

Holyoke Redevelopment Authority
Meeting Minutes – March 17, 2021
Virtual Meeting via Zoom - Meeting ID: 885 9959 1845

Members Present:

Thomas Creed, Chairperson
Carl Eger, Vice-Chairperson
John Whelihan, Treasurer
Daphne Board, Member

Staff Present:

Aaron Vega, Executive Director
John Dyjach, Assistant Director
Benjamin Murphy, Development Specialist
Gabriella Klinakis, Head Clerk

Others Present: Denis Luzuriaga and Marco Luzuriaga, Owners of The Cubit.

1. **Call to order:** Chairperson Thomas Creed called the meeting to order at 5:01 p.m. and stated that the meeting was being held virtually per the Governor’s March 12, 2020 executive order and being recorded via a zoom video conference. A roll call followed:

<u>Name</u>	<u>Present</u>
Daphne Board	X
Carl Eger	X
Thomas Creed	X
John Whelihan	X

2. **HRA Board Business:**

- a. **Meeting Minutes of February 17 and March 2, 2021:** A motion was made by Carl Eger and Seconded by John Whelihan to approve the February 17, 2021 meeting minutes. All members present approved.

A Motion was made by John Whelihan and seconded by Daphne Board to approve the March 2, 2021 Meeting minutes. All members present approved.

3. **Canal Row:** Tom Creed asked if the board would approve of moving up the Canal Row discussion with Marco and Denis Luzuriaga. All members approved.

Marco Luzuriaga sent a brief summary to John Dyjach outlining events that have happened within the last 6-9 months. He shares they have been in a stand still because of COVID-19. Around April 2020 Easthampton Savings bank was not approving customers for any residential loans because of the uncertainty with the pandemic and uncertainty in the residential market, although they were pre-approved before the pandemic. They have reached out to other banks, some lending, and others not at this moment. Marco and Denis continue to work on plans, but they have become expensive with construction costs. They had a verbal agreement with Girls Inc. that they would be the anchor tenant, but Girls Inc. found another office building. Marco said that they have simplified the design for the various parcels on Main Street and Race Street and they are looking to use a steel pre-engineered structure, instead of a custom build, they would have a company come in and build the foundation and the structure based on specific blue prints, they are hoping this will have the project cost come down to \$12 Million (with state and local tax credits as part of the financing package). The building will have 3 residential floors and the ground floor will have a restaurant and maybe an additional coworking space. The Cubit continues to grow, they received a grant from MassDevelopment and added 4 more officed which they rented out immediately. Denis Luzuriaga gave an update on the Armory Building sharing a drawing of the Armory Building and the Cubit Building. The new buildings shape is two rectangles offset from each other, before there was a curve design, and this affected the cost of the project. The intention is to make the building fit in as much as possible to respect the historical/industrial nature of the area. Tom Creed asked if the design change effected the square

footage or economics of the project. Denis replied there has been no change and they are trying to maintain the same square footage of about 60,000 sq ft., it is still possible that they may need to make the square footage of the apartments smaller as well as the footprint smaller. The next steps include finding a General Contractor, receive financing, and finalize a concept. The first floor will be a restaurant and the parcel where the train tracks were will be an outdoor seating area, this would act as a connector to the Armory building and Canal Row. The second coworking space was originally designed to be on the second floor of the Armor building but It made more sense to put it on the ground floor of Canal Row. They have already started demo and are prepared to replace windows at this point, they are hoping within the upcoming weeks to pick up where they left off pre-pandemic. They did not have any images to share with the Board at this time but offered to join an upcoming meeting with updates. John Whelihan asked how the property owners will keep projected rent in line with the increasing construction costs. Marco replied that there are several variables and it is hard to tell right now, they are only able to raise rent to a certain amount; for example, they are charging 25% more for rent at The Cubit than originally projected on their financial analysis. Carl asked if Denis and Marco had ever thought of making some units condo living? Marco said that it was not feasible right now; the cost for one would be in the high \$300,000 range and the apartments are not that big, a potential buyer could buy a nice home in Holyoke for that much. Tom Creed expressed his gratitude to Denis and Marco on behalf of the HRA, to committing to the City and these projects in these unrepresented times.

4. **South Holyoke Homes:** John Dyjach gave an update; they have the agreement to review and there were some bids the Holyoke Housing Authority received. Tom Creed clarified that the Property Disposition Agreement that the Board received would transfer ownership of the Phase 1 parcel from the HRA to the HHA. John Dyjach agreed and said that the City Solicitor is reviewing and finalizing the document. He said that the Redevelopment Authority has the right to take back the property from the Housing Authority if the project didn't go forward within 2 years. John Whelihan asked about the payments and at what point will the tax rate be determined on this property. John Dyjach replied that he will check with the Assessor and he assumes it will be closer to when they get their Certificate of Occupancy, he will follow up with a definite answer. A motion was made by Carl Eger and Seconded by John Whelihan to authorize Chair Tom Creed to execute the agreement on behalf of the board.

<u>Name</u>	<u>Present</u>
Daphne Board	X
Carl Eger	X
Thomas Creed	X
John Whelihan	X

5. **Urban Renewal Plan Amendment:** John Dyjach provided an update on the Urban Renewal Plan; they have been going through the DHCD for the approval process and it was approved 2 weeks ago; the final step will include a MEPA review. After getting approved the Board can move forward with negotiations on properties and projects.

6. Project / Property Updates:

- a. **216 Appleton Street:** Aaron said that the Board is still in negotiations with WinnDevelopment. Winn has provided counteroffers and they have been on site to do some site testing; they are looking to meet with the Planning Department to have a pre-permitting meeting on Wednesday, March 24.
7. **Community Garden:** Aaron Vega shared that the Request for Proposal was sent out to host the Community Garden and OPED has received 7 responses thus far.

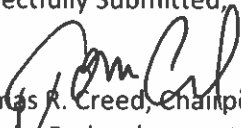
8. **Other Business:** Aaron Vega said there are 2 entities that have inquired about the Armory Building, one party is interested in developing a youth center on the lot and the other party wants to open a work force training center, loosely tied to the cannabis industry.

Thomas Creed said that there are interests in the Liquor License program still. Avalon Café is working on getting their paperwork at the state level and El Paraiso Colombiano applied with the HRA and the License Board.

9. **Adjournment:** With no other business, a motion was made at 5:48 p.m. by Carl Eger and seconded by Daphne Board to adjourn the meeting. Chairperson Creed then said that in accordance with M.G.L. Chapter 30 Section 21(a) of the Open Meeting Law, the Holyoke Redevelopment Authority will enter Executive Session at this time to consider the purchase, exchange, lease or value of real estate, if the chair declares that an open meeting may have a detrimental effect on the negotiating position of the public body. A roll call followed:

<u>Name</u>	<u>Yes</u>
Daphne Board	X
Thomas Creed	X
Carl Eger	X
John Whelihan	X

Respectfully Submitted,


Thomas R. Creed, Chairperson
Holyoke Redevelopment Authority

Documents presented at meeting:
Meeting minutes of March 17, 2021

