

**City of Salem Massachusetts
Executive Session Meeting Minutes**

Board or Committee:	Redevelopment Authority, Regular Meeting
Date and Time:	Wednesday, July 9, 2019 at 6:00 PM
Meeting Location:	98 Washington Street, Third Floor Conference Room
SRA Members Present:	Chair Grace Napolitano, Gary Barrett, David Guarino, Dean Rubin
SRA Members Absent:	Russ Vickers
Others Present:	Tom Daniel – Director of Planning and Community Development, Kathryn Newhall-Smith
Recorder:	Colleen Brewster

Chair Napolitano calls the meeting to order. Roll call was taken.

Executive Session

1. To review the submittals to the Request for Qualifications for the redevelopment of real property located at 32-34 Federal Street and 252 Bridge Street, Salem, MA because an open meeting may have a detrimental effect on the negotiating position of the public body.

Chair Napolitano: Motion to request an Executive Session.
Barrett, Guarino, Napolitano, Rubin. Passes: 4-0.

The SRA entered into executive session at 6:00PM.

Mr. Daniel stated that no applicant has asked what other applicants had submitted an RFQ. Chair Napolitano asked what information is public record at this time. Mr. Daniel replied who submitted an RFQ, what they submitted must remain confidential at this time. Mr. Guarino asked if the proposal interviews will be public. Mr. Daniel replied that the public will hear details based on their responses of the interviewers.

Mr. Daniel discussed the proposed process. They could interview 4 teams each night if the Board chooses to interview everyone. As an interview, this stage is about qualifications and those that did more than others shouldn't be considered more responsive. The Board needs to determine each team's capabilities and previous projects through discussion. Questions can be submitted to each team in advance. It can be all in closed session but the down side is that it lacks transparency; however, an open meeting with public engagement means the public doesn't have the information that the SRA does. The proposals may be dealt with differently, with a public meeting with no public comment. The other risk is some members of the public have connections with those that have submitted. In a previous position, any members of the public had to disclose if they were affiliated with any team members.

Chair Napolitano suggested the SRA restrict other development teams from being present, is it fair to do that if people who attend the first see what occurred at the second night. Also, no public comment should be allowed because the public will get bogged down in the details. She also questioned whether they should interview everyone or narrow the list down now.

Mr. Guarino asked if the public's interest in development is more of acute now than with past projects. Mr. Daniel replied that this will be a two-step process this time and that additional time changes the process. This is only the first step, not the final step, and he wants their work to be transparent. He wants it to be public and at the end to allow public comment. They can remove any pro-forma information since this is an RFQ not and RFP. Tell everyone they will limit questions to qualifications only and doing that in public gets the information out to the public.

Mr. Daniel stated that concepts should be included in the discussion. Mr. Barrett replied that the concept targets what the SRA is looking for. Information will get out on the first night and that will affect the second night. Chair Napolitano echoed those concerns with interviews on separate nights and agreed to public meeting with no public comment. She suggested the list of interviewees be narrowed down tonight and to interview them all on one night. Mr. Rubin stated that he had no problem closing this to the public. Those assigned with selecting the interviewees are tasked with putting the best teams into play. He suggested they provide the questions in advance so there is no leaking of information, and they are only narrowing things down at this point so the public can be present.

Mr. Guarino asked why they wouldn't want a public presence. Ms. Newhall-Smith replied that this is not a public hearing. Mr. Guarino noted that there is a public perception that the City is known to have the Mayor making the decisions without public input. Chair Napolitano stated that public discussion can easily get off topic and there will only be 40 minutes per applicant. She asked if that is fair to the applicant but knows that the RFP process will be very different. Mr. Rubin suggested they allow public comment but limit their time to comment. Ms. Newhall-Smith suggested they allow public comment at the start of the Tuesday session only and people must sign up in advance. City Council allows the public 2 minutes. Chair Napolitano noted that they've already heard the public comments in regards to these properties.

Mr. Guarino suggested the 8 proposals be reviewed in 3 or 4 nights. Mr. Zahler stated that the applicants with specific ideas may not go much further with the RFP or change their direction. This may be the only time to determine if their idea is what the City wants. Mr. Daniel replied that the interview and deliberation are different. Deliberation gets the reaction to their ideas but in the RFP, these will be available for all to see. They can be specific with what they want for the Law Library, since it will be more of a community space than for the tenants of the buildings. The SRA can suggest the applicant consider certain things. There is limited time on first night and comments on day 2 about day 1 isn't fair. Mr. Rubin stated that the public comment hasn't changed in the year since it's been on the agenda of the SRA, but it will give them a chance to be heard even if it's only for 2 minutes. Mr. Daniel asked if the SRA was agreeing to public meeting with no comments permitted except for Tuesday at the start of the meeting. Mr. Guarino stated that not being public concerns him but someone from The Salem News could write a story the first night. Mr. Daniel replied that that will happen at a later time and details of this interview shouldn't be released until after the interviews. He wants to keep this process controlled and it's okay to have a public meeting with no public comment. Mr. Guarino noted that the second night people could be at an advantage. Mr. Rubin questioned whether the applicants would be at an advantage, like an open book test where everyone will know the questions going in. Mr. Guarino asked if they would limit themselves to those questions. Mr. Daniel stated that there may be follow up questions based on their answers. The SRA can request that only one team is present and the next team can wait in another conference room out of respect for the team being interviewed. Chair Napolitano and Mr. Guarino agreed. Ms. Newhall-Smith noted that no one requested to be on the first night.

Mr. Daniel stated that they selected 40 minutes for each applicant with 5 min of flex time and no power point presentations are allowed. Mr. Rubin asked whether it would it help to at least have their proposal available to put on the screen. Mr. Daniel replied the SRA board will need to bring their packets only and nothing to go on the screen for someone else to photograph and share.

Mr. Daniel stated that two SRA members met with Matt Zahler who seems to be a good fit. Mr. Guarino added that Mr. Zahler brought up issues that the SRA hadn't thought of, such as; knowing how many historic tax credits projects a developer has in que because they are limited to two, and it takes a couple of years to get them, meaning the team would need to wait 4 or 5 years to apply until one of their other projects has been completed. Mr. Guarino noted that Mr. Zahler informed them that the applicant proposing an addition means they won't be able to obtain historic tax credits. Chair Napolitano noted that from her previous meetings she determined that if more than 50% is for public use then historic tax credits are complicated to obtain. Mr. Daniel noted one applicant's claim to be able to complete the project within 18 months.

Mr. Rubin suggested Mr. Zahler attend the interviews to help highlight any concerns with potential developers. Mr. Daniel suggested that afterwards they debrief with Mr. Zahler on the initial reactions and Matt can provide his observations for each applicant. The SRA may want a second round of questions with certain applicants to determine the final 3 applicants to interview. It can be played by ear and narrowed down after the discussion. Selecting 4 instead of 3 would be okay if necessary. The interviews could be in August and open to the public. This will allow the SRA to discuss adding more specific goals, such as a connection to the train station.

Mr. Daniel asked if initially they should invite all 8 applicants for interviews. Chair Napolitano and Mr. Barrett agreed. Mr. Daniel stated that Fawkes met with Andrew Shapiro and Matt Coogan in the past. He's unknown by many in the City and has been inappropriate with City staff. Mr. Guarino suggested they eliminate their application. Mr. Rubin replied that he was okay with their proposal because their concept was creative and he didn't get caught up in the presentation by it not being spiral bound with cover pages and imagery. Ms. Newhall-Smith noted her concern with his ability to pay for his concept. Mr. Rubin noted that The Howard Hughes property is simple construction on a large space of land, like a little City but it's lovely and simple. He asked if who submitted a proposal vs. who gets interviewed become public record. Mr. Daniel replied that this will eventually become public record and there could be a statement as to why the ones not interviewed were eliminated.

Mr. Guarino suggested they reject a proposal based on sparse proposal given their lack of robust qualifications, despite their ideas. One proposal eliminated the crescent lot, which could be developed on its own. Chair Napolitano believed their desire not to use the crescent lot to be a concern, when everyone else seems to be using the crescent lots to finance the court buildings. Mr. Daniel noted when it came to the Tabernacle and Bridge at 211, he told the developer that his proposal was not contingent upon that, and the developer noted that his whole concept had them as integral parts. Chair Napolitano suggested they put that application on hold for now.

Application Discussion:

Mr. Guarino asked if the applicants will submit answers to questions in writing. Mr. Daniel replied no, it will be addressed at the meeting. Mr. Guarino suggested they prioritize the questions.

Barnat Development, LLC:

Mr. Daniel stated that Sarah Barnat was formerly with Trinity and completed a project in Beverly, which was her first project on her own. She headed ULI Boston during her break between Trinity and starting her own company. She also had the largest team on the building tour. She's been interested in this opportunity for 18 months and most of her team worked with on her Beverly project. ICON worked with North Shore CDC on the Lighthouse project as well as projects in Gloucester. They are oriented towards sustainable development and creative, thoughtful design. Their Ch 91 experience is through Fort Point but ICON has done some of their own too, although their historic experience hadn't been identified. Chair Napolitano stated that the Registry of Deeds was listed as their anchor tenant and they want Federal and State historic tax credits, and Mr. Zahler mentioned that constructing a connector between the two buildings could disqualify them for receiving those tax credits. Mr. Daniel replied that they can preserve tax credits with small items or additions. Mr. Guarino noted that the Registry of Deeds space will greatly affect this. Chair Napolitano noted that the Registry wants to own and not lease. Mr. Daniel added that they have other potential concepts if the deeds doesn't work. The Registry of Deeds may not want this property anymore.

Mr. Guarino asked if there was any data on a demand for legal space within the city and if the City or lawyers want space within the buildings. Mr. Daniel replied that there has been no demand study he's aware of, but it could be useful and this team has the qualifications to do this project. Chair Napolitano noted that their focus on the Registry of Deeds concerns her. Although their experience is impressive, she finds them to be mediocre. Mr. Guarino noted that they plan to have the court buildings operational by 2026 and he questioned how to rate that. Mr. Rubin added that this concept seemed generic and was dependent upon public input. There is a complexity to the buildings but he believes they are qualified for a project. Mr. Daniel stated that their qualifications are not defined and there is flexibility with their design concept. Mr. Guarino noted that the architect had a lot of MBTA experience which would be beneficial. The SRA agreed to interview the applicant.

Cabot and Cabot:

Chair Napolitano stated that she did not find them impressive, she has concerned with their lack of Ch. 91 experience and providing public access wasn't a concern of theirs which is a turn off. There is no public funding and no focus on public access. Mr. Rubin stated that they have strong residential experience, which would be beneficial for the crescent lot, although he wasn't sold on their historic qualifications. Chair Napolitano noted that the applicant didn't reference any Ch. 91 experience for the crescent lot. Mr. Daniel stated that they have a lot of history since opening in 1904 and worked on significant projects over the years. They have adaptive reuse experience at St. Gabriel's in Brighton, Quad buildings in Cambridge which was a PUD, and a multi-family in Woburn near the Anderson Station. The crescent lot if fully financeable on a private basis but what about the Court buildings? They may need some public subsidy on it. They stated that they are not a slow developer and their timelines are tight; however, this project is complex. Mr. Rubin and Mr. Guarino noted that their sense of urgency is a concern and they seem to be rushing this project. Mr. Daniel replied that their project timeline doesn't include the Ch 91 which could take a year on its own. Ms. Newhall-Smith added that their proposal lacked detail, they have no architect, historical or Ch. 91 experience, so their team finalized. They should have more than the developer at this point. Also, no public space was proposed which is needed. Chair Napolitano noted that it hadn't even been considered and there was no flexibility with the idea of including it, their goal seems to only be residential and moving onto the next job. Ms. Newhall-Smith added that with their experience they should at least suggest a range of unit numbers and not just the maximum allowed. Chair Napolitano and Mr. Guarino stated that they are okay with eliminating this application.

Fawkes:

Mr. Rubin noted their suggestion of shutting down the intersection to create a lively downtown area would be a major traffic concern, although he appreciated their thought to rethink the space. The SRA agreed not to interview this team.

JHR Development:

Mr. Daniel stated that the Rockett's completed Pickering Wharf and Hilary Rockett has completed work elsewhere in Salem. Salem State passed on this property despite their long-term goal of having a presence downtown because they don't have the funds to take on this partnership at this time. Mr. Rubin asked if there was value in a "local team" that knows the city better than others and if that gives them a bonus point as a team that knows the City. Ms. Newhall-Smith replied only if they are qualified. Chair Napolitano noted that while other candidate they don't know all these many of these team's members they know to have a good track record. She liked that they are including public access and are flexible on the proposed institutional uses. They didn't note their specific experience but it's just assumed since many of us know them. Ms. Newhall-Smith stated that they want to use the entire Superior Court building for the Registry which could be a concern if they aren't willing look at the feasibility of other reuses such as residential. If the Registry goes elsewhere would it become an empty building with no use. They also listed every possible public funding source and suggested underground parking under the green space. Chair Napolitano noted that the outdoor plaza is a nice concept. Mr. Daniel liked Salem State, the Museum of Justice doesn't have the funds to support this concept. The museum head has credibility and people willing to support it and he is pleased with their willingness to be a component of the building and not the entire building. They have a retired Judge as part of his team. Mr. Guarino asked if there is a market for the museum. Mr. Rubin asked what qualifies them. Mr. Daniel replied that the developer is experienced, their attorney is qualified, and Bill Luster knows the development world. Their team has an understanding of community buildings and values, unlike other applicants with a lack of qualifications. Mr. Rubin stated that he didn't see anything that indicates their ability to take on complicated projects in their application. Chair Napolitano added that she didn't see Ch. 91 experience but assumed their lawyer has it which meets the threshold. Mr. Guarino stated that theirs is one of the better proposals. Mr. Barret added that he thought their proposal was lacking but likes their team. The SRA agreed to interview the applicant.

Lupoli Companies:

Mr. Daniel stated that the developer requested a meeting with the Mayor about Salem which coincided with when this process started. He gave Ms. Darcy and Sal Lupoli a tour of the City. They are interested in working with Salem but didn't attend the tour of the space, and asked for a tour after the fact and their request was denied. They've had much success in Lawrence on adaptive reuse projects and a good historic preservation architect, formerly with Finegold Alexander but now with Fused Studios. Chair Napolitano noted that they didn't provide financial details or Ch 91 experience. Mr. Rubin replied that they did discuss Ch. 91 experience but not through the use of a consultant. Mr. Barrett noted that all of Lawrence is waterfront. Mr. Rubin added that they do qualify. Ms. Newhall-Smith stated that their proposed additions to largely accommodate the Registry of Deeds. Chair Napolitano questioned their green sky roof and bridge but was in favor of their Hasbro references. Ms. Newhall-Smith noted that

without the Registry those proposed additions may go away. Chair Napolitano noted that they are qualified. The SRA agreed to interview the applicant.

North River Partnership for Community Reinvestment, LLC:

Mr. Daniel noted that this application includes Diamond Sinacori and they are qualified. Mr. Rubin questioned how this would integrate with their proposed building. Ms. Newhall-Smith added that they hadn't finished a project before she left Newburyport and began working in Salem and one of the Board's questions is about project timeline. Mr. Rubin replied that there will be setbacks in a project. Chair Napolitano questioned whether they want the same developer all over the city. Ms. Newhall-Smith replied that the City of Beverly is using Windover repeatedly. The SRA agreed to interview the applicant.

Trinity:

Mr. Daniel stated that this team is well qualified. Fort Point has Chapter 91 experience and Trinity does mostly housing. Mr. Guarino noted the limited public access, suggestions of a library for residents or Parker Brother museum. Mr. Daniel noted their tendency to stick with residential projects. Chair Napolitano and Mr. Rubin agreed. Mr. Guarino stated that housing only won't help ignite the area and neither will 1,200 SF of retail on Bridge Street. Chair Napolitano noted her familiarity with their work and their ability to make money but all they do is housing. Mr. Daniel stated that Mr. Zahler shared his experience with Trinity, the challenge of mixed-use being a tough combination. The SRA can request public access in some form. Chair Napolitano didn't like that their past experience was all residential and making the project work financially for them, even if they are qualified and a reputable firm. Mr. Zahler mentioned that their proposal probably won't differ very much from the RFQ. Mr. Guarino suggested making the SRA's requests known early on to see how the proposals may change. Ms. Newhall-Smith noted the importance of community goals. Mr. Rubin noted the public discussion at the CLC about how to create vibrancy. The dead area was consistently Federal Street and this proposal wouldn't create that vibrancy. Ms. Newhall-Smith noted that the housing is added first and the commercial space comes after, similar to Rantoul Street in Beverly. Mr. Rubin mention adding more restaurants on Washington and how to get people at the Common to come this way for something other than the MBTA. If housing is the City's focus then this application does it. Chair Napolitano stated that the applicant's goals say to maintain some public access and they will explore it. The SRA agreed to interview the applicant.

Winn Development:

Mr. Rubin stated that is team is qualified based on experience. They had a broad conceptional plan with a 99-year lease. Mr. Daniel noted that the tax-exempt bond financing is a public sector that backs it so the bonds are exempt from being taxed. City would do the bond for part of the project. Ms. Newhall-Smith questioned if that would be too helpful to the developer. The SRA agreed to interview the applicant.

Interview Guidelines:

The Board discussed various interview configuration and agreed to; interview 4 applicants the first night, 2 applicants the second night, both sessions shall begin at 5PM with an Executive Session debrief at the end of each night. All team members can be present, not just the developer, the sessions will be open to the public but with no public comment, and people affiliated with any other applicant are not be allowed to be present for any other interviews.

Interview Questions Discussion:

Mr. Daniel suggested eliminating some questions. Mr. Rubin suggested they save some for the RFP process. The SRA agreed to eliminate and combine some of the proposed questions, and which questions to ask in person at the interviews.

Mr. Barrett suggested that 40 minutes is not enough time to conduct an interview. Chair Napolitano suggested 30 minutes so developers can get to the point of the answers to their questions. Rubin stated that applicants submitting their answers in writing allows the SRA to see their responses in case they don't have the time during the interview. Mr. Daniel suggested that tell the applicants to limit their presentations so that all the questions asked of them can be addressed. Mr. Rubin suggested a 10-minute verbal presentation and 30-minute Q&A by the Board.

Chair Napolitano requested blank sheets to see if all questions get addressed and same for the debrief session. Mr. Daniel noted that the firm names will be released publicly when the agenda is posted. Ms. Newhall-Smith noted that HSI has asked for a list of who responded. Mr. Daniel replied that HSI can be told who submitted only because those not being interviewed need to be notified. Ms. Newhall-Smith will draft a letter to be e-mailed to those developers.

Mr. Daniel stated that Matt Zahler will be under contract and the SRA received \$40,000 from the CPA for Mr. Zahler's services, for a survey of the buildings, etc. He added that he spoke with DCAMM and the SRA can't issue the RFP until the SRA takes ownership of the property. There are still internal conflicts with the legislation and it should be resolved soon.

Roll call to adjourn the Executive Session at 8:25PM.

Chair Napolitano, Gary Barrett, Dave Guarino, Dean Rubin. Passes: 4-0.

Chair states that the Open Session will not reconvene at the conclusion of the Executive Session.

Adjournment

Guarino: Motion to adjourn the meeting.

Seconded by: Rubin. Passes 4-0.

Meeting is adjourned at 8:30PM.