

ANNUAL REPORT OF THE SALEM REDEVELOPMENT AUTHORITY

Fiscal Year 2005
July 1, 2004 to June 30, 2005



BOARD OF DIRECTORS:

**Conrad Baldini
Michael Brennan
Michael Connelly
Christine Sullivan
Russell Vickers**

EXECUTIVE DIRECTOR:

Lynn Goonin Duncan, AICP

November 2005

SRA ANNUAL REPORT

Fiscal Year 2005

INTRODUCTION

The Salem Redevelopment Authority (SRA) and its Design Review Board (DRB) have played an active role in the redevelopment of downtown Salem since it was created in 1962. Over the past 43 years, the SRA has made significant contributions to the revitalization of the Central Business District in downtown Salem. Critical to this success is its commitment to preserving the social fabric and architectural heritage of the City.

The past fiscal year was marked most significantly by the pending redevelopment of the Old Salem Jail. In September 2004, the City of Salem transferred ownership of the Old Salem Jail Complex to the SRA. Since that time, the SRA has moved quickly to produce a Reuse Study for the property and released a Request for Proposals the end of June 2005. The interest sparked by the redevelopment of this site has been exciting and shows the success the SRA and the City of Salem have had in the continuing redevelopment of downtown Salem.

The SRA Annual Report for FY05 provides an overview of the projects that the SRA reviewed during the year, those in construction, and those that were completed. It also includes the public projects and initiatives that impact the downtown. Overall, the report is a reflection of the high volume of activity and the quality of development projects being constructed in the Urban Renewal Areas

REDEVELOPMENT AUTHORITY PROJECTS

Old Salem Jail Redevelopment

After the successful disposition of the Old Police Station and 18 Crombie Street, the Mayor requested that the Council transfer ownership of the Old Salem Jail to the Salem Redevelopment Authority for redevelopment. The Council voted to transfer the property on September 23, 2004. Shortly after the transfer, the SRA hired The Cecil Group and Peter Smith Associates to conduct a Reuse Study for the property. The study was a collaborative effort between the SRA, historic community, and the residents of the city. The conclusion was that the community really wanted to see a mixed-use development on the site that preserved the historic character of the buildings and the site.

Based on the report, the consultant team put together a Request for Proposals (RFP) for the redevelopment of the site that was released in late June 2005. The SRA received nine proposals in early September. The range of proposed uses varied from condominium developments to a contemporary art museum. The SRA narrowed the field to four finalists and plan to make a final designation in November 2005.

18 Crombie Street

In November 2003, the SRA received ownership of the property at 18 Crombie Street. The project was immediately offered for sale through a Request for Proposals (RFP) process and a developer was designated in January 2004. In July 2004, eight months after obtaining ownership of the property, the Salem Redevelopment Authority transferred the deed of the

home to Habitat for Humanity of the North Shore. Habitat for Humanity is fully restoring the home to create an affordable home for a low-income local family to own. The project is in construction and the exterior renovation is nearing completion. During the past fiscal year, Habitat for Humanity did appear before the Authority for minor changes to the project. It is expected to be completed by 2006.

PRIVATE DEVELOPMENT PROJECTS

Lawrence Place

The Lawrence Place project redeveloped the building at the corner of Washington and Front Streets (former Beef & Oyster House and most recently home to “Bleachers”) to include 10 residential condominium units with 5,000 square feet of first floor retail. It is estimated that the project cost \$1.8 million. During the past fiscal year, the SRA reviewed minor amendments to the project design. The project finalized construction during the fiscal year and currently houses, an art gallery, a realty office, a clothing store and a pending photography gallery, on the first floor. The residential condos are nearly all sold.

Derby Lofts

The Derby Lofts project is renovating the 100 year old, four-story industrial building, known as the Laundry Building, into a mixed-use residential and retail development. The project was permitted in the summer of 2003 and construction began that fall. The project is nearing completion and has sold or leased the retail space on the first floor to a bookstore/coffee shop, an antique store, and a furniture store, in addition to the existing pizza shop. During the past fiscal year, the SRA reviewed minor amendments to the project design as well as a sign and awning package for the first floor spaces. The renovated building will consist of 54 residential condominium units and 14,000 square feet of first floor retail. It is estimated to cost \$14 million.

Old Police Station

The Old Police Station project was another successful project started with the SRA. In March 2004, the SRA transferred the deed to the Old Police Station to Heritage Plaza Enterprises and the project began construction. Today, the project is nearing the end of construction. All of the units were under agreement months before the project was due to be completed. When finished it will include 14 residential condominium units with parking on-site. The project is estimated to cost \$3 million. During the past fiscal year, the SRA reviewed minor amendments to the project design.

Coastal Gas Station Redevelopment

The developer of 289 Derby Street, former Coastal Gas Station, began the review process for the redevelopment of the current gas station into a mixed-use building with residential condominiums on the upper floors and commercial storefronts on the first floor. The SRA and DRB did an extensive review of the project, which created an overall better development for the site. The project received Final Design Approval in January 2005 and is awaiting final approvals from the state through its Chapter 91 permitting. The final project will include 38 residential condominiums on the upper floors and 5,000 square feet of commercial space on the first floor. In addition, the project will include the construction of a harborwalk at the portion of the property abutting the South River.

10 Federal Street

The owners of 10 Federal Street came to the SRA with a proposal to construct three stories of office space on top of their existing two-story building in order to attract the District Attorney's Office to relocate to the space and remain in downtown Salem. The SRA and DRB did an extensive review of the proposal and approved the plan. The City of Salem and the owners were pleased to hear that they won the bid to house the District Attorney's offices. Construction began during fiscal year 2005.

Bluestone Alley

The Blue Stone Alley project at 7 Crombie Street will redevelop the former Salem Mission into 17 artist live/work spaces. The developers began their design review of the project in March 2005 and kept with their promise to "fast track" the review and construction. The SRA approved the Final Design Plans in May 2005 and the project immediately began construction. The project is a "gentle renovation" that integrates many of the historic character of the building. The units will be a range of sizes and prices to encourage artists.

Sign Improvements

The DRB and SRA review all sign changes that are proposed in the Urban Renewal Areas. In addition to the large-scale private development improvements, the following business and property owners made improvements or installed new signage at their business in FY05.

- Il Bocca Italiana (140 Washington Street)
- Craftisans (24 New Derby Street)
- Salem Five (One Salem Green)
- Keller Williams Realty (85 Lafayette Street)
- Boon Gallery (24 Front Street)
- Bank of America (193 Washington Street)
- Dunkin Donuts (282 Derby Street)
- New England Soup Factory (140 Washington Street)
- Ben & Jerry's (60 Washington Street)
- YMCA Childcare/North Shore Children's Museum (284-296 Essex Street)

Storefront Improvements

The DRB and SRA also review smaller scale storefront improvements, such as repainting of facades and replacement of lighting. The following projects were reviewed by the SRA and DRB during FY05.

- 284 Essex Street (YMCA Storefront Renovations)

Other Private Improvement Projects

The following two projects were reviewed by the SRA and DRB during FY05.

- 180 Essex Street (Z Crepe Cafe) – Outdoor Cafe Permit
- 282 Derby Street (Taste of Cilantro) – Outdoor Cafe Permit
- 16 Front Street (New City Mortgage) – Satellite Dish

OTHER PUBLIC PROJECTS AND INITIATIVES

A number of public projects and initiatives were initiated or continued in the downtown, during the past fiscal year. The following are those projects and initiatives that impact the Urban Renewal Areas.

Artists Row

Art and cultural activities are proven to be an effective economic development tool used to spur activity in downtowns. Recognizing that the Mayor initiated Artists Row in the existing Salem Market Place. The seasonal program is designed to give area artists/craftspeople an opportunity to work, exhibit and sell their work and in exchange, they provide free performances or workshops on the weekends. In addition, the artwork from the participating artists will be displayed at Old Town Hall as part of a series of exhibits. In May 2005 three of the five stalls in the Salem Market Place were awarded to Salem artists answering the City's Call for Artists. Two of these groups were returning artists groups from last season.

Design Guidelines Manual

During FY04, the Department of Planning and Community Development (DPCD) received a matching grant from the Massachusetts Historical Commission to develop a comprehensive manual of design standards and rehabilitation guidelines for its Urban Renewal Areas, historic districts and entrance corridors. When complete, the manual will establish specific design standards for use by residents, business owners, and developers. During FY05, the DPCD and consultants for the project held meetings with community stakeholders in to discuss needs for the manual. Representatives from the DRB took part in these meetings. The project was finalized in April 2005 and the Manual is available to the public at no cost.

Lappin Park

One of the more exciting projects to come before the SRA during FY05 was the redesign of Lappin Park. The SRA was approached by TV Land who wanted to place a statue of the late Elizabeth Montgomery known as "Samantha" in the television series *Bewitched*. As part of the agreement to place the statue at this location, TV Land made improvements to the park by removing a wall, opening up the green space, and replacing the benches. The project was not without controversy but in the end made a significant difference in the park by brightening up a once dark space and creating an attraction on lower Essex Street.

Old Town Hall

The revitalization of Old Town Hall is a symbol of the proactive approach that the City and the SRA have taken in their efforts to promote a successful downtown. Based on the vision established by the Mayor, the City completed extensive interior renovations, provided space for public art and community activities, and adopted policies for rental of the Hall that encourage the continued use by nonprofit groups such as "Cry Innocent" and the Salem Main Streets Downtown Program. Old Town Hall has also become the home to the Salem Main Streets Downtown Program office.

Salem Main Street Program

The establishment of the Salem Main Street Program in 2000 has had a significant impact on public and private development in the downtown. The Salem Main Street Program assists

with the recruitment of new businesses, provides design and financial assistance for storefront improvements, coordinates promotional events and serves as a leading advocate for a strong commercial-retail environment. In FY05, the program welcomed 7 new businesses to the downtown that added 108 new jobs. The Salem Main Street Program will continue to work with the SRA and the City to promote a vibrant, retail-oriented downtown.

Storefront Improvement Program

The Salem Main Street Program and the Department of Planning and Community Development manage the Storefront Improvement Program in downtown Salem as part of the Mayor's goal to revitalize the downtown commercial area. The program offers a one-to-one matching grant up to \$2,500 for exterior storefront improvements including signs, awnings, painting and lighting. During the past fiscal year, six downtown storefronts were improved through this program. The program has helped increase the number of quality signs and storefront proposals being presented to the SRA by giving business owners an incentive to improve their storefronts.

Salem-Beverly Transportation Project/Bridge Street Bypass Road

The Salem-Beverly Transportation Project is a multi-phase roadway project that will provide improved vehicular access between Salem and Beverly. The Bridge Street Bypass Road is a component of this project. The long-awaited Bypass Road project has been fully permitted, and the construction bid period has closed. Construction is anticipated to begin in the near future. Significant changes were made to the project to improve the appearance of this critical corridor and provide a strong pedestrian connection to the downtown. The project will have a direct impact on the Old Salem Jail project and its pending redevelopment.

City of Salem Business Loan Program

The City of Salem continued to recruit and retain businesses in Salem by helping with financing gaps through its Business Loan Program. The program targets businesses wishing to make capital improvements to their buildings and those looking to expand their enterprise. In FY05, the program funded one loan totaling \$50,000 and had 7 active loans from the previous fiscal year. The active loans created a total of 26 jobs with 23 filled by low- to moderate-income individuals. Of these loans, two were to businesses located within the downtown. The SRA acted as the Loan Advisory Board in recommending the City fund a loan to Heritage Plaza Enterprises in order to assist with the site remediation at the Old Police Station; this loan was funded following the SRA recommendation and the loan was recently paid in full.

Citywide Signage Program

The City of Salem worked with a design consultant to come up with a design for vehicular and pedestrian directional signage along the City's entrance corridors and downtown. Specific sign types include: Trail Blazer, City Gateway, Vehicular Directional, Parking Directional, Historic District, Pedestrian Directional and Pedestrian Maps. The Peabody Essex Museum has installed some of their signage as part of this program and the City hopes to install the other pieces of the signage program in the near future as funds are available.

Courthouse

The new Court complex in Salem has been funded by the State and DCAM is moving forward with conceptual design plans. The SRA will continue to work with representatives to ensure that the facility is compatible with the downtown.

MBTA Station

A joint effort has been made by MBTA, DCAM, and Mass Highway to construct a new, multi-modal transit station in Salem, including a 1,000 space parking garage at the existing commuter rail station. The SRA will continue to work with representatives to ensure that the facility is compatible with the downtown.

South River Harbor Walk

The South River Harbor Walk will include a fully accessible public walkway, pedestrian amenities and landscaping on both public and private property. In FY04, the city received funds from the state to complete the design of the project. The state already appropriated the funds for construction of the walk, which is expected to begin next year. During its review of the project, the SRA and DRB made several changes to the design such as removing the wood planked walkway and replacing it with concrete, adding more lighting, and installing bollards and chains instead of wood fencing. The DRB reviewed another version of the plans at the Schematic Design Phase in April 2005 and will continue the review of the project as the plans are modified.

BOARD/ADMINISTRATIVE CHANGES

The SRA Board also went through changes in the past fiscal year. Christine Sullivan was appointed to succeed Robert Curran as an SRA member in August 2004. The board voted new officers at their Annual Meeting in October 2004. Michael Brennan was voted the new Chairman, Russell Vickers was voted as Vice Chairman and Michael Connelly as the Treasurer. In addition, the SRA voted to approve Lynn Goonin Duncan as the new Executive Director in July 2004.

CONCLUSION

The SRA has had great success over the past year in its efforts to promote appropriate private and public development in downtown Salem. Over the next year, the SRA will continue to support commercial and retail development while promoting the values and cultural heritage of Salem.