

Worcester Redevelopment Authority

Michael P. Angelini
Chair

Peter Dunn
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Thursday, June 8, 2023

2:00 P.M.

City Hall, Levi Lincoln Chamber
Worcester, MA 01608

CALL IN INFORMATION:

+1-415-655-0001 US Toll
Access Code: 2316 305 8134

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
Jeanette Tozer, Office of Economic Development
Rachel Pressey, Office of Economic Development
Victoria Porteiro-Cejas, 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 2:00 P.M. on Thursday, June 8, 2023

1. Call to Order

Mr. Dunn called the meeting to order at 2:05 P.M.

2. Roll Call

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

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

New Business

- 1. Authorize the Chief Financial Officer to transfer any and all revenues received by the Worcester Redevelopment Authority that are payable to the Worcester Ballpark Fund created pursuant to the Canal District Ballpark DIF Development and Financial Plan.**

Mr. Dunn reviewed the authorization to transfer any and all revenues received by the WRA payable to the Worcester Ballpark Fund created to the Canal District Ballpark DIF Development and Finance Plan. Mr. Dunn advised this vote will allow the City's CFO to transfer any DIF related revenues received by the WRA into the appropriate financial account.

Mr. Burke asked if the WRA has any responsibility for the accounting of those revenues or some other responsibility in terms of what is collected versus what should have been collected. Mr. Dunn advised the WRA does not have responsibility for that in fact this is temporary measure since the assets owned by the WRA that are generating revenues are in the process being transferred back to the ownership of the city of Worcester.

Chair Angelini asked Mr. Dunn to clarify this is the responsibility of the city not the WRA. Mr. Dunn confirmed yes, the Chief Financial Officer.

Mr. Minasian asked about the unrealized potential for development, the revenue expectations, and looking forward to 2024. Mr. Dunn advised that back in 2018 when the original proforma was developed for the DIF area the finances were very reliant on the development program of Madison Properties. Other development was anticipated to occur in the district but was not relied upon that at the time for purposes of making decisions around financing for the Ballpark. The good news since 2018 is that some of the potential or anticipated development has already started to occur particularly with The Cove and Boston Capital and great to see that they are actively under construction. There are two other proposed projects that are not actively under construction but have been proposed and have received Planning Board approval. As a reminder, the WRA sale of excess land to The Cove created the Three Million Dollar proceeds which started the initial DIF reserve. That Three Million Dollars has carried us through the last couple of years with the impacts of the pandemic and the delays caused on some of the components of Madison's development.

Mr. Minasian referenced the WRA's continued role with Madison relative to the Land Disposition and Development Agreement with them and asked to be kept informed about the status and progress under the LDDA and the REIPP.

Mr. Minasian offered the following vote:

Voted that the Worcester Redevelopment Authority hereby authorizes its Chief Financial Officer to transfer any and all revenues received by the Worcester Redevelopment Authority that are payable to the Worcester Ballpark Fund created pursuant to the Canal District Ballpark DIF Development and Financial Plan.

Mr. Burke seconded the motion

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

2. **Authorize Execution of a deed conveying the Green Island Boulevard “Garage Parcel” to the City of Worcester, and assignment to the City of the Garage Lease between the Worcester Redevelopment Authority and Madison WG Holdings, LLC, dated as of May 1, 2023.**

Mr. Dunn explained this is related to the Green Island Boulevard “Garage Parcel,” transferring the land and assigning the lease to the City of Worcester. Mr. Burke asked if this would complete the involvement of the WRA, and all things related to the Polar Park project. Mr. Dunn advised it will complete the WRA’s involvement with the garage. The remaining involvement of the WRA will be continued progress and culmination of the different obligations that Madison has with respect to the Land Disposition and Development Agreement, which contemplates all of the elements of the development program including the upcoming second residential building, the left field building, along with the lab building. Mr. Burke asked if the WRA will own any land in that area after this vote is taken. Mr. Dunn confirmed this is the last piece currently.

Mr. Minasian offered the following vote:

Voted, that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a deed conveying, for nominal consideration, Parcel G shown on a plan recorded with the Worcester District Registry of Deeds in Plan Book 960, Plan 60, to the City of Worcester; and

Be It Further Voted, that the chair or vice-chair is hereby authorized to assign to the City of Worcester, the Garage Lease between the Worcester Redevelopment Authority and Madison WG Holdings, LLC, dated as of May 1, 2023.

Mr. Burke seconded the motion

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

3. **Authorize Execution of Amendment No. 4 to the Community Development Contract with the City of Worcester related to demolition activity at 36 Washington Square in the amount of \$58,334.**

Mr. Dunn explained this is a cumulating activity and the WRA will be done with the demolition activities at Washington Square. F&D Truck was the contractor after bidding the project to remove the structure. The project will be wrapped up with this final Amendment No. 4. The City of Worcester has federal funds to undertake the elimination of slum and blight - the structure was a public hazard, structurally unsound, asbestos, and other contaminants. The agreement is between the WRA and City for the funding mechanism and does not come out of the WRA’s budget. The Amendment is to add \$58,334.00. which is the remaining amount outstanding with F&D for the additional work required

Chair Angelini asked about the current deadline with First Bristol Corporation on their potential project. Mr. Dunn advised the agreement calls for First Bristol taking ownership by November 2023. Ms. Pitcher asked if there a Plan B if they do not move forward. Mr. Dunn suggested the WRA would potentially put it out bid, but also noted there are ongoing conversations with First Bristol and they are motivated. Ms. Pitcher

asked if the old section of Foster Street will be used. Mr. Dunn responded that First Bristol is contemplating using a portion of that for parking and having it be an egress from the site in terms of traffic flow with a right turn only coming out to Foster Street.

Mr. Minasian offered the following vote:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice chair to execute Amendment 4 to the intergovernmental agreement with the city of Worcester for the receipt of Community Block Grant Funds in the not to exceed amount of Fifty-Eight Thousand, Three Hundred Thirty-Four Dollars and No Cents (\$58,334.00) for the demolition of the structure at 36 Washington Square.

Ms. Pitcher seconded the motion

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

4. Authorize Approval of the One (1) Year Extension Option contained in the Service Agreement dated January 1, 2022, with LEI Corporation for Grounds Maintenance Services at Union Station.

Mr. Dunn authorizing the one-year extension option in the service agreement with LEI Corporation for Grounds Maintenance Services at Union Station. When the agreement was put out to bid this was included for the one-year option renewing and extending for the additional year and recommended by Chief of Public Facilities Ms. Lynch and her team to exercise the option. Mr. Dunn noted that a correction was made to the agenda as the vote had an incorrect date January 1, 2002, and changed to January 1, 2022, and noted correction included in the minutes for the vote. Chair Angelini with respect to the service agreement noting the last year a light snow year the bulk of the agreement is for snow and ice management does the service agreement provide variables in terms of the number of inches of snow in a particular year a cap. Ms. Lynch, the RFP laid out different conditions for snow, you are correct, we do receive reports from the Airport for each event are included in the invoices processed. You are correct that we did not have as much snow this year unfortunately we had a lot of ice and need to respond there is not a lot of plowing there is ice treatment that is used each event is recorded. Chair Angelini the amount reflected on page 2 of the service agreement is that the cap \$12,000.00. Ms. Lynch, correct, the third year and looking to exercise now is not going to be greater than 3 percent of that cost, it is a landscape maintenance cost of \$13,735.00 the year two costs \$212,815.00 combined 3 percent is the most they can submit for a proposal. Chair Angelini, thank you very much.

Ms. Pitcher offered the following vote:

Voted that the Worcester Redevelopment Authority hereby approves the exercise of the One (1) Year Extension Option contained in the Service Agreement dated January 1, 2002, with LEI Corporation for Grounds Maintenance Services at Union Station.

Mr. Minasian seconded the motion

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

5. Discussion regarding Luciano's tenancy at Union Station

Chair Angelini asked Mr. Dunn to provide an update to the Board. Mr. Dunn explained the intent with this item is to bring the Board up to speed on where this stands in advance of a proposal for consideration next meeting. By way of background, this has been a longstanding tenant at Union Station for fifteen years. The lease agreement currently goes through June and there is past due rent amounts owed especially due to the impacts of the pandemic. There have been discussions in the past around the height of the pandemic and negotiations have been lingering along with reconciling the payments that have been made against the charges. The current lease includes escalation every year and indexed to Consumer Price Index, the amount calculated every year. The tenant is definitely interested in staying at Union Station and are seeking a five-year extension. For context, a few years ago, the WRA had Kelleher and Sadowsky do study of available space at Union Station, leasable space and provide recommendations with subject matter expertise for the Board to consider. One recommendation was to consider a new, different tenant for this space, based on their observations and assessment of the market. The Grand Hall is one of the most important spaces we have at Union Station, a crown jewel for the entire city of Worcester for special events, weddings, banquets, galas, and this is part of the discussion. The use was certainly impacted by the pandemic in having those events. Mr. Dunn share his personal observation that the Grand Hall could be utilized even better with more frequency of events, larger events, in terms of reputation of the space. Many of these events book out far in advance. The tenant has events they are planning on this summer beyond the current lease expiration date and staff do not want to negatively harm these planned events.

Staff recommendation to the Board that will be outlined in further detail when a specific vote is requested is looking like a two-year extension and over the course of the first year, conduct a Request for Proposals on the space to see what the market is saying. The two-year extension would be conditioned on them getting fully current on the financial obligations to the WRA and in the board packet is a synopsis of the rent reconciliation for the Board member's review. During COVID, there were conversations at that time about rent relief, which did not get voted by the board, but staff had signaled to the tenant that some level of rent relief during the pandemic would be recommended due to the shutdown, as well another period of time where occupancy was restricted and affected the success of the business during the reopening phase. Staff is looking at some level of rent relief in the order of \$85,000.00 to \$90,000.00.

Chair Angelini asked about the rent relief. Mr. Dunn advised that the tenant was informed that rent relief was going to be recommended but did not take effect due to the fact that a vote from the WRA Board had not taken place. Chair Angelini asked how the rent relief relates to the overall amount owed of \$117,000 and whether that amount reflects any discount or abatement. Mr. Dunn advised it does not reflect the abatement.

Chair Angelini shared similar observations to Mr. Dunn and has received comments from members of the community about the utilization of the Grand Hall, it has not been used for community events, annual meetings, forums, presentations by other nonprofits asked over the course of this next year to give further attention to ways the space could be better used, independent of its reliance of the restaurant which caters the events for the space and is interested in hearing Board members thoughts. Ms. Pitcher agreed with the Grand Hall being underutilized and limitations using Luciano's as the caterer and whether the spaces could be separated. Mr. Dunn responded that this could be contemplated by the RFP. The success of Luciano's is very much depended on the Grand Hall. Mr. Dunn continued that with the RFP, the logistics and success of the events in the

Grand Hall definitely benefits from access to the kitchen in Luciano's. A response to that kind of opportunity could be viewed in two different ways, with some responses particularly focused on the Grand Hall, and the restaurant viewed as more of the accessory space or a different approach where the restaurant is the feature and the Grand Hall as the accessory. Mr. Dunn suggested the RFP should elevating the profile and importance of the Grand Hall and would share details about creating the RFP with the Board. Chair Angelini referenced Tuckerman Hall being used successfully with outside caterers and could be one option to consider. Chair Angelini also stated Ms. Pitcher's point deserves attention.

Mr. Burke asked if it would be fair to assume the reason an RFP did not go earlier was because of COVID. Mr. Dunn advised their existing lease is through June 2023 with the latest five-year extension exercised in 2018. Mr. Burke suggested the extension seems necessary in order to create time for an RFP, and if the RFP could have been done twelve months ago. Mr. Dunn advised it was a confluence of factors, ongoing discussions with Luciano's regarding their desire to stay, ensuring a mutual understanding of where everything stands with their finances, and balancing an appreciation for someone who has paid a significant sum of money to the WRA over the last fifteen years along with some of the other considerations raised. Mr. Burke understood and asked if the WRA has the authority to vote to give rent relief. Mr. Dunn confirmed yes.

Mr. Minasian asked about obtaining a list of events to see how often the space is used and agreed with the plan on the RFP and everything that has happened in the last five years with Union Station that the timing is right for an RFP. Chair Angelini asked Mr. Dunn when there would be a more specific proposal for a vote. Mr. Dunn, suggested the potential for a meeting at the end of June to wrap up the discussion.

6. Financial Update Report

a. Report on Prior Month's Executed Contracts and Payments

b. Report on Downtown Urban Revitalization Plan Expenditures

Mr. Dunn advised due to the recent meeting, the time period for this report is shorter, from May 23, 2023 through June 6, 2023. Total expenses were \$280,449.14 majority of this is the operating costs for Union Station and Denholm related to relocation expenses over the last couple of weeks. Chair Angelini asked about the Downtown Urban Revitalization Plan expenses and the expenditure to Stephen Bik of Three Million Dollars. Mr. Dunn advised Stephen Bik was the escrow for the Denholm Building. Chair Angelini appreciated the clarification.

7. Status Reports

a. Union Station

b. Downtown Urban Revitalization Plan

c. The Cove

Mr. Dunn provided an update on the Responsible Employer and Inclusionary Policy Participation Policy for the The Cove Project. The report is a status through April 2023 as there is a little lag in terms of when the numbers are tabulated and submitted to Ms. Porteiro-Cejas. Starting with the M/WBE goals, on this project we have combined goal of 20% on the project, will note this was executed as the legacy goal of the WRA. The updated REIPP does have separate goals, one goal for WBE at 15%, and one goal for MWBE at 10%. This project was undertaken and contracted with the legacy goal in place which is a combined goal of 20%. The current status is 86-87% of the contracts

awarded to date on the project. The current combined M/WBE percentage they are tracking is 18%, which fairly close to our 20% goal. Mr. Minasian asked if the 18% is of the projected total contract value. Mr. Dunn advised it is the total contract value based on what has been awarded. Mr. Minasian asked if the M/WBE would have to be increased to maintain the 18%. Mr. Dunn confirmed to keep the 18% level they would need 18% of the remaining \$6.5 Million Dollars to be awarded.

Mr. Dunn continued with the workforce report the goals are 25% Worcester residents, 38% people of color, 10% women. The project completion to date is about 12%, so while they have 86% their contracts awarded, the actual construction activity is 12% and have had six subcontractors on site. To date through April 2023 they are currently at 24.3% Worcester residents, which is close to the 25% goal. Currently 67.7% people of color, which is very successful against the goal of 38%. They have work to do on female participation on the project as they currently do not have any female participation.

Chair Angelini asked if there is a penalty if these numbers are not met. Mr. Dunn advised the WRA REIPP requires best efforts, and the Board could look at strengthening this in the future to have better recourse. Mr. Traynor confirmed there are not sanctions contained in the policy, it is a good faith effort to do this.

Mr. Minasian referenced the volume of hours with DAM Concrete and their numbers being very high. He asked Ms. Porteiro-Cejas if that is what she is seeing out there on the job, and whether conversations are happening about hiring women on the job. Ms. Porteiro-Cejas confirmed that is what is being seen on the job and the certified payroll and that the female numbers are the biggest challenge across all the jobs being monitored. She has also connected them with resources such as the Worcester Jobs Fund with recent graduates. Mr. Minasian appreciated her work and mentioned NEI's responsibility to help solve these issues with participation as well.

Ms. Pitcher asked about updates on the Downtown Urban Revitalization Plan, Midtown Mall. Mr. Dunn advised a few new businesses opened in the Midtown including a Puerto Rican Restaurant Querico along with Woo Juice and others. Worcester Common Fitness on the second floor communicated they should be open soon. Ms. Pitcher inquired about Shangri La space, any progress. Mr. Dunn responded that it has been looked at by a few potential tenants. Ms. Pitcher asked if the owner ever presented to the WRA for an update. Mr. Dunn an invitation can be extended for an upcoming meeting, but that past conversations were focused on the Midtown Mall as that is the property identified in the URP.

8. Adjournment

There being no further business, Mr. Dunn called the roll to adjourn the meeting at 2:53 P.M

Respectfully submitted,

Peter Dunn
Chief Executive Officer