

# **ANNUAL REPORT OF THE SALEM REDEVELOPMENT AUTHORITY**

Fiscal Year 2006  
July 1, 2005 to June 30, 2006



## **BOARD OF DIRECTORS:**

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

## **EXECUTIVE DIRECTOR:**

**Lynn Goonin Duncan, AICP**

November 2006

# **SRA ANNUAL REPORT**

## **Fiscal Year 2006**

### **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 44 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.

As in the past fiscal year, FY06 was marked most significantly by the pending redevelopment of the Old Salem Jail. The interest sparked by the redevelopment of this site showed the success the SRA and the City of Salem have had in the continuing redevelopment of downtown Salem. In November 2005, the SRA voted to designate New Boston Ventures as the developer of the site. New Boston Ventures plans to redevelop the parcel into a mixed-use development with residential condominiums, including one designated affordable artist live/work unit, a high-end restaurant and Jail Exhibit that will be open to the public. It is anticipated that the project will begin construction in the spring of 2007.

The SRA Annual Report for FY06 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 that continue to be constructed in the Urban Renewal Areas

### **REDEVELOPMENT AUTHORITY PROJECTS**

#### *Old Salem Jail Redevelopment*

In September 2004, at the request of the Mayor, the City Council voted to transfer ownership of the Old Salem Jail to the SRA for disposition. Shortly after the transfer, the SRA hired a consultant 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 designated New Boston Ventures as the developer of the site.

New Boston Ventures plans to redevelop the parcel into a mixed-use development with residential condominiums, including one designated affordable artist live/work unit, a high-end restaurant and Jail Exhibit that will be open to the public. The project is currently undergoing permitting and it is anticipated that construction will begin in the spring of 2007.

#### *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 nearing completion.

During the past fiscal year, Habitat for Humanity did appear before the Authority for minor changes to the project and request an extension of their deadline to complete the project. At this point, the project is expected to be complete by the end of 2006.

#### *Downtown Market Plan*

The Salem Redevelopment Authority approved funding to undertake a Downtown Retail Market Plan in the upcoming fiscal year. The study will review the existing conditions, as they have changed dramatically over the past five years, and make recommendations on expanding the downtown market. The Plan will also provide an implementation strategy for these recommendations.

### **PRIVATE DEVELOPMENT PROJECTS**

#### *Derby Lofts (former Laundry Building)*

The Derby Lofts project includes the renovation of the 100 year old, four-story industrial building, known as the Laundry Building, into a mixed-use residential and retail development. The project consists of 14,000 square feet of first floor retail and 54 luxury residential units on the upper floors. Construction was finalized in FY06. The current retail mix includes an independent bookstore, teashop and bakery. The estimated project cost is \$14 million. During the past fiscal year, the SRA reviewed a sign package for the building.

#### *Old Police Station Redevelopment*

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. All of the units were under agreement months before the project was due to be completed and currently all but one unit is occupied. The project includes 14 residential condominium units with parking on-site. The estimated project cost was \$3 million. During the past fiscal year, the SRA reviewed minor amendments to the project design and continues to monitor the project toward completion.

#### *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 finalized all the necessary state approvals in early 2006. A construction start date is pending. 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, which moved into the space this past year. Construction was finalized in FY06.

#### *Bluestone Alley*

The Blue Stone Alley project at 7 Crombie Street redeveloped the former Salem Mission into 17 artist live/work spaces. The SRA approved the Final Design Plans for the project in May 2005 and the project immediately began construction. Construction is nearly complete and a number of units are occupied. The project is a "gentle renovation" that integrates many of the historic character of the building. The units are a range of sizes and prices to encourage artists.

#### *90 Lafayette Street*

The property at 90 Lafayette Street has been an eyesore for many years. The new owners of the property, RCG, LLC, appeared before the SRA in FY06 for Schematic Design Review of plans to demolish the current building and develop a new 6-story building with first floor retail, residential condominiums on the upper floors and on-site parking. The project did not obtain the necessary zoning variances and is currently on-hold.

#### *17-21 Front Street*

For many years, the storefronts at 17-21 Front Street were used as office space for the Jewish Federation Building. Earlier this year, Goldberg Properties acquired the property and they are working to renovate the space for use by active retail on the first floor and commercial office on the upper floors. During FY06, the SRA reviewed minor improvements to the building including the installation of new windows throughout the building.

#### *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 FY06.

- 143 Washington Street (ReMax)
- 24 New Derby Street (Artist Row)
- 24 New Derby Street (Baobab Space)
- 24 New Derby Street (Share An Umbrella)
- 24 New Derby Street (Craftisans)
- 73 Lafayette Street (Beverly Cooperative Bank)
- 70 Washington Street (North Shore Career Center)
- 51 Lafayette Street (Derby Lofts)
- 2 East India Square (Pheonix Rising)

142 Washington Street (Tobie's Jewelry)  
45 Lafayette Street (Cornerstone Books)  
55 Lafayette Street (DiFillipo Antiques)  
324 Derby Street (Basics Furniture/JoelArt)  
40 Front Street (JM Trading Company/Salem Harbor Outfitters)  
217 Essex Street (The Gathering)  
118 Washington Street (Fresh Taste of Asia)  
140 Washington Street (Ristorante Gioia)  
71 Washington Street (Salem Five Bank)  
6 Central Street (Wicked Goodz)  
103 Washington Street (Modern Millie)  
48 Central Street (A & J King Artisan Bakers LLC)  
318 Derby Street (New Civillitea)  
144 Washington Street (Gangi Printing)  
34 Front Street (Hair Express)  
72 Washington Street (Crunchy Granola Baby)

#### *Small Project Review*

The DRB and SRA also review smaller scale projects, such as repainting of facades and replacement of lighting. The following projects were reviewed by the SRA and DRB during FY06.

155 Washington Street (Edgewater Cafe) – Temporary parking lot improvements  
118 Washington Street (Fresh Taste of Asia) – Installation of hood system  
25 Peabody Street – Demolition of concrete wall and replacement with iron fence  
304 Essex Street (Holloran Development) – Storefront Improvments

#### *Other Improvement Projects*

The following projects were reviewed by the SRA and DRB during FY06.

New Derby Street Bus Shelters – Installation of bus shelter on New Derby Street  
282 Derby Street (Taste of Cilantro) – Installation of umbrella over outdoor cafe  
118 Washington Street (Fresh Taste of Asia) – Outdoor Cafe Permit  
Downtown Bike Racks – Installation of bike racks downtown  
City Hall – Installation of collection box outside of City Hall  
318 Derby Street (New Civillitea) – Outdoor Cafe Permit

### **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 City 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 is displayed at Old Town Hall as part of a series of exhibits throughout the summer. In May 2006 three of the five stalls in the Salem Market Place were awarded to Salem artists answering the City's Call for Artists. One of the three was a returning artist from last season.

#### *Downtown Forum*

Earlier this year the Mayor hosted a Downtown Forum, attended by nearly 100 people, to discuss issues and opportunities facing downtown Salem. The following initiatives are being undertaken in response to this meeting: update of the *Doing Business in Salem Guide*; revitalization of the Salem Main Streets Initiative; and planning for the implementation of the Citywide Signage Program.

#### *Market Place/Former Salem Evening News Building Redevelopment*

In the winter of 2006, RCG, a developer, announced plans to redevelop a key downtown block that would transform the area. The originally proposed project entailed the construction of three mixed-use buildings with residential and retail uses, as well as, approximately 500 underground parking spaces. It included privately owned property, city-owned land and a parcel owned by the Salem Redevelopment Authority.

In April 2006, the Mayor formed the Marketplace Redevelopment Committee to review the proposed development. The SRA was represented on this Committee by two members, Christine Sullivan and Michael Brennan, and one DRB member participated, Glenn Kennedy. Over the months that followed, the review of the proposed project design was rigorous and transparent to the community. In the end, this process will ensure that the city "gets it right" when approving the final project design for this site. A final report was released in late September 2006.

#### *Salem Ferry*

In the summer of 2006, the City of Salem acquired a grant from the Commonwealth to purchase a ferry and secured an operator to run the ferry. The ferry provides direct service to Boston's Central Wharf in approximately 45 minutes. Since its first trip in June, the number of riders has steadily increased. It is being used both by commuters and those taking day-trips to the city. The ferry is having a direct impact to the downtown by encouraging Boston residents and tourists to visit Salem.

#### *Creative Economy*

The Creative Economy Association of the North Shore is an association of creative and knowledge businesses and institutions in a region steeped in history, culture, the arts and international trade. In the spring of 2006, the City of Salem hosted the first statewide Creative Economy Conference that was attended by representatives of the creative economy sector throughout the Commonwealth. The conference was sold out, exceeding expectations and bringing a great deal of people into the downtown. SRA member, Christine Sullivan, is a founder and leader of this initiative on the North Shore.

#### *Storefront Improvement Program*

The Department of Planning and Community Development manages the Storefront Improvement Program in downtown Salem as part of the City'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, two storefronts in the Urban Renewal Area 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. 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. The long-awaited Bypass Road project began construction in the summer of 2006.

#### *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 FY06, the program funded two loans totaling \$54,955 and had 4 active loans from the previous fiscal year. The active loans created a total of 17 jobs with 12 filled by low- to moderate-income individuals. Of these loans, two were to businesses located within the downtown.

#### *Courthouse Expansion*

The Courthouse Expansion will allow the courts to remain in downtown Salem, which will have a large economic impact on the city.

#### *MBTA Station*

The Massachusetts Bay Transportation Authority (MBTA) is expected to build a new parking garage at the Salem Train Station creating 700-1,000 parking spaces for commuters. 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 SRA approved the Schematic Design Plans in September 2006 and it is expected that the Final Design Plans will be before the Board in FY07.

### **BOARD/ADMINISTRATIVE CHANGES**

During the past fiscal year, there were no board or administrative changes to the Board.

**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. It will also continue to work closely with the City on projects that will impact the downtown including the completion of a Retail Market Plan and the reuse of Old Town Hall.