

**City of Salem Massachusetts
Public Meeting Minutes**

Board or Committee: Redevelopment Authority, Regular Meeting
Date and Time: Wednesday, October 11, 2017 at 6:00 pm
Meeting Location: 120 Washington Street, Third Floor Conference Room
SRA Members Present: Chairperson Grace Napolitano, David Guarino, Christine Madore, Dean Rubin, Russell Vickers
SRA Members Absent: None
Others Present: Tom Daniel – SRA Executive Director, Andrew Shapiro – Economic Development Planner
Recorder: Colleen Brewster

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

Executive Director's Report

Daniel stated that he had referred last meeting to a rezoning proposal that is before the City Council. The matter has been referred to committee; therefore the Council has decided not to amend the Urban Renewal Area to include certain properties along Derby Street at this time.

Urban Renewal Area Projects Under Review

- 1. 75 Washington Street (Mr. Crepe):** Discussion and vote on proposed installation of exhaust louvers

Shapiro stated that the applicant proposed signage for the storefront, which was recommended for approval by the DRB and later administratively approved by Executive Director Tom Daniel. The applicant is also seeking to install two louvers at the rear. A 36" wide louver would be installed above the tops of the two rear windows to help with circulation for kitchen equipment. The applicant has selected "Regal Brown" as the new louver color but will color match the new louvers to the weathered window trim color if necessary. The DRB has recommended approval.

Guarino asked about public comment or neighbors. Shapiro replied that no neighbors were present at the DRB to express opinions.

Chair Napolitano opens public comment.

No one in the assembly wished to speak.

Chair Napolitano closes public comment.

Rubin: Motion to approve proposed installation of exhaust louvers as recommended by the DRB. Seconded by: Guarino. Passes 5-0.

- 2. 9-11 Dodge Street, 217-219 Washington Street, and 231-251 Washington Street (Hampton Inn, Mixed-Use Development Project):** Discussion and vote on proposed revisions to final design; referral to the Design Review Board

Shapiro stated that the Planning Board (PB) issued a Planned Unit Development (PUD) Special Permit for this project. The SRA approved the final Schematic Design of the mixed-use portion of the project in 2016 and a schematic design for the earlier version of the hotel; the following presentation will be a revision of both. Daniel added that the project will need to return to the Planning Board for approval.

Attorney Thomas Alexander, of Alexander & Femino, was present to discuss the project.

Atty. Alexander stated that Dodge Street, LLC still owns the property. During the bid process it was revealed that the project could not be built due to cost, so the design was re-evaluated and redesigned. The buildings are now one story shorter with 30 fewer residential units and the 113 hotel room count has not changed. The office space has been eliminated but the retail use will remain. The building footprint is approximately the same and the number of parking spaces has slightly increased. The SRA is their first stop in the approval and permitting process.

Dustin DeNunzio of the DeNunzio Group, LLC is the Manager of Dodge Street, LLC. They are working with RCG but couldn't make the numbers work with an inefficient design. Structural changes were made and they have downsized some elements of the building program with a bigger focus on the hotel. The retail and residential spaces will remain; however, a final use for the flexible space on Washington Street (previously this had been designated as live/work space) hasn't been determined. They are confident in the current program.

Mark Woglom, Manager of OPECHEE Construction, was also present.

Woglom stated that the last concept had several complexities. The utilities were relocated from under the site, which was one major step toward simplifying the project. The program has been revised/simplified to include fewer balconies and roof line changes.

Plan Changes: There have been some footprint changes although the building has the same orientation and the streetscape remains the same. The restaurant is in the same location, as are the three retail spaces and the residential entrance. The hotel now has a new entrance on Dodge Street across from Starbucks, because they felt that the previous entrance was in what resembled an alleyway. 38 public parking spaces are still proposed for the parking structure and the remainder will be utilized by the hotel for first floor valet. The second level will be entirely valet parking and will provide access to the hotel stairwell and storage space only. The Third floor will be for residents only.

Rubin asked if the hotel will mandate the valet parking. Woglom replied yes.

Woglom stated that the area that was previously planned for live/work units will remain flexible and they will let the market dictate its potential uses. The Second level will be 18 feet above the first floor to create a high first floor ceiling. The upper three floors are both hotel and residences. A roof was added above the highest parking level so snow removal and a view down into it won't be an issue.

Woglom stated that the renderings show identical materials with a simplified installation and the connector revision renderings are in process. The entire structure now has one roofline and the buildings have a single utility connection. The former live/work area has the same streetscape, the rear parking entry on Dodge Street Court has added fenestration, and the public parking entrance on Washington Street will become a private parking entrance. All of the renderings are still in process so they do not have the same level of detail as the previous presentation. The previous top floor material is proposed at the new lower top floor and the project will be built all at once and not in phases.

Shapiro stated that the project is being reintroduced and this recent submission is being considered an amendment to the final design. The mixed-use portion had previously been approved. The SRA must refer the project back to the DRB for review and approval, but it will return to the SRA for final approval. Daniel added that the PB will review and consider the amendment, as well as its decreased impacts and demands.

Rubin stated that the changing of the residential aspect means that Salem is losing out on much needed new three bedroom rentable units that don't have lead paint, but that is a PB issue. Daniel replied that the design team should be aware of that and asked if they are wedded to the current mix of units. DeNunzio replied that they can revisit the possible uses for the flex space if 3 bedroom units are in demand.

Guarino asked for clarification on the parking changes. Woglom replied there will now be 1 parking space per hotel room, although some come in groups, and employees will also require parking. The parking count for the balance of the project is slightly less than 1 to 1 and the valet parking will help with the count. Hotel may dedicate some parking to units. Woglom added that the current parking space count is slightly higher than the previous version.

Chair Napolitano and Daniel asked how the public parking access will function if someone parks on the ground level and wants to visit a retail tenant. Woglom replied that the previous version had an access route and stair between the two buildings (because the buildings were to be built at two different times by two different developers), but pedestrians can exit at the bricked parking lot area next to the hotel entrance and walk around the building, although the retail spaces will have rear entrances for direct access from the parking. Rubin asked if pedestrians walking along the driveway will be a safety issue. Woglom replied that there is a dedicated walking path next to the driveway and that driveway will be an entrance only for vehicles.

Madore asked why there is an additional entrance on Dodge Street Court. Woglom replied that a better pedestrian experience can be provided along Dodge Street than on Dodge Street Court which still has a back alley feel. The entrance off of Dodge Court will remain and the entrance on Dodge Street will be a second access point. A better pedestrian entrance for the hotel can be examined, although a ramp will be needed to access the entrance level along Dodge Street due to grade requirements. Hampton Inn in Portland, ME has a similar design.

Chair Napolitano asked if the parking would be accessible 24/7 and if it will be monitored. Woglom replied yes and the agreement in place can be revisited. DeNunzio added that they will compare the proposed parking to other hotel sites. Woglom noted that the off-peak hours compared to hotel guest use are the opposite. During the day time hotel guests leave and the staff arrives, during the evening hours when the parking lots are full, there is minimal staff on site.

Daniel noted that business owners in the city are looking for smaller retail spaces and a sub-division of retail units should be examined. DeNunzio replied that they will also use tenant space demand/needs to determine what could be required but that space will be envisioned as the project progresses. They are open to all options and will go in the direction that is agreed to by all involved. Woglom added that the greater the flexibility the greater the chance that the spaces will get sold.

Rubin suggested that a revolving door be include at the Dodge Street hotel Lobby entrance to enhance the pedestrian experience at the entrance door along Dodge Street.

Madore asked if the parking would need to be changed depending upon the use of the flexible space. Woglom replied no.

Shapiro asked if the restaurant will be independent or Hampton Inn associated. DeNunzio replied independent but it could be retail that is also flexible. They will look for a potential tenant. Daniel asked if the hotel has a liquor license. Atty. Alexander replied that they took over the license from Dodge Street Bar and Grill.

Shapiro asked how the height of the roof had changed. Woglom replied that the structure is now steel frame which will reduce the floor to floor height and overall height and will allow higher ceilings.

Chair Napolitano opens public comment.

No one in the assembly wished to speak.

Chair Napolitano closes public comment.

Guarino: Motion to approve referral of the proposed design revisions to the Design Review Board. Seconded by: Vickers. Passes 5-0.

New / Old Business

3. FY18 Community Preservation Plan: Request to Comment/Input

Shapiro stated that the CPC wants feedback regarding their annual plan. He noted that at the last meeting, the SRA had discussed adding language that would reference the SRA, in addition to the City, in terms of properties assets on which projects could potentially take place. Madore asked if the SRA can recommend or apply for projects as a board. Daniel replied yes. Guarino asked if a list of SRA assets could be forwarded to the CPC. Daniel replied that that information was not needed but it would be shared upon request. Guarino asked if the SRA would be notified of any potential CPA monies going to projects on SRA property. Daniel replied yes. Madore asked if the CPC is a resource that the SRA could take advantage of. Daniel replied that the SRA owns some land, parking lots, and facades via easements. Shapiro noted that the facades are all on private property within the Urban Renewal area and that the SRA would need the owner's approval to act on a property. Daniel noted that the CPA plan references a number of policies, one of them being the downtown renewal plan, so revising the language would strengthen that connection. Shapiro noted that the SRA's input is due October 27th. Members noted feeling comfortable with the comments as currently drafted.

4. 65 Washington Street (Former Salem District Court Property): General project update.

Shapiro stated that they have met with the developers who will conduct some individual public outreach in the neighborhood to discuss their project and seek feedback from local property owners. Dates of a group public outreach haven't been determined, although the developers will be meeting with The Salem Partnership on October 20th and The Salem Chamber of Commerce later in the month. City Council approval of the tax increment exemption agreement is required. They are getting local support and plan to present at the November PB meeting. The date of the City Council meeting on the TIE agreement is unknown. Vickers noted that reaching out to explain how their project will benefit other business owners is a good way for them to explain how their project will benefit the City and to gain their support. Daniel noted that this project will be introduced to the PB on October 16th PB.

Jennifer Firth, Historic Salem Inc. She asked if the developer could tear down the court before the new structure is constructed. Shapiro replied no, it is not their building to tear down yet. Only DCAM can demolish it.

5. 32-50 Federal Street (Superior Court and County Commissions Building): General project update.

Daniel stated that the feasibility study will be completed within the next few weeks. A meeting was held with the state stakeholders in September. The meetings goal was to provide information. The City, Stantec, and DCAM have reviewed many iterations of the analysis. There does not appear to be a feasible development with the Registry of Deeds; however, it would be successful as a residential development. In order to use the Federal Historic tax credits, you need to have a qualified lease and this project does not meet the test because a government entity also cannot lease more than 50% of the property. The Secretary of the Commonwealth's office will look further into the tax credits. There is no issue with the State tax credits. If a state entity is involved in the project prevailing wages are required for any construction projects. This fact contributes to making the project infeasible because it increases the cost of the project. The state stakeholders will reconvene later in October and Stantec is re-running models. The requirements for using the Housing Development Incentive Program for market rate housing are being reviewed by Rachel Madden, the Under Secretary for The Commonwealth of Massachusetts Executive Office for Administration and Finance. If something were feasible with the Registry of Deeds at this location, their lease would be dramatically above market rate. What the Commonwealth will pay and what the Secretary of the Commonwealth is willing to consider another structure are both in question. All parties are interested in moving this project forward and the study will be presented in November.

6. ULI Strategic Advisory Panel (SAP): Update, discussion and vote on funding

Daniel stated that a workshop by the Urban Land Institute is scheduled for Nov 13th to discuss how to approach development projects and to provide a broader view that includes long term approaches and linking with other parcels. In 2009 ULI was free and now the workshop has a cost of \$2,500. It covers for meals, mileage, paper, etc. There is a request to authorize the use of SRA funds up to \$3,000.

Rubin asked for the balance of SRA funds. Shapiro replied that it is discussed at the annual meeting and usually there are only a couple transactions throughout the year. Rubin stated that a fresh pair of eyes coupled with the new boards experience could result in a good use of the funds. Daniel stated that a report will be generated after the panel, the workshop will be in the afternoon and the public meeting portion of the event will be from 6-8PM. A notice of this meeting can be circulated throughout the various Board and Commissions. Madore suggests that a notice be circulated on social media to gain more interest.

Vickers: Motion to approve use of funds
Seconded by Rubin: Passes 5-0.

Minutes

The minutes from the September 13, 2017 regular meeting were reviewed.

Rubin stated that signage approval language was confusing and should be modified to explain that the Artists' Row signage doesn't require the City to permit it.

Rubin suggested that the minutes be e-mailed as soon as they are available for Board review.

Chair Napolitano: Motion to approve the minutes with Rubin's edits.
Seconded by: Guarino. Passes 5-0.

Other Items

- A. Vickers asked if Atty. Scott Grover has submitted the license agreement language for the East Regiment Beer Company project and suggested that a Principal Terms document also be submitted to explain the agreement in simple terms. Shapiro replied a draft agreement should be reviewed by the City Solicitor prior to being reviewed by the SRA. The project will have an annual license agreement and no easement so the SRA can regain some control over the property. It did receive ZBA approval as a tasting room and brewery and an SRA approval is conditional.
- B. Madore noted that decal signage on the East India Square Mall has been changed to Witch City Mall. Shapiro replied they the owner has re-branded which required SRA approval. The owner asked the City if this would be allowed, were told that it would require SRA approval, but moved forward with the change without approval. All signage violations must go through the Building Department. A violation can be sent to the building owner with a notice to come before the SRA to receive the proper permitting. If the owner does not comply within a certain time frame fines can be imposed.
- C. Daniel stated that Brew on the Grid will not move forward and Count Orlok will use the space for the month of October.

Adjournment

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

Meeting is adjourned at 8:00PM.

Approved by the Salem Redevelopment Authority on November 29, 2017.

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