

Worcester Redevelopment Authority

Michael P. Angelini
Chair

Peter Dunn
Chief Executive Officer



WORCESTER REDEVELOPMENT AUTHORITY

Friday, May 13, 2022

9:00 A.M.

City Hall, Levi Lincoln Chamber

Worcester, MA 01608

CALL IN INFORMATION:

+1-415-655-0001 US Toll
Access Code: 2306 428 6443

Present:

Worcester Redevelopment Authority Board

Michael Angelini, Chair
David Minasian, Vice Chair
Sumner Tilton
Sherri Pitcher

Staff

Peter Dunn, Chief Executive Officer
Michael Traynor, City Solicitor
Alexis Delgado, WRA Finance Manager
Julie Lynch, Public Facilities Director
Paul Morano, 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 9:00 A.M. on Friday, May 13, 2022

1. Call to Order

Mr. Dunn called the meeting to order at 9:07 A.M.

2. Roll Call

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

3. Approval of Minutes: April 14, 2022

Mr. Tilton made a motion to approve the minutes.

Mr. Minasian seconded the motion.

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

New Business –

- 1. Authorize Execution of Amendment No. 17 to the Downtown/Theater District Planning Cooperation Agreement in the amount of \$6.8 Million Dollars with respect to the property at 484- 500 Main Street.**

Mr. Dunn advised the City Council approved the loan authorization request of \$6.8 Million Dollars for the WRA to proceed with the acquisition of the Denholm Building at 484-500 Main Street. Now that has been formally ordained, in the packet is the amendment to the downtown/Theater District Planning Cooperation Agreement between the City of Worcester and the Worcester Redevelopment Authority so that the \$6.8 Million Dollars will now be available to the Worcester Redevelopment Authority. Mr. Tilton informed Mr. Angelini that he will need to be recused and have been recused from all votes due to be involved in the funding mechanism. The foundation has put together a cabal and an amount of funding to help out.

Mr. Tilton was recused from the vote.

Ms. Pitcher offered the following vote:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Amendment No. 17 to the Downtown/Theatre District Planning Cooperation Agreement between the Worcester Redevelopment Authority and City of Worcester in the amount of Six Million, Eight Hundred Thousand Dollars and No Cents (\$6,800,000.00)

Mr. Minasian seconded the motion.

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

- 2. Authorize Execution of Amendment No. 18 to the Downtown/Theater District Planning Cooperation Agreement in the amount of \$3 Million Dollars with respect to proceeds from surplus land sale.**

Mr. Dunn this represents the proceeds from the surplus land sale of the property on Green Street. As the Board knows we have completed the sale of the surplus properties to Churchill James, LLC back in December, which has closed, and received the acquisition price in the WRA's accounts. This is part of the District Improvement Financing and a way to repay the debt service in bulk for the ballpark construction. Amendment No. 18 will allow the WRA to transfer those proceeds back to the City of Worcester.

Ms. Pitcher offered the following vote:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Amendment No. 18 to the Downtown/Theatre District Planning Cooperation Agreement between the Worcester Redevelopment Authority and City of Worcester in the amount of Three Million Dollars and No Cents (\$3,000,000.00)

Mr. Minasian seconded the motion.

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

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

Mr. Dunn said he does not see anyone from Gilbane-Hunt and will present the report. As we have seen at the last meetings with both projects wrapped up there are not many changes and we will continue to provide the report until we completely closeout the contract with Gilbane-Hunt. There are no changes with the Ballpark since the completion. The Garage Project is wrapping up punch list items; the garage is open and operating. These numbers are the same as last month Workforce Residents at 20% goal of 25%, People of Color - 12% goal of 15.3%, Female – 5% goal of 6.9%. MWBE report combined goal of 20% for the project and tracking at 17.2 percent, showing detail of how much has been paid out to date 13.7% and based on the contract values they are tracking that to be accomplished at the end of the project at 17.2% and pretty close to the combined of 20%. Chair Angelini noted that Mr. Dunn stated the report is included with your packet and distributed in advance of the meeting and the report was acknowledged.

4. Financial Update Report

a. Report on Prior Month's Executed Contracts and Payments

b. Report on Downtown Urban Revitalization Plan Expenditures

Mr. Dunn informed the Board that there was one check total expenditures from April 12, 2022 through May 10, 2022 WRA expenditures were \$1.957 Million Dollars, which was this month's requisition paid to Gilbane Hunt for garage work and that is the expenditure for that month. Summarily with the last report, no vote required.

5. Status Reports

a. Union Station

b. Downtown Urban Revitalization Plan

Mr. Dunn regarding Union Station we are continuing to work actively with the Food Hub and they now have all the resources they need to support the buildout costs to the Food Hubs relocation to Union Station. The design work is underway, and are tracking the completion of the design by July, and hope to have a draft lease agreement and lease terms for the WRA Board's review and consideration. Moving along in that regard with bids later this summer with potential construction starting in the fall and subject to the lease agreement and lease terms provided to the Board, in the summer as well. You might also see the Center Platform Project, as you know the MBTA and their contractors are underway and you will see activity from I-290 and certainly around Washington Square, Shrewsbury Street.

Mr. Tilton regarding the Food Hub are we spending any significant amount of money on fit out before we have a signed lease. Mr. Dunn advised the estimate on the buildout costs for the project is \$3 Million Dollars and the Food Hub has raised \$4.5 Million Dollars, which is a healthy cushion or contingency in that regard. This includes funding from the Federal government, State government as well as local ARPA money. The WRA would not have to incur any direct costs for the fit out. No work will be performed, in any event, until the lease terms have been finalized and submitted to the WRA Board for approval. They are working on the design right now. Chair Angelini when do we expect occupancy to begin. Mr. Dunn possibly eighteen to twenty-four month buildout and begins with a goal in the fall, so hopefully operating by 2024. Ms. Pitcher what is the total square footage they are taking. Mr. Dunn it is approximately 5,000 square feet.

Mr. Dunn updated the Board on the Downtown Urban Revitalization Plan. Hopefully with the nice weather this week and weekend folks might be able to attend Polar Park and wanted to confirm that the construction is wrapping up on Pickett Plaza, which we have been anticipating. The last piece was the sod which was laid down over the last week and half. There is a temporary construction fence around the sod to allow it to take root. The plaza itself, the pedestrian walkway, plantings and trees are complete, and the fountain has been turned on. We are having a Grand Opening-Ribbon Cutting Celebration on Monday May 23, 2022 at 2:30 p.m. and hope to have Board members join the event. This has been a WRA project. While that construction has been wrapping up we will have for our next meeting a very small change order for changes made in the field which was wrapping up with some of the plantings but should be a very small dollar amount and will be the last change order as we wrap up the construction more or less complete. Mr. Dunn noticed early throughout this week the Worcester Red Sox have had games Tuesday, Wednesday, and Thursday night and patrons are using the Plaza to reach the outfield gate entryway. This is good to see, and see the connection between those that might be parking downtown and entering Polar Park from the outfield gate. Chair Angelini what is the name of Pickett Plaza. Mr. Dunn a General from Worcester Josiah Pickett from the Civil War. We are working with our Veterans Affairs Office to rededicate the area and still in review and consideration with Veterans Affairs Office. Once that is wrapped up and have the details and a rededication ceremony event is scheduled we will inform the Board. Josiah Pickett was a Worcester resident and a General from the North for the Civil War. Chair Angelini clarified there was a famous Confederate General named George Pickett and we do not name him in this dedication.

6. Review of upcoming meeting schedule

Chair Angelini requested Mr. Dunn to canvass the Board for the upcoming meetings. Mr. Dunn I have consensus to change the date and time of the WRA Board meetings moving forward. The meetings currently are Friday mornings and most convenient for the Board to start the meetings on Thursdays at 9:00 a.m. We will continue our sort of schedule meeting once a month on the second Thursday of the month at 9:00 a.m. Starting in July we will be moving back to in person meetings at City Hall, I think for June we will be able to hold our last remote meeting. Chair Angelini polled the Board and they agree. Chair Angelini just a procedural observation there is no need to say anything it does not have to be through the Chair and will not follow the formalities of the City Council in that regards and look forward to working with all of you again and further.

Mr. Angelini asked if there is any other business. Mr. Tilton asked if there is an update on the Great Wall Restaurant or Midtown Mall. Mr. Dunn the Midtown Mall removed the scaffolding and there have been mixed opinions on the aesthetic appeal of the façade improvements. The work has been completed and interior work completed. Mr. Lana has a number of tenants, some of which have opened and started operating on the first floor and others that he anticipates to come and do not know the status if they are fully executed lease agreements of the ones that he has spoken in the past or if they are more like a letter of intent status. On the first floor I know there are a couple of new businesses including a Puerto Rican Restaurant that has open and as well as a donut business that is also in the Worcester Public Market is opening their second location on the first floor. On the second floor, he has spoken about Worcester Common Fitness, a fitness operation as well as a roof top restaurant, which will be a Brazilian Steakhouse. Not aware of the exact status of those projects. On the first floor near the front of the building aside of the façade along Front Street he has spoken about a wine retailer that

appeared before the License Commission and received approval. The space has been completely cleared out and do not see many renovations happening in terms of their fit out requirements. If it pleases the Board we can have Mr. Lana attend one of our upcoming meetings to share status of the lease fit outs and tenancies. The Board will extend an invitation to an upcoming meeting.

Mr. Tilton inquired of the adjacent buildings to the Midtown Mall. Mr. Dunn the building is 10 Front Street looking at the Midtown Mall to the left of the building there is scaffolding erected, Raymond James Restoration is working on that. The scope and approach to that facades at 10 Front Street will be a restoration of the existing building, materials of how the building was originally constructed and not a complete reconstruction of that façade like the Midtown. Mr. Minasian asked if the interior to the building at the left and the right will be residential. Mr. Dunn advised regarding 44 Front Street (Chase Building) Mr. Lana had reported to the Board that he was doing upper residential with First Floor retail, which is active. Mr. Lana had pulled building permits on the residential and work was ongoing. When Mr. Dunn was in the building a few months ago there was framing, studs, electrical wiring being done and do not know the status of how that has continued to progress and will include in the list of updates from Mr. Lana when he attends the Board meeting.

Chair Angelini as Mr. Dunn had referenced there are various opinions on the Midtown Mall but the good news the work is done and a significant investment has been made in the building and the Board has handled its relationship with the owner quite well and productively. We are a long way from when we were a couple of years ago. Good work.

Mr. Tilton requested the status of the Great Wall. Mr. Dunn advised the Great Wall is operating again, but I believe they are having challenges of how to approach the financing for the upper floors. They have informed the Board about doing residential units on the upper floors and remains to be seen and continue to work with them and figure out a way to approach that in a successful way. Chair Angelini stopped by the restaurant and they were busy, which is good news. Mr. Minasian asked if that would only be a handful of units. Mr. Dunn mentioned it is similar in size to next door 517 Main Street, formally Isperduli's building, which was purchased by MG2 of the Grid District. That work has been wrapping up, and I am not sure if there are tenants. I do know that they were finishing the work to obtain their Certificate of Occupancy for 517 Main Street and were able to get eight units in the building. I believe the Great Wall wanted to maintain the second floor so I would believe there would be less units. Mr. Tilton asked if the plan was still to run the restaurant make a profit and use the profit to fix up the upper floors into residential units. Mr. Dunn responded that was their thought process, but as we know margins for the net income on restaurants can be quite low and not sure if that is the most realistic and expedient way of obtaining the financing necessary to take on the investment required to your point. We will continue to discuss with them other ways they might be able to approach that in a more expedient and comprehensive way rather than relying on the net income from the restaurant. Mr. Tilton stated that he has not seen the finances of the restaurant and I do not believe they will be making enough.

Chair Angelini asked Mr. Dunn what is the sense as to supply and demand for residential real estate in downtown. A lot has been made available and is the demand meeting the supply. Mr. Dunn the absorption rate has been very successful. During the last twelve months or so we have seen a number of units come online including the Worcester County Courthouse, The Chatham Lofts in the Theatre District, those have all been fully

leased. The absorption rate has been similarly successful in the urban core not just downtown but include 28 Water Street the former Walker Shoe Factory. Anthony Rossi had undertaken that project, and a little more than sixty units and I believe only a few, if any, remain available. That project was completed in March or early April when he was able to get tenants moving into the building. The absorption rate has been very significant and we are seeing additional interest from multi-family developers trying to identify sites for more projects. As we know in the Canal District, we have other projects in the pipeline with the first building of Madison properties under construction as well as the The Cove and Boston Capital hopefully getting started before the end of the calendar year. We are seeing significant demand for more units and looking forward to continuing significant residential growth in the coming months and years. Ms. Pitcher I have spoken with Trinity Financial and stated that there was a two to three year waiting list for the Courthouse Loft Apartments. Mr. Tilton inquired about the Central Building Mr. Dunn stated that he believed they are filled as well. Mr. Minasian asked if the Skylark Building is filled. Mr. Dunn replied I do not have the current occupancy rate for the building. The owner that purchased that building in 2018 was working on upgrades and renovations and not aware if that would cause any of the units to be vacant while they perform the upgrades. I do believe that was recently listed for sale with Berkadia, a brokerage firm and have not spoken with the owners in the last week to hear about that. Chair Angelini all great news.

7. Adjournments

There being no further business, Mr. Dunn called the roll to adjourn the meeting at 9:31 A.M.

Respectfully submitted,

Peter Dunn
Chief Executive Officer