

Presenters

Seth Lattrell, Port Authority
Deputy/Planner
Matthew Littell, Utile
Will Cohen, Utile
Elizabeth van der Els, Utile

Salem Municipal Harbor Plan (MHP)
Harbor Plan Public Meeting #2

Meeting Agenda

- Introduction
- Market Analysis
- Social Pinpoint
- DPA Uses and Restrictions
- Next Steps
- Public Comment

Meeting Date, Time, and Location

- November 18, 2020
- Convened: 6:00 pm
- Adjourned: 7:00 pm
- Zoom web conference

Market Analysis : Citywide Trends

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.

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).

Social Pinpoint

Social Pinpoint is an online mapping tool that allows the community to share their input on opportunities and issues along the waterfront. Community members have been providing feedback since October 14th. To date we have had 320 visits to the map and 108 comments. Of the feedback we have received 72% have been ideas or suggestions. Several the comments have been about increasing food options along the waterfront, improving public access, and increasing the dock and boating options. A lot of the suggestions are wish list items, but we think it is useful to have this first iteration of brainstorming that we can refine. While not all the comments are feasible based on state regulations there are some comments that are typical DPA uses like improving the ferry to commercial fishing.

Designated Port Area (DPA)

DPAs are land and water areas set aside for working port industrial uses that need to use the water to operate. Within a DPA, land and water uses are limited primarily to Water-Dependent Industrial (WDI) activities. In a DPA Master Plan, a municipality may request flexibility for certain use standards, but there must be a balance that is flexible with strategic elements that ensure the DPA interests are still protected.

Potential Uses

Tom Skinner of Durand & Anastas explained potential DPA uses based on regulatory complexity. This framework allows consideration of a wide range of potential uses within the context of existing use restrictions. Potential uses are grouped somewhat subjectively by low, moderate, and high degrees of complexity. Framework is designed to illustrate options for the MHP, not to pre-determine future uses on public/private DPA land.

Complexity of Use

“Low complexity” DPA options are those that require minimal if any approval by state agencies. Low complexity options include conforming WDI uses (shipping, passenger vessels, flood control, marine robotics, constructing & servicing offshore platforms & buoys) and occasional temporary (seasonal) uses. They also include up to 25% non-marine industrial or commercial uses, known as Supporting DPA uses, that do not conflict with WDI and have potential for some public access. A poll was conducted during the meeting to determine potential interest in the temporary uses. Preference for the temporary uses were divided: seasonal parking got 25%, a seasonal market 29%, a winter ice rink 13% and outdoor performance space got 33% preference. “Moderate complexity” DPA potential uses are those that require changes to current allowable uses in a DPA, with additional review and approval by state agencies. “High complexity” DPA potential uses are those that are currently prohibited in DPAs, such as large-scale commercial/retail, residential use, or large permanent parks. To accommodate any prohibited DPA use requires either a DPA boundary review by CZM to remove the area from the DPA or legislation, either of which may be difficult to obtain.

Public Access

Public access (e.g. a Harborwalk) may be allowed in a DPA if it does not conflict with or diminish the DPA’s capacity for WDI uses. Examples of DPA public access include, using wharfs and piers when they are not in use by ships, either with time-of-day or seasonal restrictions, or as part of DPA infrastructure, like a multi use path on a flood control berm, if there are no WDI operational conflicts.

Schedule and Next Steps

The next scheduled Public meeting will take place on March 24, 2021. The project team is exploring the regulatory framework, the Crescent lot, and Footprint site in more detail.

Questions

- Ann Sterling - Is there a plan to develop the 112 acres at the waterfront for housing?
 - This plan is not focused on housing.
- Rachel Borgatti - If the City and Utile is going to use this strategy (social pinpoint) to collect public comments then why wouldn't the public process help people focus on what is possible with the DPA and other areas? For example there is a rumor that we are getting 44 acres of open/park space throughout the area. I want to hear how the City and Utile is further going to collect public comment from residents and the workforce of the City outside of the map?
 - The City and Utile will work to further engage with the public. The focus of the Social Pinpoint map is to brainstorm initial ideas of what is desired, the project team is working to categorize the suggestions and use them to direct next steps.
- Ann Sterling - Is the site in the floodplain?
 - The site is in the floodplain.
- Ann Sterling - Is the data in the market analysis taking Covid into account?
 - The market analysis uses data that was generated before Covid.
- Stan Franzeen - Where are the 9 acres?
 - The 9 acres refers to the area with irrevocable restriction in the DPA, the restriction was placed through the Chapter 91 variance that was sought for the powerplant.
- Peg - Is Cat Cove in the DPA?
 - Cat Cove is not in the DPA.
- Stacia Kraft - Do these plans take into consideration the flood zone mapping by Woods Hole
 - Future plans will certainly need to consider the new flood mapping, this analysis is just looking at the market demand.
- Ken Fields - Is there a demand for Marinas in Salem?
 - Yes and no, nationally recreational boating is on a downward trend as it relies on personal wealth so in the long term it is unclear how it will continue to trend. Regionally marinas are popular, and demand exceeded the supply for marina slips and access to the marina this summer however recreational boating is a prohibited use in a DPA.
- Rachel Borgatti - What is the timeline for the next steps for public comment?
 - In the next four months the project team will be continuing Covid appropriate outreach via social media, neighborhood associations and existing platforms.
- Stacia Kraft - Will you be using the flood maps from Woods Hole's analysis at the next meeting? It seems that you should include it before you talk about the Crescent Lot.
 - The flood mapping from Woods Hole will be used for future planning.
- Peg - In all this planning, is there any consideration for dredging? I.e. Collins cove or the North River Channels?
 - We are looking at the need for dredging, a lot of it depends on the use. We have been mostly looking at dredging outside of this plan and have not specifically researched it for this plan.
- Deborah Curran - I noticed on the map there was a lot of commentary on improving Winter Island and the Hanger. Is that a component of this plan?
 - Winter Island is in the planning area, there has been a lot of planning work already done so the planning department will most likely implement those ideas first.
- Stephen Kapantis - I was hoping to see more research on wind energy (maintenance, storage or industrial use), will we see more details on wind in future meetings? For the Crescent Lot, is there height limitations for buildings that could cause conflict between zoning and Ch. 91 regulations, at a previous meeting it was said that we would use the more restrictive of the two, I would like to see that in writing at the next meeting. Will we be using Woods Hole's mapping for this planning effort?
 - We will be taking a deeper dive with MassCEC to better understand the potential for wind energy on the site. However, this plan isn't designated to determine a specific use but set up to create parameters around potential usage for the future. Don't know if this group said we would specify height for

the Crescent lot - Chapter 91 doesn't specify height so we would reference State building code or local zoning although that would be determined in a later process. And flood mapping will be incorporated into this plan.

- Matt Kirchman - Is there benchmarking or a precedent study being done as part of the process? What have other waterfront towns implemented with success in new england and more afar?
 - The Harbor Planning process is done throughout Massachusetts and we are looking at ports throughout the northeast for examples and considering what other historical harbors have done. With the DPA we have a unique challenge.

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.