

Prominent storefronts to open up as Citi flees



BARRY CHIN/GLOBE STAFF

Citibank is closing its Massachusetts branch offices, including the one at 1367 Boylston St. in the booming Fenway neighborhood.

By **Deirdre Fernandes** GLOBE STAFF NOVEMBER 08, 2015

Vacant storefronts aren't usually a cause for optimism.

But Citigroup Inc.'s plan to close its Massachusetts bank branches in January — which opens up space in coveted locations from the Fenway to Porter Square — has some Boston-area landlords, neighborhood groups, and nearby

businesses imagining a more exciting future. Perhaps a trendy hair salon, boutique jewelry stores, fitness centers, a diner or two?

In other words, anything but another bank.

“They were a nice, stable tenant,” said Diana Pisciotta, a spokeswoman for developer Steven Samuels, who has been reshaping much of the Fenway neighborhood and is the landlord for Citi’s Boylston Street location. “But it’s not how people are filling their ground-floor space. You have such a vibrant ground-floor experience. We’re excited to continue to extend that.”

Pisciotta declined to comment on Samuels’ plans for the location after Citi departs.

Citi has 17 branches in neighborhoods such as the Back Bay, Cambridge, Kendall Square, and in wealthy suburbs including Wellesley, Lexington, and Newton. (The New York company will maintain its private banking office and continue to serve its commercial customers in the state.)

Several of the branches will probably be taken over by other banks seeking to be in a busier part of town or to further expand into a community. Others are likely to be converted into other retail uses, real estate experts said.

Landlords like banks because they pay higher rents and cause few problems. But these branches have also earned the ire of civic groups and other businesses, which see them as boring neighbors that are closed at night and on the weekends, luring few visitors to an area.

Three years ago, when Capital One Bank was looking to replace a convenience store on Charles Street in Beacon Hill, neighbors protested and 1,400 people signed a petition opposing the plan. Capital One eventually dropped its plans.

Now, Citi's departure could signal a change among some landlords about the value of having a bank occupying high-profile, first-floor, retail space, said Daniel Dain, a Boston real estate attorney who represents property owners.



The Citibank branch at 1367 Boylston street in the Fenway neighborhood is leaving in two months.

Since the financial crisis and with the rise in mobile banking, banks themselves have been shrinking their footprint and closing branches. But the city's economy has also changed and become more reliant on technology companies and startups with different demands as tenants than traditional financial firms and law offices have, Dain said.

“The employees of the new-economy companies leasing the office space, and the millennials renting or buying the residential units, are demanding more amenities in the buildings in which they are considering leasing,” Dain said. “This means that local, independent, and interesting first-floor retail can be a

driver for greater demand on the upper floors, which for landlords translates to higher rents and lower vacancy rates overall in the building.”

When Citi opened its branch on Boylston Street, the bank was a welcome tenant in the Fenway, a neighborhood that was known for a strip of gas stations, fast-food stops, and bars.

Over the past decade, the area has been transformed. On a sunny day last week, students strolled down the street hauling purchases from the recently opened Target store, office workers spilled out of the towers for lunch at one of the many restaurants, and joggers following their dogs and women in hijab pushing strollers shared the sidewalk. The beat of construction workers pounding and drilling filled the air as signs around the Citi branch announced new condos and apartments “coming soon.”

Tim Horn, president of the Fenway Civic Association, said the area is starting to feel like a bustling community. He hopes the new tenant for the 3,700-square-foot Citi space will contribute to the livelier atmosphere and to community events, such as park cleanups.

“I would like to see whoever is there a little engaged with the rest of the population,” Horn said.

In front of her Boylston Street barbecue restaurant, Sweet Cheeks, chef and owner Tiffani Faison said a tenant that could draw more people to the block and continue the momentum from the addition of condominiums and retailers would be ideal.

“It’s starting to look like the other side of Boylston Street,” Faison said, referring to the busy and well-established portion in the Back Bay.

But Faison acknowledged there will be one thing she'll miss about having a bank a few doors down: walking over for any of her restaurant's business needs.

"It's a bit of a loss of convenience," she said.

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