

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

**Board or Committee:** Redevelopment Authority, Regular Meeting  
**Date and Time:** Wednesday, August 14, 2019 at 6:00 PM  
**Meeting Location:** 98 Washington Street, First Floor Conference Room  
**SRA Members Present:** Chair Grace Napolitano, Gary Barrett, David Guarino, Dean Rubin, Russ Vickers  
**SRA Members Absent:** None  
**Others Present:** Tom Daniel – Director of Planning and Community Development (on phone)  
Kathryn Newhall-Smith – Senior Planner  
Mathieu Zahler – Real Estate Development Consultant from MPZ Development, LLC  
**Recorder:** Colleen Brewster

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

**Executive Session**

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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, Chair Napolitano, Rubin, Vickers. Passes: 5-0.

The SRA entered executive session at 7:30PM.

SRA Overall Ranking Chart								
	Guarino	Rubin	Barrett	Napolitano	Vickers	Zahler	Daniel	Newhall-Smith
Barnat 19	3	5	1	1	4	3	1	1
JHR 15	2	2	2	2	2	1	2	2
Lupoli 38	6	4	3	4	5	5	6	5
North River 25	1	1	4	3	1	6	5	4
Trinity 41	5	6	5	5	6	4	4	6
Winn 30	4	3	6	6	3	2	3	3

Chair Napolitano stated that she could flip her No. 1 & 2 choice. Mr. Rubin suggested not discussing applicants not in the top 3. Mr. Zahler replied that all should be discussed to put them into context. He noted that he could also switch Trinity and Winn. Trinity has the capacity to do this project but had was a horrible interview; they didn't put anything into the ideas they had on paper, none of their

ideas were aligned, and some consultants didn't even speak. TAT from Winn also isn't the most creative firm. Mr. Guarino agreed, this project seemed "small time" to them and he questioned their capacity given their pipeline, he thought the project would be an after-thought. Mr. Daniel noted that he placed Trinity 4<sup>th</sup> because the interview didn't sell them despite their expertise. Mr. Zahler agreed, and noted that their ability to perform is there, but personality was also a factor in his decision. Mr. Guarino noted that Trinity proposed the least public activation. Mr. Barrett agreed that Trinity seemed tone deaf to public inclusion.

Mr. Vickers stated that he separated them into two groups; "vision" and "they know how to build housing." He considered what criteria to apply to make a difference at this end of the City. He applied the following eight criteria; vision for the concept, enhancement to the Gateway to the City, ability to complete the project in terms of programming and financial capacity, public use at the court buildings, and space for the Registry of Deeds. This will be his fifth and most complicated project with the SRA, where requesting public use of the superior court is forcing developers to look at public accommodations for a use that hasn't been determined. This will be a long-term project, and some are proposing to keep the mothballed buildings until they have the financial means to redevelop them. He lowered Barnat on the ranking because they may not be able to handle it. They need to look at the entire concept and intersection creatively. Mr. Zahler noted that these types of criteria should be in the RFP to get that information on the shortlisted applicant. The applicants had the same idea for the crescent lot, but the programmatic use of the historic buildings is the challenge.

Mr. Vickers stated he gave North River a higher ranking because they could be the developer for the Gateway area, they would think about it clearly and the design would be complimentary to 65 Washington Street. Mr. Barrett noted that he liked the creativity of his top 2, Lupoli has the wherewithal to do the project, and 3 & 4 are interchangeable. He had concerns with the capacity of North River from a project pipeline and financial standpoint, since 65 Washington Street is slow moving. Ms. Newhall-Smith agreed with Mr. Barrett. The first two are enthusiastic, Winn as a heavy-hitter and they added Nine Zero for tie to the community. Lupoli interview was poor and the renderings from the architect didn't correlate with the plans of their Preservation Consultant. She would rather have a different developer than North River because of their ties to 65 Washington Street. Mr. Guarino stated his preference for not having Diamond Sinacori playing one project off another and blaming delays from one project being tied to the progress of another. Mr. Daniel noted that North River can do the project although it might take a while. Mr. Diamond's response to the questions about challenges question in the interview wasn't adequate because it's not realistic to say there were no challenges. The District Court project has not the smooth process he claimed, and it should have started construction in January 2019. Their proposed children's museum is a good idea and unlike the other ideas, but it seemed like a stretch and he had no basis for saying the museum makes sense. Mr. Zahler replied that developers have challenges every day to solve, and Mr. Diamond's response was an evasion. The local issues he's facing with the district court and use of tax credits isn't something he'd done before, as well as the upcoming preservation restriction.

Mr. Vickers stated that in terms of programming, the proposed are long term ideas that could take 2-3 years to flush out. People want to see more creative ideas and not just housing, like Trinity proposed. There is no financing in place and finding financing requires a long-term effort. Mr. Guarino replied that the numbers provided him some clarity in determining his placing JHR first, Barnat second and North River third. Chair Napolitano stated that she placed Lupoli 4<sup>th</sup> because their interview was poor. Winn wanted a local person to handle the court buildings and they also only seemed to care most about the crescent lot.

Mr. Zahler suggested the Board select their top one to use as a barometer and then select two visionaries to provide the ideas and leverage them. It will take them all 7-8 years to complete and right now they have said whatever the SRA wanted to hear. Mr. Vickers noted that the decision will go to one team after the RFP and it won't be the safe answer, it'll be the one with the higher level of risk. Mr. Guarino suggested they select a safe choice and request a creative idea. The Board discussed creating a list of likes and dislikes and requesting responses to it in the RFP. Mr. Daniel replied that he and Ms. Newhall-Smith will meet with each team and discuss those items and the RFP will have the more specific goals. Mr. Vickers suggested it be a structured process with a write-up of the criteria from the SRA. It will allow North River to elaborate on the economics of their children's museum idea, JHR to identify their funding process, etc. because their idea may not be as feasible when they investigate each of them. They can ask for the Registry of Deeds square-footage lease terms, timelines, and to show their business model. Mr. Guarino noted that he's comfortable with that being handled by Ms. Newhall-Smith and Mr. Daniel. Mr. Daniel stated that they will need info on the Registry of Deeds in writing before the RFP is issued.

Mr. Guarino suggested shortlisting four applicants to see what they come up with. Chair Napolitano agreed and suggested the fourth be a team with creative ideas rather than a heavy-hitter. Mr. Guarino stated that feedback can be given. Mr. Vickers stated that Trinity, Winn, and Lupoli can get it done. Mr. Zahler noted that the others also have a real shot, but the heavy-hitters have a solid financial track record. North River and JHR have completed significant projects but maybe not at this scale, however; they all proposed an economically efficient housing development on the crescent lot. Lupoli has done a lot but only submitted renderings and not competed buildings he found troubling, and the size proposed wasn't economically feasible in the current economic climate. Mr. Guarino and Mr. Vickers supported shortlisting four applicants and not eliminating one of their top three.

The Board reviewed their original rankings. Trinity and Lupoli were ranked at the bottom.

Mr. Rubin questioned what weight the factor "I'd like to work with them" played into the ranking. Mr. Daniel replied that he liked the teams. Barnat seemed passionate and committed and brought 12-14 people to the walk-through. Rockett only does projects they want to do, he cares about this project, his architectural team is good.

Chair Napolitano stated that she ranked Winn fourth because their inclusion of a local person for the court property seemed like an after-thought and she questioned how that partnership would work. Would one developer take on each property and would the other be around after their portion was over. Their "tell me what you want" comment showed that the crescent lot was their focus. Mr. Zahler replied that the local experience leverage is good for permitting and there is always someone here to meet the needs of the projects. Winn can raise capital and assist in the historic piece of the courthouse. It's not fair if their co-developer wasn't part of the entire project. Chair Napolitano stated that not having Sal Lupoli present also hurt Lupoli. Ms. Newhall-Smith noted that he was having surgery and sent a letter. Mr. Daniel also questioned Winn's local co-developer and Lupoli's proposed additions that were disconnected from their historic preservation consultant Doug Kelleher. He expressed his concern with their team members too. Their team has done great work in Lawrence but that's a different process than these court buildings. Winn came out on top for the larger firms and is his third choice of all teams. Mr. Guarino noted that Mr. Daniel eliminated North River and made Trinity fourth.

Mr. Zahler stated that he's heard concerns about Diamond Sinacori's business practices, where he works locally and used Jeff Hirsh of Urban Space to help the process move along. Mr. Rubin noted that Winn was third for him for their sustainability. Their info packet says a lot about them, and they want to continue their contribution to the community. Mr. Daniel agreed. Mr. Barrett noted that he

ranked Lupoli higher because of their work in Lawrence and their investment in the community. If selected, they would return to do more work in Salem, while Trinity seemed disinterested.

Mr. Rubin stated that Barnat's portfolio wasn't deep. While she spoke highly of their Beverly project, she seems to be more of a Project Manager who just trusts her consultants, which may not be best for this large of a project. He questioned her experience and her need to hire people to run this project. Ms. Newhall-Smith replied that surrounding yourself with capable people who know what they are doing is a good thing. Mr. Rubin noted that Barnat needs to have a deeper knowledge, is relatively new to this, and it may be too early for her to take on a project like this so soon in her career, despite her enthusiasm, spirit, and confidence. Mr. Zahler agreed with the Board's concerns but noted that Barnat's Beverly project was her first and it wasn't small. She landed a restaurant, her balance sheet is on the line, however; if this didn't go well it could ruin her career. Mr. Rubin stated that he didn't see the Beverly project as complex.

Mr. Zahler stated that Barnat's living history comment resonated with him and she could do something cool with the buildings if given the chance to be creative. Mr. Vickers stated that while she was enthusiastic, he ranked her fourth because of he's unsure of her capacity and experience, although her boutique hotel idea was creative. Mr. Zahler noted that her team is strong, but at the time of the interview she still hadn't selected an historic consultant. The glass connector may also be challenging to get approved by the National Park Service unless the MHC and SHC support it.

The Board agreed to allow Winn as the fourth applicant.

Mr. Zahler asked if all four would be given feedback prior to issuing the RFP. Mr. Guarino replied yes. Mr. Vickers suggested including questions for them to respond too. Ms. Newhall-Smith, Mr. Zahler and Chair Napolitano disagreed, only feedback should be given. Mr. Zahler suggested including those questions into the RFP, and requesting detailed proformas, letters of intent for their proposed tenants, etc. Mr. Vickers noted that the crescent lot was supposed to sweeten the deal, but several teams were negotiating and trying to isolate one building over the other. Two teams mentioned altering the roadway and they need to show specifics on how they will do that. There are also some generic issues at the crescent lot and the applicants didn't account for the \$1M needed in foundation work or the railroad rights-of ways. Mr. Zahler noted that the numbers in the proforma from North River didn't make sense in this market. The title will show the easements and the examiner will get into that.

Rubin: Motion to amend the process from three to four applicants; Barnat, JHR, North River, and Winn Development.

Seconded by: Guarino. Passes 5-0.

The Board agreed to release the names of all 8 applicants to the public.

Roll call to adjourn the Executive Session and reconvene open session at 8:50PM.

Barrett, Guarino, Chair Napolitano, Rubin, Vickers. Passes: 5-0.

Chair Napolitano: The SRA has agreed to select four (4) teams to submit to the RFP; Barnat, JHR, North River, and Winn Development.

Roll call to adjourn the Executive Session at 8:50PM.

Barrett, Guarino, Chair Napolitano, Rubin, Vickers. Passes: 5-0.

Chair states that the Open Session will reconvene at the conclusion of the Executive Session.

**Adjournment**

Barrett: Motion to adjourn the meeting.  
Seconded by: Guarino. Passes 5-0.

Meeting is adjourned at 9:00PM.

Know your rights under the Open Meeting Law M.G.L. c. 30A §18-25 and City  
Ordinance Sections 2-028 through 2-2033.