

**City of Salem Massachusetts
Public Meeting Minutes**

Board or Committee:	Redevelopment Authority, Special Meeting – Development Team Presentations: Day 1 of 2
Date and Time:	Wednesday, September 15, 2020 at 5:00 PM
Meeting Location:	Zoom Virtual Meeting
SRA Members Present:	Chair Grace Napolitano, David Guarino, Cynthia Nina-Soto Dean Rubin, Russ Vickers
SRA Members Absent:	None
Others Present:	Tom Daniel – Director of Planning and Community Development Kathryn Newhall-Smith – Principal Planner Mathieu Zahler - Development Consultant
Recorder:	Colleen Brewster

Chair Napolitano calls the meeting to order. Roll call was taken.

Development Team Presentations: Day 1 of 2

Chair Napolitano stated:

“Good evening. Before we get started with the interviews, we wanted to take a few minutes to provide some background and context for how we got to where we are today. We’ll adjust the schedule so that no team will lose presentation time.

We’re very excited to have presentations tonight and Thursday. I want to thank the three development teams for all of their work in getting to this point. The three teams that are being interviewed were selected last year from eight teams that had submitted qualifications. The SRA qualified a fourth team, but the team decided in late June not to continue in the process due to uncertainties resulting from the pandemic.

The three current teams have been thinking and working on the courthouses and crescent lot for over 18 months. However, as many in the community know, the courthouse project goes back many, many more years.

It goes back 20 years to work to keep the court functions in Salem, there have been many acts of legislation. There has been extensive public engagement (SRA meetings, Urban Land Institute workshop, community meeting, discussions with the City Council.) The SRA is grateful for all of the partners who have been supporting this work at the local and state level; Mayor, City Council, Senator Lovely, Representative Tucker, Secretary of Administration and Finance, Division of Capital Asset Management and Maintenance, MBTA, local preservation partners, Mass Historic, Salem Partnership, residents, etc.

The priority community goal was/is to preserve the court buildings. The SRA is doing everything it can to set the buildings up for successful reuse. Based on numerous studies from the State (DCAMM), SRA knew adaptive reuse of court buildings was complicated and would be extremely difficult to find a financially feasible proposal. Including the crescent lot was thought to be an opportunity to make the court building reuse more feasible. This proved to be true—all of the applicants indicated they would not be interested in just the court buildings because they could not create a financially feasible proposal.

I want to note the SRA is doing more than selecting a developer. We are selecting a partner. It is going to take several more years to get through permitting and financing. All of the teams need some form of public subsidy—at the local, state, and/or federal levels. This is a complicated project, and we're in this for the long haul.

To assist us, the SRA is working with a development consultant, Matt Zahler. I'd like to give Matt a couple of minutes to comment on the challenges on this type of project.

Mr. Zahler stated:

"It has been an honor to work with the SRA on this incredible opportunity. The Board is dedicated to seeing this project through and making it the best it can be. A partnership is being created but it will take time to do that. The Courthouses are beautiful but need to be restored and preserved which will be a costly endeavor. Preservation Restrictions have been placed on these buildings which create a challenge, and the crescent lot was added which will be beneficial to the City of Salem through taxes, jobs, a functional intersection, activation and the creation of something new on the crescent lot. These items have a price tag, with lots of input and one output that needs to be financially engineered to create value for the investors and the community it's in. The proposals must be financially feasible, and he will ensure that that is the case. There will be some complicated permitting, but other public agencies, DCAMM and the MBTA that need consideration. The public also needs to know what is being proposed and to have their own needs and desires, such as urban space and affordable housing incorporated."

Chair Napolitano stated that each team has 90 minutes with a break in between. The presentation will last 30-minutes followed by discussion, questions, and public comment possibly limited to 2 minutes. Comments can be submitted in writing and sent to Ms. Newhall-Smith. The SRA will be interviewing the third team, JHR, at 5:00 on Thursday. After the interviews tonight and Thursday night, the SRA will convene in Executive Session to discuss the proposals. The SRA will reconvene in Executive Session on Thursday, September 24. The SRA may also hold a special meeting on Wednesday, October 7. The next regularly scheduled SRA meeting is Wednesday, October 14. The SRA hopes to have a preferred developer selected in October but will take the time it needs.

Chair Napolitano welcomed the first team, North River Partnerships for Community Reinvestment. It's now 5:15PM. Your time will end at 6:45PM.

North River Partnership**Tuesday, September 15, 2020, 5:15-6:45PM**

Present: Merrill Diamond (*Diamond Sinacori*), Paul Ognibene (*Urban Spaces*)
Jeff Hirsh (Urban Spaces), David Notter (Urban Space),
Mark Meche (Winter Street Architects), Graham Gund & David Zenk (Gund Partnership),
Ralph Parent (Ralph Parent Real Estate), Robert Clayman (Museum of Justice)
Mike Christian (Museum of Justice), Anne Butterfield (Anne Butterfield Co.),
Betsy Merry (Merry Fox Realty), Dave Groom (Groom Construction),
Attorney Joseph Correnti (Correnti & Darling, LLC), Doug Kelleher (Epsilon), Marjorie Prager (Jeff Kennedy & Associates)

Mr. Diamond (founding partner at Diamond Sinacori) stated that he's spent over four decades doing real estate development at local, regional and national venues. In addition to being a registered architect he is a former Commissioner of the Massachusetts Historical Commission, Board member of Preservation Mass and the former Chair of the Brookline Conservation Commission. This project embraces all his professional passions throughout his 42-year career. Paul Ognibene, Jeff Hersch, and Ralph Parent will each speak tonight. Like the Brix building under construction at 65 Washington Street, they always finish what they start. Finishing in this case means more than opening a facility, it means providing sustainable solutions that keep them open. He complimented the process implemented by the SRA to get everyone to this point. Their mission is to bring the best urban planning and design while preserving and repurposing the two court

buildings. They are also proposing an open and inclusive process to achieve the same objectives. As a team of friends that knows each other's strengths they won't be delayed or hindered by "on the job training" among key members of their development team. Their team has world class talent and creative genius, including Marjorie Prager, whom he worked on the creation of the Waterworks Museum that has been running successfully for a decade. They will also work with Anne Butterfield on transformation of the Superior Courthouse into the Salem Discovery Center, housing both Center Stage and the MOJ. Graham Gund also worked at the Waterworks in Chestnut Hill. They will rework the intersection and create an appropriate link and nexus for several modes of transportation. A piece of mixed-use residential architecture will be constructed at the crescent lot to expand the range of opportunities for living, working, and recreating in the new and lively North End of downtown Salem. Winter Street Architects has a history of work on historic buildings and accommodating evolving project programs. David Groom of Groom Construction is currently working on Brix building and will be an integral part of the social responsibility component for this project. Epsilon & Associates will handle the Ch. 91 requirements and historic tax credit consulting. McPhail Associates will handle the geotechnical aspects. Vanasse & Associates will handle Traffic Analysis. Building Enclosure Science will handle energy conservation. Merry Fox Real Estate and CRG will handle residential marketing. Correnti & Darling will provide legal counsel.

Mr. Ognibene stated that they are honored to be selected as a finalist and they are already committed to Salem. Their same team is repurposing 65 Washington Street, the Brix building, in which they've already invested \$30M. They believe they are the right partners for this project, and they hope to move forward together and advance Salem's mission.

Mr. Hirsh stated that the key to creating a successful development lies in the process and methodology to get the best solution for Salem. They will need to gain a consensus between all parties, ask important questions, and determine the bold new direction for Salem. Will the solution be contextual, will the process be revolutionary or evolutionary, the direction can be firm but the design flexible. There are four main development approaches to the process. 1) Preservation: Restoration of the two historic landmark buildings, 2) Functional Integration: applying what make sense in a way that enhances the building. The Discovery Center, MOJ, Center Stage, and the Center of Civic Discourse all function together but each can become the main player, that will be determined by Ms. Butterfield and Ms. Prager. The County Commissioners Building is well suited for government function and prefect location for Registry of Deeds. The Crescent lot will become a focal point for the City and a key to the economic development. 3) Sustainability: Building and energy design will have passive house design concepts, energy conservation and a non-reliance on fossil fuels. Environmentally they will look towards making this LEED certified. 4) Economic viability: What concepts will work in Salem and what does everyone want. They believe these workable concepts can be funded and self-sustainable over time.

Mr. Hirsh stated that socially, this need to work for Salem, a growing and dynamic community. They looked towards diversity within their project teams with a focus on the inclusion of minority businesses, women owned businesses, and that will translate into the construction and provide local jobs. There will be inclusion of community partnerships where the developer, design team, City of Salem, local business and residents determine what is right for Salem and the proper use for the buildings.

Timeline: Mr. Hirsh stated that they are excited about this multi-year project that begins with neighborhood meetings, design, City meetings, permitting, and construction.

Mr. Diamond stated that Center Stage and the MOJ is based and relies on the preservation of the interior details of the courtrooms, creating a symbiotic relationship. There will be daytime programs for school children, evening programs in conjunction with the restaurant, and courthouse plays to enliven the northern end of downtown while preserving these buildings.

Design: Mr. Zenk stated that they studied all the options of how to build on the site, so they explored low-rise, mid-rise and a tower. The low-rise solution is responsive to the urban landscape that makes a bold and dramatic statement about Salem's future. Mr. Gund stated that the project site is one block North from

downtown historic fabric, with its beautiful tapestry of streets, walks and open spaces. A city works well when the pieces are in place and the activities are aligned to create a vibrant and active mix. The community's input is crucial to make this proposition a success. Repeating blocks of building within the scale of the downtown buildings will extend the city experience and the added retail, office, and cultural activities will enliven this end of Washington street. The intersection is too wide for pedestrians so the separate turn lane would be removed at Bridge and Washington Streets. Essex Street provides a wonderful pedestrian experience where the streets and sidewalks create a welcoming balance between pedestrians, bikes, and vehicles along the urban streetscape. The opportunity of this residential project will be the ability to create an affordable and exciting alternative for those that want to live in a city with a downtown areas and easy access to workplaces and a lifestyle not necessarily dependent upon a vehicle. This will attract the younger population and provide a new option for empty nesters that want to stay in the community and creating a sustainable community. There is a strong sense of history in Salem, and its red brick building with white trim, giving unique character and expression through the neighborhoods and downtown. We feel this is reflected in their building and its residential scale is readily apparent with human scaled windows.

Mr. Zenk presented previous projects including one with a carved stone plaza with a watershed system that allows the rainwater to traverse the wall and feed into the river. The buildings and spaces can work together, contribute to the cityscape, create welcoming spaces for communities. Mr. Gund stated that the entry floor on Bridge Street will have retail and public amenity space that will frame a new gateway to the trains. To the West, the ground floor units will have access to outdoor space, and the subtle angles of the building will follow the crescent shape and create a green space buffer to traffic along Bridge Street. Mr. Zenk stated that the two lower levels will house parking below the entry level, the infrastructure will be kept out of the lower levels since they may flood. Mr. Gund added that the propose design will establish a new gateway to Salem and establish a new connection to the waterfront. There are 40-units in the West lot that will be 5-stories tall and 60-units in the center plot that steps up to 6-floors, which they believe is in scale with the rest of Salem and responds to the historic massing so the streetscape is not overtaken by a long and overwhelming wall of façade. The water will be visible between the buildings through the glass connectors. The apartment will have simple punched openings within the brick façade. This will still feel like an active street that will welcome commuters and visitors arriving from the train and the retail spaces are located where commuters exit and above it is another 20-residential units.

Historic Courthouses

Mr. Meche stated that the challenge is adaptive reuse, but it must be active, sustainable and accessible, drives the preservation. The National Park Service standards and draft preservation restriction includes "character defining," an important term when it comes to tax credits, etc. and many of those details won't change. Both court buildings have entries on Federal Street; however, the Superior Court entry is not readily accessible, so in lieu of ramp they are proposing a glass entry hall between the two buildings. The County Commissioners building will house the Discover Center, Center Stage, and the MOJ. It will be easy to adapt the proposed uses to the existing spaces. Housing was previously proposed in the Superior Court; however, the new proposal is for Registry on the first and second floors keeping the law library intact. The non-character defining spaces will perfect the function. The Registry would take up the Basement and a small portion of the Superior Court Building.

The SRA extended the presentation by 5 minutes and agreed to do the same for all development teams.

Social Responsibility

Mr. Diamond stated that his business partner Nick Sinacori retired, so he created a new company, Parent + Diamond, LLC to move forward with public and private real estate opportunities. They are a minority owned company seeking MBE status, but they will maintain the current business for the sake of the RFP. Mr. Parent stated that the first component is focusing on the students of Salem High School and their Building to Building program. He implemented this program 7 years ago, explained the process to the Engineering Department at Brighton High School of how to take a building from a concept on paper to

marketing and sales. The second component involved a tri-venture called the Boston Partnership Community Reinvestment which is currently building 40 single and twin townhomes of affordable housing being sold at 80% AMI. Contractors, vendors, and MBE's & WMBE's are also being locally sourced. They want to implement these two ideas into the construction in Salem.

Mr. Diamond added that this is one of the most important parts of the program, his first project used 35 minority contractors that started out bondable for 1-2 houses and by the end of the project were bondable for 5-10 houses. It was a great economic development that also provided affordable housing, and a theme in the work he's completed throughout his career. Mr. Parent would work with Groom Construction to implement an apprenticeship program. There hasn't been a project in his career where the benefit hasn't extended upon the boundary of the project itself.

Board Questions

Mr. Daniel requested more information regarding the Discovery Center, to understand their viability as a tenant, at what point a decision would be made to go with a different tenant. Mr. Diamond replied that he originally spoke of a children's museum which evolved into the Salem Discovery Center which is an umbrella for the MOJ and Center Stage at the courthouse. This concept already exists and has proven viable. Mrs. Prager stated that the developers are committed to an initial phase of research to measure the feasibility of their concept and will strengthen it once they know what the residents and tourists are interested in. They will flesh out the concept, conduct an audience research study, and economic feasibility study and compare it to comparable concepts. Center Stage is new to Salem, but the concept is to preserve the building and not disrupt the use of the spaces. This will bring them to life through theatrical immersion, to witness what happens in other courtrooms. Preservation of the interior will take this to a new level. Mr. Ognibene added that this is a new realm for them, but they are committed to staying in it for the long hall. They are currently working on a project in Winchester and are adjusting their patient capital so they can afford for this to be non-profit. Ms. Butterfield stated that testing lasts 3-6 months on average, depending upon the time of the year.

Mr. Daniel requested their next step after the market research. Ms. Butterfield replied that they would determine what it would take to staff, create an operating budget, what it would take to be successful. They will feed into the work needed on the space and it will cover all the project within that umbrella.

Mr. Daniel asked if an endowment has been established to pull the trigger on a concept like this, and to determine build out and operating costs. There may not have enough revenue to cover the cost and it may take time to pull that together. When will the "go-no-go" decision be made? Mr. Diamond replied that their strength is in the preservation of the courtrooms they will maintain their eligibility for tax credits. This proposal is harder but will fulfill the charge of the RFP. There's won't be a better venue for such a building/spaces. Mr. Ognibene added that they are balancing interesting and creative ideas with practicality looking at these things together. If a long runway is needed the crescent lot will provide that support, but they are planning for success. They will stack the capital and the three projects work together.

Mr. Zahler stated that they must assign a rent to support those costs, and this sounds challenging without the details being proposed as a study. Mr. Ognibene replied that their own capital will be used which gives them the flexibility and opportunity. Risk brings reward and a successful project. If the proposal doesn't work their returns will come down on the other project and they are comfortable with that. Want to show their commitment to these buildings but they see a different vision.

Mr. Rubin asked if the study ends up not supporting the Discovery Center, Center Stage and MOJ, provide an example of where else you've had to pivot when something that didn't play out. Mr. Diamond replied the Waterworks project. In their interview with DCAMM, was skeptical about the idea for a steam engine museum wasn't the right fit. It's fun and educational but it was proposed housing, but they pivoted to create it. In this project they have the stage for courtroom dramas, and he doesn't see how it cannot work.

Mr. Clayman stated that iCivics provides curricula for student to get them involved, and there are millions that participate in their online classes. Crime shows dramas have proven to be a money maker over the years and they are suggesting the concept be brought to Salem along with a global reach, marketing, and exposure for the City. Teacher training for students is a method proven to capture people. Mr. Diamond added that these concepts were made for each other and will help each other. Ms. Butterfield added that she has approximately 60 projects of experience and the studies may result in a tweaking rather than a concept change. Mr. Rubin appreciated the enthusiasm but as some point they may have to face the reality that the concepts may not be viable, and they'll need to determine what else they can do.

Mr. Daniel stated that there is a lot of pressure in the City related to the cost of housing and the city is supporting affordable housing legislation. He asked how they can increase or maximize affordability. Mr. Ognibene replied that they would partner with POAH (Preservation of Affordable Housing.) Some of the projects they'd like to do need financial support. Brix was a leap of faith at market rates when the construction costs are high, and the market values haven't caught up yet. This site doesn't work with market rate housing which is why they'd partner with this nationwide developer that would become the future operating company. The Winchester project begin with 10% and is now at 75% income restricted at 25% workforce and 50% at 80% or lower AMI, so any amount of affordability housing can be explored. Mr. Daniel clarified that the level of affordability can be reexamined due to POAH's involvement and it won't impact the patient capital for the Discovery Center. Mr. Ognibene replied that in Winchester they are trading off uncapped Pro-Forma level returns for 8-10% IRR.

Ms. Nina-Soto requested their anticipated rental rates and how they came up with the amounts given that Salem's median income is \$65,000. Mr. Ognibene replied that in their studies its harder to pursue market rate opportunities when it's so close to the affordable rate. The differential needs to appeal to all players and their affordable housing has been structured the same as Brix's affordable housing which is only slightly less expensive than the market rate. That level of median income is about 100% AMI and the rents are forecast to be lower.

Mr. Diamond stated that the city is looking for a partner and they want to be that partner. They are proposing a process, but they don't have all the answers. The local talent of Winter Street Architects will preserve the historic buildings and to create a new design on the crescent lot, that will help the SRA. They have the talent, vision, and capital to create an interesting, unique, innovative, and fun project.

Mr. Daniel asked if the 15-story tower was off the table. Mr. Diamond replied that it was based on an internal conversation about the many architectural typologies that can fit on this site. Based on the info they have now, the low-rise scheme is more appropriate than a mid-rise or tower.

Mr. Zahler stated that regarding income and expenses, construction isn't cheap, and they are presenting an expensive building but he's no sure that the income supports the expense. Brix was a \$30M project. Mr. Ognibene replied that they are pioneers in the development world, and the values weren't there, but they are committed and have to create a market. Mr. Diamond stated that they haven't done a project that didn't break records and he can see opportunities that may not be apparent. Mr. Ognibene noted that everyone is facing the same construction costs and challenges. If more affordability is needed, they will do that, and they believe they have the right approach.

Public Comment:

James Davis, 32 Buffum Street: What does the MOJ look like? Development of an area with a dedicated history to the justice system. Many homeless people in this are. Interesting ways of developers in Pittsburg to work with the community, people with criminal background can learn skills and live in the housing being built. Good opportunity to set a good example of creating justice around income inequality. Two developers have some ideas but this would be a missed opportunity if the city is not proactively doing something impactful with this project.

Emily Udy, HSI. Submitted letter last week. Major line of question was related to the preservation and the viability of the tenants. She wants to hear that the teams will maintain the interior historic fabric of the courthouses. The SRA's line of questioning the museum uses was appropriate; they must be based on realistic assumptions.

Milo Martinez, 78 Washington Square and SHC Member. Commented on developers need to maintain access into the courthouses for the public and also the inclusion of the Registry of Deeds in the project.

Matt Kirchman, 9 Naples Road. He is a museum professional. He used Google Earth to identify the museums in the area and 25-30 museum come up. The City is rich with museums and believes a new museum is a positive opportunity for Salem. He is encouraged by the emphasis on virtual learning given the current realities.

Alice Merkle, 28A Federal Street. Reiterated the great destination for a museum, MOJ will preserve the courthouses. Agrees with pursuing more affordability and the developers' willingness to pursue it with a lower AMI.

Mr. Rubin has a question for Betsy Merry from the NRP team. There is a large number of studio units, what is the demand for them give their lower rent? Merry responds that there is a huge demand by younger people that can't afford the higher rents that come with 1-3 bedrooms. Also empty nesters with less retirement income. Paul Ognibene cites a project he did on the BU campus that included studio units. He said it was a risk but was wildly successful. It's a win-win because the rent is reasonable and the price per square foot is lower, which provides affordability. Covid-19 times many want to live alone if the price is right. Mr. Diamond stated that smaller units make sense because the Salem downtown is their living room and they aren't forced to stay inside. It's an untapped market.

Mr. Guarino stated that he was glad to see the pull back from the proposed tower. Another proposal has a pedestrian walkway under Bridge Street; why did you not include this idea? Mr. Diamond stated that tunnels are often used for people seeking shelter and often doesn't smell great. Many others aren't well kept, it's a depressing way to get across the street. He doesn't want people to see a tunnel when they get off the train. He believes he can improve the function and beauty of the intersection. The project shouldn't enhance the vehicular experience at the expense of the pedestrians.

Winn Development

Tuesday, September 15, 2020, 7:00-8:30PM

Development Team: Larry Curtis (Winn), Adam Stein (Winn), Tim Mustacato (Winn), Matthew Curtin (Winn), Christina McPike (Winn), Joesph Thifault (Winn), Trevor Samios (Winn), Kenneth Carpi (Park Towers), Tom Carpi (Park Towers), Brian O'Connor (Cube 3), Steve Prestejohn (Cube 3), Nick Griffin (Cube 3), John Seger (Seger Architects), Maureen Cavanaugh (Public Archeology Lab), George Atkins (Ronan Segal & Harrington), and Kevin Hansen (xxxx)

Tim Mustacato – leads the acquisitions team. He reviews what makes Winn unique and capable of completing this project. He reviews the leadership of Winn during the pandemic, the company's commitment to sustainability, the importance of this gateway to downtown Salem, the TOD opportunities on the crescent lot, the public realm improvements, the various commercial tenants that will bring vitality to the buildings, and the mixed income housing experience with in-house property management. Winn has also been and continues to be committed to contracting with Minority and Women-Owned Businesses.

Their team's experience is unmatched, highlighted by Winn's depth of projects and over three-dozen historic preservation and adaptive reuse projects

Larry Curtis – 211 Ipswich Road, Boxford. As a company they have the liquidity to get this world-class project done. A project for all people that can reside in a great location and thrive in this community. He has overseen seven development projects in Lowell with five more closing by the end of the year, despite the pandemic. All projects have complex financing models. He has also led the effort to initiate an eviction moratorium for Winn residents. This the time to plan for the future and be proactive. He believes residents will continue to look for Winn properties to call home. Winn can provide housing for people with paychecks that reflect the median income.

Trevor Samois, stated that Winn has kept 679 residence safe and in their homes at Pequot Highlands.

Matt Curtin stated that Winn's guiding principal is to create a new gateway for this corner of Salem, residential, cultural, and educational opportunities. Also, create a mixed-income community responding to the needs of Salem with 57% income restricted at various affordability levels. Restore and reinvigorate the Courthouses in a way that respects the historic fabric. Create the right mix of uses, that respects and responds to preservation restriction. Winn has a 40+ year history of preservation. The team will find the right tenants that will become their assets. They have a team of consultants that has historic experience. The crescent lot will house a mixed income building with over 10,000 square feet of commercial space at grade on Bridge Street. Winn took design cues from neighborhood. There will be over 94,000 square feet of residential space. Mr. Curtin reinforces that the two sites function as one property, public art on either side of Bridge Street, widening sidewalk for multiple forms of transportation, eliminate slip lane from Bridge to Washington. The crescent lot development is a transit-oriented one and Winn hopes to use the excess, off-peak parking at the MBTA station. Winn has several TOD properties with parking ratios less than 1 to 1. They are proposing efficient parking with street level activity and financial feasibility. They explored below-grade parking, but that would result in higher rents to cover costs, impacting affordability.

Steve Prestejohn, Cube 3, states that with the podium parking the western side should be the critical elevation. The second floor of the building is for public programming. He looked into adding a second lower level of parking but determined that it would undermine the visual and physical public connections.

Matt Curtin reviews the commercial tenants: MOJ, Salem State, East Regiment Beer CO, and Alma Fusion. The Law Library would become a tap room, open to the public. Alma Fusion is proposed for the crescent lot. These tenants will create the 18-hour a day activity described in the RFP.

Larry Curtis reviews the public financing tools needed for the project. Winn has helped create some programs where they felt there were gaps with a proactive state attempting to finance affordable and mixed-use developments. Winn has received more Historic Tax Credits in Massachusetts than any other developer with a success rate of 97% of applications being funded. Regarding mixed income housing creation, Winn is doing more than the minimum; the company leads with affordable housing because it makes a better community. The proposed market rate housing mix can help solve the problem for people and families that can't afford to live in Salem. Winn handles all aspects of development and post-development project management. It has a nearly 50 year history of high quality housing; Winn Residential is the largest manager of affordable housing and second largest manager of privatized military housing, fifth largest manager of all rental housing in the state.

Mr. Curtis states that Winn is a leading partner for Minority and Women-owned Business Enterprises (MWBE's) and has 19 years of recognition with MassHousing.

Christina McPike – Director of Energy and Sustainability for Winn, reinforces Winn's commitment to sustainability throughout the project and green building practices for the new construction on the crescent lot.

Tim Mustacato states that he and the team are excited to pursue this project with the City of Salem and local partners.

Board Questions

Mr. Daniel – MOJ as a tenant was also proposed by North River Partnership. Explore the viability and analysis and expectations. What if the MOJ isn't ready to proceed? Mr. Curtin responds that their marquee tenant is the MOJ and Winn believes in the museum's vision for the space and its compatibility. Mr. Clayman has a track-record with them, regarding the viability concerns, Winn underwrote zero commercial space. The MOJ appeals to cultural and educational priorities for the project. There are alternatives is the MOJ isn't ready to move forward as proposed, such as a reduced footprint. Also, President Keenan expressed interest in a partnership for some of the space. Other commercial tenants are interested and could take on more space. Can also employ commercial consultants to help them source commercial tenants and they can identify future partners. Their financial viability isn't reliant on their commercial tenants. Larry Curtis states that they manage one million square feet of commercial property with very little vacancy. William B. Little relationship is long standing. He reinforces that the MOJ is a great idea given Salem's history, if it doesn't materialize there are other options. Mr. Daniel asks what are the steps to it becoming a reality? Mr. Clayman responds that part of two proposal is a major step, now they have a concept plus their opportunity to be in Salem. It's a 12-month operation, diversification from the beginning with a range of visitors. Teachers can participate on-line and come to Salem on their breaks. It's been tested for many years. The model is a partnering model and a dynamic use is proposed. The Center for Civic Engagement is a program that speaks to what's happening in the world today. It's not a court police or judge museum, its comprehensive. It's scalable. Michael Christian, MOJ Board member, states that the focus is on financial viability, he's putting together a business plan that's viable and expandable. The next step is to raise the capital and roll out the revenue sources. Mr. Clayman states that he will begin to roll out programming now, but there is a two-year waiting period before occupying the space. He will work with some of their partners to build the content.

Mr. Zahler states that there is the revenue conversation to be had, but the build-out costs of the space is a concern too. What resources are available to build out their spaces? He also states that place making is important and asks who is paying for it and/or contributing to it? Mr. Curtin responds that the spaces are existing and need cosmetic attention only, but the MOJ wants to occupy them almost as is. Winn will restore the exterior building, renovate the common areas, and will use historic tax credits for this work. Park Tower will be responsible for everything from the walls inward in terms of tenancy and management. Mr. Clayman stated that in the RFP response, he included offering naming rights to help defray some of the costs. The programming model is diverse because sponsorship is needed. Ticket sales don't support museums and people will stand behind the MOJ. His network of contacts open doors to people around the country.

Ms. Nina-Soto asks about the interior build-out. Mr. Curtin responds that Winn will handle the exterior and Park Tower will do the interior. She asks about the other two commercial tenants, what are their insurances that the other spaces will maintain their historic component. Mr. Curtis responds that there are significant protections in place on the interior of the building through the Preservation Restriction. All exterior and interior work will follow these protections and standards.

Ken Carpi, Park Tower, discusses the viability of taking care of the historic space. His company restored the City Hall Annex and is a good example of how they handle historic properties. His company also owns 100 Washington Street, which will remain historic. Mr. Zahler states that neighborhood retail is a risk, some has been hit hard but others have benefitted during the pandemic.

Mr. Vickers states that there are preservation consultants involved, but Park Towers is responsible for that redevelopment. Will they use Winn's specialists? Mr. Curtis states that development consultants are available to the entire team. The team will meet and exceed the standards with step by step interface with the City of Salem.

Mr. Clayman states that public access has been raised a few times; he confirms that the MOJ will provide access and can be used as a public space for multiple uses.

Mr. Rubin states that Winn has multiple new projects, even during the pandemic. He asks about Winn's bandwidth from a project management standpoint. Mr. Zahler adds in an inquiry regarding Winn's ability to seek financial resources like the historic tax credits. Mr. Curtis responds that this is a process with a pipeline and 25 people on their development team that also have large teams. 97% of projects pursued have been built. Winn has 36,000 employees; they have the bandwidth for this project. Brian O'Connor, owner/principle at Cube 3, confirms that he has dedicated teams and three fully staffed offices, fully staffed, focused on this project. He has a team of 125 people to help take on this project and a team ready to work on this project. Cube 3 has delivered many projects and they never deliver them late.

Mr. Rubin asks about financial resources. Mr. Curtis responds that there are five principal categories, real programs already funded, Federal Low Income Housing tax credit is one key component to create low income residential housing, the Federal Historic Tax Credit program for the historic building and funds are awarded three times a year, but they are competitive, and there is work force housing money through the state. The financial plan for the project requires a public subsidy in the amount of \$500,000, which they are proposing comes from the Community Preservation Act.

Mr. Daniel states that given the housing crisis in Salem, 34% of Salem families are below the AMI, are there opportunities to do even more in terms of income restriction? Mr. Curtin states that Winn wants to max out the affordability, but the subsidies have per deal maximums, the market serves as a cross subsidy for the project, which is the challenge. The underwriting does change and it's possible to support a higher percentage. Mr. Curtis states that the program maximum needs the allocation to be granted. Applicants are entitled to 20% but no one ever gets that, they use waivers to help.

Mr. Daniel asks that if the reduced space needs for the Registry of Deeds changes Winn's ability to consider it as a potential tenant? Mr. Curtin stated that he walked through the space with the Assistant Register and was informed that the parking is not adequate. He acknowledges that Covid may have changed that. Winn is open to entertaining any potential tenant.

Public Comment:

Eric Papetti, 11 Simon Street. Thanks the development team for calling attention to the public realm, if selected encouraged to continue refining the details. The trails and paths leading to this area create a nexus and important connection to this project. This plan will make it a place people want to live and visit. He also appreciates the bike parking for residents and visitors.

Milo Martinez, 78 Washington Square. Want to impress upon these one of a kind spaces, any loss to private spaces should be considered very heavily.

Mr. Daniel asks about the design of the new configuration. Mr. O'Connor states that he began with reinforcing the public realm, creating a strong entry and public edge with public space. He focused on the quality and character in Salem and wants to build off of that. The architecture will change from side to side and top to bottom. It's critically important as a gateway, the view corridor and materials will play an integral role.

Mr. Daniel asks about Chapter 91 and the municipal harbor plan. What does the Winn team envision proposing through the harbor planning process? Mr. Curtin states that Elizabeth Grob of VHB reviewed the access early on, waterfront access and from the surrounding area, also public amenities that will be open to the public. The building will have a second ground floor along the waterfront promoting it as a waterfront site. It will be helpful to collaborate in the planning process since Chapter 91 permitting can add six months to the process. Small modifications such as height, possible open space reconfiguration will help this project, but the Bridge Street connection lends itself to this use.

Executive Session

Nina-Soto made a motion to begin executive session.
Seconded by: Guarino.
Guarino, Nina-Soto, Rubin, Vickers, Napolitano. 5 in favor.

Chair states that the Open Session will not reconvene at the conclusion of the Executive Session.

Rubin: Motion to end executive session.
Seconded by: Guarino.
Roll Call Vote: Guarino, Nina-Soto, Rubin, Vickers, Napolitano. 5 in favor.

Other Business

Adjournment

Guarino: Motion to adjourn.
Seconded by: Rubin
Roll Call Vote: Guarino, Nina-Soto, Rubin, Vickers, Napolitano. 5 in favor.

Meeting adjourned at 9:30PM.

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