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JOB CREATION

Offices, Housing Reawaken Downtown Haverhill

Gateway City Puts Development On The Fast Track

By [Steve Adams](#) | Banker & Tradesman Staff | Jan 29, 2017

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Lupoli Cos. of Lawrence is preparing to submit plans for a 10-story, 75,000-square-foot building at 192 Merrimack St. in Haverhill including a ground-floor restaurant, six floors of office space, market-rate housing and a penthouse-level function room and lounge.

Can a former mill town on the New Hampshire border become a proving ground for developing new office buildings and market-rate housing in Massachusetts' economically disadvantaged Gateway Cities?

In downtown Haverhill, the first office tenants are beginning interior fit-outs at Harbor Place, a \$70 million commercial and residential complex that will include the new headquarters of Pentucket Bank and a satellite campus for University of Massachusetts-Lowell. Public areas are being redesigned to connect with the Merrimack River, which remains mostly hidden behind rows of aging brick buildings where upper-floor space has sat vacant for decades.

Lawrence-based developer Lupoli Cos. is drawing up plans for a 10-story office and apartment building, replacing a municipal parking lot left behind by Great Society-era urban renewal schemes.

“As Gateway Cities go, Haverhill is on the cusp,” said Lisa Alberghini, president of the Planning Office for Urban Affairs, a nonprofit real estate development arm of the Archdiocese of Boston. “There are Gateway Cities that can go in either direction. They’ve done what is needed to get the next generation of development done.”

That includes a new waterfront overlay district that allows buildings up to 12 stories, a flexible form-based zoning code and a pro-development stance by Mayor James Fiorentini and the city council, she said.

“Time is money, and developers like to go and invest where they can move along quickly,” Alberghini said. “The degree of proactive involvement at the state and city level here is quite extraordinary.”

Like others active in Haverhill development, Alberghini was quick to credit the influence of state Rep. Brian Dempsey, a Haverhill Democrat and chairman of the powerful House Ways and Means Committee, for steering state resources toward the former shoe manufacturing hub. Approximately \$45 million in state funds have been directed toward downtown Haverhill development in recent years.

A Lingering ‘Dust Bowl’ In Downtown

Massive shoe factories in Haverhill emptied out in the early 20th century as manufacturing shifted to cheaper labor markets. Urban redevelopment projects such as unfulfilled plans for an enclosed shopping mall demolished many of the downtown buildings in the 1970s, leaving behind vacant lots in the once-bustling business district.

“It cut right through the heart of the business district and you ended up with ‘The Dust Bowl’ downtown,” said Fiorentini, whose own law offices were displaced during the era.

Many of the former mills have been converted into loft-style apartments and condos by developers utilizing public incentives such as historic tax credits. But aside from ground-floor retail, commercial space has been a minor element of Gateway City development.

Building office space, Alberghini said, was a critical piece of the strategy to create a vibrant Main Street district. Discussions with University of Massachusetts-Lowell started early on, inspired by its Innovation Center that opened in 2015 in Lowell’s Hamilton Canal District.

The university leased 22,000 square feet on two floors at Harbor Place for a new business incubator and an executive education program. Triple-net rents average \$22 per square foot, according to the developers, with the top floor still available.

A second 121,000-square-foot building at 44 Merrimack St. is leasing 80 apartments, including 24 market-rate units with rents starting at \$1,550 for one-bedroom units.

The Greater Haverhill Foundation, formed in 1964 to shore up the region’s economic prospects, acquired the long-vacant former Woolworth’s building in 2005 for \$1.4 million. It partnered with the Planning Office for Urban Affairs to assemble eight parcels for a larger development site.

The developers set aside open space and built three walkways connecting to a new boardwalk along the Merrimack, and raised the grade of the site by 12 feet so that the river would be visible above a sea wall that had blocked the view.

“Haverhill never understood what it had,” said Ron Trombley, a former executive at Bank North and managing director of the Greater Haverhill Foundation. “Waterfront is gold.”

A third building now in the preliminary planning phase would include 35 market-rate condominiums and be privately financed, Alberghini said.

Haverhill has since 2015 participated in MassDevelopment's Transformative Development Initiative, which assigns TDI fellows to Gateway Cities to coordinate economic strategies focusing on dense walkable neighborhoods.

As part of the program, consultants Utile Inc. completed an urban design study that suggested strategies for enlivening the downtown. Those included car-sharing programs, community events and placemaking for neglected areas.

"A lot of the more pedestrian-oriented tight urban fabrics of the traditional downtowns were ripped out and made more car-oriented," said Noah Koretz, Haverhill's TDI fellow. "That was short-sighted, and we're trying to reposition some of the land especially on the riverfront as an area that incubates more activity, with small interventions like placemaking and events people can bring their family to and activate the space as well."

Creating A Spark

Salvatore Lupoli, whose Lupoli Cos. redeveloped the massive Riverwalk mill complex in Lawrence, is preparing final designs for a 10-story development in downtown Haverhill.

Lupoli owns a neighboring commercial building at 192 Merrimack St. and recently received city council approval to acquire the municipal parking lot at 194 Merrimack St. for \$700,000. He envisions a 10-story, 75,000-square-foot building with ground-floor retail topped with six floors of office space, three floors of market-rate apartments and a top-floor function room and lounge.

Market-rate housing will maximize the benefits for downtown retailers, he said.

"Gateway Cities need market-rate housing," Lupoli said. "For the small entrepreneur to survive, he needs to entice people to come in with disposable income."

A \$9 million MassWorks grant announced in November could be used to build additional parking to replace the spaces lost to the new development.

Lupoli credits the Harbor Place project with the inspiration for his project, which he estimated at \$30 million.

"Once you create a spark, other developers will follow when they see money can be made in Gateway Cities," he said. "The money will come, and that's a true public-private partnership."

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