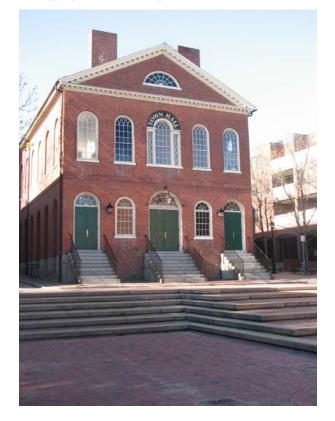
ANNUAL REPORT OF THE SALEM REDEVELOPMENT AUTHORITY

Fiscal Year 2007 July 1, 2006 to June 30, 2007



BOARD OF DIRECTORS: Conrad Baldini Michael Brennan Michael Connelly Robert Mitnik Russell Vickers

EXECUTIVE DIRECTOR: Lynn Goonin Duncan, AICP

November 2007

SRA ANNUAL REPORT

Fiscal Year 2007

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 SRA Annual Report for FY07 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

The proposed redevelopment of the Old Salem Jail by New Boston Ventures received final plan approval from the Planning Board and the SRA in December, 2006. The DRB reviewed and approved the construction plans in April, 2007. The Preservation Plan was approved by the SRA on May 9, 2007. To create the Preservation Plan, New Boston Ventures consulted with Paul Holtz at Massachusetts Historical Commission in order to minimize any impact to the exteriors of the existing buildings. Representatives of the Salem Historical Commission and Historic Salem Inc. also met with New Boston Ventures to discuss the Preservation Plan and reviewed the final document.

New Boston Ventures has also provided a fully engineered drawing to Mass Highway for the proposed driveway to the Jail from Bridge Street so that Mass Highway can build this drive while they are working on this section of the Bypass Road. Lynn Duncan and David Knowlton, City Engineer attended a meeting held on September 27, 2007 with MassHighway at the District Office with New Boston Ventures to discuss construction of the driveway access to the future realigned Bridge Street.

New Boston Ventures (NBV) was granted an extension by the SRA until December 14, 2007 for the transfer of the property. Based on the revised closing date the commencement of construction will begin by February 16, 2008 and the project will be completed with two years.

Old Town Hall

In September 2006, Mayor Driscoll invited the SRA to serve as the Reuse Committee for Old Town Hall. The SRA held a public visioning session in February 2007 to discuss the potential long term uses of the building with Salem Residents. A major concern voiced by representatives of groups interested submitting proposals for the re-use of Old Town Hall was the lack of information regarding the cost of bringing the building up to code and of long term historic preservation. In response to this concern, the SRA contracted with Structures North and Essex On-Site Services to complete a study of the structural capacity of the building and the condition of the building systems and the associated costs to improve the building to a fully habitable condition. The Request for Proposals for the long-term Old Town Hall lease will be issued in January of 2008.

Retail Market Plan

To advance efforts to revitalize downtown Salem as a vibrant year- round retail destination, the Salem Redevelopment Authority retained Karl Seidman Consulting Services, ConsultEcon, Inc. and the Institute of Regional Development to complete a Downtown Retail Market Plan. The Market Study presents results from an analysis of the downtown customer base and downtown business mix and their implications for the downtown retail development strategy. The Retail Market Plan presents the recommended strategies and an action plan to strengthen downtown Salem's retail base, expand its customers and improve the customer experience while visiting and shopping downtown. To prepare this action plan, the consulting team conducted focus group interviews with downtown stakeholders, completed a telephone survey of 360 trade area households, reviewed a draft action plan with the study working group and presented the Retail Market Plan for public comment at a public meeting held by the Salem Redevelopment Authority on May 9th, 2007.

18 Crombie Street

In November 2003, the SRA received ownership of the property at 18 Crombie Street. In 2004, the Salem Redevelopment Authority transferred the deed of the home to Habitat for Humanity of the North Shore. In 2006, Habitat for Humanity completed the full restoration of the home to create an affordable home for a low-income local family to own. A 30 year affordable housing restriction is now in place and a local income eligible family moved into the home in the winter of 2007.

PRIVATE DEVELOPMENT PROJECTS

CF Tompkins Building

The CF Tompkins Building was originally a wood structure rebuilt in brick following the Salem Fire of 1914. The redevelopment will create a mixed-use building containing 20 condominium units and up to 3 retail units. The developer will purchase 20 passes from the parking garage for use by the residents. Based on recommendations of the SRA and DRB, the final storefront design closely echoes the historic appearance of the building's façade. Construction has begun at the CF Tompkins Building and occupancy is expected in 2008.

Derby Lofts

The Derby Lofts renovated the 100 year old, four-story industrial building, known as the Laundry Building, into a mixed-use residential and retail development. During FY07, tenant customization was completed in both residential and retail units. Currently there are 33 owner occupied residential units and 19 rented residential units, and 2 vacant units, totaling 54 residential units. Two of the three remaining retail spaces were leased in 2006 by a clothing store and cosmetics store.

Bluestone Alley

The Bluestone Alley project at 7 Crombie Street redeveloped the former Salem Mission into 17 artist live/work spaces. The project is a "gentle renovation" that integrates many of the historic characteristics of the building. Construction was completed during the 2006 fiscal year. The units are a range of sizes and prices to encourage purchase by encourage artists. Fifteen of seventeen units have sold.

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 FY07.

Salem Wine Imports (32 Church Street) Gulu Gulu Café (118 Washington Street) Eastern Bank (125 Washington Street) Beadworks (10 Front Street) New Civilitea (318 Derby Street) J. Mode (17 Front Street) Salem Chamber of Commerce (265 Essex Street) Feed Your Head Books (272 Essex Street) New Dimensions in Technology (85 Lafayette Street) Lavoie Group (10 Derby Square) Passage to India (157 Washington Street) Cool Jewels (Museum Place Mall) Fiddlehead (24 Front Street) The Washington Square Studio (13 Washington Street) Crafters Boutique (24 New Derby Street) Row Gallery (24 New Derby 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 FY07.

217-21 Essex Street (The Gathering, Digital Imaging) – Egress door
118 Washington Street (Peabody Block Building) - Egress door
157 Washington Street (Passage to India) - Façade painting and new door
285 Derby Street - Storefront windows and entry ramp
52 Charter Street (Old Police Station) - Modifications to doorway
120 Washington Street - Changes to rear of building
70 Washington Street (Salem 5 Bank) - Paint and entry door
45 Lafayette Street - (Cornerstone Books) - Exterior lighting

Other Private Improvement Projects

The following projects were reviewed by the SRA and DRB during FY07.

157 Washington Street (Passage to India) - Outdoor café

- 155 Washington Street (Edgewater Cafe) Outdoor café enclosure planters
- 118 Washington Street (Fresh Taste of Asia) Outdoor café alterations

118 Washington Street (Gulu Gulu Café) - Outdoor café
275-81 Essex Street (CF Tompkins) - Wireless facilities
10 Federal Street - expansion of parking lot
143 Washington Street (The Distillery) - flower boxes
76 Lafayette Street - Change in use to residential
45 Lafayette Street - (Cornerstone Books) - Outdoor café

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.

City Hall

Planning for accessibility improvements to the Salem City Hall began in 2003 but the project was put on hold. In 2006, design of an elevator to replace the existing lift on the main City Hall stairway moved forward and the DRB and SRA reviewed and approved updated plans for an elevator addition located on the rear of the building.

Downtown Salem Bike Racks

Through the Metropolitan Area Planning Council (MAPC) Bike Parking Program, the City received funding to install 56 bike racks throughout downtown Salem. DPCD staff worked with the Salem Bike Path Committee to establish the proposed locations for the bike racks. The SRA and DRB reviewed and approved the specifications for the 3 rack styles and the proposed rack locations.

South River Haroborwalk

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 design received Schematic Design Approval in September 2006.

Artists Row

Mayor Driscoll continued Artists Row in the existing Salem Market Place in 2007 to capitalize on the ability of art and cultural activities to spur activity in downtowns. The seasonal program is designed to give area artists and 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 2007, the five stalls in the Salem Market Place were awarded to Salem artists answering the City's Call for Artists. This season was the first in which all five Artists Row studios were occupied.

Marketplace Peer Review

Through the Marketplace Peer Review process, Mayor Kimberley Driscoll, DPCD, and the Salem Redevelopment Authority worked with the Marketplace Redevelopment Committee, a group of interested citizens, to plan for the future use of the Salem Marketplace, the parcels adjoining Klop Alley and a parking lot on Front Street. The goal of the study was to review preliminary plans from a private developer, RCG, and determine goals and objectives for the

redevelopment. The proposed redevelopment included privately owned property, Cityowned land and an SRA-owned parcel. The Peer Review consultant team, Landworks Studio and Office dA, worked with the Marketplace Redevelopment Committee over 5 months to review proposed plans and create the Salem Marketplace Design Peer Review Report and Recommendations in September 2006. Two public meetings were also held to gain feedback on the redevelopment.

Salem Main Street Program

The Salem Main Street Program was reorganized during 2006/07 under the umbrella of the Chamber of Commerce, but still maintaining its own Board of Directors. Originally established in 2000, 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. A new Main Street Manager was hired and started work during the summer of 2007. The Salem Main Street Program will continue to work with the SRA and the City to promote a vibrant, retail-oriented downtown.

Doing Business in Salem: A Guide to Starting or Growing Your Business

DPCD created this guide as a tool to help business owners navigate the licensing and permitting process, as well as to point them in the right direction for additional resources. The Doing Business in Salem guide includes answers to frequently asked questions, descriptions of the different processes and contact information for city, state, federal, and other agencies that can assist you. The guide is broken into three different sections— Getting Started, Licensing & Permitting, and Financial & Technical Resources.

Storefront Improvement Program

The Department of Planning and Community Development implements a 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 \$5,000 for exterior storefront improvements including signs, awnings, painting and lighting. During the past fiscal year, five 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.

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 FY07 the program funded one loan for a new downtown business, Gulu Gulu Café, which will create a minimum of six (6) jobs within the first year.

Citywide Signage Program

The Mayor has created an ad hoc signage committee to review the Comprehensive Signage Program prepared several years ago by the consultant firm, Roll & Barresi. A representative of the SRA serves on this committee. The consultant is providing technical assistance to help the committee fine tune the plan, establish priorities, and move forward with implementation. The plan includes vehicular and pedestrian directional signage along the City's entrance corridors and downtown. It is noted that the pedestrian display maps at Rockafellas, the commuter rail station, Artists Row, and Derby Street were updated by the Department of Planning and Community Development and the new GIS Administrator as a temporary measure in time for Halloween. The Peabody Essex Museum has installed some of their signage as part of this program and the City intends to install the other pieces of the signage program on an incremental basis as funds are identified.

Salem-Beverly Transportation Project/Bridge Street Bypass Road

The Salem-Beverly Transportation Project is a multi-phase roadway project that provides improved vehicular access between Salem and Beverly. The Bridge Street Bypass Road is a component of this project. Construction began in the 2006 Fiscal Year and will be completed in 2008. The SRA has been working to coordinate this project with the redevelopment of the Old Salem Jail. The intersection at Washington Street and Bridge Street has been completed and has improved vehicular traffic operations from both a congestion and safety perspective.

Courthouse

The new Court complex in Salem has been funded by the State and DCAM is moving forward with conceptual design plans. Roadway plans for the reconfiguration of the ramps at the North Street/Bridge Street intersection are under review. The Executive Director of the SRA serves an ad hoc Court Steering Committee formed by DCAM, which works to ensure that the facility is compatible with the downtown and that there is an opportunity for public input.

BOARD/ADMINISTRATIVE CHANGES

The composition of the SRA Board changed in the past fiscal year. Christine Sullivan resigned from the board and Robert Mitnik was appointed as her replacement.

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.