



Salem Point Neighborhood Commercial Corridors Revitalization Plan

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Department of Planning and Community Development
Salem, Massachusetts

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Executive Summary

The *Salem Point Neighborhood Commercial Corridors Revitalization Plan* proposes a series of goals and strategies that aim to boost economic activity, housing diversity, and inclusivity in the Point neighborhood and better connect it with the rest of downtown Salem. The Plan advances the housing and economic development vision that was articulated in the *Point Neighborhood Vision and Action Plan*, which was adopted by the City of Salem and community partners in August 2013. This Plan also builds on other current and recent neighborhood and city wide planning activities and studies that pertain to economic development and housing.

Sections I and II provide the context for the study. Section I includes an overview of relevant improvements, findings, and strategies from current and previous neighborhood and citywide planning documents; summarizes the economic development opportunities and challenges facing the neighborhood – as identified through the public engagement process; examines the need to plan for mixed use and multifamily housing in the context of regional trends; and highlights the potential to facilitate equitable redevelopment that generates opportunities for diverse populations and household types. Section II examines current conditions in the neighborhood and in the primary commercial corridors of Lafayette and Congress streets – the main thoroughfares that link the neighborhood with the rest of downtown Salem. The section includes an overview of existing land use, zoning, and parcel conditions and reviews the demographic, socioeconomic, housing, and economic characteristics and potential of the corridor.

Sections III and IV present findings from a retail market analysis and an analysis of the development potential of opportunity areas in the commercial corridors that are ripe for development or redevelopment. The market analysis analyzed local and regional business, employment, and retail data; examined the characteristics of retail corridors in other immigrant/low-income neighborhoods; collected data on the perspectives of residents and business owners on the retail environment; and studied retail market gaps, oversupply, and preferences. Scenarios modeling generated estimates of the development potential of sixteen (16) areas – each consisting of one or more parcels – that have the potential to accommodate mixed use or residential development at higher densities. Renderings and massings for two priority redevelopment areas are also provided for illustration purposes.

Section V outlines a set of goals and strategies that aim to encourage greater public and private sector investment in the corridors while also mitigating the displacement of current residents and businesses. It also includes an action plan matrix summarizing goals, strategies, and potential partners in implementation. Identified goals and strategies address topics including marketing and publicity, programming in public spaces, infrastructure improvements in the public realm, expanding organizational infrastructure to support local and potential entrepreneurs, and zoning.

Findings: Retail Market Analysis of the Commercial Corridors

The retail market analysis identifies the retail sectors with potential for growth in the Point neighborhood as well as the total square footage of retail space these establishments could support. Three analyses were conducted to inform the market analysis: a retail opportunity gap analysis, a worker supported retail opportunity analysis, and a tourist supported retail opportunity analysis. Recommendations emerging from the market analysis are integrated into the Action Plan.

Key findings:

- The Point neighborhood has the potential to support approximately 50,000 square feet (sf) of additional retail space based on the retail opportunity gap, worker supported retail, and tourist supported retail analysis. This would include roughly 23 new retail shops – not taking into account the estimated development potential of the opportunity areas outlined in Section IV.
- Retail sectors holding the greatest opportunity should be targeted, including clothing and shoe stores, home goods and furnishings shops, a small- to mid-sized grocery store, and restaurants (take out and sit down). Identified retail opportunities serve different market segments with the neighborhood (e.g. residents, workers and tourists); retailers that appeal to one or more of these segments hold the greatest potential.
- The greatest opportunity to attract new retail to the Point neighborhood is along Lafayette Street, particularly on the stretch between Derby and Palmer Streets; clothing, home goods, and restaurants (limited- and full-service) hold the most promise. Securing a strong anchor establishment to Lafayette Street could increase foot traffic and exposure to the whole area and make the area more attractive to other tenants.
- Congress Street holds potential for more neighborhood-oriented convenience retail and eating that would appeal both to existing local residents and workers at Shetland Park. Additional market rate residential development to bring residents with greater spending power would also help support a growing retail base. The segment of Congress Street closest to the South River holds potential for retail that would attract Shetland Park workers as well as tourists given the presence of the Harbor Walk and visibility from the Pickering Wharf development. Underutilized parcels on the segment of Congress between Harbor and Palmer Streets could be developed to create a local retail cluster.
- There may be some limited opportunity for more retail along connective corridors like Palmer and Harbor streets. Should any redevelopment occur along these corridors, either where retail currently exists or adjacent to it, some smaller retail might be supportable. Should foot traffic increase (i.e. red line walking route extended from downtown), opportunity would increase to better support retailers in these locations.

Findings: Development or Redevelopment Potential of Opportunity Areas

Sixteen (16) areas in the Point neighborhood have been identified as development or redevelopment opportunity areas. A majority of the opportunity areas are located in high visibility locations in the primary corridors – five are located on Congress Street, five are located on Lafayette Street, and the remainder is located on secondary corridors and on intersecting streets in close proximity to the primary corridors. The opportunity areas are endorsed by the City of Salem and its partners as prime locations for accommodating higher density mixed use (housing combined with retail, restaurant, and/or office uses) or multifamily housing development.

MAPC used CommunityViz as a tool to examine the development or redevelopment potential of the opportunity areas. Using model mixed use development and multifamily development building types, the modeling generated estimates of potential additional dwelling units and square footage of commercial floor area that could be accommodated in the 16 opportunity areas.

Key findings:

- Estimated potential additional dwelling units based on development or redevelopment: 700 – 1,300 – majority on Congress Street

- Estimated potential additional square footage of commercial floor area: 107,300 – 463,700 sf – majority on Congress Street
 - Estimated sf for retail or restaurant uses: 56,300 – 59,100 sf – distributed, but with a majority on Lafayette Street
 - Estimated sf for office uses: 51,000 - 404,600 sf – on Congress Street
- The potential added value to the 16 parcels, as a result of redevelopment or adaptive reuse, could range from \$72 million to \$158 million.
- The potential additional tax revenue that can be generated for the City of Salem as a result of redevelopment could range from \$1.4 million to \$2.6 million.

Point Neighborhood Commercial Corridors Action Plan: Goals and Strategies

The Action Plan in Section V identifies five goals and a set of related strategies and actions to advance housing and economic development in the opportunity areas. View the matrix in Section V to view the actions needed to advance the goals and strategies listed below.

Goal #1: Enhance visual character, streetscape and connectivity between the primary commercial corridors and the rest of downtown Salem.

- Strategy: Increase connections between the larger downtown, wharf shopping districts, and the Point neighborhood through infrastructure investments and programming that creates a welcoming, clean, and safe environment and foster high-quality public spaces and pedestrian environment.

Goal #2: Support commercial and housing diversity in the neighborhood.

- Strategy: Expand the customer base for businesses in the corridor by supporting redevelopment that will expand the number of residents and workers who live and work in the neighborhood – with a focus on mitigating displacement.

Goal #3: Market and publicize the Point neighborhood as a retail and dining destination, with an emphasis on locally sourced and produced goods.

- Strategy 3.A: Expand and diversify retail offerings in the neighborhood through marketing and publicity of existing assets and development/redevelopment opportunity areas on Lafayette and Congress streets.
- Strategy 3.B: Make the Point neighborhood a destination for high quality, authentic ethnic dining on the North Shore.

Goal #4: Strengthen and diversify the local workforce and businesses.

- Strategy: Mitigate displacement of current retail and business owners through workforce development and business development programs targeted to Point neighborhood business owners and entrepreneurs.

Goal #5: Increase housing options by supporting multifamily development affordable to different incomes and accessible to different household types.

- Strategy: Mitigate displacement of current residents through policies and strategies designed to foster the inclusion of affordable housing stock in priority redevelopment sites in the corridors.

I. Context

This section provides an overview of relevant improvements, findings, and strategies from current and previous neighborhood and citywide planning documents; summarizes the economic development opportunities and challenges facing the neighborhood – as identified through the public engagement process; examines the need to plan for mixed use and multifamily housing in the context of regional trends; and highlights the potential to facilitate equitable redevelopment that generates opportunities for people of different backgrounds and income levels.

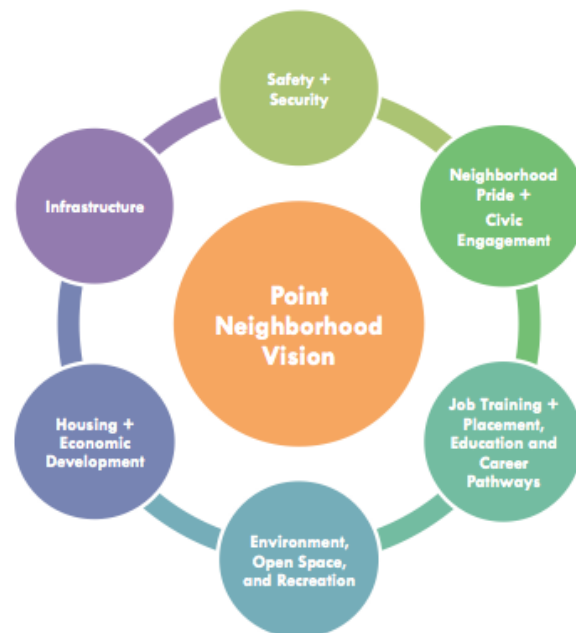
Previous Planning Efforts and Studies

The **Salem Point Neighborhood Commercial Corridors Revitalization Plan** builds on current and recent neighborhood and city wide planning activities and studies. Relevant economic and housing-related improvements, findings, and strategies from other current and recent processes are summarized below.

The **Salem Point Neighborhood Vision and Action Plan for 2013-2020** outlines a vision to improve the quality of life in the Point neighborhood and an action agenda that the City of Salem and community partners will work together to implement over a seven-year period from 2013-2020. Housing and Economic Development (HED) is one of six elements in the Vision and Action Plan. Identified actions to implement the HED vision include: identifying areas in the neighborhood with redevelopment potential, supporting development including a mix of housing and commercial uses and housing affordable to different incomes, undertaking economic development planning for Congress and Lafayette streets, and qualifying the neighborhood for investment via historic tax credits (through designation as a place on the National Register of Historic Places).

Figure 1: Salem Point Vision and Action Plan Elements

Other housing and economic development needs and interests that were identified through the public engagement process include: attracting more stores to locate particularly in intersections like Congress at Harbor, Congress at Palmer, and Lafayette Street near Peabody and Ward streets; enabling greater waterfront access and attracting more food establishments to the Shetland Park area; attracting tourism by extending the red line into the neighborhood and emphasizing the neighborhood's history and public art; and maintaining a clean pedestrian environment, with emphasis on cleanliness in the major corridors of Lafayette and Congress and in connective corridors like Peabody, Ward, and Harbor streets.



The **Salem Pedestrian/Bike Plan** and the **2011-2012 Salem Annual Consolidated Performance and Evaluation Report (CAPER)** identified a number of street improvements, many which have been

implemented, including the addition of a bike lane on Congress Street and sidewalk installation at Perkins Street, Harbor Street, Lafayette Street, and Congress Street. On Harbor Street and Lafayette Streets, a roadway and pedestrian improvement project utilized an additional grant from the MassDOT Public Works Economic Development Program in addition to the relevant federal funds.

The **2008 Salem Harborwalk Plan** identified the development of a South River Harbor Walk. The 1,100-foot Harborwalk was constructed in 2010, linking the Point neighborhood to the South River. The Walk also links to Peabody Street Park. The **2007-2014 Open Space and Recreation Plan** update identified improvements to parks in the Point neighborhood and the creation of Peabody Street Park; subsequently, a **Peabody Street Park Plan** was developed and the Park was constructed in 2010. Peabody Street Park and the Harborwalk are easily accessible from Lafayette and Congress streets. In 2011, improvements were also made to Palmer Cover Park (addition of a baseball field) at the end of Congress Street.

The **2010 Citywide Consolidated Plan** (and the 2015 Citywide Consolidated Plan that is currently underway) includes a Housing Needs Assessment section. In the past five years, the City has expended over \$570,000 in housing rehabilitation and affordable housing creation, including the St. Joe's redevelopment project on Lafayette Street; and over \$26,000 in first-time homebuyer assistance. The Housing Rehabilitation Loan Program has also enabled improvements to multi-family housing developments in the neighborhood.

The **2007 Downtown Salem Retail Market Study: Strategy and Action Plan** examined opportunities to revitalize and strengthen Salem's downtown retail base. The Point neighborhood is just a 2-minute walk from the area officially known as downtown Salem and some of the key findings and implications pertain to the neighborhood, including the finding that the downtown is best positioned "to grow its retail and service base in two areas: (1) dining and entertainment that builds on its current strength as a dining destination; and (2) niche comparison goods that emphasize unique stores and expand downtown's current position in gifts and crafts, clothing, specialty foods, and hobby, books and music" and "An expanded variety of stores, more arts and cultural activities and better information on parking options are key improvements to generate expanded downtown shopping among local residents."

The **2006 Point Neighborhood Historic Resources Survey and Preservation Plan** identified the need to form a local coalition of groups to advocate for historic preservation in the Point neighborhood and obtaining National Register Historic District listing for the neighborhood. In 2013, the North Shore Community Development coalition spearheaded an effort to list the neighborhood on the National Register and succeeded, making the neighborhood eligible for state and federal historic tax credits.

Economic Development Opportunities and Challenges: What We Heard

During the first four months of the study, two outreach and engagement activities provided an early understanding of some of the economic strengths, weaknesses, and opportunities in the commercial corridors from the perspective of residents, business owners, property owners, developments, and social service and community development organizations.

Interviews with Business Owners – April 2014

Nine (9) interviews were conducted with owners of groceries/bodegas, salons/nail care, food establishments, clothing stores, and other businesses. The top four topics that arose in the interviews pertained to consumer traffic, the mix of uses in the neighborhood, observed safety and concerns about streetscape and public realm needs, and connectivity (or lack of it) to the downtown.

Salem Point Neighborhood Commercial Corridors Plan Public Meeting #1– June 30, 2014

The June 30th public meeting shared preliminary findings from the retail market analysis and a preliminary list of priority development/redevelopment areas. Participants were invited to visit three discussion stations seeking their feedback on: the retail offerings they want to see more of in the neighborhood; their entrepreneurial/business interests (if applicable); and their ideas of other ways the corridors can be improved to enhance connectivity to the rest of downtown Salem.

Below, please find a summary of issues and opportunities raised during interviews with Point neighborhood business owners conducted in spring 2014 and at the Salem Point Neighborhood Commercial Corridors Plan Public Meeting #1, which took place on June 30, 2014. Many of the needs and opportunities identified echo those identified in the ***Point Neighborhood Vision and Action Plan*** public engagement process.

Please see Appendix A for an overview of the public engagement process and full notes from the public meetings. Please see Section III for a fuller description of feedback collected from the interviews with business owners as part of the retail market analysis. Some of the ideas emerging from the public meeting include:

Topic: Diversity of retail and mix of uses in the corridors

- Attract more market-rate housing, sit-down restaurants, quality food markets, clothing retailers, and more general retail
- Need for shops carrying new fashions – shoes and clothing
- More ethnic restaurants (Brazilian, Vietnamese)
- Interests in (establishing) new/unique businesses: craft beer/tavern restaurant; restaurant/hair salon combo; microbrewery/tap room; creating a “makerspace” – for artisans/makers
- Interests in more recreational and public health amenities: gym, full service auditorium, jogging path or extended Harborwalk, batting cages at Palmer Cove

Topic: Education, marketing and publicity about corridor development and redevelopment opportunities

- Need to provide education for prospective business owners (how to start, funding, etc.)
- Majority of business is local: Most reported that business is good, but there is very little tourist traffic.
- Emphasize neighborhood heritage/history
- Integrate public/interactive art e.g., through banners; through this art, also highlight history of neighborhood
- Concern: will loss of parking impact future development? (Some of the priority development areas including parking lots.)

Topic: Enhancing Streetscape and Connectivity to the rest of Downtown Salem

- Neighborhood perceived as unsafe by outsiders and cleanliness is an issue: Merchants feel safe, but many customers don't. "Feels unsafe to tourists."
- Streetscape and public realm improvements needed: Trash/garbage in streets, minimal landscaping; poor connections to downtown – improved connections needed, including better signage and sidewalk improvements. "Investment stops at the (South) River."
- Lighting exists but needs to be fixed
- More business may mean more trash; need to provide education about maintaining cleanliness, e.g., through a kiosk

Regional Context: Housing and Economic Development Projections for Salem

MAPC's MetroFuture population and employment projections suggest that slow growth is in store if the metropolitan Boston region keeps losing population to other states. Attracting more young people is critical to a growing economy, and many signs also point to a resurgence of urban municipalities like Salem, which are drawing an increasingly diverse population that is attracted by job proximity, transit access, vibrancy, and cultural assets. Urban municipalities in the region including Salem are projected to attract 52-56 percent of new housing production in Metropolitan Boston (Status Quo and Stronger Region scenarios, respectively). Implementation of the Commercial Corridors Action Plan strategies will contribute to creating more housing that is appealing to these households and creating more jobs that can retain these households in Salem.

The following list highlights population, workforce, and housing projections for Salem in the context of the region. Status Quo projections are based on the continuation of existing rates of births, death, migration, and housing occupancy. Stronger Region projections are consistent with the housing, land use, and workforce development goals of MetroFuture. The Stronger Region projections also assume that in the coming years,

- the region will attract and retain more people, especially young adults, than it does today;
- younger households (born after 1980) will be more inclined toward urban living than were their predecessors, and are less likely to seek out single family homes; and
- an increasing share of senior-headed households will choose to downsize from single family homes to apartments or condominiums.

Population: Under a Status Quo growth scenario, the population in Salem is projected to increase by 7 percent; under a Stronger Region scenario, population is projected to increase by 13 percent between 2010 and 2040. People aged 35-54 and 55+ are currently the largest segments of population in Salem.

Workforce: By 2030, about 39 percent of the current workforce in the Metropolitan Boston region will reach retirement age. Projections suggest that the current population of young adults in the region is insufficient to fill the positions that will be vacated by retiring Baby Boomers. Similarly, in Salem, the 65+ segment of the population is projected to change the most under both scenarios, increasing from 60-62 percent between 2010 and 2030 (Status Quo and Stronger Region projections, respectively).

Housing units: Under a Status Quo growth scenario, the number of housing units in Salem is projected to increase from 19,130 in 2010 to 20,986 by 2030. Under a Stronger Region growth scenario, the number is projected to increase to 21,855 by 2030.

Housing unit demand by type: In the North Shore region of which Salem is a part, 48-59 percent of housing unit demand is projected to be for multifamily and 28-32 percent of housing unit demand is projected to be for rental (Status Quo and Stronger Region projections, respectively). In Salem, households under 35 are also projected to make up the majority of those seeking multifamily rental and ownership opportunities under both scenarios. Note: new housing demand is also projected to outpace population growth due to declining household size.

Advancing Regional Goals, Equity, and Mitigating Displacement

This Plan seeks to advance the following housing, economic development, and equity goals identified in the regional plan for the Metropolitan Boston region, **MetroFuture**:

- Goal #1: Population and job growth will be concentrated in municipalities already well served by infrastructure, with slower growth in less developed areas where infrastructure is more limited
- Goal #2: Most new growth will occur through reuse of previously developed land and buildings.
- Goal #5: There will be less segregation as all municipalities increasingly reflect Metro Boston's growing diversity.
- Goal #10: Growth in the region will be guided by informed, inclusive, and proactive planning.
- Goal #16: Low-income households will be able to find affordable, adequate, conveniently located housing and they will be able to avoid displacement.
- Goal #35: Small business owners and entrepreneurs will play a major role in the region's economy and innovation.

Equity is defined as fair access to opportunities for people from all communities, so that everyone in the region can achieve the full potential they envision for themselves. The **State of Equity Policy Agenda** was adopted by MAPC in 2014 to augment the MetroFuture regional plan for the Metropolitan Boston region; it underscores the need to reverse patterns of segregation and economic inequality in the region and to prevent the displacement of residents in urban and suburban communities.

New development, redevelopment, and infrastructure improvements emerging from the implementation of this Plan can generate increased market demand in the Point neighborhood. Proactive efforts are needed to ensure that as housing and economic opportunities grow and change in the Point neighborhood, that current and future residents of diverse backgrounds and incomes and skills levels can continue to remain in the community and thrive. Adopting anti-displacement strategies – in the form of local standards, systems, and policies – can help mitigate the negative impacts of such change on lower-income households. The goals and strategies outlined in this Plan include tools and policies that the City of Salem and partners can adopt and implement in order to facilitate equitable redevelopment in the commercial corridors.

II. Current Conditions

This section provides an overview of characteristics of the Point neighborhood including population, ethnic diversity, education, income, housing, economy and employment, land use, zoning, and parcel conditions. Select content is excerpted from the **Salem Point Neighborhood Vision and Action Plan**; for a fuller overview of current conditions, please view the Vision and Action Plan.

Neighborhood Boundary and Corridors Study Area

The Point neighborhood is located in north Salem, just south of the downtown core and adjacent to the Salem waterfront. In the north, it begins on Dodge Street, extends to the waterfront to include the Shetland Park Business Park property, and in the south it extends from Salem Street, to Chase, Cedar, and Cypress streets. Main thoroughfares in the neighborhood include Congress and Lafayette streets. The Lafayette and Congress Street corridors are the primary focus of this study.

The neighborhood is home to a population of approximately 4,100 people and over 1,800 households. It is also home to over 130 businesses, of which 90 percent are independently owned. It is distinguished from surrounding neighborhoods by its density, high proportion of multi-family housing and masonry apartment blocks, and high concentration of immigrants including individuals from Latin America and South America, including the Dominican Republic. Neighborhood resources include four parks and access to the Salem Waterfront and Harborwalk, public art, rich architectural/historical assets, a significant supply of affordable housing, immigrant-owned small businesses, easy access to bus and commuter rail service, and close proximity to Salem State University.

Figure 2: Point Neighborhood Boundary and Corridor Study Areas



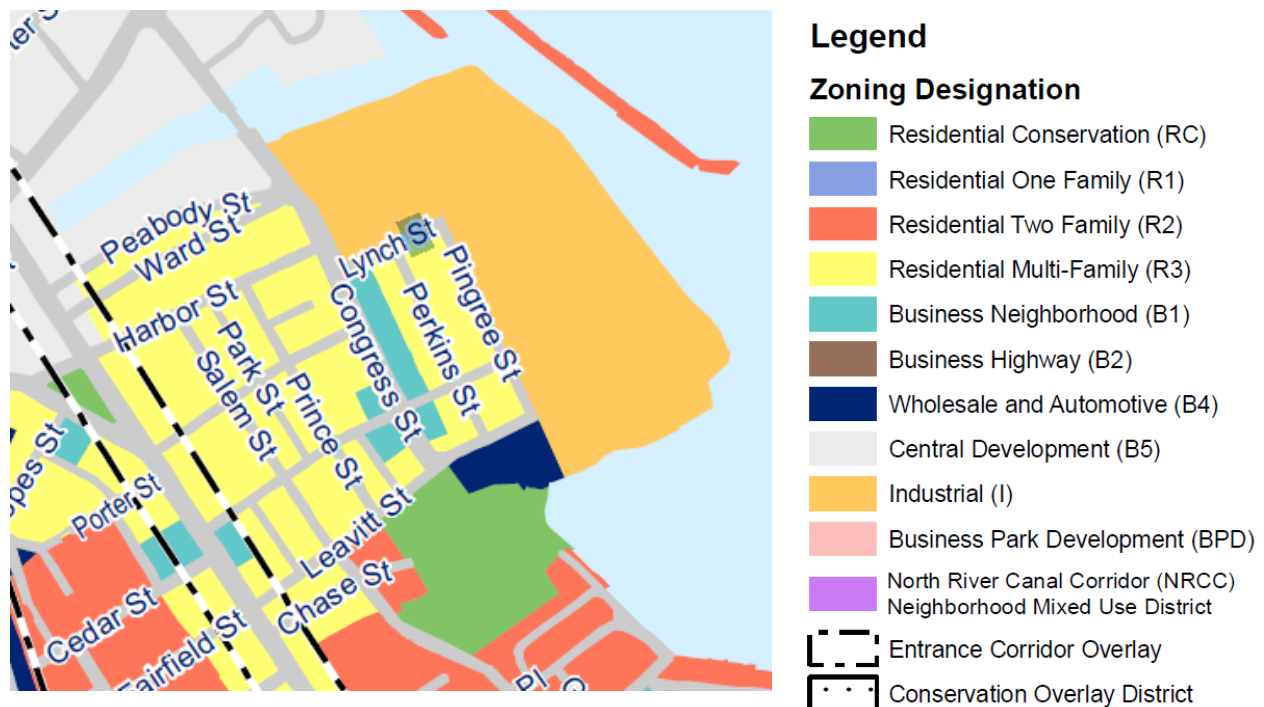
Zoning and Land Use

The majority of the Point Neighborhood is zoned as R3 (multi-family residential). The south side (between Leavitt Street parcels and Palmer Cove) of the neighborhood is zoned as B4 (Wholesale and Automotive) and the west end is zoned R2 (Two-Family Residential). A segment of Congress Street, between Lynch Street and Palmer and Lafayette streets, is zoned as B1 (business); a Waterfront Industrial Overlay District pertains to the 47 Congress Street parcel, which is currently occupied by Shetland Business Park, which includes office and warehouse uses including a charter school and adult day care center, which are all allowed by-right.

Most residential structures in the Point neighborhood occupy parcels less than 1/10th of an acre. Most properties are residential duplex and multi-family dwellings and due to the age of most structures, most are non-conforming to frontage and setback requirements specified in current zoning. Current zoning specifies that lot coverage not exceed 35 percent, a maximum height of 45 feet (with the exception that multifamily dwellings in R3 that are held under single ownership and consisting of 200,000 sf may be built to a maximum height of four stories (or 50 feet) in height. Multifamily development is allowed in the R3 district but requires a special permit by the Board of Appeals.

R3 also permits multifamily development that includes the following uses, but by special permit: delicatessens, drug stores, book, stationery or gift shops, florist shops, barber shops, beauty parlors, self-service laundry and drycleaning businesses, professional offices, restaurants, auditoriums, outdoor swimming pools, and banks, savings, and loan institutions.

Figure 3: Zoning Map Excerpt – Point Neighborhood Parcels



Parcel Conditions

In spring 2013, a parcel analysis was conducted of the 251 parcels located in the designated priority investment zone of the Point neighborhood. Parcel and building conditions as well as the streetscape adjacent to each parcel were surveyed during site visits. Information collected will be used to inform infrastructure investment decisions and code enforcement in the Point neighborhood.

Key findings:

- **Building conditions:** 66 percent of occupied parcels are well-maintained; 25 percent of occupied parcels were identified as being in poor condition
- **Streetscape conditions in front of parcels:** 37 percent are categorized as well maintained but with few amenities; 35 percent are categorized as poorly maintained, with cracked sidewalks and litter; 28 percent are categorized as well maintained with trees, benches, trash cans, or other amenities
- **Parcel uses by type:** 86 percent of parcels are residential; 6 percent are commercial, and 4 percent are parking lots; 2 percent are mixed use and 2 percent are vacant lots
- **Residential parcels:** 4 percent of residential buildings have between 2-4 units
- **Businesses:** 90 percent of businesses are independently owned
- **Parking:** 47 percent of parcels had surface parking; of those, 82 percent have between 1-5 parking spots

Demographic and Socioeconomic Characteristics

The current population in the Point neighborhood is 63 percent non-white, consisting of mostly Latino immigrants, consistent with its history as a welcoming community for new immigrants. The demographic makeup contrasts with the City as a whole, which is 75 percent white. The median household income in the Point is \$38,635, 31 percent lower than the citywide figure of \$56,203. Fifty-eight percent of renter households are housing cost-burdened. Unemployment is a hallmark issue in the Point neighborhood where the unemployment rate is 11.6 percent, compared to 7.3 percent citywide.

The racial/ethnic makeup of the Point contrasts to that of the City as a whole, which is 75 percent white. A majority of current Point residents emigrated from the Dominican Republic. Other immigrants came from countries in Central and South America, Africa, Asia, Canada, and England. The Point also has a larger percentage of young people compared to the City of Salem – 32.4 percent of the population is aged 19 and under. (Census 2010)

Housing Units and Housing Stock

The City of Salem has approximately 18,000 total housing units of which 1,738 units (9.7 percent) are located in the Point neighborhood. While single-family homes are the most common housing type in Salem, the Point neighborhood consists mostly of large multifamily three- and four-story masonry structures. In terms of unit occupancy by tenure, the majority of housing units (63 percent) are renter-occupied; 36 percent are owner-occupied. (Census 2010)

A study of sales data for core streets in the Point from the City Assessor reveals that about 63 percent of all real estate in the Point has exchanged hands on the market since 2000. A closer

look at the sales information reveals that about 33 percent of these buildings were bought by people residing in other cities and 24 percent were purchased by Salem residents who live in a different part of Salem. The fact that 57 percent of all the real estate that changed ownership in the past 13 years belongs to non-residents of the Point suggests that there is a relatively profitable rental market in this area. However, these data also have important implications for the quality of rental stock offered to the community.

Housing Affordability

The majority of housing in the Point is rental, and a look at average gross rents¹ in Salem indicates that the average gross rent for all apartments in the Point is 13 percent lower than average gross rent in the City of Salem, according to 2007-2011 American Community Survey data. A review of a catalog of current rental properties, as well as brief conversations with local real estate agents indicates that the asking rent for a 2 or 3 bedroom apartment in the Point is the lowest in Salem. In addition, the average time listed for properties in The Point is over 100 days, significantly higher than adjacent neighborhoods. Rents and prices in the neighborhood are well below those of the adjacent neighborhoods.

The neighborhood's proximity to Salem's historic downtown and the MBTA commuter rail station is a major asset, and the current rents do not reflect this. The area along Washington Street and Lafayette Street, from Downtown Salem near the commuter rail station, reveals a striking correlation between proximity to the station and average rents.

Residents contributing to the economic tax base of a community and are also consumers of goods and services. Planning for the right mix of housing – housing that is affordable to a range of incomes and housing with different numbers of bedrooms – is needed in order to support the new retail establishments that are priorities to attract to the Lafayette and Congress Street corridors. Marketing and publicity is also needed to attract developers interested in building residential and mixed use development that includes market rate housing in order to expand and diversify the pool of residents who can support local retailers. Measures must also be taken to ensure that as future development occurs, displacement is mitigated.

Education

The Point has a much higher percentage of residents without a high school diploma when compared to the City of Salem as a whole – 22 percent of residents are without a high school diploma as compared to 11 percent of all Salem residents. Some of this is accounted for by the fact that the Point also has a larger population of people aged 19 and under. The percent of Point residents with a bachelor's degree or higher is similar to that of the City of Salem as a whole – 36 percent of Point residents and 38 percent of Salem residents have college degrees.

Employment and Economy

The percent of the Point neighborhood population that is in the labor force is comparable to the City of Salem. A higher percentage of younger people ages 16 to 35 are employed or looking

¹ "Gross" rent refers to rent including all expenses, such as utilities, and not only the rent paid to landlords, which is the "contract" rent.

for work. (Census 2010) Increasing skills training and access to jobs that pay a living wage are both major priorities identified in the ***Point Neighborhood Vision and Action Plan***.

The following table provides an overview of the types of businesses located within the Point neighborhood. The majority of businesses are located in the Shetland Business Park at 47 Congress Street.

Table 1: Salem Point Neighborhood Businesses by Sector, 2011

| Sector | Count of Businesses | Sum of Employees | % |
|--|----------------------------|-------------------------|----------|
| Construction | 6 | 13 | 4% |
| Education and health services | 18 | 436 | 13% |
| Financial activities | 12 | 92 | 9% |
| Information | 4 | 23 | 3% |
| Leisure and hospitality (includes arts, entertainment, food) | 8 | 80 | 6% |
| Manufacturing | 7 | 259 | 5% |
| Other Services | 12 | 32 | 9% |
| Professional and business services | 29 | 108 | 21% |
| Public Administration | 11 | 371 | 8% |
| Trade, transportation, and utilities (includes retail) | 25 | 165 | 18% |
| #N/A | 7 | 21 | 5% |
| Grand Total | 139 | 1600 | |

Source: InfoGroup Business Data, 2011

III. Retail Market Analysis

Market Analysis

The purpose of this retail market analysis is to identify the potential for additional retail within the Point neighborhood. This includes the retail sectors (types) that hold potential, the total square footage that could be supported, the likely number of new retail establishments, as well as the locations most suitable to support new retail.

Additionally, a key goal of the retail market strategy is to better connect the Point neighborhood to downtown to capture spending from trade area residents attracted to the larger Downtown Salem retail environment, Downtown workers, and tourists/visitors, particularly along the key connective corridors of Lafayette and Congress Streets.

Trade Area

Prior to conducting the retail analysis, it's important to understand who the customer base is for any given shopping district's trade area. A trade area is a geographic area from which a retail establishment or center, in this instance the Point neighborhood, will draw the majority of its business. Defining a trade area, or areas, is an important task as it defines the boundaries for which data is gathered and analyzed to identify retail opportunities. Due to the nature of the Point neighborhood as a subarea of the larger Downtown Salem retail district, MAPC identified and analyzed three different trade areas for different purposes.

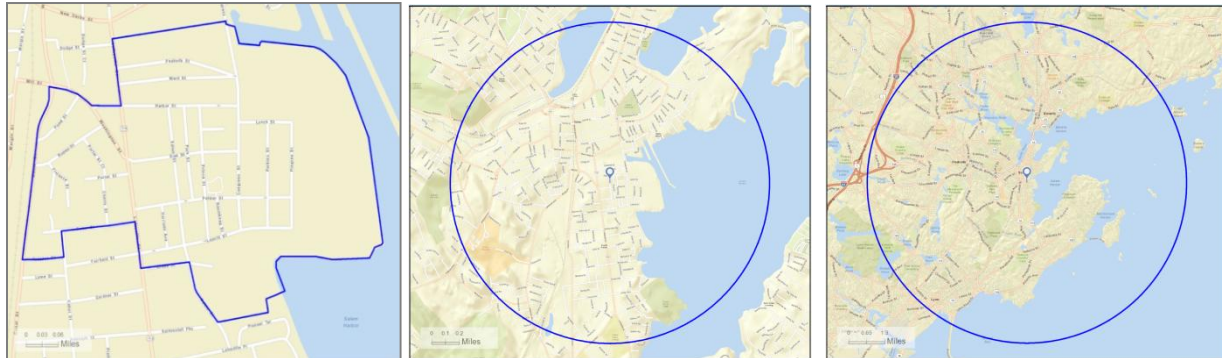
- **Neighborhood Trade Area (hyper local market):** The neighborhood trade area encompasses the boundaries established in the 2013 Point Vision and Action Plan. Given the unique demographic characteristics of the Point neighborhood (e.g. high percentage of immigrants and non-English speakers), the area was analyzed to identify whether or not additional retail could be supported specifically by neighborhood households.
- **Primary Trade Area (local market):** The primary trade area includes all areas within one-mile of the Point neighborhood including all of Downtown Salem and neighborhoods south of the Point along Lafayette Street (including Salem State University). This is the most important trade area, as consumers within a mile typically prefer to purchase goods and services at locations that are convenient.
- **Secondary Trade Area (regional market):** The secondary trade area encompasses areas within a 5-mile radius of the Point neighborhood. This includes all of Salem, Marblehead, and most of Beverly, Swampscott and Peabody and portions of Danvers. These households will shop in Salem occasionally, but the majority of their spending will occur outside of Salem.

Figure 4: Point Corridor Trade Areas

Neighborhood Trade Area

Primary Trade Area (1-mile)

Secondary Trade Area (5-mile)



For purposes of this retail analysis, the 1-mile radius was deemed the most appropriate for analysis, as it captures nearby residents and those most likely to walk or take a short drive for convenience, thus the 1-mile radius is considered the ideal trade area for small, local retailers².

Demographics

It is essential to understand the existing customer base for a retail analysis. Thus, the first step in a market analysis is to research and understand who lives within a trade area, what their incomes are (higher incomes typically have more expendable income), and what their preferences may be.

Point Neighborhood Trade Area Resident Characteristics

The Point neighborhood trade area has 1,844 households with a total of 4,491 residents, many of whom speak Spanish. Neighborhood residents have significantly lower incomes than in the Primary and Secondary study areas, and significantly lower educational attainment. Over half do not have access to a vehicle and over 80 percent work locally. Although spending potential is likely limited based on incomes, retail within walking distance is likely attractive to neighborhood residents since many work locally and many do not own or have access to an automobile.

Table 2: Trade Areas Demographics Summary

| | Point Neighborhood | Primary Trade Area 1-mile Radius | Secondary Trade Area 5-mile Radius |
|---------------------------|--------------------|----------------------------------|------------------------------------|
| Population | 4,491 | 22,572 | 230,523 |
| Households | 1,844 | 10,756 | 93,078 |
| <i>Income and Poverty</i> | | | |
| Median Income | \$26,483 | \$49,731 | \$62,172 |
| Household Poverty Status | 33% | 15% | 11% |
| <i>Language</i> | | | |
| Speak English Only | 43% | 73% | 77% |

| | Point Neighborhood | Primary Trade Area 1-mile Radius | Secondary Trade Area 5-mile Radius |
|--------------------------|--------------------|-------------------------------------|---------------------------------------|
| Don't speak English | 20% | 7% | 5% |
| Speak Spanish | 43% | 17% | 12% |
| <i>Education</i> | | | |
| No High School Diploma | 40% | 14% | 12% |
| High School | 22% | 22% | 27% |
| Some College | 24% | 24% | 26% |
| Bachelors or Higher | 14% | 39% | 35% |
| <i>Place of Work</i> | | | |
| In County | 81% | 66% | 67% |
| Out of County | 19% | 34% | 33% |
| <i>Access to Vehicle</i> | | | |
| Has Access to Vehicle | 57% | 81% | 87% |
| No access to vehicle | 43% | 19% | 13% |

Source: ESRI and US Census.

Primary Trade Area Resident Characteristics

The majority of customers for the Point neighborhood are expected to live within a mile of the area as it offers a convenient location to purchase goods and services, particularly since it is immediately adjacent to larger Downtown Salem. There are roughly 22,500 residents living in 10,750 households. These households have significantly higher incomes than those in the immediate neighborhood (nearly double), and higher levels of educational attainment. This likely presents an opportunity to capture some spending from these residents in the Point. However, over 80% of households have access to a car, which makes travel to other local retail areas easy (e.g. Peabody/Danvers Route 114 retail, Vinnin Square in Swampscott, Downtown Beverly).

Secondary Trade Area Resident Characteristics

Some residents from the larger 5-mile Secondary Trade Area will spend money in Salem, particularly on dining, which is more of a regional draw, and on specialty shopping unique to Salem (e.g. boutiques). With over 230,000 people living in the trade area, higher median incomes than either the neighborhood and Primary Trade area, and most with access to a vehicle, there is potential to draw some of their spending to the Point. However, given the many competing downtown areas, as well as the significant concentrations of suburban commercial strip retail within the trade area, the percentage will be lower.

Interviews

Understanding the current retail environment is crucial to identifying the potential for retail within any given study area. As part of this retail market analysis, numerous local merchants were interviewed to better learn what the retail opportunities and challenges are within the Point Neighborhood. This included owners and/or managers of local grocery stores/bodegas, salons, eating establishments and others. In addition, City staff and local organizations, including Salem Main Streets and representatives from the North Shore CDC were also interviewed.

Challenges

Crime and safety in the Point neighborhood was the most common challenge identified by local merchants. More accurately, the perception of crime is the challenge, as most felt the neighborhood was a safe place to be; however, despite improvements, its reputation as a center of crime persists.

Other comments focused on cleanliness, that there is excessive trash on the streets and sidewalks, in part because there is a lack of trash receptacles. Several commented on the lack of maintenance and/or investment in the Point by the City. Specifically, one merchant said that while investments are made in adjacent downtown, it “stops at the river.” Many also noted that connections to downtown need to be improved. This could be accomplished through wayfinding signage, sidewalk improvements, or encouraging an extension of the historic “red line” walking route into the neighborhood to highlight important features that make the Point unique. Ensuring neighborhood amenities (e.g. Harbor Sweets, Palmer Cover Park) are on the Destination Salem tourist map would also benefit the area.

Opportunities

Despite the above challenges, there was a lot of optimism about the neighborhood, both currently, and in the future. Merchants stated it’s a strong, friendly neighborhood, with a good (although limited income) customer base. Some would like to see more clothing and accessories stores, which are lacking in the neighborhood. Several merchants are interested in opening additional establishments (restaurants, grocery stores, other) either in the Point, or the more tourist friendly downtown district, but would likely need some financial assistance to do so. In particular, there is opportunity to make the neighborhood a dining destination with a focus on ethnic cuisine, which is somewhat lacking in adjacent downtown. Additionally, limited-service eating establishments hold promise if they can draw both residents and workers at Shetland Park. Lower price points would be beneficial, particularly to attract local spending. And although discussed as a challenge, infrastructure improvements also represent an opportunity for the area as they would help to bring more customers into the neighborhood. Finally, a Main Streets program would also help the retail environment, through developing or assisting with Point events/programming, and potentially providing assistance with storefront improvements, etc.

Other Findings

As highlighted above, merchants within the Point neighborhood expressed that while not always thriving, business at their establishments is good, and that they are invested in and committed to remaining in the neighborhood. Many merchants spoke highly of the strong, family-oriented nature of the Point neighborhood, and that these residents made up the majority of their business. However, few are capturing many consumers from outside of the neighborhood, and very few tourists venture across the South River. Many merchants felt that additional retail offerings would make the area more appealing, and that adding more market rate housing into the neighborhood, particularly along Congress Street, would not only provide more customers to support businesses, but also add more “eyes on the street” to make the neighborhood feel safer. Anchors are also needed to attract greater foot traffic and a larger customer base. This could include new residential/mixed-use developments, more programming and events at Palmer Cove Park, or perhaps a museum highlighting the Great Salem Fire and history of the Point. Interestingly, some said that improved marketing of the neighborhood was most critical, and should be a priority.

Existing Retail Inventory

As part of the study, an existing retail inventory analysis was performed. This was accomplished by walking the neighborhood, identifying all retail establishments by location, and then assigning them a North American Industry Classification System (NAICS) code. (The full list, including industry codes, is in Appendix C). In total, 64 storefronts were identified by the planning team, which is estimated to include approximately 100,000-120,000sf, based on an average store size of 1,500-2,000sf.

Existing retail is located primarily along the Lafayette Street corridor and around Lafayette Park. This area benefits significantly from exposure to pass through auto traffic, as it is a primary access point to South Salem, Salem State University and neighboring towns Marblehead and Swampscott. Beyond Lafayette Street, isolated stores or small concentrations were identified along Congress Street and on internal neighborhood roadways.

Despite visibility along Lafayette, retailers in the Point primarily serve local neighborhood residents. The only chain in the neighborhood is a drive-thru Wendy's fast food restaurant with the remainder of businesses independently operated. In particular, the neighborhood was found to have eight (8) small groceries and bodegas, a half dozen limited service take out restaurants, six (6) beauty salons and barbers, a live theater (Salem Theatre Company), a specialty prom clothing store, and numerous financial, professional, therapeutic and non-profit office spaces. There were also two new stores – the just opened Vapor Outlet and soon to open, Paaastelitos restaurant – along Lafayette.

Retail vacancy in the corridor is low (approximately 8%), totaling approximately 10,000sf. This includes the 4,000sf retail space on the ground floor of new mixed-use, 135 Lafayette, as well as two vacant restaurants – the former *Red Lulu Restaurant* at 94 Lafayette Street, and *The Exchange* at 75 Congress Street. The 135 Lafayette space in particular holds the potential to serve as a retail anchor for the larger neighborhood.

Based on observations during this analysis, Lafayette Street holds the greatest potential for new retail due to higher visibility and auto traffic as a state highway (Rte. 1A). Congress Street, with its limited through traffic and lack of a major anchor (Shetland Park is at the beginning of the corridor), holds less.

While the study area has numerous groceries and bodegas, and hair/nail salons, there are currently limited dining options, and no options for everyday clothing or home goods. Given the high residential densities, there may be opportunities for a greater variety of stores. Thus a detailed retail analysis was performed to see which segments would provide the greatest opportunity.

Retail Opportunity Analysis

This retail analysis aims to identify both the retail sectors with potential for growth in the Point neighborhood, as well as the total square footage of retail space these establishments could support. To achieve these goals, three analyses were performed:

- Retail Opportunity Gap Analysis
- Worker Supported Retail Opportunity Analysis

- Tourist Supported Retail Opportunity Analysis

The Point neighborhood would typically encompass three retail customer segments: trade area residents, trade area workers, and Salem's large number of tourists/visitors. However, given the relative or perceived isolation of the Point neighborhood from the larger downtown business district, the existing consumer base is primarily Point residents, workers at Shetland Park, and to a lesser extent, pass through traffic at food establishments along Lafayette Street.

Retail Opportunity Gap Analysis

A retail opportunity or gap analysis looks at the overall demand for retail goods and services within a designated trade area based on the spending potential of households (demand), and the actual sales for those goods and services within the market area (supply). The difference between the demand and supply is the retail "gap". When the demand exceeds the supply, there is "leakage," meaning residents must travel outside the area to purchase those goods. In such cases, there is an opportunity to capture some of this spending within the market area (i.e. new development). When there is greater supply than demand, there is a "surplus", meaning consumers from outside the market area are coming in to purchase these goods and services. In such cases, there is limited or no opportunity for additional retail development. Thus, the retail gap analysis provides a snapshot of potential opportunities for retailers to locate within an area.

To best identify retail opportunities within the Point Neighborhood, a gap analysis was performed at three market levels: the hyper local market (Point Neighborhood Trade Area), the local market (Primary Trade Area), and the regional market (Secondary Trade Area).

For purposes of this retail analysis, as stated earlier, the 1-mile radius was deemed the most appropriate for analysis, as it captures nearby residents most likely to walk or take a short drive for convenience. It is considered the ideal trade area for small, local retailers. Additionally, as highlighted in the demographics section, many residents living within the Point work locally and do not have access to an automobile, thus convenience retail that would appeal to the large local immigrant community that was also within walking distance may hold more potential. And further, given the higher incomes of the nearly quarter million regional (5-mile radius) residents, there may be opportunities to capture some spending if gaps exist in sectors or categories that have more of a regional draw (e.g. eating and drinking, clothing).

Gap Analysis

The primary finding is that there is significant leakage, or opportunity for more retail, in each of the trade areas. However, looking more closely at the details, there are opportunities within some retail sectors, and not in others.

Table 3 provides a summary of the retail opportunity gap analysis. Those figures in red (and with negative signs) indicate sectors for which there is a surplus (i.e. little to no opportunity). Those that are positive and in black, represent those sectors where there is leakage (i.e. opportunity for more).

Table 3: Summary Retail Opportunity Gap: 3-digit NAICS, All Trade Areas

| | NAICS | Point Neighborhood Trade Area | Primary Trade Area (1-Mile Radius) | Secondary Trade Area (5-Mile Radius) |
|--|-------|-------------------------------|------------------------------------|--------------------------------------|
| Total Retail Trade and Food & Drink | | \$7,181,844 | \$37,944,769 | \$119,797,097 |
| Total Retail | | \$11,720,982 | \$46,930,189 | \$83,254,039 |
| Total Food & Drink | | -\$4,539,139 | -\$8,985,420 | \$36,543,057 |
| Motor Vehicle & Parts Dealers | 441 | \$3,304,965 | \$27,523,894 | \$84,807,098 |
| Furniture & Home Furnishings Stores | 442 | \$563,963 | \$3,933,178 | \$18,232,425 |
| Electronics & Appliance Stores | 443 | \$621,719 | \$2,400,332 | -\$19,793,370 |
| Bldg Materials, Garden Equipment & Supply Stores | 444 | \$391,006 | -\$364,070 | \$16,189,380 |
| Food & Beverage Stores | 445 | \$1,543,864 | \$21,490,393 | \$16,100,164 |
| Health & Personal Care Stores | 446 | \$1,311,314 | -\$50,277,421 | -\$43,607,819 |
| Gasoline Stations | 447 | \$412,726 | \$15,511,954 | -\$64,234,810 |
| Clothing & Clothing Accessories | 448 | \$1,125,700 | \$14,378,531 | \$35,010,174 |
| Sporting Goods, Hobby, Book and Music Stores | 451 | -\$1,059,341 | \$1,551,312 | -\$2,500,775 |
| General Merchandise Stores | 452 | \$2,697,350 | \$9,641,709 | -\$32,495,708 |
| Miscellaneous Store Retailers | 453 | \$318,054 | \$501,993 | \$5,387,127 |
| Nonstore Retailers | 454 | \$523,052 | \$638,386 | \$70,880,154 |
| Food Services & Drinking Places | 722 | -\$4,539,139 | -\$8,985,420 | \$36,543,057 |

Source: Dun & Bradstreet via ESRI BAO, and MAPC

Looking at the above table, it appears there is significant opportunity for more retail across a wide range of sectors within the Point neighborhood. However, several of the sectors showing great opportunity typically do not locate in a downtown environment. For example, motor vehicle & parts dealers often locate along auto-oriented commercial corridors, as do large General Merchandise stores (e.g. Target, Macy's, etc.). Route 114 in nearby Peabody/Danvers is an example and is home of the Northshore Mall, as well as numerous auto dealerships and big box retailers. Thus, these and other retail sectors that typically locate in suburban, auto-oriented commercial areas were removed from the analysis.

Table 4 is a summary chart highlighting opportunities (shaded areas with an X), or lack thereof, for Downtown-inclined retail sectors. Sectors that show opportunity across all three trade areas typically hold the greatest opportunity for more retail. Thus, opportunities can be categorized as Strong, Limited, of Minimal, as follows:

Table 4: Retail Opportunities: Urban Inclined Sectors

| | NAICS | Neighborhood | Primary Trade Area (1-Mile Radius) | Secondary Trade Area (5-Mile Radius) |
|-------------------------------------|-------|--------------|------------------------------------|--------------------------------------|
| Furniture & Home Furnishings Stores | 442 | X | X | X |
| Electronics & Appliance Stores | 443 | X | X | |
| Food & Beverage Stores | 445 | X | X | X |
| Health & Personal Care Stores | 446 | X | | |

| | NAICS | Neighborhood | Primary Trade Area (1-Mile Radius) | Secondary Trade Area (5-Mile Radius) |
|---|-------|--------------|---------------------------------------|---|
| Clothing & Clothing Accessories | 448 | X | X | X |
| Sporting Goods, Hobby, Book, Music Stores | 451 | | X | |
| Miscellaneous Store Retailers | 453 | X | X | X |
| Food Services & Drinking Places | 722 | | | X |

Source: ESRI BAO and MAPC

Strong Opportunity

- Furniture and Home Furnishings
- Food and Beverage Stores (Mid-sized community market)
- Clothing and Shoe Stores
- Full and Limited-service Restaurants

Limited Opportunity

- Office Supplies (subcategory Misc. Store Retailers)
- Used Merchandise (subcategory in Misc. Store Retailers)

Minimal or No Opportunity

- Electronics & Appliance
- Sporting Goods, Books, Music
- Health & Personal Care

Important to note, restaurants were included in strong opportunity because there was a significant gap in the Secondary Trade Area of over \$36 million. Downtown Salem is a growing center for dining in the North Shore region, and given that restaurants tend to pull from more of a regional customer base, there is the potential to capture several more restaurants in the area.

Potential Supportable Retail Square Footage

Next, the potential supportable square footage of retail space was estimated for the study area. It is important to note that the below analysis is not a prediction for what will occur in the Point neighborhood, rather it is an estimate of retail space that could be supported based on the gap analysis figures, average sales per square foot of different store types, average store sizes in downtown areas, and an estimated spending capture within each of the areas.

Assumptions based on the different trade areas are below:

- **Point Neighborhood Trade Area:** Point residents would spend one third (33 percent) of potential leakage spending, as identified in the gap analysis, directly within the neighborhood trade area (e.g. Lafayette and Congress Streets, connective corridors). The remainder would be spent outside of the trade area, including Downtown Salem, but also on Highland Avenue, the malls in Peabody and Danvers, etc.
- **Primary Trade Area:** 20 percent of opportunity gap would be spent in the Point Neighborhood. 80 percent would occur in other shopping areas – Downtown Salem, Highland Avenue, malls and beyond.

- **Secondary Trade Area:** 10% of spending would occur inside the Point Neighborhood; 90% outside in other downtowns (Salem, Beverly, Marblehead, Peabody, Danvers) and at other retail centers (Highland Avenue, Northshore Mall, Liberty Tree Mall, Market Street at Lynnfield) as well as other areas.

Table 5 provides a summary of the potential for new retail space for each of the three trade areas studied. Included for each is the potential supportable square feet, the number of potential establishments, and the types of retail most likely given the gaps identified. (For a more detailed look at the analysis, see Table A.2. in Appendix C).

Table 5: Summary of Potential Supportable Retail by Square Feet and Number of Establishments

| Trade Area | Supportable Square Footage | Total Establishments | Types |
|--------------------------------------|--|---|--|
| Point Neighborhood | 6,000 | 1 to 2 | Clothing/shoes, small grocery/bodega |
| Primary Trade Area (1-mile Radius) | 40,000 | 11 to 12 | Clothing/shoes, home furnishings, grocery (mid-sized), office supplies |
| Secondary Trade Area (5-mile Radius) | 53,000 | 20 | Clothing/shoes, restaurants (limited and full svc), grocery, home furnishings, office supplies |
| ESTIMATED POTENTIAL | 37,500 (Avg Primary and Secondary, 47,500 sf, minus 10,000 vacant sf) | 15 to 16 establishments (10 new storefronts) | Clothing/shoes, restaurants (limited and full svc), grocery, home furnishings, office supplies |

Source: ESRI BAO and MAPC

As highlighted in the above table, the potential exists to support up to 37,500 square feet of additional retail space in the Point neighborhood based on spending within the trade areas. This figure represents an average of the potential within the Primary and Secondary trade areas, minus the existing vacant square feet. This could include roughly 15-16 smaller establishments (1,000-3,000 sf) in approximately 10 new storefronts (5-6 new establishments would fill existing vacant spaces). In particular, there is an opportunity to add anywhere from 4-8 specialty clothing/shoe stores (depending on the size), 1-2 home furnishings and goods stores, 1-2 miscellaneous retailers such as office supplies and used merchandise, and a mid-sized grocery store (under 20,000sf). Residents from the one-mile Primary Trade Area would be the main customers for these establishments. In addition, given the multi-million gap in restaurant spending within the five-mile Secondary Trade Area, up to five new restaurants could be supported, particularly limited-service and/or fast casual establishments.

Worker Retail Potential

Local workers bring spending power to a market area. According to the International Council of Shopping Centers (ICSC)³, office workers spend on average \$102 per week in and around their offices, the majority of which is spent on eating & drinking, and groceries/convenience. This presents a strong opportunity to capture additional spending to support more retail in the Point neighborhood.

According to Dun & Bradstreet data, there are approximately 1,700 employees working directly in the Point neighborhood, the majority of which are found in Shetland Park off of Congress Street, including many office workers. Additionally, there are approximately 2,100 additional workers in Downtown Salem (City employees, financial and legal professionals, retailers, etc.), many of which are within walking distance to the Point neighborhood.

Based on an analysis of these workers, MAPC conservatively estimates that local workers could support over 6,000sf of additional retail in the Point neighborhood, particularly along Congress Street near Shetland Park. This would include 2-3 fast-casual or take out restaurants, and one convenience/deli establishment, as these are the types of retail establishments most supported by a local worker base.

Table 6: Supportable Retail Space from Local Workers

| | | Eating and Drinking | | | Convenience Goods | | | Totals | |
|------------------------------|-----------|---------------------|----------------|-------------|-------------------|----------------|-------------|----------------|-------------------|
| | # of Jobs | Eating/Drink \$ | Total Supp. sf | # of Stores | Conven Goods \$ | Total Supp. sf | # of Stores | Total Supp. sf | Total # of Stores |
| Point Employees | 1,721 | \$929K | 3319 | 2.3 | \$310K | 861 | 0.50 | 4,180 | 2.75 |
| Primary Trade Area Employees | 2,090 | \$376K | 1344 | 1 | \$125K | 348 | 0.25 | 1,692 | 1.25 |
| Total | | \$1.7M | 4663 | 3 | \$561K | 1,557 | 1 | 6,220 | 4 |

Assumptions:

- \$20 average local spending per employee locally, primarily on food and convenience goods.
- Point employees spending 75% (\$15/wk) in Point neighborhood due to convenience. The remainder in downtown Salem.
- Primary Trade Area - Total Employment in Trade Area divided by two minus Point Employment. Only accounted for half of employment in trade area. Other half not walkable, and less likely to drive.
- Primary Trade Area - Only 25% potential to be spent in Point (\$5), compared to 75% in great Downtown.

Tourism Potential

Salem, MA is a regional, national and international tourism destination. Based on discussions with the Executive Director of Destination Salem, the city's public-private Office of Tourism and Cultural Affairs, there are an estimated 1 million annual visitors to Salem who come to experience the Witch Trials-related and historic assets, explore its many cultural offerings (e.g. Peabody Essex Museum, festivals, etc.) and increasingly the restaurant scene.

³ Goover, Joel, "New Retail Frontier: Lunchtime Shoppers," International Council of Shopping Centers, June 2012.

As reported by merchants during interviews, few tourists go to the Point neighborhood. However, these visitors offer existing and future establishments an opportunity to increase their retail sales should they capture some of their spending. Thus, an estimate of total potential supportable square footage of retail space within the Point neighborhood based on tourism spending was calculated based on the below, conservative, assumptions:

- Estimated 1 million annual visitors to Salem
- Point businesses capture 5% of total visitors: 50,000 visitors
- Visitors spend portion of spending at Point establishments
 - 75% of total food service expenditures: \$25.57/visitor
 - 50% of total retail expenditures: \$7.57/visitor

Based on the above assumptions, and as shown in Table 6.5, Point retail and eating establishments would capture \$1.7 million in spending from tourists. This would roughly support 2 restaurants (limited or full-service) and up to 2 retail establishments (clothing, tourism related merchandise) in approximately 6,400 sf of new retail space.

Table 7: Estimated Tourism Retail Expenditures

Note: This estimate does not include spending on lodging and transportation.

| | TOTAL Visitors (Domestic/ International) | Total Spending Per Visitor in Salem | Point Capture 5% | Estimated Spending per Visitor in Point Neighborhood | Total Point Spending |
|-------------------------|---|--|---------------------|---|----------------------------|
| Foodservice | 1M | \$34.09 | 50,000 | \$25.57* | \$1,278,486 |
| Entertainment & Rec | 1M | \$10.61 | 50,000 | \$0.00 | \$0 |
| General Retail Trade | 1M | \$15.13 | 50,000 | \$7.57** | \$378,327 |
| TOTAL | | \$59.84 | 50,000 | \$33.14 | \$1,656,813 |

*75% of total foodservice spending

**50% of general retail trade spending

Capturing tourism spending, however, will require strategic initiatives. Given that the majority of tourist destinations are located in the adjacent downtown, wharf district and McIntyre Historical District, improved connections, wayfinding and targeted marketing is needed to inform tourists about and guide them to cultural and retail amenities in the Point neighborhood. Without these types of investments, there is little to entice tourists to the area.

Total Retail Potential & Market Opportunities

Given the previous analyses – Retail Opportunity Gap, Worker Supported Retail, and Tourist Supported Retail – the Point neighborhood could potentially accommodate up to 50,000 sf of new additional retail space. (See Table 8) This would include roughly 23 new retail shops. Retail sectors holding the greatest opportunity should be targeted, including clothing and shoe stores, home goods and furnishings shops, a small- to mid-sized grocery store, and restaurants (take out and sit down). Moderately priced clothing stores and ethnic restaurants that would appeal both to trade area residents and visitors should also be targeted.

Table 8: Total Supportable Retail Square Footage: Resident, Worker and Tourist Demand

| Source | Supportable Square Footage | Total Establishments | Types |
|-------------------------------|----------------------------|----------------------|---|
| Current Trade Area Residents* | 37,500 | 15 | Clothing/shoes, home goods, grocery, office supplies |
| Workers | 6,220 | 4 | Limited Service/Takeout Eating, Market/Deli Combo |
| Tourists | 6,400 | 3 | Restaurant, clothing/misc retail |
| TOTAL | 50,120 | 22 | Targets: Restaurants (all kinds), clothing/shoes, mid-sized grocery, office supplies |

The greatest opportunity to attract new retail to the Point neighborhood would be along Lafayette Street between Derby and Palmer streets. This could include areas around Lafayette Park along Washington Street leading to downtown. Clothing, home goods and restaurants (limited- and full-service) hold the most promise. Visibility is crucial for retail, thus given the significant local and regional traffic along Route 1A (Lafayette Street), its strong connection to the larger downtown retail district, and the existing cluster of retail uses (including recent investment) the area holds the greatest potential. However, the area currently lacks a strong retail anchor to draw customers from downtown. A strong anchor establishment could increase foot traffic and exposure to the whole area and make the area more attractive to other tenants. Thus, it would be beneficial to target a high traffic, destination tenant to 135 Lafayette Street. Additionally, retailers could fill existing vacant space (including a former restaurant) along the corridor, or occupy ground floor space in any new development should it be proposed and built (see opportunity areas are identified in Section IV). To best attract retail tenants, any new development along the corridor should require ground floor retail facing Lafayette, with minimum 12 foot first floor ceilings that retailers find attractive, as well as large windows to display goods.

Congress Street holds potential for more neighborhood-oriented convenience retail and eating that would appeal both to existing local residents and workers at Shetland Park. Additional market rate residential development to bring residents with greater spending power would also help support a growing retail base. Vacant and underutilized parcels between Harbor and Palmer Streets could be developed into attractive mixed use structures to create a local retail cluster, including take-out food locations, sit-down restaurants, and a deli/convenience store combination that would appeal to Shetland Park workers. The segment of Congress Street closest to the South River also holds potential for retail that would attract Shetland Park workers, but also tourists given the presence of the Harbor Walk, and visibility from the Pickering Wharf development.

In addition, there may be some, but very limited, opportunity for more retail along connective corridors like Palmer and Harbor streets. For example, there is currently a vacant storefront on Harbor Street (former clothing store) that could hold a small food service establishment or other even a clothing or home goods store. Additionally, should any redevelopment occur along these corridors, either where retail currently exists or adjacent to it, some smaller retail might be supportable. However, neither of these streets would likely capture spending beyond local residents, thus potential is limited. Should foot traffic increase (i.e. red line walking route

extended from downtown), opportunity would increase to better support retailers in these locations.

Comparison Retail Areas and Retail Recruitment Opportunities

Existing and established retail and service businesses within the Metro Boston region were identified for potential recruitment to locate within the Point Neighborhood and/or Downtown Salem. This was accomplished through windshield surveys of neighborhood retail concentrations in areas with similar demographics as the Point neighborhood⁴, as well as online research and public suggestions.

With retail opportunities identified to serve different market segments with the neighborhood (e.g. residents, workers and tourists), retailers that may appeal to one or more of these segments hold the greatest potential. These should be the focus of City efforts to reach out and market the neighborhood. (Important to note, the below businesses are provided as examples, and have not been contacted or recruited about locating in Salem. For more information on each business, see Appendix C for links.)

- **Stop and Compare Supermarket:** Family-owned supermarkets operating in Lynn and Chelsea, MA and Providence, RI. Per their website, their purpose is to serve the growing Hispanic and ethnic populations in New England.
- **Foodie's Markets:** Boston-based, family-owned neighborhood markets with locations in Boston's South End, South Boston and Duxbury, MA.
- **Harvest Co-op Markets:** Community-owned markets with locations in Cambridge and Jamaica Plain.
- **Tropical Foods:** Roxbury-based ethnic, mid-sized grocery store.
- **Brothers Marketplace:** Roche Brothers neighborhood-oriented supermarkets with an emphasis on local and natural products, as well as staples. Current locations for these higher-end markets include Medfield and Weston, with a third location announced for Davis Square, Somerville.
- **Pennyworths:** Family-owned shoe store – men's, women's and children's casual and dress shoes - with locations in Newburyport and Lynn, MA.
- **Marathon Sports:** Popular Boston running shoe mini-chain located both in downtown and shopping center environments, would appeal to local running community.
- **Boomerangs Thrift Stores:** Thrift shop operated by the AIDS Action Committee of MA, Inc with locations in Jamaica Plain, West Roxbury, Central Square, and the South End.
- **Centre Fashion:** Women and men's clothing retailer located on Centre Street in Jamaica Plain.
- **Rainbow:** National chain featuring affordable women's clothing and accessories.

⁴ Areas included Centre Street in Jamaica Plain, Boston, which has a similar demographic composition as the Point and surrounding Salem neighborhoods; Downtown Lawrence, MA, which also has a large Dominican population and increasingly active business environment; and Downtown, Lynn. Additional analysis included online research. Businesses within sectors that hold the most opportunity were specifically singled out for outreach.

- **Home Basix:** Affordable, small independent home goods and furniture store located in Jamaica Plain.
- **Local Salem Restaurants:** Local restaurateurs may have an interest in opening a second location of an established restaurant (or smaller, take-out version), or another eating establishment. For example, owners of Gulu-Gulu Café recently opened Flying Saucer Pizza in Downtown Salem. Additionally, the owner of Deli House in the Point has expressed interest in opening another restaurant in the area.
- **El Taller:** Combination coffee shop, restaurant/bar, gallery, bookstore, and performance establishment in Downtown Lawrence “fueling the pulse of human creativity through literacy, community gatherings, conversation and good food.”⁵ Known for their tortas.
- **Café Azteca:** Small, well-regarded Mexican restaurant in Lawrence, MA (same owners as El Taller).
- **Tacos Lupita:** Regional taco, burrito and pupusas restaurants with locations in Lynn and Gloucester.
- **El Oriental de Cuba:** Popular Cuban restaurant in Jamaica Plain.
- **Tostada!:** Limited-service, highly-rated Dominican pressed sandwich establishment located on Centre Street in Jamaica Plain.
- **Pho Dakao:** Successful Vietnamese restaurant from Worcester with recent location opening in downtown Framingham.
- **Diesel Café and Bloc 11:** Cafes in Davis Square and Union Square, Somerville that is popular with locals, tourists and nearby college students.
- **Serenitee Restaurant Group:** This regional restaurant group operates restaurants in Gloucester (Alchemy, Latitude 43, Minglewood Tavern), Beverly Farms (Hale Street), Manchester (Cala’s), Middleton (Maggie’s Farm), and Salem (Opus and Opus Underground). If interested, it could be a strong anchor in the 135 Lafayette retail space or the former Strega Restaurant space on Lafayette Street.
- **Harbor Sweets:** Local candy operator in the Point neighborhood with small retail space in its production facility. An additional store, perhaps on Lafayette Street or on Congress Street closest to Pickering Wharf, could draw foot traffic to the neighborhood from downtown.
- **Local Colors Artist’s Cooperative:** Reach out to this established Gloucester artist cooperative about opening a location to feature the works of local artists.
- **Local Museums:** Reach out to the Peabody Essex Museum, the Salem Witch Museum and others to potentially open Pop-Up or permanent installations within the Point neighborhood to draw tourists.
- **Gallery Owners:** Reach out to gallery owners (in Rockport, Gloucester, Provincetown, etc.) about opening locations within the Point. Highlight Salem’s active local arts community and location of the Peabody Essex Museum. Clustering in one area could serve as a destination to locals and tourists alike.

⁵ <http://eltallerarts.com/>

Summary Market Observations and Conclusions

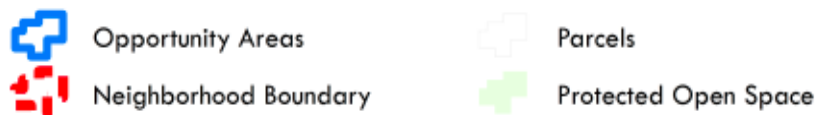
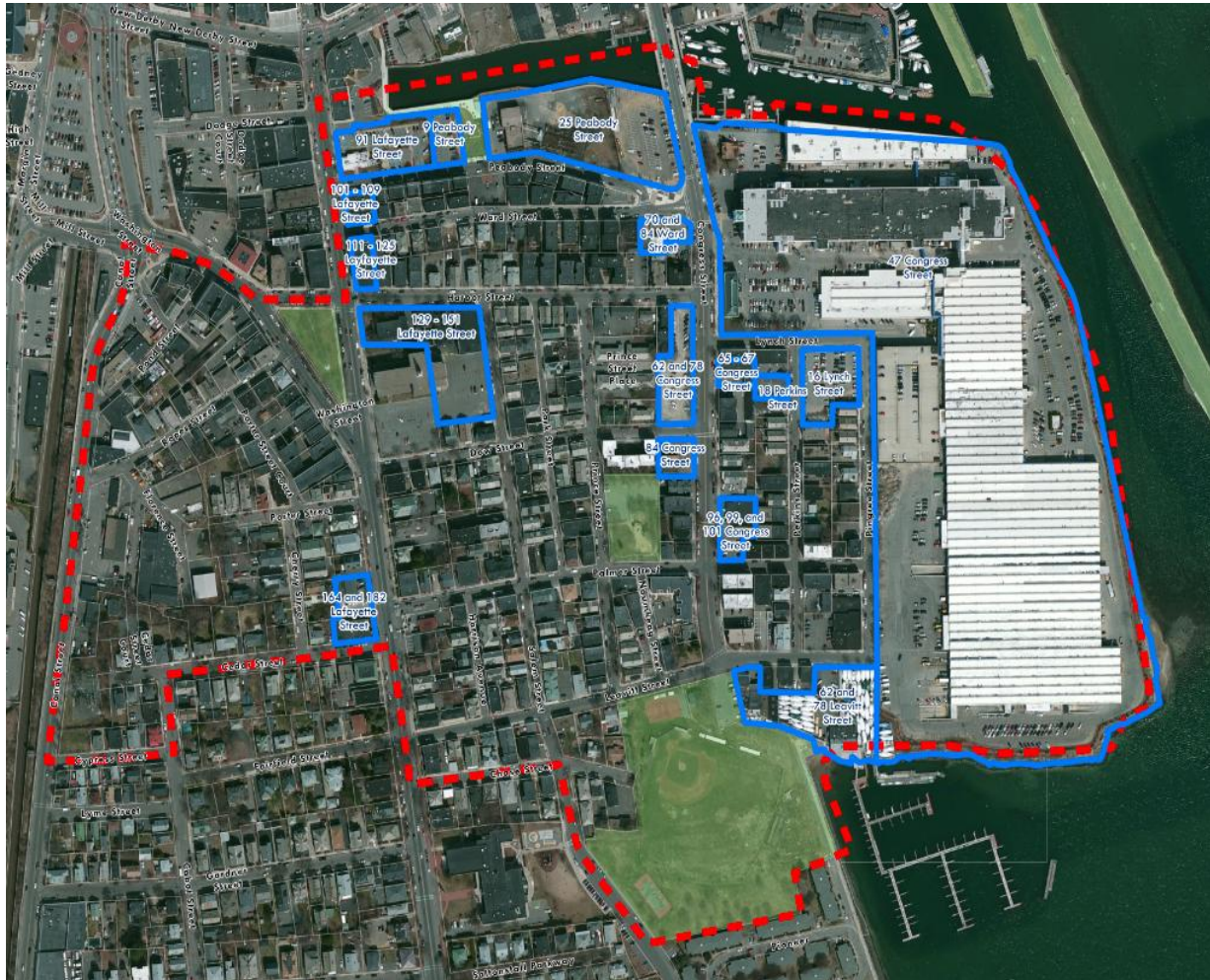
In summary, although the Point neighborhood could potentially support approximately 50,000sf of total new retail space, given constraints highlighted during interviews including the perception of crime, limited visibility along Congress Street, and lower incomes in the immediate neighborhood, a targeted, incremental approach to retail development is required for the area to achieve the potential detailed in this retail study.

Opportunity is highest for sites with good visibility and automobile and pedestrian traffic. Key to the area's future is improved marketing. This is essential not only to inform consumers about existing and future retail, recreation and historic amenities, but to guide potential investors to new opportunities and to change perceptions about the area (e.g. safety). Adding the Point neighborhood to visitor maps, extending the historic red line walking route into the neighborhood, adding wayfinding signage, and more would also help to attract more residents and visitors and their spending to local merchants. Finally, improvements to the public realm, including more trash receptacles, additional attractive lighting and banners, and sidewalk enhancements would also make the area more inviting. Finally, promotion of the Point's historic and open space amenities could draw more people and their spending to the area.

IV. Development/Redevelopment Opportunity Areas in the Commercial Corridors

Sixteen (16) areas in the Point neighborhood have been identified as development or redevelopment opportunity areas; five are located on Congress Street, five are located on Lafayette Street, and the remainder are located on secondary corridors and on intersecting streets in close proximity to the primary corridors.

Figure 5: Map of Development or Redevelopment Opportunity Areas



Opportunity areas may include one or more parcels; in some cases, adjacent parcels were grouped. Opportunity areas include:

- parcels that are located in high visibility locations in the primary Lafayette and Congress Street corridors;

- parcels identified by project partners and the Advisory Committee as prime locations for accommodating mixed use or multifamily housing development; and
- parcels with a low improvements to land value (I/L) ratio. I/L ratio is defined as the building value and the value of other improvements divided by the value of the land. An I/L ratio of 1 means the building is worth the same as the land; a ratio greater than 1 means the building is of greater value than the land on which it stands; a ratio of less than 1 indicates that the land itself is more valuable than the buildings on it. A majority of opportunity areas have an I/L ratio less than 1; several opportunity areas have an I/L ratio above 1.

The following section provides an overview of the 16 opportunity areas. Appendix B provides additional information about each opportunity area and maps the characteristics of the opportunity areas in the context of the neighborhood and parcels in the downtown, examining building value per square foot of floor area, tax revenue per parcel/acre, improvements to land value ratio (I/L ratio), and floor area ratio. The data presented in the table and maps utilizes 2011 Assessor's data.

Overview of Development/Redevelopment Opportunity Areas

Opportunity Area: 47 Congress Street



Image credits: MAPC, May 2014

Current uses as of November 2014: Business park with a mix of single, two, and three story structures with a mix of office, warehouse, light manufacturing, and research and development uses; adjacent to Salem waterfront

- Owner (2011): SHETLAND TRUST
- Land Value (2011): \$8,761,600
- Building Value (2011): \$16,581,100
- Value of Other Improvements to Land (2011): \$507,200
- Total Value of Parcel (2011): \$25,849,900
- Improvements to Land Value Ratio (2011): 2.0
- Building Value per SF (2011): \$9

Opportunity Area: 65-67 Congress Street



Image credit: MAPC, May 2014

Current use as of November 2014: Single story business with parking; recently purchased by Salem Renewal, LLC

- Owner (2011): KAPPARHO RLTY TR/HOULE ROGER
- Land Value (2011): \$128,200
- Building Value (2011): \$69,600
- Value of Other Improvements to Land (2011): \$5,000
- Total Value of Parcel (2011): \$202,800
- Improvements to Land Value Ratio (2011): 0.6
- Building Value per SF (2011): \$18

Opportunity Area: 78 Congress Street



Image credit: MAPC, May 2014

Current use as of November 2014: Parking lot

- Owner (2011): SHETLAND TRUST
- Land Value (2011): \$108,700
- Building Value (2011): \$0
- Value of Other Improvements to Land (2011): \$18,900
- Total Value of Parcel (2011): \$127,600
- Improvements to Land Value Ratio (2011): 0.2
- Building Value per SF (2011): not available

Opportunity Area: 84 Congress Street



Image credit: MAPC, May 2014

Current use as of November 2014: Two-story structure – automotive repair

- Owner (2011): PEQUOT FILLING STATION INC
- Land Value (2011): \$82,500
- Building Value (2011): \$85,900
- Value of Other Improvements to Land (2011): \$30,700
- Total Value of Parcel (2011): \$199,100
- Improvements to Land Value Ratio (2011): 1.4
- Building Value per SF (2011): \$36

Opportunity Area: 95, 99, and 101 Congress Street



Image credit: City of Salem, November 2014

Current use as of November 2014: Convenience store and parking

- Owner (2011): NINETY 9-101 CONGRESS ST TRUST (95, 99, and 101)
- Land Value (2011): \$91,700 (95), \$42,200 (99), and \$29,900 (101)
- Building Value (2011): \$209,600 (95), \$0 (99), and \$0 (101)
- Value of Other Improvements to Land (2011): \$8,600 (95), \$0 (99), and \$0 (101)
- Total Value of Parcel (2011): \$309,900 (95), \$42,200 (99), and \$29,900 (101)
- Improvements to Land Value Ratio (2011): 2.38 (95), 0 (99), and 0 (101)
- Building Value per SF (2011): \$19 (95), not available (99), and not available (101)

Opportunity Area: 91 Lafayette Street



Image credit: Google Maps, October 2012

Current use as of November 2014: Single story fast food establishment near Salem waterfront and entrance to Salem Harborwalk

- Owner (2011): WENDY'S/ARBY'S GROUP
- Land Value (2011): \$342,700
- Building Value (2011): \$507,900
- Value of Other Improvements to Land (2011): \$32,200
- Total Value of Parcel (2011): \$882,800
- Improvements to Land Value Ratio (2011): 1.6
- Building Value per SF (2011): \$156

Opportunity Area: 101-109 Lafayette Street



Image credit: Google Maps, October 2012

Current use as of November 2014: Single story retail and take-out restaurant establishments

- Owner (2011): T & J RLTY TR TGE/RYAN THOMAS
- Land Value (2011): \$169,900
- Building Value (2011): \$199,900
- Value of Other Improvements to Land (2011): \$1,500
- Total Value of Parcel (2011): \$371,300
- Improvements to Land Value Ratio (2011): 1.2
- Building Value per SF (2011): \$15

Opportunity Area: 111-125 Lafayette Street



Image credit: Google Maps, October 2012

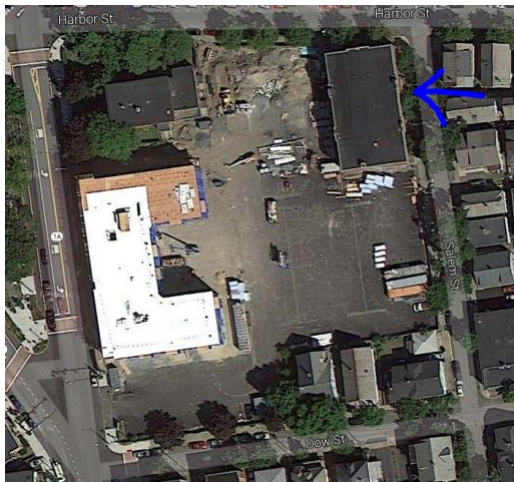
Current use as of November 2014: Four-story mixed use building with rental apartments and retail on the first floor

- Owner (2011): CARITAS COMMUNITIES INC
- Land Value (2011): \$917,100
- Building Value (2011): \$520,300
- Value of Other Improvements to Land (2011): \$0
- Total Value of Parcel (2011): \$1,437,400
- Improvements to Land Value Ratio (2011): 0.6
- Building Value per SF (2011): \$16

Opportunity Area: 129-151 Lafayette Street



20 Harbor Street. Image credit: Google Maps, October 2012



Aerial of 129-151 Lafayette Street and structure with redevelopment potential. Image credit: Google Maps, October 2012

Current use as of November 2014: Former church and rectory. The 129-151 Lafayette Street parcel shown is based on a October 2012 Google Maps aerial. However, the parcel has been subdivided since 2011; updated aerial and parcel outline not available at the time of this Plan.

One structure on the western portion of the site, 135 Lafayette, was redeveloped in 2013 by the Planning Office of Urban Affairs; it is a mixed use development with affordable rental units and ground floor retail.

One structure within this parcel, located at 20 Harbor Street, is identified as an opportunity area.

- Owner (2011): SALEM LAFAYETTE DEVELOPMENT LLC
- Land Value (2011): \$969,300
- Building Value (2011): \$478,300
- Value of Other Improvements to Land (2011): \$0
- Total Value of Parcel (2011): \$1,447,600
- Improvements to Land Value Ratio (2011): 0.5
- Building Value per SF (2011): \$5

Opportunity Area: 164 and 172 Lafayette Street



Image credit: City of Salem, November 2014

Current use as of November 2014: Single story business/office and parking

- Owner (2011): ZAGARA LLC (164) and SAUNDERS LEONARD P (172)
- Land Value (2011): \$166,100 (164) and \$201,000 (172)
- Building Value (2011): \$100,100 (164) and \$376,100 (172)
- Value of Other Improvements to Land (2011): \$4,600 (164) and \$7,000 (172)
- Total Value of Parcel (2011): \$270,800 (164) and \$584,100 (172)
- Improvements to Land Value Ratio (2011): 0.6 (164) and 1.9 (172)
- Building Value per SF (2011): \$40 (164) and \$75 (172)

Opportunity Area: 9 Peabody Street



Image credit: Google Maps, October 2012

Current use as of November 2014: Parking lot

- Owner (2011): BEVERLY COOPERATIVE BANK
- Land Value (2011): \$62,200
- Building Value (2011): \$0
- Value of Other Improvements to Land (2011): \$10,900
- Total Value of Parcel (2011): \$73,100
- Improvements to Land Value Ratio (2011): 0.2
- Building Value per SF (2011): not available

Opportunity Area: 25 Peabody Street

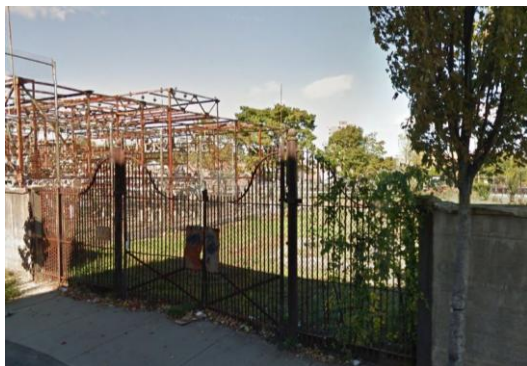


Image credit: Google Maps, October 2012

Current use as of November 2014: Substation and undeveloped land

- Owner (2011): MASSACHUSETTS ELECTRIC CO
- Land Value (2011): \$618,500
- Building Value (2011): \$243,000
- Value of Other Improvements to Land (2011): \$104,900
- Total Value of Parcel (2011): \$966,400
- Improvements to Land Value Ratio (2011): 0.6
- Building Value per SF (2011): \$28

Opportunity Area: 64 and 70 Ward Street



Image credit: MAPC, May 2014

Current use as of November 2014: Undeveloped lot used for parking and single story business

- Owner (2011): SIXTY FOUR WARD ST RLTY TRUST (64 and (70)
- Land Value (2011): \$82,000 (64) and \$14,300 (70)
- Building Value (2011): \$93,400 (64) and 0 (70)
- Value of Other Improvements to Land (2011): \$3,100 (64) and \$0 (70)
- Total Value of Parcel (2011): \$178,500 (64) and \$14,300 (70)
- Improvements to Land Value Ratio (2011): 1.2 (64) and 0 (70)
- Building Value per SF (2011): not available (64) and not available (70)

Opportunity Area: 62 and 78 Leavitt Street



62 Leavitt Street. Image credit: City of Salem, November 2014



78 Leavitt Street. Image credit: Google Maps, October 2012

Current use as of November 2014: Autobody shop and Salem Yacht Club adjacent to Salem waterfront

- Owner (2011): MUNCHKIN REALTY TRUST (62) and PALMERS COVE YACHT CLUB INC (78)
- Land Value (2011): \$161,000 (62) and \$468,000(78)
- Building Value (2011): \$152,500 (62) and \$187,000 (78)
- Value of Other Improvements to Land (2011): \$6,800 (62) and \$159,700 (78)
- Total Value of Parcel (2011): \$320,300 (62) and \$815,000 (78)
- Improvements to Land Value Ratio (2011): 1.0 (62) and 0.7 (78)
- Building Value per SF (2011): \$19 (62) and \$29 (78)

Opportunity Area: 16 Lynch Street



Image credit: Google Maps, October 2012

Current use as of November 2014: Large parking lot next to Shetland Park

- Owner (2011): SHETLAND TRUST
- Land Value (2011): \$118,000
- Building Value (2011): \$0
- Value of Other Improvements to Land (2011): \$24,200
- Total Value of Parcel (2011): \$142,200
- Improvements to Land Value Ratio (2011): 0.2
- Building Value per SF (2011): not available

Opportunity Area: 18 Perkins Street



Image credit: Google Maps, October 2012

Current use as of November 2014: Vacant lot

- Owner (2011): SHETLAND TRUST
- Land Value (2011): \$75,900
- Building Value (2011): \$0
- Value of Other Improvements to Land (2011): \$7,200
- Total Value of Parcel (2011): \$83,100
- Improvements to Land Value Ratio (2011): 0.1
- Building Value per SF (2011): not available

Scenarios Modeling: Estimates of Development or Redevelopment Potential in Opportunity Areas

Methodology

MAPC used CommunityViz, a group of extensions to the ArcGIS Geographic Information Systems (GIS) software, as a tool to examine the development or redevelopment potential of the 16 opportunity areas. MAPC utilized 2011 Assessor's data, Census data, Zillow, and developer's websites, consulted with City staff, and conducted site visits to collect the "inputs" or data needed to conduct the analysis.

The first step in the process involved identifying the development types and model developments exemplary of the types of development and densities the City seeks to promote in the opportunity areas. The City of Salem identified multifamily housing and mixed use development (including housing, retail, restaurant, or office uses) as the suitable development types for opportunity areas in the commercial corridors. Three developments in Salem were identified as model development types that were representative of the densities the City seeks to enable in the opportunity areas. These developments informed the development of building types that were used in the scenarios modeling. MAPC also referenced data from other mixed use developments in the region to generate the model

- Mixed use scenario, medium density: Pickering Wharf at 98 Wharf Street, Salem (17 units per acre)
- Mixed Use scenario, high density: "Washington at Derby Building" at 155 Washington Street and 26 New Derby Street, Salem (42 units per acre)
- Multifamily scenario, high density: 50 Palmer Street, Salem (42 units per acre)

Once the building types were identified, development data was collected from a variety of data sources including the property's tax assessment, online resources such as Zillow.com, and available information from developers' websites for properties. Data referenced to develop the building types included: units per acre; average unit size in square feet; commercial floor area ratio; commercial floor area in square feet; building valuation; and total lot area in square feet. development types.

The next step involved entering available data on the property values and densities of the model building types and the opportunity areas (into CommunityViz, which was used to examine the following questions:

- If these higher densities are applied to opportunity areas in the corridor,
 - How many additional housing units and/or how much square footage of commercial space might be generated from redevelopment based on those levels of density and mix of uses?
 - What are the potential financial implications of the estimated additional residential and square feet (sf) of commercial floor area – what is the estimated added value to the parcels and the potential additional tax revenue that could be generated for the municipality?

Please see Appendix D for additional detail on the scenarios modeling methodology.

Estimates of Additional Residential and Mixed Use

Please see Table 9 for detail about the estimated development or redevelopment potential at each of the 16 identified opportunities areas. Below is a summary of the potential additional dwelling units and square footage of commercial floor area that could be generated through development or redevelopment in the sixteen opportunity areas. Estimates have been rounded to the nearest hundred.

- Estimated dwelling units: 700 – 1,300 – majority on Congress Street
- Estimated sf of commercial floor area: 107,300 – 463,700 sf – majority on Congress Street
 - Estimated sf for retail or restaurant uses: 56,300 – 59,100 sf – distributed, but with a majority on Lafayette Street
 - Estimated sf for office uses: 51,000 - 404,600 sf – on Congress Street

Note: The market analysis estimated the potential for the neighborhood to support approximately 50,000 sf which could result in an estimated 23 new retail shops. However, if an additional 1,300 dwelling units is realized through new development and redevelopment in the opportunity areas, this may also increase the amount of retail that could be supported – above the estimate generated through the analyses.

Estimates of Added Value to Parcels and Potential Additional Tax Revenue

If the opportunity areas are redeveloped to accommodate more residential or mixed use development within the estimates/ranges identified in Table 9, scenarios modeling estimates that the potential added value to the 16 parcels could range from \$72 million to \$158 million and the potential additional tax revenue that can be generated for the City of Salem could range from \$1.4 million to \$2.6 million.

Note on estimated range of added value to parcel and estimated potential additional tax revenue per year: These figures are based on the fiscal year 2013 tax rate of \$15.88 per \$1,000/Residential - \$25.42 per \$1,000/Commercial, Industrial Properties. Value change estimates are calculated as estimated new building value minus existing building value for each property; the difference is multiplied by the corresponding tax rate (residential or commercial/industrial) to provide an estimate of additional tax revenue. Note that we assumed the land value of the properties to remain constant under any scenario (a likely underestimate), and we assume that none of the future development would be tax-exempt.

Table 9: Estimated Development or Redevelopment Potential in Opportunity Areas

This table summarizes the 16 opportunity areas identified, the age of the current structures, the Improvements to Land Value Ratio (I/L) ratio based on 2011 Assessor's data, and estimates of the development or redevelopment potential of each opportunity area – total housing units, square feet of commercial floor area, added value to parcels based on total new floor area, and added annual tax revenue. The development type applied to each opportunity area is based on findings from the retail market analysis and input from project partners and the Advisory Committee. Please see Appendix D for additional detail on the scenarios modeling methodology.⁶

Abbreviations:

- MU: Mixed Use
- Res.: Residential

| Address of Parcel(s) | Age of Current Structure ⁷ | I/L Ratio (2011) | Modeled Building Type | Estimated Range of Total Housing Units | Estimated Range of Square Feet (sf) of Commercial Floor Area | Estimated Range of Added Value to Parcel | Estimated Range of Added Annual Tax Revenue |
|---|---------------------------------------|--------------------|----------------------------|--|--|--|---|
| Parcel on Congress Street Corridor | | | | | | | |
| 47 Congress ⁸ | 1916 | 1.95 | MU Medium and High Density | 480 - 1,000 | 51,000 – 404,600sf | \$52,004,400 – 132,468,000 | \$1,049,700 - - \$2,162,200 |
| 65-67 Congress | 1956 | .58 | MU Medium and High Density | 3 - 6 | 2,200sf | \$285,400 - \$617,200 | \$5,800 - \$11,200 |
| 78 Congress | N/A – parking | .17 | MU Medium and High Density | 10 - 23 | 8,200 – 8,900sf | \$1,054,200 - \$2,279,800 | \$21,300 - \$41,200 |
| 84 Congress | 1950 | 1.41 | MU Medium and High Density | 4 - 9 | 3,200 – 3,400sf | \$409,200 - \$884,900 | \$8,300 - \$16,000 |
| 95 and 99 and 101 Congress | 1955 (95) | 2.38 (95 Congress) | MU Medium and High Density | 2 - 4 | 2,400 – 2,600sf | \$330,600 | \$6,700 |
| Parcels on Lafayette Street Corridor | | | | | | | |

⁶ Land Use mode was used to generate estimates for all opportunity areas with the exception of two parcels. Building mode was used to generate estimates for 47 Congress Street and the structure located within the 129-151 Lafayette Street parcel (address: 20 Harbor Street).

⁷ Age of current structure is based on 2011 Assessor's data and may not reflect the most current information particularly for parcels that have been subdivided.

⁸ Building mode modeling was applied to this parcel in order to exclude one structure on the parcel from modeling (one structure is slated to accommodate the expansion of a school and is unlikely to be redeveloped). Estimates of development potential are based on the removal and redevelopment of other structures on the parcel.

| Address of Parcel(s) | Age of Current Structure ⁷ | I/L Ratio (2011) | Modeled Building Type | Estimated Range of Total Housing Units | Estimated Range of Square Feet (sf) of Commercial Floor Area | Estimated Range of Added Value to Parcel | Estimated Range of Added Annual Tax Revenue |
|--|---------------------------------------|--|----------------------------|--|---|--|---|
| 91 Lafayette | 1996 | 1.58 | MU Medium and High Density | 14 - 33 | 11,600 – 12,600sf | \$1,496,500 - \$3,236,200 | \$30,200 - \$58,500 |
| 101-109 Lafayette | 1915 | 1.19 | MU Medium and High Density | 2 - 6 | 2,000 - 2,200sf | \$261,600 - \$565,700 | \$5,300 - \$10,200 |
| 111-125 Lafayette | 1917 | .57 | MU Medium and High Density | 3 - 7 | 2,500 – 2,700sf | \$326,600 - \$706,300 | \$6,600 - 12,800 |
| 129-151 Lafayette Street - structure at 20 Harbor Street ⁹ | 1950 | .49 | N/A | 12 - 15 | The structure identified as an opportunity area within this parcel is a former school. It was built in 1950. It is a three-story structure at approximately 22,000sf. Adaptive reuse is recommended; this structure could accommodate 12-15 housing units at 900-1,00sf per unit and could be suitable as artist live/work space. | | |
| 164 & 172 Lafayette | 1972,1958 | .63 (164 Lafayette) 1.91(172 Lafayette) | MU Medium and High Density | 4 - 10 | 3,600 – 3,900sf | \$468,700 - \$1,013,700 | \$9,500 - \$18,300 |
| Parcels on Connective Corridors and Adjacent to Primary Corridors | | | | | | | |
| 9 Peabody | N/A – parking | .18 | MU Medium Density | 3 - 5 | 3,700sf | \$470,900 | \$9,500 |
| 25 Peabody | 1889 | .56 | Res. High Density | 103 - 105 | N/A | \$10,233,600 | \$162,500 |
| 64 & 70 Ward | 1900 (64 Ward) | 1.18 (64 Ward) | Res. High Density | 7 - 9 | N/A | \$649,300 | \$10,300 |
| 62 and 78 Leavitt Street | 1940,1950 | .99 (62 Leavitt) .74 (78 Leavitt) | MU Medium Density | 19 - 21 | 16,900sf | \$2,175,000 | \$43,900 |
| 16 Lynch | N/A – parking | .21 | Res. High Density | 25 - 27 | N/A | \$2,126,100 | \$33,800 |
| 18 Perkins | N/A – undeveloped | .09 | Res. High Density | 4 - 6 | N/A | \$421,600 | \$6,700 |
| Totals | | | | 700 – 1,300 | 107,300 – 463,700sf | \$72 million to \$158 million | \$1.4 million to \$2.6 million |

⁹ The 129-151 Lafayette parcel has been subdivided since 2011 (Assessor's data referenced in this table is from the year 2011). The estimated development potential of the structure located at 20 Harbor Street is based on adaptive reuse of the existing structure. Source: City of Salem Online Property Assessment Data for Fiscal Year 2015 – Property Card for 20 Harbor Street, Salem. Link: www.salem.patriotproperties.com.

Visualizations of Redevelopment Potential

The following renderings and massings are provided to illustrate the types of redevelopment and densities that could be accommodated at priority redevelopment areas in the commercial corridors. The renderings and massings are based on the application of alternative density scenarios. Note: These renderings and massings are produced for illustration purposes only and are not to be understood as representing actual plans for redevelopment.

Opportunity Area: 65-67 Congress Street, Salem

As of November 2014, the development at 65-67 Congress Street consists of single-story commercial with on-site parking on the right. The current structure was built in 1956 and occupies 57 percent of the total parcel area. The building footprint is 3,956 sf and the total parcel lot area is 6,729 sf



Opportunity Area: 84 Congress Street, Salem

As of November 2014, the development at 84 Congress Street consists of a two-story commercial building with on-site parking on the front and lefts side of the parcel. The current structure was built in 1950 and occupies 20 percent of the total parcel area. The building footprint is 2,409 sf and the total parcel lot area is 9,648 sf



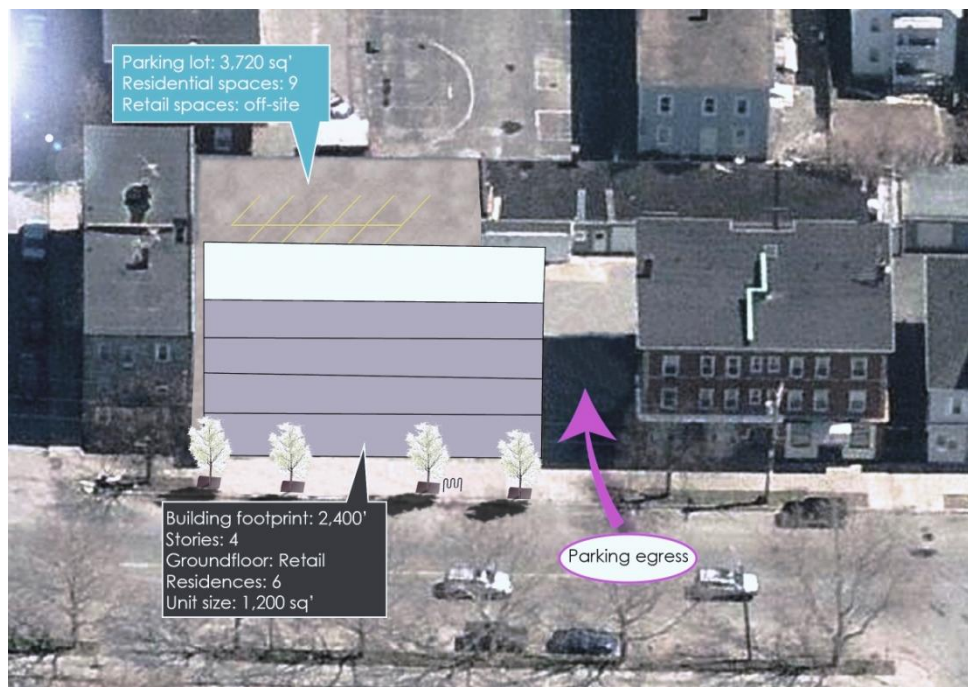
Rendering and Massing for 65-67 Congress Street, Salem

A mixed use, high density development scenario was applied to the site. The following rendering and massing depicts a four-story structure with ground floor retail and six residences above, with each unit at 1,200 sf. The building footprint is 2,400 sf. The parking egress would be located on the right of the building and would include 9 residential parking spaces located in the back of the building. Parking for retail would be off-site. *Note: This rendering and massing is produced for illustration purposes only and is not to be understood as representing actual plans for redevelopment. Photo, rendering, and massing credits: MAPC.*

Rendering:



Massing:



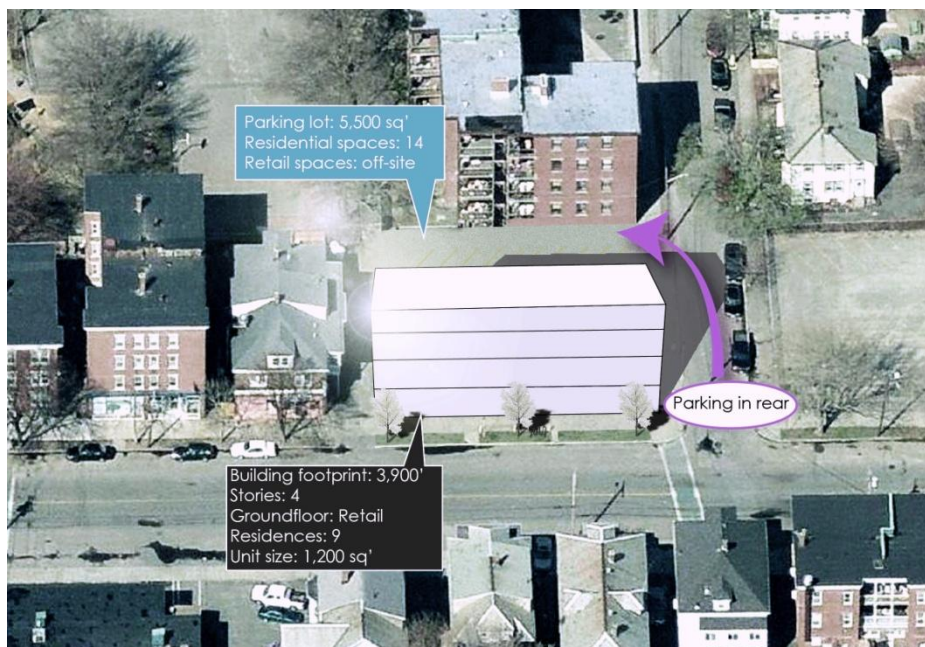
Rendering and Massing for 84 Congress Street, Salem

A mixed use, high density development scenario was applied to the site. The following rendering and massing depicts a four-story structure with ground floor retail and nine residences above, with each unit at 1,200 sf. The building footprint is 3,900 sf. The parking egress would be located on the right of the building and would include 14 residential parking spaces located in the back of the building. Parking for retail would be off-site. *Note: This rendering and massing is produced for illustration purposes only and is not to be understood as representing actual plans for redevelopment. Photo, rendering, and massing credits: MAPC.*

Rendering:



Massing:



V. Recommendations

This section outlines five goals and associated strategies and actions that identify planning, policy, and programmatic interventions that aim to revitalize and spur investments in the commercial corridors of the Point neighborhood. The Corridor Action Plan Matrix summarizes the goals, related strategies and actions, and partners involved in advancing each goal.

The recommendations are in the spirit of realizing the vision for the Point neighborhood, which was articulated in the ***Salem Point Neighborhood Vision and Action Plan for 2013-2020***:

The Point neighborhood is home to a strong, tight-knit community of residents, students, and businesses and it is a welcoming neighborhood where people from different cultures and different generations can meet, connect, and build community. The City, the North Shore Community Development Coalition, and other community partners are committed to building upon the Point's assets, including its history as a destination for newer immigrants, and to advance an action agenda that maximizes future opportunities for the people who live, work, study, and play here.

Housing, economic development, and infrastructure-related actions from the Vision and Action Plan are referenced and included in the list of corridor actions outlined below. The Housing, Economic Development, and Infrastructure visions, strategies, and actions can be found in their entirety in Appendix E. Resources for the implementation of these goals, strategies, and actions are provided in Appendix F.

Goal #1: Enhance visual character, streetscape and connectivity between the primary commercial corridors and the rest of downtown Salem.

Strategy: Increase connections between the larger downtown, wharf shopping districts, and the Point neighborhood through infrastructure investments and programming that creates a welcoming, clean, and safe environment and foster high-quality public spaces and pedestrian environment.

Actions:

- 1.1 Examine the opportunity to expand the City's downtown wayfinding program to install new wayfinding signage to further connect the downtown with the Point neighborhood. Evaluate opportunities to add the "Point Neighborhood National Historic District" and/or other appropriate destinations to existing signs or install new signage. Visual branding will elevate the distinct character of the neighborhood.
- 1.2 Install more plantings, hanging flower baskets, and holiday decorations in the primary corridors throughout the year – securing sponsorships as needed from local businesses.
- 1.3 Install trash receptacles/solar compactors and recycling bins on Congress and Lafayette streets.
- 1.4 Program engaging activities in open spaces like Peabody Street Park and the HarborWalk that bring together local businesses, arts, and culture in the neighborhood and greater Salem. This could include a satellite Salem Farmer's Market location in the Point neighborhood.
- 1.5 Bring the 'red line' guiding tourists into the Point to highlight the historic architecture, immigrant history and waterfront; promoting walking tours of the neighborhood; work

- towards installation of and pursuing funding to enable temporary or permanent art and design, e.g., innovative designs for outdoor seating, planters, etc.
- 1.6 Leverage the neighborhood's new status as a listing on the National Register of Historic Places to seek funding for infrastructure improvements, e.g., bricked sidewalks, historic acorn lighting, and attractive wayfinding signage. Seek funding for bricked sidewalks as part of future projects, such as the Congress Street reconstruction.
- 1.7 Target façade improvements at properties identified in the 2013 Salem Point Neighborhood Parcel Conditions survey and install appropriate historical markers at key buildings.

Goal #2: Support commercial and housing diversity in the neighborhood.

Strategy: Expand the customer base for businesses in the corridor by supporting redevelopment that will expand the number of residents and workers who live and work in the neighborhood – with a focus on mitigating displacement.

Actions:

- 2.1 Adopt a 40R Smart Growth Overlay District (SGOD) that will facilitate mixed use development at higher minimum densities. This removes the need to approve higher densities and certain commercial uses on a special permit basis (SGOD is also referenced in Goal #5, Action 5.1).
- 2.2 Examine the City's existing Commercial Design Guidelines to assess whether further guidelines should be developed for 40R Smart Growth Overlay District. The standards can include a parking element. Consider eliminating required on-site parking for retail and restaurant uses. There are no parking requirements in Downtown Salem and the commercial corridors are in close proximity to public transit and Harbor Garage.
- 2.3 Use the scenario modeling analysis estimates to market development and redevelopment opportunity to current property owners and prospective developers; use the findings to inform developers of City interests in supporting multifamily housing affordable to different incomes and accessible to different household types and mixed-use development.
- 2.4 Work with the owners of Shetland Park to explore and encourage mixed-use development that retains current commercial, industrial and institutional tenants, but adds residents and retail to create an active, accessible waterfront environment and neighborhood amenity.

Goal #3: Market and publicize the Point neighborhood as a retail and dining destination, with an emphasis on locally sourced and produced goods.

Strategy 3.A: Expand and diversify retail offerings in the neighborhood through marketing and publicity of existing assets and development/redevelopment opportunity areas on Lafayette and Congress streets.

Actions:

- 3.A.1 Work to include Point neighborhood businesses and attractions on all tourism materials with maps (e.g. Destination Salem's Walking Guide).
- 3.A.2 Track retail vacancies in the Point neighborhood and market spaces on the City of Salem and Salem Main Streets websites.

- 3.A.3 Target retail attraction efforts to sectors identified in the market analysis as holding the greatest potential (e.g. clothing and shoe stores, home furnishings, or a small/mid-size grocery store). Attracting strong anchor retailers (or restaurants – see Strategy 3.B) for both Lafayette and Congress Streets should be prioritized.
- 3.A.4 Use the market analysis as a marketing tool to attract new retail to the neighborhood, e.g. present it to prospective retailers and highlight it on the City's website.
- 3.A.5 Examine the opportunity to expand the current Main Streets program or formulate a new main streets program that will focus on Lower Lafayette (also known as LOLA) and/or the Congress Street corridor to bridge Downtown Salem and the Point neighborhood.
- 3.A.6 Explore the potential of creating a Business Improvement District (BID), or Community Benefit District that would include the Point neighborhood corridors and the larger downtown to provide additional programs and supplemental services, e.g. public realm maintenance and upkeep, branding, events, business recruitment, etc.

Strategy 3.B: Make the Point neighborhood a destination for high quality, authentic ethnic dining on the North Shore.

Actions:

- 3.B.1 Identify restaurants in other municipalities that may be interested in opening a second, third, fourth, etc. location in the neighborhood and proactively reach out to prospective restaurateurs to share information from Corridors Plan.
- 3.B.2 List opportunity areas best suited for eating and drinking establishments on the City's website.
- 3.B.3 Work with relevant partners and stakeholders to advocate for the alteration of the Massachusetts General Laws governing issuance of liquor licenses, so that more can be made available/sold exclusively to eating and drinking establishments in the Point neighborhood and other neighborhoods in Salem.
- 3.B.4 Secure resources for staff support to conduct targeted marketing to restaurant entrepreneurs.

Goal #4: Strengthen and diversify the local workforce and businesses.

Strategy: Mitigate displacement of current retail and business owners through workforce development and business development programs targeted to Point neighborhood business owners and entrepreneurs.

Actions:

- 4.1 Translate the handbook/guide to doing business in Salem and other business development resources into Spanish.
- 4.2 Build on economic and workforce development partnerships between the City, the North Shore CDC, the Workforce Investment Board, and the Enterprise Center to enliven the local retail environment, emphasis should be on small business education and management, e.g., retail and restaurants uses identified in the market analysis.
- 4.3 Support negotiation of community benefits with developers and/or employers that may include local hiring.

Goal #5: Increase housing options by supporting multifamily development affordable to different incomes and accessible to different household types.

Strategy: Mitigate displacement of current residents through policies and strategies designed to foster the inclusion of affordable housing stock in priority redevelopment sites in the corridors.

Actions:

- 5.1 Adopt a 40R Smart Growth Overlay District (SGOD) for the primary commercial corridors to ensure inclusion of a minimum of 20% affordable units in residential and mixed use redevelopment projects (SGOD is also referenced in Goal #2, Action 2.1).
- 5.2 The City will work with partners to monitor the expiration date of affordable units at risk of expiring in the next 2-5 years in the neighborhood; consider policies including a city-wide one-for-one replacement and/or condo conversion policies.
 - One-for-one replacement policies help preserve overall affordable housing stock in a city; condo conversion ordinances can levy a housing mitigation fee with reductions provided to converters who agree to limit future rent increases to tenants at time of conversion; they can also require an extended notice period of conversion of apartments to condos, providing some protections to residents and opportunities for community advocacy.
- 5.3 Make information about affordable rental and ownership opportunities and housing resources readily accessible to residents within and outside of the Point and available in Spanish. Create accessible materials and communication methods and market available rental and ownership units to residents in neighborhood who meet income eligibility requirements.
- 5.4 Notify the Point Neighborhood Association and the North Shore CDC of attending public meetings related to developer proposals for priority redevelopment sites.

Corridor Action Plan Matrix

The matrix in Table 10 identifies goals, strategies, actions, and possible partners, and a suggested timeframe for implementation for each action. Actions that were voted as high priorities for implementation at the November 6, 2014 Commercial Corridors Study public meeting were elevated as priorities for implementation in the short-term. Strategies are identified for completion in the short-, mid-, or long-term; in some cases, strategies are flagged as requiring ongoing investments of time and resources.

Strategies by timeframe:

- Short term: 12-18 months from Plan completion
- Mid-term: 19-36 months from Plan completion
- Long-term: 3-6 years from Plan completion

Proposed Partners for Plan Implementation

Lead partners for each action item in the matrix are highlighted in bold.

Abbreviations and Acronyms:

- City of Salem Department of Planning and Community Development: Salem DPCD

- City of Salem Department of Public Services: Salem DPS
- City of Salem Parks and Recreation: Salem Parks and Rec
- Creative Salem: CS
- Destination Salem: DS
- Enterprise Center at Salem State University: Enterprise Center
- Historic Salem Incorporated: HSI
- Latino Leadership Coaliton: LLC
- Salem Main Streets: Main Streets
- Salem Public Spaces Project: SPSP
- Salem Chamber of Commerce: Salem CoC
- North Shore Community Development Coalition: North Shore CDC
- Point Neighborhood Association: PNA
- Workforce Investment Board (WIB)

Table 10: Salem Point Neighborhood Commercial Corridors Action Plan Matrix

| Goals, Strategies, and Actions | Partners (lead in bold) | Short-term | Mid-term | Long-term | Resources |
|--|--|------------|----------|-----------|-----------|
| Goal #1: Enhance visual character, streetscape and connectivity between the primary commercial corridors and the rest of downtown Salem. | | | | | |
| Strategy: Increase connections between the larger downtown, wharf shopping districts, and the Point neighborhood through infrastructure investments and programming that creates a welcoming, clean, and safe environment and foster high-quality public spaces and pedestrian environment. | | | | | |
| Action 1.1: Examine the opportunity to expand the City's downtown wayfinding program to install new wayfinding signage to further connect the downtown with the Point neighborhood. Evaluate opportunities to add the "Point Neighborhood National Historic District" and/or other appropriate destinations to existing signs or install new signage. Visual branding will elevate the distinct character of the neighborhood. | Salem DPCD , North Shore CDC, CoC, DS | | x | | |
| Action 1.2: Install more plantings, hanging flower baskets, and holiday decorations in the primary corridors throughout the year – securing sponsorships as needed from local businesses. | CoC, Main Streets , DS | x | | | |
| Action 1.3: Install trash receptacles/solar compactors and recycling bins on Congress and Lafayette streets. | Salem DPS | x | | | |
| Action 1.4: Program engaging activities in open spaces like Peabody Street Park and the HarborWalk that bring together local businesses, arts, and culture in the neighborhood and greater Salem. This could include a satellite Salem Farmer's Market location in the Point neighborhood; | PNA, Main Streets, Salem Parks and Rec, SPSP, CS | x | x | x | |
| Action 1.5: Bring the 'red line' guiding tourists into the Point to highlight the historic architecture, immigrant history and waterfront; promoting walking tours of the neighborhood; work towards installation of and pursuing funding to enable temporary or permanent art and design, e.g., innovative designs for outdoor seating, planters, etc. | Salem DPCD , PNA, SPSP, CS | | | | |
| Action 1.6: Leverage the neighborhood's new status as a listing on the National Register of Historic Places to seek funding for infrastructure improvements, e.g., bricked sidewalks, historic acorn lighting, and attractive wayfinding signage. Seek funding for | North Shore CDC , Salem DPCD, HS, PNA | x | x | x | |

| Goals, Strategies, and Actions | Partners (lead in bold) | Short-term | Mid-term | Long-term | Resources |
|--|--|------------|----------|-----------|-----------|
| bricked sidewalks as part of future projects, such as the Congress Street reconstruction. | | | | | |
| Action 1.7: Target façade improvements at properties identified in the 2013 Salem Point Neighborhood Parcel Conditions survey and install appropriate historical markers at key buildings. | Salem DPCD, North Shore CDC, HSI, PNA | x | | | |
| Goal #2: Support commercial and housing diversity in the neighborhood. | | | | | |
| Strategy: Expand the customer base for businesses in the corridor by supporting redevelopment that will expand the number of residents and workers who live and work in the neighborhood – with a focus on mitigating displacement. | | | | | |
| Action 2.1: Adopt a 40R Smart Growth Overlay District (SGOD) that will facilitate mixed use development at higher minimum densities. This removes the need to approve higher densities and certain commercial uses on a special permit basis. (SGOD is also referenced in Goal #5, Action 5.1). | Salem DPCD | x | x | | |
| Action 2.2: Examine the City’s existing Commercial Design Guidelines to assess whether further guidelines should be developed for 40R Smart Growth Overlay District. The standards can include a parking element. Consider eliminating required on-site parking for retail and restaurant uses. There are no parking requirements in Downtown Salem and the commercial corridors are in close proximity to public transit and Harbor Garage. | Salem DPCD | | x | | |
| Action 2.3: Use the scenario modeling analysis estimates to market development and redevelopment opportunity to current property owners and prospective developers; use the findings to inform developers of City interests in supporting multifamily housing affordable to different incomes and accessible to different household types and mixed-use development. | Salem DPCD | x | | | |
| Action 2.4: Work with the owners of Shetland Park to explore and encourage mixed-use development that retains current commercial, industrial and institutional tenants, but adds residents and retail to create an active, accessible waterfront environment and neighborhood amenity. | Salem DPCD | x | x | x | |
| Goal #3: Market and publicize the Point neighborhood a destination for ethnic restaurants in the North Shore. | | | | | |
| Strategy 3.A: Expand and diversify retail offerings in the neighborhood through marketing and publicity of existing assets and development/redevelopment opportunity areas on Lafayette and Congress streets. | | | | | |

| Goals, Strategies, and Actions | Partners (lead in bold) | Short-term | Mid-term | Long-term | Resources |
|---|--|------------|----------|-----------|-----------|
| Action 3.A.1: Work to include Point neighborhood businesses and attractions on all tourism materials with maps (e.g. Destination Salem's Walking Guide). | DS , Salem DPCD, Main Streets | x | | | |
| Action 3.A.2: Track retail vacancies in the Point neighborhood and market spaces on the City of Salem and Salem Main Streets websites. | Salem DPCD , Main Streets | x | x | x | |
| Action 3.A.3: Target retail attraction efforts to sectors identified in the market analysis as holding the greatest potential (e.g. clothing and shoe stores, home furnishings, or a small/mid-size grocery store). Attracting strong anchor retailers (or restaurants – see Strategy 3.B) for both Lafayette and Congress Streets should be prioritized. | Salem DPCD , Main Streets | x | x | x | |
| Action 3.A.4: Use the market analysis as a marketing tool to attract new retail to the neighborhood, e.g. present it to prospective retailers and highlight it on the City's website. | Salem DPCD , CoC | x | x | x | |
| Action 3.A.5: Examine the opportunity to expand the current Main Streets program or formulate a new main streets program that will focus on Lower Lafayette (also known as LOLA) and/or the Congress Street corridor to bridge Downtown Salem and the Point neighborhood. | Main Streets | x | x | x | |
| Action 3.A.6: Explore the potential of creating a Business Improvement District (BID), or Community Benefit District that would include the Point neighborhood corridors and the larger downtown to provide additional programs and supplemental services, e.g. public realm maintenance and upkeep, branding, events, business recruitment, etc. | Salem DPCD | x | x | | |
| Strategy 3.B: Make the Point neighborhood a destination for high quality, authentic ethnic dining on the North Shore. | | | | | |
| Action 3.B.1: Identify restaurants in other municipalities that may be interested in opening a second, third, fourth, etc. location in the neighborhood and proactively reach out to prospective restaurateurs to share information from Corridors Plan. | CoC , Salem DPCD, Mayor, Main Streets | x | x | x | |
| Action 3.B.2: List opportunity areas best suited for eating and drinking establishments on the City's website. | Salem DPCD | x | | | |
| Action 3.B.3: Work with relevant partners and stakeholders to | Mayor | | x | x | |

| Goals, Strategies, and Actions | Partners (lead in bold) | Short-term | Mid-term | Long-term | Resources |
|--|--|------------|----------|-----------|-----------|
| advocate for the alteration of the Massachusetts General Laws governing issuance of liquor licenses, so that more can be made available/sold exclusively to eating and drinking establishments in the Point neighborhood and other neighborhoods in Salem. | | | | | |
| Action 3.B.4: Secure resources for staff support to conduct targeted marketing to restaurant entrepreneurs. | Salem DPCD, CoC, North Shore CDC, LLC | | x | | |
| Goal #4: Strengthen and diversify the local workforce and businesses. | | | | | |
| Strategy: Mitigate displacement of current business owners through workforce development and business development programs targeted to Point neighborhood business owners and entrepreneurs. | | | | | |
| Action 4.1: Translate the handbook/guide to doing business in Salem and other business development resources into Spanish. | Mayor's Office, Salem DPCD | x | | | |
| Action 4.2: Build on economic and workforce development partnerships between the City, the North Shore CDC, the Workforce Investment Board, and the Enterprise Center to enliven the local retail environment, emphasis should be on small business education and management, e.g., retail and restaurants uses identified in the market analysis. | Salem DPCD, North Shore CDC, WIB, Enterprise Center | x | x | x | |
| Action 4.3: Support negotiation of community benefits with developers and/or employers that may include local hiring. | Salem DPCD, Mayor's Office | x | x | x | |
| Goal #5: Increase housing options by supporting multifamily development affordable to different incomes and accessible to different household types. | | | | | |
| Strategy: Mitigate displacement of current residents through policies and strategies designed to foster the inclusion of affordable housing stock in priority redevelopment sites in the corridors. | | | | | |
| Action 5.1 Adopt a 40R Smart Growth Overlay District (SGOD) for the primary commercial corridors to ensure inclusion of a minimum of 20% affordable units in residential and mixed use redevelopment projects (SGOD is also referenced in Goal #2, Action 2.1) | Salem DPCD | x | x | | |
| Action 5.2: The City will work with partners to monitor the expiration date of affordable units at risk of expiring in the next 2-5 years in the neighborhood; consider policies including a city-wide one-for-one replacement and/or condo conversion policies. One-for-one replacement policies help preserve overall affordable | Salem DPCD, North Shore CDC, PNA | x | x | x | |

| Goals, Strategies, and Actions | Partners (lead in bold) | Short-term | Mid-term | Long-term | Resources |
|---|---|------------|----------|-----------|-----------|
| housing stock in a city; condo conversion ordinances can levy a housing mitigation fee with reductions provided to converters who agree to limit future rent increases to tenants at time of conversion; they can also require an extended notice period of conversion of apartments to condos, providing some protections to residents and opportunities for community advocacy. | | | | | |
| Action 5.3: Make information about affordable rental and ownership opportunities and housing resources readily accessible to residents within and outside of the Point and available in Spanish. Create accessible materials and communication methods and market available rental and ownership units to residents in neighborhood who meet income eligibility requirements. | Salem DPCD, North Shore CDC, PNA | x | x | x | |
| Action 5.4: Notify the Point Neighborhood Association and the North Shore CDC about public meetings related to developer proposals for priority redevelopment sites. | Salem DPCD, North Shore CDC, PNA | x | x | x | |

Appendix A: Public Engagement Process

The Salem Point Neighborhood Commercial Corridors Revitalization Plan was built on a public engagement process led by the North Shore CDC in partnership with MAPC and the City of Salem. The table below outlines engagement activities undertaken between May and December 2014. The following sections provide summaries of feedback collected through public meetings.

| | |
|---|---|
| Commercial Corridors Advisory Committee May-November 2014 | <p>A fifteen-member Advisory Committee met three times over the course of the study to provide input at key points during the process. The May meeting was a kick off of the planning process. The August meeting provided an opportunity to discuss the opportunity areas for development and redevelopment and to refine the list and identify priority sites for illustrative renderings. The November meeting provided an opportunity to review and discuss the Plan draft and next steps for implementation.</p> |
| Retail Market Analysis Interviews April - May 2014 | <p>As part of the retail market analysis, nine (9) interviews were conducted with owners of groceries/bodegas, salons/nail care, food establishments, clothing stores, and others businesses in the Point neighborhood. Data on challenges and opportunities as identified by these individuals informed the recommendations included in the retail market analysis section of this Plan.</p> |
| Commercial Corridors Study Public Meeting #1 June 30, 2014 | <p>The June 30th public meeting provided the opportunity for participants to learn and ask questions about the preliminary findings from the retail market analysis. Residents had the opportunity to share their ideas of the kinds of businesses they want to see more of and/or may want to open in the Point neighborhood, discuss ideas for how corridors like Lafayette and Congress can be improved in order to better connect the Point neighborhood with the rest of the city, and to learn about the draft list of opportunity areas for development or redevelopment. Over 30 people attended including residents, business owners, and property owners.</p> |
| Salem Point Neighborhood Multicultural Pop-Up Market October 4, 2014 | <p>Partners organized a Multicultural Pop-Up Market that took place on Saturday, October 4. The Pop-Up Market created the opportunity to inform and involve Point business owners, residents, and the larger community about corridor planning efforts outside of the typical public meeting format; highlight the retail offerings in the neighborhood by providing some of the best goods offered by local vendors; and strengthened relationships with local partners (City of Salem, North Shore CDC, and Point Neighborhood Association) to organize an atypical event that advances the city's economic development and community building goals for the Point neighborhood. The market included a collaborative art project led by Salem artist Miguel Cruz, a member of the newly-formed Salem Art Commission. Over 40 people stopped by or participated in the market.</p> |
| Commercial Corridors Study Public Meeting #2 | <p>The November 6th public meeting provided the opportunity for participants to learn about the development potential of the priority development and redevelopment areas in the neighborhood; participate in a visual preference activity showing mixed use and residential development at different densities;</p> |

| | |
|---|--|
| November 6, 2014 | and weigh in on their top priorities among a draft list of corridor action plan recommendations. Over 40 people attended including residents, business owners, and property owners. |
| Plan Development September – December 2014 | The draft Commercial Corridors Action Plan will be posted on the City of Salem, North Shore CDC, and MAPC websites for public review and comment over a two-week period starting December 1, 2014. The final Plan will be submitted to the City of Salem by the end of December, 2014. |

Public Meeting #1: June 30, 2014, 6-8pm



Highlights:

Over 30 people attended the June 30th public meeting. Participants included residents, business owners, developers, and public officials. The goals of the meeting were to:

- introduce the project and provide an opportunity to discuss both economic development and housing potential in the corridors;
provide space for residents and current and prospective business owners to learn about the retail market potential of the Point; and
- provide the space for residents to share information about the needs they see in the primary commercial corridors –Lafayette and Congress.

Attendees had the option to participate in three discussion stations available around the room:

- Priority (re)development site: learn more about the priority redevelopment areas
- Retail market opportunities: learn about the types of retail that could thrive in the neighborhood and share your ideas of the kinds of businesses you want to see more of and/ or may way to open
- Streetscape and connectivity: other ways the commercial corridors could be improved to better connect the Point neighborhood with the rest of the city.

Retail Market Opportunities station highlights:

- Focus on heritage/history
- Creating a “makerspace” – for artisans/makers
- Ideas of offerings: batting cages at Palmer Cove? More ethnic restaurants (Brazilian, Vietnamese)
- Interested in opening: craft beer/tavern restaurant; restaurant/hair salon combo; microbrewery/tap room
- Education for prospective business owners (how to start, funding, etc.)

Streetscape and Connectivity station highlights:

- More business may mean more trash; need to provide education about maintaining cleanliness, e.g., through a kiosk
- Lighting exists but needs to be fixed
- Integrate public/interactive art e.g., through banners; through this art, also highlight history of neighborhood
- Attract food trucks
- Potential for a trolley to come into/through the Point?

Priority (Re)development Areas station highlights:

- CDC intends to purchase and redevelop this property (87 Congress)
- Concern that loss of parking impacts future development
- Public health amenities: gym, full service auditorium, jogging path or extended harbor walk
- Need for shops carrying new fashions – shoes and clothing

October 4, 2014 Multicultural Pop-up Market in Peabody Street Park in the Point Neighborhood



MAPC organized a Multicultural Pop-Up Market that took place in Peabody Street Park in the Point neighborhood. The market was organized in collaboration with the Point Neighborhood Association, the North Shore CDC, and the City of Salem.

The Pop-Up Market created the opportunity to do three things:

1. inform and involve Point business owners, residents, and the larger community about the revitalization plan outside of the typical public meeting format;
2. highlight the retail offerings in the neighborhood by providing some of the best goods offered by local vendors and creating a way to attract out-of-town vendors to participate and bring merchandise identified as filling market gaps identified in our retail market analysis; and
3. innovate engagement strategies and to involve the project partners (City of Salem, North Shore CDC, MAPC) to organize an atypical event that advances the city's economic development and community building goals for the Point neighborhood.

One of the most engaging activities of the day was a collaborative art project led by Salem artist Miguel Cruz, a member of the newly-formed Salem Art Commission. In spite of the heavy clouds and light rain on Saturday, over 50 people participated in one way or another during the four hours of the event.

Public Meeting #2: November 6, 2014, 6-8pm



Highlights:

Over 40 people attended the November 6th public meeting. Participants included residents, business owners, developers, and public officials. The goals of the meeting were to:

- brief attendees on the development potential of priority redevelopment areas in the neighborhood (retail, residential, mixed use) – showing both numbers and visuals;
- engage residents, business owners, property owners, and others in sharing their visual preferences for medium and high density mixed use and residential development (density, design, etc.); and
- engage residents, business owners, property owners, and others in a discussion about the draft strategies to support more office, retail, and residential development – inviting questions, comments, additions, and suggestions.

Attendees had the option to participate in three discussion stations available around the room:

- Prioritizing recommendations – reviewing the draft Corridors Action Plan recommendations; each participant is given five dots and is asked to pick the top five recommendations that should be advanced in the near term
- Visual preference activity – review the images of mixed use and residential developments as well as outdoor public realm activities and amenities; comment on the ones that are most appealing to you and tell us why
- Business resources – learn about resources available from the City of Salem, Accion International, and the Enterprise Center at Salem State University

Highlights from the Prioritizing Recommendations station: The following draft recommendations were voted as top priorities by participants. These will be identified as near-term or ongoing action items in the Corridors Action Plan.

- Attract more food establishments (eat-in restaurants, cafes, medium size grocery) to locate in the neighborhood, e.g., eat-in restaurants, café with music, grocery store with broader offerings, -- marketing stewarded by staff at city, tourism, agency, or main streets organization
- Improve pedestrian environment through beautification and cleanliness programs, e.g., work with local businesses and chambers of commerce to launch programs and competitions for temporary or permanent art and design, e.g., innovative designs for outdoor seating, hanging planters, etc.)
- Encourage local hiring of Point neighborhood residents in existing and new businesses, e.g., support workforce partnerships between local employers and community based organizations providing education and skills training to current residents (continued Working Cities Challenge funded collaborations)
- Build more housing appealing to people of different incomes and household types in order to attract diverse residents to the area, e.g., well-designed multifamily and mixed-use developments; with studio, 1,2, 3+ bedroom units

Appendix B: Characteristics of the Opportunity Areas

Opportunity Areas for Development or Redevelopment in the Salem Point Neighborhood Commercial Corridors

Source: 2011 Salem Assessor's data

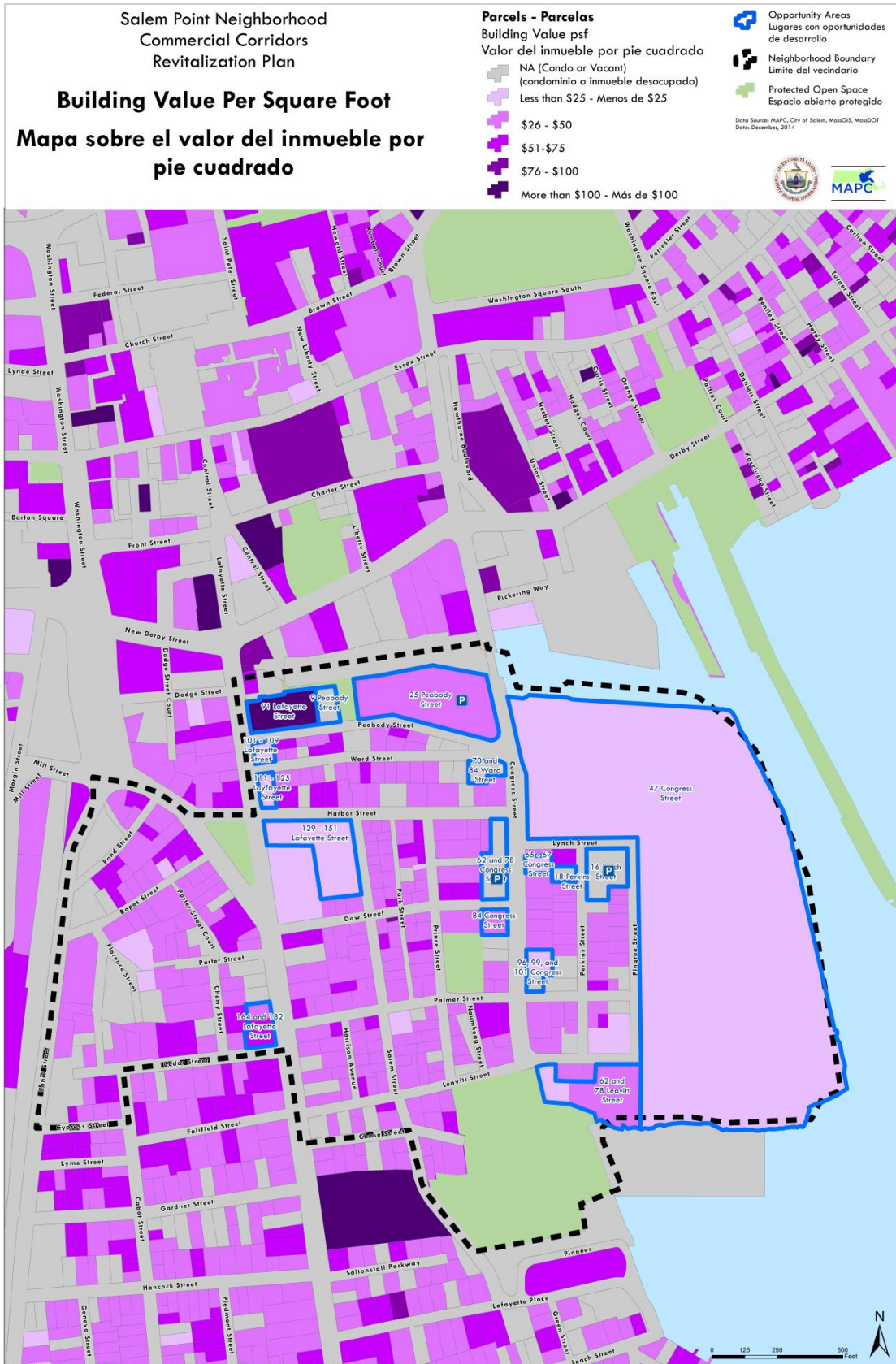
| Address | Land Value (2011) | Building Value (2011) | Value of Other Improvements to Land (2011) | Total Value of Parcel (2011) | Impr. to Land Value Ratio (2011) | Building Area in SF (2011) | Lot Area in SF (2011) | Floor Area Ratio (2011) | % Imper-vious (2011) | % Bldg Covera ge (2011) | Bldg Value per SF (2011) |
|---------------------------------|--|---|--|---|----------------------------------|----------------------------------|---|-------------------------------|-----------------------------------|------------------------------|--|
| 47 CONGRESS STREET | \$8,761,600 | \$16,581,100 | \$507,200 | \$25,849,900 | 2.0 | 1,788,320 | 1,236,178 | 1.4 | 94.7 | 50.6 | \$9 |
| 65-67 CONGRESS STREET | \$128,200 | \$69,600 | \$5,000 | \$202,800 | 0.6 | 3,956 | 6,729 | 0.6 | 100.0 | 56.9 | \$18 |
| 78 CONGRESS STREET | \$108,700 | \$0 | \$18,900 | \$127,600 | 0.2 | 0 | 24,856 | 0.0 | 93.4 | 0.4 | not available |
| 84 CONGRESS STREET | \$82,500 | \$85,900 | \$30,700 | \$199,100 | 1.4 | 2,409 | 9,648 | 0.2 | 99.6 | 20.2 | \$36 |
| 95, 99, and 101 CONGRESS STREET | \$91,700 (95), \$42,200 (99), and \$29,900 (101) | \$209,600 (95), \$0 (99), and \$0 (101) | \$8,600 (95), \$0 (99), and \$0 (101) | \$309,900 (95), \$42,200 (99), and \$29,900 (101) | 2.38 (95), 0 (99), and 0 (101) | 11,245 (95), 0 (99), and 0 (101) | 7,794 (95), 2,810 (99), and 3,128 (101) | 1.4 (95), 0 (99), and 0 (101) | 100 (95), 100 (99), and 100 (101) | 67 (95), 0 (99), and 0 (101) | \$19 (95), not available (99), and not available (101) |
| 91 LAFAYETTE STREET | \$342,700 | \$507,900 | \$32,200 | \$882,800 | 1.6 | 3,249 | 35,284 | 0.1 | 80.6 | 9.7 | \$156 |
| 101-109 LAFAYETTE STREET | \$169,900 | \$199,900 | \$1,500 | \$371,300 | 1.2 | 13,770 | 6,168 | 2.2 | 100.0 | 97.9 | \$15 |

| Address | Land Value (2011) | Building Value (2011) | Value of Other Improvements to Land (2011) | Total Value of Parcel (2011) | Impr. to Land Value Ratio (2011) | Building Area in SF (2011) | Lot Area in SF (2011) | Floor Area Ratio (2011) | % Impervious (2011) | % Bldg Coverage (2011) | Bldg Value per SF (2011) |
|--|-------------------------------------|-------------------------------------|--|-------------------------------------|----------------------------------|-----------------------------|------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|
| 111-125 LAFAYETTE | \$917,100 | \$520,300 | \$0 | \$1,437,400 | 0.6 | 31,788 | 7,701 | 4.1 | 100.0 | 86.0 | \$16 |
| 129-151 LAFAYETTE STREET ¹⁰ | \$969,300 | \$478,300 | \$0 | \$1,447,600 | 0.5 | 92,996 | 114,056 | 0.8 | 88.9 | 33.5 | \$5 |
| 164 and 172 LAFAYETTE STREET | \$166,100 (164) and \$201,000 (172) | \$100,100 (164) and \$376,100 (172) | \$4,600 (164) and \$7,000 (172) | \$270,800 (164) and \$584,100 (172) | 0.6 (164) and 1.9 (172) | 2,512 (164) and 5,046 (172) | 5,928 (164) and 11,052 (172) | 0.4 (164) and 0.5 (172) | 98.5 (164) and 96.6 (172) | 23.5 (164) and 46.5 (172) | \$40 (164) and \$75 (172) |
| 9 PEABODY STREET | \$62,200 | \$0 | \$10,900 | \$73,100 | 0.2 | 0 | 11,103 | 0.0 | 98.7 | 0.0 | not available |
| 25 PEABODY STREET | \$618,500 | \$243,000 | \$104,900 | \$966,400 | 0.6 | 8,706 | 107,352 | 0.1 | 74.5 | 4.8 | \$28 |
| 62 and 78 LEAVITT STREET | \$161,000 (62) and \$468,000 (78) | \$152,500 (62) and \$187,000 (78) | \$6,800 (62) and \$159,700 (78) | \$320,300 (62) and \$815,000 (78) | 1.0 (62) and 0.7 (78) | 8,253 (62) and 6,540 (78) | 12,806 (62) and 51,280 (78) | 0.6 (62) and 0.1 (78) | 85.5 (62) and 96.5 (78) | 36.5 (62) and 12.4 (78) | \$19 (62) and \$29 (78) |
| 18 PERKINS STREET | \$75,900 | \$0 | \$7,200 | \$83,100 | 0.1 | 0 | 5,370 | 0.0 | 100.0 | 0.0 | not available |
| 16 LYNCH STREET | \$118,000 | \$0 | \$24,200 | \$142,200 | 0.2 | 0 | 270,774 | 0.0 | 91.2 | 0.1 | not available |

¹⁰ Planning Office of Urban Affairs has purchased this property and a portion has been redeveloped. Assessor's data for these addresses is not reflective of major redevelopment activity that has occurred since 2011.

| Address | Land Value (2011) | Building Value (2011) | Value of Other Improvements to Land (2011) | Total Value of Parcel (2011) | Impr. to Land Value Ratio (2011) | Building Area in SF (2011) | Lot Area in SF (2011) | Floor Area Ratio (2011) | % Impervious (2011) | % Bldg Coverage (2011) | Bldg Value per SF (2011) |
|-----------------------|---------------------------------|--------------------------|--|----------------------------------|----------------------------------|----------------------------|--------------------------|-------------------------|------------------------|------------------------|---|
| 64 and 70 WARD STREET | \$82,000 (64) and \$14,300 (70) | \$93,400 (64) and 0 (70) | \$3,100 (64) and \$0 (70) | \$178,500 (64) and \$14,300 (70) | 1.2 (64) and 0 (70) | 3,654 (64) and 0 (70) | 6,010 (64) and 3853 (70) | 0.6 (64) and 0 (70) | 96.7 (64) and 100 (70) | 59.6 (64) and 0 (70) | not available (64) and not available (70) |

The following maps illustrate the characteristics of the opportunity areas in the context of the neighborhood and parcels in the downtown, including building value per square foot of floor area, floor area ratio, tax revenue per parcel/acre, and improvements to land value ratio (I/L ratio).



Salem Point Neighborhood
Commercial Corridors
Revitalization Plan

Floor Area Ratio (FAR)

Mapa del índice de edificabilidad

Parcels - Parcelas

Floor Area Ratio (FAR)
Índice de edificabilidad

- Vacant - Desocupado
- Less than 0.50 - Menos de 0.50
- 0.51 - 1.0
- 1.01 - 1.50
- 1.50 - 3.0
- More than 3.01 - Más de 3.01

Opportunity Areas
Lugares con oportunidades
de desarrollo

Neighborhood Boundary
Límite del Vecindario

Protected Open Space
Espacio abierto protegido

Data Source: MAPC, City of Salem, MassGIS, MassDOT
Date: December, 2014









Salem Point Neighborhood
Commercial Corridors
Revitalization Plan


Tax Revenue Per Parcel
Mapa de ingresos
fiscales por parcela


Parcels - Parcelas

Tax Revenue per Parcel
Ingresos fiscales por parcela

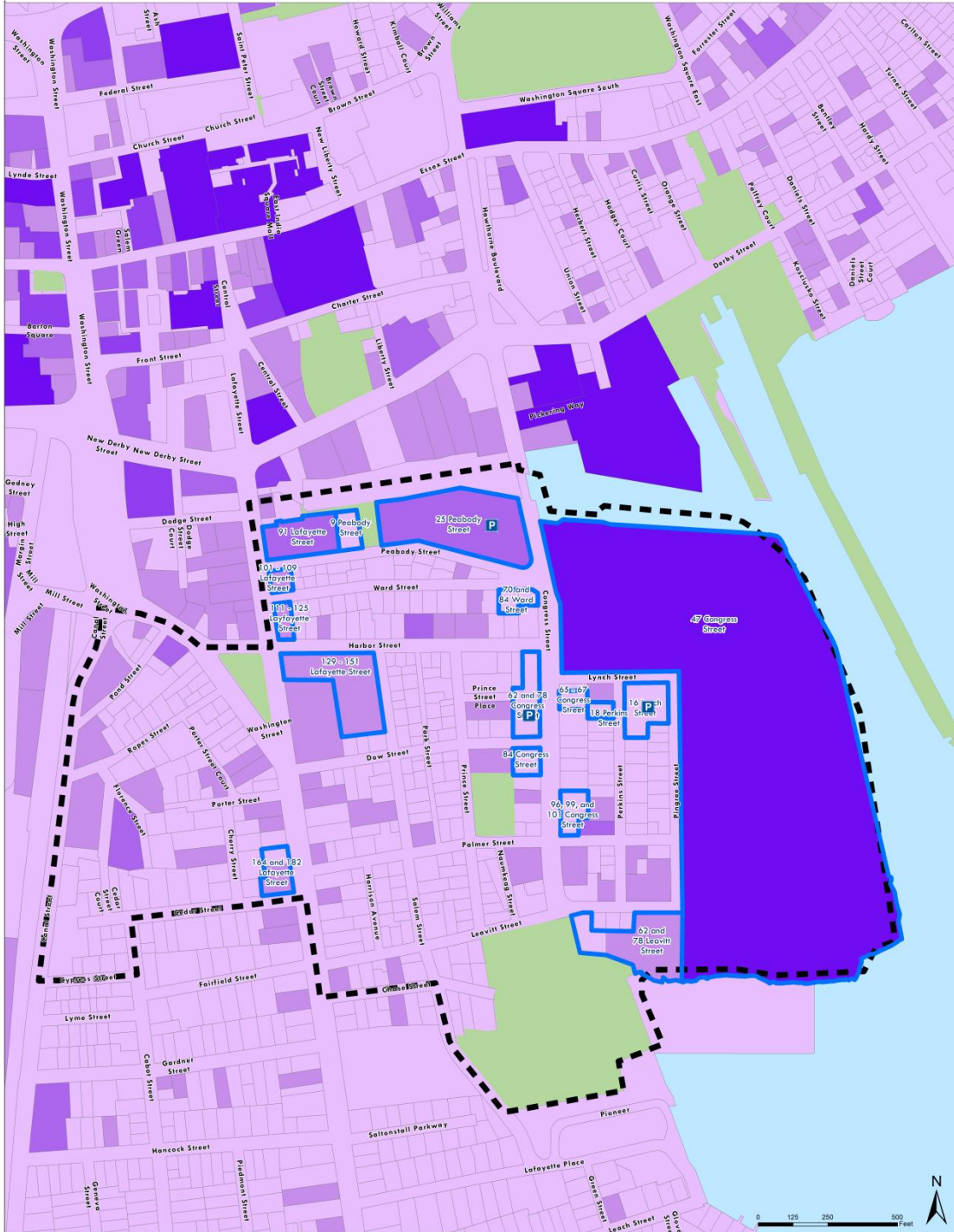
-  Under \$10,000 - Menos de \$10,000
-  \$10,001 - \$25,000
-  \$25,001 - \$50,000
-  \$50,001 - \$100,000
-  More than \$100,000 - Más de \$100,000

 Opportunity Areas
Lugares con oportunidades
de desarrollo

 Neighborhood Boundary
Límite del vecindario

 Protected Open Space
Espacio abierto protegido

Data Source: MAPC, City of Salem, MassGIS, MassDOT
Date: December, 2014



Salem Point Neighborhood
Commercial Corridors
Revitalization Plan

Opportunity Areas **Lugares con oportunidades de desarrollo**

Improvement to Land Value Ratio (I/L Ratio)
Mejora del índice de valor de la tierra

Parcels - Parcelas

Improvement to Land Value Ratio (I/L Ratio)
Mejora del índice de valor de la tierra

- NA (likely a condo property)
(posiblemente un condominio)
- Land value higher than building
Valor de la tierra mayor que el edificio
- Building value slightly higher than land value
Valor del inmueble ligeramente mayor que el valor de la tierra
- Building value double land value
Valor del inmueble duplica el valor de la tierra
- Building value 3-4x land value
Valor del inmueble de 3 a 4 veces mayor que el valor de la tierra
- Building value 5+x land value
Valor del inmueble 5 veces o más de 5 veces mayor que el valor de la tierra



Opportunity Areas
Lugares con oportunidades
de desarrollo



Neighborhood Boundary
Limite del vecindario



Protected Open Space
Espacio abierto protegido

Data Sources: MAPC, City of Salem, MassGIS, MassDOT
Date: December, 2014



Appendix C: Retail Market Analysis – Additional Tables

Table A.1. Existing Retail Composition, Point Neighborhood

| Retail Establishment | NAICS |
|--|--------|
| Lafayette Street | |
| Orange Leaf Yogurt | 445299 |
| Winer Brothers Ace Hardware | 444130 |
| Banville Optical | 446130 |
| Salem Theater Company | 711110 |
| Aleri's Dental Center | 621210 |
| Vacant Restaurant | 722511 |
| D'jay's Variety & Beauty Supply | 446120 |
| Boston Nails Salon | 812113 |
| Salem Dry Cleaning | 812320 |
| Laundromat | 812310 |
| Los Amigos Supermarket | 445120 |
| Beverly Cooperative Bank | 522120 |
| Keller Williams Realty | 531210 |
| Soucy Insurance | 524210 |
| Wendy's | 722513 |
| Paaastelitos - Coming Soon | 722513 |
| Vapor Outlet - Coming Soon | 453991 |
| Salem Grill and Chicken | 722513 |
| D'Bonny Barber Shop and Salon | 812112 |
| Witch Dr | 424990 |
| Bodega (not sure name) | 445110 |
| Botanica San Miguel | 453998 |
| Glitterati | 448120 |
| Erika's Beauty Salon | 812112 |
| Vacant | 0 |
| Zagare Boutique Salon | 812112 |
| Vacant Store | 0 |
| Prime Gas Station and Mart | 447110 |
| Lafayette Square/ Washington Street | |
| Salem Business Center | 561439 |
| The Record Exchange | 443142 |
| Metro PCS | 443142 |
| Xiomara's Salon | 812112 |
| Messiah Travel | 561510 |
| The Art Corner | 453998 |
| Major MagLeashe's Pub | 722410 |
| Catholic Charities | 236220 |
| Atlantic Credit Corporation | 522291 |

| Retail Establishment | NAICS |
|----------------------------------|--------------|
| Therapeutic Counseling | 621330 |
| New York Food Market | 445120 |
| Kennedy Food Mart | 445120 |
| Osterio Levantate Y Resplandece | 722513 |
| Leavitt Street | |
| Tropicana Market | 445120 |
| On Point - Plummer Home for Boys | 236220 |
| Santisi's Garage | 811111 |
| Leavitt Street Auto Body & Paint | 811111 |
| Harbor Sweets | 445292 |
| Congress Street | |
| Deli House | 722513 |
| Design Flow Wraps | |
| Remix Church | |
| Essex County Craftsman | |
| Dupilka Chiropractic | 621310 |
| Awnings by Pelletier | 423390 |
| The Exchange (Vacant) | 722513 |
| Pequot Filling Station | 811111 |
| Celia's Restaurant | 722513 |
| Salem Community Child Care | 624410 |
| Congress Street Market | 445120 |
| Laundromat | 812310 |
| Master Hair Design | 812112 |
| Bani Market | 445120 |
| Harbor Street | |
| Marc's Market | 445120 |
| Lily's Sportswear (Vacant) | 448120 |

Table A.2: Total Supportable Retail by Trade Area

| | Avg Sales PSF | Avg Store Sizes | Neighborhood Trade Area | | | Primary Trade Area (1-Mile Radius) | | | Secondary Trade Area (5-mile Radius) | | |
|---|---------------|-----------------|-------------------------|------------------------------|---------------|------------------------------------|------------------------------|----------------|--------------------------------------|------------------------------|-------------|
| | | | Retail Gap/Surplus | Supportable SF (Capture 33%) | # of Stores | Retail Gap/Surplus | Supportable SF (Capture 20%) | # of Stores | Retail Gap/Surplus | Supportable SF (Capture 10%) | # of Stores |
| Furniture & Home Furnishings Stores | 225 | 2,000-4,000 | \$563,963 | 877 | 0.3 | \$3,933,178 | 3,718 | 1.4 | \$18,232,416 | 8,319 | 2.6 |
| Electronics & Appliance Stores | 225 | 5,500 | \$621,719 | 912 | 0.2 | \$2,400,332 | 2,134 | 0.4 | \$0 | - | 0.0 |
| Food & Beverage Stores* | 360 | 2,000-25,000 | \$1,543,864 | 1,458 | 0.1 | \$21,490,393 | 14,406 | 0.7 | \$28,043,741 | 7,790 | 0.9 |
| Clothing & Clothing Accessories | 190 | 2,000 | \$1,125,700 | 2,235 | 1.1 | \$14,378,531 | 14,941 | 7.5 | \$38,798,535 | 19,843 | 9.9 |
| Sporting Goods, Hobby, Book and Music Stores | 190 | 2,000-5,000 | \$0 | - | 0.0 | \$1,551,312 | 3,723 | 0.7 | \$361,470 | 190 | 0.0 |
| Miscellaneous Store Retailers | 150 | 1,500-4,000 | \$318,054 | 704 | 0.3 | \$501,993 | 2,127 | 0.5 | \$6,082,048 | 3,797 | 1.7 |
| Food Services & Drinking Places | 300 | 2,000-3,000 | \$207,442 | 225 | 0.1 | \$1,109,348 | 792 | 0.4 | \$45,050,806 | 13,165 | 4.8 |
| Totals | | | \$4,380,742 | 6,410 | 1 to 2 | \$45,365,087 | 41,840 | 11 - 12 | \$136,569,016 | 53,104 | 20 |

Table A.3: Links to Businesses

- **Stop and Compare Supermarket:** <http://www.stopandcompare.net/>
- **Foodie's Markets:** <http://foodiesmarkets.com/>
- **Harvest Co-op Markets:** <http://www.harvestcoop.com/>
- **Brothers Marketplace:** <http://www.rochebros.com/hiring-now-for-brothers-marketplace/>
- **Pennyworths:** <http://www.hymanspennyworths.com/>
- **Marathon Sports:** <http://www.marathonsports.com/>
- **Boomerangs Thrift Stores:** http://action.aac.org/site/PageServer?pagename=boom_home
- **Centre Fashion:** 362 Centre Street, Jamaica Plain, (617) 522-0005 (no website)
- **Rainbow:** <http://www.rainbowshops.com/>
- **Home Basix:** <http://www.yelp.com/biz/home-basix-jamaica-plain>
- **Local Salem Restaurants:** Direct outreach.
- **El Taller:** <http://eltallerarts.com/>
- **Café Azteca:** <http://www.cafe-azteca.com/#about>
- **Tacos Lupita:** <http://tacoslupitagloucester.com/>
- **El Oriental de Cuba:** <http://www.elorientaldecuba.net/>
- **Tostada!:** <http://www.yelp.com/biz/tostado-sandwich-bar-boston>
- **Pho Dakao:** <http://www.phodakao.com/>
- **Diesel Café and Bloc 11:** <http://www.diesel-cafe.com/> and <http://bloc11.com/>
- **Serenitee Restaurant Group:** <http://sereniteerestaurants.com/>
- **Harbor Sweets:** <http://www.harborsweets.com/>
- **Local Colors Artist's Cooperative:** <http://www.local-colors.org/>
- **Local Museums:** <http://www.pem.org/> and <http://www.salemwitchmuseum.com/>
- **Gallery Owners:** Research required.

Appendix D: CommunityViz Scenarios Modeling Overview

MAPC used CommunityViz as a tool for conducting interactive scenario modeling for priority development or redevelopment areas in the Point neighborhood. The CommunityViz Scenario 360 software is an ArcGIS extension that can be used to create land use scenarios by incorporating a variety of input datasets, conducting a set of calculations based on user-defined assumptions, and generating a variety of outputs at the parcel and municipal level. Input datasets used for the modeling include spatial information, parcel attributes, and information about densities and dimensional requirements.

Inputs include:

- **Attributes** are properties or characteristics of map features (similar to fields, field attributes, or data columns). Attributes used in the Salem analysis are collected from Assessor's data.
- **Dynamic attributes** are attributes that is automatically or manually get updated as changes are made in the analysis. Dynamic attributes are, for the most part, coded by MAPC specifically for this analysis, not "out of the box" calculations. In our analysis, dynamic attributes are customized calculations that use attributes from the input datasets to calculate estimates of interest.
- **Assumptions** are a select set of key input variables that can be easily adjusted to reflect specific policy alternatives, such as the minimum number of units for inclusionary zoning or development uncertainties, such as the reduction in density that may result from impermeable or shallow soils. Different combinations of assumption values can be used to create a range of scenarios reflecting different policy choices or uncertainties.
- **Indicator** values are the total measurement of attribute values in any given scenario, as opposed to the value/characteristics of a single feature. For example, the total dwelling unit capacity of all parcels in town or in a specific zoning district is an indicator that will vary depending on the scenario.
- **Formulas**, as defined in the CommunityViz Scenario 360 glossary, are expressions that specify how the elements of an analysis depend on one another. There are two kinds of formulas being used in the buildout analysis: Indicator Formulas, and Attribute Formulas.

Attributes used in the modeling include:

- Lot area of the existing case in square feet
- Floor area ratio
- Square feet of commercial floor area
- Commercial floor area ratio
- Dwelling unit size (average in square feet)
- Dwelling unit count
- Dwelling unit density (per acre)
- Number of residents per dwelling unit (average)
- Commercial water use
- Residential water use
- Water use per dwelling unit

- Per floor area value of existing case (in dollars)
- Impervious surface of existing case (in square feet)

Building Types

Building types were developed for modeling purposes. Application of a building type to a parcel or group of parcels (opportunity area) allowed MAPC to generate estimates of the development or redevelopment potential of each opportunity area.

Each building type is based on an existing case and is modeled to represent the characteristics of buildings associated with a type of development. The existing case is an actual recent development in the region, and the building characteristics are drawn from a variety of data sources such as a property's tax assessment, online resources such as Zillow.com, and available information from developers' websites for properties.

The City of Salem identified multifamily housing and mixed use development (including housing, retail, restaurant, or office uses) as the suitable development types for parcels in the commercial corridors. In order to create building types reflective of these development types, MAPC referenced Assessor's data for existing developments in Salem or in other parts of the MAPC region that were examples of high density, multifamily development and mixed use medium or high density development.

The following developments were referenced to develop the multifamily and mixed use building types:

- Mixed use scenario, medium density: Pickering Wharf at 98 Wharf Street, Salem (17 units per acre)
- Mixed Use scenario, high density: "Washington at Derby Building" at 155 Washington Street and 26 New Derby Street, Salem (42 units per acre,)
- Multifamily scenario, high density: 50 Palmer Street, Salem (42 units per acre)

Scenarios Modeling Outputs

Select data from the analysis is provided in Table 9 of this Corridor Plan. The range of data generated by the model (using the density from the applied building type) includes:

- Adjusted residential floor area
- Total dwelling units (adjusted)
- Total square footage of commercial floor area (adjusted)
- Additional value from added residential floor area (\$)
- Additional value from added commercial floor area (\$)
- Estimated pre-development costs
- Estimated development costs
- Estimated demolition costs
- Estimated average rent – residential – per square feet
- Estimated average rent – commercial – per square feet
- Estimated annual rental income
- Estimated additional tax revenue

Modeling Modes Used

Two approaches to modeling were used:

- The Land Use mode allows for the application of one building type to a defined study area (e.g., a parcel or a larger area consisting of multiple parcels) and the scaling of the building type up or down depending on the size of the study area. Applying a building type to an area generates a set of estimates (a development alternative) based on the dwelling unit density, commercial floor area ratio, and other inputs specified in the applied building type. Multiple development alternatives can be generated for a study area through the application of different building types, however only one building type can be used in each instance of land use modeling.
- The Building mode allows for the application of a variety of building types within a defined study area (e.g., a parcel or a larger area consisting of multiple parcels). Multiple building types can be placed within a study area;; values generated for different buildings within the parcel or study area can then be added up to generate an estimate for the entire study area. A combination of building types can be placed within the study area in each instance of building mode modeling, creating options for a range of development alternatives.

Overview of the Method for Estimating Residential Dwelling Units and Commercial Floor Area

As noted, each building type used was modeled from an existing case. When placing down a building type, the number of new dwelling units and/or square foot of floor area values are relative to the size of the development, which itself depends on the underlying parcel that the development is placed on. Therefore, for each building type, these values are normalized and expressed as density values of: units per acre for residential dwelling units and floor area ratio for commercial floor area. Additionally, MAPC calculated the square foot of residential floor area and a total building floor area ratio representing the sum of all building floor area of the building type. Each building type also has a “required lot area in square feet” field, which has the original lot area that the density values are calculated from.

The tool uses the building type’s “required lot area” field to evaluate the parcel’s developable area against the original building type’s lot area, subtracting/adding to units/floor area values based on the difference and using the density values. When placing a building-type on a parcel, users can indicate if the development is partial, meaning the development will be added to the existing buildings/units, or not partial which means development will replace the current buildings if any on the property. All the associated values, such as development costs, added value, and added tax return are using the indication of partial/not partial to calculate the fields.

For the analysis of opportunity areas in this Plan, in most cases we used the Land Use Mode and selected “full redevelopment,” to represent complete redevelopment and removal of current structures in the opportunity area. We also used the Building Mode to generate estimates for 47 Congress Street and 129-151 Lafayette Street in order to specify redevelopment and removal of specific structures within the parcel.

Overview of the Method for Estimating the Additional Value and Added Tax Revenue

Additional tax revenue is calculated by first estimating the property's new assessed value. The added value to a given property is calculated through adding the value associated with new floor area to the property's land value. Value change estimates are calculated as estimated new building value minus existing building value for each property; the difference is multiplied by the corresponding tax rate (residential or commercial/industrial) to provide an estimate of additional tax revenue. Note that we assumed the land value of the properties to remain constant under any scenario (a likely underestimate), and we assume that none of the future development would be tax-exempt.

In this analysis of Point neighborhood opportunity areas, the figures are based on the fiscal year 2013 tax rate of \$15.88 per \$1,000/Residential - \$25.42 per \$1,000/Commercial, Industrial Properties.

Appendix E: Housing, Economic, and Infrastructure Actions from the Salem Point Neighborhood Vision and Action Plan

The following text is excerpted from the Salem Point Neighborhood Vision and Action Plan for 2013-2020, available in its entirety at www.mapc.org/salempointvision.

Vision Element #5: Housing and Economic Development

Point neighborhood residents have access to both affordable rental and ownership opportunities in the neighborhood that meets their needs and stage in life, housing stock is compliant with applicable codes and standards, and the neighborhood has different recreational options that appeal to residents of all ages.

Goal: The City of Salem and community partners including the Salem Problem Properties Task Force will enforce regulations pertaining to housing quality and public health, connect residents with existing housing resources, and help secure new resources that will improve the diversity and quality of housing available for rent and for ownership in the Point.

Actions:

1. **Assess resident needs in rental and homeownership opportunities to inform city housing investments and education opportunities in English and Spanish.** The City of Salem will work with community partners including the Salem Landlord Association and the Point Neighborhood Association to hold focus group meetings with residents to better understand housing needs. Focus groups will include residents interested in homeownership, first-time homebuyers, seniors, and individuals in protected classes including low-income households and people with disabilities. Collected information will inform the city's housing planning in the Point and guide the provision of housing workshops on topics like fair housing law, tenant and landlord rights. Workshops may be led by outside groups with expertise in these topic areas.
2. **Identify areas of the Point with redevelopment potential and prioritize CDBG funding and City Housing Rehabilitation funds.** Expand commercial investment opportunities by developing a Congress Street corridor revitalization plan. Develop an inventory of underutilized parcels in the Point, conduct site assessments, and invite public input through the Point Neighborhood Association regarding reuse potential and any constraints that would limit redevelopment. The Salem Problem Properties Task Force will meet quarterly to target code enforcement of blighted properties. Work with community partners such as North Shore CDC, via their YouthBuild-North Shore program, to offer reduced cost rehabilitation to landlords to bring cited properties up to code. Funding toward the rehabilitation of CDC-owned properties is committed for FY14.
3. **Make information about affordable rental and ownership opportunities and housing resources readily accessible to residents within and outside of the Point and available in Spanish.** Create accessible materials and communication methods and market available rental and ownership units to residents in neighborhood who meet income

eligibility requirements. The City will pursue partnerships with nonprofits in the neighborhood to ensure that housing opportunities are accessible to residents in the neighborhood, such as home rehabilitation loans and fuel assistance for qualified homeowners.

4. **Support development that includes a mix of housing, business, and offices uses in the Point and housing that is affordable to different incomes.** Work with public and private developers to promote property reuse and redevelopment that is consistent with goals to provide affordable housing to people of different incomes and with respect to historic assets. The North Shore CDC will identify, purchase, and rehabilitate critical, blighted properties. Community partners will encourage and advocate that new developments in other parts of the City of Salem include on-site affordable housing units to off-set the disproportionate presence of affordable housing in the Point neighborhood while still meeting the housing needs of the community.
5. **Support designation of the Point neighborhood as a place on the National Register of Historic Places.** Explore the opportunity to have the Point neighborhood listed on the National Register of Historic Places to both recognize the Point's contribution to Salem's history as well as to qualify the neighborhood for investment via state and federal historic tax credits.
6. **Pursue economic development planning in key commercial corridors in the Point neighborhood.** Activate the lower Lafayette Street and Congress Street commercial corridors by promoting tourism, economic activity and inclusivity with the booming downtown economy. The City of Salem will capture resident interests in uses like clothing shops, cafes and cultural venues with live music and take them into account when undertaking economic development planning and determining plans for city-owned property in the Point. This could include a satellite Salem Farmer's Market location in the Point neighborhood, bringing the 'red line' guiding tourists into the Point to highlight the historic architecture, immigrant history and waterfront, promoting walking tours of the Point neighborhood, and expanding the Salem Main Streets program to include a focus on Lower Lafayette (also known as LOLA) to bridge downtown Salem and the Point.

Vision Element #6: Infrastructure

The Point neighborhood offers residents and visitors a clean environment and safe options for getting to where they need to go – whether it is by foot, by wheelchair, by stroller, by bike, by bus, or by car.

Goal: The City of Salem and community partners are committed to making infrastructure improvements that improve the quality of infrastructure in the Point, improving the cleanliness of the streets and the experience for people who use various modes of transit, and making improvements that enhance safety and security.

Actions:

1. **Improve trash and recycling resources.** Install solar compactors and recycling bins on every block alongside trash bins. Address trash issues in the parks by providing sturdy, secure lidded trash barrels and recycling bins in the parks and empty them on a timely

basis. Reach the goal of installing ten (10) new trash barrels throughout the neighborhood. Expand trash pick-up to twice per week and street sweeping schedule to four times per year in the Point in light of the neighborhood's population density and documented litter problems. Should a City Council decision on recycling be approved, the City of Salem and community partners will prioritize implementation of solar compactors and recycling bins in the Point neighborhood and undertake a recycling education campaign in the neighborhood once bins are installed. Ensure implementation by hiring a recycling coordinator for the City.

2. **Implement infrastructure improvements in main commercial corridors in the Point neighborhood: lower Lafayette Street and Congress Street.** Promote investment, tourism and economic vitality by carrying the historic character of downtown Salem up into the Point neighborhood by installing bricked sidewalks, historic acorn lighting, improved curbing and landscaping. Repave streets and sidewalks identified as priority needs in the V & A Plan. Focus on improving key areas including Peabody, Congress, and Lafayette streets.
3. **Invest resources in improving building structure facades and historic corridors in the neighborhood.** Continue to implement the City of Salem Storefront Improvement Program and adapt publicity materials so they are accessible to business owners who may have limited English proficiency. Focus investments in the Lower Lafayette and Congress Street corridors and in parcels flagged in the 2013 Salem Point Neighborhood Parcel Conditions Survey. Address hanging wires and façade conditions at utility substation. North Shore CDC will partner with Historic Salem, Inc. to identify key historic buildings in the Point with appropriate historical markers beginning in 2014.

Appendix F: Resources

Managing Neighborhood Change

MAPC Managing Neighborhood Change Toolkit

<http://www.mapc.org/neighborhood-change>

MAPC's Managing Neighborhood Change: Selected Anti-Displacement Strategies in Practice toolkit supports MetroFuture's Housing Choices goals and strategies for the MAPC region by providing information on anti-displacement best practices and examples of local strategies in action. These strategies are intended to advance the interests of lower-income individuals and families who are at risk of displacement from their neighborhoods due to new investment in housing, businesses, and infrastructure, including transit. This toolkit is based on a comprehensive literature review of academic and non-academic reports released over the last 10 years. It uses data, case studies, and planning project work to understand indicators of displacement and create a responsive framework that integrates them into planning policies and programs.

PolicyLink Equitable Development Toolkit

<http://www.policylink.org/equity-tools/equitable-development-toolkit/about-toolkit>

Equitable development is an approach to creating healthy, vibrant, communities of opportunity. Equitable outcomes come about when smart, intentional strategies are put in place to ensure that everyone can participate in and benefit from decisions that shape their neighborhoods and regions. This online toolkit -- referred to as EDTK -- includes 27 tools to reverse patterns of segregation and disinvestment, prevent displacement, and promote equitable revitalization. Click below to view all tools or by issue area.

Marketing and Publicity

City of Newton Commercial Real Estate Connection Page

<http://www.newtonma.gov/gov/planning/lrplan/econdev/reconnect.asp>

The webpage manages listings of vacancies in the village centers, and in commercial corridors and office parks. This page is a resource as the City and partners work to market the development/redevelopment opportunity areas in the commercial corridors.

Overview of Chapter 40R

760 CMR 59.00: Smart Growth Overlay District (M.G.L. c. 40R)

Smart Growth is a principle of land development that, as set forth in M.G.L. c. 40R, § 1 and 760 CMR 59.00, aims to help municipalities in the Commonwealth to: increase the availability of affordable housing in the Commonwealth by creating a range of housing opportunities in neighborhoods; emphasize mixing land uses; takes advantage of compact design; foster distinctive and attractive communities; preserve open space, farmland, natural beauty and critical environmental areas; strengthens existing communities; provide a variety of transportation choices; makes development decisions predictable, fair and cost effective; and encourage community and stakeholder collaboration in development decisions.

Chapter 40R was enacted in 2004 and was passed into law as part of the FY2005 state budget. The purpose of the chapter is to encourage cities and towns to establish new zoning districts to promote smart growth and increased housing production in Massachusetts. Chapter 40R seeks to

increase the supply of housing and decrease its cost by increasing the amount of land zoned for densities that are higher than the underlying zoning will allow. It also targets the need for more housing for low- and moderate-income households by requiring the inclusion of affordable units in most private projects within the 40R District.

The 40R District that is adopted or amended by a municipality, pursuant to M.G.L. c.40R and in accordance with the procedures for zoning adoption and amendment as set forth in M.G.L. c.40A and approved by the Department pursuant to M.G.L. c.40R and 760 CMR 59.00, is also referred to as the **Smart Growth Zoning**.

40R Smart Growth Zoning districts can be sited in one of three **Eligible Locations**¹¹ if it meets one or more of the following criteria:

1. comprises part or all of the land located within ½ mile distance of any rapid transit or commuter rail station, bus, or ferry terminal, plus any qualifying Adjacent Area;
2. comprises part or all of the land located within an Area of Concentrated Development, including a city or town center, an existing commercial district, or an existing rural village district, plus any qualifying Adjacent Area; is currently served or scheduled to be served – within five years of the application – by public sewer(s) and/or private sewage treatment plant(s); at least 50% of the total land area is either Substantially Developed Land or Underutilized Land; and the primary current use (or, in the case of Underutilized Land, the primary current zoning) of land and or buildings in the proposed District is commercial (including retail, office, or industrial businesses) or mixed use, or – in the case of a rural village district – commercial, mixed use or residential; and
3. comprises part of all of the land located within a Highly Suitable Location. If the proposed District does not qualify under either of the other two categories of Eligible Location and is nevertheless a location where development would promote Smart Growth, evidence may included, but would not be limited to, the degree to which the location is: near (though not within ½ mile of) a rapid transit or commuter rail station or bus or ferry station terminal; the location has Transportation Access; proposed zoning in the location and existing zoning near the location will encourage compact, land-use-efficient design, and Mixed-use Development; infill and redevelopment of previously-developed areas with Infrastructure are likely to occur that will help to preserve Open Space, farmland, natural beauty, and critical environmental areas elsewhere in the Municipality; and the location has been previously identified as an appropriate locus for higher-density housing or higher-density Mixed-use Development in an adopted Municipal, regional or state plan.

As-of-right Residential and Mixed Use Development. Projects must be developable As-of-right under the Smart Growth Zoning subject only to the review of plans and the application of design standards by a local Plan Approving Authority. In a District, the Smart Growth Zoning shall allow residential projects As-of-right and it may also permit Mixed-use Development projects As-of-right at the residential densities set forth in the Smart Growth Zoning. The 40R regulation defines Mixed-use Development as a Project containing a mix of some or all of Multi-family Residential, two- and three-family residential, and single-family residential uses, together with commercial,

¹¹ If a portion of a parcel of land falls within an Eligible Location, then all of such land, to the extent of its legal boundaries, may also be deemed an Eligible Location.

institutional, industrial, or other non-residential uses, in which the applicable residential densities set forth in 760 CMR 59.04(1)(d)1. through 3. apply proportionally to the residential portion of the Mixed-use Development Project in accordance with 760 CMR 59.04(1)(d)3. The 40R regulation defines Multi-family Residential Use as apartment or condominium units in buildings that contain or will contain more than three such units, provided that the Smart Growth Zoning may treat attached townhouses on separate lots as single-family residential use. See 760 CMR 59.04(a)(4).

Affordability. The Smart Growth Zoning must require that not less than 20 percent of all units constructed within Projects of more than 12 units must be affordable and be deed-restricted for at least 30 years. The Zoning may also specify decreased maximum income limits of eligible households (below 80 percent of the area-wide median income as determined by the Department of Housing and Urban Development.) The Smart Growth Zoning and the Comprehensive Housing Plan must contain mechanisms that ensure that the total number of affordable units equal not less than 20% of the total number of units constructed within Projects in the District and that the affordable units are equitably integrated and dispersed throughout the District and Project (including unit type and construction phase.) The Smart Growth Zoning shall also contain provisions for specifying the method by which Affordable rents or Affordable purchase prices shall be computed and it must contain provisions ensuring that Projects are not segmented to evade the size threshold for Affordability and to ensure effective monitoring and enforcement of the Affordable housing restriction during the term of Affordability.

Density. The Smart Growth Zoning District may contain two or more sub-districts, zoned separately for single-family, two- and/or three-family, and/or Multi-family Residential Uses, or with varying allowable densities for the same residential use so long as each sub-district individually meets the applicable minimum allowable density requirement set forth in 760 CMR 59.04(1)(d)1. through 3. Each District or sub-districts shall provide for any one or more of the following **minimum allowable As-of-right density requirements**, unless the Department has previously approved a density reduction under 760 CMR 59.04(3)¹².

- a density of at least eight units per acre for Developable Land zoned for single-family residential use;
- a density of at least 12 units per acre for Developable Land zoned for two- and/or three-family residential use; or
- a density of at least 20 units per acre for Developable Land zoned for Multi-family Residential Use.

Smart Growth Zoning as a Percent of Total Land Area. The District may be superimposed over one or more zoning districts in one of the three eligible locations and each District must not exceed 15% of the total land area in the Municipality¹³. The total land area of all approved Districts must not exceed 25% of the total land area in the Municipality.

¹² Any Municipality with a population of fewer than 10,000 persons as determined by the most recent federal decennial census may request a reduction in the minimum allowable density standards required by 760 CMR 59.04 (1)(d.)

¹³ The total land area (excluding open water bodies) of the proposed District must not exceed 15% of the total land area in the Municipality unless the Department has previously approved an area waiver under 760 CMR 59.04(2).

The municipality must have at the time of application a **Comprehensive Housing Plan**, which provides an assessment of the housing needs within the Municipality, describing specific strategies including but not limited to those contained in the Smart Growth Zoning, and may identify the numbers of Existing Zoned Units, estimated Future Zoned Units, and estimated Incentive Units within the proposed District. A Comprehensive Housing Plan may be a housing production plan approved by the Department under 760 CMR 56.03(4), a community development plan or equivalent municipally prepared document that is supplemented as necessary to satisfy these requirements regarding the proposed Smart Growth Zoning, as well as the requirements of 760 CMR 59.03(1)(g).

Benefits to Municipalities

Upon state review and approval of a 40R district, communities become eligible for Density Bonus Payments, a one-time Zoning Incentive Payment, and reimbursement for any net costs of educating students living in new housing in a District (Chapter 40S). In addition, when awarding discretionary funds to municipalities, the Department of Housing and Community Development, the Executive Offices of Environmental Affairs, Transportation, and Administration and Finance must give preference to municipalities with an approved District.

The criteria and amounts for bonus and incentive payments and reimbursement of educational costs for students living in new housing in a Smart Growth Zoning District is outlined below.

Bonus Unit: Any residential housing unit developed as part of a Project within a District under the Smart Growth Zoning, either through new construction, the substantial rehabilitation of an existing building, or the conversion to residential use of an existing building, in excess of the number of Existing Zoned Units for the same Project. Units that are developed within a District under a Comprehensive Permit issued pursuant to M.G.L. c.40B after the submission of an application to the Department under 760 CMR 59.05(b), in excess of the number of Existing Zoned Units for the same Project, shall be treated as Bonus Units.

Density Bonus Payment: A one-time payment of \$3,000 for each new unit of housing (Bonus Unit) built within an Approved District for which a building permit has been issued, which is made to a Municipality from the Trust Fund. See 760 CMR 59.06(b).

Zoning Incentive Payment: A one-time payment to a Municipality from the Trust Fund that is made upon submission by the Municipality to the Trust Fund of the Department's Letter of Approval. See 760 CMR 59.06(1). Incentive payments are calculated according to the following calculations:

| Number of Incentive Units ¹⁴ | Amount of Incentive Payment |
|---|-----------------------------|
| Up to 20 | \$10,000 |
| 21 to 100 | \$75,000 |
| 101 to 200 | \$200,000 |
| 201 to 500 | \$350,000 |
| 501 or more | \$600,000 |

¹⁴ Incentive units refers to the total number of (future) new housing units that will be allowed As-of-right under the proposed Smart Growth Zoning.

Chapter 40S, section 2: Subject to appropriation, for each fiscal year commencing with fiscal year 2008, any city or town that has established 1 or more smart growth zoning districts shall receive smart growth school cost reimbursement from the commonwealth. This reimbursement shall be equal to the positive difference, if any, between: (i) total education cost for eligible students, and (ii) the sum of local smart growth revenues for education plus additional chapter 70 aid. The department of education shall add the smart growth school cost reimbursement amounts to each district's required net school spending, as defined in chapter 70. For purposes of the net school spending calculation, the department shall allocate a municipality's smart growth school cost reimbursement among the districts to which it belongs in proportion to the number of eligible students from the municipality attending each district.

Benefits to Developers

Developers may elect to develop a Project in accordance with the requirements of the 40R District or to develop a project in accordance with the requirements of the underlying zoning. Developers have the option of developing mixed-use development projects As-of-right through Smart Growth Zoning. Municipalities with Smart Growth Zoning also have the option of adopting Design Standards, which provides clear design guidance for the development of high-density development consistent with the physical character of the buildings, streetscapes, and other features found in densely settled areas of the Municipality.

40R Definitions of Land Types

Area of Concentrated Development: The largest qualifying, contiguous area of a city or town center; an existing substantial, multi-parcel commercial district; or a rural village district; each, in its entirety, the boundaries of which are clearly identified and submitted on a corresponding map. An Area of Concentrated Development must be currently served or scheduled to be served (as shown by sufficient documentation) within five years of the application by public sewer(s) and/or private sewage treatment plant(s); at least 50% of the total land area must be either Substantially Developed Land or Underutilized Land; and the primary current use (or, in the case of Underutilized Land, the primary current zoning) of land and/or buildings is commercial (including retail, office, or industrial businesses) or mixed use. Land designated as a commercial center under M.G.L. c. 40, § 60 qualifies as an Area of Concentrated Development.

In areas that are not sewered or scheduled to be sewered, an existing rural village district qualifies as an Area of Concentrated Development if: 1) it includes the municipality's principle road intersection or other civic center and is characterized by the most Substantially Developed portions of the surrounding area plus any land that would otherwise qualify as Substantially Developed or Underutilized Land within up to 1/2 mile distance of such principal road intersection or other approved civic center point; 2) it contains two or more of a town hall, post office, public library, public school, or public safety facility, or it contains an existing village retail district; and 3) at least 50% of the total land area within the existing rural village district is either Substantially Developed Land or Underutilized Land. See 760 CMR 59.04(1)(a)2.

Developable Land: All land within a District that can be feasibly developed into residential or Mixed-use Development Projects. Developable Land *does not* include Substantially Developed Land; Open Space; Future Open Space; the rights-of-way of existing public streets, ways, and transit lines; land currently in use for governmental functions (except to the extent that such land qualifies as Underutilized Land); areas exceeding 1/2 acre of contiguous land that are protected wetland resources (including buffer zones) under federal, state, or local laws; rare species habitat

designated under federal or state law unless granted an exception consistent with requirements established by the Massachusetts Executive Office of Energy and Environmental Affairs and the Department of Fish and Game that all or part of such areas can accommodate development consistent with the proposed Smart Growth Zoning; land characterized by steep slopes with an average gradient of at least 15%; or land subject to any other local ordinance, by-law, or regulation that would prevent the development of residential or Mixed-use Development Projects at the As-of-right residential densities set forth in the Smart Growth Zoning.

Substantially Developed Land: Land within a District that is currently used for commercial, industrial, institutional, or governmental use, or for residential use consistent with or exceeding the densities allowable under the Underlying Zoning, and which does not qualify as Underutilized Land. Any land located within a Historic District shall be presumed to be Substantially Developed, unless the Municipality can show that all or a portion of such land qualifies as Developable Land.

Underutilized Land: Developable Land within a District that would otherwise qualify as Substantially Developed Land, but which is a) characterized by improvements that have a marginal or significantly declining use, as measured by such factors as residual Floor Area Ratio (FAR), vacancy rates, extent of operation, current and projected employment levels, market demand for the current uses or the uses to which the existing improvements could readily be converted, and low value of improvements in relation to land value; and b) as demonstrated by existing or anticipated market conditions, may have reasonable potential to be developed, recycled, or converted into residential or Mixed-use Development consistent with Smart Growth.