

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

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Chief Executive Officer
Worcester Redevelopment Authority



WORCESTER REDEVELOPMENT AUTHORITY

November 9, 2018

8:00 A.M.

City Hall, Levi Lincoln Chamber
Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

David Minasian, Vice Chair
Michael Angelini
Jennifer Gaskin
Sumner Tilton, Jr.

Staff

Michael Traynor, Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
Thomas Zidelis, Chief Financial Officer
John Odell, Energy & Asset Management
Erin Cahill, WRA Financial Manager
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, November 9, 2018.

1. Call to Order

Vice-Chair Minasian called the meeting to order at 8:03 A.M.

2. Roll Call

Mr. Traynor called the roll.

3. Approval of Minutes: October 12, 2018

Vice-Chair Minasian asked the Board to review the minutes of the October 12, 2018 meeting. The meeting minutes were moved by Mr. Angelini and seconded by Mr. Tilton.

New Business

1. Presentation by Representatives of the UMass Building Authority's Access and Opportunity Committee - Construction Workforce Diversity Goals

Vice-Chair Minasian introduced Joseph Naughton, Director of Capital Projects, and Maggie Drouineaud, Compliance Analyst, from the University of Massachusetts Building Authority (UMBA). Vice-Chair Minasian stated that they would present the UMBA M/WBE and Workforce Utilization Compliance Program and best practices for achieving workforce diversity goals. Mr. Naughton noted that they serve the University of Massachusetts and each of its five campuses. UMBA has an independent board, executive director and twelve employees including compliance, finance, legal and administrative.

UMBA's formal M/WBE and Workforce Compliance policy was adopted in 2011 with business enterprise goals and workforce utilization goals consistent with DCAMM's statewide goals for design activity and construction projects. UMBA also established a Project Labor Agreement (PLA) specific to the UMass Boston Master Plan Projects. UMBA's compliance program was initiated in 2010, and lessons learned from the early projects led to the development of best practices, including a focused shift to collaboration with owners, construction managers, subcontractors, building trades, government agencies, community organizations, and tradespeople.

Mr. Naughton provided an overview of UMBA's best practices, including having a compliance analyst on the ground and working with other project managers. Moreover, they have found success by sharing responsibility with construction managers; as a result, the overhead costs associated with achieving the W/MBE and workforce participation goals are low. UMBA has been exceeding their standard goals on almost every project throughout the Commonwealth.

Ms. Drouineaud elaborated on UMBA's best practices. The first is setting and communicating W/MBE and workforce participation goals with construction managers; these goals are included in the bidding and contract documents. Designating a compliance person to work on the project and build relationships with subcontractors and building trades has also been important, and this person ensures that compliance goals and results are included on every meeting agenda. Workforce goals are set and communicated with subcontractors early and often, and subcontractors are required to provide workforce projections. UMBA holds pre-construction meetings with new subcontractors and corrective action meetings with subcontractors who are not meeting the compliance goals. In addition, requiring that the efforts undertaken by subcontractors to meet the compliance goals are recorded helps hold all parties accountable. Construction managers must also meet regularly with subcontractors to monitor and ensure that actions steps are being followed.

Mr. Tilton inquired about meetings with subcontractors; Ms. Drouineaud responded that UMBA meets with both prime contractors and subcontractors, and Mr. Naughton explained that all conversations include the construction manager. One of the tools that UMBA has for ensuring compliance is submitting a rating of the contractors to the State at the end of the project. Mr. Angelini asked if UMBA's contracts provide financial recourse should compliance goals not be met, and it was noted that they do not. Ms. Drouineaud continued, noting that site visits, weekly workforce reports from subcontractors, and monthly workforce reports from construction managers are key. They are then able to report results to all stakeholders at least monthly.

UMBA has also established focused Design & Construction Compliance Working Groups that hold bimonthly meetings.

The challenges that UMBA's compliance program encounters include the boom/bust cycle of the construction industry and the fact that contractor and subcontractor leadership teams are not very diverse, nor are the subcontractor core crews. Recruitment to the industry is also an issue, and public agencies have limited contractual penalties for non-compliance with the program. Mr. Angelini inquired about why the contracts do not have punitive measures. Mr. Naughton explained that he is not sure of the legal standing for including punitive measures – they have researched other examples of public contracts around the country and have not found many that include penalties. Mr. Minasian asked if social pressure exists for compliance in the absence of penalties. Mr. Naughton referred to the program at UMass Amherst that has put UMBA's best practices into place, noting that two projects in Amherst now have compliance goals. Their success is the result of in-person meetings and keeping the pressure on contractors, as well as taking extra steps to retain women in the construction trades such as hosting workforce luncheons and working with construction managers and subcontractors.

Mr. Minasian asked about any impacts the compliance program has on project costs or schedules. Mr. Naughton noted that the costs associated with the Project Labor Agreement specific to the UMass Boston Master Plan Projects are higher because the competition gets a little tighter and there are not as many firms involved. Other efforts that have helped facilitate success include collaborating with vocational schools and exposing students to the trade; though a need exists to reach out to the middle schools and female students in particular. Mr. Naughton also noted that UMBA has restructured internally and has made sure that construction managers are well aware of the compliance program. UMBA pulls the construction project managers together and lets them know what bids will be coming out to help ensure that businesses are getting qualified as M/WBEs and are going to submit bids. As a result of these efforts, UMBA has been meeting or exceeding compliance goals on most of their construction projects, including projects of all types and sizes, and in all regions. Their success has been made possible through both executive support and community engagement – UMBA does not have direct access to workers, but the unions and community organizations do.

Mr. Minasian thanked Mr. Naughton and Ms. Drouineard for coming and presenting to the Board as the WRA embarks on the ballpark project. Mr. Minasian further noted that the WRA has a Responsible Employer Ordinance that includes a percentage requirement for women, low-income communities, and minorities, and it was helpful to hear the breakdown that is used throughout the state, and to learn about UMBA's experiences.

Mr. Traynor asked Mr. Naughton how the percentages were determined, and Mr. Naughton stated that they were based on a disparities study undertaken by DCAMM; a new disparity study has been completed but UMBA has not yet seen it. Mr. Minasian asked if the WRA could implement similar goals with their own Responsible Employer Policy for the ballpark, and suggested that a review of the UMBA policies and procedures was warranted to see if it would fit well with the ballpark project. Mr. Angelini inquired about who would be responsible for completing the review and Mr. Minasian requested that staff be responsible. Mr. Tilton expressed support for the review as long as it does not slow down the ballpark project. Ms. Gaskin noted that she understands the need to avoid delays, but relayed the need to be thoughtful in how they are engaging with the community because the Board has a responsibility as representatives of the broader community. Mr. Tilton requested that the review be undertaken concurrently with the ballpark project as opposed to sequentially. Mr. Minasian also requested that potential Construction Managers be asked about their plans for diversity as part of the interview process.

Mr. Angelini moved that at the next meeting a report be presented about the efficacy of setting compliance goals and objectives.

Ms. Gaskin seconded the motion.

Mr. Traynor asked that the motion be revised to state that the report be provided at the next regularly scheduled meeting, as the WRA may hold a meeting prior to that date. Mr. Traynor also reminded the Board that the WRA does have an existing policy that they will look at in terms of how it may be tweaked, especially in regards to monitoring and enforcement.

2. Presentation by Donald J. Mancini - Kelleher & Sadowsky - Report on a Redevelopment Strategy for Union Station

Mr. Traynor stated that Mr. Mancini had relayed the previous day that the report was not yet finalized. This item was moved to the next meeting. Mr. Angelini requested that the Board receive the report when it is finished and prior to the next meeting.

3. Maxwell Silverman's Banquet & Conference Center – Request use of former Byblos Lounge Space

Mr. Traynor noted that the Board packet contains a letter from Mr. Giordano expressing interest in the former Byblos Lounge Space but that the item should be held until the report from Kelleher & Sadowsky is received. Mr. Angelini stated that he read the letter and it is simply asking for permission to submit a proposal; Mr. Giordano should instead submit the proposal and the Board will review it.

4. Authorize Review Appraisal and Valuation Consultant Services Agreement with Foster Appraisal And Consulting Company, Inc.

Mr. Tilton recused himself from the appraisals and design services contract items, as well as the CM at Risk application item (Agenda Items 4, 5, 6, 7 and 8). Mr. Angelini inquired about how the appraisal fees were set. Mr. Traynor responded that they received proposals for appraisals and a review appraisal. The first proposal is from Foster Appraisal and Consulting Company, Inc., who will provide review appraisal and valuation consulting services. The Department of Community and Housing Development (DHCD) requires two appraisals for any Urban Renewal acquisition.

Mr. Angelini inquired if the three proposals were bid out, and Mr. Traynor stated that the WRA sent requests out to eight or nine appraisers and only received a couple back. Most firms said that they could not do the work within the required timeframe. The responses that were received were reviewed by Mr. Traynor with the assistance of outside counsel, Jeff Mullan of Foley Hoag. Mr. Mullan has worked on these types of projects and determined that the prices were reasonable and reflect the typical costs associated with projects of this size. In response to Mr. Angelini's question about the number of properties being appraised, Mr. Traynor noted that a total of 27 – 29 reports would be completed. The fee is a not-to-exceed amount; hard numbers will be determined after a review of the actual appraisals.

Mr. Minasian asked if all three appraisers will be looking at the same properties and if there was a reason for the differences in fees. Mr. Traynor noted that there will be two appraisals and one review appraisal, and that the fees are what were included in the proposals.

Mr. Angelini moved the following motion as written:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a contract with Foster Appraisal and Consulting Company, Inc. in the not-to-exceed amount of One Hundred Thirty Five Thousand Dollars and no cents (\$135,000.00) for appraisal and consulting services relative to the acquisition and disposition of land as part of the Downtown Urban Revitalization Plan.

Ms. Gaskin seconded the motion.

The motion was approved 3-0.

5. Authorize Appraisal Services Agreement with Colliers International Valuation and Advisory Services, Inc.

Mr. Angelini moved the following motion as written:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a contract with Colliers International Valuation and Advisory Services, Inc. in the not-to-exceed amount of Seventy Two Thousand Dollars and no cents (\$72,000.00) for appraisal and consulting services relative to the acquisition and disposition of land as part of the Downtown Urban Revitalization Plan.

Ms. Gaskin seconded the motion.

The motion was approved 3-0.

6. Authorize Appraisal Services Agreement with Tyburski Appraisal Corporation

Mr. Angelini moved the following motion as written:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a contract with Tyburski Appraisal and Consulting Services, Inc. in the not-to-exceed amount of One Hundred Four Thousand Dollars and no cents (\$104,000.00) for appraisal and consulting services relative to the acquisition and disposition of land as part of the Downtown Urban Revitalization Plan.

Ms. Gaskin seconded the motion.

The motion was approved 3-0.

7. Authorize Design Services Agreement with D'Agostino Izzo & Quirk Architects, Inc.

Mr. Traynor submitted a letter to the Board from D'Agostino Izzo Quirk Architects, Inc., thanking the Designer Selection Board for ranking them first as the designer of the ballpark. Mr. Traynor noted that at this juncture the contract will be funded through the schematic design phase. Through discussions with the team's project manager, the City's project manager, and the architect, it was determined that the best path forward is to get pricing first through the schematic design phase; better pricing will be obtained once the schematic design is complete.

At that juncture an amendment to the Design Services Agreement will be made for the balance of the contract.

Mr. Angelini moved the following motion as written:

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 Ballpark Project to D'Agostino Izzo Quirk Architects, Inc.;

And Be It Further Resolved that the Authority hereby authorizes its chair or vice-chair to execute a Design Services Agreement with D'Agostino Izzo Quirk Architects, Inc. in the not to exceed amount of Eight Hundred Eighty Nine Thousand One Hundred Forty Dollars and no cents (\$889,140.00).

Ms. Gaskin seconded the motion.

The motion was approved 3-0.

8. Authorize the Submission of an Application to the Office of the Inspector General of the Commonwealth for Permission to Use the Construction Manager at Risk Delivery Method, M.G.L. c. 149A, for the Canal District Ballpark Project

Mr. Traynor informed the Board that with the Owner's Project Manager now on board and the fact that the WRA will now enter into a contract with the designer, that allows for the submission of an application to the Office of the Inspector General (OIG) for permission to use the Construction Manager at Risk delivery method. The application is a State form that Commissioner Moosey of the Department of Public Works & Parks will complete and submit. The WRA Chairman will sign the form and Commissioner Moosey will submit it on behalf of the Authority to the OIG. Mr. Minasian inquired about the response time, and Mr. Traynor explained that the OIG has a statutory timeframe of thirty days, but it has historically taken less time. Mr. Minasian asked about the timeframe for releasing the Request for Proposals, and Mr. Traynor responded that a Request for Qualifications (RFQ) is anticipated to be released in December, and once the firms are qualified a Request for Proposals will go out in January. With subsequent interviews, the contract will likely be executed in early February.

Ms. Gaskin moved the following motion as written:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute and deliver an application to the Office of the Inspector General of the Commonwealth for permission to use the Construction Manager At Risk delivery method, M.G.L. c. 149A, relative to the Canal District Ballpark Project.

Mr. Angelini seconded the motion.

The motion was approved 3-0.

9. Authorize Amendment No. 13 to the Design Services Agreement with Nault Architects, Inc. in the amount of One Hundred Seventy Thousand Dollars and no

cents (\$170,000), to provide for the renovation of 13,700 sf of office space at Union Station to lease to DCAMM for offices for the Cannabis Control Commission (CCC)

Mr. Traynor informed the Board that the WRA has been conditionally selected by DCAMM and has begun meeting to come to an agreement on the terms of a lease. This lease requires the inclusion of schematic design plans as an exhibit; as a result the WRA must move forward with the schematic design for the renovation of the office space at Union Station for DCAMM's approval as part of the lease negotiations. WRA contracts have a termination for convenience clause; therefore if the WRA cannot come to an agreement with DCAMM, the design contract can be terminated. Mr. Angelini noted that the face value of \$170,000 for the design of renovations to 13,700 square feet of space caught his attention, and it is his understanding that this cost will be reimbursed through lease payments. Mr. Traynor confirmed that Mr. Angelini was correct. Mr. Angelini inquired about what happens if the WRA incurs the costs associated with the schematic design phase and the lease does not move forward; Mr. Traynor stated that it is a risk borne by the WRA. Ms. Beaton explained that she has had several productive meetings with DCAMM regarding the lease agreement that have gone very well.

Mr. Angelini moved the following motion as written:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Amendment No. 13, in the not to exceed amount of One Hundred Seventy Thousand Dollars and no cents (\$170,000.00), to the Design Services Agreement between the Authority and Nault Architects, Inc. for designer services related to the renovation of 13,700 square feet of office space at Union Station to lease to DCAMM for offices for the Cannabis Control Commission.

Ms. Gaskin seconded the motion.

The motion was approved 4-0.

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

Ms. Cahill reported that for the period of October 6, 2018, through November 5, 2018, the WRA incurred \$178,568.10 in expenses. Of this amount, approximately \$41,000.00 was for capital expenses, approximately \$40,000.00 was for Urban Renewal expenses, and approximately \$97,000.00 was for general operating expenses.

11. 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**

Mr. Odell explained to the Board that the Exterior Stucco project is very challenging and difficulties are still being encountered as more of the existing terra cotta is removed. The work will continue into November and December, and a more thorough report with an updated schedule and potential change orders will be provided at the next regularly scheduled meeting. Mr. Odell further stated that they are working as quickly and diligently as possible in order to

complete work on the front part of the building prior to the end of the construction season. The front is the north side of the building where the issues are most prevalent, and some additional costs may be incurred in order to provide temporary heat that will allow the new coating to cure in cold weather. Mr. Odell followed up on the request from the previous meeting for information about the Exterior Stucco bids. He noted that there were five bids received, four of which were within \$55,000.00 of one another. One bid was an outlier, but it is not atypical for one or two bids to come in much higher than the others.

Ms. Gaskin inquired about the status of the private security firm at Union Station, and Mr. Odell stated that the Worcester Police Department (WPD) has taken over security. The WPD has a temporary substation in the building, and a scope of work for the permanent WPD substation is currently being assembled for the Board's approval at a future meeting.

12. Adjournment

There being no further business, the meeting adjourned at 9:00 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer