

**City of Salem Massachusetts
Annual and Regular Public Meeting Minutes**

Board or Committee: Redevelopment Authority, Annual and Regular Meetings
Date and Time: Wednesday, November 9, 2016 at 6:00 pm (Annual)
Wednesday, November 9, 2016 at
Meeting Location (both meetings): 120 Washington Street, Third Floor Conference Room
Members Present (both meetings): Chairperson Grace Harrington, Vice-Chairperson
Matthew Smith, Russell Vickers, Conrad Baldini
Members Absent (both meetings): Robert Curran
Others Present (both meetings): Tom Daniel – Director of Planning and Community
Development, Andrew Shapiro, Economic Development
Planner
Recorder (both meetings): Andrew Shapiro

ANNUAL MEETING:

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

1. Annual Report and Financial Report – Executive Director

Tom Daniel noted that Andrew Shapiro had compiled the annual report and that he would walk through its highlights. Clearly the Board is aware of the District Court project, which continues to move forward. The Superior Court property has pending legislation attached to it, which would allow the property and buildings thereon to be transferred to the SRA for the purposes of soliciting and managing redevelopment opportunities. This legislation is not expected to be passed during this session, but efforts will be made to have it passed in the legislative session that will begin in 2017.

Daniel noted that there have been a number of robust private development projects in Salem's downtown, including the Hotel Salem on Essex Street, which is slated to open next summer. The RCG mixed-use project at Washington and Dodge Street is still progressing; work funded by a MassWorks Infrastructure Program grant to prepare the site is ongoing but largely complete. The Peabody Essex Museum expansion project is moving forward; the project received approval from the Planning Board last week.

Jodie Bee Bakes went through the City's Storefront Improvement program. Many businesses came through the Design Review Board and SRA to either have new signage approved, or to have projects, such as façade improvements, approved.

Daniel continued by noting that Old Town Hall continues to be an asset to the City. It's managed by Deborah Greel and it hosts a number of public and private functions throughout the year. The MA Poetry Festival and Boston Early Music Festival are annual tenants. A production of Cry Innocent is shown there throughout the year. There were 42 events at Old Town Hall and the windows were restored this fiscal year.

There were a number of public art projects put on by the City and partners over fiscal year 2016, including Drain SmART, which saw the colorful decoration of storm drains around the City in order to increase awareness of what enters the local watershed. The Free Little Library in Lappin Park and the Mural Slam at Artists' Row were also projects that occurred in the past year.

Artists' Row welcomed two new tenants and saw improvements to the Lobster Shanty building. The improvements were called for as part of a visioning process undertaken by the City with the help of the Cecil Group.

Salem Main Streets continued to manage events that drove visitors downtown, such as the Scooper Bowl, the Arts Festival, and the weekly Farmers' Market. Main Streets also provides technical assistance to small businesses. Six new full-time equivalent jobs were created as a result of Main Streets' related efforts.

The business loan program extended \$35,000 in funding to Derby Joe.

Daniel then noted the administrative changes that had taken place on the Board during the past year. Matt Smith was appointed to the Board after the departure of former Chair Bob Mitnik. He then noted that this meeting would be Smith's last because he is taking a position with the City, which starts Monday. Lynn Duncan, former Director of Planning and Community Development and SRA Executive Director, of course retired. Daniel expressed that he is excited and honored to carry her good work forward.

Daniel then covered the financial report, which is a component of the annual report, noting that the SRA's account balance as of June 30, 2016 was a little over \$105,000. What is not shown is the \$80,000 that was drawn down after the close of the fiscal year, which was authorized by the SRA to be expended on the construction of the new City parking lot in front of the Old Salem Jail property, bringing the remaining balance to \$25,800.

Shapiro remarked that the parking lot in front of the jail is in fact complete. Smith followed by noting that it seems as though it is being well used.

Vickers commented that he is impressed by the amount of work going on downtown and the amount of money being spent.

Councillor at-large Tom Furey who was present in the audience remarked that the SRA makes a major difference in Salem and that most cities and towns would love to have some of the projects that go on in the Downtown. He thanked the Board for its efforts.

Vickers: Motion to approve the Annual Report and Financial Report as drafted.
Seconded by: Smith. Passes 4-0.

- 2. Election of Officers**
 - a. Chair**
 - b. Vice Chair**
 - c. Treasurer**

Shapiro noted that the current officers of the SRA are Ms. Harrington as Chair, Mr. Smith as Vice Chair, and Robert Curran as Treasurer.

Baldini: Motion to nominate Robert Curran to remain on as Treasurer.
Seconded by: Harrington. Passes 4-0.

Daniel asked if Harrington was interested in continuing as Chair. Harrington replied that she would be interested in remaining as Chair.

Vickers: Motion to nominate Grace Harrington to remain on as Chair.
Seconded by: Baldini. Passes 4-0.

Harrington asked if anyone was interested in serving as Vice Chair. Vickers said that he would agree to serve in that capacity.

Harrington: Motion to nominate Russell Vickers as Vice Chair.
Seconded by: Smith. Passes 4-0.

3. Review of 2017 Meeting Schedule

Shapiro provided the Board with a list of planned dates for SRA regular meetings in 2017. The meetings are planned for the second Wednesday of each month.

Harrington: Motion to adjourn the annual meeting.
Seconded by: Vickers. Passes 4-0.

REGULAR MEETING:

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

Executive Director's Report:

Daniel remarked that Halloween went very smoothly. People remarked to him that there seemed to be more activity earlier in the month than in past years and that there were very few problems reported.

A proposal to purchase 289 Derby Street ("The Carnival Lot") is before the City Council. A Committee of the City Council will meet to discuss this issue again tomorrow night. The idea would be for the City, if it is acquired, to convert it to permanent open space with the ability to host performances, and to link it to the existing portions of the Harbor Walk along the South River.

Vickers inquired as to whether CPA funding would be used to acquire the lot. Daniel responded noting that the original proposal contemplated using CPA funds for the acquisition, but that some City Councillors questioned whether that was the best strategy. It could be bonded for, with service on the bond paid for with City funds.

Daniel noted that there is a State statute that holds that a parcel cannot be purchased by a public entity if the price being paid is 25 percent more than the assessed value. The City would be exempted from this provision if it were to use CPA funds. If the City Council opts to use general debt obligation, it could be done through a "friendly taking," because takings are also not subject to the 25 percent threshold.

Urban Renewal Area Projects Under Review

- 1. 234 Essex Street (Army Barracks):** Discussion and vote on proposed installation of window signage.

Shapiro explained that Army Barracks, which is across the street at the corner of Essex and Washington Street, had put up vinyl window signage along its Essex Street façade without seeking the approval of the SRA or obtaining a sign permit from the City. Shapiro noted that he had a conversation with the store manager about this matter and determined that what transpired was the result of a misunderstanding of the actions that needed to be taken.

The store has since provided the proposal before the SRA this evening, which would replace the existing unapproved decals with the smaller profile shown in the materials. The decals would run only along Essex Street and the colors and font would match the existing awnings above the windows. The proposal complies with the City's sign ordinance and Commercial Design Guidelines. The DRB recommends the proposal for approval.

Baldini: Motion to approve as recommended by the DRB.
Seconded by: Vickers. Passes 4-0.

New / Old Business

2. 65 Washington Street (former Salem District Court Property): General project updates

Daniel noted that the project continues to move forward and that he, Shapiro, and Vickers had met with the project team since the last SRA meeting. One track under discussion is the Housing Development Incentive Program (HDIP). The materials have been finalized and they will be submitted to the City Council for their meeting on November 17th. The proposal will be referred out to a committee on a date to be determined. There is a requirement that the HDIP be considered at a public hearing.

Daniel explained that the HDIP was established by the State in 2012 in order to promote the development of multi-tenant market rate housing in Gateway Cities. Diamond Sincacori's proposal does include affordable housing, but their project qualifies for incentives that can be derived through the HDIP.

The Council will consider a plan and zone for the HDIP that will be submitted by the City. Diamond Sinacori will then be able to negotiate a tax increment exemption (TIE) agreement. The terms of the TIE will be the minimum allowed by statute, which is a 10 percent exemption each year over five years. The TIE will also need to be approved by City Council. The developer can then apply to the State for tax credits.

The developer plans on coming before the SRA in January to begin the process of design review. They will also begin the process of submitting an application to the Planning Board for consideration of a Planned Unit Development (PUD) special permit.

Because of the hazardous materials found in the building, the developer is looking at the HDIP as one tool, the City's revolving loan fund as another, and design tweaks that could represent cost savings. They would also look at a design change that would enable them not to excavate as much as they had previously planned. This would save money.

Vickers remarked that it would be vital to nail down language in the forthcoming TIE agreement that would establish the timing and mechanism of transferring the tax savings of the agreement from the developer to a centralized body, such as a condominium association.

Daniel responded by noting that the details of such an agreement are still being sorted out, but that he and Shapiro had met with the City Assessor, Deborah Jackson to discuss it. She suggested that the agreement's benefits could be transferred to the deeds of individual condo owners.

Shapiro added that the City had received feedback from its peer reviewer, Tighe and Bond, on the methods for hazardous materials removal and related costs outlined in documentation provided by Diamond Sinacori. The review concludes that the original assumptions and analyses are valid, but that further investigation of contamination of asbestos and other materials is warranted and encouraged to understand the true cost of remediation.

Vickers noted that DCAMM is also having its LSP review the materials.

Minutes

The minutes from the September 14, 2016 regular meeting were reviewed.

Daniel remarked that he had discussed with Shapiro a few minor typos that required adjustment in the document.

Harrington: Motion to approve with the minor edits noted,
Seconded by: Vickers. Passes 4-0

Adjournment

Baldini: Motion to adjourn the meeting.
Seconded by: Vickers.

Meeting is adjourned at 6:25PM.

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