

Worcester Redevelopment Authority

Vincent A. Pedone
Chairman

Michael E. Traynor
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

June 14, 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
Michael Angelini (Remotely)

Staff

Michael Traynor, Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
Thomas Zidelis, Chief Financial Officer
John Odell, Energy & Asset Management
Greg Ormsby, 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 Friday, June 14, 2019.

1. Call to Order

Chair Pedone called the meeting to order at 8:22 A.M.

2. Roll Call

Mr. Traynor called the roll.

Chair Pedone requested that Items 2, 3, 4 and the executive session be moved to the end of the agenda, because Mr. Tilton will have to recuse himself from those items.

3. Approval of Minutes: May 10, 2019

Chair Pedone asked for a motion to approve the minutes – Ms. Gaskin moved the motion Mr. Minasian seconded the motion. The motion carried 4 - 0

New Business

1. Authorize a Release of Deed Restrictions – 205 Summer Street

Mr. Traynor explained that 205 Summer Street (a/k/a Mission Chapel) was acquired as part of Medical City Urban Renewal Project. The property had been conveyed twice since then but the building has not been successfully renovated. While the Medical City plan expired two years ago and all the restrictions in the Land Disposition Agreement would be moot, the owner at the time reinstated the restrictions for an additional five years and that runs through 2020. A new owner/developer has come forward with plans to develop the property for housing. The developer is asking for a release of the deed restrictions because they do not allow a residential use on the property. Ms. Gaskin asked if there was a reason why it was restricted from residential use. Mr. Traynor said that at the time the urban renewal plan adopted the focus was on medical uses and uses complimentary to the MedCity project and residential uses were not allowed in the plan area.

Chair Pedone recognized Attorney Mark Borenstein representing the developer, Matthew J. Kiefer, Fresh Turf LLC, and Attorney Borenstein presented plans of the project. Attorney Borenstein noted the church has been vacant for approximately thirty years and that his client is looking to convert the building into six rental housing units. Mr. Traynor stated the project has the support of the administration as well as the support of Preservation Worcester and the city's Historical Commission and members of the Legislative Delegation. Chair Pedone asked if these will be condo units and if the developer will be looking for historic tax credits. Attorney Borenstein replied they will be rental units and, yes, the developer will seek historic tax credits.

Member Michael Angelini joined the meeting via remote participation.

Chair Pedone suspended the meeting and read the following statement:

Mr. Angelini has requested to participate in today's meeting remotely. Since his physical presence at today's meeting is not feasible, I have agreed to his request. Please let the meeting minutes reflect that Mr. Angelini's request has been approved and that he will be participating remotely by telephone today. All votes at today's meeting will be taken by roll call.

Chair Pedone informed Mr. Angelini that Items 2, 3, and 4 relative to the ballpark project have been moved to the end of the agenda because of Mr. Tilton's inability to participate Mr. Angelini recused himself from the 205 Summer Street discussion.

Ms. Gaskin inquired if affordable housing units are included in the project. Mr. Borenstein said the current plan is all market rate housing. Ms. Gaskin said she does not have an issue with releasing the deed restrictions would like to see an effort to have affordable housing units. She said she realizes there are only six units but suggested maybe one unit out of the six that could be affordable housing since the developer is applying to the city for tax relief. Attorney Borenstein explained that the development is in the planning process and while the current plan is for market rate housing, as it moves forward there can be ongoing conversations

regarding affordable housing. Mr. Minasian referred to an event with the Governor and Lt. Governor held about the shortage of affordable housing holding back economic development not only in Boston but in other gateway cities and towns and that is a concern. He recognized that the project is for six units and that the developer has a business plan, but wanted to raise those concerns because he is hearing from the business community and residents that we need to pay attention to our housing stock in terms of affordability.

Chair Pedone offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute a restriction amendment relative to the property located at 205 Summer Street on the terms and conditions the chief executive officer deems to be in the best interest of the Authority.

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

Items 2, 3, and 4 will be discussed in executive session.

2. **Request Executive Session to discuss the value and acquisition of real property Canal District Ballpark Project**
3. **Authorize adoption of an Order of Taking and Acceptance of Confirmatory Deeds for properties located at 90 Washington Street, 85 Green Street, 2 Plymouth Street, 5 Gold Street, 7 Gold Street and 8 Gold Street**
4. **Authorize execution of an Acquisition and Relocation Settlement Agreement for properties located at 62 Washington Street and 69 Washington Street**

Mr. Traynor referred Items 5, 6 and 7 to Mr. Odell as these items were bid and overseen by Mr. Odell.

5. **Vote to execute Amendment No. 3 to the Consultant Services Agreement with ATC Group Services LLC, for the performance of asbestos abatement monitoring services in connection with the Exterior Stucco project in the amount of \$18,475.50**

Mr. Odell explained this amendment related to the completion of the asbestos monitoring services for the exterior stucco repair project.

Chair Pedone offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute Amendment No. 3 to the Consulting Services Agreement with ATC Group Services, LLC relative to asbestos abatement monitoring services in connection with the exterior stucco project at Union Station in the amount of Eighteen Thousand Four Hundred Seventy Five Dollars and Fifty Cents (\$18,475.50).

Mr. Traynor called the roll; it was voted 5-0 on a voice vote.

Mr. Odell said that Items 6 and 7 are for work that has been planned for Union Station. Item 6 is for a variety of items: the Police substation, corridor work down to Harding Street, a new corridor connecting the main ballroom area over to the northeast corner of the building, and

also being exploring is work to be done for upgrades to the bathrooms on the second floor and basement. Item 7 is the contract for the build out of the Cannabis Control Commission.

6. Authorize execution of a contract in the not-to-exceed amount of \$611,787.00 with APC Development Group, Inc., for the Union Station Miscellaneous Renovations project

Chair Pedone offered the following motion:

WHEREAS, the Authority solicited bids pursuant to M.G.L. c. 149, §44A, through the city of Worcester Engineering & Architectural Services Division, relative to certain miscellaneous renovation projects at Union Station; and

WHEREAS, the chief executive officer has determined that APC Development Group, Inc. is the lowest responsible and eligible bidder and recommends the award of the contract to APC Development Group, Inc.; and

Be It Voted, that the Authority authorizes its chair or vice chair to execute a contract with APC Development Group, Inc. in the amount of Six Hundred Eleven Thousand Seven Hundred Eighty Seven Dollars and No Cents (\$611,787.00).

Mr. Traynor called the roll; it was voted 5-0 on a voice vote.

7. Authorize execution of a contract in the not-to-exceed amount of \$2,117,348.00 with APC Development Group, Inc., for the Cannabis Control Commission fit-out

Chair Pedone offered the following motion:

WHEREAS, the Authority solicited bids pursuant to M.G.L. c. 149, §44A, through the city of Worcester Engineering & Architectural Services Division, relative to the Cannabis Control Commission fit-out project; and

WHEREAS, the chief executive officer has determined that APC Development Group, Inc. is the lowest responsible and eligible bidder and recommends the award of the contract to APC Development Group, Inc.; and

Be It Voted, that the Authority authorizes its chair or vice chair to execute a contract with APC Development Group, Inc. in the amount of Two Million One Hundred Seventeen Thousand Three Hundred Forty Eight Dollars and No Cents (\$2,117,348.00).

Mr. Traynor called the roll; it was voted 5-0 on a voice vote.

8. Authorize execution of a contract with Walker Consulting Design Services in the not-to-exceed amount of \$1,269,000.00

Mr. Traynor informed the Board that this is authorization for the design of the parking garage associated with the ballpark project. Walker is the recommendation of the

Designer Selection Board and the contract scope and fee was negotiated through the Department of Public Works and Parks.

Mr. Tilton is recused from the discussion and vote. Mr. Traynor said that Mr. Tilton will also be recused from Items 9 and 10.

Chair Pedone offered the following motion:

Voted that the Worcester Redevelopment Authority accepts the recommendation of the city of Worcester Designer Selection Board to award a contract for a designer for the Canal District Garage Project to Walker Consultants;

And Be It Further Resolved that the Authority hereby authorizes its chair or vice-chair to execute a Design Services Agreement with Walker Consultants in the not to exceed amount of One Million Two Hundred Sixty Nine Thousand Dollars and no cents (\$1,269,000.00).

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

Items 9 and 10 will be discussed in Executive Session

9. **Authorize execution of Amendment No. 2 to the Owner's Project Manager Agreement with Skanska, USA Building, Inc.**
10. **Authorize execution of Amendment #4 to the Design Services Agreement with D'Agostino Izzo & Quirk Architects, Inc. in the amount of One Hundred Fifty-Six Thousand, Five Hundred Dollars (\$156,500.00)**
11. **Financial Update Report
Report on Prior Month's Executed Contracts and Payments
Report on Downtown Urban Revitalization Plan Expenditure**

Mr. Zidelis presented the financial report. Expenses for the period of May 8, 2019 through June 10, 2019 the WRA expended \$907,959.61; primarily in four categories: CCC fit out; design and testing of front of Union Station that manifested itself in the bid before you was approximately \$115,000.00; payments on FTA capital projects within Union Station, primarily the stucco project which was \$270,000.00; payments on the Ballpark Project enabling work, design work, and testing in the amount of \$68,000.00. Ballpark land acquisitions were authorized for the property in the amount of \$178,000.00. Union Station operating costs in the amount of \$176,000.00, primarily security for Union Station.

12. **Status Reports:
Union Station Exterior Stucco Project**

Mr. Odell reported that shortly after the last meeting a work area that had been completed showed yellow tinge bleeding through the newly covered area. The designer and contractor reviewed it to find out why that happened and attempted to find a solution. Mr. Odell said the bad news is that they're not sure exactly what happened to cause this to happen. He said they did numerous tests on the product to make sure that it would work. However, without knowing the specifics they have had experts recommend potential paths to remedy the situation; seven have been tested, two of which have been deemed successful. One is significant in price the other less costly and is being tested. If that remedy holds over the weekend they are will move forward

with it. Unfortunately, he said, they will have to redo some of the work that has already taken place and there may be additional costs. However, we will have a long term solution and it will be warrantied for one year which is part of the original. Mr. Tilton pointed out that the testing is taking place during the warmer months and questioned if it is possible that it could arise as the temperatures fall below a certain degree, thus we would not know until next winter. Mr. Odell replied that it is possible but not at all probable. The reason why we believe the underlying process behind this is that moisture that had been building up since the building was first renovated and prior to that time, had saturated the material behind it, now that the sun is out and warmer and a lot of work has be done to prevent water from going into the building forward, the water is no longer getting into that area and looking for a place to migrate out and allows moisture to get out and bringing the yellowish tinge whatever is causing that and will happen in warmer weather as opposed to colder weather and we are more than reasonably confident if we find a solution in this climate than in the winter we will not have an issue. Mr. Minasian the moisture issues are coming from the exterior of the building, it's not condensation, etc. Mr. Odell we are quite confident that it is from the outside going in, the copper sheeting was partially done during the renovation, but not completely down and the deterioration over the last several years and those are the areas that we are having the most problems. We've corrected that we have copper sheathing over much of outdoor area and we have made all the repairs to those potential leak points and we're hopeful with regular maintenance that this is the long term solution frankly should have been done. Mr. Angelini, I know we have touched on this before and I want to make that we have fully explored that there was any work originally done that we know realize was defective and for which we have recourse. Mr. Odell we have looked at that and based on our analysis the work that was done was per the spec it was simply that the spec in the first place did not appreciate the potential for water infiltration into that space as potentially damaging as it turned out to be; I do not think there was any malfeasance and they were not aware of a possible problems. Mr. Angelini wasn't that the responsibility of the engineering consultant and or architectural consultant to have done. Mr. Odell I cannot speak to that issue at the time, I can tell you that the design based on our look of our architect did not find that there was a fault in what they originally proposed given what they knew at the time. At this point, obviously that has changed circumstances on the ground have changed so that is where we are at now. Mr. Angelini we haven't changed the use and architecture of the building and I'm not being accusatory it just seems to me that if this was done properly in the first instance we wouldn't be facing this and we contracted with companies, I do not know who, but to properly restore the building when the restoration took place; there were contracts in place they were undertaking an evaluation and we relied on that evaluation for the purpose to determine what needed to be done and I want to make sure we fully at whether there are any opportunities for recourse undoubtedly covered by insurance, we are dealing with public funds and we need to look at these matters carefully. I'd ask that you take another look at it and give us a report that recognizes the possibility of recourse. Chair Pedone, Mr. Angelini the members and staff around the table are nodding their heads in agreement. Mr. Minasian I'm curious around the scope part where the copper flashing was not there, why it was not there and why it was there in certain area and it sounds like we needed to add it where it was not placed and that would be in the scope of the architect and engineer, Mr. Odell we can take another look at that. Chair Pedone have the administration report at the next meeting the investigation into the work.

Urban Revitalization Plan

Mr. Tilton raised a question about the owner of the Midtown Mall, and said the Board needs to get him on the same track as Mr. Marcus was on when Mr. Marcus sold the building. He referred to his request to put the new owner on notice that the Board would like to know, and he said the minutes of the last meeting would reflect the various questions that he asked be posed to the new owner about financing, schedule to develop, etc. Chair Pedone stated that he had agreed to work

with the Administration to get a letter out to the owner of both the Great Wall and Midtown Mall, but was unable to accomplish that and will work on it that day. Mr. Traynor reported that he, the City Manager, and Chair Pedone met with Mr. Lana and he provided some information about his plans and a follow up meeting with the City Manager is being scheduled. Mr. Angelini I would like to make a suggestion until we decide otherwise why don't we keep both these properties on our as standard items on the agenda going forward.

Ms. Gaskin asked if there have been any further discussions with the owner of the Great Wall. Mr. Traynor responded that he received an email from one of the owner's representatives that the power is now on and they are moving additional contractors in to address sprinkler system and other work. Mr. Traynor said he intends to bring them in for a meeting. Mr. Angelini asked that each of the property owners give the Board status reports in advance of each Board meeting. Chair Pedone we will add to the WRA agenda monthly update from the property owners of the Great Wall and Midtown Mall until further notice.

Chair Pedone offered the following motion:

WHEREAS, the chair has declared that an open meeting may have a detrimental effect on the negotiating position of the Authority;

NOW THEREFORE, BE IT VOTED that the Worcester Redevelopment Authority hereby convene in executive session for the purposes of considering the value and acquisition of real property relative to the Canal District Ballpark Project. The Authority will reconvene in open session.

Mr. Traynor called the roll; it was voted 4-0. Mr. Tilton was recused.

The Board convened into Executive Session at 9:00 A.M.

The Board returned to Open Session at 9:28 A.M.

- 3. Authorize adoption of an Order of Taking and Acceptance of Confirmatory Deeds for properties located at 90 Washington Street, 85 Green Street, 2 Plymouth Street, 5 Gold Street, 7 Gold Street and 8 Gold Street**

Chair Pedone offered the following motion:

Voted, that the Worcester Redevelopment Authority, acting under the provisions of Section 11(d) of Chapter 121B, and all other authority thereunto enabling, and pursuant to the applicable provisions of Massachusetts General Laws, Chapter 79, as amended, does hereby take for itself in fee simple by eminent domain the properties located at 90 Washington, 85 Green Street, 2 Plymouth, 5 Gold Street, 7 Gold Street and 8 Gold Street, in accordance with the Order of Taking and Certificate attached hereto and incorporated herein by this reference.

Be it further voted: that the Worcester Redevelopment Authority hereby:

- (1) approves the offers made to the owners of the properties in accordance with 760 CMR 12.04(2); and**
- (2) authorizes Vincent A. Pedone, Chairman, to execute an Order of Taking of the properties in a form substantially presented herewith; and**

- (3) **authorizes the Chief Executive Officer of the Authority to record the Order of Taking in the Worcester Registry of Deeds; and**
- (4) **awards monies as damages for the acquisition plus taxes legally owed to the City of Worcester for the balance of the present fiscal year pursuant to M.G.L. c. 79, §12, for total award to the owner or other parties entitled thereto as a result of the taking; and**
- (5) **authorizes the Chief Executive Officer of the Authority to make payments of the total award either in partial or full settlement, together with interest earned thereon as required by M.G.L. c. 79, §37 to those entitled thereto in accordance with state law.**
- (6) **authorizes Vincent A. Pedone, Chairman, to accept confirmatory deeds for the properties.**

The Worcester Redevelopment Authority further certifies and states that the Chief Executive Officer may delegate the authority granted by this resolution, in whole or in part, to staff or agents of the Authority, as he may deem appropriate.

Mr. Traynor called the roll; it was voted 4-0.

- 4. Authorize execution of an Acquisition and Relocation Settlement Agreement for properties located at 62 Washington Street and 69 Washington Street**

Chair Pedone offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute an acquisition and relocation settlement agreement for the properties located at 62 and 69 Washington Street.

Mr. Traynor called the roll; it was voted 4-0.

- 9. Authorize execution of Amendment No. 2 to the Owner's Project Manager Agreement with Skanska, USA Building, Inc.**

Mr. Traynor advised the Board that the amount of this amendment will be a not to exceed amount of Eight Hundred, Nine Thousand Dollars (809,000.00). Six Hundred, Nine Thousand Dollars is for the parking garage and Two Hundred Thousand is for the ballpark. This latter amount will fund Skanska through the July meeting at which time there will be another amendment to address all of their services through the construction phase.

Chair Pedone offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to executive Amendment No. 2 to the Owner's Project Manager Agreement with Skanska, USA Building, Inc. in the not to exceed amount of amount of Eight Hundred Nine Thousand Dollars and No Cents (\$809,000.00).

Mr. Traynor called the roll; it was voted 4-0.

10. Authorize execution of Amendment #4 to the Design Services Agreement with D'Agostino Izzo & Quirk Architects, Inc. in the amount of One Hundred Fifty-Six Thousand, Five Hundred Dollars (\$156,500.00)

Mr. Traynor stated that this is for additional sub consultant work on soil characterization on the site.

Chair Pedone offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute Amendment No. 4 to the Design Services Agreement with D'Agostino Izzo Quirk Architects, Inc. in the not to exceed amount of One Hundred Fifty-Six Thousand, Five Hundred Dollars and No Cents (\$156,500.00).

Mr. Traynor called the roll; it was voted 4-0.

12. Adjournment

There being no further business, the meeting adjourned at 9:32 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer