

**FACILITIES OF PUBLIC ACCOMMODATION  
COMMERCIAL RETAIL & RESTAURANT  
MARKET DEMAND AND SUPPLY ANALYSES**

**WATER'S EDGE DISTRICTS  
BOSTON, MASSACHUSETTS**

**Prepared For:**

Boston Redevelopment Authority  
and  
Greater Boston Chamber of Commerce

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# Byrne McKinney & Associates, Inc.

REAL ESTATE APPRAISERS & CONSULTANTS

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September 15, 2006

Mr. Richard E. McGuinness, Project Manager  
Boston Redevelopment Authority  
City Hall Plaza  
Boston, MA 02201

**RE: Commercial Retail and Restaurant Market Analysis  
Facilities of Public Accommodation  
Water's Edge Districts  
Boston, MA**

Dear Mr. McGuinness:

On behalf of Melvin F. Levine, AICP and Byrne McKinney & Associates, Inc. the attached report sets forth the results of our collective analysis of the market demand and supply attributes for commercial retail and restaurant Facilities of Public Accommodation (FPA's) within Boston's seven Water's Edge Districts (WED's).

The report that follows presents our conclusions regarding the amount of commercial FPA space that can be reasonably supported by the market within each of the Water's Edge Districts and presents a profile of the requisite locational and product characteristics needed for successful and sustainable commercial FPA development.

We appreciate the opportunity to be of assistance and look forward to discussing our findings with you further. Please do not hesitate to contact us if you have any questions.

Respectfully submitted,  
BYRNE MCKINNEY & ASSOCIATES, INC.

Pamela S. McKinney MAI, CRE  
Principal

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## INTRODUCTION

### Study Purpose and Approach

The purpose of this study was to evaluate the market support for commercial FPA development within the Water's Edge Districts (WED) of Boston. We have considered the physical and locational characteristics of each District and conducted detailed market demand and supply analyses in order to produce an estimate of the supportable commercial FPA development envelope for each District. Based on our analyses and observations, we have also crafted a series of development principles that we believe can be useful in guiding the development of successful commercial FPA's in the Water's Edge Districts in the future. The intent was to create an understanding of how much space the market can reasonably be expected to absorb in each District over the course of the next 25 years and what conditions are necessary for that space to be economically viable and sustainable in the long term.

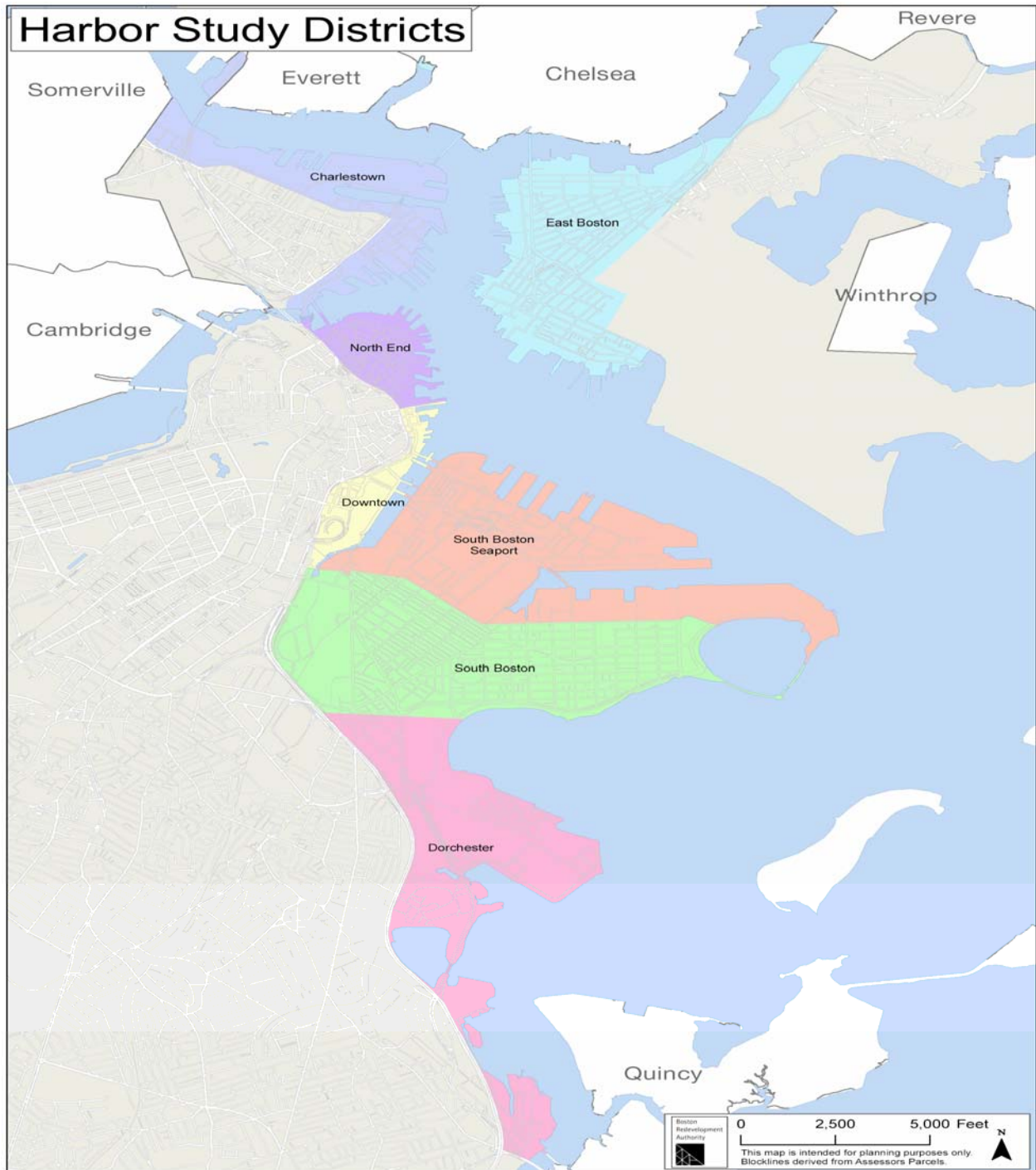
The methodology used is two-fold. Demand for new commercial retail and restaurant uses within the Water's Edge Districts has been estimated based on the anticipated growth in resident, employee and visitor numbers through the year 2030. We have utilized demographic figures (2004 estimates and projections, based U.S. Census data) provided by Claritas, Inc., a national demographic analysis firm, along with BRA estimates concerning buildout and visitor demand within the appropriate market areas to evaluate the expenditure and capture potentials for future retail and restaurant development within the Water's Edge Districts. The supply of new commercial space anticipated to be available to meet the demand was then tallied for each District based on the BRA's current inventory of existing and proposed commercial FPA spaces. The supply and demand studies enable us to determine: 1) how much additional space can be supported within each District, and; 2) whether the supply of new space planned for each District is sufficient (or more than needed) to meet the demand.

We have also profiled a number of existing and proposed commercial WED projects in order to create some guiding principles for successful and sustainable commercial FPA development. These profiles help to demonstrate that that presence of market demand alone is not sufficient for new commercial FPA space to succeed and thrive. The physical environment, the overall development context, the programming of other on site uses and the project design all have profound effects on whether and what kind of ground floor commercial uses can succeed in a particular project or WED location.

Taken together, the supply/demand studies and the recommended development guidelines are intended to support and advance the underlying public policy objective to create a vibrant, sustainable, public environment along the Water's Edge.

### Defined Study Districts

As depicted in the map below, the Water's Edge Districts have been defined by BRA to include parts of the East Boston, Charlestown, North End, Downtown, Seaport, South Boston and Dorchester neighborhoods.



## EXECUTIVE SUMMARY

### WED Commercial Supply and Demand Findings

Based on current regulatory requirements and existing development plans, there is approximately 2.5 million SF of potential new commercial restaurant and retail FPA space planned for delivery within Boston's Water's Edge Districts over the next 25 years. This is in addition to the 350,000 SF of commercial retail and restaurant FPA space which already exists within these Districts bringing the anticipated total to over 2.8 million SF (including both regulated and unregulated FPA space).

<b>Retail &amp; Restaurant Supply Summary</b>			
<b>Water's Edge District Summary</b>	<b>Existing Retail and Restaurant SF</b>	<b>Proposed New Retail and Restaurant SF</b>	<b>Total Existing &amp; Proposed</b>
<b>CHARLESTOWN WED</b>	57,278	92,641	149,919
<b>NORTH END WED</b>	43,500	202,375	245,875
<b>DOWNTOWN WED</b>	71,300	393,350	464,650
<b>SEAPORT WED</b>	116,360	1,715,854	1,832,214
<b>SOUTH BOSTON WED</b>	0	0	0
<b>DORCHESTER WED</b>	0	0	0
<b>EAST BOSTON WED</b>	62,435	87,540	149,975
<b>Total Commercial Supply</b>	<b>350,873</b>	<b>2,491,760</b>	<b>2,842,633</b>

Another 1.85 million SF of existing and proposed non-retail/restaurant FPA (including regulated and unregulated) space is planned for the Districts through 2030 including a broad range of other cultural, civic, recreational, Special Public Destination Facilities (SPDF's) and other commercial uses (offices, hotels, conference space, etc.). If all of the proposed spaces were to be built, the Boston Water's Edge Districts would contain a total of nearly 4.7 million SF of commercial, civic and cultural FPA's by 2030.

<b>FPA Supply Summary</b>			
<b>Water's Edge District Summary</b>	<b>Retail/Restaurant Only (Existing &amp; Proposed)</b>	<b>All Other FPA Space Existing &amp; Proposed</b>	<b>Total FPA Space (Regulated and Unregulated)</b>
<b>CHARLESTOWN WED</b>	149,919	71,350	221,269
<b>NORTH END WED</b>	245,875	79,200	325,075
<b>DOWNTOWN WED</b>	464,650	215,700	680,350
<b>SEAPORT WED</b>	1,832,214	592,980	2,425,194
<b>SOUTH BOSTON WED</b>	0	0	0
<b>DORCHESTER WED</b>	0	863,000	863,000
<b>EAST BOSTON WED</b>	149,975	23,911	173,886
<b>Total FPA Supply</b>	<b>2,842,633</b>	<b>1,846,141</b>	<b>4,688,774</b>

While delivery of 2.5 million SF of new commercial space is proposed, anticipated growth in the numbers of new households, employees and visitors is estimated to produce demand for approximately 1.7 million SF of new retail and restaurant space within Boston's Water's Edge Districts over the next 25 years (through 2030). The vast majority of this new growth is expected to be generated by the build out of large mixed use projects planned for the South Boston Seaport District.

<b>2030 Retail &amp; Restaurant Supply &amp; Demand</b>			
<b>Water's Edge District Summary</b>	<b>New Demand Forecast (through 2030)</b>	<b>New Supply Planned (through 2030)</b>	<b>(Over)/ Under Supply (through 2030)</b>
<b>CHARLESTOWN WED</b>	35,300	92,641	(57,341)
<b>NORTH END WED</b>	228,000	202,375	25,625
<b>DOWNTOWN WED</b>	241,600	393,350	(151,750)
<b>SEAPORT WED</b>	1,079,100	1,715,854	(636,754)
<b>SOUTH BOSTON WED</b>	38,800	0	38,800
<b>DORCHESTER WED</b>	53,900	0	53,900
<b>EAST BOSTON WED</b>	29,300	87,540	(58,240)
<b>Total Space Demand and Supply</b>	<b>1,706,000</b>	<b>2,491,760</b>	<b>(785,760)</b>

As indicated, the supply of new commercial FPA space planned for Boston's Water's Edge Districts exceeds the supportable demand by roughly 785,000 SF and by nearly 900,000 SF if offsetting demand from South Boston and Dorchester is not included in the total. Only the North End and Dorchester Districts show excess capacity for development beyond what is currently proposed.

## WED Commercial Market Observations

These studies indicate that more commercial (retail/restaurant) space is planned for the Boston WED's than can reasonably be supported by anticipated market demand growth. Indeed, a 45% oversupply of retail and restaurant space is calculated for the WED districts at 2030 based on the current build-out plans and FPA requirements. The estimates are considered to be conservative in that the current calculations assume that all existing retail and restaurant spaces with the WED districts are fully stabilized at the present time and that any new demand generated by market growth over the next 25 years will go to support new commercial endeavors, not to existing businesses.

At the same time, market conditions are not uniform across or even within individual Water's Edge Districts, as highlighted in the discussion on the following pages, with some districts and sub-districts showing greater or lesser potentials for economic imbalance and commercial market success.

- A number of Districts have significant development areas for which the FPA totals have not yet been finalized, including especially Charlestown (Yard's End, Parcel 5, Pier 5), East Boston (Parcel #59), Downtown (Post Office Site) and the Seaport (100 Acres and the former McCourt property). Any increase in new commercial FPA's (beyond what has been accounted for by this study) will further exacerbate the potential oversupply condition, putting in jeopardy the overall vitality of the ground floor commercial environments.
- In a number of specific situations, including especially at the Charlestown Navy Yard and along the East Boston waterfront, the isolated nature of these locations from a retail market capture point of view, the abundance of better, more competitive commercial opportunities for consumers in these markets and the un-evolved nature of the physical environments are likely to impact negatively on the ability of these WED's to successfully absorb new commercial space during the planning time horizon. Retail development must be carefully scaled to the onsite demand as the ability to draw more broadly is severely constrained. Commercial development in these locations must be viewed as intrinsically more vulnerable to failure as result of oversupply.
- While our calculations explicitly assume that existing commercial spaces are supported by current levels of demand, we strongly suspect that this is not the case in the Navy Yard and in East Boston and that some portion of the development growth in these WED's will be required to promote and sustain the viability of the existing supply. Adding more commercial space to these already sensitive locations has the potential to diffuse the demand and destabilize existing businesses here.
- While the Downtown market calculations show an oversupply, this is largely the result of gross level estimates for new commercial space to be redeveloped at the US Post Office site on Fort Point Channel. The current supply estimate simply assumes that 50% of the ground level area would be developed for commercial enterprises. If this assumption were reduced to 25% (from 350,000 SF to 175,000 SF), the oversupply condition calculated for the Downtown WED would be fully resolved and the numbers would instead show positive demand for another 35,000 SF. Improved pedestrian connections between the Downtown and the waterfront with the completion of the Rose Kennedy Greenway and the strong push for more new housing development in the Downtown, coupled with careful planning at the Post Office site, we believe, reduces the vulnerability of the Downtown WED to the negative impacts of an oversupply condition.
- The North End WED (defined here from a market perspective to include developments in the North Station and the Bulfinch Triangle areas) is among the most undersupplied of Boston's Water's Edge Districts. The existing residential densities coupled with the addition

of major concentrations of new housing and the anticipated growth in commercial and visitor demand are capable of supporting significant new commercial in the neighborhood. It should be noted that the mix of supportable development is heavily weighted toward restaurant space (200,000 SF or over 85% of anticipated demand).

- The South Boston and Dorchester WED's are dominated by beachfront recreational and institutional uses. In light of this, it is not clear whether viable commercial development sites exist to capture the available demand potentials identified by this study. As such, those potentials may go unmet, or may signal an opportunity for development to capture this demand in non-Water's Edge locations.
- The vast majority of the support for new commercial development within Boston's WED's is expected to be generated by the build out of large mixed use projects planned for the South Boston Seaport District (nearly 65% of all WED demand). In total, anticipated Seaport growth is capable of supporting over 1.2 million SF of new commercial retail and restaurant space. On the other hand, over 1.8 million SF is planned, yielding an identified oversupply of almost 600,000 SF. The analysis here, must consider the relative attributes of what is being proposed to understand where the impact of this oversupply vulnerability is most likely to be felt.
- In market terms, the most competitive and viable locations for major new commercial WED development in the Seaport WED are in the area bounded by the water's edge, Summer Street, D Street and Fort Point Channel. Developments planned for this area (Fan Pier, Hines/Gale, Waterside Place/Waterside Crossing and other smaller developments along Northern Avenue, Seaport Boulevard and New Congress Street) are most proximate to existing and proposed demand sources and benefit from an ability to create a concentrated and critical mass of commercial activity to draw the market. These development sites are conservatively planned at a level that would capture 100% (or more) of the Seaport WED's commercial market demand through 2030. Indeed the estimate we have used for retail build out at the former McCourt - now Hines/Gale - site (250,000 SF) is at the low end of the range and may ultimately be higher (figures up to 1,000,000 SF have been discussed) which would increase the extent of the anticipated oversupply for the Seaport District.
- The greatest market risk for commercial development in the Seaport District is clearly in the "100 Acre" parcels (which will be further exacerbated if more space is proposed for the former McCourt parcel). Over 425,000 SF of new ground floor commercial development has been proposed for the 100 Acres representing roughly 40% of the aggregate land area of the parcels (1,069,362 SF excluding the Gillette plant, but including Gillette's parking site, Archon, Melcher, Beacon, USPS, , and other condo sites).



Given the relative isolation of this location from a retail market capture point of view, the abundance of proximate, and more competitive commercial opportunities and the missionary nature of the retail environment here, the proposed plan must be considered speculative at best.

## **Guiding Principals for Commercial WED Development**

The presence of market demand alone is not sufficient for new commercial FPA space to succeed and thrive. The proximity to and nature of a site's direct demand sources, the quality, maturity and walk-ability of the site's physical environment, the programming of other on site uses, the availability of parking and/or accessibility to public transit, the project design and the underlying business economics all have a profound affect on whether and what kind of ground floor commercial uses can succeed in a particular project or WED location. The following is a list of guiding principles gleaned from our examination of development analogues.

### **Location**

Projects with direct adjacencies to major demand generators such as visitor attractions, major office towers, hotels or convention centers, dense residential neighborhoods, transit stations, etc. will enjoy better opportunities for retail success. These connections to identifiable demand sources are especially important for waterside retail, as 50% of the traditionally defined radial catchment area is over water (and therefore wholly unproductive). The relative isolation of locations like the East Boston waterfront, the Charlestown Navy Yard and the 100 Acres have been, and will continue to prove challenging for retail developments in the future.

### **Access and Visibility**

Retail spaces do best when they can be seen directly from the street and feel easily accessible on foot without barriers such as escalators, elevators, major street crossings, bridges, walls, fences, etc. The removal of the Central Artery and the completion of the Greenway improvements promises to make the Downtown and North End WED's some of the most attractive retail areas in the city.

### **Critical Mass/Scale**

Retail spaces do best when they are part of a larger retail environment. Single spaces rarely do well unless they are occupied by destination users (restaurants and some specialty stores) or are targeted and sized to meet the specific demands of onsite users. The development of Waterside Place for example in the Seaport District can be expected to have a strong positive effect on retail development potentials in that vicinity creating a magnet for demand and for new business development.

### **Environmental Quality**

Great retail needs great streets. The quality of the pedestrian environment is critically important to the success of urban retail. Retail succeeds best in a mature, active, pedestrian-scaled, walk-able attractive urban design environment. This helps to explain the success of retail in places like the North End and Back Bay and the relative dearth of retail along the downtown waterfront and in the



Seaport to date, which are far from the mature environments even after 30 years of active re-development. The completion of the Rose Kennedy Greenway and the build-out of Fan Pier, the former McCourt site and Waterside Place will have a profound impact on the environmental quality and retail potentials of these areas. Large development areas like the 100 Acres must also be prepared for a long and incremental maturation process.

### **Design**

Projects that open their ground floor commercial areas to the street and invite traffic in from the outside rather than insulating and isolating it for the benefit of onsite users alone, will enjoy broader exposure to potential consumers and greater potential for long term retail success.

### **Development Density and Land Use**

With few exceptions, most urban retail development is oriented toward convenience retail (food, drug, miscellaneous retail) and restaurant demand and is aimed at meeting the daily needs of onsite and walk-zone proximate residents, employees and visitors. For this reason, the density and diversity of surrounding developments is critical to the success of urban retail and helps to explain the success of retail environments such as Quincy Market, Downtown Crossing and Prudential/Copley Place. Projects that can only effectively reach their onsite consumers, or that are located in areas where only one demand source dominates (like for example at 470 Atlantic Avenue or Burrough's Wharf) will have severely constrained retail potentials.

A rule of thumb for measuring the relationship between office, hotel and housing development and supportable ground floor retail is presented below. As these measures indicate, it takes a tremendous amount of surrounding development density to support retail at even a modest scale.

1,000 SF of Office =	Support for $\approx$ 10 SF of restaurant space Support for $\approx$ 15 SF of miscellaneous retail space
1 Residential Unit =	Support for $\approx$ 20 SF of convenience goods retail space Support for $\approx$ 30 SF of shoppers goods retail space
1 Hotel Room =	Support for $\approx$ 100 SF of shoppers goods retail space Support for $\approx$ 140 SF of restaurant space

### **Development Timing**

Retail follows other development, it does not lead. Emerging neighborhoods have a particularly difficult time establishing successful retail, and most depend on subsidy and/or missionary entrepreneurs in the short to mid-term. This has been a significant factor for commercial endeavors in the Charlestown Navy Yard and in the Seaport and is likely to be particularly troublesome for areas such as the 100 Acres and the East Boston waterfront.

## MARKET SUPPLY AND DEMAND STUDIES

### Charlestown WED

Assuming that sales at existing stores and restaurants are in equilibrium with existing sources of demand, future demand will flow from increases in households, employment and visitors in the Charlestown Zipcode 02129.

#### *Demand Sources and Potential*

- 1) Households increase by 539 from 7,425 ('04) to 7,964
  - a) 539 Households x \$ 99,000 average income = aggregate income of \$ 53.4 million which generates neighborhood retail sales as follows:
    - i) 6.0 % = \$ 3.2 million at \$ 800/SF = **4,000 SF of food store space**
    - ii) 4.4 % = \$ 2.3 million at \$ 400/SF = **5,900 SF of restaurant space**
    - iii) 3.4 % = \$ 1.8 million at \$ 400/SF = **4,500 SF of drugstore and misc. retail space**
- 2) Employment increases by 3,672 (BRA) from 8,927 ('03) to 12,599.
  - a) 3,672 employees x annual lunch expenditures of \$ 1,460/employee = \$5.36 million
    - i) 100% = \$ 5.36 million at \$ 300/SF = **17,900 SF of restaurant space**
- 3) Visitors to US Constitution increase by 225,800, at 2%/year, from 335,262 ('04) to 561,034 ('30)
  - a) 225,800 visitors a year x 50 % purchase lunch @ \$ 7.00 = \$ 790,000
    - i) 115% = \$ 908,500 at \$ 400/SF = **3,000 SF of restaurant space with seasonal peaks.**

<b><i>Total new retail and restaurant sales by 2030 =</i></b>	<b><i>\$ 13.5 million.</i></b>
<b><i>Total new retail and restaurant space supportable by 2030 =</i></b>	<b><i>35,300 SF</i></b>

#### *FPA Supply Inventory*

As indicated in the table on the following page, Charlestown's existing commercial FPA's comprise a total of 57,278 SF retail and restaurant space. Another 92,641 SF of new commercial retail/restaurant FPA space is planned for delivery between now and 2030. Non-commercial FPA's and SPDF's tally another 71,350 SF, bringing the total FPA's for the District (regulated and unregulated) to just over 221,000 SF.

***Total new retail and restaurant FPA space to be delivered by 2030 = 92,641 SF***

Charlestown Waterfront Projects and Square Footages					Existing	Proposed	Existing & Proposed	Total
Map Code	Project	Primary Property Use	FPA Use	Potential Use	Commercial (Retail/ Rest. Only)	Commercial (Retail/ Rest. Only)	Other Non-Retail-Restaurant	FPA & SPDF
1	Building 114	Medical Research Space	Waterfront Café	Gateway to the Harbor Islands facility	8,500	-	-	8,500
			SPDF TBD		-	-	4,500	4,500
2	Yard's End Parcel 6, 7 (P)	Medical Research and Development Space	Retail		-	20,000	-	20,000
			Healthcare		-	-	21,000	21,000
			TBD		-	20,000	-	20,000
			SPDF TBD		-	-	-	-
3	Parcel 5	Vacant, Dry Dock	TBD	Large Naval Vessel?	-	-	-	TBD
4	Parcel 4	Residential/ Retail	Retail			47,641	-	47,641
5	Pier 6	Restaurant	Restaurant		5,000	-	-	5,000
6	Flagship Wharf <sup>1</sup>	Mixed Use (Residential/ commercial)	Waiting Area / Public Terrace		10,200		18,500	28,700
7	Pier 5 (P)	Residential	Bed and Breakfast / Restaurant		-	5,000	15,350	20,350
			SPDF TBD		-	-	-	-
8	Courageous Sailing	Water-dependent Entertainment / Recreation	Sailing		-	-	-	-
9	Constitution and Museum <sup>2</sup>	Civic / Cultural	Museum		-	-	12,000	12,000
10	Museum on Constitution Road <sup>2</sup>	Civic / Cultural	Museum		-	-	-	-
11	CANA Parcel 2	Mixed Use (Office/retail/ commercial)	Conference rooms, public restrooms, interpretive areas, retail and restaurant		26,300	-	-	26,300
12	Tudor Wharf <sup>1</sup>	Hotel	Café, interpretive area, conference room, pool, and exercise room		7,278	-	-	7,278
			SPDF TBD		-	-	-	-
<b>TOTAL</b>					<b>57,278</b>	<b>92,641</b>	<b>71,350</b>	<b>221,269</b>

*Net (Over) or Under Supply of Commercial FPA Space*

Current plans for the Charlestown WED, call for the development of nearly 93,000 SF of new commercial FPA space between now and 2030. Assuming that the existing commercial FPA's are in equilibrium with existing demand sources and that added sales will not be absorbed by existing establishments, market forecasts suggest that only 35,300 SF of new retail and restaurant space can be supported in the Charlestown WED during this time frame, an excess supply of over 57,000 SF.

<b>CHARLESTOWN WED</b>			
<b>Retail/Commercial FPA's</b>	<b>Existing SF</b>	<b>Future SF</b>	<b>Total SF</b>
Building 114	8,500	0	8,500
Yard's End	0	40,000	40,000
Parcel 5	0	0	0
Parcel 4	0	47,641	47,641
Flagship Wharf	10,200	0	10,200
Pier 6	5,000	0	5,000
Pier 5	0	5,000	5,000
Tudor Wharf	33,578	0	33,578
<b>Total Space Existing and Planned (2004)</b>	<b>57,278</b>	<b>92,641</b>	<b>149,919</b>
<b>Future Space Demand (2030)</b>	<b>57,278</b>	<b>35,300</b>	<b>92,578</b>
<b>(Over)/Under Supply Existing and Proposed Through 2030</b>			<b>(57,341)</b>

In short, there is currently more commercial FPA space planned for the Charlestown District than the market can reasonably be expected to absorb.

## North End WED

Assuming that sales at existing stores and restaurants are in equilibrium with existing sources of demand, future demand will flow from increases in households, employment and visitors in the Zipcodes 02109 (50%), 02110 (50%), 02114 (50%) and 02113.(100%).

### *Demand Sources and Potential*

- 1) Households increase by 1,056 (BRA) from 8,514 ('04) to 9,570
  - a) 1,056 households x \$ 93,413 average income = aggregate income of \$ 53.4 million which generates neighborhood retail sales as follows:
    - i) 6.0 % = \$ 5.9 million at \$ 800/SF = **7,400 SF of food store space**
    - ii) 4.4 % = \$ 4.3 million at \$ 400/SF = **10,900 SF of restaurant space**
    - iii) 3.4 % = \$ 3.4 million at \$ 400/SF = **8,400 SF of drugstore and misc. retail space**
- 2) Employment increases by 21,600 (BRA) from 70,000 ('03) to 91,600
  - a) 21,600 employees x annual lunch expenditures of \$ 1,460/employee = \$31.5 million
    - i) 100% = \$ 31.5 million at \$ 400/SF = **78,800 SF of restaurant space**
- 3) Out of town visitors to these four Zipcode districts, which include Faneuil Hall Marketplace (FHM) and other attractions, are estimated to increase at 2% a year from 10 million to 17 million.
  - a) 7.0 million new visitors a year x \$ 14.00/visitor for meals and miscellaneous retail merchandise = \$ 98.0 million in sales to be accommodated in the FHM/Downtown WED area (50% share) in the North End WED (50% share)
    - i) 50% = \$ 49.0 million at \$ 400/SF = **122,500 SF of restaurant and retail space**

<b><i>Total new retail and restaurant sales by 2030 =</i></b>	<b><i>\$ 94.1 million.</i></b>
<b><i>Total new retail and restaurant space supportable by 2030 =</i></b>	<b><i>228,000 SF</i></b>

### *FPA Supply Inventory*

As indicated in the table on the following page, the North End's existing commercial FPA's comprise a total of 43,500 SF retail and restaurant space. Another 202,375 SF of new commercial retail/restaurant FPA space is planned for delivery between now and 2030, most of it associated with developments in the North Station and Bulfinch Triangle areas. Identified non-commercial FPA's and SPDF's tally another 79,200 SF, bringing the total FPA space for the District to 321,075 SF.

***Total new retail and restaurant FPA space to be delivered by 2030 = 202,375 SF***

North End Waterfront Projects and Square Footages				Existing	Proposed	Existing & Proposed	Total
Map Code	Project	Primary Property Use	FPA Use	Commercial (Retail/ Rest. Only)	Commercial (Retail/ Rest. Only)	Other Non-Retail-Restaurant	FPA & SPDF
13	226 Causeway	Office/ Residential	Retail	19,000	-	-	19,000
13A	MTA Bulfinch Triangle Parcels	Mixed Use- Residential/Retail Office	Retail/ Restaurant		118,000	-	118,000
14	Lovejoy Wharf	Residential	Retail/ wharfage	-	34,000	40,000	74,000
15	Roche Bobois	Retail	Retail	14,000	-	-	14,000
16	Steriti Memorial Rink	Entertainment / Recreation	Ice-Skating	-	-	38,200	38,200
17	Battery Wharf <sup>1</sup> (PMT)	Hotel, retail, residential	Retail/ Restaurant/ Waiting Area/ Restrooms	-	42,900	-	42,900
			SPDF - Coast Guard Exhibit <sup>3</sup>	-	-	1,000	1,000
18	Burroughs Wharf	Residential	Lobby Harborwalk Exhibit and Restrooms	2,500	-	-	2,500
19	Sargents Wharf	Open Space	Parking Lot	-	-	-	-
20	Pilot House	Commercial (Office)	TBD	-	-	-	-
	Pilot House Extension	Commercial (Office)	Café / Exhibit	-	3,475	-	3,475
21	Lewis Wharf Boston Sailing Center	Entertainment / Recreation	Sailing	-	-	-	-
22	Commercial Wharf Condos	Residential	1 unit of FPA on ground floor	-	-	-	-
	Yacht Club	Water-dependent Entertainment / Recreation	Community Meeting Space	-	-	-	-
23	Joe's American Bar & Grill	Restaurant	Restaurant	8,000	-	-	8,000
<b>TOTAL</b>				<b>43,500</b>	<b>198,375</b>	<b>79,200</b>	<b>321,075</b>

**Notes:** <sup>1</sup> Though most regulated FPAs are located on the ground floor some are located on the upper floors.  
<sup>2</sup> Some free-standing FPA's that are entirely dedicated to public use also meet the definition of SPDF.  
<sup>3</sup> SPDF Square Footages are included in the FPA Square Footages

**Key:** FPA: Facility of Public Accommodation  
SPDF: Special Public Destination Facility  
(P): Proposed  
(PMT): Permitted  
(UC): Under Construction  
(TBD): To Be Determined

*Net (Over) or Under Supply of Commercial FPA Space*

Current plans for the North End WED, call for the development of 202,375 SF of new commercial FPA space between now and 2030. Assuming that the existing commercial FPA's are in equilibrium with existing demand sources and that added sales will not be absorbed by existing establishments, market forecasts suggest that fully 228,000 SF of new retail and restaurant space can be supported in the North End WED during this time frame, an under supply of 25,625 SF.

<b>NORTH END WED</b>			
<b>Retail/Commercial FPA's</b>	<b>Existing</b>	<b>Future</b>	<b>Total</b>
Battery Wharf	0	42,900	42,900
Pilot House Extension	0	3,475	3,475
Strada 234	19,000	0	19,000
585 Commercial Street	14,000	0	14,000
Burrough's Wharf	2,500	0	2,500
Joe's American Bar & Grill	8,000	0	8,000
Bulfinch Triangle Parcels	0	118,000	118,000
Lovejoy Wharf	0	34,000	34,000
Other	0	0	0
<b>Total Space Existing and Planned (2004)</b>	43,500	202,375	245,875
<b>Future Space Demand (2030)</b>	43,500	228,000	271,500
<b>(Over)/Under Supply Existing and Proposed</b>			<b>25,625</b>

In short, there is more potential for commercial development in the North End WED, especially in the restaurant category, than current plans are designed to deliver.

## Downtown WED

Assuming that sales at existing stores and restaurants are in equilibrium with existing sources of demand, future demand will flow from increases in households, employment and visitors in the Zipcodes 02109 (50%), 02110 (50%) and 02111 (50%).

### *Demand Sources and Potential*

- 1) Households increase by 1,693 (BRA) from 2,638 ('04) to 4,331
  - a) 1,693 households x \$ 93,413 average income = aggregate income of \$ 158.1 million which generates neighborhood retail sales as follows:
    - i) 6.0 % = \$ 9.5 million at \$ 800/SF = **11,900 SF of food store space**
    - ii) 4.4 % = \$ 7.0 million at \$ 400/SF = **17,400 SF of restaurant space**
    - iii) 3.4 % = \$ 5.4 million at \$ 400/SF = **13,400 SF of drugstore and misc. retail space**
- 2) Employment increases by 20,938 (BRA) from 67,934 ('03) to 88,872
  - a) 20,938 employees x annual lunch expenditures of \$ 1,460/employee = \$30.6 million
    - i) 100% = \$ 30.6 million at \$ 400/SF = **76,400 SF of restaurant space**
- 3) Out of town visitors to these four Zipcode districts, which include Faneuil Hall Marketplace (FHM) and other attractions, are estimated to increase at 2% a year from 10 million to 17 million.
  - a) 7.0 million new visitors a year x \$ 14.00/visitor for meals and miscellaneous retail merchandise = \$ 98.0 million in sales to be accommodated in the FHM/Downtown WED area (50% share) in the North End WED (50% share)
    - i) 50% = \$ 49.0 million at \$ 400/SF = **122,500 SF of restaurant and retail space**

**Total new retail and restaurant sales by 2030 = \$ 101.5 million.**  
**Total new retail and restaurant space supportable by 2030 = 241,600 SF**

### *FPA Supply Inventory*

As indicated in the table on the following page, the Downtown's existing commercial FPA's comprise a total of 71,300 SF retail and restaurant space. Another 393,950 SF of new ground floor commercial retail/restaurant FPA space is planned for delivery between now and 2030, most of it associated with the anticipated redevelopment of the South Boston Postal Annex site. Identified non-commercial FPA's and SPDF's tally another 215,700 SF, bringing the total for the District to 680,350 SF.

**Total new retail and restaurant FPA space to be delivered by 2030 = 393,950 SF**



Downtown Waterfront Projects and Square Footages					Existing	Proposed	Existing & Proposed	Total
Map Code	Project	Primary Property Use	FPA Use	Potential Use	Commercial (Retail/ Rest. Only)	Commercial (Retail/ Rest. Only)	Other Non-Retail-Restaurant	FPA & SPDF
24	Long Wharf	Hotel/Commercial	Café / Pushcarts / Restaurants	N/A	9,600	-	-	9,600
25	Central Wharf <sup>2</sup>	Entertainment / Recreation	Aquarium	N/A	-	-	146,000	146,000
		Entertainment / Recreation	IMAX Theater	N/A	-	-	19,000	19,000
		Office/ Restaurant Parking/ Retail	Restaurant Retail & garage	N/A N/A	15,000 9,600	- -	- -	15,000 9,600
26	Rowes Wharf <sup>1</sup>	Hotel/Condos	Restaurant /Conference Room/ Exhibit / Bar / Café / Water Transit Ticketing / Foster's Rotunda	N/A	23,100	-	-	23,100
27	James A. Hook Lobster	Water-dependent Commercial	Retail	N/A	10,000	-	-	10,000
28	470 Atlantic Avenue	Mixed Use Office	Rooftop obs. / 1st floor exhibit / café	N/A	4,000	-	30,000	34,000
29	500 Atlantic Avenue <sup>1</sup> (UC)	Mixed Use Hotel, retail, residential	Hotel / Retail / Restaurant / Entertainment	N/A	-	20,000	-	20,000
30	Russia Wharf <sup>1</sup> (P)	Mixed Use Hotel, retail, office, residential	Retail	N/A	-	20,100	-	20,100
			SPDF TBD <sup>3</sup>	N/A	-	-	6,900	6,900
31	Federal Reserve	Civic/Cultural (Office)	NE Economy Museum	N/A	-	-	-	-
31A	Boston Tea Party Museum	Civic/Cultural	Museum <sup>2</sup>	N/A	-	-	13,800	13,800
32	Post Office Redevelopment Site	Mixed Use	TBD	N/A	-	353,250	-	353,250
<b>TOTAL</b>				N/A	<b>71,300</b>	<b>393,350</b>	<b>215,700</b>	<b>680,350</b>

**Notes** <sup>1</sup> Though most regulated FPAs are located on the ground floor some are located on the upper floors.  
<sup>2</sup> Some free-standing FPAs that are entirely dedicated to public use also meet the definition of SPDF.  
<sup>3</sup> SPDF Square Footages are included in the FPA Square Footages

**Key:** FPA: Facility of Public Accommodation  
 SPDF: Special Public Destination Facility  
 (P): Proposed  
 (PMT): Permitted  
 (UC): Under Construction  
 (TBD): To Be Determined

*Net (Over) or Under Supply of Commercial FPA Space*

Current plans for the Downtown WED anticipate the development of 393,950 SF of new commercial FPA space between now and 2030. Assuming that the existing commercial FPA's are in equilibrium with existing demand sources and that added sales will not be absorbed by existing establishments, market forecasts suggest that only 241,600 SF of new retail and restaurant space can be supported in the Downtown WED during this time frame, an over supply of 142,750 SF.

<b>DOWNTOWN WED</b>			
<b>Retail/Commercial FPA's</b>	<b>Existing</b>	<b>Future</b>	<b>Total</b>
Long Wharf	9,600	0	9,600
Central Wharf	24,600	0	24,600
Rowes Wharf	23,100	0	23,100
470 Atlantic Avenue	4,000	0	4,000
James Hook Lobster	10,000	0	10,000
500 Atlantic Avenue	0	20,000	20,000
Russia Wharf	0	20,100	20,100
Post Office Site (100% of ground floor are	0	353,250	353,250
Other	0	0	0
Other	0	0	0
<b>Total Space Existing and Planned (2004)</b>	<b>71,300</b>	<b>393,350</b>	<b>455,050</b>
<b>Future Space Demand (2030)</b>	<b>71,300</b>	<b>241,600</b>	<b>312,900</b>
<b>(Over)/Under Supply Existing and Proposed</b>			<b>(142,150)</b>

In short, there is currently more commercial FPA space planned for the Downtown District than the market can reasonably be expected to absorb.

## Seaport WED

The Seaport District has been defined to include the Fort Point Channel area. Assuming that sales at existing stores and restaurants are in equilibrium with existing sources of demand, future demand in the Seaport WED will flow from increases in households, employment and visitors in this Zipcode 02210.

### *Demand Sources and Potential*

- 1) Households increase by 6,600 (BRA)
  - a) 6,600 households x \$ 80,000 average income = aggregate income of \$ 528.0 million which generates neighborhood retail sales as follows assuming that 50% of shopping goods (GAFO-General merchandise, Apparel, Furniture/home furnishings and Other) expenditures and 85% of convenience goods (FEDm-Food, Eating & Drinking and Drugs/Miscellaneous) expenditures are made in the district:
    - i) 13.6% = \$ 71.8 million at \$ 400/SF = **90,000 SF of GAFO store space**
    - ii) 6.0 % = \$ 31.7 million at \$ 800/SF = **40,000 SF of food store space**
    - iii) 4.4 % = \$ 23.2 million at \$ 400/SF = **58,000 SF of restaurant space**
    - iv) 2.1 % = \$ 11.1 million at \$ 400/SF = **28,000 SF of drugstore space**
    - v) 1.3 % = \$ 6.9 million at \$ 400/SF = **17,000 SF of misc. retail space**
- 2) Employment increases by 24,000 (BRA)
  - a) 24,000 employees x annual lunch expenditures of \$ 1,460/employee = \$35.0 million
    - i) 85% = \$ 29.8 million at \$ 400/SF = **74,500 SF of restaurant space**
  - b) 24,000 employees x annual GAFO expenditures of \$ 1,400/employee = \$33.6 million
    - i) 50% = \$ 16.8 million at \$ 400/SF = **42,000 SF of GAFO space**
- 3) Out of town visitor demand may be measured as a function of the expected buildout of 6,230 new hotel rooms
  - a) 6,230 new rooms x \$ 39,300/room/year for retail merchandise = \$ 244.8 million  
in sales to be generated with a 50% capture by establishments in the Seaport WED
    - i) 50% = \$ 122.4 million at \$ 400/SF = **306,000 SF of GAFO space**
  - b) 6,230 new rooms x \$ 54,400/room/year for restaurant space = \$ 338.9 million  
in sales to be generated with a 50% capture by establishments in the Seaport WED
    - i) 50% = \$ 169.5 million at \$ 400/SF = **423,600 SF of restaurant space**

<b>Total new retail and restaurant sales by 2030 =</b>	<b>\$ 483.2 million.</b>
<b>Total new retail and restaurant space supportable by 2030 =</b>	<b>1,079,100 SF</b>

*FPA Supply Inventory*

As indicated in the table on the following page, the Seaport's existing commercial FPA's comprise a total of 116,360 SF retail and restaurant space. Another 1.7 million SF of new commercial FPA space is planned or proposed for delivery between now and 2030, most of it associated with the anticipated redevelopment of the Fan Pier, News Corp (formerly McCourt), Waterside Place/Waterside Crossing and so-called 100-Acre sites. Estimated retail and restaurant SF's for these and other future developments are approximate. Identified non-commercial FPA's and SPDF's tally another 592,980 SF, bringing the total for the District to 2,425,194 SF.

***Total new retail and restaurant FPA space to be delivered by 2030 = 1,715,854 SF***

Downtown Waterfront Projects and Square Footages				Existing	Proposed	Existing & Proposed	Total
Map Code	Project	Primary Property Use	FPA Use	Commercial (Retail/ Rest. Only)	Commercial (Retail/ Rest. Only)	Other Non-Retail-Restaurant	FPA & SPDF
33	The Hundred-Acre Master Plan	Mixed Use - industrial, retail, office, residential, civic, cultural	TBD	-	427,745	TBD	427,745
33A	Convention Center Hotel	Hotel	Retail, restaurant, meeting rooms	-	10,250	47,000	57,250
34	Children's Museum <sup>2</sup>	Water-dependent Civic / Cultural	Museum	-	-	158,000	158,000
35	Barking Crab Restaurant	Restaurant	Restaurant	6,000	-	-	6,000
36	Federal Courthouse <sup>1</sup>	Civic / Cultural	2nd floor restaurant, café, exhibit gallery, museum	-	5,000	2,000	7,000
37	Fan Pier Development <sup>1</sup> (PMT)	Mixed Use Hotel, retail, office, residential	Retail	-	134,420	-	134,420
	Institute for Contemporary Art (ICA) <sup>2</sup> (UC)	Civic / Cultural	ICA / TBD	-	-	107,000	107,000
38	Pier 4 (P)	Mixed-use Hotel, retail, residential, office	Retail TBD	-	34,675	-	34,675
			Civic / Cultural TBD	-	-	20,000	20,000
39	News Corp (formerly McCourt)	Mixed-use	TBD	-	250,000	TBD	250,000
40	World Trade Center (WTC)	Conference / Office	2nd floor cafeteria, 1st floor retail and exposition hall	10,000	-	235,000	245,000
41	WTC East Office Bldg	Office	Retail	10,500	-	-	10,500
42	WTC Hotel <sup>1</sup>	Hotel	Hotel Services	58,000	-	-	58,000
43	WTC West Office Bldg	Office	Retail	25,000	-	-	25,000
43A	Waterside Place & Waterside Crossing	Retail, residential, hotel office	Retail	-	800,000	-	800,000
43B	Parcel A-2	Office	Retail	-	10,000	-	10,000
44	Fish Pier	Water-dependent Industrial	Conference Center	-	-	3,980	3,980
	No Name Restaurant	Restaurant	Restaurant	3,500	-	-	3,500
45	242 Northern Ave	Restaurant/Office	Restaurant / retail	-	15,000	15,000	30,000
46	Parcel G, J (UC)	Residential, retail, hotel	Restaurant / retail	-	28,764	-	28,764
47	Fleet Boston Pavilion	Entertainment	Entertainment	-	-	5,000	5,000
48	Legal Seafoods	Water-dependent Commercial	Exhibit	-	-	-	-
49	Bronstein Industrial Center	Industrial	Retail	3,360	-	-	3,360
50	Black Falcon Cruise Terminal	Water-dependent Transportation		-	-	-	-
<b>TOTAL</b>				<b>116,360</b>	<b>1,715,854</b>	<b>592,980</b>	<b>2,425,194</b>

*Net (Over) or Under Supply of Commercial FPA Space*

Current plans for the Seaport WED anticipate the development of up to 1,715,854 SF of new commercial FPA space between now and 2030. Assuming that the existing commercial FPA's are in equilibrium with existing demand sources and that added sales will not be absorbed by existing establishments, market forecasts suggest that 1,079,100 SF of new retail and restaurant space can be supported in the Downtown WED during this time frame, an over supply of 636,754 SF.

<b>SEAPORT WED</b>			
<b>Retail/Commercial FPA's</b>	<b>Existing</b>	<b>Future</b>	<b>Total</b>
100 Acres	0	427,745	427,745
Convention Center Hotel		10,250	10,250
Barking Crab	6,000	0	6,000
Federal Court House	0	5,000	5,000
Fan Pier	0	134,420	134,420
Pier 4	0	34,675	34,675
News Corp	0	250,000	250,000
World Trade Center	103,500	0	103,500
Waterside Place/Waterside Crossing	0	800,000	800,000
Parcel A-2	0	10,000	10,000
242 Northern Avenue	0	15,000	15,000
Park Lane Apartments and Hotel	0	28,764	28,764
Fish Pier	3,500	0	3,500
Bronstein Center	3,360	0	3,360
Other	0	0	0
Other	0	0	0
<b>Total Space Existing and Planned (2004)</b>	<b>116,360</b>	<b>1,715,854</b>	<b>1,832,214</b>
<b>Future Space Demand (2030)</b>	<b>116,360</b>	<b>1,079,100</b>	<b>1,195,460</b>
<b>(Over)/Under Supply Existing and Proposed</b>			<b>(636,754)</b>

In short, there is currently more commercial retail and restaurant space planned for the Seaport District than the market can reasonably be expected to absorb.

## South Boston WED

The South Boston Water's Edge District has been defined to include the waterfront area between Castle Island and Harbor Point. Assuming that sales at existing stores and restaurants are in equilibrium with existing sources of demand, future demand in the South Boston WED will flow from increases in households, employment and visitors in this Zipcode 02127.

### *Demand Sources and Potential*

- 1) Households increase by 1,001 (BRA) from 13,786 ('04) to 14,787.
  - a) 1,001 households x \$ 60,673 average income = aggregate income of \$ 60.7 million which generates neighborhood retail demand as follows:
    - i) 6.0 % = \$ 3.6 million at \$ 600/SF = **6,000 SF of food store space**
    - ii) 4.4 % = \$ 4.4 million at \$ 300/SF = **8,900 SF of restaurant space**
    - iii) 3.4 % = \$ 2.0 million at \$ 300/SF = **6,900 SF of drugstore and misc. retail space**
- 2) Employment increases by 3,498 (BRA) from 11,348 ('03) to 14,846
  - a) 3,489 employees x annual lunch expenditures of \$ 1,460/employee = \$5.1 million
    - i) 100% = \$ 5.1 million at \$ 300/SF = **17,000 SF of restaurant space**

<b>Total new retail and restaurant sales by 2030 =</b>	<b>\$ 13.4 million.</b>
<b>Total new retail and restaurant space supportable by 2030 =</b>	<b>38,800 SF</b>

### *FPA Supply Inventory*

There is currently no existing or planned commercial retail or restaurant space within the South Boston Water's Edge District.

<b>Total new retail and restaurant FPA space to be delivered by 2030 =</b>	<b>0 SF</b>
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### *Net (Over) or Under Supply of Commercial FPA Space*

Market forecasts suggests that there is an opportunity to develop up to 38,800 SF of new retail and restaurant space in the South Boston WED through 2030.

<b>SOUTH BOSTON WED</b>			
<b>Retail/Commercial FPA's</b>	<b>Existing</b>	<b>Future</b>	<b>Total</b>
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
<b>Total Space Existing and Planned (2004)</b>	0	0	0
<b>Future Space Demand (2030)</b>	0	38,800	38,800
<b>(Over)/Under Supply Existing and Proposed</b>			<b>38,800</b>



## Dorchester WED

The Dorchester Water's Edge District has been defined to include the waterfront area from Harbor Point to the JFK Library. Assuming that sales at existing stores and restaurants are in equilibrium with existing sources of demand, future demand will flow from increases in households and employment in the Fields Corner and Uphams Corner Zipcodes 02122 and 02125.

### *Demand Sources and Potential*

- 1) Households increase by 1,415 (BRA) from 19,461 ('04) to 20,896.
  - a) 1,415 households x \$ 52,051 average income = aggregate income of \$ 73.7 million which generates neighborhood retail demand as follows:
    - i) 6.0 % = \$ 4.4 million at \$ 600/SF = **7,400 SF of food store space**
    - ii) 4.4 % = \$ 3.2 million at \$ 300/SF = **10,800 SF of restaurant space**
    - iii) 3.4 % = \$ 2.5 million at \$ 300/SF = **8,300 SF of drugstore and misc. retail space**
- 2) Employment increases by 5,283 (BRA) from 17,142 ('03) to 22,425
  - a) 5,283 employees x annual lunch expenditures of \$ 1,460/employee = \$7.7 million
    - i) 100% = \$ 7.7 million at \$ 300/SF = **25,700 SF of restaurant space**
- 3) Out of town visitors to the JFK Library and Museum, are estimated to increase by 142,000 from 211,000 ('04) to 353,000 ('30).
  - a) 142,000 new visitors a year x \$ 7.00/visitor for lunch = \$ 1.0 million
    - i) 50% = \$ .5 million at \$ 300/SF = **1,700 SF of restaurant space**

<b>Total new retail and restaurant sales by 2030 =</b>	<b>\$ 18.3 million.</b>
<b>Total new retail and restaurant space supportable by 2030 =</b>	<b>53,900 SF</b>

### *FPA Supply Inventory*

The Dorchester WED is dominated by large civic and educational uses, which together with the Bayside Exposition Center total 863,000 SF of FPA space. There is currently only 5,000 SF of existing commercial retail or restaurant space within the Dorchester Water's Edge District and no new commercial space is planned.

<b>Total new retail and restaurant FPA space to be delivered by 2030 =</b>	<b>0 SF</b>
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<b>Dorchester Waterfront Projects and Square Footages</b>				<b>Existing</b>	<b>Proposed</b>	<b>Existing &amp; Proposed</b>	<b>Total</b>
<b>Map Code</b>	<b>Project</b>	<b>Primary Property Use</b>	<b>FPA Use</b>	<b>Commercial (Retail/ Rest. Only)</b>	<b>Commercial (Retail/ Rest. Only)</b>	<b>Other Non-Retail-Restaurant</b>	<b>FPA &amp; SPDF</b>
51	J.F.K. Library	Civic / Cultural	Library Museum Conference Center	- - -	- - -	135,000 18,000 20,000	135,000 18,000 20,000
52	State Archives	Civic / Cultural	Archives	-	-	100,000	100,000
53	UMass Arts on the Point	Civic / Cultural	Education	-	-	331,000	331,000
54	Bayside Expo Center	Exposition/ conference	Exposition and meeting space	-	-	259,000	259,000
55	Harbor Point Apartments	Residential, recreational and retail	Convenience retail	5,000	-		5,000
<b>TOTAL</b>				<b>5,000</b>	<b>-</b>	<b>863,000</b>	<b>868,000</b>
<b>Notes:</b>				<b>Key:</b>			
<sup>1</sup> Though most regulated FPAs are located on the ground floor some are located on the upper floors. <sup>2</sup> Some free-standing FPA's that are entirely dedicated to public use also meet the definition of SPDF. <sup>3</sup> SPDF Square Footages are included in the FPA Square Footages				FPA: Facility of Public Accommodation SPDF: Special Public Destination Facility (P): Proposed (PMT): Permitted (UC): Under Construction (TBD): To Be Determined			

*Net (Over) or Under Supply of Commercial FPA Space*

Market forecasts suggests that there is an opportunity to develop up to 53,900 SF of new retail and restaurant space in the Dorchester WED through 2030.

<b>DORCHESTER WED</b>			
<b>Retail/Commercial FPA's</b>	<b>Existing</b>	<b>Future</b>	<b>Total</b>
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
<b>Total Space Existing and Planned (2004)</b>	0	0	0
<b>Future Space Demand (2030)</b>	0	53,900	53,900
<b>(Over)/Under Supply Existing and Proposed</b>			<b>53,900</b>

**East Boston WED**

Assuming that sales at existing stores and restaurants are in equilibrium with existing sources of demand, future demand will flow from increases in households and employment in the East Boston Zipcode 02128.

*Demand Sources and Potential*

- 4) Households increase by 1,050 (BRA) from 14,484 ('04) to 15,534
  - a) 1,050 Households x \$ 80,000 average income = aggregate income of \$ 84.0 million which generates neighborhood retail sales as follows:
    - i) 6.0 % = \$ 5.0 million at \$ 800/SF = **6,300 SF of food store space**
    - ii) 4.4 % = \$ 3.7 million at \$ 400/SF = **9,200 SF of restaurant space**
    - iii) 3.4 % = \$ 2.9 million at \$ 400/SF = **7,100 SF of drugstore and misc. retail space**
  
- 5) Employment increases (outside the airport) by 1,366 (BRA) from 4,433 ('03) to 5,799.
  - a) 1,366 employees x annual lunch expenditures of \$ 1,460/employee = \$5.36 million
    - i) 100% = \$ 2.0 million at \$ 300/SF = **6,700 SF of restaurant space**

<b>Total new retail and restaurant sales by 2030 =</b>	<b>\$ 13.6 million.</b>
<b>Total new retail and restaurant space supportable by 2030 =</b>	<b>29,300 SF</b>

*FPA Supply Inventory*

As indicated in the table on the following page, East Boston's existing commercial FPA's comprise a total of 62,435 SF retail and restaurant space. Another 87,540 SF of new commercial retail and restaurant FPA space is planned for delivery between now and 2030. Identified non-commercial FPA's and SPDF's tally another 23,911 SF, bringing the total FPA's for the District to 173,866 SF.

<b>Total new retail and restaurant FPA space to be delivered by 2030 =</b>	<b>87,540 SF</b>
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East Boston Waterfront Projects and Square Footages				Existing	Proposed	Existing & Proposed Other Non-Retail- Restaurant	Total
Map Code	Project	Primary Property Use	FPA Use	Commercial (Retail/ Rest. Only)	Commercial (Retail/ Rest. Only)		FPA & SPDF
56	Massport Portside Pier 1 (PMT)	Residential, retail	Retail, restaurant SPDF TBD <sup>3</sup>	-	65,440	-	65,440
				-	-	3,200	3,200
57	Clippership Wharf (PMT)	Mixed-use - Residential, recreational, retail	Retail/ Restaurant	-	22,100	9,800	31,900
			Community/ Education	-	-	5,200	5,200
58	Hodge Boiler Works (P)	Residential	Bed and Breakfast	-	-	5,711	5,711
59	Vacant Parcel	TBD	TBD	-	-	-	-
60	Liberty Plaza	Retail	Retail	62,435	-	-	62,435
	<b>TOTAL</b>			<b>62,435</b>	<b>87,540</b>	<b>23,911</b>	<b>173,886</b>
<b>Notes:</b> <sup>1</sup> Though most regulated FPAs are located on the ground floor some are located on the upper floors. <sup>2</sup> Some free-standing FPA's that are entirely dedicated to public use also meet the definition of SPDF. <sup>3</sup> SPDF Square Footages are included in the FPA Square Footages				<b>Key:</b> FPA: Facility of Public Accommodation SPDF: Special Public Destination Facility (P): Proposed (PMT): Permitted (UC): Under Construction (TBD): To Be Determined			

### Net (Over) or Under Supply of Commercial FPA Space


Current plans for the East Boston WED, call for the development of 87,540 SF of new commercial FPA space between now and 2030. Assuming that the existing commercial FPA's are in equilibrium with existing demand sources and that added sales will not be absorbed by existing establishments, market forecasts suggest that only 29,300 SF of new retail and restaurant space can be supported in the East Boston WED during this time frame, an excess supply of 58,240 SF.

<b>EAST BOSTON WED</b>			
Retail/Commercial FPA's	Existing	Future	Total
Portside Place Pier 1	0	65,440	65,440
Clippership Wharf	0	22,100	22,100
Liberty Plaza	62,435	0	62,435
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
Other	0	0	0
<b>Total Space Existing and Planned (2004)</b>	<b>62,435</b>	<b>87,540</b>	<b>149,975</b>
<b>Future Space Demand (2030)</b>	<b>62,435</b>	<b>29,300</b>	<b>91,735</b>
<b>(Over)/Under Supply Existing and Proposed</b>			<b>(58,240)</b>


In short, there is currently more commercial FPA space planned for the East Boston Water's Edge District than the market can reasonably be expected to absorb.

# DEVELOPMENT PROFILES



## Rowes Wharf

DOWNTOWN WED									
Rowes Wharf Mixed Use	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple-small scale-convenience type (lobby shop, boutique, café, florist, etc.)	23,100 SF	Onsite Garage 550 spaces for Commercial users	Visitors, employees and residents	On-site and Downtown walk-zone	Business and Consumer Convenience	Mid to high \$30's PSF
	Restaurant	Above grade	High-end restaurant (Meritage)	88 Seats		Visitors, employees and residents	On-site, Boston and Metro-region	Destination	
	Cultural Attractions								
	Hotel	Ground and above grade	Lobby and meeting rooms at ground floor; fitness center, day spa (membership only) and hotel rooms above	230 Keys					
	Office	Above grade	Class A - Multi-tenant	321,200 SF					
	Recreational Marine	Harborwalk and watersheet	Transient and seasonal marina slips	33 Slips					
	Commercial Marine	Harborwalk and watersheet	Ferry Berths	1,000 LF					
	Residential	Ground and above grade	Luxury condos (TH and Mid-rise)	100 Units	Onsite Garage 150 spaces for Residential users				
<b>Comments:</b>	<p>Retail success at Rowes Wharf is directly tied to the site's internally generated demand. The lack of street frontage and visibility for ground floor uses creates an insular environment that limits its ability to draw from even the surrounding walk-zone. That said, the removal of the Central Artery and the completion of the Greenway are likely to improve the property's drawing power, especially as more residential and hotel uses are developed on surrounding waterfront and downtown parcels</p>								

Central Wharf


DOWNTOWN WED									
Central Wharf Mixed Use	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple-small scale-convenience type (hotel lobby shop & guest svc. 7/11 convenience store, push cart vendors, NEAQ gift shop, etc.)	9,600 SF	Onsite Garage 1475 public spaces	Visitors, employees and residents	On-site and Downtown walk-zone	Business and Consumer Convenience	Mid to high \$30's PSF
	Restaurant	Marriot Hotel	High-end restaurant and café (Oceana)	200 Seats		Visitors, employees & residents	On-site, Boston and Metro-region	Destination	
	Restaurant	255 State Street	High-end restaurants (Legal Seafood and Sel de la Terre)	325 Seats		Visitors, employees & residents	On-site, Boston and Metro-region	Destination	
	Cultural Attractions	Ground and above grade	New England Aquarium						
	Hotel	Ground and above grade	Lobby and meeting rooms (10,825 SF); fitness center with pool and hotel rooms above	400 Keys					
	Office	Above grade	Class A - Multi-tenant	220,000 SF					
	Recreational Marine	Harborwalk and watersheet	Transient slips						
	Commercial Marine	Harborwalk and watersheet	Ferry Berths						
	Residential			0 Units					
<b>Comments:</b>	Retail success at Central Wharf is directly tied to visitor and onsite employee demand. This site is a gateway for marine related tourism, benefiting from its role as water transportation hub for the Harbor Islands and Inner Harbor ferry system and from the drawing power of the New England Aquarium. With extensive frontage on the Wharf and Greeway, ground floor commercial uses here are sure to thrive, especially as additional residential and hotel uses are developed within the property's walk-zone on nearby waterfront and downtown parcels								

Russia Wharf

DOWNTOWN WED									
Russia Wharf Mixed Use	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple-small scale-convenience type (lobby shop, boutique, café, florist, convenience store, etc.)	27,600 SF	Onsite Garage 512 spaces serving on-site users and visitors	Visitors, employees and residents	On-site and Downtown walk-zone	Business and consumer convenience	N/A
	Restaurant	Ground	High-end restaurant	TBD Seats		Visitors, employees and residents	On-site, Boston and Metro-region	Destination	
	Restaurant	Ground	Jazz Club	0 Seats					
	Cultural Attractions								
	Hotel	Ground and above grade	Lobby and meeting rooms; fitness center with hotel rooms above	300 Keys					
	Office	Above grade	Class A-Multi-tenant	500,000 SF					
	Recreational Marine	Harborwalk			Slips				
	Commercial Marine	Harborwalk and watersheet			LF				
	Residential	Floors 2-7	Luxury condominiums	50 Units					
<b>Comments:</b>	<p>Retail success at Russia Wharf will be driven primarily by onsite resident and employee demand. With the power of half a million SF of Class A office, a 300 room hotel and 50 onsite condominium households in the upper floors, commercial uses at the site will enjoy 24/7 demand. Coupled with extensive frontage on the Wharf and Greenway, ground floor commercial uses here are sure to thrive, especially as additional residential and hotel uses are developed within the property's walk-zone on nearby waterfront and downtown parcels</p>								




Independence Wharf (470 Atlantic Avenue)

<b>DOWNTOWN WED</b>									
<b>470 Atlantic Avenue Office</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Small scale-convenience type (deli)	4,000 SF	Onsite Garage serving onsite tenants only	Employees and residents	On-site	Business and Consumer Convenience	Mid to low \$30's PSF
	Restaurant			0 Seats					
	Restaurant			0 Seats					
	Cultural Attractions	14th floor	Observatory						
	Hotel			0 Keys					
	Office	Above grade	Class A - Multi-tenant	336,725 SF					
	Recreational Marine	Harborwalk		0 Slips					
	Commercial Marine	Harborwalk and watershed		0 LF					
	Residential			0 Units					
<b>Comments:</b>	Retail uses at 470 Atlantic Avenue rely heavily on support from onsite office employee demand. The single purpose nature of the building and its day-time only operating hours limits the spectrum of commercial uses that can succeed here. That said, the proposed activation of the Fort Point Channel watershed and the completion of the Greenway, should help to buoy ground floor commercial uses, with the potential to do better as additional residential and hotel uses are developed within the property's walk-zone on nearby waterfront and downtown parcels.								





**Intercontinental Hotel and Residences (500 Atlantic Avenue)**


<b>DOWNTOWN WED</b>									
<b>500 Atlantic Avenue Condo-Hotel</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple-small scale-convenience type (lobby shop, boutique, café, florist, etc.)	50,480 SF	Onsite Garage 375 spaces serving on-site users and visitors	Visitors, employees and residents	On-site and Downtown walk-zone	Consumer Convenience	N/A
	Restaurant	Ground and above grade	High-end restaurant	TBD Seats		Visitors, employees and residents	On-site, Boston and Metro-region	Destination	
	Restaurant			0 Seats					
	Cultural Attractions								
	Hotel	Ground and above grade	Lobby and meeting rooms; fitness center with pool and hotel rooms above	424 Keys					
	Office			0 SF					
	Recreational Marine	Harborwalk			Slips				
	Commercial Marine	Harborwalk and watersheet			LF				
	Residential	Floors 11-20	Luxury condominiums	130 Units					
<b>Comments:</b>	Retail success at 500 Atlantic Avenue will be directly tied to the site's internally generated hotel and condominium demand. The hotel and condominium lobbies wil dominate the street frontage limiting the property's ability to draw from the surrounding walk-zone. That said, the proposed Fort Point Channel activation and the completion of the Greenway are expected to improve the property's drawing power, especially as more residential and hotel uses are developed on surrounding waterfront and downtown parcels								

Battery Wharf


**NORTH END WED**

<b>Battery Wharf Condo-Hotel</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Mid-scale-convenience type (lobby shop, boutique, café, florist, convenience store, etc.)	42,900 SF	Onsite Garage 376 spaces serving on-site users and visitors	Visitors, employees and residents	On-site and North End walk-zone	Consumer Convenience	N/A
	Restaurant	Ground and above grade	High-end restaurant	TBD Seats		Visitors, employees and residents	On-site, Boston and Metro-region	Destination	
	Restaurant			0 Seats					
	Cultural Attractions								
	Hotel	Ground and above grade	Lobby and meeting rooms; fitness center and spa (18,000 SF) and hotel rooms above	150 Keys					
	Office			0 SF					
	Recreational Marine	Harborwalk		Slips					
	Commercial Marine	Harborwalk and watersheet	Transient wharfage; water-taxi dock	300 LF					
	Residential	5 stories	Luxury condominiums	104 Units					
<b>Comments:</b>	Retail success at Battery Wharf will be directly tied to the site's internally generated hotel and condominium demand. The hotel and condominium lobbies will dominate the street frontage limiting the property's ability to draw from the surrounding walk-zone. That said, the proposed completion of the Greenway and Harborwalk is expected to improve the property's drawing power, especially as more residential and hotel uses are developed on surrounding waterfront and downtown parcels			 					

Burrough's Wharf



NORTH END WED									
Burrough's Wharf Condominium	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	One small commercial condominium	1,500 SF	Onsite Garage 100 spaces serving on-site users and visitors	Residents	On-site	Consumer Convenience	Owned
	Restaurant			0 Seats					
	Restaurant			0 Seats					
	Cultural Attractions								
	Hotel			0 Keys					
	Office			0 SF					
	Recreational Marine	Harborwalk		Slips					
	Commercial Marine	Harborwalk and watersheet	Boston Fire Marine Unit	LF					
	Residential	Floors 1-8	Luxury condominiums	69 Units					
<b>Comments:</b>	<p>Retail uses at Burrough's rely heavily on support from onsite resident demand. The single purpose nature of the building and the insular character of the design limits the spectrum of commercial uses that can succeed here. That said, the the completion of the Greenway, should help to buoy the ground floor commercial space, with the potential to do better as additional residential and hotel uses are developed within the property's walk-zone on nearby waterfront and downtown parcels.</p>								

CANA Parcels/Tudor Wharf

<b>CHARLESTOWN WED</b>									
<b>CANA Parcels/Tudor Wharf Mixed Use</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Neighborhood serving retail	27,508 SF	Onsite Garage serving building occupants and visitors	Visitors, employees and residents	On-site and Charlestown walk-zone	Consumer Convenience	Mid \$30's
	Restaurant	Ground	Fine Dining (Meze)	6,070 SF		Visitors, employees and residents	On-site, Boston and Metro-region	Destination	
	Restaurant			0 Seats					
	Cultural Attractions								
	Hotel		Suite Hotel	168 Keys					
	Office		Class A Multi-tenant	210,000 SF					
	Recreational Marine	Harborwalk		0 Slips					
	Commercial Marine			0 LF					
	Residential			0 Units					
<b>Comments:</b>	<p>Retail success at Tudor Wharf comes from several sources. The site's internally generated hotel and office demand contributes as does demand from the surrounding Charlestown and North Station residential neighborhoods and the destination trade enjoyed by City Square restaurant business. This site enjoys broad support from resident, employee and visitor demand and benefits directly from attractive urban design improvements that have been made both waterside and landside.</p>								
									


Flagship Wharf

**CHARLESTOWN WED**

<b>Flagship Wharf Condominium</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates	
	Commercial	Ground	One small commercial condominium	34,000 SF	Onsite Garage 516 spaces serving on-site users and visitors	Residents	On-site and Navy Yard walk- zone	Consumer Convenience	Owned	
	Restaurant			0 Seats						
	Restaurant			0 Seats						
	Cultural Attractions			0						
	Hotel			0 Keys						
	Office			0 SF						
	Recreational Marine	Harborwalk		0 Slips						
	Commercial Marine	Harborwalk and watersheet	Ferry and water taxi berthing	0 LF						
	Residential	Floors 3-12	Luxury condominiums	201 Units						
<b>Comments:</b>	<p>Retail uses at Flagship Wharf rely heavily on support from onsite resident demand. The single purpose nature of the building and the insular character of the design limits the spectrum of commercial uses that can succeed here. That said, the proposed development of Pier 5 should help to buoy the ground floor commercial space, with the potential to do better as additional residential and laboratory uses are developed within the property's walk-zone.</p>									
										



Navy Yard Buildings 149 and 114 (MGH Laboratories)

<b>CHARLESTOWN WED</b>									
<b>Building 149, 199 &amp; 114 Office-Lab</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Private atrium and employee cafeteria	10,000 SF	Onsite Garage 1300 spaces serving all Navy Yard occupants and visitors	Employees	On-site and Navy Yard walk-zone	Business and Consumer Convenience	
	Restaurant	Ground	Waterfront café	8,500 SF		Employees	On-site and Navy Yard walk-zone	Consumer Convenience	Mid \$30's
	Restaurant			0 Seats					
	Cultural Attractions								
	Hotel			0 Keys					
	Office/Lab			755,000 SF					
	Recreational Marine	Harborwalk		0 Slips					
	Commercial Marine	Harborwalk and watersheet	Boston Fire Marine Unit	0 LF					
	Residential			0 Units					
<b>Comments:</b>	<p>Retail uses at the MGH laboratory complex rely almost exclusively on support from onsite office/lab employee demand. The isolated location of the property within the Navy Yard, the single purpose nature of the buildings and their day-time only operating hours constrains the demand potential here to on-site and walk zone demand sources. That said, continued buildout within the Navy Yard for both office/lab and residential uses and enhancements to the visitor attractions should help to buoy sales volumes for ground floor commercial uses.</p>								

Parcel G & J - Park Lane Apartments and Renaissance Hotel

**SOUTH BOSTON SEAPORT WED**

<b>Park Lane Apartments and Hotel</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple-small scale-convenience type (hotel lobby shop & guest svc. convenience store, gift shop, etc.)	28,764 SF	Onsite Garage 480 spaces serving on-site users and visitors	Residents	On-site and Seaport walk-zone	Consumer Convenience	Low \$30's
	Restaurant	Ground	Fine dining (LTK-Legal Seafood Test Kitchen)	150 Seats		Visitors, employees and residents	On-site, Boston and Metro-region	Destination	
	Restaurant			0 Seats					
	Cultural Attractions			0					
	Hotel	Ground and above grade		440 Keys					
	Office			0 SF					
	Recreational Marine			0 Slips					
	Commercial Marine			0 LF					
	Residential	Floors 2-14	Rental and ownership	465 Units					

**Comments:**

Retail success at Park Lane will be driven initially by onsite resident and nearby walk-zone proximate employee demand. In addition, the site benefits from the drawing power of the Seaport as a dining destination and most importantly from the Legal Seafood brand identification. Over time, buildout of Core Block, Fan Pier, Pier 4, D Street, the News Corp land and other Seaport developments will add substantial new office, hotel and residential demand sources to the market and commercial uses at the site will enjoy more of a 24/7 mixed use demand. Until there is more of a critical mass of development within the neighborhood, especially residential development, the support for ground floor uses will be limited and retail uses in particular will succeed only if carefully sized, carefully targetted and optimally located.



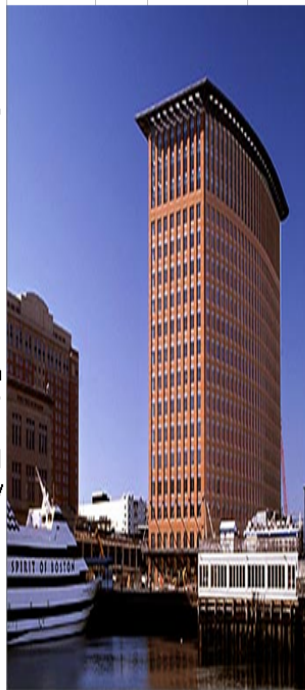
World Trade Center Complex

**SOUTH BOSTON SEAPORT WED**

<b>WTC Complex Office-Hotel</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple-small scale-convenience type (hotel lobby shop, café & guest svc. Dunkin Donuts, Fresh City, etc.)	79,500 SF	Onsite Garage 1,950 spaces serving on-site users and visitors	Visitors, employees and residents	On-site and Seaport walk-zone	Consumer Convenience	Low \$30's
	Restaurant	Ground	Fine dining (Aura)	150 Seats		Visitors, employees and residents	On-site, Boston and Metro-region	Destination	
	Other Commercial	Ground	Meeting space	250,000 SF					
	Cultural Attractions			0					
	Hotel	Ground and above grade		426 Keys					
	Office	Above grade	Class A-Multi-tenant	1,021,000 SF					
	Recreational Marine			0 Slips					
	Commercial Marine			0 LF					
	Residential			0 Units					

**Comments:**

Retail success at WTC is driven primarily by onsite resident and employee demand. With the power of over 1.0 million SF of Class A office, 250,000 SF of meeting space and a 426 room hotel, commercial uses at the site enjoy strong day-time demand. Over time, the buildout of Core Block, Fan Pier, Pier 4, D Street, the News Corp land and other Seaport developments will add substantial new office, hotel and residential demand sources to the market and commercial uses at the site will strengthen. Until there is more of a critical mass of development, especially residential development, the support for ground floor uses will be limited and retail uses in particular will succeed only if carefully sized, carefully targetted and optimally located.





Waterside Place

**SOUTH BOSTON SEAPORT WED**

<b>Waterside Place/Waterside Crossing Mixed Use</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground and above grade	Regional Mall	800,000 SF	Onsite Garage 2350 spaces serving on-site users and visitors	Visitors, employees and residents	On-site, Boston and Metro-region	Region serving	\$50-\$100
	Restaurant			0 Seats					
	Restaurant			0 Seats					
	Cultural Attractions			0					
	Hotel			0 Keys					
	Office		Class A Multi-Tenant	450,000 SF					
	Recreational Marine			0 Slips					
	Commercial Marine			0 LF					
	Residential		Luxury Condominium	209 Units					

**Comments:**

Retail success at WTC is driven primarily by onsite resident and employee demand. With the power of over 1.0 million SF of Class A office, 250,000 SF of meeting space and a 426 room hotel, commercial uses at the site enjoy strong day-time demand. Over time, the buildout of Core Block, Fan Pier, Pier 4, D Street, the News Corp land and other Seaport developments will add substantial new office, hotel and residential demand sources to the market and commercial uses at the site will strengthen. Until there is more of a critical mass of development, especially residential development, the support for ground floor uses will be limited and retail uses in particular will succeed only if carefully sized, carefully targetted and optimally located.



### SUPPLEMENTAL WATERSIDE PLACE RETAIL ANALYSIS

Waterside Place, a mixed use development planned in the “core block” adjacent to the Convention Center, includes the following retail program.

Anchor (1) D St. Big Box	200,000 SF
Anchor (2) Nordstrom or similar	200,000 SF
Anchor (3) Other-Apparel	20,000 SF
Mall Shops	165,000 SF
<u>Congress Street Shops</u>	<u>35,000 SF</u>
Total Shopping Goods (GAFO)*	620,000 SF GLA

\*GAFO = **G**eneral merchandise, **A**pparel, **F**urniture, Home furnishings & appliances, and **O**ther shopping goods

### COMPARISON with COPLEY PLACE/PRUDENTIAL “FAIR-SHARE” GRAVITY MODEL

The performance of the Waterside Place retail center can be approximated by comparing it with the combined Copley Place/Prudential Center retail complex which has similar features such as enclosed pedestrian malls, garage parking on site, Mass. Turnpike access, and adjacency to a convention center,

#### Copley Place/Prudential Complex (2004)

Total Shopping Goods (GAFO) GLA =	860,000 SF
Including Anchors: Neiman Marcus, Saks Fifth Avenue and Lord & Taylor	
Estimated Sales from Boston Region Households =	\$ 313 million (\$ 364/SF)
Capture Rate of Regional GAFO expenditures =	3.3 %
Estimated Sales from Boston Region Visitors =	\$ 247 million (\$ 287/SF)
TOTAL Retail (GAFO) sales	\$ 560 million (\$ 651/SF)

\*GAFO = **G**eneral merchandise, **A**pparel, **F**urniture, Home furnishings & appliances, and **O**ther shopping goods

### WATERSIDE PLACE “FAIR SHARE” MARKET ASSESSMENT

If the Waterside retail center were open today, a “fair-share” gravity model, which distributes retail sales on the sole basis of relative sizes of competing retail centers, produces a capture rate of 2.3 % of shopping goods (GAFO) potential in the 15 mile radius trade area around Boston for sales of \$216 million (\$ 348/SF)

This reflects a transfer of sales of about \$ 13 million from Copley/Prudential, reducing its capture rate from 3.3 % to 3.2 %.

Sales from visitors in the Boston region would be 620,000 SF x the Copley/Prudential sales productivity (\$ 287/SF) = \$ 178 million.


Total sales (\$ 216 million plus \$ 178 million) = \$ 394 million (\$ 635/SF)

The foregoing “fair-share” analysis shows that the Waterside retail center of 620,000 SF would operate at about the same sales productivity (Sales/SF) as the Copley Place/Prudential complex assuming similar conditions of design, parking, turnpike access, and convention center adjacency.

Other considerations affecting sales at Waterside and Copley Place/Prudential include:

1. The relative attendance at adjacent convention centers.
  - The Boston Convention and Exposition Center is designed to accommodate trade shows requiring large exhibit areas as well as meetings and conventions. The Massachusetts Convention Center Authority projects attendance at 620,000 in the stabilized year 2010.
2. Walking distance and mass transit access for visitors.
  - The recent Helwig Associates' Downtown Crossing report shows that almost 50% of visitors who shopped at Downtown Crossing walked, and 33 % came by transit.
  - The Copley Place/Prudential complex has some 8,000 hotel rooms within walking distance in the Back Bay, and access by rapid transit to an additional 4,000 hotel rooms in the Downtown, Longwood and Kenmore districts and 3,000 hotel rooms in Brookline and Cambridge.
  - This compares with the “buildout” estimate of 8,000 hotel rooms within walking distance for the South Boston Seaport WED plus some 3,000 hotel rooms in Downtown accessible to the Seaport District by the Silver Line.
3. Complementary retail districts, historic attractions, walking environment.
  - The Copley Place/Prudential retail complex benefits from visitors attracted by the major concentration of retail stores and restaurants along nearby Newbury and Boylston Streets, the many historic buildings and attractions in the Back Bay, and the coherent pedestrian scale of the Back Bay walking environment.
4. Competition from suburban retail centers.
  - Future sales from affluent households in the suburban ring around the Boston, Brookline and Cambridge primary trade area will be affected by expansions of competing retail stores and centers in the suburbs. These include the 500,000 SF addition to the Natick Mall, including Neiman Marcus and Nordstrom, to open in 2007, and the replacement/expansions of Filene's by Nordstrom in the South Shore, Burlington and North Shore shopping centers by 2010.

Channel Center



SOUTH BOSTON SEAPORT WED									
Channel Center Mixed Use	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple F&B, convenience and shoppers goods type	136,283 SF	Onsite Garage 990 spaces serving on-site users and visitors	Visitors, employees and residents	On-site, walk-zone and South Boston	Consumer Convenience	Low \$30's
	Restaurant			0 Seats					
	Restaurant			0 Seats					
	Cultural Attractions		Gallery space	20,000 SF					
	Hotel			0 Keys					
	Office			866,500 SF					
	Recreational Marine			0 Slips					
	Commercial Marine		Water taxi dock	0 LF					
	Residential		Luxury and Artist Live-Work Condominiums	500 Units					
<b>Comments:</b>	<p>Retail success at Channel Center will be driven initially by onsite resident and nearby walk-zone proximate employee demand. Over time, buildout of Core Block, Fan Pier, Pier 4, D Street, the News Corp land and other Seaport developments will add substantial new office, hotel and residential demand sources to the market and commercial uses at the site will enjoy more of a 24/7 mixed use demand. Until there is more of a critical mass of development within the neighborhood, especially residential development, the support for ground floor uses will be limited and retail uses in particular will succeed only if carefully sized, carefully targetted and optimally located.</p>								
									

**Court Square Press/The MacAllen (West Broadway)**

**SOUTH BOSTON SEAPORT WED**

<b>Court Square Press/MacAllen Condominiums</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Small scale-convenience type	4,539 SF	Onsite Garage 270 spaces serving on-site users and visitors	Visitors, employees and residents	On-site, West Broadway walk-zone	Consumer Convenience	Low \$30's
	Restaurant			0 Seats					
	Restaurant			0 Seats					
	Cultural Attractions			0					
	Hotel			0 Keys					
	Office			0 SF					
	Recreational Marine			0 Slips					
	Commercial Marine			0 LF					
	Residential		Luxury Condominium	269 Units					



**Comments:** Retail success at Court Square Press and the MacAllen will be driven by onsite resident and nearby walk-zone proximate employee demand. In addition, the site benefits from the drawing power of the West Broadway T station as a destination. Over time, buildout of other nearby residential developments (50 West Broadway, MCL Properties site on West 2nd, 100 Acres etc.) will add substantial new office, hotel and residential demand sources to the market and commercial uses at the site will enjoy more of a 24/7 mixed use demand. Until there is more of a critical mass of development within the immediate neighborhood, especially residential development, the support for ground floor uses will be limited.


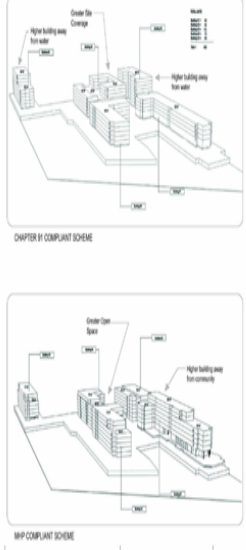
MacAllen building. Courtesy of Poppen Enterprises



Portside Place

<b>EAST BOSTON WED</b>									
<b>Portside Place Condominiums</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple-small scale-convenience type planned	65,440 SF	Onsite Garage 754 spaces serving on-site users and visitors	Residents	On-site and Piers walk-zone	Consumer Convenience	Teens
	Restaurant			0 Seats					
	Restaurant			0 Seats					
	Cultural Attractions			3,200					
	Hotel			0 Keys					
	Office			0 SF					
	Recreational Marine			0 Slips					
	Commercial Marine		Wharfage	1,954 LF					
	Residential		Luxury Condominium	585 Units					
<b>Comments:</b>	<p>Retail uses at Portside Place will rely heavily on support from onsite resident demand. The single purpose nature of the project and the insular character of the location limits the spectrum of commercial uses that can succeed here. That said, the proposed development of the adjacent Clippership Wharf project should help to buoy the ground floor commercial space. Until there is more of a critical mass of development within the immediate neighborhood, especially residential development, the support for ground floor uses will be limited and retail uses in particular will succeed only if carefully sized, carefully targetted and optimally located.</p>								

### Clippership Wharf

<b>EAST BOSTON WED</b>									
<b>Clippership Wharf Condominium</b>	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Retail	Ground	Multiple-small scale-convenience type planned	31,900 SF	Onsite Garage 480 spaces serving on-site users and visitors	Residents	On-site and Piers walk-zone	Consumer Convenience	Low \$30's
	Restaurant			0 Seats					
	Restaurant			0 Seats					
	Cultural Attractions			0					
	Hotel			0 Keys					
	Office			0 SF					
	Recreational Marine			0 Slips					
	Commercial Marine			0 LF					
	Residential	Floors 2-14	Rental and ownership	465 Units					
<b>Comments:</b>	<p>Retail uses at Clippership Wharf will rely heavily on support from onsite resident demand. The single purpose nature of the project and the insular character of the location limits the spectrum of commercial uses that can succeed here. That said, the proposed development of the adjacent Portside Place project should help to buoy the ground floor commercial space. Until there is more of a critical mass of development within the immediate neighborhood, especially residential development, the support for ground floor uses will be limited and retail uses in particular will succeed only if carefully sized, carefully targetted and optimally located.</p>								

### South Bay Shopping Center

**DORCHESTER WED**

South Bay Shopping Center	Use Type	Site Location	Occupancy Type	Units	Parking Supply	Primary Demand Sources	Primary Cachment Area	Store Type	Est. Rental Rates
	Commercial	Ground	Grocery anchored power center (Stop 7 Shop, Old Navy, Target, Office Max, Marshalls, etc.)	251,613 SF	Surface lot 2200 spaces serving on-site customers and employees	Residents	South Bay neighborhood	Community serving	High \$30's
	Restaurant			0 Seats					
	Restaurant			0 Seats					
	Cultural Attractions			0					
	Hotel			0 Keys					
	Office			0 SF					
	Recreational Marine			0 Slips					
	Commercial Marine			0 LF					
	Residential			0 Units					

**Comments:**

Retail success at the South Bay shopping center is driven primarily by the broad residential demand emanating from neighborhoods including Dorchester, South Boston, South End, Chinatown and even the Back Bay. This is a major community-serving center and is reported to be one of the highest grossing supermarkets in the Stop & Shop chain. Demand for this food store anchored center has been sufficiently robust to prompt the major expansion depicted to the right.

