Holyoke Redevelopment Authority
Minutes
June 10, 2015 at 5:15 p.m.
Holyoke Community Library Community Room
250 Chestnut St., Holyoke, MA 01040
20 Korean Veterans Plaza, Holyoke, MA 01040

Members Present:
Patricia Duffy, Chairperson
Gladys Lebron-Martinez, Vice Chairperson
Maria Ferrer, Assistant Treasurer
Carl Eger, Jr., Member

Staff Present:
Marcos Marrero, Executive Director
John Dyjach, Assistant Director
Claire Ricker, Senior Planner
Tessa Murphy-Romboletti, Development Specialist
Rosemary Simonich, Head Administrative Clerk

Others Present:
Joe Bosworth
Terrence Bernard
Angela Gerhard
Kathy McKean
Scott Reilly
Denis Luzurianga
John Aubin
Samalid Hogan
Connie Tague
Eric Taub
Eric Suher

Bill Fogarty
Kenn Delude
Dennis Prestey
Eric Nelson
Sara Krohn
Reinaldo Vidal
Harry Montalvo
David Moore
Glenn Shealy

1. Call to Order

Chairperson, Patricia Duffy called the meeting to order at 5:20 p.m. and said the meeting was being recorded and requested a roll call.

Name           Yes  No
Patricia Duffy  X
Gladys Lebron-Martinez  X
Maria Ferrer  X
Carl Eger, Jr.  X

2. Review of April 15, 2015 Meeting Minutes

A motion was made by Carl Eger, Jr. and seconded by Gladys Lebron-Martinez to approve the Regular Minutes of the April 15, 2015 meeting and requested a roll call:
3. Project Presentation

Project: Holyoke Community College Center for Hospitality and Culinary Excellence
- 200 Race Street (STEAM Building)

Chairperson Patricia Duffy introduced Kenneth Delude, President of Westmass Development, to present on the Culinary Center that is being proposed for downtown Holyoke. Mr. Delude thanked the HRA Board for accommodating a meeting on this project and began by introducing other people joining him to represent the project: Bill Fogarty, Vice President of Administration and Finance from Holyoke Community College, Eric Nelson, Senior Vice President of WestMass Development, and Terrance Bernard representing SPS Investments, landlord of the property. Mr. Delude said the reason they are here today is to inform everyone about Holyoke Community College’s plans to expand their Center for Hospitality and Culinary Excellence, its impact on the Main and Race Street area, and how it will correlate with the Urban Renewal Plan, particularly in Area 6. Mr. Delude explained that the College Foundation would enter into a 15-year lease on behalf of HCC’s hospitality and culinary arts facility and noted that this past Monday night he presented the project to the Historical Commission which voted unanimously to support the plan.

Eric Nelson then gave an overview of the project. He said the building is located at 200-218 Race Street and that the college would use the facility for classrooms and labs, workshops, office space and events. He added that one concept being considered is to have the facility open to the public to serve lunch as part of their institutional, educational training. Mr. Nelson explained that the college applied for grants from the federal Economic Development Agency (EDA) and the Executive Office of Housing and Community Development to help with pay for fit out of the interior space on first and second floors, the classrooms and student lounge. He said the building is approximately 60,000 square feet in size and that the culinary center would occupy about one third of the space. Mr. Nelson said the plan is to have the space be ready for the fall semester in August, 2016. The student population will include about 80 students, 8 staff, 1 full-time facility manager, and space for workforce development intake and career counseling. In addition, students will be able to talk to someone regarding career changes at this location and not have to travel up to the main campus. He then noted that there are parking requirements that the college will need including ADA parking and reserved parking directly adjacent to where services for students are being provided.

Bill Fogarty said the college will need assurance that it can use Lots 3 and 4 next to the building for parking for as long as necessary, as well as truck loading dock access for an angle dock. He said they would like to enter into a dialogue with the HRA on whether the owner, SPS Investments, can proceed with the plan to build a parking lot in order to provide the college with the assurance that they will have access to this parking for the length of the 15 year lease. Chairperson Patricia Duffy said that aggregating these lots is consistent with the stated goals in the Urban Renewal Plan and the HRA is eager to continue dialogue. Mr. Fogarty said, because of the timing, HCC needs something in writing to
assure the college that the owners can build a parking lot on property that they don’t own and that access will be available to the college for the duration of 15 years, whether it is in the form of a conveyance or an easement for construction and use access. He said it is worth noting that this should be part of the lease agreement between the HRA and owner of the building, so that the Foundation can include it in their lease agreement with SPS Investments and reference it as an exhibit.

Mr. Fogarty explained how the center will help expand their offerings from an associate’s degree to a four year degree in culinary arts and eventually this program and part of the hospitality management program will be transferred entirely over to this location. In order to properly expand and grow their programs, they need more room to do so. Mr. Fogarty said the building will be 19,533 square feet which is double what they currently have for culinary arts at the main campus. There would be shuttle service to the downtown in addition to PVTA and 18 standard parking spaces and 5 spaces for handicap parking as well as other pedestrian and streetscape improvements, including bike racks.

Chairperson Patricia Duffy asked if there were any questions from those in attendance. Glenn Shealey from Providence, Rhode Island who owns property on Water Street said this is one of the most positive developments for the City of Holyoke and especially downtown, and he is in favor of this and wishes everyone luck.

John Aubin, owner of Open Square, asked how long Westmass Development has been involved in this project. Kenn Delude replied that they had been involved since April of 2015. He then he asked Terrance Bernard if he was a member of SPS investments and if he was a member of the LLC. Mr. Bernard replied that he is not officially a member. Mr. Aubin asked if it is a Massachusetts LLC, to which he replied it is not, it was formed in Colorado, which is where some of the primes live. Mr. Aubin asked if he knew the names of the members of the LLC to which Mr. Bernard provided the names Lori Divine, Richard Divine and Mimi Divine.

Mr. Aubin then asked the HRA Board if they were aware of the public process for bidding on the HCC project such as with a Request for Proposal (RFP). He asked how the Redevelopment Authority felt about the process followed, since the project seeks property from the HRA. He said there were many property owners who either did bid on the withdrawn RFP from DCAMM (the Division of Capital Asset Management and Maintenance) or did not bid on it because it appeared that this was a foregone conclusion that the bid would go to the STEAM Building. He said as a public entity, it is important that the HRA be a model of good behavior in terms of transparency and open competition, and while this is a great project for the city and for creating jobs, he thinks it could also have a negative impact on the City because in his view it wasn’t done in a public manner or a public process. He asked for comments from the Board on this.

Patricia Duffy said that this is difficult for her to comment on, because the HRA was not involved or in control of the process. She agreed that as a public entity the HRA wants to model transparency and has respect for procedure. She added that it certainly is an exciting project and it aligns with the objectives the HRA is interested in, including creation of jobs and activity in downtown. She confirmed that the HRA does have control over some of that property nearby, and what has been stated in the Urban Renewal Plan is to help the development of that nearby building.

Mr. Aubin asked that if it is determined that this was not a transparent process open to the best solution and the best price, what will be the HRA’s position on providing property for something that was not a
Mr. Fogarty then spoke on behalf of HCC and stated that HCC would have welcomed a proposal from Mr. Aubin, if he had he chosen to submit one during the RFP bidding process. He explained that Holyoke Community College is a state college and it is heavily regulated by DCAMM. He said that HCC continues to be in touch with them on every step of this process. He explained that there is no way the college can sign a lease unless it is signed-off by DCAMM.

Mr. Fogarty then provided an overview on the process they went through. He said that a little over a year ago last spring, the school looked at a number of properties downtown to do this proposal and explored ways of securing grant funding for this. He explained that HCC really only has two sources of funding: its state appropriation, which has been shrinking over the last few years, and student fees. Part of HCC’s mission and goal whenever it does a project like this is to not lay the expense on the backs of its students – that is the most important priority to them. In finding outside sources HCC went to the State and got approved for $1.75M, which must be spent within the 2016 fiscal year or it goes away. He explained that HCC also received a provisional agreement from the Federal EDA for an additional $1.9M of investment in the culinary center, which also has very strict time restraints. Mr. Fogarty said that what Mr. Aubin was referring to, was that at one point in the process the college had hoped it could be a direct applicant for EDA funding, and in order to do that, they started going through the DCAMM public bidding process. They received 3 bids for buildings: two were completely unfinished mill buildings that had not had any work done to renovate them. The other one was the STEAM Building, whose major infrastructure work had already been completed. Mr. Fogarty went on to explain that at this point they tried to work between the state and federal agencies to see how the college could go through the DCAMM process and still receive the grant funds, but found it wasn’t possible. He explained that under the state process, the state will only go out for a bid for the landlord to do all of the renovations on their own dime, deliver a finished product to HCC, and then that gets amortized in their rent. Of the three proposals they received, all of the rental amounts were unaffordable and HCC couldn’t do it without major fee increases that would make this program unaffordable to their students. At this point their Foundation stepped in and became the applicant, because the Foundation is not a state agency and is allowed to do this. The Foundation took the information gathered during the public bidding process and reevaluated it. Based on that evaluation the only building that could be done in time to maintain this grant to make the project economically feasible, and also in time to meet the big wave of jobs that would come with the casino opening was the STEAM Building. He said this was the basis for their decision, which he believes was a rational one and not a fixed deal. Since then they have been in touch with DCAMM every step of the way and he assures the Board that under no circumstances will this be done in any way that has not been approved by the State. John Aubin asked for a copy of this recording for his records.

Mr. Aubin then asked Mr. Fogarty why a new RFP was not put out once the additional money came in, since this sounds like it would have been a much different RFP than the first one and that many other buildings might have been interested. Mr. Fogarty explained that the EDA application has to be site specific, and HCC would not have been able to apply for the funding without naming where the program would be located. It would make no sense to put out an RFP again, because they would have missed the
deadline for the EDA application and they would have lost the opportunity for the grant money. Mr. Fogarty agreed that they knew all along they were going to apply for the EDA grant, but they did not know that the college could not do that directly until sometime in January John Aubin said HCC knew that it was going to apply for the grant, but the RFP did not explain the actual project and Mr. Fogarty disagreed, saying that the only way DCAMM will do this process is for the landlord to finish the space. Mr. Aubin asked for confirmation on whether or not this is a DCAMM project. Mr. Fogarty said right now it is not a DCAMM project, but they are working with DCAMM to make sure they are aware of everything they’re doing. He said that there is nothing mysterious or underhanded about it, it is very straightforward. Mr. Aubin disagreed and said others would disagree too.

Mr. Bernard, a partner in the property, added that the owners of the building will be spending additional money that has already been invested into the building to meet the needs of the college for this project. Mr. Aubin asked if the lease terms were available, and Mr. Bernard explained that the lease has not been negotiated yet but will be made public through DCAMM.

Samalid Hogan from Chicopee, MA asked for clarification on whether HCC is looking for assurance from the HRA to plan the parking lot and use the property without having to own it. Mr. Delude indicated that they are looking for some kind of mechanism that allows the owner to go onto the Redevelopment Authority’s property and build a parking lot, install drainage and lighting, and maintain it so that the College Foundation will have the assurances that those important amenities will be available for the entire term of the lease.

Carl Eger, Jr. thanked the representatives from Holyoke Community College, SPS Investments and Westmass Development for attending our meeting today. Marcos Marrero recommended discussing some commitment in the form of a letter to approve negotiating approval of the lease of this building.

4. Urban Renewal plan – Projects and Updates

a. Parsons Paper Cleanup – (84 Sargeant St. – Area 7)
   Marcos Marrero provided an update on the redevelopment of Parson’s Paper and the mitigation agreement that the HRA entered into with Northeast Utilities, now Eversource. As a reminder, a full assessment was done on the site and came back with no findings. He added that staff negotiated with Tighe & Bond to do the specifications for the remainder of the site cleanup and that staff is also pursuing financing options to complete the cleanup.

b. Sale of HRA Controlled Property
   Marcos Marrero explained that staff went through the City Council process to transfer properties in Area 1 (Dwight St. Gateway area) to the HRA, which are identified in the URP for acquisition. In order to complete the transfer, DHCD needs to see that the Board has voted in favor of accepting these properties, and allows staff to request waivers for acquisition appraisals.

A motion was made by Carl Eger, Jr. and seconded by Gladys Lebron-Martinez that the Members of the Holyoke Redevelopment Authority approve the transfer of 8 parcels listed as Area 1 (006-06-009), (006-09-001), (006-09-002), (006-09-019), (006-09-020) (062-03-001) (062-03-002) and (062-03-019) that were identified in the URP for acquisition.
A roll call vote was taken:

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A motion was made by Carl Eger, Jr. and seconded by Gladys Lebron-Martinez to allow the members of the Holyoke Redevelopment Authority Board approve the request for waivers on appraisals for the above properties. The decision was unanimous.

5. Other Business
a. Update - RED fund (Renewable Energy Development Fund)
   Mr. Marrero explained that through a settlement between the Conservation Law Foundation and the State of Massachusetts, funding has been earmarked for Holyoke in order to promote renewable energy generation. The City of Holyoke has applied for these funds for planning purposes and has begun studying options for solar energy. The fund is being targeted for deployment in the spring of 2016 but is still in the very early stages of planning.

6. Executive Session

Chairperson Patricia Duffy said that in accordance with M.G.L. Chapter 30 Section 1(a) of the Open Meeting Law, the Holyoke Redevelopment Authority will enter into Executive Session at this time (being that an open session would be detrimental to the negotiating position of the Board) in order to pursue the purchase, exchange, lease or value of real property.

The Board entered into Executive Session at 6:30 p.m.

7. Adjournment

With no other business to discuss in Regular Session, a motion was made by Carl Eger, Jr. and seconded by Gladys Lebron-Martinez to adjourn the Regular Meeting at 7:15 P.M. A roll call vote followed:

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Respectfully submitted,

Patricia Duffy, Chairperson
Holyoke Redevelopment Authority