



CITY OF SALEM, MASSACHUSETTS

SALEM HARBOR PORT AUTHORITY

MEETING MINUTES: Nov. 7, 2019

A public meeting of the Salem Harbor Port Authority was convened at 5:00 pm in the medium conference room located on the ground floor of Salem City Hall Annex, 98 Washington Street.

Members present: Chairman Michael Rutstein, Mayor Kim Driscoll, Bob McCarthy- Ward 1 Councilor, Fred Atkins and Meaghan LeClerc.

Others Present: Joan Lovely – Senator, Capt. Bill McHugh – Harbormaster, Kathy Winn – Deputy Planner, Seth Lattrell –Port Authority Deputy/Planner, Rinus Oosthoek – Salem Chamber of Commerce, Dan O'Connor – Collins Eng., Sydney Florey – DEMA Offshore, Capt. Bob Blair – Eastern Point Pilots, Patrick Scalli, Capt. Thomas Evans, Steve Smaracko – Moran Shipping, Jeff Cohen – Salem's Sustainability, Energy & Resiliency Committee

Meeting called to order at 5:05pm.

Harbormaster McHugh notified the Port Authority that Conti Coluntino from Foss Maritime was anticipated to present an overview of the offshore wind market but was unable to attend.

Mr. Lattrell provided a general overview of the Harbor Planning and DPA Master Planning process (MHP) as it relates to the future development of the land surrounding the Footprint power plant. Mr. Lattrell indicated that the City has received comments on their draft RFP from the state (CZM) and will be publishing the RFP soon. It is anticipated that we would be starting the MHP process around the beginning of 2020, and that it is typically around a 15-month process; however, timeline is heavily dependent on the scope of the MHP and whether there are controversial projects. The state recommended an expanded budget for the MHP effort which was discussed later in the meeting.

Dan O'Connor with Collins Engineering provided an overview of the inspection report findings from the deep-water berth. In summary, Mr. O'Connor concluded that there are no imminent issues for the current use for cruise ship access and occasional cargo (with recommended load restrictions), but future use will dictate the priority of future repair. Bob Blair with Eastern Point Pilots commented that the assumptions for repair should consider that the sheet pile bulkhead forward of the masonry bulkhead was installed to contain sloughing material, and therefore not a structural element. Mr. O'Connor noted that Collins will need to review prior design plans in greater detail before outlining a repair plan. It was discussed that the full repair cost was estimated to be roughly \$14.5 million, so it is critically important for the Port Authority to understand the upland uses before investing in major repairs. The members discussed that additional analysis should proceed to identify if there are any immediate repairs that would benefit current use, yet still support a wide range of future uses. Mr. Lattrell indicated that the City has applied for state funding from the Seaport Economic Council to advance that effort.

Mr. Lattrell provided an update on the City's request for state funding to the Seaport Economic Council. The City is seeking \$1 million in funding and is committed to matching 20% of those funds. The requested funding will include \$160,000 in support of the Harbor Plan, \$252,000 for repairs to the Salem Wharf North Berth, and \$588,000 to support the design, planning, and potentially implementation of interim repairs to the Salem Wharf Deep Water Berth. It was discussed that the request for repair funding for the deep-water berth was structured to be flexible, as it is unclear at this stage what the results of future analysis will be. The request was submitted Nov. 1, 2019 and a decision is anticipated at the February SEC meeting.

Mayor Driscoll noted that we should consider updating the previously developed economic analysis for the Port. The prior report was conducted by Lori Krebs, now with Salem State. Mr. Lattrell will explore this further.

Harbormaster McHugh provided an update on the status of the conveyance of the land surrounding the pier from Footprint to the Port Authority. A draft had just been provided to Attorney David Smith but had not been fully reviewed. The draft will be circulated to the Port Authority members prior to the next meeting.

Harbormaster McHugh provided an update on key activities in the Port. First, the City has completed a Facility Security Plan for the Port which provides greater flexibility than the prior plan, encompassing all types of non-hazardous cargoes and allows for public access when the port is not engaged in an MTSA regulated event. Second, there are several cruise ships scheduled already for the 2020 and 2021 seasons, including several new ships and some repeats. In total 5 are scheduled for 2020 with a few more in discussion.

Mayor Driscoll suggested that we should develop a collaborative relationship with Massport, and that a meeting may be beneficial, particularly with the recent changes in leadership.

Harbormaster McHugh noted that the city is still working to pursue a second ferry but have not found a vessel that is of comparable quality to the existing ferry at a reasonable price. Ms. Winn indicated that there are also administrative hurdles to releasing the funds, but that the city continues to make progress. The operator of the NATANIEL BOWDITCH, Boston Harbor Cruises, was sold to Hornblower, which raised questions of how the operations/experience may change in the future.

Mr. Rutstein entertains comments from the public.

Bob Blair with Eastern Point Pilots commented that the Port Authority should be taking immediate action to take advantage of the deep-water berth and that the characteristics are unique. Mr. Blair introduced several members of the public and suggested that the resources exist within the maritime community that could help to advance the development and use of the port for marine industrial uses. Mr. Blair introduced Steve Smaracko with Moran Shipping, suggesting that they can be useful with outreach to Massport. It was noted that Salem is a unique port and has a tremendous advantage in having no air draft restrictions. Mr. Blair also indicated that he has been in contact with Conti Coluntino from Foss Maritime who connected him to Sidney Florey from DEME Offshore who has expressed interest in the site.

Mr. Florey indicated that he has been tasked with understanding the port dynamics between Boston and Virginia, and that it was suggested that he also explore Salem. Salem could be uniquely positioned to support the growing wind energy, particularly with the recent award of a new wind project south of Cape Cod to Mayflower Wind. DEME Offshore may be interested in utilizing the site as a marshalling yard to support future wind development and maintenance, again noting that the proximity to the ocean and lack of air draft as a key advantage. Mr. Florey suggested that Salem could play a critical role in supporting the development of clean energy, and that the Port Authority should consider beginning a marketing campaign for the industry as well as a business plan for a multi-use port.

Mr. McHugh inquired as to the duration of this use. Mr. Florey noted that the site is close to the supply chain and would therefore have both a near term and long-term function in wind energy. Proximity to aggregate and generator manufacturing make it well suited for the near term, and proximity to the ocean/lack of air draft make it well suited for long term maintenance/marshalling. Mr. Florey also noted that a use of this scale would need the entire site, and that the 3-5 acre portion discussed in the conveyance would not be sufficient.

Steve Smaracko with Moran Shipping noted that there are very few to no sites in the region that have the opportunity that we have in Salem with no air draft restrictions, deep draft, proximity to upland space, and accessibility.

Mayor Driscoll noted that regardless of the ultimate use of the site, it will require an update to the Harbor Plan/DPA Master Plan, and that any discussion of development should involve the current site owner as the Port Authority does not control the upland property.

Jeff Cohen, Vice-Chair of Salem's Sustainability, Energy & Resiliency Committee, asked that his group be considered/involved if there is further discussion on Salem's role in renewable energy production.

Minutes from the meeting convened on Sept 5, 2019 were reviewed. Motion by Mr. Rutstein and second by Ms. LeClerc to accept as recorded. Unanimous approval.

Salem Harbor Port Authority adjourned @ 6:30 pm.