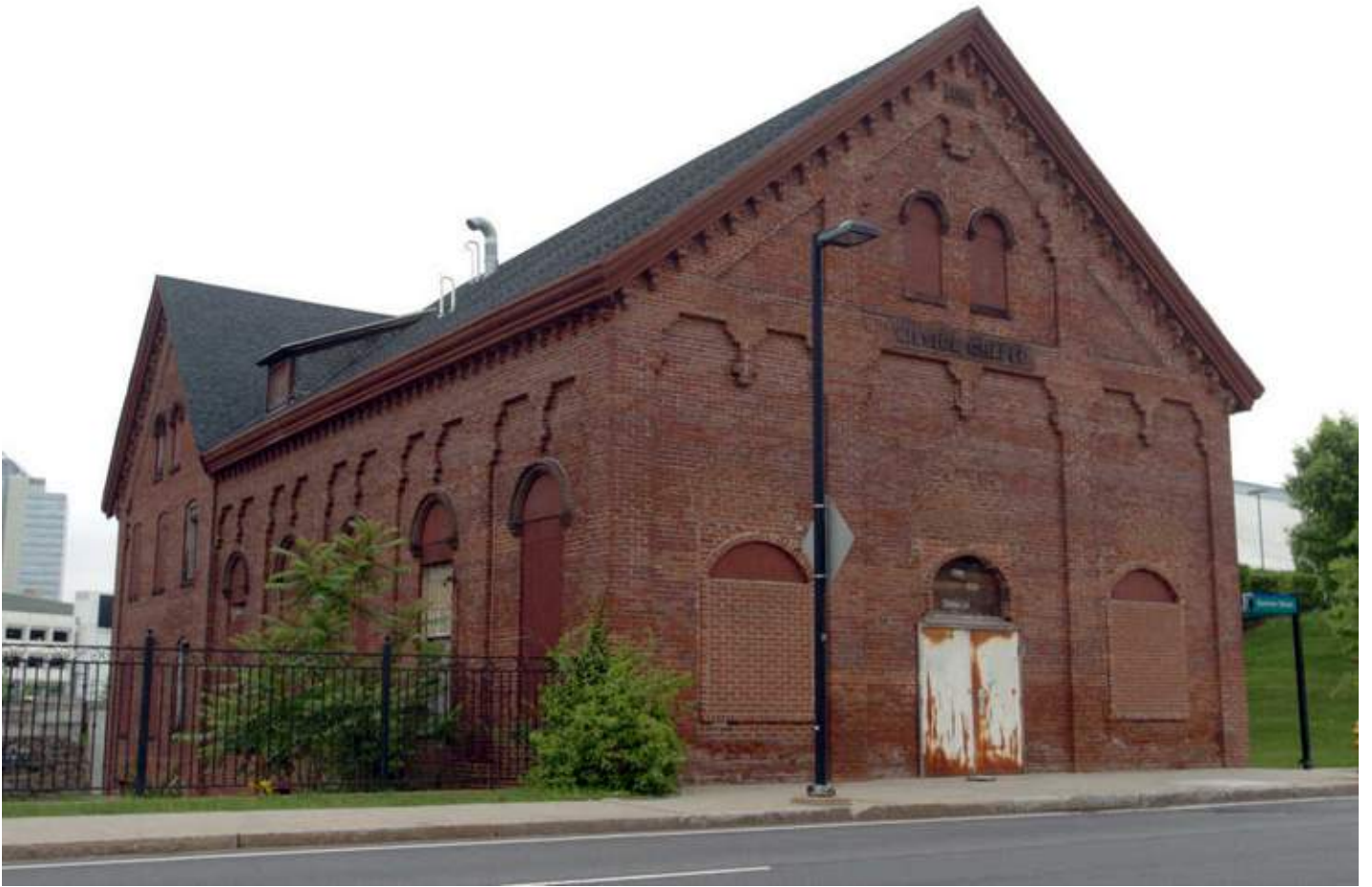


Monday, June 1, 2009

Mission impossible?

CHAPEL PROJECT AWAITS ENDING



Mission Chapel on Summer Street in Worcester (T&G Staff / MARK C. IDE)

Mission Chapel Timeline

1854

Mission Chapel church built.

1993

WRA takes church through eminent domain.

1998

WRA sells church to PZP LLC.

2004

PZP sells the church to Kurosh Mizrahi for \$350,000 without having done the renovation.

2008

Mr. Mizrahi begins talks to sell the church, without having done the required renovation, to St. Vincent Hospital.

2009

St. Vincent development plan for the church put on hold indefinitely because of the economy, according to city officials.

T&G Staff



Mission Chapel on Summer Street in Worcester (T&G FILE PHOTO)

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“ We’re talking to the city, and that’s all I can tell you. ”

-- KUROSH MIZRAHI, SPEAKING OF THE PROJECT

WORCESTER — More than 16 years after city taxpayers forked over \$600,000 to take control of the historic Mission Chapel in Washington Square, the long-promised private redevelopment of the old brick church is still nowhere in sight.

The latest in a series of failed private redevelopment bids apparently fizzled in March after more than a year of talks and planning, a casualty of the economic downturn, according to city officials.

Meanwhile, the owner of the 155-year-old church, Kurosh Mizrahi of Newton, who has been working to redevelop it with his brother, prominent downtown restaurateur Keivan Mizrahi, appears to have run into financial difficulties.

Bay State Savings Bank filed a notice in Worcester Superior Court in February signaling its intention to foreclose on the dilapidated church, although Keivan Mizrahi said he and his brother have since worked out a deal with the bank to stave off foreclosure.

A spokeswoman for the bank declined to comment on the status of the mortgage.

The formerly quasi-public Worcester Redevelopment Authority took the church at 205 Summer St., along with other property in the area, through its power of eminent domain in 1993.

After pouring \$600,000 in public money into acquiring the building and relocating its Second Baptist Church congregation, the WRA allowed the developer to whom it handed the church for less than \$100 in 1998 to resell the property six years later for \$350,000 to Mr. Mizrahi without fulfilling its contractual obligation to renovate the building.

Mr. Mizrahi, who assumed the legal obligation to do a \$1.2 million renovation of the church when he bought the property in 2004, also has not made good on the renovation pledge during his nearly five years as the owner.

The city, through the WRA, has the power to take the church back for failure to comply with the land disposition agreement, but has instead allowed it to languish in private hands for more than a decade.

Last June, the city's director of economic development, Timothy McGourthy, told the Telegram & Gazette

that Mr. Mizrahi would be given at least until January 2009 to work out a deal to sell the church to an owner with the wherewithal to make good on the renovation. Six months into 2009 there's still no deal, and the city has no plans to take back the historic church, officials said.

"A lot was happening and, up until recently, the potential buyer was intending to purchase the property and redevelop it in accordance with the urban renewal plan," said Assistant City Manager Julie A. Jacobson, who leads the WRA in her role as the city head of economic and neighborhood development.

She said a sale was "imminent" until about March, when the deal collapsed under the weight of the financial crisis.

"It is likely that the plan as presented will not proceed in this financial climate, but I don't want to say it's dead. But it does look like it's not going to materialize as proposed for now."

Ms. Jacobson declined to identify the potential buyer-developer, but it's well-known that St. Vincent Hospital had been eyeing the 155-year-old church as a potential part of a new oncology clinic complex contemplated for Washington Square.

The plan was to use the church for medical offices and conference space as part of a larger development for the clinic.

Hospital spokesman Dennis L. Irish said that, while the sour economy has affected the timing, St. Vincent continues to evaluate potential locations for the relocation of its cancer clinic from the old hospital building on Vernon Hill. The hospital's lease on that building is set to expire in 2010, although it could be extended.

"We were actively looking at the feasibility of it," Mr. Irish said of the Mission Chapel renovation proposal.

"There are several locations under consideration and that remains one of them, but no decision has been made."

As for the threat of foreclosure, Ms. Jacobson said the city is confident that the land disposition agreement from 1993 would continue to be binding on the bank or any other new owner, and that the city's power to retake the building also would not be compromised.

Ms. Jacobson said the city hasn't exercised that power, called the "reverter clause," because it thought progress was being made toward a deal. "For a year and a half, there were weekly meetings on this project and this project was moving forward. There was no reason to step in and stop it."

She said there's no reason to invoke the reverter clause now as long as there's a glimmer of hope that the St. Vincent deal might be resuscitated or that another potential buyer might be found.

Reached at his Viva Bene restaurant on Commercial Street last week, Keivan Mizrahi declined to discuss his and his brother's next move with the church.

"We're talking to the city, and that's all I can tell you," he said.

Deborah Packard, executive director of Preservation Worcester, said she hopes that available state and federal historic preservation tax credits might help convince somebody to finally redevelop the historic church.

"I think because of its location eventually someone will be interested in it," she said.

"I wasn't here when that all happened," Ms. Packard said of the snake-bitten history of the taxpayer-

supported private renovation project, "but it seems like people dropped the ball on several occasions."

Ms. Jacobson said taxpayers shouldn't feel cheated because the deteriorating church was only one part of an otherwise successful urban renewal plan.

"The taxpayers are protected in that the urban renewal plan took place as scheduled with the hospital, and we'll continue to ensure that this particular parcel will be redeveloped in accordance with the urban renewal plan eventually."

Contact Thomas Caywood at tcaywood@telegram.com.