

The Commonwealth of Massachusetts Office of the Inspector General

JOHN W. McCORMACK STATE OFFICE BUILDING ONE ASHBURTON PLACE ROOM 1311 BOSTON, MA 02108 TEL: (617) 727-9140 FAX: (617) 723-2334

September 26, 2013

Clarence J. Jones, Chairman Board of Directors Boston Redevelopment Authority 1 City Hall Square, 9th Floor Boston, MA 02201

Re: Property Transfers to the Boston Red Sox

Dear Chairman Jones:

The Office of the Inspector General ("OIG") is reviewing the proposed agreement to permanently transfer certain property rights in the Fenway neighborhood to the Boston Red Sox.

We appreciated the Boston Redevelopment Authority ("BRA") Chief of Staff James M. Tierney briefing us on the proposed property transfers last Thursday afternoon. Since then, we have asked the BRA for the documents used to set the sale prices. As of this afternoon, the BRA continues to provide us with documents relevant to our review. Therefore, the OIG has been unable to complete its review prior to tonight's meeting of the BRA Board of Directors ("Board").

While the OIG has not made any final judgment regarding whether this proposal provides the city and its taxpayers fair compensation for these public properties, the OIG believes the Board should postpone action on the property transfers for the following reasons:

- 1. This proposed sale is the product of private negotiations between the Red Sox and the BRA staff, with no opportunity to date for public comment. While the BRA's enabling legislation may not require a public hearing on this matter, the OIG recommends an open process any time a public entity conveys property rights.
- 2. Similarly, the BRA Board should be given time and all necessary documentation to review the proposal. The BRA's enabling legislation does not require the Board to vote tonight, and the Board should not do so.
- 3. This conveyance involves property rights on three distinct parcels: a surface easement on Yawkey Way; subsurface and air rights on Lansdowne Street; and a travel easement to create a permanent street to be named Ross Way. The parties obtained a

Clarence Jones September 26, 2013 Page 2 of 2

formal appraisal in conformance with the Uniform Standards of Professional Appraisal Practice ("USPAP") only for the future Ross Way, which the Red Sox are selling to the city. As a result of this appraisal, the Red Sox will receive the full appraised value for their property. In contrast, the BRA did not obtain a formal USPAP appraisal for either Yawkey Way or Lansdowne Street. For this reason, the Board does not have sufficient information to assess this proposal.

- 4. The memo and supporting documentation provided to the Board are not sufficient to serve as a substitute for a USPAP appraisal.
- 5. This is a transaction that binds the city in perpetuity. The current lease lasts until the end of the Red Sox season. The next scheduled large-scale event at Fenway Park is Frozen Fenway in January. There is no reason to vote tonight on a new deal that the city will have to live with for decades.

For all of these reasons, I urge the Board to delay voting on the property transfers that are on the agenda for this evening's Board meeting.

Please feel free to contact my Office should you have any questions.

Sincerely,

Glenn A. Cunha Inspector General

Mem a ale

cc: Paul D. Foster
Consuelo Gonzales-Thornell
James M. Coyle
Timothy J. Burke
Peter Meade
James M. Tierney
David Friedman