

DRAFT



MINUTES

February 22, 2010

8:00 a.m. – 10:00 a.m.

BCEC Room 154

Attendees: *Partnership Members:* James Coyle, Richard Dimino, David Giblin, Rep. John Keenan, Patrick Moscaritolo, Dr. Rosabeth Moss Kanter, Charlayne Murrell-Smith, David O’Shaughnessy, John Palmieri. Lowell Richards, Jim Rooney, Paul Sacco, Darryl Settles, Samuel Tyler *Others in attendance (partial list):* Tseng-Wei Chung, Victoria Cimino, Mac Daniel, Howard Davis, Milt Herbert, Michelle Ho, Justin Holmes, Bill Kennedy, Maureen Shea Baker, Ken Sinkiewicz, Bill Smith, Johanna Storella, Mark Michaud, John Kaatz, Katie Tumiel, Donald Grinberg, Angela Olszewski

1. Welcome & Recap

Jim Rooney welcomed the members of the Partnership and asked each member around the table to introduce themselves once again. He recapped the first Convention Partnership meeting and reminded members that these meetings about expansion are one piece of a larger process. He informed members that there is a lot of activity happening in between Convention Partnership meetings to communicate T5 plans, including BCEC expansion, to outside invested groups and communities. He also reminded members that the next meeting will be held at the Hynes Convention Center on March 5, 2010.

2. BCEC Case Study I: What We Got Right

Lowell Richards, Chief Development Officer at Massport and Convention Partnership member, presented nine points that outlined what the Massachusetts Convention Center Authority (MCCA), city and state did right the first time they set out to build a competitive convention center in South Boston including: a transparent legislative process with check-ins and accountability; a neighborhood process that involved outreach, a neighborhood design advisory committee, and a community liaison; a land taking process that planned for more land than was necessary at the time for future expansion potential and room for a headquarters hotel where the Westin now stands; creation of a finance district that did not interrupt current state funding and provided a stimulus for

Waterfront business development; an elevated presence for the city of Boston in planning efforts; a thorough environmental review; a special procurement process that made the project feasible; and meeting planner involvement in the design process to guarantee a successful and functional facility. He also noted that the design of the ring road around the BCEC and the haul road which keeps large trucks off of South Boston neighborhood streets are examples of successful design planning that should be considered as we move forward in a new design phase. Mr. Richards's presentation is on file with these minutes.

- Dr. Moss Kanter asked whose advocacy, besides the Mayor's and the Governor's, made a difference in the successful planning and passing of legislature to build the BCEC. Mr. Richards mentioned Pat Moscaritolo and the Convention and Visitor's bureau as self-interested advocates, which Mr. Moscaritolo concurred with. He also pointed out that Paul Guzzi was a strong advocate as well as other subgroups of lobbyists. He noted that the South Boston elected leadership community and the Weld / Cellucci Administration were important in the analysis phases even in skepticism because they were open to communication throughout the process. Mr. Kennedy also added that the Mayor worked hard to consistently invite legislature into the process and worked on numbers nonstop.
- Professor Moss Kanter added that today's uncertain economic times should compel the Partnership to take an even closer look at the case for the convention and visitors industry to be seen as integral to Massachusetts revenue.
- Mr. Dimino spoke to Richards's points about traffic and transportation infrastructure. Mr. Dimino stated that the success of the Ring Road and haul roads are a way to rationalize that we can work to support a big building, but that we need to plan and act on certain key transportation projects before expansion takes place.

3. Case for Expansion

Mr. Rooney introduced John Kaatz with Convention Sports and Leisure International, and Milt Herbert, Director of the Boston Convention Marketing Center as co-presenters on the case for a BCEC expansion. Mr. Rooney explained that Mr. Kaatz's company has over 20 years focusing on and researching trends in the conventions and hospitality industries and that he has done an study process focused on conditions unique to the Boston market. Mr. Kaatz showed the linkage between the economy and the events industry and suggested that in the future meeting planners believe this linkage will stay tightly related. Milt followed with a look at the Boston Convention Marketplace historical and projected exhibit space occupancy. He again stressed the amount of lost opportunities due to space, date and rate constraints for meeting planners looking to book in Boston. Mr. Herbert and Mr. Kaatz followed with a close look at where competitor cities stand including a timeline of recently completed or ongoing expansion

plans, and hotel developments in these competitive cities. Mr. Kaatz outlined four potential areas where the BCEC could stand to grow including: additional ballroom space, auditorium space with fixed seating, an additional headquarters hotel, and additional exhibit space. For each of these potential areas of development, Mr. Kaatz explained why meeting planners need each element, what our competitors offer that we don't in that area, and how we measure up comparatively. Mr. Kaatz's and Mr. Herbert's presentation is on file with these minutes.

- Mr. Settles asked what number of events the MCCA has lost due to just space and date constraints if rates were taken out of the equation. Mr. Herbert replied that most lost opportunities are based on space and date limitations. Mr. Rooney added that many times the lack of space and dates leads to higher rates, like when the lack of available hotel room space close to the BCEC forces meeting planners to pay high rates to transport their attendees from farther locations to the BCEC.
- Mr. Palmeri inquired as to whether the Partnership should look at not only competitors that have similar features / attractions as Boston like Philadelphia and Washington, D.C., but also the new competitors and growing cities. Mr. Kaatz explained that when discussions start about various development strategies, he carefully factors in all types of current and possible competitors based on each potential situation.
- Mr. Dimino asked if any research had been done on the possible impact the Hynes Convention Center might experience after a BCEC expansion. Mr. Kaatz explained that although the impact hadn't yet been carefully researched, that the Hynes serves its own niche of customers. The BCEC doesn't want to steal Hynes business because with the expansion it is looking to fit bigger events, not the types of events the Hynes services.
- Mr. O'Shaughnessy--Another attendee asked Mr. Kaatz what price points and hotel room supply would be needed to support a spike in demand should a BCEC expansion be completed. Mr. Kaatz explained that those numbers were researched and would be available in future presentations.

4. Elements of Expansion

Howard Davis, Director of Capital Projects for the MCCA, presented the principles for BCEC growth and stressed especially the need for a respectful growth in the South Boston neighborhood as well as a sustainable design with a campus-like feel. Mr. Davis showed the potential expansion elements that Mr. Kaatz outlined in his earlier presentation and demonstrated several placements that may work for each element. Mr. Davis's presentation is on file with these minutes.

5. Conclusions

Mr. Rooney ended the meeting and informed members that he would continue with his Top 5 Strategy at the March 5, 2010 meeting. He then summarized the key findings from the previous three presentations:

- We need to factor in what we did correctly in building the BCEC as we consider our next phase of development.
- Tradeshow marketplace continues to grow and our competitors are growing physically in size and service offerings to meeting planners.
- Boston is a proven attractive meeting destination and is turning away large volumes of business. The BCEC is operating at near or above practical capacity levels.
- A second headquarter hotel and a second much larger ballroom are critical needs. The BCEC also needs greatly expanded exhibit space, meeting rooms and an auditorium.
- Now that we've carefully studied market data and elements of expansion, we need to determine the priority of what elements are constructed, along with where and when.
- It will require partnerships with external organizations and agencies to realize some of the proposed expansion elements. Short-term action may be needed to secure necessary land, development rights etc.
- The strategic development plan connects to a broader strategy to make Boston a "Top 5" North American destination for conventions and meetings as measured by market share of events.

Meeting adjourned at 10:00 a.m.