

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

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



WORCESTER REDEVELOPMENT AUTHORITY

October 12, 2018

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
Sumner Tilton, Jr.

Staff

Michael Traynor, Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
Paul Moosey, Commissioner, DPW&P
John Odell, Energy & Asset Management
Jeanette Tozer, Office of Economic Development
Peter Dunn, 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, October 12, 2018.

1. Call to Order

Chair Pedone called the meeting to order at 8:06 A.M. The Chair announced that Ms. Gaskin requested to participate in the meeting remotely. Since her physical presence at today's meeting is not feasible, the Chair agreed to her request. The Chair further stated that all votes at the meeting will be taken by roll call if Ms. Gaskins telephoned in. (N.B. - Ms Gaskins did not call in to the meeting.)

2. Roll Call

Mr. Traynor called the roll.

3. Approval of Minutes: August 22, 2018

Chair Pedone asked the Board to review the minutes of the August 22, 2018 meeting. The meeting minutes were moved by Chair Pedone and seconded by Mr. Angelini.

Chair Pedone requested that item number 1 under new business, the Owner's Project Manager (OPM) contract, be taken up last and to take out of order all the remaining items to allow the Board to spend the majority of the time on the OPM discussion. Chair Pedone further requested that item number 6, Letters of Interest for lease space at Union Station and Union Station Garage, be discussed first under new business.

New Business

6. Letters of Interest for lease space in Union Station and Union Station Garage

Mr. Traynor informed the Board that over the past year the WRA's staff has been in discussions with a couple of entities that have expressed interest in leasing the retail space at Union Station Garage. He further stated that since the announcement of the ballpark project that interest has increased for that space and in Union Station, and a number of letters of interest have been received. The intent of this item is to present this interest to the Board, and if the Board is comfortable with moving forward, staff would start negotiating the terms of the lease(s) with the businesses that have expressed interest. Mr. Traynor called on Peter Dunn, Business & Community Development Coordinator for the City, who has been the point person for businesses that have expressed interest, to present the letters of interest.

Mr. Dunn informed the Board that four businesses entities have expressed interest in leasing space at Union Station and/or the Union Station Garage; three of which have provided letters of interest. One of the businesses was present at the meeting. A fourth entity wished to remain confidential because its situation is sensitive. The space that it would like to pursue is inside Union Station and includes the loading dock and is not a space that the other interested parties have inquired about.

Mr. Dunn introduced Mr. William Broullon, who presented his concept for the former Byblos/Lava Lounge space. The concept presented is a country music bar and restaurant. Mr. Broullon explained to the Board that in March the City reached out to him as they knew he had closed the Country Music Ranch & Saloon on James Street and was looking for a new venue. Mr. Broullon subsequently put together a plan and vision that he believes would work for the Union Station space. Mr. Broullon's intention is to provide Worcester's residents, commuters, students, and tourists a multifaceted operation designed to satisfy their social, culinary, business, and entertainment needs by offering the following: a high quality/quick service breakfast bistro in the morning; a full service restaurant for lunch and dinner; and a country music nightclub after dinner. Mr. Broullon stated that the proposed operation would run from 5:00 a.m. to 1:00 a.m.

Chair Pedone informed the Board that a current tenant, Mr. Giordano, has also expressed interest in the former Byblos/Lava Lounge space. Chair Pedone encouraged Mr. Broullon to bring forward a proposal. Mr. Minasian asked if there was a bidding process. Mr. Traynor stated that the WRA does not have to follow a bidding process because the building is within the Union Station Urban Renewal Area. The WRA can therefore directly negotiate leases, which has been done a number of times. In terms of moving forward with a master plan, the WRA is waiting to hear if the proposal lease the second floor of Union Station to the state's Cannabis Control Commission was successful. As such, the letters of interest have been brought before the Board because the interested entities would fill the remaining available space, including the garage

space that has sat vacant for years. Mr. Tilton suggested that these leases be coterminous so that if down the road the WRA wants to lease Union Station through a master lease, they are able to do so. Mr. Minasian noted that the proposal before the Board is considered a destination and would fill the void that currently exists. Mr. Traynor stated that the WRA has a letter from Mr. Broullon and will provide it to the Board and it will be part of the record.

Mr. Dunn informed the Board about two other letters of interest; however, both parties were unable to attend the meeting so he conveyed their visions. The second letter of interest was from Quarters, which is based in South Hadley and is an arcade and bar concept that has been trending in cities around the country. They provide vintage arcade games alongside food and beverages. Their South Hadley location draws customers from a twenty mile radius. Quarters is looking to take the entire contiguous 6,000 square feet of the Union Station Garage retail space on Franklin Street, and they are moving forward with negotiations. Chair Pedone stated that the last time the Board heard about this, the company wasn't able to move forward. Mr. Traynor explained that the City Manager has expressed willingness to commit money for the core and shell build out of the space, which will be factored into the lease rate, and therefore the entity would not have to provide the construction funding for fit out up front. The City would transfer funds to the WRA for the fit out, which makes it financially feasible for the entity to move forward.

Mr. Tilton inquired about the vetting process for prospective leases. Mr. Traynor informed the Board that as the WRA enters negotiations for leases, the staff conducts financial due diligence as a matter of course. Mr. Dunn asks for detailed financial plans and the staff examines their creditworthiness and where the capital is coming from. Mr. Tilton asked if the businesses must come to the WRA first or to the License Commission. Mr. Traynor stated that they would come before the Board first, as they would need a lease to apply for a liquor license.

Mr. Dunn identified the third interested party, Greater Good Imperial Brewing Company located on Millbrook Street, which is an existing company in Worcester that is very well capitalized and successful. Greater Good is looking at the standalone 2,100 square foot space of the garage retail space and they are interested in moving forward with lease negotiations as well. Chair Pedone asked if there would be a brewing operation. Mr. Dunn describe the business as a nanobrewery that would produce about 500-1,000 barrels per year, and the space would also serve as a taproom for its Soul Purpose brand. The requirements for the nanobrewery allow for a lower ceiling height because the operation requires smaller barrels. Mr. Dunn stated that this would be a second Greater Good location with a taproom, and the entity has provided their letter of interest.

Chair Pedone asked if Mr. Giordano has provided anything to the administration and Mr. Traynor responded no. Mr. Angelini followed up on Mr. Tilton's comments regarding the plan for utilizing the building and expressed that he is delighted by the interest in the space. Mr. Angelini inquired about the direction of leasing the building and referred to the Telegram & Gazette article about Mr. Giordano's proposed new restaurant on the second floor. The Board expressed their desire to do what is best for the WRA and the community, stating the need to evaluate any expressions of interest within that context because it is their responsibility to the community. Mr. Dunn responded that a variety of calls were received when they first started marketing these spaces in 2014, and that the raw space has presented a number of challenges. Mr. Dunn also noted that expressions of interest for office space have been received, but that this type of use would not contribute to the vitality of and foot traffic in the neighborhood; therefore, the City and WRA have been focusing on more retail and restaurant type uses to create a destination that supports the neighborhood, which is in line with the recommendations included in the forthcoming report from Kelleher & Sadowsky. Mr. Minasian asked if the Board would receive the report before making decisions. Mr. Dunn informed the Board that the report is being finalized, and a meeting will be held with Kelleher & Sadowsky within the next week or two, prior to any commitments regarding the letters of interest in order to make sure they are

compatible with the recommendations that have been identified. Mr. Angelini asked about the objective of the report from Kelleher & Sadowsky, and Mr. Dunn explained that the report was intended to evaluate the available spaces in Union Station and make recommendations for utilizing and marketing the space.

Mr. Angelini requested a timetable and process for vetting leases in light of community benefits, and Chair Pedone stated that over the past two years Mr. Tilton has raised the issue of a master plan and co-terminus leases, which still needs to be considered. Mr. Traynor noted that the space in the garage should be considered somewhat separate from the space in Union Station, as the garage space should be an engaging space that fits with the Canal District neighborhood, especially as the Canal District continues to grow and the baseball project comes to fruition. The proposed uses provide the type of destination venues that would weave well into the Canal District and the surrounding area. Mr. Traynor explained that the Kelleher & Sadowsky report is still relevant for Union Station proper, and that once the Cannabis Control Commission's decision is known, the WRA can step back and look at how to best use and market the space.

Mr. Angelini inquired about the steps that must be taken in order to have a plan in place for evaluating and selecting prospective tenants, and requested that the Board be given a timetable for the process. Chair Pedone noted that this is an opportunity to reengage with the City Council Subcommittee on Economic Development and solicit the City Council's input in order to make an informed decision. Mr. Angelini stated that the Board is more in need of professional advice from people that are in the business of community planning, and that if the WRA does not have it in-house then resources should be committed to obtain it. Chair Pedone noted that the Cannabis Control Commission decision, which is anticipated within the month, will inform the Board as to what direction they will need to go. Mr. Traynor requested that the Administration work in-house and provide the Board with an update in November addressing Mr. Angelini's concerns.

2. Informational Item relative to the Union Station Exterior Stucco Project: Report from WJE Associates, Inc. (Building Envelope Consultant) and a list of change orders issued to Kronenberger & Sons Restoration, Inc.

Mr. Traynor stated that at the last meeting the Board requested a list of the change orders for the Exterior Stucco Project. The Board was presented with this information as well as a report from WJE Associates, Inc., regarding the condition of the building exterior and an assessment of the work being undertaken as part of the Exterior Stucco Project.

3. Authorize Change Order No. 3 to the Owner-Contractor Agreement between the Worcester Redevelopment Authority and Kronenberger & Sons Restoration, Inc. relative to the Union Station Exterior Stucco project in the amount of \$1,495,750.07

Mr. Angelini stated that he does not take issue with the change order authorization, but it did seem implicit in the report that work previously undertaken on the exterior of Union Station was done incorrectly. He said this is a very serious allegation, and it implies that money was not spent properly by contractors who completed the work back in 1999. Mr. Angelini asked if there is any recourse against them, and inquired about whether or not it was a design problem. Mr. Odell explained that it is challenging at this point to try to identify where the miss was and as a result the WRA is spending more than we had anticipated in order to correct those mistakes. Mr. Odell noted that they have looked back at available records and were unable to come to a conclusion, and it's unclear how much more forensic work can be done to identify if the miss was with the design, with construction, or some combination thereof. It has been nineteen years since the work was completed, and even if the cause could be identified, the legal recourse available would probably be very limited and not bear enough fruit to make it worth the effort to recoup.

Mr. Tilton asked Mr. Odell about the issue with asbestos and why it was not discovered long before now; Mr. Minasian also inquired about what was included in the initial bid and how that compares with the current scope of work being provided. Mr. Tilton relayed that he has abated asbestos problems in a building before and understands how the current scope of work is a result of finding additional asbestos.

Mr. Odell explained that there are two issues at play. One is the abatement issue, which stems from the reconstruction in 1999. The reconstruction was substantial and the protocols for asbestos abatement and testing were just as stringent as they are now; there was an assumption that the restoration effort would have handled all of the abatement problems by default. Despite this assumption, as a safety measure before the contractor began work, a few testing samples were taken in the logical places. These first tests came back negative; however, further testing identified an issue with a very thin charcoal-colored film underlying several layers of the original glaze. This film had been covered over, and so it appears that the logic back in the late nineties was to encapsulate and make the material safe. Unfortunately, the second issue—which is just as substantial—is the extensive water infiltration into the terra cotta. Mr. Odell explained that terra cotta is a wonderful material until there is a problem, and then it is really challenging to deal with. Essentially, repairing terra cotta requires stripping it down and rebuilding it back up, which is very costly to do. Terra cotta is also very porous, so once the water gets in it stays in and is very challenging to manage. The reconstruction twenty years prior allowed water to get in, and as a result, current efforts are attempting to address the issue of water damage by adding additional copper sheets on upward facing surfaces. This is a substantial cost, but it is necessary because it was not done in the first place.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Change Order No. 3 to the Owner Contractor Agreement between the Worcester Redevelopment Authority and Kronenberger & Sons Restoration, Inc. relative to the exterior stucco project at Union Station in the not to exceed amount of One Million Four Hundred Ninety Five Thousand Seven Hundred Fifty Dollars and Seven Cents (\$1,495,750.07).

Mr. Minasian seconded the motion.

Chair Pedone stated that all costs associated with the exterior stucco restoration are reimbursable at eighty (80) percent through the Federal Transit Administration (FTA) and have been approved by the FTA. Mr. Minasian asked about the bidding process and if there were other bids that somehow took into account the possibility of asbestos. Mr. Minasian offered his opinion that the low bidding process sometimes results in proposals that are not adequate. Mr. Odell stated that he would bring that information to the next meeting, noting that he believes the bids were close enough in terms of costs estimates for the work.

4. Authorize Amendment No. 3 to the contract with the Rhode Island Bureau of Investigation and Protection, Ltd. to revise the termination date to August 22, 2018 and to revise the sum total.

Mr. Traynor informed the Board that the item should be amended to state Amendment No. 4. Initially, the WRA was going to repeal and replace Amendment No. 3, but the signature process for that amendment was completed. Therefore they are moving forward with this item as Amendment No. 4.

Chair Pedone offered the following motion:

Voted, that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Amendment No. 4 to the contract with the Rhode Island Bureau of Investigation and Protection, Ltd. to extend the term of the contract to August 22, 2018.

Mr. Angelini moved the motion and Mr. Minasian seconded the motion.

5. Authorize an Amendment to the Union Station Cooperation Agreement for WRA debt reduction in the amount of \$101,100.00 for 38 Green Street

Chair Pedone offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute an amendment to the Union Station Cooperation Agreement for FY18 Capital Funds for the purpose of reducing the FY18 Capital Funds loan by \$101,100.00 from \$1,000,000.00 to \$898,900.00.

Mr. Angelini moved the motion and Mr. Tilton seconded the motion

7. Request to Use Former Byblos Lounge Space – stART at the Station – December 2, 2018

Chair Pedone informed the Board that this item is related to the use of the former Byblos Lounge Space by stART at Union Station on December 2, 2018. Mr. Traynor explained that this will be similar to the previous year where the organization opened up the space to offer refreshments and entertainment. A license agreement was executed for the previous year, and stART at the Station covers the cost of the cleanup. Mr. Minasian attended the event and noted that it was fantastic and supports authorizing use of the space for the event.

8. Authorize an Amendment to the Responsible Employer & Inclusionary Participation Policy

Chair Pedone explained that included in the packet are recommended changes to the Responsible Employer & Inclusionary Participation Policy. Mr. Traynor explained that the changes are to clean up the policy, which has not been done in quite some time. The proposed changes include removing the requirement to have state-certified apprenticeship programs. The City removed this requirement from its Responsible Employer Ordinance after two federal lawsuits in Fall River and Quincy over apprenticeship training programs. It is therefore advisable to remove it from the WRA's policy as has been done to the City ordinance. The second change is to remove a provision regarding an advisory board committee from the policy. Shortly after adopting this policy in 2004, the Board decided to not move forward with creating an advisory committee. Consequently, it has never been utilized. The proposed change is intended to ensure that the written policy reflects the policy as implemented.

Mr. Minasian expressed support for the changes but wanted to state his support for apprenticeship requirements, as he believes they bring an economic value to the city and to the projects. Mr. Minasian further noted that apprenticeships are a great way to train a new workforce, which is important because the average age in construction at this time is forty-seven, and with the City and WRA being the largest purchaser of construction services, it behooves them to support apprenticeships. With respect to the legality, Mr. Minasian stated his agreement

that it is not suitable the way it is currently written in the policy. He noted that there was a recent suit in the 6th Circuit Court that held that the City of Cincinnati used a market participant doctrine, which means a city can require apprenticeships as well as health and welfare fund contributions if it is in the best interest of the city. The City of Cincinnati can be a private entity within their contracts because it is in the economic self-interest of the city.

Mr. Minasian stated that he would like the Board to consider other additions and changes to the Policy including the diversity goals. He noted that the UMass Building Authority and the Mass Gaming Commission have been successful with workforce and diversity requirements that focus on minorities and women. Mr. Minasian inquired if the Board could hear from the experience of the UMass Building Authority, and if they could break down the numbers. The UMass Building Authority has created an Access Opportunity Committee – which includes the owner, contractor, construction manager, and labor representatives, if applicable – that meets on a monthly basis in a public meeting to assess whether the goals are being met or not. Mr. Minasian stated that it is a simple and creative process, and that this could be another great victory for us to hit those goals with the ballpark project. Furthermore, he would like the Board to hear from an organization that is meeting diversity goals successfully, such as the UMass Building Authority.

Mr. Minasian stated that he would also like to look at the City's best practices regarding the wage theft ordinance for public construction because irresponsible actions within the construction industry include criminal contracting practices, wage theft, and tax fraud totaling \$7 million a year. He would like to see the WRA avoid these practices, especially for such a high profile project like the ballpark. Mr. Minasian further inquired about the compliance section and how to monitor these efforts, particularly for the wage theft ordinance and the TIF policy. Chair Pedone asked that the Administration prepare a plan to address Mr. Minasian's comments regarding the REO at a future meeting. It was agreed that Mr. Minasian would contact and invite representatives of the UMass Building Authority to attend the next meeting to discuss their program.

Chair Pedone offered the following motion:

Voted that the Worcester Redevelopment Authority hereby amends the Responsible Employer & Inclusionary Participation Policy adopted September 14, 2004, is hereby deleted in its entirety and the following is inserted in lieu thereof, as follows:

Worcester Redevelopment Authority

RESPONSIBLE EMPLOYER & INCLUSIONARY PARTICIPATION POLICY

WHEREAS, the Worcester Redevelopment Authority was established as a public agency under chapter one hundred and twenty-one B of the General Laws to undertake projects to eliminate blighted, decadent, deteriorating and substandard areas within the city of Worcester; and

WHEREAS, the Worcester Redevelopment Authority finds and determines that it may advance the public purposes for which it was established by including certain minimum standards in construction contracts it awards directly or are awarded by developers and other entities in relation to urban renewal projects initiated by the Worcester Redevelopment Authority; and

WHEREAS, the Worcester Redevelopment Authority finds and determines that those minimum standards must include compliance with state laws governing the payment of prevailing wages, the provision of workers compensation coverage, and the proper classification of individuals as

employees and not as independent contractors, as well as standards concerning health insurance coverage; and

WHEREAS, the Worcester Redevelopment Authority hereby further finds and determines that it may further advance the public purposes which it serves by establishing inclusionary participation requirements involving minorities and women and businesses owned by minorities and women to support educational pools, mentoring programs, joint ventures and the like during the planning, construction and operational phase of urban renewal projects.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that it shall be the policy of the Worcester Redevelopment Authority that the following provisions shall apply as specified herein to the various contracts and agreements to which the Worcester Redevelopment Authority is a party:

Article I – General Policy for All Contracts

Every contract governed by this policy, including every request for proposals, shall include the following requirement:

Every contractor shall commit to a minimum goal that twenty percent of its work force shall include individuals who are low-income or female or minority Worcester County residents (see attached list of municipalities included in Worcester County), or any combination thereof, and shall further commit to a goal of utilizing bona-fide minority firms qualified by the State Office of Minority and Women Business Assistance (SOMWBA) or a local certifying agency for at least twenty percent of the total value of contracts and subcontracts made by the contractor on account of this contract.

Article II - Construction Contracts

1. The W.R.A. hereby finds and determines that its funds are most efficiently and productively spent by awarding construction contracts to firms that include and enforce provisions requiring compliance with state laws governing the payment of prevailing wages, the provision of workers compensation coverage, and the proper classification of individuals as employees and not as independent contractors, as well as state law concerning health insurance coverage. The W.R.A. hereby further finds and determines that as a consumer of construction services it is appropriate for it to exercise entrepreneurial discretion by requiring firms that are awarded such contracts to comply with this policy because a failure to comply is injurious to the life, health and happiness of individuals employed by such firms and is deleterious to the quality of life in the City where most of such individuals reside.

2. As a condition to the award of a contract, whenever the W.R.A. is procuring construction services subject to the provisions of G.L. chapter 149 and chapter 149A the following shall be incorporated into the procurement documents and made part of the specifications and contract. Every person, company or corporation shall acknowledge, in writing, receipt of said requirements with their bid or proposal.

3. All bidders or proposers and all subcontractors and trade contractors, including subcontractors that are not subject to G.L. c.149, §44F, under the bidder for projects subject to G.L. c.149, §44A(2), and, proposers under G.L. c.149A, shall as a condition for bidding or subcontracting verify under oath and in writing at the time of bidding or submittal in response to an Invitation to Bid or in any event prior to entering into a subcontract at any tier, that they

comply with the following conditions for bidding or subcontracting and, for the duration of the project, shall comply with the following obligations:

a. The bidder or proposer and all trade contractors and subcontractors under the bidder or proposer must comply with the obligations established under G.L. c.149 to pay the appropriate lawful prevailing wage rates to their employees;

b. The bidder or proposer and all trade contractors and subcontractors under the bidder or proposer must maintain appropriate industrial accident insurance coverage for all the employees on the project in accordance with G.L. c.152;

c. The bidder or proposer and all trade contractors and subcontractors under the bidder must properly classify employees as employees rather than independent contractors and treat them accordingly for purposes of workers' compensation insurance coverage, unemployment taxes, social security taxes and income tax withholding. (G.L. c.149, §148B on employee classification);

d. The bidder or proposer and all trade contractors and subcontractors under the bidder or proposer must at the time of bidding certify that, at the time employees begin work at the worksite, all employees will have successfully completed a course in construction safety and health approved by the United States Occupational Safety and Health Administration that is at least 10 hours in duration, and shall ensure that all employees working at the worksite possess such qualifications at all times throughout the duration of their work on the project and furnish documentation of successful completion of the course;

e. The bidder or proposer and all trade contractors and subcontractors under the bidder or proposer must be in compliance with the health and hospitalization requirements of the Massachusetts Health Care Reform law established by Chapter 58 of the Acts of 2006, as amended, and regulations promulgated under that statute by the Commonwealth Health Insurance Connector Authority.

f. The bidder or proposer and all trade contractors and subcontractors under the bidder or proposer must make arrangements to ensure that each employee of every contractor entering or leaving the project individually completes the appropriate entries in a daily sign-in/out log. The sign in/out log shall include: the location of the project; current date; printed employee name; signed employee name; and the time of each entry or exiting. The log shall contain a prominent notice that employees are entitled under state law to receive the prevailing wage rate for their work on the project. Such sign in/out logs shall be provided to the W.R.A. on a daily basis.

g. The bidder or proposer and all trade contractors and subcontractors under the bidder or proposer, prior to bidding or, if not subject to bidding requirements, prior to performing any work on the project, shall sign under oath and provide to the W.R.A. a certification that they are not debarred or otherwise prevented from bidding for or performing work on a public project in the Commonwealth of Massachusetts or in the City.

4. A proposal or bid submitted by any general bidder or by any trade contractor or subcontractor under the general bidder or proposer that does not comply with any of the foregoing conditions for bidding shall be rejected, and no subcontract for work outside the scope of G.L. c.149, §44F shall be awarded to a subcontractor that does not comply with the foregoing conditions.

5. All bidders or proposers and all trade contractors and subcontractors under the bidder or proposer who are awarded or who otherwise obtain contracts on the projects subject to G.L. c.149, §44A(2) or c.149A, shall comply with each of the obligations set forth in this policy for the entire duration of their work on the project, and an officer of each bidder or subcontractor under the bidder shall certify under oath and in writing on a weekly basis that they are in compliance with such obligations.

6. Any proposer, bidder, trade contractor or subcontractor under the bidder or proposer who fails to comply with any one of obligations set forth in this Article II for any period of time shall be, at the sole discretion of the W.R.A., subject to one or more of the following sanctions: (1) cessation of work on the project until compliance is obtained; (2) withholding of payment due under any contract or subcontract until compliance is obtained; (3) permanent removal from any further work on the project.

7. In addition to the sanctions outlined in subsection (6) above, a proposer, general bidder or contractor shall be equally liable for the violations of its subcontractor with the exception of violations arising from work performed pursuant to subcontracts that are subject to G.L. c.149, §44F. Any contractor or subcontractor that has been determined by the City or by any court or agency to have violated any of the obligations set forth in this policy shall be barred from performing any work on any future W.R.A. projects for six months for a first violation, three years for a second violation and permanently for a third violation.

8. A contractor or a subcontractor upon a showing that it is not, despite having made a bona fide attempt, feasible to comply with the requirements of this Article II, may be granted a waiver by the W.R.A. The W.R.A. may delegate authority to grant such waivers to the city of Worcester contract compliance officer or any specifically-named individual or individuals. Any such delegate shall report all waivers granted to the W.R.A. for informational purposes on the agenda of the monthly meeting following such waiver.

9. Violations of these requirements shall be considered by the W.R.A. in awarding any future contracts as a factor in determining whether any low bidder is a “responsible” bidder under G.L. c. 149, §44A(1), or G.L. c. 30, § 39M, or whether a firm, trade contractor or subcontractor is a “qualified” firm, trade contractor or subcontractor under G.L. c. 149A, §§ 5 and 8.

Article III - Design, Engineering & Procurement Contracts

1. The W.R.A. shall require every person or entity submitting a proposal to enter into a contract for design services, engineering services, or the procurement of goods, supplies or services in excess of \$100,000, with the W.R.A. to submit with any such proposal an inclusionary participation plan containing the following elements:
 - A. A report detailing the results achieved by the contractor over the prior two years to employ minorities and women, subcontract with businesses owned by minorities and women, to support educational pools, mentoring programs, joint venturing and other creative initiatives to increase the level of participation of minorities and women in employment and new business relationships.
 - B. A plan detailing the efforts to be made by the proposer during the term of the proposed contract with the W.R.A. to employ minorities and women, subcontract with businesses owned by minorities and women, to support educational pools, mentoring programs, joint venturing and other creative initiatives to increase the level of participation of minorities and women in employment and new business relationships.
2. Every design services, engineering services or procurement contract awarded by the W.R.A. shall contain the inclusionary participation plan submitted pursuant to section 1.B of this article as legally binding commitments of the designer, engineer or vendor

enforceable with provisions allowing the W.R.A. to: 1) suspend work under the contract until compliance is obtained; (2) withhold payment due under the contract until compliance is obtained; or, (3) in egregious cases, terminate the contract.

Article IV - Land Disposition Agreements with Developers

1. Any land disposition agreement whereby the W.R.A. agrees to convey W.R.A. property as part of the implementation of an urban renewal plan, or otherwise in the furtherance of its public purposes, wherein the value of the property exceeds \$1,000,000 shall include the following:
 - A. A requirement that all the contractors and sub-contractors employed by the developer in relation to the project shall, where the amount of any such contract exceeds \$100,000 or the amount of any subcontract exceeds \$25,000, comply with the responsible employer provisions stated in Article II herein.
 - B. A plan detailing the actions to be taken by the developer during the design, construction and operation of the proposed development to employ minorities and women, subcontract with businesses owned by minorities and women, to support educational pools, mentoring programs, joint venturing and other creative initiatives to increase the level of participation of minorities and women in employment and new business relationships.
 - C. A requirement that the developer make a commitment that all contractors, subcontractors, designers, engineers and suppliers with contracts in excess of \$100,000 with the developer shall use documented bona fide efforts to ensure that, to the maximum practical extent, twenty percent of its workforce will be individuals who are or were low income, females or minorities.
 - D. A requirement that the developer make a commitment that all contractors, subcontractors, designers, engineers and suppliers with contracts in excess of \$100,000 with the developer in relation to the project shall:
 - (1) formally advertise notices of all employment opportunities in newspapers published in the city of Worcester and minority and Spanish language publications circulated in the city of Worcester;
 - (2) give notice of such employment opportunities to the city of Worcester and state human resource agencies and active community groups and work closely with such agencies and groups to identify women, minorities and low-income persons for employment;
 - (3) participate in existing local training programs and work with community-based training organizations, local school and educational agencies to develop new training programs to produce a pool of qualified women, minorities and low-income workers for all levels of employment;
 - (4) support educational pools, mentoring programs, joint venturing and other creative initiatives to increase the level of participation of minorities and women in employment and new business relationships.
 - E. A requirement that the developer make a commitment that it will:
 - (1) provide reports documenting compliance with the foregoing requirements to the W.R.A. or any committee or individual it may designate for this purpose.

Article V - Leases Involving W.R.A. Property

1. All leases involving property of the W.R.A. wherein the amount of the rental payments exceeds \$100,000 annually shall include the following:
 - A. A requirement that all the contractors and sub-contractors employed by the lessee in relation to the lease shall, where the amount of any such contract exceeds \$100,000 or the amount of any subcontract exceeds \$25,000, comply with the responsible employer provisions stated in Article II herein.

- B. A plan detailing the actions to be taken by the lessee during the design, construction and operation of the proposed leasehold improvements to employ minorities and women, subcontract with businesses owned by minorities and women, to support educational pools, mentoring programs, joint venturing and other creative initiatives to increase the level of participation of minorities and women in employment and new business relationships.
- C. A requirement that the lessee make a commitment that all contractors, subcontractors, designers, engineers and suppliers with contracts in excess of \$100,000 with the lessee shall use documented bona fide efforts to ensure that, to the maximum practical extent, twenty percent of its workforce will be individuals who are or were low income, females or minorities.
- D. A requirement that the lessee make a commitment that all contractors, subcontractors, designers, engineers and suppliers with contracts in excess of \$100,000 with the lessee in relation to the lease shall:
 - (1) formally advertise notices of all employment opportunities in newspapers published in the city of Worcester and minority and Spanish language publications circulated in the city of Worcester;
 - (2) give notice of such employment opportunities to the city of Worcester and state human resource agencies and active community groups and work closely with such agencies and groups to identify women, minorities and low-income persons for employment;
 - (3) participate in existing local training programs and work with local school and educational agencies to develop new training programs to produce a pool of qualified women, minorities and low-income workers for all levels of employment;
 - (4) support educational pools, mentoring programs, joint venturing and other creative initiatives to increase the level of participation of minorities and women in employment and new business relationships.
- E. A requirement that the lessee make a commitment that it will:
 - (1) provide reports documenting compliance with the foregoing requirements to the W.R.A. or any committee or individual it may designate for this purpose.

Article VI - Miscellaneous

- 1. This policy shall not apply to:
 - A. Cooperation agreements or other contracts or leases entered into with the city of Worcester;
 - B. Grant agreements or other contracts entered into with the commonwealth of Massachusetts or the United States of America;
 - C. Loans, mortgages, bonds or other instruments financing W.R.A. operations, including depository agreements with banks or other financial institutions holding W.R.A. funds.
- 2. The W.R.A. reserves the right to waive this policy, in whole or in part, with respect to any particular contract, agreement, lease or transaction if it deems such a waiver in the best interests of the W.R.A. and the purposes for which it was established.
- 3. The W.R.A. reserves the right to impose additional requirements where any particular project is of sufficient size and scope to justify additional expectations and efforts.

Mr. Angelini moved the motion; Mr. Tilton seconded the motion.

**9. Financial Update Report
Report on Prior Month's Executed Contracts and Payments**

Mr. Traynor reported that for the period of 8/18/18 to 10/5/18, the WRA incurred \$672,845.73 in expenses. Of this amount, \$280,064.52 was for Capital/FTA-funded building improvements, \$1,900.00 was for Cannabis Control Commission lease proposal expenses, \$3,500.00 was for an Urban Renewal appraisal report, and \$387,381.21 was for operating expenses.

10. Status Reports:

- a) **Union Station Exterior Stucco Project**
- b) **Union Station – Vendor & Maintenance Performance**
- d) **Union Station – Leak Remediation Project**
- e) **Tenant Updates – Former Tenant**
- f) **Security Update**
- g) **Urban Revitalization Plan**

1. Authorize Award of the Owner’s Project Manager (OPM) Contract for the Downtown Worcester Ballpark Project to Skanska USA Building, Inc. and authorize the initial phase of services in the amount of \$545,650.00

Mr. Traynor informed the Board that they had eight candidates submit for the owner’s project manager, four of which were short-listed. The candidates interviewed with Commissioner Moosey, Assistant Commissioner Adams, alongside Mr. Traynor and representatives of the Pawtucket Red Sox Ball Club. He noted that they were all very good proposals. The Commissioner and Mr. Adams recommended, and everyone concurred, that the proposal from Skanska USA Building, Inc., group was the strongest proposal. They have met with Skanska and have negotiated a contract to be initially funded through the design/development phase, however the contract is for the entire duration of the project. The contract is being structured this way because the heavy lift is in the construction phase. The team also has a project manager who will be working in concert with the City and the WRA’s project manager through the first phase of design development. Through this process it will be determined how to best blend the two entities together, identify the non-statutory requirements that the WRA’s OPM will be responsible for, and outline the division of labor with the team’s project manager. An amendment will then be negotiated for the remainder of the services that Skanska will provide.

Commissioner Moosey was introduced and asked if he would like to add anything about Skanska’s qualifications or the process. Commissioner Moosey stated the review team felt that Skanska was a good fit right now for this project, which is usually what it comes down to. Mr. Tilton inquired about how they picked the low bidder, and Commissioner Moosey explained that this type of process is a qualifications-based request. It cannot be based on price, and they must pick the most qualified applicant, and then they sit down to negotiate a contract. If they cannot agree on the terms, they would then move to the second highest ranked proposal. Commissioner Moosey further informed the Board that there is no price proposal when the interviews are conducted; they only review the qualifications in accordance with the statute. One of the main discussion points during the negotiating process for the contract is scope and money. For the ballpark project, the negotiation was completed with the first choice, and therefore it is unknown what the price for the second ranked proposal would have been. The Commissioner reiterated that the price was what they were looking to negotiate, and that they are tied to State law.

Mr. Minasian inquired if the Inspector General is involved in the process, and Mr. Traynor informed the Board that the Inspector General is not been involved. Mr. Traynor stated that they followed the required bidding process. This involves discussing the fee with the top ranking proposer. Furthermore, in this instance, the user of the ballpark, the Ball Club, sat in on the process because of their substantial background in the building of ballparks, but they did not vote. It was also noted that the Owner’s Project Manager selection process resides with the

Department of Public Works & Parks, whereas the selection of the designer is handled by the City's Designer Selection Board (DSB), a process that has been in place for decades.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority accepts the recommendation of the city of Worcester Engineering & Architectural Services Division to award a contract for an owner's project manager for the Downtown Worcester Ballpark Project to Skanska USA Building, Inc.;

And Be It Further Resolved that the Authority hereby authorizes its chair or vice-chair to execute a Contract for Project Management Services with Skanska USA Building, Inc. in the not to exceed amount of Five Hundred Forty Five Thousand Six Hundred Fifty Dollars and No Cents (\$545,650.00).

Mr. Tilton seconded the motion.

Mr. Traynor stated that they may poll Board members to find a meeting date before the regularly scheduled meeting on November 9, 2018, because the contract for the design of the ballpark will be awarded within the next two to three weeks. Mr. Traynor stated that they should also have a construction manager by the end of the year. Mr. Traynor further noted that another meeting regarding the Cannabis Control Commission may be scheduled because of the very tight schedule that would follow if awarded the lease.

11. Adjournment

There being no further business, the meeting adjourned at 9:15 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer