

Meeting Minutes
October 7, 2020

Present

Seth Lattrell, Port Authority Deputy/Planner
Kathy Winn, Planning and Community Development
Matthew Littell, Utile
Will Cohen, Utile
Elizabeth van der Els, Utile
Craig Seymour, RKG
Lawrence Cranor, RKG
Mayor Kimberley Driscoll, Mayor
Capt. Bill McHugh, Salem Marine Society/Harbormaster
Paul DePrey, National Parks Service

Bob McCarthy, Ward 1 Councilor
Barbara Warren, Salem Sound Coastwatch
Rinus Oosthoek, Salem Chamber of Commerce
Pat Gozempa, Salem Alliance for the Environment
Ben Szalewicz, Salem State
Kate Fox, Destination Salem
Fred Ryan, Public Safety
John Russell, Ward 1 Resident
Conrad Prosniewski, At Large Councilor
Mira Riggan, Derby Street Neighborhood Association
Beth Debski, Salem Partnership
Mike Rutsein

Absent

Fred Atkins, Salem Port Authority

Salem Municipal Harbor Plan (MHP)

Harbor Plan Committee Kick-off

Meeting Agenda

- Introduction
- Recap Harbor Plan Committee Meeting #1
- Review Open Meeting Law
- Market Analysis
 - Demographic & Housing
 - Economic Conditions
 - Real Estate Metrics
- Next Steps
- Public Comment

Meeting Date, Time, and Location

- October 07, 2020
- Convened: 4:00 pm
- Adjourned: 5:20 pm
- Zoom web conference

Actions

- No voting occurred at this meeting

Harbor Committee Meeting #1 Recap

Seth Lattrell provided a brief overview of the first Harbor Committee Meeting on August 19, 2020. The overview included links to the [meeting minutes](#), [presentation](#), and [event page](#). The events page includes the recording for the meeting and the meeting [agenda](#).

Open Meeting Laws

Seth Lattrell reviewed the Open Meeting Laws and noted, with certain exceptions all *meetings* of a public body must be open to the public. A meeting is defined as “a deliberation by a public body with request to any matter within the body’s jurisdiction.” The [Open Meeting Law Guide](#) was made available.

Market Analysis

The focus of the market analysis is to determine how “in demand” land in Salem is by analyzing the existing and projected market conditions. There is also a need to understand the demand for the 44 acres of vacant land southwest and northeast of the Power Plant.

Citywide Trends

RKG presented the demographic trends for 2019 to 2024. They noted there will be an increase in the total population by 2.8% from 2019 to 2024, a small decline for under 20 (0.7%) and 55 to 64 (3.7%) age cohorts and an increase in 65 and older population at 13%. Most notably, by 2024, those 65 and older will be 18% of Salem’s population. RKG also mentioned the per capita income in Salem is projected to increase by 18% from \$36,430 to \$43,212.

The housing trends were also reviewed for 2019 to 2024, Salem will see an increase in total units by 2.4% which is about 50/50 owner vs. renter. There will be a decrease in vacant or seasonal housing by 2.3% and in 2024 the median household income in Salem is projected to increase to \$77,699 from \$65,369 while the median value of owner-occupied housing units is projected to increase 14% (\$443,761).

Economic Conditions

Salem, like other cities, has seen the impacts of Covid, unemployment is 19% compared to 15% statewide (April 2020 measure). The greatest decline in employment is in wholesale, retail trade sectors, finance, and real estate. However, construction, the manufacturing sector, and the arts/entertainment industries have experienced gains in employment. In Salem, there is a projected net increase of 10,380 positions with a total for 2030 at 380,680 positions. Projections indicate future demand for additional square feet primarily in health care, accommodations and food services,

and contractor trades with an increase in employment of 13,400 combined.

RKG reviewed commuting patterns in Salem with a community map. There are 21,490 positions in Salem and 32% of Salem's employment resides within the City while 28% of employees commute to Salem from the neighboring sister communities. In addition, 16% of employees commute from outside of Essex or out-of-state.

Real Estate Metrics

Residential uses make up 35% of City acreage and 73% of assessed value. Salem has an average annual sales activity of 550-units and nearly 62% are condominiums. Market experts found, residential is generally in strong demand across many sectors and price points however residential development is dependent on increased consumer spending. In Salem, median household incomes "support" housing in the \$350,000 to \$375,000 range.

Office uses make up 1% of City acreage and 1% of assessed value and properties range in size from 311 SF to 86,350 SF. Historically, office space hasn't had a strong performance in Salem especially with the Cummings Center (2.13 million SF office park campus with 146,250 SF available) close by in Beverly.

Retail uses make up 3% of City acreage and 3% of assessed value. In Salem, there is a total retail sales leakage of \$85.8 million, however the City is a net importer of \$12.8 million for miscellaneous and specialty retailers and \$11.6 million for dining and drinking. Market experts suggested new retail development at the power plant site should serve the resident base or focus on dining and drinking venues with waterfront views.

Industrial uses make up 6% of City acreage and 4% of assessed value. The average asking lease rates in Salem are around \$9.50 per SF. Market experts found industrial uses on the waterfront are generally limited due to access (removed from highways, narrow streets, and heavily traveled).

Water Dependent Industrial Uses (WDIUs)

Utile reviewed WDIUs which are industrial or commercial (not recreational) uses involving navigation or other direct

utilization of the water. WDIUs could include: marine terminals and related facilities, including passenger vessel operations; manufacturing facilities that rely on waterborne transportation or water intake for industry or aquaculture; commercial fishing, boatyards, dry docks, & port operations; and other activities involving transfer between ship and shore, including offshore renewable energy, marine robotics, & ocean observing systems.

Designated Port Areas (DPAs) are primarily for WDIUs. DPAs may have certain temporary uses, including: warehousing, trucking, & parking, and may accommodate other seasonal uses when port facilities are not in use. However, DPA's are not allowed to be the following: residential facilities hotels/motels, nursing homes, hospitals, major entertainment or sports venues, recreational boating facilities, and new buildings primarily for office use.

Engagement

A [Social Pinpoint map](#) was set up for the community members to provide feedback. Social Pinpoint is an interactive online map that allows the community to engage in the project and have them guide the planning process. Community members can "like" something on the map, provide ideas and suggestions, and make comments. The map is active on the [project website](#).

Questions & Answers

- Will data from the presentation be shared? (Mayor Driscoll)
 - The presentation was emailed but is also available on the website: https://harborplan.salem.com/wp-content/uploads/2020/10/10.7.2020_HPC_Final.pdf
- Is there an opportunity to get out to the site and visit other working ports? (Mayor Driscoll)
 - Seth will connect on site visits.
- What percent of the DPA does the Footprint site take up? (Barbara Warren)
 - The DPA consists of the power plant parcel, the undeveloped parcel surrounding it (which is a separate parcel), the Blaney Street facilities, and a portion of the Hawthorne Cove Marina (upland portion). The power plant was permitted through a Ch. 91 variance, the supporting uses will be

- calculated based on the remaining 44 acres.
- With the Social Pinpoint, how are you convening people to the constraints of the site? (Barbara Warren)
 - We can note some of the restrictions but we would also like folks to have the liberty to be creative this round of engagement.
 - What are the water dependent industrial uses in the vicinity, what is the region you are looking at for examples? (Paul DePrey)
 - The research was focused first in Essex County, then Boston and statewide. Currently research is being expanded nationwide to better understand what is growing and shrinking trends are for industrial uses. The challenge is that it is a very broad spectrum of related uses from Raytheon, marine research, R&D, and salt storage.
 - Salem Alliance for the Environment is interested in exploring how offshore wind could be integrated into the Footprint site. (Pat Gozemba)
 - Will we be able to review what Mass Clean Energy Center is working on before this initiative is over? (Barbara Warren)
 - Our expectation is that we will have their research before this initiative is over.
 - Has the contract been signed to do the surveying that Mass Clean Energy Center is commissioning? (Pat Gozemba)
 - We will need to check-in with Mass Clean Energy Center.
 - Have the property owners been reached out to? For example Shetland was recently bought by an owner who is interested in Self Storage, we need to consider how their direction could shift our analysis. (Bob McCarthy)
 - We have been reaching out to them however they aren't sure what they want to do and we don't want their work to slow our process down. We will keep the Harbor Committee in the loop as we continue to reach out.
 - We have heard very little from Footprint, when can we expect to hear from these crucial players in the process (Mike Rutsein)
 - We intend on engaging with Footprint and we expect they will participate in a future meeting.
 - For the map that shows the boundary of the DPA, it is unclear what the pink boundary is? (Paul DePrey)
 - The pink boundary is the Ch. 91 boundary and we will make the needed edit in the legend.
 - Woods Hole Group will present their climate modeling results on Monday, October 26th from 7 to 8:30pm. The link to the meeting will be shared. (Barbara Warren)
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- ### Next Steps
- The [upcoming events](#) are outlined on the website, including the next Public Meeting on November 18th and the next Harbor Committee meeting on January 20th
 - The presentation, agenda, and audio for this meeting are available on the website: <https://harborplan.salem.com/event/harbor-plan-committee/>
 - Send the Social Pinpoint Map to your networks to provide feedback on the future of Salem's waterfront: <https://harborplan.salem.com/we-would-like-your-feedback/>
 - Woods Hole Group Meeting: <https://global.gotomeeting.com/join/530496117>
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This memorandum represents our understanding of the events which transpired and the actions which were taken. If they do not conform to a recipient's understanding, prompt written notice must be communicated to the writer. If no corrections or objections are made, this memorandum will be relied upon as a factual interpretation of this meeting.