

Worcester Redevelopment Authority

Vincent A. Pedone
Chairman

Michael E. Traynor
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

July 12, 2019

8:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
Jennifer Gaskin
David Minasian
Sumner Tilton

Staff

Michael Traynor, Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
John Odell, Energy & Asset Management
Greg Ormsby, Office of Economic Development
Amanda Gregoire, 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 Friday, July 12, 2019.

1. Call to Order

Chair Pedone called the meeting to order at 8:21 A.M.

2. Roll Call

Mr. Traynor called the roll.

3. Approval of Minutes: June 14, 2019

Chair Pedone asked for a motion to approve the minutes – Mr. Minasian moved the motion Mr. Tilton seconded the motion.

New Business

1. Status Update – Great Wall

Mr. Traynor informed the Board that he met with the property owner's representatives earlier in the week and they are present today to present a progress report on the opening of the restaurant and preliminary plans for the upper floors of the building.

Chair Pedone welcomed Mr. Hui Joseph Zou, representing Ms. Mindy Jiang. Mr. Zou recounted the issues encountered during the previous year (2018); delays by contractors that prevented work from being completed. Mr. Zou's presentation provided an update on the status of the electrical work: 4/15-Electrical Panel Work Passed Inspection; 4/22-Power Line Conduits Installed; 5/23-Two of Four Meters Installed; 5/30-Learned Two of the Four newly installed Panels were incorrect; 6/4-Hired New Electrician; 6/26-Interior Electrical Job Passed Rough Inspection.

Chair Pedone inquired about the two electrical panels that were not working, Mr. Zou explained that they were installed by the previous electrician and were the wrong type of sockets. Mr. Zou explained that they were for the upper levels of the building, so the restaurant electrical work is installed and working correctly. Mr. Zou explained they had lined up contractors for the HVAC work and the job will be completed within the next two weeks. Mr. Zou stated that Knight Fire Alarm Company submitted an application for the electrical work on June 25th for the pre-wiring; the alarm work will be completed by July 11th. Mr. Zou stated the scope of the sprinkler work has changed due to a water main break and leak. That work has been completed and they were waiting for water testing to be completed by the City. Mr. Zou stated that this is a summary of what has been done since the WRA's April meeting and hopes to have all the work completed on the inside and open the restaurant by the end of August. Chair Pedone asked what the cost of the project is and if the owner has the resources to finish in August? Mr. Zou replied that the contractors have been partially paid and final payment will be made at the completion of the project and the opening of the restaurant.

Ms. Gaskin commented that the Board previously suggested that the owner hire a project manager for the project but it doesn't appear that happened. She noted that it's great that the restaurant is opening but as the project transitions to upper floors the scope will be of a scale requires a project manager who understands the process. Mr. Zou advised the Board they have a general contractor but Ms. Gaskin replied it doesn't seem like the general contractor is on the job on a daily basis managing and overseeing the work. Ms. Gaskin asked if a letter similar to the one sent to the property owner at the Midtown Mall was sent to this property owner, asking for specifics on financing and planning. She continued and said for the update the Board will need to understand the particulars behind the project and have a level of comfort that will meet the end result. Ms. Gaskin said the Board should not have to continue to have these monthly conversations about what vendors are not performing, etc. The Board needs to see the particulars of the financing. The property is a great property and great partner for the downtown and the WRA supports the Great Wall to get to the finish line, she said. Ms. Gaskin raised the issue that members of the neighborhood organization appeared before the Board to express their frustration with the inability to communicate with the property owner and the inability to gain cooperation with operating principles for Allen Court that have been put in place with other neighborhood businesses. Ms. Gaskin stated that the Board's goal is to have a vital downtown with businesses working together and a community where visitors want to visit our city and patronize the businesses downtown. Ms. Gaskin reiterated she was tired about hearing about the electrician and wanted to know how the property owner is going to get to the next stage. Mr. Zou replied that he had a second part of the presentation that addresses those issues.

Mr. Tilton said he would like to know what the total costs are - to include the restaurant and the upper floors. Mr. Tilton recalled from a prior meeting that Mr. Zou stated the plan was to open the restaurant and that the profits from the restaurant will be used to fund the renovation of the upper floors. Mr. Tilton asked if that is still the plan. He further wanted to know what the numbers are for the entire project, cost estimates of what the restaurant will produce, will that profit be enough to provide for the renovation on the upper floors or is the Board going to have to meet monthly for a status on the project for the next year. Mr. Zou replied that he does not have numbers for the next phase. Mr. Zou stated that he knows the project doesn't end with the restaurant; the first project was rebuilding the back wall, then the restaurant. Next will be the upper floors, the façade and historical requirements of the building

Another representative of the owner, Mr. Lee, addressed the Board. He explained the first phase of the project was mishandled. Mr. Lee stated that Mr. Zou will be the project manager and Mr. Lee will assist in reviewing vendors and ultimate selection. He said they have a proposed design for the upper floors; they need to have the work quoted and then they will be able to present to the Board. Mr. Lee stated there are two phased projects, once the first phase is completed they will focus on the second phase. Chair Pedone asked if they have an architect and engineer that is helping with the project with design plans and concept. Chair Pedone suggested that they must have an idea of the cost estimate and asked if the family is capable of putting together the resources to finish the project. Mr. Lee replied that they will obtain an estimate for the project cost and identify funding for the renovations on the second and third floors. Chair Pedone requested that a copy of the presentation today be sent to Mr. Traynor for the record and then forwarded to the members.

Mr. Minasian concurred with what had been said by the members of the Board and added that moving forward with the second phase, a general contractor needs to be selected along with an architect. Mr. Lee acknowledged an architect who was in attendance who was prepared to present Phase Two of the project, the schedule and their engagement. Chair Pedone thanked Mr. Zou and Mr. Lee for the update on the restaurant and suggested that if the administration can be helpful in moving timelines on the restaurant please utilize them. The Chair decided to hold off on the second part of the presentation until concrete design plans, timelines and costs can be presented. Mr. Zou stated that he appreciated the Board's assistance and asked if the September meeting would be available to present Phase 2. Mr. Minasian suggested that the owner and her representatives meet with WBDC who have experience with construction and assisted other projects in the city.

Chair Pedone asked if Ms. Roberta Brien from Worcester Business Development Corporation (WBDC) would like to participate. Ms. Brien stated that Joseph reached out last week to the WBDC project manager regarding the Memorandum of Understanding and she understood that the MOU has been signed and hopefully returned. She said that is a great first step in being good neighbors on Allen Court. But she expressed frustration that they don't have day to day contacts, noting those present are all volunteers, volunteering their time to assist the Great Wall. She said it's not possible to do construction work with volunteers; that there needs to be someone who has a contract and is paid to complete the work. The WBDC is concerned that they could not recommend a contractor because they'd not seen any financing details that indicate that the upper floor renovations can be achieved. She expressed another concern that she believes there remain Code issues with the restaurant and understands there has been no application for final inspection. She questioned if there are sprinklers in the vacant portion of the upper floors which are required by Code as a vacant structure. Ms. Brien said that as neighbors they are concerned. Ms. Brien thanked the Board, stating that this is a good first step from the Great Wall; we know that this Board wants an active and participating business as well as good

neighbors with the proposed residences planned above. Chair Pedone requested the following for the September meeting:

- Financial Plans – (Cost of Project – Phase I and Phase II)
- Design Plans – Architect - Engineer
- Timelines
- General Contractor/Project Manager
- Code Department issues
- Historic Commission – Façade on Main Street

2. Authorize Change Order No. 6 to the Owner-Contractor Agreement between the Worcester Redevelopment Authority and Kronenberger & Sons Restoration, Inc. relative to the Union Station Exterior Stucco project in the amount of \$273,835.94

Mr. Odell stated that this is related to the stucco repair project Change Order No. 6. As discussed at a prior meeting, as repairs were being done we discovered yellowing that had occurred, these costs are to remove the yellowing and recoat the area along with the standard ongoing costs for the scaffolding and tarp. On another note we are starting to finish the work along the west side, front of the building and scaffolding has already been taken down. Chair Pedone before we vote are there any other Status Updates, Mr. Tilton needs to recuse himself from Items 4, 5 and 6.

Mr. Minasian stated that at the last meeting Mr. Angelini and he were inquiring about the previous contract and previous scope of work around the material and whether or not there is some kind of ability to recoup some of these costs and unforeseen situations that perhaps should have been foreseen previously, and asked if there was an update? Mr. Odell replied that there would not be any recourse; for one thing the timeframe is problematic due to the statute of limitations; secondly it would be an extraordinary challenging case to present. Mr. Odell said as they looked back at the records there were differing interpretations of how that would be reviewed or whether something was defined clearly as an error. Mr. Minasian asked if moving forward there is confidence that this is a more permanent solution. Mr. Odell said there is high confidence in moving forward as the project team has gone to extreme levels to make sure this project is successful. It has been a challenging project. The ultimate goal was go get something that would last for a long time and the team believes that's been achieved. Mr. Tilton asked when the project will be completely finished. Mr. Odell said the end of August, if not sooner, between four to six weeks. Mr. Tilton inquired if there was a warranty. Mr. Odell said the work will have a one-year warranty. The warranty will include workmanship issues, and any issues that have occurred to date, including the leakage in terms of yellowing, are covered under the one year. There is also a longer term agreement for the materials itself which is a ten year warranty. Chair Pedone asked if there were any other issues relative to the Station. Mr. Odell reported that the FTA grant previously applied for to subsidize the costs for part of the miscellaneous repair projects and the sub-station work was held up for a variety of reasons on the Federal side. We expect to receive the funding shortly.

Chair Pedone inquired if there was a status update on the Cannabis Control Commission space and vacant restaurant space. Mr. Odell replied that the CCC space is on schedule, the demolition work has been completed construction has begun on the space, the estimated completion date is late November with the CCC moving into their offices by January 2020.

Mr. Traynor stated that his office is working with Mr. Zidelis's office on the terms of the lease payments for the restaurant space (former Byblos space). There will be no fit out costs incurred by the WRA. The tenant is examining the space with contractors to measure the fit out;

there may be an update next month. Chair Pedone asked that the Board be provided details of the lease. Chair Pedone suggested that conversations about the lease renewal for Mr. Giordano's property, whose lease expires in two and one-half years, begin regarding the leased restaurant space as well as the Grand Hall. Mr. Minasian asked that with respect to the Cannabis Commission and the Police Substation and various projects, if compliance rules are practiced regarding responsible employer policies and if there is an issue who would actually handle any issues, who is the point person? Mr. Odell that project will be overseen by himself and staff regarding compliance issues.

Mr. Minasian offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Change Order No. 6 to the Owner Contractor Agreement between the Worcester Redevelopment Authority and Kronenberger & Sons Restoration, Inc. relative to the exterior stucco project at Union Station in the not to exceed amount of Two Hundred Seventy Three Thousand Eight Hundred Thirty Five Dollars and Ninety Four Cents (\$273,835.94).

Ms. Gaskin seconded the motion.

3. Authorize Amendment to the Union Station Cooperation Agreement for FY20 Capital Funds in the amount of \$1,000,000.00

Mr. Traynor this is the annual appropriation from the City for Capital funds for Union Station.

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 FY20 Capital Funds in the amount of One Million Dollars and No Cents (\$1,000,000.00).

Ms. Gaskin seconded the motion.

Mr. Traynor stated that for Item Numbers Four, Five and Six - Mr. Tilton will need to recuse himself. Chair Pedone inquired if there any other items that needed to be taken up before Mr. Tilton recused himself. Mr. Traynor reported that the Financial Reports will not be presented at this meeting but will be presented at the August 9, 2019 meeting.

4. Authorize execution of Amendment No. 5 to the Design Services Agreement with D'Agostino Izzo & Quirk Architects, Inc. relative to the Polar Park Project in the amount of \$131,354.00

Mr. Minasian stated that he is pleased with the environmental focus on the ballpark project. Questions have been raised in the community regarding the project and environmental impact and glad it is being included.

Mr. Minasian offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute Amendment No. 5 to the Design Services Agreement with D'Agostino Izzo Quirk

Architects, Inc. in the not to exceed amount of One Hundred Thirty One Thousand Three Hundred Fifty Four Dollars and No Cents (\$131,354.00).

Ms. Gaskin seconded the motion.

- 5. Authorize execution of Amendment No. 3 to the Owner's Project Manager Agreement with Skanska, USA Building, Inc. relative to the Polar Park Project in the amount of \$1,888,730.00.**

Mr. Traynor explained this is an amendment to the Owner's Project Manager contract and funds it through completion. It was originally funded through design development; this is the balance of their services. Mr. Minasian asked if the diversity goals are being monitored by the Owner's Project Manager. Mr. Ormsby stated that the OPM, Skanska, is in receipt of that documentation from the construction manager which will be rolled up with the subcontractors and will include weekly updates through certified payroll as well as reporting on their compliance with the Responsible Employer and Inclusionary Participation policy requirements of the WRA; diversity percentages to include women and minorities and Worcester residents of color, as well as women will be reported on a weekly basis to the Construction Manager. Mr. Ormsby stated that they are looking at a monthly readout internally with respect to how contractors are performing to meet or exceed those. Mr. Minasian who will be attending the monthly meetings, Mr. Ormsby that is being worked out.

Ms. Gaskin offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute Amendment No. 3 to the contract for Project Management Services with Skanska USA Building, Inc. in the amount of One Million, Eight Hundred Eighty Eight Thousand, Seven Hundred Thirty Dollars and No Cents (\$1,888,730.00) relative to the Canal District Ballpark Project.

Mr. Minasian seconded the motion.

- 6. Authorize execution of Amendment No. 1 to the Owner Construction Management Agreement with Gilbane/Hunt JV relative to the Polar Park and Garage Projects in the amount of \$49,402,935.00.**

Mr. Ormsby explained this amendment is for site/civil, concrete, structural steel and other pre-cast bid packages relative to the Polar Park and Garage Projects. It is an initial estimate for the ballpark and a second estimate from the original May proposal; divided between the ballpark and the garage. That information will be further defined as we received designs from the garage designer, Walker, and put an actual number of the costs associated with the construction. This is only for funding purposes as we move through the construction cycle, towards the November timeframe we will then have a guaranteed maximum price that would be negotiated between the WRA and Gilbane/Hunt.

Ms. Gaskin offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice chair to execute Amendment No. 1 to the Owner Construction Manager Agreement with Gilbane/Hunt, a joint venture, in the amount of Forty Nine Million, Four Hundred Two Thousand, Nine Hundred Thirty Five Dollars and No Cents

(\$49,402,935.00) relative the Canal District Ballpark Project, including the South Garage Project.

Mr. Minasian seconded the motion.

**7. Financial Update Report
Report on Prior Month's Executed Contracts and Payments
Report on Downtown Urban Revitalization Plan Expenditure**

The Finance Update Report will be presented at the next meeting due to year-end shutdown.

8. Status Reports:

Urban Revitalization Plan

Chair Pedone inquired if there discussions ongoing with the new property manager of the Midtown Mall. Mr. Traynor reported that since the last meeting the new owner Mr. Lana has meet with him and shared his vision he has for the redevelopment of the two buildings as well as 44 Front Street. Mr. Lana represented that he's committed to come back to the Board but Mr. Traynor explained that Mr. Lana couldn't be at this meeting because he is travelling out of the country. When he returns he will be meeting with the City Manager. The dialogue is ongoing and he will present his intentions to the Board at the August 9 meeting. Chair Pedone said Mr. Lana is in receipt of the letter asking him to appear and understands that the Board expects financial information, timelines and buildout. Chair Pedone asked that as part of the agenda for the next meeting the expectations of the letter be outlined on the agenda.

Mr. Minasian raised the issue that previously the Board was looking at Lamartine Street as part of the Urban Revitalization Plan and he asked if any properties have been designated and will affordable housing be included. Mr. Traynor said nothing is being planned in that area right now, when we adopted Amendment 1 to the Plan we removed all those properties from being designated for acquisition but they are within the Plan boundary and can be revisited later. Nothing was designated specifically for affordable housing, however, the Economic Development Department is working on a separate plan for that area to set goals, policy directives and programs that would help jump start some of the work, in particular affordable housing. Mr. Minasian expressed his desire that the Board to be active in this project for that area.

**Union Station – Vendor & Maintenance Performance
Union Station – Leak Remediation Project
Tenant Updates
Security Update
Urban Revitalization Plan**

Next Meeting Dates: August 9, September 13, October 11

9. Adjournment

There being no further business, the meeting adjourned at 9:39 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer