

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

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



WORCESTER REDEVELOPMENT AUTHORITY

Friday, January 24, 2014

11:00 A.M.

City Hall, 455 Main Street

Levi Lincoln Chamber

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
Steven Rothschild
John Donahue
Robert Thomas

City of Worcester

Edward M. Augustus, Jr., City Manager
Timothy McGourthy, WRA Chief Executive Officer
Michael Traynor, Deputy City Solicitor
Thomas Zidelis, Chief Financial Officer
Erin Cahill, Financial Manager, WRA
John Odell, Director, City Energy and Asset Management Division
Heather Gould, Chief of Staff, Executive Office of Economic Development
Jackson Restrepo, Executive Office of Economic Development
Amanda Gregoire, Executive Office of Economic Development
George Saliba, Executive Office of Economic Development
Jane Bresnahan, Executive Office of Economic Development

Pursuant to a notice given (attached), a meeting of the Worcester Redevelopment Authority was held at 11:00 A.M. on January 24, 2014.

1. Call to Order

Chief Executive Officer Timothy McGourthy called the meeting to order at 11:10 A.M.

2. Roll Call

Mr. McGourthy called the roll.

3. Minutes of the December 2, 2013 Meeting

Mr. McGourthy asked the Board to review the minutes. Mr. Donahue offered approval of the minutes with Mr. Thomas seconding the approval. The minutes were unanimously adopted without amendment.

4. Discussion/Votes

a. Strategic Planning

i. Urban Renewal Consultant Contract

Mr. McGourthy had Mr. Restrepo provide the Board with an update on the meeting held to review the three submittals for the Consultant Design Services, Urban Renewal Plan/ Update contract received from The Cecil Group, Vanasse Hangen Brustlin, and BSC Group; all three submittals met the minimum requirements. The lowest price submitted was Vanasse Hangen Brustlin at \$168,000, second was The Cecile Group at \$335,000, and BSC Group's proposal was \$495,000. Mr. McGourthy proposed Board approval to initiate contract discussions with Vanasse Hangen Brustlin with the understanding that staff will come back and present the Board with the negotiated scope, schedule and fee for the Board's final approval.

Mr. Donahue offered the following motion:

Voted that the Worcester Redevelopment Authority negotiate a contract with the lowest bidder for the selection of Vanasse Hangen Brustlin as the Consultant Design Services, Urban Renewal Plan Consultant.

Mr. Rothschild seconded the motion, and it was voted 4-0 on a voice vote.

b. Developed Land

i. Union Station Garage Lease

Mr. McGourthy provided the Board with an update on the item that was submitted to City Council on January 14, 2014. Mr. McGourthy reported that at the Council meeting, Councilor Lukes requested the addition of a clause to allow termination of the lease without cause by the City. Mr. McGourthy recommended that the Board agree to the inclusion of such a provision with the understanding that if the City terminated the lease it would assume any and all sub-tenant leases and all liabilities moving forward.

Mr. Thomas offered the following motion as requested by City Council:

Voted that an amendment to the proposed lease between the City and WRA for the retail space in the Union Station Parking Garage include a provision allowing the City to terminate the lease without cause, provided the City assume any existing sub-leases and all liability for the premises.

Mr. Donahue seconded the motion, and it was voted 4-0 on a voice vote.

Mr. Rothschild continued discussion with Board members and staff regarding different variables concerning the lease, build out, broker fees, marketing, and signage. He would like to begin with a clean slate and has requested that a committee be formed to work with staff in the development of a plan to market and lease the retail space.

Mr. Thomas offered the following motion:

An Ad Hoc Committee be established to create a marketing/leasing plan for the Union Station Garage retail spaces.

Mr. Donahue seconded the motion, and it was voted 4-0 on a voice vote.

Chairman Pedone subsequently appointed Members Rothschild and Donahue to the committee.

c. Undeveloped Land – No Update

At this time, the Board acknowledged City Manager Edward M. Augustus, Jr., who had joined the meeting. He thanked Board members and staff for their work in the development of an Urban Renewal Plan, and encouraged the Board to begin in earnest with the next steps of the initial analysis of the target area and draft of the plan. Mr. Augustus said he looks forward to receiving updates from the Board.

d. Union Station

i. FY13 Financial Statements/Audit

Mr. McGourthy introduced Thomas Zidelis, Chief Financial Officer. Mr. Zidelis informed the Board that Matt Hunt of Sullivan, Rogers & Company, LLC, outside auditing firm for the Authority was unable to attend the meeting. Mr. Zidelis reviewed the main points of the financial statements with the Board and noted that the auditors did not identify any deficiencies in internal controls over financial reporting that they considered to be material weaknesses or other matters that are required in accordance with the Government Accounting Standards. Mr. Zidelis did note that this is the first year that a Management Letter was not issued. Mr. Zidelis stated that this was a testament to Erin Cahill, WRA Financial Manager, working on a daily basis with the financials.

Mr. Pedone and Mr. Donahue offered the following motion:

Voted that the Worcester Redevelopment Authority hereby approves and accepts the year-end Financial Statements and Independent Auditors' Report for the fiscal year ended June 30, 2013, prepared by Sullivan, Rogers & Company LLC.

Mr. Rothschild seconded the motion, and it was voted 4-0 on a voice vote.

ii. Capital Projects Update

Mr. McGourthy introduced Jackson Restrepo who reviewed with Board members the Initial Priority Projects for Union Station: First Floor Public Restrooms - \$47,250.00; Harding Street Bridge Entrance - \$11,250.00 and Security Cameras - \$275,000.00. After discussion and questions answered by staff it was determined to move forward with Lamoureux Pagano & Associates, Inc., to design the restroom project and Harding Street Bridge project and to present the plans to the Board for review prior to proceeding with the projects. Additionally, Mr. Donahue requested that the first schematic received be sent to Mr. Rothschild as the WRA representative for the bathroom design to review the best possible scenario.

Mr. Restrepo reviewed with the Board his work with Technical Services, Police Department, Fire Department and Department of Public Works & Parks regarding the installation of security cameras in the entire area of Union Station and the Harding Street Bridge entrance, and the costs associated the installation of the system and for the computers and software systems currently being used. Mr. Restrepo broke down the costs of the installation and a compatible security camera system:

- Purchase, Programming and testing of security cameras - \$133,608.74 (Siemens)
- Mounting/installation of cameras – Estimated at \$40k to \$70k (Coughlin Electric)
- 2 Network Switches – Estimated at \$32k (SYSCO)
- Storage Capacity – Estimated at 40k (EMC) with a total cost of \$275,000.00.

Board members raised questions regarding costs and procuring from State contracts already in existence versus independent competitive bidding at the City level. Mr. Restrepo and Mr. Traynor explained that the proposed system will be integrated into the city's existing real time crime center and the named contractors are the current vendors. Technical Services thoroughly researched the system, the vendors and the pricing before using the same contracts for the existing system. Both Technical Services and WPD strongly suggested that WRA follow that same course. The Board moved to make the project a priority project in the budget and check to see if the project can use Federal Transit monies.

iii. By-Laws Amendment Technical Correction.

Mr. Traynor explained to the Board that a change is needed to the by-laws to replace the words “assistant city manager for economic & neighborhood development” with “chief development officer” to reflect the same change made in the city's organizational ordinances.

Mr. Pedone offered the following motion:

WHEREAS, on December 14, 2000 the Worcester Redevelopment Authority, in response to its inability to continue as a going concern and as a condition to the receipt of financial assistance from the city of Worcester, amended its by-laws to make fundamental operational and organizational changes, including the designation of the chief development officer of the city as its chief executive officer and the city budget director as its chief financial officer; and,

WHEREAS, the city of Worcester, as part of comprehensive reorganization of its departments, boards, commissions and agencies, in 2005, eliminated the position

title of chief development officer and placed similar duties and responsibilities in the position of assistant city manager for economic & neighborhood; and,

WHEREAS, the city of Worcester has subsequently adopted a further reorganization plan for certain departments, boards, commissions and agencies and re-established the position title of chief development officer;

WHEREAS, the city of Worcester has requested the Worcester Redevelopment Authority to make corresponding changes to its by-laws.

NOW, THEREFORE, the Worcester Redevelopment Authority hereby reaffirms and readopts its resolution of December 14, 2000 and resolves as follows:

I. By-Law Amendment

Voted that, the first sentence of Article II, Section 2 (“*Administrative Structure*”), of its by-laws is hereby amended by replacing the words “assistant city manager for economic & neighborhood development” with “chief development officer” such that the first sentence now reads as follows:

“The agency establishes the chief development officer of the city as its chief executive officer, the city solicitor as its chief legal officer, and the chief financial officer of the city as its chief financial officer.”

II. Effective Date

Voted that this amendment shall take effect immediately upon adoption.

III. Notifications

Voted that, the Worcester Redevelopment Authority hereby instructs its secretary to cause certified copies of this resolution to be filed with the city manager of the city of Worcester, the city clerk of the city of Worcester, the secretary of the commonwealth and the department of housing and community development of the commonwealth.

Mr. Donahue seconded the motion, and it was voted 4-0 on a voice vote.

e. Designation of Interim Chief Executive Officer

Mr. McGourthy notified Board members that Michael Traynor has been appointed as Acting Chief Development Officer of the WRA by City Manager Edward Augustus, thus, by operation of the by-laws, making Mr. Traynor the acting chief executive officer of the WRA.

4. Other Business

a. Monthly Expenditure Report

Erin Cahill, WRA Financial Officer, reviewed with the Board the check detail and monthly comparison summary between November 26, 2013 and January 8, 2014. Expenses were \$150,585.90. Ms. Cahill noted payments for the audit and snow removal increased expenses.

b. Tenant Updates

Mr. McGourthy advised the Board that all tenants were up to date with their rent. Mr. Giordano will attend the next meeting with regard to the proposal for new outdoor accent lighting at Union Station.

Board members inquired as to whether Byblos has a business plan and that one should be provided for any discussion regarding a reduction of Byblos' space in conjunction with any changes to the corridor area. Mr. McGourthy responded that he has asked for business plan in the past but it has never been supplied.

c. Scheduling/Location of Board Meetings

Mr. Pedone advised the Board that he had received a letter of resignation from Robert Thomas, effective January 24, 2014. Mr. Pedone thanked Mr. Thomas for his years of service and dedication to the Board inspiring many changes during his tenure. Mr. McGourthy echoed Mr. Pedone in thanking Mr. Thomas for his dedication.

Mr. Pedone discussed a proposal to move the date, time and location of the regular board meetings due to scheduling conflicts. After discussing various alternatives the Board voted to change the meeting from the 2nd Tuesday of the month at Union Station at 3:00 pm to the 2nd Friday of the month in the Levi Lincoln Chamber at City Hall at 8:00 am.

d. Resignation of Chief Development Officer

Board members congratulated Mr. McGourthy on his new position at the Worcester Regional Research Bureau. Members noted that since the day Mr. McGourthy arrived from the Boston Redevelopment Authority and started with his position as Economic Development Director he brought the City forward in all aspects of planning and making Worcester a more viable City. He continued with moving Worcester forward with his vision and creation of plans and projects in his role as Chief Development Officer and Chief Executive Officer of the WRA. Board members expressed that he left the City in a better place since his involvement and wished him well in his new position.

e. State Ethics Conflict of Interest Summary

Mr. McGourthy requested the Board to review the summary sheet contained in the packet and sign the form acknowledging receipt of the summary as required by the Massachusetts Ethics Commission.

There being no further business the meeting adjourned at 1:15 PM

Respectfully submitted,

Michael E. Traynor,
Acting Chief Executive Officer