

# City of Salem



## STRATEGIC ASSISTANCE PANEL REPORT

# Table of Contents

---

- Executive Summary..... 3
  
- Chapter 1: ULI, SAPs, and the Panel ..... 4
  - A) Urban Land Institute (ULI)
  - B) Strategic Assistance Panels (TAPs)
  - C) Panel Members
  - D) Stakeholders
  
- Chapter 2: The SAP Process ..... 6
  - A) Objectives for the SAP
  - B) Study Area
  
- Chapter 3: Key Observations ..... 8
  
- Chapter 4: Recommendations..... 9
  - A) Development / Parking Strategic Planning
  - B) Feasibility/ Funding
  - C) RFP Strategy and Approach

# Executive Summary

---

The Salem Development Disposition Strategic Advisory Panel convened in Salem on December 11, 2017. Under the direction of the Urban Land Institute's Boston/New England District Council, a panel of five real estate professionals met for an intensive eight-hour day with representatives of City government, community interests, and residents. The exercise focused on the issues, constraints, and opportunities presented by underutilized publicly-owned downtown properties.

During the panel's discussions with stakeholders and tour of the downtown, a few issues stood out – the desire for preservation of important historic structures, the need for significant improvement of Museum Place, and the need to preface development disposition processes with strategic planning and visioning for the downtown informed by an understanding of the nature of desired and realizable development and long-term parking needs and opportunities.

The Panel recommended a clustered approach to disposing of properties for redevelopment. Two Distinct priority clusters were identified reflecting:

- The City's top priority redevelopment projects
- Sites that are proximate to one another
- Different development type, scale, timeframe, and likely appropriate developers for each cluster

The two clusters are:

- Federal and Washington Streets Rehab Buildings – former Superior Court and County Commissioners Buildings, and (potentially) Tabernacle Church
- Museum Place Garage and Mall and Church Street Lot

Other potential redevelopment properties are likely best considered for disposition on a property by property basis.

# ULI, SAPs, and the Panel

## Urban Land Institute (ULI)

The Urban Land Institute is a 501(c) (3) nonprofit research and education organization supported by its members. Founded in 1936, the institute now has nearly 40,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service, including developers, architects, planners, lawyers, bankers, and economic development professionals, among others. As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better places. The mission of the Urban Land Institute is to provide leadership in the responsible use of land and to help sustain and create thriving communities. The Boston/New England District Council serves the six New England states and has over 1,300 members.

## Strategic Assistance Panels (SAPs)

The ULI Boston/New England Real Estate Advisory Committee convenes Strategic Advisory Panels (SAPs) is a more streamlined version of its Technical Assistance Panel (TAP) format, at the request of public officials and local stakeholders of communities and nonprofit organizations facing complex land use challenges who benefit from planning and development professionals providing pro bono recommendations.

At the SAP, a group of diverse professionals specially assembled with expertise in the issues posed spends up to eight hours visiting and analyzing existing conditions, identifying specific planning and development issues, and formulating and presenting realistic and actionable recommendations to move initiatives forward in a way consistent with the applicant's goals and objectives.

## The Panel

The ULI Boston/New England convened a volunteer panel of experts to examine the challenges and opportunities for disposing of downtown Salem properties to attract desired development.

### Chairman

Barry Abramson, President, Abramson & Associates, Inc.

### Panelists

Doug Arsham, National Development  
Marty Jones, ULI Advisory Board & Trustee  
Sandi Silk, Jefferson Apartment Group  
Bill Tuttle, MASS Port Authority

### ULI Staff

Manikka Bowman, Director of Policy and Outreach, Boston/New England District Council

**Panelists have donated their time.**



Panelists on walking tour



## Stakeholders

The SAP benefited from the participation of the diverse group of stakeholders.

Kimberley Driscoll, Mayor, City of Salem

Beth Debski, Executive Director, Salem Partnership

Emily Udy, Preservation Project Manager, Historic Salem Inc.

Grace Napolitano, Chair, Salem Redevelopment Authority

Jessica Herbert, Chair, Salem Historical Commission

Matt Picarsic, Principal, RCG, LLC

Russ Vickers, Vice Chair, Salem Redevelopment Authority

Tim Jenkins, Preservation Committee Chair, Salem Historical Commission

# The SAP Process

---

Under the direction of the Urban Land Institute's Boston/New England District Council, a panel of five real estate professionals met for an intensive eight-hour day with city leaders, and community residents. The exercise focused on the issues, constraints, and opportunities presented by underutilized publicly-owned downtown properties.

The Salem Downtown Strategic Advisory Panel convened in Salem on December 11, 2017. Panelists included private and public sector experts in the fields of development and public-private development. SAP members took a walking tour of the Study Area, led by Tom Daniel, the City's Director of Planning and Community Development. Following the tour, the panel interviewed local public and private stakeholders. Panel members then drafted a series of observations and recommendations based on this input and their expertise. That evening, the panel made a presentation at a special meeting of the Salem Redevelopment Authority, followed by a question-and-answer session with board members and the public.

## Objectives for the SAP

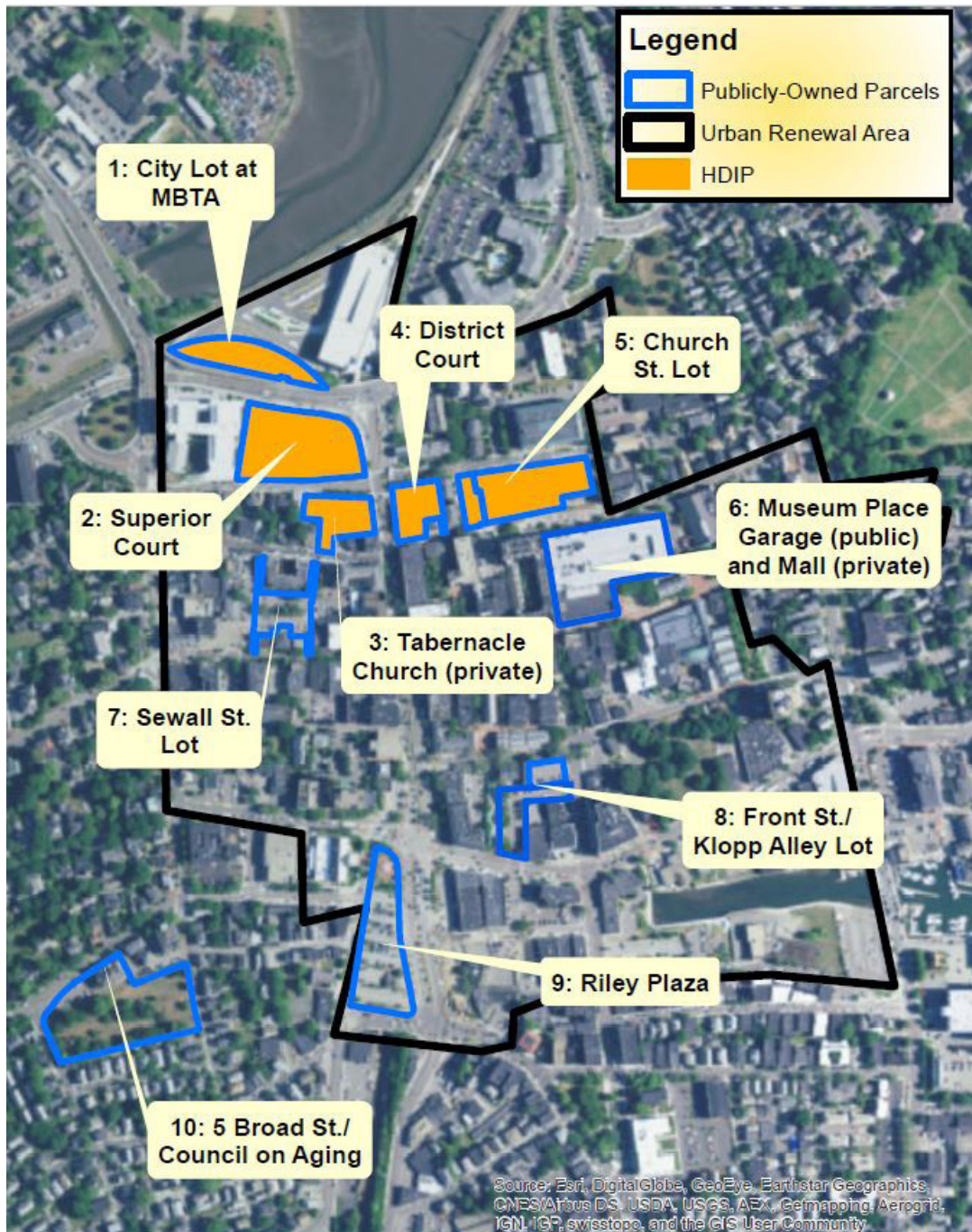
The City of Salem sought ULI Boston/ New England's advice on approaches to future downtown development, focusing on disposition and redevelopment of underutilized publicly-owned properties.

Specific questions were:

- What is the best approach to downtown development in Salem?
- Can Salem modify the current one-by-one approach in a way to increase development success?
- What are the benefits and shortcomings to other models such as working with a master developer?
- How can Salem accommodate future municipal parking needs while simultaneously exploring development opportunities for city-owned parking lots?

## Study Area

The Study Area was downtown Salem, focusing on the publicly-owned properties considered for redevelopment shown on the following map.





# Key Observations

---

Stakeholder interviews, the walking tour and the panelists' review of briefing materials provided by the City yielded the following key insights:

- The City is committed to preserving buildings with significant historic and symbolic value and assuring public access to significant interior spaces
- The vacant boarded up condition of the historic former Superior Court and County Commissioners buildings at an entry point to the City calls out for prioritized focus to accelerate redevelopment for appropriate use
- Should the Tabernacle Church become available for redevelopment it would also warrant preservation and reuse and could enhance the critical mass and appeal of properties available for redevelopment
- The Museum Place Mall is a poor introduction to the City and its downtown for visitors parking at the Museum Place Garage and would benefit from a dramatic reimagining and redevelopment
- The Church Street lot, while an attractive site for development, could present a valuable partner site for a redevelopment of the Museum Place Garage and Mall
- While the City lot at the MBTA station benefits from proximity to the train station and waterfront view, its location on Tidelands and relative segregation from active downtown uses make it a challenging site for redevelopment with questionable appeal for most private market uses



Salem MBTA Stop



# Recommendations

---

The panelists came up with a number of recommendations that address the concerns outlined in the SAP request.

## A) Development / Parking Strategic Planning

Before initiating disposition (Request for Proposal (RFP)) processes, the City should undertake action-oriented development strategic planning integrating factors relevant to the properties being offered for redevelopment and the larger vision for downtown, including:

- Realistic and appropriate near- and long-term uses, considering:
  - Downtown market realities
  - Property fit for alternate uses
  - Larger public goals for properties based on community vision for downtown
  - Possible relocation of appropriate institutional or public uses
- Development economics particular to challenging redevelopment properties
- Special conditions (physical, ownership, etc.) of development properties
  - Explore, strategize opportunities for consolidation of ownership of key private property(ies)
- Parking and circulation (especially relevant to sites currently or potentially accommodating public parking such as Museum Place/Church Street lot), considering:
  - Understanding of long-term parking demand drivers – nature and amount of demand and practical location(s) to serve demand
  - Cost to repair / useful life of Museum Place Garage parking structure
  - Pricing, new technologies, valeting, etc.
  - Possible long-term strategy of locating a higher proportion of public parking at downtown periphery rather than in heart of downtown
- Based on above, define priorities, gain community support to set the stage for smooth disposition processes

## B) Feasibility/ Funding

- Redevelopment of both the Federal and Washington Streets Rehab Buildings and Museum Place/Church Street Lot clusters will likely require significant public financial assistance
- Consider potential gap funding using all of the resources at the city's disposal, including:
  - Housing Development Incentive Program (HDIP) and Tax Increment Financing (TIF)
  - Consider increasing tax abatements and explore creating a district to cross-subsidize projects

## C) RFP Strategy and Approach

- Given the diverse mix of size, scale, character, and potential reuses of the redevelopment properties, the Panel considers the benefits of enlisting a master developer for downtown to be highly problematic
- The City would be best served by doing or managing its development planning and setting of priorities rather than relying on a master developer
- After laying ground work of analyzing and strategizing development, parking, and potential funding, focus on RFP processes for two priority clusters

**Federal & Washington Streets Rehab Buildings Cluster** - former Superior Court and County Commissioners Buildings, and (potentially) Tabernacle Church

- Likely the nearer term RFP
- Could potentially include 5 Broad Street property
  - Not proximate, but of a similar rehab nature, expanding the scale of the overall opportunity and enhancing the likelihood that 5 Broad Street may attract redevelopment interest
- Consider proposals for all properties in the cluster or for individual properties
- Consider possibility of making City Lot at MBTA Garage and Sewall Street Lot available to satisfy parking requirements to extent not accommodated on-site
- Emphasize a reuse for Superior Court building that will make its historic interior maximally accessible to public
  - Continue to explore whether Registry is a viable and most appropriate reuse
  - Explore any public-oriented public or institutional uses that might be practically relocated there such as city library that's outgrown current facility or facilities needed by Peabody Essex Museum
  - Explore potential for hotel, including physical fit, discussions with hotel developers/operators, and possibly market analysis



Essex County Superior Courthouse



### Museum Place/Church Street Lot Cluster

- This cluster calls out for City to think big, notwithstanding property ownership challenge and potential long time horizon
- Engineering analysis of the garage condition and capital needs cost estimates are essential baseline data for redevelopment planning
- To the extent the City can envisage potential for substantial redevelopment of Museum Place Mall and Garage, avoid temptation of disposing of Church Street Lot for stand-alone redevelopment
- A substantial redevelopment of Museum Place could entail more intense active use, potentially with a significant reduction and/or relocation of parking to Church Street Lot
- Church Street Lot adds critical mass as well as option for locating parking that could help make Museum Place redevelopment both more feasible and have a stronger beneficial impact on Essex Street

### Other Public Properties

- May be RFP'ed individually in response to City priorities, staff capacity, or serious interest expressed by developers
- Hold off on the disposition of sites currently or potentially accommodating public parking, particularly at periphery of downtown, such as the City Lot at the MBTA Station and Riley Plaza, until an overall downtown parking strategy and parking needs of development at priority clusters have been determined

Two-stage RFPs, soliciting qualifications and concept in first stage, followed by detailed proposals from a short list of developers in the second stage, will provide the best mechanism to attract developers and for the City to evolve its understanding of development opportunities and approach as the process moves forward

RFPs should provide framework of what City is looking for while being open to new concepts that fulfill City planning objectives

Make clear that City has put in place and is willing to use, to extent necessary, and feasible, public financial assistance tools to make desired but otherwise infeasible projects viable

Remain flexible to adapt strategy to changing realities and opportunities.