

MINUTES OF THE MEETING
of the
MASSACHUSETTS CONVENTION CENTER AUTHORITY
June 14, 2016

A meeting of the Massachusetts Convention Center Authority was held on June 14, 2016 in Meeting Room 256 at the Boston Convention & Exhibition Center, 415 Summer Street, Boston, Massachusetts 02210. Members in attendance were: Chairman John McDonnell, Secretary of Administration and Finance, Kristen Lepore, Barbara Capuano, Andrew Crane, Jack Hart, Amy Latimer, Paul Sacco, Collector-Treasurer of the City of Boston, David Sweeney, Fred Wittmann, Michelle Consalvo and Cindy Brown. Board Member Gregg Lisciotti participated remotely by telephone.

Staff members in attendance were: David Gibbons, Fred Peterson, Michael Esmond, Nate Little, Jack Haley, Steve Snyder, David Hanssen, Milt Herbert, Maureen Shea Baker, Devin Taylor and Dennis Callahan.

I. ROLL CALL

Chair McDonnell called the meeting to order at 3:00 p.m., and a quorum was established by a call of the roll.

II. MINUTES

Upon a motion duly made and seconded, the minutes of the May 19, 2016 meeting were approved.

III. EXECUTIVE DIRECTOR'S REPORT

1. David Gibbons reported that last month was the Lawn on D's official opening weekend. Programing consisted of a children's festival, children's educational events, live music, and a movie night. Attendance was well received and the Lawn on D has continued to host fun and exciting events each weekend since.
2. David Gibbons reported that a new relationship was recently established with the Boston Herald, whose team has made the Lawn on D their new home for Boston Herald Radio on Fridays. I was able to jump on the air along with Congressman Lynch during one of the first Herald broadcasts and was followed a week later by Curt Schilling and Former Boston Mayor Ray Flynn. Just as this relationship suggests, much buzz has been generated around the Lawn on D already and we are excited to build on a great start to the season.
3. David Gibbons stated that he was pleased to share that the Authority hosted the 18th round of our "Art on the Marquee" program at the BCEC a couple weeks ago. This round of art, now part of the rotation of media on our Marquee, was produced by five teams of female artists; each composed of one traditional artist and one digital artist. The Authority was also honored to

have the City of Boston's Director of Arts & Culture, Julie Burros, attend the Art on the Marquee reception and complemented our work and the Authority's support and appreciation of the arts.

4. David Gibbons reported that the BCEC was recently awarded LEED Silver by the U.S Green Building Council. The Leadership in Energy and Environmental Design ("LEED") rating system is an internationally adopted and universally recognized system that has truly set the standard in development and building operations. While large structures, primarily used as gathering facilities, are traditionally environmentally unfriendly, the BCEC's resource consumption, waste management, and operational efficiency produce a footprint deserving of a Silver rating in the LEED Existing Building v2009 rating system. This rating exemplifies the MCCA's commitment to the environment and sustainability and the LEED Certification confirms our role as an industry leader.

5. David Gibbons stated our team in Springfield has been celebrating a recent contract with the NHL's Florida Panthers. The MassMutual Center will now be the official home of the Panthers' AHL affiliate, which will get its new name next week at a press conference at the MassMutual Center. This is great news after a fairly recent and sudden conclusion of our long relationship with the AHL's Springfield Falcons. Our team has been on the ground in Springfield every step of the way during the successful effort to bring a new team to the city and has built a strong relationship with the new local ownership group, Springfield Hockey, LLC.

6. On June 3 we held interviews with MGM/Spectra and Centerplate related to the Request for Proposals for operations management/food and beverage at the MassMutual Center. The team was led by Dennis Callahan and our interview committee included Fred Peterson, Maureen Shea Baker, Mike Esmond and Jack Haley. We are on schedule to select a vendor next month.

IV. REPORT OF THE ADMINISTRATION, FINANCE & PERSONNEL COMMITTEE

1. Board Vote - Fiscal Year 2017 Budget

Secretary Kristen Lepore, Chair of the Administration, Finance & Personnel Committee, reported that the committee had met and recommends approval of the following votes before you today. Ms. Lepore introduced Michael Esmond who presented the Authority's FY 2017 Budget. Mr. Esmond reported that the Board today would receive the second and final presentation on the budget, a copy of which is filed with these minutes.

Upon motion duly made and seconded the Board voted unanimously as follows:

VOTED: The Massachusetts Convention Center Authority hereby adopts and approves the operating budget for Fiscal Year 2017 considered this day, providing for operating expenses in the amount of \$79,459,229, and anticipating income of \$63,028,629, and authorizes the expenditure of operating revenues in addition to said amount as received against operating expenses as they become due, provided that said revenues remain in excess of said expenditures, and the transfer of amounts among accounts established thereunder.

VOTED: The Massachusetts Convention Center Authority hereby adopts and approves the capital budget for Fiscal Year 2017 considered this day, providing for capital expenses in the amount of \$36,055,920, and authorizes the transfer of amounts among accounts within the category of Annual Capital Projects established thereunder.

Secretary Kristen Lepore acknowledged and thanked Michael Esmond and the Authority's finance team, as well as the AFP Committee members for their time and effort in preparing the FY2017 Budget and presentations.

2. Board Vote – ShowBiz Release 7 Enhancements and MoCCA Release 2 Enhancements

Secretary Lepore introduced Steve Snyder and David Hanssen who presented the following vote:

On June 29, 2007 the MCCA issued a Request for Proposals ("RFP") for a Custom Enterprise Event System: Solution Definition and Architectural Blueprint. Responses to the RFP were received and the Authority's Selection Committee, after deliberation concluded that the proposal submitted by Optaros, Inc. provided the best plan for setting out an approach to providing the solution, exhibited the most relevant experience, and proposed reasonable costs. Working with the Authority through June of 2013, Optaros delivered six versions of ShowBiz and one version of the mobile platform MoCCA.

In order to improve service delivery and save money, in FY 2014 the Authority issued an RFP for a public procurement to replace Optaros, Inc., and put capital investment on hold pending the completion of the procurement. A firm named Santex, Inc. submitted a proposal, through the selection process was awarded the contract, and began maintenance work that same year. Based on their performance in FY 2014 and 2015, the board voted to extend their contract to include capital investment through FY 2016.

The Authority is requesting \$500,000 for FY 2017 to continue work on features that were under development in FY 2016.

- Extension of Electrical Service Order Delivery
- Completion of Structured General Notes

- Completion of CRM to ShowBiz Integration
- Update ShowBiz to achieve Payment Card Industry (PCI) Compliance

The proposal was reviewed by the Board's Administration, Finance and Personnel Committee, which voted to recommend that the Board approve the selection.

Upon motion duly made and seconded the Board voted unanimously as follows:

VOTED: That the Massachusetts Convention Center Authority hereby authorizes the Executive Director to negotiate and enter into an amendment to the contract for consultant services in connection with Showbiz Release 7 enhancements and MoCCA Release 2 enhancements on behalf of the Authority with Santex, Inc., in an amount not to exceed \$500,000.

Board Members Sacco and Brown recused themselves and left the Board meeting.

3. Board Vote-Greater Boston Convention and Visitors Bureau Marketing Services Agreement

The Authority is desirous of contracting for the services of the Greater Boston Convention and Visitors Bureau ("GBCVB") to assist in the marketing and selling of space in the Boston Convention & Exhibition Center and the John B. Hynes Veterans Memorial Convention Center through the Boston Convention Marketing Center. The Authority also wishes the GBCVB to provide a Convention Services Program and a Destination Marketing Program. Under this Agreement, the GBCVB's Boston Convention Marketing Center's marketing efforts will be measured against certain agreed upon performance goals relating to the booking of bulls eye and non bulls eye events and the achievement of certain hotel room night levels. Under the Convention Services component, the Bureau will provide services to the Authority's customers to facilitate successful well-planned events and to ensure a first rate customer experience. In the Destination Marketing area, the GBCVB will contribute to the effort to market Boston as an outstanding destination for tourists so that convention and show attendees will stay longer in the area.

The Agreement will be in effect for fiscal year 2017, contains a thirty-day cancellation provision, and is for an amount not to exceed \$7,280,912.

A vote to authorize this action would take the following form:

VOTE: The Massachusetts Convention Center Authority authorizes the Executive Director to execute an Agreement with the Greater Boston Convention and Visitors Bureau for Marketing Services for Fiscal Year 2017 in an amount not to exceed \$7,280,912.

Michael Esmond introduced the following vote:

The Authority is desirous of contracting for the services of the Greater Boston Convention and Visitors Bureau ("GBCVB") to assist in the marketing and selling of space in the Boston Convention & Exhibition Center and the John B. Hynes Veterans Memorial Convention Center through the Boston Convention Marketing Center. The Authority also wishes the GBCVB to provide a Convention Services Program and a Destination Marketing Program. Under this Agreement, the GBCVB's Boston Convention Marketing Center's marketing efforts will be measured against certain agreed upon performance goals relating to the booking of bulls eye and non bulls eye events and the achievement of certain hotel room night levels. Under the Convention Services component, the Bureau will provide services to the Authority's customers to facilitate successful well-planned events and to ensure a first rate customer experience. In the Destination Marketing area, the GBCVB will contribute to the effort to market Boston as an outstanding destination for tourists so that convention and show attendees will stay longer in the area.

The Agreement will be in effect for fiscal year 2017, contains a thirty-day cancellation provision, and is for an amount not to exceed \$7,280,912.

Upon motion duly made and seconded the Board voted unanimously as follows:

VOTED: The Massachusetts Convention Center Authority authorizes the Executive Director to execute an Agreement with the Greater Boston Convention and Visitors Bureau for Marketing Services for Fiscal Year 2017 in an amount not to exceed \$7,280,912.

V. REPORT OF THE EXECUTIVE COMMITTEE

1. Board Vote-MassDOT Term Sheet

John McDonnell, Chairman of the Executive Committee, reported that the committee had met and recommended approval of the following vote before you today. Mr. McDonnell introduced Michael Esmond to make a presentations on the vote as follows:

In July 2014, the Massachusetts Convention Center Authority voted to approve the executive director to enter into an agreement with Massachusetts Department of Transportation ("MassDOT") in connection with: (a) the relocation and demolition of two existing MassDOT facilities, a Maintenance Facility and a Test Laboratory, currently located on land within the footprint of the Boston Convention & Exhibition Center ("BCEC"); and (b) the transfer and acquisition by the Authority of interests in real property owned by MassDOT proximate to the BCEC; and (c) the reimbursement of certain costs associated with the design and construction of a new rail station adjacent to the BCEC in order to enhance public transportation service from Back Bay station to the BCEC and the South Boston Seaport, for a total amount not-to-exceed of 50,000,000.

That vote was consistent with Chapter 195 of the Acts of 2014 and to assist MassDOT with transportation-related initiatives. To effectuate this deal the Authority and MassDOT executed a Term Sheet, a Purchase and Sales Agreement and a draft Relocation Agreement. MassDOT has since moved forward with procuring and construction of a MassDOT Testing Lab in Hopkinton MA and that facility is almost complete.

Since that time the Authority and MassDOT have had further discussions about entering into a revised Term Sheet, Purchase and Sales Agreement and Relocation Agreement with respect to the reimbursement of such costs for the new Testing Lab and the transfer of certain MassDOT property adjacent to the BCEC at a not to exceed price of \$21,000,000.

The Authority has agreed to pay or reimburse MassDOT a total, not-to-exceed amount of \$21 million towards the Testing Lab relocation costs and the transfer of certain MassDOT property rights adjacent to the BCEC. The allocations of such funds will be dispersed upon executing revised Term Sheets, Purchase and Sale Agreements and Relocation Agreements. Funding will be drawn from the Convention Center Fund.

Upon a motion duly made and seconded the committee voted unanimously as follows:

VOTED: The Executive Committee of the Massachusetts Convention Center Authority recommends that the full Board adopt the following vote:

VOTED: That the Executive Director be authorized to enter into agreements with the Massachusetts Department of Transportation ("MassDOT") in connection with: (a) the relocation and demolition of the MassDOT Test Laboratory, currently located on land within the footprint of the Boston Convention & Exhibition Center ("BCEC"); and (b) the acquisition by the Authority of interests in real property owned by MassDOT proximate to the BCEC for a total amount not-to-exceed \$21,000,000, and to authorize the Executive Director to execute a Term Sheet, Purchase and Sale Agreement, a Relocation Agreement and any other agreements or documents necessary or convenient to effectuate such transactions.

2. Report of Sales and Marketing.

The Chair introduced Milt Herbert who gave a brief update on May 2016 Sales. Mr. Herbert reported that 6 long term events have closed in May with 5 being bulls eye events. The total room nights are 40,337 for May. During the period of July 2015 through May 2016 the Authority has closed thirty-one bulls eye events and twenty-one non-bulls eye events for a total of fifty-two events. In total during this time frame this amounts to 393,992 room nights. May 2016 short term sales are 36 totals amounting for 3,375 hotel room nights. Short term sales for July 2015 to May 2016 are 170. This amounts to 21,362 hotel room nights. Mr. Herbert reported that Lawn on D events are at 45 definite events. Mr. Herbert also presented information on definite events and room nights from 2005 – 2015 for Long Term Sales at the BCEC and Hynes. BCEC Events total 285, with 3,340,363 hotel nights. Hynes Events total 414 events and 2,345,725 room nights respectfully. Combined totals are 699 events and 5,686,088 hotel room nights. Mr. Herbert also provided future projects for the time period of 2016 – 2032 for the BCEC and Hynes as well as hotel room nights for this period. Lastly, Mr. Herbert presented a briefing on the important factors that show manager, exhibitors and attendees choose to select Boston.

3. Hotel Study Presentation

John McDonnell, Chairman of the Executive Committee introduced David Gibbons to present the recent Hotel Study. Mr. Gibbons presented a Hotel Study entitled “Strategic Opportunities – BCEC/Hynes to the Board. Mr. Gibbons reported that the presentation was prepared by the Authority’s hotel consultant CHMWarnick (attached hereto). Mr. Gibbon’s presentation touched on the following key findings: future booking pace for Boston is declining from 2018 through 2021 (between 6% to 41%) due to a number of factors including: the difficulty of assembling hotel room blocks, high hotel rates, transportation costs, and future year pricing escalators. The BCEC ranks last amongst key competitive cities for the number of rooms within walking distance to the BCEC. Less than 15% of Boston’s total hotel rooms are committable within 1 mile of the BCEC, compared to almost 40% in Washington, DC, a key competitive city. Only 60% of Waterfront District hotel rooms contributed to BCEC room blocks. While room supply within immediate proximity to the BCEC has increased by 510 rooms over the past five years, committable room blocks have only increased by 50 rooms. Committable room blocks across the entire city are shrinking from almost 8,000 rooms in 2011 to only 5,655 rooms in 201. Room rates in the city are averaging \$270 in 2016, and hotels are yielding inventory to achieve the highest profit. As a result, the BCEC is losing convention business to other cities with more competitive pricing. Boston has historically achieved occupancy levels well above the national average. Occupancy levels above 75% indicate a market would benefit from new supply. There is significant reliance on inventory outside of the Waterfront District to accommodate BCEC Groups, one third of which comes from three Back Bay hotels. When the BCEC is committed to events requiring 3,000 room nights or more on peak, it causes Hynes to be unable to fully utilize its facility. The Hynes only reached the “efficient” utilization range in three months in 2015. From 2012 through 2016, there is \$163 million in unrealized economic impact because of events displaced from the Hynes due to lack of hotel rooms in the Waterfront. Meeting planners report that transportation is the number one influential issue when planning events. Attendees staying at Back Bay hotels for BCEC events waste up to two hours per day on transportation to and from the BCEC. On average, meeting

planners only budget \$12,000 for Ground Transportation per event. In Boston, planners must spend an estimated \$350,000 to \$450,000 to transport attendees to and from area hotels.

In closing, Mr. Gibbons stated that a strategy must be put in place as soon as possible to address the lack of hotel rooms in the Waterfront District.

VI. OLD BUSINESS

1. South Lot Remediation. Jack Haley gave the Board a brief update on the BCEC South Lot Remediation Project, reporting that staff had met with MassDEP regulators to review goals and objectives and that the project is on track for a August 2017 completion date.

2. Waterfront Transportation. Fred Peterson gave a brief update on the status of contracts, including upcoming meetings with various waterfront companies. Mr. Peterson also reported that the Authority has been actively working with the City of Boston, Boston Redevelopment Authority, MassDEP and MassDOT on a waterfront shuttle between Lovejoy Wharf at North Station and the waterfront and that the Authority has received a \$30,000 grant to fund a study.


VII. NEW BUSINESS

There was no new business.

VIII. ADJOURNMENT

Upon a motion duly made and seconded the meeting was adjourned at 5:10 p.m.

ATTEST:


Dennis Callahan
General Counsel

June 24, 2016



FY 2017 Operating and Capital Budgets

June 14, 2016

**MASSACHUSETTS
CONVENTION CENTER
AUTHORITY**

Signature
BOSTON

BOARD OF DIRECTORS

John McDonnell, Chair of the Board

Managing Director International, Fifth Generation, Inc.

Cindy Brown

General Manager and CEO, Boston Duck Tours

Barbara T. Capuano, CPA

Raphael and Raphael LLP

Michelle Consalvo

State Government Affairs, Northeast, Patient and Innovation Policy, Shire

Andrew Crane

President/Owner, A. Crane Construction Co.

Jack Hart, Esq.

Partner, Nelson Mullins Riley & Scarborough LLP

Karen Diane Johnson

Managing Director, The Debt Exchange

Amy Latimer

President, TD Garden

Kristen Lepore

Secretary, Executive Office for Administration and Finance

Gregg Lisciotti

President, Lisciotti Development Corp

Paul J. Sacco

President and CEO, Massachusetts Lodging Association

David Sweeney

Chief Financial Officer & Collector-Treasurer, City of Boston

Frederic E. Wittmann

Senior Managing Director, HFF

David Gibbons, Executive Director

Michael B. Esmond, Chief Financial Officer

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LETTER FROM THE EXECUTIVE DIRECTOR

Dear MCCA Board Members:

Following this letter please find a brief summary and related reports for the MCCA's Fiscal Year 2017 (FY17) operating and capital budgets. Within these pages are highlighted budget items, including projections and trends for MCCA operating revenue and expenses and capital investments we are making in FY17. I am pleased to say FY17 portends another strong financial year at the MCCA.

During FY17 the Authority's Boston facilities will be home to more than 230 shows. These events are currently projected to generate 600,000 hotel room nights, 780,000 attendees, \$765 million in economic impact and roughly \$40 million in state and local taxes. Additionally, the MassMutual Center in Springfield will hold 125 convention events as well as 130 arena events. Finally, we will park over 400,000 cars at the Boston Common Garage in the upcoming year.

I am also proud to report that FY17 marks the first full fiscal year where the operations of the MCCA's unique venue, the Lawn on D, will be reflected as a stand-alone business segment of the Authority. In the enclosed report you will see the Lawn's revenue and expenses now tracked distinctly as its own cost center, allowing the Authority to monitor its progress in improving the financial performance of the space.

The FY17 operating and capital budgets are thoughtful and responsible financial blueprints to support core MCCA activities and investments. In FY17, our operating expenses total \$79.5 million, supported by a combination of \$63 million of MCCA-generated operating revenues and estimated Convention Center Fund revenues of \$16.1 million. This estimate reflects forecasted show revenues, commercial income receipts, and parking revenue at the Boston Common Garage. The FY17 expenditures also include increased expenses in contracted maintenance costs, facility energy budgets and event support services, such as cleaning and contracted security. These are offset from savings in our payroll and benefits budget, which is projected to decrease by 3 percent from FY16 levels. The FY17 capital budget totals \$36 million and funds roughly 90 ongoing and new projects across all four of the MCCA's facilities. These projects range from small to large, one-time and multi-year in length. An extensive summary is provided on the following pages.

First and foremost, the MCCA maintains its focus on delivering remarkable experiences for all customers visiting our facilities—clients, show exhibitors and event attendees. Whether at the Signature Boston-branded centers or the MassMutual Center in Springfield, the MCCA executes events with a focus on excellence in customer service and hospitality. In addition to training for all MCCA employees, the MCCA has successfully oriented all of our key vendors to the Signature Boston vision and service standards. We continue efforts to enhance employee onboarding and orientation standards while stressing each employee's individual role to ensure a successful event for every show customer and exhibitor.

In FY17, the MCCA will mark further successes in maintaining its industry leadership in technology-based solutions for its customers, vendors and employees. The Boston Convention & Exhibition Center and the Hynes Convention Center now feature industry-leading expanded Wi-Fi capabilities to support the growing demand from our customers.

We have been successful in diversifying our revenue streams, with 5% of our forecasted FY17 revenues generated from real-estate agreements with Hynes restaurant tenants, BCEC hotel tenants and their retail spaces, and South Boston waterfront transportation. These efforts help to maximize revenues in areas not traditionally or uniformly pursued by other convention center peers.

I thank you for your work to support the MCCA team and our important work.

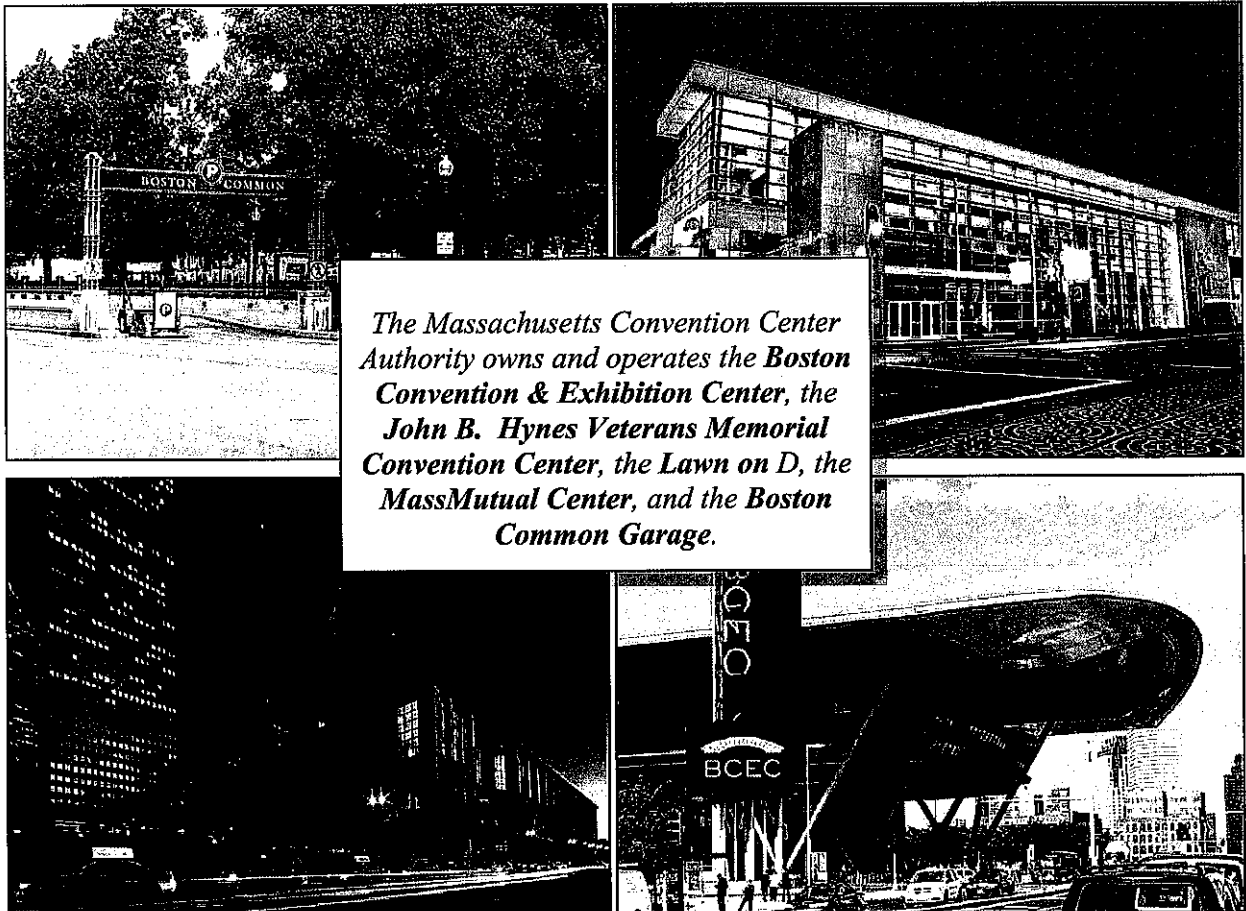
Sincerely,

David Gibbons, Executive Director

FISCAL YEAR 2017 AT A GLANCE

| FY 2017 Operating Revenues, Expenses and Net Cost of Operations | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|------------------|-------|--------------|
| | FY 2015 | FY 2016 | FY 2016 | FY 2017 | FY 2017 % Change | | |
| | Actual | Budget | Projected | Proposed | Vs FY16 | Bdgt. | Vs. 16 Proj. |
| Revenues: | | | | | | | |
| BCEC | \$ 33,707,067 | \$ 26,462,284 | \$ 35,475,617 | \$ 30,376,405 | 15% | | -14% |
| Hynes | 15,916,277 | 11,748,662 | 12,120,187 | 14,083,383 | 20% | | 16% |
| Lawn on D | - | - | 285,258 | 937,000 | n/a | | 228% |
| BCG | 12,869,592 | 12,924,395 | 12,854,808 | 13,118,414 | 2% | | 2% |
| MMC | 3,211,272 | 3,602,386 | 3,489,324 | 3,766,233 | 5% | | 8% |
| Other | 779,861 | 762,465 | 763,501 | 747,194 | -2% | | -2% |
| Total | \$ 66,484,070 | \$ 55,500,192 | \$ 64,988,695 | \$ 63,028,629 | 14% | | -3% |
| Expenses: | | | | | | | |
| BCEC | 36,500,163 | 32,194,439 | 33,712,042 | 32,705,718 | 2% | | -3% |
| Hynes | 15,560,495 | 15,263,788 | 15,290,301 | 15,788,327 | 3% | | 3% |
| Lawn on D | - | - | 915,499 | 1,253,650 | n/a | | 37% |
| BCG | 2,640,823 | 2,852,083 | 2,787,513 | 2,822,903 | -1% | | 1% |
| MMC | 7,643,147 | 8,124,419 | 7,397,402 | 7,935,597 | -2% | | 7% |
| Sales/Marketing | 7,975,751 | 7,933,136 | 7,616,276 | 7,874,691 | -1% | | 3% |
| Central/Admin | 11,713,940 | 12,147,381 | 11,061,119 | 11,078,342 | -9% | | 0% |
| Total | \$ 82,034,319 | \$ 78,515,245 | \$ 78,780,152 | \$ 79,459,229 | 1% | | 1% |
| Net Cost of Operations: | \$ 15,550,249 | \$ 23,015,053 | \$ 13,791,457 | \$ 16,430,599 | -29% | | 19% |
| Coverage Ratio | 81.0% | 70.7% | 82.5% | 79.3% | 12.2% | | -3.8% |
| Cash Draw from CCF*: | \$ 15,232,453 | \$ 22,682,658 | \$ 13,459,062 | \$ 16,082,934 | -29% | | 19% |

*Net of principal repayment by Boston Tea Party Museum and Ships



BUDGET SUMMARY

Combined, our FY 2017 (FY17) Operating and Capital budgets total \$115.5 million. Our operating budget revenues total \$63 million and expenses are \$79.5 million, with the net operating draws from the Convention Center Fund of \$16.1 million. This compares to the \$26 million annual statutory cap for Convention Center Fund (CCF) contributions for this purpose. The FY17 Capital budget totals \$36.1 million, compared to \$24.8 million projected for FY16 spending. Including both net operating costs and capital expenses, the total MCCA funding requirement from the CCF will total \$52.1 million next year, compared to the projected \$38.2 million in FY16.

Operating Revenues

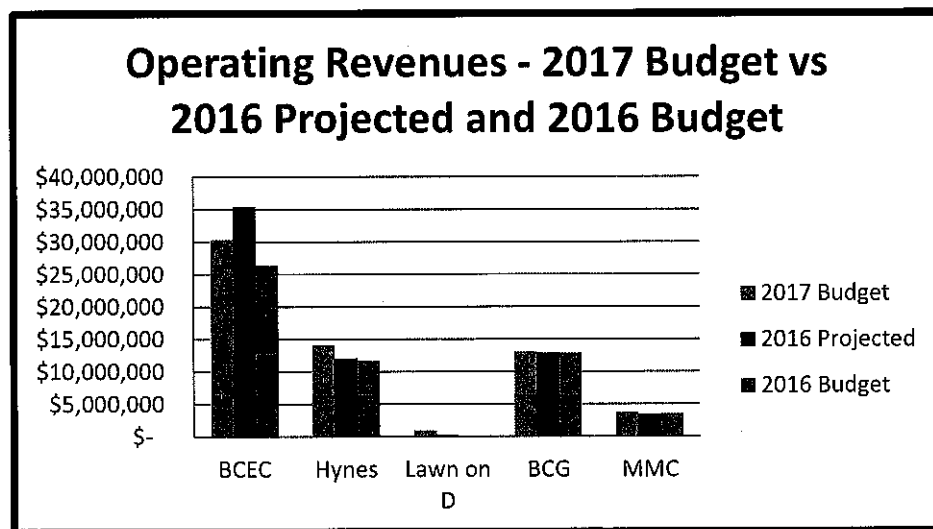
FY2017 Budgeted Revenues

Total budgeted revenues in FY17 equal \$63.0 million, a 3 percent decrease from projected FY16 amounts, or \$2.0 million, from FY16 projected levels. When comparing to the FY1

original budget projections for next year's revenues grow by 14 percent. Revenues are forecast to decrease at the BCEC in FY17 while increasing at the Hynes in line with contracted event activity. The Boston Common Garage and the MMC are forecasted to have increased revenues in FY17 from FY16 projected levels. The lawn on D will generate close to \$1 million in revenue in FY17.

FY 2016 Projected Revenues

In FY16 projected MCCA revenues are expected to end well above budgeted levels, by \$9.5 million, or 17%. This is primarily attributable to greater-than-forecast event performance at the BCEC. There were new events at the BCEC that performed better than anticipated as well as multiple legacy events that performed better than they had in recent years.



Operating Expenditures

FY2017 Budgeted Operating Expenses

Budgeted operating expenses for next year total \$79.5 million, or 1% more than projected FY16 levels of \$78.8. BCEC expenses no longer include Lawn on D, which is reflected as its own business segment. MMC expenses grow at 7%, in line with forecasted event activity, while the BCG's budgeted expense grows slightly at 1%.

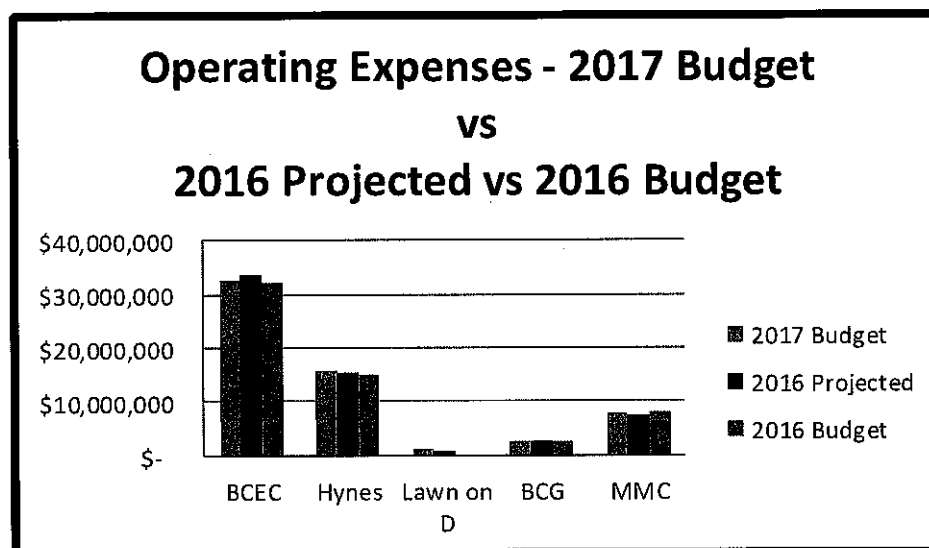
FY2016 Projected Operating Expenses

Total operating expenses in FY 2016 total \$78.8 million, up \$0.2 million from the original FY16 budget. Through the first nine months of FY16, event-related expenses have been consistent with the originally budgeted amounts for FY16 even with an increased services provided for events. The latest projections for FY16 continue to reflect robust event activity in the fourth quarter of the fiscal year, which features a heavy concentration of projected revenue and expenses at the BCEC and Hynes.

Capital Expenditures

MCCA's FY17 capital budget totals \$36.1 million. In total, the capital budget funds roughly 59 projects, with a wide-range of scope and duration. These investments are critical to maintain our facilities in top condition and support strategic investments. In total, multi-year projects represent \$14.6 million in capital spending next year. Major FY17 projects that continue from FY16 include: BCEC sidewalk improvements, Emergency call box upgrades at the BCG, ShowBiz development and BCG roof repairs.

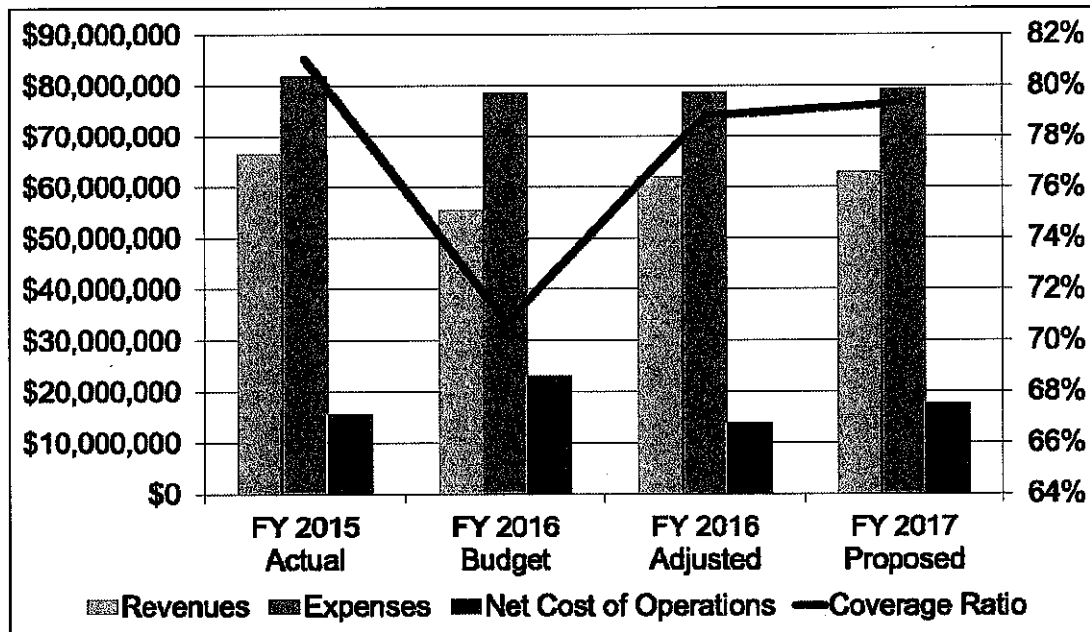
Highlighted new capital projects in FY2017 include: Soil remediation in the BCEC's South Lot, Mass Pike tunnel repairs, BCEC roof repairs, escalator modernization at the Hynes, and replacement of air-handling units at the MassMutual Center.



Operating Coverage Ratio

One important measure of the Authority's financial performance is its operating coverage ratio, which reveals the degree to which gross revenues from operations cover gross operating expenses (before depreciation and other non-cash GAAP expenses). Use of this ratio reveals, in part, the degree to which the Authority must rely on non-operating revenue (largely the annual subsidy from the Convention Center Fund) to underwrite the net cost of operations.

In FY17 we project a coverage ratio of 79%, indicating that close to \$0.80 of every dollar the MCCA spends on annual operations is supported with the revenues that the MCCA generates solely from its own event activities, garage operations and other revenue sources, such as lease payments from MCCA tenants.



Highlighted FY17 Events

The following tables provide a listing of the major events that will be hosted at the MCCA's Boston facilities in FY17.

| FY 2017 HIGHLIGHTED EVENTS: BOSTON CONVENTION AND EXHIBITION CENTER | | | |
|---|-----------------------|-------------------|--------------------|
| | Market Segment | Attendance | Room Nights |
| 2017 Annual Scientific Meeting/American Urological Association | Medical | 17,500 | 48,150 |
| American Society for Radiation Oncology Annual Meeting 2016 | Medical | 13,000 | 41,877 |
| AAN 69th Annual Meeting/American Academy of Neurology | Medical | 13,000 | 31,750 |
| Association of periOperative Registered Nurses 2017 Annual Congress | Medical | 12,000 | 23,650 |
| Mass Dental Society Yankee Dental Congress 2017 | Medical | 27,330 | 17,097 |
| North American Spine Society Annual Meeting 2016 | Medical | 9,000 | 15,220 |
| Academy of Nutrition and Dietetics 2016 Food & Nutrition Conference & Expo | Medical | 11,600 | 15,165 |
| Diversified Communications Seafood Expo North America/Seafood Processing North America 2017 | Commercial | 18,000 | 15,075 |
| Reed Exhibitions - Penny Arcade Expo East 2017 | High-Tech | 34,300 | 13,752 |
| Red Hat - Red Hat Summit/JBoss World 2017 | High-Tech | 6,000 | 12,360 |

| FY 2017 HIGHLIGHTED EVENTS: HYNES CONVENTION CENTER | | | |
|--|-----------------------|-------------------|--------------------|
| | Market Segment | Attendance | Room Nights |
| American Association for the Study of Liver Diseases - The Liver Meeting - 2016 Annual Meeting | Medical | 9,000 | 18,366 |
| The International Literacy Association Annual Conference & Exhibits 2016 | Education | 12,000 | 18,048 |
| Materials Research Society Fall Meeting 2016 | Science | 7,200 | 13,071 |
| OpenStack Foundation Summit 2017 | High-Tech | 5,000 | 12,875 |
| Council for Exceptional Children Convention & EXPO 2017 | Education | 6,300 | 12,840 |
| SLEEP 2017 - 31st Annual Meeting of the Associated Professional Sleep Societies, LLC | Medical | 6,000 | 12,450 |
| American Correctional Association Summer Congress 2016 | Professional | 3,000 | 9,350 |
| PLRB/LIRB 2017 Claims Conference | Insurance | 4,200 | 7,744 |
| GE Healthcare Centricity LIVE 2017 | High-Tech | 2,800 | 7,140 |
| Mortgage Bankers Association of America 2016 Annual Convention | Financial/ Banking | 3,500 | 6,925 |

FINANCIAL SCHEDULES

MCCA Summary Schedule I

| Massachusetts Convention Center Authority FY 2017 Proposed Budget | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|---------------|---------------------------------|
| Schedule I Summary of MCCA Annual Operating and Capital Projects Budget | | | | | | |
| | FY 15 Actual | FY 16 Budget | FY 16 Projected | FY 17 Proposed | vs FY 16 BdgL | FY 17 % Change vs FY 16 Proj |
| Operating Revenues: | | | | | | |
| Boston Convention & Exhibition Center | \$ 33,707,067 | \$ 26,462,284 | \$ 35,475,617 | \$ 30,376,405 | 15% | -14% |
| Hynes Convention Center | 15,916,277 | 11,748,662 | 12,120,187 | 14,083,383 | 20% | 16% |
| Lawn on D | - | - | 285,258 | 937,000 | n/a | 228% |
| Boston Common Garage | 12,869,592 | 12,924,395 | 12,854,808 | 13,118,414 | 2% | 2% |
| Springfield/MassMutual Center | 3,211,272 | 3,602,386 | 3,489,324 | 3,766,233 | 5% | 8% |
| Tea Party Museum Interest Earnings/Other | 779,861 | 762,465 | 763,501 | 747,194 | -2% | -2% |
| Total MCCA Operating Revenues | \$ 66,484,070 | \$ 55,500,192 | \$ 64,988,695 | \$ 63,028,629 | 14% | -3% |
| Tea Party Museum Loan Principal Repayment | \$ 317,795 | \$ 332,395 | \$ 332,395 | \$ 347,665 | 5% | 5% |
| Total Revenues | \$ 66,801,866 | \$ 55,832,587 | \$ 65,321,090 | \$ 63,376,294 | 14% | -3% |
| Operating Expenses: | | | | | | |
| Boston Convention & Exhibition Center | \$ 36,500,163 | \$ 32,194,439 | \$ 33,712,042 | \$ 32,705,718 | 2% | -3% |
| Hynes Convention Center | 15,560,495 | 15,263,788 | 15,290,301 | 15,788,327 | 3% | 3% |
| Lawn on D | - | - | 915,499 | 1,253,650 | n/a | 37% |
| Boston Common Garage | 2,640,823 | 2,852,083 | 2,787,513 | 2,822,903 | -1% | 1% |
| Springfield/MassMutual Center | 7,643,147 | 8,124,419 | 7,397,402 | 7,935,597 | -2% | 7% |
| Sub-Total Operations | \$ 62,344,628 | \$ 58,434,729 | \$ 60,102,757 | \$ 60,506,195 | 4% | 1% |
| Long- and Short-term Sales | \$ 7,975,751 | \$ 7,933,136 | \$ 7,616,276 | \$ 7,874,691 | -1% | 3% |
| Central Administration | 11,713,940 | 12,147,381 | 11,061,119 | 11,078,342 | -9% | 0% |
| Sub-Total Marketing & Administration | \$ 19,689,691 | \$ 20,080,517 | \$ 18,677,395 | \$ 18,953,033 | -6% | 1% |
| Total MCCA Operating Expenses | \$ 82,034,319 | \$ 78,515,245 | \$ 78,780,152 | \$ 79,459,229 | 1% | 1% |
| Statutory Net Cost of Operations (NCO) | \$ 15,550,249 | \$ 23,015,053 | \$ 13,791,457 | \$ 16,430,599 | -29% | 19% |
| Statutory NCO Cap. | \$ 24,000,000 | \$ 25,000,000 | \$ 25,000,000 | \$ 26,000,000 | 4% | 4% |
| Effective NCO Cap (Statutory Less Tea Party Proceeds) | \$ 22,905,000 | \$ 23,905,000 | \$ 23,905,000 | \$ 24,905,000 | 4% | 4% |
| Coverage Ratio (Before OPEB/Pension Liability) | 81.0% | 70.7% | 82.5% | 79.3% | 12% | -4% |
| Operating Draw from Convention Center Fund | \$ 15,232,453 | \$ 22,682,658 | \$ 13,459,062 | \$ 16,082,934 | -29% | 19% |
| Capital Projects | | | | | | |
| Total Project Expenses (See Schedule V and VI) | \$ 38,400,000 | \$ 29,628,221 | \$ 24,774,194 | \$ 36,055,920 | 22% | 46% |
| Total Convention Center Fund Disbursements to MCCA | \$ 53,632,453 | \$ 52,310,879 | \$ 38,233,256 | \$ 52,138,854 | 0% | 36% |

Massachusetts Convention Center Authority
FY 2016 Proposed Budget
Schedule II
Summary of Anticipated Operating Revenues
FY 2015 **FY 2016** **FY 2016**

| BCEC | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------|
| BE Events | 26 | 29 | 28 | 25 | |
| Total BE Event Revenue | \$ 23,107,375 | 17,778,717 \$ | 21,464,737 \$ | 17,886,763 | -13.8% |
| LT Events (non-BE) | 5 | 7 | 7 | 5 | 0.6% |
| Total LT Event Revenue (non-BE) | \$ 964,869 | \$ 1,071,760 | \$ 680,087 | \$ 1,233,968 | -28.6% |
| ST Events | 113 | 90 | 80 | 80 | 15.1% |
| Total ST Event Revenue | \$ 3,155,664 | \$ 1,997,953 | \$ 2,406,706 | \$ 2,403,293 | -11.1% |
| Gate Show / Special ST Events | 3 | 3 | 3 | 3 | 20.3% |
| Total Gate / Special ST Event Revenue | \$ 3,179,847 | \$ 3,059,479 | \$ 3,470,032 | \$ 3,300,672 | 0.0% |
| South Lot Parking | \$ 2,039,760 | \$ 1,768,533 | \$ 2,048,051 | \$ 1,768,533 | 7.9% |
| Danby Lot | \$ - | - | \$ 200,000 | \$ 850,000 | 0.0% |
| Hotel Lease | \$ 629,726 | \$ 623,586 | \$ 1,242,999 | \$ 1,688,416 | -4.9% |
| Other Revenues | \$ 629,826 | \$ 162,256 | \$ 3,963,006 | \$ 1,244,761 | -13.6% |
| Total BCEC Revenue | \$ 33,707,068 | \$ 26,462,284 | \$ 35,475,617 | \$ 30,376,405 | 325.0% |
| \$ Rev / Sq. Ft. | \$ 47.38 | \$ 37.20 | \$ 49.87 | \$ 42.70 | n/a |
| Lawn on D | | | | | |
| Sponsorships | \$ - | - | \$ 145,833 | \$ 250,000 | 170.8% |
| Customer Rentals | - | - | \$ 100,550 | \$ 210,000 | 667.2% |
| Food and Beverage | - | - | \$ 28,875 | \$ 349,000 | 14.8% |
| Event Services/Other | - | - | \$ 10,000 | \$ 128,000 | 14.8% |
| Total Lawn on D Revenue | - | - | \$ 285,258 | \$ 937,000 | n/a |
| \$ Rev / Sq. Ft. | - | - | \$ 2.42 | \$ 7.95 | #DIV/0! |
| | | | | | 228.5% |

Operating Revenues Schedule II (continued)

Massachusetts Convention Center Authority FY 2016 Proposed Budget

Schedule II

Summary of Anticipated Operating Revenues

| | FY 2015 | FY 2016 | FY 2016 | FY 2017 | % Change FY 17 vs FY 16 | % Change FY 17 vs FY 16 |
|------------------------------------|------------------------|----------------------|----------------------|----------------------|----------------------------|----------------------------|
| | Actual | Budget | Projected | Proposed | Budget | Projected |
| Hynes | | | | | | |
| BE Events | 17 | 19 | 19 | 26 | 36.8% | 36.8% |
| Total BE Event Revenue | 6,786,921 \$ | 4,265,430 \$ | 5,021,712 \$ | 6,761,285 \$ | 58.5% | 34.6% |
| LT Events (non-BE) | 21 | 23 | 24 | 19 | -17.4% | -20.8% |
| Total LT Event Revenue (non-BE) | 3,867,984 \$ | 2,734,440 \$ | 2,973,989 \$ | 2,939,175 \$ | 7.5% | -1.2% |
| ST Events | 76 | 77 | 77 | 77 | 0.0% | 0.0% |
| Total ST Event Revenue | 4,030,186 \$ | 3,111,621 \$ | 2,823,717 \$ | 2,964,903 \$ | -4.7% | 5.0% |
| Other Revenues | 205,816 \$ | 72,789 \$ | 150,452 \$ | 150,000 \$ | 106.1% | -0.3% |
| Restaurant Revenue | 899,211 \$ | 1,564,382 \$ | 1,150,317 \$ | 1,268,020 \$ | -18.9% | 10.2% |
| Total Hynes Revenue | 15,790,118 \$ | 11,748,662 \$ | 12,120,187 \$ | 14,083,383 \$ | 19.9% | 16.2% |
| \$ Rev / Sq. Ft. | 52.05 \$ | 38.73 \$ | 39.95 \$ | 46.42 \$ | 19.9% | 16.2% |
| MCCA Events | | | | | | |
| 1 | | | | | n/a | n/a |
| Total MCCA - Owned Events | \$ 126,160 | \$ - | \$ - | \$ - | n/a | n/a |
| Common Garage | | | | | | |
| Transient Parker Revenue | \$ 8,082,527.0 | \$ 8,428,804 | \$ 8,121,525 | \$ 8,243,348 | -2.2% | 1.5% |
| Monthly Parking Revenue | \$ 4,779,865.0 | \$ 4,488,391 | \$ 4,726,083 | \$ 4,867,866 | 8.5% | 3.0% |
| Other Revenues | \$ 7,200.0 | \$ 7,200.00 | \$ 7,200.00 | \$ 7,200.00 | 0.0% | 0.0% |
| Total Common Garage Revenue | \$ 12,869,592.0 | \$ 12,924,395 | \$ 12,854,808 | \$ 13,118,414 | 1.5% | 2.1% |
| Avg. Revenue Per Space-Day | 27.14 \$ | 27.25 \$ | 27.11 \$ | 27.66 \$ | 1.5% | 2.0% |
| MassMutual | | | | | | |
| Arena Event Days | 98 | 119 | 127 | 132 | 10.9% | 3.8% |
| Total Arena Revenue | \$ 1,475,471 | \$ 1,778,687 | \$ 1,532,239 | \$ 1,676,325 | -5.8% | 9.4% |
| CC Events | 117 | 115 | 118 | 125 | 8.7% | 5.9% |
| Total CC Event Revenue | \$ 1,233,472 | \$ 1,346,195 | \$ 1,555,298 | \$ 1,659,945 | 23.3% | 6.7% |
| Other Income | \$ 167,796 | \$ 142,970 | \$ 67,254 | \$ 95,430 | -33.3% | 41.9% |
| Misc Income-MCCA | \$ 334,533 | \$ 334,533 | \$ 334,533 | \$ 334,533 | 0.0% | 0.0% |
| Total MassMutual Revenue | \$ 3,211,272 | \$ 3,602,386 | \$ 3,489,324 | \$ 3,766,233 | 4.5% | 7.9% |
| Convention Center Rev / Sq. Ft. | 15.52 \$ | 16.93 \$ | 19.56 \$ | 20.88 \$ | 23.3% | 6.7% |
| Arena \$/Attendee | 7.67 \$ | 7.82 \$ | 7.49 \$ | 8.12 \$ | 3.8% | 8.3% |
| Other Income | | | | | | |
| Investment Income (BTSPM) | 2,797 | - | 700 | - | n/a | -100.0% |
| | 777,064 | 762,465 | 762,801 | 747,194 | -2.0% | -2.0% |
| TOTAL MCCA REVENUE | \$ 66,484,071 | \$ 55,500,192 | \$ 64,988,695 | \$ 63,028,629 | 13.6% | -3.0% |

Operating Expenses Schedule III

Massachusetts Convention Center Authority FY 2017 Budget Schedule III

Summary of Proposed Annual Operating Expenditures, by Major Expense Category

| | FY 15 Actual | FY 16 Budget | FY 16 Projected | FY 17 Proposed | % Change from Budgeted FY16 to Proposed FY17 | % Change from Projected FY16 to Proposed FY17 |
|--|----------------------|----------------------|----------------------|----------------------|--|---|
| Boston Convention & Exhibition Center | | | | | | |
| Cleaning and Labor Services (1) | \$ 6,588,291 | \$ 6,211,800 | \$ 6,736,800 | \$ 7,048,417 | 13.5% | 4.6% |
| Contracted Services (2) | 6,420,500 | 4,197,712 | 3,866,912 | 3,907,414 | -6.9% | 1.0% |
| External Relations (3) | 188,236 | 143,200 | 544,350 | 458,650 | 220.3% | -15.7% |
| Fiscal Fees (4) | 594,720 | 552,996 | 598,000 | 594,582 | 7.5% | -0.6% |
| Insurance | 697,920 | 692,879 | 686,045 | 669,706 | -3.3% | -2.4% |
| Legal | 50,170 | 16,000 | 16,000 | 16,000 | 0.0% | 0.0% |
| Marketing and Sales | 25,387 | 47,500 | 37,500 | 25,000 | -47.4% | -33.3% |
| Office, Supplies and Central Expenses | 112,358 | 95,300 | 176,570 | 167,300 | 75.6% | -5.3% |
| Operating and Building Supplies | 1,558,192 | 1,722,116 | 1,543,020 | 1,639,070 | -4.8% | 6.2% |
| Parking Services (5) | 952,816 | 800,000 | 932,000 | 975,000 | 21.9% | 4.6% |
| Rigging (6) | 2,710,555 | 1,400,000 | 1,400,000 | - | -100.0% | -100.0% |
| Salaries and Benefits | 10,174,683 | 10,419,460 | 10,542,932 | 10,341,257 | -0.8% | -1.9% |
| Security Services | 578,490 | 470,000 | 765,000 | 1,003,300 | 113.5% | 31.2% |
| Transportation Service (7) | 651,133 | 200,000 | 664,385 | 782,109 | 291.1% | 17.7% |
| Utilities | 5,196,712 | 5,232,517 | 5,202,527 | 5,077,912 | -3.0% | -2.4% |
| Total BCEC | \$ 36,500,163 | \$ 32,201,478 | \$ 33,712,042 | \$ 32,705,718 | 1.6% | -3.0% |
| Lawn on D | | | | | | |
| Cleaning and Labor Services | \$ - | \$ - | \$ 36,340 | \$ 148,000 | n/a | 307.3% |
| Contracted Services | - | - | 440,027 | 533,500 | n/a | 21.2% |
| External Relations | - | - | 22,500 | 22,500 | n/a | 0.0% |
| Office, Supplies and Central Expenses | - | - | 250,907 | 115,450 | n/a | -54.0% |
| Operating and Building Supplies | - | - | 10,000 | 15,000 | n/a | 50.0% |
| Salaries and Benefits | - | - | 143,725 | 349,200 | n/a | 143.0% |
| Utilities | - | - | 12,000 | 70,000 | n/a | 483.3% |
| Total Lawn on D | \$ - | \$ - | \$ 915,499 | \$ 1,253,650 | n/a | 36.9% |
| Hynes Convention Center | | | | | | |
| Cleaning and Labor Services (1) | \$ 2,927,862 | \$ 2,748,400 | \$ 2,942,000 | \$ 3,402,260 | 23.8% | 15.6% |
| Contracted Services (2) | 1,488,465 | 1,809,121 | 1,639,608 | 1,811,048 | 0.1% | 10.5% |
| External Relations (3) | 2,863 | - | 48,430 | 2,500 | #DIV/0! | -94.8% |
| Fiscal Fees (4) | 806,629 | 375,296 | 398,000 | 415,573 | 10.7% | 4.4% |
| Insurance | 337,543 | 322,382 | 326,269 | 340,041 | 5.5% | 4.2% |
| Legal | 5,405 | 9,000 | 9,000 | 9,000 | 0.0% | 0.0% |
| Marketing and Sales | 12,764 | 27,500 | 27,700 | 23,500 | -14.5% | -15.2% |
| Office, Supplies and Central Expenses | 16,521 | 57,650 | 47,650 | 49,650 | -13.9% | 4.2% |
| Operating and Building Supplies | 745,004 | 829,064 | 764,760 | 865,200 | 4.4% | 13.1% |
| Rigging (6) | 108,579 | 50,000 | 37,000 | - | -100.0% | -100.0% |
| Salaries and Benefits | 5,679,466 | 5,742,759 | 5,566,446 | 5,325,501 | -7.3% | -4.3% |
| Security Services | 303,524 | 206,000 | 461,000 | 417,499 | 102.7% | -9.4% |
| Transportation Service | 26,025 | 30,000 | 52,000 | - | -100.0% | -100.0% |
| Utilities (8) | 3,099,846 | 3,055,363 | 2,970,439 | 3,126,556 | 2.3% | 5.3% |
| Total Hynes | \$ 15,560,495 | \$ 15,262,535 | \$ 15,290,301 | \$ 15,788,327 | 3.4% | 3.3% |

Operating Expenses Schedule III (continued)

Massachusetts Convention Center Authority

FY 2017 Budget

Schedule III

Summary of Proposed Annual Operating Expenditures, by Major Expense Category

| | FY 15 Actual | FY 16 Budget | FY 16 Projected | FY 17 Proposed | % Change from Budgeted FY16 to Proposed FY17 | % Change from Projected FY16 to Proposed FY17 |
|--|----------------------|----------------------|----------------------|----------------------|--|---|
| Boston Common Garage | | | | | | |
| Cleaning and Labor Services | \$ - | \$ 15,000 | \$ - | \$ - | -100.0% | #DIV/0! |
| Contracted Services | 285,011 | 331,593 | 304,516 | 314,200 | -5.2% | 3.2% |
| Fiscal Fees | 327,164 | 336,016 | 336,016 | 334,493 | -0.5% | -0.5% |
| Garage Operations | 629,119 | 625,000 | 625,000 | 635,000 | 1.6% | 1.6% |
| Insurance | 60,535 | 69,554 | 71,517 | 77,889 | 12.0% | 8.9% |
| Marketing and Sales | 8,976 | 3,000 | 3,000 | 3,000 | 0.0% | 0.0% |
| Office, Supplies and Central Expenses | 9,501 | 6,000 | 6,000 | 14,500 | 141.7% | 141.7% |
| Operating and Building Supplies | 83,247 | 145,724 | 123,100 | 150,400 | 3.2% | 22.2% |
| Salaries and Benefits | 997,519 | 1,063,753 | 1,063,931 | 1,031,504 | -3.0% | -3.0% |
| Utilities (8) | 259,750 | 254,206 | 254,433 | 261,916 | 3.0% | 2.9% |
| Total BCG | \$ 2,640,823 | \$ 2,849,846 | \$ 2,787,513 | \$ 2,822,903 | -0.9% | 1.3% |
| MassMutual Center | | | | | | |
| Contracted Services | \$ 723,421 | \$ 682,050 | \$ 580,334 | \$ 551,278 | -19.2% | -5.0% |
| External Relations | 270,321 | 314,552 | 275,000 | 303,728 | -3.4% | 10.4% |
| Fiscal Fees | 659,652 | 709,481 | 445,000 | 640,707 | -9.7% | 44.0% |
| Insurance | 298,732 | 277,475 | 272,284 | 289,776 | 4.4% | 6.4% |
| Office, Supplies and Central Expenses | 247,570 | 233,299 | 172,500 | 226,165 | -3.1% | 31.1% |
| Operating and Building Supplies | 272,573 | 327,958 | 306,500 | 287,043 | -12.5% | -6.3% |
| Salaries and Benefits (9) | 4,104,444 | 4,553,144 | 4,320,189 | 4,621,756 | 1.5% | 7.0% |
| Utilities (8) | 1,066,434 | 1,025,595 | 1,025,595 | 1,015,145 | -1.0% | -1.0% |
| Total MMC | \$ 7,643,147 | \$ 8,123,554 | \$ 7,397,402 | \$ 7,935,597 | -2.3% | 7.3% |
| Central Administration | | | | | | |
| Contracted Services | \$ 1,436,931 | \$ 1,199,458 | \$ 1,392,000 | \$ 1,459,500 | 21.7% | 4.8% |
| External Relations (3) | 1,430,848 | 1,233,335 | 904,500 | 982,000 | -20.4% | 8.6% |
| Fiscal Fees | - | 1,250 | 1,250 | 1,250 | 0.0% | 0.0% |
| Insurance | 68,325 | 76,762 | 79,658 | 88,898 | 15.8% | 11.6% |
| Legal | 387,043 | 300,000 | 270,000 | 300,000 | 0.0% | 11.1% |
| Marketing and Sales | 113,722 | 115,000 | 65,000 | 90,000 | -21.7% | 38.5% |
| Office, Supplies and Central Expenses (11) | 1,061,398 | 931,900 | 808,135 | 1,074,000 | 15.2% | 32.9% |
| Operating and Building Supplies | 107,961 | 139,500 | 84,500 | 79,500 | -43.0% | -5.9% |
| Salaries and Benefits | 7,107,711 | 8,146,880 | 7,451,277 | 6,966,795 | -14.5% | -6.5% |
| Utilities | - | 4,800 | 4,800 | 36,400 | 658.3% | 658.3% |
| Total Central Administration | \$ 11,713,940 | \$ 12,148,685 | \$ 11,061,119 | \$ 11,076,342 | -8.8% | 0.2% |

Operating Expenses Schedule III (continued)

| Massachusetts Convention Center Authority FY 2017 Budget Schedule III | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|--|---|
| Summary of Proposed Annual Operating Expenditures, by Major Expense Category | | | | | | |
| | FY 15 Actual | FY 16 Budget | FY 16 Projected | FY 17 Proposed | % Change from Budgeted FY16 to Proposed FY17 | % Change from Projected FY16 to Proposed FY17 |
| Sales and Marketing (10) | | | | | | |
| Contracted Services | \$ 14,347 | \$ 50,000 | \$ 56,000 | \$ - | -100.0% | #DIV/0! |
| External Relations | 100,000 | - | - | - | n/a | 20.4% |
| Marketing and Sales (10) | 6,417,944 | 6,444,463 | 6,244,000 | 7,515,912 | 16.6% | #DIV/0! |
| Office, Supplies and Central Expenses | 22,244 | 500 | - | - | -100.0% | -72.7% |
| Salaries and Benefits | 1,421,217 | 1,434,183 | 1,316,276 | 358,779 | -75.0% | 3.4% |
| Total Sales and Marketing | \$ 7,975,751 | \$ 7,929,146 | \$ 7,616,276 | \$ 7,874,691 | -0.7% | |
| Total MCCA Expenses | | | | | | |
| Cleaning and Labor Services (1) | \$ 9,516,153 | \$ 8,975,200 | \$ 9,715,140 | \$ 10,598,677 | 18.1% | 9.1% |
| Contracted Services (2) | 10,348,675 | 8,269,933 | 8,279,397 | 8,576,940 | 3.7% | 3.6% |
| External Relations | 1,992,268 | 1,691,087 | 1,794,780 | 1,769,378 | 4.6% | -1.4% |
| Fiscal Fees | 2,388,165 | 1,975,039 | 1,778,266 | 1,986,605 | 0.8% | 11.7% |
| Garage Operations | 629,119 | 625,000 | 625,000 | 635,000 | 1.6% | 1.6% |
| Insurance | 1,463,055 | 1,439,052 | 1,435,773 | 1,466,310 | 1.9% | 2.1% |
| Legal | 442,618 | 325,000 | 295,000 | 325,000 | 0.0% | 10.2% |
| Marketing and Sales | 6,578,792 | 6,637,463 | 6,377,200 | 7,657,412 | 15.4% | 20.1% |
| Office, Supplies and Central Expenses (11) | 1,469,591 | 1,324,649 | 1,461,762 | 1,847,065 | 24.3% | 12.7% |
| Operating and Building Supplies | 2,766,978 | 3,164,363 | 2,831,880 | 3,036,213 | -4.0% | 7.2% |
| Parking Services (5) | 952,816 | 800,000 | 932,000 | 975,000 | 21.9% | 4.6% |
| Rigging (6) | 2,819,133 | 1,450,000 | 1,437,000 | - | -100.0% | -100.0% |
| Salaries and Benefits | 29,485,040 | 31,359,979 | 30,404,776 | 28,994,792 | -7.5% | -4.6% |
| Security Services | 882,014 | 676,000 | 1,226,000 | 1,420,799 | 110.2% | 15.9% |
| Transportation Service (7) | 677,158 | 230,000 | 716,385 | 782,109 | 240.0% | 9.2% |
| Utilities (8) | 9,622,743 | 9,572,480 | 9,469,794 | 9,587,929 | 0.2% | 1.2% |
| TOTAL MCCA EXPENSES | \$ 82,034,319 | \$ 78,515,244 | \$ 78,780,153 | \$ 79,459,228 | 1.2% | 0.9% |

MassMutual Center Operations Schedule IV

Massachusetts Convention Center Authority
FY 2017 Proposed Budget

Schedule IV

Summary of Anticipated Operating Revenues & Expenses - Mass Mutual Center

| | FY 2015 ACTUAL | FY 2016 Budget | FY 2016 Projected | FY 2017 Proposed | % Change FY 2017 v FY 2016 Bdg | % Change FY 2017 v FY 2016 Proj |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------------------------|---------------------------------------|
| MassMutual | | | | | | |
| Arena Event Days | 98 | 119 | 127 | 132 | 10.9% | 3.8% |
| Avg. Arena Event Revenue | 15,056 \$ | 14,947 \$ | 12,046 \$ | 12,699 | -15.0% | 5.4% |
| Total Arena Revenue | \$ 1,475,471 | \$ 1,778,687 | \$ 1,532,239 | \$ 1,676,325 | -5.8% | 9.4% |
| CC Events | 117 | 115 | 118 | 125 | 8.7% | 5.9% |
| Avg. CC Event Revenue | 10,542 \$ | 11,706 \$ | 13,180 \$ | 13,280 | 13.4% | 0.8% |
| Total CC Event Revenue | \$ 1,233,472 | \$ 1,346,195 | \$ 1,555,298 | \$ 1,659,945 | 23.3% | 6.7% |
| Other Income | 167,796 \$ | 142,970 \$ | 67,254 \$ | 95,430 | -33.3% | 41.9% |
| Misc Income-MCCA | 334,533 \$ | 334,533 \$ | 334,533 \$ | 334,533 | 0.0% | 0.0% |
| Total MassMutual Revenue | \$ 3,211,272 | \$ 3,602,386 | \$ 3,489,324 | \$ 3,766,233 | 4.5% | 7.9% |
| MassMutual - Expenses | | | | | | |
| Contracted Services | \$ 609,593 | \$ 572,580 | \$ 470,000 | \$ 455,878 | -20.4% | -3.0% |
| External Relations | \$ 270,321 | \$ 314,552 | \$ 275,000 | \$ 303,728 | -3.4% | 10.4% |
| Fiscal Fees | \$ 659,652 | \$ 709,481 | \$ 445,000 | \$ 640,707 | -9.7% | 44.0% |
| Insurance | \$ 221,233 | \$ 197,055 | \$ 190,000 | \$ 201,351 | 2.2% | 6.0% |
| Office, Supplies and Central Expenses | \$ 245,846 | \$ 230,799 | \$ 170,000 | \$ 223,665 | -3.1% | 31.6% |
| Operating and Building Supplies | \$ 256,877 | \$ 296,458 | \$ 275,000 | \$ 261,543 | -11.8% | -4.9% |
| Salaries and Benefits | \$ 4,104,989 | \$ 4,582,955 | \$ 4,350,000 | \$ 4,669,399 | 1.9% | 7.3% |
| Total MassMutual Expenses | \$ 6,368,511 | \$ 6,903,880 | \$ 6,175,000 | \$ 6,756,271 | -2.1% | 9.4% |
| Net MMC Funding Requirement | \$ (3,157,239) | \$ (3,301,494) | \$ (2,685,676) | \$ (2,990,038) | -9.4% | 11.3% |
| MCCA - Expenses | | | | | | |
| Contracted Services | 113,828 | 109,471 | 110,334 | 95,400 | -12.9% | -13.5% |
| Insurance | 77,499 | 80,421 | 82,284 | 88,425 | 10.0% | 7.5% |
| Office, Supplies and Central Expenses | 1,724 | 2,500 | 2,500 | 2,500 | 0.0% | 0.0% |
| Operating and Building Supplies | 15,696 | 31,500 | 31,500 | 25,500 | -19.0% | -19.0% |
| Salaries and Benefits | (545) | (29,812) | (29,811) | (47,643) | 59.8% | 59.8% |
| Utilities | 1,066,434 | 1,025,595 | 1,025,595 | 1,015,145 | -1.0% | -1.0% |
| Total MCCA Expenses | \$ 1,274,636 | \$ 1,219,675 | \$ 1,222,402 | \$ 1,179,327 | -3.3% | -3.5% |
| Net MMC Cost of Operations | \$ (4,431,875) | \$ (4,521,169) | \$ (3,908,078) | \$ (4,169,365) | -7.8% | 6.7% |

Capital Expenditures Schedule V

Massachusetts Convention Center Authority FY 2017 Proposed Budget Schedule V

Summary Statement of Capital Spending

| Facility | Project Category | FY 2015 Actual | FY 2016 Budget | FY 2016 Projected | FY 2017 Proposed | % Change | |
|----------|---|----------------------|----------------------|----------------------|----------------------|-------------------------------|---------------------------------|
| | | | | | | FY 2017 Vs. FY 2016 Budget | FY 2017 Vs. FY 2016 Proposed |
| BCEC | Facility Improvement | \$ 1,702,377 | \$ 5,217,850 | \$ 4,552,650 | \$ 7,476,330 | 43% | 64% |
| | Equipment & Fixture - Vehicle | | - | - | - | n/a | #DIV/0! |
| | Equipment & Fixture - Furniture | 59,960 | 32,000 | 32,000 | - | -100% | -100% |
| | Equipment & Fixture - Equipment | 1,992,373 | 678,000 | 451,500 | 959,500 | 42% | 113% |
| | Technology Upgrades | 4,436,753 | 1,468,000 | 1,929,800 | 2,707,400 | 84% | 40% |
| | | 8,191,462 | 7,395,850 | 6,965,950 | 11,143,230 | 51% | 60% |
| Hynes | Facility Improvement | 13,930,928 | 4,515,000 | 1,991,601 | 4,110,400 | -9% | 106% |
| | Equipment & Fixture - Furniture | 53,564 | 132,000 | 142,000 | - | -100% | -100% |
| | Equipment & Fixture - Fixture | - | 190,000 | 217,000 | - | -100% | -100% |
| | Equipment & Fixture - Equipment | 3,069,404 | - | - | 652,000 | n/a | #DIV/0! |
| | Technology Upgrades | 385,679 | 1,630,000 | 1,029,730 | 921,000 | -43% | -11% |
| | | 17,440,575 | 6,467,000 | 3,380,330 | 5,683,400 | -12% | 68% |
| BCG | Facility Improvement | 174,089 | 380,000 | 470,000 | 3,545,000 | 833% | 654% |
| | Equipment & Fixture - Fixture | 8,354 | - | - | - | n/a | n/a |
| | Equipment & Fixture - Equipment | 986,704 | 1,795,000 | 1,137,893 | 945,000 | -47% | -17% |
| | | 1,169,147 | 2,175,000 | 1,607,893 | 4,490,000 | 106% | 179% |
| | | | | | | | |
| MMC | Facility Improvement | 908,679 | 704,000 | 512,886 | 1,969,000 | 180% | 284% |
| | Equipment & Fixture - Equipment | 1,128,724 | 1,414,896 | 1,253,969 | - | -100% | -100% |
| | Equipment & Fixture - Furniture | 30,249 | - | - | - | n/a | n/a |
| | Technology Upgrades | 9,888 | 475,000 | 125,000 | 1,854,000 | 290% | 1383% |
| | | 2,077,539 | 2,593,896 | 1,891,855 | 3,823,000 | 47% | 102% |
| Admin | Equipment & Fixture - Equipment | 199,231 | 1,000,000 | 1,429,020 | 392,250 | -61% | -73% |
| | Technology Upgrades | 1,059,015 | 930,000 | 935,175 | 1,224,000 | 32% | 31% |
| | Salary & Benefit Allocation | 1,378,701 | 1,512,383 | 1,512,383 | 1,350,000 | -11% | -11% |
| | | 2,636,948 | 3,442,383 | 3,876,578 | 2,966,250 | -14% | -23% |
| | | | | | | | |
| | Total Annual Capital Projects | \$ 31,515,671 | \$ 22,074,129 | \$ 17,722,606 | \$ 28,105,880 | 27% | 59% |
| BCEC | BCEC Master Planning | 2,692,927 | 725,007 | 262,504 | 850,000 | 17% | 224% |
| | BCEC South Lot Remediation | 572,305 | - | 445,000 | 6,400,000 | n/a | 1338% |
| | LoD Land Improvement | - | - | 1,500,000 | - | n/a | -100% |
| | D Street Hotel Surface Lot | 621,102 | 3,280,000 | 3,295,000 | - | -100% | -100% |
| | BCG Feasibility | 3,607 | - | - | 200,000 | n/a | n/a |
| | Hynes Master Planning | 184,374 | 2,500,000 | 750,000 | 500,000 | -80% | -33% |
| | Lawn on D Planning | 2,892,191 | 1,049,085 | 799,085 | - | -100% | -100% |
| | Total Long-term capital Projects | \$ 6,966,505 | \$ 7,554,092 | \$ 7,051,589 | \$ 7,950,000 | 5% | 13% |
| | | | | | | | |
| | Total Budgeted Capital Projects | \$ 38,482,176 | \$ 29,628,221 | \$ 24,774,194 | \$ 36,055,880 | 22% | 46% |