

**MINUTES OF A REGULAR MEETING
PROVIDENCE REDEVELOPMENT AGENCY
Thursday, June 13, 2013
444 Westminster Street, Providence, RI02903**

The Providence Redevelopment Agency (PRA) met in regular session at the Office of the Agency at 444 Westminster Street, Providence, Rhode Island on Thursday, June 13, 2013 at 4:08p.m.

The meeting was called to order. Roll call was conducted. Present: Vice Chair Cliff Wood, Yahaira Placencia, Jesse Kenner, Councilman Nicholas Narducci and Councilman Bryan Principe

Absent at time of roll call: Chairman James DeRentis and Julius Kolawole

Others in attendance: Donald Gralnek, Executive Director; Darcy Charleson, Recording Secretary; Sergio Spaziano, Legal Liaison- City of Providence Law Department; Sean Creegan, City of Providence Law Department

APPROVAL OF MINUTES:

Yahaira Placencia made a motion to approve the May 9, 2013 minutes which was seconded by Councilman Narducci. The motion passed unanimously and the minutes were approved as submitted.

BILLS AND COMMUNICATIONS:

Don Gralnek presented the following invoices.

Item 4: MLBCPA, LLP – accounting services \$6,720.00 to complete contract

Item 5: Citizen's Bank – SWAP payments- to be paid from the Umicore Bond account

Item 6: Cavanaugh Landscaping - \$6,500.00 monthly maintenance fee. The monthly fees will be reduced as properties are sold.

Item 7: GNL Insurance \$1,800.00 renewal fee to cover liability for vacant lots.

Item 8: Darrow Everett – Mr. Gralnek asked the Board to approve payment of \$18,000.00, which is less than the invoiced fee. Mr. Gralnek explained that, in the event of the ProvPort deal closing, ProvPort will pay the attorney fees for the transaction.

Item 9: Law Offices of John Boehnert -2 invoices totaling \$4,325.00 for general legal services and fees associated with existing/ongoing PRA matters.

Item 10: Ward 10 Neighborhood Improvement Fund - \$2,000.00 for neighborhood purposes funded by ProvPort

Item 11: GZA Geo Environmental, Inc. – related to the Gorham site. Error in reporting – actual payment request \$1,500.00.

Item 12: Shechtman, Halprin & Savage, LLP – related to Gorham site/performance bond \$150.00

Yahaira Placencia inquired about the accounting for the Ward 10 Neighborhood Improvement Fund. Mr. Gralnek advised that he would be looking into the balances and will be reporting back.

Yahaira Placencia made a motion to pay the bills as presented and discussed, Councilman Principe seconded. The motion passed unanimously.

NEW BUSINESS

Item 22: Real Estate Sales – Mr. Gralnek provided a status update of the sales contracts for properties brokered by Peter Scotti of Scotti and Associates. Mr. Gralnek advised that the properties will be submitted to the City Council for authorization to sell and to abate back taxes on the properties. Assuming the transactions are approved, submission to the Council will be next week. The larger properties [758 Cranston Street and 327 Elmwood Avenue] require a detailed process including financials and a proposal by the potential buyer outlining improvements to be made to the property. The board would then approve the transaction [subject to Mr. Gralnek's satisfaction of the criteria listed]. The Board will have final approval. The property at 804-814 Broad Street has been taken off the list.

Mr. Gralnek then discussed the usage request for 758 Cranston Street by the potential buyer. The said buyer would utilize the lot for parking for 3 adjacent lots owned by the potential buyer. Councilman Principe expressed concern and hope for less parking and more mixed use development. Mr. Gralnek spoke of future plans of a new building in the back of the paved lot. The purchaser would need a special use permit.

The Director then described 804 Broad Street - a full city block of frontage, including one house. CommunityWorks has expressed interest in purchasing the house and moving it at their expense. A cash offer was received for 804 Broad Street in the amount of \$120,000.00 PRA requested information of the potential buyer, which was never received. After conferring with Councilman Aponte and Peter Scotti, the decision was made to not accept the offer.

Yahaira Placencia made a motion to approve the sales agreements in the amounts listed. Jesse Kenner seconded the motion. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Item 13: Mr. Gralnek reviewed the properties and current sales efforts. [under New Business]

Item 14: Documents signed by Executive Director - Mr. Gralnek described the types of documents that have been signed to include subordinations, releases and discharges. The City Solicitor's office assists and approves the more involved items, but most are discharges of loans paid off in excess of 10 years ago or loans that have been written off.

Item 15: Changes in the Down Payment Program [Housing Trust Fund] were reviewed. The suggested changes include repayment on the sale of the property or within 10 years of purchase, which would start to amortize at 6 years. Another proposed change would be to require a means test to show 3 months principal and interest in the bank prior to purchase. Once approved, changes are to be in effect July 1. Changes to the forms and website information will be complete by that time.

Item 16: Financial Report by MLBCPA is not complete due in part to previous record keeping. When the review is done to satisfaction a report will be provided to the board.

Item 17: not discussed

Item 18: Smith Loft modification agreement – Attorney Sean Creegan explained the loan modification program and explained that in order to forgive a loan, [the city] accepts other improvements in lieu of the loan. Mr. Creegan addressed the Smith Loft agreement and reviewed the history of the loan. The outstanding loan is in the amount of \$100,000.00. Originally, the borrower expressed interest in purchasing the Arnold building. If the acquisition does not go through, the borrower has proposed two projects that would be beneficial to the city, which would need to be approved by the board. Projects include the relocation of the dumpster on the corner of Weybossett and Fulton Streets and to repave the portion of Fulton Street behind the Biltmore Hotel. The other project includes sidewalk improvements on Union Street. Mr. Creegan is proposing to amend the previous resolution regarding the Smith Street Modification to reflect the changes presented.

New item: Mr. Gralnek mentioned that in the last session the streetcar application contract was authorized. The work has been completed. The Board was asked to vote to add this topic to the next meeting agenda for information purposes. Yahaira Placencia made a motion to add the topic to the next meeting agenda. Councilman Principe seconded. The motion passed unanimously.

NEW BUSINESS:

Item 21: ProvPort letter of intent – Mr. Gralnek reported that the transaction is moving forward as previously described. Technical issues on the existing bonds are being reviewed and will be worked into the lease. ProvPort will be hosting an open house at the end of June to show the site and the new cranes.

Item 22: Discussed earlier

Item 23: Amendment to existing resolution authorizing PRA to accept title transfer or tax title transfer for 68 Joslin and 113 Bowdoin – at the last meeting the resolution was presented. Since that time, a nuance regarding constructive abandonment has been discovered. A brief discussion ensued. A motion was made by Yahaira Placencia to approve the amendment to the resolution. Councilman Narducci seconded. The motion carried unanimously. Resolution 2013-13 was adopted.

Item 24: Resolution authorizing PRA to accept title transfer or tax title transfer for 432 Prairie Avenue and 65 Harriet Street. The history of the properties was reviewed and the request was made to allow the PRA to tax title or actual title, after which the land may be transferred to South Side Community Land Trust or leased to another party. The property, which is beyond rehab, may be used to make a walking path between the library and the school. The process for taking the property was reviewed and discussion ensued. Councilman Narducci made a motion to approve the resolution as presented. Yahaira Placencia seconded. The motion carried unanimously. Resolution 2013-14 was adopted.

Item 25: Loutitt environmental remediation work - \$25,000.00

Mr. Gralnek reviewed the remediation needs and plans for the site. Testing needs to be completed to determine the level of contamination and, if minimally contaminated, a “cap in place” can be installed and the site would be ready for sale. There will be no movement until the testing is complete and the agency knows the extent of contamination. The equipment needed for testing is not available through the Department of Public Works. Rental of the equipment, digging and testing is \$25,000.00. Approval is needed to move forward with a contract. Councilman Narducci made a motion to add this request to the agenda and notice for the June 27, 2013 meeting. Yahaira Placencia seconded. The motion passed with no objection.

Councilman Narducci made a motion to adjourn into executive session. Jesse Kenner seconded. The motion carried.

EXECUTIVE SESSION 42-46-5(A) The Chairman asked for a Roll Call vote to enter into Executive session

Councilman Principe made a motion to seal the minutes of the Executive Session which was seconded by Councilman Narducci. The motion passed unanimously.

Item 18: Smith Loft Modification Agreement – after further discussion and details regarding the proposed projects and loan history, Bryan Principe made a motion to approve the proposed projects as presented. The motion was seconded by Jesse Kenner. The motion passed unanimously.

Councilman Narducci made a motion to adjourn, seconded by Jesse Kenner. The meeting ended at 5:19p.m.

