>

*Due to changes in definitions and methods of counting, historical comparisons of service-sector employment prior to 1980 are inadvisable. Nationally, however, the service sector has been one of the fastest growing over the past three decades. A comparison of employment from 1960 would likely show an increase similar to that of the financial and communication sectors.

In addition to losses in traditional manufacturing sectors, there has been a pattern of growth in non-manufacturing employment and in lighter manufacturing, especially of more high-tech products such as plastics and chemicals. To the south, Worcester and the surrounding area have seen significant growth since the 1980s in medical products manufacturing. To the east, the biotechnology and computer industries have been steadily growing and expanding westward, first from Route 128 to I-495 and now to the areas just west of 495. The Montachusett region has the potential to benefit from the significant expected growth in these industries.

Improvements to the older local streets that connect InTown Fitchburg to the rest of the state and the national highways will complete its excellent transportation network and allow Fitchburg to take advantage of these growth industries. As in the 1800s, transportation to the region is a significant asset, with a highway

1 All data from Massachusetts Department of Labor and Industries/Department of Employment and Training
ECONOMIC DEVELOPMENT

network connecting the region to numerous high-growth markets, including greater Boston, its western suburbs, Worcester, Albany, and southern New Hampshire (the fastest growing region in New England). An MBTA Commuter Rail line provides mass transit from Fitchburg to Boston and points in between, and several freight lines pass through Fitchburg. Fitchburg Municipal Airport provides for the movement of freight and personnel by air. However, while the region as a whole is well-served in terms of transportation, Fitchburg’s proximity to Route 2 masks the fact that access from the highway to downtown, the area in which much of our industrial space as well as the Central Business District are located, is provided by a network of older roads which cannot efficiently process the volume of commuter, local, and commercial traffic which use them. Fitchburg’s lack of highway access puts it at a competitive disadvantage with other communities in the region which have adequate access.

Fitchburg’s workforce, while well-suited to its historical heavy industry-based economy, includes a high percentage of workers who do not have the skills necessary to prosper in the 21st Century job market. A solid educational system, including public, private, religious, and vocational schools, presents the opportunity to prepare the city’s workforce for good jobs, and a steady stream of state and federal money for job-training provides the means to do so. However, the current job-training initiatives, most of them administered by government entities, have shown mixed results. The majority of government worker training is targeted not towards updating the skills of those currently employed in declining industries, but towards those for whom other problems, including language difficulties, poverty, lack of child care, and substance abuse, may be greater impediments to employment than a lack of cutting edge skills.

Perhaps the greatest challenge Fitchburg faces in terms of its economy is its perception. Negative perceptions caused by its rusting mills and a lingering reputation of unusually high utility rates are held by both residents and would-be visitors. The large number of unkempt mill buildings and multi-family residences produces an image of a declining city. Crime and neighborhood deterioration, while real in some areas, have been aggressively reported, leading many to conclude that these are the defining characteristics of the city. Such a perception discourages visitors, tourists, and shoppers from coming to Fitchburg, and may influence businesses to locate elsewhere. In addition to its physical appearance, many believe that Fitchburg is still suffering from the unusually high utility rates that Fitchburg was once famous for. While no longer true, this belief is still commonly held within the business community and the public at large.

Commercial development in Fitchburg has been weakened by the general downward trend of industrial cities, the rise of highway-oriented, regional shopping centers, and the recession of the early 1990s. The city’s older, central commercial zones, such as Intown and Cleghorn, have fared worse than newer areas on the periphery of the city, such as the John Fitch Highway and the Twin Cities area on South Street.
**ECONOMIC DEVELOPMENT**

**INDUSTRIAL DEVELOPMENT**

There is very little industrially zoned land left to develop in the city, as can be seen from the map “Available Industrial Land.” This map was developed in early 1997. Since then, many of Fitchburg’s remaining industrially-zoned parcels have been developed, including the remaining space in the Montachusett Industrial Park.

The facilities sought by a modern manufacturing or research enterprise are quite different from the mill-type structures which make up almost two thirds of Fitchburg’s industrial space. These structures were built at a time when workers walked to and from work and freight was shipped almost exclusively by rail. As a result, it was important to locate mills downtown, close to the railyards and the homes of workers. A central location was important enough that businesses were willing to absorb the cost of utilizing multi-story buildings. As automobiles either did not exist or were not widely used when these mills were built, many of these sites lack adequate parking and loading/unloading facilities. Modern industrial space is characterized by one-story buildings situated away from residential areas, with plenty of parking, convenient highway access and up-to-date systems. Today, freight and personnel enter and exit industrial sites mostly by automobile or truck, making highway access much more important than a central location. This in turn eliminates the justification for the costly practice of operating out of a multi-story building.

As the mill space became less attractive, it received fewer upgrades, resulting in a situation in which most of the mills lack modern wiring, elevators, sprinklers, or other systems. Furthermore, the areas of the city in which many of these structures are located, especially downtown and Cleghorn have poor access to the highway. Finally, environmental factors serve to decrease the usability of much of Fitchburg’s mill space. While a location adjacent to the river was formerly an asset, concerns about flooding and environmental regulations today put these sites at a competitive disadvantage with sites away from the river. While Fitchburg’s historic mill complexes are exempt from the Rivers Protection Act of 1996, mills located within 100 feet of the Nashua or which lie within the 100 year floodplain still fall within the scope of the Wetlands Protection Act. Most financial institutions will also require flood insurance for structures located in a floodplain as a condition of financing. Furthermore, many older industrial sites are contaminated with oil or other chemical
Contamination concerns are an obstacle to mill redevelopment. Not only does this situation raise health concerns among potential occupants, but it also raises significant legal issues regarding environmental contamination.

The same reasons that make these older sites undesirable for industrial development actually serve to provide them with one significant advantage: cost. Ground floor mill space in Fitchburg leases for between 50% and 70% of the cost of modern space. Businesses for whom cost is the greatest concern do take advantage of this space. Most of those who locate in mills are small, start-up businesses. The second largest group of users includes larger businesses, typically located in modern space, who need short- to medium-term warehouses. In addition to their affordability, the historic value of the mills, many of which contain notable architecture, is a potential asset which has not been fully realized.

The modern industrial sites which Fitchburg does have, including the Montachusett Industrial Park, the 231 Park, the areas around the Airport and other scattered locations, have been very successful, with over 98% of the available square footage being used, compared to just over 80% of mill space. The types of industry which are growing the fastest in Massachusetts, those in relatively hi-tech fields, are also the ones which most require modern space.

\[2\text{The Foster Report, January 1997}\]

\[3\text{IBID, Foster}\]
Efforts are underway to develop Fitchburg’s few remaining industrial sites.

Fitchburg faces a need for more modern industrial space, in order to both retain the businesses which are here, and to attract those which will be providing the bulk of the growth in the regional economy. Current industrial locations do not constitute enough land to meet Fitchburg’s tax base and employment needs, nor will the redevelopment of Fitchburg’s mill space be sufficient.

Fitchburg’s development as an industrial city was heavily concentrated on a small number of industries, principally paper, fabricated metal products, and clothing/textiles. This specialization harmed the city greatly when those industries migrated, as the other industries in the city were not mature enough to fill the void in employment. Today, however, Fitchburg has diversified its economic base; those industries which remain represent a better mix of manufacturing categories, and Fitchburg has greatly increased its non-manufacturing employment.
## ECONOMIC DEVELOPMENT

### MANUFACTURING EMPLOYMENT IN 1966

<table>
<thead>
<tr>
<th>Category</th>
<th>Employment</th>
<th>%</th>
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<tbody>
<tr>
<td>Food and Kindred Products</td>
<td>67</td>
<td>0.6</td>
</tr>
<tr>
<td>Textiles, Clothing, Etc.</td>
<td>1,163</td>
<td>11.3</td>
</tr>
<tr>
<td>Lumber and Wood Products</td>
<td>190</td>
<td>1.8</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>169</td>
<td>1.6</td>
</tr>
<tr>
<td>Paper and Allied Products</td>
<td>2,181</td>
<td>21.1</td>
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<tr>
<td>Printing and Publishing</td>
<td>189</td>
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</tr>
<tr>
<td>Rubber Products</td>
<td>984</td>
<td>9.5</td>
</tr>
<tr>
<td>Primary Metal Industries</td>
<td>164</td>
<td>1.6</td>
</tr>
<tr>
<td>Fabricated Metal Products</td>
<td>2489</td>
<td>24.1</td>
</tr>
<tr>
<td>Leather and Leather Products</td>
<td>513</td>
<td>5</td>
</tr>
<tr>
<td>Chemicals and Allied Products</td>
<td>95</td>
<td>0.9</td>
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<tr>
<td>Machinery (except electrical)</td>
<td>1437</td>
<td>13.9</td>
</tr>
<tr>
<td>Other</td>
<td>669</td>
<td>6.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10310</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

### MANUFACTURING EMPLOYMENT IN 1995

<table>
<thead>
<tr>
<th>Category</th>
<th>Employment</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clothing and Textiles</td>
<td>217</td>
<td>5.9</td>
</tr>
<tr>
<td>Paper and Allied Products</td>
<td>625</td>
<td>17.0</td>
</tr>
<tr>
<td>Printing and Publishing</td>
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<td>10.4</td>
</tr>
<tr>
<td>Rubber and Plastics</td>
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<td>13.5</td>
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<tr>
<td>Chemicals</td>
<td>@280</td>
<td>7.6</td>
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<tr>
<td>Primary Metal Industries</td>
<td>133</td>
<td>3.6</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>@170</td>
<td>4.6</td>
</tr>
<tr>
<td>Fabricated Metal Products</td>
<td>398</td>
<td>10.8</td>
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<tr>
<td>Machinery</td>
<td>923</td>
<td>25.0</td>
</tr>
<tr>
<td>Other</td>
<td>@55</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3684</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

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4 Massachusetts Department of Labor and Industries

5 Massachusetts Directory of Manufacturers. For reasons of confidentiality, the Directory does not list employment figures for industry categories that have only one representative in a given city.
ECONOMIC DEVELOPMENT

Although the preceding charts are not strictly comparable, they serve to illustrate the changes which have occurred in the manufacturing operations in Fitchburg over the past 30 years. Fitchburg’s traditional industries, such as paper, metal products, and clothing/textiles, have seen substantial declines, while plastics, printing and chemicals have seen real growth. While overall employment in the plastics and rubber industries has declined significantly since the 1960s, this statistic is misleading. Virtually all of the job loss can be attributed to manufacturers of rubber products, while the plastic industry has prospered and has been one of the most significant agents of job growth for both the region and the city. A notable change in employment patterns is the rise of smaller businesses and the decline of large ones. In 1966, there were 91 manufacturing firms in Fitchburg with an employment total of 10,310, an average of 113.6 employees per firm.\(^6\) In 1995, there were 72 firms with 3684 employees, an average of 51.2.\(^7\) While some of this loss is undoubtedly due to downsizing and layoffs associated with the recession, the rise of smaller businesses, especially in moderate-to-high-tech fields such as plastics, biotech, and computers, is a national phenomenon.

Since 1995, three significant changes in industrial employment have occurred. Asher Pants company is no longer doing business in Fitchburg, producing an additional loss of about 100 jobs in the textiles industry. Also, the James River Mill #8 Project was an attempt to transform Fitchburg’s largest paper mill into a comprehensive modern paper recycling facility. Due to a temporarily depressed market for recycled paper, contractual disagreements about the adequacy of the facility improvements, and the unforeseen need for greater treatment of the paper refuse which was received, Northeast Recycling was forced to file for bankruptcy protection under Chapter 11. Since the bankruptcy hearing, however, the plant has been taken over by Fitchburg Operations, and will shortly be reopening as a recycling facility. Finally, General Electric announced in March of 1998 that it will be consolidating its turbine operations, and closing its turbine plants in Fitchburg and Schenectady, New York. The GE plant on Boulder Drive is expected to cease operations by the end of 1998.

In 1993, the Fitchburg Redevelopment Authority co-authored an Economic Development Action Plan with Arthur D. Little, Inc. This study singled out five industries as holding the most promise for Fitchburg: chemicals; plastics; medical devices and supplies; machine tools and specialty machinery; and environmental industries. The chemicals, plastics, and machinery industries are established in Fitchburg and the surrounding area, and have remained strong over the past several years. Medical products and environmental industries

\(^6\)IBID, Labor and Industries

\(^7\)IBID, DET
ECONOMIC DEVELOPMENT

are rapidly-growing sectors which benefit from proximity to the hospitals and universities of Worcester and Boston. Legislation related to the environment and to health care has also contributed to the growth of these sectors. Each of these industries is in the process of transforming from labor intensive to capital intensive operations. The advance of technology means that companies will be forced to make capital investments in order to increase efficiency and lower costs. Most of this increase will occur as a result of automation. Automation has the effect of altering the job market, replacing low-tech, low-pay jobs with technical, skilled work. Jobs lost at the low end are generally replaced at the high end. These jobs provide more benefits and higher pay for the workers, but require higher levels of education and different skills.

LABOR FORCE

When discussing Fitchburg’s labor force, it is important to note that numerous demographically distinct groups live in Fitchburg. The neighborhoods around the downtown area display population characteristics which have in many ways changed remarkably little in the past 80 years. Workers still typically have a high school education or less. New arrivals still make up a significant percentage of the population, though their countries of origin have changed. Since many of these individuals come from non-English speaking territories, language difficulties can be a significant barrier to employment. Many of these workers, especially immigrants, are employed fitfully by large industrial operations, such as plastic companies, on a temporary basis through an employment agency. These jobs provide low pay, few benefits, and little opportunity for advancement or training.

A short drive away from downtown provides a view of a very different Fitchburg. When viewed as a group, those who live in the city’s periphery have higher education levels, more modern skills, and very different backgrounds from those in the older areas. The number of workers from outside the continental U.S. who live in these areas is much smaller than in the central neighborhoods. These workers are likely to commute to jobs elsewhere in the region or outside of it, and are more likely to be in career-track positions, where they are upgrading their skills and desirability by learning on the job. Since the end of the recession, increases in density and cost associated with high employment locations such as Boston’s western suburbs have led increasing numbers of these workers to move to Fitchburg and other communities in the region.

All in all, Fitchburg’s labor force is marked by a relatively low percentage of high school and college graduates and a large pool of skilled craft labor. The city’s industrial heritage has had a profound and clear influence on its current labor force. Laborers and contractors from a variety of disciplines can be found in abundance in Fitchburg. These workers have high levels of skills in various trades and the traditional work ethics
sought by employers. However, anecdotal evidence indicates that Fitchburg’s population as a whole lacks skills in such areas as computer operation and office tasks, the type of skills which are increasingly required to land a good job.

UTILITIES AND SERVICES

Fitchburg has traditionally been one of the most expensive markets for utilities in New England, which is the most expensive region in the country. As recently as 1989, Fitchburg Gas and Electric was the most expensive supplier of electricity in New England. Since Unitil, a utility supplier which also provides power for two areas in New Hampshire, acquired FG&E, relative prices have decreased significantly. Despite these real gains, the perception that Fitchburg has “the most expensive utility rates in the country” remains common. According to a survey issued to local business owners by the Vision2020 Economic Development Working Group, utilities were one of the most important factors business would look at if they were considering locating in Fitchburg. This is particularly true of heavy industry businesses such as construction and manufacturing.

The Massachusetts Department of Public Utilities (DPU) has instituted a policy to create a competitive utility market. DPU had set January 1, 1998 as the target date when consumers could choose their utility supplier. It is unclear what effect this change will have upon Fitchburg’s residents and businesses. It is hoped that increased competition will bring about lower prices and better service.

ELECTRICITY

Fitchburg’s electric rates are now in the middle of the New England range. Most of this decrease can be attributed to Unitil’s diversified purchasing portfolio, in which a combination of long- and short-term contracts with a variety of electricity producers of various kinds (coal, nuclear, wood) allows FG&E to purchase power from the lowest-cost supplier, rather than relying on a single contracted supplier, or on Unitil’s own power plants. Unitil also offers an “energy bank” program for industrial consumers, in which new or expanding businesses which use at least 200 kilowatts of power can contract to buy power for approximately five cents/kilowatt-hour. This price is significantly below normal industrial rates.
ECONOMIC DEVELOPMENT

ELECTRICAL RATE COMPARISON

Average Commercial Cost

8 9 10 11 12 13
Cent/kWh

Figure 1

Average Industrial Cost

7 7.5 8 8.5 9 9.5
Cent/kWh

Figure 2

Average Residential Cost

10 10.5 11 11.5 12 12.5 13
Cent/kWh

Figure 3

NATURAL GAS

A similar pattern has occurred in regards to Unitil’s gas prices. Rates have fallen or remained steady during a period of general increase within the industry. Today, FG&E’s natural gas prices are comparable with other suppliers in the region, and it’s rates were the lowest in the state for the winter of 1995-96. Fitchburg’s natural gas supply occasionally lags behind demand. Some industrial consumers, for reasons of cost, choose to be on interruptible supplies, meaning that their fuel supply, and thus their business, can be shut down on an hour’s notice. A larger supply of natural gas would allow all of Fitchburg’s industrial operations to be on constant supply.
A new cross-state natural gas line is scheduled to be constructed by Northeast Pipelines. Currently, plans call for this line to end in Dracut. As Fitchburg’s economy is likely to retain a significant heavy industry component for the foreseeable future, extending this line down the Route 2 corridor into Fitchburg would be greatly beneficial to the future industrial development of the city.
Waste Water
Sewer rates in Fitchburg continue to be significantly lower than in most communities in the state. Fitchburg operates two sewage treatment plants, one of which is used exclusively for the paper mills in West Fitchburg, and the other servicing residences. The wastewater system operates at a profit by contracting to treat waste from numerous surrounding communities, allowing the city to keep its rates extremely low. In October of 1996, the city’s Wastewater Department surveyed rates for 27 Massachusetts cities and towns. The average rate among the sample was $2.02 per hundred cubic feet (ccf), with an average increase of 17.2% since 1984. At $0.85 per ccf, Fitchburg’s rate was the lowest in the survey, which included several nearby communities, as well as virtually all of the older industrial cities in the state. Fitchburg has not increased its sewage rate since 1984. This rate applies to all users; industrial, commercial, and residential, regardless of usage.

Water
Fitchburg’s water rates remain in the middle of the range for Massachusetts communities, despite having risen significantly over the last two years. Most of this increase is due to the cost of capital improvements. The city is aggressively pursuing a program of water main replacement and upgrading, and is constructing a filtration plant at the Lovell and Falulah Reservoirs. Fitchburg’s surface water holdings are extensive; the city has not had a water emergency since the 1960s. These holdings provide Fitchburg with a competitive advantage in retaining and attracting water-dependent businesses. Fitchburg’s paper mills and the General Electric plant use large amounts of water in their operations. The communities of Lunenburg and Westminster purchase water from Fitchburg, and Westminster is absorbing some of the cost of the filtration plant.

Tax Rate
In 1980, Fitchburg instituted a dual rate for property taxes, under which Residential properties are taxed at a lower rate than Commercial, Industrial, and Personal properties (CIPs). This structure is common among industrial communities throughout the state. Notably, however, the two other communities in the region with significant industrial development, Leominster and Gardner, have a single tax rate, which falls between Fitchburg’s Residential and CIP rate.

Fitchburg Tax Rates

![Fitchburg Tax Rates graph](image_url)
ECONOMIC DEVELOPMENT

1997 PROPERTY TAX RATES

<table>
<thead>
<tr>
<th>Community</th>
<th>Res</th>
<th>CIPs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attleboro</td>
<td>14.82</td>
<td>25.37</td>
</tr>
<tr>
<td>Fall River</td>
<td>10.43</td>
<td>24.43</td>
</tr>
<tr>
<td>Framingham</td>
<td>17.25</td>
<td>30.61</td>
</tr>
<tr>
<td>Gardner</td>
<td>17.26</td>
<td>17.26</td>
</tr>
<tr>
<td>Leominster</td>
<td>17.36</td>
<td>17.36</td>
</tr>
<tr>
<td>Worcester</td>
<td>18.67</td>
<td>35.69</td>
</tr>
<tr>
<td>Taunton</td>
<td>12.90</td>
<td>23.37</td>
</tr>
<tr>
<td>Fitchburg</td>
<td>15.89</td>
<td>23.59</td>
</tr>
</tbody>
</table>

FINANCIAL SERVICES

Fitchburg is home to numerous banks and credit unions providing financial services for businesses and individuals. Fitchburg Savings Bank, a longstanding financial institution, provides backing for numerous other local institutions, producing a market in which there is a great deal of choice and specialization among smaller banks, co-ops, and credit unions. These institutions typically have been doing business in Fitchburg and elsewhere for decades or longer, and thus provide stability for the city’s economy. Furthermore, the presence of local institutions, as opposed to branches of larger banks, benefits the city by insuring that the providers of capital have an interest in the welfare of the city. The increasing trend towards bank mergers and buy-outs has the potential to diminish the local control of Fitchburg’s capital.

TELECOMMUNICATIONS

Telephone service in Fitchburg is provided by Bell Atlantic, which recently merged with NYNEX. Regional headquarters for Bell Atlantic are located on Main Street. As the national and global economies continue to change, access to up-to-date telecommunications systems will be vital for Fitchburg’s residents and businesses. The presence of Fitchburg State College may be an asset in the development of human and technological resources for the city’s efforts in this area. Telephone, Internet, cable television, and other communications utilities are discussed in the Information Technology element of this document.

Fitchburg is also well served by economic development initiatives, both for corporations and individuals. The Industrial Development Commission and the city’s Redevelopment Authority are unified in one office. The IDC leads the effort to attract and retain businesses, and to find tenants for the mills. It also administers the Fitchburg Business Pool, a revolving loan fund for local businesses, and provides them with advice and assistance. The North Central Chamber of Commerce carries out traditional Chamber
activities, such as promotion and representation of the business community, but has branched out into other economic development activities, including a microloan program for small and start-up businesses. As its name suggests, the North Central Chamber has a regional focus. The Twin Cities Community Development Corporation (CDC) provides technical assistance and training for small businesses and microenterprises (those with 5 or fewer employees), as well as administering a loan pool. The CDC also plays an important role in helping individuals starting businesses access financing. Fitchburg by Design provides advocacy, business assistance, and planning activities for the Intown business community.

The City of Fitchburg is a recipient of significant amounts of grant monies from state and federal sources, much of which is applied for and dispersed through the Office of the Planning Coordinator. Many of these grants are provided for specific projects related to transportation, housing, or park improvements. A substantial amount of funding, however, is provided for discretionary spending, with the specific projects designated at the local level. Supporting economic development has been identified as a primary goal for the city in expending these funds. The Office of the Planning Coordinator has identified two methods of reaching this goal. The first includes traditional economic assistance programs such as funding the Fitchburg Business Pool and compensating economic development specialists in the IDC and at Fitchburg by Design. For example, of $1.5 million received from the Community Development Block Grant program for FY 1998, $207,500 was earmarked specifically for these types of economic development projects. The other policy is to fund projects which address issues which have been identified as having a negative impact on Fitchburg’s economic environment. For example, in response to proposals identified by Fitchburg by Design and Pride, Inc., the city has set aside $140,000 in CDBG funding to replace pedestrian level street lights on Main Street and make improvements to the Upper Common. These investments, designated as Public Facilities Improvements, have as their primary goal the stimulation of economic activity in the downtown district. Similarly, the city is pursuing grant and loan funds totaling $2.4 million to replace the Main Street parking garage. This facility is considered essential to the survival of Intown as a business district.

TOURISM

The Montachusett Region’s status as a tourism center is increasing, with skiing facilities, such as those on Mt. Wachusett, being the primary attractor of tourist dollars. The Johnny Appleseed Tourist Center in Leominster provides a focus for regional tourism efforts. At this time, little has been done to promote tourism specifically in Fitchburg, or to include Fitchburg in regional tourism plans.
ECONOMIC DEVELOPMENT

The Longsjo Classic Bike Race, the Airport Commission’s Autumn Airfest, Civic Days, and other festival-type events have proven popular throughout the region, and provide the opportunity for further development of the tourism industry.

The convention center at the Best Western Hotel hosts numerous trade shows, most notably the annual plastics exhibition. At 69,000 square feet, this center is one of the largest in the state, and demand exists for still more space. This asset presents an excellent opportunity to recruit businesses and present a positive image to a national audience.

COMMERCIAL DEVELOPMENT

The success of Fitchburg’s industrial operations at the beginning of the century and the population growth which attended it led to the development of numerous commercial districts. The Water Street neighborhood and Lower Cleghorn developed into busy shopping centers for the residents of those areas, while the area around Main Street, today known as Intown, became the primary commercial center for northern Worcester County. These older districts were developed prior to widespread automobile ownership, and have a pedestrian focus; buildings are built right up to the street, signage is designed to be read by those walking past, and little on-site parking is provided.

Cultural and historic assets provide opportunities for tourism.

Fitchburg’s historical and cultural assets provide opportunities to increase tourism. Revitalization efforts in the Intown area are increasing its attractiveness for visitors. A riverwalk has been proposed along the Nashua as a way of capitalizing upon its potential as a tourist asset. Currently, the river’s appearance and lack of accessibility prevent it from reaching this potential. The rural areas of northern Fitchburg, including historic locations such as Marshall Farm, provide scenic views and rural assets which could attract tourists. The Wallace Civic Center has proven that it can attract audiences for concerts; other uses of the facilities may also prove successful.
Later development centered around the automobile. Areas such as the John Fitch Highway, the Parkhill area at the intersection of Rollstone Road and Electric Avenue, and the southern half of Water Street are characterized by large parking lots with buildings set far back, and by large, elevated signage meant to be read from passing cars. The Twin City Mall area at the end of South Street is an example of a highway oriented, regional shopping center. The growth of regional shopping centers has had a significant impact on older commercial districts throughout the nation. Fitchburg’s older retail areas have seen most of their larger stores, such as Sears, move to shopping malls near the highway, producing high vacancy rates. Furthermore, as the entrances to the city are developed for automobile-oriented commercial uses, the large number of curb cuts and signs produce traffic, safety, and aesthetic problems. This situation further harms the city’s older commercial districts by limiting access, and by producing a negative first impression for visitors. Fitchburg’s commercial zones suffer from other problems of perception as well. Parking in Intown is considered by many to be inadequate. This issue is discussed further in the Transportation and Circulation element of Vision2020. An older, rundown housing stock, high numbers of vacant storefronts, and concerns about safety discourage people from coming to Fitchburg, a pattern which hits older, central areas especially hard.

**Intown**

The commercial district around Main Street, Fitchburg’s oldest and largest, today exists primarily as a business center, with a large amount of office space, as well as restaurants, services, and shops catering to those who work downtown or live in the immediate area. While a healthy business community is a vital component of a successful downtown, Intown has traditionally
ECONOMIC DEVELOPMENT

existed as a true, multi-use downtown. With the departure of department stores such as Sears and Roger's, shopping has become a secondary focus of Intown. Those stores which remain typically offer rare or high-quality items such as jewelry and collectibles. Most of the businesses in Intown, including the majority of the restaurants, close after business hours. This situation is indicative of a one-dimensional downtown. The lack of customers in the area at night leads to concerns of personal safety, and contributes to a cycle of business choosing not to remain open in the evening.

The presence of the Registry of Deeds, the District Court, and the Philbin Federal Building has led a large number of legal firms to choose an Intown location. Social Service agencies also occupy a significant amount of downtown office space. Some residents and business owners feel that the presence of clients of these agencies has had a negative effect on Intown by fueling perceptions of crime. Many of the trends which have eroded Intown’s position as a center of shopping have also affected the demand for office space, though to a lesser degree. Companies whose service area is larger than the immediate region around Fitchburg have increasingly chosen to locate their offices in newer office parks closer to the highway.

To reverse these trends, a number of revitalization initiatives have been undertaken. The Lower Main Street Revitalization Plan/North Street Corridor Project is being implemented to improve North Street and stabilize the neighborhood, with one of its goals being to bring students from Fitchburg State College down the North Street Corridor to Intown. The city’s student population is widely considered to be underserved by entertainment and retail businesses. It is hoped that attempts to strengthen the connections between Intown and the College neighborhood will benefit the downtown business climate. The Intermodal Transportation Center has been constructed and lighting has been installed in the Moran Square/Lower Main Street area, enhancing the area’s appearance and providing another point of entry to the city. A coalition of Intown business owners has begun an initiative called Fitchburg by Design which provides networking opportunities and planning services to downtown businesses, as well as carrying out projects, with the goal of creating a more beneficial business climate, and a more attractive shopping district, in the Intown area. The construction of Renaissance Park next to City Hall, the removal of the decrepit marquee on the Fitchburg Theater, and other decorative projects have been carried out by downtown businesses in a concerted effort to improve Intown’s visual aspect.

The opportunity areas which exist for Intown are primarily in the fields of entertainment, specialty retail, and certain other retail sectors which are under represented in Fitchburg. A successfully implemented North Street Corridor will bring large numbers of FSC students to Intown. College students, while often possessing a relatively small amount of disposable income, are typically willing to spend what funds they do have
on books, entertainment, audio/video, and certain other goods and services. Businesses such as video rental, electronics, restaurants, taverns, coffee houses, and theaters could attract a following from among the college population. Those businesses which would most benefit from an increase in students coming downtown are the ones who most successfully target and satisfy the needs of younger people. Cost is also an important consideration when marketing towards college students.

The loss of clothing and department stores from Intown to outlying developments has left an unfilled need for certain sectors of commodities. Adding to this unfilled demand is Fitchburg’s lower than average rate of automobile ownership, producing a market of gainfully employed residents without easy access to regional, highway centered commercial districts such as the Searstown Mall. It is believed that a hardware store, shoe store, and men’s and women’s clothing stores, as well as other quality retail operations, are appropriate targets for expansion or recruitment in the Intown area. As the neighborhoods around Intown are home to a large number of low income residents, commercial activity in this area must stress affordability. Intown is almost entirely in the Central Business District (CBD) Zone, with a small Industrial Zone located at the old Simonds Mill site at North and Main Streets, the future location of the Central Fire Station.

There is one supermarket which services central Fitchburg; Market Basket in the Central Plaza. While it does not appear at this time that the market could sustain another large grocery operation, smaller, more specialized shops could find a niche in Intown. As many residents of the inner city neighborhoods do not own cars, it is common for Fitchburg residents to walk across the railroad tracks behind the Intermodal Center to reach the grocery store. The close proximity of rural, agricultural areas to Intown may provide an opportunity to sell fresh local produce in a busy urban area.

JOHN FITCH HIGHWAY
An area of commercial development runs along John Fitch Highway between Summer and Lunenburg Streets, and continues in both directions along those streets. The zoning in this area is mostly Central Business District, with areas of Commercial and Automotive, Industrial, and Limited Industrial comprising about a third of the total land area.

This area, characterized by large parking lots and automobile-oriented signage and access, has lost a large portion of its customer base to the Wal Mart complex located in Lunenburg, and has a high vacancy rate. A number of large stores which formerly occupied this space have chosen to relocate or gone out of business. Fast food restaurants, automobile sales and service businesses, and other uses associated with strip development predominate in this district. Many of the commercial sites on Summer and Lunenburg Streets date from an earlier period than those on John Fitch Highway, and are
more similar in appearance and design to the city’s older commercial areas.

PARKHILL
The Parkhill Plaza and surrounding businesses constitute a commercial area at the intersection of Rollstone Road and Electric Avenue, zoned as Central Business District. Currently, this area has a fairly high vacancy rate, which, combined with its huge, empty parking lot, creates an unappealing image for customers and passers-by. However, its location makes it the primary commercial area for the suburban/rural area in south-central Fitchburg. As this area is the fastest growing residential zone in the city, Parkhill is an excellent position to take advantage of the developing demand created by the new homeowners. For example, the nearest supermarket to the new subdivisions on Rollstone Road is located in the Twin Cities area on South Street. See the Land Use and Housing elements of this document for more information about new residential development. A mix of commercial development is located in the Parkhill area, including doctors’ offices, a package store, hardware store, and gas stations.

WATER STREET
The uncoordinated development of Water Street, first as a neighborhood, pedestrian-oriented district and then, with its designation as Route 12, as a location for strip development, has led to numerous problems associated with its triple use as a commercial district, residential neighborhood, and a major route to the downtown area. There are a high number of curb cuts along the entire length of Water Street, producing
ECONOMIC DEVELOPMENT

Inefficient traffic flow and issues of vehicle and pedestrian safety. The Intown end of Water Street is home to the Central Plaza, which is approximately half vacant, mostly due to the departure of Stuart’s department store. The parking lot of this development was designed to accommodate the demand at a large department store on the busiest day of the year, and is always at least half empty. Water Street continues to offer small stores and entertainment businesses for the nearby residential areas and such uses as car lots and a large Salvation Army store, but the inconvenience of travel and unappealing visual aspect of the area lead many people to avoid Water Street when possible. As Route 12 is one of the primary entrances to the city, its unattractiveness has implications for the city as a whole. Zoning along Water Street is Central Business District, with a small Limited Industrial area around the Northlander Mill, and a Commercial and Automotive Zone at the Leominster city line. The CBD zoning extends across the Fifth Street Bridge. With the temporary closing of this bridge, the commercial area on the other side has declined, as its only access is through a dense residential neighborhood. It continues to serve this neighborhood with small shops.

CLEGHORN
The commercial area in Cleghorn Center is characterized by small shops and services catering to the immediate neighborhood, including community organizations and social services. A small number of more specialized stores serving a regional customer base are also located in Cleghorn. A substantial decline in home ownership and wealth in general has affected this neighborhood, and vacancy rates are high. Personal safety is a concern in Cleghorn as in Intown, and its rundown appearance contributes to this perception. During Fitchburg’s boom period, this area had a large and prosperous population, leading to the development of its own center. Thus, the center of Cleghorn is much larger than most of the neighborhood commercial zones in the city.

NORTHERN FITCHBURG
The Five Corners at the intersection of Ashby State Road, Rindge Road, and the John Fitch Highway is one of the city’s newer commercial districts. Zoned Central Business District, this area includes uses which range from medical offices to package stores. As this zone is located away from Fitchburg’s denser areas and Route 2, development of this area is limited by the relatively small customer base located nearby. Future residential development in northern Fitchburg may support small service operations, as well as grocery and convenience stores, in this area.

RIVER STREET
A Commercial and Automotive district is located along River Street, starting just outside of Intown. This area, located adjacent to the Industrial districts of Cleghorn, is oriented toward customers who drive, and has been fairly successful at attracting customers with a good mix of goods and services, including a print shop, fast food restaurants, taverns, and pet store. Further south on River Street, near the West Fitchburg neighborhood, is an area zoned Neighborhood Commercial
District. In and around this district are a number of businesses which benefit from being near an established neighborhood, and from traffic entering and exiting downtown.

Twin Cities
The area along South Street near Route 2 is zoned Central Business District, and has developed into a successful highway-oriented shopping zone. Anchored by the Twin Cities Mall, this area expanded up South Street for several years, until concerns over vehicle safety, appearance, and the impact of commercial creep on nearby residences led the city to pursue a policy restricting new commercial developments outside of the existing CBD area. Because of its location, this area is one of the few commercial zones in Fitchburg with a regional customer base.

Other Commercial Areas
Numerous smaller commercial districts, some with only one store, are scattered throughout the city, mostly in dense urban neighborhoods. These areas are variously zoned CBD, C&A, or Neighborhood Business District. Occasional commercial uses are found within some residential districts, usually older nonconforming uses. These areas have the advantage of being within walking distance of many customers, and are often able to finely tailor their offerings to that customer base.

Many of the businesses in the city’s newer commercial districts, such as Parkhill and the John Fitch Highway, were constructed to meet the guidelines of the City of Fitchburg’s Zoning Ordinance, including its parking requirements. Nationally, there has been a growing disenchantment with traditional parking strategies. The standard policy of requiring enough parking to meet the demand on the busiest day of the year has produced “seas of asphalt” directly adjacent to the street. These lots are mostly empty virtually every day of the year. This situation raises environmental, safety, and aesthetic concerns.

Overall, Fitchburg has no shortage of available commercial space. As opposed to industry, there is a significant and growing segment of the commercial sphere which actively seeks out older, more traditional areas. There is consensus among virtually all segments of the city’s residents and business owners that redevelopment of Fitchburg’s commercial areas, especially Water Street, Intown, and Parkhill, is preferable to the construction of new developments in meeting the commercial needs of Fitchburg.
ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT
GOALS AND OBJECTIVES

Retain, attract, foster, and celebrate companies that will contribute to Fitchburg’s revitalization by nurturing citizens through opportunities to work, learn, and advance; investing in the community; and meeting residents’ and visitors’ needs for goods and services.

- Work cooperatively with businesses to create a strong business community.
- Achieve an increase in residents’ median income.
- Support initiatives to increase computer literacy and contemporary job skills among city residents.

Stimulate the creation of new employment through a diverse economic base.

- Foster the creation of small businesses.
- Increase Fitchburg’s visibility and participation in the tourism industry.
- Expand Fitchburg’s share of the changing health care industry.
- Meet artists’ and craftspeople’s need for inexpensive production, display, and sales space.

Seek economic development that will have the least possible negative impact on neighborhoods and the physical environment.

- Capitalize on the presence of Fitchburg State College and the opportunities it creates for cultural, service, entertainment, and retail business activity.
- Increase the arts community’s presence downtown. Encourage art and film students at the college to establish themselves downtown.
- Establish and capitalize on visual and physical links between the Downtown and the Nashua River.
- Create an environment which will attract families and other working people to the residential areas within and around the Intown area.
- Seek out and administer economic development programs with the goal of creating a self-sustaining “critical mass” of commercial and business activity downtown.

Expand Fitchburg’s job and tax base by developing an inventory of industrial space that will be attractive to industry in the 21st Century.

- Identify and develop new sites for modern, competitive industrial facilities for new or expanding businesses.
- Seek the industrial use or reuse of traditional mill space where appropriate. Encourage conversions to other beneficial uses when industrial operations are no longer economically sustainable.

Enhance and redevelop existing commercial areas, and control the growth of commercial activities into noncommercial areas, consistent with the land use plan of Vision2020.
Utilize Fitchburg’s natural, cultural, and historic resources as catalysts for economic development.

- Incorporate plans for the adaptive reuse of traditional mill space into preservation and redevelopment projects.
- Develop the Nashua River as a destination for visitors and an amenity for residents and businesspeople.
- Capitalize on the success of festivals and sporting events to bring individuals from throughout the region to Fitchburg.
- Encourage and celebrate multiculturalism in all aspects of civic life.

Improve the perception of Fitchburg within the community, and outside of it.

- Implement the goals and objectives of Vision2020.
- Attract more business owners and professionals to live in the city.
- Provide helpful, courteous service at City Hall. Achieve consistent enforcement of regulations and codes.
- Improve the appearance and convenience of the entrances to Fitchburg, and to the Intown area.
- Stimulate more citizen involvement in civic affairs. Encourage young people to participate in volunteer service activities.
- Consistently give positive messages about our community and its accomplishments.
- Increase advocacy and marketing for Fitchburg and its businesses.

Acquire and maintain utility systems which will meet the needs of businesses in the 21st Century.

Continue to strengthen and improve the city’s relationship with FSC through joint programs and promotion.
ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT RECOMMENDATIONS

- Move towards a competitive tax rate for businesses.

- Construct a Downtown Connector to improve access from Route 2 to Intown Fitchburg and existing industrial space. Incorporate the needs of the John Fitch Highway into plans for the connector.

- Maintain up-to-date demographic and economic data to assist the city’s marketing and economic development efforts.

- Create a one-stop permitting process for large developments, in which the concerns of multiple boards and departments can be discussed in one meeting.

- Periodically review businesses surveys and reports to determine the needs and concerns of the business community.

- Change the Zoning Ordinance to allow more uses by right in the Limited Industrial District. Utilize performance standards to protect the interests of abutting residents.

- Institute at least one annual round table meeting with business owners and city officials to discuss their needs and concerns.

- Require coordination of job training initiatives to eliminate duplication and inefficiencies, and to reflect the needs of the workplace.

- Emphasize in job training programs updating the skills of workers with outmoded skills.

- Increase advertising and outreach to increase the number of workers who take advantage of job training opportunities.

- Planning Staff should review the zoning ordinance regarding home occupations. Allow benign home occupations by right, and strengthen the standards for home occupations which require a special permit. Produce criteria for determining when a home business should be allowed.

- Pursue the redevelopment of a mill site as a business incubator.

- Continue funding for microloan programs.

- Create a Public Relations Commission to coordinate advertising, and oversee Fitchburg’s participation in regional tourism efforts.
ECONOMIC DEVELOPMENT

• Encourage health care providers to maximize the use of the Burbank Campus.

• Pursue the redevelopment of a downtown site as a mixed-use artists mall, including residential, work, and sales/display space.

• Allow unlimited sale of on-site manufactured goods in industrial districts.

• Focus industrial development efforts on industries with minimal negative impacts.

• Produce performance standards for industrial and commercial uses to protect the interests of residents.

• Remove impediments to projecting signs in order to enhance the appearance of Intown.

• Update the procedure for the approval of outdoor accessory uses such as sidewalk cafes, in order to increase street activity downtown.

• Designate Intown Fitchburg as an Economic Opportunity Area to enable the city to use Tax Increment Financing as a redevelopment tool.

• Support initiatives to redevelop the North Street corridor as a gateway between the college and downtown.

• Redevelop the Fitchburg Theater as a multiple-use arts and entertainment facility.

• Work with Fitchburg State College and the Fitchburg Art Museum to attract art and film students to live, study, and work in Fitchburg.

• Support the creation of an Arts School at the B.F. Brown building.

• Work with the city of Leominster to produce a plan for a greenway along the Nashua River. This greenway should have strong terminuses at either end, access points in the Intown area and other adjacent neighborhoods, and provide a recreational and commuter link between Fitchburg and Leominster.

• Use state and federal funding to make physical improvements to Fitchburg’s older neighborhoods in order to attract new residents and increase income diversity.

• Amend the zoning ordinance to reduce setbacks between industrial uses and increase allowable height in the Limited Industrial district by special permit.

• Create a commission to develop criteria for identifying parcels of land appropriate for new economic development. The commission should be geographically representative of the city, and include experts from the
fields of real estate, industry, the environment, and development.

- Establish a Mill Revitalization District to remove zoning impediments for the revitalization of mill sites. This ordinance should
  a. allow for appropriate mixed uses
  b. encourage activities and improvements which are compatible with the goals of Vision2020.
  c. Allow for flexibility in use and design while protecting the interests of surrounding neighborhoods.
  d. Preserve structures and features of cultural, architectural, and historical significance.

- Identify brownfields and seek grants for cleanup and redevelopment.

- To the extent legally permissible, utilize the permitting process to encourage the cleanup of polluted sites.

- Designate mill sites as Economic Opportunity Areas to allow the city to use Tax Increment Financing to spur redevelopment.

- Develop a streetscape plan which shows the road layout, street trees, sidewalks and other proposed physical improvements.

- Investigate improvements that can be made to internal circulation in areas such as Parkhill and the John Fitch Highway.

- Control design compatibility through site plan review. Areas of concern include;
  a. internal landscaping of parking lots
  b. vehicular and pedestrian connections with adjacent properties
  c. visual standards for facades

- Encourage infill development in parking lots with surplus capacity to improve the appearance of the sites and increase the clustering of businesses.

- Cluster commercial development within existing commercial areas to create a critical mass of shopping opportunities.

- Implement a comprehensive review of the zoning ordinance as it relates to the location and allowed uses of the various zones.

- Pursue the development of additional athletic fields to attract tournaments and events to Fitchburg.

- Create the position of Ombudsman to assist applicants in understanding the requirements of the various permitting processes administered at City Hall.
Economic Development

- Work with the city of Leominster to produce a Gateway Plan for the entrances to the city and to Intown.

- Create the position of Volunteer Coordinator to increase the visibility of volunteer activities and match volunteers with needs.

- Form a Public Relations Committee to enhance the image of Fitchburg. This committee should identify major issues which harm the city’s perception, and coordinate public relations and advertising activities to raise awareness of the positive aspects of Fitchburg.

- Form a coordinated partnership with neighboring communities to market the Twin Cities area as a united metropolitan area.

- Aggressively pursue opportunities for the expansion of services and updating of utility infrastructure.