

City of Worcester, Massachusetts

Michael V. O'Brien
City Manager

Timothy J. McGourthy
Chief Executive Officer
Worcester Redevelopment Authority



WORCESTER REDEVELOPMENT AUTHORITY

Tuesday, January 8, 2013

12:00 P.M.

Union Station – CMRPC Conference Room

2 Washington Square

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Robert Diaz
Vincent Pedone
John Donahue
Steven Rothschild
Robert Thomas

City of Worcester

Timothy McGourthy, WRA Chief Executive Officer
Michael Traynor, Deputy City Solicitor
Thomas Zidelis, Chief Financial Officer
Erin Cahill, Financial Manager, WRA
Paul Morano, Director, Business Assistance
Rick Trifero, Facilities Manager, WRA
Jane Bresnahan, Executive Office of Economic Development
Amanda Gregoire, Executive Office of Economic Development

Wormtown Brewery

Thomas Oliveri
Ben Roesch

Pursuant to a notice given (attached), a meeting of the Worcester Redevelopment Authority was held at 12:00 P.M. on January 8, 2013.

1. Call to Order

Chief Executive Officer Timothy McGourthy called the meeting to order at 12:10 P.M.

2. Roll Call

Mr. McGourthy called the roll.

3. Minutes of the December 11, 2013 Meeting

Mr. McGourthy asked the Board to review the minutes. Mr. Pedone offered approval of the minutes with Mr. Donahue seconding the approval.

4. Discussion/Votes

d. iii. *Wormtown - Lease Authorization*

Mr. McGourthy asked the Board to take two items out of order that needed votes in order for Board Member Pedone to leave the meeting early.

Mr. McGourthy introduced Tom Oliveri and Master Brewer Ben Roesch of Wormtown Brewery. Mr. Oliveri stated that he is a seventy-five percent owner of the business and Mr. Roesch is a twenty-five percent owner of the company. Mr. Oliveri stated that he has been in the family business since 1980. Mr. Oliveri stated that after opening the business they now produce over 2,000 barrels, 4,000 kegs and 20,000 cases of beer. In naming their product Mr. Oliveri stated that he tries to include Worcester namesakes including the Smiley Face, Worcester's Seven Hills and Turtle Boy located on the Worcester Common. The Board members complimented Mr. Oliveri for working with the Authority regarding his financing for the equipment and space and obtaining financing from Bay State Savings Bank. Mr. Oliveri also noted that there will be a tasting area and tours on the weekends.

Mr. Pedone offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to executive a lease agreement with Wormtown Brewery, LLC, demising a certain portion of the basement floor of Union Station per the terms and requirements set forth in the attached Summary of Lease Agreement.

Mr. Rothschild seconded the vote, and it was voted 5-0 on a voice vote.

e. *Canterbury Towers – Release of Deed Restriction*

At last month's meeting Mr. McGourthy advised the Board that a vote would need to be taken for the transfer and to remove a reverter clause for property located at 6 Wachusett Street. The vote was prepared for action and presented to the Board.

Mr. Diaz offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute an Estoppel Certificate and a Release of Rights of Re-Entry

and Reverter concerning the property located at 6 Wachusett Street, Worcester, Massachusetts to facilitate its conveyance to Canterbury Tower Apartments, LLC.

Mr. Thomas seconded the vote, and it was voted 5-0 on a voice vote.

4.i. *Audit and Management Letter – June 30, 2012 and 2011*

Mr. McGourthy introduced Thomas Zidelis, Chief Financial Officer. Mr. Zidelis informed the Board that Matt Hunt of Sullivan, Rogers & Company, LLC, auditing firm for the Authority was unable to attend the meeting. Mr. Zidelis reviewed the main points of the financial statements with the Board and noted that the firm did not identify any deficiencies in internal control over financial reporting that they considered to be material weaknesses or other matters that are required in accordance with the Government Accounting Standards. Mr. Zidelis did note that the Management Letter reviewed one accounting procedure that needed to be corrected going forward and this procedure was adjusted during the audit. Mr. Zidelis told the Board that the Authority is becoming more in-line with a business entity. Mr. Zidelis noted that the City of Worcester in the past has been augmenting the WRA with up to \$700,000 yearly and now that amount has been reduced to \$300,000, which he highlighted as a significant accomplishment.

It was requested that the Board in the future receive the report one week prior to the meeting.

4.ii. *Capital Improvements*

Mr. McGourthy reviewed with the Board the capital improvements to the station during calendar year 2013 that was submitted to the Worcester Regional Transit Authority for fixed guideway modernization funding. A discussion ensued regarding priorities for the projects and the timing of other improvements. Mr. Rothschild suggested consideration of a Grand Hall connection to the north tenant space, instead of the proposed bathrooms project. He also suggested consideration of acquisition of the Union Station Garage tenant space and improvements to the parking parcel owned by the Commonwealth located under I-290. Mr. Diaz noted that the current bathrooms need repair and rust stains on the building.

4.a. *Strategic Planning*

The Board was informed that Byblos is behind in rent for November, December and January. Mr. Rothschild asked if there were a way to gain access to the Grand Hall from the space behind Byblos Restaurant and take an area of Byblos in order to gain access to the restrooms in the Grand Hall. Mr. Rothschild initially asked for a layout of the space for the next meeting and it was decided that a walk-through of the area would take place at the end of the meeting.

5. Other Business

a. *Monthly Expenditure Report*

Erin Cahill, WRA Financial Officer, reviewed with the Board the check detail and monthly comparison summary noting that between November 9 and January 3, 2013 expenses were \$54,110.50. Ms. Cahill advised the Board that there was an increase in snow removal costs.

b. WRTA Monthly Update

The project remains on schedule with an opening at the end of March and funding in place by July. Mr. McGourthy will arrange a walk-through for the Board.

c. Theatre District Initiative

Mr. McGourthy advised the Board that a Downtown Worcester Theatre District Master Plan Community Meeting will be held on January 23, 2013 at 5:30 PM at the Hanover Theatre to provide an overview of the plan to the public. Following the meeting, any appropriate modifications to the document will be made and the plan would be submitted to the City Council for final approval.

d. Tenant Updates

Erin Cahill notified the Board that Selim Lahoud responded via email regarding his undeliverable mail. He reiterated the validity of the original address.

Mr. Zidelis stated that he has met with the owner of Maxwell's to let him know that the charge for the removal of the awning needs to be paid dating back to October 28, 2012 McGourthy.

The Board was given emails provided by Rick Trifero, Facilities Manager, regarding tenant issues.

The Board moved the meeting from the CMRPC Conference Room to tour the area behind Byblos Restaurant.

There being no further business after the tour, the meeting was adjourned at 1:29 P.M.

Respectfully submitted,

Timothy J. McGourthy
Chief Executive Officer