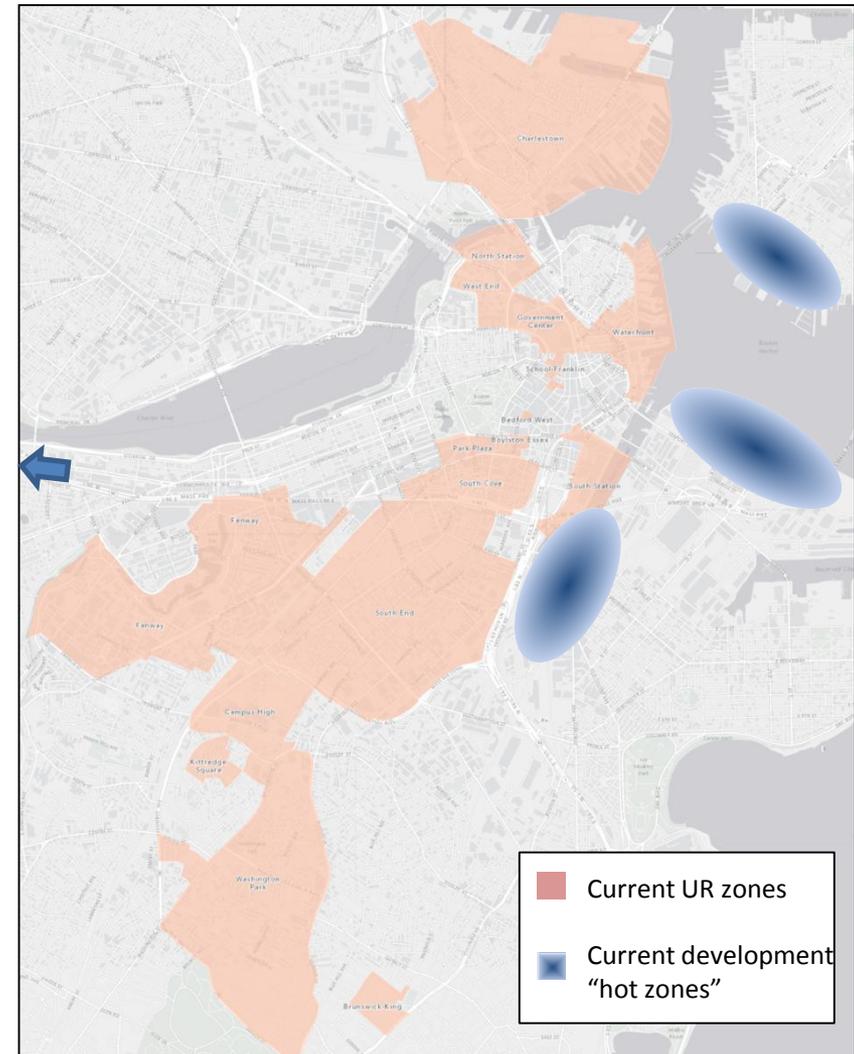




Urban Renewal Zones are throwbacks from the 50's and 60's



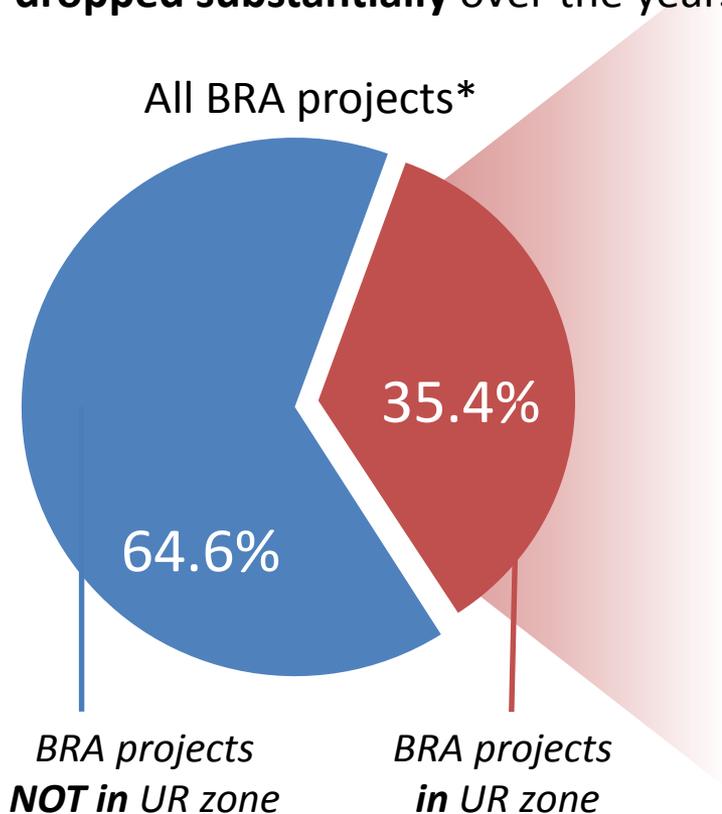
- The vast majority of the Urban Renewal Zones (West End, Government Center, Washington Park, Waterfront, Charlestown, South Cove, South End, Fenway) were created in the 1950's and 1960's
- Back then (50 years ago) these areas were some of the more challenged areas of the city, rather than the vibrant areas they have since become
- Over the past 50 years, civic engagement and construction management have evolved, but the BRA and its UR philosophy hasn't kept pace
- Further, our "throwback" UR Zones no longer align with development needs, as shown by the misalignment of zones and current development "hotspots"
- **This wrong UR focus has led to a number of mission and planning problems, and will lead to more unless it is corrected**



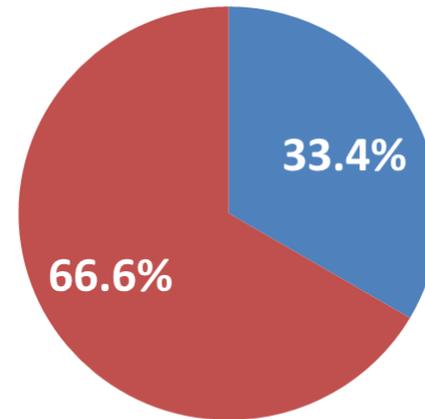


How important are Urban Renewal Zones to Boston today? Not very

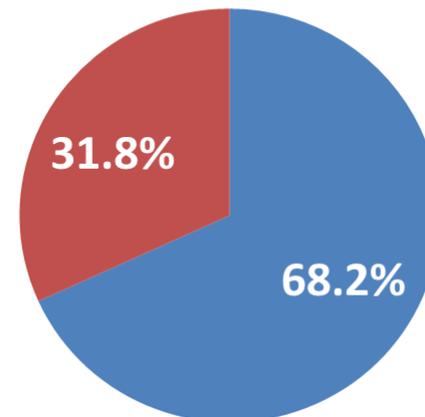
Only about a third of the BRA's projects are within UR zones, and that percentage has **dropped substantially** over the years



Projects approved **prior to 2008**



Projects approved **since 2008**





The BRA needs a strategic plan much more than it needs perpetual UR Zones

- According to McKinsey, the BRA has lost focus on its planning mission and is doing a worse job than all of its US peers in managing urban development
- Beyond its lack of a citywide zoning plan or strategy, the BRA lacks core vision, mission, and strategy clarity
- Further, the BRA lacks any consistent set of metrics for any of its processes – it’s usually “chef’s choice” for project management
- McKinsey and KPMG both produced rather scathing audits of the BRA, yet the BRA still does not understand that a “plan first, operationalize after” culture is what they need
- **Could the “throwback” UR philosophy be a core part of the BRA’s problem? Now is the time to correct this**

Illustrative Strategic Map for the BRA





Is the BRA's reliance on Urban Renewal "tools" critical? Evidence says NO

	Without UR / outside of zones	With UR / in UR zone	Conclusion
Eminent Domain	Reasonable eminent domain powers still available to city	Unbridled power for BRA to take private land no longer necessary (maybe never was)	BRA claim NOT valid
Title Clearance	Reasonable title clearance capability still available to city	"Enhanced" title clearance appears to be identical to regular city ability	BRA claim NOT valid
LDAs	Still available through contracts, covenants, legally-enforceable side letters	Lack of competent LDA management makes enhanced powers difficult to gauge	BRA claim NOT valid
Buying/Selling Property	City can still own and sell land	Extra powers such as equity participation in real estate deals inappropriate, unsuccessful	BRA claim NOT valid
Tax Concessions	City can still abate certain taxes	Extra powers like large tax givebacks transfer value to developers, without transparency	BRA claim NOT valid
Residents' Legal Recourse	Citizens' constitutional rights remain intact	Legal recourse such as appeal of BRA decisions suspended, likely violating residents' constitutional rights	VALID claim



The BRA's intractable UR position: is it an excuse for poor performance?

- The BRA is an “extra-governmental” agency, off the City’s books, which has not developed the fiscal discipline of other organizations which go through the City’s normal budget process
- For that and other reasons, metrics and performance management at the BRA has been worst-in-class compared with its US peers (per McKinsey)
- Lack of a master plan, neighborhood zoning plans, or even a “vision” were all deficiencies highlighted by McKinsey, as well as deficiency in the IAG process
- **While LDA management is a core mission of the BRA, the McKinsey and KPMG audits found no database of LDAs, and the BRA (amazingly) wants 2 years to find and organize these LDAs**

Notable BRA Deliverable Failures

- Current list of LDAs
- Neighborhood zoning plans
- City-wide land use plan
- Strategic master plan

Notable BRA Process Failures

- No budget process
- No regular reporting to the two “minding” entities (City Council and DHCD)
- Uneven performance management internally
- No “vision”
- IAG /Article 80 process managed unevenly



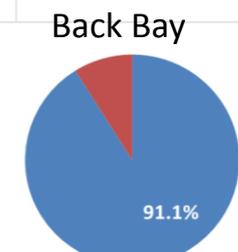
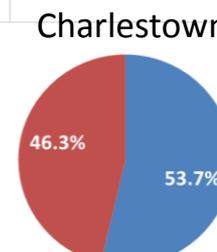
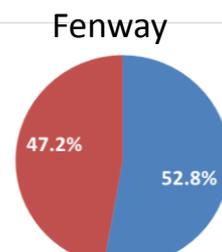
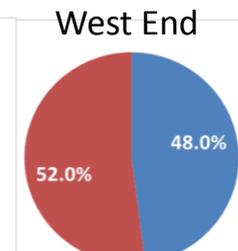
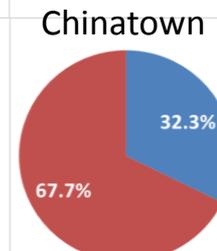
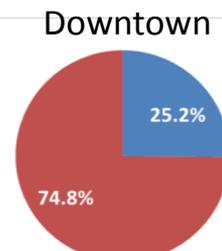
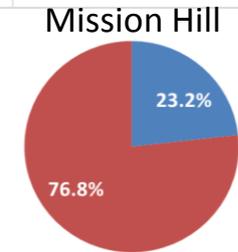
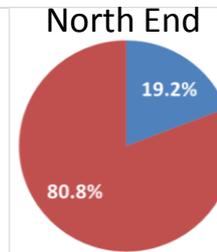
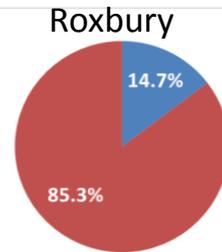
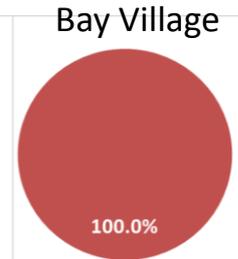
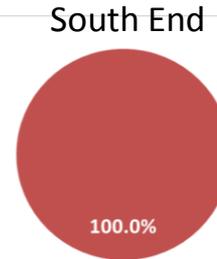
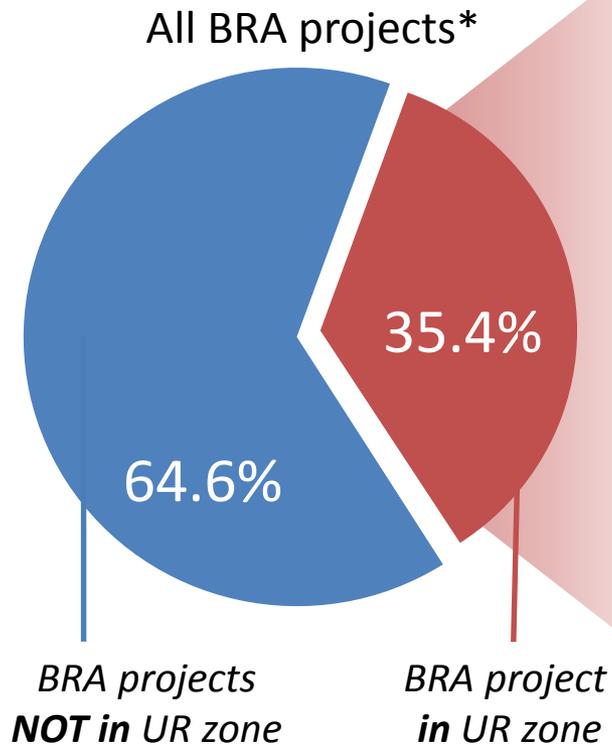
How the IAG process isn't working: Greenway Parcel 9 illustration

- Parcel 9 (the Haymarket Hotel project) began with an open, orderly, and relatively popular Mass DOT-run process
- In August 2013, Mass DOT selected a winning bidder and a winning design (8-story hi-rise, 1-story lo-rise, 180 rooms) coming out of their process, based on a number of criteria: proposed land use, project design, community benefits, community and City input, and the developer's financial ability and experience
- Following handoff to the BRA for project management later in 2013, a number of design changes were made to the project, including a 25% increase in the number of hotel rooms, without any community process or input
- Residents would now like to see a "reset" to the selected (pre-BRA) August 2013 plan for this project, and also want a commitment from the BRA going forward to refrain from project alteration without real community input



Which neighborhoods are affected most by Urban Renewal Zones?

The 11 neighborhoods containing the UR Zones are dominated by UR-governed projects. While this isn't surprising, it is tremendously **unfair** that the residents of these neighborhoods continue to bear the weight of UR



Source: BRA project data from BRA website

* Measured as total square footage of projects



What should the City Council require in return for any UR reauthorization?

1. The Boston City Council should **require the BRA to acknowledge that the Urban Renewal Zones were always intended to be temporary**, designed as “jump-starts” for blighted areas which no longer need the jump. Therefore, in return for *any* reauthorization now, the **BRA should assert and acknowledge that they are in “sunset” mode on these Zones**
2. The BRA should **transfer LDA management**, including collection and inventorying of current LDAs, to a neutral third-party organization outside the BRA (perhaps an outside consultant). The BRA should cooperate fully with this organization and a **list of LDAs** should be produced within **six months**
3. The BRA should be required to create a draft **land use plan** for the City of Boston. A reasonable timeframe for the production of that plan would be within **two years**. Further, the BRA should be required within that plan to submit a timetable for **neighborhood zoning plans**, all of which should be completed within **five years**
4. The BRA should be required, immediately, to **reform the IAG process**, to include:
 - real community input, including community votes on projects
 - absolute transparency on all adjustments to any submitted plan, and zero-tolerance for “star chamber” deals where major alterations to projects are made without any visibility
 - adoption of a standardized mitigation payment regime, including strict guidelines governing eligible recipients of such payments, and agreement on a fair-market-value payment schedule for various mitigations



What should the City Council require in return for any UR reauthorization?

5. The BRA should also be required to implement, immediately, the **seven McKinsey recommendations**. These items focus mostly on critical mission, management and culture issues within the BRA organization, but also require increased transparency and a fuller review of the Article 80 process
6. The BRA should be tasked with creating a separation plan whereby its **planning function is separated from the economic development function**. This separation, consistent with the Mayor's campaign pledge to rationalize the BRA, will align the BRA better with its US peer organizations, none of which combines planning and development in a single organization. Completion of the separation should be required within **two years**
7. Any Urban Renewal Zone reauthorization granted should include **milestone-reviews every six months**. ADCO believes a 2-year reauthorization is acceptable as long as the reauthorization mandates serious reviews and milestones. We recommend that the BRA report on progress toward these goals to both the City Council and DHCD. We further recommend that the Council reinforce its oversight power by reserving the **right to opt-out** of the reauthorization prior to its term should the BRA not make reasonable progress against these goals