



Our Mission

The Massachusetts Convention Center Authority's mission is to generate significant **regional** economic activity by attracting conventions, tradeshow, 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.



Gloria Cordes Larson, Esq.
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Peter J. Bassett



James E. Byrne



Charles
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Thomas McDonnell



Joseph A. Milano



Paul Picknelly



Lisa C. Signori



Dean F. Stratouly

The MCCA's 13-member board is chaired by Gloria Cordes Larson, Esq., who was appointed by Governor Paul Cellucci and re-appointed by Governor Mitt Romney with the approval and support of Mayor Tom Menino. In 2003, the Board members, which represent a cross section of professions, both public and private, and come from several different communities within the Commonwealth, voted on and oversaw critical details related to the completion of the BCEC and its future in the convention industry.



Renewed vision Brighter outlook

Annual Report 2003

Bringing Together
a New Facility,
New Leadership,
and New Direction
for New Growth

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The Massachusetts Convention Center Authority has changed. There is a new management team in place. There is a renewed vision. And we are poised to open the brand-new, state-of-the-art Boston Convention & Exhibition Center (BCEC), forever changing the convention industry in Boston. We are pleased to provide you with this annual report to show you how far we have come and what the future holds for the convention industry in Massachusetts.

With the opening of the BCEC, we are preparing the Massachusetts Convention Center Authority organization for the growth necessary to compete at a higher level in the convention and meetings marketplace. The implications of this transition and growth have caused us to thoughtfully consider the determination, skills, business plan and resources required to fulfill our mission and goals.

Over the past year, we have transitioned in a new management team of energized, visionary professionals, launched a targeted national marketing campaign, cut spending and requested the lowest state allocation in seven years. Moreover, we redefined the sales objectives necessary to make the BCEC a success. All of this while we were wrapping up construction on the largest building in New England.

These have been exceptionally challenging times for our industry and for our organization. The economy has not recovered and the travel and tourism industry has seen sharp losses in recent years. The conventions and meetings marketplace has not been immune to these declines. In the years ahead, there will most certainly be winners and losers in the convention industry. We intend for the Massachusetts Convention Center Authority to be a leader among the winners.

On behalf of MCCA and the Board of Directors, we thank you for your confidence and support.

Sincerely,

Gloria C. Larson

Gloria Cordes Larson, Esq.
Chairman of the Board

James E. Rooney

James E. Rooney
Executive Director

● New Leadership

In 2003, a new management team was put in place—bringing new strengths, fresh ideas, and significant experience to the MCCA. In March of 2003, Gloria Larson, Chairperson for the MCCA and Board of Directors, retired the management team that had been running the Authority since its inception 20 years ago. The Board installed James E. Rooney as the new Executive Director and charged him with building the MCCA into an efficient, private sector-focused organization that could effectively compete against other convention organizations and facilities across the nation.

With a new management team in place, the MCCA embarked on a comprehensive and thorough review of the business, including systems, operations and staff. The combined strengths of the new staff have created a dynamic and efficient team for moving forward with anticipated success as we open the new Boston Convention & Exhibition Center.



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● Boston Convention & Exhibition Center (BCEC)



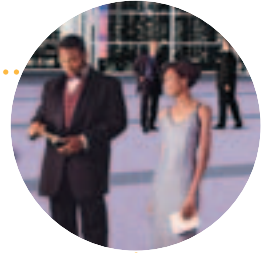
“The new BCEC is just terrific for us. It’s incredibly close to Logan International Airport, it’s **ultra modern** and large, allowing us to expand after the limits of the Hynes kept us at zero growth for the past eight or nine years. Now we anticipate at least **15% growth** in our first year in the BCEC alone.”

– Mary Larkin,
Show Director – seafood expositions for
Diversified Business Communications, producer
of the International Boston Seafood Show.

Below: The BCEC has elegant pre-function spaces, a full-service food court and 516,000 sq.ft. of virtually column-free exhibit space.

This June, with much anticipation, the MCCA will open the new BCEC. It has been just under four years since ground was broken on the facility and once opened, it will be one of the nation's premier convention facilities and the largest in the Northeast. The center was designed with expertise and input from a variety of worldwide convention, meeting and conference planners. As a result, the 1.6 million square-foot facility will provide flexibility and boundless meeting and exhibition opportunities. It will offer 516,000 square feet of contiguous exhibition space, 160,000 square feet of meeting space with 84 divisible meeting rooms, and a dramatic 40,000 square-foot ballroom with picturesque views of the city skyline and Boston Harbor. The ballroom is the largest in New England, and can accommodate dinners for up to 3,500 people.

The Hynes Convention Center has been limited by its 330,000 square-foot space, which cannot accommodate new, larger demands for Boston or shows that are growing out of the facility. The development of the BCEC eliminates this capacity restriction and provides Boston with a state-of-the-art event facility positioned in one of the nation's most history-rich cities. The BCEC is the crown jewel of the developing South Boston Waterfront and its absolute success in the convention and meetings industry will mean great things for the City of Boston and the Commonwealth of Massachusetts.

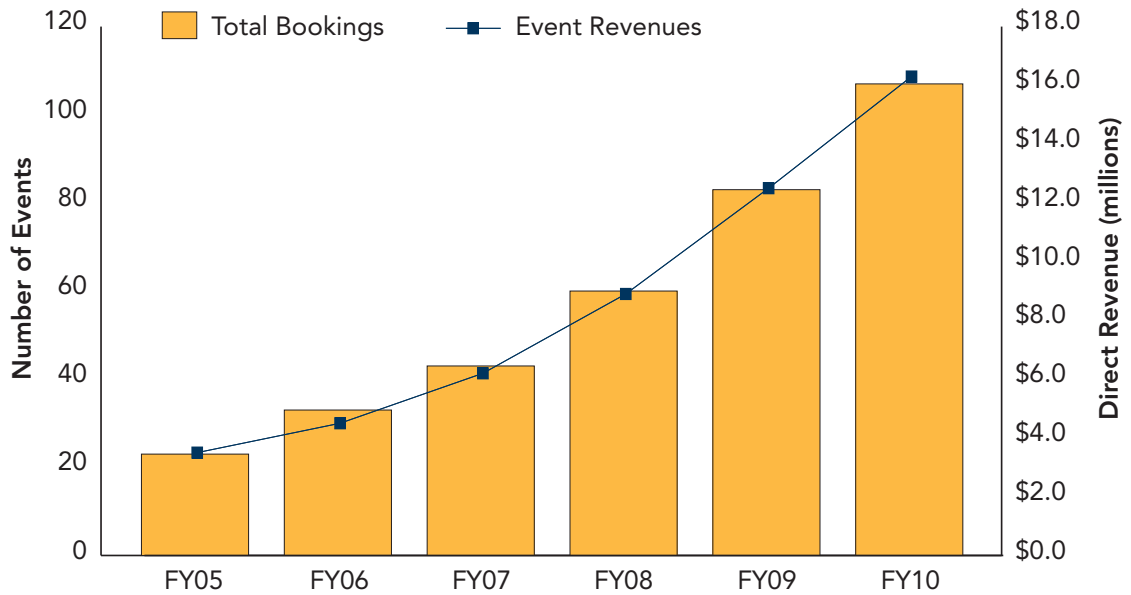


Marketing and Sales: Our Top Priority

In December 2003, the MCCA laid out a comprehensive sales and marketing plan focusing on the BCEC. The plan detailed a sales strategy and lays out both realistic projections and aggressive goals for the number of large-revenue events we can expect to see at the BCEC from now until stabilization in 2010.

The MCCA did several months of very thorough and rigorous analysis—something that was not done by this agency in the past. The results clearly demonstrated that certain factors in the convention industry have changed since we began construction on the facility. We need to accept those changes and deal with them accordingly to ensure that the BCEC is a success.

Projected BCEC Events and Direct Revenue



By 2010, the
BCEC will have
generated over a half-
billion dollars in economic
activity and hosted
nearly two million
attendees.

The BCEC will make Boston a top-tier convention destination and while the projections the MCCA laid out in December are less than originally projected when the building was being built, the Commonwealth can still expect to see a very significant return on its investment. Currently, we have 44 events booked at the BCEC, we have 10 contracts pending and 88 tentative events. The definite events themselves represent nearly 600,000 attendees and over \$17.0 million in tax revenue to Massachusetts.

There will be winners and losers in the industry and Boston will be a winner.

Projected BCEC Events

(\$ millions)	FY05	FY06	FY07	FY08	FY09	FY10	TOTAL
Total Bookings	23	33	43	60	83	107	349
Exhibit Bookings	7	10	13	18	25	32	105
Hotel Room Nights	109,250	150,650	206,425	286,925	388,700	507,725	1,649,675
Peak Hotel Room Nights	25,000	35,000	48,000	66,500	90,000	118,000	382,500
Attendees	132,000	181,000	248,000	345,000	468,000	611,000	1,985,000
Event Revenues	\$3.5	\$4.5	\$6.2	\$8.9	\$12.5	\$16.3	\$51.9
Direct Tax Revenue	\$2.6	\$3.7	\$5.2	\$7.3	\$10.2	\$13.7	\$42.6
Direct Spending	\$30.5	\$43.1	\$60.6	\$86.5	\$120.2	\$161.1	\$502.0

● A New Communications Campaign: Advantage Boston

In 2003, the MCCA in conjunction with the Greater Boston Convention & Visitors Bureau, launched a comprehensive marketing campaign with communications targeted to high propensity prospects. The campaign, through a variety of communication channels, showcases Boston's convention facilities, specifically the BCEC, and highlights the many amenities the Boston community has to offer.

The campaign, branded "Advantage BOSTON," targets convention and meeting planners, associations and corporations across the country, focusing on the benefits, historical value-added and structural additions to the city of Boston over the past several years, including the BCEC and progress on the Big Dig. The campaign also tackles head-on any misconceptions about the city, such as airport transfer time. In fact, travel between the BCEC and Logan Airport is just eight minutes.

Communication channels include advertisements in industry and trade publications, direct mail, dedicated newsletter publications, a new Web site (www.advantageboston.com), and new collateral and sales materials. All communications center on the platform theme of, "You'll love what we've done with the place." The series of print ads focus on topics identified as issues of importance to convention and meeting planners—location, congestion, capacity, and accessibility.

THE BCEC



THE BIG DIG



The concepts were developed by the Convention Marketing Center (CMC), which the MCCA Board created in partnership with the Greater Boston Convention and Visitors Bureau to provide a unified sales effort that allows for one-stop shopping for convention and meeting planners looking to host an event in Boston. In March, Milton Herbert was named Executive Director and soon after, put together a team of marketing professionals, with collectively more than 100 years of experience in the convention and trade show business, to develop a marketing strategy.

“The creation of the CMC has helped us to streamline our sales and marketing process and we are already seeing improvements in the way we do business,” said Pat Moscaritolo, President and CEO of the GBCVB. “This marketing campaign is just

what we need to continue the momentum and to help us in our efforts to show anyone who doesn’t know already that Boston is a great place to visit and hold an event.”



HOTEL ROOMS

“We’ve needed a larger, more **modern facility** in Boston for a while. We’re very excited about having the entire show on one floor in one place for our 7,300 attendees. The BCEC offers us and the **many** other shows it will attract to Boston room to grow.”

– John Mooney,
CEO of MC Communications,
Producer of Primary Medicine East

ACCESSIBILITY
TO THE AIRPORT



● Getting There

Transportation and accessibility to the new facility remain a focus for us and are a significant piece of the work still ahead. In an effort to ensure that events at the new Boston Convention & Exhibition Center (BCEC) will have minimal impact on neighborhood streets, the Massachusetts Convention Center Authority (MCCA) has launched a traffic and parking advisory council made up of local elected officials, representatives of South Boston neighborhood and business interests, government agencies, and public safety officials. The group will meet regularly to review and coordinate transportation plans for large events coming to the BCEC, ensuring that the MCCA's customer needs are met and that neighborhood and local business concerns are addressed. Transportation plans for events at the BCEC will have multiple components and will require cooperation from the community and many different public agencies.

In June 2003, in partnership with the Greater Boston Chamber of Commerce and the Artery Business Committee, the MCCA released a Transportation Study titled, "Total Access to the BCEC."

The study outlined several recommendations that, when implemented, will create and sustain unparalleled vehicular, public transit, pedestrian, and water access to the BCEC and the South Boston Waterfront. They are improvements that will ensure the success of the new BCEC, protect neighborhood interests, preserve commercial, maritime, and trucking interests, and promote the further economic development of the South Boston Waterfront.



Recommendations from the study that will contribute significantly to the streamlined and easy access of the BCEC include:

“The MCCA has made transportation to the BCEC a priority and I commend them for realizing that **transportation** and accessibility are essential for its **success**. A well designed plan is critical to South Boston and its surrounding neighborhoods.”

– Senator Jack Hart
D-South Boston



BACK BAY ACCESS

Immediate operation of a turnaround connection on the Massachusetts Turnpike directly before the Allston/Brighton tollbooths; and a defined long-term solution established through engineering and environmental studies.



THE SILVER LINE

Completing Phase III of the MBTA Silver Line and extending the transit tunnel under D Street (“T under D”).



A PEDESTRIAN-FRIENDLY BCEC

Developing a system of streets, sidewalks, and pedestrian ways that will help create a vibrant and safe urban environment and reconnect the neighborhood to the South Boston Waterfront.



WATER TRANSPORTATION

Establishing water ferry and water taxi service to link inner harbor hotel rooms with the BCEC.



SOUTH BOSTON BYPASS ROAD

Instituting a process for permitting use of the South Boston Bypass Road for travel to and from the BCEC on a limited, event-specific basis.

● Community Leadership and Support

The MCCA is dedicated to proactively supporting the communities in which we work. We, like all businesses, have certain community and social responsibilities to our neighborhoods and strive to uphold those responsibilities with pride.

South Boston Community Development Foundation


We began work on the South Boston Community Development Foundation, a nine-member committee, all of whom are residents of South Boston. The Foundation was created for the benefit of the South Boston residential, charitable and business communities, which may be adversely impacted by the new convention center. The fund will consist of revenues generated by annual charitable events held at the Boston Convention & Exhibition Center and a percentage of on-site parking fees generated through regular business activities.

Local Opportunity Conference

Our neighboring communities and local businesses share the BCEC's success. With success, we create jobs, open opportunities and generate tax revenue for both the city and the state. To that end, the MCCA has made it a priority to reach out to local, minority and women-owned businesses about opportunities in the convention industry.

We did this during the construction of the BCEC and, in the fall, we held two local business opportunities conferences in conjunction with local chamber of commerce and main streets programs. These conferences were intended to educate businesses about the types of goods and services convention and meeting planners are interested in purchasing while in town for an event. As a resource for both the businesses and the conventions, the MCCA established an online registration for vendors. Interested organizations can register online at www.mccahome.com/vendors.





“Our partnership with the MCCA enables students to make **connections** between their classroom and the **skills** and competencies required in the workplace of the **21st century**. This partnership will foster a new generation of learners.”

– Thomas Younis

School to Career,
Madison Park High School

New Relationships: Helping Our Young Neighbors

During construction, the MCCA teamed up with Madison Park High School to offer students job site tours. The relationship quickly evolved and, in 2003, Madison Park students became directly involved in MCCA projects. We assisted construction subcontractors with the hiring of six students from Madison Park's graduating class and in getting part-time positions with Aramark for six students enrolled in the school's culinary arts program. This initiative will continue even as the construction process comes to a close, by working with building and exhibition service contractors to train and offer paid internships to students while they are in school.

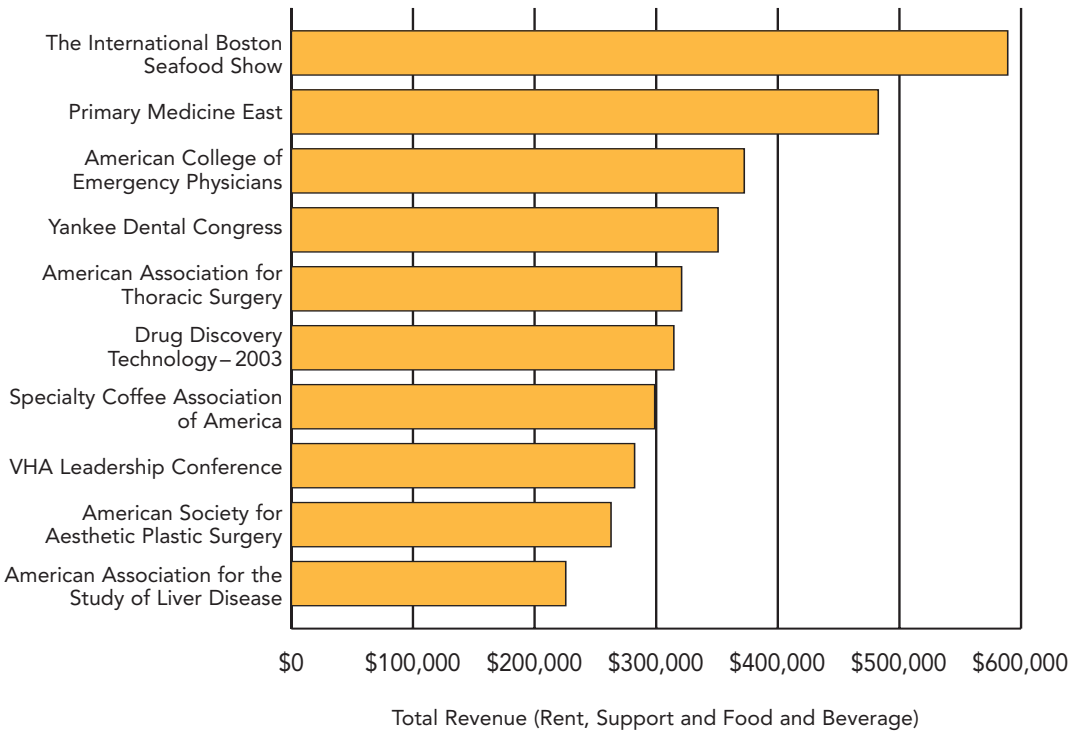
● Hynes

The Hynes Convention Center has solidified its national reputation as a boutique convention facility and, in 2003, our traditional top ten events brought more than 82,000 people to the building and generated more than \$27 million dollars in economic activity. Additionally, the MCCA was lucky enough to have Mayor Menino choose the Hynes for Boston's long-running holiday tradition, the Enchanted Village.

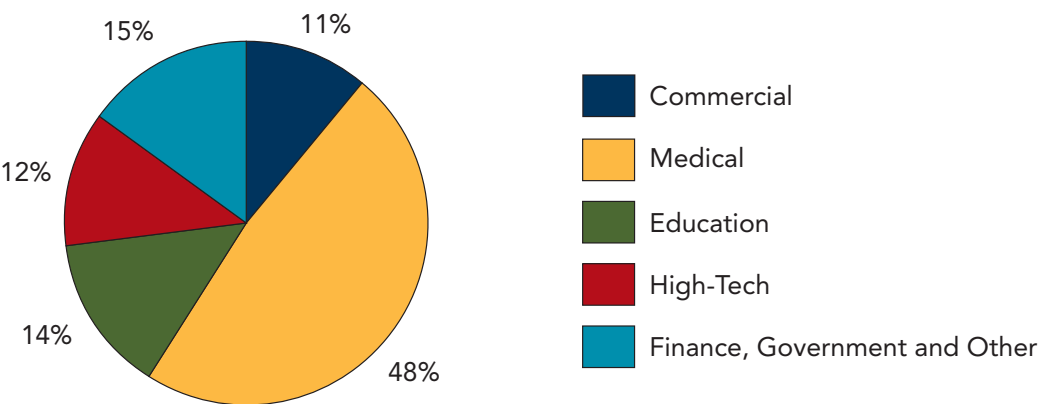
The **top ten**
events at the Hynes
generated more
than **\$27 million**
in economic activity.



Top Ten Revenue Generating Events



Direct Spending Impact on the Commonwealth by Industry Type



● Springfield Civic Center



“ All of us involved
in the **economic**
development of Springfield are
delighted that the construction of
our vastly improved Civic/Convention
Center is moving forward. It will be an
economic engine of the highest
importance to the visitor/tourism
industry of **Springfield**
and the entire Pioneer Valley.”

– David Starr

President,
Springfield Republican

In the fall of 2003, the MCCA broke ground for the renovation and expansion of the Springfield Civic Center and officially announced that the improved facility will be renamed the MassMutual Center upon completion. Home to the Springfield Falcons hockey team, the civic center is undergoing a complete renovation for use as a multi-purpose arena and convention center. The new MassMutual Center will expand Springfield's ability to attract top-notch events and business meetings and conventions.

The \$71 million construction project, scheduled to be complete in 2005, will expand and improve the existing civic center. Currently, the civic center is a top central New England venue for children and family shows, like Sesame Street Live and Disney on Ice; sporting events; local college graduations; and concerts, in addition to Springfield Falcons events. Construction will include approximately 147,000 square feet of new building for convention, exhibition and meeting space and the renovation of approximately 215,000 square feet of the existing facility. When completed, the facility will include an exhibit hall, meeting rooms, a ballroom, pre-function space, a kitchen, and corporate hospitality and support spaces.

As part of the project, the facilities for the AHL Springfield Falcons – also partly owned by MassMutual – will be upgraded. The former ice system is being replaced with a state-of-the-art system, and spectator seating, concessions, home and visiting team locker rooms, and administration and support spaces will all be replaced with new facilities. Additionally, club seating and a new, modern center-hung scoreboard will be installed.

Right: Ground breaking ceremonies at the Springfield construction.



Financial Overview

Projected Fiscal Year 2004 Financial Results

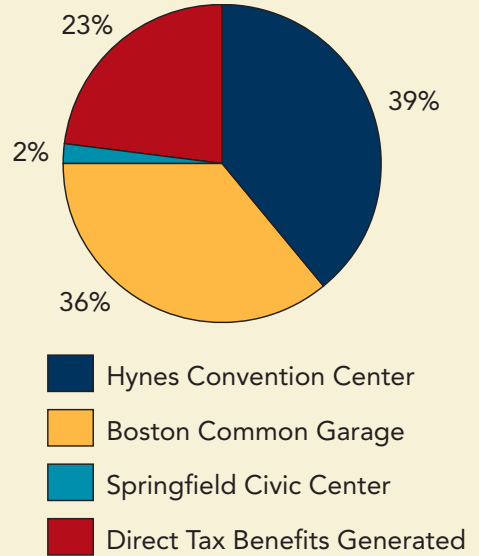
(\$ thousands)

Hynes Convention Center	\$9,187.6
Boston Common Garage	\$8,663.8
Springfield Civic Center	\$570.8
Total Operating Revenue	\$18,422.2

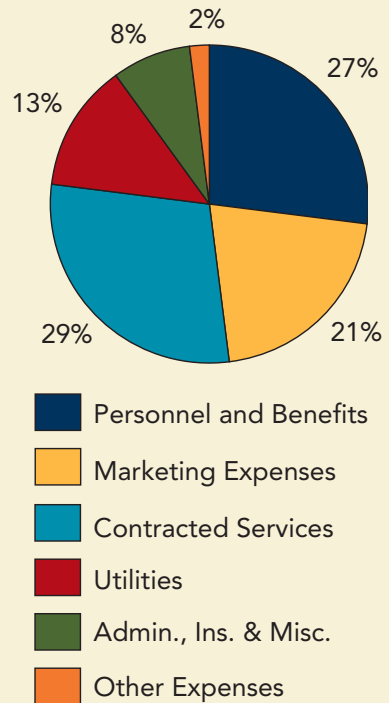
Personnel and Benefits	\$6,332.6
Marketing Expenses	\$4,809.3
Contracted Services	\$6,838.7
Utilities	\$3,071.4
Admin., Ins. & Misc.	\$1,802.9
Other Expenses	\$375.8
Total Operating Expenses	\$23,230.6

Total Operating Revenue	\$18,422.2
Total Operating Expenses	\$23,230.6
Net Effect for the MCCA	(\$4,808.4)
Direct Tax Benefits Generated	\$5,640.6
Net Effect for the Commonwealth	\$832.2

Direct Revenues and Tax Effects



Direct Operating Expenses





MASSACHUSETTS CONVENTION
CENTER AUTHORITY

900 Boylston Street
Boston, MA 02115

Bringing Together a **New Facility,**
New Leadership,
and **New Direction**
for **New Growth**