

Beacon Hill Byline by Mary Rogeness

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What is a Megaplex – and what does it cost?

Last week was “the week that wasn’t” for Boston developers who have been dreaming of the Megaplex. After much sound and fury about new facilities in Boston, Worcester and Springfield, the legislature decided not to vote on the expensive proposal. Here is the background on that episode.

To fully explain, I will begin by defining the term Megaplex. It describes a giant convention center of 600,000 square feet to house meetings in Boston. It includes a domed stadium for the Patriots on the site, and the project would cost a billion dollars. As I sat through hearings at the State House, I was surprised to discover that the project’s beneficiaries were uniformly opposed to paying for it. The city of Boston was not even asked for support because, according to one analyst, “We did not think they would do it.” The Patriots owners offered some financing, but most of the stadium cost would fall on the state.

Fiscal responsibility is the hallmark of the ‘90s in state government, and we recognized that Massachusetts cannot afford to use the state’s borrowing capacity for this optional expense. So it then became the job of the Ways and Means Committee to devise a plan and provide the financial support to pay for it.

First, we removed the stadium. Then we authorized a convention center in South Boston, at the same time funding upgrades for the Worcester and Springfield convention centers to broaden both the benefits and the legislative support. It was only after the next step, announcing the funding mechanism that legislative support began to drift away.

Every legislator knows that the taxpayers would not be willing to pay for a Megaplex. The Ways and Means Committee proposed three new fees as alternative funding sources. Car rental contracts would have a \$5.00 charge; Boston tour buses and boats would have a \$1.00 surcharge; and hotel rooms throughout the state would be assessed an additional 4% to 5.5%. The fees generate \$60 million annually—but of course that money must come from individuals. Western Massachusetts auto rentals tend not come from tourists, who rent at the airport in Connecticut, but from resident taxpayers. The additional rooms tax makes the state’s hotel and motel taxes among the highest in the nation, a competitive disadvantage that might outweigh the advantage of a new convention center.

It turns out that Boston businesses are not the only ones who are unwilling to pay for the Megaplex. Nobody wants to take on the burden. As general unhappiness to the tax package mounted last week, the proposal was removed from House debate. We have gone back to the drawing board. I continue to work for state money to make the Springfield Civic Center a competitive regional meeting site. And I will consider the needs of Boston for conventions. But this is the bottom line: we have worked hard as a state to regain our position of solvency, and we cannot risk that gain for the possibility of new conventions in the Bay State.