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Lofty Ideas for the Future

Lynn hopes to build revival on conversion of old factories into condos

By Steven Rosenberg, Globe Staff

Sean Lobdell begins his workday in the middle of his 1,525-square-foot condo that he calls his virtual office. The walls are brick, the floors are hardwood, and the countertops -- imported from Tuscany -- are granite. Beneath 14-foot ceilings, the marketing executive sips spring water and types an e-mail on his wireless laptop.

The scene could be set in Boston, Cambridge, or Somerville, but it's not. It's in downtown Lynn, where city officials and developers are hoping that young professionals will fill the hundreds of new market-rate condos and spur a socioeconomic renaissance in the long depressed area.

"People are excited to be part of a community that was absolutely nothing a year ago," says Lobdell, 37, who moved from Cambridge into the Boston Machine Lofts building, where shoe-making machinery was once manufactured.

Converting old brick factories into lofts is the latest plan that the city has rolled out in an attempt to revive downtown Lynn. And, compared with other failed plans -- which included building and then ripping up a pedestrian mall on one its busiest streets and attempting to woo Internet businesses after the burst of the dot-com bubble -- the idea of creating loft-living within walking distance of the commuter rail and ocean seems to be working, says Hal McGaughey, Lynn's development director.

"We were not going to get Microsoft to come down here and put 2,000 jobs in the downtown, so we felt it was best to make the downtown a place you could live," says McGaughey. Since a 2003 zoning change, which allowed condos to be built in old industrial buildings, more than 100 have been sold, and another 140 are being constructed, with a goal of reaching 500 downtown units, says McGaughey. Already, he says, private developers have invested \$40 million in the condos.

For as long as he can remember, Dennis Joy, asset manager for a local real estate firm, has heard Lynn referred to as the city of sin. These days he calls Lynn "the city of win."

"The story is, we've built it, and they've come," says Joy, the asset manager for the Mayo Group, which has invested \$50 million in condo and commercial construction in Lynn. Joy says 18 of the company's 95 condos have sold, with the high-end, 1,250-square-foot units fetching \$310,000.

The development is occurring in a neighborhood most recently home to panhandlers, substance abusers, gang members, and prostitutes. Displacement has not occurred yet, because the condos have been built in vacant buildings. But the transition has not been without tension.

With Lynn's only emergency homeless shelter located within 100 yards of most of the new condos, the new residents and homeless often pass one another. People

like Lobdell said they feel sorry for the homeless, but added that drug dealing, substance abuse, and other illegal activity around their homes will not be tolerated.

Mayor Edward J. Clancy Jr. agrees, and has talked with shelter officials about moving the homeless shelter to another section of the city.

Clancy said the city must curtail public drunkenness and antisocial behavior. "It can't go on forever," he said.

Marjorie St. Paul, the shelter's executive director, said she would agree to move the shelter to another section of the city, provided the new location would be near a bus line and other social service agencies. Currently, two agencies located above the basement shelter provide meals and a place for the homeless to meet during the day.

The influx of new residents has also begun to enliven a once-destitute commercial core. In Central Square, where shoe factories employed thousands for much of the 20th century, things got so desolate 13 years ago that the city painted murals of businesses on decaying buildings to give people the impression that an economy still existed. Even McDonald's couldn't sell hamburgers and closed its doors. Now that more people are living downtown, the properties are being rented to retailers, including the Omar & Oscar jewelry store and Dunkin' Donuts.

"If you put these places in other communities, you're going to pay a lot more," says Alex Steinbergh, founder of RCG LLC. Steinbergh has already developed two loft buildings, including the Sloan Machinery Lofts building, which opened in August. Today, owners who paid between \$213,000 and \$336,000 occupy 24 of the 32 units. Steinbergh is also building 15 condos in a former firehouse near City Hall, with the high-end unit marketed at \$448,000.

"We like to say value for dollar," said Steinbergh, who has focused on attracting professionals between the ages of 25 and 45.

That's also the vision of Steve Feldmann who moved to Lynn from Jamaica Plain last year with his wife, Marie. Seeing a need for a cafe in his new neighborhood, Feldmann quit his Web-developer job, obtained a low-interest \$50,000 loan from the city, and opened the Gulu-Gulu Cafe across from his Central Square loft.

"As long as the lofts keep selling, we're in good shape," said Feldmann, who modeled his cafe after a Prague gathering spot called Cafe Gulu-Gulu. Besides espresso and cappuccino, he grills panini sandwiches, serves up wraps and salads, and also pours imported beer and wine.

Since opening in May, Feldmann has developed a loyal clientele. Abstract paintings hang on the cafe's pastel and brick walls, and diners sip coffee while connected to the Internet via Feldmann's free Wi-Fi network. Others come for the open mike nights and poetry readings.

"It's the social epicenter," said Lobdell, who frequently pops into the cafe. Other customers include Robert Fathman, who bought his loft on Exchange Street for \$332,000.

"If our unit was in Boston it would go for \$700,000 or \$800,000," said Fathman, 42, who works as a chef at the Azure Restaurant in the Lenox Hotel in Boston. Fathman loves the details of his 1,500-square-foot-loft, located in a former insurance building. One of the amenities is an old vault -- complete with an 800-pound steel door -- that he plans to turn into a media center, with a wide-screen plasma TV.

Sixteen months after leaving Cambridge for Lynn, Fathman and his fiancée, Janis Lemke, hold and attend dinner parties with other new residents several times a month. Like Fathman, most of the new residents are working professionals who commute to Boston.

On Oxford Street, where Anthony Athanas started his chain of famous restaurants more than 60 years ago, Lowell Gray sits inside his recently opened restaurant and talks about a new Lynn. "I see this neighborhood as very similar to what the South End was, maybe 15 years ago," said Gray, who sold his downtown Lynn-based Internet company Shore.Net in 2000. Last year, he developed and sold three lofts in a building next to his old company, and this past summer, he opened his upscale German-styled Oxford Street Grill in the next building over.

While most of his customers come from the suburbs, Gray believes that his restaurant will be an anchor for the new neighborhood. Above Gray's sleek wooden bar, he sells Johnnie Walker Blue Label for \$20 a drink, and offers 50 different wines. Hungry diners can feast on rib eye steak or organically farmed salmon for more than \$20 an entree.

Within five years Gray sees a neighborhood filled with houseware shops, galleries, and restaurants. "I think we're on the cusp," he said. "I wouldn't say we've tipped over yet but we're really close to building ongoing momentum that will sustain itself."

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