

The Authority

In this town, the Boston Redevelopment Authority rules supreme. Accountable only to the mayor, it exerts total control over zoning, planning, and development—an anachronistic concentration of power not found anywhere else in the country. As the Menino era draws to a close, it's time for the agency to go.

By [Rachel Slade](#) | [Boston Magazine](#) | June 2013



ILLUSTRATION BY RYAN HESHKA

They're all over town, those construction cranes: clustered around Fenway Park, rising up in South Boston, hovering over Downtown Crossing. Economists and politicians tell us they're an omen of good times ahead. They may be right, but development in Boston is such a bizarrely twisted affair that most of those involved in it don't want to talk about how it actually happens, except in the vaguest of terms. And what they especially don't want to talk about is the Boston Redevelopment Authority. Nothing does more to kill a conversation with architects or developers around here than asking them about their dealings with the BRA.

If the name Boston Redevelopment Authority sounds like some kind of Eisenhower-era holdover, that's because it is. The authority was founded in the late 1950s to

shepherd federal grant money into massive urban-renewal projects at a time when Boston, like many other American cities, had yet to fully bounce back from the ravages of the Great Depression. Confronted with blighted urban centers, officials across the nation created powerful development authorities that allowed cities, even in the face of local objections, to clear out problem areas and then rebuild them however they saw fit. Entire neighborhoods were razed in the name of progress, and thousands of families were displaced.

By the 1970s the folly of this approach was apparent. Development authorities around the country were disbanded, or their planning departments and zoning boards were separated from their development arms. But Boston bucked that trend, and an all-powerful authority operates here to this day. Why? Because this town's mayors, most recently Mayor Menino, have long recognized that the BRA gives them unusual power to shape the city exactly as they want. The record shows that during his two decades in power, Menino has used the authority to create a tangled web of favors for and from certain developers, and that those relationships have been bad for Boston. Much-needed housing and civic buildings haven't been built. Characterless towers have gone up on prime waterfront lots. And planning ideas that could have transformed the city into a national model for 21st-century development have died on the vine.

As you might imagine, Menino doesn't agree. When I asked his office to comment about the BRA, his press secretary, Dot Joyce, sent me figures outlining Boston's remarkable growth over the past two decades—which has included, she wrote, the creation of 93,083 jobs and more than 21,000 new housing units; a doubling of the number of hotel rooms; the construction of 12.5 million square feet of office space; and, since 2005, more than \$24 billion in building development. "The way Boston does business is working," she told me, "and it has put Boston head and shoulders above the rest of the country."

Perhaps, but year after year stories have appeared in the local media documenting questionable deals involving developers and the BRA. Just this past April, the *Globe* ran a front-page article detailing how the developer Joe Fallon, a friend of Menino's for more than 30 years, was given extraordinary latitude in 2012 to develop Marine Industrial Park, a valuable city-owned waterfront property. No one else, it turned out, had even had the opportunity to bid on the parcel. The BRA board, with four of its five members appointed by Menino, approved the arrangement within 90 seconds. "I had no influence on it—I didn't even know about it," Menino told the *Globe*. "I found out after the fact. Joe Fallon has done nothing wrong. No one's done anything wrong."

While that may be so, the fact is that the BRA allows mayors to steer projects to developers who please them and away from those who do not. Its power is so great

that no mayor can resist its appeal. It's not unlike the ring at the heart of *The Lord of the Rings*: If you make it your own and harness its powers, you can do almost anything you want. But eventually, inevitably, those powers will corrupt you. Which is why Menino should be the last mayor who's ever allowed to wield them.

During the 1950s, downtown Boston looked very much like New York's Lower East Side. Densely built tenements housed a racially diverse population made up largely of recent immigrants. Boston's leaders at the time considered the neighborhoods in the area to be slums. And so in that decade a number of business leaders—among them Charles A. Coolidge, of the law firm Ropes and Gray; Gerald Blakeley, of the real estate firm Cabot, Cabot, and Forbes; Lloyd Brace, the president of the First National Bank of Boston; and Paul Clark, the chairman of John Hancock Mutual Insurance—began meeting secretly, in the vault of Boston Safe Deposit and Trust, with some of the city's most powerful politicians. Formally called the Boston Coordinating Committee, the group became known as the Vault.

Like many business leaders around the country, the Vault's members supported ambitious slum-clearance projects to revitalize Boston—something that the city's existing housing authority lacked the power to carry out. The Vault joined a movement that was already afoot to wrest control of development from the city council and grant it to a new kind of redevelopment agency, one that would have unprecedented powers to seize property by eminent domain, and to effect quick and massive urban change.

To take advantage of federal and state urban-renewal grants, Massachusetts in 1957 officially authorized its cities to create redevelopment authorities, and the BRA was born. Shortly thereafter, over howls of protest, the authority razed nearly a third of the city, including the West End (displacing more than 7,500 residents).

In 1960, Boston's new mayor, John Collins, inherited that razed land—which, for political reasons, he needed to redevelop quickly. So began the transformation of the BRA into the single, all-powerful agency that it is today, accountable only to the mayor. Collins's first move was to recruit a Robert Moses—style city planner named Ed Logue to lead the authority. Logue agreed to accept the job under the condition that the existing city-planning agency be folded into the BRA, a move that would grant him broad, centralized powers. Right from the start, Logue set out to engage developers, find financing, and build, build, build. "When Collins came in as mayor, he wanted to make it clear that he was in charge," says Fred Salvucci, a professor at MIT who worked under Logue at the BRA. "There was a dramatic fight to combine the agencies, with logrolling by Collins to get Logue hired." Salvucci's superior at the time summarized the new ethos like this: "Beat the natives out of their grass huts."

In short order, the BRA became a one-stop shop for all the city's planning and

development needs. Its mission was clear. "Private interests will build, finance, and sell the most ambitious real estate program since our forefathers filled in the Back Bay a century ago," John P. Ryan, a Vault member and one of the authority's earliest officials, declared in 1961.

Under Logue's direction, the BRA managed the infamous construction of Government Center and City Hall. Logue then began eyeing other neighborhoods, such as the North End. Why not do some slum clearance there? But by the mid-1960s, enthusiasm for such projects had waned, and by the early 1970s the federal urban-renewal program had ended, at which point the BRA had to come up with other ways to fund itself.

And so it started doing what it does today—reviewing and profiting from almost every single construction project in the city. It began to focus on its role as a developer and landlord, collecting fees and rents on the properties it owned, and selling land it had acquired through eminent domain to developers, at times without a public bidding process. The enterprise was so profitable that in 1987 the authority decided to remove itself from the city budget and become completely self-financed. In other words, it would go off the books.

As of 2010, the BRA's annual operating budget was \$50 million, much of it financed by development, and its employees earned an average of \$93,000, which made them some of the highest-paid workers in City Hall. (BRA employees are considered city workers, but their salaries come directly from the BRA's private budget.) Because the authority is self-funded and reports only to the mayor's office, no other public entity oversees its finances, with the exception of the tiny Boston Finance Commission, a city watchdog agency that simply doesn't have the manpower to audit the BRA. So what we've got, says the outspoken Menino critic and former BRA employee Greg Selkoe, is an authority that works for the mayor but not for the rest of us.

Last fall, I decided to explore how the BRA works. I spoke to dozens of people, almost all of whom expressed anger and frustration with the authority, but few of whom were willing to talk on the record. One person who did was Herbert Gleason, who has practiced municipal and real estate law in the city since 1958. The BRA follows its own rules, Gleason said—rules that it makes itself. If I wanted to understand how the authority works, he told me, I should start with the obvious. "Focus," he said, "on why everything being built in Boston is so mediocre." He brought up what's happening on the South Boston waterfront, where nondescript office and hotel buildings are shooting up left and right, in a manner that does nothing to foster any kind of neighborhood feeling or civic pride, and where development interests are trumping careful planning and design. It's Atlanta built on Boston Harbor.

The waterfront story is a tale three decades in the making. In 1981, one of America's wealthiest families, the Pritzkers, assumed development rights to 21 acres of empty parking lots along the waterfront, and began to make forward-looking plans to develop the area. Working with several world-class architects, including Robert A. M. Stern, Frank Gehry, and Cesar Pelli, they imagined a lively new neighborhood, complete with plentiful housing, retail and office space, and a hotel. Under Menino's predecessor, Mayor Raymond Flynn, the project got BRA approval to build in 1987, but was then stalled when the previous owner of the property sued the Pritzkers over the terms of the sale.

By the time the project emerged from court, Boston was in the middle of an economic downturn, and work on it didn't resume until after the city's fortunes had begun to improve, in the mid-1990s. By then, though, Menino, a former BRA employee himself, was in power. What followed was a painfully protracted bargaining period in which everything—building heights, uses, entries, exits, and payback to the community—suddenly had to be renegotiated. Side deals, shifting alliances, and legal wranglings ensued. Astoundingly, years passed before Menino's BRA finally granted its approval for the project, by which point the Pritzkers were mired in unrelated legal troubles that kept them from beginning to build. By 2005, the family had put the land up for sale, but even then they tried to hold out for a buyer who would build the public amenities, housing, and green spaces they'd worked so hard to get approvals for. City Hall, meanwhile, doubled the property taxes on the land and threatened to pull the Pritzkers' parking-lot permits, effectively increasing pressure on the family to build or sell. In frustration, they sold—to Joe Fallon.

By then, the BRA had issued official development guidelines for the waterfront properties. Nevertheless, the authority allowed Fallon to embark on a quick, cheap, and almost immediately lucrative project: a bland 18-story glass office tower with an ornamental bump-out at its midsection, now known to some architects around town as the Barnacle. Fallon received some \$62 million in state and city tax credits and subsidies—to finance the project and lure the biotech company Vertex away from Cambridge, a step toward the mayor's dream of creating an Innovation District.

This is what happens when you give one person the power to control planning, zoning, and development. But it isn't how other cities operate. In reporting this story, I talked to urban planners who work or have worked in San Francisco, Seattle, New York, Chicago, and Baltimore, and all of them confirmed that the BRA is an anomaly. All over the country, city-planning agencies work with their local communities to iron out what's acceptable and what's not—without factoring in specific developers' interests. The result is more sensitive, careful, and complete neighborhood-building. When a developer buys a property, everyone—the community, the city, and the planners—has already thought through what should go there. The developer, in other

words, doesn't have to worry about an approvals process that can spiral out of control, and can instead focus on financing and design. Under this kind of system, the Pritzkers' waterfront development would have been guided by preexisting zoning laws rather than an intensive and indeterminate bargaining period.

For an example of how other cities handle planning, consider San Francisco. Its planning department, funded by the city, updates a master plan every few years, looking at changes in population and growth to figure out where people are likely to go, and to determine how they'll get around and what amenities they'll need. The zoning is then updated to reflect any changes. Developers have no say. That's the way it has to be, the city's chief planner, John Rahaim, told me, because the San Francisco Bay Area expects to add two million people in the next 30 years. Only thoughtful planning, divorced from shortsighted development interests, can gracefully accommodate such growth.

I asked the BRA's chief planner, Kairos Shen, why Boston does things differently. "Most planning departments are constantly updating their plans," he told me, "and it becomes a very bureaucratic exercise. The BRA does not have a requirement to do a comprehensive plan. Instead, we work on specific plans in neighborhoods. We think this makes us more nimble. We have tried planning, but then we end up with a whole bookshelf of plans that are outdated" once a developer comes in.

Boston today is growing dramatically—according to the mayor's office, more than twice as quickly as New York, and faster than San Francisco, Los Angeles, and Dallas. Where will everybody live, and how will they get from place to place? These are the questions that the BRA should be focusing on. But instead the authority is chasing down development opportunities like they're going out of style.

Peter Meade, the BRA's current director, told me about the time Menino called him a couple of years ago to offer him the job. "I said, 'What do you need?' And he said, 'We need to get things done.'" Following that directive, Meade has made construction his priority. "Investors aren't interested in a comprehensive master plan," he said. "I've never been asked for it. They are interested in making sure that their project is going to go in a time limit that's understood, that they'll get a return on this date."

There's nothing illegal about all of this. But that doesn't make it any less unsettling to discover just how much power the BRA places in the mayor's hands. A case in point is Hayward Place, a Chinatown-area parking lot that the city seized after a 1990 bankruptcy case. Throughout the '90s the city ran the lot itself, earning hundreds of thousands of dollars a year in parking fees. But by the end of that decade, real estate was heating up, and the site looked like a choice development opportunity—one that would allow the mayor to address the city's need for a new school and more housing.

In 2001, the BRA issued a request for proposals for the lot. The RFP allowed a tower, preferably residential, but required interested developers to also build a school on the site or to fund the construction of one elsewhere. Then, as now, Boston was short on housing (which is why property costs are so high). Eight developers submitted bids, and almost all worked for months to come up with plans that included housing. The high bid, \$23 million, came from Lincoln Property.

Once the bids were in, though, something strange happened. According to several people working for the BRA at the time, its then-director, Mark Maloney, wouldn't green-light a normal selection process, and nothing happened for months. Eventually, in 2003, the BRA board announced that Millennium Partners, which had been the lowest bidder, had been allowed to match Lincoln's \$23 million offer, and had won the bid. This was odd, because instead of housing, Millennium had proposed an office building, at a time when office vacancy rates were soaring. Jim Kostaras, a high-level manager who had been with the BRA for 17 years, and who had been the architect of the Hayward Place RFP, quit shortly thereafter.

One of the most vexing aspects of this story is that back in 2001 the BRA seized the Hayward Place lot from the city—an act that, because of the off-the-books nature of the authority, made all of the maneuverings for the deal much harder to follow. The city council itself only learned about the property transfer after the fact, from the newspapers, at which point it considered a lawsuit against the BRA. Frustrated, City Councilor James Kelly noted that \$23 million, the amount Lincoln had been willing to pay the city, could have covered a quarter of Boston's projected deficit at the time. Instead, the money was to be paid by Millennium directly to the BRA—and the city would get nothing. Maura A. Hennigan, an at-large member of the city council, would later tell the *Globe*, "After all is said and done, the 'fair and open' process we were supposed to have is not what happened here."

In the decade that followed, Millennium ran the site as a parking lot, just as the city had, earning approximately \$2.3 million a year for itself. According to a Finance Commission report, the developer did pay \$537,000 a year in rent to the city for two years, but the lease, negotiated with the BRA, then allowed those payments to cease. Since 2005, the report went on to note, "the developer has been operating the parking lot and retaining all the revenue." Construction on the project finally began this year.

Why didn't Millennium build anything for a decade? It's unclear. But media accounts of the affair have suggested that Millennium had no reason to build as long as it was making millions of dollars tax-free from the parking lot. Others close to the deal have suggested to me that Millennium didn't want a multi-story building at the site that would block views from unsold units on the lower floors of the Ritz-Carlton Residences, a luxury-condo project it had built across the street.

Boston lost big in this exchange—all because, it would seem, the mayor wanted to do a favor for a friendly developer. Millennium, after all, was the first developer to build upscale housing in the former Combat Zone, a move that helped gentrify the area. This sort of quid pro quo is not unusual for a mayor who wants to reward those who help the city. But in this case it comes at an unreasonable cost. Boston lost the value of the Hayward Place property itself, by letting the BRA take ownership of it. It lost millions in parking revenue and property taxes. And, most important, it lost a rare opportunity to strengthen the civic fabric of downtown Boston, by building desperately needed classroom and housing space.

Unsurprisingly, the mayor's people aren't interested in taking power away from the BRA, which, they argue, has helped spur the remarkable period of expansion and prosperity that this city has witnessed in the past two decades. "It would be foolish," Dot Joyce, the mayor's press secretary, told me in an email, "to gut the engine of economic growth."

The growth is undeniable. Just look at those cranes! But there's a case to be made that Boston has thrived during these past two decades not because of the BRA but despite it. Imagine what this city would be like if the Pritzkers had been able to develop the waterfront 20 years ago, or if we'd focused on building good schools and housing at Hayward Place and other downtown locations.

Soon we'll have our first new mayor in a generation, which means we'll have a rare opportunity to change how we shape this city. The BRA isn't mowing down neighborhoods anymore, of course. That's good. But it does continue to favor the needs of developers over those of residents, and as a result the city is gradually becoming an undistinguished jumble of stumpy towers and super blocks. What's getting lost is an attention to the quality and purpose of what's being built. Who's planning not for next year but 20 years from now? This is a question we need to ask ourselves—and our candidates for mayor—during this election year. Let's just put it to them directly: Do you think it's time to break up the BRA?

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