



SALEM HARBOR PORT AUTHORITY

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MEETING MINUTES: December 3, 2020

A public meeting of the Salem Harbor Port Authority was convened at 5:05 pm via Zoom web conference.

Members present: Chair Michael Rutstein, Mayor Kimberley Driscoll, Bob McCarthy - Ward 1 Councilor, Meaghan LeClerc, Fred Atkins

Members absent: None

Others Present: Capt. Bill McHugh – Harbormaster, Seth Lattrell – Port Authority Deputy/Planner, Kathy Winn – Deputy Director of DPCD, Bruce Carlisle – MassCEC, Jay Borkland – Lloyds Register, Rebekah Nagy – Lloyds Register, Hannah Mori, Alan Hanscom – SATV, Conrad Prosniewski – At-Large Councilor, Pat Gozemba – Co-Chair SAFE, Stan Franzeen, Tyler Soleau – CZM, Kathryn Glenn – CZM, Kirsten Holland, Kym Pappathanasi, Lisa Engler- CZM, Michael Schaaf, Rinus Oosthoek – Chamber of Commerce, Scott Silverstein, Steve Palmer, Susan Yochelson, Alice Merkl, Barbara Warren – SSCW, Bob Blair, Cindy Keegan, Farah Courtney, Greg Dolan

Chairman Rutstein outlined the format for the meeting and indicating that members of the public may provide comments during the period of the meeting designated for public comment. Mr. Lattrell provided a roll call of attendees.

Chairman Rutstein called the meeting to order at 5:04 pm.

Bruce Carlisle, Offshore Wind Director from MassCEC, and Jay Borkland from Lloyds Register presented the findings of MassCEC's Port Infrastructure Assessment. A copy of the presentation is available for review at saalem.com/salem-harbor-port-authority under the quick links tab. Mr. Carlisle began the presentation by introducing MassCEC and providing an update on offshore wind development in the Commonwealth, as well as the status of the overall market in the US. This most recent infrastructure assessment by the MassCEC builds upon past work on the south shore and is focused on the capacity of north shore ports to support both existing wind development and future deep water offshore wind developments. Mr. Borkland provided additional details on the advancements in offshore wind technologies, the evolution of the global market, the types and attributes of port facilities necessary to support the offshore wind industry, the role of US ports in offshore wind, and the attributes that were studied for the port

assessment. Rebekah Nagy, also with Lloyds Register, summarized the findings of the port assessment. The assessment concluded that the Salem Designated Port Area is suitable to support a variety of port uses for offshore wind development.

The meeting was opened to comment from the Port Authority Members. Mayor Driscoll thanked the presenters and noted that the City is in the beginning stages of a harbor planning process for the waterfront, including this property, and that the site is privately owned. Mayor Driscoll asked for more information on the ownership/management structure between private, local, and state investment. Mr. Carlisle responded that it is a new industry in the US, so management/ownership structure is changing. In Europe, there is a considerable amount of public investment in ports, however there is a more recent trend of large scale private investment in ports. In the US, there is recent trend of public-private partnerships (P3) to develop shoreside infrastructure. Mr. Borkland agreed that P3 is the primary vehicle in the US, but that financing remains a huge focus for the industry and new mechanisms are being explored, including “blue-bonds” from European investment into US ports. Mr. Carlisle added that the offshore wind companies are well backed and will be pursuing site control in US ports as individual projects advance. Mayor Driscoll asked for clarification on the timeline of the industry. Mr. Carlisle indicated that the industry is poised to launch and upcoming administrative changes have made the industry more confident in the development of offshore wind off the US coast in the near term. Mr. Carlisle shared that there would likely be development deals in 2021/2022. Mr. Borkland agreed that Salem may hear interest in the near term, particularly after MassCEC releases their initial study. Mr. Carlisle added that experience reveals an approximately 5-year timeline between the beginning of a BOEM task force and the start of installation, so it’s unlikely that there would be any development specifically for the Gulf of Maine offshore wind projects before 2024. Mr. Lattrell asked for examples of other ports similar in scale to Salem being developed to support the wind industry. Mr. Carlisle mentioned New Bedford as the best local example but noted that there are good examples in Europe of small ports located proximate to residential areas, including the Port of Esbjerg. Mr. Borkland noted that South Brooklyn Marine Terminal is a good example as it abuts the densest residential development in the US. Mr. Borkland attended several meetings for the South Brooklyn Marine Terminal development and shared that there was a surprising amount of community support for the development, citing the benefits of jobs and green power.

The meeting was opened to comment from the public. Alan Hanscom asked about the secondary benefits to the community from offshore wind development. Mr. Carlisle responded that the workforce and job benefits are directly associated with the port activity and supply chain. Mr. Carlisle also noted that studies are ongoing to assess the benefits of the windfarms themselves, including commercial fisheries, tourism, etc. Mr. Borkland added that many ports have anecdotally reported a large increase in tourism directly related to the buildout of offshore wind farms. Bob Blair, Eastern Point Pilots, offered his assistance to MassCEC on their technical analysis based on his experience as a local pilot, and shared his support for advancing offshore wind port development in Salem. Jeff Cohen, vice chair of Salem’s Sustainability Energy and Resiliency Committee, asked how long it might take to develop an offshore wind support facility in Salem from permitting to construction. Mr. Carlisle responded that it is very

difficult to estimate timeline for a specific property, and it varies by use-type. Mr. Borkland added that the permitting process tends to be faster for these types of projects given the environmental benefits associated with offshore wind development, but they are still complicated projects that take time. Mr. Lattrell shared a question from the Q&A function about the impacts of this type of port development on the community. Mr. Carlisle noted that it depends on the use-type, but for Salem specifically, most activity would happen over water, and the other impacts would not be dissimilar to other port uses. Mayor Driscoll shared that the timing of this analysis is important as it falls concurrent with the ongoing harbor planning efforts. The information from this analysis will be informative as the city contemplates long-term development goals.

Mr. Lattrell provided an update on the Municipal Harbor Plan/DPA Master Plan. There were two meetings since the last Port Authority meeting, a public meeting and a Committee meeting. A site walk for Committee members was also held. There is another Committee meeting on January 20 before the Committee and public meetings in March. The goal over the coming months is to begin to narrow down the regulatory framework for the Footprint property, and to build upon our community engagement efforts. Mr. Lattrell also shared that Winn Development was selected as the developer for the Crescent Lot, which is part of the Harbor Plan, but not within an area that impacts the Port Authority.

Mr. Lattrell provided an update on the North Berth and Deep Water Berth assessment and repair. Mr. Lattrell shared that a letter was submitted to Footprint to expedite discussion around the Wharfing Agreement terms which impacts the ongoing work at the Deep Water Berth. Regardless of this ongoing negotiation, contract and bid documents for the Deep Water Berth work are advancing with the upland work as an add alternate if indemnification concerns cannot be addressed. All permits are in hand for the work. Mr. McHugh added that this work is intended to fortify previous work that is being undermined, and more immediate work may be necessary, including removing the gangway and concrete barriers from the pier deck. Mr. Rutstein asked if this work was related to the need for more load capacity along the wharf to support the wind industry. Mr. McHugh shared that it will help us understand that capacity, but it is more focused on preserving existing functionality.

Mr. Lattrell indicated that a Purchase Order was received for the website, and Mr. Lattrell and Mr. McHugh will advance a meeting with the selected website developer.

Mr. McHugh provided the Harbormaster's report. Mr. McHugh continues to coordinate with Burke Insurance on details regarding the future policy after the wharfing agreement transitions to a lease/conveyance. Mr. McHugh received a preliminary proposal for new coverage that was slightly more costly than the prior policy but provided more coverage. Next steps will be to meet with the City Solicitor to compare this new policy in detail to the prior policy. Mr. McHugh reported that the City recently finished a cyber-security assessment with the Coast Guard, and

although the port does not rely heavily on the internet, the city does have TWIC card readers that could be prone to attack. The results of the assessment are confidential, however the City did identify actionable items for future port security grant applications.

The meeting was opened to public comment. Mr. Blair asked for additional information on the ongoing marketing efforts for the Port. Mr. Lattrell responded that they are advancing the website, but beyond promoting existing uses, the focus to date has been on completing the harbor plan so the City and Port Authority have a better understanding of what and to whom the city is marketing.

Meeting minutes from the December meeting were unanimously approved.

Salem Harbor Port Authority adjourned @ 6:55 pm.