

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

Michael E. Traynor, Esq.
Chief Executive Officer
Worcester Redevelopment Authority



WORCESTER REDEVELOPMENT AUTHORITY

Friday, February 10, 2017

8:00 A.M.

Levi Lincoln Chambers

City Hall, 3rd Floor

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
David Minasian
Michael Angelini

Staff

Michael Traynor, Chief Development Officer
Heather Gould, Assistant Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
Erin Cahill, WRA Financial Manager
John Odell, Energy & Asset Management
Jeanette Tozer, 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 8:00 A.M. on February 10, 2017.

1. Call to Order

Chief Executive Officer Michael Traynor called the meeting to order at 8:07 A.M.

2. Roll Call

Mr. Traynor called the roll.

3. Minutes of the January 13, 2017 Meeting

Mr. Pedone asked the Board to review the minutes of the January 13, 2017 meeting. Mr. Minasian offered approval of the January 13, 2017 minutes and Mr. Angelini seconded approval.

New Business

1. Fusion Entertainment, LLC – Notice of Default for Violation of C.8, §3(i)(1) of the Worcester Revised Ordinances for Selling Tobacco Without a Valid Tobacco Product Sales Permit

Mr. Traynor informed the Board that the owner of the lounge, Fusion Entertainment, LLC was issued a default notice on January 9, 2017. This was triggered by the cease and desist order issued by the Department of Public Health for operating as a hookah bar without the proper permitting in place. Fusion Entertainment, LLC is currently undertaking the permitting process but they have not yet received all of their approvals. The technical default stems from the amended lease with the WRA that allows smoking in the lounge/facility on the condition that it is operated in compliance with all local laws and ordinances. Another inspection occurred during the default period, and on February 3, 2017 the establishment was found to be allowing smoking and that an emergency door had been dead-bolted. Fusion Entertainment, LLC was cited for this violation. As noted, they are currently going through the permitting process and have received some State DOR permits; the State Inspector will be conducting a walk-through of the facility to determine if they will indeed issue the final permit. The owner has not received their final permit from the Worcester Department of Public Health that is pending the approval of the State permit. There is no default at this time, and as long as they are not operating the hookah lounge they will not be in default.

2. Amendment No. 5 to Design Services Agreement with Nault Architects, Inc. – Additional Services, Flagpoles Repair Project

Mr. Odell reviewed with the Board the need for additional services for the design of upgrades to the flagpoles at Union Station. Mr. Odell informed the Board that an aerial drone will be used to look closely at the installation of each flagpole and what needs to be done to properly upgrade the flagpoles. Mr. Angelini requested background information regarding the past work done on the flagpoles. Chair Pedone stated that the Board looked into replacing the flagpoles about six months ago and a decision was made to repair the existing flagpoles.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Amendment No. 5 in the not to exceed amount of Two Thousand Two Hundred Forty Four Dollars and No Cents (\$2,244.00) to Design Services Agreement between the Authority and Nault Architects, Inc. for additional design services related to certain improvements to the flagpoles at Union Station.

Mr. Minasian seconded the motion; it was voted 3-0 on a voice vote.

3. Union Station Cooperation Agreement Amendment - FY17 Operating Funds

Mr. Traynor informed the Board that the annual amendment to the Cooperation Agreement formalizes the transfer of funds authorized by the City Council to the WRA. This amendment was not completed when it was approved by the City in the July Budget.

Mr. Minasian offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute an amendment to the Union Station Cooperation Agreement for FY17 Operating Funds in the amount of \$649,702.00.

Mr. Angelini seconded the motion and it was voted 3-0 on a voice vote.

4. Communication of the City Manager Regarding the Question of Selling Union Station

The Board was presented with a response from the City Manager regarding the selling of Union Station and the City's position on the matter. The Board was informed that from the inception of Union Station, it was known that it would not generate a profit let alone break even, and that the decision was made years ago for the WRA to take on the responsibility of rehabilitating and maintaining the building going forward. An operating deficit will exist whether the ownership lies with the WRA or the title is transferred to the City. The current ownership arrangement was deemed reasonable because the WRA created an urban renewal development area that allows flexibility when leasing tenant space. Chair Pedone asked if there are any other options that could be explored to obtain an even balance sheet, and the Board asked to continue to explore options. Mr. Traynor informed the Board that there is one remaining parcel in Washington Square that is being looked at in terms of generating interest in order to raise revenue for the WRA.

Chair Pedone inquired of Mr. Traynor if there were any updates on the St. Vincent and Washington Square property swap. The WRA was working on a potential land swap with St. Vincent for the parking lot supporting The Senior Center and the Anderson Building next to the Senior Center. The proposed land swap may not be going forward and the Washington Square parcel is likely to become available. At that time, the WRA may seek a developer for the parcel. Chair Pedone requested of the Board that they look to market the parcel in order to obtain funds to execute marketing of the urban revitalization plan. Mr. Traynor agreed to bring that back to the Board.

Mr. Angelini inquired as to whether the remaining Washington Square parcel has been appraised, and the Board was informed that it had not been appraised by an independent appraiser; instead, the WRA had been using the assessed value. The parcels are the result of the rerouting of the Washington Square rotary and include the "vacuum cleaner parcel" and a spur of the former Foster Street (north portal). Adjacent to the parcel is also a small WRA parking lot, and the WRA is looking to combine the parcels, which have a total assessed value of approximately \$1.2 million. Mr. Angelini requested that the Board look at having a third party appraisal. Mr. Traynor advised the Board that he will bring a price proposal to the next meeting.

In response to a question regarding utilities on the site, Ms. Beaton informed the Board that no utility work has been undertaken at the parcels in question and that the municipal utilities

can be capped and abandoned. St. Vincent had completed some site work and some testing in the area.

5. Financial Update Report

Monthly Expenditure Report Updated Executed Contracts and Payments

Ms. Cahill stated that for the period January 9, 2017 through February 6, 2017 operating expenses totaled \$154,245.19; \$19,000.00 were for capital expenses and \$41,683.50 in snow removal charges and the balances for the remainder of the operating expenses.

6. Status Reports – Miscellaneous/Improvement Projects

- a) Union Station Harding Street Improvements Project**
- b) Union Station Interior and Exterior Signage Project**
- c) Union Station – Vendor & Maintenance Performance**
- d) Union Station – Leak Remediation Project**
- e) Tenants Updates**
- f) Security Update**
- g) Bike Rack Update**
- h) Urban Revitalization Plan**

Mr. Odell provided the Board with updates on the Harding Street taxi queue project. The bird netting has been replaced and the curb cut was made with some of the concrete having been poured. The line striping will be installed when the weather allows, and the hardware for the banners has been approved by P&W Railroad. In addition, the interior repair projects in Phase II of the Union Station Capital Projects will go before the Historical Commission this month.

Mr. Angelini stated that he has been contacted about the directional signage in Union Station. Mr. Angelini explained a method of assessing the efficacy of signage that is used by Massport, and requested that it be used for Union Station. That methodology consists of bring someone to the station who is not otherwise familiar with the station and Mr. Odell stated that electronic signage will be installed in Union Station shortly, and Mr. Angelini requested that the aforementioned assessment method be used before that installation. Chair Pedone also requested that Mr. Odell contact the MBTA to make sure that their ticketing kiosk is working properly.

The MEPA review of the Urban Revitalization Plan has been submitted and a review period for public comments is for fourteen days. Mr. Minasian asked if there is any movement for the bonding of the plan, and Mr. Traynor stated that he is working with Mr. Zidelis, Chief Financial Officer of the City. Mr. Traynor informed the Board that if there is money he would notify the property owners that the WRA has the resources for potential projects.

Chair Pedone requested Mr. Traynor to review the Open Meeting Law with regards to discussions of certain parcels that are included within the plan and the rules of Executive Session as they apply to certain parcels or negotiations. Deputy City Solicitor Beaton advised the Board that an executive session was held for the St. Vincent property once an offer was made, and that it is allowed only if the WRA is engaged in negotiations with a private developer. Mr. Angelini suggested that the board, in open session, exchange views on certain parcels that are particularly significant, and hear from staff what they feel those parcels should be. He further stated that the

board should identify what it thinks are appropriate targeted properties and develop a plan on how to deal with these properties in the broadest way.

Mr. Angelini requested to join the March 10, 2017 meeting remotely.

Mr. Traynor informed the Board that they have met with the owner of the Paris Cinema and was informed that the building is scheduled to be demolished March 1st.

7. Adjournment

There being no further business, the Board motioned to adjourn the meeting at 9:20 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer