

BCEC Land Purchase Complete

Total price tag is within authorized maximum

With the settlement of the Casey & Hayes parcel on September 8, 2006, final payment was made on the last of 43 parcels that constitute the land of the Boston Convention and Exhibition Center (BCEC) in South Boston. The total cost of the purchase and preparation of the 60 acres of land for the BCEC came to \$243M. That expense falls within the maximum \$255M authorized for the City and Commonwealth by the BCEC's enabling legislation (Ch. 152, Acts of 1997). The purchase of the 60 acres includes 40 acres for the current BCEC and hotel and about 20 acres behind the convention center that will be used for future expansion.

The pure site acquisition costs totaled \$172.7M which exceeded the sum of the highest appraisals for all parcels by 24%. Over the years, the cost of land acquired through eminent domain by the Boston Redevelopment Authority has averaged approximately 33% over the final appraisal estimate. Relocation and site preparation costs made up the difference.

BCEC Expenditures

Figures in Millions

Site Acquisition	\$172.7
Relocation and Site Prep.	\$70.3
Total	\$243.0

the Commonwealth to provide additional funding up to \$47.2M for a total of \$205M. Any additional costs would be split evenly between the City and state, up to a maximum of \$25M each for a total authorization of \$255M. Both the City and state paid \$19M beyond the \$205M.

While the City did issue short-term Bond Anticipation Notes (BANs) totaling \$157.8M, it actually sold long-term special obligation bonds totaling \$116.9M, saving millions in interest costs over 25 years. The lower borrowing was made possible by paying off \$40.9M of BANs from other revenue sources that generated greater receipts than initially estimated. For example, the sale of 260 hackney licenses was expected to produce \$23M, but the sale of 235 licenses generated \$36.2M at the time of the bond sale.

City and State Cost Share

Figures in Millions

City	Bond and Cash Proceeds	\$157.8
	50% of Additional	19.0
	Subtotal	\$176.8
State	Initial Expenditures	\$47.2
	50% of Additional	19.0
	Subtotal	\$66.2
Total		\$243.0

The funding mechanism for the BCEC land authorized the City to borrow \$157.8M and