

DOWNTOWN

Labor's Mr. Fix-it

The Boston Globe

By Steve Bailey, Globe Columnist | July 21, 2006

If you are a trade union boss and know your costs are out of whack with your nonunion competition, do you sharpen your pencil and try again? No way. Not when you can call Marty -- state Representative Marty Walsh, who is quite literally on the payroll. As is his cousin Marty and still another cousin not named Marty.

Marty Walsh, Dorchester Democrat, is organized labor's go-to guy in the Legislature, and when his union brothers recently wanted to lock up the construction jobs on a new \$200 million shopping mall in Dedham, they knew exactly where to go. Their strategy: Target the liquor licenses needed for the restaurants at the proposed Legacy Place. Walsh, vice chairman of the Legislature's committee that has to approve the licenses, was glad to assist, helping block the licenses and telling the developer to cut a deal with the unions.

Labor has lots of friends in the Legislature. Walsh's campaign contribution list, like lots of his fellow legislators, is chock-a-bloc with union money. But Walsh is actually on labor's payroll: Last year he was paid \$9,000 as president of Local 223 of the Laborers' union in Dorchester, according to a federal filing. In addition, his cousin Marty Walsh made \$183,472 as business manager of a local with just 1,331 members. (That works out to \$138 a member a year in Cousin Marty's pocket -- a good, healthy union wage to be sure.) Another cousin is on the Laborers' payroll as the office manager. Think of the Laborers' local -- a union possibly in line to do considerable work on the Dedham project -- as a kind of Walsh family business.

This is how it works -- or doesn't work -- in Massachusetts. W/S Development Associates in Newton, the largest mall builder in New England, wants to construct one of these trendy new "lifestyle center" plazas on Route 1, similar to the Derby Street Shoppes it built in Hingham in 2004. The town loves it because it replaces acres of parking lots now occupied by a few scattered buildings and an aging movie theater with an outdoor mall with retailers like [Whole Foods Market](#) and L.L. Bean and upscale restaurants like Legal Sea Foods and Ruth's Chris Steak House. It also means \$2 million in new tax money for Dedham. National Amusements, billionaire Sumner Redstone's own somewhat larger family business, will rebuild its corporate headquarters there.

The rub: The trade unions want to be guaranteed 100 percent of the construction jobs. The developer says no way.

What the developer has told labor is that it is willing to favor the unions if their bid is close to nonunion competitors -- with the exact acceptable premium, likely in the midsingle digits, yet to be determined. If the unions' final bid is still high, W/S Development has said it is willing to give them a final chance to be competitive. But the developer is not willing to sign on with the unions at any price. As I reported here in May, even the Archdiocese of Boston has started telling the unions there is a limit to the

premium it is willing to pay.

A little sunlight is a wonderful thing. I started making calls about this hardball inside play on Wednesday. By yesterday afternoon Legacy Place's liquor licenses were suddenly getting waived through committee. Amazing how that works. Marty Walsh -- the five-term legislator, not Cousin Marty -- voted no. Says Walsh: ``I don't see a problem with fighting for developers to pay community standards." He also complained the liquor licenses would be going to ``phantom businesses."

This is probably not over. Dedham is a big union town, and Legacy Place's developers are going to need endless approvals from local boards and inspectors. For the unions, a call to Cousin Marty, or Phil or Billy can be a lot more effective than sharpening your pencil and being competitive.

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DEDHAM

Last-minute dispute over labor hangs up mall deal The Boston Globe

The issue: union slice of jobs at Legacy Place

By Peter Schworm, Globe Staff | July 20, 2006

Trade union leaders and the developers of a proposed shopping center and theater complex in Dedham are scrambling to strike an agreement over hiring practices, in a dispute that could threaten a legislative approval considered essential to the \$190 million project.

Boston-area union representatives are pressing developers National Amusements and S.R.Weiner & Associates and W/S Development Associates of Chestnut Hill to commit to hiring a sizable percentage of unionized laborers for the project, an open-air, high-end retail and restaurant complex called Legacy Place that is slated for the Showcase Cinemas property near Route 128.

They accused real estate developer S.R. Weiner of having a substantial number of nonunion workers at its Derby Street Shoppes project in Hingham, which opened in 2004, and say they don't want to see the situation repeated in Dedham.

The issue arose unexpectedly last week at a home-rule petition hearing on Beacon Hill on awarding the Dedham project eight liquor licenses for its restaurants. The request, which Town Meeting approved in April, was expected to gain approval with little debate.

But union leaders argued that lawmakers should not back the measure without hiring assurances from the real estate developer, contending the company would otherwise use subcontractors that rely on low-wage workers from out of state, many of them undocumented immigrants.

The two sides have met twice in the past few days in an attempt to reach an agreement before the legislative session concludes at month's end. While they appeared to be making progress, the dispute's last-minute emergence raised fears that the project, embraced locally as a major retail attraction and economic catalyst that would generate \$2 million a year in tax revenue, could be dashed.

Denying the licenses would kill the project, said state Representative Robert K. Coughlin , a Dedham Democrat. ``I think it would be catastrophic."

The liquor licenses are considered crucial to creating a so-called ``lifestyle center" where visitors could shop at specialty stores, have dinner at nice restaurants, and see films at a deluxe cinema -- all in a single location.

The shopping center concept is at the cutting edge of a retail movement that is elbowing aside traditional malls anchored by department and big-box stores. L.L. Bean, Whole Foods Market, Urban Outfitters, Legal Sea Foods, and several other high-end retailers have already signed on as tenants in

the new Dedham complex.

Coughlin said he was "confident the issues would be resolved" and the project could move ahead.

But Bob Rizzi , president of the Norfolk County Central Labor Council and Quincy and South Shore Building Trades Council, said that hiring practices at the Derby Street project generated significant ill will among unions and that union leaders are determined to prevent a repeat performance.

"People remember how bad that one was," he said. "To us, it's just a continuation of their philosophy of hiring low-wage workers without benefits, usually from out of state."

Rizzi said union workers from the area deserve to work on the project, particularly a trendy, upscale development, and receive a competitive wage.

"It's about fairness," he said.

Michael Monahan , business manager of the IBEW Local 103 electricians union, said labor leaders want the developer to agree to local workforce quotas and not rely heavily on cheaper, undocumented workers, which undermines a living wage.

"We would want assurance from the developer that local workers will work on the project," he said. "We live in the most expensive state in the union, and that takes a decent wage."

Dick Marks , a partner with the development company, said the project would involve as many union workers as it could while remaining financially viable.

"We will work with the unions to make sure as many of their workers are on this job as possible," he said. Marks said talks had been productive and expressed optimism an agreement would be reached, adding that there was no reason the licenses could not be granted after the end of the formal legislative session July 31.

"We need the legislation, and the unions know that," he said. "Without the legislation there is no project."

Marks said financial constraints limit the hiring of unionized workers, who typically bargain for better wages and benefits than nonunion counterparts. Marks said that subcontractors for the project are required to verify that employees are legal workers.

The developers were slated to present official plans to the Dedham Planning Board for the first time last night .

The liquor licenses are earmarked solely for Legacy Place and, if approved, would be individually awarded by the Board of Selectmen. Such licenses -- which are limited and often sell for more than \$100,000 -- have come under some local criticism as an unfair giveaway to National Amusements to push the lucrative development forward. The project would also include the new corporate

headquarters for National Amusements, one of the largest theater chains and the parent company of media conglomerate Viacom.

William Keegan , Dedham's town administrator, said town leaders support the project and hope the workforce dispute is resolved.

The project would turn an aging, underused property into a destination for shoppers and moviegoers, potentially sparking other redevelopment nearby.

``Clearly this is important to get the project on track," he said. ``We have a lot of interest in making this happen."

If approved by local boards, Legacy Place could open as early as fall 2007.

State Senator Marian Walsh , assistant majority leader and who represents Dedham, said she was ``very optimistic" the liquor license petition would become law.

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