



>> *MOMENTUM*



2008 Annual Report *Massachusetts Convention Center Authority*



James E. Rooney
Executive Director



From the Governor



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GOVERNOR

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TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

November 2008

Dear Massachusetts Leader:

The Massachusetts Convention Center Authority (MCCA) plays a central role in our efforts to foster the economic activity and development that benefit citizens and local businesses across the Commonwealth.

As you will see in this report, the MCCA's continued success in bringing world class conventions and trade shows to Massachusetts provides opportunities for working men and women, keeps our business community strong and produces an overall positive impact for the entire state. And, by hosting many of the world's most important medical and biotechnology events, the MCCA contributes greatly to the Commonwealth's efforts to develop Massachusetts as a leader in the life science industry.

I am particularly proud that Massachusetts will host the 2010 National Governors Association's Annual Meeting, bringing over 1,200 leaders from across our nation to the MCCA's John B. Hynes Veterans Memorial Convention Center. These attendees will experience first hand the exceptional facilities and delivery of service that set our state apart from all others in the convention marketplace.

As we look into the future and the challenges before us, we know that Massachusetts' reputation as a top destination for convention attendees and tourists will continue to provide economic stimulus for the Commonwealth. The MCCA's commitment to excellence in providing an award-winning customer experience in Massachusetts to visitors from around the world is a vital part of the important work we do to promote Massachusetts as a premier destination for businesses, commerce, and tourism.

Thank you,

A handwritten signature in blue ink, which appears to be "Deval Patrick", written over a stylized blue line graphic.



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Welcome

We are pleased to present you with our Fiscal Year 2008 Annual Report. Titled "Momentum," we believe it captures the MCCA's increasing growth and continued success this year as we reached major milestones in attendance and hotel room nights while delivering impeccable, award-winning service, facilities, and amenities to exhibitors and attendees.

In FY 2008 we welcomed the one millionth attendee to the BCEC and celebrated a significant economic impact milestone when we hosted the one millionth BCEC-generated hotel room night in the city. These performance targets were reached quickly — in just the fourth year of the BCEC being open for business — and both were achieved during medical conventions, which along with bio-medical and high-tech conventions, have become an increasingly important market segment for the MCCA while contributing to new business opportunities for the Commonwealth.

Across town, the Hynes Convention Center set a record for annual revenues as it continues to draw mid-sized meetings and conventions that thrive in the downtown setting of the Boylston Street neighborhood. We expect to see an even stronger future for the Hynes as it prepares to add new restaurant space and undergo renovations that will increase its capacity to generate self-sustaining revenue while enhancing the neighborhood and attendee experience.

In another example of our commitment to greater customer service, the MCCA's new and innovative transportation management program, the Boston Convention Transportation Service (BCTS), demonstrated great success in its first year of operation, providing over 13,400 attendees with seamless, smooth rides to their destinations.

The MCCA's hard work and dedication to excellence is again growing our reputation in the conventions marketplace. This year, Boston was named a top-ten convention city for the third consecutive year by leading trade publication *Tradeshaw Week*.

It is with these accomplishments in mind that we must now begin to examine the future of the BCEC and the evolving landscape of the meetings and conventions industry to ensure that Boston remains a world-class destination. We are now working with a team of independent experts to develop a master plan to examine how the BCEC could be expanded to maintain our leadership position in the industry. With the facility exceeding expectations and to stay ahead of the changing demands in our industry, we are exploring prudent options that would allow us to utilize undeveloped land on our property, remain competitive, and increase economic impact generated for the Commonwealth and its citizens.

We hope you find the enclosed information useful and an impactful report of the activities of the MCCA on behalf of the Commonwealth and its citizens.

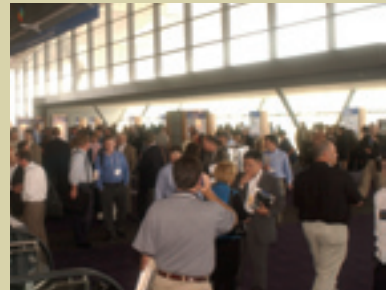

James E. Rooney
Executive Director


Gloria Cordes Larson
Chairman

MISSION

The Massachusetts Convention Center Authority's mission is to generate significant regional economic activity by attracting conventions, tradeshows, and other events to its world-class facilities while maximizing the investment return for the residents and businesses in the Commonwealth of Massachusetts. This is accomplished by a knowledgeable and dedicated staff committed to providing superior customer service, and through strategic partnerships, continuing refinement of marketing and sales efforts, business practices, and operating procedures.

The MCCA owns and operates the Boston Convention & Exhibition Center, the John B. Hynes Veterans Memorial Convention Center, the MassMutual Center, and the Boston Common Garage. Our experienced, dynamic team helps customers create meetings and conventions that inform, influence, and inspire.



A Year in Motion

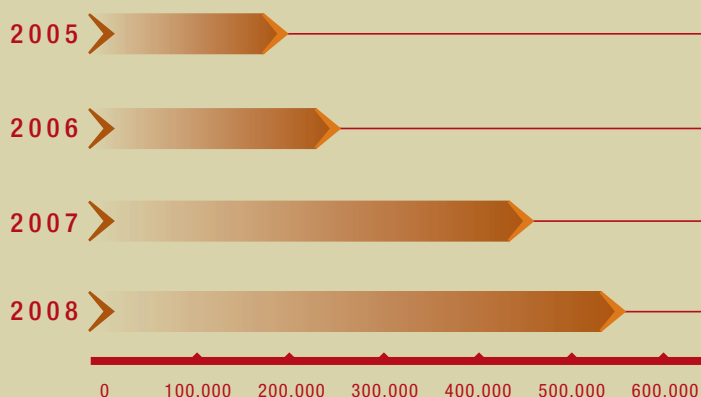
MORE THAN ONE MILLION PEOPLE ATTENDED BCEC SHOWS
IN ITS FIRST FOUR YEARS IN OPERATION

Its most successful year yet, 2008 was a year of records for the MCCA. From consistent show execution to impressive new bookings, the MCCA continues to break new ground in the meetings and conventions industry. High-profile, high-impact events included: AIIM & On Demand, with 35,000 attendees and \$27 million in economic impact; Yankee Dental Congress 33, which saw more than 28,000 attendees and generated \$21.7 million in economic impact during its transition year from the Hynes to the BCEC; and the American Institute of Architects, bringing in 24,000 attendees and creating \$21 million in economic activity in its first appearance in Boston.

This year, the BCEC received one of the industry's highest honors when it was named Convention Center of the Year during the Event Solutions Spotlight Awards. The recognition continued when *Tradeshow Week* included MCCA Executive Director James E. Rooney in its prestigious "Power Pack" list of the 100 most influential convention and exhibition industry leaders.

The achievements in numbers are just as impressive. This year, the BCEC hit the one millionth attendee mark during the 2007 American College of Rheumatology/Association of Rheumatology Health Professionals Annual Scientific Meeting. And at the 108th General Meeting of the American Society of Microbiology in June 2008, the BCEC went over the top again when it reached more than one million hotel room nights hosted in Boston since the opening of the facility. Even more exciting was news that three of the BCEC's most successful events from the previous year — BIO International, New England Grows!, and the International Boston Seafood Show — were named to *Tradeshow Week's* Fastest 50 list of the fastest-growing shows in North America.

BCEC TOTAL ATTENDANCE OVER 4 YEARS





FY08 TOP 20 EVENTS BY ECONOMIC IMPACT

Bldg	Event Name	Industry	Revenue	Attendees	Rooms	Ec Impact	Direct Tax
B	AIIM - On Demand	High-Tech	\$1,461,632	35,000	16,665	\$27.0	\$0.68
B	Yankee Dental Congress	Medical	\$921,960	28,047	13,500	\$21.7	\$0.55
B	American Institute of Architects	Other	\$1,325,910	24,000	18,100	\$21.0	\$0.62
B	AARP Life @50	Other	\$1,073,253	21,000	19,934	\$19.8	\$0.64
B	American Chemical Society	Education	\$850,840	15,000	29,190	\$19.6	\$0.79
B	American College of Rheumatology	Medical	\$1,050,731	14,000	29,200	\$19.0	\$0.78
B	National Science Teachers Association	Education	\$646,697	11,500	28,955	\$17.4	\$0.76
B	Int'l Boston Seafood Show/Seafood Processing America	Commercial	\$899,645	18,000	15,075	\$16.3	\$0.50
B	American Society for Microbiology General Meeting	Medical	\$689,784	12,000	23,100	\$15.6	\$0.63
B	SIBOS	High-Tech	\$1,933,781	7,000	28,000	\$14.4	\$0.70
B	Drug Information Association	Medical	\$681,770	8,500	23,867	\$13.8	\$0.62
B	American Speech Language & Hearing Association	Other	\$559,486	10,000	18,600	\$12.8	\$0.51
B	Association for Financial Professionals	Other	\$913,341	7,000	18,840	\$11.0	\$0.49
B	New England Grows	Commercial	\$548,755	15,500	2,831	\$10.3	\$0.20
B	New England Foodservice	Commercial	\$338,644	15,000	2,910	\$10.0	\$0.20
B	LPL 2007 National Sales and Education Conference	Other	\$998,631	5,500	14,850	\$8.7	\$0.38
B	National Conference of State Legislatures	Other	\$526,320	7,000	12,223	\$8.6	\$0.34
H	American Optometric Association	Medical	\$356,567	8,000	8,862	\$8.0	\$0.27
B	National Business Travel Association	Other	\$814,474	5,000	13,445	\$7.9	\$0.35
H	Foundation for Retrovirology and Human Health	Medical	\$266,555	3,800	15,040	\$7.8	\$0.37

B – BCEC H – Hynes

THE BCEC BROKE THE **ONE MILLION MARK IN ATTENDEES**

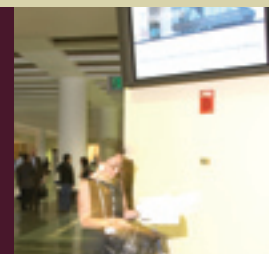
MORE THAN **ONE MILLION HOTEL ROOM NIGHTS** HAVE BEEN HOSTED SINCE THE BCEC OPENED IN 2004

ECONOMIC IMPACT FOR 2008 WAS MORE THAN **\$522 MILLION**, A NINE PERCENT INCREASE OVER 2007



Moving Ahead

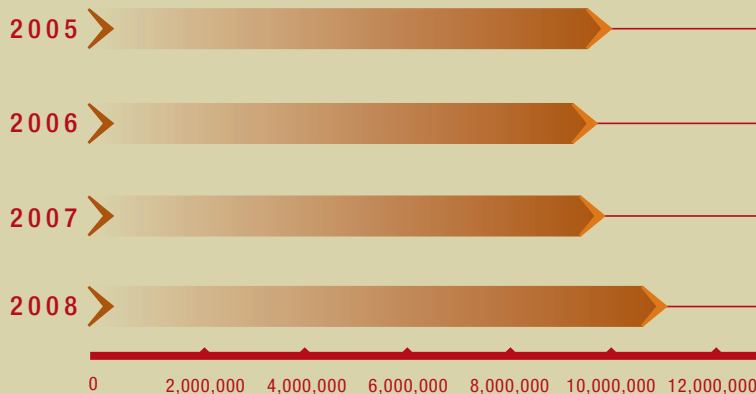
NEW DINING OPTIONS AND SERVICE UPGRADES AT THE HYNES WILL ENHANCE THE VISITOR EXPERIENCE IN BACK BAY



It has been a year of exciting changes at the Hynes Convention Center, with plans well underway to update the facility and add two new restaurants to this bustling corner of Boston. The addition of these new dining establishments to this end of Boylston Street is a true investment in our city and is sure to add to the vigor of one of Boston's most treasured neighborhoods. The \$18 million renovation plan will make the Hynes a more exciting destination for convention-goers, visitors, and residents, while also generating \$1-1.5 million per year in additional revenue for the MCCA.

Additional improvements on tap include new technology and A/V updates to make the Hynes more attractive to high-tech and medical conferences, security upgrades, and interior design updates, as well as environmentally-friendly changes that will increase energy and water efficiency and improve the facility's environmental efficiency. The MCCA's investments in the Hynes mirror significant private investment in the Upper Boylston area, which has recently seen the opening of a new Apple store and a new luxury hotel, the Mandarin Oriental Boston.

HYNES TOTAL REVENUE OVER 4 YEARS



In addition to a strong forecast, the Hynes continues to perform well and bring in significant business for the MCCA. In 2008, it hit an impressive benchmark, generating \$11.4 million in revenue, the highest in the facility's history. Representing a 13.3% increase over revenue in 2007, the additional dollars came from new bookings as well as from higher sales of support services, especially technology.



•• **\$18 MILLION RENOVATION** WILL UPDATE AND EXPAND THE SUCCESSFUL HYNES CONVENTION CENTER

•• **ALMOST 20,000 SQUARE FEET** OF RESTAURANT SPACE WILL BE ADDED

•• THE HYNES' ECONOMIC IMPACT FOR 2008 WAS MORE THAN **\$181 MILLION**



Ready to Go

SERVICE IMPROVEMENTS KEEP CONVENTIONS AND CONVENTION-GOERS MOVING SMOOTHLY

Having everything run smoothly and on schedule is the key to any successful event — for convention planners and attendees alike. Two recent investments at the MCCA are helping to make it easier for event managers to plan and execute meetings and conventions at the Hynes and the BCEC.

The new Boston Convention Transportation Services (BCTS) provides conventions with comprehensive transportation management — from pre-arrival until the last guest has left the city. The experienced transportation professionals at BCTS coordinate among hotels, off-site venues,

and city and state transportation agencies to provide hassle-free transportation that delivers guests to their destinations safely and on time. The MCCA is the first convention authority in the country to provide this level of transportation service to its clients. BCTS relieves event planners and attendees of the worries of traffic, weather, and parking complications, letting them focus on the important business of their events.

Showbiz, a new event management system (EMS) developed by the MCCA has reached its implementation phase. This new EMS system is unlike any product available in the industry and will help our staff deliver an improved customer experience with streamlined operations and enhanced access to information. With Showbiz, customers will receive better, quicker, and more customized reporting, and the MCCA will be better able to optimize revenues from sales of our in-house services.





••

DURING AIIM-ON DEMAND, THE MCCA'S LARGEST EVENT IN FY08, THE BCTS COORDINATED **MORE THAN 13,400 PASSENGER TRIPS**

••

THE BCEC, HYNES, AND MASSMUTUAL CENTER GENERATED **MORE THAN \$17 MILLION IN REVENUE FROM SUPPORT SERVICES**

••

THE **TOP FIVE SERVICES** RANKED BY SALES REVENUE INCLUDE ELECTRICAL, INTERNET, SECURITY, CLEANING, AND RIGGING



Advancing Opportunities

MCCA CONTINUES TO PARTNER WITH
THE COMMUNITY, STUDENTS, FAMILIES,
AND FUTURE PROFESSIONALS

Community involvement continues to be an important part of the MCCA's mission. Through sponsorships, scholarships, grants, donations, and more, the MCCA is committed to being a good neighbor in both its South Boston and Back Bay neighborhoods and across the region.

In May, the MCCA hosted the 2008 Boston Civic Summit, an unprecedented one-day gathering where more than 450 civic and community leaders initiated a broad community-based conversation on how we can strengthen the overall vitality of city life by promoting greater civic engagement and fostering dialogue between community groups. During the event, community leaders made new connections and shared ideas and priorities. The

result was a shared vision for the city and its neighborhoods, goals for realizing that vision, and the creation of a process for developing action plans that will keep Boston on track as an exciting and vibrant place to live, work, and visit.

The MCCA's Weekend of Discovery program received the 2008 Arnold Z. Rosoff Award from the Ad Club and Greater Boston Chamber of Commerce for "Marketing to a Diverse Audience." Each year, meeting planners for minority-based associations and trade groups are invited to Boston to tour MCCA facilities, local hotels, and Boston neighborhoods and meet elected officials and business and cultural leaders. The weekend promotes Boston as a top destination for minority-based conventions and meetings by countering outdated perceptions of Boston and showcasing the city's modern, diverse character.





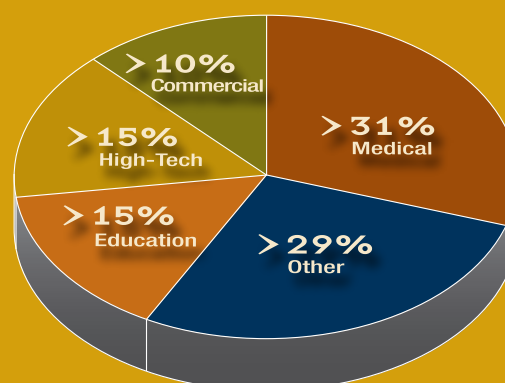
- THE MCCA DONATED **\$90,475 IN GRANT FUNDING TO 23 NON-PROFIT ORGANIZATIONS** THROUGHOUT THE CITY OF BOSTON
- THE MCCA HOSPITALITY SCHOLARSHIP PROGRAM, FUNDED BY ANNUAL GATE SHOWS, DOUBLED ITS ACADEMIC SUPPORT FROM 2007 TO 2008, GIVING A TOTAL OF **\$10,000 TO FOUR MASSACHUSETTS STUDENTS** PURSUING AN EDUCATION IN THE FIELD OF HOSPITALITY



A Strong Year 2008

Economic impact measures local spending by convention attendees on hotel rooms, transportation, restaurants, and retail. As the MCCA continues to host important medical, education, and high-tech events, this economic impact delivers a solid return to the residents and businesses of the Commonwealth. In 2008, the BCEC and the Hynes Convention Center generated \$522.2 million in economic impact against \$68 million in operating costs. The MCCA saw an 18% percent increase in attendees at the 239 events hosted by the BCEC and the Hynes.

2008 ECONOMIC IMPACT BY BUSINESS TYPE



2008 ECONOMIC IMPACT BY INDUSTRY TYPE

Business / Industry	# of Events	Attendees	Rooms	Direct Spending	Direct Tax	Economic Impact
Medical	41	134,104	222,597	\$79,925,487	\$6,197,316	\$159,850,973
Other	129	455,318	179,210	\$76,023,793	\$5,330,810	\$152,047,586
Education	23	66,130	113,863	\$39,612,034	\$3,132,877	\$79,224,067
High-Tech	33	81,915	82,023	\$38,648,603	\$2,552,534	\$77,297,205
Commercial	13	178,149	29,720	\$27,166,692	\$1,309,760	\$54,333,383
Total	239	915,616	627,413	\$261,376,608	\$18,523,297	\$522,753,215

2008 TOTAL SALES DATA

	Events Booked	Attendees	Hotel Room Nights	Economic Impact
Medical	36	147,735	321,431	\$204,279,142
Other	137	580,508	274,406	\$193,833,819
Commercial	21	225,349	120,343	\$139,280,667
Education	27	70,880	85,272	\$70,489,937
High-Tech	32	43,465	63,961	\$47,707,775
Total	253	1,067,937	865,413	\$655,591,340

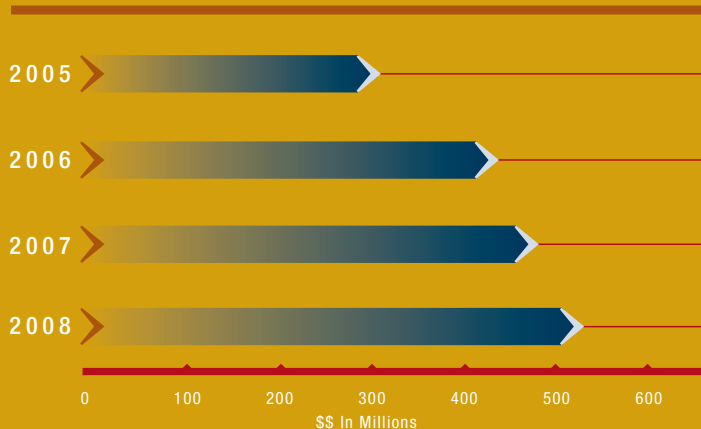


Four Years Later 2004-2008

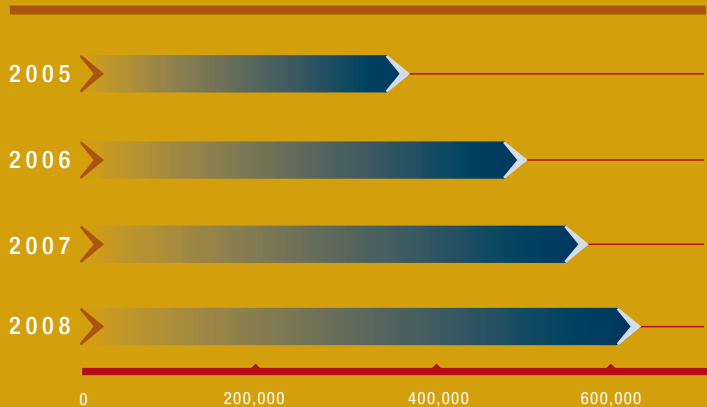
Since the BCEC's opening in 2004, the MCCA has seen over one million attendees and exhibitors from all industries convene in Boston from all corners of the world. This surge has resulted in an enormous economic impact for the Commonwealth: **more than \$1.7 billion in the last four years.**

As we enter our fifth year of operation at the BCEC, we look forward to evaluating the next phase of the BCEC expansion, increasing the number and size of events we host, and strengthening our ties with the Greater Boston community.

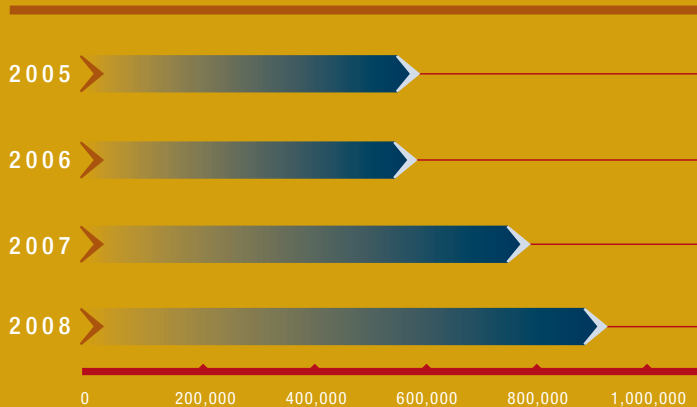
ECONOMIC IMPACT OVER 4 YEARS



ROOM NIGHTS OVER 4 YEARS



ATTENDANCE OVER 4 YEARS

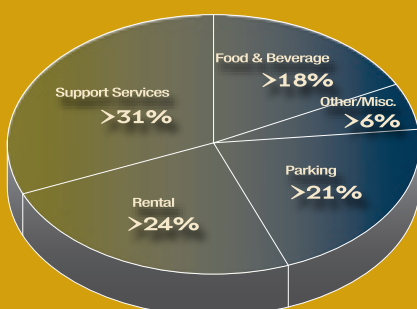




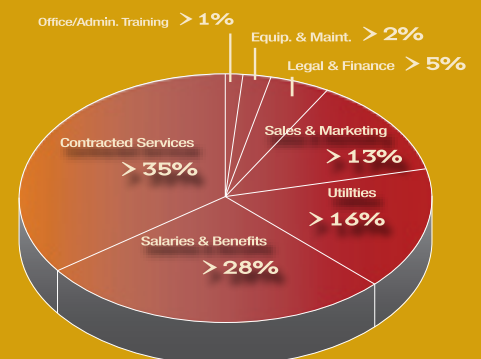
2008 Financial Overview

	FY08 Actuals (\$000s)	FY07 Actuals (\$000s)
Operating Revenues:		
Boston Convention & Exhibition Center	\$28,023	\$23,649
Hynes Convention Center	11,422	10,083
Boston Common Garage	9,893	9,352
MassMutual Center	2,728	2,372
Interest Income	2,323	1,040
Total Revenues	\$54,390	\$46,496
Operating Expenses:		
Boston Convention & Exhibition Center	\$29,597	\$27,215
Hynes Convention Center	14,253	12,742
Boston Common Garage	2,748	2,339
MassMutual Center	7,155	5,708
Long- and Short-term Sales	6,518	7,784
Central Administration	7,745	6,355
Total Expenses	\$68,016	\$62,143
Total Operating Revenues	\$54,390	\$46,496
Total Operating Expenses	\$68,016	\$62,143
Net Cost to MCCA (before depreciation and debt service)	\$(13,626)	\$(15,647)
Total Hotel Room Nights	627,544	580,363
Total Number of Attendees	914,549	772,557
Economic Impact Generated	\$522,162	\$478,237

2008 OPERATING REVENUES



2008 OPERATING EXPENSES





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