

# City of Worcester, Massachusetts

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## WORCESTER REDEVELOPMENT AUTHORITY

February 8, 2019

8:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

### Present:

#### *Worcester Redevelopment Authority Board*

Vincent Pedone, Chair  
David Minasian  
Jennifer Gaskin  
Michael Angelini (Remote)

#### *Staff*

Michael Traynor, Chief Development Officer  
Thomas Zidelis, Chief Financial Officer  
Erin Cahill, WRA Financial Manager  
John Odell, Energy & Asset Management  
Greg Ormsby, Office of Economic Development  
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 Tuesday, February 8, 2019.

### 1. Call to Order

Chair Pedone called the meeting to order at 8:14 A.M.

Chair Pedone read the following statement:

Mr. Angelini has requested to participate in today's meeting remotely. Since his physical presence at today's meeting is not feasible, I have agreed to his request. Please let the meeting

minutes reflect that Mr. Angelini's request has been approved and that he will be participating remotely by telephone today. All votes at today's meeting will be taken by roll call.

## **2. Roll Call**

Mr. Traynor called the roll.

## **3. Approval of Minutes: January 11, 2019**

Chair Pedone asked the Board to review the minutes of January 11, 2019 meeting. Mr. Traynor called the roll; the minutes were accepted 4-0 on a voice vote.

## **New Business**

### **1. Discussion of the status of 12 Front Street and 22 Front Street; Properties Proposed for Acquisition and Rehabilitation in the Downtown Urban Revitalization Plan**

Chair Pedone noted that the Midtown Mall, located 12 Front Street, was requested as an agenda item at the previous meeting. The property continues to be talked about and is in the middle of the Downtown Urban Revitalization plan. When the WRA first started the urban revitalization plan process, there was concern about eminent domain takings. The WRA committed to, and has lived up to, not using eminent domain unless two criteria were met: one, a property within the urban revitalization area has to be underutilized and cannot be redeveloped; and two, a developer has to be in the mix. Chair Pedone stated that it is his understanding that these two criteria have been met by the Midtown Mall property. He further noted that he is aware of one at least one developer that has been trying to come to an agreement with the owner over the past few years, and it is now time to move this process forward. The property is located next to City Hall in the middle of downtown and is underutilized, underdeveloped, and unsafe. Chair Pedone state that it is incumbent upon the WRA to begin the process in some fashion and to get the property to a place where either a developer can purchase it, or the WRA acquires the property by eminent domain and works with a developer.

Ms. Gaskin stated that she agrees with the statements made by Chair Pedone, but has a question about the property being unsafe. Ms. Gaskin inquired if there have been issues with Inspectional Services and if the property has been cited for any issues. Chair Pedone noted that there have been health code violations throughout the property. Mr. Traynor stated that he did not have a current list of citations, but the property has been cited a number of times in the past. Chair Pedone requested a report with a list of all the code violations and the value of the property at the next meeting. Mr. Angelini requested Mr. Traynor's thoughts regarding next steps, and Mr. Traynor stated that the WRA would first need two appraisals completed for the property in accordance with State regulations. Mr. Traynor also noted that a developer has been pursuing acquisition of the two properties for at least two years, and had reached an agreement with the owner, had a partially signed purchase and sale agreement, and the owner subsequently backed off and did not conclude the sale. It is understood that the developer is still interested in acquiring and redeveloping the property. One of the first things to be done would be to reengage the developer to make sure the interest is still there; this would pay homage to the WRA's commitment to acquiring properties only if they have a redeveloper in line. The WRA would then take and almost immediately re-convey the property. This is more of a policy; the legal procedure would be getting two appraisals. Mr. Angelini proposed a discussion about whether or not the WRA wants to be bound by this policy and whether or not it impedes progress. If the property were taken by eminent domain and made available with the WRA as the owner, a variety of developers may become interested in purchasing and redeveloping the property.

Ms. Gaskins stated that other points need to be taken into consideration, including the developer's intentions for redeveloping the property and if it fits with the vision of the urban revitalization plan. Ms. Gaskin further noted that she has been approached by people regarding the importance of the Midtown Mall to the community. Ms. Gaskin stated that she is not aware of everyone's opinion in the community, but that the WRA board meetings are open to the public and the topic can be discussed in an open forum. Ms. Gaskin also stated that if the owner is being difficult and not wanting to sell the property, the WRA should invite him to attend a meeting and state his position about why he does not want to sell the property. Mr. Minasian expressed agreement with Mr. Angelini's and Ms. Gaskin's comments, and stated that he likes the idea of opening the opportunity up to multiple developers in order to get a better proposal, perhaps through an RFP process. Mr. Minasian also noted that he has heard many comments in the community about the value of the Midtown Mall, but more so in terms of the small businesses located in the Midtown Mall rather than the property itself. Mr. Minasian referenced the relocation process that accompanies eminent domain takings, and asked Mr. Traynor to reiterate what the process entails. Mr. Traynor explained that the WRA is obligated by law to provide relocation assistance to the tenants of any building that is acquired. The process would be similar to that for the properties being acquired for the ballpark project. The WRA has a relocation specialist through their consultant, BSC Group, and the relocation specialist works with the businesses to help them relocate. Financial assistance would be provided for moving costs, and potentially for fit-out costs, so that no costs would be incurred by the relocated tenants.

Chair Pedone suggested putting a subcommittee together in order to host a public meeting to solicit community input for the Midtown Mall. It would offer the WRA Board an opportunity to let the community know that the Authority is interested in moving forward with redeveloping the property, and encourage the property owner to look for the best and highest use. Chair Pedone proposed setting a date in June to have a solid plan for moving forward with the property, that being after meeting with the City Council, having two appraisals completed, and talking with the City Manager and the administration. Mr. Angelini stated that the proposed timeframe is the longest it should be because there is currently a lot of interest in the property and there is a great deal of development going on at the moment. Mr. Angelini recommended scheduling the public hearing within the next month, and the Board should entertain a proposal to move forward with the two appraisals at the March meeting. Chair Pedone directed Mr. Traynor to bring to the next meeting votes to move forward with two appraisals, as well as potential dates for a public meeting. Chair Pedone noted that he is looking to schedule the public meeting two weeks after the March 8, 2019 meeting. At the April WRA board meeting, a report should be brought forward regarding the redevelopment of the building. Chair Pedone also suggested that the item be placed on the City Council Economic Development Subcommittee agenda and submitted as an informational communication to the City Council. Mr. Traynor recommended that the report that will come out of the public meeting could be submitted to the City Council and then referred to the Economic Development Subcommittee. Mr. Minasian suggested that the relocation specialist be present at the public meeting in order to reduce anxiety about the relocation process. Mr. Traynor responded that a report detailing the relocation process could be provided at the next meeting.

Ms. Gaskin inquired about The Great Wall property, and Mr. Traynor stated that there has been no contact with the owners of the property. The Code Department has been trying to access the property but has not been able to get in touch with anyone. The developer of the Grid bought the adjacent MetroPCS building and is interested in acquiring the Great Wall building, but has also been unable to contact the property owner. Mr. Traynor noted that they have a possible lead for an attorney that represents the property owner. Chair Pedone inquired if the appraisals that were previously completed for the Great Wall property are still valid, and Mr. Traynor stated that previous appraisals would have to be refreshed or new appraisals completed. Given that the value identified in one of the appraisals seemed low, Mr. Traynor suggested that

one new appraisal should be done and the other appraisal should be updated. Mr. Minasian commented that the last report that the WRA received about the property indicated that the owner was in the process of getting a Certificate of Occupancy; ample time has passed and it is now appropriate to revisit the conversation about acquiring the property through eminent domain. Chair Pedone requested that a vote to authorize the two appraisals be added to the March meeting agenda.

## **2. Financial Report on Downtown Urban Revitalization Plan Expenditures**

Chair Pedone noted that this item was requested by a Board member at the previous meeting. Ms. Cahill explained to the Board that the first report summarizes the contract obligations for the consultant BSC Group and their work on the Downtown Urban Revitalization Plan. To date, the WRA has \$587,005.00 in contractual obligations, of which approximately \$300,006.00 has been paid. Mr. Minasian asked if the contract includes any scope of work related to the eminent domain process, and Ms. Cahill explained that BSC Group's scope of work is identified in the report. Mr. Traynor further clarified that if the WRA were to acquire the Midtown Mall or the Great Wall properties, the relocation specialist would be added as a sub-consultant to BSC Group. Ms. Cahill reviewed a second report that outlined the \$1.7 million in contract obligations to date for the ballpark project. For land acquisitions related to the construction of the ballpark, the WRA has contracted with three appraisal companies. Chair Pedone noted that it would be helpful to have the financial reporting at every meeting. Mr. Minasian sought clarification about the \$5,500,000.00 figure in the first report, and Ms. Cahill explained that the BSC contract is \$587,005.00. The \$5,500,000.00 represents the total loan orders that have been authorized to date for urban renewal.

Chair Pedone requested that Item 6, the Financial Update Report, be presented next.

## **6. Financial Update Report Report on Prior Month's Executed Contracts and Payments**

Ms. Cahill reported that for the period of January 8, 2019, through February 5, 2019, the WRA incurred \$554,924.27 in expenses. Of this amount, approximately \$220,000.00 was for operating expenses and approximately \$334,000.00 was for ballpark expenses. In addition to the regular monthly financial report, the last two pages of the financial packet included information about the Federal grant funding that is received through the WRTA, as requested by Mr. Tilton at the previous meeting.

Mr. Traynor noted that Items 3 and 4 are contracts for ongoing work related to the MEPA process for the ballpark project. The WRA is splitting the costs for consultants with the private developer because the ballpark project and the private development are being reviewed by the MEPA Office as if it were one project. The first contract with TEC is for transportation engineering and permitting services. The firm is completing a transportation study for the MEPA filing. The second contract with Tighe and Bond is related to the acquisition of properties that are needed to form the footprint of the ballpark. The buildings that exist on the properties will be demolished, and Tighe and Bond will be providing abatement, demolition, and environmental support services.

## **3. Authorize Execution of a Contract with TEC for Transportation Engineering and Permitting Services in Support of the Environmental Impact Study Required Under MEPA**

Mr. Minasian moved the following motion as written:

**Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a contract with TEC, Inc., in the not-to-exceed amount of One Hundred Fifteen Thousand Dollars and No Cents (\$115,000.00) for transportation engineering and permitting services related to the Canal District Ballpark Project.**

Mr. Traynor called the roll; it was voted 4-0 on a voice vote.

**4. Authorize Execution of a Contract with Tighe and Bond for Abatement, Demolition and Environmental Support Services Relative to the Ballpark Project**

Ms. Gaskin moved the following motion as written:

**Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a contract with Tighe & Bond, Inc., in the not-to-exceed amount of One Hundred Seven Thousand Dollars and No Cents (\$107,000.00) for abatement, demolition, and environmental support services related to the Canal District Ballpark Project.**

Mr. Traynor called the roll; it was voted 4-0 on a voice vote.

**5. Authorize an Amendment to the Union Station Cooperation Agreement for FY2015 Capital Funds**

Mr. Traynor explained that through a review of records, it was discovered that a vote had not been taken to authorize the transfer of FY2015 capital funds to the WRA. The vote before the Board is to correct the record; there are no funds being transferred at this time.

Mr. Angelini moved the following motion as written:

**Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute an amendment to the Union Station Cooperation Agreement for FY15 for an increase in Operating Funds in the amount of \$450,000.**

Mr. Traynor called the roll; it was voted 4-0 on a voice vote.

**7. Status Reports:**

- a) Union Station Exterior Stucco Project**
- b) Union Station – Vendor & Maintenance Performance**
- d) Union Station – Leak Remediation Project**
- e) Tenant Updates – Former Tenant**
- f) Security Update**
- g) Urban Revitalization Plan**

Mr. Odell explained to the Board that the Exterior Stucco project continues, and presented the Board with a photograph of some of the completed work. Chair Pedone asked for an update on the available space in the Union Station Garage. Mr. Traynor stated that since the last meeting no one has contacted the City or the WRA, including the business owner that had previously reached out to Chair Pedone. Mr. Traynor further noted that Nault Architects is proceeding to scope out the work necessary for the core and shell and fit-out of the space. The WRA is continuing the discussion with the two entities discussed at prior meetings, Greater Good and Quarter's Restaurant. Once the estimated fit-out costs are known, the WRA would talk

to the entities about lease terms and the rental costs. The matter would then come back before the Board to discuss potential terms of the lease. Chair Pedone asked Mr. Traynor to reiterate that no calls were received after the last meeting at which the WRA publically stated that they are open to hearing from businesses that are interested in the available space at the Union Station Garage. Mr. Traynor confirmed that no inquiries were received. Chair Pedone stated that this is evidence that Mr. Traynor's office is open and people are not knocking on the doors to get information about the lease spaces; for whatever reason, no interest has come to fruition at this point, and the WRA is trying to move forward with companies that are interested in the space. Mr. Traynor commented that the person that reached out to Chair Pedone had been working with his staff, and that they were informed that Quarters had approached the WRA first. If the discussion with Quarters falls apart, the WRA can begin discussions with this other interested party.

Mr. Minasian followed up with an inquiry about architectural services and if Nault Architects is able to work with the two potential tenants. Mr. Traynor responded that the WRA is currently coordinating with Nault. Mr. Angelini stated his desire to make it clear that the WRA Board is interested in and encourages the proposals from Greater Good and Quarters.

Chair Pedone turned the discussion to the presentation that had been made to the Board in October 2018 from a business owner interested in opening a country music bar and restaurant in the former Byblos space. Mr. Traynor noted that the owner was in the audience and had been attending meetings to follow the Board's decision-making regarding his proposal. Chair Pedone stated that he would be remiss to point out that Mr. Giordano continues to reach out to him about his interest in the space as well. Chair Pedone asked for any updates on the former Byblos space, and Mr. Traynor responded that he is looking to the Board for direction and whether or not to forward with Mr. Broullon's proposal. Ms. Gaskin referred to the report from Kelleher & Sadowsky and their proposal to update the usage of the Grand Hall and to incorporate it with the former Byblos space. Mr. Traynor noted that the Grand Hall is part of the current lease with Luciano's, which runs through 2023. Mr. Angelini commented that if staff is waiting for the WRA Board to come back with a plan for Union Station, the Board should put it at the top of their agenda, and further noted that he thought the Kelleher & Sadowsky report was instigative and provided a framework for the Board to develop a long-term plan for Union Station. Mr. Traynor clarified that he is not looking for the Board provide a plan for Union Station; rather, he wanted to know if the Board had a desire to move forward Mr. William Broullon's proposal. Chair Pedone commented that they are discussing multiple proposals, and stated that he was unsure if Mr. Giordano had put forth a solid proposal. Mr. Traynor asked for clarification about placing the Kelleher & Sadowsky report on the April agenda, and Chair Pedone confirmed that it should be included, as it will provide the administration time to work with Mr. Giordano and anyone else that is interested in the available space. Chair Pedone further noted that if the administration were to support Mr. Giordano moving into the former Byblos space, they should engage in a discussion about restructuring his lease with regard to the Grand Hall.

Chair Pedone asked for an update on the Cannabis Control Commission lease, and Mr. Odell reported that staff have been meeting with the architect as well as representatives from the MA Division of Capital Asset Management and Maintenance and the Cannabis Control Commission. The design of the office space is anticipated to go out to bid in the spring, and renovations are on track to be completed by Thanksgiving 2019. Mr. Minasian inquired about the other capital projects that have been authorized by the Board, including the Worcester Police Department substation and the Harding Street corridor upgrades. Mr. Odell responded that a bid package is being assembled that was held up in large part by the Federal government shutdown. The bid package is back in the queue, and the bid will be issued once grant funding approval is received. Ms. Gaskin inquired about the status of the proposed Fire Museum, and Mr. Odell stated that one of the projects in the aforementioned bid package will connect the proposed Fire Museum space to the Grand Hall. Ms. Gaskin further inquired about the timeline for the Fire Museum, and Mr. Odell stated that that the timeline is still being determined.

Mr. Traynor provided an update on the ballpark project. The WRA received the Phase 1 waiver as part of the MEPA process, as well as approval of the Amendment to the Urban Revitalization Plan, which allows the WRA to move forward with land acquisitions. The appraisers are working on delivering the required appraisal reports at the end of the month. Chair Pedone thanked Mr. Zidelis, Chief Financial Officer, for coming to the meeting, and Mr. Traynor introduced Greg Ormsby, the newly-hired Project Manager dedicated to the WRA and the ballpark project.

## **8. Adjournment**

There being no further business, the meeting adjourned at 9:03 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.  
Chief Executive Officer