

Creative, inviting public spaces generate unexpected encounters that stir our imaginations.



Dynamic places create opportunities for engagement and conversation that lead to the next big idea and inspire discovery.



Longwood Center eateries on Longwood Avenue



Wheelock Campus' Green Patio

An effective placemaking process capitalizes on a local community's assets, inspiration, and potential, and it results in the creation of quality public spaces that contribute to people's health, happiness, and well-being.

— from the *Project for Public Spaces*, pps.org.

FY2016 Annual Report

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Dana-Farber Cancer Institute
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*Cover Photo: Boston Children's Hospital's James
Mandell Park on Binney Street.*

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Chair's Letter



Dear members,

MASCO is a small, flexible and focused organization that helps create community in the Longwood area through ideas, actions, programs and physical development. To further direct these goals, the Executive Committee developed a new round of strategic initiatives funded by MASCO's strategic reserves. Previous MASCO strategic initiatives include the purchase of our new fleet of shuttle buses and the development of the Transportation Vision.

Now we are asking MASCO to help build community within the LMA neighborhood that could assist in attracting and retaining staff and students, offering respite to patients and families, and facilitating access for visitors. The LMA is a distinctive district in the City and a specific destination for four million visitors, 2.6 million patients, over 21,000 students and more than 46,000 employees. MASCO will create a new website, www.longwoodarea.org to share LMA-wide information and report on public programs and seminars, announce local

events, provide information about neighborhood resources (such as public parks and green spaces, restaurants and retail in nearby Fenway and Mission Hill), and list available wellness centers, gyms, cycling routes and walking maps to promote the area as a healthy sustainable community. MASCO will collaborate with our institutions and neighbors to populate the site.

With consistent growth of the Longwood institutions every year, improving access and reducing congestion continues to be a focus for MASCO's strategic initiatives. To this end, we asked the MASCO team to focus on the following transportation and access challenges: securing long-term or permanent offsite parking, developing a transit hub concept created through the transportation vision, improving traffic enforcement by benchmarking best practices and working with the City and evaluating the impact of trucking and loading on LMA streets and internal institutional operations.



Isabella Stewart Gardener Museum's Monk's Garden

Most strategic discussions begin with the key question ‘what is the organization?’ Although the Executive Committee had a number of observations, I believe the most useful description is that MASCO is an organization committed to developing new and coherent plans to service our members, our 46,000+ employees and our community that would not happen if members did not act together. As MASCO’s Board and Executive Committee, we look beyond our daily crises to the shared interests that are related to our physical environment, infrastructure and services. We include in MASCO’s portfolio managing relations in these areas with the State, the City and our neighbors.

It is my pleasure to report on another successful and fruitful year for MASCO, as we look forward to the future.



Dorothy Puhy
Chair, MASCO Board of Directors;
Executive Vice President and Chief
Operating Officer,
Dana-Farber Cancer Institute



Wentworth's Green Quad

President's Message



Dear members,

The City of Boston is planning for the year 2030 with "Imagine 2030," the first all-City transportation plan in 50 years. We looked ahead at 2030 with our members, and by then, we would collectively add 6 million square feet in new construction to the LMA. That additional construction, of course, will mean more people. Over ten years, our institutions have added an average of 1000 people each year. If we build everything that is planned over the next decade, the LMA will be employing over 58,000 people in 2030.

MASCO works daily with incentives and one-on-one meetings to get people out of their cars and, as a result, only 28% drive alone and 51% take public transit. We continue to work with the State's transportation leaders to improve public transportation, and we were successful in averting significant proposed commuter rail service cuts on the southern commuter rail line. Based on survey information obtained from your commuting employees, we were also successful in encouraging the T to add cars to the Worcester/Framingham line to help decrease overcrowding.

We not only have cars, trucks and emergency vehicles jockeying for lanes on the streets, we have transit gurus who believe that if there were a dedicated bus lane, it could hold 60 people, all of whom would get out of their cars. There are bicycle enthusiasts who believe that dedicated bike lanes with curbs would encourage healthy commutes and also get people out of their cars. Everyone feels strongly about their rights to their particular commute.

The transportation vision that was conceived over three years and guided by the Strategic Planning Committee has produced a concept for a transit hub. The plan depends on being able to pull back building footprints on either side by up to 25 to 30 feet. Moving back the building footprints on both sides of the street 25 to 30 feet makes room for bus pull-offs and protected bike lanes, however it means, of course, that you would have to trade building height for land area. This is a major step for the LMA area and future development, and we will continue to work with the City on the plan, the State on consolidation



Isabella Steward Gardner Museum's Richard E. Floor Living Room

of the bus lines, and our LMA communities over the next decade.

The Transit Hub will also strengthen the LMA physical identity. Why is this important when each of our institutions already has a world-wide identity? Michael Kimmelman, the architecture critic for the New York Times says that "...architecture requires not just making attractive buildings but providing citizens with generous, creative, open, inviting, public spaces. One of the basic truths of urban life turns out to be that there's a nearly insatiable demand for such places."

Such space is not only for our current and future employees, but all of our customers and constituents. Kimmelman points to a public place that could be any shape, opened or closed, but it is a magnet, in the midst of things that "dictate the flux of life not only within its own confines, but also through adjacent streets"- an experience shared by everyone. Not only our lovers of cities, but our international students and visitors coming to the LMA know such places

at home and at work in London, Paris, Germany, China, Istanbul, Israel, Mexico, and they seek them here.

We plan to continue our "placemaking" efforts to build community within the LMA with a goal to assist members in attracting and retaining employees, physicians, faculty and students and also offer relief to patients and families. In the long term, we will work with the public agencies and your representatives in refining the plan for the Transit Hub. In the short term, we'll continue with community events like Bands on Blackfan and, for the next fiscal year, we will be developing a mobile site for MASCO.org and a web site for the Longwood Area.

I look forward to keeping you informed of our progress.

Cordially,



Marilyn Swartz-Lloyd
President and CEO



Evans Way Park

FY2016 Financial Update

Another successful year is in the books, and MASCO's financial position for FY2016 reflects a strong year for operating results offset by a second difficult year for investment returns.

FY16 saw a great deal of activity in our operations area. We finalized a number of parking agreements resulting in secured parking locations in the Fenway, at Wentworth and at the Crosstown Garage. The 375 Longwood Avenue Garage continued to be very busy producing higher than budgeted transient revenue, and the lack of snow over the winter contributed to our positive operating results. We worked with tenants at 375 Longwood Avenue to extend leases for additional 5 year periods and completed capital projects in the garage and replaced the elevators in the office building. Shuttle operations and bus maintenance remain a high priority and we met regularly with Paul Revere Transit Company, our bus operating vendor, to review customer service and bus maintenance for which we continue to use an independent vendor for audits.

We continued work on the transportation vision and other Area Planning projects. Some highlights over the past year include pedestrian safety improvements at the Francis and Binney Street intersection, advocacy with the MBTA to minimize service cuts impacting the LMA, completed third phase of the Karma Commuting program, technical assistance on bike parking, and a great deal of activity in city services, Commuteworks and Construction Coordination.

During FY2016, we made the difficult decision to wind down several business areas resulting in the end of the four year pilot program for the Longwood Area Family Child Care Network and the end of most of the shared contracts offered through MSI Collaborative Services area. MSI will continue to offer a shared elevator

maintenance program. The FY2016 operating results reflect one-time expenses associated with the program.

Overall financial performance was strong with a total increase in unrestricted net assets of \$1.1 million. Excess of Revenues over Expenses was favorable to FY2015 levels; however, returns on investments were significantly unfavorable to the prior year.

Revenues

Overall revenue increased from the previous year mainly due to additional parking spaces, parking and transit shuttle rate increases, and bill backs for elevator maintenance per the terms of the contract. These were partially offset by fewer funds released from the Funds Restricted for Area Planning, as a result of lower transit vision spending and lower bill backs for the Colleges of the Fenway insurance program and the Bright Horizons child care contract. Parking and Transportation and the 375 Longwood Avenue complex account for over 80% of our total revenues.

Expenses

Operating expenses increased by \$236,000. Rent expense increased by \$1.7 million due to additional spaces and lease increases. In addition salaries and benefits increased due to merit increases, fully staffed positions and health insurance premiums. These increases were largely offset by decreases in other expense categories. Our largest expense category, Professional and Contract Services, decreased by 1.7 million primarily due to lower spending on the Transit Vision project and to MSI no longer coordinating the Colleges of the Fenway insurance program. Interest expense decreased as we pay down our bus debt.

Investment Income

The year ending June 30, 2016 was another difficult one for MASCO's investment portfolio. Our total unrestricted investment portfolio ended the year with a return of -1.4% and a balance of \$32.3 million. We continued to earn dividend and interest on our portfolio which totaled \$898,000 over the year. However, these realized returns were more than offset by unrealized losses of \$1.2 million and investment fees of \$124,000. MASCO continued to work with NEPC Investment Advisors who provide advice about our portfolio which is comprised of \$12.8 million in global asset allocation composites, \$7.1 million in fixed income, \$5.8 million in domestic equity, \$2.0 million in international equity, and \$1.4 million in each of an emerging equity fund and an opportunistic fund, which is oil related. MASCO also has \$2 million in cash and cash equivalents.

Assets and Liabilities

MASCO's largest assets other than the investment portfolio are the 375 Longwood Avenue complex and the new buses and cutvans. MASCO's only debt is for the tax exempt bus lease which had an outstanding balance of \$10.7 million at year end. Of note during the year is the capital investment of \$700,000 made to the 375 Longwood Avenue property which is now 24 years old. Over the past 12 months additional structural work was completed in the garage, and the 2 elevators in the office building were replaced.

Consolidated Statements of Unrestricted Activities

(in thousands)

	2016	2015
Total operating revenue	\$30,935	\$30,350
Total Operating expenses	29,398	29,162
Excess revenues over expenses	1,537	1,188
Other income:		
Investment income, net	(441)	(13)
Net assets released from restriction for capital expenditure	46	334
Gain/(loss) on disposal of assets	—	(136)
Income before provisions for taxes on income	1,142	1,373
Recovery of (provision for) taxes on income	3	(5)
Excess of revenues over expenses	\$1,145	\$1,368

Consolidated Statement of Financial Position

(in thousands)

Assets

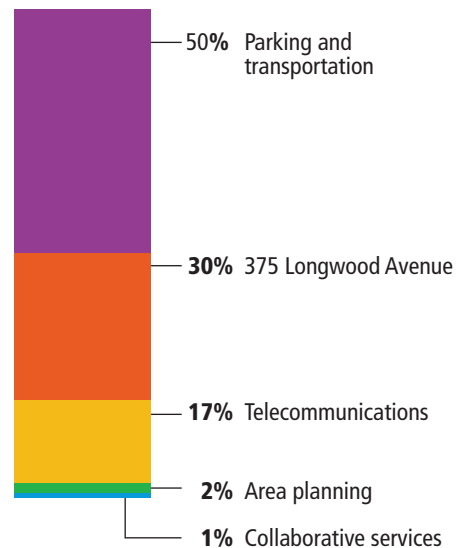
Cash/cash equivalents	\$4,150	\$2,394
Investments:		
Donor restricted	33	539
Unrestricted	32,233	32,253
Other assets	2,607	2,976
Property and equipment — net	25,306	26,692
Total assets	\$64,329	\$64,854

Liabilities and net assets

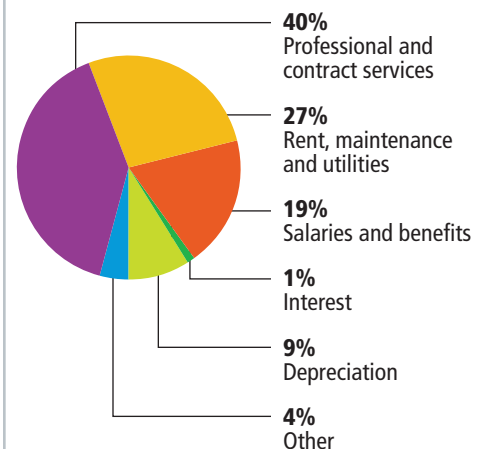
Long-term capital lease liability	10,747	12,094
Other liabilities	5,449	5,266
Net assets:		
Unrestricted	48,100	46,955
Temporarily restricted	33	539
Total liabilities and net assets	\$64,329	\$64,854

The information above was summarized from MASCO's audited financial statements for the fiscal years ended June 30, 2016 and June 30, 2015. For a complete copy of MASCO's audited financial statements, call 617-632-2790.

FY2016 Revenue

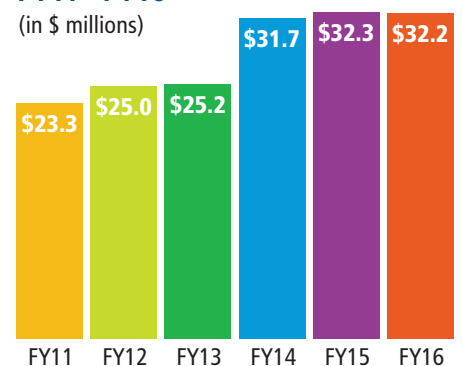


FY2016 Operating Expenses



Investment Portfolio FY11 –FY16

(in \$ millions)



Board and Committee Members

MASCO Member Institutions and Board of Directors

(as elected at the June 2016 Annual Meeting)

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Marilyn Swartz-Lloyd, MASCO President (*ex officio*)



MASCO CFO Holli Roth and MASCO Chairman Emeritus Dr. Marvin Schorr



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Marilyn Swartz-Lloyd, MASCO

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Henry Tomosuolo, Boston Childrens Hospital

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Lynda Connolly, Chief of Staff, Simmons College and Mark Fuller, Trustee, Massachusetts College of Pharmacy and Health Sciences University



"Bands on Blackfan" Summer Community Celebration



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Natalie MacKnight, *Designer*