

DRAFT



## MINUTES

January 27, 2010

8:00 a.m. – 10:00 a.m.

BCEC Room 152

**Attendees:** *Partnership Members:* Secretary Gregory Bialecki, Senator Sonia Chang-Diaz, David Colella, Jim Coyle, Rick Dimino, David Giblin, Paul Guzzi, Colleen Keating, Rep. John Keenan, Tom Kinton, Councillor Bill Linehan, Patrick Moscaritolo, Charlayne Murrell-Smith, Joe Nee, David O'Shaughnessy, Jim Rooney, Paul Sacco, Darryl Settles, Lisa Signori, Sam Tyler, Darnell Williams. *Others in attendance (partial list):* Terence Burke, Tom Butler, Tseng-Wei Chung, Mac Daniel, Howard Davis, Thomas Grillo, Milt Herbert, Michelle Ho, Justin Holmes, Carol Houghtaling, Scott Jordan, Bill Kennedy, Erin Murphy, Dave Nagle, Lowell Richards, Maureen Shea Baker, Kairos Shen, Ken Sinkiewicz, Bill Smith, Johanna Storella, Robert Weiss

### 1. Welcome

Jim Rooney offered brief words of welcome to the group, thanked the Governor, Mayor, House Speaker and Senate President for calling the partnership together, acknowledged the elected and public officials in attendance, and individuals seated around the table introduced themselves.

Paul Guzzi said a brief word of welcome and discussed the importance of this work to the regional economy.

### 2. Introduction to the Partnership

Jim Rooney discussed the goals of the partnership and its work product: a printed report to the Governor, Mayor, Speaker and Senate President by December 2010. To accomplish this, the group will meet monthly and, for its first six months, learn background information to help inform its discussions in the second half of the year. Mr. Rooney walked through the schedule, introduced the partnership binder and its contents, covered several housekeeping items and discussed transparency: that the partnership meetings would be open to the public, materials would be posted online at [www.t5boston.com](http://www.t5boston.com) and that a brief comment period would be reserved at the end of each meeting for any member of the public to make a brief statement.

### **3. Convention Industry 101**

Milt Herbert, Director of the Boston Convention Marketing Center introduced the overall convention industry, including the types of meetings it holds, industry trends, size of comparison facilities, selection criteria used by show managers and the goals and structure of the Boston Convention Marketing Center. His PowerPoint presentation is on file with these minutes.

- Rep. Keenan and Mr. Guzzi asked to see more detail on the expansion proposals of other convention destinations to better understand competition and the marketplace. Mr. Rooney said a list would be covered in future meetings.
- Mr. Guzzi asked how the use of technology has changed the industry. Mr. Herbert responded that the MCCA is recognized as the most technologically advanced convention center in North America, providing us with a competitive advantage over other destinations.
- Sen. Chang-Diaz asked what types of shows we are losing because of our size and Mr. Herbert discussed examples of large conventions in other destinations, shows that Boston has lost due to space, and opportunities to host simultaneous or overlapping shows that are more readily available in other cities.
- Mr. Richards asked Mr. Herbert to amplify points regarding “record breaking” shows in Boston. Boston has a history of welcoming a record number of attendees for shows that it hosts.
- Mr. O’Shaughnessy asked to clarify how and when the MCCA might say “no” to a particular show looking to locate at its convention center. Mr. Herbert discussed the profit & loss analysis that is calculated for each potential show and stated that yes, under some circumstances, we will refuse shows because they do not bring substantial enough hotel room nights, taxes or economic benefit to the region.

### **4. About the Massachusetts Convention Center Authority**

Johanna Storella, MCCA Chief Financial Officer and Bill Smith, MCCA General Counsel discussed the origins and history of the MCCA, its legislative background, board structure, organization, budget and economics, including its tax benefit and economic impact. Their PowerPoint presentation is on file with these minutes.

- Mr. Sacco asked about job creation and local option taxes in Springfield. Ms. Storella discussed the jobs supported by convention center activity and stated that to her knowledge Springfield has yet to adopt the local option hotel tax.

- Mr. Tyler reminded the group that no city revenues were used for the construction of the BCEC. He also stated that the downside is that many new revenues it generates are captured by the project itself and that these factors should be considered in the future.
- Mr. Dimino asked if income and sales taxes were included in economic impact figures. Ms. Storella stated that they were and Mr. Rooney stated that the MCCA is very conservative in its economic impact calculations.

## **5. Boston Convention Sales and Marketing Performance**

Milt Herbert returned to discuss the overall sales performance of the Hynes Convention Center and the Boston Convention & Exhibition Center, the measurements of hotel room nights and future bookings trends. His PowerPoint presentation is on file with these minutes.

- Mr. Williams asked how we compare to other cities in terms of economic impact, shows booked and what they are thinking moving forward. Mr. Herbert and Mr. Rooney stated that other cities may measure bookings and economic impact differently than Boston's conservative model of measuring only signed contracts, but that this information could be provided with the proper footnote.
- Mr. Shen asked how we compare to other cities physically and in our unique urban context. Mr. Rooney stated that this would be a topic for a presentation by John Kaatz in the next meeting. Mr. Shen stated that we should not remain comfortable as just being Boston as our competitive advantage.
- Mr. Richards expressed that we should carefully consider what our real competition is as part of this analysis.
- Mr. O'Shaughnessy asked if there were other cities that could be considered "benchmarks" who have succeeded in doing what we propose or who have failed. Mr. Rooney stated that we could provide this analysis and that we will be working with consultants to assemble information of this kind.
- Mr. Shen stated that we should also look at the economic development impact in other cities and how that compares. He used the Hynes as an example of the way a convention center fits into its surroundings and said that we should see the convention center as part of a wider "ecosystem" of the waterfront. He also stated that expansion could drive jobs in every sector.

## **6. Conclusions**

Jim Rooney summarized the key findings from the previous three presentations:

- MCCA exists to generate economic impact. Measures of return on investment and performance indicators are available and strong.
- Convention centers are loss leaders that stimulate external spending in hotels, restaurants, shopping, taxis, etc as well as tax revenues that are not reflected in their balance sheets.
- Boston is recognized as a premier convention destination and demand outstrips supply for convention dates, space and hotel rooms from both potential and existing customers.
- The convention industry a large, stable and increasingly competitive business. North American cities strive to capture additional market share. Boston can grow in the market
- MCCA operations are strong, professional; we have become leaders in the industry.

Paul Guzzi thanked the group for its focus and attentiveness.

## **7. Public Comment**

Carol Houghtaling asked the group about the next steps with the South Boston community. Jim Rooney said that this group would operate in parallel with the neighborhood's engagement on potential expansion and that the MCCA would reach out again to the group of community leaders that met in November 2009, working with local elected officials.

Meeting adjourned at 10:00 a.m.