

PAUL MCMORROW

The final death of Columbus Center

By Paul McMorrow | NOVEMBER 01, 2011



DINA RUDICK/GLOBE STAFF/FILE 2010

The Columbus Center project, now abandoned, was to be built over part of the Massachusetts Turnpike.

COLUMBUS CENTER was supposed to remake Boston. The massive real estate development promised to reunite the Back Bay and the South End, and catapult its developer, an affordable housing specialist, into the ranks of Boston's marquee builders.

Ambition bred Columbus Center, and then it fueled one of the most spectacular real estate failures Boston has seen. The city's most notorious busted project, the Filene's pit, is just bad feelings piled on top of bad timing. But Columbus Center is a full-blown Greek tragedy - one that started 14 years ago, and ends this week, with a guilty plea in

a federal courthouse.

Arthur Winn, Columbus Center's former would-be developer, is copping to a pair of federal campaign finance misdemeanors, which total \$4,500. One of the shell companies Winn's firm set up to build Columbus Center is swallowing a \$1.5 million fine for its role in improperly funneling more than \$150,000 to federal, state, and local politicians.

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Long before Arthur Winn was guilty of financing illegal campaign contributions, though, he was guilty of needing huge buckets of money to keep a failing real estate development afloat.

Winn's company first floated plans for Columbus Center, a development spanning four blocks over the Massachusetts Turnpike, in 1997. The massive project immediately raised the hackles of its neighbors, and years of contentious permitting meetings followed.

Nobody in Boston has managed to build an air rights project since Copley Place in 1984, because it's far more expensive to build on the air rights over highways than it is to build on land. Columbus Center tried to make back the extra costs of building over a highway and rail corridor by piling extra height on top of its expensive deck and tunnel system. Extra height led to years of protracted negotiations with abutters.

The project Winn's company settled on — 500 luxury residences, a hotel, shops, and parking — ended up being unacceptable to both sides of the development dispute. During the public review process, the project's budget more than doubled, eventually topping \$800 million. Its 35-story tower enraged neighbors, but Columbus Center wasn't big enough to support its bloated price tag.

When the project finally entered the market for construction financing, the economy was

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teetering. Its main financial backer imploded. Rather than just letting the project die a natural death, Winn's company turned to federal, state, and local officials. That decision took what should have been a garden-variety real estate failure, and put it on the road to the federal courthouse.

Winn wanted \$150 million in federal tax credits for Columbus Center, favorable tax treatment from the state, and tens of millions of dollars in public grants and loans. A crushing need for public subsidy isn't a crime. It can be a bright red flag, like when, in the case of Columbus Center, a developer needs public funds to plug gaping holes in a wildly unpopular development. But it isn't normally, in and of itself, a criminal act.

Columbus Center's real problem was Dianne Wilkerson. Specifically: In addition to being Columbus Center's biggest proponent on Beacon Hill, Wilkerson was also a prolific crook. Wilkerson's support for Columbus Center attracted the interest of undercover FBI agents who happened to be investigating Wilkerson for selling her office to advance a Roxbury real-estate development. It didn't help that Winn had once handed Wilkerson \$10,000 to help settle her personal tax debt, or that one of Winn's biggest vendors had tried to secure a lucrative side job for Wilkerson at a local college.

From the beginning, federal investigators tried to link Wilkerson's full-throated support for Columbus Center subsidies, the thousands of dollars in Winn donations filling Wilkerson's campaign account, and Wilkerson's proclivity for selling her votes. After three years of digging, there was no criminal connection to be made. So the feds took the table scraps they did have — misdemeanor campaign-finance charges — and made them stick as hard as a pair of federal misdemeanors can stick. Winn certainly broke the law when he reimbursed his relatives for making federal campaign donations. But federal investigators never would have been interested in those donations, had Winn not turned to a crook to help save a real estate project that was going to die anyway.

Paul McMorrow is an associate editor at CommonWealth magazine. His column appears regularly in the Globe.