

MINUTES OF THE MEETING
of the
MASSACHUSETTS CONVENTION CENTER AUTHORITY
May 18, 2023

A meeting of the Massachusetts Convention Center Authority (“Authority”) was convened on May 18, 2023, at the Boston Convention & Exhibition Center (the “BCEC”), 415 Summer Street, Boston, MA and via MICROSOFT TEAMS MEETING OR JOIN BY TELEPHONE: DIAL-IN NUMBER 1-857-702-2232; CONFERENCE ID: 580 552 751#.

Members in attendance at the BCEC or via MICROSOFT TEAMS were the following: John McDonnell, Cindy Brown, Barbara Capuano, Michelle Consalvo, Andrew Crane, Michael Donovan, Elissa Flynn-Poppey, Ashley Groffenberger, Karen Diane Johnson, Kristen Lepore, and Khushbu Webber. Paul Sacco did not attend.

Staff members in attendance at the BCEC or via MICROSOFT TEAMS were the following: David Gibbons, Christopher Donato, Mike Esmond, Lily Daley, Diane DiAntonio, John Donahue, Erin Anderson, Devin Taylor, Robert Noonan, Dave Silk, Phil Crohan, Brendan Flynn, Joanne Pages, and Mark O’Leary.

Also in attendance, Joseph Flanagan, Michael Bocchino, and James Boucher of MGM Springfield.

I. ROLL CALL

Chair McDonnell called the meeting to order at 10:00 a.m., and a quorum was established by a roll call.

Cindy Brown	Present
Barbara Capuano	Present ¹
Michelle Consalvo	Not Present ²
Andrew Crane	Present
Michael Donovan	Present
Elissa Flynn-Poppey	Present ³
Ashley Groffenberger	Present
Karen Diane Johnson	Not Present ⁴
Kristen Lepore	Present
Khushbu Webber	Present
Paul Sacco	Not Present
John McDonnell	Present

¹ Board Member Barbara Capuano left the meeting at 11:11 a.m.

² Board Member Michelle Consalvo appeared at 10:10 a.m.

³ Board Member Elissa Flynn-Poppey left the meeting at 11:05 a.m.

⁴ Board Member Karen Diane Johnson appeared at the meeting at 10:20 a.m.

II. EXECUTIVE DIRECTOR'S REPORT

1. David Gibbons welcomed the Board Members.
2. Our team is currently preparing for the move-out of PTC's LiveWorx '23 after hosting thousands of technology focused professionals at the BCEC and Lawn On D this week.
3. Next week, we will welcome Red Hat back to the BCEC for their annual summit, hosting two of our close neighbors in as many weeks. It is always rewarding to work with clients who have committed to Boston with a strong workforce footprint in close proximity to our venues, and we look forward to continuing partnering with our neighbors at PTC and Red Hat on an annual basis.
4. Over at the Hynes, our team is preparing to welcome CyberArk back for Impact '23 next week for their three-day annual meeting focused on the latest trends in the world of identity security.
5. Out in Springfield, our team has pivoted quickly from playoff hockey to commencement season as many of the local colleges and universities have either already hosted graduation ceremonies at the MassMutual Center arena or will be welcomed in the coming weeks. Last month, the Springfield Thunderbirds were eliminated in the first round of the AHL Calder Cup playoffs after a hard-fought battle with the Hartford Wolf Pack. I want to congratulate our hockey tenants, on another tremendous season and we look forward to welcoming Thunderbird fans back to the MassMutual Center next season.
6. Season 10 at The Lawn On D is officially underway and continues to position itself as Boston's premier outdoor event space. The season kicked off on May 5 with a weekend-long Cinco De Mayo celebration followed by a Boston Educational Fund event to support Boston Public Schools. This week The Lawn On D was heavily active with PTC LiveWorx attendees and we are looking forward to a strong season with public and private events scheduled throughout the summer.
7. On Tuesday, our team hosted a community meeting at the Condon School in South Boston to discuss the future of MCCA owned parcels on D and E Streets ahead of the re-issuing of the RFP set for June. MCCA Community Liaison, Arthur Fritch, opened the meeting by introducing himself and sharing his contact information with members of the community and Brian Golden, from Keegan Werlin, followed Arthur with a presentation on the parcels and the MCCA's desire to work with the community on achieving a mutually beneficial project. Our team heard ideas and concerns from residents of the traditional South Boston neighborhood as well as Fort Point residents and stakeholders and we look forward to continuing that conversation at our public meeting at District Hall in the Seaport next Tuesday, May 23.
8. As we head into the summer months our team is looking forward to the role-out of many of our community programs and I look forward to sharing those experiences with you.

9. As always, I want to thank the board for your support and wish you all a safe and happy Memorial Day.

III. BOSTON CONVENTION MARKETING CENTER PERFORMANCE REPORT

Milt Herbert, Executive Director of the Boston Convention Marketing Center ("BCMC"), gave a brief sales report, including the following highlighted information:

1. Citywide Convention Sales March & April 2023. KNect365 US, Inc. Tides 2024, Hynes event for May 2024 with 1,127 room nights; American Association of Nurse Anesthesiology Annual Congress 2026, BCEC event for August 2026 with 5,950 room nights; American Association of Orthodontists Annual Session 2030, BCEC event for April 2030 with 18,450 room nights.
2. Citywide Convention Sales & Hotel Relations – July 2022 through April 2023. The BCMC sold twenty-four (24) total events, with twenty (20) at the BCEC and four (4) at the Hynes, with 256,389 total room nights.
3. Event & Sales Media – March & April 2023. The BCMC sold thirty-five (35) total events: ten (10) at the BCEC, seven (7) at the Hynes, and eighteen (18) at the Lawn on D. Interest in the Hynes in 2023 and 2024 continues to be strong across all market segments. Strong demand in May 2023 from ICW events at the BCEC and Hynes. Of the 24 events contracted in April, half were Lawn on D events. Sponsorship & Advertising generated over \$100,000 in revenue for the 4th time this fiscal year.
4. Event & Sales Media – July 2022 through April 2023. The BCMC sold one hundred thirty-two (132) total events: forty (40) at the BCEC, thirty-six (36) at the Hynes, and fifty-six (56) at the Lawn on D, with 6,019 total room nights.
5. BCEC & Hynes Events May - June 2023. Veeva Systems Inc. Commercial and Medical Summit 2023, at the BCEC, May 2-3, 2023, with 3,161 room nights; American College of Surgeons Combined Otolaryngology Spring Meetings 2023, at the Hynes, May 4-6, 2023, with 4,562 room nights; International Society for Pharmacoeconomics & Outcomes Research Annual Meeting 2023 at the BCEC, May 7-10, 2023, with 2,888 room nights; ISACA Digital Trust World Conference Boston 2023, at the Hynes, May 7-12, 2023, with 3,705 room nights; PTC Inc. LiveWorx 2023, at the BCEC, May 15-17, 2023, with 11,135 room nights; Cambridge Innovation Institute PEGS Boston 2023, at the Hynes, May 15-18, 2023, with 4,699 room nights; Cambridge Innovation Institute Bio-It World Conference & Expo 2023, at the Hynes, May 16-18, 2023, with 2,151 room nights; Red Hat Inc. Red Hat Summit 2023, at the BCEC, May 23-25, 2023, with 21,100 room nights; The Electrochemical Society Spring Biannual Meeting 2023, at the Hynes, May 29-June 2, 2023, with 4,075 room nights; Biotechnology Innovation Organization International Convention 2023, at the BCEC, June 6-8, 2023, with 29,375 room nights; Society for Mining, Metallurgy and Exploration, Inc. Rapid Excavation and Tunneling Conference 2023, at the Hynes, June 12-14, 2023, with 2,937 room nights; International

Society for Stem Cell Research Annual Meeting 2023, at the BCEC, June 14-17, 2023, with 10,201 room nights; International Society of Arthroscopy, Knee Surgery and Orthopaedic Sports Medicine Biennial Congress 2023, at the Hynes, June 18-21, 2023, with 9,130 room nights; Drug Information Association Annual Meeting 2023, at the BCEC, June 25-28, 2023, with 23,867 room nights; and American Society of Mechanical Engineers Turbo Expo 2023, at the Hynes, June 25-30, 2023, with 4,025 room nights.

6. Costs in U.S. Cities. Hotel Costs (Room Rates) are High in Boston. The top 3 according to STR are typically: New York; San Francisco; and Boston. Why Do Customers Still Pick Boston? They do better in terms of attendance, exhibitor draw, financial performance, and Boston is a destination that Show Owners, Exhibitors and especially attendees want to go to. Much of the work associated with an event occurs before the event starts and after the event ends (from the outside it looks like nothing is going on in the convention center) and is very labor intensive. The following is a peak at some of the rates that Show Owners and Exhibitors must pay. The survey evaluated 160 events in 16 cities by reviewing the "Exhibitor Manuals & Rates" publications associated with those 160 events. This survey was done for events occurring in the calendar year 2022. The 3 categories that were evaluated were: 1) material handling (movement of freight from the docks to the show floor before the show starts and back to the docks when the show is over); 2) electrical labor rate (connection costs of electricity that occurs inside the booth on the show floor); and 3) installation and dismantle labor costs are the costs associated with the assembly of the booth before the show starts and the teardown of the booth when the show ends. The average costs in these 3 categories across the 160 events in 2022 were: Material Handling in straight time (\$1.88/pound); Electrical Labor Rate in straight time (\$132/hour); Installation and Dismantle Rate (\$140/hour). Costs will increase per the associated labor contracts in a given destination for overtime rates, double-time rates, and work performed after various deadlines are defined for work to be completed. These are part of the cost evaluations that are done by an event when selecting a city location and an exhibitor in deciding what events they will participate in. Boston ranks second highest in display labor straight time, third highest in electrical labor straight time, and third highest in material handling before deadline.

IV. MASSMUTUAL CENTER/MGM SPRINGFIELD SALES AND MARKETING UPDATE

Joseph Flanagan and James Boucher of MGM Springfield gave an update as to the status of the MassMutual Center.

1. USA Gymnastics. Client Comment: "The MMC has been our home since 2013. I am sad my term of office is ending but I hope the next in line continues a relationship w the MMC. I was only able to give one answer - but the MMC is ALL OF THE ABOVE on the decision to hold our events."
2. Massachusetts Teachers Association. Client Comment: Julio – "I've lost track of how many times it happened, but I just want to let you know that many people (from our staff and vendors) came up to tell me how wonderful you are to work with! I totally agree! You were incredibly responsive and accommodating on site. You took care of everything

we asked for and seemed to be available all hours of the day.” Wayne, Chris, and Ted – “Thank you for all of your wonderful work at our Annual Meeting last weekend. I received so many compliments on the food! Please pass that along to your chef! The Staff and the Head Table team were especially pleased with everything they were served!”

3. Bill Burr Live. Bill Burr’s first show sold out, so a second show was added at the MMC on October 1, 2023.
4. The Howdy Awards for Hospitality Excellence. In the category of “Attractions” - Cindy Burke, MassMutual Center, Debbie Little, MassMutual Center. In the category of “Beverage” - Andrew Fabin, MassMutual Center. In the Category of “Banquet & Meetings” - Julio Pagan, MassMutual Center.
5. Sales Update – April 2023. 11 definite bookings for a total of \$206,750, and 850 room nights; and 7 tentative bookings for \$120,770 and 125 room nights.
6. June Client Event. In conjunction with GSCVB and Six Flags New England, 50 MMC Client’s Invited with a target of 15 in attendance for a dinner and building tour.
7. 1st Quarter Sales Productivity Recap. 120% of 1st Quarter Rental/Catering Goal - 42% of bookings were new and 38% of confirmed room nights were new.
8. New England Society of Association Executives Annual Meeting. MMC is Gold sponsor - 3 slides to present at Plenary Sessions.

V. REPORT OF ADMINISTRATION, FINANCE & PERSONNEL COMMITTEE

1. Draft FY2024 Budget

Michael Esmond, Chief Financial Officer, presented to the Board on the draft budget for FY2024.

The key themes in FY2024 are the following: reduce cost of operations impact on CCF; funding venue upkeep and key strategic initiatives of the MCCA; and focus on restoring staffing plan and investing in our people.

The key initiatives for FY2024 are the following: launch new website and intranet; complete branding refresh; venue-focused strategic reviews and planning; and leverage technology and software to enhance business processes.

Challenges to execution of these initiatives are the following: inflation and increasing costs; hiring market; and the uncertainty of economic backdrop over the next 12 months.

It is the 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. The

Authority generated 675,000 room nights, hosted 705,000 attendees, supported 6,850 jobs, with an economic impact of \$850 million and \$45 million in taxes.

The Authority's key expense drivers include the following: utilities - electricity commodity price up across all venues, tied to natural gas market volatility; pressure on staffing / benefits budget; interest-linked costs such as maintenance and repair, cleaning / house labor, building supplies, and equipment; event services demand returning to pre-covid utilization and spending; and sales and marketing restored back to pre-covid budgets.

FY2024 operating expenses have grown by 12% from FY2019 compared to 22% inflation.

Pro-forma budget assumptions include \$19.5 million operating impact to CCF for FY24. Historically, we actualize with less impact due primarily to expense savings, specifically payroll.

Regarding Capital project planning for FY2024, the Authority received over \$45 million in new project requests. Project Types include the following: type 1 - assessment/feasibility; type 2 - equipment/system replacement; type 3 - facility improvement/capital replacement; and type 4 - strategic investment.

The draft budget request is \$75 million of which \$6,780,000 in funding offsets from Boston and Springfield contracted operators.

The current FY2024 capital budget request is \$75,030,095 with 48 active projects carried-over from FY'23, 68 total and the Springfield Garage Project including demolition, design, and new construction.

VI. REPORT OF DEVELOPMENT & CONSTRUCTION COMMITTEE

1. Board Vote – Vertical Concrete Repair

John Donahue, Chief of Operations and Capital Projects, presented the following vote to the Board.

This project includes, but is not necessarily limited to, the repair of deteriorated and spalled concrete along the parapet walls located at the East and West roadways and ramps on level 1 of the BCEC. The project has been developed to minimize impacts to building operations.

The Massachusetts Convention Center Authority developed construction documents dated March 8, 2023, for public procurement in accordance with the State's construction bid law, M.G.L. c. 149. The following General Bids were received on Wednesday, April 26th, 2023:

Contractor	Contractor Price
Acme Waterproofing, Inc.	\$297,960
Blinderman Construction	\$363,230
NEL Corporation	\$464,075

The M.G.L. c. 149 bid law requires award to the lowest responsible and eligible bidder, which in this case is Acme Waterproofing, Inc.

A motion duly made and seconded, the Board voted unanimously to approve by roll call vote as follows:

Cindy Brown	Yes
Barbara Capuano	Yes
Michelle Consalvo	Not Present Yet
Andrew Crane	Yes
Michael Donovan	Yes
Elissa Flynn-Poppey	Yes
Ashley Groffenberger	Yes
Karen Diane Johnson	Not Present Yet
Kristen Lepore	Yes
Khushbu Webber	Yes
John McDonnell	Yes

VOTE: The Massachusetts Convention Center Authority hereby votes to authorize the Executive Director to execute a construction contract with Acme Waterproofing, Inc., for the BCEC – Vertical Concrete Repair in the amount of Two Hundred Ninety-Seven Thousand Nine Hundred Sixty Dollars (\$297,960) per documents dated March 08, 2023.

2. Board Vote – Hynes AHU Switchgear CM at Risk

Erin Anderson, Manager of Capital Program, presented the following vote to the Board.

As owner of the Hynes Convention Center, the Authority has assessed the existing Air Handler Units (AHUs), current control systems, and existing Electrical Switchboard infrastructure, and has determined that the best approach to conducting the upgrades is through a phased approach. The Authority has evaluated the requirements of the project, taking into consideration such items as the operational impacts on the Hynes Convention Center, its patrons, and the existing event schedule.

Due to the complexity of a tight urban footprint, the accelerated schedule requirements, and the project's estimated value, the Authority believes that the M.G.L. c. 149A procurement process would facilitate this project best. The Authority has initiated efforts to begin this M.G.L. c. 149A process, inclusive of having an Owner's Project Management Team selected, as well as a fully procured Design Team to lead this effort, with conceptual design level of documents. The proposed 7-phased approach will be to replace internal parts of the AHUs and the current control systems, as well as completely replace the switchboards, starting in June 2024 through October 2028.

A determination to pursue Construction Management at Risk Services ("CM at Risk") was recommended to the Authority by its Designer and Owner's Project Management Team. In

accordance with the State's construction bid law, M.G.L. c. 149A, the Authority is eligible for submission and approval from the Inspector General to utilize the CM at Risk Services. The submission requires the Authority to have a project in excess of \$5,000,000 dollars, to obtain an Owner's Project Manager, to have a Designer selected, and to obtain authorization from its governing body, the Board.

A motion duly made and seconded, the Board voted unanimously to approve by roll call vote as follows:

Cindy Brown	Yes
Barbara Capuano	Yes
Michelle Consalvo	Yes
Andrew Crane	Yes
Michael Donovan	Yes
Elissa Flynn-Poppey	Yes
Ashley Groffenberger	Yes
Karen Diane Johnson	Not Present Yet
Kristen Lepore	Yes
Khushbu Webber	Yes
John McDonnell	Yes

VOTE: The Massachusetts Convention Center Authority hereby votes to authorize the Executive Director to execute a submission per Ch149A, a Construction Management At-Risk Services Application for approval to the Office of the Inspector General of the Commonwealth of Massachusetts, for the Hynes AHUs/Switchgears Upgrades Project Construction Management At-Risk Services.

3. Board Vote – Springfield Convention Center Carpark Project Budget

John Donahue, Chief of Operations and Capital Projects, presented the following vote to the Board.

Per statute as set forth in M.G.L. c. 149A, the Construction Manager for the CM at Risk Construction Services, for the Springfield Convention Center Carpark Project must provide estimated costs as the design develops within the process to achieve a Guaranteed Maximum Price ("GMP").

Based on the final design development package, the current economic and business climate as well as uncertainty of supply chain reliability, the Construction Manager has provided cost estimates that present beyond the current project's budget authorization. Having considered significant value engineering deductions or alterations to maintain budget that would change the overall operational and esthetic features of the project in a negative manner, the Authority is recommending an additional budget supplement authorization of ten million dollars to the previous authorization of forty-five million. This authorization will allow the current design to

have sub-trades be bid on with provisions to maintain budget certainty and will allow the Construction Manager to set a Guaranteed Maximum Price for the project.

A motion duly made and seconded, the Board voted unanimously to approve by roll call vote as follows:

Cindy Brown	Yes
Barbara Capuano	Yes
Michelle Consalvo	Yes
Andrew Crane	Yes
Michael Donovan	Yes
Elissa Flynn-Poppey	Yes
Ashley Groffenberger	Yes
Karen Diane Johnson	Yes
Kristen Lepore	Yes
Khushbu Webber	Yes
John McDonnell	Yes

VOTE: The Massachusetts Convention Center Authority hereby authorizes an additional ten million dollars (\$10,000,000) to the previous authorization of forty-five million dollars (\$45,000,000) to allow the Executive Director to negotiate a Guaranteed Maximum Price (GMP) with Daniel O’Connell Sons for service relating to the construction of the new Springfield Convention Carpark Project per statute Ch 149A.

4. Board Vote – BCEC LED Lighting Retrofits

The Authority is looking to retrofit compact fluorescent (“CFL”) can fixtures at the BCEC. The existing fixtures date to the construction of the facility. The conversion to LED will reduce maintenance costs while providing improved color rendition.

The first project would retrofit 697 fixtures in meeting rooms throughout the BCEC where the ballasts are obsolete and can no longer be purchased when they fail. The ballasts removed will be retained for use until all the meeting room fixtures have been replaced. The net cost of the project after an Eversource authorized incentive of \$8,364 would be \$291,186,42. This project is expected to conserve 71,038 kWh annually with a projected reduction of \$14,200 in electricity costs.

The second project would continue the replacement of CFL can fixtures in pre-function areas which began in 2021. 786 fixtures will be retrofitted with LED technology conserving an estimated 112,153 kWh annually while reducing electricity costs by \$22,430. The net cost of the project after an Eversource authorized incentive of \$15,720 would be \$283,463,18.

A motion duly made and seconded, the Board voted unanimously to approve by roll call vote as follows:

Cindy Brown	Yes
Barbara Capuano	Yes
Michelle Consalvo	Yes
Andrew Crane	Yes
Michael Donovan	Yes
Elissa Flynn-Poppey	Yes
Ashley Groffenberger	Yes
Karen Diane Johnson	Yes
Kristen Lepore	Yes
Khushbu Webber	Yes
John McDonnell	Yes

VOTE: **The Massachusetts Convention Center Authority hereby votes to authorize the Executive Director to enter into two purchase orders in the amounts of \$291,186.42 and \$283,463.18 for LED retrofits at the BCEC.**

VII. OLD BUSINESS

No old business.

VIII. NEW BUSINESS


No new business.

IX. ADJOURNMENT

A motion duly made and seconded, the meeting was adjourned by a unanimous roll call vote at 11:43 a.m.

Cindy Brown	Yes
Barbara Capuano	No Longer Present
Michelle Consalvo	Yes
Andrew Crane	Yes
Michael Donovan	Yes
Elissa Flynn-Poppey	No Longer Present
Ashley Groffenberger	Yes
Karen Diane Johnson	Yes
Kristen Lepore	Yes
Khushbu Webber	Yes
John McDonnell	Yes

ATTEST:


 Christopher R. Donato
 General Counsel

Dated: 6/15/3