OFFICE EXPANSION IN FORT POINT:
A CASE STUDY OF ADAPTIVE REUSE
IN AN INDUSTRIAL DISTRICT

by

BRUCE ANDREW WILLIAMS
A.B., Harvard College (1983)

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Submitted to the Department of Urban Studies and Planning
on May 18, 1987 in partial fulfillment of the
requirements for the Degree of
Master in City Planning

ABSTRACT

A district of warehouses and industrial lofts in the Fort Point
Channel area of Boston has undergone rapid and substantial
conversion to office use during the past five years. Almost one
million square feet of space is now available for offices in
buildings once used for storage and manufacturing.

This thesis first examines the process of change in the Fort
Point district over a period of twenty-five years, from the last
efforts to nurture industrial development to the recent
development boom. The recent adaptive reuse of the district is
not an isolated event, but was prefigured by two decades of
activity among public sector planning organizations and private
land owners.

Secondly, the implications of reuse are addressed by evaluating
the evolving role of the district in the context of the city of
Boston. The increasing role of the district as a location of
inexpensive office space in converted buildings is found to
fulfill an important niche in Boston's economy. The nature of
the buildings themselves, the pattern of ownership, and the
regulatory process has allowed the district to be an important
resource in allowing this expansion.

Thesis Supervisor: Lynne Sagalyn
Title: Asst. Prof. of Planning and Real Estate Development
I am grateful to all the people who helped me through this long process.

My classmates in the department have become close friends over the last two years. This last stage of our experience, in which we shared the joys and agonies of completing a thesis, only heightened my appreciation and respect. Anniken Kloster, in particular, was always there to cheer me on when it felt like the project would never be complete.

Lynne Sagalyn, my advisor, was patient and knowledgable. Her thoughtful reactions, questions, and advice were invaluable in focusing my investigation. I only regret that I did not heed more of her good advice.

I owe my greatest debt of gratitude to Westley Spruill, who helped to make this experience bearable. His patience and gentle support were unlimited. I hope that this is a debt I will have the opportunity to repay in the years to come.
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CHAPTER ONE
INTRODUCTION: ADAPTIVE REUSE
AND THE FORT POINT DISTRICT

Preamble

At the intersection of Congress and State Streets in downtown Boston, pin-striped men and women rush from the shadow of one forty story building to the next. Office towers crowd the street, monuments in glass and granite to the extraordinary expansion of Boston's service economy. The intersection is considered the heart of Boston's financial district, in the parlance of local real estate brokers it is the "100% corner" against which all other locations are measured.

Further along Congress Street, past more tall buildings and over an expressway, a bridge leads over Fort Point Channel. On the far side, the environment is quite different. Solidly built brick buildings, originally constructed to store and process the raw materials and finished goods of New England's manufacturing economy, fill the landscape. Today, however, many of these industrial structures house office workers. This district, and others like it, are finding new uses as the post-industrial economy ever more pervasively molds land use. The process of reuse in this industrial district is the subject of my investigation.
Adaptive Reuse

Ten years ago, the architect Raynor Warner wrote about adaptive reuse, maintaining that it represented "a truth become tolerable"; a demonstration of the simple fact that buildings left behind by changing economic and social forces could be rehabilitated for contemporary functions. Warner also wrote:

By the time <this book> goes into its second printing, what is now tolerable may become self-evident. We are so quick to adapt to changed circumstances that we may not recognize how much has changed" (Warner, 1978; p vii)

He was right. In 1987, reuse is an accepted fact in urban development. Examples of the reuse of schools, factories, churches and a myriad of other building types are extensively catalogued. It is proven possible, architecturally and economically, to re-use buildings, rather than to destroy them or let them lie fallow and decaying in a landscape of neglect. The mere fact that buildings can be successfully adapted to new economic lives is now so ubiquitously apparent as to be banal.

The reasons that this change took place are multiple. Changes in taste among both architects and the citizenry led to the belief that history is worthy of preservation and emulation, in stark contrast to the anti-historical modern movement of the preceding generation. But even more so, economic changes allowed this aesthetic impetus
to be realized. The impact of inflation during the 1970's and early 1980's increased the cost of new construction, favoring the re-use of existing structures. Federal tax changes, in 1976 and more profoundly in 1981, allowed deductions of rehabilitation expenses, increasing the attraction of reuse.

Yet, we may not see the forest for the trees. Beyond the success of individual examples of reuse is their cumulative impact on urban development. The institutionalization of reuse has changed the way we view, and use, the existing built environment of our cities. The placement of preservation incentives and directives everywhere from local zoning to the federal tax code encourages, and often mandates, reuse on a much greater scale than has been experienced before. Because re-use is possible and profitable, the rules of the development game have shifted, and our cities develop in a very different way than they did in the decades before Mr. Warner wrote his book.

The reality is that growth is no longer synonymous with new. The re-use of buildings and entire districts is significantly altering the pattern of urban growth and land use, shifting at least some growth to existing structures. Districts once considered economically marginal, inimical to the needs of the modern city, have seen their fortunes reversed. Once they were barriers to
growth, which had to be cleared of existing structures to allow development and growth. They are now a resource, reservoirs of available, adaptable space.

Industrial Districts; a Resource for Growth

A prime example of built space as a resource is found in the industrial districts of older cities. These districts are typically comprised of multi-story, densely packed warehouses and manufacturing lofts built in the late nineteenth and early twentieth centuries. They are physical remnants of a defunct spatial arrangement of the economy, in which many manufacturing and warehousing functions were centralized near markets, labor, and at the hub of rail and port facilities near the urban core.

The original functions of these districts have declined precipitously since the first half of the century, because the advantages for their centralization were greatly eroded by the suburbanization of the population and the development of an auto-based transport system, as well as by changing modes of production. In Boston, for instance, manufacturing employment was the largest single sector of the economy in 1950, accounting for one fifth of all jobs. By 1985, employment in manufacturing was less than half of the 1950. At 42,500
In cities around the nation, industrial districts have found new uses as sites for office and residential expansion. Soho in New York, South of Market in San Francisco, Fort Point Channel in Boston are just a few of the many examples. The buildings of these districts, although they vary greatly by age and original use, are in general particularly attractive to adaptive reuse. The solid structures, original meant to handle machinery and goods, can easily handle any contemporary uses. Volumes of undivided warehouse or loft space present adaptable floor plans. Most importantly however, the centrality of these districts makes them attractive to reuse by virtue of their location alone.

This location is of increasing importance, because concomitant to the decline of manufacturing, the urban office sector has greatly expanded its role. In the case of Boston, the sector now constitutes fifty percent of all jobs in the city, or approximately 300,000 employees. This figure is a substantial increase from the approximately 170,000 office jobs in 1950. Boston, in fact, has the largest percentage concentration of office job of any major American city surveyed by the

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1 It is led by services; government; finance, insurance and real estate; and retail, in that order. These figures are quoted from Hamer’s 1973 study, updated by the BRA research department.
BRA, but the same phenomenon of office growth and manufacturing decline repeats in city after city.

Based on the twin facts of an expanding office sector and a steadily declining manufacturing sector, the conversion process currently occurring in many industrial districts is a foreseeable, even inevitable move to fill a vacuum. In this deterministic view of growth, industrial districts on the edge of downtown lie in the path of expanding office sector, which in the case of Boston has more than doubled in square footage since 1970 (BOMA, 1987). Although much of this growth has been vertical, with added space concentrated within the traditional financial district, the sheer volume of demand has steadily pushed the zone of office towers and office jobs outward.

A Case Study of Office Expansion

In studying the process of change in a particular industrial area, the Fort Point Channel district in Boston, this initial view was not contradicted, but was significantly refined. What I discovered is that the route to the current status of the district as a developing office node has not been direct or immutable. It is characterized by cycles of investment and activity, conflicting plans, and alternative possibilities. It is complicated by patterns of ownership and access. It is
enriched by the variety of actors with interests at stake. The manifest destiny I first presumed is moderated by a closer study of the case.

Yet, a pattern of change can be traced back decades before the current explosion in conversions, which has added almost one million square feet of office space to the city's total inventory of thirty-five million square feet in just the past five years. This is the most recent, and most powerful development, but the district has not developed simply as an extension of the financial district; it is also a residential, institutional, and cultural district as well.

The goal of this study is to sort through the decisions and actions taken by the major actors involved to understand how the process of reuse has unfolded and arrived at its present state today, and further to determine how the product of this conversion process actually fits into the urban system.

It is my contention that development in this district has particular characteristics because of the very definition of adaptive reuse. Adaptive reuse changes both the reality of a building's function and the perception of that building's utility. The reuse process in a district like Fort Point, therefore, is largely the story of changing perceptions of what a declining industrial district can be in the life of a city.
This change in perception may gradually occur with the incremental addition of reuse projects, or may happen abruptly through the success of a prototype, but it is crucial to understanding the process. In essence, the process is evolutionary rather than revolutionary. As the process of reuse unfolds, the potential of remaining buildings is highlighted, and this potential changes over time.

There is no clean slate that a city or developer can easily transform with a new vision. Rather, different and often opposing uses coexist within the same urban fabric over a period of transition. Therefore, at the same point in time the district can have many identities. Fort Point, for instance can be called an office node, an artists' community, a manufacturing district. The change in perception, and in fact the perception of change is a strong motivating factor in the reuse of the district.

In the case study I attempt to trace both the physical and perceptual changes by relating the chain of events which unfolded in the study area over the last quarter century. In the second part of the study I analyze what the process has produced according to various models of looking at the district. These models suggest that development in the district is not following one set of influences, but diverges according to a number of factors, including ownership, location, and timing.
Neither is the process complete; while much of the district is renovated, more remains substantially as it has been for decades. Not only what has happened, but what could happen is important to understanding the importance of adaptive reuse in Fort Point.
FORT POINT CHANNEL AREA
Description and Context

The study area is a fifty acre parcel of land and buildings on the east side of Fort Point Channel, across from downtown Boston. (see map 1) Geographically it is part of South Boston, but it is removed from the residential neighborhood by rail yards and vacant land. Two bridges link it to the city, crossing at Summer and Congress Streets. The Northern Avenue bridge makes another connection just north of the district.

Approximately six million square feet of built space is contained in the warehouses and industrial lofts of the district. These buildings, few larger than 100,000 square feet, are closely packed along narrow streets and old rail spurs in roughly rectilinear grid broken by bisecting cross streets. Five to Seven story industrial and mercantile buildings line these main thoroughfares of Summer and Congress Streets, which connect the district to downtown. Summer is actually up to a story above surrounding streets on a viaduct, originally constructed to allow trains to cross underneath. It proceeds through the district to connect the area to the rest of the South Boston industrial waterfront.
Warehouses crowd the narrow side streets north of Congress Street. South of Summer, more warehouses string out along Midway Street along one edge of the district. They frame a twelve acre vacant parcel stretching out to the banks of Fort Point Channel. This is the only major gap in the dense brick and granite fabric of the district, although a number of small vacant lots are scattered throughout the study area.

At the edge of the district, near the Congress and Summer Street bridges, the district is only a few minutes walk away from South Station, where commuter rail and public transit lines converge. South Station also marks the beginning of the district of tall office towers, which merges into the Financial District, Boston's central office district.

In the interior of the study area, particularly amid the stretch of warehouses along Midway street, the city is much further away, both physically and psychologically.

Vast vacant lots surround the district on two sides. The Fan Piers to the North and the Commonwealth Flats and the Penn Central Railroad properties to the east set the district apart. Only on its southern flank, where Gillette Company's vast one story factory adjoins the district is there any contiguous developed land, but needless to say, the contrast is still strong.
On the South Boston Waterfront, beyond the vacant expanses, there are other points of activity. A few large seafood restaurants are located at Pier heads overlooking Boston harbor, near to the center of Boston's remaining commercial fishing fleet at the Boston Fish Pier. Commonwealth Pier, also on the South Boston waterfront, was once a passenger terminal and is now a convention center and office development. Further down the shoreline, industrial uses predominate, and beyond lies the South Boston residential neighborhood. Thus, although the district is self contained, set apart from both the central city and surrounding residential and industrial neighborhoods, it is not totally isolated and without context.

A History of Trade and Industry

The Fort Point district is constructed on what were once tidal flats. In 1837, the Boston Wharf Company began to fill the area to create port facilities. The warehouses, lofts, and other mercantile buildings were built in a concentrated period around the turn of the century. Each one constructed by Boston Wharf has a distinct medallion, emblazoned with BWC and the year of construction.
The warehouses were only part of a vast transportation complex on the South Boston waterfront. Located between pierheads and a system of rail yards, the district served to store and process products before they were shipped inland or out to sea. Particularly important were wool, leather, and sugar, goods central to the fortunes of the mercantile city. Necco (the New England Confectionery Company) was one tenant, leaving its name on one of the streets of the district.

With the decline of the regional manufacturing economy in the 1930's, the entire area's role as a break bulk point declined. By the 1950's, the great port complex along the Fan Piers was replaced by a parking lot; the nearby rail yards had fallen into disuse as well. The elaborate system of transport linkages had broken down. The district shifted from the import/export role it was constructed to serve, to more general light manufacturing, warehousing, and wholesaling functions. Still tied to manufacturing, the buildings housed garment, leather, and printing industries, which replaced sugar and wool as the major businesses of the district.

A Constant Pattern of Ownership

The Boston Wharf Co, which originally filled the land and built most of the buildings has remained as landlord of three-quarters of the area. The rest was parceled out
among a number of separate owners during the early years of the century by the Boston Wharf Co., which was originally granted title to all filled land in the area. Jordan Marsh built a warehouse to store dry goods, and another property was originally in the hands of Pabst Brewing Co. Most of the properties under non-Boston Wharf ownership are clustered along Fort Point Channel, roughly in the triangle defined by Congress and Summer (see map 2). A few are scattered in with the rest of Boston Wharf's holdings. This pattern has continued, with few changes, to the present.
CHAPTER TWO

THE PROCESS OF CHANGE

STAGE ONE: An Inner City Industrial District

The 1960's marked an era of great change in Boston. Under the leadership of Mayor John Collins and Director Ed Logue of the new Boston Redevelopment Authority, vast districts of the city were targeted for federally sponsored urban renewal, and significant tracts of land were stripped of buildings for redevelopment. The Fort Point district was relatively unique in escaping any form of government intervention. Major portions of the downtown and entire residential neighborhoods were the recipients of planning studies, clearances, rehabilitation, and other forms of government attention.

In many respects, the lack of action in the Fort Point district reflects a lack of urgency in dealing with industry. Stimulating rebirth of the mordant downtown was a much greater concern. Fort Point was relatively stable, if slowly declining; vacancies in most of the district never reached higher than 15% (BRA, 1967; p4), and the buildings were well maintained by the Boston Wharf Co.

In the 1965-75 Plan for Boston, the BRA targeted the district for new light-manufacturing development, even illustrating its idea with a sketch showing mid-rise
towers rising along Fort Point Channel. The plan exists only as a vision of what the entire city might be like in ten years. The BRA never took any action to make this part of the plan realizable. The plan does recognize, however, that the existing structures were no longer attractive for industrial development by proposing a new form to take the place of the brick warehouses.

In 1967, the BRA organized an in-house marketing program for industrial space in Boston. The study was prepared in anticipation of industrial displacement by urban renewal and highway construction in other parts of the city. Of the 1,400,000 square feet identified, approximately 250,000 square feet was available in the Fort Point district, a significant share of the city total. Much of this space was located in Boston Wharf property along A street at the margins of the district, but properties along Congress and Summer Streets showed vacancies as well.

This marketing program represents the extent of planning efforts to specifically encourage industrial uses in the district. Even the agency created to be the advocate of industrial development had another focus. The Economic Development and Industrial Corporation (EDIC), in a joint study with the BRA in 1972 on industrial land needs in Boston, concluded that the small floor plates and multi-story buildings were not tenable
for contemporary and future industrial needs. Public policy makers sought to lure high-tech and assembly plants to the city, and thus focused on the identification of large open parcels further from the urban core.

STAGE TWO: The Imminence of Change

Public Sector Plans

The BRA/EDIC study of 1972 labeled Fort Point a "change" area, along with the waterfront, leather district, and other industrially zoned areas in the inner city. According to the study, these change districts were to be studied for zoning reclassification, but there is no indication that this was ever done.

This designation marks the first official change in expectation for the future of the district that I uncovered. Clearly, the perception of the district had changed over time, but as expansion picked up in Boston during the 1970's, this area of change -- both the warehouse district and the vacant expanses surrounding it -- became a city planner's and developer's dream of manifest destiny.

With every high-rise added to the crowded downtown, the emptiness of the Fort Point landscape became an ever cruder contradiction. In the mid-seventies, office
towers sprouted in the South Station area; the new Federal Reserve tower was built on Summer Street only steps from the Boston side of Fort Point Channel. Growth, surely, would eventually leap the narrow boundary of Fort Point Channel.

BRA plans, however, did not forecast that major office towers would cross over the channel. Planning studies discourage major new office development in the area. In discouraging office construction, the BRA reacted to an over-built downtown market which peaked with a fourteen percent vacancy rate by 1977. The Fort Point Channel study of the same year also stated that "should market demand increase over the next few years, new office construction should occur within the core of downtown." Clearly, the over-building of downtown was not yet a concern.

The BRA started several long-range physical planning projects that recognized the growth potential for the entire area. During the 1970's, the BRA assembled a framework for action on the South Boston waterfront, including the warehouse district. They forecast that the area could support new development and rehabilitation. Private plans for development of a major hotel/residential complex on the Fan Piers confirmed developer interest.
The major problem was lack of access. Transportation problems were the choke point that could throttle new development. Current access was limited to three aging bridges from downtown, or through South Boston residential neighborhoods. Public Transit locations are located only on the periphery. To improve access from downtown and nearby highways, a technological fix in the form of a new Northern Avenue bridge and a seaport access road were deemed essential elements. These local improvements were appended to the third harbor tunnel/depressed central artery plan that was first conceived during Governor Sargent's administration in the early 1970's. Obtaining funding support for these major infrastructure improvements has been the focus of transportation planners in the city and state administrations ever since.

Also in the 1970's, the BRA formulated a program to mandate continuous public access to the channel frontage (BRA, 1977; p.11). This idea later expanded to become Harborpark, a continuous linkage of the entire downtown waterfront. Because all non-marine uses on the waterfront are conditional under city zoning, this idea could be implemented incrementally through new development.
Both the transportation plan and the public walkway represented a vision of the entire South Boston waterfront quite different from contemporary reality. They forecast the transformation of a declining industrial district and the surrounding acres of vacant land into an active, accessible part of the city. These programs have taken years to reach implementation, but their presence have helped to shift the perception of the area from a landscape of decline to a landscape of renewal.

Although the focus of planning was directed toward utilizing the vast tracts of vacant land across Fort Point Channel, any large planning process had to recognize the role of the warehouse district. The BRA Fort Point planning study of 1977 also directly addressed the existing buildings of the Fort Point district, but with considerable ambiguity. In a seeming attempt to cover all the bases, it encourages: upgrading of existing industrial loft space for office, light-manufacturing and wholesale trade; residential development in new and rehabilitated industrial buildings, and protection and enhancement of existing jobs and uses. The forecast is essentially reactive; it seeks to accommodate significant physical upgrading and reuse of the district while minimizing the impact on the present users.
BRA planning studies offer no implementation policies for these complicated use directives. The zoning of the district, which was M-4 (manufacturing) and W-4 (waterfront industrial) remained unchanged. Manufacturing is the most open of these two classifications, allowing most uses as of right, limiting only multi-family housing and parking facilities as conditional uses. Conditional uses require review by the BRA and approval of a variance by the Zoning Board of Appeal. In Boston, the variance process is a major instrument that the BRA uses to gain approval power over development. The zoning of the majority of the district, therefore, did little to enforce the policy advocated by planning documents. The vision of a multi-use district that the document presents was never reflected in the laws governing redevelopment.

Maintaining the existing zoning, while ineffective in mandating uses in the district, did help protect existing buildings, because the floor area ratio of four specified in the zoning is exceeded by most of the existing buildings.

The use strictures outlined in the planning document highlight the jeopardy in interpreting any plan as official policy. Many elements of a plan fit urban design or social imperatives; they may present a vision of what should occur without recognizing the difficulty
of implementation. In the private market it would be difficult politically to regulate use of existing structures as selectively the plan suggests.

Rapid change is potentially destabilizing and controversial, but the city's own interest, highlighted in the 1977 report, lay in maximizing tax revenue while minimizing public cost. The reutilization of buildings at their "highest and best use" would be the best way to accommodate that directive.

Despite the policies outlined in the 1977 Study, the BRA did consider Fort Point as a possible recipient of office growth. In the 1979 Office Industry Survey, downtown firms were asked to assess six emerging or potential office areas as possible locations for their firm. ² Fort Point channel received the largest negative response of seventy percent. The report notes that the area was considered aesthetically undesirable, poorly situated to clients and other businesses, and with poor access to the MBTA. The report also notes that "perceptionally, its distance from South Station was greatly exaggerated". (BRA, 1979; p 70)

²The six areas are Broad Street, the Waterfront, South Station, North Station, Midtown, and Fort Point Channel.
Private Sector Positioning

While the public sector framed policy and lobbied for new infrastructure, private actors began to change the nature of the district. During the 1970's, substantial shifts took place, but very little was physically evident or widely noticed until the end of the decade.

In 1972, the purchase of Boston Wharf Co., by Town and City Properties, a British transportation and real estate conglomerate, was a major indicator of the changing perception of the district. Boston Wharf had ceased operating as a publicly held company in 1960, but the purchase by Town and City heightened the expectation of significant development.

Transactions among the twenty non-Boston Wharf Co. properties along Summer and Congress Streets increased significantly, from only one in the 1965-69 period to six in the first five years of the seventies. (see appendix II) These transactions indicate speculation, because little renovation activity occurred. Anticipation that a major new player, and new public investment would increase the value of real estate in the area may be the reason behind the increase.

Town and City's development strategy focused on new construction in the twelve acre vacant lot to the South of Summer Street. (see map II) Alternatives of a convention center/hotel or a stadium (one of many
proposed over the years to replace Boston Garden) were both proposed in 1976. Development on this site was ultimately discarded however, because the lack of solution to transportation access problems to such large-scale uses, and also because the site was identified by the state as a possible route of the third harbor tunnel project.

Town and City, therefore, did not embark on major development activity. Executives at Boston Wharf (the company retained its name under new ownership) describe that period as one of assessment and waiting. The original investment was presupposed on the public infrastructure improvements, and also on major new development proposed for the nearby fan piers; waiting for these to become realities, Boston Wharf let commercial and manufacturing tenants continue on with limited changes. Yet another reason for somnolence on Town & City's part, according to Robert Kenney at Boston Wharf, was major corporate reorganization of the parent company in the late 1970's.

In 1980, yet another new player entered the scene, when Rose Associates, a national developer headquartered in New York, assumed Town and City's remaining six million dollar mortgage note to gain a minority interest in Boston Wharf Co. Rose Associates, which also owned an office tower near South Station in downtown Boston,
brought extensive knowledge of the local development market to the table. The combination prefigured a more active role for Boston Wharf.

A Cultural District

While ownership shifted and owners made plans for the future, other changes significantly altered the popular image of the district. With no original instigation from the city, the district evolved as a cultural resource.

In the mid-1970's, artists began moving into loft buildings scattered throughout the district, living there illegally on commercial leases, the first residents in the neighborhood. Though the district lacked everyday services like markets and pharmacies, its loft space was affordable and available. Comparable space was very difficult to find in other Boston neighborhoods.

The Boston Wharf Company tacitly approved the official illegality; artists paid at the high end of commercial rents, and provided a new market for industrial space. Neither did the city ever raise the issue, even when it became clear that people were living contrary to zoning regulations. After all, their own policy encouraged residential conversion even if the zoning did not. In this respect the Boston experience is very different from the similar movement of artists to Soho, described by Sharon Zukin in *Loft Living*. There, a special exception
to the zoning code was necessary to allow artists to live in loft space, and only in specific geographic areas. In Boston the process was not so contentious, perhaps because the sheer numbers of people involved are much smaller in Fort Point.

Another unexpected development transpired when in 1975, after spending years looking for a new home, the Children's Museum (originally of Jamaica Plain) purchased the Allied Stores Warehouse, a six-story unadorned brick building facing the channel off just off the Congress Street Bridge. An earlier buyer had intended to convert the building to a furniture and interior design center, but was forced to sell a year later.

The Children's Museum entered the area with some trepidation. The site is technically in South Boston, and in 1975 that neighborhood was embroiled in the racial antagonism set off by school busing. The residential neighborhood is far removed from the site, however; the Children's Museum relocation committee felt the area could be seen as part of downtown, with proper advertising.

To the museum, the location and price were the convincing factor. Located adjacent to downtown and near public transportation, the site promised to be accessible to a broad range of children. The price of $1,000,000 for the entire 145,000 sq. feet was four million dollars
cheaper than an alternative offered in the heart of downtown, and the warehouse space was highly adaptable to museum exhibits.

The 1979 opening of the Children's Museum became a turning point in the story of reuse in the Fort Point district. The activity and color surrounding the museum and its plaza facing Fort Point Channel knit it to the rest of the city. It brought people and publicity to an area which had formerly been largely unknown but to the downtown workers who parked their cars on its periphery.

It is probably not unusual that the Children's Museum is the first dramatic development to take place in the Fort Point district. The private market tends to be cautious in making as big a leap as the one across the channel, heeding the much quoted real estate dictum "location, location, location". An institution like the museum does not suffer the same market risks. Within constraining boundaries, the market follows the museum. It is hence attractive to see the Children's Museum as an exemplar for future reuse in other sectors.

It is worth noting however, that the period of high vacancy rates in downtown Boston in the late 1970's may simply have postponed plans for office developers to proceed until later. In any case, the difference engendered as a result of the lively Museum complex certainly helped to shift the perception of the old
warehouses and lofts lining the streets of the district.

STAGE THREE: The Fort Point Development Boom

In the 1980's, development caught up with Fort Point Channel. After years of planning studies and developer speculation, the renovation of buildings for new uses has reached a sustained level which has not yet shown signs of slowing down. Seventeen properties have been fully renovated so far during this decade, with seven more presently undergoing renovation. Renovations are particularly prominent along the main streets of Congress and Summer close to the bridges leading over the channel, but instances exist throughout the district.

Residential Development

One of the very first reuse projects is the Dockside Place condominiums, encompassing three warehouses on Sleeper Street, one street in from the channel. The eighty-eight unit project, begun in 1981 by Boston Wharf, has the distinction of being the only market-rate residential project in the district. Boston Wharf's Kenney terms it a success, but admits that when units were first offered, sales were difficult. The major problem, according to Kenney, was that rising interest rates locked many potential buyers out of the market, and thus many deposits were forfeited.
The experience is entirely opposite from the case of Soho, in New York City, where upscale residential development followed in the path of artists. Fort Point, however, has never developed a street-scene of galleries and cafe's that would help make the area more conducive to residential development. Dockside Place, isolated between office buildings and the back wall of the Children's Museum, proved a poor model for subsequent projects.
Office Development

The dominant activity in the development boom is conversion to office space. By 1987, almost one million square feet has been added to the market. As background to this rapid pace of conversion, two factors stand out: the vacancy rate in downtown class A office space plunged from 14% in 1977 to 2% in 1981 and has remained in the single digits ever since; correspondingly, average office rents in the same space have more than tripled in the decade since 1977, from nine dollars to thirty-three dollars per square foot. (BRA, 1987)

According to Miller Blew, managing partner of Bulfinch Development Co., one of the active developers of renovated space in this district, it was this constriction which made industrial structures on the downtown's margins particularly attractive to conversion. Large volumes of space in existing buildings were available at low cost, providing lower rent overflow for firms caught in the price-escalation bind. This was particularly true because the growth in office employment was due to the establishment and expansion of small professional and service firms rather than from increased employment in the banks, insurance companies and other very large employers. The relatively small buildings in industrial districts could accommodate this growth.
A number of other factors had an impact on the process. The inflationary cycle of the 1970's had driven up new construction costs faster than the costs of existing buildings, increasing the attractiveness of existing properties for conversion. (Warner, 1978, p6).

The availability of historic tax credits, allowing deductions of up to 20% on renovation costs of the non-historic register buildings of this district heightened this disparity. The ability to syndicate these benefits lowered risk to developers.

Purely local factors played a role too. After years of lobbying, city and state officials felt more certainty that the new transportation infrastructure would become a reality, and major new development would occur in the coming years. The nearby Fan Piers proposal resurfaced in 1981 to begin a long period of planning studies and approvals. Likewise, the massive traffic improvements that would improve access to the area were pushed by the State Department of Transportation with the re-election of Governor Dukakis in 1982, and finally approved in a Federal highway bill in 1987.

The BRA, significantly, has not regulated the conversion of office space to any great degree. This is stark contrast to the process of approvals for major new construction, which goes through an elaborate approvals process. Many conversion projects, as described earlier,
do not need conditional approval under present zoning. The few variances applied for in the Fort Point district are routinely approved by the Zoning Board of Appeals without comment from the BRA. Design review is often specified, but with most properties this review has been perfunctory; According to Mitch Fischman at the BRA, only the properties at the edge of Fort Point Channel, which must integrate public access along the water, have demanded time of the BRA and the development team.

Speculative Development

The multiple factors have supercharged the development climate in the district during this decade. Transactions among the non-Boston Wharf properties along Summer and Congress Streets increased at a rapid pace. Out of a possible pool of twenty parcels, only two transactions were recorded in the latter half of the seventies, while this rate increased to nine in the first five years of the eighties. (see appendix II).

In this small sample, prices began increasing rapidly in 1982, jumping from an average around ten dollars per square foot in the late 1970's to an average of approximately thirty five dollars per square foot in the early 1980's. This increase has continued through to the present, with unrenovated space selling for up to sixty dollars a square foot in 1986, and still selling at a
pace equal to the early part of the decade. The rate of value increase is double that recorded in downtown Boston over the same period. (BRA, 1987; p 9)

Unlike the period of speculation in the early 1970's, development activity closely followed the increase in transactions. Projects began coming on the market en masse in 1984, when six office buildings opened. A few different patterns of development have been followed. In one pattern, the current owners of the property join forces with a developer to renovate the space. Another pattern has occurred when developers assemble property themselves. A few of these, including 250-260 Summer Street, united adjoining buildings to create larger, more marketable spaces. Finally, developers of a few properties have sold the properties shortly after completion of the rehabilitation.

It is this small area along Congress and Summer Streets which has changed the most quickly and pervasively in the 1980's. Eleven out of the seventeen existing buildings in the sample were, or are being, converted. One new building, 303 Congress, replaced a building which burned down. The speed of conversion reflects the convergence of factors favoring office

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3 Price in 1986 dollars
4 The resulting structure has 94,000 net leasable square feet
development with the multiple nature of property ownership. The many separate owners reacted almost simultaneously to the possibility of profit. The process began in 1981, but exploded with six completions in 1984 alone, and additions in each year thereafter.

The renovations transform the streets; new shops line the base of the buildings and glossy new lobbies punctuate building entrances. The developers of these buildings have not only sought to convert these buildings, but to convert them at the highest end of the market possible. This transformation is particularly true on the margin of the district overlooking Fort Point Channel, where projects incorporate the public walkway along the Channel's edge mandated by the BRA.

The rapid pace of conversion has created some problems in finding a market for the additional space. In the fall of 1986, according to the biannual Building Owners and Managers (BOMA) survey, vacancy in the Fort Point Channel area was the second highest of any district in Boston at 23%, behind only the North Station area, another district of converted warehouses.4 According to these figures, the district is over-built, and the 250,000 square feet coming on line in 1987 will only add to the high vacancy rate.

*The districts include Fort Point, Financial, North Station, Back Bay, Government, and Retail.
Boston Wharf

Boston Wharf's property has remained intact despite changes in ownership. The company, supervising all development activities through its office at 263 Summer Street, works on only a few projects at a time, and at that pace has not transformed the landscape to the same degree as the speculative developers. Because the entire tract was bought fifteen years ago for only twice the price that one building on Congress Street sells for in today's market, and more so because it has the strong financial backing of two major development organizations, it is under no pressure to increase its renovation schedule.

Interestingly, Boston Wharf's activities have focused off the main streets of Congress and Summer. Most of the buildings it has renovated for office space are located in the area north of Congress Street on Farnsworth Street (see map). The renovations of these warehouse buildings are very simple, without high quality finishes or central air conditioning, for instance. While speculative developers have been vying to produce a Class A product, Boston Wharf produces space very clearly in the class B range at very competitive rents. At twelve dollars a square foot, vacancy is very low.
Only recently did the company begin taking advantage of its higher profile sites; 253 Summer Street, overlooking the water is now in the process of renovation. At $24/ sq. ft., rents will be higher, but competitive with the product of other developers in the area.

As a major landowner, Boston Wharf has very different priorities from the other property owners in the district. As owner and manager of eighty properties housing manufacturers, warehouses, artists, offices, and condominium residents, the company must have a long range view, for a number of reasons. For one, its very size makes it vulnerable to constricting action by the BRA. Extremely fast development which dislocates large numbers of tenants could be controversial. A second, and somewhat obvious reason is that in developing quickly, Boston Wharf could compete with itself.

In answer to a BRA request, Boston Wharf commissioned a master plan for the section of its property north of Congress, completed by Jung/Brannen Associates in 1981. The plan forecasts development of both office and residential space in renovated buildings, and also identifies properties that will not be renovated at all. Because it owns many of the streets, as well as the buildings in the subdistrict, the plan even specifies landscaping features. Boston Wharf is proceeding with
the plan, with minor variations, street by street.

The fact that there is a plan is unusual, but it illustrates the vast differences between the role of a large and small land-owner. As intimated earlier, Boston Wharf is behooved to act in a rational, knowable manner. It is now preparing a plan for the even larger district south of Summer Street, in anticipation of the major changes which will be brought by the Third Harbor Tunnel connection through its property.

The development of office space in the district is recognized by both the marketplace and public sector planners as a significant development. BOMA now includes it as a subdistrict in its bi-annual Market and Occupancy Survey. BRA included it in early drafts of its Downtown Interim Planning Overlay District (IPOD), recognizing that it is in many ways a part of downtown. The BRA eventually decided to deal with it separately in a similar re-zoning action in South Boston.

Artists and Industry

The office development boom of the 1980's caught more vulnerable tenants off guard. Manufacturing and wholesaling tenants, who lined Congress and Summer Streets have rapidly departed, and there is been no organized industrial policy to encourage the retention of
EDIC, in its 1983 report on manufacturing in Boston "The Big Picture", actually excluded the majority of the Fort Point District from its "industrial South Boston" classification, despite the fact that in its survey of industrial jobs in South Boston, three of the twenty largest employers in South Boston, employing a total of 450 employees, were located within the district.  

EDIC has determined that underlying land values spell the end to manufacturing activities in this district, with the exception of the buildings along Midway Street at the most extreme edge of the study area. Standard manufacturing rents range from three to six dollars/square foot. It is impossible to compete with office uses that can charge three to four times that figure. Boston Wharf has supported EDIC's view by raising rents and shortening lease terms to the commercial office standard of three years, factors encouraging the departure of firms even from unconverted buildings.

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* Data is confusing on this issue, because EDIC figures include this area together with the growing industrial area at the far end of Summer Street near the Boston Marine Industrial Park. Nevertheless, employment declined 9% between 1978 and 1983 alone.

7 These are The House of Bianchi (garments) at 293 A Street, Mark Burton (printing) at 300 Summer Street, and Stanwood Drapery Co. at 321 Summer Street.
Artists, on the other hand, have mobilized as a group to fight for their continued existence in the Fort Point district. By the mid 1980's, over three hundred artists lived and/or worked in the district, all but a few on commercial leases. In 1982 they formed the Fort Point Artists Community (FPAC), in order to make the community known to the city and to the general public, and to press for secure housing. Through such strategies as an annual Fort Point studios tour, the artists have developed sympathy, press coverage, and political clout well in excess of their numbers or monetary resources.

In 1984, FPAC was able to buy one building to house thirty studios at 249 A Street. It was renovated through sweat equity and was sold to artists as cooperative units. The opportunity to buy more property in Fort Point is very limited, however, and the group has focused on the preservation of commercial leases. In 1985, it was able to engineer an agreement by Boston Wharf to grant five year leases, restrict rent increases to the inflation rate, and relocate any tenants evicted because of renovation. Boston Wharf agreed to these conditions in a negotiation mediated by the BRA, because FPAC threatened to oppose a variance request for the construction of a parking garage that Boston Wharf needed for future office conversions.
Robert Kenney of Boston Wharf correctly points out that artists are getting a much better deal than manufacturing tenants, although the artists constitute a relatively small percentage of all industrial tenants, with approximately 250,000 square feet scattered throughout the district.

The crucial difference is in the perception of alternatives. The area was written off as an industrial location more than a decade earlier. EDIC's policies were not geared to protecting existing space as much as providing new space in safe locations, such as in the Boston Marine Industrial Park (BMIP), at the far end of Summer Street in South Boston. Only very recently, with the full tenanting of BMIP, have they begun targeting industrial conversion, seeking to change the zoning of some areas to be more exclusively industrial.

The artists, on the other hand, are relative newcomers to the district. The rapid changes brought by the office development boom threatened a budding, not declining, community. According to Robin Peach, director of Fort Point Artists Community, artists feel like they "pioneered" the district, only to face removal by a form of gentrification. By organizing and forging a partnership with the newspapers and the BRA, they have been able to preserve the community for the time being.
CHAPTER THREE

THE EVOLVING ROLE OF THE FORT POINT DISTRICT

The role of the Fort Point district in the city is clearly evolving. As described earlier, the multiplicity of groups represented in the district guarantees that there is no one view of how it fits in with other sectors of the urban system. Even within the sector of office development, which is the transformation of primary concern in this document, there are a number of different possible views of what is happening.

There is no perfect model to describe the product of conversion in Fort Point, like the process, it is too messy and imprecise to compartmentalize. Four angles, which certainly overlap, are useful in describing the present and future use of office space in the district: one is that the central business district is expanding, a second posits the creation of a specialized subdistrict, a third forecasts a mixed-use district, and a fourth sees office space in the district as more suburban than urban.

Central Business District Expansion

The most pervasive view is that the reuse of buildings in the Fort Point District is evidence of central business district expansion. The main argument for this analysis is that the CBD cannot absorb the total growth
in demand for office space, and therefore the CBD is expanding into the district. The construction of office towers in the South Station area over the past decade is potent physical evidence for the direction of this movement towards Fort Point. Broad support for this argument is articulated by the public sector, and demonstrated by the type of development activity performed.

Before analyzing this argument, it important to note what constitutes central business district itself. Popularly, the banks, major financial service, insurance, and law firms of financial district office towers fulfill the image. They employ hundreds of employees each, and constitute the core identity for the functions of the CBD.

If this is the core of the business district, there is also a fringe. In the fringe are the firms in a broad range of fields that cluster near the core because close contact with other firms or government is important, but which cannot afford prestigious office tower rents. There is not a clear cut-off between core firms and fringe firms, but rather there is a continuum. For instance, small, young firms in consulting or law may locate in class B space on the fringe, only to move to more prestigious quarters with greater success. Other sectors of the office market, such as engineering and
architecture, locate almost exclusively in less costly space because of lower profitability as a sector or high space needs per worker.

In 1985, the BRA estimated that Fort Point, encompassing both the vacant land and the built area, will account for up to 12.5% of all downtown employment by early in the next century. The BRA's policy of directed growth will presumably encourage this spatial expansion, as the new zoning policies restricting heights hold back growth in the financial district and in other sections of downtown.

Developers along Summer and Congress streets have reinforced this notion in their approach to rehabilitation. The quality and finish of the renovations is very high, comparing admirably to small office buildings across the channel. This is particularly true in the buildings which directly front the channel, and enjoy views of both the waterfront and downtown. Rather than simply retro-fitting industrial space, the developers and their architects have taken great care in developing a sophisticated and elegant image for the product.

It is instructive, however, to look beyond the lobbies of the buildings. The quality of the renovations is partly driven by the historic tax credits, which between 1981 and 1986 allowed deductions of up to 20% for
historic renovations. The level of finish achievable is high, particularly in the highly visible public areas of the buildings, because the tax credits encourage the inflation of deductible expenses.

Rent levels and tenants, however, tell a somewhat different story. Aside from those buildings directly fronting the channel, the rent levels are much lower than those of the central business district, which in 1986 averaged $33 dollars for existing (BRA, 1987; P 9), and $40 dollars for new Class A space. Most of the buildings in Fort Point are in the 15-20 dollar range. The most expensive building officially rents in the 27-33 dollar increment (BOMA, 1987; p 11).

The nature of the space obviously does not allow the very largest core businesses to expand in the district. With average floor plates of approximately 8-15,000 square feet, entire buildings rarely contain more than 100,000 square feet, well below the requirements of many core businesses.

There is some limited evidence of core expansion, however, but only in the buildings fronting Fort Point Channel, where the amenity of the view and the closest possible connection with the downtown raise the rent levels and the quality of tenants. The prime example of a traditional mainline core firm located in the Fort Point district is found in one of these waterfront
locations, at 250 Summer Street.

Morrison, Mahoney and Miller occupies 50,000 square feet in the 94,000 square foot building. A large Boston law firm formerly located near the heart of the Financial District, its business makes it desirable to be in close physical proximity to the courts and to other law firms. According to David Bakst, Esq., a senior partner, when the firm faced a relocation decision, it judged that Fort Point was tenable, and most importantly, $15 per square foot cheaper than anything available near their original location.

The Fort Point district thus exhibits some evidence of a shift of core uses, but only along its most amenable margin. The rest of the district in this analysis fulfills a fringe function: firms which have been forced out of the CBD, or new firms unable to afford a more central location start up in the Fort Point district. The multiplier effects of office renovation and new construction in the downtown have encouraged this development, as renovation and new construction has reduced the supply of Class B office space (pre-1960 construction, unrenovated) from 60% of all space in 1978 to 37% in 1986. (BRA, 1987, p 8). Most tenants in rehabilitated buildings occupy a floor or less of space, in a broad range of firms including consulting, financial services, architecture, engineering, and
The BRA reinforces the interpretation of the district as a fringe CBD location in their most recent office survey. While developers classify their rehabilitations as Class A office space, the BRA classifies it as Class B. Officially, Class A is new or newly renovated office space, while Class B is unrenovated space built before 1960. However, the BRA has added a rent level determination of $24 dollars/square foot and more for class A space, which clearly distinguishes Fort Point district office space from most space within the Financial District.

The private marketplace also alludes to this disparity; in BOMA's Office Survey, Fort Point is grouped with the category of Downtown Boston, but not with the Boston CBD. This suggests that while the area is considered part of the downtown market, it is definitely outside the center.

The view of the Fort Point District as an expansion site for the CBD does not place any great importance on the concurrent existence of other uses in the district, but rather sees the district in terms of transition to a more homogeneous mix of uses than presently exists. In this view, office conversion occurs block by block until the district is wholly appended to the CBD. The view is supported by the spatial succession so far, but that
pattern of succession in which converted buildings are clustered near Fort Point Channel on Congress and Summer Streets is motivated by the pattern of ownership as much as by geography.

As we have seen, the property in individual ownership has converted much more quickly, and much more lavishly, than that owned by the Boston Wharf Co. With the imminent completion of conversion in these properties, the pattern laid down over the past few years may change.

Specialized Subdistrict

Another way of looking at the Fort Point district is that rather than evolving simply into an extension of the CBD, it is evolving into a specialized subdistrict with connections across the channel but also with a separate character all its own. Like the Back Bay, for instance, which has a concentration in the insurance industry, the Fort Point district may be developing a concentration of functions which are mutually reinforcing.

Despite the broad diversity noted earlier, the Fort Point district does have a substantial concentration of architects, graphic designers, and advertising firms in converted space. Added to the printers, designers, architects and artists in unrenovated structures, and office furniture showrooms in retail space, the partial specialization of the district in design functions is
Artists' presence in the district since the mid-1970's constitutes the imagistic roots of the district's design function, but the quality and price of available space is the greatest reason for concentration. Most design professions are less able to pay for class A CBD space than other professional services, and the open plan, naturally lighted spaces of many converted loft and warehouse buildings are especially suited to the needs of architects and other designers.

The specialization argument is bolstered by the recent location of the Boston Design Center at the far end of Summer Street in the Boston Marine Industrial Park. For firms that have substantial contact with this facility, the Fort Point District is not just at the edge of the Financial District, but is between two major destinations.

In viewing the district as a specialized subdistrict, the current mix of uses, in both renovated and unrenovated buildings, is more relevant than in the CBD expansion model. The expansion of the CBD is more an example of gentrification; the previous uses are unimportant to the developing character, and rehabilitation causes expulsion of former tenants. Specialization is somewhat more like community development, in that many of the present users of space
are important resources to the functioning of the district. A young architecture firm, for instance, may upgrade from bare-bones unrenovated loft space to more finished and prestigious space in a converted building, while retaining the same functional relationships to firms and services with which it interacts.

The BOMA occupancy survey notes that design professions were among the first to occupy rehabilitated buildings in the district, but that in recent years, they have been joined by a growing number of legal and financial service firms. The argument for a specialization in design is therefore weakened by current trends, but is still very significant.

Mixed Use Neighborhood

Planners in both the public and private sector have forecast a mixed use neighborhood in the Fort Point district. It is the view promulgated by the BRA in its 1977 Fort Point Channel Study, and further developed by Boston Wharf in its own study, performed by Jung/Brannen Associates in 1981. The district currently is a mixed use neighborhood in some senses, but the previous two explanations of the product of the process of change would posit that much of the mix is temporary, and will be swept away by further evolution into something more specialized.
The concept of a mixed-use district is similar to the specialized concentration model developed earlier, but it also assumes that residential uses are an important part of the conversion process occurring in the district. In effect, the model maintains that the district should remain substantially the same, but should become more of an attractive neighborhood to both live and work.

Residential development is a significant part of the mixed-use framework developed by the BRA and Jung/Brannen. The intimate, removed qualities of the narrow side streets are suitable for residential development, in fact it is where many of the artists presently live in loft space.

Officially, Boston Wharf is the greatest proponent of mixed-use. It is the only landowner to develop market rate housing, at Dockside Place on Sleeper Street. Its current plans forecast a continuation of housing development, and it is just starting a project on Pittsburg Street. In addition, they plan the conversion of loft and warehouse space into office space at a wide variety of rental rates. Importantly, according to the Jung/Brannen plan for part of Boston Wharf's property, some space will remain unrenovated, and thus could remain in traditional manufacturing use.
As owner of seventy-five percent of the built space in the district, Boston Wharf has political reasons for presenting an nonthreatening view of the future. If their development activity unsettles the BRA, or EDIC, future development approvals could be put at risk. A slow transition for the remaining industrial tenants in the district avoids difficulties with advocates of industrial employment in Boston, a particular problem as EDIC's industrial facilities in the Boston Marine Industrial Park reach capacity, and industrial relocation within Boston becomes increasingly difficult. Negotiations with artists for favorable lease terms partially defused a situation that could turn popular and political opinion against Boston Wharf.

According to Robert Kenney, General Manager of Boston Wharf, there is no intention to depart significantly from the plan. There is also no guarantee; it is constantly re-evaluated against market conditions. For instance, in the same period in which Boston Wharf has completed one housing project, it has completed four office conversions. Because Boston Wharf is reacting so slowly in comparison to the smaller land-owners of the district, by converting only a few of its many properties at a time, the current mix of uses should remain reality for years to come. The long term tenacity of its vision, however, is more difficult to forecast.
This is particularly true in assessing the residential possibilities of the district. The buildings, in terms of size and layout are conducive to residential conversion, but the district is not directly adjacent to any other residential neighborhoods, and their supporting services. This, along with the near invisibility of the artists in creating an active street-life makes changing the perception of the area to a residential neighborhood very difficult. The most successful residential conversions in Boston have been on the margins of neighborhoods, such as in the factory buildings along the North End waterfront.

Action taken by the BRA to help preserve the place of artists in the district is rational public policy within this framework, while from the perspective of CBD expansion it simply obstructs the movement of the marketplace. It is one of the only actions taken by the BRA to enforce a mix of uses.

Suburban Dispersion

There is one view which sees office space in Fort Point as part of the generalized trend of dispersal. The other views highlight the retention of the urban work modes: easy face to face contact, clustering of interrelated businesses, mixed-uses. According to this more suburban view of land use, the creation of office space
is judged by price and accessibility alone. This is certainly a minority view in the Fort Point district, but there is at least one development project currently in the construction phase to which it corresponds.

The renovation of the Hub Folding Box Company complex on Binford Street by Stanhope Development Company differs from the majority of conversion projects in the district both by its size and its location. The linkage of three free-standing factory buildings with glass atriums will create open floor plates of up to 50,000 sq. ft. and 320,000 square feet of total space at final build-out. This is much larger than the norm for the district, and will allow large scale users into the area for the first time. The location, south of Summer Street in a landscape of parking lots, is far from the hub of activity and amenity, but close to the intended third harbor tunnel which will eventually provide easy access to the Southeast Expressway and the north shore of Boston. For these reasons, the development project will be marketed as inexpensive back-office space, quite different from the higher class space overlooking Fort Point Channel.*

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* The developer anticipates renting the space at $17/sq.ft, before concessions.
The development is unusual in its isolation and size, and of course its success is as yet undetermined. But it makes the point that when the location is not easily accessible by foot from public transit or other businesses it must take on more suburban, i.e. self-contained, auto-dependent nature. The district, which is actually larger than the compact financial district, is clearly not all as accessible to the CBD as the office buildings lining Fort Point Channel.

Other developments on the South Boston waterfront outside our study district point to the increased acceptability of locations not at the hub of the CBD. Commonwealth Pier, redeveloped as the World Trade Center, now houses office space for Fidelity, and many firms tenanting the Boston Design Center moved from a prime location in Back Bay to the present location in the Boston Marine Industrial Park. All of these developments are relatively isolated. Their isolation changes the nature of communication between firms, and the mode of transportation. Walking and the subway are replaced by cars and shuttle busses.

The point is made even in the case of the law firm located on the edge of the Fort Point Channel at 250 Summer Street, albeit in a minor way. According to David Bakst, Senior Partner at Morrison, Mahoney and Miller, the firm was forced to institute a shuttle van to
transport employees to and from North Station and Government Center (stops in the commuter rail and transit systems) each day, and hire additional bicycle messengers because of longer trips. Those measures are modest, but make the point that when centrality is an important locational factor, even the relatively short distances found within this one district are substantial.

A Mixture of Influences

All four images of Fort Point Channel can be defended as a version of the truth. Change in this district is not following one path, but a number of different paths depending on the nature of ownership, the location of property, or the characteristics of the building, for instance. These four are not, for the most part, opposing views of what has happened. For example, the expansion of the CBD into the district may have an element of specialization in it, as when small advertising and architecture firms locate in rehabilitated space.

The real import of these different views is not that they perfectly describe what is happening, but rather that they focus attention on the various influences affecting renovation activity. Building reuse in the district has occurred so quickly, responding to many of these multiple influences simultaneously, that it is
difficult to identify one model as paramount. This is probably as true for the developers of property as it is for the critic. One example is the development of class A space for class B tenants. It exposes the current schizophrenia of a district in the midst of rapid change, in which the market is not certain, but rather is rapidly shifting.

All of these models recognize that, to some degree, the district is becoming an important office node. The only differences are the degree to which this happens, and the relationship of development to the rest of the city. Of course, this is in large part a fait accomplis. It is instructive to remember, however, that office conversion on a large scale only began in the early 1980's, and only a few years earlier was not forecast to play a major role in the district. However, the sheer volume of office space converted in these few short years guarantees the continuing role of the district as a location of office space, regardless of future development trends.

The Future of Office Development

In many respects, the rapid pace of office conversions in Fort Point since 1981 cannot be sustained for much longer, if only because the number of available properties is dwindling. Because most of the recent
renovations were of non-Boston Wharf buildings, that resource is almost totally used up, with only a scattering of unrenovated buildings left in the district.

Boston Wharf Co, on the other hand, controls the vast majority of unrenovated space both in the currently desirable area along Summer and Congress and in the still undeveloped areas in the far reaches of the district. But their policy of close supervision of all development activity by the small staff of the company should continue to restrict the pace of their development to a few properties per year.

The nature of property ownership will thus affect the pace of development, and there are other influences that should check conversions in the short term. The vacancy rate of 23% quoted by the most recent BOMA survey (fall, 86) suggests that demand is not keeping up with supply, and the addition of 250,000 sq. ft. in the next year may only increase the gulf. The high rate may reflect properties just entering the market at the time of the survey, because at least one developer, John O'Connell of Stanhope Development, thinks that the present rate is much lower. However, some of the underlying influences of office expansion have weakened in the six years since 1981, when the impetus was overwhelmingly positive. The Boston vacancy rate, while still low by national standards, has inched up to 10% from the 2%
current absorption rates. And, while historic tax credits are reduced, they are now among the only tax advantages available in real estate development.

The perception of the area as an office market is perhaps the strongest impetus for continued development. The district is recognized as a significant component of the overall downtown market by public planners and by the private market. As the district becomes ever more acceptable for office location, the price differential so important in its development becomes less important.

Future large scale new development adjacent to the district on the Fan Piers, which is now virtually assured, will only reinforce the perception of the entire Fort Point area as an office district. New transportation infrastructure will help allow new, more intense development on the expanses of vacant land nearby. In the longer term, given the continuation of current growth in office space, the district will be ever more central in the office market of downtown Boston, and thus increasingly attractive for adaptive reuse.

The long term continuation of current trends is in no way assured. Many sources point to a diminution in central city office sector growth, based on productivity advances due to computerization, and on the increased dispersion of traditional center city functions based in part on electronic communication advances. See ULI, The Changing Office Workplace, 1987.
recorded in 1981, suggesting that inflationary pressure on office rents should slow, and the forces favoring dispersion should weaken.

The federal tax deductions for renovation of non-landmarked historic structures have declined from twenty to ten percent under the 1986 tax code changes, diminishing the attraction of adaptive reuse. The ability to syndicate the tax benefits is sharply reduced under the same tax code revision.

Finally, existing building shells in the district are no longer undervalued in comparison to new construction. According to Miller Blew of Bulfinch Development, the cost of his company's current project at 280-86 Summer Street is equivalent to the cost of new construction. This is in stark contrast to earlier experience, when developers exploited the lack of perceived value in existing structures and were able to deliver the product to market at less cost than new construction. The rapid inflation of building prices in the district since 1982 eroded this disparity, an indication of the successful shift in the perception of the districts' utility. (see appendix II).

However, despite the diminution in some factors, the forces encouraging office development are still present. Class A office rents are among the very highest in the country, second only to Manhattan, and scheduled additions to the downtown office market will not lead to over-building at
current absorption rates. And, while historic tax credits are reduced, they are now among the only tax advantages available in real estate development.

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CHAPTER FOUR
CONCLUSIONS: THE IMPACT OF REUSE

Changing perceptions of urban growth

In this study, I closely analyzed how one industrial district has been transformed through adaptive reuse. The transformation is not yet complete, but the district has become an important part of the office market in Boston, providing space to a broad variety of firms, while also accommodating museums, artists' lofts, and residential condominiums.

The movement of office space to this and other industrial districts at the periphery of the central business district is indicative of a profound shift in perception, and establishes a new pattern in urban land use. In this pattern, sectoral expansion can be accommodated within the existing built form. In past decades, before preservation became socially and economically acceptable, the industrial district would either have been destroyed to make way for modern, more appropriate structures; or alternatively, the district would continue a long term decline as other uses bypassed it for more congenial locations. But the experience of reuse in entire industrial districts has proven not only that buildings are adaptable to new uses, but that the reverse is also true. Contemporary economic and social functions are very malleable within a static physical form;
the office building, or the condo, or the museum can have many different physical manifestations.

The case study illustrated how this change transpired in one district. It was not fluid, but full of starts, stops, and a few dead ends. The rapid large scale changes in use in the 1980's, during which the district emerged as an office node, were prefigured by years of public sector planning and private positioning. I identified three overlapping stages in this process of change.

Underlying everything is the gradual decline of manufacturing functions in the central city. This began much earlier than the advent of reuse as a major force, and is not a direct cause of reuse, but rather is a necessary precondition. The perception of Fort Point as an industrial district constitutes the first stage identified in the process of change. This persisted long after signs of sectoral decline were evident, and lay behind efforts of the BRA to market industrial space in the district in the late 1960's.

The second stage was the realization of the inevitability of change. In this phase, key private and public sector actors began to plan for a non-industrial future for the district, without an initially clear idea of what that future would be. This stage was characterized by a number of significant proposals for the district. Many of these, like the stadium proposal of the Boston Wharf Co.
were abandoned. Others, like waterfront access, were ultimately implemented. This transitional phase was one of testing possibilities.

During this second stage, movement of artists and architects to unrenovated loft space confirmed the theory of change, but large scale action was modest. The opening of the Children's Museum in 1979 represented a cusp between the second stage and a third stage. It was the first major project to manifest the wide variety of possibilities for reuse in the district.

In the third stage, a decade of plans and proposals was translated into action. During this stage, a strong new identity of the district as an office node has been established through the rapid renovation of industrial buildings for office uses. The speed of the actual change is surprising in relation to the decades of gradual movement toward change.

Today, the district has a new identity, quite apart from its industrial origins. Evidence of the first and second stages are not gone though, and that is a characteristic of the reuse process. Much space remains unrenovated, and manufacturing and warehousing uses still remain. There is considerable uncertainty about the future mix of uses in the district. However, all future development will be in the context of the existing office district. The perception of
the district has successfully shifted, even faster than the actual uses of the district.

Special qualities of adaptive reuse

It is ironic that the warehouses and lofts of Fort Point have undergone such a rapid transformation, while long standing plans for the nearby vacant Fan Piers are still working their way through the approvals process. The contrast illustrates the special role of adaptive reuse in accommodating urban growth. It can be a very speedy process, and can also accommodate a variety of users, including those not normally served by new development in the central city.

The small properties of Fort Point Channel are insignificant in isolation, but together account for a store of approximately six million square feet of space. If the roughly one-million square feet of space that has been converted since 1981 had been proposed as an office tower, it would have had to go through a battery of reviews, hearings, and permitting procedures, potentially adding years to the development process even before the start of site-work.

In contrast, the small increments which characterize the development pattern in Fort Point require little regulation, nor do they arouse public controversy. With reuse, there is no shock of the new; the traditional problems with new development such as traffic generation, environmental impact,
and aesthetic compatibility are non-issues. The small scale also reduces construction time considerably. The result is that a surprising amount of conversion can occur within a very few years.

The diverse pattern of ownership which characterizes part of this district is another factor which can speed the pace of conversion. In Fort Point, the difference between the one large and small property owners is pronounced. Some of the difference is due to the special circumstances of the case, but there is also a generically different approach to development between large scale and small scale owners of property. A large owner is forced to plan and stage his/her actions over the long term, while small owners may act when the moment seems right. In Fort Point, this allowed them to act within a very narrow time frame.

The large number of relatively small parcels under diverse ownership allows a wide variety of approaches to conversion. Unlike one large new development, which addresses only one slice of the market, adaptive reuse of a number of small properties can address various markets simultaneously. For instance, in the Fort Point district, office buildings run the gamut from barely renovated, inexpensive space to luxuriously appointed Class A space comparable to anything in the financial district.

The result is that Fort Point, and districts like it, are effective stockpiles of easily adaptable space. During a
period of high demand and limited additional supply, like that which was experienced in Boston in the early 1980's, this space can serve to catch the overflow of the CBD that might otherwise leave the city altogether, because major new development can take many years to react. It is particularly responsive to the needs of smaller firms, which new development often does not address. Firms that need centrality, but cannot afford prestige, and don't need an entire floor of an office tower are well served by reuse. Finally, the buildings are resources for uses other than office space. That has been the dominant use in the recent development boom, but their size, scale, and setting lends them to residential or institutional as well. A final special quality of adaptive reuse is therefore the potential to create a richly mixed urban neighborhood from an area formerly associated with a very narrow range of uses.

Fostering Reuse

The role of industrial districts as a resource for urban growth is increasingly well established. In Boston, the current zoning initiative of the Downtown Interim Planning Overlay District (IPOD), adopted in 1987, formalizes reuse by proposing restricted growth subdistricts for the Leather District and the Bulfinch Triangle, two manufacturing/warehousing districts downtown. Fort Point Channel is
outside the BRA's downtown designation, but a similar rezoning action is contemplated. Like the downtown action, it will cap allowable heights for new development at an average existing height for the district.

In addition, the BRA has proposed a policy to protect all significant historical buildings, as designated by the Boston Landmarks Commission. Fort Point Channel is currently being surveyed for just such designation.

These actions indicate that the BRA is institutionalizing reuse into city policy. It has always played a significant, but somewhat passive, role in fostering the reuse of Fort Point and other industrial districts. In the case of Fort Point Channel, private action as much as public policy was the instigation for conversion. At this point, however, the very success of reuse in changing the perception of former industrial districts, as seen in the substantial increase in property values, could eventually threaten existing buildings with replacement by denser structures. The BRA's action forestalls this possibility.

Over the quarter century of this case study, public and private attitudes towards the existing built environment have come full cycle. Now, finally, its value is firmly reflected in public policy, just as it is reflected all around us in successful reuse projects. The process of change in Fort Point is still evolving, as its role in the city is redefined by new uses. Through all the change, however, the existing
APPENDIX I

TIMELINE

1967  Fort Point warehouse space marketed by BRA
1972  Labeled "change" area in BRA/EDIC Industrial Needs study
1972  Boston Wharf bought by Town and City Properties, Inc.
mid-70's Artists begin moving into district
1975  Children's Museum buys Allied Stores building
1976  Historic Preservation tax credits established
1977  Boston Class A Office Vacancy Rate at 14%
1977  BRA Fort Point Channel planning study
1979  Children's Museum opens
1980  Rose Associates becomes minority partner in Boston Wharf Co.
1981  Masterplan for part of Boston Wharf properties
       Dockside Place (Condo) construction begun by Boston Wharf
       Economic Recovery Tax Act, increases benefits of Historic Preservation Tax Credits
       Boston Class A Office Vacancy Rate 2%
1984  FPAC develops cooperative at 249A Street
       Six Office renovations completed
1985  Fort Point first included in BOMA occupancy survey
1987  Third Harbor Tunnel/Depressed Central Artery approved

Total office space, complete and in construction: 1,209,000 square feet
# APPENDIX II

REAL ESTATE TRANSACTION IN THE FORT POINT DISTRICT  
(1980-1988)

<table>
<thead>
<tr>
<th>Address</th>
<th>Date</th>
<th>Price</th>
<th>Square Feet</th>
<th>$/sq.ft.</th>
</tr>
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<tr>
<td>250 Summer</td>
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<td>$82,000</td>
<td>50,000</td>
<td>$1.64</td>
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<tr>
<td>332-340 Summer</td>
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<td>$90,000</td>
<td>45,000</td>
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<tr>
<td>284 Summer</td>
<td>11/74</td>
<td>$175,000</td>
<td>84,000</td>
<td>$2.10</td>
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<tr>
<td>303 Congress</td>
<td>1/81</td>
<td>$255,000</td>
<td>90,000</td>
<td>$2.83</td>
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<tr>
<td>308-316 Congress</td>
<td>4/74</td>
<td>$304,000</td>
<td>144,540</td>
<td>$2.10</td>
</tr>
<tr>
<td>345 Congress</td>
<td>1/81</td>
<td>$255,000</td>
<td>90,000</td>
<td>$2.83</td>
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<tr>
<td>250-260 Summer</td>
<td>3/82</td>
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<td>94,000</td>
<td>$34.04</td>
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<tr>
<td>347 Congress</td>
<td>7/83</td>
<td>$1,800,000</td>
<td>73,000</td>
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<tr>
<td>320 Congress</td>
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<td>$1,210,000</td>
<td>48,000</td>
<td>$25.21</td>
</tr>
<tr>
<td>313 Congress</td>
<td>2/84</td>
<td>$2,250,000</td>
<td>72,000</td>
<td>$31.25</td>
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<tr>
<td>250-60 Summer</td>
<td>6/84</td>
<td>$5,737,000</td>
<td>94,000</td>
<td>$61.03</td>
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<table>
<thead>
<tr>
<th>Address</th>
<th>Date</th>
<th>Price</th>
<th>Square Feet</th>
<th>$/sq.ft.</th>
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<tr>
<td>274 Summer</td>
<td>1/85</td>
<td>$5,626,000</td>
<td>72,000</td>
<td>$78.14</td>
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<tr>
<td>345 Congress</td>
<td>1/85</td>
<td>$7,220,000</td>
<td>129,882</td>
<td>$56.00</td>
</tr>
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<td>280-286 Summer</td>
<td>12/86</td>
<td>$5,940,000</td>
<td>129,882</td>
<td>$45.73</td>
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<td>262 Summer</td>
<td>1/86</td>
<td>$2,700,000</td>
<td>45,000</td>
<td>$60.00</td>
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## APPENDIX III

**NEW AND RENOVATED OFFICE SPACE IN FORT POINT DISTRICT**

<table>
<thead>
<tr>
<th>Address Renovation</th>
<th>Square Ft</th>
<th>Year of</th>
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<td>303 Congress</td>
<td>130,000</td>
<td>1984 New</td>
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<tr>
<td>313 Congress</td>
<td>64,700</td>
<td>1984</td>
</tr>
<tr>
<td>330 Congress</td>
<td>72,000</td>
<td>1985</td>
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<tr>
<td>332 Congress</td>
<td>37,200</td>
<td>1984</td>
</tr>
<tr>
<td>347 Congress</td>
<td>33,300</td>
<td>1984</td>
</tr>
<tr>
<td>11 Farnsworth</td>
<td>44,000</td>
<td>1986</td>
</tr>
<tr>
<td>12 Farnsworth</td>
<td>64,380</td>
<td>1984</td>
</tr>
<tr>
<td>24 Farnsworth</td>
<td>80,000</td>
<td>1987</td>
</tr>
<tr>
<td>47 Farnsworth</td>
<td>16,000</td>
<td>1984</td>
</tr>
<tr>
<td>44 Pittsburgh</td>
<td>32,000</td>
<td>1984</td>
</tr>
<tr>
<td>51 Sleeper</td>
<td>156,000</td>
<td>1984</td>
</tr>
<tr>
<td>250 Summer</td>
<td>94,000</td>
<td>1985</td>
</tr>
<tr>
<td>268 Summer</td>
<td>67,148</td>
<td>1981</td>
</tr>
<tr>
<td>274 Summer</td>
<td>72,000</td>
<td>1984</td>
</tr>
<tr>
<td><strong>CUMULATIVE TOTAL 1987</strong></td>
<td><strong>962,728</strong></td>
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<table>
<thead>
<tr>
<th>Address Renovation</th>
<th>Square Ft</th>
<th>Year of</th>
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</thead>
<tbody>
<tr>
<td>Binford Street</td>
<td>175,000 (phase 1)</td>
<td>(1988)</td>
</tr>
<tr>
<td>253 Summer</td>
<td>61,148</td>
<td>(1988)</td>
</tr>
<tr>
<td>285 Summer</td>
<td>55,000</td>
<td>(1988)</td>
</tr>
<tr>
<td>280-286 Summer</td>
<td>129,882</td>
<td>(1988)</td>
</tr>
</tbody>
</table>

**CUMULATIVE TOTAL 1988** 1,383,758
BIBLIOGRAPHY


_____. Industrial Development and Relocation Opportunities in the City of Boston. Boston, 1967.

_____. Preliminary Analysis of Industrial Land Use in the City of Boston. Boston, 1972.


