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Business

Markets

The US dollar
1.1392 euro ▲
0.0041

10-year Treasury
5.13% ▼ 0.04

Bloomberg
Mass. index
225.32 ▲ 3.66

Hewlett-Packard woes

The second-biggest computer maker will fire 6,000 employees, or 6.5 percent of its work force, and said sales this quarter will miss forecasts as consumer demand withers for PCs and printers. **C2**



Convention center plans

Officials see more price spikes for the new waterfront facility, but say the revised budget will account for them. Also, a study estimates the Hynes center (left) generated \$348 million for the area economy last year. **C3**

Higher steel, soil disposal costs inflate convention center price tag

By Meg Vaillancourt

GLOBE STAFF

Just months after they dramatically slashed the size of the new waterfront convention center to avoid huge cost overruns, Massachusetts Convention Center Authority officials have discovered the price tag for the \$655 million South Boston facility has spiked again.

However, authority officials yesterday stressed the revised budget approved by the board in the spring included a \$48 million contingency fund and anticipated additional costs associated with the redesign. No further cutbacks in the project will be required, they said.

Steel needed to build the convention center will be roughly \$2 million higher and soil disposal costs will be up to \$5 million more than anticipated, officials said.

"There are sufficient funds set aside to cover these costs," said a source close to the project. "In

fact, once you add back in the savings that should come from building a smaller facility, we should not have any problem at all with cost overruns."

With no firm bookings for the new waterfront facility in hand yet, authority officials are anxious to convince meeting planners it will be open in late 2004 as planned. To help deliver this message, MCCA officials are inviting the media to snap pictures of the steel frame as it goes up next week.

Meanwhile, MCCA executive director Francis X. Joyce yesterday dismissed suggestions that the existing Hynes Convention Center in the Back Bay could be shuttered once the new waterfront facility opens. Arguing the two centers will serve very different groups, Joyce highlighted a study released yesterday that estimates the Hynes generated \$348 million for the Greater Boston economy last year.

According to the study, Boston-

area hotels and restaurants reaped nearly 70 percent of those revenues — or an estimated \$224 million — while out-of-staters meeting at the Hynes spent an estimated \$37 million at local retailers. Conventioneers also spent an estimated \$21 million on private transportation and another \$21 million on entertainment throughout Greater Boston during their average 3½-day stay.

Many conventioneers, Joyce noted, praised the Hynes' location.

"We will have two different buildings, but they will not really be in competition with one another," Joyce said. "The Hynes will host smaller conventions and act as an incubator, while the larger facility in South Boston was designed to serve conventions that have [outgrown] or will outgrow the space" at the Hynes.

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