

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

Michael E. Traynor, Esq.
Chief Executive Officer
Worcester Redevelopment Authority



WORCESTER REDEVELOPMENT AUTHORITY

Friday, May 8, 2015

8:00 A.M.

City Hall, 455 Main Street

Levi Lincoln Chamber

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent A. Pedone, Chair
Steven Rothschild, Vice Chair
David Minasian, Secretary

Staff

Michael E. Traynor, Chief Executive Officer
Heather Gould, Chief of Staff, Office of Economic Development
Erin Cahill, WRA Financial Manager
John Odell, Director, City Energy and Asset Management Division
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 May 8, 2015.

1. Call to Order

Chief Executive Officer Michael Traynor called the meeting to order at 8:20 A.M.

2. Roll Call

Mr. Traynor called the roll.

3. Minutes of the April 10, 2015

Mr. Pedone asked the Board to review the minutes of the April 10, 2015 meeting. Mr. Rothschild offered approval of the minutes with Mr. Minasian seconding the approval.

The minutes were approved by the Board on a 3-0 voice vote.

New Business

1. Fusion Entertainment, LLC

a) Rent Arrearage Status

b) Reduction in Leasehold Space/Lease Termination

At its last meeting the Board voted to authorize Michael Traynor to work with the Law Department to terminate the lease or, alternatively, that Mr. Lahoud agrees to amend the lease to reduce the footprint of the leased premises to construct a corridor to provide direct, indoor access to the area behind Byblos. Ms. Cahill advised the Board that the amount of arrearage dates from December 2014 through May 2015 and totals \$18,356.64. Board members discussed a number of considerations regarding the tenancy of Byblos. Mr. Traynor and Mr. Odell twice met with Mr. Lahoud to address the reduction of footprint as well as the lack of payment on the lease. Mr. Lahoud asked for the following considerations in exchange for reducing the size of his leased premises:

- Reimbursement for the depreciated cost of work done in the space to be vacated. He estimated that at \$19,287.75.
- In building the new hallway, the WRA would re-track all the connections and wiring back to Byblos.
- The WRA would pay for the cost to re-build and furnish the new, relocated space - moldings, paint, relocating the dance floor, removing the mirrors and decorative items and decorating the new wall. He estimated that at \$22,432.76
- He estimated that the reduction in rent should be 32% of the current rent amount
- The reduction in rent should commence May 1st
- All arrearages and compensations should be deducted from rent owed
- Ninety days' notice should be given before the WRA commenced any work
- The WRA should pay \$5000.00 a week for lost business while building the wall.

Mr. Rothschild offered the following motion

WHEREAS, the Worcester Redevelopment Authority, as Landlord, and Fusion Entertainment, LLC, as Tenant, are parties to that certain Commercial Lease Agreement dated May 18, 2007, relative to the lease of a portion of the building known as Union Station; and

WHEREAS, the Commercial Lease Agreement obligates Tenant to pay to the Landlord, without deduction or set-off, annual rent in equally monthly installments, payable in advance on or before the first day of each calendar month; and

WHEREAS, the Tenant has continually failed to tender a full rent payment since December 2014, resulting in a total rent arrearage, with interest, in the amount of \$18,868,79;

THEREFORE IT IS HEREBY VOTED, that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to send a written notice of termination, effective June 1, 2015, pursuant to Section 16 of the Commercial Lease Agreement and a notice to quit for nonpayment of rent, reserving all rights of re-entry and possession of the leased premises set forth in said Lease;

AND BE IT FURTHER VOTED, that the Authority's chief executive officer and legal counsel are hereby authorized and directed to take all actions necessary to re-take possession of the leased premises, including the filing of any litigation in furtherance thereof;

AND, that the Authority's chief executive officer is authorized and directed to prepare and advertise a request for proposals for the re-leasing of the premises.

Mr. Minasian seconded the vote, it was voted 3-0 on a voice vote.

2. Urban Renewal Plan Citizen Advisory Committee – Status Report

Mr. Traynor advised the Board that City Manager Augustus met with the Citizen Advisory Committee to share his vision for the future of downtown. During the discussion that followed, the Committee suggested/requested that the plan might be better received by changing the word “renewal” to “revitalization.” In closing, Mr. Augustus suggested that the committee review the plan and look at it as a toolbox to identify the boundaries and the footprint of all the structures and vacant land within the plan.

3. Status Reports – Miscellaneous/Improvement Projects

a) Union Station Signage Project

Work will be completed by the end of the month.

b) Union Station Harding Street Improvements Project

Mr. Odell stated that he is continuing to work with Lamoureaux - Pagano to break out and re-bid sections of the project.

c) Union Station Restrooms Project

Mr. Odell provided the Board members with a copy of the designs for the restroom project for review.

d) Union Station – Vendor & Maintenance Performance

Mr. Odell advised that the new cleaning company is performing far superior than the prior company; tenants have noticed the difference, cleanliness of the dumpster area has improved.

Cellphone Lot is being used – Mike Brennan of the DPW&P and Mr. Odell are working to ensure that signage is current and extra security has been incorporated to keep in front of the building entrance free from standing and illegal parking.

Chair Pedone again requested that the Department of Public Works & Parks correct the seven (7) minute signalization problem on Front Street that creates the traffic backup in and around Union Station.

Mr. Traynor advised the Board that the grass parking area across from Union Station will be completely fenced in with no parking signs installed. He stated that the area will be used by Maxwell's for certain events.

e) Tenants Updates

Mr. Traynor advised the Board that the VHB Lease has been executed.

f) Security System Update

Security system and real time cameras are up and running at the Station.

Mr. Traynor stated that he will work with John Hill of the City Manager's Office to create a press release.

Other Business

Monthly Expenditure Report

Ms. Cahill, WRA Financial Manager reviewed with the Board the check detail and monthly comparison summary between April 8, 2015 and May 1, 2015. Expenses were \$140,566.47.

Updated Executed Contracts and Payments

Ms. Cahill advised that payments have been made of \$62,000 for projects including the design of the Harding Street Improvements, Interior and Exterior Signage, and First Floor Public Restrooms, as well as work performed by Coghlin Electrical Contractors and Siemens Industry for video surveillance equipment and have been submitted to FTA seeking reimbursement. There is a small balance remaining in the service agreement for the Video Surveillance Installation project.

Mr. Traynor reported to the Board that the documents are still before the Land Court for the deregistration of the Washington Square parcel.

Board members moved to have the June 12, 2015 held on May 29, 2015 at 8:00 A.M.

There being no further business, the Board motioned to adjourn the meeting at 9:20 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer