

Worcester Redevelopment Authority

Vincent A. Pedone
Chairman

Peter Dunn
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Friday, July 17, 2020

9:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

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

Staff

Peter Dunn, Chief Development Officer
Michael Traynor, City Solicitor
Jennifer Beaton, Deputy City Solicitor
John Odell, Energy & Asset Management
Greg Ormsby, Office of Economic Development
Amanda Cornwall, Office of Economic Development

Pursuant to a notice given (attached), a meeting of the Worcester Redevelopment Authority was held at 9:00 A.M. on Friday, July 17, 2020.

1. **Call to Order**

Mr. Dunn called the meeting to order at 9:00 A.M.

2. **Roll Call**

Mr. Dunn called the roll.

3. **Approval of Minutes: June 12, 2020**

Chair Pedone inquired as to any members of the public will be joining. Danielle Skilling from Gilbane Hunt Joint Venture joined the meeting.

Chair Pedone asked for a motion to approve the minutes.

Mr. Angelini made a motion to approve the minutes, Mr. Tilton seconded the motion.

The minutes were approved 5-0 on a roll call.

Chair Pedone regarding new business and the order of the agenda, I would ask that we move items 4, 5, 6 and 8 to the end of the meeting after status reports, we will take up items 4, 5, 6 and 8 which are items relating to the ballpark – there was no objection.

New Business –

1. Status Report Midtown Mall.

Chair Pedone inquired of Mr. Dunn the status, conversations with the owner of the Midtown Mall and the work that is being done. Mr. Dunn stated he spoke with Mr. Lana over the last couple of weeks and checking in with him at the request of the last board meeting to see where his plans are at the Midtown Mall and if it has been affected by the COVID-19 situation. Mr. Lana stated that things are okay as well as can be considered due to Corona Virus and the effect that it has had on property owners and landlords in the City. He did say that there is additional work being done at the building, but he didn't have an update to share but things are relatively stable. Chair Pedone stated that it sounds like nothing has changed and asked if he entered into an agreement with a developer or project manager? Mr. Dunn that's a good question as you remember we connected him with a couple of different developers as well as the WBDC to assist him with RFI to identify potential development partners with the building adding to the development capacity and vision of the building by helping to work through some of the details. WBDC prepared the documents for Mr. Lana and no one responded to the RFI. Mr. Lana is pursuing the redevelopment of the building on his own. Chair Pedone stated it's not being redeveloped, it's not moving forward he's doing nothing by himself. Board Members responded that they are hearing the same. Chair Pedone stated that the conversation continues for twenty-five years regarding the Midtown Mall and inquired as to whether the WRA should engage with the administration and council to discuss eminent domain action on the Midtown Mall. Chair Pedone expressed that we were assured a few years ago that things were going to be different, but nothing has changed and the property is still an eyesore not integrating into our downtown. Mr. Tilton replied that if that's the skeleton of a motion he will vote yes. Mr. Angelini stated he shares the concern and is somewhat empathetic to the situation. Mr. Lana has been more responsive by a factor of one hundred than the prior owner, showing a willingness to do something. Mr. Angelini said he doesn't think Mr. Lana has been dishonest, and we do not have the news we want, but seems he has been straightforward. Mr. Angelini asked to get a better handle on what he has proposed before waving the flag. Mr. Angelini suggested a forensic examination of his financial situation to reach a conclusion about his ability to develop this in the short term since it is a significant financial investment. Mr. Tilton suggested a vote moving in the right direction and the analysis at the same time. Mr. Angelini mentioned that Mr. Lana tried working with the City on the façade project and he intends on doing something. Mr. Tilton inquired of the date that Mr. Lana could move forward with the façade project due to the demolition delay with Historic Commission. Mr. Dunn stated he would confirm the date but believes that it is sometime this fall. Chair Pedone said that Mr. Lana does have plans, but they have not been vetted by the city; one proposal was a gym, which in the current conditions might not happen. Chair Pedone stated that this is a massive project with all of his other properties adjacent to the Midtown Mall, this is an entire city block, and does Mr. Lana have the capacity to redevelop an entire city block. Chair Pedone questioned whether the redevelopment plan is integrating into the downtown or actionable at this time. Mr. Tilton stated that since

being a member of the Board nothing has happened with the Midtown Mall. Mr. Angelini reminded the Board that the former owner was not progressive and forced a transaction of the property and reiterated forensic examination of Mr. Lana's financials. Mr. Minasian reiterated the WBDC came to a meeting they raised concerns about the process Mr. Lana is thinking about the development and provided examples of how to move forward with the development, but did not use any of the suggestions. Mr. Minasian continued to say it is concerning that he did not wrap up the entire block as and was suggested by WBDC and if he did that now he might see more serious investors coming in. Mr. Minasian continued that he is not sure how those other pieces are being developed. From what he understands, the workforce in the building does not seem like a professional company and has concerns with the process and the future of the Midtown Mall. Chair Pedone asked of Mr. Traynor about open meeting law and since this item is a status update of the Midtown Mall on the agenda, could a motion be filed or something that would have to be postponed until the next meeting. Mr. Traynor stated it is proper to take the motion up today within the scope of the item on the agenda as posted. Chair Pedone asked if Ms. Gaskin has any comments. Ms. Gaskin agreed with everything that has been discussed. Ms. Gaskin discussed the conversation last year or the year before about taking the Midtown Mall by eminent domain as well as attendance at public hearings. She stated there has not been progress since Mr. Lana has taken control of the buildings. Ms. Gaskin stated at this time the situation needs to be addressed. Mr. Angelini suggested WRA staff meet with the owner requesting a full written presentation of his plan and financial capability and execution of the plan before our next meeting. The Board requested an invitation to Mr. Lana attend a future meeting provided the Board with requested documentation. Chair Pedone requested a motion that the WRA directs staff to meet with Mr. Lana and his team in order to review the plan, the financial capabilities and feasibility of Mr. Lana to finance his plans. Mr. Tilton explained the Board has never seen a clear financial picture. Mr. Tilton would like the motion developed verbally at this meeting. Mr. Angelini suggested moving forward with obtaining additional information and include as an item at the next meeting. Mr. Dunn advised the Board that the first time he appeared before the Historic Commission was November 7th, they asked for additional information and Mr. Lana returned to the Historic Commission on December 12th. Chair Pedone requested that WRA staff confirm when the clock started on the year delay. Mr. Minasian asked to include not just the Midtown Mall but the surrounding buildings. Ms. Gaskin also concurred. Chair Pedone deferred to Mr. Traynor because the properties are not identified in our Downtown Urban Revitalization Plan. Mr. Traynor stated we can ask about the surrounding properties but any action by the Board would be on the Midtown Mall and adjacent office building. Mr. Traynor also said at some point we could move to amend the plan to add additional properties. Mr. Traynor before we proceed we should see what Mr. Lana provides for documentation and cooperation between now and the next meeting. Mr. Traynor stated to the Board properties will only be acquired when we have a redeveloper lined up. Chair Pedone referred to the process that was for the original Downtown Urban Revitalization Plan, public hearings, conversations with City Council, Administration, general public at that time the intention was not to stockpile old properties, however he doesn't see much difference with the WRA holding the property and have the opportunity to market the property if Mr. Lana not making progress. Chair Pedone stated this item will be added to the August agenda.

2. Status Report 521 Main Street

Chair Pedone asked about the overview of the work ongoing at 521 Main Street. Mr. Dunn stated this is commonly referred to as The Great Wall building with the Chinese restaurant, Mr. Dunn will read the owner's update verbatim with some paraphrasing:

The restaurant was granted a temporary Certificate of Occupancy in the beginning of February with a few things to tidy up to get the final Certificate of Occupancy. These include relocation of a few sprinkler pipes, covering up the previous staircase opening on the fourth floor in a more permanent manner, sealing/repointing the exposed portion of the shared brick wall with neighbor (Allen Court side of the building), installing emergency lights on upper levels at the newly installed staircase, removing temporary wiring on upper levels, etc. We will arrange for an inspection once the City is open to it.

While the temporary Certificate of Occupancy was granted early February, the restaurant, however, did not get to open until late February when a license for reopening was obtained. Not long after that, the restaurant had to close again due to the outbreak of COVID 19 pandemic. It was not until late June when the restaurant could fully open again.

With the current situation, not much extra had been done regarding further building renovation. The current plan is to first renovate the upper levels – second floor as storage for the restaurant, third and fourth floor as residential units. Completion of such renovation will enable the owner to live there and stop paying rent on dwelling. The architect is currently working on the interior design. Hope this renovation will be completed within a year. During this time, options for the façade will be explored.

Chair Pedone without objection we will accept the update and included the email correspondence with the minutes. Ms. Gaskin just so I'm clear are we filing the report and will we continue to get updates every month? Chair Pedone sated we are still requesting updates every month for the Midtown Mall as well as 521 Main Street. Chair Pedone said he realizes the pandemic and the restaurant being delayed or any kind of movement on the renovation of the existing upstairs floors. Given that the restaurant is open and presumably a liquor license as part of the plan and should have revenue source now and start making plans and arrangements for the upstairs, correct? Mr. Traynor I believe they did not apply for a liquor license but I will find out. Ms. Gaskin that was my recollection, Mr. Traynor will confirm.

3. Union Station – Miscellaneous Renovations - APC CO #4

Mr. Dunn stated this is an agreement between the Worcester Redevelopment Authority and APC Development Group relative to miscellaneous renovations to Union Station. The particular change order is in the amount of Thirteen Thousand Eight Hundred Sixteen Dollars and Sixty-One Cents (\$13,816.61) and covers three items: including wayfinding signage throughout the building as requested by WRA, low-voltage wiring required to make the new electrified door hardware on the doors to the garage operate and lastly, additional dimensional lettering over the Police Sub-Station doors. It is important to note that 80% of these costs are covered by the WRA's Federal Transit Authority Grant. Mr. Dunn turned to Mr. Odell to add to the scope, who confirmed that is the summary of what we are looking at and was not included in the original scope, so the change order is to cover those costs. Mr. Odell noted that the work has already been completed. Mr. Minasian appreciated the documents and clarification.

Mr. Minasian offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Change Order No. 4 to the Owner Contractor Agreement

between the Worcester Redevelopment Authority and APC Development Group Inc., relative to the Miscellaneous Renovations project at Union Station in the not to exceed amount of Thirteen Thousand Eight Hundred Sixteen Dollars and Sixty-One Cents (\$13,816.61).

Mr. Angelini seconded the motion.

The item was approved 5-0 on a roll call vote.

Chair Pedone noted that Mr. Tilton and Mr. Angelini are recused from Items 4, 5, 6, 8. Mr. Angelini and Mr. Tilton left the meeting, we still have a quorum.

4. Authorize execution of Amendment No. 5 to the Owner's Project Manager Agreement with Skanska, USA Building, Inc. relative to the Canal District Ballpark Project.

Mr. Dunn described Item 4 regarding Skanska, the Owner's Project Manager for the Ballpark Project. In the packet is a proposal going back over a series of time when COVID started in March and the recommendation is a partial approval of their proposal. The proposal is \$785,710.00 and the recommendation would be to approve just the fees associated with the left field building of the Madison Properties Project as well as the coordination and services on south of Madison Street related to the garage parcel. The total would be \$149,000.00. The remaining amount is still being discussed and evaluated by both City staff and the Baseball Team to make sure that we have as sharp a pencil as possible with the remaining costs through the end of the project. Chair Pedone recognized that the WRA is working with the City Manager directly and through his Economic Development Office and the Baseball Team to get the project done and the WRA role has been to work with the administration, who is taking a lead on most of the finance issues. Chair Pedone then asked for a synopsis as to why there is this overrun and what is driving that. Mr. Dunn stated one thing that is driving the additional costs related to the OPM services from Skanska in general is additional hours not anticipated when they first submitted their proposal, there is also a sheet in the backup they provided "items driving OPM efforts on the project refers to more detail. Mr. Dunn mentioned again that the partial approval for this proposal is \$149,000.00 which is focused on coordination of the building with Madison, coordination of south of Madison Street in particular the garage are out of scope items. Mr. Dunn reiterated that we are taking the remaining amount and vetting that further before coming to the Board. Mr. Dunn asked Mr. Ormsby provide the Board with any further details or add anything else. Chair Pedone stated he understands out of scope items and COVID or other unforeseen issues. The hours overrun is of interest as far as an RFP that should identify the hours to accomplish the project. Mr. Ormsby gave a few examples with regards to Mr. Dunn's comments including the project schedules and coordination between Madison and their Project Manager with Wyman Gordon. Weekly meetings are held with all parties with discussions on daily operations with regards of the conveyance with the WRA and Madison it is well beyond what was ever scoped in July of last year. Mr. Minasian asked if that is because of new scope of work being included or is that just they missed it in their bid and isn't that the sort of risk that you take in going into any type of construction venture. If it's unanticipated and we missed it or make a little extra more it's kind of on them at that point. Mr. Traynor added that in January a submission was made to City Council to increase the project budget there were things not anticipated like the cost of relocations that were higher there were more hours being spent by the OPM than was in the original proposal, when they put a proposal for OPM services with a matrix showing how much hours this turned out to

extra hours and we are just catching up now with all the extra time that they put in and they feel going forward they've chewed up some of the hours going forward. It is reflective of where we are at right now. It is catch and looking forward. As Mr. Dunn said we have not yet come to a final agreement on what this extra should be. Chair Pedone I know that staff working on this project and being paid by the hour we would be having significant cost overruns. Chair Pedone and Mr. Minasian congratulated the preparedness of staff.

Chair Pedone are we amending the motion that we have in our packet include the \$149,000.00. Mr. Dunn, that's correct.

Mr. Minasian offered the following motion:

Voted that the Authority hereby authorizes its chair or vice-chair to execute Amendment No. 5 in the amount of One Hundred Forty-Nine Thousand Dollars (\$149,000.00) to the contract for Project Management Services with Skanska USA Building, Inc. relative to the Canal District Ballpark Project.

Ms. Gaskin seconded the motion.

The item was approved 3-0 on a roll call vote.

5. Authorize execution of Amendment No. 9 to the Design Services Agreement with D'Agostino Izzo & Quirk Architects, Inc. relative to the Canal District Ballpark Project in the not to exceed amount of \$998,060.00.

Mr. Dunn explained this is for Amendment No. 9, the largest attachment to your package. The documents provided in the attachment describes work done with DAIQ along with sub consultants performing elements of design services. This amendment is final and would bring the ballpark to completion of the design services, each cost has been specifically detailed in the second page of the summary. Mr. Dunn stated there are different categories with scopes where five requests have been fully denied by staff. Mr. Dunn referred Board members to Polar Park Design Team Services section of the attachment, a number of these were included in the original scope. The items denied have a value in excess of Two Hundred Thousand Dollars making sure we have a sharp pencil and being as fiscally responsible as possible. In terms of why there are extra services is the result of value engineering exercises when the initial design came back with high cost estimates. City staff, the Ballpark Team, Janet Marie Smith and staff looked at different ways to deliver a product closely aligned to the budget as possible. Mr. Minasian asked if the OPM plays a role reviewing this. Mr. Dunn stated they are very much involved as well as Department of Public Works & Parks staff. The Commissioner and Assistant Commissioner are heavily involved in the review process having experience with architectural services building schools in the city, parking garages, etc.

Mr. Minasian offered the following:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Amendment No. 9 to the Design Services Agreement with D'Agostino Izzo Quirk Architects, Inc. in the not to exceed amount of Nine Hundred Ninety Eight Thousand, Sixty Dollars and No Cents (\$998,060.00) relative to the Canal District Ballpark Project.

Ms. Gaskin seconded the motion.

The item was approved 3-0 on a roll call vote.

6. Authorize the not to exceed payment of \$187,619.00 for the National Grid electric service proposal for installing a 5,000 amp 277/480 volt underground service at 100 Madison Street associated with the Canal District Ballpark Project.

Mr. Dunn refers to National Grid regarding new service requested for the ballpark. National Grid will be able to move forward with the final proposal regarding the new electric service and will allow us to send temporary service. Also included in the vote is their customer contribution provided in the backup and total process for delivery of new service. Mr. Dunn informed the Board there were three transformers in the vault. The initial proposal was much higher and staff worked with them over the last thirty days to make sure they were only charging for things the WRA should be responsible for. This authorization will allow National Grid to start their construction process which is about four to six weeks and this item is particularly important for them to continue to keep on schedule and get the permanent power installed in the timeframe that is necessary for the project overall.

Chair Pedone asked if some of the overruns are COVID related and what action is the administration taking to try and recoup those losses through Federal Stimulus Dollars or reimbursement, and secondly, is the project still on schedule to open in the spring of 2021. Mr. Dunn stated we are doing that exercise right now in terms of isolating some of the COVID related costs increases and matching those up with the various sources that are available for COVID relief. We feel good about getting a large number probably in the seven figure range. In addition we do feel at this time that we feel pretty good about the overall schedule. The goal is still opening day April 7, 2021 and have not heard any real challenges to prevent us from meeting that goal. Mr. Dunn invited the Board Members to tour the ballpark site would see the items that have been voted on and timelines and visualize some of the details. Ms. Gaskin expressed that she would like the tour, but since the Board is one that is voting on the items for the construction of the park we should have been the first ones offered that opportunity. Chair Pedone and Mr. Minasian concurred. Chair Pedone asked Mr. Dunn how we set this up do we contact your office and is this invitation extended to the two Board Members who have had to recuse themselves from the discussion. Mr. Dunn said we will consult with the Board Members and our staff will reach out to you to coordinate the site visit. Chair Pedone are there any open meeting law concerns of a quorum of the Board present for a tour. Mr. Dunn responded my understanding is no but I would ask Mr. Traynor to qualify that. Mr. Traynor stated site visits are allowed under the open meeting law the board just can't deliberate about business items. Mr. Minasian stated that this is a complicated project and to be on schedule is incredible after everything shutdown for six weeks is really good to hear, good news.

Mr. Minasian offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to issue a payment to National Grid in the not to exceed amount of One Hundred Eighty Seven Thousand, Six Hundred Nineteen Dollars and No Cents (\$187,619.00) for the installation of a 5,000 amp 277/480 volt underground electrical service at 100 Madison Street relative to the Canal District Ballpark Project.

Ms. Gaskin seconded the motion.

The items was approved 3-0 on a roll call vote.

7. FY 2021 Operating Cooperation Agreement Amendment in the amount of \$403,305.00

Mr. Dunn explained this is the annual Cooperation Agreement between the City of Worcester and the Worcester Redevelopment Authority for the operations of Union Station. The attachment behind the vote is from this Fiscal Year City budget to the Worcester Redevelopment Authority from the Office of Economic Development is Four Hundred Three Thousand, Three Hundred Five Dollars. Mr. Dunn informed the Board that is less than last year, Four Hundred Ninety Six Thousand, Seventy-One Dollars and appears to be related to the additional revenue coming in with the Cannabis Control Commission.

Mr. Angelini 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 FY21 Operating Funds in the amount of Four Hundred Three Thousand, Three Hundred Five Dollars and No Cents (\$403,305.00).

Mr. Minasian seconded the motion.

The item was approved 5-0 on a roll call vote.

8. Canal District Ballpark Project workforce diversity and inclusion report.

Danielle Skilling, from Gilbane-Hunt, Joint Venture, provided the Board with an update through June 2020. The MWBE Report is a little different from the previous reports. The previous reports were based on fully executed contracts and additions to the report include contracts that have RTA's and not fully executed or where the RTA's are approved and the contract is in the execution stage. This shows a more complete picture of the project as a whole as far as where we stand now. We're at 18% combined for MWBE based on awards and awards in process. That's a slight change from the 20%, however as I've said previously these percentages fluctuate as well as the fact that we have many more of the filed sub bids, contracts awarded. Sometimes it's the lowest bid without the ability by the Joint Venture team to look at other facets such as the diversity of the contractor. We are in a strong position at 18% for a project under the Chapter 149A process. Numbers represented – Worcester residents – 22.6%, we did lose a few that went to another company. People of color as of last week have come in 16.3% we continue to be above the 15.3% goal. For women, at a goal of 6.9% we are 7.9%. Ms. Skilling states she's been conducting site walks a couple of times a week and noticing that the workforce is visibly being more diversified with a lot more women. One of the subcontractors has just added on a Worcester woman of color from the Building Pathways Program which is the pre-apprentice program in Worcester. She has also been speaking with Kelsey from the Worcester Jobs Fund and will be scheduling tours of the project for Building Pathways Program to give those participants some exposure to the real construction world and a project that will impact their community. Mr. Minasian stated as a former chair of the Worcester Jobs Fund and someone who works a lot on the Building Pathways Program, that's exciting to hear. It is fantastic news and shows the

coordination between community groups in the city and making sure that the investments we are making in one area are benefitting another area that is the whole idea behind this. Mr. Minasian asked about what scope of work is going to move/drive numbers moving forward, i.e. electricians, carpenters. Ms. Skilling stated the focus now is on the mechanicals - an HVAC company has committed that part of their workforce will be women, the plumbing contractor is adding what they need appropriately, and the electrical contractor has done a phenomenal job. She's pleased with the concrete companies who should be commended their numbers as far as local residents as well as people of color.

At this time a caller identified himself as Joey Gibson representing a group WICS and asked if the Christopher Columbus statue is one of the subject matters you are discussing right now and whether it is going to be decommissioned. Chair Pedone stated the Christopher Columbus statute is not a WRA asset it is not on WRA property, so it is not something the WRA will take up.

Chair Pedone then asked if the Board had further comments about the Diversity report. None.

9. Financial Update Report
Report on Prior Month's Executed Contracts and Payments
Report on Downtown Urban Revitalization Plan Expenditure

Mr. Dunn presented the financial report. He reviewed with the Board the attached updates, executed contracts and expenses on the Downtown Urban Revitalization Plan since the last meeting, June 12, 2020. Mr. Dunn notified the Board that Timothy McGourthy has been hired as the Chief Financial Officer, he may attend from time to time. Mr. Dunn reported for the period of June 11, 2020 through July 13, 2020 the WRA incurred a total of \$8,660,637.39. Mr. Dunn noted that 98% is Ballpark related expenses and over Eight Million with the Joint Venture Gilbane Hunt.

10. Status Reports:

Union Station – Vendor & Maintenance Performance
Union Station – Miscellaneous Renovation Projects
Urban Revitalization Plan
Midtown Mall
Great Wall

12. Adjournment

There being no further business, Mr. Dunn called the roll to adjourn the meeting, the meeting adjourned at 10:18 A.M.

Respectfully submitted,

Peter Dunn
Chief Executive Officer