

Innovation Valley (www.ivalley.org)

Rooms with a View & Jobs with Pizzazz

Skilled Worker Condos and Modern Commercial Mix Are Keys to Haverhill's Downtown Renaissance

John Michitson with contribution from Seth Itzkan

I recently made several business trips to San José in Silicon Valley and marveled about how far it has come back from its low point following the dot com bubble burst of 2000.

My next thought was "Can such a transformation occur in downtown Haverhill, albeit tailored with its own set of economic drivers?" I suspect that the answer may be "Yes", however, our emphasis must focus on complementing residential development with a cutting-edge commercial sector.

Background

Downtown Haverhill has been transforming in stages since it had boarded up storefronts in the 1970s and early 1980s. City Councilor William Ryan, who was Haverhill's Mayor for six years in the 1980s oversaw the first stage of while serving as Mayor. Councilor Ryan recalled, "the key to the Washington Street comeback was the financial incentives for facade and awning improvements....even over empty storefronts....it primed the pump." The storefronts gradually re-appeared and it triggered a build-out of hundreds of condominiums and apartments, the second stage of which is occurring now.

Then in the 1990s another shot in the arm occurred. Clusters of art galleries, shops, restaurants and high technology start-ups began to pop up during the Internet boom. The jump in art galleries, shops and restaurants were the result of a buzz and organization created by the business owners and patron support. The high technology companies were the result of a grass roots Cyber-District task force sanctioned by then Mayor James Rurak to add another piece of the puzzle for the downtown.

Each of these stages has contributed to today's state of Haverhill's downtown, which is on the cusp of a renaissance. However, a few missing pieces remain to make it happen.

Today's Stage

"The future of Haverhill's downtown is at a critical juncture", says Jules Epstein, CEO of Primary Design, Inc., a branding and marketing management company, who has seen the incremental improvements in the downtown first hand. Retail continues to transition as stylish, new restaurants like the Essex Grille open their doors. The relatively affordable local housing market, enabled by Governor Romney's smart growth initiative with financial incentives for both developers and municipalities, is poised to take off. Mayor James Fiorentini and the Haverhill City Council have put in place plans and ordinances to make Haverhill a frontrunner in leveraging the Governor's transit-oriented housing initiative.

"Beacon Communities is making an impressive investment in the renovation of two former mill buildings into chic, urban apartments. I believe that the future of Haverhill's downtown growth may well hinge on the successful outcome of this ambitious project as I expect it could ignite a fire under other developers currently seeking or holding permits to build", states Mr. Epstein. Several hundred new condominiums and apartments are in various stages of development. In addition, residential success will increase demand for more entertainment and restaurants in the downtown. However, one caveat remains the decade-old problem of insufficient public parking. Mr. Epstein concurs, "the time has more than come for a viable solution that must include a multi-story public garage."

But is this enough for the downtown to hit critical mass?



Haverhill's Downtown Business District

Missing Piece in Downtown Strategy – New and Retained Local Jobs with Pizzazz

In order to encourage young professionals to reside downtown, local jobs with pizzazz are needed. This should be an added focus to the downtown plan.

William Nofsker of Kifor Development Co., who developed and manages the Burgess-Lang Professional Center on Essex Street, agrees that business development is a key ingredient for the downtown to realize its potential, "The Burgess-Lang Professional Center will be an oasis among the residential developments in the downtown because people need a place to work." He is embarking on a marketing campaign in the next few weeks to lease his

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– William Nofsker, Kifor Development Co.

"best value in region" space primarily for professional offices, as well as distribution and storage facilities.

One approach to create new jobs and retain existing ones is to transform traditional businesses by leveraging 2nd generation Internet and wireless technologies. This will help businesses create new channels to sell their products and will enable them to provide leading-edge services to customers. The resulting buzz will also help attract new businesses to the area.

Fortunately, this process is already underway. Many of the web application and networking companies that either opened their doors or moved to downtown Haverhill in the 1990s are today providing the knowledge, products and services to help technology-enable traditional businesses in the area. For example, SemaTree provides Customer Relationship Management (CRM) software and web applications, MVA.net and USAi.net provides wireless Internet access, while the Special Projects Group, Inc. provides engineering services.

Traditional companies in the downtown that are adopting new technology include: Margot's Gallery, Haverhill Beef and Primary Design. Joe Terrazzano, owner of Haverhill

Beef, has been using the web as a sales channel for several years. According to Mr. Terrazzano, "people find the web to be a convenient way to submit orders. In fact, last week alone we had 350 orders over the web and we average about 30,000 unique visitors to our web site per month." Gary Albanese, who runs home-based Galaca Web Solutions and was a Cyber-District advocate, designed and manages Haverhill Beef's web site.

"It's important to link your web content to your overall marketing campaign, which includes newspapers, radio and television advertising and to expertly achieve a high ranking on today's 2nd generation search engines. Haverhill Beef has achieved this level of technology adoption", according to Mr. Albanese.

Primary Design, a 26-year old firm with 20 years in the downtown, continues to experience growth as its customer base has expanded to a national arena through technology and communications. "We are experiencing our greatest growth in the area of cybermarketing – Internet marketing strategy, advertising and web development. We've recently expanded into a second office downtown to accommodate this demand", says Mr. Epstein, Primary Design's CEO. In doing so, Primary Design has hired six additional skilled employees in the past year, two of whom were recruited out of Boston firms.

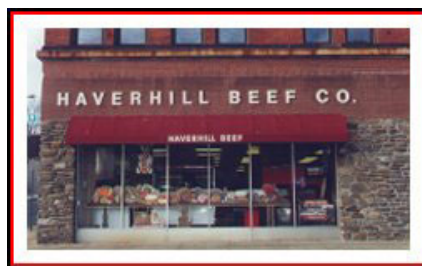
Mr. Epstein said, "In all, we draw from a 50 minute radius including Manchester and Dover, NH, Westford and Marblehead, MA, bringing dollars into downtown for lunch, medical, and a host of other services." Mr. Epstein said that he suspects that his younger employees that don't already live in Haverhill may choose to do so if and when the reality of the renaissance appears imminent.

"I have long believed that Haverhill is an ideal geographic location for business and as a place to live. My firm has definitely benefited from the ability to recruit into NH where many talented younger people have migrated and also offer the option of not having to go into Boston to work", concludes Mr. Epstein.

Thus, the answer to my question is indeed "Yes". Although Silicon Valley's second stage renaissance is being driven by high-tech research and development, our own economic growth can be driven by a modern commercial sector that enhances traditional industries.

As Jules Epstein's experience with Primary Design has shown, traditional service industries, such as advertising, can realize substantial growth through technology adoption. The approach is providing the district with both residents and revenues. A plan for the downtown that incorporates new commercial growth as part of the mix with mill-space residential conversion, will ensure that the district is attractive to young skill workers, and economically vital for years to come.

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The Innovation Valley initiative seeks to help stimulate economic growth and quality-of-life enhancements in the Merrimack Valley. Every month we will report on innovative businesses, practices, and ideas that are helping to make Merrimack Valley the place to be. Look for our article in print media and online at www.ivalley.org.