

BIOTECH BOOM

With Vertex Completion Looming, Seaport District Rises Supermarket, Pharmacy, Police Station Next?

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Joe Fallon is a real estate developer with a humble streak.

Ask him about the renaissance in Boston's Seaport District created by his success signing Vertex Pharmaceuticals to occupy 1.1 million square feet of shiny new office and lab space and he'll tell you the catalyst came long ago. Even before he built the 465-unit Park Lane Seaport apartments, the largest rental project in the city in more than 20 years when construction started in 2005.

"The true catalyst for the area was the Big Dig," Fallon mused in a recent interview. "Without that we wouldn't have the infrastructure in place that truly changed Boston and the area. We wouldn't have Vertex or other tenants looking in the area. It was only after that we saw all this other development occur."

While the Big Dig, the Boston highway megaproject that cost about \$14.6 billion, laid the foundation for access to the oft-overlooked Seaport area, the recent recession essentially destroyed any hopes of developing the area for several years, leaving it a parking lot-laden, windswept landscape.

Fast forward to the spring of 2011, and Fallon, head of the Fallon Co. development firm, announced he had signed the Cambridge-based pharma firm to a 15-year lease worth more than \$1 billion to occupy two new properties on his Fan Pier campus at the northwestern corner of South Boston Waterfront. Now, about 1,800 Vertex employees are slated to begin moving into their new workspaces in December, Fallon told Banker & Tradesman.

While Fallon may not want to toot his own horn too loudly about his success bringing Vertex to Boston, another Seaport developer had no qualms in praising the impact for the area. "The fact that an industry group moved in that wasn't here before is very important," said developer John Drew, who was instrumental in recreating the Seaport World Trade Center, the Seaport Hotel, and is currently building the 236-unit Waterside Place, a mixed-use residential and retail project at the corner of Congress and D streets. "Sector mix like this is very important, and Vertex is a very big piece of the puzzle."

The Fallon Company

There are several other components needed in the development puzzle that will create a whole neighborhood. And, as Drew said, a big part of that are the restaurants like Del Frisco's and Legal Harborside that have opened as part of the Liberty Wharf project on Northern Avenue near the Bank of America Pavilion. Those, along with other eateries sprouting up across the Seaport District, have contributed to making this section of town, an area once covered with industrial buildings and rail yards, a destination for locals and tourists alike.

If You Build It, They Will Come

But there's more to it. There are thousands of apartments and condos under construction or in the pipeline for the neighborhood that are in various stages of development, from the site of the former Anthony's Pier 4, where 369 units are planned, to 800 residences at Seaport Square, and at Fallon's Fan Pier, where the developer is planning to start construction on an 118-unit condo project at the end of the summer. If all goes to plan, that means thousands of new residents will make the area their home.

But those residents will want more than just a roof over their heads and some restaurants where they can eat out. They'll want a pharmacy and a supermarket. They could be looking for a local school for their children. And City Hall needs to start getting serious about creating local police and fire departments in the area, said Peter Meade, director of the Boston Redevelopment Authority. But a school is less of a concern for the city than the need for a full-size grocery store and local public safety departments.

"There are some businesses that will bet on the horizon," Meade offered. "Supermarkets ... don't bet on the horizon. They bet on today. I've talked to a couple companies and they've looked," but so far none have committed.

Waterside Place developer Drew has had discussions about potentially bringing a supermarket to his project, but with just 10,000 square feet of space devoted to retail, he is instead talking with pharmacies and banks about opening there.

Writing in *Banker & Tradesman* in January, Vivien Li, head of the Boston Harbor Association, said she hopes Boston Global Investors, part of the development team for Seaport Square, a 23-acre swath across from the Vertex buildings, and the property's leasing agent, WS Development, will bring a supermarket and other retail amenities to Seaport Square.

"With luck, The Drew Co. and/or Boston Global Investors and its partner WS Development, the largest private property owner and developer near the waterfront, will be successful in their efforts to attract these much-needed retail uses," Li wrote.

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