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Business

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SEAN P. MURPHY

THE FINE PRINT

All of his UMass classes are online. So why did one cost $1,425 extra?

Last spring, Liam Ryan, a business major at UMass Amherst, signed up for classes ranging from accounting to marketing, all to be taught online due to the coronavirus pandemic.

Ryan also tried to register for a required writing class, but those classes were full.

When he finally found a writing class with an opening, in late August, a relieved Ryan quickly enrolled (all done online, of course), paying little attention to one sentence in an e-mail on how to register, saying the class required "an additional fee not covered by tuition."

Now in his third year, Ryan is accustomed to paying fees in addition to tuition, including, for the current semester, $124 for "student activities" and $200 for "technology."

But the fee for the writing class, when the bill arrived three weeks after classes had begun, turned out to be considerably higher: $1,425, boosting his total tuition bill by 18 percent, even though he was taking no more than the usual number of classes for a full-time student (five), and even though all of them were being taught in the same way (online).

When he first signed up for the class, Ryan said, he had assumed the fee would a small fraction of what it turned out to be.

"It was just one more class taught the same way as the others," he said. "I didn't think it would be a big deal."

"But I guess I should have asked," said Ryan, 20, of Longmeadow, who is now living off campus in Amherst.

Well, yes, that would have helped. But shouldn't the university have been more explicit?

Ryan and various administrators traded a dozen e-mails on Aug. 24 and 25, according to copies of the exchanges Ryan shared with me. The tone of the administrators was consistently friendly and helpful as they guided Ryan through a couple of bureaucratic hoops and into the class he needed.

But no one told him it would cost $1,425 extra,

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JESSICA RINALDI/GLOBE STAFF

Liam Ryan was billed $1,425 extra for a course in what turned out to be a misunderstanding.

What you can do when a thief hacks your eBay account

By Emily Sweeney
GLOBE STAFF

Australia ranks high on my bucket list of places to visit, but not for any reason you'd expect.

I want to go there to track down a computer hacker who spent hundreds of dollars of my hard-earned money.

HELP DESK

Let me back up a bit and explain.

My current obsession with the Land Down Under began on a warm day in August, when I received an unexpected e-mail from eBay. It was a receipt for an expensive Weber grill.

Initially I assumed this was some kind of phishing scam, so I was careful not to click on anything in the e-mail. I opened a new browser window to log into my eBay account. My eyes widened at what I saw. That e-mail was legit. My eBay account had been hacked.

Lo and behold, in my list of recently ordered items, was the same Weber grill. It was a nice-looking grill, too, jet black and shiny. It had a push-button ignition, stainless steel burners, and removable folding side tables. It was even mounted on wheels! I had paid $799 in Australian currency (about $565 in US dollars) for this fabulous grill, and the money came straight from my bank account.

It was getting shipped to someone named Alex Stoker, at an address in Australia.

I typed in the address into Google Maps. Within moments I was looking at a street-level view of a four-bedroom house on a tree-lined street in Labrador, a beachside suburb on Australia's Gold Coast.

It was a nice place to host a barbecue, I suppose. I pictured my Australian nemesis slipping some extra shrimp on the barbie for his mates, throwing his head back, and laughing under the sunshine in a green backyard next to the grill that he bought with

HELP DESK, Page D3

PHOTOS BY DAVID L. RYAN/GLOBE STAFF

Construction has resumed on the Winthrop Center project in downtown Boston, on the site of a city-owned parking garage that was demolished. An architectural rendering (below left) shows what the 690-foot tower will look like when completed.

How Winthrop Center was saved

Developer turns to lenders abroad to get tower's 2023 opening back on track

By Tim Logan
GLOBE STAFF

In nearly 30 years as a big-time developer, Chris Jeffries has put up a lot of buildings in complicated places like Boston, Manhattan, and San Francisco.

And like anyone who's been operating at that level for so long, Jeffries — the founder and lead partner of Millennium Partners — has seen his share of ups and downs. But he's never had a down quite like what happened at the end of February.

His company was 18 months and more than $300 million into the construction of Winthrop Center, the 690-foot skyscraper Millennium is building downtown. It had already spent $102 million to buy the site from the city, worked to change state law to allow for the shadows it would cast on Boston Common, and dug a foundation that reaches as deep as 170 feet beneath the Financial District.

Millennium was about to sign an $825 million loan to finance vertical construction, with the closing set for the first week of March. The COVID-19 pandemic hadn't really hit the United States yet but it was raging through Asia and Europe. World financial markets were starting to freeze up — particularly the streams of global capital that finance fancy condo and office towers like Winthrop Center. Millennium's lenders, huge investment banks led by HSBC and Goldman Sachs, told Jeffries they couldn't sell the debt, and so they couldn't make the loan. The deal fell through.

"It was like, what the hell do we do now?" Jeffries said last week. "We don't have the financing."

WINTHROP CENTER, Page D2

Developer goes abroad to finance Winthrop Center

PHOTOS BY DAVID L. RYAN/GLOBE STAFF

Karan Richards (left), an apprentice carpenter, is part of the crew working on the Winthrop Center project in downtown Boston. Construction resumed recently after having been halted during the pandemic.

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Millennium had two choices, Jeffries said: Stop the project — with its half-built foundation and no idea when it might start up again — or try to find more money.

So he called an old friend, Ed Siskind, a former Goldman Sachs executive who had financed Millennium projects in the 1990s, including 10 St. James St. in Boston. Siskind now runs Cale Street Partners, a London firm that invests on behalf of Kuwait's $533 billion sovereign wealth fund. He had access to money.

"It was a long shot, but we reached out," Jeffries said. "We truthfully didn't find anybody behind door number two."

Siskind came to Boston to meet with Jeffries and tour the site. Back in London, he talked to the Kuwaitis. To help further the cause, Millennium ponied up another $200-plus million worth of equity — a huge stake for a developer to sink into its own project, but also a sign of confidence in it.

The financial maneuvering worked: On Wednesday, Millennium and Cale Street closed on a $775 million construction loan that will get the massive building back on track to open in early 2023. It amounts to a $1.3 billion bet on a skyscraper at a time when the news is full of stories about major companies abandoning such projects, and people deciding they no longer want to live in big cities.

Jeffries, who reads those stories and speaks to those companies, on Thursday walked through a downtown Boston that is vastly quieter, and a far more grim place, than it was seven months ago, when all looked well and the talk was mostly about growth. But he believes Boston will bounce back. The area's universities, the still-booming life-sciences industry, even Boston's modest scale compared with Manhattan, Los Angeles, or Chicago, he said, give it a stability and an appeal that will outlast this moment.

"There's a strength to Boston, and a size to Boston; there's something special going on here that's going to make Boston even more the focus of companies who want to be here, and people who want to be here," Jeffries said. "They saw that sitting in London."

Jeffries said it will help that Winthrop Center — which, of course, was designed before COVID-19 arrived — includes many of the touches companies say they're now looking for. Its so-called passive house design boosts energy efficiency and airflow. Column-free floor plans and 12-foot ceilings will mean more natural light. Every floor of the office part of the tower will come with outdoor terraces.

That's all part of the pitch Millennium will make as it starts to market 812,000 square feet of office space, no easy task in a downtown where two other office towers are underway and few, if any, large companies are looking for room to grow now. Indeed, Boston has about 3 million square feet available for sublease by tenants that have decided they no longer need it. That's the most since 2001, according to the real estate firm CBRE.

Jeffries acknowledges Millennium probably won't sign an anchor tenant for awhile. Companies are still assessing what they need for office space, and where they want to be. The market is paralyzed. But when things loosen up, he predicted, the tenants will come.

"I am not worried at all about the office space," he said. "It's just an impossible time to talk with anybody."

Then there's what's above all those offices. The top 26 floors of the 52-story tower were planned to be condos, tapping a growing market for high-end living downtown that Millennium fed when its Millennium Tower opened in 2016 in nearby Downtown Crossing. To salvage Winthrop Center's financing, Millennium eliminated 66 units and asked the Boston Planning & Development Agency for permission to make the rest rental apartments instead — a safer bet for investors in a down economy. That shift would cost the city about $26 million in affordable housing funds — money Millennium had planned to spend on an affordable high-rise in nearby Chinatown — but city officials approved the change to keep Winthrop Center moving.

Millennium still wants to sell the units, Jeffries said, and plans next year to build out a showroom in the same Franklin Street storefront where it marketed Millennium Tower. But if the real estate market remains soft, it will seek renters, Jeffries said. It's considering a rent-to-own model that would serve as a sort of hybrid.

Either way, Jeffries — whose company built Boston's Ritz-Carlton in what was once known as the Combat Zone and sold more than $1 billion worth of condos at Millennium Tower — said he is confident those upper floors will eventually fill with owners.

"In my 25 years I've never built an apartment that I haven't sold," he said. "Everybody always eventually buys every apartment. Every city we built in has a demand."

These days, Millennium is building only in Boston. It has properties in New York, San Francisco, Miami, and Washington and has long been planning a $1 billion tower in Los Angeles. But Winthrop Center is the only one that's pushing ahead with construction.

It may also be the final project Jeffries helms. He turned 70 during the summer and is ready to slow down. Millennium will continue, he said, but he may step back. But Winthrop Center, he said, is quite a coda for a career.

"This is it," he said. "There's nothing else right now. It's this building, this place. We must have great success here and we'll need all our energy on this."

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On taxes, Trump offers tweaks while Biden has big plans

▶EDELMAN
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been in past elections. That may be one reason Biden is leading Trump by 10 percentage points or more in many national polls.

Even on Wall Street, where the threat of higher taxes usually rattles investors, things are different this year. A fair number of investors and economists are saying a Biden victory wouldn't necessarily be a disaster for businesses and the markets. In fact, it could be a plus, with the lift from aggressive spending to support the recovery offsetting the drag of new taxes — increases that, in any event, would likely be put on hold until the economy is in better shape.

"The stock market has generally improved and moved higher at the same time that the polls have widened in Biden's favor," said Luke Tilley, chief economist at Wilmington Trust.

That had more to do with prospects for fiscal stimulus coming from Congress, Tilley said, but "it's clear to me that there is a sentiment in the market trying to get more comfortable with a Biden presidency and his tax and spending policies."

"Trying to get more comfortable." That's the key phrase.

Business leaders and millionaires don't welcome the higher taxes a Biden administration may bring. Rather, they are looking past taxes to assess potential positive outcomes from the "blue wave" — a Biden win combined with the Democrats retaking the Senate.

So what's on the line for individual and corporate taxpayers on Nov. 3? A lot.

The Tax Cuts and Jobs Act, or TCJA, passed by a Republican-controlled Congress in December 2017, is arguably Trump's biggest legislative achievement, praised even by some who didn't support him during the campaign against Hillary Clinton. The $1.6 trillion package lowered rates for corporations, small business owners, and individual taxpayers up and down the income ladder. For 2020, Trump's tax initiative — there isn't even a formal plan on his website — is a defense of the status quo:

■ A maximum rate on corporations of 21 percent. That's down from 35 percent under Barack Obama, a decline that pumped up corporate profits and drove the stock market higher.

■ Elimination of the corporate alternative minimum tax, which was intended to get companies to pay at least something to the IRS every year.

■ A top rate of 29.6 percent for pass-through businesses — whose profits flow through to their owners' personal tax returns — down from 37 percent.

■ Substantially rewritten tax rules on profits earned overseas, with an eye toward making it more palatable for chief executives to bring those earnings back to the United States.

Biden says he would gut the TCJA's business tax breaks. His plan — detailed on his website — would:

■ Set the highest corporate tax rate at 28 percent.

■ Impose a 15 percent minimum tax on so-called book income reported to shareholders, which is often higher than the income that a company reports to the IRS.

■ Establish a 21 percent minimum tax on overseas income of American companies.

■ Slap a 10 percent surtax on proceeds from an American company's domestic sales of products made overseas.

For individuals and couples, Trump reduced tax rates for everyone except those in the lowest (10 percent) bracket. The top rate fell to 37 percent from 39.6 percent. The Tax Policy Center estimated that about two thirds of taxpayers got a break, 6 percent paid more, and the rest saw no change in their bills.

The 2017 law set more generous exemptions for estate and gift taxes, increased the standard lump-sum deduction (but limited popular individual write-offs such as the one for state and local taxes), and reduced the number of taxpayers hit by the much-hated alternative minimum tax.

As he runs for reelection, Trump is essentially tinkering around the edges of TCJA. He wants to make permanent the individual rate cuts and estate/gift exemptions that are set to expire in 2025. And the president has said he would:

■ Reduce payroll taxes for employers and employees.

■ Allow 100 percent deduction of health care premiums.

■ Expand the tax credit for child care and create new credits for employers who add jobs domestically or bring work back from China.

Biden, meanwhile, has said he would raise taxes only on the richest Americans. He has a long list of changes for them, including:

■ Returning the top rate for individuals and joint filers to 39.6 percent.

■ Repealing all other TCJA reductions for those making $400,000 a year or more.

■ Taxing profits on investments and other so-called capital gains at regular income rates for people making more than $1 million.

■ Capping all deductions at 28 percent of income for those above the $400,000 cutoff.

■ Increasing the amount of wages eligible for the Social Security tax.

■ Reverting to the less generous exemptions on estates and gifts that were in effect in 2009.

Like Trump, Biden would offer tax credits to employers who add jobs in the United States, and for child care, renters, and first-time home buyers, among many others.

If some of the former vice president's agenda looks similar to proposals pushed by Senators Elizabeth Warren and Bernie Sanders during the primary campaign, that's because he has moved to the left in an effort to hold the progressive wing of his party.

All told, Biden's plan would raise $2.4 trillion in new tax revenue over the next decade, according to an analysis released Thursday by the Tax Policy Center. Trump's proposals are so barebones that the center hasn't been able to estimate their impact on government revenues.

To undo the core of the Republican income tax cuts, a President Biden would need Democrats to retake the Senate, extending the blue wave that gave them the House in the 2018 midterms. A divided Congress would make passing any substantial legislation nearly impossible.

Once considered a long shot, the odds of Democrats winning the Senate are now about 80 percent, according to the latest forecast by FiveThirtyEight, while Biden's average margin of victory in national polls is 52 percent to 42 percent.

If Biden and Senate Democrats come out on top, the spending floodgates will probably open, even if tax hikes don't kick in until the economy is strong enough to absorb them.

Among Biden's big initiatives are $2 trillion for climate and clean energy initiatives, $775 billion for child care, and $700 billion for infrastructure projects. Such plans may be unrealistic in light of the news last week that the federal budget deficit tripled to $3.1 trillion in the fiscal year ended Sept. 30.

As Goldman Sachs chief economist Jan Hatzius put it in a note this month to clients: A Democratic sweep "would likely result in substantially easier US fiscal policy, a reduced risk of renewed trade escalation, and a firmer global growth outlook."

In other words, the blue wave wouldn't be a disaster.

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TIMOTHY A. CLARY/AFP VIA GETTY IMAGES/FILE

The Charging Bull statue in Manhattan's Financial District of Manhattan wore a mask in May. A fair number of investors and economists are saying a Biden victory wouldn't necessarily be a disaster for businesses and the markets.