

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

Michael E. Traynor, Esq.
Chief Executive Officer
Worcester Redevelopment Authority



WORCESTER REDEVELOPMENT AUTHORITY
MEETING NOTICE
Friday, January 13, 2017
8:00 A.M.
Levi Lincoln Room
Worcester, MA 01608

AGENDA

Call to Order

Roll Call

Approval of Minutes: December 9, 2016

New Business

1. Presentation of year-end financial statements and Independent Auditors' Report for the fiscal year ended June 30, 2016
2. Fire Museum – Memorandum of Understanding
3. Proposal for the adoption of a remote participation policy under the Open Meeting Law
4. Financial Update Report
Report on Prior Month's Executed Contracts and Payments
5. Status Reports:
 - a) Union Station Harding Street Improvements Project
 - b) Union Station Interior and Exterior Signage Project
 - c) Union Station – Vendor & Maintenance Performance
 - d) Union Station – Leak Remediation Project
 - e) Tenants Updates
 - f) Security Update
 - g) Bike Rack Update
 - h) Urban Revitalization Plan

The Worcester Redevelopment Authority does not discriminate on the basis of disability. The Worcester Redevelopment Authority will provide auxiliary aids and services, written materials in alternative formats, and reasonable modifications in policies and procedure to persons with disabilities upon advance request. Please contact Jane Bresnahan at bresnahanj@worcesterma.gov or the ADA Coordinator at disabilities@worcesterma.gov.

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WORCESTER REDEVELOPMENT AUTHORITY

Friday, December 9, 2016

8:00 A.M.

Levi Lincoln Chambers
City Hall, 3rd Floor
Worcester, MA 01608

Present:

Worcester Redevelopment Authority Board

Vincent Pedone, Chair
Sumner Tilton
David Minasian
Jennifer Gaskin
Michael Angelini

Staff

Michael Traynor, Chief Development Officer
Heather Gould, Assistant Chief Development Officer
Jennifer Beaton, Deputy City Solicitor
Erin Cahill, WRA Financial Manager
John Odell, Energy & Asset Management
Jeanette Roach, 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 December 9, 2016.

1. Call to Order

Chief Executive Officer Michael Traynor called the meeting to order at 8:02 A.M.

2. Roll Call

Mr. Traynor called the roll. Chair Pedone welcomed new Board member Michael Angelini and recognized Steven Rothschild and thanked him for his dedication and service to the Board.

3. Minutes of the November 10, 2016 Meeting

Mr. Pedone asked the Board to review the minutes of the November 10, 2016 meeting. Mr. Tilton offered approval of the November 10, 2016 minutes and Mr. Minasian seconded approval.

New Business

1. Union Station Leak Remediation Project – Discussion and Selection of Scope of Project Option

Mr. Traynor had Mr. Odell review with the Board the options presented at the last meeting and the recommendation letter from the Architect, Lamoureux Pagano & Associates, summarizing their recommended option. Mr. Odell reviewed the canopy project with Mr. Angelini and reiterated with the Board that the design and costs of the canopy are not included with the remediation work. Mr. Odell noted that a solar canopy will ultimately cost less than a regular canopy and stated that he will provide the Board with the costs for both canopy options for a follow up vote to select the canopy type.

Ms. Cahill reviewed with the Board the Federal Transit Administration (FTA) State of Good Repair allocation balance and loan orders obligated to date. Mr. Traynor advised the Board that the City Manager and City Council are aware of the costs associated with the leak remediation project and are in favor of moving the project forward. Mr. Angelini reviewed the vote before the Board and asked that it be two separate votes.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority, having reviewed the Union Station leak remediation options prepared by Lamoureux Pagano Associates, hereby selects option C in the not to exceed amount of \$6.25M.

Mr. Tilton seconded the motion and it was voted 5-0 on a voice vote.

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute Amendment No. 6, not to exceed \$675,000.00, to the Design Services Agreement between the Authority and Lamoureux Pagano Associates for design services related to the Union Station leak remediation project.

Mr. Minasian seconded the motion and it was voted 5-0 on a voice vote.

2. Fusion Entertainment, LLC – Review of Recent License Commission Issues/Lease Compliance

Mr. Tilton recused himself. Attorney Todd Brodeur and Selim Lahoud appeared on behalf of the item with regard to the operation of GD Lounge and violations that have taken place and brought before the city’s License Commission. The Commission found that there were violations of Rule #1 – hours violation and Rule #14 (2 counts) - Manager responsible for all violations on the premises, and questioned the status of the ownership of the liquor license. Attorney Brodeur stated that he has before the License Commission a request for change of manager and change of doing business as /d/b/a. The name of the new manager is Zlifkar Ezzeddine. Attorney Brodeur stated that the name of the establishment will be changed to Lava Lounge. Mr. Lahoud provided the Board with an update regarding standing events and the hours of operation, and noted that he looks to continue the relationship that he has had for the past six years with the WRA. The Board requested a six-month check-in regarding the business, their plan for operating seven days a week, and an amendment to the current lease for the new operations. The Board also requested that they be notified immediately of any continued violations. Mr. Tilton returned to the meeting after discussion of this item closed.

3. Reorganization of Officers (vice-chair, secretary)

Mr. Angelini offered the following motion:

Voted that the Worcester Redevelopment Authority hereby elects the following slate of officers for the 2016 fiscal year:

David Minasian, Vice-chair

Jennifer Gaskin, Secretary

Mr. Tilton seconded the motion and it was voted 5-0 on a voice vote.

4. TrueNorth Transit/MAX Regional Bus Service – Request for Gate Access

Mr. Brian Fox appeared before the Board on behalf of TrueNorth Transit/MAX Regional Bus Service seeking the Board’s support for TrueNorth’s request to Greyhound Lines, Inc. for use of one of its bus slips. TrueNorth operates a daily service from Northampton, MA to Boston, MA and currently has a curbside stop in Worcester alongside the WRTA Hub. TrueNorth’s use of a bus slip at Union Station would be twice-a-day, during off-peak times and be a non-ticketing operation. The Board indicated its support for TrueNorth’s request. Mr. Traynor will provide a letter to Greyhound indicating that support and asking them to permit TrueNorth the use of a bus slip.

5. Informational Report regarding Union Station – EMC lighting upgrade of all the office and common area lights to LED.

Mr. Odell updated the Board regarding the ongoing lighting upgrades to the interior common areas in City-owned buildings and the savings that will offset the costs, noting that Union Station will also receive these upgrades. Mr. Odell stated that lighting system controls are included in the next phase of capital improvement projects, which will begin after the initial lighting upgrades are made.

Mr. Odell briefed the Board on the Harding Street improvements project and the redesign of the attachment method that will be used to fasten banners and bird netting to the aged steel structures. The curb cuts that are part of the Harding Street road work will be completed in December 2016, and the pavement markings will be installed in the spring of 2017. Mr. Odell also informed the Board that an engineer from P&W has met with the City to discuss refinishing P&W bridges and structures, and the City is working to gain access to Mass Highway grant money for this purpose.

The Board requested that security issues be added to the monthly update. Mr. Odell stated that the security company is having issues maintaining a workforce but has had staff coverage for all shifts, though on separate occasions personnel were not in uniforms.

6. Discussion relative to the adoption of a remote participation policy under the Open Meeting Law

Mr. Traynor and Attorney Beaton discussed with the Board the Open Meeting Law's provisions for a remote participation policy, describing how a policy is adopted and the statutory requirements of such a policy. Attorney Beaton will review the Attorney General's regulations on remote participation as well as policies adopted by others, and draft a proposed policy for the Board's consideration at its next meeting. Mr. Traynor will provide the Board the proposed policy prior to the meeting.

7. Request from MagNet Kiosks to install automated kiosk for vending travel related to merchandise

Board members reviewed the proposal by MagNet Kiosks for automated retail vending at Union Station. Mr. Traynor stated that a license agreement similar to the ATM service with Spencer Savings Bank would be presented to the retailer.

8. Financial Update Report

**Monthly Expenditure Report
Updated Executed Contracts and Payments**

Ms. Cahill stated that between November 5, 2016 and December, 2016 expenses totaled \$35, 960.63. \$34,000 was in operating expenses and \$1,500.00 in capital expenses.

9. Status Reports – Miscellaneous/Improvement Projects

- a) Union Station Harding Street Improvements Project**
- b) Union Station Interior and Exterior Signage Project**
- c) Union Station – Vendor & Maintenance Performance**
- d) Tenants Updates**
- e) Security Update**
- f) Bike Rack Update**

Chair Pedone stated that he appeared before the City Council's Economic Development Committee to provide an update on the Downtown Urban Revitalization Plan. Chair Pedone informed the Board that the Economic Develop Committee is looking at neighborhoods around the urban revitalization plan area and would like the WRA to partner with the City to help revitalize these peripheral areas. Chair Pedone requested that the urban revitalization plan be a

standing WRA Board agenda item, and that someone from the Baker/Polito administration be invited to a future WRA Board meeting to discuss potential funding opportunities in the Economic Development Bond Bill.

10. Adjournment

There being no further business, the Board motioned to adjourn the meeting at 9:20 A.M.

Respectfully submitted,

Michael E. Traynor, Esq.
Chief Executive Officer

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Board Members
Worcester Redevelopment Authority
Worcester, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Worcester Redevelopment Authority (Authority), a component unit of the City of Worcester, Massachusetts, as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Boston, MA
September 16, 2016

**WORCESTER REDEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF THE
CITY OF WORCESTER, MASSACHUSETTS)**

**INDEPENDENT AUDITORS' REPORT ON
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

**WORCESTER REDEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF THE
CITY OF WORCESTER, MASSACHUSETTS)**

**INDEPENDENT AUDITORS' REPORT ON
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION**

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

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Independent Auditors' Report

Independent Auditors' Report

To the Board Members
Worcester Redevelopment Authority
Worcester, Massachusetts 01608

Report on the Financial Statements

We have audited the accompanying financial statements of the Worcester Redevelopment Authority (Authority), a component unity of the City of Worcester (City), as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2016 and 2015, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 5 through 9) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the Authority's financial statements as a whole. The additional information is presented for purposes of additional analysis and is not a required part of the financial statements.

The additional information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information direct to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the additional information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
September 16, 2016

Management's Discussion and Analysis

WORCESTER REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

As management of the Worcester Redevelopment Authority (the Authority), we offer readers of these financial statements this narrative overview and analysis of the Authority's financial activities for the fiscal years ended June 30, 2016 and 2015.

Financial Highlights

- The assets of the Authority exceeded its liabilities at the close of the current fiscal year by \$15,315,470 (net position).
- The Authority's total net position decreased \$1,874,056 in the current fiscal year.
- The Authority's total debt increased by \$808,371 during the current fiscal year; \$808,371 of new debt was issued in the current fiscal year.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the *basic financial statements*, which consists of the following two components:

1. Financial statements (pages 12-14)
2. Notes to the basic financial statements (pages 15-22)

This report also contains additional information (pages 25-26) in addition to the basic financial statements.

The Authority reports its activity as a business-type activity using the full accrual basis of accounting. While established as an independent body politic managed by its members, for financial reporting purposes the Authority is considered as a component unit of the City of Worcester, Massachusetts (City). Therefore, the results of the Authority's operations, its net position and cash flows are also summarized in the City's Comprehensive Annual Financial Report in its government-wide financial statements.

The **Statements of Net Position** present information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The **Statements of Revenues, Expenses and Changes in Net Position**, present information showing how the Authority's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal years.

The **Statements of Cash Flows** are reported on the direct method. The direct method of cash flow reporting portrays net cash flows from operations as major classes of operating receipts and disbursements.

The **Notes to Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements are presented separately.

The following pages present condensed financial information derived from the financial statements comparing fiscal years 2016, 2015 and 2014.

WORCESTER REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Authority's assets exceeded liabilities by \$15,315,470 at the close of the current fiscal year and are summarized as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets			
Current assets.....	\$ 211,563	\$ 231,096	\$ 136,892
Capital assets (net).....	<u>27,316,409</u>	<u>27,949,978</u>	<u>28,686,494</u>
Total assets.....	<u>27,527,972</u>	<u>28,181,074</u>	<u>28,823,386</u>
Liabilities			
Current liabilities (excluding debt).....	2,658,962	2,232,362	1,916,354
Noncurrent liabilities (excluding debt).....	60,328	74,345	72,028
Current debt.....	8,965,729	8,214,536	7,616,814
Noncurrent debt.....	<u>527,483</u>	<u>470,305</u>	<u>337,459</u>
Total liabilities.....	<u>12,212,502</u>	<u>10,991,548</u>	<u>9,942,655</u>
Net Position			
Net investment in capital assets.....	23,361,705	24,050,902	25,047,682
Unrestricted.....	<u>(8,046,235)</u>	<u>(6,861,376)</u>	<u>(6,166,951)</u>
Total net position.....	<u>\$ 15,315,470</u>	<u>\$ 17,189,526</u>	<u>\$ 18,880,731</u>

2016

At June 30, 2016, the majority (\$23,361,705) of the Authority's net position reflects its net investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements and equipment), less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of net position at June 30, 2016 represents a deficit in unrestricted net position (\$8,046,235).

2015

At June 30, 2015, the majority (\$24,050,902) of the Authority's net position reflects its net investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements and equipment), less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities

The remaining balance of net position at June 30, 2015 represents a deficit in unrestricted net position (\$6,861,376).

WORCESTER REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

Changes in Net Position

For the fiscal year ended June 30, 2016, the Authority's total net position decreased by \$1,874,056, compared to a decrease of \$1,691,205 in the prior fiscal year and a decrease of \$1,919,190 in fiscal year 2014. These amounts are summarized as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues			
Operating Revenues:			
Tenant income.....	\$ 492,045	\$ 512,873	\$ 490,146
Expenses			
Operating Expenses:			
Office operations.....	401,722	193,201	172,772
Property management.....	45,666	51,910	55,893
Consulting and other contracted services.....	232,760	85,442	15,586
General insurance.....	15,752	14,639	14,064
Property maintenance.....	320,359	447,089	405,508
Utilities.....	267,182	229,256	245,846
Depreciation.....	1,035,934	1,035,934	1,035,934
Parking expense.....	76,800	76,800	76,820
Other.....	1,605	1,535	1,646
Total operating expenses.....	<u>2,397,780</u>	<u>2,135,806</u>	<u>2,024,069</u>
Operating income (loss).....	<u>(1,905,735)</u>	<u>(1,622,933)</u>	<u>(1,533,923)</u>
Non-Operating Revenues (Expenses):			
Investment income.....	147	133	239
Interest expense.....	(341,676)	(323,289)	(304,043)
Gain (loss) on sale of capital assets.....	9,000	-	(81,463)
Contributions to the City of Worcester.....	(100,000)	-	-
Total nonoperating revenues (expenses).....	<u>(432,529)</u>	<u>(323,156)</u>	<u>(385,267)</u>
(Loss) before capital grants and contributions.....	(2,338,264)	(1,946,089)	(1,919,190)
Capital grants and contributions.....	<u>464,208</u>	<u>254,884</u>	<u>-</u>
Change in net position.....	(1,874,056)	(1,691,205)	(1,919,190)
Net position - beginning of year.....	<u>17,189,526</u>	<u>18,880,731</u>	<u>20,799,921</u>
Net position - end of year.....	<u>\$ 15,315,470</u>	<u>\$ 17,189,526</u>	<u>\$ 18,880,731</u>

WORCESTER REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

2016

The Authority's net position decreased \$1,874,056. In the prior year, the Authority's net position decreased \$1,691,205. The key element of this change relates to an increase in operating expenses, primarily relating to new real estate and personal property taxes paid to the City of Worcester.

2015

The Authority's net position decreased \$1,691,205. In the prior year, the Authority's net position decreased \$1,919,190. The key element of this change relates to new grant revenues for Union Station capital improvements.

Capital Asset and Debt Administration

Capital assets

The Authority's capital assets at the end of the current fiscal year totaled \$27,316,409 (net of accumulated depreciation). Capital assets include; land, construction in progress, land improvements, buildings and improvements and equipment. The total decrease in capital assets for the current fiscal year totaled \$633,569 or 2.3%.

The following table summarizes the Authority's capital assets (net of accumulated depreciation):

	2016	2015	2014
Land.....	\$ 1,128,369	\$ 1,269,369	\$ 1,269,369
Land improvements.....	46,508	51,724	56,940
Buildings and improvements.....	25,196,068	26,226,786	27,257,504
Construction in progress.....	945,464	402,099	102,681
Total capital assets.....	\$ 27,316,409	\$ 27,949,978	\$ 28,686,494

Additional information on the Authority's capital assets can be found in Note 4 of this report.

Debt

At the end of the current fiscal year, total debt outstanding was \$9,493,212, consisting of notes payable to the City. In fiscal years' 2015 and 2014, total debt outstanding was \$8,684,841 and \$7,954,273, respectively, also consisting of notes payable to the City.

The Authority's total debt increased \$808,371 (9.3%) during the current fiscal year, with \$808,371 of new note issuances during the year.

Additional information on the Authority's long-term debt can be found in Note 5 of this report.

WORCESTER REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

Economic Factors

The Worcester Redevelopment Authority (WRA), a political subdivision of the Commonwealth, has served as an economic catalyst for the City of Worcester since its incorporation in 1957. It was instrumental in the East Central Urban Renewal Plan, which led to the construction of the Galleria, the amendment to the East Central Urban Renewal Plan, which led to the construction of the relocation of St. Vincent's hospital from its Vernon Hill campus to its current 22+ acre downtown location. Additionally, the WRA was the vehicle in which the former vacant Union Station building was transformed into an 80,000 square foot intermodal transportation hub, which recently culminated with the completion of the \$18 million Worcester Regional Transit Authority (WRTA) administrative office and bus "hub"/transfer station on June 1, 2014.

These investments in public transit (inclusive of the Commonwealth's acquisition of CSX rail lines) and infrastructure have changed the landscape of the Washington Square area of the City and have fostered economic growth in the immediate area. A parcel diagonal to the Union Station facility, which was partially created by the reconstruction of Washington Square, coupled with privately held parcels is currently under review for the construction of a 119 room hotel. Immediately adjacent to the Union Station is the Osgood Bradley building, an underutilized 160,000 square foot commercial building constructed in 1914, which the present owner is currently pursuing the conversion to an 84 unit apartment complex. An additional 350 housing units have also been proposed in the immediate area.

To coincide with these private investments, the WRA has embarked on a \$2.8 million capital improvement program to enhance the Union Station facility and its environs partially funded with Fixed Guideways Funds from the Federal Transportation Administration which are being accessed through the WRTA. Said funds are subject to a 20% local match for eligible projects.

During the course of Fiscal Year 2016, the WRA undertook and completed the formulation of the Downtown Urban Renewal Plan (URP) in cooperation with the City of Worcester and its City Council. The URP comprises a 118.4 acre revitalization opportunity area located in the heart of downtown Worcester. Subsequent to the close of the fiscal year, the plan has obtained the prerequisite approval from the Commonwealth's Department of Housing & Community Development. Further actions regarding the implementation of the URP shall involve formulation of the funding in conjunction with the Commonwealth and the City.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration & Finance, Budget Division, Chief Financial Officer, Worcester Redevelopment Authority, 455 Main Street, Worcester, Massachusetts, 01608.

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Basic Financial Statements

**WORCESTER REDEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION**

JUNE 30, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents.....	\$ 18,593	\$ 66,890
Restricted cash and cash equivalents.....	19,358	19,173
Receivables, net of allowance for uncollectible amounts:		
Grants, contracts and other.....	171,497	142,918
Prepaid expenses.....	<u>2,115</u>	<u>2,115</u>
Total current assets.....	<u>211,563</u>	<u>231,096</u>
Noncurrent assets:		
Capital assets not being depreciated.....	2,073,833	1,671,468
Capital assets, net of accumulated depreciation.....	<u>25,242,576</u>	<u>26,278,510</u>
Total noncurrent assets.....	<u>27,316,409</u>	<u>27,949,978</u>
Total assets.....	<u>27,527,972</u>	<u>28,181,074</u>
 LIABILITIES		
Current liabilities:		
Accounts payable.....	181,662	110,924
Other liabilities.....	31,017	30,848
Accrued interest.....	2,446,283	2,090,590
Notes payable to the City of Worcester.....	<u>8,965,729</u>	<u>8,214,536</u>
Total current liabilities.....	<u>11,624,691</u>	<u>10,446,898</u>
Noncurrent liabilities:		
Accrued interest.....	60,328	74,345
Notes payable to the City of Worcester.....	<u>527,483</u>	<u>470,305</u>
Total noncurrent liabilities.....	<u>587,811</u>	<u>544,650</u>
Total liabilities.....	<u>12,212,502</u>	<u>10,991,548</u>
 NET POSITION		
Net investment in capital assets.....	23,361,705	24,050,902
Unrestricted.....	<u>(8,046,235)</u>	<u>(6,861,376)</u>
Total net position.....	<u>\$ 15,315,470</u>	<u>\$ 17,189,526</u>

The accompanying notes are an integral part of the financial statements.

WORCESTER REDEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
OPERATING REVENUES		
Tenant income.....	\$ 492,045	\$ 512,873
OPERATING EXPENSES		
Office operations.....	401,722	193,201
Property management.....	45,666	51,910
Consulting and other contracted services.....	232,760	85,442
General insurance.....	15,752	14,639
Property maintenance.....	320,359	447,089
Utilities.....	267,182	229,256
Depreciation.....	1,035,934	1,035,934
Parking expense.....	76,800	76,800
Other.....	1,605	1,535
TOTAL OPERATING EXPENSES.....	2,397,780	2,135,806
OPERATING (LOSS).....	(1,905,735)	(1,622,933)
NONOPERATING REVENUES (EXPENSES)		
Investment income.....	147	133
Interest expense.....	(341,676)	(323,289)
Gain (loss) on sale of capital assets.....	9,000	-
Contributions to the City of Worcester.....	(100,000)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(432,529)	(323,156)
(LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS.....	(2,338,264)	(1,946,089)
Capital grants and contributions.....	464,208	254,884
CHANGE IN NET POSITION.....	(1,874,056)	(1,691,205)
NET POSITION AT BEGINNING OF YEAR.....	17,189,526	18,880,731
NET POSITION AT END OF YEAR.....	\$ 15,315,470	\$ 17,189,526

The accompanying notes are an integral part of the financial statements.

**WORCESTER REDEVELOPMENT AUTHORITY
STATEMENTS OF CASH FLOWS**

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users.....	\$ 463,466	\$ 446,714
Payments to vendors.....	<u>(1,290,939)</u>	<u>(1,104,836)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>(827,473)</u>	<u>(658,122)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Proceeds from the issuance of notes - operating.....	527,483	470,305
Contributions to the City of Worcester.....	<u>(100,000)</u>	<u>-</u>
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	<u>427,483</u>	<u>470,305</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Intergovernmental revenue.....	464,208	254,884
Proceeds from the issuance of notes - capital.....	280,888	260,263
Acquisition and construction of capital assets.....	<u>(543,365)</u>	<u>(299,418)</u>
Proceeds from sale of capital assets.....	<u>150,000</u>	<u>-</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>351,731</u>	<u>215,729</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income.....	<u>147</u>	<u>133</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(48,112)	28,045
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
(Includes \$19,173 reported as restricted).....	<u>86,063</u>	<u>58,018</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		
(Includes \$19,358 reported as restricted).....	<u>\$ 37,951</u>	<u>\$ 86,063</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES		
Operating (loss).....	\$ <u>(1,905,735)</u>	\$ <u>(1,622,933)</u>
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Adjustments not requiring current cash flows:		
Depreciation.....	1,035,934	1,035,934
Adjustments requiring current cash flows:		
Accounts receivable.....	(28,579)	(66,159)
Accounts payable.....	70,738	(4,955)
Other liabilities.....	<u>169</u>	<u>(9)</u>
Total adjustments.....	<u>1,078,262</u>	<u>964,811</u>
NET CASH FROM OPERATING ACTIVITIES.....	\$ <u>(827,473)</u>	\$ <u>(658,122)</u>

The accompanying notes are an integral part of the financial statements.

WORCESTER REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The basic financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

B. Reporting Entity

The Worcester Redevelopment Authority (Authority), a component unit of the City of Worcester, Massachusetts (City), was established in 1957 pursuant to Chapter 121B of the Massachusetts General Laws (MGL). The Authority's mission is to identify and implement Urban Renewal Area Plans within the City. The Authority has a five member volunteer Board of Directors, four of whom are appointed by the City's Manager and confirmed by the City's Council. The Governor of the Commonwealth of Massachusetts (Commonwealth) appoints the fifth member of the Board. Members serve five-year terms.

On December 14, 2000, the Authority amended its by-laws to establish the Chief Development Officer of the City as its Chief Executive Officer, the City Solicitor as its Chief Legal Officer, and the City Budget Director as its Chief Financial Officer. Under the by-law amendment, the officers of the Authority include a Chair, Vice-Chair and Secretary. The duties and responsibilities previously vested in the Board's Treasurer and Vice-Treasurer were transferred to the Chief Financial Officer. The amendment also authorizes the City's Manager to assign additional City personnel to administer the programs and operations of the Authority and it provides that all City officers and employees engaged in the service of the Authority shall serve ex-officio and without direct compensation.

The Authority owns Union Station, a 65,000 square foot two-story building, which serves as the train station terminal for Amtrak intercity passenger rail and MBTA commuter rail service to and from Boston. In August 2006, the bus port terminal commenced operations with Greyhound Bus lines acting as the lead tenant offering interstate transit service. Adjacent to Union Station is a 500 space parking facility that includes 7,000 square feet of retail space.

C. Implementation of New Accounting Principles

For the year ending June 30, 2016, the Authority implemented the following pronouncements issued by the GASB:

- GASB Statement No. 72, *Fair Value Measurement and Application*
- GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

The implementation of these GASB Statements had no reporting impact for the Authority.

WORCESTER REDEVELOPMENT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

D. Measurement Focus, Basis of Accounting and Basis of Presentation

The Authority's financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Operating revenues and expenses are segregated from nonoperating items. Operating revenues and expenses consist of those revenues and expenses that result from the principal operations of the Authority. Operating revenues consist primarily of tenant rental revenues and parking fees charged to users of Union Station. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities.

E. Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are carried at fair value.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

G. Capital Assets

The Authority's capital assets consist of land, construction in progress, land improvements, buildings and improvements and equipment. Capital assets are recorded at historical cost. Donated capital assets are recorded at the estimated fair market value at the date of donation. All purchases and construction costs are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. For the fiscal year ended June 30, 2016, such interest is not material and therefore is not included as part of capital assets.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

Capital Asset Type	Estimated Useful Life (in years)
Land improvements.....	10 - 20
Buildings and improvements.....	39
Equipment.....	3 - 5

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

WORCESTER REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

H. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenses during the fiscal year. Actual results could vary from estimates that were used.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be recovered. The Authority does not have a policy for custodial credit risk of deposits. As of June 30, 2016, none of the Authority's bank balance of \$83,378 was uninsured and uncollateralized. As of June 30, 2015, none of the Authority's bank balance of \$120,424 was uninsured and uncollateralized.

NOTES 3 - ACCOUNTS RECEIVABLE

At June 30, 2016 and 2015, grants, contracts and other receivables totaled \$171,497 and \$142,918, respectively. All amounts are considered 100% collectible.

WORCESTER REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 1,269,369	\$ -	\$ (141,000)	\$ 1,128,369
Construction in progress.....	402,099	543,365	-	945,464
	<u>1,671,468</u>	<u>543,365</u>	<u>(141,000)</u>	<u>2,073,833</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	108,871	-	-	108,871
Buildings and improvements.....	40,198,007	-	-	40,198,007
Equipment.....	67,861	-	-	67,861
	<u>40,374,739</u>	<u>-</u>	<u>-</u>	<u>40,374,739</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(57,147)	(5,216)	-	(62,363)
Buildings and improvements.....	(13,971,221)	(1,030,718)	-	(15,001,939)
Equipment.....	(67,861)	-	-	(67,861)
	<u>(14,096,229)</u>	<u>(1,035,934)</u>	<u>-</u>	<u>(15,132,163)</u>
Total capital assets being depreciated, net.....	<u>26,278,510</u>	<u>(1,035,934)</u>	<u>-</u>	<u>25,242,576</u>
Total capital assets, net.....	<u>\$ 27,949,978</u>	<u>\$ (492,569)</u>	<u>\$ (141,000)</u>	<u>\$ 27,316,409</u>

WORCESTER REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 1,269,369	\$ -	\$ -	\$ 1,269,369
Construction in progress.....	102,681	299,418	-	402,099
Total capital assets not being depreciated.....	1,372,050	299,418	-	1,671,468
<u>Capital assets being depreciated:</u>				
Land improvements.....	108,871	-	-	108,871
Buildings and improvements.....	40,198,007	-	-	40,198,007
Equipment.....	67,861	-	-	67,861
Total capital assets being depreciated.....	40,374,739	-	-	40,374,739
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(51,931)	(5,216)	-	(57,147)
Buildings and improvements.....	(12,940,503)	(1,030,718)	-	(13,971,221)
Equipment.....	(67,861)	-	-	(67,861)
Total accumulated depreciation.....	(13,060,295)	(1,035,934)	-	(14,096,229)
Total capital assets being depreciated, net.....	27,314,444	(1,035,934)	-	26,278,510
Total capital assets, net.....	\$ 28,686,494	\$ (736,516)	\$ -	\$ 27,949,978

NOTE 5 - NOTES PAYABLE

On March 24, 1997, the Authority and City entered into a Cooperation Agreement (Agreement) concerning funding initiatives of the Authority.

On December 14, 2000, the Authority voted to authorize the execution of any legal document in any effort to secure the repayment to the City of any funds the City may provide to finance the Authority's initiatives.

Pursuant to the Agreement and the vote of the Authority on December 14, 2000, the Authority and City have executed several amendments to the Agreement whereby the City has agreed to loan the Authority various amounts at varying interest rates (ranging from 2.89% to 4.90%) and maturity dates.

The loans are reflected as notes payable to the City of Worcester on the financial statements. The loans classified as current liabilities include notes payable that, by their terms, are due within one year from the balance sheet date, even though liquidation may not be expected within that period.

WORCESTER REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

NOTE 5 - NOTES PAYABLE (CONTINUED)

Details related to notes payable to the City at June 30, 2016, are as follows:

Project	Outstanding at June 30, 2015	Issued	Redeemed	Outstanding at June 30, 2016
Union Station - Building Fit Out.....	\$ 3,345,689	\$ 125,070	\$ -	\$ 3,470,759
Union Station - Operating.....	4,706,869	527,483	-	5,234,352
Union Station - Bus Ports.....	483,944	-	-	483,944
General and Administrative.....	78,897	-	-	78,897
Urban Renewal.....	69,442	155,818	-	225,260
Total.....	\$ 8,684,841	\$ 808,371	\$ -	\$ 9,493,212

Details related to notes payable to the City at June 30, 2015, are as follows:

Project	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Union Station - Building Fit Out.....	\$ 3,154,868	\$ 190,821	\$ -	\$ 3,345,689
Union Station - Operating.....	4,236,564	470,305	-	4,706,869
Union Station - Bus Ports.....	483,944	-	-	483,944
General and Administrative.....	78,897	-	-	78,897
Urban Renewal.....	-	69,442	-	69,442
Total.....	\$ 7,954,273	\$ 730,568	\$ -	\$ 8,684,841

As of June 30, 2016, debt service requirements in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2017.....	\$ 8,965,729	\$ 2,446,283	\$ 11,412,012
2018.....	527,483	40,581	568,064
Total.....	\$ 9,493,212	\$ 2,486,864	\$ 11,980,076

As of June 30, 2015, debt service requirements in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2016.....	\$ 8,214,536	\$ 2,090,590	\$ 10,305,126
2017.....	470,305	41,827	512,132
Total.....	\$ 8,684,841	\$ 2,132,417	\$ 10,817,258

WORCESTER REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

NOTE 5 - NOTES PAYABLE (CONTINUED)

At June 30, 2016 and 2015, notes payable to the City totaling \$8,214,536 and \$7,616,814, respectively, had matured but were not liquidated by the Authority.

NOTE 6 - RISK FINANCING

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance.

NOTE 7 - OPERATING LEASES

The Authority leases property under various operating leases. Total revenues from such leases were \$492,045 and \$512,873 for the fiscal years ended June 30, 2016 and 2015, respectively, and are reported as tenant income in the Statements of Revenues, Expenses and Changes in Net Position.

Future minimum lease payments as of June 30, 2016, are as follows:

Fiscal Year	Amount
2017.....	\$ 400,930
2018.....	405,974
2019.....	125,149
2020.....	67,196
2021.....	69,212
Thereafter.....	378,478
Total.....	\$ 1,446,939

Future minimum lease payments as of June 30, 2015, are as follows:

Fiscal Year	Amount
2016.....	\$ 498,683
2017.....	400,930
2018.....	405,974
2019.....	125,149
2020.....	67,196
Thereafter.....	447,690
Total.....	\$ 1,945,622

WORCESTER REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015

NOTE 8 - RELATED PARTY TRANSACTIONS

The transactions between the Authority and the City during the fiscal year ended June 30, 2016 and 2015 consisted of loans from the City to the Authority in the amount of \$808,371 (\$527,483 of operating loans and \$280,888 of capital loans) and \$730,568 (\$470,305 of operating loans and \$260,263 of capital loans), respectively. The Authority has outstanding notes payable to the City totaling \$9,493,212 and \$8,684,841 at June 30, 2016 and 2015, respectively.

NOTE 9 - IN-KIND ASSISTANCE AND ECONOMIC DEPENDENCY

The City has made available to the Authority the services of the agencies, offices and employees of the City, including administrative, accounting, environmental, planning, legal and intergovernmental coordination services. The Authority is not able to reasonably estimate the value of these services. As such, no amounts for in-kind assistance have been recorded in the financial statements.

Approximately 42.9% (\$808,371) and 51.0% (\$730,568) of the Authority's cash inflows for the fiscal years ended June 30, 2016 and 2015, respectively, were from the issuance of notes by the City.

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Additional Information

**WORCESTER REDEVELOPMENT AUTHORITY
STATEMENTS OF NET POSITION BY PROGRAM**

JUNE 30, 2016 AND 2015

	Program			Totals	
	Union Station Operating	Urban Renewal Operating	General Operating	2016	2015
ASSETS					
Current assets:					
Cash and cash equivalents.....	\$ 18,593	\$ -	\$ -	\$ 18,593	\$ 66,890
Restricted cash and cash equivalents.....	19,358	-	-	19,358	19,173
Receivables, net of allowance for uncollectible amounts:					
Grants, contracts and other.....	171,497	-	-	171,497	142,918
Prepaid expenses.....	2,115	-	-	2,115	2,115
Total current assets.....	<u>211,563</u>	<u>-</u>	<u>-</u>	<u>211,563</u>	<u>231,096</u>
Noncurrent assets:					
Due from (to) other programs.....	834,921	-	(834,921)	-	-
Capital assets not being depreciated.....	1,485,233	-	588,600	2,073,833	1,671,468
Capital assets, net of accumulated depreciation.....	25,242,576	-	-	25,242,576	26,278,510
Total noncurrent assets.....	<u>27,562,730</u>	<u>-</u>	<u>(246,321)</u>	<u>27,316,409</u>	<u>27,949,978</u>
Total assets.....	<u>27,774,293</u>	<u>-</u>	<u>(246,321)</u>	<u>27,527,972</u>	<u>28,181,074</u>
LIABILITIES					
Current liabilities:					
Accounts payable.....	181,662	-	-	181,662	110,924
Other liabilities.....	31,017	-	-	31,017	30,848
Accrued interest.....	2,446,283	-	-	2,446,283	2,090,590
Notes payable to the City of Worcester.....	8,661,572	225,260	78,897	8,965,729	8,214,536
Total current liabilities.....	<u>11,320,534</u>	<u>225,260</u>	<u>78,897</u>	<u>11,624,691</u>	<u>10,446,898</u>
Noncurrent liabilities:					
Accrued interest.....	60,328	-	-	60,328	74,345
Notes payable to the City of Worcester.....	527,483	-	-	527,483	470,305
Total noncurrent liabilities.....	<u>587,811</u>	<u>-</u>	<u>-</u>	<u>587,811</u>	<u>544,650</u>
Total liabilities.....	<u>11,908,345</u>	<u>225,260</u>	<u>78,897</u>	<u>12,212,502</u>	<u>10,991,548</u>
NET POSITION					
Net investment in capital assets.....	22,773,105	-	588,600	23,361,705	24,050,902
Unrestricted.....	(6,907,157)	(225,260)	(913,818)	(8,046,235)	(6,861,376)
Total net position.....	<u>\$ 15,865,948</u>	<u>(225,260)</u>	<u>\$ (325,218)</u>	<u>\$ 15,315,470</u>	<u>\$ 17,189,526</u>

See accompanying independent auditors' report.

WORCESTER REDEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY PROGRAM

FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	Program			Totals	
	Union Station Operating	Urban Renewal Operating	General Operating	2016	2015
OPERATING REVENUES					
Tenant income.....	\$ 492,045	\$ -	\$ -	\$ 492,045	\$ 512,873
OPERATING EXPENSES					
Office operations.....	401,722	-	-	401,722	193,201
Property management.....	45,666	-	-	45,666	51,910
Consulting and other contracted services.....	60,942	155,818	16,000	232,760	85,442
General insurance.....	15,752	-	-	15,752	14,639
Property maintenance.....	320,359	-	-	320,359	447,089
Utilities.....	267,182	-	-	267,182	229,256
Depreciation.....	1,035,934	-	-	1,035,934	1,035,934
Parking expense.....	76,800	-	-	76,800	76,800
Other	1,605	-	-	1,605	1,535
TOTAL OPERATING EXPENSES.....	2,225,962	155,818	16,000	2,397,780	2,135,806
OPERATING (LOSS).....	(1,733,917)	(155,818)	(16,000)	(1,905,735)	(1,622,933)
NONOPERATING REVENUES (EXPENSES)					
Investment income.....	-	-	147	147	133
Interest expense.....	(341,676)	-	-	(341,676)	(323,289)
Gain (loss) on disposal of capital assets.....	-	-	9,000	9,000	-
Contributions to the City of Worcester.....	-	-	(100,000)	(100,000)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(341,676)	-	(90,853)	(432,529)	(323,156)
(LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS.....	(2,075,593)	(155,818)	(106,853)	(2,338,264)	(1,946,089)
Capital grants and contributions.....	464,208	-	-	464,208	254,884
CHANGE IN NET POSITION.....	(1,611,385)	(155,818)	(106,853)	(1,874,056)	(1,691,205)
NET POSITION AT BEGINNING OF YEAR.....	17,477,333	(69,442)	(218,365)	17,189,526	18,880,731
NET POSITION AT END OF YEAR.....	\$ 15,865,948	(225,260)	\$ (325,218)	\$ 15,315,470	\$ 17,189,526

See accompanying independent auditors' report.

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE WORCESTER REDEVELOPMENT AUTHORITY
AND
THE WORCESTER HISTORICAL FIRE SOCIETY, INC.**

This Memorandum of Understanding (“MOU”) is entered into this _____ day of _____, 2017, by and between the Worcester Redevelopment Authority, a body politic and corporate established pursuant to Chapter 121B (“W.R.A.”) and the Worcester Historical Fire Society, Inc., a Massachusetts nonprofit corporation having an address of 141 Grove Street, Worcester, Massachusetts 01605 (“WHFS”).

WHEREAS, the WHFS desires to operate the Worcester Fire Museum and Educational Center (“Fire Museum”) at Union Station located at Washington Square, Worcester, Massachusetts, in accordance with Exhibit A attached hereto and incorporated herein by this reference;

WHEREAS, the W.R.A. has identified space on the 1st floor of Union Station that is available for such occupancy (“Leased Premises”) and is willing to enter into a commercial lease agreement subject to certain conditions; and

NOW THEREFORE, the Parties agree that this MOU sets out the preliminary, proposed terms for the roles and responsibilities of the Parties in relation to the construction and operation of the Worcester Fire Museum and Educational Center at Union Station by WHFS. This MOU is not intended to be legally binding, but rather is intended to promote and facilitate the Parties contemplating and entering a binding lease agreement for space at Union Station in the future on the conditions described herein.

I. GENERAL PROVISIONS

1. The WHFS agrees that it shall, within and about the Lease Premises:
 - a. At its expense, design, construct, install and maintain an interactive museum, substantially in accordance with Exhibit A attached hereto, for the purposes of educating the general public about the city of Worcester’s fire history and current firefighting mission;
 - b. At its expense, provide staff necessary to manager the day to day operations and staffing of the Fire Museum, including greeting visitors, responding to inquiries and providing educational programming; and
 - c. Secure the funding necessary to finance the tenant fit-out for the Fire Museum and the lease agreement. WHFS shall provide the W.R.A. with proof of funding prior to the execution of a

commercial lease agreement for the Leased Premises. WHFS intends to solicit donations and to secure grant funding for the project.

2. The W.R.A agrees that it shall, within and about the Leased Premises:
 - a. At its expense, undertake certain landlord improvements to make the Leased Premises viable for occupancy by WHFS, including water infiltration repairs, sprinkler system and interior access to restrooms through the main hall.
 - b. Subject to appropriation, the W.R.A. agrees to perform routine maintenance for Union Station and to make ordinary repairs Union Station, including the common areas, at no additional cost to the WHFS, as tenant. The cost of certain utilities shall be included in the WHFS's annual base rent and be subject to certain annual increases.

3. The Parties acknowledge that this MOU sets forth the good faith intentions of the Parties to perform the various responsibilities as provided herein. This MOU is not intended to be legally binding. The Parties acknowledged that there may be approvals required by law or by vote of one or more governing bodies or organizations to authorize the performance of certain responsibilities set forth herein. Neither Party shall have any liability to the other from or based upon a failure to perform any of its obligations hereunder due to a change of circumstances or otherwise.

4. The Parties acknowledge and represent that they have duly read and understand the terms of this MOU, that the persons signing below on their behalf are duly authorized to enter the MOU, and that this MOU has been jointly prepared and ambiguities shall not be construed against any Party as the drafter.

This MOU shall be effective from the date of its signature by the duly authorized representatives of the Parties. Any party may terminate this MOU by providing written notice to the other party at least ten business days prior to the effective date of such termination.

Approved as to Legal Form

Jennifer H. Beaton
Deputy City Solicitor &
Deputy WRA Legal Counsel

WORCESTER REDEVELOPMENT
AUTHORITY

Vincent A. Pedone, Chair

WORCESTER HISTORICAL FIRE
SOCIETY, INC.

By:
Title:



Worcester Fire Department Museum & Educational Center



Learning Center

The Learning Center will be well equipped with interactive spaces. Reading tables, graphic displays and a wide variety of exhibits will allow the Learning Center to house everything from birthday parties to more formal training seminars.

Office

The Office will be for the acting Public Education Officer. It will also be a place for other important materials that need to be secured.

Play Area

Young Firefighters will love rushing to the scene in this mock up fire truck cab with working lights and siren. This area will also have a "3-deck" house that kids can help set their own scene for the day!

Vestibule

The Vestibule will be the public's entrance into the Museum. Glass will pass through the vestibule to give the main entrance.

Main Hall

This Main Hall will be the new home for several antique fire fighting vehicles, as well as many other relics from Worcester's fire fighting history.

Patio

The Patio will act as a place for promoting upcoming events and a sitting space outside of the Museum/Educational Center.





DAVID M. MOORE
CITY SOLICITOR

CITY OF WORCESTER
LAW DEPARTMENT
CITY HALL, ROOM 301

TELEPHONE
(508) 799-1161
FACSIMILE NUMBER
(508) 799-1163

To: Vincent A. Pedone, Chairman
Worcester Redevelopment Authority

From: Jennifer H. Beaton, Deputy City Solicitor

Date: January 9, 2017

Re: Remote Participation Policy

Attached please find a proposed remote participation policy for consideration by the Worcester Redevelopment Authority. This policy would allow members of the Worcester Redevelopment Authority to participate remotely when certain specific circumstances prevent them from being physically present at a public meeting.

In preparing this draft policy, I reviewed the remote participation policies of several towns, cities and other public bodies. The vast majority of these public bodies follow a remote participation policy that is consistent with the draft policy and closely following the Open Meeting law regulations at 940 CMR 29.10. In accordance with 940 CMR 29.10(8), public bodies are allowed to further restrict the use of remote participation, provided that such restrictions do not violation state or federal law. My research did not find, however, a remote participation policy further restricting such use.

If there are any questions regarding this information, I am prepared to address them at the next board meeting.

cc: Michael E. Traynor, Esq., WRA Chief Executive Officer

Worcester Redevelopment Authority

January 13, 2017

Voted that the Worcester Redevelopment Authority hereby approves and accepts the year-end Financial Statements and Independent Auditors' Report for the fiscal year ended June 30, 2016, prepared by CliftonLarsonAllen LLP.

Worcester Redevelopment Authority

January 13, 2017

Voted that the Worcester Redevelopment Authority hereby authorizes its chair or vice-chair to execute a memorandum of understanding between the Worcester Redevelopment Authority and the Worcester Historical Fire Society, Inc., outlining the preliminary, proposed terms for the construction and operation of the Worcester Fire Museum and Educational Center at Union Station.

Worcester Redevelopment Authority

January 13, 2017

REMOTE PARTICIPATION POLICY

WHEREAS, the Open Meeting Law regulations at 940 CMR 29.10 allow members of public bodies, in limited circumstances, to participate remotely in meetings; and

WHEREAS, the Worcester Redevelopment Authority desires to promote greater participation in public meetings by allowing its members to participate remotely when certain specific circumstances prevent them from being physically present; and

WHEREAS, the Worcester Redevelopment Authority desires to adopt a policy on remote participation by its members; and

NOW, THEREFORE, BE IT HEREBY RESOLVED, that it shall be the policy of the Worcester Redevelopment Authority, in accordance with 940 CMR 29.10(2), that the following remote participation policy apply to all public meetings of the Worcester Redevelopment Authority:

Article I – Minimum Requirements for Remote Participation

No member of the Worcester Redevelopment Authority shall participate remotely in a meeting unless the following requirements are met:

- 1) Members who participate remotely and all persons present at the meeting location shall be clearly audible to each other;
- 2) A quorum of the Worcester Redevelopment Authority, including the chair or, in the chair's absence, the person authorized to chair the meeting, shall be physically present at the meeting location, as required by M.G.L. c. 30A, §20(d);

Article II – Permissible Reasons for Remote Participation

A member shall be permitted to participate remotely in a meeting, in accordance with the procedures described herein, if the chair or, in the chair's absence, the person chairing the meeting, determines that one or more of the following factors makes the member's physical attendance unreasonable difficult:

- 1) Personal illness;
- 2) Personal disability;
- 3) Emergency;
- 4) Military service; or

5) Geographic distance.

Article III- Technology

(a) The following media are acceptable methods for remote participation. Remote participation by any other means is not permitted. Accommodations shall be made for any member who requires TTY service, video relay service or other form of adaptive telecommunications.

(i) telephone, internet, or satellite enabled audio or video conferencing;

(ii) any other technology that enables the remote participant and all persons present at the meeting location to be clearly audible to one another.

(b) When video technology is in use, the remote participant shall be clearly visible to all persons present at the meeting location.

(c) The chair or, in the chair's absence, the person chairing the meeting, may decide how to address technical difficulties that arise as a result of utilizing remote participation, but is encouraged, wherever possible, to suspend discussion while reasonable efforts are made to correct any problem that interferes with a remote participant's ability to hear or be heard clearly by all persons present at the meeting location. If the chair or, in the chair's absence, the person chairing the meeting, determines that technical difficulties are inhibiting the progress of any meeting, he or she may elect to terminate the participation of the remote member. If technical difficulties result in a remote participant being disconnected from the meeting, that fact and the time at which the disconnection occurred shall be noted in the meeting minutes.

Article IV – Procedures for Remote Participation

(a) Any member who wishes to participate remotely shall, as soon as reasonably possible prior to a meeting, notify the chair or, in the chair's absence, the person chairing the meeting, of his or her desire to do so and the reason for and facts supporting his or her request.

(b) If the person chairing the meeting approves the request for remote participation, he or she shall make any necessary arrangements with the Chief Executive Officer to ensure that the required equipment is available. If the necessary technical equipment is not available, then the person chairing the meeting shall deny the request for remote participation.

(c) At the start of the meeting, the person chairing the meeting shall announce the name of any member who will be participating remotely and the reason for his or her remote participation, as set forth in Article II herein. This information shall be recorded in the meeting minutes.

(d) All votes taken during any meeting in which a member participates remotely shall be by roll call vote.

(e) A member participating remotely may participate in an executive session, but shall state at the start of any such session that no other person is present and/or able to hear the discussion at the remote location, unless presence of that person is approved by a simple majority vote of the public body.

(f) When feasible, the person chairing the meeting shall distribute to remote participants, in advance of the meeting, copies of any documents or exhibits that he or she reasonably anticipates will be used during the meeting. If used during the meeting, such documents shall be part of the official record of the meeting, and shall be listed in the meeting minutes and retained in accordance with M.G.L. c.30A, §22.

(g) Members participating remotely shall follow the same rules of decorum that apply in any physical meeting. Remote participants shall direct all their attention to the meeting, and should make their decisions based upon the same information as is available to all other participants in the meeting.

WRA SPENDING COMPARISON 10/3/15-1/9/17

	10/3/15-11/5/15	11/6/15-12/4/15	12/5/15-1/4/16	1/5/16-2/8/16	2/9/16-3/31/16	4/1/16-5/10/16	5/11/16-6/13/16	6/14/16-8/8/16	8/9/16-9/2/16	9/3/16-10/7/16	10/8/16-11/4/16	11/5/16-12/2/16	12/3/16-1/9/17
	11/5/2015	12/4/2015	1/4/2016	2/8/2016	3/31/2016	5/10/2016	6/13/2016	8/8/2016	9/2/2016	10/7/2016	11/4/2016	12/2/2016	1/9/2017
Verizon	1,015.80	141.13	527.41	601.21	1,101.96	465.01	672.56	1,602.74	104.65	603.71	1,007.29	106.01	1,054.00
Kraft Power Corp.					1,247.45					1,841.53			
Lusignan Security	20,518.30	17,312.15	17,531.10	10,524.70									
Hess Corporation													
Direct Energy	995.11	3,004.59	3,916.23	4,019.60	13,778.22	4,450.05	4,677.82	3,162.87	126.01	83.70	687.64	2,683.16	3,190.35
Clearwater Tech. Inc.													
Clean Rentals, Inc.			280.52	280.82	562.28	421.68	281.12	843.36		421.68	281.12	281.12	562.24
Coyne Textile Services	420.78	280.52											
Coghlin Electrical Con.		2,623.23		1,959.50				3,752.11	5,985.29				
Bay State Elevator Co.				7,125.05				7,622.05					
Rutland Nurseries	1,768.25	2,517.00	1,967.50	17,827.25	34,536.50		17,987.50	5,592.50	1,965.00	1,871.25	1,829.50	2,551.25	22,183.50
NSTAR													
Eversource	257.20	716.00	1,111.14	1,152.82			4,738.31	1,960.98	64.57	56.31	174.05	563.10	1,051.16
City of Worcester	25,806.49	36,366.39		12,825.00	93,597.15	6,400.00	3,966.07	281,350.12	12,882.18	24,909.07	48,612.03	7,411.94	88,423.84
Pasek Corporation				1,498.40					1,239.50				
Grainger						446.48				352.00		303.54	
Waltham Services, Inc.	250.00	250.00	250.00	250.00	500.00	250.00	250.00	766.00		258.00	516.00		516.00
S.J. Services, Inc.													
Union Cleaning	9,713.45	5,559.12	4,727.12	9,998.78	9,844.29	8,062.78	4,905.18	16,122.17	5,191.54	9,676.29	6,584.53	2,280.00	12,552.92
SimplexGrinnell	2,104.76			638.00	3,963.50	609.02							
Waste Mgmt of MA	1,286.38	1,407.44	1,120.94	1,293.33	2,039.43	2,116.63	2,119.97	3,519.05	1,505.29	1,661.40	1,504.01	459.32	2,531.54
Metalstone Tech. Inc.	4,257.12	2,128.56		4,471.00	2,235.50	2,235.50		8,942.00		2,235.50	4,471.00		4,582.77
Republic Parking													
National Grid	6,281.98	8,426.56	7,752.68	10,490.65	18,395.51	10,471.53		19,522.43	4,675.50	4,308.48	3,330.00	5,311.78	4,131.35
Eric's La Patisserie	66.70	95.40	66.70	74.70	100.40	139.40	74.70	74.70		149.40		74.70	74.70
Protection One	129.51	129.51		284.92	142.46	142.46	142.46	427.38	142.46	142.25	142.46		295.15
U.S. Security Associates					23,242.95								
RIBI Security					6,513.83	20,949.58	12,598.16	47,210.40	14,006.29	26,757.05	21,854.08	8,729.29	26,283.78
Renaud HVAC		1,344.00		1,544.00	5,430.00	7,499.00		6,873.35	11,139.00	662.00			907.00
W.B. Mason Co., Inc.													
Drain A Way	187.50							1,832.41	125.00		1,491.71		
Fred Petrone	670.00	1,670.00			1,380.00		2,446.82						
Bank charge & Post off.								154.93					
Eagle Flag & Titan Roof								1,560.20					
Paul Lussier				328.00								255.00	
Hanover Insurance		3,939.50			3,939.50		3,939.50		4,121.50				4,127.50
Joseph Lock	9.80	582.50		77.00	100.00	1,845.60	292.00	224.03		393.50		194.83	54.00
Overhead Door								143.00					
Chase/Harris Corp.								880.00					
Cheyne Awning													
Harding Glass													
Misc.											75.00	25.00	
Paramount Fence													
Sign Erection & Maint.													
G&L Plumbing	389.99	752.74			156.25	292.57	187.96	4,941.23	143.68		3,807.23	1,596.59	
Philadelphia Sign Co.													
Pioneer Sealcoating												1,600.00	
Automated Bus. Syst.													1,185.00
Sunshine Sign		2,053.47											
Audit companies	8,000.00								6,500.00	5,000.00	3,500.00		2,000.00
United States Post Office		49.00			49.00			47.00		47.00			

	10/3/15-11/5/15	11/6/15-12/4/15	12/5/15-1/4/16	1/5/16-2/8/16	2/9/16-3/31/16	4/1/16-5/10/16	5/11/16-6/13/16	6/14/16-8/8/16	8/9/16-9/2/16	9/3/16-10/7/16	10/8/16-11/4/16	11/5/16-12/2/16	12/3/16-1/9/17
	11/5/2015	12/4/2015	1/4/2016	2/8/2016	3/31/2016	5/10/2016	6/13/2016	8/8/2016	9/2/2016	10/7/2016	11/4/2016	12/2/2016	1/9/2017
Lindgren Sharples													
Lamoureux Pagano		9,854.00		25,326.00	6,280.00		7,690.00	39,335.00	4,125.00		3,520.00	1,534.00	
Nault Architects								18,710.00					
Coghlin Electrical Con.									75,769.00				
Elm Electrical													
Renaud HVAC													
BSC Group		13,876.00	21,124.00	11,754.50	51,755.00	13,042.50	44,505.00	29,480.00		18,492.50			
Northern Contracting					225,997.10	118,615.60		69,218.90	65,710.72				
Harvey & Tracey Assoc.													
Siemens Industry													
Sunshine Sign	38,126.73				3,154.90		5,973.72						
Raymond James Restoration						21,750.25			19,408.50				
Presidio Networked													
ALG Environmental													
Acme Blue Print							312.24	459.10		86.40	103.55		
Arthur Cole Painting													
Joseph Lock													
J. Sallèse & Sons													
Grasseschi Plumbing													
Telegram & Gazette								21.88					
City of Worc. Design													
DGL International, Inc.													
Metalstone Tech. Inc.													
Reinhardt Associates													
	122,255.85	115,078.81	60,375.34	124,345.23	510,043.18	220,205.64	117,761.09	576,706.68	234,930.68	100,009.02	103,491.20	35,960.63	175,706.80

Worcester Redevelopment Authority
Check Detail
December 3, 2016 through January 9, 2017

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	9889	12/20/2016	Automated Building Systems	General Operating and Investmen		
Bill	SD6426	12/07/2016		Maintenance & Repair	-1,185.00	1,185.00
TOTAL					<u>-1,185.00</u>	<u>1,185.00</u>
Bill Pmt -Check	9880, 9887, 9888, 9906, & 9871	12/06/2016	City of Worcester	General Operating and Investmen		
Bill	FY17 9/23/16	12/02/2016		Property Management	-12,522.78	12,522.78
Bill	13	12/19/2016		Electric	-10,317.82	10,317.82
Bill	14	12/19/2016		Electric	-10,440.22	10,440.22
Bill	15	12/19/2016		Electric	-4,386.82	4,386.82
Bill	5898960	12/23/2016		Parking Expense- Tenants	-3,480.00	3,480.00
Bill	5898826	12/23/2016		Parking Expense- Tenants	-3,480.00	3,480.00
Bill	5898815	12/23/2016		Parking Expense- Tenants	-400.00	400.00
Bill	5754645	11/14/2016		Parking Expense- Tenants	-400.00	400.00
Bill	5754656	11/14/2016		Parking Expense- Tenants	-3,000.00	3,000.00
Bill	5754797	11/14/2016		Parking Expense- Tenants	-3,000.00	3,000.00
TOTAL					<u>-51,427.64</u>	<u>51,427.64</u>
Bill Pmt -Check	9905	01/06/2017	City of Worcester-Treasurer's Office	General Operating and Investmen		
Bill	FY17 3rd Qtr	12/30/2016		Real Estate Tax	-36,996.20	36,996.20
TOTAL					<u>-36,996.20</u>	<u>36,996.20</u>
Bill Pmt -Check	9867 & 9899	12/06/2016	Clean Rentals, Inc.	General Operating and Investmen		
Bill	018549	11/07/2016		Janitorial	-140.56	140.56
Bill	022555	11/21/2016		Janitorial	-140.56	140.56
Bill	026533	12/05/2016		Janitorial	-140.56	140.56
Bill	030507	12/19/2016		Janitorial	-140.56	140.56
TOTAL					<u>-562.24</u>	<u>562.24</u>
Bill Pmt -Check	9884	12/20/2016	Clifton Larson Allen LLP	General Operating and Investmen		
Bill	1392904	11/30/2016		Financial	-2,000.00	2,000.00
TOTAL					<u>-2,000.00</u>	<u>2,000.00</u>
Bill Pmt -Check	9885	12/20/2016	Direct Energy Business	General Operating and Investmen		
Bill	H16292674	12/02/2016		Gas	-3,190.35	3,190.35
TOTAL					<u>-3,190.35</u>	<u>3,190.35</u>
Bill Pmt -Check	9883	12/20/2016	Eric's La Patisserie	General Operating and Investmen		
Bill	3515	12/09/2016		Meetings	-74.70	74.70
TOTAL					<u>-74.70</u>	<u>74.70</u>
Bill Pmt -Check	9869	12/06/2016	EverSource	General Operating and Investmen		
Bill	16328510025 1216	12/01/2016		Gas	-1,051.16	1,051.16
TOTAL					<u>-1,051.16</u>	<u>1,051.16</u>

Worcester Redevelopment Authority
Check Detail
December 3, 2016 through January 9, 2017

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	9872	12/06/2016	Hanover Insurance Co.	General Operating and Investmen		
Bill	FY17 Insurance 2	11/16/2016		General Insurance	-4,127.50	4,127.50
TOTAL					-4,127.50	4,127.50
Bill Pmt -Check	9876 & 9900	12/06/2016	Joseph Lock	General Operating and Investmen		
Bill	306562	11/21/2016		Maintenance & Repair	-46.00	46.00
Bill	519083	12/19/2016		Maintenance & Repair	-8.00	8.00
TOTAL					-54.00	54.00
Bill Pmt -Check	9873 & 9896	12/06/2016	Metalstone Technologies, LLC	General Operating and Investmen		
Bill	8819	12/01/2016		Janitorial	-2,235.50	2,235.50
Bill	9047	01/01/2017		Janitorial	-2,347.27	2,347.27
TOTAL					-4,582.77	4,582.77
Bill Pmt -Check	9886	12/20/2016	National Grid	General Operating and Investmen		
Bill	3883393023 0117	12/06/2016		Electric	-334.54	334.54
Bill	5130322025 0117	12/06/2016		Electric	-155.12	155.12
Bill	6377185027 0117	12/06/2016		Electric	-356.00	356.00
Bill	7625873026 0117	12/06/2016		Electric	-392.15	392.15
Bill	2638515001 0117	12/06/2016		Electric	-24.88	24.88
Bill	388575009 0117	12/06/2016		Electric	-271.42	271.42
Bill	8873493002 0117	12/06/2016		Electric	-2,597.24	2,597.24
TOTAL					-4,131.35	4,131.35
Bill Pmt -Check	9875 & 9897	12/06/2016	Protection One	General Operating and Investmen		
Bill	112993100	11/13/2016		Security	-142.46	142.46
Bill	113656268	12/13/2016		Security	-152.69	152.69
TOTAL					-295.15	295.15
Bill Pmt -Check	9890 & 9901	12/20/2016	Renaud HVAC & Controls, Inc.	General Operating and Investmen		
Bill	30452	12/08/2016		Maintenance & Repair	-405.00	405.00
Bill	30523	12/15/2016		Maintenance & Repair	-502.00	502.00
TOTAL					-907.00	907.00
Bill Pmt -Check	9877, 9891, & 9902	12/06/2016	RIBI Security	General Operating and Investmen		
Bill	75950	11/12/2016		Security	-4,317.66	4,317.66
Bill	76063	11/19/2016		Security	-4,242.96	4,242.96
Bill	76173	11/26/2016		Security	-4,384.89	4,384.89
Bill	76183	11/30/2016		Security	-150.00	150.00
Bill	76284	12/03/2016		Security	-4,302.72	4,302.72
Bill	76404	12/10/2016		Security	-4,355.00	4,355.00
Bill	76405	12/10/2016		Security	-164.34	164.34
Bill	76518	12/17/2016		Security	-4,366.21	4,366.21
TOTAL					-26,283.78	26,283.78

Worcester Redevelopment Authority
Check Detail
December 3, 2016 through January 9, 2017

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	9878, 9892, & 9903	12/06/2016	Rutland Nurseries	General Operating and Investmen		
Bill	49985	11/15/2016		Landscape Expense	-272.00	272.00
Bill	50018	11/30/2016		Snow Removal	-180.00	180.00
Bill	50022	11/30/2016		Snow Removal	-180.00	180.00
Bill	50168	11/30/2016		Landscape Expense	-1,845.00	1,845.00
Bill	50273	12/05/2016		Snow Removal	-3,070.00	3,070.00
Bill	50289	12/06/2016		Snow Removal	-873.00	873.00
Bill	50299	12/07/2016		Snow Removal	-985.50	985.50
Bill	50373	12/13/2016		Snow Removal	-6,316.50	6,316.50
Bill	50392	12/13/2016		Snow Removal	-1,413.00	1,413.00
Bill	50425	12/17/2016		Snow Removal	-5,238.00	5,238.00
Bill	50432	12/19/2016		Snow Removal	-1,073.00	1,073.00
Bill	50445	12/20/2016		Snow Removal	-737.50	737.50
TOTAL					<u>-22,183.50</u>	<u>22,183.50</u>
Bill Pmt -Check	9879, 9893, & 9904	12/06/2016	Union Cleaning National Services, Inc.	General Operating and Investmen		
Bill	1352	11/13/2016		Janitorial	-1,140.00	1,140.00
Bill	1353	11/13/2016		Janitorial	-2,460.46	2,460.46
Bill	1354	11/20/2016		Janitorial	-1,200.00	1,200.00
Bill	1355	11/27/2016		Janitorial	-1,140.00	1,140.00
Bill	1356	11/27/2016		Janitorial	-99.78	99.78
Bill	1358	12/04/2016		Janitorial	-1,365.00	1,365.00
Bill	1361	12/11/2016		Janitorial	-1,140.00	1,140.00
Bill	1362	12/11/2016		Janitorial	-1,727.68	1,727.68
Bill	1365	12/19/2016		Janitorial	-1,140.00	1,140.00
Bill	1366	12/26/2016		Janitorial	-1,140.00	1,140.00
TOTAL					<u>-12,552.92</u>	<u>12,552.92</u>
Bill Pmt -Check	9868, 9881, & 9894	12/06/2016	Verizon	General Operating and Investmen		
Bill	5089127216 1216	11/17/2016		Telephone	-36.90	36.90
Bill	5087556821 1216	11/22/2016		Telephone	-388.32	388.32
Bill	5087550429 1216	11/22/2016		Telephone	-48.65	48.65
Bill	5087533278 1216	11/29/2016		Telephone	-106.01	106.01
Bill	5089127216 0117	12/17/2016		Telephone	-36.90	36.90
Bill	5087556821 0117	12/22/2016		Telephone	-388.57	388.57
Bill	5087550429 0117	12/22/2016		Telephone	-48.65	48.65
TOTAL					<u>-1,054.00</u>	<u>1,054.00</u>
Bill Pmt -Check	9870 & 9895	12/06/2016	Waltham Services, Inc.	General Operating and Investmen		
Bill	2182962	12/01/2016		Janitorial	-258.00	258.00
Bill	2191759	01/01/2017		Janitorial	-258.00	258.00
TOTAL					<u>-516.00</u>	<u>516.00</u>

Worcester Redevelopment Authority
Check Detail
December 3, 2016 through January 9, 2017

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>	<u>Original Amount</u>
Bill Pmt -Check	9874, 9882 & 9898	12/06/2016	Waste Management of Massachusetts	General Operating and Investmen		
Bill	4178970-0447-5	11/16/2016		Trash Removal	-931.29	931.29
Bill	4186089-0447-4	12/01/2016		Trash Removal	-457.60	457.60
Bill	4186488-0447-8	12/16/2016		Trash Removal	-1,142.65	1,142.65
TOTAL					<u>-2,531.54</u>	<u>2,531.54</u>
					Total	\$ 175,706.80

Worcester Redevelopment Authority
Fixed Guideways Funded Capital Projects
Executed Contracts and Payments as of 1/9/2017

Amendment # 1 to Design Services Agreement ¹
Lamoureaux-Pagano Associates, Inc.
Total Amendment Amount \$33,750.00

The following projects are included in the scope of this amendment:

- **Harding Street Improvements** – Preliminary Assessment through Bid Phase

Project Total	\$11,250.00
Payments to Date	(11,250.00)
Project Balance	\$ 0.00

- **Interior & Exterior Signage** – Preliminary Assessment through Bid Phase

Project Total	\$7,500.00
Payments to Date	(7,500.00)
Project Balance	(\$ 0.00)

- **First Floor Public Restrooms** – Survey Work through Schematic Design

Project Total	\$15,000.00
Payments to Date	(15,000.00)
Project Balance	\$ 0.00

Amendment Total	\$33,750.00
Payments to Date	(33,750.00)
Amendment Balance	\$ 0.00

¹ Payments were signed by Michael E. Traynor, Chief Executive Officer, as they were under the \$25,000.00 threshold

Amendment # 2 to Design Services Agreement ¹
Lamoureaux-Pagano Associates, Inc.
Total Amendment Amount \$45,090.00

The following projects are included in the scope of this amendment:

- **First Floor Public Restrooms** – Design Development through Bid Phase

Project Total	\$45,090.00
Payments to Date	(45,090.00)
Project Balance	\$ 0.00

¹ Payments were signed by Michael E. Traynor, Chief Executive Officer, as they were under the \$25,000.00 threshold

Amendment # 3 to Design Services Agreement ¹
Lamoureaux-Pagano Associates, Inc.
Total Amendment Amount \$76,784.00

The following projects are included in the scope of this amendment:

- **Wall & Drainage System Proposal** – Design Development through Bid Phase

Project Total	\$76,784.00
Payments to Date	(75,979.00)
Project Balance	\$ 805.00

¹ Payments were signed by Michael E. Traynor, Chief Executive Officer, as they were under the \$25,000.00 threshold

Amendment # 5 to Design Services Agreement ¹

Lamoureaux-Pagano Associates, Inc.

Total Amendment Amount \$23,040.00

The following projects are included in the scope of this amendment:

The following projects are included in the scope of this amendment:

- **Harding Street Improvements** – Bird Netting & Over light screen protection, Hardin St. crosswalks, curb work & bicycle storage, and banners

Project Total	\$ 8,600.00
Payments to Date	\$(4,300.00)
Project Balance	\$ 4,300.00

- **First Floor Public Restrooms** – Contract Administration

Project Total	\$14,440.00
Payments to Date	(13,085.00)
Project Balance	\$ 1,355.00

Amendment Total	\$23,040.00
Payments to Date	(17,385.00)
Amendment Balance	\$ 5,655.00

¹ Payments were signed by Michael E. Traynor, Chief Executive Officer, as they were under the \$25,000.00 threshold

Service Agreement for Video Surveillance Installation

Coghlin Electrical Contractors, Inc.

Total Service Agreement Amount \$150,174.50

The following services are included in the scope of this contract:

- Labor and resources for the installation of video surveillance equipment and low voltage cabling

Contract Total	\$150,174.50
Payments to Date	(118,732.49)
Contract Balance	\$ 31,442.01

Service Agreement for Video Surveillance Equipment

Siemens Industry, Inc.

Total Service Agreement Amount \$81,115.00

The following services and equipment are included in the scope of this contract:

- Furnish all service, labor, materials, equipment, staging, and parts for an operational CCTV Security Camera system

Contract Total	\$100,381.00
Payments to Date	(100,381.00)
Contract Balance	\$ 0.00

**Service Agreement for Video Surveillance Network Switches ¹
Presidio Network Solutions, Inc.**

Total Service Agreement Amount \$28,623.00

The following services and equipment are included in the scope of this contract:

- Furnish all services, labor, materials, equipment, staging, and parts necessary and proper for the installation of 3 Catalyst 3560X 48 Port PoE IP Switches.

Contract Total	\$28,623.00
Payments to Date	(28,623.00)
Contract Balance	\$ 0.00

¹ Payments were signed by Michael E. Traynor, Chief Executive Officer, as they were under the \$25,000.00 threshold

**Contractor Agreement for Interior Signage at Union Station
Sunshine Sign Company, Inc.**

Total Service Agreement Amount \$47,255.35

The following services and equipment are included in the scope of this contract:

- Furnish and install interior signage throughout Union Station.

Contract Total	\$47,255.35
Payments to Date	(47,255.35)
Contract Balance	\$ 0.00

¹ Payments were signed by Michael E. Traynor, Chief Executive Officer, as they were under the \$25,000.00 threshold

**Contractor Agreement for Union Station First Floor Bathroom Construction
Northern Contracting Corporation**

Total Contractor Agreement Amount \$489,931.72 (Inclusive of Change Order No. 1 & 2)

The following services are included in the scope of this contract:

- Provide all supplies, materials and equipment, and perform all the labor, services and supervision necessary and proper to undertake and complete the First Floor Public Restrooms Project at Union Station.

Contract Total	\$489,931.72
Payments to Date	(479,542.30)
Contract Balance	\$ 10,389.42

**Contractor Agreement for Harding Street Improvements – Retaining Wall Improvements
Raymond James Restoration, Inc.**

Total Contractor Agreement Amount \$43,325.00

The following services are included in the scope of this contract:

- Provide all supplies, materials and equipment, and perform all the labor, services and supervision necessary and proper to undertake and complete the Retaining Wall Improvements – Harding Street.

Contract Total	\$43,325.00
Payments to Date	(41,158.75)
Contract Balance	\$ 2,166.25

¹ Payments were signed by Michael E. Traynor, Chief Executive Officer, as they were under the \$25,000.00 threshold

Contractor Agreement for Harding Street Improvements – Electrical Improvements

Elm Electrical, Inc.

Total Contractor Agreement Amount \$75,769.00

The following services are included in the scope of this contract:

- Provide all supplies, materials and equipment, and perform all the labor, services and supervision necessary to undertake and complete the Electrical Improvements – Harding Street.

Contract Total	\$75,769.00
Payments to Date	(75,769.00)
Contract Balance	\$ 0.00

Contractor Agreement for Harding Street Improvements – Taxi Loading & Crosswalks Road Work

Ricciardi Bros., Inc.

Total Contractor Agreement Amount \$24,900.00

The following services are included in the scope of this contract:

- Provide all labor and materials to perform a curb cut on Harding St., including the installation of a detectable warning panel, traffic signs, and pavement markings.

Contract Total	\$24,900.00
Payments to Date	(0.00)
Contract Balance	\$24,900.00

City of Worcester, Massachusetts

Edward M. Augustus, Jr.
City Manager

Michael E. Traynor, Esq.
Chief Executive Officer
Worcester Redevelopment Authority



December 20, 2016

Deanna Simsek
Regional Real Estate Manager
Greyhound Lines, Inc.
350 N. St. Paul Street
Dallas, Texas 75201

RE: TrueNorth Transit/MAX Regional Bus Service – Gate Access at Union Station

Dear Ms.Simsek:

At the Worcester Redevelopment Authority's December 19, 2016 meeting, Mr. Brian Fox, on behalf of TrueNorth Transit/MAX Regional Bus Service ("TrueNorth"), appeared before the WRA Board to explain their desire to obtain limited gate access at Union Station.

Mr. Fox described their operations and indicated that their use of a gate would be limited to two stops a day and at off-peak times. He further explained that the bus line currently provides curbside service at the adjacent WRTA Hub facility. We were further informed that there is adequate gate availability on a daily basis to accommodate their request.


The WRA supports expanded use of Union Station as an intermodal transportation center in general, and the TrueNorth service in particular. Recognizing that the bus slips are under the care, custody and control of Greyhound pursuant to the lease between the WRA and Greyhound, on behalf of the WRA Board I am writing to respectfully request that Greyhound provide TrueNorth gate access in accordance with the following schedule:

Day of Week	Worcester Departures
Monday – Friday	9:20AM & 5:20PM
Saturday	10:00AM & 7:14PM
Sunday	4:50PM & 4:54PM

Simsek Letter
December 19, 2016
Page 2

We appreciate your consideration of this request and hope that an agreement can be reached with TrueNorth.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Traynor". The signature is fluid and cursive, with the first name "Michael" being the most prominent.

Michael E. Traynor, Esq.
Chief Executive Officer

cc: WRA Board
Kris Erickson