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Business

Hotels approved for convention center area

By Casey Ross | GLOBE STAFF MAY 17, 2013

Boston regulators have approved construction of two hotels across from the Boston Convention & Exhibition Center, the first part of a \$2 billion expansion proposed for the South Boston complex.

Construction on the site, situated on a vacant stretch of D Street, will start by the end of the year. The project, which includes a total of 510 hotel rooms, was approved Thursday night by the board of the Boston Redevelopment Authority.

The project is the first phase of a broader expansion that would include another hotel of up to 1,000 rooms, public parks, and a doubling of the convention center's exhibit space. Those latter components will probably require some kind of government funding or subsidies, such as additional taxes that must be approved by the state Legislature.

Officials with the Massachusetts Convention Center Authority have said additional hotel rooms are badly needed in order to land larger events at the South Boston hall. Currently, large trade shows must book rooms across the city to house attendees, which is inconvenient for attendees and can add thousands of dollars in transportation costs.



The \$137 million project approved Thursday includes a 330-room Aloft hotel and a 180-room Element hotel, both to be operated by Starwood Hotels and Resorts Worldwide Inc. The board's approval Thursday night also authorized BRA staff to negotiate annual payments in lieu of property taxes. Because the property is owned by a state entity, it would not ordinarily be subject to property tax payments.

No one spoke against the project Thursday night. A community group and several tradesmen spoke in favor of the project, citing the hundreds of jobs that will come with it.

The Massachusetts Convention Center Authority in February selected CV Properties of Boston to build the hotels. Elkus Manfredi Architects will serve as the project architect, and Suffolk Construction will be the general contractor.

CV Properties will pay about \$3.4 million in rent to the convention center authority during the next 10 years. The authority bought the land on D Street for about \$33 million last year. Officials said the hotel portion of the site is worth \$18 million, and the authority will use the remainder of the property to build parking garages.

Casey Ross can be reached at cross@globe.com.

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