



MassMutual Center HIGHLIGHTS

SALES UPDATE & METRICS

SALES TEAM

James Boucher – Joined March 14, 2019

Frankie LaCivita – Joined March 4, 2019

Benjamin Craig – Joined September 16, 2019

20

New Inquiries Received

49

Total Overall Inquiries Worked On

Category	Total	Food & Beverage	Rental	Total Room Nights	Attendance Estimates
Definites Booked	\$140,550	\$19,300	\$121,250	TBD	18,750
New Tentatives	\$157,775	\$78,450	\$79,325	645	3,400
New Convention RFPs/Proposals	\$148,000	\$110,000	\$38,000	1,525	1,275
Outstanding Convention Proposals	159,000	\$37,000	\$122,000	1,280	8,000

August Events

World Quilt

Building Total Revenue \$37,676
204 Rooms
EI \$284,812

CannaCon

Building Total Revenue \$42,252
44 Rooms
EI \$151,104

August Events - Attended

Connect Association

62 Appointments

Connect Sports

32 Appointments

September Events (Attending)

--- Small Market Meetings Conference | 32 Appointments requested

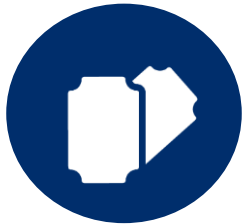
October Events (Attending)

---- Connect Faith

December Events (Attending)

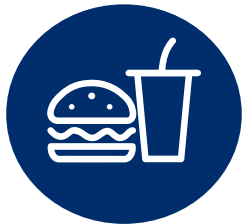
---- Connect DC 32 (focusing on Association)

AEROSMITH KEY METRICS



OVERALL

4 shows (span of 9 days) | **20,071 tickets sold**
Highest grossing show in the building's history (Saturday's show)



FOOD & BEVERAGE

Average Food & Beverage Per Cap	\$11.61
Total Food & Beverage Revenue	\$238,522.42
Average Merchandise Per Cap	\$15.53
Total Merchandise Revenue	\$314,115
Total Catering (Dressing rooms, crew, suites)	\$87,652.34
Total Building Revenue	\$370,000+



SOCIAL MEDIA

Facebook | 171 new followers & 5,160 new check-ins
Instagram | MMC earned most engaging post to date – 233 likes
Twitter | Steven Tyler tagged MMC in a video with over 65K views



POST-EVENT SURVEY

1,000 responses to date | **87% likely to recommend**
4.58 out of 5 for staff friendliness





MCCA Board Meeting

Thursday, September 19, 2019

Cloud Based Phone System Contract

**MASSACHUSETTS
CONVENTION CENTER
AUTHORITY**

Signature
BOSTON™

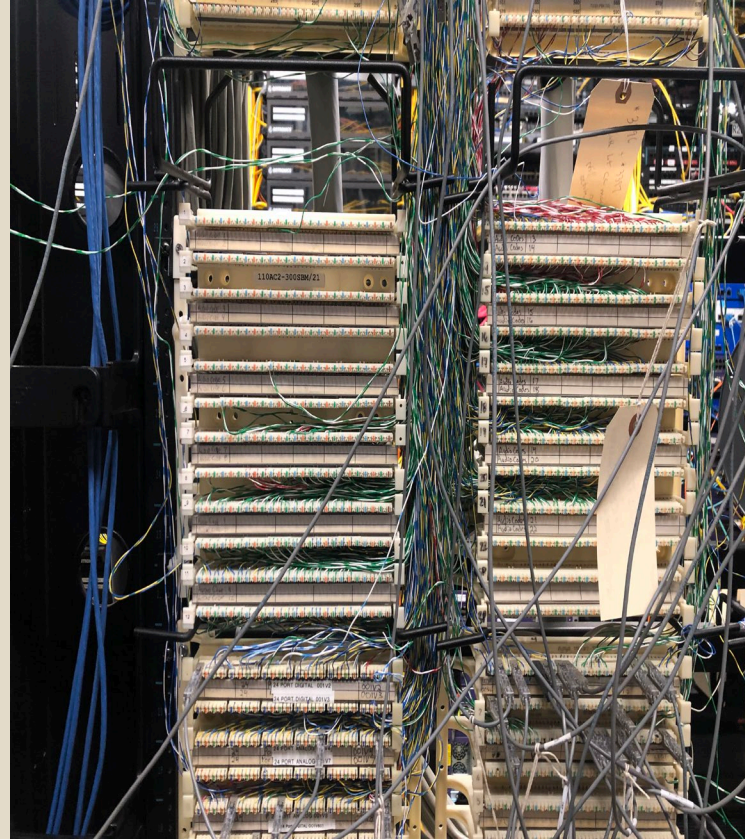


Agenda

- Phone System Background
- RFP Process
- Key Selection Criteria
- Vote

Current on premise Phone System

- Avaya Phone System environment resides on premise.
 - Significant equipment and labor overhead
- Business continuity and redundancy are at a high cost
 - Backups of system need to be run and monitored constantly
- Long-term maintenance and support costs
- As expansion increases we have to manage
- Long deployment times during upgrades
- Expensive administrative costs
 - All software updates and maintenance processes must be done by internal IT staff or outsourced
- Difficult phone environment to support on behalf on our clients and exhibitors.



RFP Process

- The Systems Team with guidance from the Procurement Department compiled a comprehensive RFP that aligned with the MCCA strategic direction.
- Procurement process was done in accordance with M.G.L. c. 30B that allows for “best value” selection.
- Published and advertised RFP for Phone System on March 25, 2019
 - Advertised on internal sites.
 - Conducted an onsite pre-bid conference which drew 40 attendees.
 - Answered follow-up questions
 - Received responses from 14 vendors.
- Interviews with five respondents conducted in May & June 2019
 - Selection Committee established questioning and matrix based on MCCA strategic goals.
 - Offerors had opportunity to respond post interview to any follow up items.
 - Respondents were then narrowed down to three candidates.
 - After second round of interviews with three finalists, the Selection Committee selected Vonage as the preferred vendor for this project.
- Selection Committee members included representation from:
 - Information Technology
 - Legal & Procurement
 - Finance

Key Selection Criteria

- Identified specific system requirements critical to support MCCA Phone System
 - An application that provides the lowest start-up costs.
 - Implementation & Training costs
 - Equipment
 - User cost
 - Total cost of ownership of the system including maintenance over a 3 year period with a 2 year option
 - Security
 - Meets strict industry compliance standards
 - Provide technology that would improve the operational effectiveness and efficiency of the Authority.
 - Support
 - Require 24X7 Support
 - SLA's
 - Direct access to support



Request for Approval for Replacement Phone System

Board Vote: Cloud Based Phone System Contract

In an effort to improve its operations efficiency throughout the Massachusetts Convention Center Authority (“Authority”), the Authority performed a thorough analysis that has determined an upgrade to its current phone system is necessary.

The current phone system was implemented within the Authority approximately 10 years ago and has become obsolete and inadequate for the Authority’s future. As a result, the Authority formed a project team made up of key Authority stakeholders to evaluate the current phone system as well as the current marketplace of Unified Cloud Phone Solutions.

After the evaluation process was completed in February 2019 and the Authority better understood specific criteria for a future system, it was determined that the Authority develop and advertise an RFP for a Cloud Based Phone System.

On March 25, 2019 the Authority issued a Request for Proposal (“RFP”). Bids were due on April 24, 2019 and the Authority received fourteen proposals. After reviewing the vendor bids and proposals, the Authority selected five vendors and conducted interviews with each firm between May and June, 2019 to better understand each proposal specific to the capabilities of the solutions as well as specifics to how they would be implemented. Respondents were then narrowed down to three candidates and a second round of interviews were conducted.

Based on the proposals submitted and the interviews conducted with each firm, the Authority selection committee voted on July 2, 2019 to select Vonage as the Phone System solution for the Authority’s future. It was determined that Vonage offers the most complete solution for the Authority and fully addresses critical areas of system requirements for the Authority based on the published criteria.

Vendor	3-Year Cost
Vonage	\$914,073.36
New Era Technologies	\$939,422.80
Vertical	\$1,272,552.80

A vote to implement the Administration & Finance Committee’s recommendation and award of this contract to the vendor Vonage in the amount of \$914,073.36 would take the following form:

VOTE: The Massachusetts Convention Center Authority hereby authorizes the Executive Director to enter into a contract for the purchase and implementation services of Vonage for 3 years in an amount not to exceed \$914,073.36.

Questions



MCCA Board Meeting
Thursday, September 19, 2019

MassMutual Center
Escalator and Elevator Maintenance Service Contract

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MMC Escalator and Elevator Maintenance Service Contract

Scope of Contract

- Three (3) year term.
- Daily, monthly and annual preventative maintenance of (2) escalators and (5) elevators for Mass Mutual Center
- Annual State Inspection and Certification of all units.
- Annual Fire Alarm Testing
- Guaranteed labor rates for 3 years for non-contracted repairs.

MMC Escalator and Elevator Maintenance Service Contract

Contract Requirements

The advertised, bidding and selection procedures of the contract are in accordance with the statute, M.G.L. c.149 sections 44A-44J:

- Bid Bonds
- DCAMM Certification for classification of work
- DCAMM Update Statement
- Submit bids on time, all forms signed and Addenda acknowledged

MMC Escalator and Elevator Maintenance Service Contract

<u>Contractor</u>	<u>Bid Amount</u>
Otis Elevator Company	\$657,091.22
Kone, Inc.	\$963,184.00
Schindler Elevator Corp.	\$970,415.00

The lowest responsible and eligible bidder is Otis Elevator Company, based on bids received on July 31, 2019 per documents dated July 17, 2019.

MMC Escalator and Elevator Maintenance Service Contract

In accordance with M.G.L. c. 149, bid law requires award to the lowest responsible and eligible bidder. The low bidder who meet all bid and DCAMM requirements is Otis Elevator Company.

A vote to implement the Development & Construction Committee's recommendation to authorize a contract for Otis Elevator Company, for the MassMutual Center Escalator and Elevator Maintenance Service Contract, would take the following form:

VOTE: The Massachusetts Convention Center Authority hereby votes to authorize the Executive Director to execute a service contract with Otis Elevator Company, in the amount of Six Hundred Fifty Seven Thousand, Ninety One Dollars and Twenty Two Cents (\$657,091.22) for the Elevator and Escalator Maintenance at the MassMutual Center.



MCCA Board Meeting

Thursday, September 19, 2019

Boston Common Garage – Parking Access and Revenue Control
System Replacement

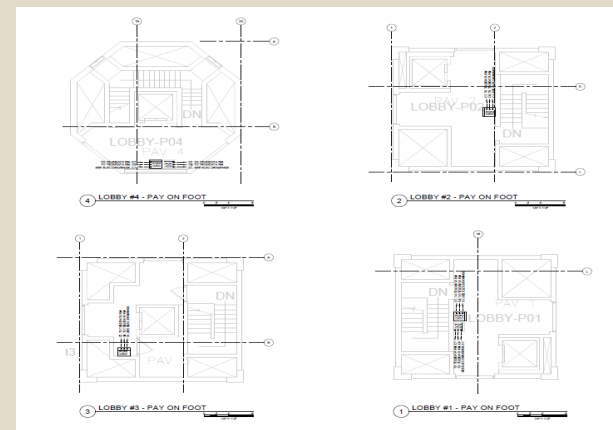
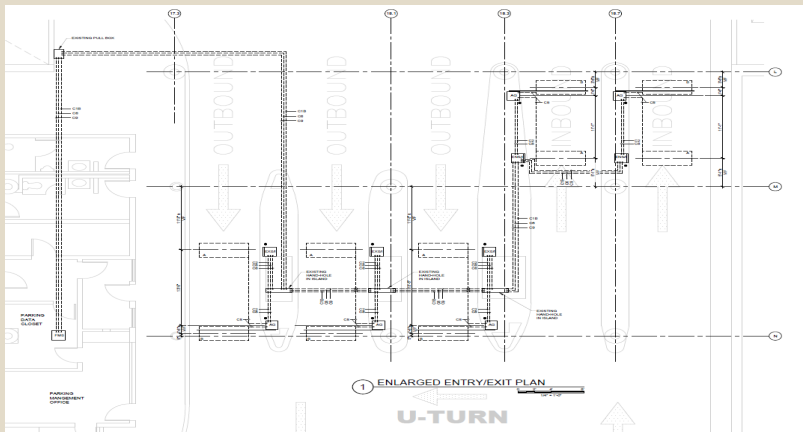
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Boston Common Garage – Parking Access and Revenue Control System Replacement

Summary of the Project:

The purpose of this project is to replace the existing Parking Access and Revenue Control System at the Boston Common Garage. The current PARCS system does not support commonly used 21st century technologies. The new system design includes technology replacement for all entry lanes including parking gates, loops, entry/exit stations, integrated signage, (4) PARCS pay-on-foot kiosks and door access control equipment.



Boston Common Garage – Parking Access and Revenue Control System Replacement

Implementation and Schedule Impacts:

- Project is an enhancement and replacement project of the existing revenue collection system.
- Minimal impact to the patrons of the garage, dual systems during the conversion.
- Pay Station Equipment locations and functionality remain the same, benefit to the wayfinding and educational requirements of the patrons
- Conversion is estimated as days for each location as opposed to weeks.
- The technological improvements, i.e.: bar code, credit chip technology to aid in the reliability and throughput of the patrons.

Boston Common Garage – Parking Access and Revenue Control System Replacement

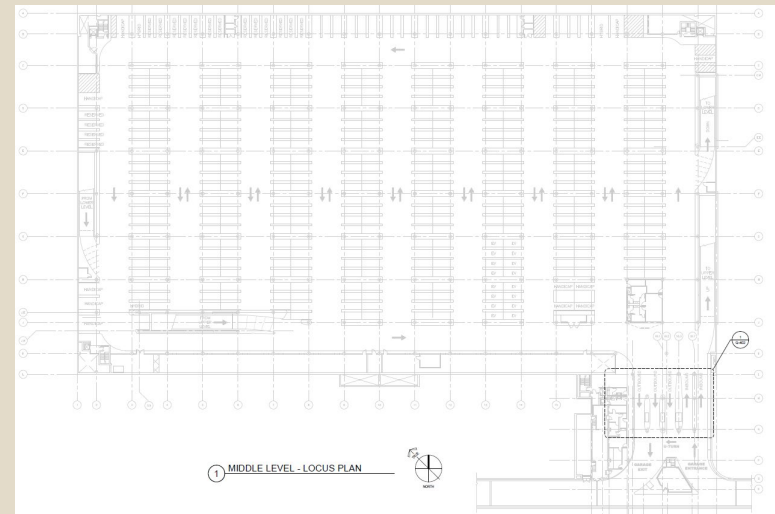
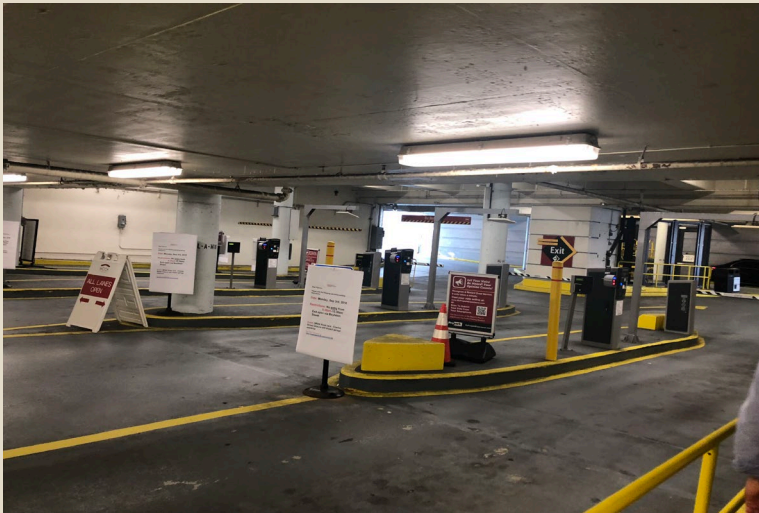
Summary of the Procurement:

The project was advertised and bid under the terms of M.G.L. c 30.

Date of Documents: July 31, 2019

Date of Advertisement: August 14, 2019

Date of Bid Opening: September 9, 2019



Boston Common Garage – Parking Access and Revenue Control System Replacement

Contractor Bids:

Contractor	Contractor Price
Integrated Technical Systems Incorporated	\$379,588.00
Flash Parking	\$381,132.00
Wescor Parking Controls Incorporated	\$385,434.84
Scheidt & Bachmann	\$411,576.91
Control Systems Incorporated	\$457,223.00

The lowest responsible and eligible bidder is Integrated Technical Systems Incorporated, in accordance with bids received on September 9, 2019 per documents dated July 31, 2019.

Boston Common Garage – Parking Access and Revenue Control Replacement

In accordance with MGL. c. 30 bid law requires award to the lowest responsible and eligible bidder, which in this case is Integrated Technical Systems Incorporated.

A vote to implement the Development & Construction Committee's recommendation to authorize a contract for Integrated Technical Systems Incorporated, for the Boston Common Garage Parking Access and Revenue Control Replacement, would take the following form:

VOTE: The Massachusetts Convention Center Authority hereby votes to authorize the Executive Director to execute a construction contract with Integrated Technical Systems Incorporated, for the Boston Common Garage Parking Access and Revenue Control Replacement in the amount of Three Hundred Seventy-Nine Thousand Five Hundred Eighty-Eight Dollars (\$379,588).



MCCA Board of Directors Meeting

September 19, 2019

**MASSACHUSETTS
CONVENTION CENTER
AUTHORITY**

Signature
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Overview

MCCA has reached a turning point for its two Boston facilities due to:

- Normal competitive pressures and evolving market demands in the convention and event industry over the past 15 years
- Increasing capital demands required to address normal life cycle capital replacement projects and to modernize facilities to respond to shifts in the market and ensure continued growth
- Dramatic changes in land use in Seaport and Back Bay neighborhoods over the last decade, which now have resulted in a major inflection point—and opportunity—immediately at hand

How can the Commonwealth and MCCA achieve best outcomes and maximize value of available resources?

Two Facilities with Diverging Prospects

1 Boston Convention and Exhibition Center (BCEC)

- Operating at a high level of utilization and improving cash flow
- Near peak capacity based on current inventory and type of available event space
- Need to expand and update facility to meet evolving market demand:
 - More space and greater variety of spaces to remain competitive
 - Second ballroom and additional exhibit hall to allow closer scheduling of major events and enable continuous revenue-generating activity
 - Increases in overall revenue and operational efficiency
 - Steadier bookings to attract needed hotel development
 - Migration toward higher quality, higher-yield business mix
 - Multi-day events with higher-spending attendees and associations
 - BCEC as marketplace convening industries rather than venue hosting shows
- Facility design will accommodate new spaces that can flexibly respond to evolving user needs
- Expansion will encourage commercial development on private land to connect BCEC more completely to vibrant Seaport/Innovation District neighborhood

Two Facilities with Diverging Prospects

2 Hynes Convention Center

- Substantially underperforms peer facilities in comparable markets
- Event mix includes lower-margin and fill-in or overflow business that drives proportionately lower values in hotel nights and associated economic activity
- Key limitations are antiquated layout and design and predictable losses to BCEC in competition for events and access to hotel rooms
- 40+ year old facility with key building systems requiring replacement along with substantial regular on-going capital needs:
 - \$25-30 million in required systems replacement in next 24 months
 - Nearly \$200 million in capital maintenance required over next 10 years
- Dramatic changes in neighboring property uses under way
 - Major shifts in surrounding land uses are accelerating
 - Hynes land has enormous unlocked financial value as MCCA capital source and unrealized public value as re-imagined center of Back Bay

Rationalizing MCCA Boston Portfolio

Current market conditions create opportunity and impetus to act:

- Two-venue arrangement is inefficient
 - Redundant costs without corresponding return in revenue or other, ancillary benefits
 - Most desirable Hynes bookings can be consolidated at expanded BCEC
- Neighboring properties also face challenges that may undercut long-term viability of Hynes as a convention venue:
 - Nearby third-party owned commercial properties also require significant capital investment and possible redevelopment
 - Planned neighborhood construction projects over next 3 years will substantially restrict access to Hynes loading areas, adding cost and complication to exhibitors
- Ongoing redevelopment projects nearby highlight accelerating change in property uses surrounding Hynes location:
 - 888 Boylston: Class A office recently completed by Boston Properties
 - 1 Dalton Street: Four Seasons Hotel and luxury condominium nearly complete
 - Dalton Street garage: planned redevelopment as mixed rate residential

**Comparable transactions indicate
enormous unrealized capital value of Hynes site**

Capitalizing on the Opportunity

Sale of Hynes and reinvestment of proceeds in BCEC would:

- Provide capital required for BCEC expansion and modernization
- Reduce financial burden on taxpayers and preserve Commonwealth creditworthiness
- Permit MCCA to consolidate Boston event business in an optimized BCEC
 - increased efficiency and offerings for a full range of large and small events
 - no MCCA job loss as Hynes business migrates to BCEC
- Support long-term sustainability of MCCA, BCEC, and the Convention Center Fund
- Open up a major Back Bay land parcel for creative redevelopment that could significantly influence the ongoing re-making of the surrounding neighborhood

The highest and best use of the Hynes site is to enable new Back Bay development and to provide capital funding for an optimized BCEC

Strategic Investment in BCEC

Key elements of BCEC proposed improvement and expansion plan:

- 100,000 square foot additional exhibit hall
- 60,500 square foot flex Ballroom
- 44,000 square feet in additional meeting rooms
- No new debt
- Creates conditions to support commercial development of surrounding property by existing private landowners
- Returns to City of Boston remaining, unused portion of BCEC land originally purchased by City to assemble BCEC site

Consolidating Boston's convention business at an optimized BCEC provides the most efficient and fiscally responsible approach to maximizing economic benefits to the Commonwealth for the future

Strategic Investment in BCEC

Key elements of BCEC proposed improvement and expansion plan

MASSACHUSETTS CONVENTION CENTER AUTHORITY

BCEC EXISTING	
EXHIBIT HALL	516,000 SF
MEETING ROOMS	151,000 SF
BALLROOM	40,000 SF
EXISTING SELLABLE SPACE	707,000 SF

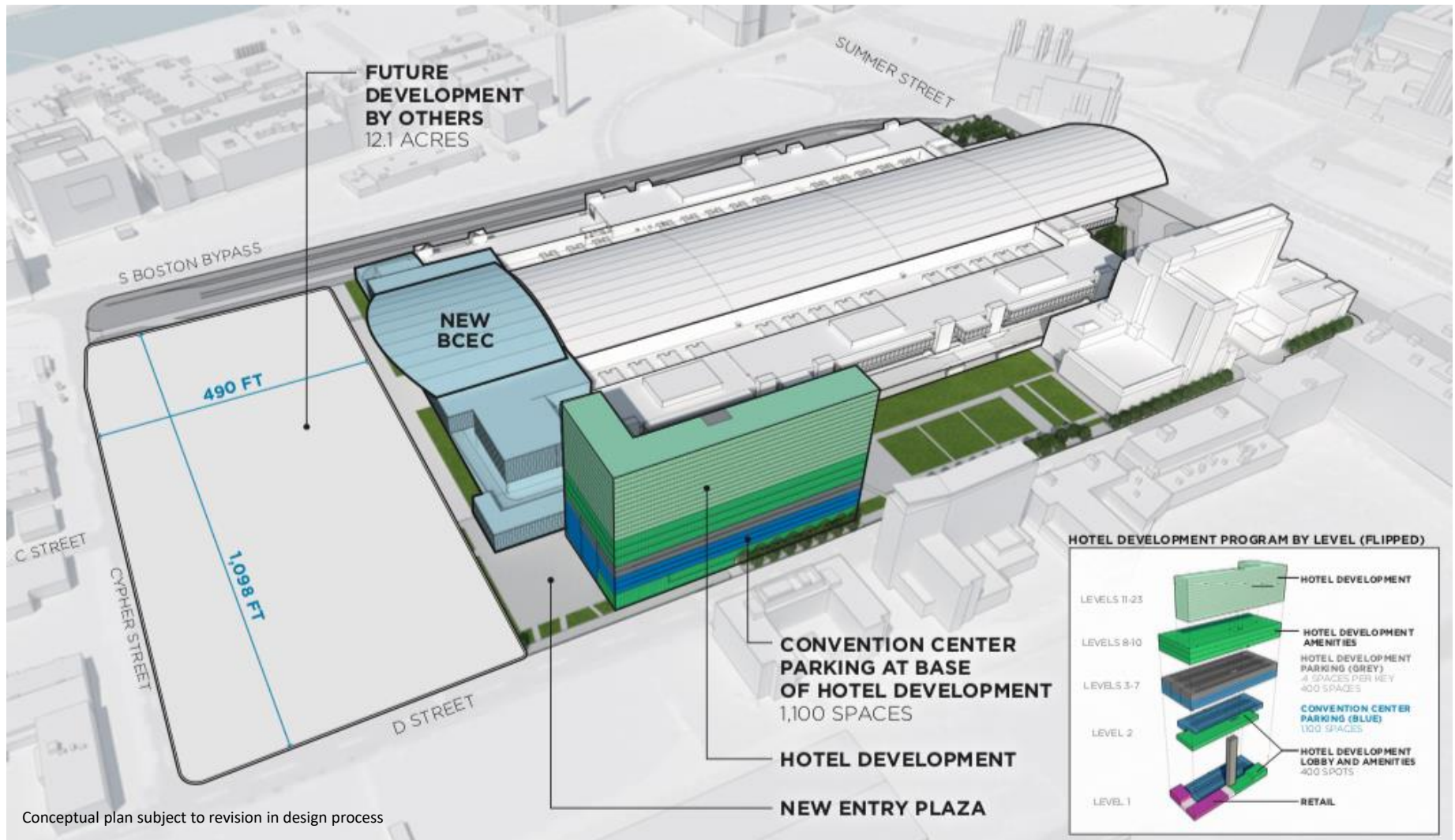
HYNES	
EXHIBIT HALL	151,150 SF
MEETING ROOMS	85,500 SF
BALLROOM	24,500 SF
AUDITORIUM	25,700 SF
SELLABLE SPACE	286,850 SF

NEW BCEC	
EXHIBIT HALL	100,798 SF
MEETING ROOMS	44,120 SF
BALLROOM	60,742 SF
NEW SELLABLE SPACE	205,660 SF

NEW TOTAL
912,660 SF

Proposed BCEC Design

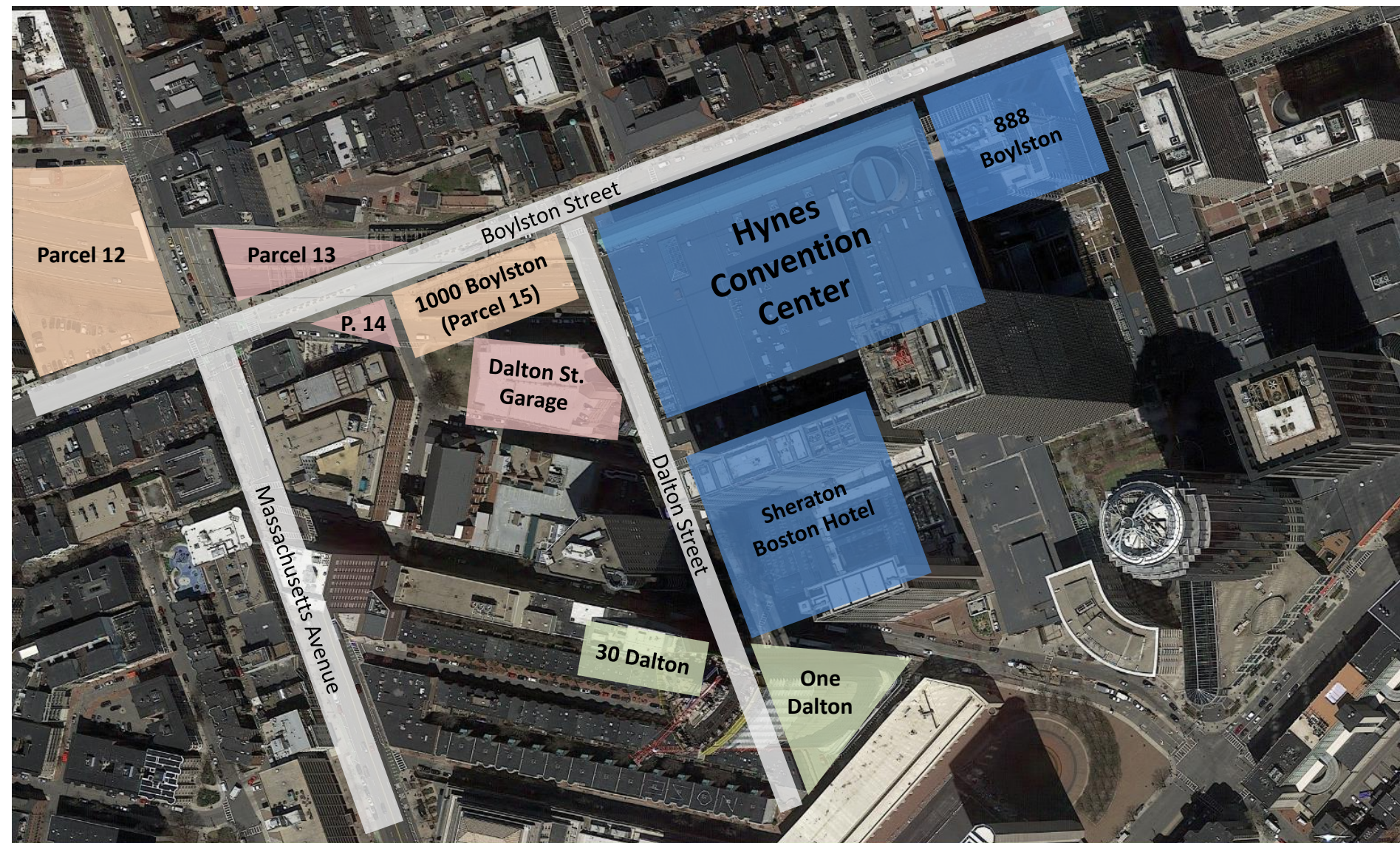
Key elements of BCEC proposed improvement and expansion plan



Projects in motion surrounding Hynes Convention Center



Major properties and development parcels surrounding Hynes Convention Center



Hynes Opportunities and Challenges

Strengths

- Back Bay neighborhood appeals to smaller clients willing to overlook practical limitations of venue, but existing hotel meeting spaces can easily fill this demand
- Facility can work reasonably well for small and medium sized meetings that utilize upper floors, but again existing hotels can fill this need

Opportunities

- Consistently underperforms venues of similar size in other leading markets
- Underperformance in some degree structural as Hynes must compete with BCEC for available hotel inventory
- Limitations of structure and lack of available land severely limit re-design options

Challenges

- Exhibit Halls sit on different levels—no contiguous, expansive space
- Interior columns limit layout options and make space undesirable for show managers
- Tight urban environment adds complication and expense to loading and unloading
 - Requires use of marshaling yards in Allston/Brighton
 - Further difficulties will result from neighborhood construction for next 3-5 years
- Aging structure requires continuing capital investment disproportionate to economic returns of venue—many building systems now at end of life and logistically difficult to replace

BCEC Opportunities and Challenges

Strengths

Location

- Innovation District supports draw of Boston as marketplace for exchange of ideas and hub of innovation economy
- 7 minutes from Logan Airport
- Immediately accessible from I-90 and I-93

Design

- Wide spreads of column-free, contiguous space
- Architectural icon with natural light and highly functional spaces
- Facility design and available contiguous land provide for flexible expansion and response to changing trends over time

Opportunities

- Outperforms venues of similar size in other leading markets
- High demand from top-level corporations and associations currently outstripping availability
- Property is scalable for additional capacity – allows for addition of needed exhibit hall space, second ballroom, and large meeting rooms

Challenges

- Some major groups have outgrown currently available space and hotel capacity
- Single ballroom located at one end of property limits ability to maximize steady stream of activity—load next event while current event in progress
- Current lack of immediately proximate hotel inventory
- Need for addition of large meeting rooms to match industry trends
- Need to update current food and beverage concepts

Facility Snapshot and Comparison

	BCEC	Hynes
Year completed	2002	1963
Total cost	\$850 million	N/A
Most recent significant capital update	Capital maintenance spending commencing	1988
Square footage		
Exhibition	516,000	175,000
Meeting	161,000 (80 rooms)	91,000 (37 rooms)
Ballroom	41,000	25,000
Tenants	FedEx Business Center	Capital Grille, Towne Restaurant, FedEx Business Center
Summary financials (FY19 projected)		
Revenue	\$39,400,000	\$15,600,000
Direct expense	\$35,800,000	\$15,900,000
Pre-overhead profit/loss	\$3,600,000	(\$250,000)
Debt against property	\$700 million	None
Required capital expenditures		
Projected 10 year average spend	\$39 million per year	\$17.6 million per year
Exhibit hall occupancy (2018 PWC report)		
Actual occupancy	68%	44%
Major markets (30,000+ hotel rooms)	62%	62%
Similarly sized facilities	63%	47%
Employees		
FTE	221	72
FTE sales	12	6

Source: MCCA reports



MASTER PLAN PROCESS

BOSTON CONVENTION AND EXHIBITION CENTER

POPULOUS

OLIN

HOWARD STEIN HUDSON

Pinnacle

CSL INTERNATIONAL

GMW Warnick

cbt

MASTER PLAN UPDATE

PROCESS 2018-2019



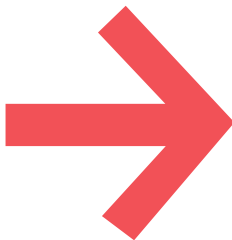
THE NEW BCEC

2014



COST: \$1.2B

- 400,000 SF Exhibit Hall
- 75,000 SF Ballroom
- 125,000 SF of Meeting Rooms
- 5,000 Fixed Seat Auditorium



- 2014 Recommendation
- 2019 Recommendation

2019 NEW BCEC

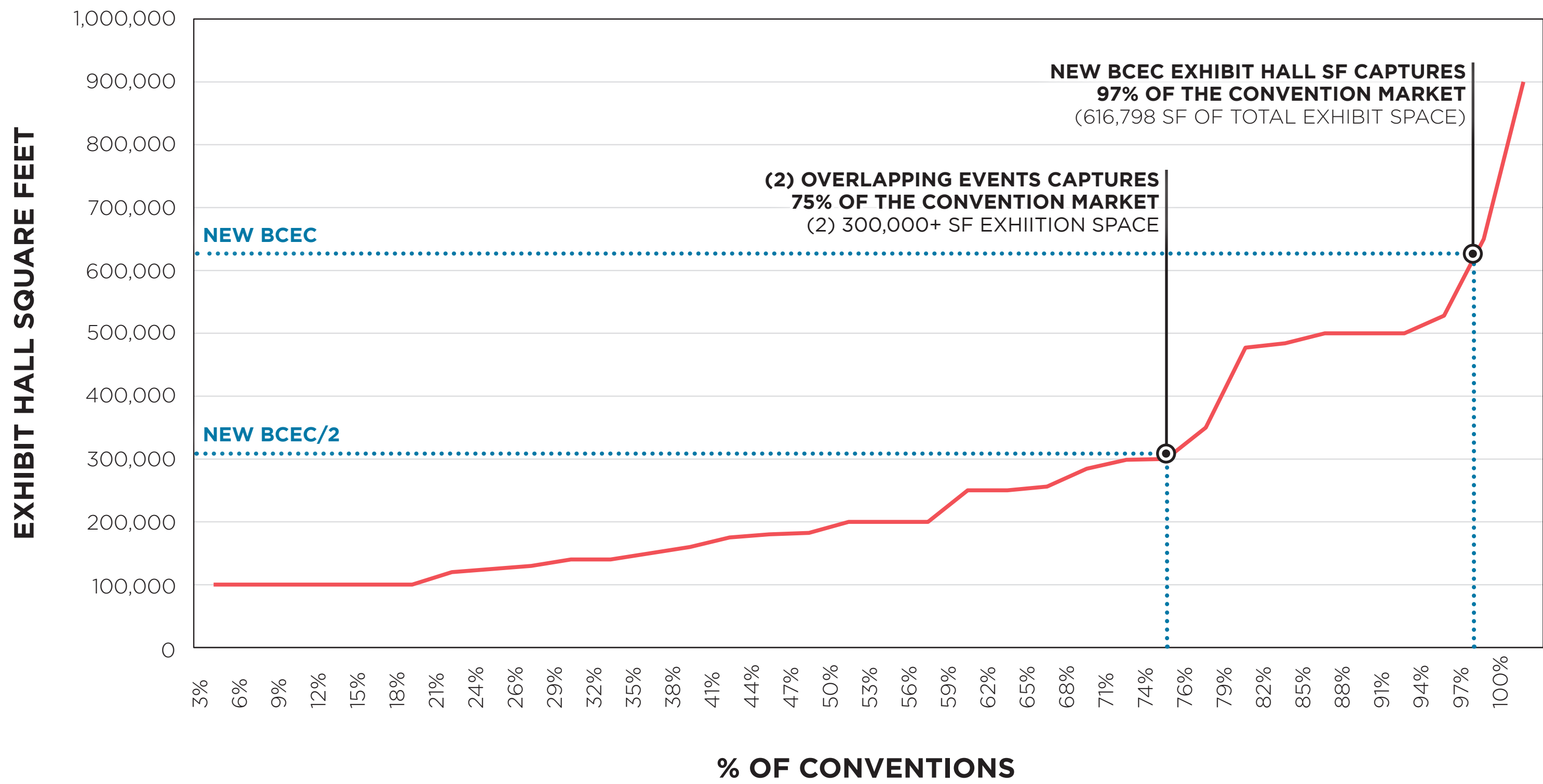


COST: \$500M

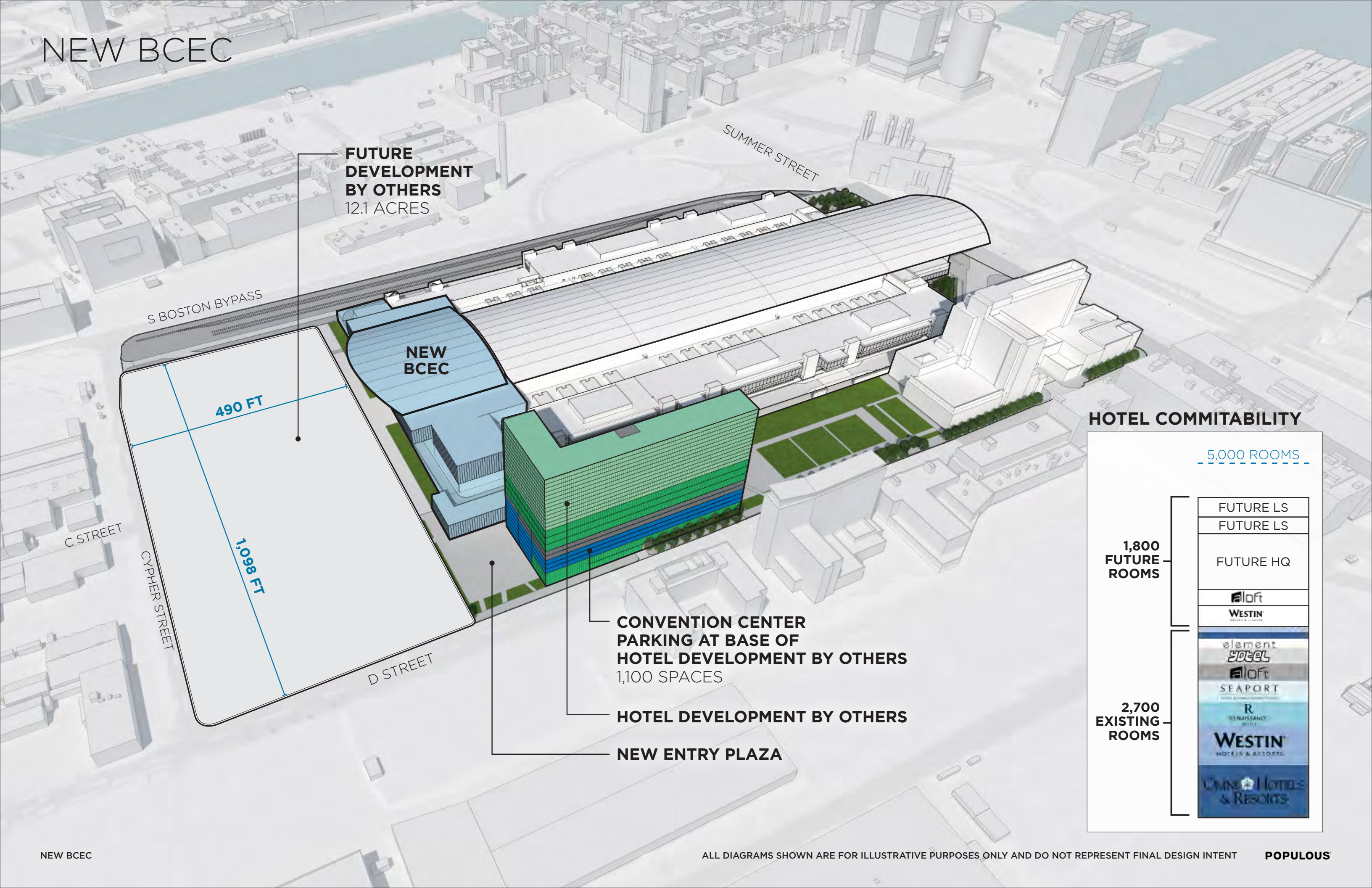
- 100,000 SF Exhibit Hall
- 60,500 SF Ballroom
- 44,000 SF of Meeting Rooms

UNLOCKING OVERLAPPING CONVENTIONS - “STACKED EVENTS”

EQUALIZING HOTEL OCCUPANCY IN THE DISTRICT



NEW BCEC



**FUTURE
DEVELOPMENT
BY OTHERS**
12.1 ACRES

SUMMER STREET

S BOSTON BYPASS

**NEW
BCEC**

490 FT

1,098 FT

C STREET

CYPHER STREET

D STREET

**CONVENTION CENTER
PARKING AT BASE OF
HOTEL DEVELOPMENT BY OTHERS**
1,100 SPACES

HOTEL DEVELOPMENT BY OTHERS

NEW ENTRY PLAZA

HOTEL COMMITABILITY

5,000 ROOMS

**1,800
FUTURE
ROOMS**

FUTURE LS
FUTURE LS

FUTURE HQ

loft

WESTIN

element

HYATT

loft

SEAPORT

REMAISON

WESTIN

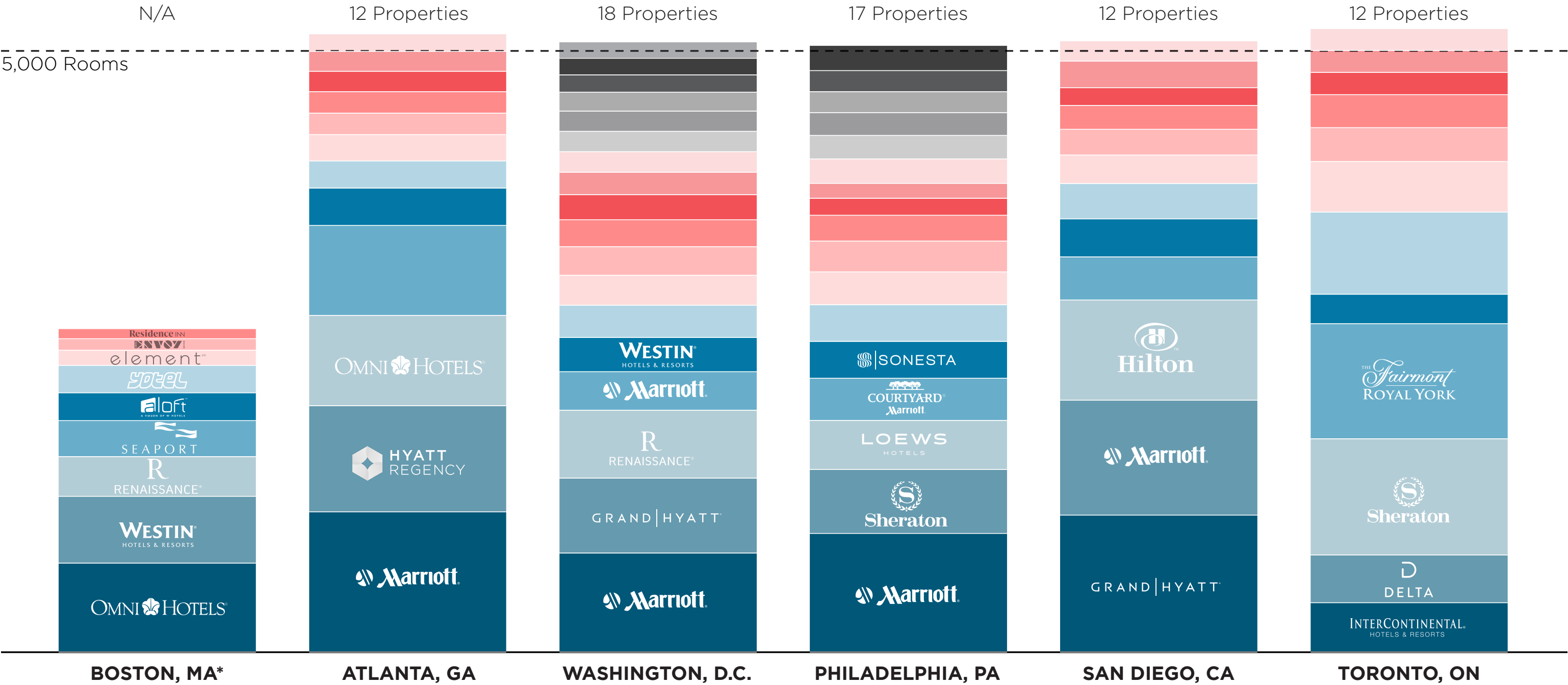
HOTELS & RESORTS

OMNI HOTELS & RESORTS

**2,700
EXISTING
ROOMS**

HOTEL INVENTORY

Hotel Commitability (5,000 Peak at 70%)



*1,055-room Omni Boston Seaport to open in late 2020.

LEVEL OVERVIEW

ROOF LEVEL

BALLROOM 60,742 SF

LEVEL 3 - BALLROOM LEVEL EL 65'-0"

MEETING ROOMS 44,120 SF

LEVEL 2 - MEETING ROOM LEVEL EL 47'-0"

LEVEL 1 - CONCOURSE LEVEL EL 23'-0"

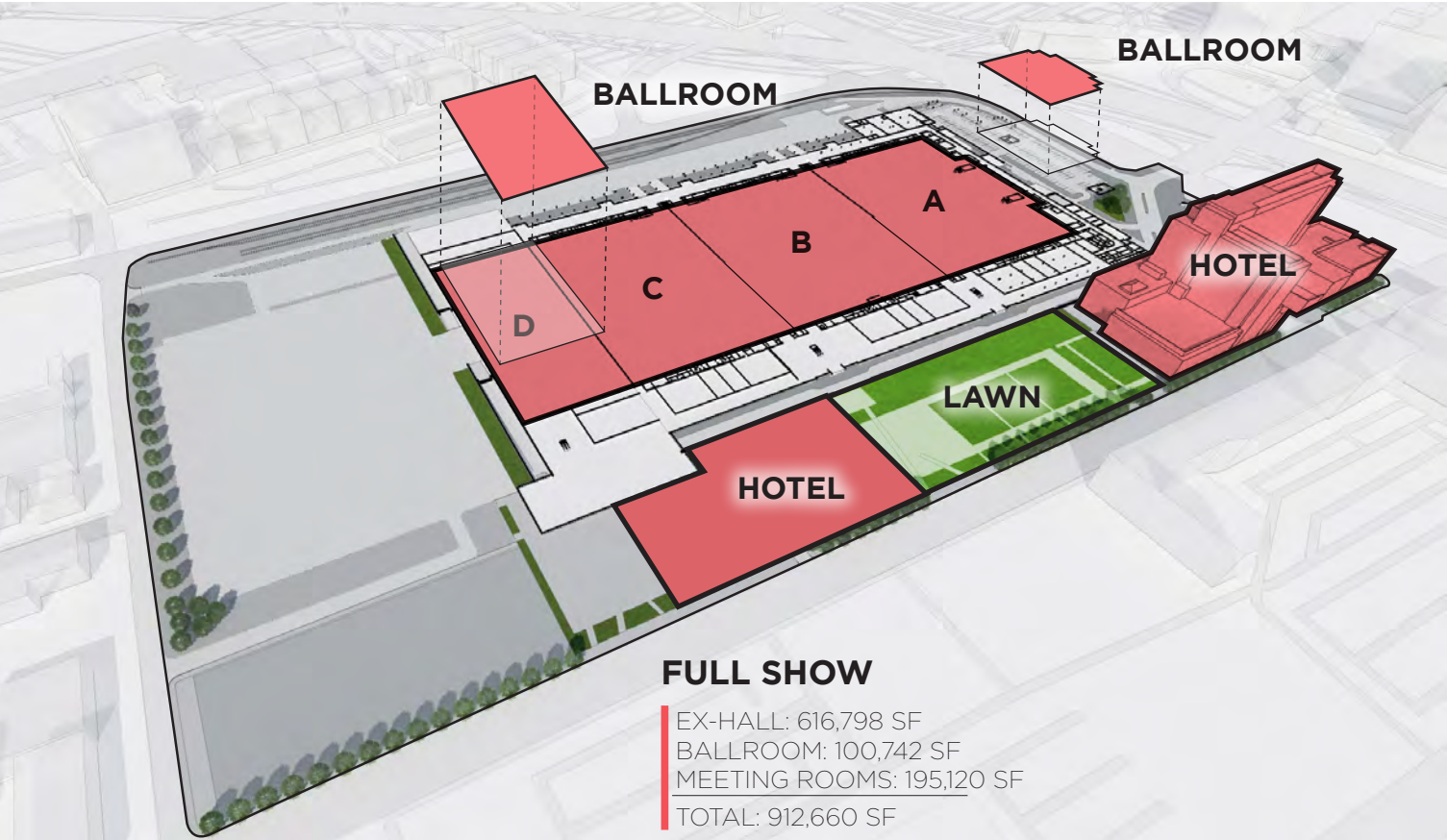
EXHIBIT HALL 100,798 SF

LEVEL 0 - EXHIBIT LEVEL EL 0'-0"

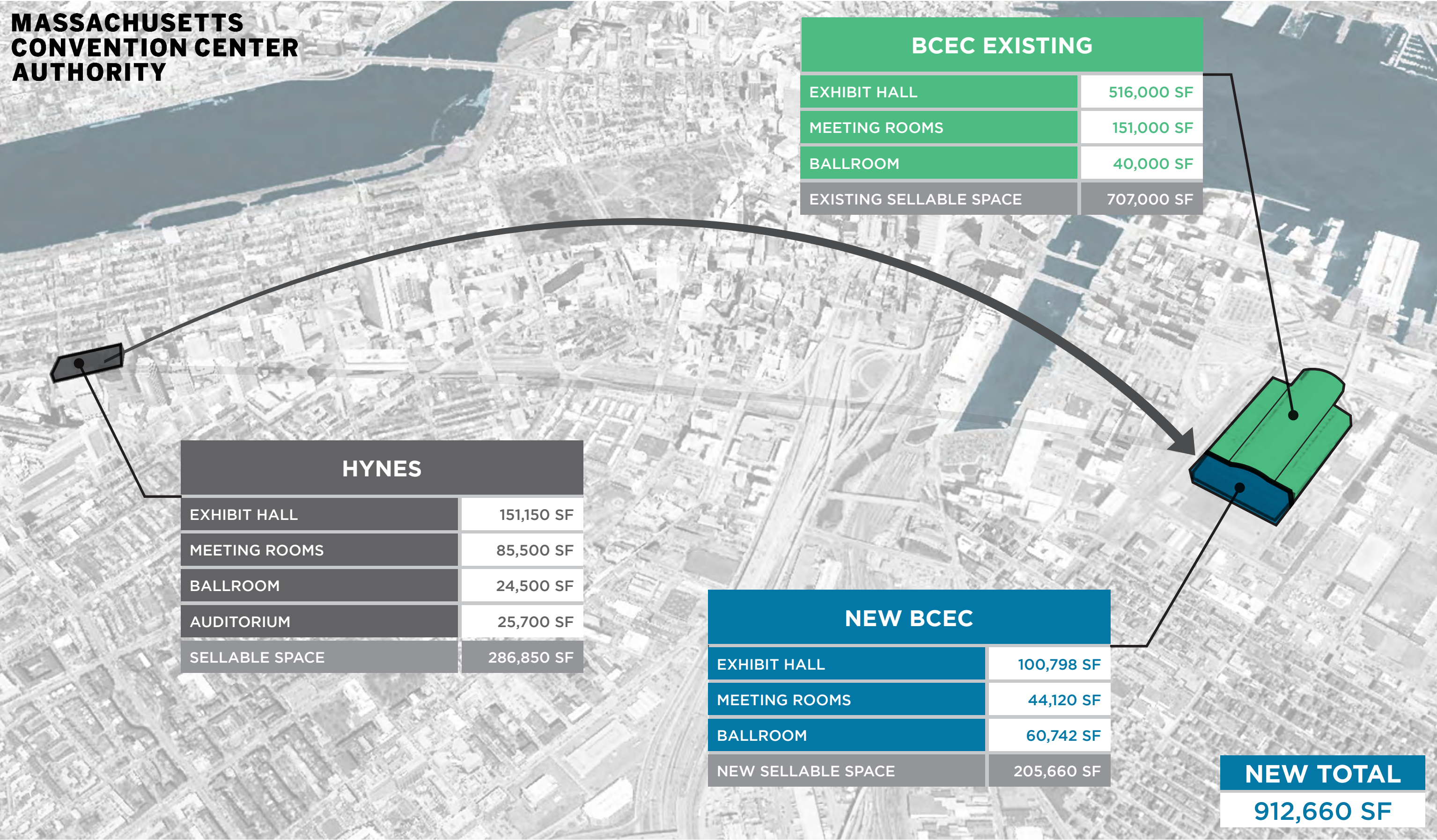
HOTEL DEVELOPMENT BY OTHERS

FUTURE DEVELOPMENT BY OTHERS

ADAPTABLE EVENTS - DIVISION OF SHOWS

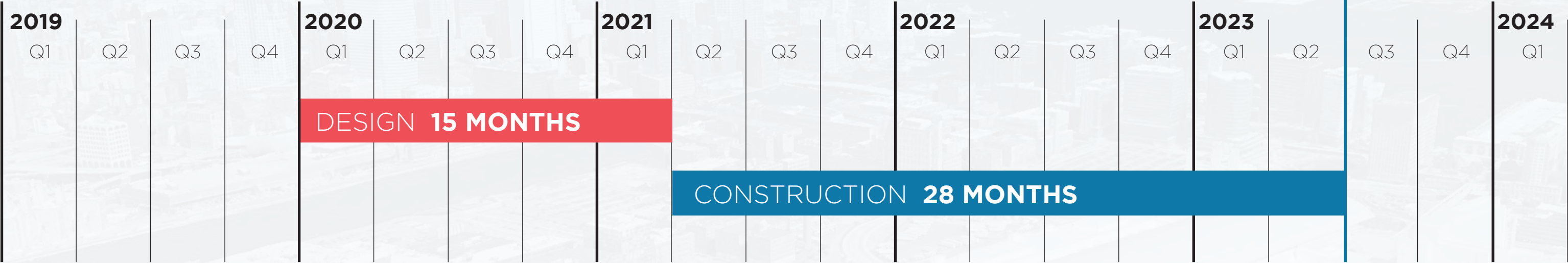


CONVENTION FACILITY CONSOLIDATION



NEW BCEC

ESTIMATED OPEN Q3 2023



DESIGN DURATION

CONSTRUCTION DURATION

* ESTIMATE ONLY