

Spring Seminars 1984

An Examination of Public/Private Issues in Real Estate Development

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Introduction to the Series and to the First Seminar

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The Politics of Partnership in Boston

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Resources and Responsibility in Urban Development

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Resources and Responsibility In Urban Development

Daniel Rose

It's a pleasure to have a chance, or even an obligation to mull over a question such as the public/private relationship. It's also a pleasure to share a platform with Kevin White, an extraordinary individual who has had an extraordinary impact on this city. The development of a city involves many factors, but the mayor certainly is a significant individual in giving tone and guidance to the process. Years from now, when Kevin White's administration is considered in terms of his impact on the built environment, on the physical fabric of the city, I believe he will get very high marks. Christopher Wren is buried in London under one of his great structures. His son directed that the inscription on Wren's tomb be "Si monumentum requiris circumspece," which translates "if you seek his monument, look around you." In the days to come, when Kevin White walks through downtown Boston, he may not see his exact monument, but he shall certainly regard the city as a source of great satisfaction.

The relationship between public and private factors in development is an interesting issue, and before plunging into the specifics, we should understand two important points. First, we are all wrestling with the same problems. I like to think we have the same long-term vision about the kind of city we would like to live, work, play and shop in. I think we sometimes lose sight of the fact that individuals coming from different disciplines and different backgrounds, with different points of view, are honorable and competent individuals, not necessarily evil, vicious or monstrous. People can legitimately disagree; at times we all have partial visions of the truth. In discussing a subject as complex as this, it is important to assume that all the participants are speaking from the standpoint of goodwill.



Secondly, good intentions are not enough. The mere fact that someone means well is not an automatic excuse for what may not be worthwhile activities. The Robert McNamara team that programmed and designed the Edsel automobile did not wish ill to the Ford Motor Company. The people who designed the Maginot Line were decent honorable people. They did not wish ill to France. I think the Argentinian generals who programmed what they thought was a quick, easy war for the Falkland Islands didn't mean harm to Argentina. The Iraqi generals, who thought that Khomeini was a pushover didn't mean ill to their country. The people who designed and programmed Pruitt Igo actually got a prize. This meant that not only were they competent people, but their colleagues gave them a prize for the best large scale public development built in the country that year. A decade later one of the memorable sights in our field was the blowing up of these buildings.

In discussing something like residential rent control, or any of the other questions of linkage, we must remember that because someone disagrees with us doesn't mean he is necessarily evil. Also, that the advocate of such a program comes waving the banner of sweetness, light and truth does not automatically make the result and long term ramifications of his program harmless. Peter the Hermit led the children's crusade that swept away the cream of France and Germany's youngsters. He was a decent guy. That didn't mean that those children weren't packed off to serve as Arab slaves.

I don't want to get carried away on the subject, but let's try to approach these issues, open-mindedly and at least give each other the benefit of the doubt in terms of integrity. The subject we are discussing is an immense one and the question is where do you



start? If we were drawing up an outline for a course, we would probably say there are two fundamental major questions. The first would be, what kind of city ideally would we want to live in subject to the various actual constraints we have, and subject to the trade-offs that exist in the real world? The second major question would be, how do we get from here to there?

Getting from here to there involves two separate issues: first, the built or physical environment and the second, the social environment. When you deal with the social environment you answer questions such as, "Should we have parks and playgrounds?" When you deal with the physical environment you answer questions such as: "Will the parks be occupied by young mothers wheeling baby carriages or will they be occupied by muggers and derelicts?" These are real world questions.

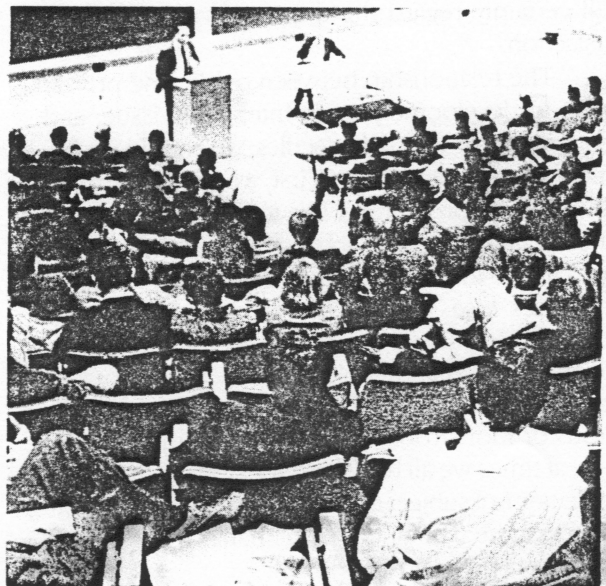
Our discussion today will be a partial discussion of the whole: we will deal with the built environment rather than with social questions. Also, we are going to deal mainly with the question of how you get from here to there. We can assume that everyone has some sort of adumbration of an ideal city in which we all might wish to live. We also have to assume that that city will be filled by civilized, decent people leading gracious and charming lives.

Historically there are four models of the planning process in America. The first is the city shaped by free market forces. We will call that the Houston model. The second, which we will call the 1916 zoning type city, is a city planned for density and for use, with the developer retaining all rights as long as he builds a building for an appropriate use and within the density requirements. The third model

is the one that has been prevalent here in Boston in recent years; it involves active government participation in the planning process, but with private implementation. We will call that the old Boston model. The fourth model is one that seems to be emerging in more and more cities. It is characterized by active community participation, often at the local neighborhood level, in the detailed problems of individual developments.

I believe that almost any system can work well if properly administered, properly structured and properly implemented. I remember as a schoolboy reading the line from Alexander Pope's *Essay on Man*, in which he said, "O'er forms of government let fools contest, what err is best administered is best." Almost any kind of system programmed and staffed by good people will produce acceptable results. However, of these four types of programs, I think that prudence in the long run will direct us toward some variant or modification of what has been the old Boston model.

For best results, it will require first that honorable, competent and efficient public administrators find and train men and women who will bring professional judgments and disciplines to their work. Secondly, competent and honorable development requires private sector development types who will play the game with 52 cards and deal from the top of the deck. You cannot always assume that — it should be spelled out. Thirdly, there have to be ways in which all relevant public voices can be heard. The Declaration of Independence refers to a decent



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respect for the opinions of mankind. I think that the development process by government and private developers should include a decent respect for the opinions of the general community. One of the roles of government perhaps is to serve as a buffer, as a conduit, as a mediator between various conflicting pressures. Fourthly, such a program requires political leadership of a high level and high order.

Government leadership should be ready and willing to lead, and also ready and willing to take the political flack that short term decisions may involve, if they create long-term benefits. Sometimes, in the midst of turmoil over a project, it is important to have a leader who says, "This is going through; have faith in me; I believe it's going to work in the long run".

I think it is clear that we have outgrown the economic Darwinism of the Houston model, in which pure market forces govern everything. Oscar Wilde referred once to cultural Darwinism leading to survival of the vulgarist. I think that something comparable might be the result if only the developer's taste and the developer's judgment determines the nature of each project. Economic forces alone are not adequate; we are too sophisticated for that. Kipling referred to nature "red in tooth and claw". I don't think we want a social environment or even a physical environment dictated only by the market place or left only to the developer's conscience.

There have to be constraints, unless you define conscience as in the words of H.L. Mencken, "that still quiet voice that tells you someone may be looking." You can rely on a developer's conscience if someone actually is looking, and the person looking has some degree of control. We should not forget the free market, but it can't be left to function totally alone. Even the old 1916 zoning concept, in which only densities and uses are controlled, is no longer adequate. Our society has gone beyond the point where we require buildings to be only free-standing and individual. Now we think of their context. We think of neighborhoods — of buildings in relation to one another. We think of buildings and their settings.

Planning and development based on context is impossible if each building rivals the other, if every building is made to be, above all, distinctive. A classic example of this phenomenon was a long row of

motels in an area just north of Miami. One had camels in front of it, one had spacemen and one had Polynesian castaways. Each one was crying out, "Notice me and come and stop at me." That has been one of the weaknesses, I think, of modern architecture. Buildings in the recent past tend to say "Look at me, I'm different, I'm significant."

We are now entering a period in which developers, city officials and individual architects will think more and more in terms of the context, the environment and the setting of buildings. When you



think of an Utrillo picture of Paris you think of buildings. They are each sort of faceless but they hang together well. When you think of Bath, when you think of the most memorable cities, the general impression is sympathetic and pleasing. While you might not remember the individual structures, you remember the ambience. I think that is the direction in which we are heading.

The fourth model of planning, featuring local neighborhood involvement, does present various problems that a Center such as this one at MIT can help solve through leadership and organized discussion. First of all, not all of the participants in neighborhood, community or special interest groups, whether they are interested in landmarking, the environment or any other concerns, will necessarily have the same level of professional training. Not all of them come with clean hands. Some of them will come with hidden agendas, possibly including issues such as political careers. A problem more widespread

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than many people will acknowledge is that some of them are thinking entirely of what might be best for their individual little street or neighborhood and not necessarily what might be best for the greater urban context. Airports and community centers have to be somewhere. These decisions should not only be affected or influenced strongly by the people next door, although they certainly should have input.

This problem brings us back to the question of what form of administration is most conducive to good administration. Ideally, it should involve a city planning department—in Boston it's the BRA—of



technically trained and competent planners, with the kind of tenure in office associated with senior civil service people. Planners in this kind of department could think in terms of the best interests of the city as a whole and could run interference between the neighborhood and the development entity. They could play a part in the planning and also reflect legitimate community concerns. In such a planning context, the question of trade-offs is increasingly important. Trade-offs must be made between time and beauty. Decisions about older buildings require very subtle distinctions in terms of historic preservation.

On the issue of historic preservation, it's wise to remember the French expression, "The good is the enemy of the best, the best is the enemy of the good." On the one hand, when dealing with a cultural gem like Mt. Vernon, it's important that the substance be kept; it should not be turned into a motel or a fast

food chain store. Mt. Vernon should be preserved exactly as it was—with George Washington's false teeth and spectacles on the table. You don't want any compromise. If, on the other hand, you're speaking of the recycling of an old mill, one might want to keep the handsome physical exterior, but the time may have come for such a building to arise like the phoenix and take on a new life. One hopes that the new life will be as integral to today's society as the building's old life was to a previous milieu. There are different ground rules in each case. Another set of problems entirely occurs when one is dealing with a situation in which it is desirable to preserve the fabric and texture of a street by retaining the facade of an old building, but it is necessary to put in plumbing and so forth to make it useable.

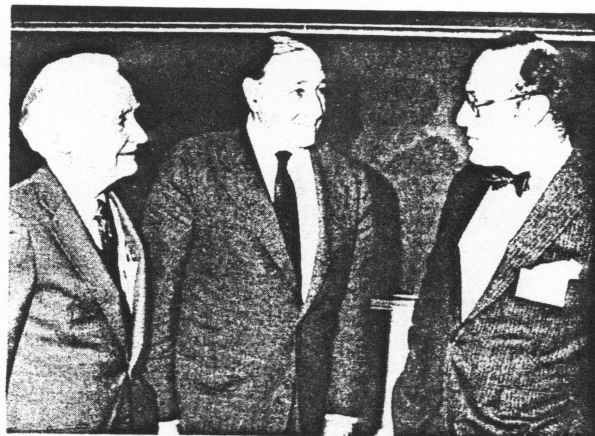
How does one deal with these kinds of subtle distinctions? We have to wrestle with the problem and come up with vehicles to suit the intention of the action. Then it is necessary to enforce the decisions we have made, based on these subtle distinctions. It's not an easy question. Other kinds of problems such as linkage require first, a forum of public debate, where these issues can be thrashed out, and secondly, a group with a long term point of view with the authority to say, for example, that the federal government should bear the responsibility of providing housing for the 10 or 15 percent of the community with the lowest income. The private sector developers should not be saddled with what is really the responsibility of the federal, state or local government.

I happen to feel very strongly that linkage is a fool's gold sort of program. We have developed thousands of units of housing and millions of square feet of office space. These two types of development, in my opinion, have absolutely no relationship whatsoever. In the long run it would be terribly harmful to have any linkage because, in effect, it is nothing more than a surcharge, a tax. That tax will effect economic decisions at the margin. I don't think anyone has taken the trouble to explain to the citizenry of Roxbury, for example, that a million square feet of office space built in the city of Boston will pay roughly \$4 million a year in taxes that can be spent on social welfare programs in Roxbury. If that million

square feet of office space is built in Quincy or Newton Centre or anywhere else out of the political jurisdiction of Boston, Quincy gets the real estate tax revenues; Boston loses them, and Roxbury has lost its potential \$4 million.

Imposing linkage in one political jurisdiction without having it affect adjoining political jurisdictions tilts the decision to build either in or outside Boston. Since all economic decisions are made at the margin, an issue such as linkage plays an important part in the decision-making process. Once that kind of question is discussed fully and frankly, I think anyone would come to the conclusion to let developers subsidize housing in whatever forms are most appropriate. Let us have office buildings built where office buildings should be. The locations of housing and office have absolutely no relationship to one another. Seen clearly and dispassionately, the linkage concept is an expedient. It's like putting a bandaid on a cancer case, because there is not going to be enough money available to have any meaningful impact on the problem of low-rent or low-cost housing. This issue has been thought through inadequately, and inadequately debated. However, this is the kind of forum in which such issues should be discussed.

Another fundamentally important question about historic preservation is, not only what the ideal treatment for each individual building might be, but whose ox is being gored if an authority insists that the occupant of a given building keep it as it is, even though this may lead to an economic loss. The general welfare powers of the Constitution permit that but



there is an interesting phrase in the Constitution calling for due process, and due process involves compensation.

Public thinking has never been brought adequately to bear on this conflict. This is a legitimate subject, for a Center such as this might investigate whose ox is being gored? Deciding who should carry the economic burden for a general decision that clouds the economic value of a given parcel is certainly in the public interest. If it's in the public interest to do so, the public should do it. If there is a diminution of economic value in some way, the general public purse should provide compensation.

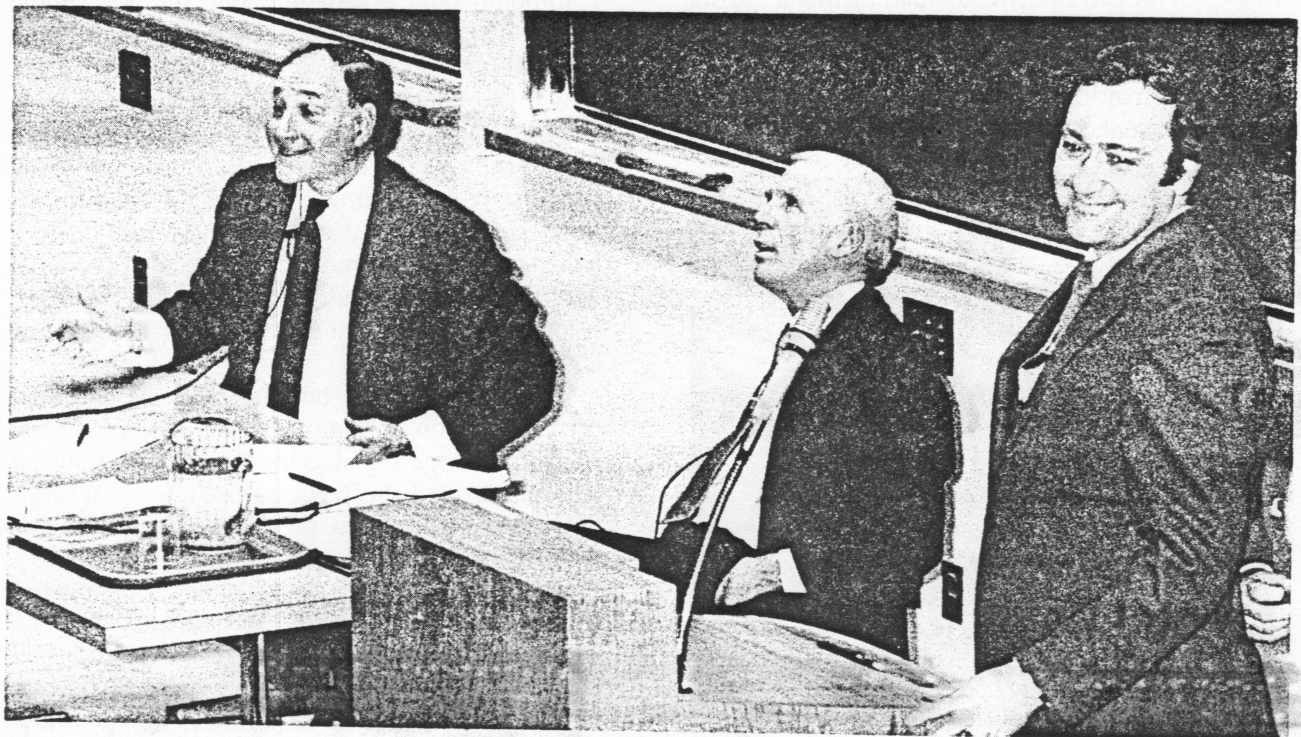
On other issues involving not only the local community but the general public, our goal should be on the one hand how to have maximum input from all interested parties, but on the other hand, how to depoliticize them. It's almost impossible in any political jurisdiction with rent control to find an office holder who is opposed to it or who will speak out against it. It's similarly difficult to find in any political jurisdiction that doesn't have rent control, anyone other than some demagogue who's running for office who does not understand that the long-term side effects of rent control are terribly harmful and destructive.

Rent control is nothing more or less than price control on housing. Any form of price control sends the wrong signal to the consumer because it tells him this is a cheap good — use it freely. It sends the wrong signals to the producer — it tells him that his costs have nothing to do with the values produced. I recently read an article which, after discussing rent control, went on to discuss the paradox that one could have a housing shortage and abandoned housing in the same urban context. It would seem to me that this "paradox" says a great deal about

how far we all have to go in understanding the destructive effects of residential rent control. Here again this Center can provide a much needed forum for discussion.

To return to my first point, we should not consider each other adversaries. We all have to ask ourselves what is to be the social and physical fabric of the society in which we want to live. What are to be the constraints? The classic definition of economics is the science of the allocation of scarce resources. How are we to balance the physical setting and the social setting? How do we bring the various voices to bear on these decisions? At the end of World War I, David Lloyd George campaigned on a program aimed at the veterans. His campaign was based on the theme of building a society and a nation fit for

heroes to live in. We live in an age without heroes. (Even poor old John Glenn couldn't even stay on the ballot.) Maybe that's why our goals nowadays are somewhat more modest. Our goal should be to design a society in which rational civilized people can lead, in settings of grace and charm and human scale, productive and satisfying lives, the kinds of lives that in 1984 we think human beings are entitled to. I look at Professor Spaulding with a touch of envy because I think that many of us who are practitioners in any field would love to be, in the long run, in a position of helping to train others. I take my hat off to him for his activities and complement him on the role he's playing. I would like to express my firm hope that this MIT Center for Real Estate Development can bring sophisticated inquiry and discussion to these very, very complex problems.



Questions and Answers



Gary Hack

As I listened to the two preceding talks I noticed an interesting reversal. I heard things from Dan that I thought I was going to hear from Kevin and I heard things from Kevin that I thought I was going to hear from Dan. It struck me that one of the things I was hearing from Dan was that developers want security. They want to know the rules of the game in advance. Something like the system of zoning that's been applied in New York City does not provide sufficient rules to allow anyone to be sensitive about the development of a city. On the other hand, I was hearing from Kevin that we ought to have general policies leaving lots of room to negotiate about individual developments on their own merits including all the subtleties about what the impacts might be. The process in which the real planning occurs around a table between developers has been called city building by brokerage or by negotiation. The issue that always arises is how to protect the small stockholder in those kinds of negotiations. I would be interested in hearing this audience respond to that. The more general the rules, the more there is to be decided around the table, and the less chance there is for individuals to affect the planning process. Also, the process becomes more politicized because the only way to influence it is by organizing major opposition groups. How do you reconcile all interests?

Kevin White

In my remarks I warned that it is dangerous for a city to define in detail its zoning or landuse policy. In my experience, the stated policy should be stated broadly and always in the context of a plan constantly being defined, announced and redefined. For example, as everybody in this room knows, the federal building was originally going to be built on Washington Street.

Through negotiations, and with the concurrence of other parties, we moved it all the way up into the North Station area.

This planning concept, believe it or not, was brought to the city in 1960 by Ed Logue. We didn't devise a whole new development process for the city on a daily basis or in each negotiation period. In fact, Boston went ahead and eventually did every single parcel almost in the context in which it was originally designed twenty years ago.

Each building does have a different purpose. I could run through a long list of buildings and explain each decision: However, all the trade-offs were made within the context of a development pattern—the bottom line is purpose. The federal building is a place where people have to go—they have no choice. Therefore we chose to treat it as an enormous resource to put into an area in which there are no other cells to spark development. We put it in the North Station. Another example of a trade-off is Copley Place. We gave them a UDAG, they gave us jobs, and we risked building something that could have jeopardized everything Back Bay had seen before. But it still was part of our overall development process. It is amazing how Boston's development process has stayed in the general outlines. At different points we have negotiated to achieve whatever was important to the city each time we were placing a building in a given location.

The second point I want to make is that linkage and rent control should not be a source of conflict between developers and the city. I said that rent control is a temporary palliative. It's human to want to respond, however, temporarily, to a need that the national government or other responsible forces have ignored. The temporary use of rent control will not



necessarily lead to a situation such as we see in New York. I wanted to put on and take off rent control, but I didn't have the guts for a long, long time to even loosen it because of political constraints.

Also, for purposes of discussion, I would like to raise a point as sensitive to me as rent control is to Dan Rose: when talking about public discussion, why do people condemn the word "politicize?" It's as though nobody wants to talk about politics. That's like going to B school and not talking about money. In the context of negotiating over development, politics is the way we respond to the stockholders in the city. I want to not put that word as something that's wrong. It's the health of a democratic society. If politics didn't function, we would be in as much trouble as if the flow of currency had stopped. We had better keep politics in the planning process or I'm going to slowly creep out of this room.

Dan Rose

The question may really be what public voices should be heard, what is the nature of the discourse, what is the nature of the decision-making process? As a practical matter, we're faced with the fact that the public must be heard. The public good should be the guiding principle. However, the question is whether it is best identified through confrontations or negotiating sessions in which the developer works face-to-face with the local community groups. If there was a core of professionally trained, honorable, competent, civil service type development authorities, such as might be found on a planning commission like the BRA, they might serve as mediators.

Kevin White

I disagree. I have dealt intimately with community groups, from the time I was 38 working in the neighborhoods through bussing, through Vietnam. I was in there day and night when I couldn't find another politician or another scribe. The fact of the matter is you have to decide, what are community groups there for. They are not there for the developer to listen to. They are there to provide an indispensable feedback system for the duly elected public officials.

It is wrong for a government to send the developer out to broker with a neighborhood group. Community groups are not duly constituted. They are an adjunct to the governmental system. Furthermore, the leadership can change and the agendas can become different overnight. When a developer is made to bargain with a community group, a public official is abdicating. Instead, the official should allow the community group to use the resources of a BRA or a committee of experienced planners to talk with the developer, to be educated by him. In the last analysis, neighborhood groups don't go after the developer, they go after the mayor.

There wasn't a neighborhood group in Boston that cared one ounce about development in the '60s. They came out on social issues. Today you couldn't get three of them in a phone booth on a social issue. They are active today because the way the community may be affected physically can affect how money can be brought in to support the services they want. That's entirely different, but all part of the same cycle.

Dan Rose

Edmund Burke's letter to the electors of Bristol discusses how he was attacked for not listening sufficiently to local people. He says, "My God, you've elected me because I'm a good man, I'm giving the job all I can do." I speak of a growing trend, the shadow on the horizon the size of a man's hand. Consider the example of Westway in New York, a massive development involving thousands of housing units and many tens of millions of dollars that may never be built because strong minded governmental types did not mediate between the local community planning board and the somewhat weak and accommodating development team.

Why in the name of heaven New Yorkers are fighting Westway defies description. New York, a wonderful island city surrounded by water, is ringed

by highways. One cannot walk down to the waterways. Westway would create hundreds of acres of parks and playgrounds accessed to the city. It would not change the river or the waterfront, but it would change the fabric and texture of the society for the better, and a handful of willful people are trying to block it. Well-meaning people who don't understand the issues have influenced a few demagogues on the West Side who are running for office. Therefore, the city is being deprived of \$4 billion capital investment that would submerge the highway and open the city to the river. These people are not talking about solving the problem of the potentially affected bass in the river, they're speaking of "studying." It has been said that delay is the deadliest form of denial. The opponents of Westway are not rejecting it outright, they're saying let's string it out, let's take blood drop by drop until the project becomes unfeasible. Who is to protect the city, the body politic? Here in Boston, Park Plaza wasn't built. In retrospect, would it have been better for it to have been built or not, Kevin?

Kevin White

In the case of Westway, I can understand why you rail against the political structure. Whether the opponents of the project are well-meaning or not, it's a frightening indictment to know that they have that kind of power in a democratic society in that big a constituency. I do think that it is a crime of sorts. In the case of Park Plaza, it is still a hole that was never built on. In retrospect, Boston wasn't lucky. The city is lucky in having an enormous economic resurgence. We did get a second chance.

I think you have to see these things in broader historical context. For example, linkage may not be a good policy, but I don't think it reflects the fundamental problems of the relationship between the public and private sector. Westway or Park Plaza may be temporary aberrations that cause irritation, but I don't think they reflect fundamental problems.

Dan Rose

I think I can summarize our joint feeling that no sophisticated members of the development program — land-owners, bankers, architects, developers, or government officials — question the immensely significant role that government plays in development today. No one questions the legitimate involvement of community neighborhood groups. We are all groping for a good design for vehicles that will

permit the best kind of input from as broad an array of interested parties as possible, as long as those vehicles are consistent with getting the job done. The goal is to see that what is built should be built. The problem is how to do it with a minimum of fuss and feathers.

Question from the Audience

I would like to get some more comments on politics and decision making. It seems that you are complaining about projects that don't get built. Isn't it the political decision-making process that you are complaining about?



Dan Rose

To cite a personal experience, the net impact of the BRA on design and construction of the Keystone building at Congress, High and Purchase streets was positive. At the time, I complained that the BRA was a nuisance, but the Keystone building is a better building because of its involvement. We're building a one million foot tower at One Financial Center, Dewey Square; I have to tell you it's a better building because of the hounding and badgering from the public sector.

These battles were fought between people with good professional judgment. I can say this frankly, because these were battles in which the BRA had the final say. We tried to convince them when we thought they were right. I also can say frankly that the buildings in my opinion are better because of these struggles; they're handsomer, they're just as efficient and I think they are better neighbors in Boston



because of the professional input of the BRA. I think that's the answer to the question of the value of political input.

Kevin White insisted that we do a study for Dewey Square. He had been out to Chicago. He saw Water Tower place. He said, "Now that's what you should have here, an office building, a hotel and a retail space." We had to hire consultants to analyze the job to show Kevin White that it wasn't feasible. He raised interesting, responsible questions; we were mad as hell at the time, I have to tell you. The whole discussion was a valuable one and a worthwhile one. And when the dust settled, I admired him for it.

Question from the Audience

Boston is a city in a position to bargain pretty hard with developers in terms of the approval process and benefits for the city, such as jobs. However, other cities also are anxious to attract new development. They are tripping over themselves looking for ways to interest developers. They are willing to invest a fair amount of money and to offer different types of financial inducements to attract new development. I would like to ask Mayor White what kinds of risks he thinks cities should not undertake in terms of land acquisition, provision of financing and opening up the public purse to attract developers. I would also like to ask Mr. Rose what kind of risks developers should be unwilling to take in terms of sharing the fruits of development with cities.

Dan Rose

It is important to remember that we are dealing with questions of probability, not of fact. There are lots of unknowns in the future, including what the nature of

the supply, the demand, cost of money and availability of labor will be.

To be a developer requires a very special type of mentality. First of all, he has to be very goal-oriented and be willing to swallow these kinds of risks. I have a friend who says that the urge for a developer to see his building done is comparable to that of a salmon swimming upstream to spawn. He has to persevere and make economic distinctions while trying to limit the risks. It's an art, not a science. The developer wants to stack the deck to slant the probabilities in his favor. If a developer always thought in terms of the worst case scenario, he wouldn't get out of bed in the morning. I don't know how to respond to the question other than to say that development is not a science, it's an art. One is dealing with intangibles and probabilities. I don't know if that's an adequate answer but I think it is the way the real world works.

Kevin White

It is very hard to answer the question because all cities are different. Whether you are dealing with Detroit or Boston will make a great deal of difference in what kind of commitment and what kind of physical solutions are possible. Issues of development depend upon what a city can undertake, what its government is willing to do, what its resources are



Issues of development depend upon what a city can undertake, what its government is willing to do, what its resources are and what its strengths are. Decisions about physical development are either economic or moral.

and what its strengths are. To discuss leverage I would have to deal with individual cities. In each case, the best one can do is to apply common sense. I agree with Dan that development is an art form; much of it is ultimately instinctive.

When Dan and I met before this presentation, we got off on various subjects. Finally I began to probe his reasons for coming to Boston in 1969-70. I felt he couldn't have been that clairvoyant. First, he said he had come up because of the shuttle. Then he said, and I gave considerable thought to it later, that it was because he felt comfortable here. He came because it was his personal preference. He didn't want to go too far from home — part of developers' politics is that they don't like to go too far from home. If a developer gets too far afield, he loses control; he loses influence; he loses knowledge which is indispensable in a business as volatile as real estate. That's why there are very few national developers. When they have gotten too far from home many developers have gotten beaten badly by locals. The familiarity of politics that Tip O'Neill spoke about is critical for development.

The only other point I want to talk about was raised by Jane Jacobs in her two recent articles in the *Atlantic*. They are really about national currency problems but they relate directly to cities. I, or anyone else looking at these questions, should read them one hundred times. The point is that when looking at what a city can offer, one must remember what a city is. Regardless of whether a city has a strong or weak executive, it is the subsidiary of a parent corporation which is the state. The state in turn is controlled by a holding company which is the federal government and any struggle between them is a very unfair and inequitable battle. To control development, a mayor must have an inordinate amount of power given to him by his constituents to support his actions as the president of a subsidiary corporation, first against the state and then against the federal government. A developer should not make the mistake of thinking that there is exclusive power at the local level.



Question from the Audience

I would like to get both your comments on the impact of development on the city. What is the appropriate role of the politicians and of the developers?

Kevin White

When you're Secretary of State at 30 years of age, you have to think of something to do besides sign notary publics. I was very big in preservation. In fact, I created the Massachusetts Historical Society and the preservation laws in Massachusetts. When I came to the city, preservation wasn't a major problem until we began to have a boom in construction. To return to the example of 53 State Street, as I said to you before, the developer was generous. The building we saved was not a great piece — even the preservationists knew that. It was done by a fellow by the name of Peabody, I think. I asked the preservationists very simply, "If Peabody came back from the dead, would he think this is one of his best pieces?" They said, "Well, he might not." However, Olympic New York wanted to move and had the money to save the building. It is quite handsome on the facade, but let's not think we saved a really great piece.

The second example I mentioned before was Faneuil Hall, which thanks to Jim Rouse is a superb project. The great thing about Rouse was that every

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time he was called upon to preserve something we had given him for 99 years, he made us glad we had done it. He erred towards quality and it paid off.

In the case of the Kennedy's department store building, I didn't know what to do until I walked down Washington Street with the Preservation Society and I knew they were misleading me. They were kidding me by their own definitions. It is necessary to educate politicians, because they have power. I was prepared to learn. The group explained to me that on one side of the street it made a difference that the series of facades remain unbroken, even if it meant leaving a bad one in among the others. I could see that point. However, when they turned around and showed me the other side of Summer Street and its facades, I could see that the backs were hollow shells. In this case, the preservationists applied different criteria and that's questionable intellectual integrity. United Shoe taught me that art deco should be as important in the city as the design of structures from the 1700s. I must say reluctantly that I had to be beaten into seeing this, but finally I did.

I would like to mention last but not least, the Institute of Contemporary Art Building. The preservationists of Boston came to tell me that we should save the building, which is near the Prudential Center. I listened to the presentation, and I was going to approve it. There was certainly no community oppo-

sition. Then they said, "Of course you know, mayor, that the ICA is a Henry Hobson Richardson building." By the sheer small fact that when I went to Williams my roommate was an architect I knew that seemed wrong. I said that I thought the ICA wasn't a Richardson building. In fact, I was right; they hadn't done the research and I only knew it by a fluke. The fact is, I did give them the approval, and the example underscores the obligation to educate.

I am for preservation, but it should not be a hobby for dilettantes. Once a building is preserved, what is done will be there for the lifetime of that building. It should be done cautiously, with dignity and with much research. Once a decision is made to preserve or not, public officials ought to stand up and defend it.

Dan Rose

I agree. Let me say that I am well-read because of 15 years on the Boston/New York shuttle. It's the only block of time I have in my life that's quiet. If you make it a form of discipline to read only hardcover, nonfiction books, it's amazing what you can get through. In thinking about preservation I am reminded of the wonderful Greek word "oximoron". An "oximoron" is a contradiction in terms such as a hot ice cube or a very tall midget or a small giant. I may be an oximoron myself in that I am a real estate developer who also happens to be vice-president of the New York Landmarks Conservancy. If a developer who is also an active preservationist, sounds like a contradiction in terms, so be it.

Decisions about physical development are either economic or moral. The question is who should bear the cost of an economically moral decision? I think it's the body politic. First of all, I'm neither pro-preservation nor anti-preservation. I'm in favor of excellent buildings, new or old. Just because something is old doesn't mean it's worth preserving. I think that we should rely on a realistic and discriminating series of judgments. We should move heaven and earth to save those individual buildings or those

contexts and environments and groupings of buildings that should be saved. At the same time, I think we should not let merely old buildings stand in the way of the new.

In New York City there is an example of preservation run wild. The 60 blocks from 59th Street to 79th Street, from 5th Avenue over to Lexington Avenue, have been designated an historic district. Any person who walks up Madison Avenue in the 60s and 70s and confuses it with Venice, where each building is a gem, should have his head examined. Yes, we want to do preservation properly, but I think our tools and our mechanisms are imperfect. Now it's Hank Spaulding's problem to try to come up with vehicles that permit these fine distinctions.

I see no conflict between development and preservation. In the case of a St. Bartholomew's in New York or any of the finer old structures, the obvious decision is that it should be saved. That decision implies another question. How do we recompense the owner for what is being done? I think those are two separate and distinct but related questions. Our society must come down strongly in favor of saving anything worth saving because it's unusually beautiful or historic, or because it has some other relevant value. We've been profligate in destroying them in the past. Fortunately this last decade or so, we caught up. I think everyone interested in the city wants to make an effort to protect these buildings, but I think some fair judgments should be made about spreading the economic burden.

