Undeveloped potential

The South Boston Waterfront hasn't met expectations, so civic leaders are working to show all the possibilities

By Thomas C. Palmer Jr. and Susan Diesenhouse
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Public officials and private business people who helped pioneer development at the 1,000-acre South Boston Waterfront gathered this month to say the water's fine, and to urge others to come on in.

"It's the negative ions," said Roger Berkowitz, chief executive of Legal Sea Foods, who admitted he didn't know what that meant, exactly, but said he is told that's why employees like to work at his waterfront fish-processing facility. "My retention rate has been unbelievable down here."

Though all of the stories related by Berkowitz, Harpoon Brewery cofounder Dan Kenary, World Trade Center developer John E. Drew, and others were encouraging, the harsh fact is that development in South Boston has long lagged behind the hopes and predictions of officeholders and real-estate executives.

Fan Pier, a prime waterfront location all permitted and ready for almost 3 million square feet of housing, office, hotel, and commercial use, missed a couple of market cycles over the past two decades and has been for sale for more than a year.

So the Massachusetts Alliance for Economic Development, a public-private partnership, and cosponsors including the Massachusetts Port Authority and Boston Redevelopment Authority, organized a slide show and large-panel discussion of the possibilities they see over the next couple of decades.

The title, "The South Boston Waterfront: A Hot Spot for Business," may suggest a bit of wishful thinking. But the location of the gathering last Friday morning -- a large room in the shiny new Boston Convention & Exhibition Center off a hall with a spectacular view of the downtown skyline -- was an effective show-and-tell concerning the possibilities. Right next door, steel for a Westin Hotel is going up.

The $21 billion public investment to clean up and dredge Boston Harbor and to create the land-based transportation network brought by the Big Dig laid a foundation for growth, said Kyle B. Warwick, New England regional director of Spaulding & Slye Colliers. That has already been accompanied by $8.4 billion in private investment, he said, largely spurred by the cleaner water.

A portion of the old commercial port has been streamlined for shipping, cruises, fish processing, and industry. The 800,000-square-foot World Trade Center was renovated, and 5.5 million square feet of space has been built or is under construction.

Another 20 million square feet of development is expected to occur in the area, said Kairos Shen, director of planning for the city's redevelopment authority, though he and others were modest about the timing. "Over the next 30-40 years," Shen added.

In the industrial sector, 10 acres are reserved for the seafood industry and 26 acres for other maritime uses, such as one of few remaining deep-water berths in the harbor. Nearby is a dry dock where ocean vessels can be repaired, said a spokesman for Massport, which manages a large part of the waterfront.

Also last year, Immunetics Inc., a company that develops and manufactures medical diagnostic tests, moved from Cambridge to the industrial port.

The biotech firm was lured by water views, a rent of about $7 per square foot vs. $35 in Cambridge, and a $250,000 city loan for the interior fit-up, which allowed Immunetics to double its space to 9,000 square feet, said chief executive Andrew Levin.

Now under construction, in addition to the 790-room Westin, are a 470-room Marriott Renaissance Hotel; a two-building complex with 622 rental apartments; and the Institute for Contemporary Art. Being planned are a mixed-use complex at Pier 4, and Waterside Place, 475,000 square feet of retail and 210 condominiums to be developed by Chicago-based Urban Retail and the John Drew Co. Construction is scheduled to begin in mid-2006.

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