

A young girl with dark hair is sitting inside a large, glowing blue ring. The ring is part of a series of similar rings of varying sizes, all illuminated with a bright blue light. The background is dark, suggesting an outdoor night event, with some blurred lights and structures visible. The overall mood is vibrant and futuristic.

# Forward Momentum

**ANNUAL REPORT 2014**

**MASSACHUSETTS  
CONVENTION CENTER  
AUTHORITY**

## WHAT'S NEXT

**\$570.2**

**Million**  
Economic impact

**98**

Future events  
booked

2014

**632**

**Thousand**  
Hotel room nights  
generated from MCCA  
events

2015

**4,700**

Construction jobs

2016

**\$1.85**

**Billion**  
Hotel room revenue  
projected for Boston in FY18

2018

**1.3**

**Million**  
Additional square feet  
with BCEC expansion

**2,000**

New hotel rooms  
in the South Boston  
Waterfront

2019

**THE MCCA'S MISSION** is to generate significant regional economic activity by attracting conventions, tradeshows and events to its world class facilities while maximizing the investment return for the residents and businesses in the Commonwealth of Massachusetts.

# Forward Momentum



Traditionally, an annual report is meant to review the highlights and accomplishments of the previous year. The Massachusetts Convention Center Authority has much to report for 2014: a record-breaking year for revenue generation, a record-breaking month for sales, a 10-year anniversary celebration for the Boston Convention & Exhibition Center (BCEC), the introduction of our new Signature Boston brand, and the passage of our BCEC expansion legislation allowing for a 1.3 million-square-foot addition to one of the most successful convention centers in North America.



As 2014 comes to a successful close, however, we are more focused than ever on the future of our organization, our industry and our commitments to the Commonwealth of Massachusetts. Now that a BCEC expansion is official, our thinking has expanded beyond a bigger building to creating unique and sustainable spaces that will exceed the changing demands of meeting planners over the next few decades. We are focused on technology, urban design and the hotel, transportation and parking infrastructures needed to support our facilities and the growing South Boston Waterfront. We plan to create jobs that will support all of Massachusetts' residents. And we're taking a new creative approach to the Hynes Convention Center that will keep that prized facility on the meetings map in the future.

The MCCA is a future-driven organization. Our enterprising approach to delivering world-class facilities and events has helped us contribute more than \$5.3 billion in economic impact to Massachusetts in just 10 years. In this Annual Report, we reflect on one of our most successful years. More importantly, we invite you to learn more about how we're using that success to propel our organization confidently into the future.

James E. Rooney  
Executive Director, MCCA

Michelle A. Shell  
Board Chair





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## FY 2014 BUSINESS FACTS

**\$53**  
Million  
Record-breaking  
revenue generation

**\$14**  
Million  
A new revenue record  
for the Hynes

**\$570**  
Million  
Economic impact  
generated by BCEC  
and Hynes events

**472**  
Thousand  
Hotel room nights  
booked

**841**  
Thousand  
Attendees hosted at  
the BCEC and Hynes

**255**  
Events hosted at the  
BCEC and Hynes



*PAX East, the world-renowned video game convention, is one of the 255 events that helped us achieve record revenues this year.*

# Record-Breaking Revenue

**For the last five years, we have been working hard to drive our Top 5 campaign forward and plan for a BCEC expansion.** Throughout this effort, we've also continued to play to our strengths: executing flawless events and maintaining Boston's reputation as the best place to hold a meeting and convention. Along with our strong event performance, the recently created Strategy & Product Development department has also been very effective, finding sources of revenue outside of our traditional convention sources. At the end of FY 2014, our efforts are paying off in big ways.

For starters, in 2014 the MCCA generated \$53.4 million, the highest yearly earnings in our history. The Hynes Convention Center was a major driver of this milestone, generating a record-breaking \$13.5 million in operating revenues – an almost nine percent increase from FY 2013. The Hynes continues to be a highly desirable meetings venue for planners, especially for events in the medical/life sciences, technology and education industries. In fact, for the last five years, events that fall into these categories make up nearly 45% of the Hynes' annual business and account for \$450 million in annual economic impact.

While we continue to attract major meetings and conventions, we also continue to think creatively about growing our business by establishing partnerships – both within the industry and outside of it – that benefit our customers and add to our revenue-generating strategy. In October, we announced two new partnerships that allow us to offer meeting planners in-house registration and digital event services such as live-streaming and video production. These services allow us to better serve clients and create another potential long-term revenue source for the MCCA.



## 2014 SALES FACTS

**38**

Future events booked in June 2014 (a record-breaking sales month!)

**473**

Thousand room nights those 38 events will bring to Boston

**98**

Total future events booked in 2014

**61**

Future city wide events booked in 2014

**2032**

The American Association of Neurological Surgeons booked Boston 18 years from now!

**14**

Years PAX East has extended their contract, keeping them in Boston through 2028

**9**

international events booked in 2014

**40%**

Percentage of international attendees expected at the Harley-Davidson Dealer Meeting in August 2016

# Setting New Sales Records

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**In June, our Sales Team marked the best sales month in MCCA history.** With 38 contracts signed for future events, the team shattered their previous record of 30 events booked, which dates back to December 2005. The events booked in June should generate 472,787 hotel room nights in Boston, breaking the previous record by 8.5 percent. That's what we call a good showing.

As impressive as their work was in June, this achievement is but a chapter in our FY2014 success story. We posted big sales numbers this year, booking 98 future events at the BCEC and Hynes, 61 of which are citywide conventions that involve more than 1,000 room nights. We have now booked events as far out as 2032, which should generate 798,000 hotel room nights for the city. And that's just "booked" events – meaning that

the MCCA and at least one hotel have signed contracts and deposits. We also have 12 events at the "contingency contract" stage, ready to book Boston – and generate an additional estimated 328,747 hotel room nights – with the completion of the BCEC expansion and/or additional hotel development.

The credit for this success can be attributed to our powerhouse sales team at the Boston Convention Marketing Center and our reputation for delivering the exceptional customer service that has put Boston in high demand among meeting planners. But we're also creating a real buzz in the industry with the official signing into law of the BCEC's 1.3 million-square-foot expansion and the construction of a headquarters hotel and two mid-priced hotels in the South Boston Waterfront. These incredible sales numbers highlight our ability to attract both major international events and events that reflect the Commonwealth's prowess in knowledge-based industries such as life sciences, technology, and finance. The city has officially arrived as a premiere meetings and conventions destination. As we continue to grow and innovate, we look forward to many more record-breaking years.





## 2014 LAWN ON D FACTS

41

Public events hosted

30+

Thousand  
Community members  
who attended Lawn on  
D events

10

Different local food  
trucks at Hubspot's  
Lunch on the Lawn  
on D

500+

Instagrams of Boston  
residents enjoying the  
Lawn on D Swing Time  
exhibit

20

LED-lit swings as part  
of Höweler + Yoon's  
Swing Time exhibit for  
adults and kids

5,000

Fans of the @LawnonD  
on Facebook, Twitter, &  
Instagram in just three  
months!

100+

Local musicians who  
played under the tent or  
on the big stage

27

Local artists  
contributed to the  
interactive artwork  
on the Lawn on D

# Creating an Outdoor Destination

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**In August, we officially opened the Lawn on D, an experimental 2.7-acre open-air event space at the BCEC,** built on what used to be an underused gravel lot. With programming that includes music and performances, amenities such as food trucks, lawn games, and lounge chairs, and decked out in interactive art (including Höweler + Yoon's now-famous LED-lit adult swing set), the Lawn has attracted local and national attention, and become an overnight sensation in Boston.

The Lawn on D is an 18-month experiment in building, running, and programming an outdoor space. Our goal is to develop the knowledge and expertise to build a successful permanent space with the BCEC expansion. The current space

was designed to serve as an outdoor venue for our clients at the convention center, for local organizations looking for an innovative place to host gatherings, and for place-making events that help put the South Boston Waterfront on the map. In just three months, we hosted more than 47 fantastic events in all, ranging from a lunchtime, food-truck-catered picnic during Hubspot's 12,000-attendee INBOUND event at the BCEC; to a Kids Really Rock festival that attracted more than 2,000 members of the community; to a casual football Sunday gathering with 800 of Boston's biggest New England Patriots fans. These events were so successful that the Lawn on D was named a finalist in BostInno's "50 on Fire Awards" in the arts and entertainment category.

Looking forward, projects like the Lawn on D will help us meet the changing needs of both our growing neighborhood and of our clients and their attendees. These innovative spaces offer flexible and unique venues that can be fully programmed – or just opened up for networking, relaxation, or time spent with friends. A permanent outdoor space is an integral part of our plan to grow not just larger but smarter, affirming our role as an industry leader and a good neighbor in the South Boston Waterfront.



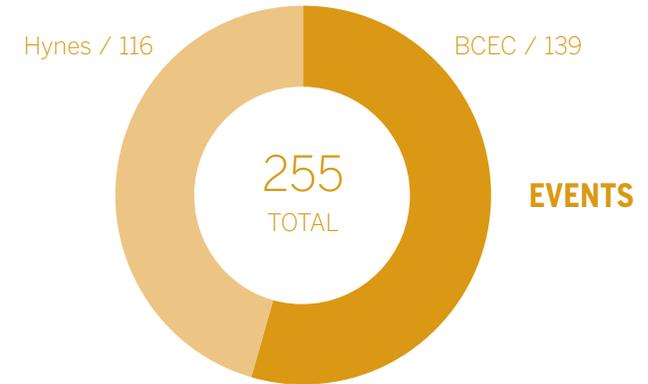
*Local artist Brian Kane brought humor to his art and to the Lawn on D with his giant OMG inflatable, perfect for photo opps (particularly selfies).*

# Event and Financial Reports

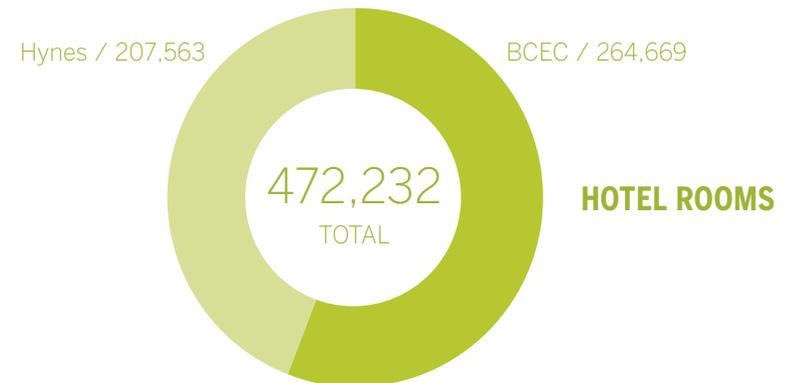
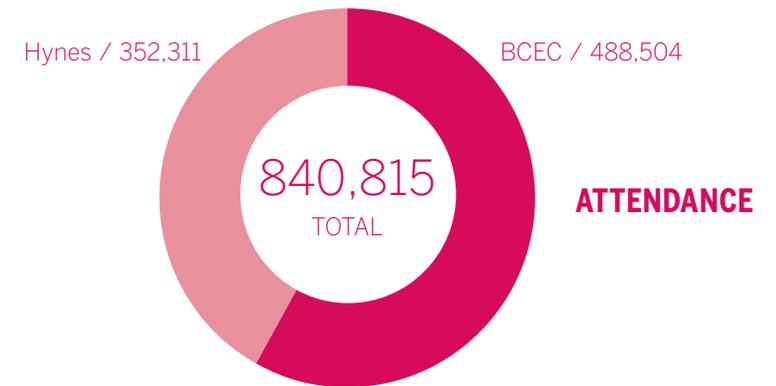
FOR THE FISCAL YEARS ENDED  
JUNE 30, 2014 AND 2013

## FY14 EVENT DATA

**\$348**  
Million  
Total Direct Spending



**\$570**  
Million  
Economic Impact  
in Massachusetts



## Statements of Net Position

<b>ASSETS</b>		
	<b>2014</b>	<b>2013</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 21,779,248	\$ 22,160,155
Restricted cash and cash equivalents	1,033,271	1,150,000
Cash held by Commonwealth for environmental remediation	6,496,203	6,496,203
Receivables, net of allowance for uncollectible amounts:		
Grants receivable from the Commonwealth	14,916,846	12,239,241
Convention receivables	2,056,788	3,572,500
Loans	317,795	303,837
Restricted grants receivable from the Commonwealth	-	20,000,000
Prepaid expenses	1,943,703	1,654,734
<b>Total current assets</b>	<b>48,543,854</b>	<b>67,576,670</b>
<b>NONCURRENT ASSETS</b>		
Loan Receivables, net of allowance for uncollectible amounts:	17,094,769	17,412,565
Capital assets not being depreciated	189,082,482	181,132,019
Capital assets, net of accumulated depreciation	634,885,835	640,945,162
<b>Total noncurrent assets</b>	<b>841,063,086</b>	<b>839,489,746</b>
<b>Total assets</b>	<b>889,606,940</b>	<b>907,066,416</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	13,689,875	12,230,408
Unearned revenue	10,858,108	10,347,474
Accrued compensated absences	1,186,544	1,059,697
<b>Total current liabilities</b>	<b>25,734,527</b>	<b>23,637,579</b>
<b>NONCURRENT LIABILITIES</b>		
Environmental remediation	6,178,719	6,204,618
Accrued compensated absences	1,350,324	1,251,318
Net OPEB obligation	6,112,587	4,738,782
Total noncurrent liabilities	13,641,630	12,194,718
Total liabilities	39,376,157	35,832,297
<b>NET POSITION</b>		
Net investment in capital assets	823,968,317	822,077,181
Restricted for:		
Other	1,033,271	21,150,000
Unrestricted	25,229,195	28,006,938
<b>Total net position</b>	<b>\$ 850,230,783</b>	<b>\$ 871,234,119</b>

## Statements of Operational Revenues, Expenses and Convention Center Fund Contributions

	<b>2014</b>	<b>2013</b>
<b>OPERATING REVENUES</b>		
Convention services income	\$ 16,306,749	\$ 16,538,979
Convention rental income	14,866,753	14,377,417
Food and beverage	6,675,610	6,496,453
Parking fees	11,612,541	11,142,882
Commercial revenue	2,058,029	1,440,388
Principal and interest repayments on loans receivable	1,100,106	1,080,473
Other	804,643	1,001,700
<b>Total operating revenues</b>	<b>53,424,431</b>	<b>52,078,292</b>
<b>OPERATING EXPENSES</b>		
Salaries and benefits - operating	21,485,114	21,153,312
Salaries and benefits - administrative	7,406,445	5,869,703
Other operating expenses	15,335,734	16,297,303
Contracted services	20,257,181	19,802,716
Utilities	9,246,998	8,981,133
<b>Total operating expenses*</b>	<b>73,731,472</b>	<b>72,104,167</b>
<b>ANNUAL OPERATING REIMBURSEMENT FROM CONVENTION CENTER FUND:</b>	<b>20,307,041</b>	<b>20,025,875</b>

\*Excludes depreciation expense, net OPEB costs calculated in accordance with GAAP, pass-through expenses to other governmental agencies, and expenses from reserves for nonoperating purposes.

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**Massachusetts Convention Center Authority**  
415 Summer Street, Boston, Massachusetts 02210  
t 617.954.2000 f 617.954.2299  
massconvention.com

f /MassConvention

@MassConvention

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