

Bridge Street Neck Neighborhood

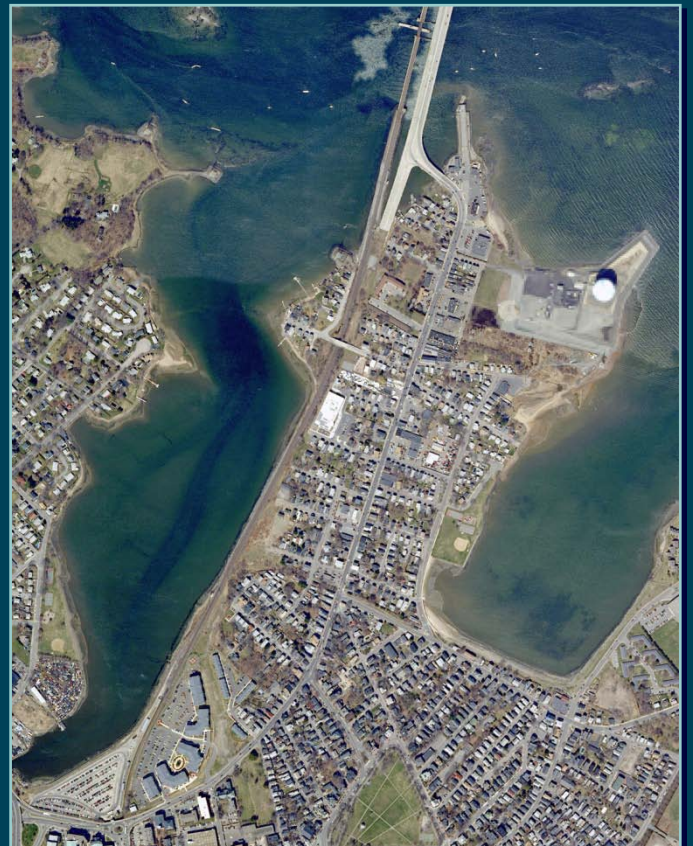
Presented by:

The Cecil Group

GLC Development Resources

Peter Smith Associates

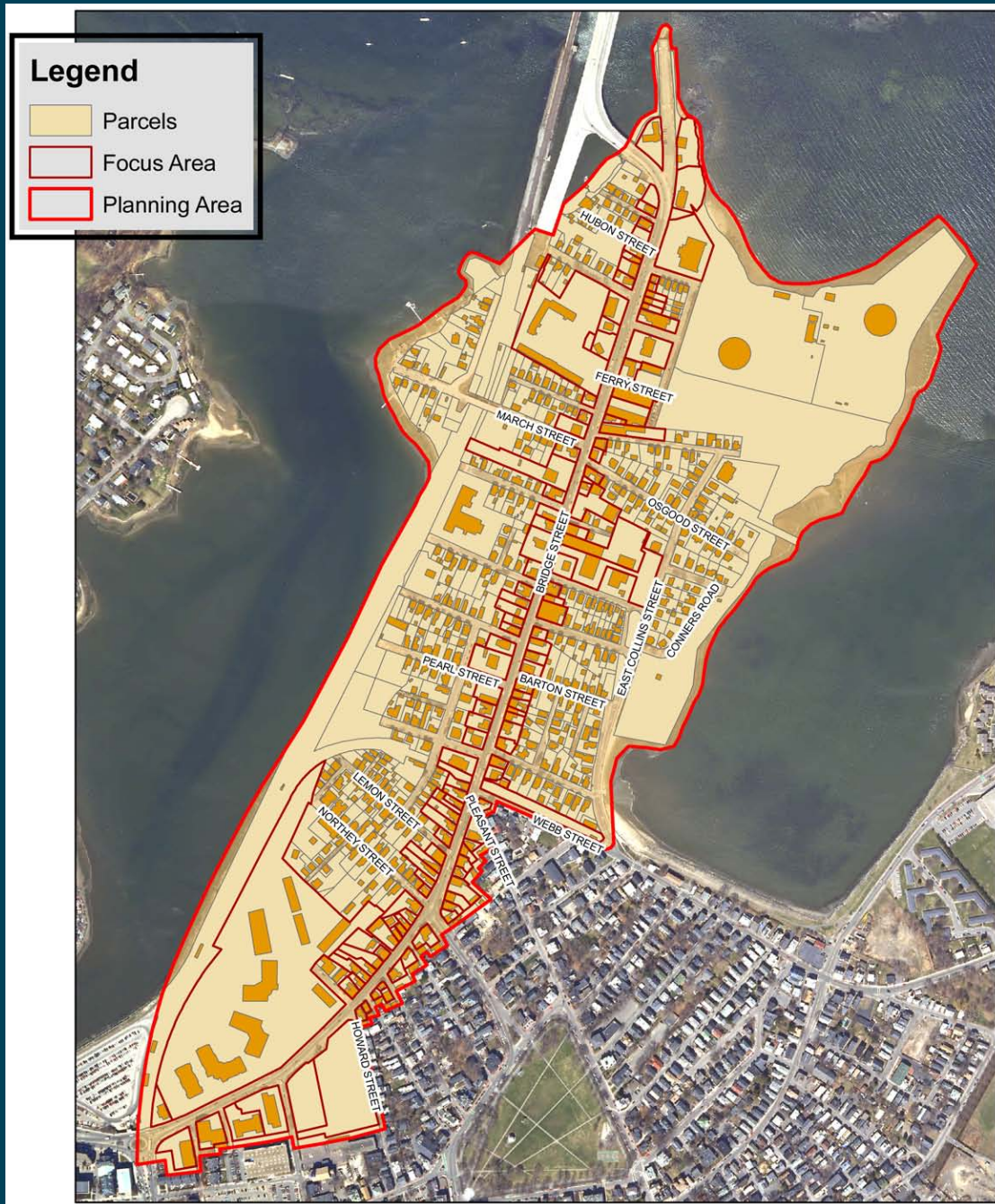
May 5, 2009



Bridge Street Neck Neighborhood Revitalization

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Planning and Focus Areas

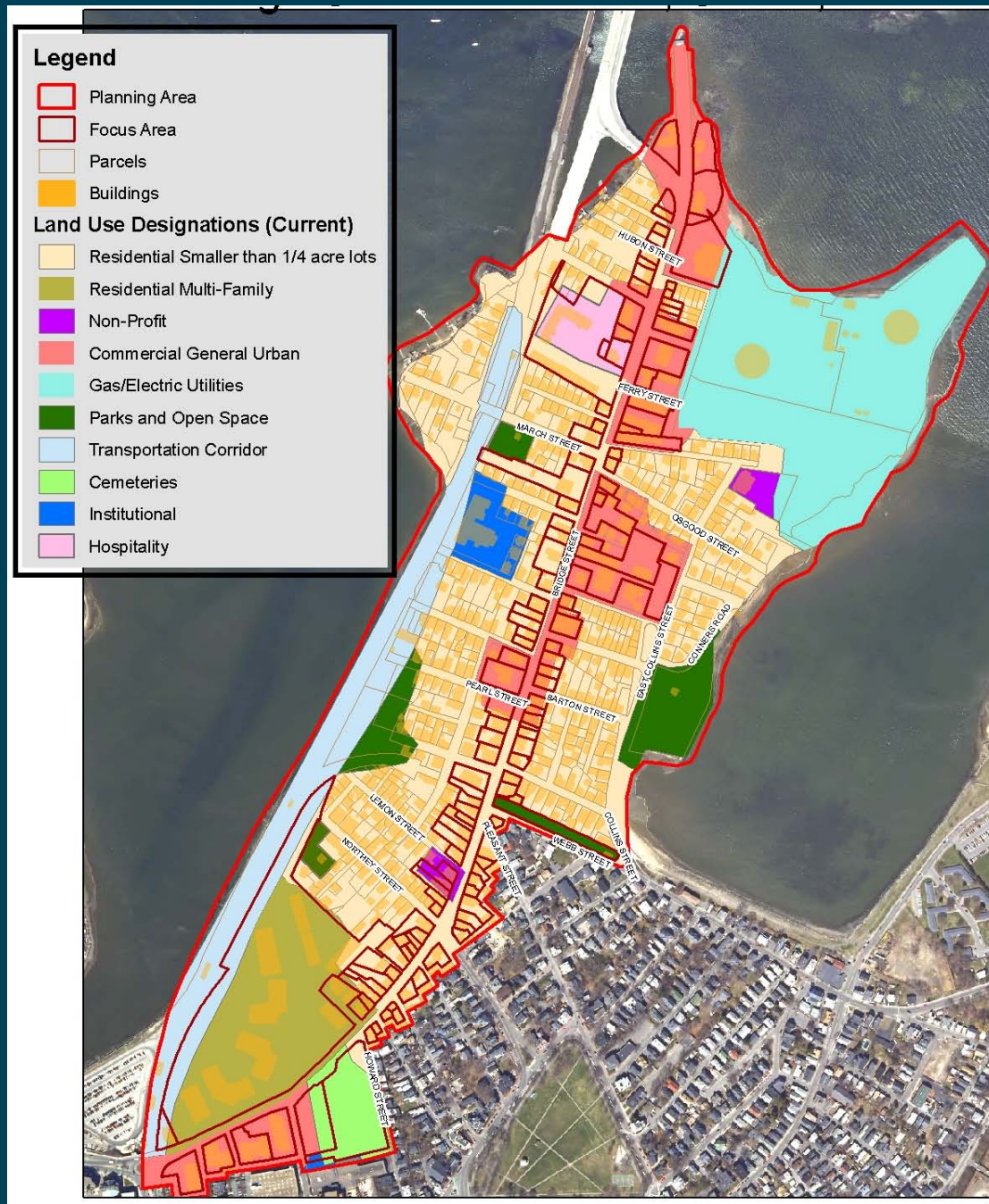


Planning Area Characteristics

- Peninsula setting
- Primary transportation corridor between downtown Salem and Beverly
 - Planned reconstruction of Bridge Street
 - By-pass road and commuter rail
- Dense building and street patterns
- Residential neighborhood
- Commercial business corridor
- Commuter rail station



Land Use



Bridge Street Neck Neighborhood Revitalization

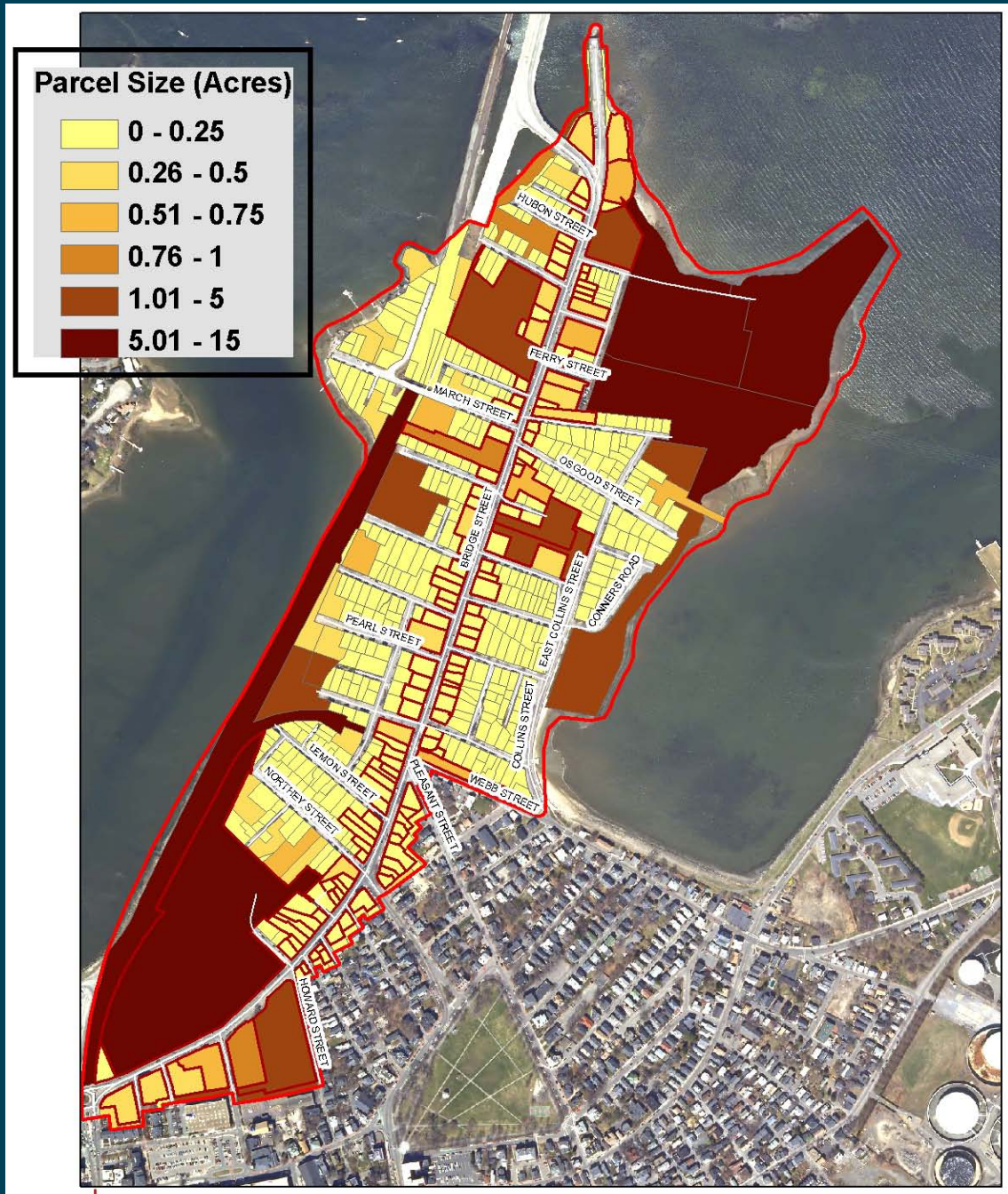
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Land Use Characteristics

- Primary use - multi-family residential
- Concentration of business uses are located along Bridge Street
- Industrial use located on north east coast
- Two bicycle path segments and three designated parks
- Industrial zoning district located in southwest area recently developed into a residential complex



Parcel Size

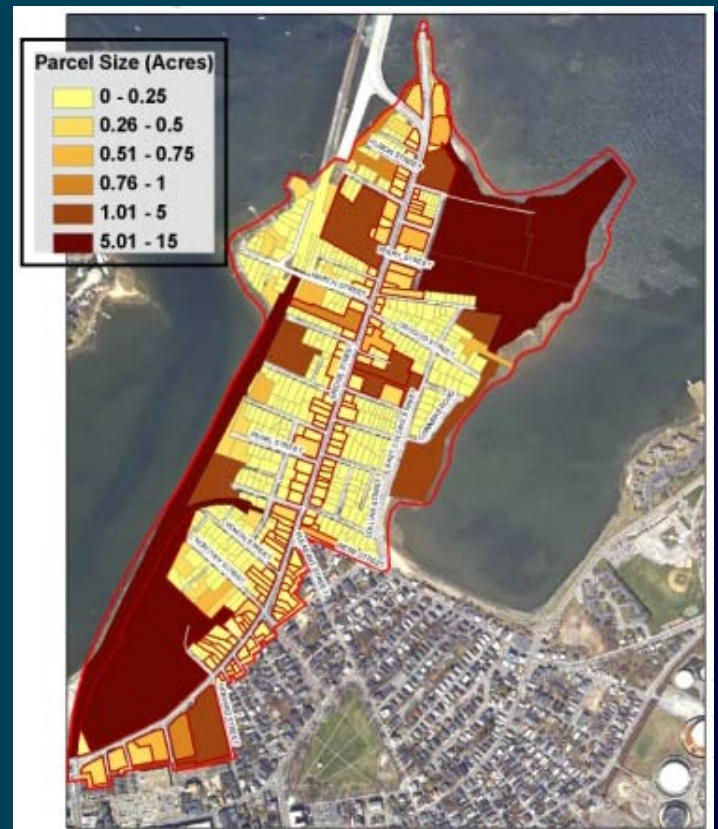


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Parcel Size Characteristics

- Majority of parcels are less than 0.5 acres
- Largest parcels are located on the edges of the Planning Area
- Parcel size reflective of historical urban environment



Dominant Parcel Ownership

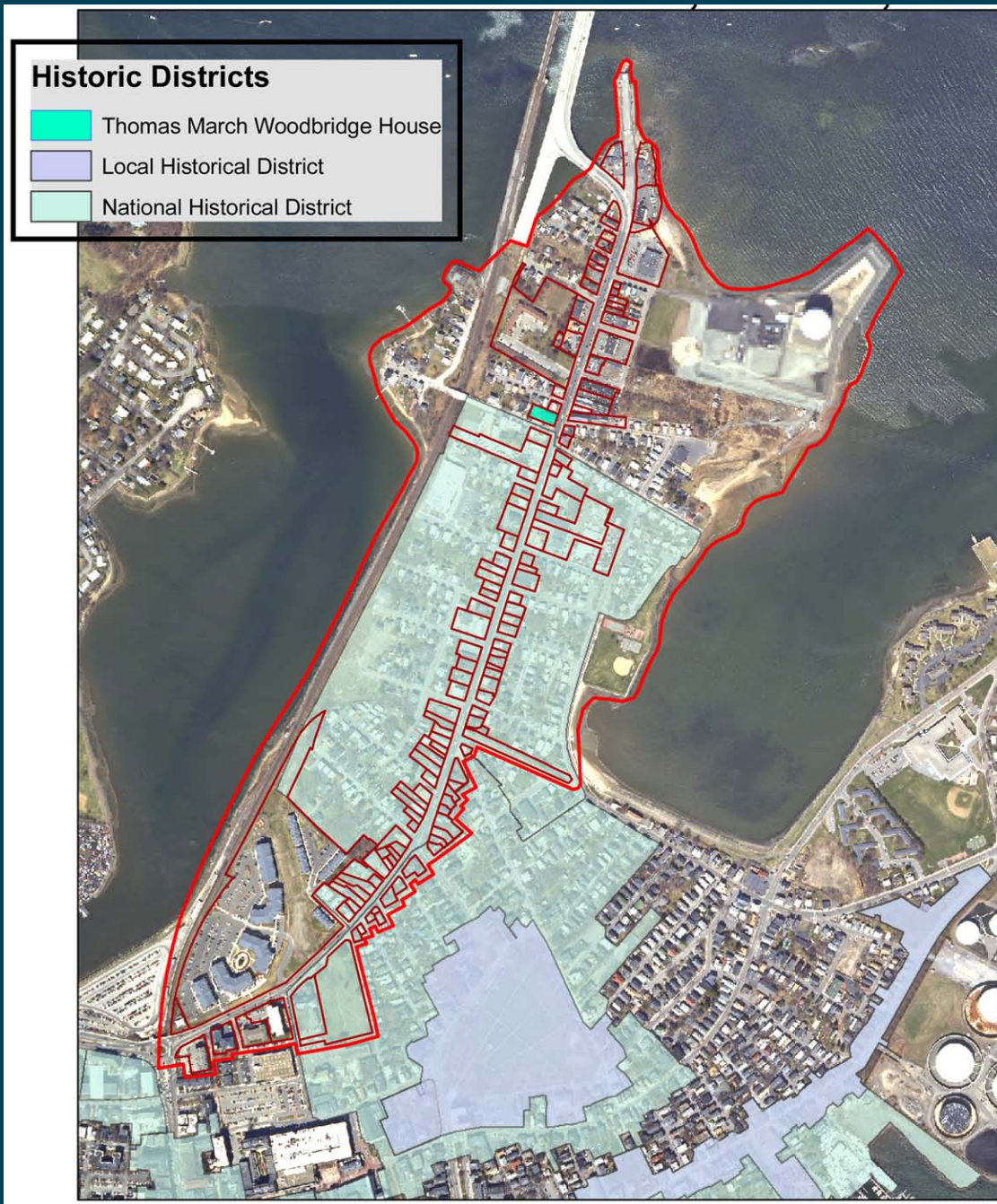


Parcel Ownership Characteristics

- Largest property owners are the utility companies
- City, State and MBTA second largest property owners
- Individual property owners comprise the majority of area
- Diverse ownership limits risk of significant developer activity



Historic Districts

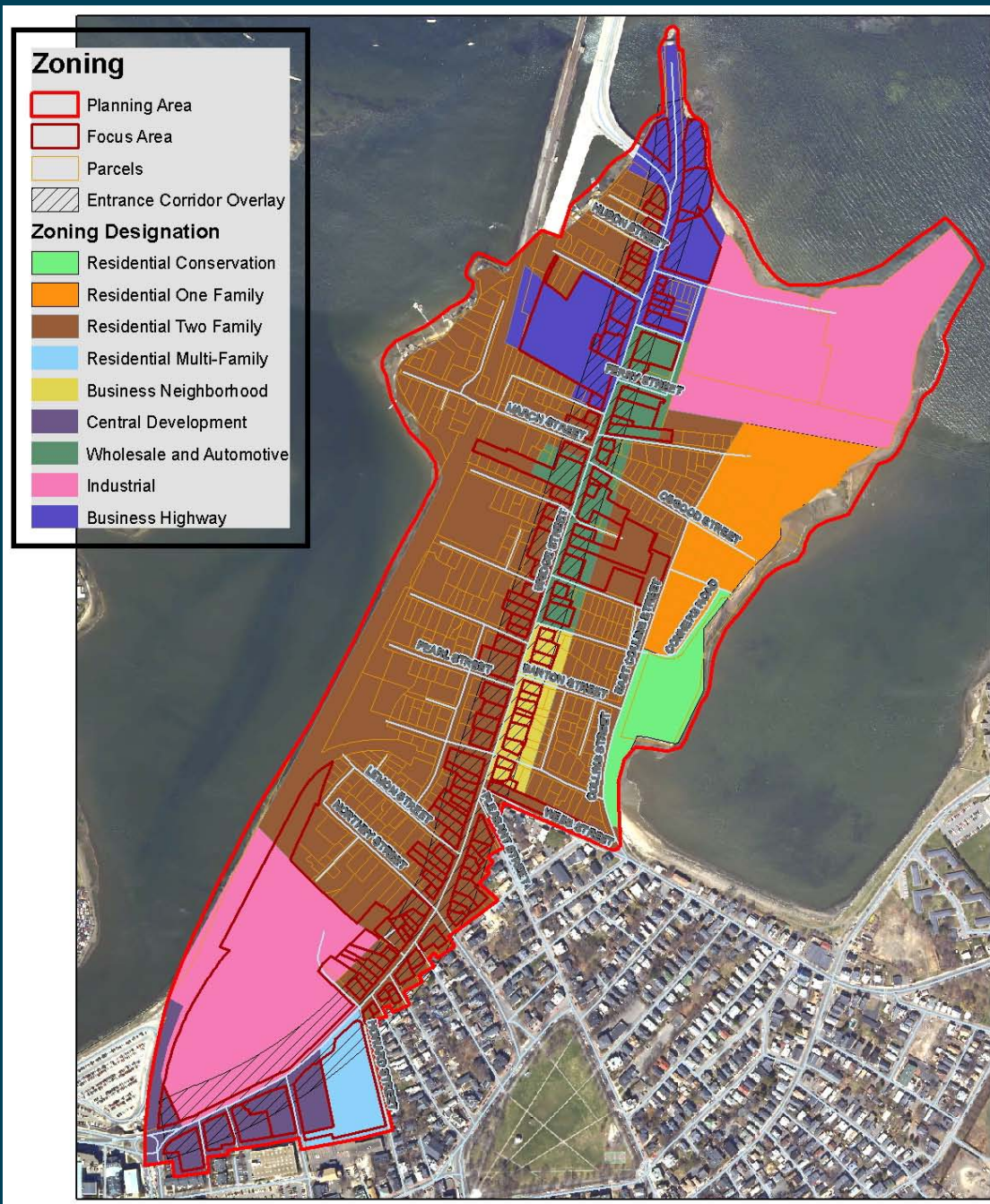


Historic District Characteristics

- Two National Historic Districts
 - Bridge Street District
 - Salem Common District
- Thomas March Woodbridge House is on the National Register of Historic Buildings
- No Local Historic Districts
- Predominant architectural styles:
 - Federal Period
 - Greek Revival

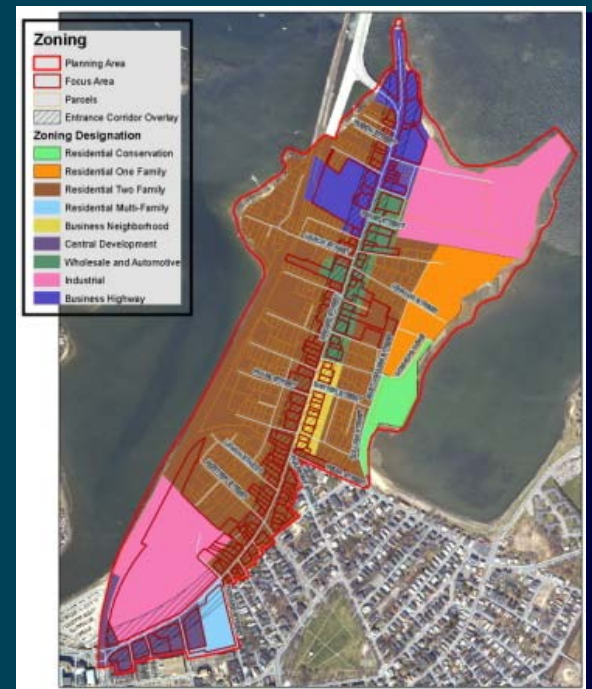


Zoning



Zoning Characteristics

- Nine different zoning districts
- Residential Two Family is the largest zoning district
- Business districts concentrated along the east side of Bridge Street
- Three of five business districts do not allow residential use





Design and Planning Opportunities

- Bridge Street roadway and streetscape improvements underway
- New park at the end of Bridge Street underway
- Commercial Design Guidelines apply to properties on Bridge Street
- Potential to expand mixed use areas
- Potential to condense business districts along Bridge Street to “squares” or “villages”
 - Creates destination and sense of place
 - Strengthens existing businesses

Economic Assessment

- Demographic trends
- Commercial properties
- Housing market and conditions



Population Trends

- Bridge Street Neck focus
 - Population is younger than rest of Salem
 - 10% more 1 and 2 person households than rest of Salem
 - Higher level of educational attainment
 - Neighborhood “discovered” in the 1990s
 - *As of 2000, 30% of population moved into their homes between 1995 and 1998*
 - *Salem Station Project will increase these numbers in the 2010 Census*





Household Income Trends

- Salem's median household income
 - \$44,000 in 2000
 - \$58,000 in 2008 (projected)
 - \$72,863 in 2013 (projected)
 - 4% Income Growth Rate
 - Salem's income levels are 10% less than county and state levels
- 1990-2000 - Bridge Street Neck income grew at higher rate than rest of Salem
- Income mix consistent with rest of Salem

Commercial Properties

- Traditional New England auto-oriented neighborhood retail district – 3 Zones
 - Southern Zone – closest to Downtown, some mixed use buildings (retail with upper floor residential)
 - Middle Zone – mix of industrial and auto uses along the eastern side
 - North Zone – modern auto-oriented retail, some industrial on the eastern side



Commercial Inventory

- Building by building visual survey performed
 - Approximately 155,000 SF of 1st Floor commercial uses.
 - Median space is approximately 3,900 sf
 - Foreclosed commercial space estimated at 11,000 sf or 7%
 - Adjacent to Downtown Salem, which has a large retail district



■ ■ ■ Downtown Salem Market Study (2007)

- Defines the trade area as Salem and parts of Danvers, Swampscott, Beverly, Marblehead and Peabody
- \$2.3 billion on non-shelter and transportation costs
 - \$323 M : groceries
 - \$264 M : eating out
 - \$197 M : clothing and accessories
- 822,000 sf of retail in Downtown Salem
 - 8% vacancy rate in retail

Bridge Neck Market Share

- 5, 10, and 15 minute drive time area
 - Areas centered at intersection of Webb and Andrew



- 5 minute drive time area
 - Areas centered at intersection of Webb and Andrew



Next Steps

- Use “Capture Model” to examine major questions:
 - Market share for Bridge Neck?
 - Not enough or too much retail?
 - Is there a balance between commercial and residential uses?
 - Competition from regional malls?



Housing Needs Assessment

- Summary market information
- Current conditions and solutions
- Solutions for homeowners
- Salem resources



Residential Market Trends

- Bridge Street Neck represents 13% or 2,300 of Salem's 19,000 homes
- Vacancy rates
 - Bridge Street Neck - 7%
 - City of Salem - 4%
- Bridge Street Neck ownership to rental ratio is 52%/48% (consistent with rest of Salem)
- Rents for new properties (Salem Station) are consistent with the rest of Salem



Summary of Market Sales

■ Median sales

Year	Months	1-Family	Condo	All Sales
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

- *2009 prices All Sales compared to 2005: down 20.7%*
- *2009 condo prices compared to 2005: down 8.6%*
- *2009 1-family prices compared to 2005: down 26.8%*

Housing Needs and Conditions

- Foreclosures in the Bridge Street Neck area across property type (2007-March 2009)

Total Foreclosures	Single Family	Condos	Two Family	Three Family	Four Family and up	Mixed Use	Other
20	8	2	6	2	0	1	1

- 15 were initial petitions to foreclosure auctions – for this same period of time, there were 182 reported foreclosures for the City of Salem*

Solutions For Homeowners

- Foreclosure Prevention
 - Counseling and foreclosure prevention workshops
- Refinance Loans
 - MassHousing Programs:
 - *MyCommunity Refinance Loans*
 - *Home Saver Loan Programs*
- Mortgage Relief
 - Federal Reserve Bank of Boston
- Short Sales



Salem Resources

■ 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
- Remaining funds from FY09	
Rental Assistance Program	\$99,000
Community Support Services (CDBG)	\$48,750
- For homeless prevention, homebuyer training	
Approximate Grand Total	\$525,000

■ Eligibility for Federal Mortgage Relief programs

■ ■ ■ Putting It All Together

- Never a better time to buy
- Market attractions:
 - *10 minutes to train, Pickering Wharf*
 - *Water Views, walk-ability*
 - *Historic character*
- Private/public partnership to promote homeownership
- Special lending programs
- Down payment assistance
- Support market: best value approach
- Energy grants, weatherization
- Citizen's Housing and Planning (CHAPA)
- Cautions: investors take over

Group Discussions



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