



Press Contact: Joyce Linehan, press@martywalsh.org

AN ECONOMIC DEVELOPMENT PLAN FOR DOWNTOWN BOSTON REVITALIZATION

Much attention and many resources have been directed to the growing Seaport District, and that area is now thriving with new businesses, residents, and forward momentum. The other major commercial business district, the Back Bay, is also thriving and needs only continued support and management oversight from the public sector. It is time to turn our attention to the economic development needs of the Downtown area, including the Financial District, Government Center and Downtown Crossing.

Financial District/Government Center/Downtown Crossing Focus

The current economic impact of the core downtown is significantly higher than both the Back Bay and the Seaport District in terms of jobs and real estate taxes to the City. This area will be a major focus of the Walsh Administration's planning and development efforts. Marty will refocus the final planning and development of the downtown core of Boston. When the Government Center Plan was implemented, culminating with the opening of the "New City Hall" in 1967, the world was very different, tied to a 9-5 work culture and a Boston economy dependent on government buildings and workers to make the transition to the "New Boston." Now a half century later, this same area needs to make a similar transition to a private economic engine to attract private businesses and residential development. These valuable areas of the City can provide the same 24/7 energy that the Seaport District has begun to enjoy, and that the Back Bay has prospered under for decades. These uses and developments will provide new permanent private sector jobs in the commercial economy. This "pivot" back to downtown will also bring residential development to these desirable locations, and provide needed economic anchors to a proposed repositioning of Quincy Market under its new owners, as well as for North End commercial establishments looking for more growth in their businesses.

The Government Center Urban Renewal Plan is widely credited with the emergence of modern Boston. City Hall will be 50 in 2017. While many discussions in recent years have concentrated on relocating City Hall, the opportunity exists to discuss a plan that instead drives economic growth. A 21st century economy has emerged, and it operates evenings, weekends and non-traditionally. As was done in the 50s' and 60's by Boston's political and business leaders, the new Mayor must refocus the development to the core economic engine of the city, the downtown. This area must evolve from a 9-5 weekday government-dependent culture, to a culture driven by market-based private capital, and economically driven to add value 24/7 to surrounding businesses and neighborhoods.

THE PLAN

A New Commercial Development for the existing City Hall Site

The Walsh Administration will seek responses from interested developers/investors across the world to build a 100% private commercial mixed-use development the current site of City Hall. It is expected that a carefully planned project, likely to include hotel, offices, residential, and some small retail, would bring a onetime sale

price of between \$125-150 million and once developed would generate between \$10-12 million in annual taxes to the City, on a site that has never generated any tax revenue.

Quincy Marketplace has new owners, and they need a partnership with the City, their landlord. (The BRA leases the land under a ground lease to the owners of the business.) When there was no commercial development in the Seaport District, the Marketplace was a major destination of choice for nightlife in Boston. With the success of the Seaport, the expected momentum of Greenway-adjacent development has been somewhat stunted. One could easily envision a Rowes Wharf-type commercial development replacing City Hall Plaza and reopening a physical connection to the Quincy Market area into the North End and Downtown Waterfront. With a mix of uses, this would provide a round-the-clock economic anchor in this area.

So, in the same way that the Government Center Plan helped boost businesses in the 50's 60's, bringing the stimulant of government office buildings to the core of the City, a Government Center Plan 2.0, a "**Private Sector Plan**" is needed. This time, development will be led by private development, directed by City government decisions and actions. This development could provide a model for other government-owned buildings in the area, and create an opportunity to help to reenergize this critical area of downtown.

The decades-old stated purpose of putting City Hall at Government Center as an Urban Renewal Strategy worked. City Government should declare victory and now take the step to relocate City Hall to another downtown area, accessible by MBTA rail, where it can serve a similar purpose. We will let the commercial market, informed by public leadership, create a new economic engine for that site and connect these areas of the downtown.

The site where City Hall is today is one of the most valuable left in the downtown areas, and is not generating any real estate tax revenue for the City of Boston. That revenue could pay for other needed city services. Expanding the tax base is a major initiative of this plan.

Action Steps:

After taking office in January, Marty Walsh will request responses to two separate solicitations to serve the following purposes:

- 1) Private developers would respond through an RFI or RFP process to build a mixed-use project that would encompass as much of City Hall and accompanying plaza that can be built upon. We believe a mix of uses, including office, hotel, residential and retail, not unlike the Rowes Wharf would result from the process. We contend that this coveted site will draw the interest of developers from across the world given the location and tremendous value. Qualified responses will compete in a final selection process to win the site.
- 2) The Administration will also issue a "reverse RFP," to have a private developer bid to site, build, own, and operate a privately-financed City Hall based on a long term lease from City Government on either a public or private site in specific geographic area of the core downtown, in or very near Government Center, Downtown Crossing or the Financial District. This geographic area will be close to services and MBTA rail so that the new City Hall is easily accessible to all. City-owned sites within that footprint could also be considered for a new City Hall.

Since the City would likely be the sole tenant, unless other public users like the state wanted to join in, the winning developer would get a negotiated fixed return for the projected 20-40 year period of the lease. At the completion of the lease term, the building and property ownership would **revert back to the City for \$1.** This process would allow for another taxpaying private development to move forward in the City and pay full taxes for the 20-40 year period of time. The revenue for a new privately owned City Hall is projected to be \$5-6 million annually.

By creating this one-time large infusion of revenue, likely in the \$150-\$175MM range if both sites are publicly owned, and returning one if not two large public parcels of land to the tax rolls, the City will be positioned to pay for many of the services citizens have told Marty Walsh they want. The Walsh Administration would seek to provide Universal Early Childhood Education; invest in parks, and launch a new public health initiative. A portion of the new tax revenue can be dedicated to public art. There will be a portion of revenue added to the rainy day fund. The Walsh Administration will seek counsel from Bostonians about how to allocate this revenue, derived from an ambitious and visionary plan to expand the tax base and move our beloved City forward through the 21st century.