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Friday, July 27, 2007

Fishtown hooks into a trend

Flurry of projects build up area

Philadelphia Business Journal - by [Natalie Kostelni](#) Staff Writer

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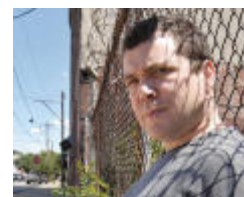
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The new frontier for real estate development in Philadelphia has migrated north to Fishtown, where a gush of projects are either under way or proposed and are helping to transform the neighborhood.

The projects, mostly residential, have taken hold as entrepreneurial developers have moved on from other hot spots such as Old City and Northern Liberties, where few opportunities exist, and those that do come at a high price.

In Fishtown, roughly 1,100 residential units in high-rise structures are in various stages before the zoning committee of the **Fishtown Neighbors Association**. Many of those projects, such as Penn Treaty Tower, a 35-story building with 168 condominiums, and Penn's Point, a 15-story structure with 67 condos, are taking place along the Delaware River. Others

are proposed for other parts of the neighborhood.



Mike Mergen

Matt Pappajohn, chair of the Fishtown Neighbors Association Zoning Committee, at the site of the Popcorn Factory Condos.

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Another 275 smaller, multi-unit projects have recently been approved. These projects are taking place in industrial buildings that were once factories. One of those projects is the "Popcorn Factory" on Eyre Street, where a developer plans to convert the eyesore, decorated with barbed wire, into 75 condominiums. Another developer has reclaimed an old copper-wire factory turned rag-making facility on Berks Street into a residential community now called Ragflats. Work is also happening on vacant, overgrown plots and small infill sites sitting between existing rowhouses.

"There's development pressure on Fishtown along the river and in the interior," said Matt Pappajohn, the neighborhood association's zoning chairman. "This is a down market, but things are still happening here."

The abundance of activity has Pappajohn, a 14-year Fishtowner, unable to turn down a street in the neighborhood without bumping into a parcel where a project is proposed or in the midst of construction. Much of it he likes and views as an improvement to the community, while other projects stand as unfulfilled promises made by developers more interested in turning a quick profit by flipping a property than gentrifying.

While Fishtown experienced sporadic development activity over the years, especially by speculators who were banking on riverfront gambling, developer interest has heightened.

Fishtown's emergence as a hotbed of activity can be attributed to several factors, said resident Sarah M. Thorp, who also serves as programming officer for the neighborhood association.

For one, a height restriction on buildings in Old City encouraged high-rise loving developers to set their sights on the up-and-coming neighborhood that embraces structures above 60 feet tall. In addition, developers chose in recent years to concentrate on Old City and then Northern Liberties, stopping just short of casting their lines into Fishtown.

"Fishtown has been a place that hasn't had a lot of development in a long time," Thorp said. Because of that, those scouting for developable sites are finding properties in Fishtown considered undervalued and more affordable than Old City or Northern Liberties. That's not to say prices are cheap. An old warehouse bought six years ago for \$180,000 traded recently for \$600,000.

Johnny McDonald and his design-development firm, **Onion Flats LLC**, entered Fishtown in 2002, buying a dilapidated 18,000-square-foot rag factory in the 1300 block of Berks Street. By 2004, the company started converting the building into 11 sustainable condominiums, outfitted with water reclamation features and solar panels. The smallest unit, at 1,800 square feet, is set to hit the market this week for \$399,000. Others have sold for as much as \$750,000.

Onion Flats moved into Fishtown after it had undertaken projects in Old City in the late 1990s, followed by forays into Northern Liberties.

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"Northern Liberties offered us what Old City had offered us, large spaces ready for renovation or new construction," said McDonald, who's also a Realtor and a Fishtowner. "Once big-time developers came in and took over those vacant and available spaces, we identified Fishtown. It's the most solid neighborhood in Philadelphia."

Aside from having generations owning the same house, keeping the neighborhood stable, McDonald liked Fishtown's proximity to the river, Center City and Penn Treaty Park, access to public transportation and the historical buildings dotting the neighborhood. Onion Flats has two other projects along Berks Street in the works.

From McDonald's view, Fishtown is approaching mid-cycle compared to Old City, which he says is 90 percent developed and 100 percent bought up, and Northern Liberties at 75 percent developed. He pegs Fishtown at about 50 percent developed.

"I would say there are still available reasonably priced housing and development opportunities in Fishtown," he said.

The pressure on development has meant more work for the Fishtown Neighbors Association. "We're dealing with big issues," Thorp said. "We're struggling a lot with all of the big changes going on."

One challenge has been keeping up with reviewing zoning requests, working to integrate the tall towers so they don't become isolated from the community, retaining the community's scale and historical nature, and discouraging developers from quickly selling already-approved project sites for a quick profit. The group also wants to eventually adopt some design guidelines for its commercial corridors, such as along Frankford Avenue. While the community is safe, it could be cleaner and few are happy that the SugarHouse Casino is moving in. They fear it will siphon off activity and squelch progress.

Zoning volunteer Pappajohn is bullish regardless. "It's my firm belief," he said, "that Fishtown will retain its neighborhood charm while embracing development and moving forward."

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