

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

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Chief Executive Officer
Worcester Redevelopment Authority



WORCESTER REDEVELOPMENT AUTHORITY

January 11, 2019

8:00 A.M.

City Hall, Levi Lincoln Chamber
Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
David Minasian
Sumner Tilton
Jennifer Gaskin (Remote)

Staff

Michael Traynor, Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
Erin Cahill, WRA Financial Manager
Stephen Rolle, Office of Economic Development
Peter Dunn, 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, January 11, 2019.

1. Call to Order

Chair Pedone called the meeting to order at 8:12 A.M.

Chair Pedone read the following statement:

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

minutes reflect that Ms. Gaskin's request has been approved and that she 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: December 14, 2018

Chair Pedone asked the Board to review the minutes of December 14, 2018 meeting. The meeting minutes were moved by Mr. Tilton. Mr. Traynor called the roll; the minutes were accepted 4-0 on a voice vote.

New Business

1. Kelleher & Sadowsky - Report on a Redevelopment Strategy for Union Station

Mr. Traynor noted that this was a continuation from the last meeting and put on the agenda at the Chairman's request. Chair Pedone recommended that if there was no further comment that the Board accept the report and thank Kelleher & Sadowsky for the report. There being no further comment, Mr. Traynor called the roll to accept the Kelleher & Sadowsky report, and the report was accepted 4-0 on a voice vote.

Mr. Tilton recused himself from Items 2 and 3.

2. Authorize the Execution of Amendment No. 2 to the Design Services Agreement with D'Agostino Izzo & Quirk Architects, Inc. to provide for Additional Services

Mr. Traynor informed the Board that the amendment before them is to bring Sasaki Associates on as part of the design team given their expertise in urban and landscape design. Their participation is intended to provide a coordinated and integrated urban design for the ballpark project, the private development, and the infrastructure improvements that involve the City and the State. To that end, Sasaki is being brought on board to work with D'Agostino Izzo & Quirk Architects, Inc. (DAIQ) and the other consultants.

Mr. Minasian inquired if Sasaki would be looking at the ballpark only or coordinating with the private development surrounding it. Mr. Traynor responded that their scope of work includes coordinating all of the development. Mr. Minasian asked if the City and the WRA would be taking on the additional costs solely for that coordination. Mr. Traynor clarified that some of their scope is included in the ballpark project budget and some will be taken on by the City / WRA. Mr. Minasian further inquired if Sasaki would be taking on some design elements on the south side as well, and Mr. Traynor responded that Sasaki will help form what the urban environment will look like, such as public art and the upgrading of underpasses on Green Street, Hermon Street, and behind Union Station. Mr. Rolle from the City's Planning Division further explained Sasaki's responsibilities, noting that they have two major elements – one being the ballpark's landscape urban design elements, and the other being a broader envelope over the entire area concerning primarily public realm aspects such as streetscape and public facilities.

Mr. Minasian moved the following motion as written:

Voted that the Authority hereby authorizes its chair or vice-chair to execute Amendment No. 2 to the Design Services Agreement with D'Agostino Izzo Quirk

Architects, Inc. in the not to exceed amount Three Hundred Twenty Thousand Dollars and No Cents (\$320,000.00).

Mr. Traynor called the roll; it was voted 3-0 on a voice vote.

3. Authorize Execution of a Contract with Epsilon Associates, Inc. to provide professional services relative to the MEPA filing for the Ballpark Project

Mr. Traynor informed the Board that this item is related to the MEPA filing for the ballpark project and the private development, which the MEPA Office views as one project. Given this, Madison Properties and the WRA will be splitting the costs of the filing. The contract is for the WRA's share. Mr. Minasian inquired about the timeline of the filing, and Mr. Traynor responded that the Notice of Project Change included a request for a Phase 1 Waiver which relates to the WRA side. The Phase 1 Waiver is needed to get approval of the amendment to the Downtown Urban Revitalization Plan, which will allow the WRA to move forward with the land acquisitions. The WRA is on track to have a draft certificate from the Secretary, possibly the following week. The WRA has received positive feedback from the MEPA Office, and it is likely that the WRA will receive the Phase 1 Waiver. From there the WRA will move into a draft Environmental Impact Report (EIR) and then the final EIR. The EIR should be received at the end of May 2019.

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 Epsilon Associates, Inc. in the not-to-exceed amount of One Hundred Seven Thousand Five Hundred Dollars and No Cents (\$107,500.00) for professional services related to the MEPA filing relative to the Canal District Ballpark Project.

Mr. Traynor called the roll; it was voted 3-0 on a voice vote.

4. Retail Space at Union Station Parking Garage – Discuss commencement of lease negotiations with Greater Good Imperial Brewing Company, Inc., d/b/a Soul Purpose Brewing, and Quarters Restaurant

Mr. Traynor stated that interest from various parties in the available space in Union Station and the Union Station Garage was brought to the Board in November 2018. After discussing internally, the Board is being advised that the administration would like to move forward with discussions about building out the garage retail space. One unit would be for Greater Good Brewing Company's Soul Purpose nanobrewery, as previously discussed. The remaining vacant retail space would be for the Quarters Restaurant, currently located in Hadley, MA. Mr. Traynor noted that these are beneficial uses for the back side of the garage facing the Canal District and the ballpark project, and would bring more activity into the area. Funding would be provided for the core and shell improvements, and the tenants would pay for their own fit-out. Mr. Traynor introduced Mr. Dunn, who has been coordinating with the interested parties, to provide additional details.

Chair Pedone interjected that he was recently contacted by a business owner that was upset that there was not more public discussion about the availability of the space. Mr. Traynor responded that the WRA has been talking about this space for over ten years, but encouraged the person to reach out to the administration. Chair Pedone noted that he is happy that the administration wants to continue the discussions with these companies, but that there are other

parties interested in this space. Mr. Traynor stated that at least two Requests for Proposals (RFPs) had been issued publically in the past for the Union Station Garage space and that received no responses.

Mr. Dunn stated that both Greater Good Imperial Brewing Company and Quarters Restaurant are eager to get started on a more detailed evaluation of the costs associated with their proposed projects; however, they want to know that the WRA is in support of their proposals before they spend money on architects and other services. Mr. Tilton inquired about the status of the two companies, and Mr. Dunn stated that Greater Good Imperial Brewing Company is a corporation that is looking to open a nanobrewery and taproom for their Soul Purpose line of beers. The proprietor is Paul Wengender, and he has experience with Blue Sky Biotech, which was purchased by LakePharma. Mr. Wengender's Greater Good taproom and brewery has been established on Millbrook Street for about a year. They have been doing well and growing rapidly, and with the success of the Soul Purpose line they need room to grow. Quarters has been in Hadley, MA, for over five years and has been drawing customers from over a twenty-mile radius. They also submitted a letter of interest in October. Right now Quarters has an LLC for their location in Hadley by the name of Game Over LLC. In their letter of interest they suggested that it might be the same LLC, or its designee, for the Union Station Garage location, and the principal is Greg Stutsman. The spaces for the two proposals are separated by a corridor – one space is about 2,100 square feet, and the other is about 6,000 contiguous square feet.

Mr. Traynor stated that he believes the two proposals are good uses in terms of the Canal District and for serving commuters going in and out of Union Station. Chair Pedone voiced support for these conversations and noted that he was happy to read the Telegram article that has generated interest in the available retail space. However, Mr. Pedone does not think the door should be closed on any other entity that might have an interest reaching out to the administration. Mr. Minasian asked if the Board were only discussing negotiations, and Mr. Traynor responded that they are not looking for a particular vote at this time. Proposals for the lease terms would be brought to the Board at a future meeting. Chair Pedone requested a listing of interested parties that have reached out to the administration. Mr. Traynor responded that other than the company that contacted Chair Pedone and the two entities under discussion, no other entity has expressed interested in the Union Station Garage space. The WRA had interest in the space in the past, but no one had the necessary financing or the ability to move forward for various reasons. This is the first time that the WRA has had two parties that are committed and have the resources necessary to move forward.

5. Authorize Execution of a Memorandum of Understanding with the Worcester Regional Transit Authority

Mr. Traynor stated that the agreement authorizes a flow of funding from the Federal Transit Administration (FTA) that is received through the WRTA. The FTA performed an audit of the WRTA and noted that the current MOU needs to be updated to include specific language; this vote will allow the WRA to continue to receive the eighty percent reimbursement for capital projects. Mr. Minasian inquired if the amount of grant funding had changed. Ms. Beaton explained that this agreement will not impact the dollar amount; rather, there are particular federal statutory requirements that flow through the WRTA to the WRA and that need to be referenced in the agreement.

Mr. Minasian moved the following motion as written:

Voted, that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute an agreement with the Worcester Regional Transit Authority to facilitate the Authority's receipt of Federal Transportation Authority Section

5337 State of Good Repair Apportionment Funds for the financing of certain capital improvement projects at Union Station.

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

6. Authorize Execution of Amendment No. 2 to the Downtown/Theatre District Planning Cooperation Agreement

Mr. Tilton recused himself from Item 6.

Mr. Traynor stated that the Board authorized Amendment No. 1 to the Cooperation Agreement between the City of Worcester and the Worcester Redevelopment Authority relative to the Downtown Urban Revitalization Plan at the previous meeting to roll over the borrowed funds for the ballpark project. Amendment No. 2 is needed to include additional funding for BSC Group for services that they have been providing in relation to the amendment to the Downtown Urban Revitalization Plan and for the MEPA filing. Mr. Minasian requested a financial summary of the Urban Revitalization Plan and the amendments. Mr. Traynor stated that a report can be put together for the next meeting.

Mr. Minasian moved the following motion as written:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Amendment 2 to the Cooperation Agreement between city of Worcester and Worcester Redevelopment Authority relative to Downtown Urban Revitalization Plan to provide additional funding in the amount of Four Hundred Nineteen Thousand Six Hundred Five Dollars and No Cents (\$419,605.00).

Mr. Traynor called the roll; it was voted 3-0 on a voice vote.

Chair Pedone requested that a discussion about the Midtown Mall with regard to the Downtown Urban Revitalization Plan be added to the agenda for the next meeting.

7. Mandatory Conflict of Interest Law Online Training and Ethics Acknowledgement

Mr. Traynor noted that this online training is required every two years by state law. The information would be sent to the Board the following week, and the certificate of completion and the City's acknowledgement form should be returned to Ms. Bresnahan.

8. Financial Update Report

Report on Prior Month's Executed Contracts and Payments

Ms. Cahill reported that for the period of November 28, 2018, through January 7, 2019, the WRA incurred \$432,742.33 in expenses. Of this amount, approximately \$210,000.00 was for operating expenses, and approximately \$222,000.00 was for capital expenses related to the exterior stucco project. Mr. Tilton inquired about WRA's finances and how it works in terms of borrowing from the City. Ms. Cahill stated that some of the money is borrowed from the City, but the WRA is also receiving funding from the FTA for eighty percent of the capital project expenses. The twenty percent balance is coming from the City of Worcester to fund those projects. The FTA, through the WRTA, is also providing the WRA with eighty percent funding for certain preventative maintenance costs, including security, building management, and janitorial services. Mr. Tilton asked if the funding functions like a line of credit with a cap, and

Ms. Cahill responded that it is a grant from the FTA. Approximately two to three million dollars of additional FTA grant funding is allocated to the WRA every year. Mr. Tilton inquired about receiving a summary of the grant on a regular basis, and Ms. Cahill stated that she would provide a summary.

Mr. Tilton asked if the FTA grant funding would be used for the Cannabis Control Commission lease space improvements, and Ms. Cahill noted that improvements to tenant space are not allowable under the FTA grant. The funding for the improvements would come from the City of Worcester; the City requests loan orders through the City Council, and if approved, gives that money to the WRA. Chair Pedone noted that the City Council approved the two million dollar loan order for the Cannabis Control Commission at the most recent City Council meeting. Mr. Traynor clarified that they voted to advertise and it would go back to the City Council for final approval, but essentially the loan order was approved.

9. 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. Minasian inquired about any activity or interest in the available spaces in Union Station that were not discussed, including the basement area, the former Byblos Lounge, and the proposed Fire Museum space. Mr. Traynor responded that there is interest in the former Byblos Lounge that was discussed at the November meeting. Mr. Traynor stated that for now the WRA would move forward with the Union Station Garage and take a step back to let the Board consider the spaces in Union Station.

Chair Pedone summarized the agenda items for the next meeting, including a financial report with the WRA's expenses for the previous year and a discussion about the Midtown Mall. Chair Pedone thanked the City Council for moving forward with the loan order for the buildout of the Cannabis Control Commission space, and requested a list of interested parties that have inquired about the available spaces in the Union Station Garage. Mr. Minasian inquired about the lease agreement for the Grand Hall in Union Station, and Mr. Traynor stated that the lease runs through 2023. Previously the WRA licensed the Grand Hall for each event, but ran into issues because there is a limit to the number of one-day liquor licenses for a particular space. As a result, the WRA leased the Grand Hall to Joe Petrou, who ran the restaurant at the time, and they put a separate company together to lease the Grand Hall. When Mr. Petrou left, the WRA decided to package the hall and the restaurant as one leased space. The WRA is now looking to go back to controlling the Grand Hall. Chair Pedone noted that Mr. Giordano has reached out to him and the administration about renegotiating his leased space.

Mr. Minasian requested an update regarding the ballpark project. Mr. Traynor stated that the WRA is awaiting receipt of a Phase 1 Waiver, which is anticipated to be finalized at the end of January or early February. In addition, the WRA submitted Amendment No. 1 to the Downtown Urban Revitalization Plan to the Department of Housing and Community Development (DHCD) on December 20, 2018. This approval is also anticipated in late January or early February. Appraisals are being completed for the properties that will be acquired, and the hope is that the aforementioned approvals and appraisals will come in around the same time and the WRA can move right into negotiations with the property owners. Mr. Minasian inquired about the public bidding timeline for the Construction Manager, and Mr. Traynor stated that the Request for Qualifications would be in the following week's Central Register.

10. Adjournment

There being no further business, the meeting adjourned at 8:48 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer