



**MINUTES**  
**June 15, 2011**  
**8:00 a.m. – 10:00 a.m.**  
**BCEC Room 160**

**Attendees:** *Partnership Members:* James Carmody, Representative Nick Collins, James Coyle, Senator Sonia Chang-Diaz, James Doolin, Scott Jordan, Colleen Keating, Representative John Keenan, Councillor William Linehan, Patrick Moscaritolo, Charlayne Murrell-Smith, Joseph Nee, Lowell Richards, James E. Rooney, Paul Sacco, Darryl Settles, Samuel Tyler, Michael Widmer, Darnell Williams

**Others in attendance (partial list):** Ali Butler, Mac Daniel, Howard Davis, Charlie Chieppo, Katie Hauser, Milt Herbert, Michelle Ho, Mia Howard, Katie Johnston Chase, James Kennedy, Colleen Richards Powell, Maureen Shea Baker, Ken Sinkiewicz, Johanna Storella, William Smith,

**1. Welcome & Recap**

Mr. Rooney welcomed the Convention Partnership with an overview of the agenda. He noted the next two meetings will attempt to bring the Partnership’s process to closure. He said the meeting would revisit the case for expansion and discuss the next steps in the BCEC expansion process.

- Mr. Tyler asked whether the final report would be structured as recommendations or options. Mr. Rooney replied that the report would hold recommendations structured as options for legislature to consider.

**2. Case for Expansion**

Mr. Rooney presented seven points related to “The Case for BCEC Expansion” including, an overview of the MCCA’s successful operations history, the tourism-business impact of the convention center, the current state of the convention and meeting industry, what may happen in a “do-nothing case,” the current look state of the U.S. tourism industry, the impact of the convention center beyond tourism, and the impact on South Boston Waterfront development. Mr. Rooney’s presentation is on file with these minutes.

- Mr. Widmer commented on the hotel expansion, noting that the proposal called for an additional 1,000 rooms which would leave the waterfront area still deficient compared to competitive convention cities. Mr. Rooney agreed, but said he hoped the additional headquarters hotel would serve as a starting point to spur additional hotel development. He also pointed out that over time, hotels are a key element to convention center success.
- Mr. Tyler asked if the lost business slide numbers could be broken down by different categories and arranged by specific data. Mr. Rooney answered that yes, the numbers were in a detailed excel report and the data could be provided.

- Representative Keenan voiced his recommendation for an “all-in” approach to BCEC expansion and additional headquarters hotel because the two seem to require support from each other to run successfully.
- Councilor Linehan noted that it would be helpful for the presentations to include benefits and added values of the all-in scenario versus the long-term phasing approach to expansion. If this is long term, how expensive would phasing be? People want to know how much things cost and whether or not we should be aggressive to save on costs now. Mr. Rooney agreed, but said in his mind the hotel was a top priority in any scenario, all-in or phased.
- Mr. Widmer said that there are many competing needs for tax dollars and that he felt the presentation needed to be a cost benefit analysis, not just benefits in general.
- Mr. Linehan responded that he felt the cost benefit analysis discussed over the past 18-months was one of the Convention Partnership’s strongest arguments for expansion.
- Representative Keenan agreed and said he felt that most citizens he represents care most about the taxes that they pay. He said we need to invest more in tourism because tourism is mainly supported by visitors’ tax dollars.
- Senator Chang-Diaz said she would like to see the return on investment based on the original construction of the BCEC. What was the money put into the original construction from taxes and what has the economic return been versus other tax credit projects? Mr. Rooney answered that the BCEC took \$850 million to build, but created fees and taxes to pay for most of the project. Since that time the MCCA has paid its debt, supports its own operations, has given \$65 million to help balance the state budget and has created \$3.5 billion in economic impact.
- Mr. Carmody noticed that the Microbiology event signed a contract for 2017 with a contingency that the BCEC have additional hotel supply and expanded space. He said he felt that was an aggressive timeline and asked how close some contracts were to lapsing already. Mr. Rooney replied that, yes, some contracts stipulate that expansion efforts need to be underway by a certain date or else the event can cancel. He also mentioned that Bio had already cancelled for 2015.
- Mr. Kennedy said that with a tax impact of \$43 million, a BCEC expansion would be a high tax increase for the public to support and that the all-in method for expansion seemed to be diminishing to returns. Mr. Rooney replied that the Convention Partnership was not suggesting increased taxes and that, in general, the final report was not prescriptive, but rather a list of different options for financing.
- Mr. Rooney said that he thought it would be much too narrow-minded to look at BCEC expansion from solely a tax-impact standpoint. It is important to look at the all of the potential benefits, including the full menu of financing options that come with the expansion project.
- Senator Chang-Diaz asked how hotel development has changed in the last 10 years. Mr. Rooney answered that hotel management no longer owns the hotel, developers do. The developers are less likely to wait for the long-term return on investment that comes with opening a new hotel in the current market. On the other hand, we are able to look at long term ROI and see that we need a hotel to support our business.
- Mr. Moscaritolo agreed and added that if the hotel were publically owned, the money generated would go to the city and create 500-700 jobs.

- Mr. Tyler asked Mr. Rooney to recap the six different financing options which Mr. Rooney did.
- Ms. Murrell-Smith said she felt the underappreciated hospitality industry content should be moved up and have a more prominent presence in the Convention Partnership final report.

### **3. Conclusion**

Mr. Rooney concluded the meeting with an overview of the final meeting planned for Tuesday, June 21, 2011.

The meeting was adjourned at 10 a.m.

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