

**City of Salem Massachusetts
Executive Session Meeting Minutes**

Board or Committee: Redevelopment Authority, Regular Meeting
Date and Time: Monday, October 9, 2019 at 6:00 PM
Meeting Location: 98 Washington Street, First Floor Conference Room
SRA Members Present: Chair Grace Napolitano, Gary Barrett, David Guarino, Dean Rubin, Russ Vickers
SRA Members Absent: None
Others Present: Tom Daniel – Director of Planning and Community Development
Kathryn Newhall-Smith – Senior Planner
Matthew Zahler – Real Estate Development Consultant from MPZ Development, LLC (on phone)
Recorder: Colleen Brewster

Chair Napolitano calls the meeting to order. Roll call was taken.

Executive Session

1. To review the submittals to the Request for Qualifications for the redevelopment of real property located at 32-34 Federal Street and 252 Bridge Street, Salem, MA because an open meeting may have a detrimental effect on the negotiating position of the public body.

Guarino: Motion to request an Executive Session.
Barrett, Guarino, Chair Napolitano, Rubin, Vickers. Passes: 5-0.

The SRA entered into executive session at 7:15PM.

Mr. Daniel stated that he and Ms. Newhall-Smith had 90-minute meetings met with all four development teams. Each team was asked about the inclusion of the Registry of Deeds. They were all neutral on the idea but would figure out how to make it work. Despite it not being highly advantageous to their concepts they appreciated the offer of meeting with Register O'Brien. Mr. Guarino asked if the senior team members were present for this meeting or if the B Team attended. Mr. Daniel replied senior team members. Ms. Newhall-Smith added that Mr. Carpi from Nine Zero was also in attendance. Mr. Daniel added that any fees received for the courthouses will go to the State to refund the State's expenses to date. They will ask for two prices to settle up with the state. Mr. Guarino asked if the state has any say in the amounts charged for the lots. Mr. Daniel replied no. Ms. Newhall-Smith noted that the State will still review the RFP prior to its issuance.

North River Partnership for Community Reinvestment, LLC

They had many questions regarding Ch. 91 and wanted the City to get that portion of the project "squared away" prior to the issuance of the RFP. They were looking for feedback on the design of the new construction at the crescent lot; however, they emphasized that the feasibility of the project and functionality of the intersection are most important at this time. They asked to submit more than one concept for tenant mixtures or new construction deals, to which Mr. Daniel replied no, they must

submit the best tenant mix, but the SRA understands that the design may change over time. They were concerned with whether they were proposing too much or not enough activity at the courthouses, to which Mr. Daniel mentioned the SRA values he previously shared with the teams. Mr. Daniel told them they want this end of the downtown to be active, to allow public access to the Superior Court Building, at minimum the law library, as well as financially sound, sustainable over time, and for all the buildings to work together. They indicated that the Registry of Deeds wasn't part of their concept, they were neutral on the idea of including the Registry but would figure out how to make it work.

Winn Development

Mr. Daniel stated that Winn and Mr. Carpi asked about timing and whether the crescent lot could be done first, to which Mr. Daniel replied no, the historic buildings need to be done first or in parallel. Mr. Daniel asked about the relationship between the Winn and Nine Zero teams and how the historic tax credits fit into their pipeline, which was Mr. Zahler's question. Mr. Curtis said they have a lot in their pipeline; however, Nine-Zero doesn't have any projects in the pipeline. Their partnership will evolve, and Nine Zero will focus on the court buildings but Winn will be involved, they are committed and eager to get them completed. Mr. Rubin asked if there would be any increased risk or liability to the City since Winn was attractive to the SRA due to their financial stability. Mr. Daniel replied that he told them they will need to explain the relationship between the two teams and how that will work, which they understood. They also asked about a minimum purchase price or guidance for it. The two most recent SRA projects, District Court and Salem Jail, there were no minimum prices required, and he's anticipating that this will be consistent with the Salem Jail. Winn also asked about HDIP.

JRH

Mr. Rockett shared that he has a backup plan in case Salem State doesn't pan out, although he's very optimistic. They mentioned not letting the crescent lot proceed first, so they were happy to hear that the SRA agreed. Mr. Rockett also said the Registry of Deed wasn't a priority tenant and won't contribute to the energy of the building, but if required they will make it work.

Barnat

Ms. Barnat asked helpful questions, wanted guidance on parking requirements, asked about the permitting path and how to expedite it. He explained that the parking is what the zoning requires; however, the permitting path that makes the most sense is a Planned Unit Development (PUD), similar to the District Court project. The PUD goes before the Planning Board and gives them an opportunity to look at dimensions and a mixture of uses which can require less parking. The SRA isn't being directive on the uses but she also isn't tied to a tenant but wants the tenants to be complimentary. Ms. Newhall-Smith noted that Barnat's proposal was thematic. The Registry would be the anchor tenant and they would attract tenants with corollary uses, for Attorney's or Real Estate offices that would utilize the Registry of Deeds. Ms. Barnat also asked for history of the Registry of Deeds. Ms. Barnat mentioned wanting to maximize the crescent lot development which would help underwrite the development of the courthouses. She also asked about how much public subsidy would be needed. Mr. Daniel spoke of the permitting guidelines, timeline for getting a new design through the Planning Board as well as the required level of design for new construction, perspective images in context. Ms. Barnat mentioned adding a door at the rear of the County Commissioner's

building, which will need to be discussed with the preservation consultant. She also asked for the City's thoughts on hotel uses, to which he responded that they are very supportive of them and the tax revenue they provide, adds to the vitality and supports the local economy.

General Discussion:

Mr. Daniel stated that the existing crescent lot has 94 parking spaces and that same number won't be required in the new development, but they will be tied to the new design. The MBTA garage is rarely full, it's at 82% during the day. Mr. Guarino noted that people park along Bridge Street because it's free. Mr. Daniel added that the appropriate amount of parking as it relates to the building with some extra is expected. Mr. Rubin stated that there is no parking at courthouses. Mr. Daniel replied that there is no parking requirement for hotels only residential.

Mr. Daniel stated that connecting the two sides of the street was a big issue with all the teams. They questioned how to address those infrastructure issues, as well as the timeline and collaboration needed to complete them. Each team expressed their concern with improving the intersection and not just the two lots. A requirement of the RFP will be prior to reuse, the courthouses will need to be documented, which a requirement of Historic Tax Credits, and also important to have on record, even if the team doesn't pursue historic tax credits. They will discuss the interior spaces with the preservation consultant and what the historic preservation restrictions will look like. That means, any modifications must conform to Sec. of the Interior Standards; however, after five years anything can be done to the interior. In the law library, at year six, it could be broken up into different spaces, which is what the SRA doesn't want. They want to provide some flexibility for how to address future interior reconfigurations. Their preservation consultant will help them sort through it.

Mr. Daniel noted that they discussed how long each team would want the RFP to be available and 3 months seemed to be a good length of time, particularly with their need for an LOI for their prospective tenants. The RFP will be posted in mid-November and two four-hour site visits will be offered to each team. The SRA will still need to vet the evaluation criteria as well as other specifics and a draft will be circulated in advance. Time can also be extended if necessary.

Mr. Guarino requested another walk-through of the building prior to the issuance of the RFP as a refresher for the Board.

Mr. Daniel stated that they reviewed getting through the timelines, details of the financing and permitting, aligning the financial benefit and self-sufficiency, compatibility with revitalization use goals, evaluation of the courthouses and new construction, financial capability and feasibility.

Guarino: Motion to adjourn the Executive Session.
Barrett, Guarino, Chair Napolitano, Rubin, Vickers. Passes: 5-0.

The SRA adjourned the Executive Session at 7:45PM.

Chair states that the Open Session will not reconvene at the conclusion of the Executive Session.

Adjournment

Guarino: Motion to adjourn the meeting.
Seconded by: Rubin. Passes 5-0.

Meeting is adjourned at 7:45PM.

Know your rights under the Open Meeting Law M.G.L. c. 30A §18-25 and City
Ordinance Sections 2-028 through 2-2033.