

Worcester Redevelopment Authority

Michael P. Angelini
Chair

Peter Dunn
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Thursday, November 10, 2022

9:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

CALL IN INFORMATION:

+1-415-655-0001 US Toll
Access Code: 2310 905 4509

Present:

Worcester Redevelopment Authority Board

Michael Angelini, Chair
David Minasian, Vice Chair
Sherri Pitcher
Richard Burke

Staff

Peter Dunn, Chief Executive Officer
Michael Traynor, City Solicitor
Alexis Delgado, WRA Finance Manager
Julie Lynch, Director of Facilities
Paul Morano, Office of Economic Development
Greg Ormsby, Office of Economic Development
Jane Bresnahan, Office of Economic Development

Pursuant to a notice given (attached), a meeting of the Worcester Redevelopment Authority was held at 9:00 A.M. on Thursday, November 10, 2022

1. Call to Order

Mr. Dunn called the meeting to order at 9:05 A.M.

2. Roll Call

Mr. Dunn called the roll – Ms. Pitcher, Mr. Minasian, Mr. Burke and Chair Angelini.

Chair Angelini advised all votes will be taken by roll call.

3. Approval of Minutes: October 13, 2022

Mr. Minasian made a motion to approve the minutes.

Ms. Pitcher seconded the motion.

The minutes were approved 4-0 on a roll call.

New Business

- 1. Authorize Revised Contract Award for Cleaning Services Agreement with Paixao, Inc., d/b/a KleenRite Services for Union Station in the amount of \$553,056.00 to reflect the Authority's request for a revised Plan of Services, an increase of \$48,261.00.**

Mr. Dunn authorizing a revised contract award for the cleaning services agreement with Paixao, Inc., d/b/a KleenRite Services for Union Station in the total amount of \$553,056.00 to reflect the Authority's request for a revised plan of services which is a net increase of \$48,261.00. A few months ago, we presented to the Board the lowest qualified bid for the RFP that was released for the cleaning services at Union Station. A vote of the Board and our Public Facilities team had been working with that vendor about the plan for services and some changes were recommended and ask Ms. Lynch, Director of Public Facilities to speak about the revised plan of services. Ms. Lynch we are initiating this request given that the secure areas of Union Station including Cannabis office and Police Station to have a working supervisor on each shift and the driving force behind the revised Plan of Services for three shifts as we have twenty-three hours of operation at Union Station currently partly due to the fact that we have a new restaurant moving into the east end of the Grand Hall, anticipating more activity and feel it is important to having a working supervisor on each shift. Chair Angelini I have questions and must admit what made me fault. I looked at this and frankly shocked at the number and should have been shocked by the number when it came up months ago. First of all, the number seems to me extremely large considering the use that's made and the limited use in some ways made at Union Station. Chair Angelini when does this come up and is this an annual contract as I understand it and when is the end of the first contract year. Ms. Lynch it would be next fall in October. Chair Angelini when did we award this bid. Ms. Lynch last month was the vote. Chair Angelini it started last month. Ms. Lynch, correct. Chair Angelini and now we are dealing with it the month after we approved it. Ms. Lynch, correct the Law Department advised to make this a comprehensive contract and we have not signed the contract. Chair Angelini what we are doing here as I see it is putting aside the size of it, we are raising the pay of their employees and calling them supervisors is that a fair way to describe what is going on here. Ms. Lynch we have existing employees that cleaned Union Station and do a terrific job and have extreme challenges given the homeless population that we have been contending with and most people are aware. We did want to keep those personnel and they would be acting as working supervisors on each shift. The bid is the lowest qualified bid, but it was a bid using Massachusetts minimum wage and cannot keep those employees that have been in that position for many years now under adverse conditions and would have lost the employees and are recommending that we keep them as they understand the security issues that we have with Cannabis and the Police Sub-Station they are more than responsive, underpaid and fair to say that for many years we have had an underperforming management company that has been dealing with them. They have had a number of challenges and kept most of the staff, if not all. Chair Angelini this is not our responsibility to pay these employees and we want them to get paid, don't we have a contract with their employer and isn't the employer responsible to pay them fairly. Ms.

Lynch, absolutely correct and it is the employer's responsibility and have good employees that perform well, clean Union Station and understand all the challenges that go along with that and the security issues. We have a learning curve and a lot of issues to contend with if we did not have a working supervisor on each shift. Chair Angelini it is not our responsibility to do that and as I understand that contractually we paid a lot of money for a company to have certain responsibilities and isn't it our responsibility to the city to see that company carry out its responsibilities and pay for whatever has to be paid to them to get it done. Ms. Lynch I understand your point. Chair Angelini what is the counterpoint. Ms. Lynch we can hold people accountable to some extent but when you have people that watch out for your building as if it was there own and care for the building as if it were there own the different level of cleaning and a different level of safety that you get and that is what we have with this cleaning company and cleaning employees and would like to keep them on. Chair Angelini it is not up to us to decide who the employees are that is the whole point they are under contract and the contract has these responsibilities and they do not include security we do have a Police Sub-Station there this is a cleaning contract. Ms. Lynch it is a cleaning contract, but employees have to contend every day with homeless, drug addicted people. Chair Angelini that is what the public bidding process is all about that is why we are paying this company a lot of money. Ms. Lynch this is an RFP, and we are hoping to get a level of service more than we would get with a straight 30B bid and that is why we did it as an RFP. Chair Angelini it seems to me that we have a responsibility to get out a public bidding contract put out the bid and a certain requirement and service requirements have to be made and this company has to make them or move on I do not understand this process. Ms. Lynch they are willing to do that and extremely well-managed company. Chair Angelini tell them to do it at the price they promised at, that's a contract that's how we do it in the city. Ms. Lynch, they are, this a request from the Owner's side. Chair Angelini, what. Ms. Lynch they want someone to sweep the building in the morning, make sure all the toilet rooms are in order, make sure there no people overdosing in the bathrooms before people roll out an begin cleaning the toilet rooms for instance. Chair Angelini I frankly do not get it if we do our job correctly and require what we want done and set out with the bid with those requirements we take the bid award to the responsible bidder and we say to that company perform and if they do not perform, we will go to another bidder. Ms. Lynch this is the first qualified low bidder the lowest bidder on this bid was the former company that we had managing, and they were not qualified, they did not pay their employees and zero oversight Public Facilities was doing the oversight. This is the low bidder that we have. The next bidder just had for services \$454,000.00 and the one beyond that was \$848,000.00. I know it seems it is a lot of money and indeed is a lot of money, but this is what the market is bearing right now. Mr. Burke this \$553,000.00 is a new quote from the original quote, is that correct. Ms. Lynch the contract being amended is changing the amount from per hour that we are paying to have a working supervisor to operate on each shift. Ms. Lynch \$48,000.00 ????. Mr. Burke is this 365 days. Ms. Lynch, it is. Mr. Burke roughly \$1,500.00 to do all this. Ms. Lynch that is correct, I cannot dispute that. It is 365 days, 22 hours each day with three full shifts as we anticipate a much higher level of activity. We have the Food Hub coming in which is a 24-hour operation. Mr. Burke I was just trying to understand what we were discussing and is about \$1,500.00 a day to keep Union Station clean. Ms. Lynch yes. Ms. Pitcher are tenants paying part of that for the cleaning. Ms. Lynch they are not. The Cannabis lease that we have includes the cost of cleaning the private and public spaces that have to be cleaned and the only tenant space we clean. The Police Sub-Station is cleaned as well and through the city. Chair Angelini the homeless population shouldn't that be handled by the Police that should not be the responsibility of the cleaning company. Ms. Lynch a good question and we have been meeting for ten months with stakeholders out at Union Station

including the Police, the WRTA, nonprofits and HHS to try to address the security issues we have and are looking at it as a campus with the WRTA we have made some adjustments to that. The Police are responsible for that for having staff on one shift for us and another question for us that we will be digging into this year is to look at if we need to bring in a security company and know the WRA has had a security company in the past that has not been successful and pivoted to the Police as a solution to that. The Police are responding to the entire downtown area as a sub-station and not always onsite at Union Station. Chair Angelini any other questions, comments. Ms. Pitcher, Ms. Lynch in your opinion is this a fair contract. Ms. Lynch I believe it is a fair contract. Chair Angelini just to be fair we have a contract in place we sent out a bid the company accepted the bid agreed to do certain things for a certain price and now what we are doing is changing contracts so that they can pay their people some more money, is that right. Ms. Lynch we are changing the contract so that we have more experienced people on each shift and due to the fact that we anticipate a higher level of occupancy in the building we have challenges with the homeless and anticipating also really heavy 24-hour footprint at Union Station. Chair Angelini do we really have a 24 hour use of Union Station are there other people in the Station who are supposed to be there between ten o'clock at night and six o'clock in the morning. Ms. Lynch we anticipate going into construction with the Food Hub next spring and they will be open the following winter 2024, which is a 24-hour operation. The Police are onsite we have private events that are held through Luciano's Restaurant and does have a management company that oversees events and have a Police detail for an event if they anticipate there could be any issues with parking, crowds etc. We have sTART on the Street happening and there is a lot of activity at Union Station right now it is not 22 hours at day but soon will be with the restaurant on the opposite side of the Grand Hall is opening next fall, I believe with construction starting this winter and anticipate ramping up to this. Mr. Minassian to clarify this additional \$48,000.00 is that adding an extra employee or extra hours a day and not sure how this is. Ms. Lynch it is paying a person a higher hourly wage to add to the working supervisor a person on each shift it is \$15.25 and will be raised by \$3.00 per hour. Mr. Minassian we are not getting additional personnel we are getting different quality personnel. Ms. Lynch we are hoping to keep qualified personnel onsite and on each shift. M. Lynch I wanted to add that Public Facilities only has one employee serving at Union Station with a lot of construction activity going on and not a lot of oversight and a good point to make about security and ramping up activity at Union Station and how we look to manage going forward. Mr. Burke my comment is thinking about absorbing these comments and Chair Angelini makes a good point this is a risk a contractor takes when they bid on a contract. When our costs go up I cannot go to the State of Massachusetts I need to increase my rates and do not put words in Chair Angelini's mouth what I'm hearing is that I absorb this and are you saying if we went back to the contractor and say I'm sorry it is really on you, are you saying they would not do this and not pay someone the \$3.00 per hour to be a supervisor. Ms. Lynch that is correct they did not bid it that way. We put out an RFP and all of the companies that responded used Massachusetts Minimum Wage to pay their employees not just for this contract but the on the city's side we have a cleaning contract as well the contractor for that what the process is the same process that KleenRite is following for this and they reach out to the existing employees and if they are good employees and if we recommend them and reach out to stay on and the group that is there have been mismanaged in such a way that they are not willing to take the risk to stay on and would leave if they did not get a raise and have been there for many years and I understand that. I understand that as well and not the contractor or vendors responsibility and they bid this a certain way and understand that and as an owner's representative I see it in the city's best interest to have qualified staff onsite. The contractor will not provide \$3.00 per hour for keeping these

employees on. Chair Angelini if the contractor does not perform its obligations under the contract our responsibility is to discharge the contractor and pursue our legal rights based on the contract we have and this contractor has responsibilities of doing everything it is required to be done under the accordance of the invitation to bid that we made and I hate to take up time on this but it is a matter of principle to me and our responsibility to the city, isn't that correct and we do not tell people what they can pay their employees. Ms. Lynch we do not. We are looking for a higher quality employee by default would be paid more and that is what we are asking for. It is KleenRites responsibility, and I feel they are responsive and excellent contractor and going to have a good relationship with them they can certainly manage things and not the quality that we would expect and need to have additional oversight for security as well. Mr. Traynor wanted to make sure factually there is no contract in place, and we have not signed anything and as I prepared the initial contract then issue to changing to supervisor, I was not going to prepare a contract and then an amendment a month later. This is revising the award and no contract executed with this company yet. The question is to revive the actual contract award to put these supervisors on. Essentially this company is based out of Springfield and are hiring the employees of the prior cleaning company, Ms. Lynch confirmed Mr. Traynor's statement. Mr. Traynor wanted to set the landscape so that everyone knows what is going on. Chair Angelini, Mr. Traynor have we accepted the bid? Mr. Traynor the Board accepted the initial bid last month. Chair Angelini when does the contract period start. Mr. Traynor once it is executed, signed. Chair Angelini inquired as to who is doing the cleaning now? Ms. Lynch informed the Board that KleenRite is performing the work. Chair Angelini have they been paid in accordance with? Ms. Lynch they have not been paid. Chair Angelini what is our relationship with them? Ms. Lynch they are performing on a month-by-month basis until the contract is completed which is similar to our prior contractor. Mr. Traynor when we execute contract it will make it retroactive, and they are already there a month. Chair Angelini, I get it. Ms. Pitcher inquired as to how long the contract was for. Ms. Lynch one year with two one-year options. Mr. Minasian unrelated to previous questions, in terms of responsible contractor policy it looks like and what is the process of KleenRites history concerning Chapter 2, Section 39 on the wage-theft ordinance have we looked at that and any past history. Ms. Lynch I have checked their references and do not know the ordinance that you are speaking about, and they have not had issues with clients nor employees in the past, they currently clean Union Station in Springfield and a number of other buildings in that area. Chair Angelini I am going to vote against this and tell you why I am going to vote against this it is not because it is for \$48,000.00 it is a matter of principle and if we need to re-bid this and to be thoughtful about what we need and to require and be specific about what we need and require a contractor to do it I think we should do it. I think it is a matter of principle to award the contract as we have to have accepted a contractor's stated purpose of what it will do and then to more money to that contractor is a bad policy and going to vote against but proceed with a vote.

Mr. Burke offered the following vote:

Voted that the Worcester Redevelopment Authority hereby approves and authorizes a revised contract award for the Cleaning Services Agreement with Paixao, Inc. d/b/a KleenRite Services for Union Station in the amount Five Hundred Fifty-Three Thousand, Fifty-Six Dollars and No Cents (\$553,056.00) to reflect the Authority's request for a revised Plan of Services

Mr. Minasian seconded the motion.

The item was:

Ms. Pitcher, Mr. Minasian and Mr. Burke approved the item on a 3-0 roll call.

Chair Angelini did not approve the item on a 1-0 roll call.

2. Authorize Execution of a License Agreement with Tina Zlody d/b/a sART at the Station for a one day arts event at Union Station on December 4, 2022.

Mr. Dunn this item authorizes a License Agreement with Tina Zlody for sART at the Station for a one-day arts event on December 4, 2022. This is exciting as and for some of the Board members who have been on for a while this has been an annual event; they did have a hiatus during the pandemic this is their first year back post-pandemic and excited to see this happen again and look forward to working with them on the date of the event. Ms. Pitcher at least we know it will be clean.

Mr. Minasian offered the following vote:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a license agreement with Tina Zlody, d/b/a stART at the Station for a one-day arts event at Union Station on December 4, 2022

Ms. Pitcher second the motion.

The item was approved on a 4-0 roll call.

3. Authorize Execution of Amendment 1 to the Terms of Conveyance with Washington Square Hotel, LLC for the Properties at 0, 20 and 36 Washington Square.

Mr. Dunn authorizing Amendment 1 to the Terms of Conveyance with Washington Square Hotel, LLC for the Properties at 0, 20 and 26 Washington Square. The item was reviewed for the benefit of Ms. Pitcher and Mr. Burke who were not members when the Board did this initially. We had a terms of conveyance similar to a purchase and sale agreement with Washington Square Hotel, LLC which is a single purpose entity controlled by the First Bristol Corporation the developer that did the Homeward Suites on the other side of Washington Square. They have been interested in a second hotel on this other parcel. Work was done in terms of the Washington Square Urban Renewal Plan and requirements to get to this stage when this was executed previously. As we know the pandemic had a particular impact on the hospitality industry hotels and occupancy due to travel. We have always anticipated that we would have to do an amendment to extend the term of the conveyance. We were waiting until such time until occupancy rates stabilized, and the developer felt more comfortable regarding a timeline and spoke about an amendment to draft is included. The timeline to extend the conveyance has been changed to November 3, 2023, over the next year. They will go through remaining due diligence with submissions to the Planning Board i.e., their entitlements to proceed. We are very excited they continue to be trying to make this happen. We have seen rebound and stabilization of the hospitality industry occupancy rates at the hotels in Worcester this is the essence of that. In addition to extending the timeframe as it relates to the title report, they are engaging with a title inspection and language is included in the amendment regarding the result of the title report. If anything is discovered during the title report that we are not obligated to cure it, in order for them to move forward they would seek us to cure it and language relative to as they move forward to this due diligence and what the results of what the title exam might be and the other element of this amendment. Ms. Pitcher they are extending the timeframe in order for them to

purchase November 3, 2023 and they will have the option to purchase it and any recourse if they decide against purchasing. Mr. Dunn it would have to do with the reason why they would not. Mr. Dunn explained if there was an impediment to the title, unable to be cured in an easy way and be a situation where they could walk away with no recourse and not sacrificing their deposit and walk away if they decide for the own reasons and do not want to move forward, they would surrender their deposit. Chair Angelini what is the amount of the deposit. Ms. Pitcher what is the status of the demolition of the structure. Mr. Dunn that is wrapping up that is something that was undertaken and activity and have been working with the railroad on that and a lot of requirements due to the nature of the demolition on being so close and integrated with the railroad bridge. The project was bid out with F & D Truck going well and nearly complete. The deposit was \$15,000.00 a five percent deposit. Chair Angelini that is a pretty small deposit do we have any interest from anyone else for this property. Mr. Dunn it makes sense to continue with them and good that they continue to be committed to the project. If we were to go in another direction, technically we would have the authority, a direct negotiation and we could also if we needed to look at other options, we could consider doing an RFP, I think we had planned on this and shown their commitment to make it happen and makes sense to approve the amendment. Mr. Minasion have they been in front of the Planning Board. Mr. Dunn, they have concept plans and official site plan application to the Planning Board just yet. They are waiting on the due diligence and the title exam all of that will inform that design in case there are any easements that affect the concept plan that they have right now. Mr. Minasian, do they have a brand. Mr. Dunn, they have been working with the Hilton brand, what they have done, discussing an H2 a similar extended stay to the Homeward Suites, a different brand under the same umbrella, similar to Homeward Suites but a newer kind of brand and have not seen a lot of them and heard about it Home2 I believe it is called. Chair Angelini do you think they would be willing to increase their deposit. Mr. Dunn I could ask them it is not something we have done. Ms. Pitcher it has been under agreement for an extensive period of time and extending another year and what is the total timeframe of adding that one-year extension on. Mr. Dunn the original time for conveyance was November 2020 and executed the agreement in 2019. I appreciate the comment and, in the case, if a developer were looking for an extension because of their own or something within their control I see asking for additional deposits, but I think the way we are approaching this with the impacts of the pandemic and certainly outside of their control and needed to wait for the markets to stabilize to move forward. Mr. Minasian, do we know if they are building anywhere else and moving their operations forward in other areas. Mr. Dunn a good question I am not aware if they have another project ongoing right now in another community. Mr. Burke did I understand that you were going to ask the about explore the possibility of increasing the deposit. Mr. Dunn I could do that and want to check with Mr. Traynor if that would be cause for a new vote. Mr. Burke that is why I was asking I did not hear anyone say they wanted to incorporate into the motion. Chair Angelini if we vote this that forecloses and seems reasonable for that tying up a piece of property for three years. Ms. Pitcher four years, probably more than for \$15,000.00. Chair Angelini if we approve this it forecloses Mr. Dunn from having that conversation. Mr. Traynor if you vote it the way it is Mr. Dunn could speak with them about changing the deposit and would have to come back to the Board for further vote to authorize that change to the terms of conveyance. Mr. Minasian if we do not approve this we have to come back. Chair Angelini inquired of Mr. Dunn if you hold this and have a discussion with the developer. If that is the will of the Board, I know they were anxious to have the title exam underway and would delay the engagement with the title exam. Ms. Pitcher why have they not been doing the work the past three years. Mr. Dunn some of it had to do with a very detailed title exam, costly and make sure things were stabilizing and could have said the markets are not rebounding

and not going to spend and especially during the height of the pandemic and did not feel comfortable spending on a speculative project at that time, along with financial impacts with the pandemic and existing business and tough decision to make to incur that kind of expense at that time. Ms. Pitcher has there been any environmental analysis done on the property. Mr. Dunn, we have not that would be part of what they chose to do that in a Phase 1 or Phase 2 as well under the due diligence. Ms. Pitcher I am envisioning next November that they need to do an environmental study adding another year. Mr. Dunn the extension we are recommending is due to the impacts of the pandemic and were looking for any additional time on any due diligence I think that is totally warranted in terms of additional deposit for tying up the property longer for their own decision to be looking for time to conduct additional due diligence and hold them to the timeframe as stated in this agreement if not we would look at other requests or negotiating points if there were any changes from here. Ms. Pitcher this is not the first project First Bristol has done they did the Homewood Suites and what is your sense are they serious about this project. Mr. Dunn they are serious about the project. Ms. Pitcher what is Mr. Dunn going to ask for another \$15,000.00 and understand the spirit of that but trust Mr. Dunn with his work and should extend until November if the developer is serious about doing the project and this is a tough piece of property and work with their engineers and architects to get it done. Mr. Minasian, they have a track record with the hotel across the street and it is going well and have not backed away and to Mr. Dunn's point if they were missing on their end with due diligence. Mr. Traynor this is a tough site to develop there is a lot of National Grid infrastructure on the site and they have to engineer and build around and a challenging site. Years ago, when we first started talking about it there was a lot of work of where the infrastructure was and how much of a footprint, they actually had to do the building. We were tied up for awhile working with the railroad and take the building down and putting money down when we were waiting for permission from the railroad and had to get engineering and flagmen and just wrapping up. Mr. Minasian are we still waiting on hotels in other areas that haven't come up. Ms. Pitcher I am all about adding density to downtown and a great location of mixed use and bridges that geography from downtown to Shrewsbury Street and excited about the project and if Mr. Dunn thinks the developer is serious then I am fine with the extension without going back to ask for an additional deposit. Chair Angelini you have heard the discussion and you are okay we can proceed to approve the amendment. Chair Angelini good discussion.

Mr. Minasian offered the following vote:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute amendment number one to the Terms of Conveyance Agreement with Washington Square Hotel, LLC for the properties at 0, 20, and 36 Washington Square

Ms. Pitcher second the motion.

The item was approved on a 4-0 roll call.

4. **Authorize Execution of a Second Amendment for the Lease Agreement with MA Division of Capital Asset Management and Maintenance on behalf of MA Commission Against Discrimination relative to the Leased Premises at 484-500 Main Street.**

Mr. Dunn is authorizing a second amendment to the lease agreement with MA Division of Capital Asset Management and Maintenance on behalf of the MA Commission Against Discrimination relative to the leased premises at 484-500 Main Street also known as the Denholm Building. When we acquired the Denholm Building and did inherit some of the leases that existed there with DCAM for MA Commission Against Discrimination and a unit owned by the Trust and to secure that lease with the Commonwealth and have successfully moved out as of October 31, 2022. This amendment is also a termination of the lease agreement and effective October 31, 2022, when they vacated the premise. It is good news because we are trying to get everyone out quickly and smoothly and successfully as possible and worked out well. I will note that this came up in context with the Postal Service as well I noticed as this was going on DCAM also issued a Request for Proposals for a new location in Worcester and helpful in terms of how they will be based out of the Springfield office and having people working remotely as well and helpful in terms of expediency and we did not have to wait for the culmination of this RFP for their new location and have been accommodating in that sense and good to see that they will institute a Worcester office again and will see once their RFP concludes. Chair Angelini good job Mr. Dunn.

Mr. Burke offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a Second Amendment to the Lease Agreement with the Massachusetts Division of Capital Asset Management and Maintenance on behalf of the Massachusetts Commission Against Discrimination relative to Leased Premises at 484-500 Main Street, Worcester, Massachusetts.

Mr. Burke seconded the motion.

The item was approved on a 4-0 roll call.

5. Financial Update Report

- a. Report on Prior Month's Executed Contracts and Payments**
- b. Report on Downtown Urban Revitalization Plan Expenditures**

Mr. Dunn advised from October 7, 2022, through November 7, 2022, total expenditures were \$212,656.56 for operations at Union Station. No large requisition this month from Gilbane-Hunt or any other vendors for our initiatives.

6. Status Reports

- a. Union Station**
- b. Downtown Urban Revitalization Plan.**

Mr. Dunn the most notable is our Request for Proposals for the sale and development for the Denholm Building. At the last meeting a vote was done to authorize the lease of that and made additional language updates and enhancements to the Responsible Inclusion Participation Policy and the elements that we mentioned at the last meeting. The one thing I realized after the last meeting when we wrapped up it would be good idea was to send that draft also to DHCD. As we move forward and select a preferred developer and a land disposition agreement DHCD will be involved approving that transaction. While they don't necessarily have a roll to play with formally approving the RFP, I thought it

would be good practice to see if they if they had any comments and they did not and referred as typographic along with very small changes which was good to see. Now that is complete, we are in the process of putting an advertisement in the Central Register and the plan for the release date posting this would November 23, 2022, and three months for folks to prepare an adequate and concise proposals due in mid-February. Moving along different timeline we anticipated at the last meeting and had to due diligence that I thought getting DHCD a look at the draft. Great idea having DHCD involved. Congratulations by the Board. In terms of the Denholm Building, we are having success in helping tenants out there are no formal requests for extensions and we will be giving out thirty day vacate notices soon and once we send those out and if there are any official requests or needs for any potential extensions for that timeframe, we will receive those at that time and have had success so far. Some have the locations identified and in the process of figuring out details and speaking with our relocation specialist things are moving pretty well. Chair Angelini all of us realize what an normally complicated and complex process this has been. I think that they way you have carried this out as you have is a credit to you and the Authority. Mr. Dunn wanted to recognize Mr. Ormsby has been a lead on this and handling a lot of details for me. The Board thanked Mr. Ormsby. Mr. Minasian when this was first in the URP the Denholm Building was a pie in the sky dream that it was way too complicated to touch, congratulations to everyone involved. Chair Angelini let me mention a discussion that Mr. Dunn and I had, and we have touched upon before in our discussions. There has been a recent amount of publicity lately about storefront closings on Main Street particularly this end of Main Street, north end of Main Street and concerns of retail operations and people that run them, a lack of significant enough traffic and of course a worry that we have been talking about for years I am not sure in any way it is the responsibility of the WRA given our engagement downtown Worcester it is something we at least should be aware of and perhaps pay attention to. I mention to instigate thinking what anything we can do about this or whatever could be done. Ms. Pitcher you have been particularly concerned about it and the nature of tenants and storefronts along Main Street. It is a worrisome subject and only bring it up and on the minds of lots of people and Mr. Dunn and I have been talking about it in the general way and wondering to be aware of that concern and feel free to express any thoughts now or if at all we can be constructively involved. Mr. Minasian just in terms of the cause of that and multiple factors; in terms of office vacancy and folks working downtown is that driving the retail closures and as we increase residential folks will be working potentially somewhere else and not around nine to five, do we have a sense of what is driving that the vacancy rate on the offices and making it more challenging. Mr. Burke, I think it is and work downtown there are hundreds of people prior to March 2020 would come to this building everyday who no longer come to this building, they are still working and not working in this building and that is repeated downtown and absolutely a direct correlation between COVID and retailers, the retailers that serve breakfast and lunch and those sorts of things. Ms. Pitcher I read the article in the Telegram and was disappointed by the tone and tenor of just their approach because the Owl Shop which sells tobacco, and the owner has been difficult. When the city took the Main Street Reimagined Project, they complained about that, they complained about everything. I continue to be concerned Main Street and downtown and everyone in the city should care about the downtown and people view the success of the city by its downtown and I think the Owl Shop leaving is definitely not an indication of anything he should have left a few years ago, he's a difficult guy he doesn't support the city downtown and disappointed the Telegram chose to amplify that story. There are other things great happening you have Crofts, Sweet Jane, Armsby Abbey the Japanese Sushi place just moved into the café and not like it is all bad and continue to try to encourage more first floor retail and encourage landlords to use the space for that, that is where and

I do not know if we can do that Mr. Dunn and aware of façade programs but what can we do to help businesses to go into those spaces. Mr. Minasian that is where I was going with that and hopeful with the Denholm Building if we have options of helping with the demands for retail maybe we take that into account and bring a workforce here and thinking most likely residential and do not know what the market will bear and helpful to think that threw on what goals we are trying to reach. Chair Angelini it is a silver bullet and I do not know where it is. Mr. Minasian it will come to us, and we will be fine. Ms. Pitcher there are followers and when you have density, they are not going to be pioneers first ones there they are following the density and the population and as we are building up more residential population and daytime population that retail will follow. As Worcester residents particularly on the WRA to be ambassadors and evangelists for Main Street. Chair Angelini suggested having lunch downtown. Mr. Dunn, Chair Angelini I appreciate you raising the topic it is something we are definitely thinking about everyday and were before that trying to fill the vacant storefronts that existed with some of the recent activities and something we are paying close attention to and trying to think through what actions might be helpful and what parties would be involved in that, whether the city or the WRA and maybe other partners on the Economic Development Coordinating Council, Downtown Business Improvement District have had discussions with them. We have conversations going and if we launch some kind of response or action to try to help address it and want it to be meaningful and effective and thinking through that and would say it does seem to be some sort of paradigm shift because I do not think that we will ever get to one hundred percent with that occupancy as we have seen with employers it is also important and while we want employers to bring back employees to their office space at the same time in order for those employers to attract and retain talent it is an employees market demanding that type of flexibility for work life balance and what we are seeing we will probably settle on some sort of hybrid and a lot of value in terms of the workplace environment teamwork and that culture and what we are hearing from employers right now some level of flexibility and not one hundred percent remote which is great but having one or two days a week option to work remote do not know if we will every get back to one hundred percent and somewhat of a paradigm shift and we have to think through that and I know a lot of communities are facing that now and thinking through what to do about it and definitely thinking that through and one of thing I wanted to mention and was discussed there is a correlation between that office environment the employees downtown and the issue with retail businesses being impacted by that and a confluence of factors. One thing not talked a lot about in this coverage these small businesses are dealing with real challenges with their workforce. There are businesses that are reducing hours or reducing capacity they do not have the workforce they need to be at full operation and that translates into the bottom line as well; and wanted to mention that is a key factor that businesses are challenged right now. In trying to track new businesses and look at macro-economic factors that we do not have control over a business that might need a loan and interest rates and the availability of debt. Maybe we play a particular role when we have these vacancies and want to get new businesses in there, we can leverage the programs and tools that we have in our toolbox to provide access to capital and think that is going to be critical for the next three years banks will be a little tighter, more conservative and the interest rate makes that cost of capital more expensive and definitely a role for us to play to access for capital for new businesses adventures over the new few years, and continue to have the discussion and keep the Board informed about where we want to go with that.

7. Adjournment

There being no further business, Mr. Dunn called the roll to adjourn the meeting at 9:567A.M. Chair Angelini great and productive meeting Mr. Dunn. Thank your team very much. Mr. Burke was welcomed.

Respectfully submitted,

Peter Dunn
Chief Executive Officer