

\$3B FAN PIER CHEERED ON

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By Scott Van Voorhis

Costs to build out Boston's Fan Pier are now expected to hit \$3 billion, which could make the major harborside development project the most expensive ever built in Boston.

A host of city business and political leaders gathered on the South Boston waterfront yesterday to mark the official launch of the landmark project. Mayor Thomas M. Menino touted Fan Pier, which will cover nine city blocks, as the largest waterfront project ever built in Boston. "Fan Pier will enhance Boston's reputation as one of the world's great cities," Menino said.

But Fan Pier, by the time it's finished toward the end of the next decade, will also carry a price tag to match its monumental scope. The project's cost, pegged at \$1.2 billion just a few years ago, has since nearly tripled to 43 billion, according to the project's latest cost estimate.

By comparison, the Boston Convention & Exhibition Center, New England's largest single building, cost \$800 million to build.

"If you look at the whole site built out, it will be the largest price to date for any property in Boston," said David Begelfer, head of the local chapter of the National Association of Industrial and Office Properties.

Joseph Fallon, the developer behind the project, yesterday officially broke ground on a 500,000-square-foot office building. It is the first of several buildings planned as part of a new neighborhood at Fan Pier, long a wind-swept stretch of parking lots near Pier 4 and the Moakley federal courthouse.

Fallon is also pledging to push forward soon with a luxury condo and hotel high-rise and a marina.

While soaring construction prices have been a universal challenge to local builders, Fallon yesterday shrugged off the price increases his project has faced.

The \$3 billion cost estimate takes into account expected price increases over the next decade, the time it will take to fully build out the project, he said. "The price is what it is" Fallon said.

And Fan Pier may not be the most expensive for long.

Just across Northern Avenue, Hub developer John Hynes has unveiled plans for his own \$3 billion Seaport Square project, which is still in the planning stages.