



City of Cambridge

30.
Amended Order

IN CITY COUNCIL
May 19, 1997

COUNCILLOR TRIANTAFILLOU
VICE MAYOR BORN
COUNCILLOR DAVIS
COUNCILLOR DUEHAY
COUNCILLOR GALLUCCIO
COUNCILLOR REEVES
MAYOR RUSSELL
COUNCILLOR SULLIVAN

ORDERED: That the City Manager be and hereby is requested to look into and report back to the City Council on the proposal of Governor Weld as set forth in the attached Globe article to raise hotel taxes in Cambridge; and be it further

ORDERED: That the report include analysis of benefits seen for Cambridge by proponents of this tax increase.

In City Council May 19, 1997
Adopted as amended by the affirmative vote of nine members.
Attest:- D. Margaret Drury, City Clerk.

A true copy; *D. Margaret Drury*

ATTEST:-
D. Margaret Drury
City Clerk

THE BOSTON GLOBE • WEDNESDAY, MAY 14, 1997

Hotel tax hikes seen in Weld plan

Funding for convention center could affect Boston, Cambridge

By Meg Vaillancourt
GLOBE STAFF

In a bid to jump-start construction of a new Boston convention center, Governor William F. Weld is expected today to propose raising hotel room taxes in Boston and in his adopted hometown of Cambridge to help pay for the \$700 million project.

Under the plan, to be filed in a bill with the Legislature, hotel room taxes in both cities would rise 2.3 percentage points, State House sources said.

Weld's bill, however, would not violate the governor's long-held "no new taxes" pledge, aides said last night, because it would require voters in both Cambridge and Boston to approve the measure.

Some convention center backers at the State House were surprised yesterday to learn that Weld's bill would include possible tax increases in Cambridge. They noted that a special commission charged with de-

veloping a financing package for the project earlier this year suggested that hiking room taxes only on Boston's hotels would be sufficient.

But after years of legislative delay, Weld apparently wants to offer a bill with the strongest possible likelihood of passage before he leaves to assume the post of US ambassador to Mexico - and to publicly release the bill before leaving later this week for a vacation in the Adirondacks.

The current room tax of 9.7 percent could rise to 12 percent under the plan. The state mandates a 5.7 percent room tax and gives local communities the option of adding a 4 percent occupancy tax. Both Boston and Cambridge now exercise that option.

Weld's top aides were fine-tuning the governor's package last night in the hopes of winning support from House Speaker Thomas M. Finneran, Senate President Thomas F. Birmingham, and Boston Mayor
PROPOSAL, Page A11

Hotel tax hikes in Cambridge, Boston seen in convention plan

■ PROPOSAL

Continued from Page A1

Thomas M. Menino.

"The aim is to craft a compromise that all the political leaders needed to bring the convention center to life can support," said a person familiar with the various drafts. "And given the history of this project and the different objectives of everyone involved, that isn't easy. So some details will be fluid right up until the governor announces it."

Municipal funding

Last night, for example, Weld aides were still wrestling with two different versions of how to specify Boston's contribution to the project.

One plan, favored by city officials, simply requires the city to kick in a minimum of \$125 million. Another, favored by Finneran, whose support is necessary to move the bill through the Legislature, would specify that Boston's contribution be between \$125 million and \$200 million.

The higher dollar requirement would clearly disappoint Menino, who two months ago tried to break the logjam by proposing that the city purchase the 60-acre South Boston site for about \$125 million.

That plan was immediately shot down by Finneran, who has insisted that the city contribute at least \$200 million to cover the full cost of purchasing the site, cleaning it up, and relocating current businesses.

Question on management

Another politically sticky issue Weld has to grapple with is who should run the proposed 600,000-square-foot facility.

Over the past four years, the Senate has passed several measures calling for the new facility to be run by the Massachusetts Convention Center Authority, headed by Francis X. Joyce, a former aide to former Senate President William Bulger.

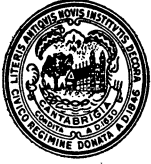
While neither Finneran nor Weld has expressed public reservations about Joyce, several sources said many state officials harbor concerns about whether he can both manage the Hyman Convention Center and oversee construction of the new facility.

Weld's bill, which will be unveiled at a State House news conference this afternoon, is expected to call for the addition of a new manager to assist with construction and marketing, sources said last night.

One key provision in Weld's bill likely to win widespread support concerns the financing of the state's portion of the project. By rolling over the long-term debt of the project, Weld aides say, they can save taxpayers millions of dollars in interest. As a result, they say, the amount of general obligation bonds needed to finance the project would be far less than the expected \$700 million total cost.

The governor's package will also try to build legislative support by including funds for the Worcester convention center and expansion of the Springfield Civic Center in the same package. For years, both cities have pressed state lawmakers for funding for those local projects.

Globe staffers Richard Chacon, Adrian Walker, and Frank Phillips contributed to this report.



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May 19, 1997

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RECEIVED BY
OFFICE OF CITY CLERK

M E M O

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from D. Margaret Drury
City Clerk

CAMBRIDGE MA.

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Born, Davis, Aubrey, Galluccio, Reeves

Consent Order #30 Russell, Sullivan

Councillor Triantafillou re: CM-287
Report on the proposal of Governor
Weld to raise hotel taxes in
Cambridge.

In City Council May 19, 1997

ORDER ADOPTED

As Amended