

Worcester Redevelopment Authority

Vincent A. Pedone
Chairman

Peter Dunn
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Friday, January 15, 2021

9:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
David Minasian, Vice Chair
Jennifer Gaskin

Staff

Peter Dunn, Chief Development Officer
Michael Traynor, City Solicitor
Jennifer Beaton, Deputy City Solicitor
Timothy McGourthy, Chief Financial Officer
Alexis Delgado, WRA Finance Manager
John Odell, Energy & Asset Management
Jane Bresnahan, Office of Economic Development
Amanda Cornwall, Office of Economic Development
Greg Ormsby, Office of Economic Development
Robert Stearns, City Auditor

Pursuant to a notice given (attached), a meeting of the Worcester Redevelopment Authority was held at 9:00 A.M. on Friday, January 15, 2021

Chair Pedone announced that all votes will be roll call.

1. **Call to Order**

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

2. **Roll Call**

Mr. Dunn called the roll – Mr. Pedone, Mr. Minasian, Ms. Gaskin

3. **Approval of Minutes:** December 11, 2020

Chair Pedone asked for a motion to approve the minutes.

Mr. Minasian made a motion to approve the minutes, Ms. Gaskins seconded the motion.

The minutes were approved 3-0 on a roll call.

New Business –

Amendment #4 to the Owner-CM Agreement with Gilbane-Hunt Joint Venture for a total contract value of \$134,779,035, inclusive of the Polar Park Guaranteed Maximum Price (GMP) and Parking Garage.

Chair Pedone requested Mr. Dunn to describe the items on the agenda and that Mr. Angelini and Mr. Tilton are not able to vote on the items due to conflict of interest. Mr. Dunn advised there is a quorum with Chair Pedone, Ms. Gaskin and Mr. Minasian the other two Board members Mr. Tilton and Mr. Angelini have conflict of interest with Ballpark items, the entire agenda is related to Ballpark items.

Mr. Dunn referenced Amendment #4 to the Owner-CM Agreement with Gilbane-Hunt Joint Venture carrying out the construction of the Ballpark. This item was on the City Council Agenda on January 12, 2021 as an update to the overall construction costs of the Ballpark which included a loan order related to the financing of this contract amendment. The City Council on January 12, 2021 voted to advertise the loan order and will hold a meeting with the Economic Development Subcommittee of the City Council taking place on Tuesday, January 19, 2021. After the ED Subcommittee meeting, the item would return to City Council for the final vote on the loan order; if approved it would be accepted on Tuesday, January 26, 2021. The item also includes the agreement between the Joint Venture Gilbane-Hunt and the Worcester Redevelopment Authority and requires a vote of the Board to authorize the execution of that Amendment. If the vote were to be passed this morning the contract would not be signed until the funding authorization and the loan order goes through the City Council process because the financing is what's needed to sign off on the Amendment. In terms of the dollar amount, the value of this contract with the Joint Venture will be \$134,779,035. The contract with Gilbane-Hunt includes both Ballpark construction and non-Ballpark construction. The majority of the Amendment is for Ballpark construction but it is noted that there is additional detail in the supporting documentation that includes other funding authorizations to date for the non-Ballpark items including the parking garage and some other City related costs. Some folks may have seen the Ballpark costs stated at \$117 million that is related to the shared costs of the City with the Team. The other overall costs for site preparations and site work that was City costs above and beyond the Ballpark itself is in excess of \$117 million but the figure of \$117 million is the ground up figure of construction that includes financial participation of the Worcester Red Sox.

In the attachment there is an outline from the Joint Venture in terms of how the \$134,779,035 is calculated and shows the \$104.5 Million for the Ballpark construction under their contract. This is an explanation of the item. Ms. Gaskin requested a point of clarification for the public would you explain how the City is going to be reimbursed for the funds that are being allocated to the Ballpark project? Mr. Dunn replied as indicated in the City Council item, the current cost of the Ballpark is about \$17 Million over what was the previous cost estimate, which was a year ago. That \$17 Million is the responsibility of the Worcester Red Sox and was called for in the agreements to this date. Their financing plan for the \$17 Million is two-fold, including additional equity contribution from the Team as well as municipal borrowing on their behalf which is the loan order pending before City Council. The total amount of that loan order is \$14 Million and includes the net proceeds that would go to the cost overruns as well as the cost of issuance and capitalized interest. The Team is fully responsible for paying the

debt service on that additional borrowing. That is captured through their lease payments. We have provided as a supplement and related to another item on the agenda, the final lease agreement between the Worcester Redevelopment Authority and Worcester Red Sox.

Chair Pedone asked the members and Mr. Dunn to take the agenda items collectively to explain to the public how we are moving forward and what that means for the tax payers. Chair Pedone stated if there are no objections from the Board for legal issues and taking the rest of the items prior to the votes, so that there is a cohesive conversation of what is taking place on the agenda and after that, take individual motions on each item. Mr. Minasian agreed as we will be receiving a narrative of each item and discussion. Chair Pedone inquired of Mr. Traynor is there anything we need to be aware of from a legal perspective? Mr. Traynor advised the Board that it is fine to discuss items collectively and take the individual votes. Chair Pedone asked Mr. Dunn to discuss the remaining items for overruns.

Mr. Dunn provided a brief discussion of Amendment #4 which is inclusive of the Guaranteed Maximum Price for Polar Park as well as authorized funding to date on non-Ballpark items and will continue in the same discussion. Mr. Dunn advised the Board that he received an email from a constituent about Item 2 regarding why we are doing a change order at the same time of the amendment for the Guaranteed Maximum Price document. He advised the GMP was done a few months ago and as we were working on additional negotiations and language relative to the contract amendment and language relative to that item there were additional changes and increases in costs through the project. At some point we had to freeze the Guaranteed Maximum Price as one cohesive document otherwise the document would continue to need updating – since the time of establishing the amount of Amendment #4, there've been \$2,892,286 of approved changes, which is characterized as Change Order #1 to the Guaranteed Maximum Price.

In addition, Item #3 on the Agenda is restated value for Amendment #9 for D'Agostino Izzo Quirk Architects, Inc. (DAIQ) the designer of the Ballpark. This was an item brought before the Board several months ago related to the cost of Amendment #9. At the time it was proposed for a not to exceed value of \$998,060. As the project moved along we were able to reduce that number to \$913,060. We wanted on the record that reduction as an agenda item for the restated value recognizing the final amount of the amendment with D'Agostino Izzo Quirk Architects, Inc. (DAIQ).

Item #4 is the Lease Agreement, which was also provided to the City Council and attached as part of the packet. This is the final lease agreement between the Worcester Red Sox and the Worcester Redevelopment Authority. Up until now it has been letters of intent, starting with an initial letter of intent with a series of amendments that have progressed over the past two and a half years. This is the final draft lease agreement and requires a vote before execution with the Team. Items noted in the lease agreement relating to the city's willingness to recommend the \$14 Million loan order to the City Council. It includes extending the lease term; it was originally planned for thirty years and has changed to thirty-five years; it extended the covenant not to relocate from the original agreement with the Team, which was originally for fifteen years, and even then that would be only available to them if they paid off the remaining debt service obligations. That covenant not to relocate has been extended from fifteen years to twenty-five years. In addition it removes the City's guarantee of corporate sponsorships for the first five years from 2021 to 2025. When the initial negotiations began with the Team they wanted to be sure that there was a level of corporate support for the

sponsorships they need to be successful and the City provided a guarantee of that corporate support in an amount of \$3 Million annually for the first five years until 2025. The corporate support has been very successful and exceeded their expectations for the first year. As a result of that and part of the negotiation we removed the City's need to guarantee that level of corporate sponsorship for the first five years. In addition, it modifies the City's liability for liquidated damages particularly related to the delivery of the Ballpark. There is a section within the lease agreement stating that. The language stated is more favorable to the City. In addition, it includes some provisions and terms related to advertising. Summit Street is a public way that was constructed by the City and runs adjacent to the Ballpark. That is envisioned to be similar to Lansdown Street, Yawkey Way where you have patrons of the Ballpark along with vendors selling concessions. It will also be a place for local vendors of Worcester restaurants, local food and beverage. Mr. Dunn explained it was a ticketed entry, but a public way on non-game days. It was previously unclear if it was to be considered part of the Ballpark proper or part of the Ballpark district outside realm of the Ballpark. That effects the advertising shared between the City and the Team because the Team receives 100% of the advertising revenue inside the Ballpark proper, the City splits 50/50 the areas surrounding the Ballpark. It was clarified in the lease agreement that for the purposes of advertising, Summit Street is considered as part of the Ballpark District and surrounding area so the City is allowed to participate in the net proceeds of that advertising 50/50 rather than having all those proceeds go to the Team. In addition, there could be potential advertising opportunities in an area described as the left field building podium. It's the foundation and the beginning of construction of the building by Madison Properties. We had expected the building to be constructed by now, at least the core and shell, and since the building has been delayed it may present an opportunity for potential advertising revenue and the Team will split the revenue with the City 50/50 as well. Those are some of the highlighted changes in the terms. As you know in the lease agreement, the framework for it was the letters of intent leading up until now and have been memorialized in this formal document and those are some of the changes that we had asked for and were accepted by the Team as a result of their request for our additional borrowing. Mr. Dunn suggested that we save the workforce diversity report. The first four items are about the Ballpark package related to the financing and lease agreement with the Team.

Chair Pedone thanked Mr. Dunn and asked about the overruns and you may have reviewed them. I would like to know what we've heard from the Project Manager, the Team and our own team on the ground the reasons for the overruns. Mr. Dunn it's a combination of factors and gave insight in the City Council item. I will review those items. Certainly starting with COVID-19 as we started this project we never expected to have a global pandemic and it has impacted every facet of life as we know it. There have been direct costs related to COVID. We had to shut down the project for seven weeks in the spring out of an interest for public safety and public health. COVID direct costs relate to acceleration to make sure that we would still deliver the Ballpark on the schedule. It also includes direct costs related to all of the PPE that's needed for all the workers, as well as temperature controls for the workers, having hot water for hand washing at the construction trailers. It also has other effects on productivity. We've had to have workers more physically distant on the site. We've had some positive cases as well among laborers and foreman. When they are quarantined and off the job that certainly affects productivity. In addition, starting from the beginning there were issues with the original estimating. There were some potential disconnects extrapolating cost estimates from other projects. It is a very unique site, there is a Millbrook Conduit that runs underneath the site and had to be accommodated. The topography is very unique,

soil conditions and other factors related to the site itself and limits the ability to extrapolate costs from another project to this one and affected we why we are so far beyond the initial estimate. In addition, design challenges, construction management, project management; this is a Chapter 149A project which has a public construction process. As it compares to other minor league Ballpark projects around the Country that are completely private jobs, a private job has additional flexibility with regard to negotiations and other elements that we do not necessarily have when following the Chapter 149A process. In addition, I wanted to highlight that it was important to us to have it be a public construction project; it is very transparent and it makes sure that we have good representation of local participation. I know the City Manager has been proud that over 95% of the project has been built by union labor. We currently have 22% Worcester residents, Ms. Skilling's update today will show us a slight increase in the percent of people of color on the job which is now 24%, as well as 6% women. While that sometimes comes at a cost and certainly with the prevailing wages that come with a public construction project as well, that was important to us to make sure the project was as beneficial to the local community. Lastly, as the statement from the Team mentioned they did not want to compromise on the innovations provided at the Ballpark. I think some folks are probably seeing the cool features that are implemented at the Ballpark and there was a video released last week giving folks an update on some of the design elements. In addition, some of the other things to come will be the innovation of the contactless market and working with a company called Standard Cognition to install basically contactless not using a cashier for concessions when you leave the retail market. It will know what you've chosen the next wave of innovation with retail operations. We certainly wanted to make sure we had maximum accessibility in the Ballpark, a children's zone to make sure that it is interesting and provides value to the community on non-game days as well and open throughout the year. They have also incorporated as well a garden area including herbs and vegetables. They wanted to include these features as well for a world class Ballpark that we would all be proud of and did not want to comprise to just save costs and remain committed. Those are some of the highlighted reasons for factors that lead into it. Mr. Dunn asked the Board if they had any additional questions.

Chair Pedone thanked Mr. Dunn for reviewing with the Board it was important for the Board to hear the explanations and have on the record. Chair Pedone you had mentioned that the Team released a video and has seen the video and encourages others to see it. I would ask for the record a link for the video:

<https://www.youtube.com/watch?v=92Do91vgG68>

Chair Pedone the next item for discussion something outside of Mr. Dunn's control are we still on time for the project? I suspect the answer is kind of yes, will we be able to open when we agreed to be open, if not, either due to COVID if possible delays in opening the stadium, or a delay to the start of the season, what happens to the contract language or we suffer significant penalties. Has Major League Baseball announced anything and how spring ball will look for Minor League? Mr. Dunn great questions Chair Pedone I do think your right it's a combination of both Major and Minor League Baseball making that decision together, as you've seen Major League Baseball is more involved now in Minor League Baseball. That's one question that we do not have answered and have not received official guidance in terms of whether the schedule will start on time or whether they will delay the schedule at all. If they did delay it, it might be beneficial for a couple of reasons, one is that the season typically wraps up around Labor Day and we know that weather is pretty good in September, October if they delayed a month and tacked on a month at the end; that actually might be helpful,

chances are the population will be more inoculated with the COVID vaccine so we might have better capacity availability in September and October rather than we might in April. In addition, as it relates to your question on the construction of the Ballpark and your answer is more or less correct. It is on schedule for completion in April there are maybe some detailed features and things we're working through particularly in the Children's area, the outfield berm area where Plymouth Street comes up and connects to the Ballpark in terms of some of those elements. They would not prevent the substantial completion or certificate of occupancy but might not be fully buttoned up. We do not see any significant impacts in terms of substantial completion of the Ballpark and certificate of occupancy. The extra month might give us a little bit of breathing room in terms of going through the punch list and making sure things are done for when they start accepting fans. The last thing in terms of the schedule is we are still seeing significant numbers of COVID within the community that's the schedule as it is today and do not know what the next three months will present if we have a cluster or outbreak among any of the construction crews; those are things we can't predict right now. Chair Pedone staying in line with this inquiry are you saying we do not anticipate any of the contractual penalties kick in because we will have met our obligation under the construction of the Ballpark, that's correct? Mr. Dunn asked Mr. Traynor to comment on the particular section of the lease agreement in terms of timelines we've outlined related to the delivery of the Ballpark and liquidated damages and how they've been updated. Mr. Traynor we don't expect to be hit with liquidated damages, we feel the construction schedule is going to be done on time particularly if the season is late a month, give us more breathing room. The way the lease is set up, if we can't deliver the Ballpark and they have games canceled because of that, we would pay a penalty for that missing game and that is one component in the liquidated damages. After a certain amount of time there is a daily penalty, but we've moved that deadline out as a result of the renegotiated lease to August 15, 2021 recognizing some of the challenges. We expect to have beneficial occupancy on time. Chair Pedone requested of Mr. Traynor the clauses relative to damages if we are unable to deliver the Ballpark regarding ancillary parcels. For instance – parking - are there any penalties associated within all contained within the Ballpark itself or anything we have in the agreement with the Team relative to parking are we on track with that or is that a concern to have parking available and is that part of actual obligation that we have to compete by August 15, 2021? Mr. Traynor the liquidated damages only relate to the Ballpark completion and does not extend to the parking garage going to be built on the south side of Madison Street. That will not be done in time for opening of the Ballpark but there is ample parking. We have a robust parking plan for all available parking as an existing City asset in and around the Ballpark district and that would not trigger any penalty. Chair Pedone this is unrelated to the construction of the Ballpark? Are other communities developing COVID vaccination distribution plans and they are using major and minor league Ballparks and venues as part of that distribution plan is there any conversation with the Red Sox if the Team is not able to occupy because the league has suspended play and not able to occupy the field is there any discussion about using the new Ballpark site as vaccine distribution site? Mr. Traynor not that I'm aware of, I would doubt that this conversation would take place because there is a whole separate part of city employees working on a comprehensive plan and would not be taking into account something that may and may not be available. This planning has been going on for months. I think all of the sites they need have been identified for vaccination for wider general public, first responders are currently being vaccinated.

Chair Pedone – Ms. Gaskins, Mr. Minasian any thoughts or comments. Mr. Minasian said this is incredibly complex, incredibly important project for our City and want to thank everyone who is working on it; there have been so many curve balls thrown in all

the time and I appreciate the clarity in answering the questions about the most recent loan and the negotiations surrounding the loan. Relative to the overruns when we started with this and we agreed upon a design of the stadium, is that first initial design that we all agreed on and the same stadium that we see at the end and if not, how big of a difference is that. If we agreed upon a certain Guaranteed Maximum Price with a certain product we now have a different product that's what I'm hearing and that plays into all costs. Mr. Dunn replied that's a good question, it is related to some of the discussion that was given regarding cost factors. The initial schematic design that was done around 2018 certainly came in over the target budget and they had to go through a redesign process to bring the design more in line with what the cost estimate was. However, I do want to make a point of clarification the design that's been shared publicly is the design being implemented, the revised design that they did after the initial came in over the target budget and not missed communicated to the public or expectations of the public what's been out there is the design that is being built. Mr. Minasian asked if there have been changes how does that affect the overall cost overruns? Mr. Dunn to be a little more specific there were some value engineering efforts around some of those smaller things - can we tweak this here or tweak this there, to save some costs. And related to the very initial schematic design coming in over that target budget, that process of redesigning for something that was more in line with the budget certainly compressed the schedule as well. But overall to your point, yes some of the changes that have been made have been owner initiated whether the Team wanted to make a tweak or some value engineering initiatives, but none of them impact the fundamental elements of the design, it's really kind of the smaller elements. Mr. Minasian to be clear ultimately the Worcester Red Sox if they are initiating design changes and the cost associated who is responsible for those costs. Mr. Dunn said this relates to the introduction of the \$17 Million where last year and the Team will bear full responsibility for that. Certainly if they initiate changes it will add to the costs and are responsible for covering those costs. Mr. Minasian I appreciate that and it make sense for the Team has the flexibility and make changes through the process and bearing the costs and in terms of a taxpayer from my perspective is a good thing. In terms of the other piece around COVID we're seeing all construction projects dealing with this. There are COVID cases everywhere on construction sites, supermarkets, families, all those challenges you outlined really well. They're on private jobs as well as public jobs. From my perspective, I believe that this has been working very well. I think the lease extension moving from March to August was a very wise move and reduces the risk on the taxpayer and the City and a lot of the negotiations and very happy to see the reduced risk that we have and a good tradeoff. I do want to echo as well that the transparent process with the amount of taxpayer money involved in the project is incredibly valid, it builds confidence in this project and we've seen the diversity reports the local hiring reports we received from Ms. Skilling each month. It's going great just as was planned and has an economic driver as well. Another point the schedule is very important not only on the liquidated damage and getting open in time and making sure that what we're paying for will be completed when we want it to. The Ballpark project is feeling good and we will be open when the season opens and if opening a month later we're feeling more confident is that correct? Mr. Dunn confirmed that's correct.

Mr. Minasian asked about revenue impacts on the Team's side as well as revenue impacts on the City. In terms of capacity regarding COVID it could be a delay in the season and reduced participation with attendees in the stands and relative to revenue how does this loan order and the Team's business plan absorb that potential loss of revenue increased costs and the potential loss of revenue in terms of meeting the payment. Mr. Dunn a great question you're right, one of those unanswered questions we do not know the capacity restrictions will look like at the beginning of the season. It is probably safe to

say at the beginning part of the season there will probably be some level of restrictions since it's only three months away and our numbers are pretty high right now. That remains to be seen, but as is a way to protect against that, the effect on the Team's revenue and their ability to make the payments as part of the \$14 Million Loan Order it includes capitalized interest on the existing debt so it allows the payments due in both this year and next year to be very manageable. I was looking for the page in the Lease Agreement with a schedule outlined of what their payments will be. Mr. Traynor it is Exhibit B in the document. Mr. Dunn the first year payment is \$32,170.00 and the second year is a little higher at \$177,635.28 and are very manageable and escalates significantly in Year Three. Mr. Minasian inquired of Mr. McGourthy the overall impact we have the new loan along with a delay from some of the private development, Madison Properties, although we are now seeing additional projects coming onboard, Boston Capital and Churchill James reflects on the building of the stadium and attracting millions of dollars in development and investment surrounding the area and public needs in affordable housing. How is that private development a delay on that and affecting the tax revenue and our ability to make the payments that we need to do? Mr. McGourthy as Mr. Dunn mentioned the \$14 Million Dollar borrowing does provide us a significant cushion under the borrowing of a portion of the debt that is assigned to the Team so that is actually helps solidify our ability to make debt service payments in these initial years. As for the broader development this is something we outlined in our last council item in November, 2020. As a result of pulling funds from the land sales that the WRA is doing to Churchill James we are able to create a reserve that we can draw on for the initial year or two in order to pay off debt service burden on the City side. The new debt that we're adding on the \$14 Million is carried fully by the Teams payments. Not much has changed as a result of this addition of debt on the city's perspective but to your point and Mr. Dunn can speak more regarding this, the addition of the new development that we see moving forward will significantly benefit the City, the DIF, and its ability to cover the costs. Mr. Minasian those projects are not breaking ground tomorrow and will not be occupied in a year, even those projects getting online later and project out the first and second year that's a concern I have right now with Madison not being online as the same time as the Ballpark. Mr. Dunn replied I think your right in terms of when do these projects actually break ground and we realize that revenue timing, but what Mr. McGourthy had mentioned is the WRA surplus properties that we have at 85 Green Street, 2 Plymouth Street, 5 Gold Street, 7 Gold Street, 8 Gold Street, are under a land disposition agreement with Churchill James, LLC for a \$3 Million Dollar acquisition price and that is expected to close before the end of this fiscal year. The proceeds from that sale, \$3 Million, will provide that more short-term revenue as they continue to develop their project and occupancy. Mr. Minasian the \$3 Million revenue for the new project discussed, this \$3 Million Dollar reserve is that enough to cover how long on our payments, is it a year, two years, months? Mr. McGourthy that will allow our reserve to carry out payments for about two years, with other funding that is anticipated becoming through in those years as well. Mr. Minasian can you elaborate on the other funding? We anticipate through Madison's Properties project – certain tax payments, the rental payments for the garage will start to come through, certain district parking revenues that will start happening beyond the garage, certain revenues that we'll see from the Wyman Gordon development which is within the DIF District areas. There are a number of other elements beyond the Madison piece, particularly of development and beyond these two new projects, should enable us to navigate these first few years utilizing that reserve. Mr. Minasian that's great I'm very excited about the new additional projects. We're in the middle of a pandemic, but financing is there and the ability to keep going with the Worcester Renaissance moving forward and getting us through this tough time the first few years that is really helpful. I hope we keep seeing it and continues and very happy to

hear that \$3 Million in reserve provides that cushion to get us through this turbulent time. Chair Pedone if we are required to tap into the reserve, what is the plan to replenish those reserves, is there a plan not to exceed a certain amount of percentage of the reserve fund, how do we recover from spending our reserves? Mr. McGourthy one item I should mention is that Madison Properties will start targeted tax payments on certain properties regardless of the state of their development, which is another guaranteed funding source of some sort. The reserve fund is aimed to buffer the service payments. The November presentation to the City Council related to the change in the timetable for Madison Properties and what that might mean in terms of the debt service coverage, we actually anticipate the reserve growing for a few years before decreasing in the early 2030s. At that point, with this new development online, it'll actually have taken off far beyond our expectations. We think it will have a substantial buffer throughout. I'll also mention that the City Manager has committed in his comments to City Council, when the debt reserve gets to a certain point and that point has not yet been specifically determined, whatever that might be, twenty years, fifteen years, the City Manager would then look to bring dollars back over to the City, out of that DIF reserve for use on other City projects. Our goal is that the DIF reserve remains for any period of time that is necessary to get us through these initial years of ups and downs, but then can be utilized as a funding source for other City projects in the long term. Chair Pedone that answered my question. Mr. Minasian in terms of delays on the private development, we've seen some, are there any concerns that there will be further delays or have received any communication from Madison Properties on the new timeline and is financially committed and moving forward? Mr. Dunn advised the first building is expected to be breaking ground in the first quarter. They have filed for the building permit for the first residential building on the south side of Madison Street which is a good sign. No other anticipated delays on the development program as it stands now. As Mr. McGourthy mentioned with some of the TIF Plans that we've approved for those projects, we were intentional about creating those as targeted tax payments, those payments will be coming to the City regardless of the status of the building. Mr. Minasian I'm glad this was discussed a couple of times. It again was another move the City made to reduce our risks. Although the development is delayed, we will receive tax funds coming in. It is nice thinking of all these moving parts and reducing our risk and that's the best we can do in these turbulent times. Is there any liquidated damages, anything the City has in case worse case scenario that the private development around Madison Properties doesn't move forward? We have that tax that was discussed and income coming in from the stabilization agreement is there anything else in place? Mr. Dunn the only thing maybe on the left field building which is a transaction, where they are receiving the land from the Worcester Redevelopment Authority have certain remedies. I'm not sure that is finalized, it's not in a form of liquidated damages. Mr. Traynor we do not have liquidated damages in that agreement, at some point they will lose years off their TIF Agreement. An example would be a fifteen year TIF, then you start the clock on that fifteen years it doesn't get bumped out. We are still nailing down final terms on the left field building. When that goes forward there will be some protections that will be built into that agreement. Mr. Minasian has the land been transferred I believe it was completed? Mr. Traynor we have not transferred the left field building site to Madison Properties yet. Mr. Minasian then asked if the Stadium has been transferred to the City. Mr. Traynor confirmed yes.

Ms. Gaskin I would like to clarify for the public that this money Ballpark project is not coming from tax dollars [annual budget]. It is not taking away from any of the City of Worcester programs around homelessness, around community support, or programs similar. That is a key point that needs to be made, a lot of times I'm seeing and communicating to hear that we're spending millions and millions of dollars on building a

Ballpark, while there all these other social ills happening around us. I want to make clear to everyone, that in my experience and the years that I've been a member of the WRA Board, none of us are ignorant to what is happening around us and none of us on the WRA, are willing to put forth a project like this, if we didn't think that ultimately it would benefit the community that we live in. I also want to make sure that everyone is clear. Mr. Dunn you did an excellent job on explaining what the Administration has done to ensure that the impacts to taxpayers is low, the risk to taxpayers is low, and really the burden of taking care of this project is on the Worcester Red Sox, not the City of Worcester. I need the community to understand that, and understand myself personally, as well. Chair Pedone, Mr. Minasian, and I are not ignoring anything we see happening around us. We're all here because were volunteering our time, to help the community we live in. We would never be a part of something that is not doing that. Mr. Minasian and I raised very early on in the project, and thank you for raising again, making sure that the City of Worcester is adequately represented, people of color are adequately represented, women adequately represented, as part of this project. So not only benefiting, through ultimately what we will get in our City in terms of a stadium, in terms of housing, in terms of business, in terms of tourism coming into our community not only that, we also considered the community, in terms of giving employment and experience through this project. I would like to remind everyone that the WRA was part of the Medical City Project. We now benefit from Medical City being in Worcester. People cannot forget what we put forth in that investment and are now reaping the benefits many years later. This is what we are looking at with the Ballpark. Yes money is being spent right now, but what is the return going to be to the community. Everything that's been done through the Downtown Urban Revitalization Plan down to the Ballpark, is to improve the community for all citizens. It's just not for bringing in affluent citizens it's about stabilizing the community that's here. I want to make sure that were making that point, all the money and the discussion of finances that's fine and is important, I want to make sure people understand, at the very basis of this is, we're working to make Worcester a better community to live in for everybody. Chair Pedone, for the record, I hope Ms. Gaskin's comments are verbatim, she hit the nail on the head. More and more folks that are engaged, know that we are members on the WRA. It is mind blowing how the conversations starts that were spending \$150 Million Dollars of City money to build a Ballpark, when we have all these other problems and its unwanted ignorance of people. Ms. Gaskin thank you for saying that and specifically pointing out to the Medical City Project where there were significant concerns. Chair Pedone we grew up in this City and remember what Summer Street and Central Street looked like before the Medical City Project. We remember when there was no MLK Boulevard and just a big dilapidated old building that was completely overrun pigeons, broken windows which was adjacent essentially to Union Station. That was completely dilapidated falling apart and condemned. The redevelopment of both these projects undertaken by the WRA, over the course of the last thirty years, can point to our significant changes in our City and in my estimation, without significant investment for resources from the City. Thank you for pointing that out Ms. Gaskin it is much appreciated. Mr. Traynor I'd like to make a comment to Mr. Minasian that there were curve balls there were knuckleballs as well. Chair Pedone the knuckleball that was thrown at Yankee Stadium and the Red Sox got knocked out of the playoffs in the twelfth inning we didn't swing and miss we knocked out of the Ballpark.

- 1. Amendment #4 to the Owner-CM Agreement with Gilbane-Hunt Joint Venture for a total contract value of \$134,779,035, inclusive of the Polar Park Guaranteed Maximum Price (GMP) and Parking Garage.**

Ms. Gaskin offered the following motion to:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice chair to execute the Guaranteed Maximum Price Amendment (Amendment No. 4) to the Owner Construction Manager Agreement between the Worcester Redevelopment Authority and Gilbane/Hunt, a joint venture, in the not to exceed amount of One Hundred Thirty Four Million, Seven Hundred Seventy Nine Thousand, Thirty Five Dollars and no cents (\$134,779,035.00).

Mr. Minasian seconded the motion.

The item was approved 3-0 on a roll call.

2. **Change Order #1 to the Owner-CM Agreement with Gilbane-Hunt Joint Venture in in the amount of \$2,892,286**

Ms. Gaskin offered the following motion to:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Change Order No. 1 to the Owner Construction Manager Agreement between the Worcester Redevelopment Authority and Gilbane/Hunt, a joint venture, in the not to exceed amount of Two Million, Eight Hundred Ninety Two Thousand, Two Hundred Eighty Six Dollars and no cents (\$2,892,286.00) relative to the Canal District Ballpark Project.

Mr. Minasian seconded the motion.

The item was approved 3-0 on a roll call.

3. **Restated Amendment #9 value of \$913,060, reduced from \$998,060, with D'Agostino Izzo Quirk Architects, Inc. (DAIQ)**

Ms. Gaskin offered the following motion to:

Whereas, the Worcester Redevelopment Authority previously authorized Amendment No. 9 to the Design Services Agreement with D'Agostino Izzo Quirk Architects, Inc. in the not to exceed amount of Nine Hundred Ninety Eight Thousand, Sixty Dollars and no cents (\$998,060.00) relative to the Canal District Ballpark Project on July 17, 2020;

Whereas, the Parties desire to reduce and restate the amount previously authorized by Amendment No. 9, thereby reducing the contract amount by Eight Five Thousand Dollars and no cents (\$85,000.00);

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a re-stated Amendment No. 9 to the Design Services Agreement with D'Agostino Izzo Quirk Architects, Inc. in the not to exceed amount of Nine Hundred Thirteen Thousand, Sixty Dollars and no cents (\$913,060.00).

Mr. Minasian seconded the motion

The item was approved 3-0 on a roll call.

4. Authorize Chair or Vice Chair to Executive Lease Agreement with the Pawtucket Red Sox Baseball Club, LLC d/b/a Worcester Red Sox

Ms. Gaskin offered the following motion to:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute the Ballpark Lease Agreement between the Worcester Redevelopment Authority and Pawtucket Red Sox Baseball Club, LLC d/b/a Worcester Red Sox.

Mr. Minasian seconded the motion.

The item was approved 3-0 on a roll call.

Chair Pedone all four items relative to amendments and authorizations for the Ballpark are approved. Chair Pedone thanked Mr. Dunn, Mr. Traynor and Mr. McGourthy and their teams for putting together such a comprehensive packet and your explanation and description of each item as it relates to the bigger general project is greatly appreciated I thought it was a great discussion and thank for your work.

5. Canal District Ballpark Project workforce diversity and inclusion report.

Mr. Dunn pretty consistent numbers again but a little uptick in people of color and will have Ms. Skilling from Gilbane-Hunt for this month's update. Ms. Skilling advised the report has been addressed throughout the discussions of the previous items. The female numbers are steady at 6%, in the last couple weeks we actually added one or two females at the site and waiting for payroll reports to confirm. The people of color is up to 24%, residents are holding steady 22%. I've been conducting outreach to all of the subcontractor's onsite, specifically this week as a New Year's renewal of their commitment. I've also sent communications to each of the subcontractors telling them where they stand for those that are not where they should be and asked for information and updated plans on how to reach their goals, as well as positive emails to those subcontractors meeting their goals, it's important to reinforce that as well. Ms. Skilling is constantly in communication with the contractors this is a new sweep to reinvigorate and will yield better results through these communications. All of our subcontractors are meeting all our three goals or at least two of our goals. Out of the few that are not meeting their goals, we have been in communication with them and taking steps to get to where they need to be, sometimes there is not an unavailable workforce although COVID is everywhere right now people seem to be working. Everyone in the industry is working for the most part which is positive thing, where there are shortages that will be indicator to the industry where we need to add people to continue to have a diverse industry. I think the project as a whole has done really well and looking forward to getting to the finish line.

6. Financial Update Report

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

Mr. Dunn presented the financial report showing expenses from the last period December 8, 2020 through January 11, 2021. No surprise the majority of these expenditures are

related to Ballpark project. If there are specific questions, we can answer, but it has been consistent with the trend over the last several months.

7. Status Reports:
Union Station – Vendor & Maintenance Performance
Union Station – Miscellaneous Renovation Projects
Urban Revitalization Plan
Midtown Mall
Great Wall

Chair Pedone as this point no other Ballpark items on the agenda, we will move into general standing items. Our contracts with Union Station, Urban Revitalization Plan, and other regular issues. Mr. Dunn I would like to request any status updates vendor and maintenance, miscellaneous renovations projects, and/or on the Urban Revitalization Plan. Mr. Dunn we knew this would be a lengthy discussion on the previous items and not prepared any specific status updates on projects and knowing that the other two Board members would not be able to participate in those discussions and we tabled those for next month and we did not have significant updates related to other projects and will have updates at next month's board meeting.

Motion to adjourn to meet on February 12, 2021, March 12, 2021 and April 9, 2021. Chair Pedone the meetings are at 9:00 a.m. and the Board will continue to meet remotely. Chair Pedone suggested for the April meeting a conversation to see what the Administration would be recommending for Boards/Commissions and City Council to start meeting in person. Mr. Dunn advised he did not think it would be any earlier knowing where the numbers are and vaccination schedule and look to reconvene as soon as we are able. Chair Pedone the next three meetings at least will be February 12, 2021, March 12, 2021 and April 9, 2021 will be remote and will reassess at the April meeting. Ms. Gaskin wanted to say that as black woman and a person who works in the pharmaceutical industry, for those of you that do not know, I work in quality and compliance in the pharmaceutical industry I am one of the individuals that checks data and makes sure that things make sense and that we did the right thing and I am saying as person who works in the industry. Ms. Gaskin got the shot and the shot is safe. Chair Pedone and with that in this discussion back in August and early September I entered Pfizer vaccine trial at UMass and I received the vaccine and I've not grown a third eye, not loss my mind and I've not had symptoms and I'm tested weekly for my job. Ms. Gaskin if you would like a science lesson on the vaccine email me and I'll explain it. It's safe, its RNA not DNA they not changing your genetic makeup.

Chair Pedone asked for a motion to adjourn. Mr. Minasian motioned to adjourn. Ms. Gaskin seconded the motion.

8. Adjournment

There being no further business, Mr. Dunn called the roll to adjourn the meeting, the meeting adjourned at 10:36 A.M.

Respectfully submitted,

Peter Dunn
Chief Executive Officer