

# TELEGRAM & GAZETTE

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## Hanover CEO sees 'momentum' in Worcester

By Priyanka Dayal McCluskey

WORCESTER — The CEO of the Hanover Insurance Group Inc. said Tuesday that Worcester should learn from the mistakes of other cities as it works to become a booming "urban extension of Boston."

Frederick H. Eppinger told more than 600 businesspeople at the Worcester Regional Chamber of Commerce's annual meeting that he's bullish about Worcester's future, even though economic conditions remain challenging, and competition among cities is fierce.

"We have momentum," he said, citing the increase in commuter rail service, the redevelopment of CitySquare and the expansion of MCPHS University as recent examples of the city's growth. "We must challenge ourselves to work together to keep this momentum going."

With Boston's growth limited by geography, Central Massachusetts is the next growth area, Mr. Eppinger said.

Worcester must make itself an attractive destination for businesses to avoid the pitfalls of cities such as Hartford, New Haven, Detroit and Newark, he warned.

"To thrive," he said, "we must learn from the lessons of failing cities that have gone and let the growth go around them and decayed as opportunities passed them by."

Mr. Eppinger has been president and chief executive officer of Hanover Insurance, a property and casualty insurer, for the past decade. With him at the helm, Hanover has invested in downtown Worcester by funding the renovation of The Hanover Theatre for the Performing Arts and jump-starting the redevelopment of CitySquare, the former site of a failed shopping mall.

Insurance company Unum Group and St. Vincent Hospital's cancer center moved into new buildings in CitySquare this year, and last month city officials announced the next phase of development for the prominent downtown parcel: a 150-room Renaissance hotel, a 350-unit housing development and 15,000 square feet of retail space.

Mr. Eppinger said it's crucial for Worcester to revitalize its downtown, and CitySquare is a part of that puzzle. "This is not about downtown versus the neighborhoods," he said. "It has to be both. A thriving downtown is like a magnet in the middle. It pulls all the pieces together."

Private spending in CitySquare has so far totaled \$125 million, and the next phase of development is expected to draw another \$100 million of investment. The state plans to give Worcester \$11 million for infrastructure work. Leggat McCall Properties of Boston is overseeing the project.

In an interview, Mr. Eppinger said hotel developer XSS LLC was chosen after discussions with dozens of developers. He said he liked that XSS already does business in Worcester, operating two hotels here. He declined to name the developer lined up to fund the residential portion of CitySquare, except to say it would be "outside money."

Mr. Eppinger was the keynote speaker at the Chamber of Commerce's lunch meeting at Mechanics Hall. At the

annual meeting, Susan M. Mailman, president of Coghlin Electrical Contractors Inc., was announced as the chamber's new board chairwoman. Members also paid tribute to Richard B. Kennedy, who retired as chamber president and CEO this year.

Mr. Kennedy is credited with stabilizing the finances of the chamber, which has struggled to hold on to members in recent years. Former Lt. Gov. Timothy P. Murray took the top job at the 2,300-member organization this summer.

Mr. Murray has been trying to raise the chamber's profile. He launched a \$1.2 million fundraising campaign five months ago, and the chamber is already close to reaching that goal, he said Tuesday.

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