

# Worcester Redevelopment Authority

Michael P. Angelini  
Chair

Peter Dunn  
Chief Executive Officer



## WORCESTER REDEVELOPMENT AUTHORITY

Thursday, July 14, 2022

9:00 A.M.

City Hall, Levi Lincoln Chamber  
Worcester, MA 01608

### CALL IN INFORMATION:

+1-415-655-0001 US Toll  
Access Code: 2309 085 9393

### Present:

#### *Worcester Redevelopment Authority Board*

Michael Angelini, Chair - Arrived 9:28 a.m.  
David Minasian, Vice Chair  
Jennifer Gaskin  
Sherri Pitcher  
Sumner Tilton

#### *Staff*

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

Pursuant to a notice given (attached), a meeting of the Worcester Redevelopment Authority was held at 9:00 A.M. on Friday, July 14, 2022

### 1. Call to Order

Mr. Dunn called the meeting to order at 9:03 A.M.

### 2. Roll Call

Mr. Dunn called the roll – Vice-Chair Minasian, Mr. Tilton, Ms. Pitcher and Ms. Gaskin. Vice-Chair Minasian advised all votes will be taken by roll call.

### 3. Approval of Minutes: July 14, 2022

Mr. Tilton made a motion to approve the minutes.

Ms. Gaskin seconded the motion.

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

**New Business –**

- 1. Authorize Execution of Amendment No. 1 to the Architectural Services Agreement with Nault Architects in the amount of \$11,950.00 relative to Union Station**

Mr. Dunn advised that the item would be on the agenda at the next meeting, as the item will be more accurately stated.

- 2. Authorize Execution of Change Order No. 3 in the amount of \$31,551.71, extend the time for performance to August 31, 2022 and ratify Change Order No. 2 in the amount of \$4,222.80 to the Contract with UEL Contractors, Inc. for the Pickett Plaza project.**

Mr. Dunn advised this is fairly convoluted and I will walk you through the item. As the Board knows, UEL Contractors was the contractor for the Pickett Plaza project now known as the Rockland Trust Plaza. We are working to close out the contract with them, as the work is complete. Change Order No. 2 is a small change order in the amount of \$4,222.80 relative to some of the plantings. When this was received originally, Mr. Dunn executed the document as the Chief Executive Officer of the Worcester Redevelopment Authority as he has an authority up to a certain dollar amount to sign for WRA. It was procedurally more correct to have the Board ratify this change order because while it is a small amount, the total contract value exceeds his authority. Change Order No. 3 outlines items that have come up over the last few months totaling \$31,551.71 and includes some of the fountain maintenance. Once we complete this project, it will ultimately transfer to the City of Worcester and the WRA will not be involved in maintenance much longer, but we have maintaining it while the rest of the scope was completed by UEL. Mr. Dunn advised that very shortly after the fountain was installed, skateboard activity was occurring and doing some potential damage, so we have installed skate stoppers. We have had additional work related to the area next to the plaza including handicapped parking spaces where handicapped parking poles were installed. We also had to adjust a mountable curb that was installed in the beginning of the pedestrian plaza, which connects with Green Street, to make sure there was access for food trucks and other authorized vehicles. These are some of the highlights of the different items totaling \$31,551.71 contained in Change Order No. 3 and will bring us to the complete closeout, once this is processed with UEL. They did a great job, a women-owned company, which we like to see. There is also an extension on the time for performance because the contract with them had a date for the extension of the project to August 31, 2022.

Mr. Minasian asked what is the total overall cost for project. Mr. Dunn replied it is a little over \$2 Million Dollars. Ms. Delgado clarified the total is \$2.9 Million. Mr. Dunn advised our original budget for this was the MassWorks Grant that we had secured for \$3.5 Million Dollars and we have been successful in that regard.

Ms. Pitcher asked what was the sponsorship fees for Rockland Trust naming rights. Mr. Dunn that deal was negotiated by the Worcester Red Sox, our lease agreement with the Worcester Red Sox gives them the ability to secure sponsorships not just in the Polar Park facility boundaries but in the areas surrounding it which we call the Ballpark District, and anything that is sponsorship outside of the Park in the immediate area we are entitled to fifty percent of the net proceeds. The agreement with Rockland Trust is

\$80,000.00/year for three years. Mr. Tilton who negotiated with the Worcester Red Sox, the WRA, or you Mr. Dunn, or the Worcester Red Sox. Mr. Tilton they had complete control we did not have a say. Mr. Dunn they asked for our input and were happy to support. Ms. Pitcher are there any remaining sponsorships. Mr. Dunn replied that one we are looking at right now is the garage that we have constructed and that could take a couple of different shapes. It is quite a large building and could be opportunities for exterior and interior sponsorship, so we're taking a look at that now. Another thing that the city has been doing and coming online soon, are digital kiosks in the urban core of the city. This is a new age version of wayfinding, electronic digital type kiosks installed in the right-of-way on sidewalks in particular areas that make the most sense like bump outs or wide areas of sidewalk so that we are not obstructing the sidewalk. I believe there are ten kiosks throughout the various areas of the city, concentrated in the urban core, similar to Downtown, Canal District, Shrewsbury Street, and there will be one at the corner of Rockland Trust Plaza at the corner of Canal Street. Those will have sponsorships and the advertising will be wrapped on those kiosks which is led by the vendor with no cost to the city to get the kiosks done in exchange for being no cost to the city as the vendor generates those sponsors to basically offset those costs. Rockland Trust also has the right of first refusal on getting the advertising and the wrapping of the digital kiosk that would be at the entrance of the plaza as well. Mr. Tilton may we discuss the garage. If I want to name the garage and willing to pay for that right who would I notify. Mr. Dunn asked Mr. Traynor the WRA and by extension the City. The WRA owns the garage and I believe we would transfer it as well to the city at some point and I do not believe we are relying on the Worcester Red Sox for that asset, quite sure. Mr. Traynor you are correct. Mr. Tilton whenever you transfer the authority to take that up whoever gets the authority has the sole right to accept a bid or not accept a bid and set the price. The agreement all along with the Ballpark is to transfer ownership to the city upon completion. The City Manager had previously taken a lead in exploring these options so it would be through the city to put out an RFP or the WRA would put an RFP out to gauge interest in naming rights opportunities. The city would make the decision but in the Ballpark District would be 50/50 share with the team on the revenue as well. Mr. Tilton what you are saying is that the city would make all the decisions for the garage. Mr. Traynor we would be in discussions with the team, as the team was in discussions with us on the naming rights with Pickett Plaza, which was a collaborative effort. Mr. Tilton the Rockland Trust Park property is the final decision made by the Worcester Red Sox because that is part of the lease. Mr. Traynor they secured the naming rights, but we looked to them as they have expertise in that area and let them take the lead on getting the advertising and naming rights for that particular parcel. Mr. Tilton it is the Worcester Red Sox's decision on naming it Rockland and goes out bid on the garage and that bidding process is taken over by the city from us. Mr. Traynor that is correct.

Mr. Minasian inquired as to how the entry way is working. When I drove by the flow was nice with pedestrians coming from the Downtown area and curious how that is going. Mr. Dunn replied it appears very successful. It took about a month for some of the Ballpark visitors to become familiar with that kind of connection point and definitely increased over the last month and a half. We have seen it used on non-game days as well. It was used during the Tercentennial, the Canal District Stroll with a wine truck vendor to activate the plaza and also had quite a crowd on June 30<sup>th</sup> for the fireworks using the grassy area. We do plan to have additional activation working with vendors through a license agreement or otherwise with the WRA in the future to continue with other types of program and activities on non-game days as well. Mr. Minasian the connectivity is a huge piece of the design and are there any other plans for that for going underneath the bridge or anything else to increase connectivity in the Downtown. Mr.

Dunn said we have had the creative lighting installation underneath the bridge and with the sun being up so late you do not see it as much, but certainly in the winter you will see the lighting more often. Another thing that we have explored are designs for creating a sense of place and arrival. What we are looking at on either side of the bridge on the downtown side having Canal District so once you go under the bridge you know you have arrived in the Canal District and vice-versa maybe Downtown on the other side of the bridge when leaving the Canal District you know you are entering Downtown. That is being explored as potential future opportunity but decisions have not been made yet.

Mr. Tilton offered the following vote:

**Voted, that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Change Order No. 3 in the amount of \$31,551.71 and extending the time for performance to August 31, 2022 to the Contract with UEL Contractors, Inc. for the Pickett Plaza project;**

**And Be It Further Voted, that the Worcester Redevelopment Authority hereby ratifies Change Order No. 2 to the Contract, executed November 18, 2021, in the amount of \$4,222.80.**

Ms. Gaskin seconded the motion.

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

**3. Authorize Execution of a Union Station Capital Cooperation Agreement for FY2023 in the amount of \$1,000,000.00.**

Mr. Dunn this is the FY2023 budget for Union Station. As the Board knows, we do cooperation agreements for funds that flow from the City to the WRA. The FY2023 budget has been approved by the Worcester City Council. FY2023 – WRA-FTA Miscellaneous Improvements to Union Station is \$1,000,000.00. Mr. Minasian asked if there are any itemized projects. Mr. Dunn explained one of the biggest items, which is a little over \$700,000.00 is our share of the additional split that we asked the Board to approve with the MBTA and their contractor for waterproofing at the west plaza at Union Station and we would bring forward any other miscellaneous items that we might need to have approved throughout the rest of the fiscal year. Ms. Lynch confirmed and stated that we discussed the additional water work at the west plaza southeast plaza, and the east roof.

Ms. Pitcher 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 FY23 Capital Funds in the amount of One Million Dollars and No Cents (\$1,000,000.00).**

Ms. Gaskin seconded the motion.

The item was approved on a 4-0 roll call

**4. Authorize Execution of a Union Station Operating Cooperation Agreement for FY2023 in the amount of \$528,305.00.**

Mr. Dunn this is the operating cost for Union Station that we expect over the fiscal year in the amount of \$528,305.00. The backup is outlined in the line item from the City of Worcester budget. Mr. Dunn reviewed the items with the Board. Mr. Minasian inquired about past fiscal year amounts. Mr. Dunn stated that FY2022 was \$403,305.00. The main increase this year is for snow removal and grounds and have shifted the way we complete this. WRA now includes the area around Polar Park. Ms. Lynch confirmed that that is part of the WRA and we also anticipate rising utility costs for this year.

Ms. Pitcher 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 FY23 Operating Funds in the amount of Five Hundred Twenty-Eight Thousand, Three Hundred Five Dollars and No Cents (\$528,305.00).**

Ms. Gaskin seconded the motion.

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

**5. Financial Update Report**

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

**b. Report on Downtown Urban Revitalization Plan Expenditures**

Financial Update Report from June 2, 2022 through July 11, 2022. Total expenditures were \$3.978 Million Dollars. Lion's share of that was the \$3 Million Dollar payment to the city of Worcester. We had completed the sale of the surplus properties to The Cove and the monies remained in the WRA accounts since the closing of that sale in December 2021. This was the transfer back to the city of Worcester for the District Improvement Financing (DIF) mechanism where we take the revenues related to the Ballpark District and use it for debt service for the obligations of the city of Worcester on the construction of Polar Park. There was also one requisition related to the Garage for Gilbane-Hunt \$709,000.00 construction and those two items represent most of the total expenditures for the last month.

**6. Status Reports**

**a. Union Station**

**b. Downtown Urban Revitalization Plan**

Mr. Dunn explained for the Downtown Urban Revitalization Plan, one note would be the title exam was done for the 484-500 Main Street - Denholm Building and as we continue the negotiations and potential acquisition. Mr. Minasian inquired about any red flags with the exam. Mr. Dunn replied like any title exam, there are some encumbrances and things to think about, but there is no impediment to the closing and as we wrap-up the due diligence, hopefully if all goes well we will proceed with the acquisition, within the next thirty days or so. We will inform the Board and bring in the related items, if we are successful. Our next regularly scheduled meeting is August 11, 2022. If we moving along before that we will certainly see if the Board is available for an off-calendar meeting before that, we are hoping within the next thirty days we will be in a good position to move forward. Mr. Tilton where do we stand legally and have we served the Trust formally subject to certain due diligence or are doing due diligence that meets our

expectations and then sign the documents that would make it a taking. Mr. Dunn it is closer to the second half that you described. This is a negotiated acquisition not an eminent domain taking and we have been doing some of our own due diligence. Where it stands now, as you know, we have an executed letter of intent with the Trustees. The next phase of what we would be doing and have been negotiating is a purchase and sale agreement. The unit owners right now have been figuring out their dissolution agreement to dissolve the condo and figure out the distribution of the sales proceeds of Three Million Dollars because as you know in our letter of intent we have agreed to pay Three Million Dollars for the whole property. There will not be much lag time in between executing the purchase and sale agreement and executing the deed and it could potentially be on the same day. Some of the things we would bring to the Board as we hopefully move forward successfully the request to execute the purchase and sale agreement as well as accept the deed to the property. From that is where some of the remaining things are triggered. We have not given any notices of relocation to existing occupants and that does not occur until we own the property, so we are not in that phase yet.

Chair Angelini is there any due diligence that you are worried about given that it is going to be demolished. Mr. Tilton my concern here is the ability of the Trust who I understand now owns all of the units that we are talking about and decides that Three Million Dollars, Four Million, or some other million dollars a number higher than Three Million Dollars is the right number and where does that put us and do we walk away from this deal or do we have any obligations to go forward or turn it into a taking. What happens if the Trustee or Trustees or attorneys who on the other side are doing this deal doesn't want to take the Three Million Dollars and they want more. Mr. Dunn replied there is a lot involved in that question. Our executed letter of intent with the Trustees is for an acquisition of Three Million Dollars. If that price is not the price, we start all over again. We have loan authorization that was approved by the City Council based on a budget of a Three Million Dollar acquisition and other related costs such as relocation assistance. Mr. Tilton asked if we are bound to pay Three Million Dollars legally. Mr. Dunn explained it is technically a non-binding letter of intent that we have currently. We have a meeting of the minds with the Trustees that the acquisition price will be Three Million Dollars. They are figuring out among themselves, the owners, what the distribution will be of the Three Million Dollars will be.

Chair Angelini – Mr. Tilton the answer to your question is no one is bound and if they want more we can walk away. Mr. Tilton that is an answer. Mr. Dunn that is true. Mr. Tilton or vice-versa. Chair Angelini correct. Chair Angelini explained what we have done is added some value to the property by making the arrangements to relocate the tenants so one could argue that we enabled someone else to buy it but that is all part of the process and no other way to do it. We did not want to execute a purchase and sale agreement without making sure that we could get all of the tenants out of the building. Mr. Tilton said I do not want to throw grenades into the settlements, I just want to understand who is bound, who is not bound, how it is going to proceed, when is it going to proceed and what do we have in front of us before we can get this done. Mr. Dunn advised once we get this due diligence done, we will have additional items in front of the Board when we are ready and getting the documents in a row for the WRA to consider as well as other instruments related to the closing, but we are not there yet. Mr. Tilton asked if that could happen before our next scheduled meeting. Mr. Dunn I think it is possible.

Vice-Chair Minasian do we need to do a roll call as Chair Angelini is officially in attendance at 9:28 a.m. Mr. Dunn advised we have recognized his attendance.

Mr. Dunn said he would like to continue with the Urban Revitalization Plan update. I suggested at the last meeting I would invite Mr. Lana for an update on Front Street properties. He was not available to join us at this time, but was able to provide a written update and where he is with certain items. Midtown Mall façade work has been completed as well as interior work and he mentioned some of the different tenants that have planned to go in there. There have been tenants that have moved in including Puerto Rican Restaurant Querico. Mr. Lana is having ongoing discussions with tenants he has mentioned before like the roof top restaurant, the second floor Worcester Common Fitness, as well as some other smaller units on the first floor of the Mall. There are active discussions related to letters of intent and converting into leases some of which have tenant improvement allowances so he is working trying to get some of the materials, which has been challenging. At 10 Front Street, the Board has seen the scaffolding that was placed on the exterior of the building and they are working to restore the large windows bringing additional natural light into the building and looking to lease out that space. Mr. Lana will be doing some repointing of the masonry on the front of the building. The contractor is Raymond James Restoration and expecting the work to be done in about four to five months. He has brought on formally Kelleher & Sadowsky for the commercial and retail spaces that are available. Lastly, while not a targeted property in the Urban Renewal Plan I know there have been questions in the past related to the other adjacent property at 44 Front Street. There is work on the upper floors with plans for 34 units of market rate housing, which is about ninety-five percent complete. He is waiting on some final material finishes so they can obtain their certificate of occupancy on the 34 units of market rate housing at 44 Front Street.

Vice-Chair Minasian we do not have to take this up at this meeting in thinking about the Denholm Building and relation to Main Street and outside of our boundaries and looking at the Hanover Theater and that whole block and the Money Stop building, which is MassDevelopment, owns curious about the status on that. Moving to Worcester Plaza I believe the border of the plan is right there on Pleasant Street or extends down Main Street any further. Mr. Dunn advised the only area on that north side of City Hall is the properties on Front Street that have been targeted. At 526 Main Street that former Money Stop/Pawn Shop building Mass Development had acquired that through their efforts in this District with a Transformative Development Initiative (TDI), which in turn into a Business Improvement District. They acquired the building and unlocked it for redevelopment. They did an RFP and selected the Menkiti Group as their preferred redevelopment partner for that property. When Menkiti Group was doing due diligence on it, their Phase I Environmental Assessment had revealed that a former tenant was a dry cleaner at the property at one time. There was remediation work that needed to be on the ground floor of that building that MassDevelopment had undertaken as well as a few other things that they were doing infrastructure related of the building. I think they have made good progress and hope to continue to work with the Menkiti Group potentially before the end of the calendar year is their goal to actually transfer the ownership to the Menkiti Group for that property and hopefully that continues to progress and will update the Board throughout the calendar year.

Vice-Chair Minasian it was pre-pandemic when the RFP went out. We have spent a lot of time on the Midtown Mall and that building is just as important and valuable to Main Street and the Downtown. Outside of the District, 340 Main Street - is that project underway ongoing a housing conversion at one point. Mr. Dunn explained the ownership of that building was transferred from Krock family to SilverBrick out of New York and we approved a housing incentive development program designation with SilverBrick

which involves local tax relief funds for the improvements as a potential tax credit investment from the State. I believe they estimated \$54 Million Dollars to convert to market rate housing. They are working through some of the challenges and headwinds that exist in the macro environment, mostly related to material pricing and they have not done much work on that building just yet. They are really trying to see where certain material pricing was going and how that affects their potential contracts.

Ms. Gaskin asked if there were are bunch of businesses in the office space right now and where the businesses are going. Mr. Dunn explained at the time the property was being transferred in the fall of 2020 it had significant vacancy. When the pandemic happened in early 2020 the vacancy rose to about seventy percent in that building. There were some tenants that remained some of which, I believe some relocated to other properties that the Krock Family own. In particular, one of the tenants, Mass Rehab Commission, moved to 18 Chestnut Street.

Ms. Gaskin that is what I was referring to and is DTA in there? I believe they moved to. Mr. Dunn advised DTA moved to Route 20. One of our Divisions, in partnership with the State-MassHire Career Center, is still there but moving. We did an RFP it is because it is technically a city office with State funding and some of their employees are State employees. The RFP was done last year to relocate their offices. This is kind of relevant to the discussion because it's in the Urban Revitalization Plan District, we selected 554 Main Street and the lease has been signed. Some of the fit out is now beginning at 554 Main Street, which is the former Small Business Assistance Insurance Agency, Frank Carroll's former building across from Hanover Theater. The building is now owned by the Menkiti Group as well. The landlord will be Menkiti Group and their goal is to move into that space hopefully by the end of the calendar year. The buildout will be ongoing and the lease has been signed.

Vice-Chair Minasian some of these housing projects and other downtown projects have ripple effects for the RFP for the Denholm Building. Ms. Pitcher while we are still discussing Main Street and that cluster I noticed on the first floor of Pleasant and Main Streets formally the Honey Dew Donuts there is now going to be a law firm and have there been any discussions with property owners about highest and best use for first floor retail space? That is such a high profile corner and having a personal injury law firm there isn't the highest and best use and do we have conversations with these property owners about that. Ms. Gaskin said I completely agree and thought the same thing on the corner. Ms. Pitcher it is a shame it is such a high profile for us right in the Central Business District in the downtown corridor and I know we have no control over that, but there should be a conversation and any programs we can offer, façade program, anything we can do for highest and best use for first floor retail particularly that high profile location. Mr. Dunn replied we agree with that philosophy on first floor retail and know there are some challenges obviously with the retail sector. Owners have other goals of cash flow and might not be willing to wait or do tenant improvement allowances especially food related uses because of the significant buildout. We have not had a lot of frequent conversations with these owners and was not aware of that particular tenant until read about it in the papers. One related note on that. When we look at 554 Main Street, for a long time it had first floor office space when it was the Small Business Assistance Insurance Agency. We have been working closely with the Menkiti Group and they have been receptive to making progress on changing that first floor use from office to more retail type oriented use and a nice complement to the Hanover Theater within the Theater District. Ms. Pitcher said retail is a great experience amenity something besides an office. Chair Angelini asked who owns the property at the corner. Mr. Dunn replied a group out



of eastern Massachusetts, it's a single purpose LLC. Ms. Pitcher it is called the R Block. Vice-Chair Minasian are they still doing housing upstairs micro use at one time. Mr. Dunn advised I believe they have their occupancy permit, but will look up to confirm.

**a. Union Station**

Mr. Dunn design is continuing on the Food Hub space and hoping to have one hundred percent by next month and remind the Board that we will be bringing in potential lease terms for the Board's consideration as Mr. Tilton had inquired about previously. Mr. Dunn advised no costs will be expended in terms of the bid for buildout until we bring in the lease terms to the Board for consideration. It is possible we will be able to do that in August if not certainly in September and actively working on right now. Vice-Chair Minasian who is the design firm. Nault Architects have been hired directly by the Food Hub and have not been paying for the design work to date.

**7. Adjournments**

There being no further business, Mr. Dunn called the roll to adjourn the meeting at 9:50 A.M.

Respectfully submitted,

Peter Dunn  
Chief Executive Officer