

Worcester Redevelopment Authority

Vincent A. Pedone
Chairman

Peter Dunn
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Friday, August 21, 2020

9:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
David Minasian, Vice Chair
Jennifer Gaskin
Michael Angelini (9:32)
Sumner Tilton

Staff

Peter Dunn, Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
Amanda Cornwall, 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 9:00 A.M. on Friday, August 21, 2020.

1. **Call to Order**

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

2. **Roll Call**

Mr. Dunn called the roll – Mr. Pedone, Mr. Minasian, Ms. Gaskin, and Mr. Tilton.
Mr. Angelini joined the meeting at 9:32.

3. **Approval of Minutes: July 17, 2020**

Chair Pedone asked for a motion to approve the minutes.

Mr. Tilton made a motion to approve the minutes, Mr. Minasian seconded the motion.

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

New Business –

1. **Acceptance of an easement from DOT regarding the land at Washington Square, and authorization to convey the same to Summer Street Hotel LLC (First Bristol Corporation)**

Mr. Dunn reviewed with the Board the need for an easement from MA DOT regarding land beneath and adjacent to Interstate 290 in Washington Square and conveying same to Summer Street Hotel LL (First Bristol Corporation) land previously conveyed to the developer, Homewood Suites at Washington Square. Mr. Dunn reviewed with the Board the triangular section that is directly underneath I-290 and the area adjacent. MA DOT was reviewing the title to the area and recommended to the City that they would convey an easement and recommend conveyance to the hotel for parking in the area. Homewood Suites will convey access to the area for maintenance and other needs for I-290. Ms. Gaskin inquired if this were the same property of the Homewood Suites.

Mr. Minasian offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice chair to accept an easement from Massachusetts Department of Transportation concerning land beneath and adjacent to Interstate 290 in Washington Square, and to convey the same to Summer Street Hotel LLC (First Bristol Corp).

Ms. Gaskin seconded the motion.

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

Chair Pedone requested that Item 2 (Midtown Mall) be taken at the end of the agenda.

2. **CDBG contract amendment for the vacuum cleaner building at 36 Washington Square.**

Mr. Dunn stated the building at 36 Washington Square has long been a blighted building. An Agreement was done a year ago with the Department of Housing and Urban Development (HUD) providing for federal assistance under the Block Grant Program for funding for blighted properties through Chapter 139. The Agreement was for demolition of the structure. As engineering plan was being reviewed from last year including the specifications for the project as well as coordination with the Providence and Worcester Railroad, the building is attached to the railroad bridge, it was discovered structural elements went into the bridge and required additional engineering and approvals from the Railroad. After receiving the additional architectural and engineering work it will need additional funds to complete work. The amount of the Amendment to the Agreement is Ninety Three Thousand, Thirty Four Dollars and No Cents (\$93,034.00) and will cover the costs to demolish the building. The timeline is expected before winter. Mr. Minasian asked if the parcels connected together to demolish the building and move forward with hotel project? Mr. Dunn an Approval Not Required (ANR) plan was completed and submitted to the Planning Board to combine the parcels. A terms of conveyance has been signed and a purchase and sale agreement with First Bristol Corporation. The City Council approved the TIF financing plan for the project. The hospitality industry has

been hit hard by the Coronavirus with occupancy at hotels declined. In recent conversations with the developer they are committed to the project, but will delay and obtain any necessary approvals that are needed with hopes of construction in early 2021. There are details to be worked as to financing and with the demand and occupancy rates coming back they are committed to the project. The project will be a Home2 Suites, Extended Stay Hotel.

Mr. Minasian offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice chair to execute Amendment 1 to the intergovernmental agreement with the city of Worcester for the receipt of Community Block Grant Funds in the not to exceed amount of Ninety Three Thousand, Thirty Four Dollars and No Cents (\$93,034.00) for the demolition of the structure at 36 Washington Square.

Mr. Tilton seconded the motion.

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

3. Canal District Ballpark Project workforce diversity and inclusion report

Danielle Skilling, from Gilbane-Hunt, Joint Venture, provided the Board with an update through August, 2020. Ms. Skilling stated that she did not have a comprehensive update for the MWBE Report, while travelling in areas that had tornadoes she did not have power nor access to gather the report. Ms. Skilling will provide a comprehensive update at the September 11th meeting. I do have a partial update but prefer to give the comprehensive update at the next meeting. Ms. Skilling presented the workforce diversity numbers to include: People of color numbers continue to increase – women is at 6.9% I'm in conversations with several of our subcontractors there needs to be improvement, a few were second tier subs to our subcontractors, they have been intermittent, with a few hours here and there, which can create a challenge. I've spoken with Adams Plumbing and Heating they have done a phenomenal job with residents and people of color. In the next few weeks they add a female who will be on site for the duration of the project. Adams will be in excess of where they need to be. We have contractors that will have corrected action meetings to improve in all areas. I want to give a shout out to Manafort noting not only are they only a local contractor, but from the time they began with the project until now continue to lead the way with setting an example with almost 28% Worcester residents, over 20% people of color and close to 8% female. We want to pay attention and get numbers corrected with others, I wanted to point out that continue to obtain great numbers. Manafort has about thirty-five percent of the hours. When future contractors come onto the project we will continue to have our meetings.

4. Financial Update Report

Report on Prior Month's Executed Contracts and Payments Report on Downtown Urban Revitalization Plan Expenditure

Mr. Dunn presented the financial report. He reviewed with the Board the attached updates, executed contracts and expenses on the Downtown Urban Revitalization Plan since the last meeting, July 17, 2020. Mr. Dunn reported for the period of July 14, 2020 through August 17, 2020 the WRA incurred a total of \$12,603,924.49. Mr. Dunn noted that 95% is Ballpark related expenses and over \$11.9 Million with the Joint Venture

Gilbane Hunt. The other noted expenditure was the Amendment No. 4 - Miscellaneous Renovations - APC CO #4 in the amount of \$13,816.61.

5. Status Reports:

Union Station – Vendor & Maintenance Performance

Union Station – Miscellaneous Renovation Projects

Urban Revitalization Plan

Midtown Mall

Great Wall

Mr. Dunn advised the Board that Mr. Odell is on vacation and will have an update for the September 8, 2020 meeting. In response to the Board's request at the last meeting for an update with regards to COVID-19 and the Great Wall, whether they have applied for a liquor license – Mr. Dunn advised they have not applied for a liquor license to date.

6. Status Report Midtown Mall

Chair Pedone informed the Board that Mr. Dunn has spoken with Mr. Lana. Mr. Dunn has photos of the renovations to the Midtown Mall as well as renovations at 44 Front Street. Mr. Dunn noted that Mr. Lana purchased the building a little over a year ago, has installed a new roof, installation of new floors on the first floor. The photo showed the first floor of the new flooring as well as basement, aesthetic improvements on the store fronts above the brick, up lighting has been installed. Improvements have been to tenant spaces and Mr. Lana has four LOIs with tenant improvement allowances, Mr. Lana did not identify the tenants. Mr. Dunn showed a picture depicting a skylight with glass paneling on the first floor from the basement and the new flooring that has been installed. The skylight has been done throughout the pedestrian walkway. The second floor has been completely gutted and the owner is in talks with tenants for the second floor space. With the space being gutted it will be able to be designed and ready for tenant needs. Mr. Lana stated his total investments to the Midtown Property he has invested approximately \$800,000. With respect to the Midtown Mall with LOIs he expects it to be complete by 2021. Mr. Dunn shared a photo of renovations being done to the former dinette space area and mentioned there is an interested tenant for that space. Mr. Dunn stated that he also has pictures depicting the work being done at 44 Front Street as well as an update for 250 Commercial Street; he inquired of the Board if they would like to continue their discussion regarding the Midtown Mall. Mr. Dunn stated that there have been discussions about how Midtown Mall relates to his other assets, showing a picture of the renovations of apartments at 44 Front Street. Mr. Lana has permits for the sixth and seventh floors for seventeen units on each of those floors. The units have been framed out, working on rough utilities, electrical and plumbing. Mr. Lana stated that he will have a total of thirty-four units for this building in 2021. At 44 Front Street he has one leased signed and another LOI for two retail spaces on the first floor. He is planning commercial office space on floors two through four, the building will be mixed use, retail on the first floor with a common area noting COVID and office space demand noting the absence in the UNUM Building. The fifth floor will also be residential he has not pulled permits for that floor, which will be a twelve units with a total of forty-six units of housing for those three floors (5-7), three floors for office (2-4) and retail on the first floor. Mr. Dunn wanted to give a status update of 250 Commercial Street – the sidewalks had not been fully completed for a couple of years due to structural elements underneath the sidewalk and under the building there was structural integrity found. The sidewalk has been completed. When he bought that building, it was at twenty percent occupancy it is now

at eight-five percent occupancy and optimistic on the remaining amount; he has made improvements to the common area to include tile and paneling on the walls, elevator work will take place next. Mr. Lana has an LOI for the restaurant use. Mr. Minasian 250 Commercial Street is eighty-five percent occupancy. Mr. Dunn also noted that Mr. Lana has assets around the City, he recently purchased 333 Pleasant Street which is the former Goodyear property across the street from Bahnan's Market. Mr. Lana has extensive landscaping improvements underway as well as plans for tenants in the building. Mr. Tilton stated if you review the minutes from our last meeting I was fed up with Mr. Lana putting us off month to month and no real progress noting that the WBDC made recommendations of which he did not follow. Mr. Tilton continued that at the Midtown Mall a lot of piecemeal work is being done, very little progress being made nor a long-range plan. Mr. Tilton at last month's meeting that is why I requested this information and prove he was wrong and I was right and we would delay eminent domain proceedings. Mr. Tilton stated that Mr. Angelini had different solutions and wanted to work with Mr. Lana but have noted in the minutes that Mr. Lana would supply us in writing prior to the next meeting. Mr. Tilton inquired as to whether this was a special meeting or a regularly scheduled September meeting. Mr. Tilton stated that Mr. Lana has not secured a developer, has not provided a long-range plan for the use of the building, we do not know his financing, whether they are coming from the units that are being rented at 250 Commercial Street and 44 Front Street, whether there is a financial institution involved or whether he is credit worthy, before taking the plan to an end result. Mr. Tilton asked Mr. Dunn to comment on and fulfill what the Board requested, this is dragging on to a certain point that we're getting waltzed around. Chair Pedone we have asked for very specific things from Mr. Lana, but we have not received answers from Mr. Lana. The Board is sensitive to the work that has been completed at the Midtown Mall to date but it's not about fixing up the building that has been done and the monies that have been spent has been done there and the cost of that work. But in the end, it's not about fixing it (Midtown Mall) up and making it look nice it is about incorporating into the larger plan. Chair Pedone recognized Mr. Angelini. Chair Pedone we have no idea since Mr. Lana purchased the building, we've been asking him what his plan is other than to clean up the building. Mr. Tilton we asked for very specific things, Mr. Angelini has been very concise and specific about what we needed by way of a proforma, developer, a plan, financing and it use it was all set out in the minutes of our last meeting and they have not been satisfied. Mr. Tilton echoed Chair Pedone that this is not a cosmetic deal; this is a deal in the heart of our economic development district downtown and I'm not satisfied as to what is happening. Mr. Dunn I did ask Mr. Lana the questions that were outlined in last meetings minutes. He will be using his own assets on the development through his company. Mr. Dunn one thing I neglected was to state that Mr. Lana also plans to proceed this fall with his plan to replace the Midtown Mall facade with an all-glass treatment with the demolition delay waiver expiring.

Mr. Dunn stated in discussions with Mr. Lana regarding broader plans for the Midtown Mall, Mr. Dunn let him know that he is sensitive about sharing some of the private information in a public forum because he is worried that someone else will take his ideas or take away the potential tenants he is working on. Mr. Angelini stated we need a written response to all questions that have been discussed to avoid any misunderstanding about having it in writing and complete is the best way to deal with that. There have been episodic improvements but it's not a plan. I think we need to insist on that but that shouldn't be interpreted as being aggressive on our part. It's our business and objective. Mr. Tilton noted that it was requested at the last meeting about the specific requests and he has not met that; his taken Mr. Dunn on a tour of the building and improvements but that is not what the Board requested. Mr. Minasian echoed the Board members comments

that it is a piecemeal approach to a development project and see no actions that say otherwise. Mr. Angelini inquired of Mr. Dunn on how to proceed. Mr. Dunn will reach out to Mr. Lana today to give him more time to work and to submit a written submission that have been captured in last week's minutes as well as the conversations today and give Mr. Lana a deadline of Friday, September 4, 2020 and ample time for Board members to review. Mr. Tilton stated that he does not want Mr. Lana to work on the plan he expects him to produce the report answering all the questions that have been posed. Chair Pedone we already have an update on what's he's doing and needs to go further. The Board requested a written response to the concerns raised. Mr. Tilton requested an update on The Great Wall.

7. Adjournment

There being no further business, Mr. Dunn called the roll to adjourn the meeting, the meeting adjourned at 9:53 A.M.

Respectfully submitted,

Peter Dunn
Chief Executive Officer