

## Fan Pier rising

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Despite its dazzling location on the South Boston waterfront, the Fan Pier was starting to feel like a bedeviled backwater after Nicholas Pritzker, chairman of the Hyatt Development Corp., abandoned his plan for a hotel, office, and luxury housing complex there a few years ago. A bad turn in the real estate market that coincided with a family feud pushed Pritzker to sell. Now, both the commercial real estate market and the future of Fan Pier look a lot brighter.

Local developer Joseph Fallon, who bought the property from Pritzker in 2005 for \$115 million, broke ground yesterday for an 18-story office building. Next, says Fallon, will be a five-star hotel and luxury condominiums. Fallon's wider plan, on the equivalent of nine city blocks, calls for a \$3 billion development including three office buildings, more than 1 million square feet of waterfront residences, boutiques, restaurants, and cultural facilities. The latter category is already flowering with last year's opening of the Institute of Contemporary Art.

Despite a state law requiring waterfront access for the public, activists and environmentalists had long feared that the development and marketing of offices and luxury housing units with 360-degree views of the Boston skyline and harbor would wall off the public. But arduous negotiations between harbor activists and the Pritzker team yielded good results, including public parks, harbor walks, and expanded water transportation. When Pritzker departed, he left behind a detailed permitting plan agreeable to city planners, environmentalists, and activists.

To his credit, Fallon did not use a long history of false starts on Fan Pier as a bargaining chip. He could have poisoned the process by trying to renegotiate the agreement. Instead, he accepted the Pritzker plan in full.

Fallon is openly excited about designing a marina where the super-rich can moor their yachts. In fact, he sees them "lined up like in Monte Carlo." But he also accepts that it is just as important to the city that local kids get to fish off the dock and feel welcome in ground-floor space reserved for nonprofit groups such as the aquarium.

Affordable housing, however, could still be a sticking point. Fallon says he is unsure whether he will set aside units for moderate income people on the Fan Pier itself or build them offsite. Either method is acceptable under the city's inclusionary zoning law. Mayor Menino is wisely urging Fallon to build affordable housing units on site to ensure that Fan Pier will not be an exclusive abode for the very rich.

Real estate interests can hardly wait for Fallon's first office building and residences to rise in the coming months. The rest of Boston is looking forward to the simultaneous construction of parks, a place to tie up a boat, and fun spots on the water for kids.