



experience shows



Annual Report 2004

2004



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.

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



James E. Rooney
James E. Rooney
Executive Director



Gloria Cordes Larson
Gloria Cordes Larson
Chairman

We are pleased to present you with our 2004 Annual Report. Perhaps our most notable event of the year was the opening of the new Boston Convention & Exhibition Center, but it was the 184 events that came to the BCEC and the Hynes Convention Center, the 483,000 attendees who were attached to those events and the new business practices that we put in place to serve those and future customers that kept us focused and busy.

The Massachusetts Convention Center Authority has a mission to serve as an economic engine for the Commonwealth by generating maximum returns from its facilities and positive economic impacts from visitors, attendees, and other event-goers.

To accomplish this, we operate the business consistent with core business principles that we believe will lead to success in the short term and over time. We are committed to attaining industry leadership through a focused and targeted sales and marketing effort capitalizing on the strengths of the MCCA's facilities, the destination, and regional demographics. The MCCA also identifies high-quality customer service as a strategic advantage, and in 2004 we invested in activities designed to hardwire the service value into the organization.

We endeavor to cater to each customer's individual needs, create unforgettable experiences at our facilities, and establish long-term relationships that will ultimately enhance our economic performance. In 2004, we became the first convention center in the country to formally survey our customers and use these responses in "real time" to drive change internally, re-direct staff, and empower contractors to raise the bar themselves on the services provided within our facilities.

Recognizing that "back of the house" efficiency is also critically important, we also focused on streamlining processes and procedures that would yield incremental yet significant results to our bottom line. We consolidated the majority of our treasury functions with a single financial institution, streamlining cash management activities and positioning cash on hand to generate more interest income than in years past. In addition, alternative revenue generating strategies were deployed, diversifying the ways in which we, and ultimately the Commonwealth, achieve a return on the capital facilities we operate.

It is not enough for us to just focus on the direct returns from our facilities; our success also depends on our ability to catalyze economic impact — hotel room revenue, tax revenue, restaurant and retail spending, and other revenue sources. We continue to focus on our ability to maximize this aspect of our bottom line to ensure that our activities have overall net positive impacts for us, our partners in the visitor industry, and the citizens of the Commonwealth as a whole.



The new BCEC is open and airy and offers us lots of space and wonderfully equipped meeting rooms. It is also easily accessible for our attendees — more than 20 percent come from outside the U.S. — and **we expect this venue to be a big draw** due to more flights and easy access from the airport to the convention center and hotels.

Bart Ecker, *Teachers of English to Students of Other Languages* (TESOL), coming to the BCEC in 2010



BCEC by the Numbers

- 516,000 sq. ft. contiguous exhibit space
- 160,000 sq. ft. meeting space in 82 meeting rooms
- 40,020 sq. ft. grand ballroom
- 10 minutes to Logan Airport
- Easy access to 35,000 hotel rooms

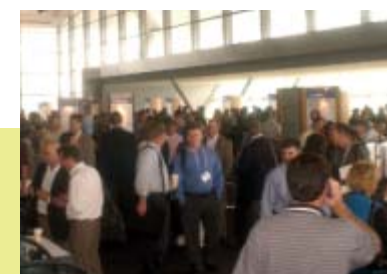
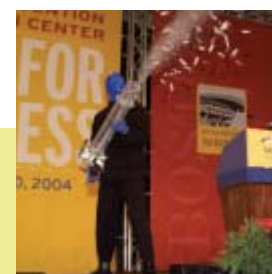


open for business

Boston Convention & Exhibition Center

On June 10, 2004 the Boston Convention & Exhibition Center opened for business, catapulting Boston into the top tier of convention cities and transforming the convention and meetings industry in the Northeast. MCCA Executive Director James E. Rooney and MCCA Chair Gloria C. Larson were joined by Governor Mitt Romney, Boston Mayor Thomas Menino, and more than 1,000 guests in celebrating the completion of the BCEC. The event included a performance from Blue Man Group and a City Showcase featuring area restaurants, hotels, shops, cultural institutions, and tourist attractions. Three days later the public toured the BCEC at an open house featuring games, exhibits, and activities for more than 3,000 attendees.

The completion of the BCEC has allowed Boston to take its place among a handful of elite venues that attract premier large-scale events. The BCEC hit the ground running, hosting simultaneous customers just a month later, with the Macworld Conference & Expo and SAP Global Marketing meeting. Our inaugural year was a very successful one, as the BCEC hosted 61 events, including the Democratic National Convention's Media Party, the Society of Independent Show Organizers, International Sanitation and Heating — North America, and Primary Medicine East.





Some Events Coming to Boston

- **SAP Sapphire**
May 2005
- **Microsoft Worldwide Partners**
July 2006
- **AARP**
Sept 2007
- **American Association of Periodontology**
Sept 2009
- **American Society of Anesthesiologists**
Oct 2016

growing in popularity

Customers Embracing BCEC and Hynes

Proving once again that Boston is a top convention destination, in 2004 MCCA hosted 184 events at the Hynes and the BCEC. The events, which ranged from meetings and corporate events to large-scale shows, demonstrate that Boston has the services and facilities it takes to compete and win in this highly competitive market. Our 2004 events brought 483,000 attendees, 289,000 room nights, and \$124.3 million in direct spending to the city.

Bookings for future events continue to grow at a rapid rate. In the last quarter of 2004, the authority booked a record number of events. Events booked in 2004 will bring 752,000 visitors to the city, generate 775,000 hotel room nights and over \$210 million in economic activity. 113 of the events booked will be held at the BCEC.

The powerful combination of the BCEC and the Hynes delivers flexible, convenient options for event and meeting planners. Shows seeking to expand can move to the BCEC, while smaller events will continue to find the Hynes an ideal choice. Two of the BCEC's bookings for 2005, New England Grows and the International Boston Seafood Show, were previously held at the Hynes. The events have increased in size 25 and 60 percent respectively by moving to the BCEC.



Overall, we received rave reviews for the “new” New England Grows at the BCEC. The move marked a milestone in this event’s history and **allowed us to expand our exhibition by 50%.** Our stakeholders are very pleased with the new convention center.

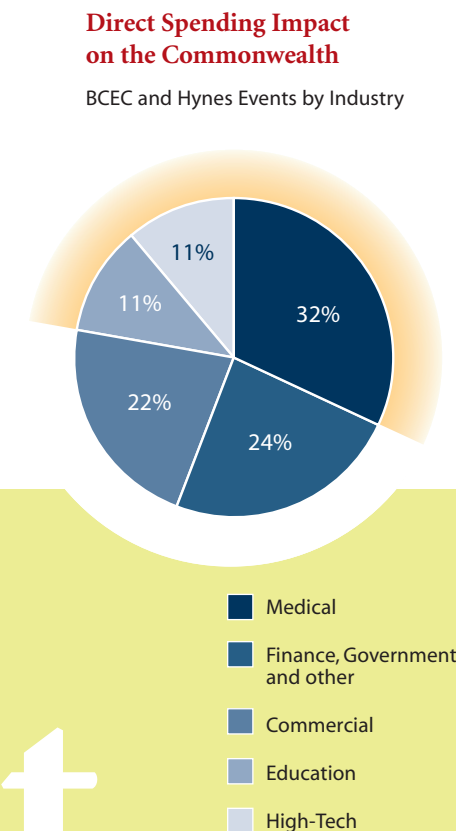
M. Virginia Wood, Executive Director, New England Grows

The spacious new facility in Boston and its waterfront location are ideal for AWWA's Annual Conference and Exposition. And with all of the wonderful history and activities that Boston has to offer, **we know the event will be memorable** for our members.

Paula MacIlwaine, Deputy Executive Director, *American Water Works Association*



Health care, high tech, and education events held in 2004 represented **31%** of total bookings and accounted for **54%** of direct spending impact.

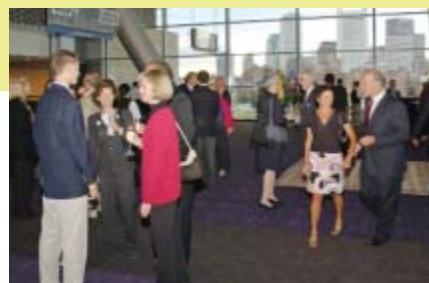


a natural fit

Targeting Customers Who Match Boston's Strengths

With the BCEC open and running efficiently, our attention this year turned to identifying and targeting events that are a good match for Boston. Based on past results, as well as current research by independent consultant McKinsey & Co., we've initiated a strategic focus on selling to health care, high tech, and education events. These three industries dominate the convention landscape, holding a significant number of large, revenue-producing events each year.

Our new facilities at the BCEC are a natural fit, with expansive exhibition space that supports advanced display technologies, state-of-the-art A/V capabilities, WiFi, and interruption-free cellular coverage. The Boston area's unique strengths, with its high concentration of top-ranked hospitals and doctors, leading colleges and universities, and innovative technology and biotech companies, give the BCEC and the Hynes a tremendous competitive advantage in targeting these industries. Our position is further strengthened by Boston's geographic location, which provides a convenient destination for thousands of qualified attendees from the Atlantic seaboard, Canada, and Western Europe.





enhancing the experience

Putting Customers First

Customer service is a critical component of our strategy for success. Even the most-up-to-date facilities can struggle to attract conventions if they fail to deliver high-quality customer experiences. At the MCCA our attention to customer service begins as soon as an event is booked, and continues until the last attendee, exhibitor, and piece of equipment leaves the convention floor. We custom tailor every event we host, ensuring that the specific needs of each of our customers are met and exceeded.

In 2004 we established a multi-pronged approach to customer service by focusing on the unique requirements of our three distinct customer segments: meeting planners, exhibitors, and attendees. For event planners we work together to organize shows, coordinating hotel bookings, transportation, and the myriad details that go into making each show a success. Exhibitors take advantage of the BCEC's advanced facilities for move in and out, our spacious exhibit space, and easy access to Logan Airport and the local transportation network. And attendees benefit from amenities ranging from flexible meeting rooms and a large food court to ATMs, WiFi, and uninterrupted cell phone coverage.

Also this year, we've instituted comprehensive customer surveys that give us real-time, direct from the user feedback, allowing us to measure and evaluate our performance. With this feedback in hand, we work with customers, even in the midst of shows, to ensure that expectations are being met. We continue to design new services and products to meet our customers' needs, whether that means supporting new display technologies, partnering with local institutions, or finding new and innovative ways to make meetings and events successful.



The AAO Annual Session can only be held in 10 cities in North America due to its size and scope. Boston became one of those 10 cities overnight. **Boston has the history, facilities, and local support to provide a wonderful experience** for AAO members.

Dr. Raymond George, Sr., American Association of Orthodontists Trustee and American Association of Orthodontists President in 2009






working together

Building Community Connections

The MCCA supports the communities we work in by maintaining a diverse and talented workforce, maximizing business opportunities for local companies and vendors, and fulfilling important community and social responsibilities. In 2004, we expanded our diversity program to include human resources, operations, and marketing to the multicultural meetings market. We have engaged minority, women-owned, and local firms through service contracts, including participation in audio visual, cleaning, food service, and security.

We continue to partner with Madison Park Vocational High School, whose students and staff have become an integral part of our organization, working directly with us and with our vendors. At most events at the Hynes and BCEC, a Madison Park student is there, providing valuable assistance. The new Community Conference Center, currently in development, will help students studying hospitality and event planning careers gain valuable experience, and provide upgraded meeting space for local organizations.

In 2004 we completed the \$10 million off-site neighborhood street improvements project along West Second Street, D Street, and B Street, improving the safety and appearance of area streets with new trees, sidewalks, granite curbing, traffic lights, and street lights. Our affiliation with the South Boston Community Development Foundation is bringing benefits to South Boston today and into the future through annual charitable events hosted at the BCEC.



We continue to enhance our positive relationship with our host community. Working with local neighborhood non-profits and teaming with our vendors to expand employment opportunities helps us ensure that **the BCEC will remain a valuable asset for South Boston and the city as a whole.**

James E. Rooney, MCCA Executive Director



Springfield Civic Center by the Numbers

- 7,000 arena seats
- 40,000 sq. ft. exhibit space
- 15,000 sq. ft. grand ballroom
- 9,000 sq. ft. meeting space
- 1,100 hotel rooms within walking distance

We are very excited about the great improvements that have already been made to our facility. When the project is completed our fans will enjoy a state-of-the-art facility with all of the amenities that will make attending a Falcon's game even more enjoyable.

Bruce Landon, President and General Manager, *Springfield Falcons*

making progress

Springfield Civic Center

The MCCA takes events beyond Boston with the Springfield Civic Center (soon to be renamed MassMutual Center). Renovations to the facility begun in 2003 have continued on schedule, and the new MassMutual Center will welcome visitors to its revamped arena and convention center in the fall of 2005. Serving the needs of meeting planners and citizens in Springfield and the Pioneer Valley of Western Massachusetts, the MassMutual Center's expanded facilities will enhance Springfield's ability to attract top-notch events.

The MCCA reached a new agreement with the Springfield Falcons American hockey League Team, whose home rink is the Springfield Civic Center. The five-year contract cements the partnership between the MCCA and the team. Improvements to the Center's arena and sports facilities will benefit the Falcons and the thousands of fans who attend home games.



economic impact

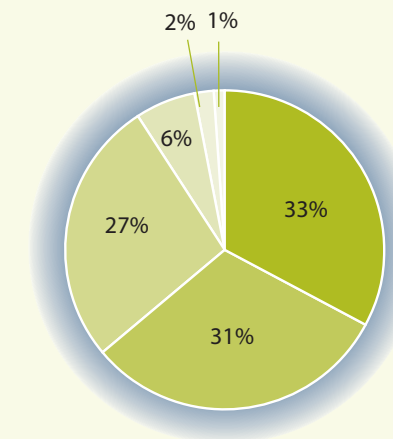


Top Twenty Events by Revenue and Economic Impact

	Total Revenue	Attendees	Room Nights	Direct Spending Impact	Direct Tax Benefit
The International Boston Seafood Show (H)	\$582,054	24,000	15,421	\$10,804,350	\$586,571
Yankee Dental Congress (H)	\$406,841	24,000	13,660	\$10,540,200	\$553,685
Northeast Food Service & Lodging Expo (H)	\$263,949	15,000	3,500	\$5,832,000	\$251,978
Int'l Sanitation & Heating – North America (B)	\$294,384	12,000	10,155	\$5,768,850	\$338,937
New England Grows (H)	\$178,230	13,000	3,385	\$5,107,150	\$224,948
Macworld Conference & Expo (B)	\$83,513	10,000	10,170	\$5,063,500	\$314,335
World of Science Fiction (H)	\$169,054	7,500	10,390	\$4,212,000	\$287,341
Vision New England (H)	\$117,267	10,000	3,335	\$4,038,250	\$186,691
American Assoc for the Study of Liver Disease (H)	\$270,867	5,000	13,500	\$3,794,000	\$314,318
National Catholic Education Association (H)	\$188,620	4,500	15,125	\$3,860,850	\$338,444
Infectious Disease Society of America (H)	\$271,830	5,000	9,814	\$3,241,100	\$245,481
Materials Research Society (H)	\$205,609	4,000	11,955	\$3,208,450	\$273,024
Primary Medicine (B)	\$454,433	6,000	4,620	\$2,815,800	\$160,925
Restoration & Renovation (H)	\$100,215	8,000	1,675	\$3,081,650	\$130,809
Association of American Medical Colleges (H)	\$187,178	4,000	10,505	\$2,990,950	\$245,945
National Community Pharmacists Association (H)	\$324,073	4,300	6,300	\$2,466,340	\$171,149
International Association of Fire Fighters (H)	\$289,279	2,500	10,350	\$2,437,000	\$224,389
American Society of Biochemistry/ Molecular Biology (H)	\$186,149	4,000	7,120	\$2,483,200	\$182,730
American Transplant Congress (H)	\$173,690	3,500	8,355	\$2,491,550	\$199,573
American College of Allergy, Asthma, & Immunology (H)	\$153,571	4,000	6,945	\$2,456,950	\$179,462

B = Boston Convention & Exhibition Center

H = John B. Hynes Veterans Memorial Convention Center



CY 2004 Direct Revenues and Hotel Tax Impact

- Hynes Convention Center
- Boston Common Garage
- Hotel Tax Impact
- Boston Convention & Exhibition Center
- MassMutual Center
- Main Office Interest

Combined Tables of Information

Book of Business, Event Type	# of Events	Attendees	Room Nights	Direct Spending Impact	Direct Tax Benefit
Trade shows and conventions	59	225,825	273,921	\$117,933,510	\$7,817,660
Corporate events	41	25,874	15,342	\$6,370,000	\$429,583
Public/consumer shows	15	116,200	0	\$0	\$0
Meetings and others**	69	115,225	0	\$0	\$0
Total	184	483,124	289,263	\$124,303,510	\$8,247,243

** Includes cultural events, luncheons, and dinners

Book of Business, Industry Type	# of Events	Attendees	Room Nights	Direct Spending Impact	Direct Tax Benefit
Medical	27	74,080	99,788	\$39,955,325	\$2,742,187
High-Tech	20	31,125	32,181	\$13,619,080	\$910,139
Education	10	28,340	40,000	\$14,066,640	\$1,030,655
Commercial	23	113,040	39,751	\$27,049,130	\$1,483,834
Finance, government and other**	104	236,539	77,543	\$29,613,335	\$2,080,429
Total	184	483,124	289,263	\$124,303,510	\$8,247,243

** Includes religious, military and other special interest groups

Note: Direct spending impact and direct tax benefits are currently a function of room nights.



financial overview

Actual Calendar Year 2004 Financial Results

\$ Thousands	CY2004
Boston Convention & Exhibition Center	\$1,866.4
John B. Hynes Convention Center	\$10,051.1
Boston Common Garage	\$9,221.7
Springfield Civic Center	\$452.6
Main Office Interest	\$294.2
Total Operating Revenue	\$19,725.4

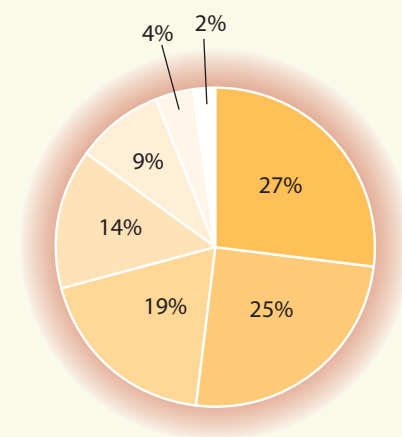
Contracted Services	\$8,900.4
Equipment & Maintenance	\$624.4
Office/ Admin/ Training	\$3,088.6
Salaries & Benefits	\$8,440.0
Utilities	\$4,785.0
Insurance	\$1,324.8
Sales and Marketing	\$6,325.5

Total Operating Expenses \$33,488.7

Total Operating Revenue	\$19,725.4
Total Operating Expenses	\$33,488.7

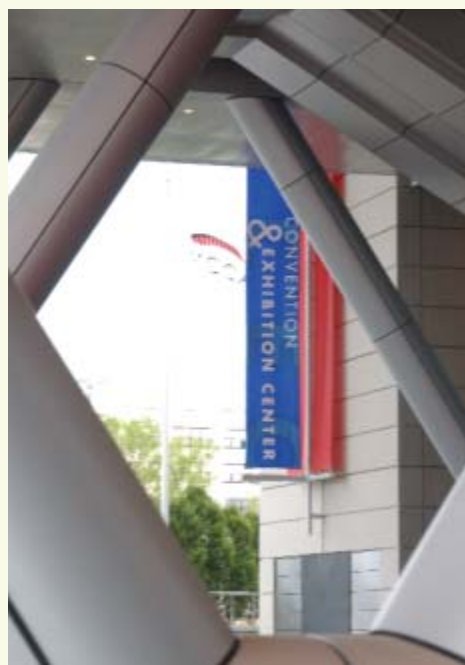
Net Effect for the MCCA (\$13,763.3)

Direct Spending Impact Generated \$124,303.5



2004 Direct Operating Expenses

- Contracted Services
- Salaries and Benefits
- Sales and Marketing
- Utilities
- Office, Administration, Training
- Insurance
- Equipment and Maintenance



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