

Easy as ABC

Did the Big Dig give birth to a new civic model?

BY DAVID LUBEROFF

By the beginning of summer, the last remnants of the elevated Central Artery were being taken down, the green steel superstructure that walled off the financial district from the waterfront for decades torn into scraps and hauled away by the truckload. As the subterranean construction project known simply as the Big Dig turned into the Big Demo, the sky opened up over what will become, in its wake, the Rose Kennedy Greenway. This being Boston, just what the new land will look like, who will pay for it, and who will look after it is still being debated. While these are significant and important questions, they also remind us that the Big Dig—which had the potential to turn downtown into an impassable construction zone and later had cost overruns that seemed to threaten the state's fiscal health—is almost done.

Officially known as the Central Artery/Tunnel project, the Big Dig will significantly alter regional transportation patterns and transform the character of downtown Boston. Perhaps as significant, it also gave rise to the Artery Business Committee (ABC), a business-backed group that filled a major civic void. Founded in late 1988 by businessmen who were worried that the influence of the city's existing business groups was in decline at a time when the state was about to launch one of the world's largest construction projects in the heart of Boston, ABC has made sure that the city did not close while the Big Dig was being built; helped head off a variety of political and legal controversies that might have derailed the project; and ensured not only that the finished project provides highway access to downtown Boston but also that the new land is developed in ways that strengthen the urban core.

It would seem that ABC was the right organization in the right place at the right time. The question is: Is it a model for corporate civic leadership in the future—or a single-issue flash in the pan?

THE BIG DREAD

The Artery Business Committee was born of necessity. In late 1988, Norman Leventhal and Edwin Sidman, the chairman and president of the Beacon Cos., which owned many major buildings near the Central Artery, met with

developer Robert Beal, attorney and former city councilor Lawrence DiCara, and planner Catherine Donaher at Beacon's newly developed Rowe's Wharf to discuss what would happen when the state began construction on the Big Dig. They reached three important conclusions.

First, the city's major property owners and employers needed to pay closer attention to the project's short- and long-term impacts on downtown Boston. In particular, they had to make sure that downtown continued to function while the project was being built and that downtown was well served when the project was done.

Second, none of the city's longtime business groups were up to job. The Coordinating Committee (also known as the Vault), which had been the city's leading business group for more than two decades, was on the wane. Deregulation was thinning the ranks of the local banks, which

None of the old business groups were up to the job.

had been the group's core members, while the 1986 federal tax reform act made it imprudent for banks to buy local tax-exempt debt. That took the remaining banks largely out of the local political game. Dick Hill, a former head of both Bank of Boston and the Vault, explained the loss of influence this way to Leventhal: "It's very simple. When the city or the state wanted to raise money they had to go to the Bank of Boston. Now they go to Wall Street."

Over the next decade, the Vault's member base continued to shrink as almost all the locally owned banks, insurance companies, and utilities that had provided about half its members were bought up by other entities. The Vault stopped meeting in 1997.

The Greater Boston Chamber of Commerce was also in a weakened state. The retailers that once made up its core membership drew an increasingly large share of sales from outside the center city and, in some cases, were now owned by out-of-state firms. Even worse, Chamber president James Sullivan had criticized the CA/T plan when it was announced and openly questioned whether the state actually could afford to build the project. To put it



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bluntly, Sullivan and state Secretary of Transportation Frederick Salvucci, the Big Dig's most ardent champion, did not get along.

The first two assessments led to the third conclusion: Property owners and major downtown employers needed to create a new group focused solely on Big Dig-related concerns. To ensure that the group had access and resources, its board (like the Vault) would be comprised of the CEOs of its member firms. Unlike the Vault, the new group would also have relatively high dues—about \$25,000 a year—sufficient to provide the resources needed to hire a professional staff and expert consultants. Leventhal, who was well known and well regarded by the city's business leaders, took the lead in recruiting members. By April 1989, he convinced the chief executives of about 20 firms to join. Over the next 15 years, ABC became one of the region's most effective and influential business groups. Today, it has about 60 members and an operating budget of almost \$1 million a year.

ABC has grown and thrived as a civic group because its staff, board, and committees (chaired by its members and volunteers—who include both the executives from within member firms and the attorneys, builders, architects, planners, engineers, and others who worked for member firms) have achieved most of its founders' goals. In particular:

ABC protected downtown Boston from project construction. In the early 1990s, a committee chaired by George Macomber, scion of one of the region's leading construction firms, critiqued the project's construction management plans, leading to substantial changes. Another ABC committee—whose members included representatives of the city's major utilities, employers, and property owners—got the state to ensure that the city's electrical and telecommunications systems continued to function during construction. Yet another group worked with the project officials to make sure that downtown traffic did not come to a halt. Still another helped develop plans to mitigate the impact on those who worked in or visited downtown Boston, and closely monitored whether contractors followed through.

ABC shaped the project to strengthen the downtown urban core. ABC's staff, members, and committees worked with state and city officials to ensure that the project provide access to and egress from downtown Boston. In recent years, ABC has also focused on the 27 acres of land that will be created when the existing elevated roadway is torn down, to mixed results. The project's key environmental permit, which was issued in 1990 just before the Dukakis administration left office, required that the state set aside 75 percent of the new land for open space, most of it located between Quincy Market and Rowe's Wharf. (In contrast, the permit allowed a mix of buildings and

open space on parcels near the North End and Chinatown.)

Several years later, ABC's leaders became worried that project officials had not developed more-detailed plans for the land; that there was not enough money set aside to build the new parks; and that no one had decided who would own the parks, how much it would cost to maintain them, and where that money would come from. They also came to believe that banning most buildings between Quincy Market and Rows Wharf was a planning mistake of the highest order.

"Norman Leventhal came back from Florida one day and said, 'You know, we've got this all wrong,'" recalls Harold Hestnes, a downtown lawyer who has been on ABC's board since the group was founded. "It would be crazy to just spread grass seeds and trees there. It's just going to collect litter. You've got to have reasons for people to go there. You don't need office buildings. But you've got to have retail space and you've got to have cultural aspects so that people have a reason to go there and not just drive their cars through or across.' It's the first time I really thought about it."

ABC helped protect the project from political and legal controversies. Even worse than the project itself, from the downtown interests' perspective, was the possibility that the project would be abandoned midstream. In early 1990, public anger at the outgoing Dukakis administration and the sharp regional recession, along with growing criticism of the project by some environmental and community groups, convinced ABC's members that they had to keep the project from becoming political cannon fodder. In the 1996 race between US Sen. John Kerry and his challenger, Gov. William Weld, ABC honchos urged Kerry not to question the Weld administration's assertions

ABC kept the Big Dig from being a political football.

that the project was under control, in cost and schedule.

"To the extent political candidates choose to see the Artery/Tunnel project as a kind of political football, it will not help the project," explained former Boston transportation commissioner Richard Dimino, who became ABC's president and CEO in the mid-1990s. "We need the full consensus of public officials to keep this project moving forward."

ABC worked to protect the project in many other ways. In August 1990, when John DeVillars, then the state's secretary of environmental affairs, said he would impose stringent requirements before he issued an important environmental permit for the project, Leventhal met with Dukakis and urged him to fire DeVillars. Dukakis refused to do so, but told Leventhal that he would "take care of it,"



Leventhal recalls. DeVillars's final ruling turned out to be far more temperate. Similarly, in the mid 1990s, ABC successfully mounted a legal challenge to a proposed referendum that would have rolled back increased tolls on the Massachusetts Turnpike, which were needed to help fund the project. Two years later, ABC led a successful ballot campaign against a modified version of the same measure.

ABC's leaders have also tried to portray the project in a favorable light. Over the years, for example, it worked directly with major newspapers and television stations on forums to discuss issues related to the surface restoration. In late 1990, when project-related controversies seemed to dominate *The Boston Globe's* coverage of the Big Dig, ABC engineered a two-hour meeting with the paper's publisher, its top editors, and several of the reporters and columnists who had written about the project.

ABC helped state officials secure public funds to build the project. A 1987 law made most of the Big Dig eligible for funding from the federal Interstate Highway program and provided funding based on the project's then-estimated cost of about \$3 billion. When project costs rose, ABC lobbied for additional funds in subsequent multi-year transportation acts. In 1991, when the project was estimated to cost about \$5 billion, this lobbying helped secure significant additional funding for the project. In 1998, when the project's estimated cost had risen to more than \$10 billion, ABC could not prevent Congress from cutting the state's federal highway aid but contributed to a last-minute effort

that prevented even deeper cuts. ABC also worked to minimize the fallout in 2000 when the project was found to be \$2 billion over budget and helped convince state legislators to provide significant additional resources.

RECIPE FOR SUCCESS

The Artery Business Committee has had a major, and largely constructive, impact on a major public project affecting both transportation and commerce in the city of Boston. Is it a model—or a fluke? Here are the key elements of ABC's success:

A unique project. ABC was focused on a project that was so large, so visible, and possibly so damaging—as well as potentially so beneficial—that the heads of major downtown firms immediately understood why it was important that they get involved in protecting and advancing their interests.

Significant resources. ABC hired talented individuals as staff and consultants and tapped a wide network of volunteer experts. Board member Harold Hestnes, who has been an active member of the city's business-backed groups for more than three decades, calls this “the greatest loaned-talent effort of any business community effort that I have ever seen.” In addition, making sure that member firms were

represented by their CEOs gave the group access to, and credibility with, senior elected and appointed officials. “When we walk in, the political leadership takes note,” says Robert Beal, an ABC founder who later chaired the group.

Responsiveness and staying power. Because ABC had knowledgeable staff, well-informed committees, and leaders who were well connected and highly motivated, it could respond quickly when important issues arose—and, notes Sidman, “stay involved with really knotty questions...until they are resolved.”

Multifaceted focus. ABC's staff and key leaders understood that accomplishing the mission required that they focus on the full range of issues—from seemingly mundane questions of mitigation to highly technical questions about construction management to very broad questions of political authorization and public support. While ABC is best known for its political lobbying, project planning and implementation receive more resources than any of ABC's other activities.

Flexible tactics. In traditional business-group fashion, ABC has been adept at arguing that problems are technical rather than political and in using their access to senior officials to advance their agendas. Unlike the Vault or the Chamber, however, ABC also raised and devoted signifi-



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cant resources to analyzing thorny issues that were impeding the project, then using those analyses to broker agreements between warring parties. ABC also proved able to work collaboratively with an unusually wide range of stakeholders—including environmental groups—to achieve their aims.

In all this, ABC's leaders never denied that they were advancing their own interests, but insisted that their efforts represented "enlightened self-interest" because they would produce significant benefits for the city and the region, not just for themselves. "We started this because we had a need to protect our interests," says Sidman. "But we also wanted to see something good done for the city."

It's hard to assess this claim. No plausible cost-benefit analysis ever showed the CA/T project's benefits, and there are many, exceeding its \$14.6 billion cost. In addition, many benefits, especially in access to the central city, will be capitalized in the value of downtown buildings and land, the owners of which are paying no significant portion of the project's costs. Thus it could be argued—and some ABC

Out-of-town firms now need to take up the slack.

critics have done so—that the group succeeded in protecting and enhancing the value of its members' holdings at the expense of those from outside downtown Boston.

On the other hand, ABC came together in response to questions of *how* the project would be built, not *whether* it should be built. By the time of ABC's founding, the Big Dig was an inevitability; only its impact—in disruption and in outcome—was in play. The ABC's members had a great stake in the matter but so did the city and the region. To the extent that ABC made sure the project was built expeditiously and in ways that benefited the city's core business district, the group's leaders can legitimately claim to have advanced the larger public good.

BLUEPRINT FOR THE FUTURE?

There is much to be learned from ABC's approach. That ABC is a model for future civic leadership—in Boston or elsewhere—from the business community is less than clear, however.

First and foremost, the CA/T project is unique in its scale and its potential to harm a major commercial district. Without such a singular concern, business leaders are unlikely to provide either the money or their own presence, two elements that made ABC particularly effective.

Second, the economic base that gave ABC its muscle is, like the banking base of the Vault a generation ago, slipping away. National firms have bought many of the locally owned real estate companies that gave rise to ABC in



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the late 1980s. Most notably, the Chicago-based Equity Office Trust purchased the Beacon Cos. in the late 1990s. While the number of ABC board members drawn from the development community has not changed substantially, the share of those members from firms based outside of Boston has risen from about a third in 1989 to almost half today. And out-of-towners play a different role in ABC.

"The people who represent national firms typically attend our meetings because they need to get firsthand information to communicate back to their headquarters," says developer John Drew, ABC's current chairman. "The local members tend to take a much more active and participatory role." Only two out-of-town firms are represented on ABC's 20-member executive committee; of the 14 people who chair or co-chair one of ABC's substantive committees, only two are local representatives of non-Boston firms.

The question is whether the representatives of the out-of-town firms can and will take up the slack. On the one hand, regardless of ownership, the value of buildings is linked in large measure to public policies for investment, maintenance, and land-use regulation. This suggests that local representatives of out-of-town firms have a reason to become more involved in local issues. On the other

hand, ABC's efforts to involve such out-of-town owners suggest that people who manage local properties (like those in charge of the regional offices of national banks and power companies) have less interest or less capacity to be involved in city and state affairs than their local counterparts. Moreover, those in charge of major real estate firms, like those in charge of many other industries, may decide to concentrate their efforts in public policy on national regulatory and tax issues that could benefit all their holdings rather than on local controversies that could affect only a handful of their properties.

Whether or not ABC is a harbinger of business leadership in the 21st century, its history offers one important but easily overlooked lesson. Effective civic leadership requires a core group of people who have a rationale for getting actively involved, the ability to mobilize significant institutional resources to achieve their goals, the skills and networks to succeed, and, ultimately, the willingness to undertake difficult and time-consuming work. ■

David Luberoff, executive director of the Rappaport Institute for Greater Boston at Harvard's Kennedy School of Government, is author of Civic Leadership and the Big Dig, a recently published Rappaport Institute working paper.



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