

### **Assessment of Existing Conditions**

The sections contained in this Appendix describe the existing economic and physical conditions in the Bridge Street Neck neighborhood, and advance an assessment of opportunities and constraints, strengths and weaknesses.

The Bridge Street Neck neighborhood is a long-established community located on a narrow neck of land that projects north of downtown Salem into Beverly Harbor. Historically, this is one of the oldest settlements in the area, growing as an extension of the old Salem downtown and along the main road that connects to Beverly. Bridge Street as its name indicates leads to the site of the old bridge that used to connect across the harbor, and constitutes the neighborhood main vehicular and commercial spine.

The makeup of the neighborhood includes a large residential component, mainly consisting of single- and two-family homes. There are approximately 1,200 households in the Bridge Street Neck neighborhood, densely grouped in a village type of setting. Residential streets branch out of Bridge Street towards the water, allowing for water views in many places. Other amenities that enhance the neighborhood character include recreational open space along the water, a new bike path built in conjunction with the Bypass road, walking access to downtown Salem and Collins Cove, and proximity to the Salem commuter rail station. As the assessment of housing conditions and trends describes in more detail in the sections that follow, the neighborhood has been able to maintain a close-knit group of long-time residents while at the same time attracting young families and young professionals during the last few years.

### **Planning Area Boundaries**

The planning area for this study comprises the entire Bridge Street Neck north of Webb Street. South of Webb Street, all the properties located west of Bridge Street to the water are included as well as properties with frontage on both sides of Bridge Street (shown in *Figure A1*). The planning area boundaries are represented by the North River, Beverly Harbor and Collins Cove to the east, north, and west respectively; and the rear property line of properties along Bridge Street to the Washington Street intersection, to the south.

The existing commercial properties along Bridge Street represent a special area of focus for the economic analysis and revitalization plan. *Figure A1* also represents the location and boundaries of the Focus Area with a separate outline.

### **Market Analysis**

This area sits within two census tracts, but for this study data was used which allows customized districts to be drawn including only the planning area. Where the areas overlap for past data, the estimates use pro-rata shares; for projections, the trends from the preceding years are used as a barometer for future years.

FIGURE A1: BASE MAP



### Population

Historically population and household trends have driven residential and commercial development. Salem's population grew at a very strong rate between 1990 and 2000, an approximate growth of 7%. This growth slowed between 2000 and 2008 and is projected to slow even more between 2008 and 2013.

The Bridge Street Neck neighborhood grew very little in population between 1990 and 2000, less than 1%. However, the Bridge Street Neck population grew to an estimated number of 2,500 in 2008, on pace with rest of Salem in the 2000-2008 period at 4%. The projection of growth is very strong through 2013. The expectation for strong population growth for this period is based on the Salem Station development and the growth potential at the jail site.

The population trends show that people are slightly younger in the Bridge Street Neck neighborhood with a larger contingent of 25-34 and 34-44 year olds than the remainder of Salem. The neighborhood also has approximately 10% more 1 and 2 person households than the balance of the City. Educational attainment tilted more toward college diploma and higher attainment than the rest of Salem.

### Median Household Income

Salem's median household income was approximately \$44,000 in 2000, \$58,000 in 2008, and is projected to be \$72,863 in 2013. The City's median income is growing at a rate of 4% which represents solid income growth, in relation to the consumer price index which is approximately 2%. However, it also represents approximately 10% less than county and state median income.

In the Bridge Street Neck neighborhood, median household income grew at a slightly higher percentage between 1990 and 2000. It is expected to be approximately the same or a little higher than the rest of Salem going forward. However, the mix of incomes is very close to the rest of Salem. This demographic information can be reviewed in greater detail in *Table A1* located at the end of this section.

### **Housing Conditions**

The City of Salem has approximately 19,000 total residences. Of those, 6% or 1,200 units are located in the Bridge Street Neck neighborhood. The homes in the Bridge Street Neck neighborhood are mainly characterized by smaller single family and two family detached homes.

The housing in the Bridge Street Neck neighborhood is older than the housing in the City at large with 55% of the units built before pre-1940, compared with 40% for the rest of the City. The new Salem Station development was built in 2002 and is the largest newest development. There is a slightly higher rate of vacancy among units in the Bridge Street Neck neighborhood at approximately 7% versus the City average of 4%. There also is a slightly higher percent of owner occupied housing than the City; the neighborhood's owner occupied/rental housing ratio is 53/48 while the City's ratio is 54/46.

### Rental Market



A profile of the market rents in Salem was reviewed for analysis. For three prominent rental properties in the market, rents are approximately \$1,000-\$1,400 for a 1 bedroom and \$1,600 for a 2 bedroom unit. These properties are in high demand and have an average vacancy rate of less than 5%.

As these comparables command the highest rents in the area and are in new or significantly rehabilitated “luxury” rental housing, they represent a premium over the market for rentals in the two and three family homes that exist in the Bridge Street Neck neighborhood. Even with that premium, the market is not strong enough to support new rental development. Anecdotal evidence gathered through interviews with individuals in the planning area suggest that one and two bedroom units in multi-family residences in the Bridge Street Neck neighborhood are currently renting in the \$800-\$900 per month range.

#### For-Sale Market

Housing values in Salem are clustered between \$250,000 and \$400,000. Prices made the leap to \$228,000 in 2002 and have not diminished significantly since. The upward City wide trend for single-families and condos peaked in 2005 at \$358,000 and \$275,000 respectively. This was up from \$213,000 and \$170,000 for single families and condominiums respectively in 2000. These prices have fallen to \$262,000 and \$251,000 for condos again in Jan-Mar 2009.

For Bridge Street Neck neighborhood, median prices for a single-family home in 2009 have been \$261,000 and \$231,000 for a condominium. City wide, the largest percentage of owner occupied homes is in the \$300,000 to \$399,000 range. In the Bridge Street Neck neighborhood, owner occupied homes are predominantly in the \$200,000 range. The Bridge Street Neck has a slightly larger percentage of owner occupied homes in the \$200,000 to \$250,000 range: 32% versus 15% in the rest of the City.

#### Market Observations

The rental and condominium market in Salem has been growing over the strong growth period of the early 2000s. During this time, Salem began to be perceived even more than before as a an extension of the Boston residential market and an attractive location to young families, professionals and empty nesters, as witnessed by the strength of growth in higher end apartments and condominium sales. On the for sale side, the price points for entry level housing are very competitive in the \$250,000 to \$300,000 range when compared to Boston.

The Bridge Street Neck neighborhood stands out in this discussion because within a well priced city it represents a lower price option. It also has a relatively good location within the city, with the rental stock close to the MBTA commuter rail station, the neighborhood is well positioned to pick up new residents who like Salem but would like a well priced home instead of a rental unit.

#### Priority Needs and Opportunities

The residential areas of the Bridge Street Neck are like the residential areas in South Boston, East Boston, Charlestown, Somerville or Quincy in that they generally have a historical relationship with both the water and industrial and commercial uses. While these uses grew up naturally together, in the modern City they often



times develop a contentious relationship with contrary objectives. Industry located in residential neighborhoods experiences widely variable levels of success. In some locations the industry and commercial uses thrive, while in others they are underutilized or vacant. In these instances the commercial uses can be perceived – rightly or wrongly – as having detrimental relationship to the residential community.

## Housing Condition Analysis

This section focuses on recent and ongoing foreclosure trends within the Bridge Street Neck neighborhood and the programs and resources that may be available to control and mitigate the foreclosure impacts in the neighborhood.

### Foreclosure Assessment

From January 1, 2007 to March 15, 2009 in the Bridge Street Neck neighborhood there were 20 properties in various stages of foreclosure, as reported by the Warren Group. Of these foreclosures, 15 were initial petitions to foreclose and 4 were foreclosure auctions. For this same time period, there were 182 reported foreclosures for the entire City of Salem. A description of the foreclosure properties in the Bridge Street Neck Neighborhood is included in *Table A2*. The foreclosed properties are almost all owner occupied.

**Table A2. Foreclosures in Bridge Street Neck Neighborhood**

**Foreclosures in Bridge Street Neck Neighborhood  
January 1, 2007 to March 15, 2009**

Source: Warren Group

Status	Address	Owner	Property Type	Assessed Value	Date
Petition to Foreclose	93 Bridge St, Salem, MA	Jordan Castro	Mxu Res+Com	\$445,000	1/8/2009
Foreclosure Auction	8 Milk St, Salem, MA	Martha Jarnis	1-Fam Res	\$311,100	1/21/2009
Petition to Foreclose	29 Bridge St, Salem, MA	West Main St RT			1/29/2008
Petition to Foreclose	18 Oliver St, Salem, MA	Xochiquetzal Calzada	2-Fam Res	\$369,800	2/3/2009
Petition to Foreclose	8 Hubon St, Salem, MA	Teodoro C Blanco	1-Fam Res	\$287,600	2/15/2007
Foreclosure Auction	7 Winter St #1, Salem, MA	Susan L Wysocki	Condominium	\$425,700	3/4/2009
Petition to Foreclose	12 Osgood St, Salem, MA	William S Johnson	2-Fam Res	\$321,800	4/4/2007
Foreclosure Auction	89 Bridge St, Salem, MA	Margarita Pena	2-Fam Res	\$330,000	4/28/2008
Petition to Foreclose	6 Waite St, Salem, MA	John Colantoni	1-Fam Res	\$251,200	5/14/2008
Petition to Foreclose	131 Bridge St, Salem, MA	Paniagua Nuncia	2-Fam Res	\$403,500	5/15/2008
Foreclosure Auction	8 Cross Street Ct, Salem, MA	Catherine Merrill	1-Fam Res	\$211,800	7/1/2008
Petition to Foreclose	9 Pleasant St, Salem, MA	Elizabeth A Duerr	2-Fam Res	\$356,500	9/28/2007
Petition to Foreclose	16 Lathrop St, Salem, MA	Charles A McGrath	2-Fam Res	\$302,000	10/6/2008
Petition to Foreclose	6 March St, Salem, MA	Luis F Ventura	3-Fam Res	\$396,600	11/3/2008
Petition to Foreclose	13 March St #7, Salem, MA	Eric Curran	Condominium	\$198,300	11/7/2008
Petition to Foreclose	116 Bridge St, Salem, MA	Rory P Wellington	3-Fam Res	\$443,600	11/10/2008
Petition to Foreclose	22 Lathrop St, Salem, MA	Jared L Robinson	1-Fam Res	\$243,300	11/26/2008
Petition to Foreclose	25 Planters St, Salem, MA	Eugene D Stibolt	1-Fam Res	\$228,900	12/3/2008
Petition to Foreclose	6 Pierce Ave, Salem, MA	William D Nelson	1-Fam Res	\$268,300	1/7/2009
Petition to Foreclose	25 Horton St, Salem, MA	Alice Allain	1-Fam Res	\$332,700	12/11/2008

The 20 Bridge Street Neck neighborhood foreclosures represent just over 10% of the 183 foreclosures in Salem from January 2007 to March 15, 2009. According to statistics compiled by Salem's Planning Department, as of January 15, 2008 the Salem Bridge Street Neck neighborhood is not defined as a low and moderate income area. Also, this area has a HUD Foreclosure and Abandonment Risk Score

of 5 (out of 10) with only 1 area, North Salem having a higher score of 6 on this same scale.

To put this data in a wider context, the Department of Housing and Community Development (DHCD), ranked Salem 27th out of all Massachusetts communities for the number of foreclosures in 2008. Salem's foreclosures represent .071% of all foreclosures in the Commonwealth. In contrast, foreclosures in Boston, Springfield, Worcester and Lowell make up nearly 30% of all foreclosures in the Commonwealth.

**Table A3. Foreclosures in the Bridge Street Neck neighborhood across property type**

<b>Total Foreclosures</b>	<b>Single Family</b>	<b>Condo minium</b>	<b>Two Family</b>	<b>Three Family</b>	<b>Four Family and above</b>	<b>Mixed Use</b>	<b>Other</b>
20	8	2	6	2		1	1

Foreclosures are distributed across all property types. This distribution is similar to the relative distribution of different property types in the area.

The Bridge Street Neck neighborhood has a lower condominium foreclosure rate than the rest of Salem.

#### *Trend of Foreclosures*

The rate of foreclosures has been increasing across the Commonwealth and Salem is no exception. The 20 foreclosures in the Bridge Street Neck neighborhood have occurred in the following years.

**Table A4. Rate of Foreclosures**

2007	2008	2009 (Jan - March 15)
3	12	5

#### *Causes of Foreclosures*

A number of factors are cited for causing foreclosures:

- Borrowers assumed adjustable rate mortgages with interest rates that increased to unaffordable levels.
- With the recession, many have lost jobs and can no longer afford monthly mortgage costs.
- Lax underwriting with subprime loans let borrowers buy homes they never could afford.

It is interesting to note that not one local bank has been involved with a foreclosure in the Bridge Street Neck neighborhood. All loans that are now in foreclosure were provided by mortgage brokers and out of town lenders.

One important common observation can be made regarding the foreclosures analyzed in the Bridge Street Neck neighborhood. Many of the foreclosed

properties were acquired between 2005 and 2007. 2005 was the peak time for real estate values in Salem and many other communities. Buyers who bought recently have seen their homes decline in value markedly as noted in the following sales statistics.

**Table A5. Median Sales Calendar Year for All Salem**

<b>Year</b>	<b>Month(s)</b>	<b>1-Family</b>	<b>Condo</b>	<b>All Sales</b>
2009	Jan – Mar	262,550	251,250	253,750
2008	Jan – Dec	295,000	240,000	269,500
2007	Jan – Dec	315,500	250,000	294,500
2006	Jan – Dec	325,000	269,900	318,250
2005	Jan – Dec	358,450	275,000	320,000
2004	Jan – Dec	325,000	265,000	305,000

Source: Warren Group

From a peak in 2005 of \$320,000 the prices of all sales have dropped to \$253,750 as of March 2009. This is a drop of 20.7%. During this same period condominium values have held up better, only declining 8.6% while single family home values declined 26.8%.

In contrast those who have owned their homes since the year 2000 are still ahead in terms of home appreciation.

#### Programs to Help Individuals Dealing with Foreclosure

##### *Local Programs*

Salem has been proactive in dealing with foreclosures. The Mayor has appointed a property team that makes sure homes are boarded up, neighbors are notified and other actions are taken to provide some stability. The City provides counseling services through North Shore Community Action Program and other organizations. Salem has a very good website listing numerous sources for foreclosure prevention and legal resources.

It is critically important that Salem and other communities try to prevent foreclosures. The personal hardship for homeowners in foreclosure is extremely high. The destabilizing impacts on communities are high as well—leading to lower property values, vandalism, reduced property taxes and, in many communities, nicks at community confidence.

Unfortunately, dealing with foreclosures has been an intractable problem. Foreclosure prevention workshops sponsored by the Commonwealth are becoming more popular. These workshops may give homeowners the opportunity to meet one-on-one with their lenders as they try to avoid losing their homes. Lenders are



seemingly more engaged now and willing to make loan modifications and other arrangements to help homeowners facing foreclosure.

Lenders and homeowners are now engaging in short sales, whereby lenders agree to a sale that may not be sufficient to repay the outstanding debt. Short sales are happening in the Bridge Street Neck neighborhood and are helping to sell foreclosure threatened properties.

#### *Federal Efforts: Housing Stimulus Package*

The Federal government has a new Making Home Affordable Program which includes two programs, as described below, offering attractive financial incentives for homeowners who may face foreclosure.

- Refinancing: Many homeowners pay their mortgages on time but are not able to refinance to take advantage of today's lower mortgage rates, perhaps due to a decrease in the value of their home. Under the new Housing Stimulus Plan, the Refinance Program will help borrowers whose loans are held by Fannie Mae or Freddie Mac refinance into a more affordable mortgage.
- Modification: Many homeowners are struggling to make their monthly mortgage payments either because their interest rate has increased or they have less income. To encourage homeowners who work hard to keep their homes, the plan provides them with a financial incentive to make timely payments on their modified loans. Borrowers who pay on time for five years will have up to \$5,000 applied to reduce their principal debt on their first mortgage. There is no fee to modify a loan.

#### *State Efforts to Assist Homeowners facing Foreclosure*

MassHousing, the State's largest affordable housing lender, offers several refinancing options for homeowners that face foreclosure and meet certain underwriting requirements.

- Home Saver Foreclosure Prevention Program: Home Saver is a counseling and loan program that helps borrowers who are unable to repay their mortgage. It is a proactive step that home owners take before their mortgage becomes unaffordable, and before foreclosure becomes a real possibility.
- MyCommunity Refinance Loans: The MyCommunity Loan program allows homeowners with adjustable-rate mortgages to take a proactive step toward stability before their loan becomes a burden.

#### Program Help for the Bridge Street Neck neighborhood

The programs described above may help individuals dealing with foreclosure. At the same time, programs are needed for the neighborhood to deal with the impacts of foreclosed properties and to give the neighborhood a boost.

The Salem Planning and Community Department offers a number of programs that can assist residents dealing with foreclosure and also help the neighborhood with renovation programs, first time homebuyer assistance and other forms of support.

**Table A6. Summary of Salem Housing Funding Proposed 2010**

Housing Rehabilitation Loan Program (CDBG)	\$91,000
- Remaining funds from FY09	\$235,000
First Time Homebuyer Loan Program	\$50,000
Rental Assistance Program	\$99,000
Community Support Services (CDBG) -For homeless prevention, homebuyer training	\$48,750
Approximate Grand Total	\$525,000

One of the more positive programs Salem offers is the North Shore American Dream Down Payment Initiative. First time homebuyers (with incomes less than 80% area median income) can receive \$10,000 in down payment assistance as a loan which is forgiven in 10 years and the City of Salem provides matching funds up to \$7,500.

*Federal / State Efforts to Support Neighborhoods with High Numbers of Foreclosures*

- Neighborhood Stabilization Program (NSP): Foreclosed and abandoned properties in the Bridge Street Neck are eligible for Neighborhood Stabilization Program Funds. The Federal government is providing \$54 million to the Commonwealth of Massachusetts for programs to assist areas that have been impacted by foreclosure. These programs provide little relief to homeowners facing foreclosure. Funds are targeted for new owners, often owner occupants to assist them in purchasing and renovating foreclosed properties.

Of the 39 eligible Massachusetts communities, Salem ranks 27th and the Bridge Street Neck neighborhood (census tract 204500) is one of the 10 eligible census tracts in Salem. \$54 million has been allocated to the Department of Housing and Community Development with \$8.6 million going directly to Boston, Brockton, Springfield and Worcester. The balance of \$43.5 million is going to the remaining 35 communities but only the top 17 communities (not Salem) will be eligible for acquisition and rehabilitation assistance of \$15.4 million.

Although Salem may not initially be eligible for rehabilitation funds, if Salem lines up buildings for renovation there is a chance that rehabilitation funds could be obtained on a “ready to proceed” basis. The NSP funds must be spent in 18 months and many communities will have a difficult time meeting that time frame. HUD and DHCD may allocate funds to communities that are ready to proceed.

- Soft Second Enhanced Program for Foreclosed Properties in Hard-hit Areas: This program, offered by the Mass Housing Partnership, is designed for homebuyers buying foreclosed properties. In the federal designated NSP 39 communities, the first time homebuyer requirement is waived and the income limits are set under 120% of area median income (versus 80%). The enhanced soft second program offers attractive interest rates—now as low as 3.5%. The enhanced soft second program can possibly be

combined with rehabilitation grants from other sources such as Salem's homeowner rehabilitation program.

- Purchase/Rehabilitation Loans for Income Eligible Families: MassHousing, the State's Housing Finance Agency (HFA), is making rehabilitation grants available to income-eligible households (up to 120% of area median income) and first time homebuyers for the purchase and rehabilitation of foreclosed properties. This would be a very good program to target the 20 foreclosed properties in the Bridge Street Neck neighborhood. These loans include funds for renovation and have lower interest rates. City rehab program funds could possibly be coupled with these loans.

All the above NSP funds should be targeted to the identified foreclosed properties listed in *Table A2*. There are undoubtedly other properties that may qualify as well, having been foreclosed upon more recently than the date of these records, March 2009, or prior to January 1, 2007.

#### *CHAPA's Foreclosed Properties Clearinghouse Program*

Citizens' Housing and Planning Association (CHAPA) will be establishing a Massachusetts Foreclosed Properties Program to facilitate the disposition of real estate owned properties (REO) to non-profit organizations, local housing authorities and agencies, municipalities, private owners, owner-occupants, and other purchasers in the 39 communities outlined in the Massachusetts plan for the federal Neighborhood Stabilization Program.

CHAPA will prescreen potential buyers and make arrangements to be sure that screened buyers are given a first look at potential properties to be auctioned. CHAPA is working directly with the lenders of foreclosed properties to help them sell their properties more efficiently and responsibly.

Salem is eligible to participate in CHAPA program, which could be very effective. It is absolutely critical to identify qualified new buyers—be they individual homeowners, non profits or others—that are ready to purchase the new homes. On the nonprofit side, the Salem CDC could be a potential developer sponsor who could purchase properties, renovate them and turn them over to first time homebuyers.

### **Commercial Assessment**

#### Commercial Market Status and Trends

##### *Recent History- Traffic and the New Bypass Road*

Until August 2008, Bridge Street was an integral part of Route 1A, a scenic tourist and commuter road that runs through Boston up the northern coast of Massachusetts. At the local level, Route 1A directly connects the City of Salem and its southern neighbors Swampscott and Lynn, to Wenham and Essex and by other routes connects these cities and towns to the coastal scenic towns of Manchester-by-the-Sea and Gloucester via the town of Beverly.

Prior to August 2008 tourist traffic traveling up route 1A had to pass through the Bridge Street Neck neighborhood commercial district to continue over the bridge



and up or down the coast. Over the years, the section of Bridge Street that runs through the Bridge Street Neck neighborhood became notorious for heavy traffic and travel delays at all hours of the day. The commercial section of the Bridge Street Neck grew up around this well-established traffic pattern and became dependent on these tourists and commuters to support their thriving businesses.

In August 2008 a new bridge and Bypass road opened in order to alleviate the bottleneck traffic on Bridge Street. This bypass connects Route 1A in Beverly directly to downtown Salem along the western coast of the Bridge Street Neck neighborhood with limited access road- entries located only at either end. The highway signage that was installed at the entrances to the Bypass road gives no indication that Bridge Street is an alternative route to or from downtown Salem. While Bridge Street is still listed on maps as Route 1A, tourist traffic from the north is likely to take the direct route via the Bypass and commuter traffic will typically opt for this faster route as well.

#### *Impact of Traffic Reduction on the Bridge Street Neck Commercial District*

During the first few weeks of its opening, traffic on Bridge Street was almost completely absent as local commuters tried out the new road, and tourists were directed to the new road. Now the traffic has evened out and traffic is split between the two roads, so the heavy traffic problem has been alleviated.

As a result of this major change in traffic, the Bridge Street commercial area has been in a downward transition over the past year. It is important to also note the likely negative impacts on the commercial area due to the current state of the economy. Interviews with business owners on Bridge Street indicate that businesses dependent on tourist traffic have lost significant sales over last year. On the other hand, businesses with a loyal customer base have remained stable over last year because their customers no longer need to wait in heavy traffic to get to Bridge Street. These businesses have expressed concern, however, that new customers are no longer being drawn to the area. Today the primary visitors to the Bridge Street Neck neighborhood are residents, customers visiting a specific retail or business enterprise, and commuters already familiar with the road.

#### *Characteristics of the Bridge Street Commercial District - Three Zones*

The Bridge Street Neck commercial district is a neighborhood retail district with three general zones and characters:

- The southern end closest to downtown, south of Lathrop and Skerry Streets, is characterized by mixed-use buildings, a combination of retail and upper floor residential, which transitions to purely residential south of Webb Street at the end of the Bridge Street Neck neighborhood. This end of Bridge Street benefits from the positive influence of the well maintained historic houses along Webb Street that continue toward Salem Common.
- The second zone, in the middle of the peninsula between Lathrop and Planters Streets, is where the street transitions into larger parcels and more automotive and boat oriented businesses. It also contains less dense residential buildings and small retail shops. This middle stretch has a more ambiguous identity and amorphous streetscape than the southern end. It also contains the largest number of vacant properties along Bridge Street.

- The third zone, north of Planters and Rice Streets, is characterized by larger parcels, some popular destination restaurants, and the Clipper Ship Inn. This zone connects directly to the new bridge to Beverly. Some of the restaurants on the eastern side of the street provide nice views of the water; however there is also a large gas tank and prominent electrical cables that cross this end of the Bridge Street Neck neighborhood. The entrance to the old bridge is currently cordoned off, but is slated to be revitalized as a public park on the water.

A survey of the properties along Bridge Street was conducted by going building to building, identifying uses for buildings with retail frontage and using the City's GIS website to gather data on the floor area of the different buildings, assuming that leasable floor area is approximately 15% of gross floor area.

Using this approach, an estimate of approximately 150,000 sf of space dedicated to 1st floor commercial uses was established. The median space was approximately 3,564 sf. The tenants and buildings are listed in *Table A7*.

Table A7: Bridge Street Neck Neighborhood Revitalization

### Bridge Street Neck Neighborhood Revitalization

#### Commercial Property

Address	Store Name	Story	Total Gross Sq. Ft.	Useable Sq. Ft. 85%
2 Bridge Street	Black Lobster	1	4,222	3,589
3-5 Bridge Street	Bridge Street Market	1	2,095	1,781
9 Bridge Street	Bill & Bobs	1	3,564	3,029
15 Bridge Street	99 Restaurant	1	13,536	11,506
18 Bridge Street 3-11 Hubron Street		2	4,174	3,548
26-30 Bridge Street	Cosgroves Liquors	1	4,261	3,622
31-31A Bridge Street	Dunkin Donuts & Realtor	1	4,394	3,735
33 Bridge Street	Clucky Wings/ Dinatas Pizza	1	2,662	2,263
34 Bridge Street	Spinale Auto	1	1,452	1,234
41 Bridge Street	Auto Repair	1	1,556	1,323
40 Bridge Street	Clippership Inn	1	11,670	9,920
40 Bridge Street	Clippership Inn 2nd Building	1	11,578	9,841
35 Bridge Street	Pegasus Auto	1	10,931	9,291
38 1/2 Bridge Street	Tanning 2nd Floor		1,527	1,298
39 Bridge Street	Auto	1	8,155	6,932
44 Bridge Street	Tanny 1st Floor		1,202	1,022
45 Bridge Street	antiques	1	2,078	1,766
53 Bridge Street	Aqua Hair & Joe's Hair	1	3,350	2,848
59 Bridge Street	Sign Painting, Construction	1	1,403	1,193
56-54 Bridge Street	J&W Marine Boat Sales	1	3,154	2,681
64 Bridge Street	Multiple Office	2.5	5,085	4,322
63 Bridge Street	Salem Brake & Clutch	1	16,978	14,431
65A Bridge Street	Salem Brake & Clutch	1	1,425	1,211
69-67 Bridge Street	Saws	2.5	6,883	5,850
77 Bridge Street	Boats and Nautical Gifts	2	18,806	15,985
81 Bridge Street	Cycle Parts	2.5	4,825	4,101
85 Bridge Street	Pulmonary Services	2	4,304	3,658
87 Bridge Street	Computer Repair		1,906	1,620
94 Bridge Street	Mobile Gas Station	1	2,921	2,483
96 Bridge Street	Coffee Time	1	2,391	2,032
99-97 Bridge Street	Stacia's Restaurant		1,164	989
109 Bridge Street	Liquor & Minimart	1.5	4,193	3,564
107 Bridge Street	Salem Used Furn. & Stereo Repair		2,225	1,891
106 Bridge Street	Magic Muffler	1	4,363	3,709
1 Pleasant Street	Commercial	2	1,970	1,675
TOTAL			176,402	149,942
			Median	3,564

#### Current Residential-Retail Mix

Following a similar approach to the calculations of commercial areas, calculations of residential space along Bridge Street (179,000 sf) and vacant commercial space along Bridge Street, which is estimated to be (17,000 or 11%) were made. These data support the interview findings that there is a balance between retail and residential uses that have traditionally existed in the Bridge Street Neck neighborhood, and that the retail/commercial elements of the balance may be declining.

Apart from Bridge Street, the side streets in the Bridge Street Neck are primarily residential. The neighborhood is small, and being surrounded by water, with mostly small built-out lots, it doesn't allow significant expansion. In 2008 the population of the neighborhood was 2,500 people in 1,200 households. A residential



population of this size cannot support and has not historically supported the amount of retail on Bridge Street.

#### *Physical Appearance of the Bridge Street Commercial District*

Over the past few years, the physical appearance of the Bridge Street commercial area has deteriorated. The reason for this may be because the northern end of the Bridge Street Neck neighborhood has been under construction for so long, and owners are waiting for the completion of the Bridge Street improvements before investing in their own properties. It may also be as a result of the economic downturn, compounded by the fact that the area is so small that just a few troubled properties can have a large impact.

Bridge Street infrastructure improvements are being designed and planned as the final phase of the Bypass road project. This work will include new sidewalks, street lighting, and a park at the northern end where the old bridge entrance was.

#### *Relationship to Downtown Salem and Beverly*

The Bridge Street Neck neighborhood is situated between downtown Salem and Beverly, both of which serve a very different retail purpose and experience and are more upscale than the Bridge Street Neck commercial district. Downtown Salem has experienced a revitalization in recent years and has a strong, well-organized Main Streets Program. A prominent tourist destination, Downtown offers a broad range of shopping and dining options.

As Bridge Street starts to redefine itself, it must maintain its own distinct character from Downtown Salem and Beverly. It cannot try to serve the same purpose as these established surrounding centers.

### **Physical Planning Assessment**

This section analyzes the Bridge Street Neck neighborhood's physical resources, their condition, how they are utilized, how they are regulated and how they can be improved. The Bridge Street Neck neighborhood's physical environment faces immediate challenges, however it also possess significant assets that can be capitalized on and strengthened to meet and address these challenges. Evaluations and strategy recommendations for each of the key Bridge Street Neck neighborhood's physical planning elements follow.

#### Land Use Patterns

The Bridge Street Neck is a dense neighborhood featuring both residential and commercial uses. The dominant land use in the planning area is residential, specifically multi-family residential. There are commercial uses located along Bridge Street and industrial uses located at the north east section of the planning area. The commercial uses include a bakery, restaurants, lodging automotive services and boat sales. The industrial uses are facilities run by the gas and electric utility companies (National Grid). There also are a school, a church and a social club, as well as three open spaces dedicated for recreation purposes. An industrial zoned area located in the southwest region of the planning area was recently developed into a residential complex, Salem Station. Mapping information on

existing land use within the planning area is shown on *Figure A2* and is available at MassGIS, the State's Office of Geographic and Environmental information.

#### *Parcel Size and Ownership*

The majority of parcels in the Bridge Street Neck neighborhood are less than 0.5 acres. The small parcel size reflects the area's historical urban environment. The distribution of parcel size is illustrated in *Figure A3*. The largest parcels are located at the edges of the planning area, specifically the two areas zoned for industrial use. The largest parcels are owned by utility companies (National Grid), followed by the City of Salem, the Commonwealth of Massachusetts and the Massachusetts Bay Transit Authority (MBTA). Individual property owners comprise the rest of the parcels and the majority of the planning area. Parcel ownership is illustrated in *Figure A4*.

#### Parking and Circulation Patterns

The Bridge Street Neck neighborhood has limited parking for residences and businesses due to its dense street network and built environment. The recent creation of the Bypass road in the Bridge Street Neck neighborhood has significantly altered the circulation patterns in the planning area. The Bypass road has reduced traffic congestion on Bridge Street providing improved vehicular access for residents and businesses. However the reduction of vehicular traffic on Bridge Street has had an adverse effect on some businesses in the planning area.

#### *Existing Parking Conditions*

There are no City owned parking structures or lots located in the Bridge Street Neck neighborhood. Additionally there are no curbside areas monitored by meters for short term parking in the Bridge Street Neck neighborhood. The documents for the planned Bridge Street reconstruction project show that limited parking will be allowed along Bridge Street. Street parking is not allowed on the Bypass road, but is common place on the local roads located throughout the planning area.

The primary circulation routes in the Bridge Street Neck neighborhood are the north-south corridors of Bridge Street and the Bypass road connecting downtown Salem with the Town of Beverly and other communities to the north of Salem.

FIGURE A2: EXISTING LAND USE

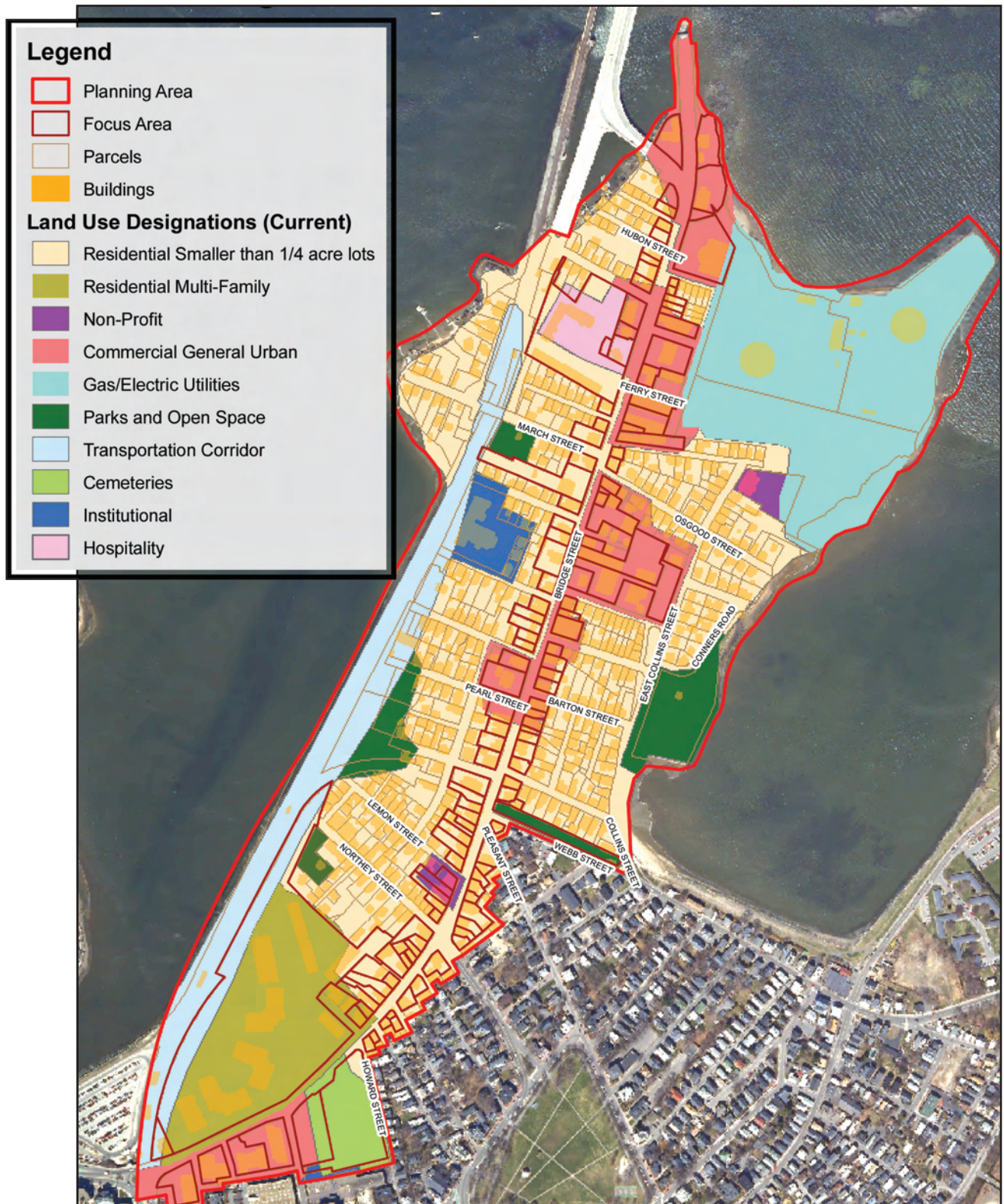




FIGURE A3: PARCEL SIZE

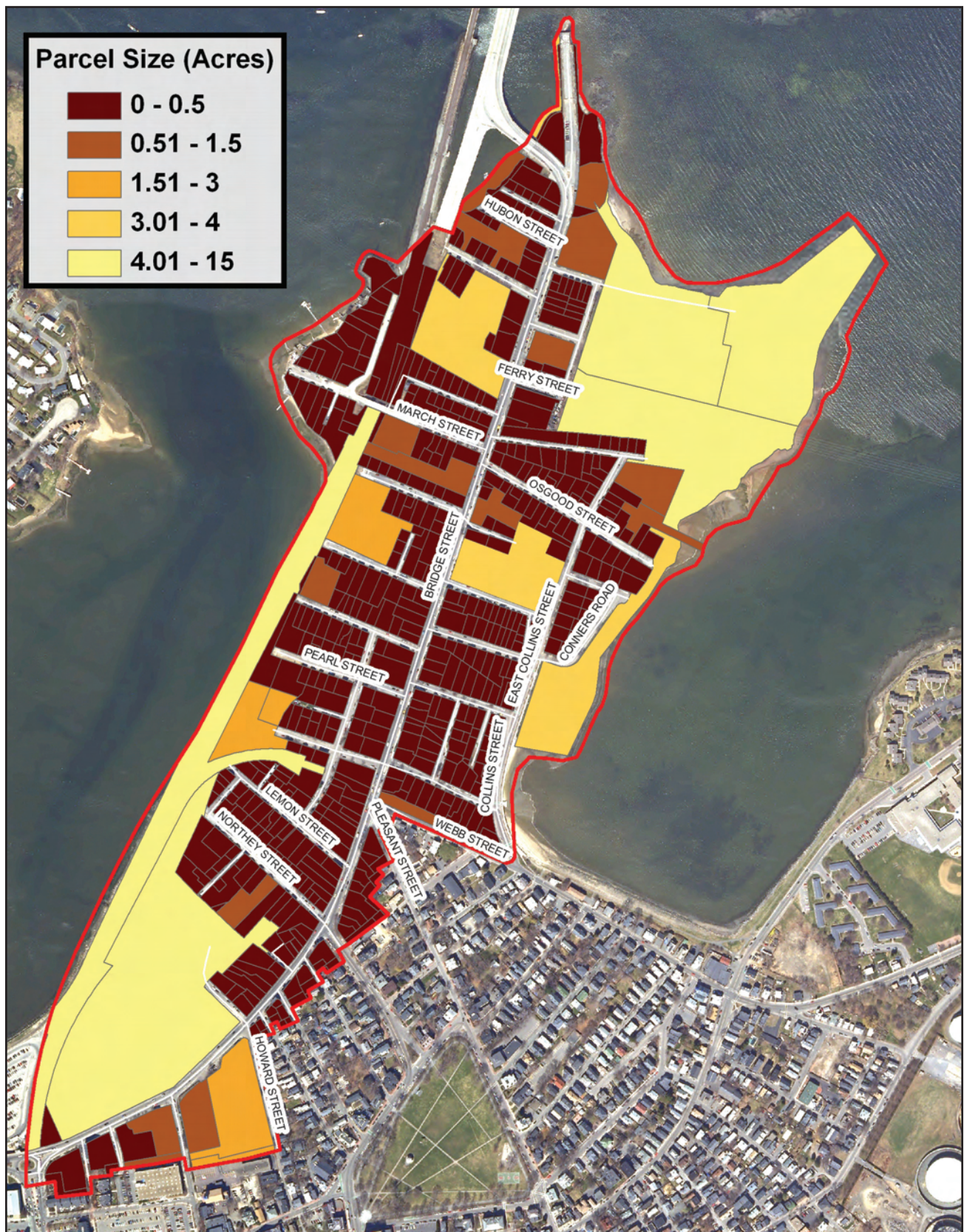




FIGURE A4: LAND OWNERSHIP



### Open Space Patterns

There are three public open space areas in the Bridge Street Neck neighborhood. These are Gonyea Park, Collins Cove Playground, and Curtis Park/March Street Playground. There are also two unconnected sections of a bicycle network located within the planning area. Additionally there is a new waterfront park planned for the north end of Bridge Street, on the remaining portion of the former bridge.

The new open space area planned for development at the site of the former bridge overlooking the mouth of the Danvers River will function in a similar way as a public pier would. The planned park will include landscaped areas, features for sitting, walking paths, viewing areas and fishing spots. This park will also have designated parking located on the former bridge structure.

There are two unconnected sections of a bicycle path network in the planning area. One section of the bicycle path is located along the newly constructed Bypass road from Bridge Street in the south to the Curtis Park/March Street Playground in the north. The second section of the bicycle path is located along Webb Street. This second section of the bicycle path continues along Webb Street and then extends north around Collins Cove to Willows Park and Winter Island Marine Park. There is a project currently underway to connect these two sections of the bicycle path using MBTA owned property near Lemon Street. The existing open spaces, together with other amenities are shown in *Figure A5*.

### Historic Resources and Neighborhood Character

The Bridge Street Neck neighborhood is an area that is rich with historic resources. There are two National Register Districts, a building on the National Register of Historic Places, and a Local Historic District located just outside of the Bridge Street Neck neighborhood. The historic resources located within the planning area are captured in *Figure A6*.

#### *Historic Districts and Buildings*

The two National Register Districts located in the planning area are The Bridge Street Neck District and Salem Common District. Together the two encompass approximately the southern half of the planning area. Properties within National Register Districts are regulated only if there is state or federal permits, licensing or funding involvement in a project.

There is one building in the planning area which is on the National Register of Historic Places. That building is the Woodbridge Thomas March House at 48 Bridge Street. The building is not located in either a local historic district or national register district.

The northern half of the planning area is not in either a National Register District or Local Historic District. The planning area abuts a Local Historic District designated for Washington Square. There are no Local Historic Districts in the planning area.

Overall, the neighborhood character is that of a dense nineteenth century residential area, consisting of small parcel sizes, buildings with little or no setbacks, and featuring architectural examples of Federalist and Greek Revival styles.

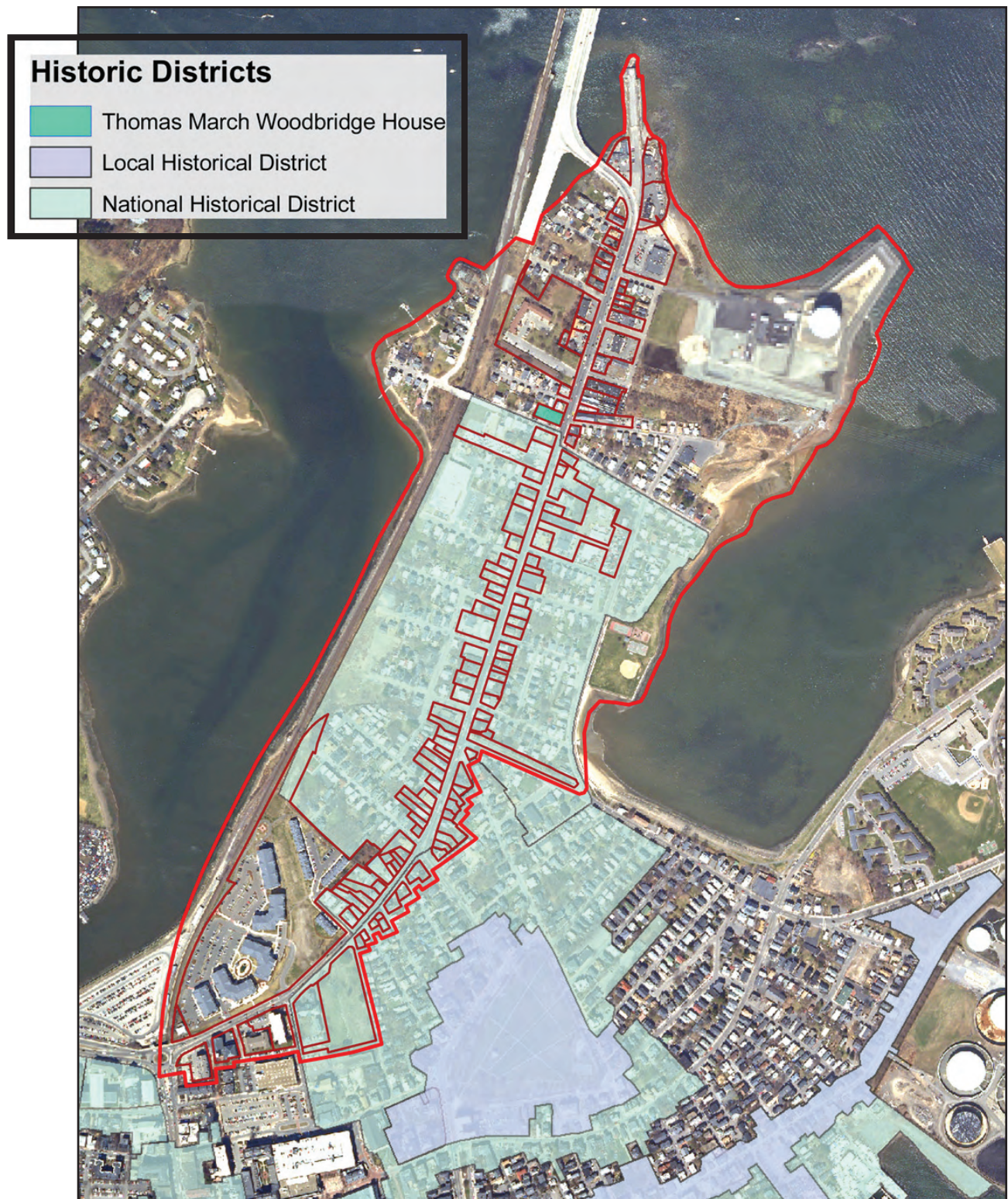


FIGURE A5: OPEN SPACE AND AMENITIES





FIGURE A6: HISTORIC RESOURCES



### *Neighborhood Character Photo Inventory*

A photographic inventory of the neighborhood character and land use conditions has been compiled over several site visits to the planning area. Aspects recorded photographically include the existing roads and public ways, open space, sidewalks, streetscape and civic institutions.

A selection of representative images is included as *Figure A7* to portray the overall architectural, urban design and streetscape character of the Bridge Street Neck neighborhood. Additional photographs are available in electronic format for use as reference materials during the next steps of the study.

### Pedestrian Environment

The dense nature of the Bridge Street Neck neighborhood's street network and building fabric as well as the area's predominantly residential use make the pedestrian environment a critical feature of the planning area. The neighborhood's pedestrian environment is defined by two main elements: the comprehensive network of street sidewalks and the presence of two sections of the public bicycle path.

#### *Existing Pedestrian Routes and Conditions*

Although the planning area has a comprehensive network of street sidewalks, the historical nature of the sidewalks (narrow and close to street level in many locations) reduces their effectiveness in establishing a safe and friendly pedestrian environment. An example of the lack of a barrier between the sidewalks and the streets is the common occurrence of vehicles parking on the sidewalks, which reduces the sidewalk's pedestrian capacity and forces many pedestrians to walk in the streets. The reconstruction of the sidewalks along Bridge Street is planned as part of the Bridge Street reconstruction project. This project also includes landscaping and period lighting.

The two sections of the bicycle path complement the street network. However they appear to be used more as a recreational path than a pedestrian connection route. The effectiveness of the bicycle paths should be enhanced when the current project to connect the two independent sections is complete.

The primary pedestrian circulation route in the planning area is the north/south corridor of Bridge Street. Many of the other local roads are dead ends or not through streets. The primary pedestrian destinations are the businesses on Bridge Street, Carlton Elementary School, the MBTA Commuter Rail Station and downtown Salem. There are limited open space areas to reinforce and encourage pedestrian activity.



FIGURE A7: PHOTO INVENTORY





FIGURE A7 (CONTINUED): PHOTO INVENTORY



### Infrastructure Conditions and Constraints

The Bridge Street Neck neighborhood has several constraining infrastructure conditions within the planning area such as flood zones and utility easements. However there are also several infrastructure improvement projects currently planned, including the renovation and reconstruction of Bridge Street, the creation of a park on the end of the former bridge site and the connection of two separate bicycle path sections. Although the existing infrastructure conditions may represent constraints, the planned infrastructure projects may function as opportunities.

#### *Infrastructure Conditions*

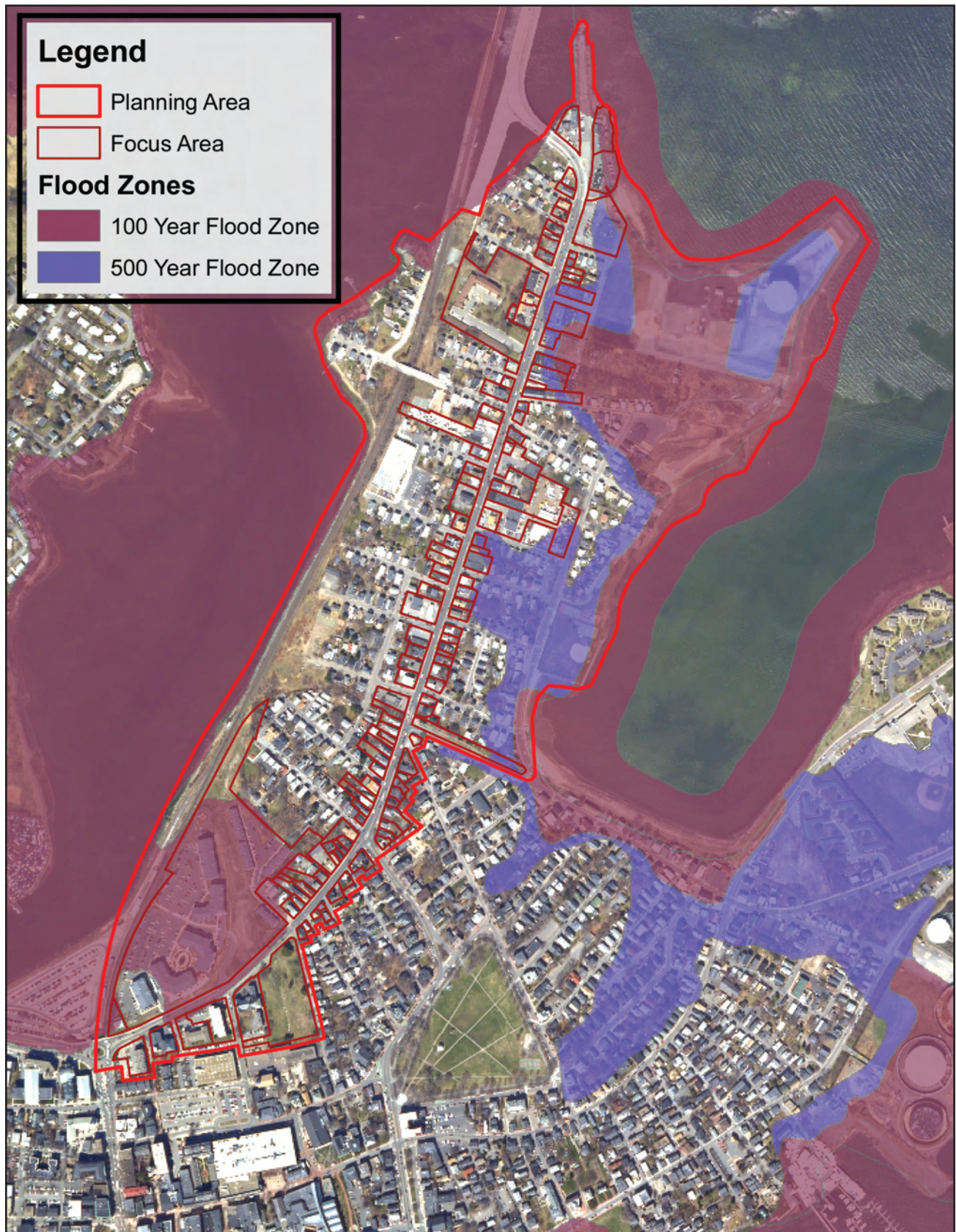
There are several flood zones located in the Bridge Street Neck neighborhood, including 100-year and 500-year flood zones located along the east coast. The most significant flood zones are located in the north east and south west sections of the planning area. Although the flood zones are not predominant throughout the area they must be accounted for in development and revitalization plans. In addition to the flood zones, there are several utility easements located within the planning area. The most significant is the electricity easement that travels east-west near Ferry Street. The power lines in the electricity easement prevent development of the land beneath and detract from views of the water surrounding the northern end of the planning area. The largest parcels of land without structures are areas affected by flood zones or utility easements. *Figure A8* shows the flood zone boundaries.

The planned infrastructure projects for the Bridge Street Neck neighborhood may act as a catalyst for revitalization and redevelopment. Of the several infrastructure improvements projects planned for the neighborhood, the renovation and reconstruction of Bridge Street road and sidewalks from Howard Street to Ames Street is most likely to have the largest impact. This will include the repaving of Bridge Street, construction of new brick lined sidewalks, new landscaping, new signage and new period lighting. The existing brick sidewalks should be retained wherever possible to preserve their historic and aesthetic value. While this project will provide traffic and pedestrian improvements it will also provide an aesthetic upgrade for Bridge Street, which is a designated “Entrance Corridor” for the City of Salem. It is possible that this project will lead to storefront renovations and revitalization along Bridge Street as well as creating a new perception for the area among residents and visitors.

The planned construction of a new waterfront park and recreation space on the former bridge site and the planned connection of the Bypass road section and the Webb Street section of the bicycle path can also be an asset in the revitalization and redevelopment efforts. The waterfront park, which will be situated among commercial uses, has the potential to become a destination open space for the Bridge Street Neck neighborhood and possibly the whole City of Salem.



FIGURE A8: FLOOD ZONE BOUNDARIES



The planned connection of the two separate sections of bicycle path network should increase the volume of users on both sections of the bicycle path that run through the neighborhood. Together these two projects represent not only an opportunity to create an attraction for residents and visitors within the commercial business district, but also an improvement to the infrastructure system to move residents and visitors from other parts of the City and from the commuter rail station into the planning area.

### Zoning and Regulatory Framework

The planning area has a long history of both residential and commercial use that is reflected in the current zoning, which comprises nine different zoning districts and one overlay district. This is a significant number of different zoning districts for the size of the planning area.

#### *Existing Zoning*

The nine zoning districts and one overlay district located in the planning area are the following:

- Industrial (I)
- Business Neighborhood (B1)
- Business Highway (B2)
- Wholesale and Automotive (B4)
- Central Development (B5)
- Residential One Family (R1)
- Residential Conservation (RC)
- Residential Two Family (R2)
- Residential Multi-Family (R3)
- Entrance Corridor Overlay

The majority of the planning area is zoned residential use, specifically Residential Two Family (R2). The areas zoned for business are mostly located abutting the east side of Bridge Street, stretching the majority of Bridge Street uninterrupted away from downtown Salem. Although the majority of the planning area is zoned for residential use, three of the five business districts in the planning area prohibit residential use. Conversely, three of the four residential districts largely prohibit business uses.

For the size of the Bridge Street Neck neighborhood, the area has a high number of different and potentially conflicting zoning districts. The planning area's predominately residential nature and use present potential areas of conflict with the uses allowed by the Wholesale Automotive, Business Highway and Industrial zoned districts. The area's zoning districts are illustrated in *Figure A9*.



FIGURE A9: CURRENT ZONING MAP

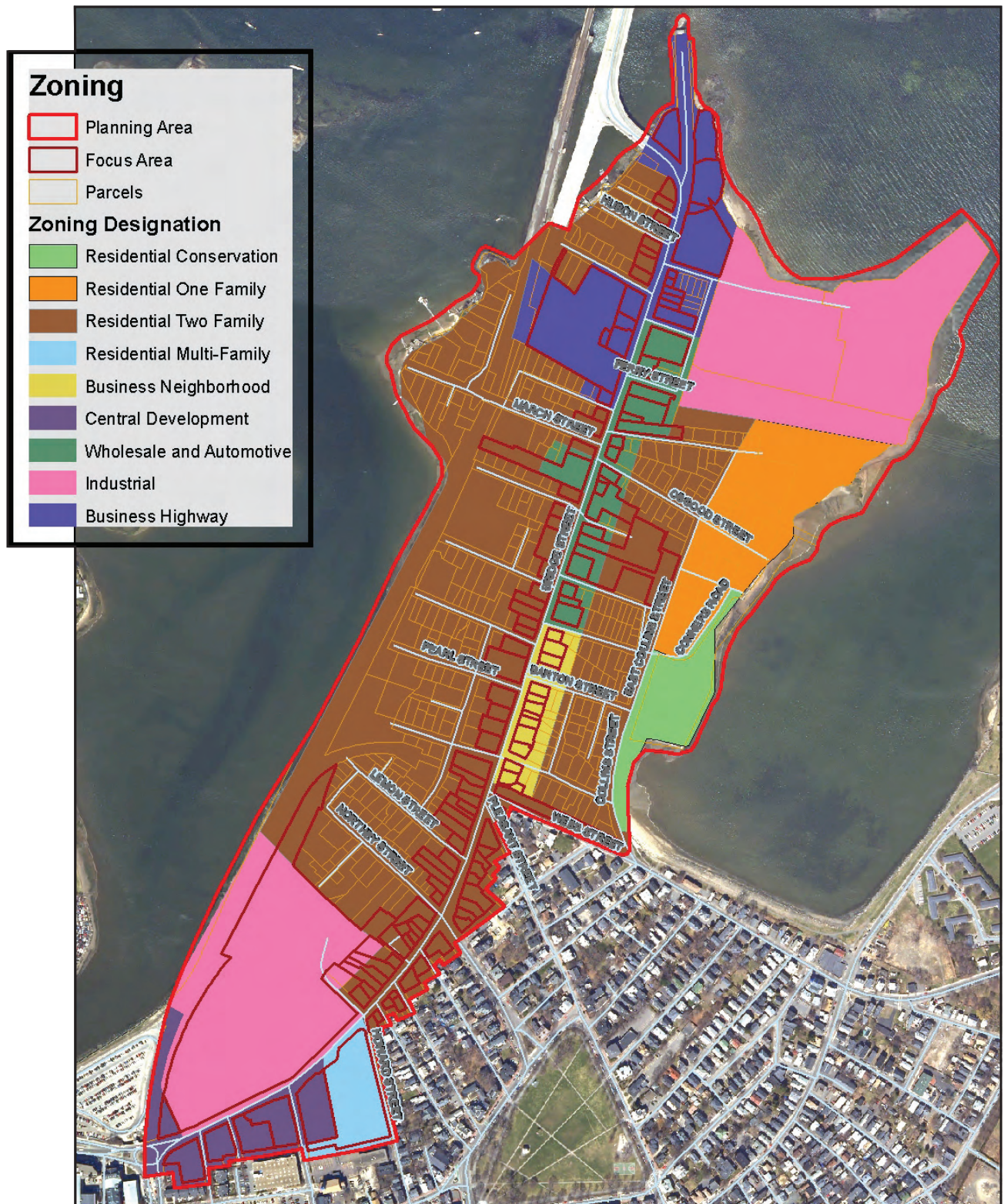


Table A8 lists uses permitted as-of-right and uses allowed only by Special Permit.

**Table A8. Permitted Uses**

<b>District</b>	<b>Permitted Uses</b>
Residential Conservation (RC)	Detached single family dwellings, agricultural, horticultural and floricultural operations, accessory buildings, golf courses, institutions, places of worship and religious housing, libraries, schools, and public parks.
Residential One Family (R1)	Detached single family dwellings, agricultural, horticultural and floricultural operations, accessory buildings, golf courses, institutions, places of worship and religious housing, libraries, schools, and public parks.
Residential Two Family (R2)	All uses allowed in R1 and CR Districts, two family dwellings, accessory buildings, museums, municipal elderly housing, rooming and boarding (not more than two people) and historic buildings.
Residential Multifamily (R3)	All uses allowed in R2 Districts, multifamily dwellings, and accessory buildings.
Business Neighborhood (B1)	All uses permitted in R-3 Districts, grocery stores and delicatessens, retail bakeries, drugstores, liquor stores, newsstands and variety stores, florists (no greenhouses), banks and savings and loan institutions, hardware stores, barber shops, beauty parlors, book stores, gift shops, shoe repair shops, tailor and custom dressmaking shops, municipal buildings, professional offices, medical and dental clinics, appliance repair shops (with less than three people engaged in providing services), self service laundries, restaurants (drive –in allowed, alcoholic beverage service not allowed), laundry and dry cleaning establishments (with less than five people engaged in provide services), incidental off street parking and loading facilities are allowed in support of principal use.
Business Highway (B2)	All uses permitted in B-1 Districts, except that residential uses are prohibited. Motels, automobile service stations, restaurants with alcoholic beverage service, supermarkets, retail department stores (if located within a shopping plaza), shopping plaza accessory uses, research and development facilities, warehousing and distribution, laboratories (provided no noxious odors are emitted), publish and printing establishments, general office buildings, and incidental off street parking and loading facilities are allowed in support of principal use.
Wholesale and Automotive (B4)	All uses permitted in B-1 Districts, except that residential uses are prohibited. Places of worship, schools, institutions, automotive service stations, automobile, boat and trailer sales and service, printing establishments, warehousing, sale and storage of building supplies, wholesale merchandise brokers, wholesale storage, plumbing, carpentry, sheet metal shops, incidental accessory uses and buildings (off street parking, loading facilities), service establishments exceeding B1 District requirements (laundry, baking, dry cleaning) retail uses relating to the above uses.
Central Development (B5)	All uses permitted in the B-1 Districts. Restaurants and eating and drinking places, nonprofit clubs, lodges and fraternal orders, philanthropic and charitable institutions, music and dance studios, trade and business schools, hotels, motels and inns, business and professional offices, places of commercial recreation and entertainment (theaters and bowling alleys), publishing and printing establishments, one-family, two-family and multifamily



District	Permitted Uses
	residential uses (as either primary or secondary building use), artist and artisan studios, workrooms, and shops, retail stores (other than those permitted in B-4 Districts), retail-wholesale contractors supply establishments (if wholesale operations consist of less than 50% of the business), housing projects built under the jurisdiction of the Salem Housing Authority, off street parking and loading facilities, and accessory uses generally in support of the above permitted uses
Industrial (I)	All uses permitted in B-1 Districts, except that residential uses are prohibited. Places of worship, schools, institutions, automotive service stations, automobile, boat and trailer sales and service, printing establishments, warehousing, sale and storage of building supplies, wholesale merchandise brokers, wholesale storage, plumbing, carpentry, sheet metal shops, incidental accessory uses and buildings (off street parking, loading facilities), service establishments exceeding B1 District requirements (laundry, baking, dry cleaning) retail uses relating to the above uses.

### Amenities

Important amenities valued by both residents and businesses are the designated open space areas, waterfront access, existing and planned bicycle path networks, and MBTA commuter rail service. Although the Bridge Street Neck neighborhood has a good mix and a significant amount of amenities, there are opportunities and needs to improve and strengthen these community assets. The existing amenities can be improved and enhanced by focusing on how the amenities function in concert with each other, how they work with adjacent uses and where they are located to maximize their accessibility and effectiveness within the community. *Figure A5* illustrates the location of the neighborhood's amenities.

The Bridge Street Neck neighborhood's valued amenities include three existing open space areas, two sections of Salem's bicycle path network, an elementary school, waterfront properties and views, restaurants and shops, MBTA commuter rail service and downtown Salem within walking distance, and good vehicular access to the neighborhood. Additionally there are several City and State planned projects to increase and enhance the amenities in the planning area. These planned projects include: the renovation and reconstruction of Bridge Street road and sidewalks, the creation of a new recreational park on the former bridge and the connection of the two sections of the bicycle path in the planning area.

In the same manner that amenities are elements that have positive effects on a community, the Bridge Street Neck neighborhood has detractions that have negative effects. The Boston Gas Company facility located at the north end of the neighborhood, which includes a large industrial gas tank, is situated on the water and acts as a barrier between the waterfront and abutting residential and commercial districts. High tension power lines run east/west across Bridge Street in the same vicinity as the gas tank facilities. The power lines detract from the water views in that area and present a less than ideal gateway image when entering the Bridge Street Neck neighborhood from Beverly.

### Urban Design Opportunities

The Bridge Street Neck neighborhood's natural geography presents opportunities to develop and strengthen the planning area's connection to the surrounding waterfront areas and ocean views. The peninsula land form provides excellent proximity to the ocean, which can be a defining characteristic for the neighborhood and a significant asset for residents and businesses. Increasing access to the waterfront, creating public space at the water's edge and preserving views are ways to increase the planning area's connection to the waterfront area.

In 2005 the City of Salem issued Commercial Design Guidelines, which provide direction for the physical design of commercial buildings in designated urban renewal areas and entrance corridors. The Commercial Design Guidelines apply to commercial uses located along the entire length of Bridge Street as it is designated as the Bridge Street Entrance Corridor. These guidelines should eventually provide an improved visual experience when traveling along Bridge Street and therefore portray an improved image of the Bridge Street Neck neighborhood.

### **Physical Conditions Summary Assessment**

The Bridge Street Neck neighborhood's physical environment has its own unique set of strengths, weaknesses, opportunities and threats, as does every community. The strengths include existing assets such as the MBTA station and the opportunities such as the planned Bridge Street road and sidewalk reconstruction. The neighborhood's weaknesses include infrastructure locations and threats to the area's commercial businesses. Evaluating the Bridge Street Neck neighborhood's assets and challenges and the respective strategies to enhance or improve them provides the ground work for the implementation of future cohesive improvement strategies.

#### *Strengths*

The Bridge Street Neck neighborhood has significant strengths in its amenities, location, planned projects and existing assets, and is well positioned for improving upon its already strong neighborhood character and resources. The neighborhood possesses an excellent location, adjacent to downtown Salem, with direct access to Beverly and an MBTA commuter rail station. Additionally the planning area presents many positive amenities such as open space recreation options, access to the waterfront, access to the City wide bicycle path, and a mixed use commercial district along Bridge Street. The Bridge Street Neck neighborhood is a densely developed, primarily residential neighborhood, mainly comprised by individually owned small parcels of land. The absence of large land parcels or individuals and entities owning multiple parcels of land in the neighborhood significantly reduces the likelihood of a major unwanted development.

The Bridge Street Neck neighborhood's existing assets and strengths will be further enhanced with the planned infrastructure projects that will repave and renovate Bridge Street road and sidewalks, create an open space recreation area on the end of the former bridge and connect two sections of the existing bicycle path. Overall the Bridge Street Neck neighborhood has significant strengths and resources.

### *Weaknesses*

The Bridge Street Neck neighborhood has several weaknesses and challenges that face it, such as the reduction of sales volume for buildings on Bridge Street and the current economic downturn. The Bypass road project was successful in achieving its designated goal of eliminating the debilitating congestion that existed on Bridge Street. However, it also removed a lot of through traffic that many of the Bridge Street commercial businesses relied upon to generate business. Bridge Street businesses that have a loyal and established customer base have not experienced as dramatic a negative impact as others.

The presence of the utility companies (National Grid) at the north end of the Bridge Street Neck neighborhood presents an image challenge. The location of these utilities prevents access by neighborhood residents to the waterfront and obstructs what would be water views. Additionally the imposing physical presence of the gas tank and power lines presents an industrial gateway effect that contradicts the residential nature of the Bridge Street Neck neighborhood. Similarly to the utility companies' location creating a barrier to the waterfront area for the neighborhood, the parallel Bypass road and railroad line create a hard barrier on the west edge of the neighborhood preventing residential access to the waterfront. The Bypass road, the railroad line, the power lines and the gas tank are all elements of the Bridge Street Neck neighborhood that weaken the potential of the planning area.

### *Opportunities*

The Bridge Street Neck neighborhood has the opportunity to build on its existing strengths and improve its overall condition as a desirable place to live, work, and visit. Opportunities exist for the neighborhood by making new and strengthening existing waterfront and open space connections. Connections to the water can be improved by creating new links with the use of streetscape elements or specific signage.

Strategically implemented streetscape items, beyond what is planned as part of the Bridge Street road and sidewalk reconstruction, can be used to create new places along Bridge Street or to create strengthened connections between different parts of the planning area. By locating additional brick paving in the sidewalk, adding street benches and having landscape planters in a three block area along Bridge Street that has a high concentration of commercial business will identify that location as a designated place and therefore a destination. In a similar manner sidewalk improvements, street tree additions and signage can strengthen an existing street connection from one part of the planning area to an open space or recreation area that increases its use by the community.

### *Threats*

The current national economy and the housing market continue to be a threat to the Bridge Street Neck neighborhood. This threat is not specific to the planning area, but is one that could have lingering negative effects. However the combined strengths of the existing assets and the planned improvements suggest that the area will rebound in a strong manner when the national market correction occurs.

### Future

Overall The Bridge Street Neck neighborhood appears to have more assets and opportunities than weaknesses and challenges, and therefore appears to be well positioned to respond to its current and future challenges. Improving the physical condition and visual impression of buildings along Bridge Street should provide the greatest benefit for the neighborhood. Bridge Street is the main thoroughfare, commercial zone, gateway to the City and face of the neighborhood to most visitors. Physical improvements to Bridge Street and abutting buildings will improve the whole neighborhood image. The plans and initiatives to revitalize this corridor are already in place with the Bridge Street road and sidewalk reconstruction, the construction of a public recreation space at the end of the former bridge as well as the Commercial Design Guidelines that apply to all businesses along Bridge Street. Together these infrastructure projects and design regulations should contribute to improve the image and quality of living in the entire neighborhood.

Table A1. Demographic Indicators

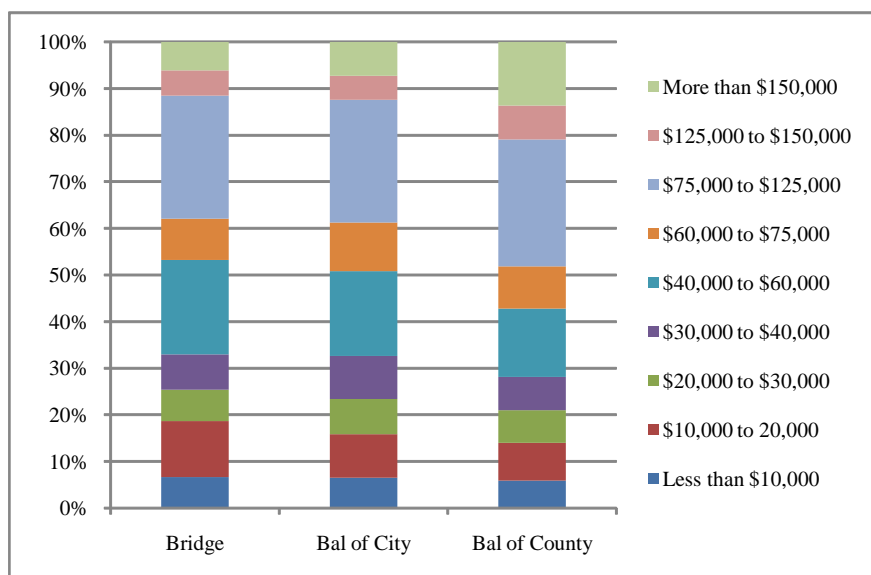
*General Demographics*

	Demographic Comparison				Avg. Ann. Change		
	1990	2000	2008	2013	1990-2000	2000-2008	2008-2013
Bridge Street Ngh							
Population	2,331	2,296	2,456	2,510	-0.15%	0.87%	0.44%
Households	947	1,065	1,162	1,194	1.25%	1.14%	0.55%
Median Household Income	\$31,125	\$42,860	\$56,735	\$70,594	3.77%	4.05%	4.89%
Balance of Salem							
Population	35,810	38,111	38,952	39,383	0.64%	0.28%	0.22%
Households	14,878	16,427	16,823	17,049	1.04%	0.30%	0.27%
Median Household Income	\$32,661	\$44,074	\$58,675	\$72,863	3.49%	4.14%	4.84%
Balance of County							
Population	631,939	683,012	709,973	722,198	0.81%	0.49%	0.34%
Households	235,460	257,927	267,293	272,089	0.95%	0.45%	0.36%
Median Household Income	\$37,913	\$51,763	\$70,408	\$82,996	3.65%	4.50%	3.58%
Balance of MSA							
Population	3,463,815	3,667,925	3,763,955	3,814,831	0.59%	0.33%	0.27%
Households	1,287,767	1,404,240	1,452,105	1,477,051	0.90%	0.43%	0.34%
Median Household Income	\$39,967	\$54,590	\$75,949	\$89,747	3.66%	4.89%	3.63%
Massachusetts Total							
Population	6,016,425	6,349,097	6,518,184	6,605,384	0.55%	0.33%	0.27%
Households	2,247,110	2,443,580	2,523,144	2,565,022	0.87%	0.41%	0.33%
Median Household Income	\$36,952	\$50,539	\$68,176	\$81,824	3.68%	4.36%	4.00%

Source: STDB Online

Table A1. Demographic Indicators (cont.)

### Households by Annual Income



#### Income Level

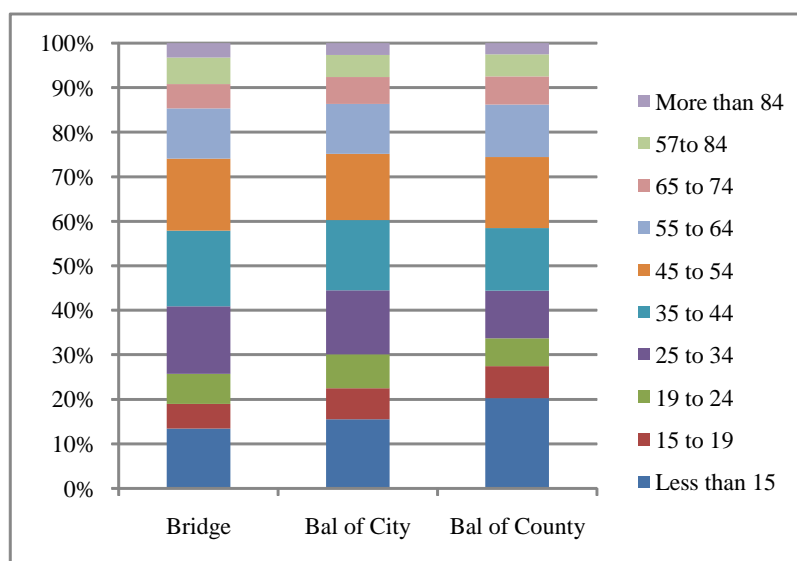
Annual Income 2008		
Bridge St. Ngh	Bal. Of City	Bal. Of County

Less than \$10,000	77	1,096	15,730
\$10,000 to \$14,999	68	744	10,430
\$15,000 to \$19,999	72	825	11,204
\$20,000 to \$24,999	42	563	8,839
\$25,000 to \$29,999	36	704	9,855
\$30,000 to \$34,999	45	778	9,979
\$35,000 to \$39,999	44	784	9,062
\$40,000 to \$49,999	103	1,681	19,807
\$50,000 to \$59,999	132	1,370	19,449
\$60,000 to \$74,999	103	1,753	24,178
\$75,000 to \$99,999	219	2,450	37,884
\$100,000 to \$124,999	88	1,987	34,890
\$125,000 to \$149,999	63	865	19,435
More than \$150,000	71	1,222	36,551
TOTAL	1,163	16,822	267,293

Source: STDB Online

Table A1. Demographic Indicators (cont.)

*Population by Age*



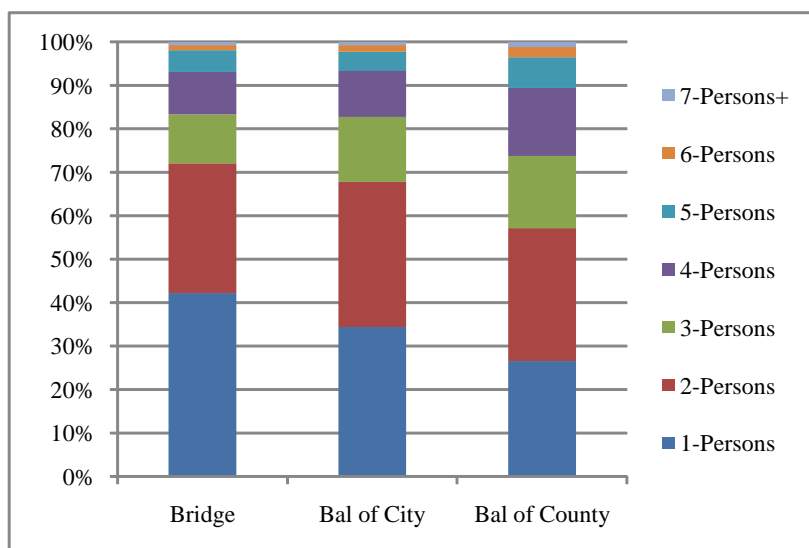
Age of Resident	Population by Age, 2008		
	Bridge St. Ngh	Bal. Of City	Bal. Of County
Less than 15	331	6,378	143,202
15 to 19	136	2,868	51,240
19 to 24	166	3,127	44,047
25 to 34	371	5,908	75,597
35 to 44	420	6,469	100,020
45 to 54	397	6,109	112,615
55 to 64	277	4,625	83,275
65 to 74	134	2,458	44,801
57to 84	146	2,056	35,361
More than 84	80	1,079	17,688

Source: STDB Online



Table A1. Demographic Indicators (cont.)

*Households by Household Size*

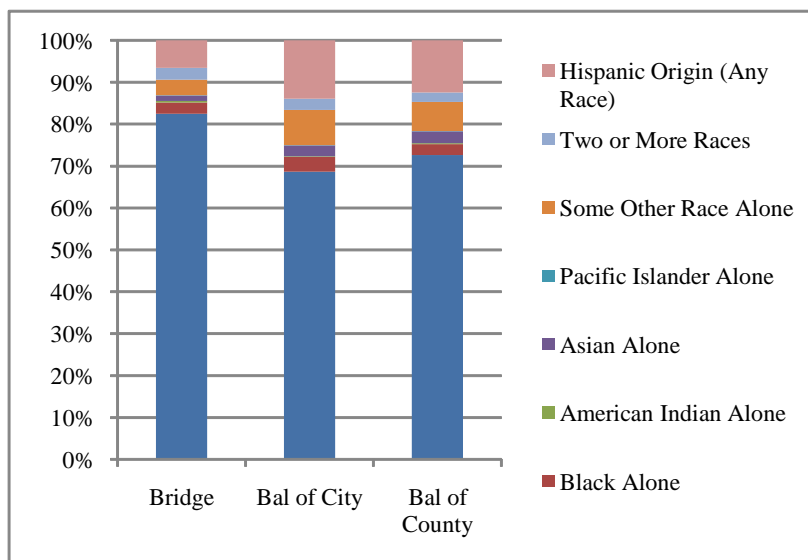


Household Size	Households by HH Size, 2000		
	Bridge St. Ngh	Bal. Of City	Bal. Of County
1-Persons	450	5,655	68,523
2-Persons	318	5,485	78,841
3-Persons	120	2,444	42,942
4-Persons	104	1,742	40,346
5-Persons	54	730	18,235
6-Persons	12	253	5,987
7-Persons+	<u>8</u>	<u>117</u>	<u>3,053</u>
Total	1,066	16,426	257,927

Source: STDB Online

Table A1. Demographic Indicators (cont.)

*Racial Composition*

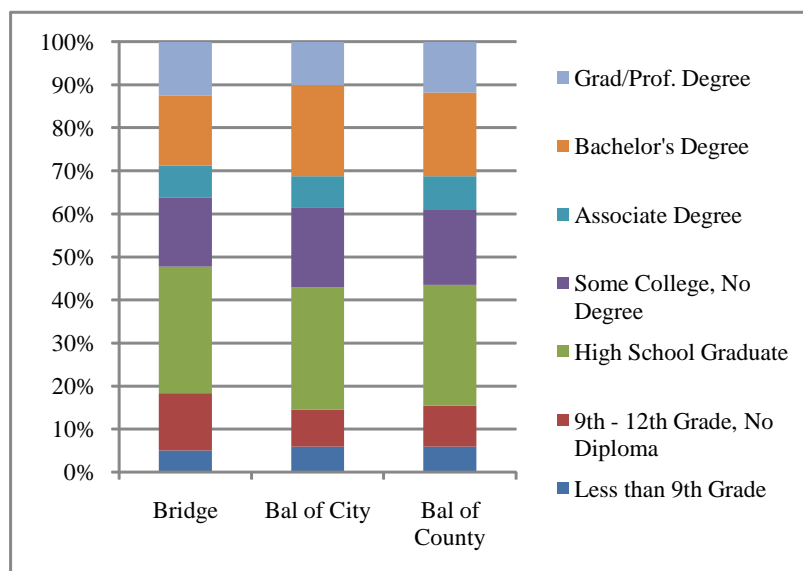


Race and Ethnicity	Racial Composition, 2008		
	Bridge St. Ngh	Bal. Of City	Bal. Of County
White Alone	2,168	31,109	588,973
Black Alone	71	1,569	20,822
American Indian Alone	10	85	1,835
Asian Alone	34	1,170	23,358
Pacific Islander Alone	1	30	328
Some Other Race Alone	98	3,781	56,522
Two or More Races	74	1,208	18,135
Hispanic Origin (Any Race)	<u>173</u>	<u>6,323</u>	<u>100,927</u>
Total	2,629	45,275	810,900

Source: STDB Online

Table A1. Demographic Indicators (cont.)

### *Educational Attainment*



Persons 25 +, 2000		
Bridge St. Ngh	Bal. Of City	Bal. Of County

### **Educational Attainment**

Less than 9th Grade	83	1,570	27,209
9th - 12th Grade, No Diploma	220	2,285	43,600
High School Graduate	487	7,531	128,726
Some College, No Degree	267	4,895	80,940
Associate Degree	121	1,938	35,006
Bachelor's Degree	269	5,618	89,297
Grad/Prof. Degree	<u>208</u>	<u>2,677</u>	<u>54,156</u>
Total	1,655	26,514	458,934

Source: STDB Online

### Financial Feasibility - Specific Projects Tested

There are a couple of larger properties on Bridge Street that could potentially in the future serve a denser more advantageous use. The redevelopment of these properties does not make economic sense in the current economic climate but conceivably could in the future. To understand what could possibly be done in the future and to guide our thinking, we tested development projects on two key relatively large sites. There are also some smaller sites that contain vacant, run-down buildings that contribute to the problematic aspects of the neighborhood. We tested one of these smaller infill sites in order to see what may be done in the long and short term to curtail the blight. The sites tested include:

- The Brake and Clutch site at 63-65 Bridge Street and 9-11 Lathrop Street, a relatively large site whose current automotive use is not compatible with its residential surroundings.
- The Clipper Ship Inn site at 40 Bridge Street, the largest development parcel on Bridge Street. The hotel use is seen as an asset to the neighborhood, but the site could be more densely developed and improved in appearance.
- The Salem Plumbing Building site at 43 Bridge Street, a vacant, narrow, poor quality 3-story building perceived as a blighting influence in the neighborhood.

### Brake and Clutch Site

This parcel could be developed, potentially, for a larger residential project that fronts on Bridge Street and reaches into the neighborhood along Lathrop and East Collins Streets taking over two additional non-residential buildings which are currently surrounded by successful residential streets with proximity to the water.



Concept layout showing potential residential redevelopment

The density of the proposed residential development was arrived at by limiting the height to that of the surrounding residential neighborhood, two to three stories, and accommodating all of the parking on site. The tested configuration contains 75,000 gross square feet, approximately 60 residential units made up primarily of one and two-bedroom apartments in a building on Bridge street plus townhouses along Lathrop and East Collins Streets. Outdoor parking is provided for the apartments and half-flight below grade parking for the townhouses underneath each unit.

#### For-sale Housing

In a for-sale housing scenario, the total development cost today for this type of project far exceeds current sales prices for condominiums and townhouses in the Bridge Street Neck neighborhood. Bridge Street Neck's 2009 sales and on-market data show housing selling at \$150/sf. While new construction will sell at a higher rate, typically 20% more, housing prices will need to rise much higher for this project to be feasible: \$360/sf for the one-bedroom apartments, \$315/sf for the two-bedroom apartments, and \$285/sf for the townhouses. These are in the range of prices that were realized at the peak of the market in 2005 in Salem.

Project feasibility assumes that the site's current owner would be able to sell the properties to a housing developer for, at a minimum, site's assessed value, which is \$1,600,000 (based on what the site would rent for under its current industrial use). Taking into account the above listed sales prices, and the development cost of \$275/sf, the residual land value left for the developer to pay for the site would be approximately \$1,400,000. This price is within the range of what the owner might expect to make, but the housing sales prices will need to rise back up to Salem's 2005 peak in order for a developer to be within this range of the assessed land value.

#### Market Rate Rental Housing

Current rents are too low on the Bridge Street Neck to support new development. Rents on the Bridge Street Neck proper, in the two and three-family houses, are approximately \$1.00/sf or \$1,000/month for a two-bedroom unit. At Salem Station, the newer (2002) large rental housing development at the bottom of the Neck, rents are \$1.50/sf, or \$1,770/month for a two-bedroom unit. Salem Station contains many amenities that a large site can afford to provide, such as, a pool and fitness center, business center, and clubhouse. It is also located much closer to the commuter rail station and downtown Salem than the Brake and Clutch site.

Rents will need to rise an additional 150% over Salem Station's rents for this type of project to work. The rents for new development on the Brake and Clutch site would need to be \$2.30/sf or \$2,415/month to support a new rental development, not including any amenities it would need to compete with a Salem Station-type neighbor. Therefore, the conclusion is that market rate rental housing is not feasible in today's market, and we do not expect it will be feasible even in mid-term future markets as the economy recovers.

#### Affordable Rental Housing

An affordable housing project using tax credits and grants to pay for development costs could generate the same land value as the for-sale housing scenario, but might do so in

today's economy, making that type of development potentially financially feasible. However, because the scale of affordable housing projects is limited by the size of the tax credit awards, and the amount of credits and grants are very limited today, the project would need to be done in two or three phases. In addition, the project would need to be comprised of 100% affordable units because market rate rental units are so far below being financially feasible.

### **Clipper Ship Inn Site**

The Clipper Ship Inn is located on the northern end of the Bridge Street Neck near the destination restaurants and future site of the new waterfront park. The 60-room hotel is located on a relatively large, 3.6 acre, site in two separate buildings. The older building, built in 1960 appears to be tired and lacking curb appeal, while the newer building built in 1992 appears to be in good shape and is attractive. Each building contains 30 hotel rooms. The site contains more than enough parking for the hotel as well as considerable green and undeveloped space. Although hotel use seems to be a favorable future and long-term use for this end of the neck, the size of the parcel warrants the testing of other uses so that the city can understand if additional compatible uses are financially feasible.

#### Enhanced Hotel Use

It is likely that the most practical and economical future use of the Clipper Ship Inn site is an enhanced hotel use. When the economy improves it could well make sense to replace the older, outdated building at the existing hotel with a new two-story building that can hold twice as many rooms, thus expanding the total hotel from 60 to 90 rooms.

In order to pay for this addition, the owner would need to generate an additional \$65 per day on the 30 new rooms, net of operating costs and taxes, assuming a 55% occupancy rate. Achieving this type of revenue increase is likely to be possible when the market improves. In addition, amenities such as a pool and/or breakfast room will be needed to market the property and compete with more contemporary limited service properties. The cost of these amenities could be covered by selling off part of the land for four or five house lots along Thorndike Street.

#### Retail

Knowing that with the addition of the bypass road, the smaller retail enterprises will not be as successful in the future on Bridge Street, the Clipper Ship Inn site presents the opportunity to test a larger destination retail center at the northern end of the neck, near the other commercial parcels containing compatible uses such as destination restaurants.

The type of retail that will be feasible on this site will need to include a cluster of retail stores large enough to be a destination for shoppers. A development was tested that includes 40,000 sf of retail space and 160 surface parking spaces. This retail cluster will need to include a mix of larger national retail tenants and local merchants. For example, the mix might be: a smaller grocery store, a pharmacy, a bank, a dry cleaner, a florist, a restaurant, and a hardware store. One key to successful retail on this site will be signage that can be seen from the bypass road and the bridge from Beverly.





Concept layout showing potential retail redevelopment

Retail development of this nature will be feasible when retail space is in demand and can support rents of \$25/sf nnn (triple net). With a total development cost of \$300/sf, the residual land value would be \$2,000,000, which is within the range of what the owner would expect to make, considering the assessed land value is currently \$2,200,000. In order to maximize the value of the site, the land on Thorndike Street can be sold as 5 house lots.

It is more difficult to determine what comparable retail rents are today in the Bridge Street Neck neighborhood because the larger retail enterprises all own their own buildings. Based on similar projects in greater Boston, it is thought that \$25/sf nnn rents can be attainable in the near future once the economy has stabilized.

#### Retail and Office

When an office component is added to the retail development mix, the project becomes infeasible. The development tested on the site includes 20,000 sf of retail, 30,000 sf of three-story office space, and 170 parking spaces. Reasonable office rents at \$19/sf nnn (or \$27/sf gross minus \$8 tax and operating cost) are not high enough to support this kind of development at \$300/sf development cost.

If this is to work in the future it will require a unique office tenant, or more likely an owner-occupant, that wants a combination of convenient location and water views for

their own offices when the market stabilizes and there should be a demand for retail space as well. Office use may be compatible and desired for this end of the Bridge Street Neck neighborhood, but is likely to be the least financially feasible use for this area.

### **Salem Plumbing Building Site**

The Salem Plumbing Building is an example of a smaller, more typical size site on Bridge Street, 0.3 acres. Although it is close to the northern end of the neck, the site is too small to support destination retail or office use. Infill housing would be an appropriate use of this type of site, and a good alternative to the blighting influence of a vacant building.

Redeveloping the Salem Plumbing Building for for-sale or market rate rental housing is not financially feasible for reasons that are demonstrated above in the Brake and Clutch site analysis. The site can only accommodate 6 units and the associated parking. Affordable rental housing may be a more financially viable solution for a site like this, and might be viable in the near future, but would still not be financially feasible today. The building would need to be completely replaced to create housing, and that development cost is too high to support a \$440,000 assessed land value. If the site could be combined with adjacent properties as a larger parcel its viability as a project will increase.

### **Affordable Housing on Smaller Infill Sites**

In this middle zone of the Bridge Street corridor there are other run-down vacant buildings of similar scale to the Salem Plumbing on Bridge Street that may be more viable candidates for affordable housing infill projects. As discussed earlier, affordable rental housing at a small scale is likely to be viable in the current economy. This redevelopment strategy would be a good, possibly temporary, alternative to the blighting influence of vacant buildings and to redevelopment that is not financially feasible today.

This strategy will work best if targeted to a few specific vacant properties. One affordable housing unit can generate approximately \$20,000-25,000 in land value, so a 6 to 8 unit project could generate up to \$200,000 for the land purchase price. Vacant buildings that are already built as housing would require less extensive construction work than the Salem Plumbing Building, and would therefore be less costly to redevelop. If they are redeveloped as rental property Federal Historic Tax Credits may be used reducing development costs by almost 20%. Individual owners would need to be approached on each property. The revitalization of these properties may entice other property owners in the middle zone of the Bridge Street corridor to better maintain their buildings as well, thereby addressing some of the key problematic areas of this commercial and residential corridor.