

Worcester Redevelopment Authority

Vincent A. Pedone
Chairman

Michael E. Traynor
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Friday, October 11, 2019

8:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
Michael Angelini
David Minasian
Sumner Tilton

Staff

Michael Traynor, Chief Development Officer
Erin Cahill, WRA Financial Manager
John Odell, Energy & Asset Management
Peter Dunn, Office of Economic Development
Greg Ormsby, 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 Thursday, October 11, 2019.

1. Call to Order

Chair Pedone called the meeting to order at 8:06 A.M.

2. Roll Call

Mr. Traynor called the roll.

3. Approval of Minutes: September 19, 2019

Chair Pedone asked for a motion to approve the minutes. Mr. Angelini moved the motion, Mr. Minasian seconded the motion.

New Business

1. Status Update – 521 Main Street

Mr. Traynor introduced Mr. Hui Joseph Zou, representing the property owner Mindy Jiang, to present a project update. Mr. Zou informed the Board that significant progress had been made since his last presentation in June: the HVAC system has been installed and inspected; the fire alarm system has been installed and a final inspection is pending; and the sprinkler system is completed but needs further inspection from the Water Department. Once final inspections have been completed the intent is to open the restaurant as soon as possible.

Mr. Zou then provided an update for the upper floors and façade. He presented preliminary designs for the upper floors. The second floor will be used to support the ground floor restaurant. The third and fourth floors will be converted to a residential use. They hope to have finalized floor plans by the end of December. By the end of February 2020, discussions will begin with the Worcester Historical Commission to address improvements to the building's façade project.

Mr. Zou stated the proposed financing for the project would consist of restaurant income, proceeds from the sale of a home, an equity loan from the restaurant (six months after the restaurant opens), and financial support from family, friends and the owner's church.

Chair Pedone acknowledged the owner's focus on reopening the restaurant but wanted confirmation that all the fire suppression system, electrical, and HVAC work being done for the restaurant was also being installed to service the upper floors for phase two of the project. Mr. Zou stated that is the case.

Mr. Zou reported that the owner hopes the restaurant will be open in three weeks. Chair Pedone noted that having the restaurant open and generating revenue is critical to finishing this project but questioned whether the overall project timeline, completing the upper floors renovations in 2021, is realistic. Chair Pedone asked if a project manager had been hired Mr. Zou replied that the owner, Mindy Jiang, himself, two architects and a representative of their church are each focused on different aspects of the project. Chair Pedone asked if the project team was staying in touch with the Economic Development Office. Mr. Zou said their next step is to involve the Economic Development Office regarding the Historical Commission because they will need to have discussions with the Historical Commission early next year regarding improvements the owner wants to make to the building's facade.

Mr. Angelini thanked Mr. Zou for his presentation and that this was never intended to be an adversarial situation and the Board wants to help get this project done. We share your same objective which is it can be done. I want to make sure that as a member of the Authority that you understand that we want to facilitate what you are doing, and not impede you, we are asking you these questions because we are interested in accelerating this process as much as possible.

Mr. Angelini asked what date they expect to open the restaurant. He said from what he was hearing it sounds that the expectation is that the restaurant will open on or about November 1st. Mr. Zou concurred. Mr. Angelini, Mr. Chairman I assume that staff will be available to help with the inspections because the City wants to cooperate with you as much as possible. I would urge you to stay in touch with our staff to help you schedule these inspections because we would like to attend the opening on November 1st and have a celebration at our November meeting.

Chair Pedone said the Board understands and is sensitive to this being a family-run, community-supported small business. He said the Board is interested in finding a way to help and encouraged Mr. Zou to use the Board and the City's Development Office to maximize your abilities to move this project forward. Mr. Zou thanked the Board for their support and indicated that he stays in touch with Mr. Traynor by email.

In closing, Mr. Traynor informed the Board that at the last meeting when Mr. Zou and the owner weren't present it was because he had given Mr. Zou the wrong meeting date.

Status Report – Midtown Mall Properties

Prior to taking up Item No. 2 on the agenda Chair Pedone asked to take the Midtown Mall status report out of order.

Mr. Felicio Lana was recognized and provided an update regarding the Midtown Mall and other properties he owns. Mr. Lana apologized to the Board for not submitting a status update for the prior meeting because there were no new updates but acknowledged he should have emailed that information to the Board. Mr. Lana submitted a narrative with timelines and renderings of 22 Front Street (Midtown Mall), 250 Commercial Street and three other properties within the block. He said he has had several discussions with Roberta Brien from the Worcester Business Development Corporation relative to providing assistance with information to send out a Request for Proposals (RFP) along with a Request for Interest (RFI) to interested parties to possibly partner to develop the properties. Mr. Lana said construction plans for the Midtown Mall are finalized and that he has applied to the Worcester Historical Commission to seek a waiver of the city's demolition-delay ordinance to replace the building's façade; he said the hearing is scheduled for the next month. Mr. Lana provided the Board with new advertising brochures and announced that he has hired a fulltime broker, John Snyder, to help solicit commercial tenants to lease space in the Midtown Mall and other commercial spaces within the rest of the block. Mr. Lana stated that work has been completed on all life-safety issues and hazards in the basement of the Midtown Mall. He also said he was in discussions with several companies and investors regarding Opportunity Zones and the Midtown Mall.

Chair Pedone asked what properties the commercial broker was marketing. Mr. Lana said the properties include 20 Front Street, 44 Front Street, 50 Front Street and 250 Commercial Street. Chair Pedone asked if the broker will be marketing both commercial and residential, noting the renovations taking place on the upper floors of 44 Front Street are residential. Mr. Lana said Mr. Snyder is to advertise and lease out the commercial spaces. He said the residential leasing is handled by his employees.

Chair Pedone asked Mr. Lana to explain his development plans. Mr. Lana said an architect that has done work on the Midtown Mall will develop plans but they are not ready at this time. Once the plans are completed he hopes to have eighteen to twenty units per floor, the bottom floors will remain retail and the second floor will remain offices. The first floor and basement of the building are completely remodeled. Mr. Lana referred to recent articles in the paper that referenced the different plans regarding the renovations and provided a brochure, which has not been finalized with plans to develop the property. With respect to 44 Front Street a building permit was granted on October 1, 2019 and work is underway with framework for thirty-seven luxury apartments; the remaining units will be commercial retail and office space. 250 Commercial Street, the Windsor Building, he said a Boston architect had been hired to complete plans. Mr. Lana said he plans to also develop apartments at 10 Front Street but they have not been designed yet. Chair Pedone asked if, in total, there will be ninety-plus apartments, Mr. Lana said that's correct. Chair Pedone asked for an explanation of what type of apartments, they will be, small apartments or apartments with multi-floors. Mr. Lana said 44 Front Street will be five hundred to six hundred square feet studio apartments, open and large with twelve foot high ceilings. The five story building at 10 Front Street may be one-bedroom apartments and studios.

Chair Pedone asked to discuss Mr. Lana's plans in terms of redeveloping the properties. Chair Pedone noted that all the buildings border each other and there is some synergy that needs to exist, in coordination with the development of the properties, as well as a development schedule. He asked if Mr. Lana's financial portfolio is recognizing that he can complete all of the project. Chair Pedone said that based on conversations he'd had with other downtown property developers the reconstruction and redevelopment of the Midtown Mall will likely be more than twenty million dollars. He asked Mr. Lana how his financing works. Mr. Lana represented the financing is in place for 44 Front Street, and the Midtown Mall project. He could not speak about financing for 10 Front Street because it was still in the planning stages.

The Chair recognized Mr. Tilton who offered his congratulations for the progress made to date. He asked if Mr. Lana believes he can get the project financed. Mr. Tilton asked about the money that it is going to take to develop these properties, specifically the Midtown Mall, where the financing for that building will come from. Mr. Lana stated it is a private source. Mr. Tilton asked if it is equity, Mr. Lana said it is not equity but private investors.

Mr. Angelini offered that the WRA is much advanced from where the WRA was with Mr. Marcus and said the WRA appreciated the energy brought to date. He urged Mr. Lana keep the Board informed. Mr. Angelini further noted that there is concern about these properties because prior ownership and encouraged Mr. Lana to come to each of the Board's meetings and to keep the Board informed. Mr. Lana that you for your words, I cannot complete this alone I can have the resources, the finances, but it is a team effort to accomplish this alone I need advice and Worcester Business Development Corporation, Roberta Brien, has been of great help answering emails on anything we ask and the support and leadership in heading us in the right direction. The City Manager, the Office of Inspectional Services in helping us with the Midtown Mall, 44 Front Street and work as quickly as possible to accomplish the work.

Chair Pedone I'm glad you mentioned Roberta Brien, we are aware that WBDC has submitted an RFI in order to try to facilitate a development partnership for the Midtown Mall and develop a relationship. Ms. Brien asked if she could speak, prior to that Chair Pedone I echo what Mr. Tilton and Mr. Angelini have said about the energy that you have brought to this project, but very candidly I have serious concerns about the ability to leverage investors for the investment needed, I hope I'm wrong. The Midtown Mall is interconnected to three other properties that you own in and around this city block, I'm concerned.

Mr. Minasian you've done work on the vault, you're doing renovations to the lobby at 250 Commercial Street, you have a building permit for 44 Front Street – thirty-seven studio apartments so all this work is either underway, finished or will be coming up, that's a lot of progress. Mr. Lana all the work is underway. Do you have financing? Yes. There is progress but the two other buildings the one next to the Dunkin Donuts building, 10 Front Street and 22 Front Street which is the Midtown Mall. 10 Front Street you have more of a conception but you still need plans, working with an architect but you do not know when you will be in that building for the renovations and 22 Front Street you have RFI, RFP proposals or a joint venture with a developer, is that a decent summary, correct. Mr. Minasian there are great architects working on 22 Front Street and 10 Front Street and separate from 250 Commercial Street and 44 Front Street? Mr. Lana correct.

The Chair next recognized Roberta Brien of the WBDC. Ms. Brien confirmed that the WBDC prepared a Request for Information for Mr. Lana to submit as well as a tour of all the properties. She said the extent of the WBDC's involvement to date was to assist Mr. Lana, not a direct involvement by the WBDC. In her opinion the best possible outcome would be if all of Mr. Lana's properties were included in this RFI, however, she said, Mr. Lana has indicated that

only 22 Front Street, the Midtown Mall, should be included in the RFI. Chair Pedone stated that if the other properties are not integrated in the Midtown Mall it will be difficult to see a large impact. Ms. Brien said that the WBDC is concerned that plans are moving forward quickly without a comprehensive view of the entire block and certainly the Midtown Mall. In particular, she cautioned that Mr. Lana should not spend time and money pursuing design changes without knowing the ultimate outcome and use of the properties

2. **Authorize execution of an amendment to the Union Station Cooperation Agreement for FY07 Capital Funds in the amount of \$30,000.00, for design services relative to the build out of a portion of the Union Station Garage retail space on Franklin Street.**

Mr. Traynor explained that this is an amendment to the Union Station Cooperation Agreement to transfer funds needed for design work to build out the retail portion of the Union Station Garage.

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 FY07 Capital Funds in the amount of Thirty Thousand Dollars and No Cents (\$30,000.00) for design services relative to the build out of a portion of the Union Station Garage retail space on Franklin Street.

Mr. Tilton seconded the motion.

The motion carried 4-0.

3. **Authorize Change Order No. 7 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 \$354.75.**

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Change Order No. 7 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 Three Hundred Fifty Four Dollars and Seventy Five Cents (\$354.75).

Mr. Minasian seconded the motion.

The motion carried 4-0.

Mr. Traynor noted that Items 4, 5, 8 and 9 refer to the Ballpark Project and Mr. Tilton will not be able to participate in those items so suggested the Board take up those items at the end of the meeting. The Chair concurred.

6. **Authorize execution of an Intergovernmental Agreement with the City of Worcester for the receipt of Community Block Grant Funds in the not-to-exceed amount of \$200,000.00 for the demolition of the structure at 36 Washington Square.**

Mr. Traynor told the Board that the intent is to have the building demolished by the end of the year; it poses a public safety issue in its current state.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute an intergovernmental agreement with the city of Worcester for the receipt of Community Block Grant Funds in the not to exceed amount of Two Hundred Thousand Dollars and No Cents (\$200,000.00) for the demolition of the structure at 36 Washington Square.

Mr. Tilton seconded the motion.

The motion carried 4-0.

- 7. Authorize the issuance of an Invitation to Bid for the demolition of the structure at 36 Washington Square, and upon the determination of the lowest responsible and eligible bidder, authorize the chair or vice chair to execute a contract for the demolition services.**

Mr. Traynor this is the transfer of CDBG funds to our department for the demolition of the building that is known as the vacuum cleaner building.

Mr. Angelini offered the following motion:

Voted, that the Worcester Redevelopment Authority hereby authorizes its chief executive officer to solicit bids pursuant to M.G.L. c. 149, §44A through the city of Worcester purchasing division, for the demolition of the building situated at 36 Washington Square.

Be it further voted, that upon the determination of the lowest responsible and eligible bidder, the Worcester Redevelopment Authority hereby authorizes its chair or vice chair to execute a contract for the demolition services.

Mr. Tilton seconded the motion.

The motion carried 4-0.

- 4. Authorize execution of an Engineering Services Agreement with LiRo Engineers, Inc. for materials testing and inspection services in the amount of \$139,938.00.**

Mr. Traynor explained that this engagement is necessary to bring on a materials testing inspection services firm for the Ballpark Project. This was bid through the City's Purchasing Division in accordance with MGL c. 30B through an RFP and a committee reviewed the submissions. The committee's recommendation was that LiRo Engineers, Inc. was highly advantageous and recommended the contract be awarded to them.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a contract with LiRo Engineers, Inc. in the not-to-exceed

amount of One Hundred Thirty Nine Thousand, Nine Hundred Thirty Eight Dollars and No Cents (\$139,938.00) for professional engineering services relative to materials testing and inspection services for the Canal District Ballpark Project.

Mr. Minasian seconded the motion.

It was adopted 3-0

- 5. Re-authorize execution of Amendment No. 6 to the Design Services Agreement with D’Agostino Izzo & Quirk Architects, Inc. relative to the Canal District Ballpark Project to add an additional \$30,160.00.**

Mr. Traynor this is for additional services related to place making services as part of the design for the Ballpark Project.

Mr. Angelini offered the following motion:

Voted that the Authority hereby re- authorizes its chair or vice-chair to execute Amendment No. 6 to the Design Services Agreement with D’Agostino Izzo Quirk Architects, Inc. to include an additional Thirty Thousand, One Hundred Sixty Dollars and No Cents (\$30,160.00), making the total value of Amendment No. 6 the not to exceed amount of Four Hundred Twenty Two Thousand, Seven Hundred Nine Dollars and No Cents (\$422,709.00).

Mr. Minasian seconded the motion.

The motion carried 3-0.

- 8. Authorize the filing of applications for grants and gifts relative to the Canal District Ballpark Project.**

Mr. Angelini offered the following motion:

Authorize the chair, vice chair or chief executive officer to file on behalf of the Worcester Redevelopment Authority, applications for grants and gifts relative to the Canal District Ballpark Project.

Mr. Minasian seconded the motion.

The motion carried 3-0.

- 9. Authorize the chair, vice chair or chief executive officer on behalf of the Worcester Redevelopment Authority, to accept any and all grants, gifts and in-kind contributions to the Canal District Ballpark Project.**

Mr. Angelini moved the motion, as amended:

Authorize to accept on behalf of the Worcester Redevelopment Authority, any and all grants, gifts and in-kind contributions to the Canal District Ballpark Project..

Mr. Minasian seconded the motion.

The motion carried 3-0.

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

Ms. Cahill presented the financial report. She informed the Board that the expenses for the period of September 17, 2019 through October 8, 2019 the WRA incurred a total of \$1,552,195.91. Of this amount approximately \$57,000.00 operating expenses; approximately \$300,000.00 was for capital expenses at Union Station; and approximately \$1,600,000.00 was for Ballpark related expenses.

11. Status Reports:

**Union Station Exterior Stucco
Union Station – Vendor & Maintenance Performance
Union Station – Miscellaneous Renovation Projects
Urban Revitalization Plan
Midtown Mall**

Chair Pedone reported that he'd received a call from Creedon and Company that a company who recently won a City contract for vending services was informing the WRA's vendor that it needed to remove its machines from Union Station. Mr. Traynor reported that the issue had been resolved. Union Station was inadvertently included in the city bid and that's where the confusion arose; that's been clarified and resolved.

Mr. Odell informed the Board that work for the WPD substation work should be completed by the end of January 2020.

Mr. Traynor stated that there is not a formal report for this meeting due to the fact that there is not yet a lot of contractors hired for the ballpark project, an urban revitalization project, the hiring is ramping up as concrete and steel bids will be coming in. Mr. Ormsby presented the hiring results for the month of September relative to the demolition and abatement work. He related that the results for September are favorable in terms of residents, people of color and female workers on the project.

12. Adjournment

There being no further business, the meeting adjourned at 9:28 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer