

**City of Salem Massachusetts
Public Meeting Minutes**

Board or Committee:	Redevelopment Authority, Regular Meeting
Date and Time:	Wednesday, July 13, 2016 at 6:00 pm
Meeting Location:	120 Washington Street, Third Floor Conference Room
Members Present:	Chairperson Grace Harrington, Vice-Chairperson Matthew Smith, Robert Curran, Russell Vickers
Members Absent:	Conrad Baldini
Others Present:	Andrew Shapiro, Economic Development Planner
Recorder:	Colleen Anderson

Chairperson Grace Harrington calls the meeting to order. Roll call was taken.

Urban Renewal Area Projects Under Review

1. **City Property in Front of Old Salem Jail (50 St. Peter Street):** Discussion and vote on installation of proposed City-owned surface parking lot.

David Knowlton, City Engineer for the City of Salem, was present to discuss the proposed City owned parking lot.

Knowlton stated that the City is looking to add a parking lot in front of the Old Salem Jail. Access to the lot will be from the access road off of Bridge Street. 17 spots are planned; 8 on one side, 9 on the other, and 1 of them will be a handicapped van space. The existing access road will be resurfaced and utilized. The raised crosswalks will be installed at both ends of the parking lot and ADA compliant ramps will be installed along Bridge Street and to connect to an existing sidewalk on the property that leads to the building.

Knowlton stated that the project has been before the DBR twice, as well as the Conservation Commission, and the Planning Board once each. The suggestions of all of the Boards/Commissions have been integrated into the design, such as;

1. A meandering stone dust path off of Bridge Street and across the greenspace on the property
2. 2 Benches along the sidewalks
3. 6 hoop bike racks to house up to 12 bikes
4. 8 trees are being removed and 9 new trees will be planted
5. Landscaping at the edge of the parking area, following the suggestion of the DRB to scatter the plantings to make the area appear more park-like
6. A location for public art towards the corner at Bridge Street has been identified
7. Retaining some existing landscaped areas

Knowlton noted that no work will occur within 5 feet of the existing cemetery retaining wall. The new grading will slope up to meet the existing higher parking area.

Shapiro added that the DRB recommended approval of the revised project and that the Conservation Commission and Planning Board approved the project. The SRA approved at

its March 9th meeting, utilizing \$80,000 in SRA funds to support the construction of this parking lot.

Knowlton noted that a bid opening for this project will be the next day, July 14th, so they will have a better idea of the possible cost, although the engineers estimate was approximately \$90,000.

Chairperson Harrington opens public comment.

Councillor Tom Furey, Salem Councilor-At-Large. Noted the various successfully completed SRA projects. The parking lot is critical to the success of any business in that jail space and it should have been added at the beginning of the Old Salem Jail project despite the neighbors voting against it. The neighborhood can use it for snow emergencies. The accessible walkways and bike racks will make the restaurant more accessible and successful.

Chairperson Harrington closes public comment.

Vickers: Motion to approve as recommended by the DRB.
Seconded by: Curran. Passes 4-0.

2. Downtown Locations: Discussion and vote on proposed installation of new trash and recycling receptacles.

David Knowlton, City Engineer for the City of Salem, was present to discuss the proposed City-owned parking lot.

Knowlton stated that City proposes to change the type of trash and recycling receptacles around the downtown area. The existing Bigbelly trash receptacles are costly to procure and repair, and difficult to keep clean. The inability to keep the handles clean make people not want to grab the handle and open the receptacles to throw their trash out. 30 new units are proposed; 13 in pairs and 4 single trash receptacles. The existing receptacles will be placed in parks and in other areas of the city and will be brought back to the downtown area during Haunted Happenings. New heavy duty plastic receptacles will be easier to keep clean, maintain, and access during trash removal. The City would like to have more than 30, however; this is what can be achieved with the present budget.

Shapiro stated that he provided the Board with a letter from Councillor Heather Famico, Ward 2 Councillor, who represents the downtown area, expressing her opinion about other areas in need of trash and recycling receptacles. Funding is why additional receptacles aren't being provided, and the City Engineering Department will look into the proposed locations as funds become available.

Vickers asked if the Bigbelly receptacles were powered by solar panels. Knowlton replied yes. There is a computer chip inside the receptacles that monitors their waste level, and software must be purchased to monitor those levels, which adds to their maintenance costs.

Chairperson Harrington opens public comment.

No public comment.

Chairperson Harrington closes public comment.

Smith: Motion to approve as recommended by the DRB and the additional locations suggested by Councilor Famico, subject to funding.

Seconded by: Vickers. Passes 4-0.

3. 90 Lafayette Street (Adea's Mediterranean Kitchen, LLC): Discussion and vote on proposed installation of exterior air vent.

Shapiro stated that this is both a seated and take-out restaurant will be located in the Old Salem Theater Company building. To be in compliance with health permitting a venting system is required and the only appropriate location is at the front of the building. The 16"x16" vent will be placed in a recessed area and not facing the street. The DRB has recommended approval of the vent.

Vickers asked if the vent was for an HVAC or kitchen exhaust. Shapiro replied kitchen, this location had no existing kitchen.

Chairperson Harrington opens public comment.

No public comment.

Chairperson Harrington closes public comment.

Vickers: Motion to approve as recommended by the DRB.

Seconded by: Smith. Passes 4-0.

4. 7 Crombie Street (Blue Stone Alley Condominiums): Discussion and vote on proposed installation of rooftop vents.

Shapiro stated this proposal is from a condominium association. They are proposing the installation of two copper vents onto their roof. No dimensions were given in their application, however; a photographic example was submitted, and he noted that similar units were added to the roof of the Peabody Essex Museum. The vent closest to Crombie Street may be visible, however; they will both be five to six feet away from the edge of the roof ridge. The DRB felt that the vents would have little to no visual impact and have recommended approval of the vents.

Vickers asked if there were any existing vents. Shapiro replied no.

Chairperson Harrington opens public comment.

No public comment.

Chairperson Harrington closes public comment.

Smith: Motion to approve as recommended by the DRB.

Seconded by: Vickers. Passes 4-0.

5. 311 Derby Street (Salem Flatbread, LLC): Discussion and vote on proposed signage, outdoor café (seating area), and exterior improvements.

Shapiro stated that this will be a new restaurant occupying a building on Derby Street that housed a Goodyear tire shop, adjacent to Speedway gas station. The building renovations will include; exterior upgrades, lighting, and exterior seating area. Three signs are proposed; the Flatbread Co. sign above the entrance, a take-out sign above a new take-out window, and reusing the tall freestanding pole sign that will be refaced with the restaurant's logo. Both the take-out and company name signs will be halo-lit – the letters will be opaque and light will be seen behind it. This lighting method is recommended within the City's commercial design guidelines. The existing tall freestanding sign is a pre-existing non-conforming sign, because of its size and height, but the applicant is allowed to and will reface it. The sign will be refaced and internally illuminated with a new black background where only the letters are lit. The signs meet both the sign ordinance and the commercial design guidelines, so the DRB has recommended approval.

Shapiro noted that on the building elevations new entry doors are being installed, wood barn siding around the doors, a new operable storefront window system – garage style doors for al fresco style dining, corrugated metal siding base below the garage bays, a take-out window, and the building's brick will remain. Copper finish lighting sconces will be placed on either side of the entry doors. Outdoor seating and a fire pit with lounge chairs, seating, and tables will be in front of the garage door bays. The DRB had some initial questions but had no alteration requests and ultimately recommended approval of the entire package.

Shapiro noted that new owners are going through the Chapter 91 process with the State Department of Environmental Protection to provide public accommodations and continue the shared use path along the water. Vickers noted that there was a previous discussion regarding the harbor plan about possible restrictions and rights of way to this section of the South River that should be investigated. Shapiro replied that the footprint of the building will not change and that the new shared use path should link up with the adjoining path.

Smith inquired as to whether seating will be placed behind the building and along the water. Shapiro replied that bar seating will overlook the water.

Chairperson Harrington opens public comment.

Shirley Walker, of Derby Lofts. 1) The harbor fence is non-conforming and a wood fence was installed to conceal the rear garage doors of Goodyear. Is the property owner responsible for putting up a conforming fence? Shapiro replied yes, but he could also ask the tenant to install it. Shapiro reiterated that the only work done behind the building will be extending the harbor walk. 2) What will be the proposed wattage of the high pole sign? The existing sign would shine light into the Derby Lots windows. Shapiro replied that he would request that information from the applicant. 3) The outdoor seating and open garage style doors will greatly increase the noise factor, especially at night. She noted that Tom St. Pierre instructed her that noise complaints can be made with the Licensing Board; is that correct? 4) What will their operating hours be? Shapiro replied that their hours will be set by the Licensing Board. The Licensing board will review the plans for outdoor seating to make sure it is appropriate.

Councillor Tom Furey, Salem Councilor-At-Large. Is in favor of this project and believes this will make a good addition to the commercial area and hopes the noise factor will be a minimal.

Mayor Driscoll. Is excited about the new business, which will help activate the other end of the harbor walk along the South River. It will make a nice addition to the streetscape on Derby Street and al fresco dining is encouraged. The noise will need to be monitored.

Chairperson Harrington closes public comment.

Shapiro noted that the DRB approved the entire package as presented; signage, furniture, lighting, and building façade improvements.

Smith: Motion to approve as recommended by the DRB.
Seconded by: Curran. Passes 4-0.

New / Old Business

6. 65 Washington Street (former Salem District Court Property):

- a. Discussion and vote on fourth amendment to Letter of Intent (LOI) between SRA and Diamond Sinacori, LLC in order to extend due diligence period to November 15, 2016.
- b. Discussion and vote on authorization of SRA Vice-Chair to execute amended LOI

Shapiro acknowledged the presence of Mayor Driscoll.

Shapiro noted that;

- 1) The Letter of Intent amendment has been extended until August 15, 2016.
- 2) The developer, Diamond Sinacori, LLC, is continuing with their Due Diligence.
- 3) There have been on-going conversations regarding the coordination with DCAMM on the procurement of a license to get on site and complete the remainder of the Due Diligence.
- 4) The last Letter of Intent amendment extended the Due Diligence period to August 15, 2016 which also extended the period in which the LDA must be signed.
 - a. The extension should be extended even further because
 1. The Due Diligence will require more time.
 2. There is approximately \$850,000 in remediation that has yet to be completed by one of the parties involved, and ways to reduce the overall cost needs to be determined. The funding gap can be close by either;
 - (i) Reducing or eliminating the sale price
 - (ii) Use of the Revolving Loan Fund through the US EPA that is shared with City of Peabody, to provide a low interest loan
 - (iii) Mass Development has financing programs as well as a Brownfield Funds that can be used for soil contamination only

- (iv) HDIP – The housing development incentive program is a new program that is overseen by DHCD, and allows the City to designate areas to incent market rate housing. If the District Court property is within an approved HD Zone, this will enable the City to grant a local level tax increment financing agreement with Diamond Sinacori. This would also enable the developer to access state level tax credits worth up to \$2M. More than one parcel needs to be identified in the HD Zone for this to happen; either a neighboring building or other parcels the City believes could have development opportunities in the near future. Mayor Driscoll, Lynn Duncan, Diamond Sinacori, and Andrew Shapiro, had an earlier discussion on this matter and are still trying to determine how to work with the developer and move forward with that process. The proposal for that needs to be developed, the HD application to the state, HD Zone which requires a public process with City Council, and the DHCD would need to oversee and review it. A proposal from Mark Racicot, Director of Land Use of MAPC, has been submitted to the City to complete the application for the HD Zone process by the fall of 2016. A second option is to work with the Diamond Sinacori and their tax incentive consultant and Diamond Sinacori would bear that cost.

Mayor Driscoll noted her excitement for this project. The \$850,000 remediation cost will be reviewed by the City's licensed site professional. The developer still wants to move forward with this project and this hurdle needs to be overcome. The existing funds are all loan programs but low interest rate loans aren't enough to reduce the remediation cost. The HDIP program has not been attempted in Salem and it could help with the remediation costs given that it encourages market rate housing. The possible HDIP program parcels for future development opportunities are marketable. Additional funds to help with those development projects on any of the three possible sites that are currently not generating any tax revenue, will be a plus. With tax increment financing, the City will get a portion of the property taxes, and the tax revenue growth will increase slowly over time for the City's participation, and in exchange the state will also give an investment tax credit to the developer to encourage this type of development. Salem is familiar with the TIF process but Salem has never gone through the HDIP process before. Whether or not a consultant is necessary with a project of this size needs to be determined. The Council doesn't meet again until September so the City has between now and September to better understand the program requirements, to determine all of the options, and what steps should be taken.

Shapiro stated that Tom Daniel, the new Planning Director, should review and play a role in this process.

Chair Harrington asked if the HDIP restricts what can be developed on the other sites deemed an HD Zone. Shapiro replied no, providing an incentive for market rate housing doesn't require the current or future developer to also develop market rate housing. It just means they will have an incentive to do so and they will be able to access local and state level incentives. Mayor Driscoll noted that this was established to create market rate housing for gateway cities because affordable housing was their only option. This will create a revenue stream that will be included in the pro forma to also help the developers. Smith stated that Beverly has completed one. Shapiro stated that he will contact them and

hopefully by the next SRA meeting the Board can decide how they would like to move the project forward and Tom Daniel can also provide his input.

Chairperson Harrington opens public comment.

Councilor Tom Furey, Salem Councilor-At-Large. The long range picture is good a good one. The SRA is instrumental in the future of Salem and thanked them for their continued work.

Chairperson Harrington closes public comment.

Shapiro proposed that the Letter of Intent be amended to extend the date to November 15, 2016, in order to complete the Due Diligence period. Working through the HDIP process should be considered part of the Due Diligence – investigating the site to determine the cost associated with remediation but also how to overcome the issue of the cost. Both City Solicitor Beth Renard and the legal counsel for Diamond Sinacori reviewed and approved the proposed amendment.

Shapiro noted that due to Chair Harrington's having worked with Senator Joan Lovely and Representative John Keenan on legislation to enable this process to move forward with respect to the District Court, the State's Ethics Commission has commented that it would be inappropriate for Chair Harrington to execute any documents in regards to this project on behalf of the SRA. Vice-Chair Smith will need to execute all documents regarding this project moving forward.

Vickers: Motion to approve the LOI as drafted.
Seconded by: Smith. Passes 4-0.

Vickers: Motion to authorize the Vice-Chair to execute all documents with respect to this project on behalf of the SRA.
Seconded by: Curran. Passes 4-0.

Minutes

The minutes from the June 8, 2016 regular meeting were reviewed.

Vickers: Motion to approve,
Seconded by: Curran. Passes 4-0

Adjournment

Smith: Motion to adjourn the meeting.
Seconded by: Curran.

Meeting is adjourned at 6:55PM.