

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

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



WORCESTER REDEVELOPMENT AUTHORITY

Friday, June 9, 2017

8:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
David Minasian, Vice Chair
Michael Angelini
Jennifer Gaskin
Sumner Tilton

Staff

Michael E. Traynor, Esq., Chief Development Officer
Heather Gould, Assistant Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
Erin Cahill, WRA Financial Manager
John Odell, Energy & Asset Management
Jeanette Tozer, Office of Economic Development
Jane Bresnahan, Office of Economic Development
Stephen Roche, Law Department

Pursuant to a notice given (attached), a meeting of the Worcester Redevelopment Authority was held at 8:00 A.M. on June 9, 2017.

1. Call to Order

Mr. Pedone called the meeting to order at 8:00 A.M.

2. Roll Call

Mr. Traynor called the roll.

3. Minutes of the May 12, 2017 and Executive Session Minutes (Partial) of May 12, 2017 Meeting

Chair Pedone requested approval of the May 12, 2017 and Executive Session Minutes (Partial) of the May 12, 2017 meeting. The Disclosure of the portion of the May 12, 2017 meeting minutes would no longer defeat the purpose of the executive session (discussion regarding the value and disposition of three parcels of land located at Washington Square (02-013-0000F; 02-013-25-28; 02-013-00002) and they are therefore now released to the public.

Mr. Angelini offered approval of both sets of minutes and Mr. Tilton seconded approval. By a roll call vote the minutes were unanimously accepted.

New Business

3. Request for Proposals Document for the Sale of Three Parcels in Washington Square MBL #s 02-013-0000F; 02-013-25-28; 02-013-00002) – For Board’s Review and Comment

Chair Pedone requested that item 3 be taken out of order so that Mr. Traynor can explain the communication from the other day. At the last meeting the Board voted to have, at this meeting, a draft of the authorization of the issuance of an RFP for the sale of the three parcels at Washington Square. Mr. Traynor explained that as the first draft was being completed and reviewed we were one step ahead of ourselves. In order to put the RFP out in its cleanest form we are intending to discontinue the remnant piece of Foster Street between two leased spaces and conveyed to the City from the WRA. It is a better course of action to have that completed first and then the WRA acquiring title to add to the RFP and would be included in the entire assemblage of the entire space. It is the intention to have the item to discontinue the public way easement and convey the public way easement of the property to the WRA. The timeline would be the referral of the item to the Council’s Public Works Committee and it would take approximately the summer due to the schedule of the City Council. Once we have the approval to discontinue the private way the RFP will be complete. The word is out that this part of the Urban Revitalization Plan of the Union Station Urban Renewal Area. It is anticipated that it will be submitted to the City Council for the June 20, 2017 meeting. Mr. Traynor confirmed that the item will be finalized at the August City Council meeting. Mr. Traynor informed the Board that negotiations may take place for the finalized council vote. Board members also requested that the intention of the RFP be published, describing the process and the upcoming bids.

1. Authorize Issuance of an Invitation to Bid for interior directional signage at Union Station

A new bid will be solicited for the interior directional signage at Union Station in accordance with Chapter 30B.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chief executive officer to solicit bids pursuant to M.G.L. c.30B, through the city of Worcester purchasing division, for the procurement of additional interior directional signage at Union Station and authorizes its chief executive officer to execute a contract with the low bidder determined by the chief procurement officer in accordance with said Chapter 30B.

Mr. Tilton seconded the motion; it was voted 5-0 on a voice vote.

2. Authorize Issuance of an Invitation to Bid for exterior stucco finish repair project at Union Station

The project to repair the exterior stucco finish of the Union Station Building will need to be bid pursuant to M.G.L.c.149 through the city of Worcester purchasing division.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chief executive officer to solicit bids pursuant to M.G.L. c. 149, through the city of Worcester purchasing division, and upon the chief executive officer's determination of the lowest responsible and eligible bidder, the Authority hereby authorizes its chair or vice chair to execute a contract prepared by the Authority's legal counsel.

Mr. Tilton seconded the motion; it was voted 5-0 on a voice vote.

4. Financial Update Report

**Monthly Expenditure Report
Updated Executed Contracts and Payments**

Ms. Cahill stated that for the period May 9, 2017 through June 5, 2017 there were expenses incurred totaling: \$111,105.20. Operating expenses were approximately - \$43,000; \$58,000 approximately in capital improvements.

5. Status Reports – Miscellaneous/Improvement Projects

- a) Union Station Harding Street Improvements Project**
- b) Union Station Interior and Exterior Signage Project**
- c) Union Station – Vendor & Maintenance Performance**
- d) Union Station – Leak Remediation Project**
- e) Tenants Updates**
- f) Security Update**
- g) Urban Revitalization Plan**

Chair Pedone requested to discuss the following items from Status Reports:

g) Urban Revitalization Plan

Chair Pedone asked to discuss a couple of properties that are included in the plan, specifically the Great Wall Restaurant, 521 Main Street and 517 Main Street, Metro PCS building. The exterior wall of the Great Wall Restaurant has collapsed and due to that fact you can see right into the building and as part of our Urban Revitalization Plan and the attempts to try to work with the owners of both properties. Chair Pedone is requesting of Mr. Traynor to reach out the Administration to obtain funds to be used by the WRA to due market-rate appraisals of the assessment of the property at 521 Main Street as well as 517 Main Street which is the Metro PCS building which had to be shut down while demolition was taking place. There were discussions with private development but has stalled. One of the reasons of creating the Urban Revitalization Plan was to help owners of these properties that have the financial distress and are unable to get the properties rehabbed. Chair Pedone requested the Board to entertain a discussion of obtaining funds from the Administration to have the market rate appraisals and inform the City Council that we are doing the assessment to proceed with acquisition of those two properties and request from City Council a time certain for the WRA to present to them the rationale for obtaining these two properties. Mr. Traynor informed the Board that any acquisition of parcels within the plan would need two appraisals. Mr. Traynor also informed the Board that the Metro PCS Building that an acquisition was in the middle of taking place but the owner passed away so that property is in limbo at the moment. The City is assisting in trying to find out who is representing the estate of the owner in the meantime we are able to locate acquiring the building ourselves and would be able to deal with a prospective developer ourselves. Mr. Traynor confirmed with the Board that there was a tentative developer ready to sign with the Metro PCS property. Mr. Angelini asked if the price of the building with the prospective developer consistent with the price of the appraised value of the building and explore to see if a deal can be worked out. The requested that Mr. Traynor reach out to the prospective buyer to see if there is still interested and the proposed purchase price. With the respect to the Great Wall property our Department has already reached out to the owners of the restaurant if they need relocation and offered out site search services and if the property is acquired by the urban renewal process, relocation is required under the statues of the plan. The Code Department had to shut them down due to the fact that there were gas main and water meters where the wall was falling down. Mr. Traynor confirmed that the fair market value of the Great Wall property would be the condition it currently is. Chair Pedone reminded the Board that in part of taking properties that the Board would meet with City Council to discuss Do we need motion to go forward to council to seek market rate appraisals, no formal vote is necessary. There will be four appraisals completed for the two properties and submit to City Council an informational item to discuss what the plans are and/or in conjunction with an actual request for borrowing approval for acquisition purposes. Mr. Traynor informed the Board that he will speak to the City Manager how the structure of the item being submitted to City Council. Mr. Traynor informed the Board that there is activity on five other properties, not involving the WRA, and will keep the Board informed of any additional information.

e) Tenant Updates

There are a number of issues at the Lava Lounge over the last month and there have been a number of citations as well. Chair Pedone asked Sumer Tilton if he needed to recuse himself from the meeting due to the fact that his law firm represents the owner of Lava Lounge. Mr. Traynor informed Mr. Tilton that he can recuse himself and cannot participate in the discussion. Mr. Tilton recused himself from discussion of tenant updates. Mr. Traynor stated that there are a number of citations from the Police Department, along with the Fire Department for

overcrowding. Deputy City Solicitor submitted to the Board a report concerning the violations and suspensions and yesterday the License Commission. Below is a listing of violations on October 27, 2016 (2 separate incident dates – September 11, 2016 & October 8, 2016)– Violation of Rules #1 & 14 – manager responsible for premises, large fights in union station, operating after hours– 5 day suspension, 2 days served. Also inquired about ownership & manager at this hearing. At that time the Board invited Mr. Lahoud to explain the incidents and remedies. At that time the establishment was not operating as a restaurant under the agreement of the leased premises which is a full service restaurant and is only operating Thursday, Friday and Saturday and some Sundays. After appearing for the License Commission on May 25, 2017 for two separate incidents on April 28, 2017 and May 6, 2017 there were – violations of Rule #14, 27 – 2 counts – large fights exiting the premises, liquor violations – liquor bottles on the table, overcrowding, fire safety issues, no control of the premises– 1- days suspended, 3 suspended to serve from previous violation & 7 days suspended imposed.

Suspension to be served on following days:

June 22,23,24 2017

July 6,7,8 2017

July 20, 21, 22,28 2017

After appearing before the License Commission June 8, 2016:

June 8, 2017 (2 separate incidents May 20, 2017 & May 26, 2017) – violation of Rule #14 – manager responsible – multiple fights inside the club, full bottles of liquor on tables, promoter bringing in liquor not purchased from licensed distributor and giving away, tampering, diluting or changing the composition of alcoholic beverages, failure to appoint a crowd safety control manager & complete the fire & building safety checklist. 22 days served & 3 held in abeyance = 25 days.

Suspension to be served on the following days:

August 3,4,5,10,11,12,17,18,19,24,25,26,31 2017

September 1,2,7,8,9,14,15,16,21 2017.

The total days to be served with the two appearances before the License Commission will be a total of 32 days to be served. Coupled with the October 2016 and not operating the restaurant full-time that is a violation of the lease agreement. For the twelve month period you cannot be operating. Due to the violations heard before the License Commission on June 8th a decision will be rendered on Monday with a five day appeal period to the ABCC and if they do not appeal that will begin serving the days suspended. Deputy Citi Solicitor stated that they are only operating on the weekends that the dates issued. Mr. Traynor informed that the Board that the ABCC has been sent in to go through all the financial records and there is no outcome at this point. The City's local Licensing Unit had requested the ABCC come in and take an overview of the leased premises and books. There will be an interview next week between the Owner and the ABCC. The Manager of the leased premises notified the City's License Commission that he would be leaving. Ms. Gaskin inquired about the leased premises operating as a club as opposed to a restaurant which was in the lease which is also a violation of the leased premises they have never formally requested to change the leased premises or amend the lease to reduce the hours. Jennifer Gaskin stated that as owners of historic Union Station with trains and patrons coming through the building does feel that it was ever intended to have a club in that area. The Board agreed that there is a tenant who is not following the lease and would instruct that the proper paperwork proceed to dislocate the tenant. Chair Pedone asked that we move forward to

terminate the lease which has been done in the past; there are multi violations of the lease. The Board moved to terminate the lease and concurred with City administration. Chair Pedone motioned to terminate the lease with Byblos and followed by a voice vote 5-0. Chair Pedone asked what the process was and how many days' notice by law do you have to give? Deputy City Solicitor Beaton stated that given the violations from the License Commission it would be prudent and wait to send along with the cease and desist letter. The License Commission will be holding a special meeting on Monday the decision will be signed and sent out then.

Security Update – will adding an additional guard to be available through the next several months until a decision is made on when an additional Police Department substation will be added or something similar. Chair Pedone requested that Administration reach out to the Fire Museum for a status update the next meeting. Mr. Minasian any update on the commercial space in the garage area; Mr. Traynor is meeting someone next week to show one of the units

6. Adjournment

There being no further business, the Board motioned to adjourn the meeting at 8:35 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer