

Worcester Redevelopment Authority

Vincent A. Pedone
Chairman

Peter Dunn
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Friday, November 19, 2021

9:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

CALL IN INFORMATION:

+1-415-655-0001 US Toll
Access Code: 2308 793 0176

Present:

Worcester Redevelopment Authority Board

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

Staff

Peter Dunn, Chief Executive Officer
Alexis Delgado, WRA Finance Manager
Michael Traynor, City Solicitor
Paul Morano, 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, November 19, 2021

Chair Pedone announced that all votes would be roll call.

1. Call to Order

Mr. Dunn called the meeting to order at 9:06 A.M.

2. Roll Call

Mr. Dunn called the roll – Ms. Gaskin, Mr. Minasian, Mr. Tilton, and Chair Pedone. Chair Pedone all votes will be taken by roll call.

3. Approval of Minutes: October 8, 2021

Ms. Gaskin made a motion to approve the minutes,

Mr. Minasian seconded the motion.

The minutes were approved 4-0 on a roll call.

New Business –

Chair Pedone asked the Board to take Item 7 Polar Park and Garage project workforce diversity and inclusion report out of order as Ms. Skilling has a meeting to attend.

7. Polar Park and Garage project workforce diversity and inclusion report

Ms. Skilling reported on the Ballpark project, which only has punch list items. 12.87% MWBE which is basically where we were the previous month. The workforce project to date continues to be 21% City of Worcester residents, 24% ethnic diversity, 5% female. The very limited hours that did happen on the Ballpark in the month of October a couple of items were 41% City of Worcester residents, 17% ethnic diversity with no female numbers. For the Garage portion of the project, we are currently at 16.6% MWBE; for the workforce we are 19% City of Worcester residents, 12% ethnic diversity and 5% female. For the month of October 18% City of Worcester residents, dipped to 3% ethnic, diversity, and will be looking into and addressing, 4% female. Mr. Minasian asked how much is left on the Garage project. Mr. Benner we are fitting out the elements; the structure is complete with area roads and utilities. Working on the north side with underground utilities and prepping the roads. We are working on the south side bringing in electrical utilities and permanent power into the building so that area can be paved. We are building out the electrical service and elevator service. Mr. Tilton asked when the completion is scheduled. Mr. Benner advised the end of February 2022

1. Authorize Execution of a Lease Agreement with Shabby Gourmet Juices for the approximate 100 square-foot café space at Union Station.

Chair Pedone we have discussed this space in the past. Mr. Dunn a couple of months ago we did the authorization for Request for Interest in the space as the former café operator closed during the pandemic. Mr. Dunn we had four responses. The proposals were reviewed by myself, Paul Morano and Amanda Cornwall and our recommendation is to move forward with Deborah Ann Martin. Mr. Martin is a woman owned business, Shabby Gourmet Juices and Fruits and has been operating out of the Worcester Food Truck Hub Commissary. Ms. Martin is interested in taking the next step into a brick and motor and believes that this kind of sized space would not allow Ms. Martin to over extend herself in taking the next step and will be able to handle the small square footage that we have available and offer that important amenity for the return of commuters to the Union Station. When we discussed the Release Request for Interest, the rent is \$300.00 per month for ninety-eight square feet rounding to one hundred square feet. The initial terms is three years. We will review during the initial three years, Ms. Martin is excited to have this opportunity and submitting a woman owned enterprise.

Mr. Tilton offered the following motion:

Voted, that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a Lease Agreement with Deborah Ann Martin, d/b/a Shabby Gourmet Juices and Fruits, demising the existing area in Union Station used for a café food service business, depicted as units 102A and 102B on the attached Exhibit

A, for a base term of three years, with the possibility of extensions, and an annual rent for the base term of Three Thousand, Six Hundred Dollars and no cents (\$3,600.00).

Ms. Gaskin seconded the motion.

The item was approved 4-0 on a roll call.

2. Authorize Execution of a Lease Agreement with 961, LLC for the approximate 6,000 square-foot restaurant and lounge space at Union Station.

Chair Pedone opened by stating the Board has discussed this space for a number of years. Chair Pedone asked Mr. Dunn for an overview of the space and recommendations of the administration for moving forward with the lease agreement. Mr. Dunn this is the space formerly known as Byblos Lounge – Lava Lounge across the Grand Hall from Luciano’s Restaurant. We have been working almost a year with the group on their concept and idea. The 961 would be a Mediterranean Fusion Cuisine style restaurant, including a full service restaurant, nightlife entertainment, focusing more on the food but also focusing on that after dinner type entertainment. Two of the partners involved are Worcester residents; one of the Worcester residents is an entertainer. He grew up in Lebanon where he participated in Lebanon’s version of American Idol. Included in your packet is a background. He is now a Worcester resident. One of the other partners is an over thirty year resident, Mr. Obaida “Obie” Abdulky and brings his business experience. He also is a graduate of WPI (Masters of Engineering). He has done a number of other business ventures including some in the city. The chef is Dianne “George” Louis a Worcester resident and worked for her Father at Boulevard Diner. Ms. Louis started her own restaurant on Route 20 and was more recently the executive chef at Le’Mirage Café, which was a similar and included Middle Eastern fair at the corner of June, and Chandler Streets. Mr. Dunn stated it’s a local group, which is nice. The space is in rough shape and has been vacant for a long time. The previous tenant pretty much gutted the unit and removed the equipment that they purchased. This group is prepared to invest over a half a million dollars as well as providing letter of credit in terms of the investment. In general lease terms – the base term is \$16.00 square foot which is a very healthy rent considering their level of investment and have requested no financial assistance from the city in terms of their fit out needs. The initial term will be five years there will be two options and the second option will require mutual agreement in terms of that option. We anticipate the lease commencement will be February 1, 2022 with rent payments beginning six months after to give them time to buildout the space to make that investment before they are up and operating and generating income. All of our typical requirements in terms of insurance, signage, etc. They have a depth of experience and are excited about this opportunity and space. We do think it will add to the offerings at Union Station. At the last meeting Mr. Chairman, you had mentioned thinking about all of the space cohesively and I think that this will begin similar to the timeline of the café and would be nice to have them open potentially around the same time. As we move forward, we are definitely interested in looking at the other available space and making sure it is complementary as well as any other opportunities that might not currently exist but might exist in the future. Mr. Dunn explained with the MBTA Center Platform Project there would be changes to some of the outdoor areas where the existing platform is being removed. As we move forward with the garage retail space as well as the future of Luciano’s, I think we want to be very strategic about that, and make sure we create a highest and best use of

opportunities there. In the interim, we feel like this is a solid proposal that we have an investment to facilities noted. Our recommendation would be to move forward with this proposal.

Mr. Tilton offered the following motion:

Voted, that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a Lease Agreement with 961 Restaurants, LLC, demising a certain portion of the first floor of Union Station with the following lease terms and requirements:

Leased Premises: The Leased Premises consists of approximately Four Thousand Seven Hundred Ninety-Five (4,795) square feet, more or less, designated as “Restaurant and Lounge Space”, as shown on the plan entitled “Exhibit A – Leased Premises”. The size of the Leased Premises is subject to change based on actual professional engineering measurements of the space.

Base Rent: \$16.00 per square foot for the Leased Premises.

First month’s Base Rent shall be payable at lease execution.

Annual Base Rent

Increases: Base Rent shall be increased commencing on the third anniversary of the Rent Commencement Date and annually by three percent (3%) over the previous years adjusted annual rent.

Additional Rent: Tenant shall promptly pay all utility charges including, without limit, the following: water, telephone service, sewerage service, electronic surveillance system, internet service/access, heat, electricity, and any and all other utilities furnished to the Leased Premises which are separately metered.

Original Term: Five (5) Years and Six (6) Months (66 months after Lease Commencement)

Extended Terms: Tenant shall have the right to extend for one (1) period of five (5) years under the same terms and conditions as outlined in the Original Term. Tenant and Landlord must mutually agree to extend for a second period of five (5) years under the same terms and conditions as outlined in the Original Term. Rental rate at renewal will be the same as the fifth year rate of the ending term.

Use: Tenant shall use and occupy the Leased Premises as a full service restaurant, including serving regular meals, the sale of alcoholic beverages, and hookah.

Lease Commencement: The term of the Lease Agreement shall commence on February 1, 2022.

Rent Commencement: Rental payments shall commence six (6) months after Lease Commencement.

Security Deposit: Tenant shall pay a Security Deposit in the amount of one month’s Base Rent, payable at lease execution.

Public Liability Insurance: Tenant shall obtain and maintain with respect to the Leased Premises comprehensive public liability insurance in the amount of \$2,000,000 in the aggregate and \$1,000,000 per occurrence and automobile insurance with \$1,000,000 combined single limit, bodily injury, and property damage on account of all accidents with responsible companies qualified to do business in Massachusetts and in good standing therein insuring the Tenant against injury to persons or damage to property as provided.

Tenant Improvements: Tenant is responsible for costs of construction cost for the build-out of the Leased Premises, including space planning, architectural and engineering design fees, construction management, and permitting fees. All Tenant Improvements are subject to Landlord review and approval.

Landlord Work: Landlord will be delivering the Leased Premises in “As-Is” condition.

Signage: Tenant shall have the right to place a sign in a mutually agreeable location, at no additional cost or charge, except for the cost of installation, maintenance, removal, restoration of sign, and all other related costs.

Guaranty: The Tenant shall provide a Guarantor acceptable to the Landlord.

Ms. Gaskin seconded the motion.

The item was approved 4-0 on a roll call.

3. Authorize Execution of Amendment No. 2 to the Land Disposition and Development Agreement with Churchill James, LLC

Mr. Dunn we have a Land Disposition and Development Agreement with Churchill James, LLC for the parcels that are surplus and not needed for the footprint of the Ballpark. We have been working towards the closing of the sale of the property, and most recently in the first amendment that happened over the summer we had a projected closing of earlier this fall, in fact at the end of the summer. We have been working on what is necessary to facilitate the closing. Two elements to see the finalization of the construction of Container Park. As the Board knows, Container Park abuts this property along Summit Street. As we moved forward with the legal description and land boundary, there was a portion of this former property at 2 Plymouth Street that was used for Container Park. After that, we had a survey company prepare the survey for the meets and bounds description and the land boundary description that we would need in the deed. This is the primary reason for the extended time-period for closing. We do now have a scheduled closing date of December 1, 2021, which is great. The amendment to the LDDA would do a few things: creates the continuous timelines and has changed the closing date to this new date of December 1, 2021. It also includes an assignment this is a project that will be utilizing the benefits of an Opportunity Zone Program. An Opportunity Zone Fund Entity that been established and has to do with some of the accounting requirements necessary for opportunity zone programs. The LLC that they have established for that purpose is called The Gold Block Real Estate LLC, which is actually the entity they took over from the Cove property. To be consistent and to meet the requirements of the Opportunity Zone Funds, we are looking for the assignment from Churchill James, LLC to The Gold Block Real Estate LLC. In addition, there was language about the improvements they wanted to include a housing component, to the

original 2019 LDDA. They contemplated a commercial use for the property. We will be adding the housing component. In addition, when we originally did the LDDA, AIDS Project Worcester was still located in the buildings and there was a reference to the LDDA as AIDS Project Worcester as a tenant and not having them evict the tenant until they were successfully relocated. AIDS Project Worcester has successfully relocated and removing that language in the LDDA. Lastly, regarding commencement of construction. We are entering the winter months, so clarifying the timeline of construction into the spring. They will have to perform site work and are going to proceed with the demolition of the other properties that are already owned, which include 89 Green Street (former Cove building) and it will be easier for them to facilitate once they own this adjacent parcel. The logistics involved include the demotion work it will be easier to access that area when they will be able enter the property when we are selling to them to facilitate the demolition. These are the elements that we are discussing and the long anticipated closing date is imminent. Chair Pedone asked regarding the attachments that you have there is no change, am I being authorized to resign these documents? Mr. Dunn advised Amendment No. 2 would be a new document, outlining the specific sections of the original document, and how they are changing. Mr. Tilton asked if the word Vice Chairman needs to be inserted into the vote in the second line. Chair Pedone replied it is Chair or Vice Chair. The vote was changed to insert Chair or Vice Chair. Mr. Minasian asked if Amendment No. 2 as outlined would change some of the terms and conditions, but the ones that are not in Amendment No. 2 still stand. Mr. Dunn replied that is correct.

Mr. Minasian offered the following motion:

Voted, that the Worcester Redevelopment Authority hereby authorizes its Chair or Vice Chair to execute an Amendment No. 2 to the Land Disposition and Development Agreement between the Worcester Redevelopment Authority and Churchill James relative to the project at 5 Gold Street, 7 Gold Street, 8 Gold Street, 2 Plymouth Street and 85 Green Street.

Mr. Tilton seconded the motion.

The item was approved 4-0 on a roll call.

4. Authorize Execution of a contract with Presidio in the amount of \$14,587.12 for networking equipment at Pickett Plaza

Mr. Dunn discussed with the Board Items 4, 5 and 6. These were anticipated as part of the budget for the MassWorks Grant. However, our contractor doing the actual construction work at Pickett Plaza would not carry out these activities. All of the work is covered under the MassWorks Grant that we have but are separate vendors, particularly for the cameras that were are installing. The first one is for networking equipment with Presidio. Installation of camera equipment with Siemens. Additional networking equipment with Phoenix Communications. This was facilitated through our Technical Services Division and have the safety and amenities and the cameras provided making sure, we have what we need in that public space. Chair Pedone asked for confirmation these needs are still covered under the Massworks Project Scope? Mr. Dunn yes, we have additional breathing room and the total cost that we are tracking right now for Pickett Plaza is less than our total Massworks award.

Mr. Minasian offered the following motion.

Voted, that the Worcester Redevelopment Authority hereby authorizes its Chair or Vice Chair to execute a contract with Presidio Networked Solutions, LLC for the acquisition of networking equipment for Picket Plaza in the amount of Fourteen Thousand, Five Hundred Eighty-Seven Dollars and twelve cents (\$14,587.12).

Mr. Tilton seconded the motion.

The item was approved 4-0 on a roll call.

- 5. Authorize Execution of a contract with Siemens in the amount of \$37,655.25 for camera equipment and installation at Pickett Plaza**

Mr. Minasian offered the following motion:

Voted, that the Worcester Redevelopment Authority hereby authorizes its Chair or Vice Chair to execute a contract with Siemens Industry, Inc. for the acquisition and installation of camera equipment at Picket Plaza in the amount of Thirty-Seven Thousand, Six Hundred Fifty-Five Dollars and twenty-five cents (\$37,656.25).

Mr. Tilton seconded the motion.

The item was approved 4-0 on a roll call.

- 6. Authorize Execution of a contract with Phoenix Communications in the amount of \$10,485.00 for networking equipment at Pickett Plaza**

Mr. Minasian offered the following motion:

Voted, that the Worcester Redevelopment Authority hereby authorizes its Chair or Vice Chair to execute a contract with Phoenix Communications, Inc. for the acquisition and installation of networking equipment at Picket Plaza in the amount of Ten Thousand, Four Hundred Eighty-Five Dollars and no cents (\$10,485.00).

Mr. Tilton seconded the motion.

The item was approved 4-0 on a roll call.

- 8. Financial Update Report**
 - a. Report on Prior Month's Executed Contracts and Payments**
 - b. Report on Downtown Urban Revitalization Plan Expenditures**

Mr. Dunn for the period October 6, 2021 through November 16, 2021 we had total expenditures \$2.63 Million Dollars. \$1.76 Million Dollars with Gilbane Hunt for wrapping up the Garage Project. The Ballpark Project is ninety-nine percent complete. These expenses moving forward will be centered on the Garage Project. A percentage of that went to Skanska as they are still providing services in the amount of \$111,000.00. These represent the major expenses, typical minor expenses relative to the operation of Union Station.

- 9. Status Reports**
 - a. Union Station**
 - b. Downtown Urban Revitalization Plan**

Chair Pedone asked about any other updates on Union Station. We have authorized the two new leases with Union Station. Mr. Dunn just as a preface, I know the Board has an agenda posted for Monday and this came about after we had posted the agenda for this meeting relative to the seasonal snow removal. We will discuss more at the meeting but we do have a bid out for a longer-term two-year contract for grounds maintenance and snow removal at Union Station. The pricing will not be received until December and will have to contract with that group. The purpose of Monday's meeting is to have this interim contract in case it snows between now and then to make sure we have the snow removal services lined up between now and when the longer-term contract is executed.

In terms of other updates, we have talked about Pickett Plaza earlier with the networking. The construction is moving along aggressively and coming together quite nicely. If you have driven by or walked around the Canal District you will see the foundation for the replica of the canal is now in which is pretty cool and excited about that feature and looking forward to have that fully functioning for next baseball season.

As we have discussed in the past 517 Main Street, the building previously owned by James Ispurduli and purchased by MG2, the group that owns The Grid. They have done a fantastic job with the restoration of the exterior of the building, pleased about that. They are currently wrapping up and should be done relatively soon but they are still doing interior renovations for eight units of housing. Good to see that project continuing as well. Wanted to give you this update as 517 Main Street had not been discussed the past couple of months. Mr. Tilton any news on the Great Wall? Mr. Dunn they are operating again, which is important. They have suffered through the Pandemic but are operating again so that is helpful. Will try to speak with them about realistic financial plan in order to move forward with what we would like to see on the upper floors. We will try to work with them for the right strategy and will keep the Board updated. Perhaps next month I can share more detail and to make sure they have a realistic plan. Mr. Tilton are they moving forward or is this something step by step and not be completed for another three or four years? Mr. Dunn I think it could take some time and we will help them strategize on what makes sense for financing. They spoke about using the proceeds from the restaurant for financing. I do not think that is a strategy that works to get it done in a timely manner. We want to help them navigate projects like this and can typically to obtain financing.

Mr. Tilton asked about any update on the Midtown Mall. Mr. Dunn last month we had Mr. Lana and gave a status update. The scaffolding is coming down quite soon intended for this month but having the Holiday next week might move into December. The façade work is wrapping up, the glass is installed and complete hopefully the scaffolding come down before the winter months. Mr. Lana updated the Board on a number of different tenants lined up. The farthest along in their plans is a wine store. They appeared before the License Commission, approved for their off premises liquor license, and would be the first tenant we would see open and operating. They will continue with the renovations of that space and I believe mid next year for an opening. Mr. Tilton congratulations to Mr. Lana I think he has made an extraordinarily progress and really pleased with the effort he has put into the project.

10. Approval of the Minutes for Executive Session on August 13, 2021.

Chair Pedone requested approval of the Executive Session August 13, 2021 minutes. Mr. Dunn inquired of Mr. Traynor if we can approve those minutes in Executive Session and

those would be made public once the Board's discussion on this matter concludes and not following this meeting necessarily but once the matter is concluded. Is that correct Mr. Traynor. That is correct. The purpose for the Executive Session has not ended as there is a follow-up to the Executive Session today. Mr. Traynor you can review and approve from the prior Executive Session and held until the end of the Executive Session.

11. Request Executive Session to Consider the Acquisition of Real Property at 484-500 Main Street.

Chair Pedone we need a motion to move into Executive Session because as the position of the WRA to discuss the acquisition of the property. Chair Pedone do we need to come back to the formal public session to adjourn.

Request Executive Session to Consider the Acquisition of Real Property at 484-500 Main Street.

Mr. Traynor announced that Mr. Tilton will not be able to participate in Executive Session and needs to recuse himself from this matter. Mr. Tilton I intend to do that all I think I did was to vote to go into Executive Session and do not intend to stay there and recuse myself. Mr. Traynor instead of voting just don't vote at all. Mr. Tilton terminated his conversation with the meeting and abstaining his vote for the record.

Chair Pedone asked for a vote to go back into Executive Session

Mr. Minasian offered the following motion:

Motion is to go into Executive Session to discuss the Acquisition of Real Property at 484-500 Main Street because a discussion open session would have a detrimental effect for a negotiating position. The Board will not reconvene in open session.

Ms. Gaskin seconded the motion.

The item was approved 3-0 on a roll call. Mr. Tilton abstained.

12. Adjournment

There being no further business, Mr. Dunn called the roll to adjourn the public portion of the meeting, the meeting adjourned at 9:39 A.M.

Respectfully submitted,

Peter Dunn
Chief Executive Officer