

Worcester Redevelopment Authority

Vincent A. Pedone
Chairman

Peter Dunn
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Friday, September 25, 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
Sumner Tilton

Staff

Peter Dunn, Chief Development Officer
Michael Traynor, City Solicitor
Jennifer Beaton, Deputy City Solicitor
John Odell, Energy & Asset Management
Greg Ormsby, Office of Economic Development
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, September 25, 2020.

Chair Pedone announced that all votes will be roll call.

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, Mr. Tilton and Mr. Angelini.

Chair Pedone advised without objection two members of the Board will have to recuse themselves on certain votes, and to move the agenda Items 1, 2, 3 and 5 all relative to the Ballpark to the end of the agenda.

3. Approval of Minutes: August 21, 2020

Chair Pedone asked for a motion to approve the minutes.

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

The minutes were approved 5-0 on a roll call.

New Business –

4. Status Report Midtown Mall.

Mr. Dunn advised Mr. Lana has called into the meeting. Felicio Lana introduced himself of Northeast Properties and owner of Midtown Mall. Chair Pedone introduced board members in attendance including Mr. Angelini, Ms. Gaskins, Mr. Minasian and Mr. Tilton. Chair Pedone expressed appreciation for Mr. Lana for engaging with the board and for the work done on the property so far. Chair Pedone asked to hear about the timeline and the future goals over the next few months and year. Chair Pedone requested Mr. Dunn to give an opening and briefing to the Board. Mr. Dunn explained he forwarded the packet received this week from Mr. Lana to the Board members in response to some of the questions by Board members over the last couple of months and happy to have Mr. Lana join us this morning to answer questions from the Board and overview of the plan he has for the Midtown Mall. Mr. Dunn continued with reference to the last meeting update that the demolition delay from the Historic Commission did expire earlier in the month and Mr. Lana has submitted a building permit to initiate the work on the façade.

Mr. Lana appreciates the comments with regards to work that has taken place and is ongoing inside of the Mall as well as outside of the Mall. He confirmed application for building permits to remove the façade of the existing wall and replace with the glass facade at a higher cost allowing for more light. He advised they are targeting four major tenants and actively speaking with two of them, including a market for the first floor and a rooftop restaurant and lounge. During the pandemic they took the time to work inside and significantly start cleaning up. Mr. Lana stated that they took out about 2,400 square yards of rubbish that was left by the previous owner. He offered to answer any questions. Mr. Angelini asked if any impediments were anticipated to completing this project. Mr. Lana responded he does not foresee anything that would stop him from completing this project unless there is a delay in the nature of the country and world with regards to building materials. Mr. Tilton asked if any leases were signed with the four major tenants described. Mr. Lana responded that there are no leases signed, but there are two LOIs signed, both of them contingent on completion of the façade – market and rooftop lounge and restaurant. Mr. Tilton asked if the two LOIs have a term. Mr. Lana said they are for a ten year term with ten year option to renew.

Chair Pedone asked more generally about the project as the façade is one component, but what about finishing the space; a completed revitalization/rehab project. Chair Pedone asked about the likelihood of success and getting the project fully complete. Mr. Lana there are no impediments to complete this project. It's a three phase project. Before he goes in and spends millions of dollars on the interior to renovate for a prospective tenant, he needs to know the tenant and have them signed on. Chair Pedone asked if Mr. Lana was planning on using the basement of the building as rental space. Mr. Lana, stated yes, and that he refers to that space as the lower level. The lower level has always been used

and will continue to be used. One of the major tenants being targeted for the lower level is an arcade and incorporating other small shops along with that business. Chair Pedone asked about the means of egress in the lower level and if you have to go up the stairs to get out of the building. Mr. Lana stated yes there are three different staircases in the lower level, one in the middle of the building, one in front of the building, and back staircase which you are referring. There is an escalator which will be removed and replaced with a staircase in the middle of the building which will total four means of egress. Chair Pedone mentioned the City's share of tragedy with our firefighters stuck in a building and wanted to ensure there are means of egress for the lower level. Mr. Angelini suggested this is a matter of code compliance. Mr. Lana referring to Mr. Angelini's comment that there is code compliance with the Fire Department, Building Department. Any of the build outs have to be approved by the Building Department. At this time there are four means of egress, the building department only asks for two. One in the middle that leads to the back alley, one in the front out of the Mall, back of the Mall will have one more staircase when the escalator is moved which has been blocked off for forty years. The new staircase will be the same that currently exists.

Mr. Tilton inquired about scheduling. If you look at your pro forma what is the scheduling of having ninety percent occupancy. Mr. Lana stated that under the conditions that exist today I'm comfortable saying five to seven years at ninety percent occupancy. Mr. Tilton asked if there was a plan and Mr. Lana stated yes. Mr. Angelini suggested that a good way to proceed based on the documents Mr. Lana submitted would be to ask Mr. Dunn or someone on his staff to review the documents and advise the Board if they see any impediments to the project being completed in terms of the design component, financing obligations, if we are satisfied that there has been an appropriate plan, satisfied that the necessary funds are in place, I think the Board has fulfilled our responsibility and refer this matter to Mr. Dunn and staff we request a report based on their analysis of the documents presented by Mr. Lana and included on the agenda for the next meeting. Mr. Minasian would like to add the discussion regarding issues with the Great Wall and their contractor. Mr. Minasian asked Mr. Lana what the plans for completing the work and who is the general contractor. The pictures provided look good and hopefully a plan moving forward, you can have the financing in place but if not executed that could also be a problem. Chair Pedone are you acting as your own general contractor Mr. Lana stated he has a contractor who applied for the building permits and is one hundred percent in charge of the project. Mr. Lana stated he understands the purpose of the WRA. He expressed that it's fair to say that in the last sixteen months, twelve months he's been actively pursuing and doing more than anything that has ever been done in forty years of disinvestment. Mr. Lana stated he has been hard at work into the building not looking at five or ten years from now. Mr. Lana informed the Board that if there are any questions let Mr. Dunn know and he will reach out to me we and I will respond. Mr. Lana stated that this is different ownership and looks forward to working together and provide anything that is requested. Chair Pedone stated the Board appreciates the kind of work you put into the Mall and appreciates there were a lot of unknowns and concerns about the capacity of taking on this project.

Mr. Angelini offered the following motion to:

File the packet, have Mr. Dunn return back next meeting with a report if there are any concerns about impediments to the completion of this project.

Mr. Tilton seconded the motion.

The item was approved 5-0 on a roll call.

5. Financial Update Report
 - a. Report on Prior Month's Executed Contracts and Payments
 - b. Report on Downtown Urban Revitalization Plan Expenditures

Mr. Dunn presented the financial report. He stated not many expenses in this report since the last couple of meetings. In the period from August 18, 2020 through September 22, 2020 the WRA incurred a total of \$575,706.28. Most of these expenses are relating to the Ballpark Project with two of the largest expenses being DAIQ for architectural work as well as Skanska for Owner's Project Manager Services.

6. **Status Reports:**

Union Station – Vendor & Maintenance Performance

Union Station – Miscellaneous Renovation Projects

Urban Revitalization Plan

Midtown Mall

Great Wall

Chair Pedone inquired of status updates of Union Station and the Great Wall and other Projects that are being done.

Mr. Dunn advised Mr. Odell will speak regarding Union Station projects. Mr. Dunn updated the Board on the Great Wall. The last update the Board received at the July meeting they had secured a temporary occupancy permit and were working towards to get the final certificate of occupancy and believe it will be issued next week. The final inspections for the permanent occupancy permit has been scheduled for next week. He they have not yet submitted for a liquor license and not sure if plans have changed. Mr. Dunn inquired of the Board if they had any questions he would be able to provide them at the next meeting. Mr. Minasian asked about the work on the upper floors of the Great Wall has that begun or permits pulled. Mr. Dunn stated the financing strategy has been challenging they were hoping with the success of the reopening of the restaurant would provide cash flow to support that phase of the project and knowing the net operating income of restaurants and similar smaller business, it will take some time to get the financial capability to complete that work.

Mr. Odell stated the Union Station miscellaneous projects the final punch list items have been completed and expect to make final payment shortly. Our team has been responding well to the COVID crisis with signage created throughout the building with compliance in the building. Having the Police Substation has been beneficial making sure enforcement is ongoing. We are working with the MBTA on the MOU regarding the center platform work with completion in the next few weeks. The bid date for the scheduled work construction is December 10th. We will also have a lease agreement which would allow the MBTA to have access to the space that they need to start that work when it does begin. Chair Pedone inquired about the Cannabis Control Commission about the space are they fully occupied or working remotely. Mr. Odell no feedback they are using the space infrequently mainly remote only a few staff that are using the office on a regular basis. They do not intend to go back until in the near term.

Chair Pedone asked Mr. Tilton if he needs to recuse from these next items and Mr. Angelini I believe you can participate.

Mr. Tilton recuses the meeting at 9:41 a.m. and exits the meeting

7. Authorize Execution of Walker Amendment 3 in the amount of \$612,810

Mr. Dunn advised Walker is the consultant designer for the garage on the south side of Madison Street. This amendment is related to their redesign services for the garage. The redesign was fueled by changes to the foundation to account for obstructions and precast value engineering changes as described in the packet. He noted that the garage costs are to be fully funded by a Mass Works Grant that we have received. The total budget for the garage is \$23 million dollars and with this amendment we are still under that budget under the Mass Works allocation.

Mr. Minasian offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute Amendment No. 3 to the Design Services Agreement with Walker Parking Consultants/Engineers, Inc. in the not to exceed amount of Six Hundred Twelve Thousand, Eight Hundred Ten Dollars and No Cents (\$612,810.00) relative to the South Garage Project.

Mr. Angelini seconded the motion.

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

8. Canal District Ballpark Project workforce diversity and inclusion report.

Danielle Skilling, from Gilbane-Hunt, Joint Venture, provided the Board with an update. The MWBE Report is still holding at 17% and more additions by the next meeting. As we get further along in the process there are less contracts being awarded. Workforce we are currently seeing 7% female, in August a little dip, very good female numbers in September. We have month to month tracking which at times can impact the project to date and hovering a 7%, in the next couple of months we will see a rebound. For the people of color, minority numbers at 19% after a recent update in the last couple of days, this is a live document, we are actually now over 20%. We remain at 22% for Worcester residents, a couple of the contractors we added are reporting on had a large amount of Worcester residents and is pushing us to the goal of 25%. Ms. Skilling informed the Board that a tour was given to Building Pathways Worcester Program this past Friday. There were six students in the program and their instructor spend two to two and half hours walking the site with Mr. Ormsby. Ms. Skilling stated that in all her years of tours this one was the best. The students were absolutely engaged, interested and excited. The young women in the group actually got to spend time on site talking with women actually in the trades working on the project, and the students were actually able to set it up so that they were able to speak with individuals in the trades they were interested in which doesn't always work out that way. The timing of a Friday afternoon they were able to speak with contractors wrapping up. The tour went really well and we may actually see down the lines some of the graduates of these programs on the site. They were also able to meet a previous Building Pathways graduate who is working onsite with as well with a carpenter. We've been waiting to do a tour due to COVID, it was pretty exciting to see it take place. Ms. Minasian said he appreciate the report and the numbers are looking good. The Building Pathways program is exciting, the City Manager is pretty focused on diving deep in our community and finding folks that have the skillset that meets the needs for

doors that do not always open, we've invested in the Worcester Jobs Funds with Ms. Lamoureux and Mr. Turgeon and the Economic Development Office, this is another example of how well the program is going. We're using public funds on this project and will be a driver after the project is completed and a driver right now as people are working there as Worcester residents and getting into trades, connecting all these parts show how integrated the city is to make sure that there is a pipeline and residents have opportunities when they come up. Congratulations as a Board member I'm very pleased to see this. Ms. Gaskin I agree as well the feedback that I receive from the community and I'm happy to see things going in the right direction and such a focus on it. Ms. Skilling informed the Board that she will be speaking to the Building Pathways students and explain the different aspects from a contractors point of view.

Mr. Angelini signed off and left the meeting at 9:50 a.m.

9. Authorize Execution of Skanska Amendment 6 in amount of \$631,519

Mr. Dunn advised this is Amendment 6 for Skanska in the amount of \$631,519 and is the final cost for their Owner's Project Management Services for the ballpark to completion. Skanska has taken on some additional responsibilities outside the scope of their initial contract for the project and has also provided critical support and additional coordination services recover from the lost time during the COVID shut down. It is a tremendous accomplishment for the whole team involved to make up for the lost time and be on schedule and on time for April 2021. We've known the total cost of the project has increased and want to reference that after this amendment, if approved, would still be in line for a typical benchmark for OPM services of about 3% on project costs. Just referencing in terms of where we are at right now in the project moving forward keeping Skanska onboard and part of the project team is critical in keeping remaining costs in line and making sure that everything continues to be coordinated and keeps on schedule to make sure we continue to meet the April 2021 opening date. Chair Pedone said recognizing that the WRA is working on behalf of the Administration, the City Council in facilitating these amendments and payments the City Manager, his Administration is aware of this amendment, the reason for it and onboard.

Mr. Minasian offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute Amendment No. 6 to the contract for Project Management Services with Skanska USA Building, Inc. in the amount of Six Hundred Thirty One Thousand, Five Hundred Nineteen Dollars and No Cents (\$631,519.00) relative to the Canal District Ballpark Project.

Ms. Gaskin seconded the motion.

The item was approved on a 3-0 roll call vote.

1. Authorize Execution of LDDA; Acceptance of Quitclaim Deed from Madison conveying the Ballpark Site and LFB Site to WRA in accordance with the LDDA; and Execution of Quitclaim Deed conveying the Left Field Building Site back to Madison in accordance with the LDDA.

Chair Pedone leave the best to last this vote is huge, huge step forward and completion of this massive project, the revitalization of the Canal District, the Team they are both major components of our Urban Revitalization Plan. Chair Pedone asked Mr. Dunn for background and his personal view of the gravity of this motion. Mr. Dunn said this is a multistep vote in this huge milestone in terms of putting the pieces together for the overall ballpark project as well as the private development. Earlier this week the City Administration submitted the amended Letter of Intent with Madison to the City Council. The Economic Development Committee of the City Council will be meeting this coming Tuesday at 5:00 p.m. to review the amended Letter of Intent with Madison which requires some City Council actions as it relates to the amendments to the Tax Increment Financing proponents of the development. The key terms of the amendment to the LOI with Madison in terms of WRA action is the land transfer and the anticipated land disposition and development agreement referred to as LLDA, so that agreement in its centrally final draft form and the framework for that land disposition and development agreement is the amendment letter of intent.

Mr. Dunn continued that in front of the Board today for action is to Authorize the Chairman or Vice Chairman to Execute Land Disposition and Development Agreement with Madison; also for the WRA to Accept the Deed from Madison for the Ballpark Site, which again is a huge milestone that you referenced and in exchange for that the WRA would be conveying the deed for the leftfield building site. The WRA would be accepting the ballpark site and the ballpark site and conveying the leftfield building site back to Madison for that project. In addition there's an additional deed that will be held in escrow, the reason for basically a conveyance because it is conditioned upon the City Council action which would occur later this month and requires DHCD approval as this is an Urban Renewal transaction. Once we have the final draft of the Land Disposition Agreement and ready for execution you also need the approval of DHCD of the Commonwealth for the terms of that agreement as well. Lastly, as pretty standard, and can have Ms. Beaton weigh in on this, just like we have done with the other acquisitions is a confirmatory taking as well to ensure clean title of the property.

Chair Pedone said he'd like to call out Mr. Traynor for all the work he has put into this project, not taking away from Mr. Dunn, Ms. Beaton and the work of the whole team has done, but Mr. Traynor has been deep in this for three years and I wanted to recognize his work on behalf of the Authority, the City Manager, the City Council, on behalf of the City and thank him for all the work he has done and sorry he could not be here to take a victory lap on this project. It's a big deal for this project and the City. On behalf of the Board our thanks to him for spearheading all the work, this goes back years for those of us and Mr. Traynor has been there every minute. Chair Pedone, Ms. Gaskin it is good talking with you haven't talked in months. Ms. Beaton, Mr. Dunn did an excellent job in explaining there are a lot of moving pieces and as you stated the amendment to the LDA is the framework for the vote in front of you today and the amendment requires DHCD approval procedure for the next step and to have the LDA signed, coordination and timing issue and do not anticipate any problems and the vote authorizes clean titles there are plans accompanying the title.

Chair Pedone asked if the action of the Board today is the final action on our behalf or do we then have another final step. Ms. Beaton advised in terms of the land transfer the vote is all that is required at this point unless DHCD requires any further action. Chair Pedone asked if staff anticipates DHCD looking at this and accepting it as is. Ms. Beaton stated she anticipates no issues at the state level. The LDDA has been worked on over almost a

year, there has been a lot of eyes on the document, a team of people working on it for quite a long time and expect no issues when it's submitted to DHCD.

Mr. Minasian asked to clarify a few things. This is incredibly tremendous occasion. The motion is we are voting to execute the land disposition and development agreement and how it relates to the amended letter of intent which was in front of City Council. Mr. Dunn advised the vote is to authorize the execution of the land disposition and development agreement and need those approvals before actually being executed. The amended letter of intent with Madison is pending in front of city Council and will be reviewed by the ED Subcommittee next week and has to do with the changes in the Madison development program since the last agreement was signed. Major changes associated with that are the amendments to the TIF agreements. The scope of the development program remain the same except for two key pieces one is the reduction of the size of the hotel, the most recent proposal of 262 room complex with two brand hotel in the same complex. Due to the hospitality industry being particularly hit due to the COVID virus he has reduced that commitment to the time being to 125 rooms which will be a single brand concept. The other amended terms are for the leftfield building, the residential building and the lab building mostly due to schedule and include a one year delay or two year delay. The action again would be from the City Council to amend the schedules, and with the garage lease that is a change to the dollar amount in that lease to reflect the number of spaces. The most recent fee associated with that was based on 525 spaces and is being prorated to the new estimated number of spaces 340 of which we feel confident amount. The fee on a per space basis is the same. Mr. Minasian echoed the Chair regarding the comments about Mr. Traynor, Mr. Dunn and the whole team, this has been like ten projects in one. Mr. Minasian asked if the residential piece changed in scope. The residential scope is the same, 350 units over two phases; the first phase the schedule is not too much affected and intends breaking ground with the first phase this fall which includes 225 units. The second phase, separate building, the schedule has been moved out. That asset class is the most stable now and has demand for it and is probably the least affected. Mr. Minasian there are questions about the binding nature of the LDDA and asked if this a binding document for Madison Properties. Ms. Beaton stated the document will be and expect to have finalized in the next few weeks and submitted to DHCD and to Mr. Dunn's point being the focus being memorialized all the relevant terms and the amendments to the LOI which has been submitted to Council and in the process of updating the changes and incorporating and submitting in two weeks. Mr. Minasian asked about once executed, the City/WRA will own the land underneath the ballpark, Ms. Beaton said yes. Mr. Minasian the fourth paragraph of the vote mentions the quitclaim deed and the escrow deed necessary in terms of the leftfield building if that was not to be conveyed we do not expect that will occur and just an assurance of the multiple steps .

Mr. Minasian offered the following motion:

Voted, that the Worcester Redevelopment Authority hereby authorizes its chairman to execute a Land Disposition and Development Agreement between the Worcester Redevelopment Authority and Madison WG Holdings, LLC relative to the Downtown Urban Revitalization Project;

Voted, that the Worcester Redevelopment hereby authorizes its chairman to accept a quitclaim deed from Madison WG Holdings, LLC conveying the "Ballpark Site" to the WRA in accordance with the First Amendment to the Amended and Restated Letter of Intent;

Voted, that the Worcester Redevelopment Authority hereby authorizes its chairman to execute a quitclaim deed conveying the “Left Field Building Site” to Madison WG Holdings, LLC or its nominee in accordance with the First Amendment to the Amended and Restated Letter of Intent;

Voted, that the Worcester Redevelopment Authority hereby authorizes its chairman to executed a quitclaim deed conveying the Ballpark Site back to Madison WG Holdings, LLC and depositing it into escrow in accordance with the First Amendment to the Amended and Restated Letter of Intent;

And Be it Further Voted, that the Worcester Redevelopment Authority hereby authorizes its chairman to execute a confirmatory taking of the entire site confirming the Worcester Redevelopment Authority’s title to the Ballpark Site, the Left Field Building Site and certain other property located northerly of Madison Street in accordance with the First Amendment to the Amended and Restated Letter of Intent.

Ms. Gaskin seconded the motion.

The item was approved on a 3-0 roll call vote.

Chair Pedone reiterated how important and momentous this vote the authority is taking, thanking the two members who have not been able to participate in all of the votes and share our same to the Administration and City council. Mr. Dunn advised the documents need to be signed are not documents yet it is authorization and require your signature at a later date, two to three weeks from now, I believe the deeds themselves might be next week, Ms. Beaton said that should be accurate, and confirm. Chair Pedone said Mr. Traynor should be invited as well.

8. Adjournment

There being no further business, Mr. Dunn called the roll to adjourn the meeting, the meeting adjourned at 10:19 A.M.

Respectfully submitted,

Peter Dunn
Chief Executive Officer

