PHILIP S. HART

Boston's Parcel-to-Parcel Linkage Plan

An innovative linkage plan is helping guide downtown prosperity to Boston's needy neighborhoods.

The story of Boston's parcel-to-parcel linkage plan began more than 50 years ago. To make downtown Boston more accessible to commuters from the city's growing and distant suburbs, a system of highways, which included the Southwest Expressway and the Inner Belt, was first proposed in 1948. Land was cleared for the right-of-way for the Southwest Expressway in 1966. In response to pressure from a wide range of groups operating under the slogan of "People Before Highways," Francis W. Sargent, the state's then-governor, declared a moratorium on construction in 1970. After a study of regional transportation needs conducted by the Boston Transportation Planning Review (BTPR), Sargent decided against the proposed highway construction, although the relocation of the Orange Line rapid transit from its elevated structure to the existing Penn Central right-of-way would be executed as planned.

PETER VANDERWALKER/JUNG BRANNEN ASSOCIATES, INC.

Nearly 200 acres of vacant land were left in the low-income Boston neighborhood of Roxbury, the result of extensive demolition in preparation for a downtown highway that was nixed in the 1970s. On a site formerly known as One Lincoln Street is State Street Financial Center, a 36-story, 1.05 million-square-foot office and retail structure built for $350 million, which sold for $671 per square foot—the highest price ever paid for commercial real estate in Boston.

The decision in 1972 to veto the construction of the Southwest Expressway through several Boston neighborhoods made possible an opportunity to engage in planning to meet the needs of local residents. Roxbury was one of the neighborhoods affected. At the time it was home to a predominantly African American population. This largely low-income neighborhood suffered greatly from extensive demolition in anticipation of the proposed highway construction between 1966 and 1970. The area would become known as the Southwest Corridor— and by the early 1970s barren open spaces were the norm. Demolition within the corridor had an extreme effect on the social and economic development of the area—including disinvestment by banks and a series of fires. Nearly 200 acres of vacant land remained once the dust settled.

Attention then turned to the redevelopment of this formerly bustling urban core within a stone's throw of the thriving Back Bay neighborhood. The commonwealth of Massachusetts established the Southwest Corridor Land Development Coordinator's Office, headed up by Anthony Pangaro, to guide the planning and development process. More than 50 community organizations came together as the Southwest Corridor Land Development Coalition, Inc. (SWCC), headed by Elbert Bishop, to provide advice and counsel from the neighborhood level. Station-area task forces (SATFs) were organized at each proposed transit stop along the relocated Orange Line—including at the 5.6-acre vacant site known as Parcel 18. The Parcel 18 Task Force would become a key player in the parcel-to-parcel linkage plan.

In December 1975, representatives from the city, state, and neighborhoods traveled to Washington, D.C., to lobby Massachusetts Senator Edward W. Brooke and U.S. Secretary of Transportation William T. Coleman for federal funds to build the new, depressed Orange Line and the crosstown arterial street; to complete the South Cove Tunnel; and to begin the Roxbury replacement service. This visit would lead to a federal appropriation of nearly $500 million for these transportation projects—save the Roxbury replacement service. At the time, this was the largest public works project in the nation.

As the planning process was unfolding in the Southwest Corridor, and public investments began pouring in, the community started focusing on issues of desired uses and control of the planning and development process. Among the ideas put forward, in April 1977, the SWCC issued a report on "the Community Land Trust." Acknowledging that near each of the three transit stations—including at Parcel 18—commercial development would be strongly encouraged, the report advocated for the formation of such a public trust to better address real estate speculation, ownership, and control. In the Community Land Trust, the beneficiaries would be the residents of the surrounding community. Further, the trust would receive from the commonwealth of Massachusetts the land it currently held in the corridor and this land would be held in trust for the benefit of the commu-

PHILIP S. HART, *president/CEO of Hart Realty Advisors, a division of Tanya Hart Communications, Inc., Hollywood, California, is involved in the redevelopment of Boston's Southwest Corridor.*

nity. Each development project would have terms setting "community benefit" requirements, i.e., the terms of the trust should require that certain direct benefits go to the community from each project proposed for a parcel of land. The report set the stage for discussions about a community trust, community benefits, and ownership and control, though the full outline of a community land trust as envisioned in the report was never fully realized.

By the late 1970s, the Parcel 18 Task Force had been organized and meeting weekly. As the most active SATF, the Parcel 18 group began a dialogue among its own members about ways to leverage this corridorwide redevelopment opportunity, starting with Parcel 18. They also started reaching out to the Asian American community through personal contacts and via the Chinatown/South Cove Neighborhood Council. Several members of the Parcel 18 Task Force were also members of the Minority Developers Association (MDA), which came into existence during the early 1980s. A viable core of minority developers had carved out a niche in the Boston market, albeit primarily in the minority neighborhoods of Roxbury, North Dorchester, and Mattapan. They had few opportunities to compete for projects outside the minority neighborhoods, but had to compete with white developers for projects within the minority community. For the most part, Boston's minority developers were excluded from the city's downtown market altogether.

By the mid-1980s, significant planning and development were underway in the Southwest Corridor. A new urban industrial park, which included Massachusetts computer giant Digital Equipment Corporation (DEC) as an anchor tenant, was slowly emerging in lower Roxbury. Bringing instant credibility to this community renewal effort, new residential units were coming on line, a master plan for the corridor had been approved, and banks began taking a second look at the area. The downtown Boston real estate market was booming as the Boston Redevelopment Authority (BRA) started juggling projects in the pipeline. It was within this context that the Parcel 18 Task Force proposed a plan to attempt to guide downtown prosperity to the Roxbury neighborhood—so as to try to accelerate the rebuilding process.

Three key ingredients of the plan as presented to the BRA by the Parcel 18 Task Force were as follows: economically connecting a downtown parcel of land with Parcel 18; providing a role for minority developers in this process, including one with a major downtown project; and formulating a community benefits package predicated upon the success of the plan. Stephen Coyle, director of the BRA, endorsed the plan, as did Mayor Raymond Flynn and Governor Michael Dukakis. With their blessings, along with the BRA board's approval, the stage was set to implement the parcel-to-parcel linkage plan.

Renaissance Park, a nine-story, 165,000-square-foot office building near the Ruggles Street Station in Roxbury, houses office space for neighboring Northeastern University and the Whittier Street Neighborhood Health Center.

PETER VANDERWALKER/STULL AND LEE

A downtown site was identified: the Kingston-Bedford multilevel parking garage adjacent to Chinatown in the financial district. A process was then put in place to select a minority development team via a request for qualifications (RFQ) to then be married to a national, "majority" developer through a request for proposal (RFP) process. The Parcel 18 Task Force and the Chinatown/South Cove Neighborhood Council remained at the center of this process with a review and approval role.

The Ruggles Street Station on the relocated Orange Line opened in 1987 at Parcel 18. The site became known as Ruggles Center. In March 1988, the BRA board tentatively designated a development team for the parcel-to-parcel linkage program—dubbed in BRA parlance as Project 1, Kingston/Bedford/Parcel 18. This team, Columbia Plaza Associates (CPA), was designated as a result of the RFQ process that engaged teams made up of leading minority real estate development professionals in the greater Boston area. The CPA team was made up of Ruggles-Bedford Associates, Inc., and the Chinatown Investment Group, Inc., along with four community development corporations. The Ruggles Center site adjacent to the Ruggles Street Station became a prime candidate for transit-oriented development.

To select a national developer as CPA's partner, an RFP process was put in motion. Metropolitan Structures was chosen via this mechanism to form the Metropolitan/Columbia Plaza Venture. The final designation of this team took place in February 1990. The community benefits package had been approved in June 1989 whereby 10 percent of the developers' fee, 10 percent of the net operating income, 10 percent of the net refinancing proceeds, and 10 percent of the net resale proceeds would flow into a community development fund, for each phase of the project.

The funds generated under this formula with respect to the Kingston-Bedford site, now known as One Lincoln Street, were to be distributed as follows: one-third for the benefit of the Chinatown community, one-third for the benefit of the Roxbury community, and one-third on a competitive basis for the benefit of communities throughout the city. The funds generated from Ruggles Center were to be distributed in the following manner: one-half for the benefit of the Chinatown community and one-half for the Roxbury community.

This was considered a watershed moment in Boston's real estate development history. Roxbury was poised to rise from the ashes of the aborted Southwest Expressway through the selection of a minority development team as a key player.

Given the downtown Boston real estate boom, it was anticipated that the One Lincoln Street project would be in the pipeline before Ruggles Center in Roxbury. However, the Boston downtown office market tanked soon after the relevant BRA accords were signed by the development team in the late 1980s. There was no demand for office space in downtown Boston. The focus then shifted to the Roxbury site at Ruggles Center. With the wrangling of BRA director Coyle, Mayor Flynn, and Governor Dukakis, the Massachusetts Water Resources Authority (MWRA) was tapped to become the anchor tenant at a newly constructed nine-story, 165,000-square-foot office building to be built as Phase I on this 5.6-acre site.

The MWRA and its predominantly white suburban workforce objected to relocating to this building in Roxbury. After it became clear that the MWRA would not move to Ruggles Center, attention turned to the Registry of Motor Vehicles (RMV), a state agency then located in cramped quarters near North Station. Again, there was serious objection by the RMV workforce to a Roxbury location, but the agency finally moved into the new office building at the Parcel 18 site. Then the building became a "sick" building and, after much drama, the RMV and its employees abandoned it, scattering to several different sites throughout Boston. This turn of events left the owners high and dry, paving the way for neighboring Northeastern University to step in and acquire the building for a bargain at auction and create Renaissance Park, which became office space for the university as well as the Whittier Street Neighborhood Health Center.

The Metropolitan/Columbia Plaza venture buckled under the pressure of this turn of events. As the downtown office market turned for the better, the One Lincoln Street site gained new life. However, Metropolitan Structures decided to withdraw from the partnership with Columbia Plaza. John B. Hynes III, managing partner and principal with Gale and Wentworth, a national developer headquartered in Florham Park, New Jersey, helped create value at One Lincoln Street. This new partnership was approved by the BRA in February 2000 as the Kingston Bedford Joint Venture, LLC.

State Street Bank entered into a lease encompassing the largest amount of space in the history of downtown Boston with the owners of One Lincoln, thus creating the State Street Financial Center. The 36-story, 1.05 million-square-foot office and retail structure was built for $350 million, and was sold less than 18 months after completion for $671 per square foot—the highest price ever paid for commercial real estate in Boston. The 45 minority investors from the African American, Asian American, and Latino communities walked away with a substantial return on their investment. The four community development corporations realized upward of $1 million each. Roxbury and Chinatown community trusts received $15 million in community benefits, some of which was to be invested in affordable housing.

After fits and starts, the parcel-to-parcel linkage plan thus far has yielded a 36-story office tower in Boston's financial district, a nine-story office building in Roxbury and a multilevel parking structure, nearly $20 million in community benefits, several new minority millionaires, a rejuvenated Roxbury, and a positive working relationship among three key racial and ethnic groups in a city still addressing its image problems.

Can this plan be duplicated elsewhere? On a recent ULI advisory services panel visit to Camden, New Jersey, such a plan was recommended among the development strategies to be used in the city's revitalization. In Camden, the distressed Haddon Avenue is book ended by two expanding medical facilities, along with an emerging waterfront and downtown, where it is anticipated that over the next few years $450 million of new development will occur, 90 percent of which will be privately funded. This follows on close to $400 million of mainly public investment in the Camden waterfront/downtown neighborhood.

Los Angeles may be another worthy candidate for such a plan. One possible contender for the downtown component of such a parcel-to-parcel linkage plan in L.A. could include the $1 billion commercial development around Staples Center. A second possible L.A. candidate lies about a mile north of Staples Center, where there are plans to build the Grand Avenue Project, which will include $300 million in public parks and roadways, along with $900 million in residential and commercial properties.

Similar to the Boston experience, it will take political and business will and motivation, along with patience and perseverance, to make such plans a reality in other cities. ■