

MASSACHUSETTS PORT AUTHORITY
MINUTES OF THE MEETING HELD ON
MARCH 16, 2017 AT 9:00 A.M.
ONE HARBORSIDE DRIVE, EAST BOSTON, MA

The meeting of the Members of the Massachusetts Port Authority was held at One Harborside Drive, East Boston, Massachusetts on March 16, 2017. Vice Chairman L. Duane Jackson presided. Michael P. Angelini, (by telephone), Lewis G. Evangelidis, Patricia A. Jacobs, John A. Nucci, Thomas P. Glynn, CEO and Executive Director, Catherine McDonald, Chief Legal Counsel, Elizabeth Morse, Chief of Staff, John P. Prankevicius, Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Lisa Wieland, Port Director, Houssam H. Sleiman, Director, Capital Programs & Environmental Affairs, James Doolin, Chief Development Officer, George Naccara, Chief Security Officer, Elizabeth Becker, Director, Community Relations and Government Affairs, Kenn L. Turner, Director of Diversity & Inclusion/Compliance, Andrew Hargens, Deputy Director, Real Estate Development, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:10 A.M.

Public Comment

There were no requests to speak during the Public Comment Period.

Ratification and approval of the minutes of the February 16, 2017 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the February 16, 2017 Board Meeting.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

Chairman's Comments

Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to consider the purchase, exchange, lease or value of real property, specifically regarding Massport Marine Terminal Parcel 4 Development Agreement, Massport Marine Terminal Parcel 6 Development Agreement, the Summer Street Hotel Development Agreement and Lease, the 88 Black Falcon Lease Assignment, passenger forecast, and a sensitivity analysis, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority; and

That the Authority enter executive session to discuss litigation strategy, specifically regarding Eversource Energy, and the Boston Taxi Association litigation, since a discussion in open session may have a detrimental effect on the litigating position of the Authority; and

That the Authority enter executive session to discuss the deployment of security personnel or devices, or strategies with respect thereto.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

Mr. Jackson stated that the Authority will reconvene after Executive Session.

The public session recessed at 9:11 A.M.

The public session reconvened at 10:40 A.M.

Public Session

East Boston Community Commitments

Ms. Becker presented information on meetings between staff and the Logan Impact Advisory Group (LIAG), and information on the Strategic Plan projects that will trigger milestone based East Boston mitigation commitments in the form of supplemental PILOT payments or asset improvements.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Massachusetts Port Authority (“Massport”) is undertaking projects at Boston Logan International Airport (“Logan Airport”) to: (i) add seven international gates at Terminal E; (ii) increase the Airport parking freeze; and (iii) construct five thousand (5,000) new Airport parking spaces (collectively, the “Projects”), as part of Massport’s Strategic Plan; and

WHEREAS, Massport has from time to time, in accordance with provisions of its Enabling Act, provided supplemental Payment-in-Lieu-of-Taxes (“PILOT”) payments during times of sustained growth and expansion of Massport’s operational facilities, including a 1997 Community Agreement, as amended in 2010 and 2015, which provided for supplemental PILOT to the City of Boston earmarked for the East Boston Foundation, to allow for community mitigation of the effects of growth and change at Logan Airport; and

WHEREAS, on September 16, 2016 the Board adopted a Community & Regulatory Mitigation Policy formalizing a supplemental PILOT process (“Supplemental PILOT”); and

WHEREAS, over an eight-month period, Massport held a series of community meetings with members of the East Boston Community represented by the Logan Impact Advisory Group (“LIAG”), comprised of leaders of East Boston community groups, local elected officials, and the City of Boston, to discuss the Projects and impacts to the community; and

WHEREAS, on the basis of this work with the LIAG, the Board voted on October 20, 2016 to establish the East Boston Framework that recognized the general parameters of the commitments: project-based milestone payments payable as PILOT to the City of Boston, earmarked for the East Boston Foundation (“EBF”), a portion of which EBF may use to fund a senior center in Orient Heights; the design and construction by Massport of Piers Park Phase II; and consistent with past practice, to work with East Boston homeowners in the FAA-approved contour for participation in the Massport-FAA soundproofing program; and

WHEREAS, consistent with the Community & Regulatory Mitigation Policy and the East Boston Framework previously voted, staff recommends that the Board authorize the following:

- i. Supplemental PILOT payments in the amount of \$6,708,000 (“Supplemental PILOT”), of which \$1,708,000 has been requested to be designated for a senior center. Such Supplemental PILOT shall be payable upon the completion of project-related milestones to be set forth in the Community Agreement, for the benefit of the East Boston Foundation; and
- ii. The design and construction by Massport of Piers Park Phase II on land owned by Massport, as further described in the Memorandum presented at this meeting, in an amount of \$15,000,000, which shall include a community process as shall be set forth in an agreement with the East Boston Project Advisory Committee, Inc. (“the PAC”), and shall be designed and constructed at the same quality as Piers Park I; and
- iii. Continue Massport’s practice of working with East Boston homeowners in the FAA-approved contour for participation in the Massport-FAA soundproofing program, with an estimated value of \$3,000,000.

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

The Chief Executive Officer and Executive Director, the Director of Administration & Finance and Secretary-Treasurer or the Assistant Secretary-Treasurer, each acting singly (each an “Authorized Officer”), is hereby authorized and directed to execute and deliver on behalf of Massport agreements including the following:

1. Pay Supplemental PILOT payments to the City of Boston in the amount of Six Million Seven Hundred and Eight Thousand Dollars (\$6,708,000), which shall be paid subject to project-based milestones as set forth in the Community Agreement, as amended; and
2. Massport shall design and construct Piers Park Phase II, and shall commence a community planning process with the East Boston Project Advisory Committee, Inc. (“the PAC”) in an amount of Fifteen Million Dollars (\$15,000,000), subject to project-based milestones as set forth in the PAC Agreement; and

3. Work with East Boston homeowners in the FAA-approved contour for participation in the Massport-FAA soundproofing program, with an estimated value of Three Million Dollars (\$3,000,000); and
4. Execute and deliver on behalf of Massport consistent with this Vote an amendment to the Original Foundation Grant previously provided by Massport to the City of Boston and adopted by the City Council, to reflect the Supplemental PILOT amount; and to do all acts and things and to execute and deliver any and all agreements, documents, certificates and other instruments, not inconsistent with this Vote necessary or desirable to allow the City to accept the Supplemental PILOT amount in accordance with and as contemplated by this Vote; and
5. Each Authorized Officer, acting singly, is hereby authorized and directed to do all acts and things and to execute and deliver any and all agreements, documents, certificates and other instruments, not inconsistent with this Vote necessary or desirable to effectuate the transactions contemplated by this Vote.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

Director Community Relations & Government Affairs - Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Elizabeth Becker to the position of Director Community Relations & Government Affairs, level 12, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the CEO & Executive Director. This position will report directly to the CEO & Executive Director and will become effective with this Board vote.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

Audit and Finance Committee

Independent Accountant Contract

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to execute on behalf of the Authority an agreement (the "Agreement") with Ernst & Young LLP ("E&Y") for independent auditor services. E&Y shall perform the annual independent audits of the Authority's Financial Statements, Federal and State Grants, its Passenger Facility Charge Program, its Customer Facility Charge Program, and other programs as required and provide other auditing/accounting related services for a three-year term commencing as of June 1, 2017 and terminating on May 31, 2020, provided that such term may be extended by up to two (2) one-year option periods, the exercise of which will require further Board authorization.

The total compensation to be paid under the initial three-year term of said Agreement shall not exceed One Million Five Hundred Twenty Five Thousand Dollars (\$1,525,000) and in the event the term of said Agreement is extended as set forth herein, the total compensation shall not exceed Two Million Six Hundred Fifty Thousand Dollars (\$2,650,000) during the maximum term of five years, as follows:

Year 1 – June 1, 2017 – May 31, 2018	\$485,000
Year 2 – June 1, 2018 – May 31, 2019	\$510,000
Year 3 – June 1, 2019 – May 31, 2020	\$530,000
Year 4 – June 1, 2020 – May 31, 2021	\$550,000 (Option)
Year 5 – June 1, 2021 – May 31, 2022	\$575,000 (Option)

In the event that E&Y provides other financial and tax services to the Authority under the Agreement, said services shall be provided at the following rates:

Year 1	\$135/hour
Year 2	\$142/hour
Year 3	\$149/hour
Year 4	\$156/hour (Option)
Year 5	\$164/hour (Option)

The Agreement shall contain such other terms and conditions as the person executing it in accordance with this vote deems necessary or desirable.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

Supplier Diversity Program

Mr. Turner noted that his office will implement an outreach effort to build awareness of the Supplier Diversity Program and to expand the diverse supplier database.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, pursuant to Executive Order 565 signed on November 3, 2015, the Massachusetts Supplier Diversity Program (the “Massachusetts SDP”) is reaffirmed and expanded to veteran-owned businesses, disability-owned businesses, and lesbian, gay, bisexual, and transgender (“LGBT”) owned businesses; and

WHEREAS, Executive Order 565 encourages independent authorities of the Commonwealth to adopt policies consistent with the Massachusetts SDP; and

WHEREAS, the Authority’s Office of Diversity & Inclusion/Compliance proposes to implement a Supplier Diversity Program (the “Program”) to ensure that certified minority-owned business enterprises (“MBEs”); women-owned business enterprises (“WBEs”); veteran-owned businesses; disability-owned businesses; and LGBT-owned businesses (collectively, “Diverse Suppliers”) have an equal opportunity to participate in the Authority’s purchasing activities for goods and non-professional services; and

WHEREAS, the proposed Program will be implemented on a pilot basis for CY2017 and for CY2017 and each year thereafter the Director of Diversity and Inclusion/Compliance, or his/her designee, shall establish an aspirational Diverse Supplier goal, on the basis of a methodology that takes into account demonstrable evidence of local market conditions, expected purchasing opportunities of the Authority and the relative availability of Diverse Suppliers in the relevant market; and

WHEREAS, staff recommends that the Members of the Authority authorize staff to develop and implement the Massport Supplier Diversity Program.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

The Chief Executive Officer and Executive Director, the Secretary-Treasurer, the Assistant Secretary-Treasurer, or the Director of Diversity and Inclusion/Compliance, each acting singly, is hereby authorized and directed to develop and implement the Massport Supplier Diversity Program, which shall include reviewing the Authority’s procurement opportunities and contracts for the purchase of goods and non-professional services; establishing a goal methodology (which may be modified, from time-to-time, as appropriate); establishing a Diverse Supplier goal for each calendar year, monitoring participation toward the Diverse Supplier goal during the year; and, following the end of each year, issuing a report on Diverse Supplier goal achievement (and providing the Board with a copy of the same).

The Chief Executive Officer and Executive Director, the Secretary-Treasurer, or the Assistant Secretary-Treasurer, each acting singly, is hereby authorized and directed to do all acts and things, and execute and deliver any and all agreements, documents, certificates and other instruments, not inconsistent with this Vote, as necessary or desirable to effectuate the Massport Supplier Diversity Program.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

Assent Agenda

MPA L1231 - Ground Transportation Initiatives, Logan International Airport, East Boston, MA,
Revised Partial Project Budget

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to take all actions necessary or desirable and to execute all agreements necessary or desirable in order to continue with and complete the Authority's Capital Project known as Ground Transportation Initiatives (MPA L1231) subject to the following conditions: funds expended for the Ground Transportation Initiatives Capital Project shall not exceed \$6,500,000.00 (the "Approved Revised Partial Budget") as shown on the Financial Summary presented at the Board Meeting on March 16, 2017; the Director of Capital Programs and Environmental Affairs will provide to the Board annual updates on expenditures, contract amendments and change orders related to the Ground Transportation Initiatives Capital Project and shall report back to the Board if at any time during the life of the Project it appears likely that the Project will exceed the Approved Revised Partial Budget; the Director of Capital Programs and Environmental Affairs shall also report any material changes to the scope of work for the Capital Project as described in the back up materials presented at the Board Meeting on March 16, 2017. The CEO & Executive Director shall obtain all necessary permits and approvals and shall conduct all required environmental reviews prior to the execution of any agreement or to the commencement of any action all as may be required by law. Any agreement arising out of this vote shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

MPA L1221 - New Roadway Lighting Fixtures, Logan International Airport, East Boston, MA,
Partial Project Budget

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to take all actions necessary or desirable and to execute all agreements necessary or desirable in order to continue with and complete the Authority's Capital Project known as New Roadway Lighting Fixtures (MPA L1221) subject to the following conditions: funds expended for the New Roadway Lighting Fixtures Capital Project shall not exceed \$3,100,000.00 (the "Approved Partial Budget") as shown on the Financial Summary presented at the Board Meeting on March 16, 2017; the Director of Capital Programs and Environmental Affairs will provide to the Board annual updates on expenditures, contract amendments and change orders related to the New Roadway Lighting Fixtures Capital Project and shall report back to the Board if at any time during the life of the Project it appears likely that the Project will exceed the Approved Partial Budget; the Director of Capital Programs and Environmental Affairs shall also report any material changes to the scope of work for the Capital Project as described in the back up materials presented at the Board Meeting on March 16, 2017. The CEO & Executive Director shall obtain all necessary permits and approvals and shall conduct all required environmental reviews prior to the execution of any agreement or to the commencement of any action all as may be required by law. Any agreement arising out of this vote shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

Authority-wide Janitorial Supplies Contract Amendment

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to execute on behalf of the Authority an amendment to the agreement with Interline Brands, Inc. for the purchase of janitorial supplies. Under the terms of the amendment the not-to-exceed amount will be increased \$240,000.00 resulting in a total not-to-exceed amount of \$4,072,950.00 for the period ending April 30, 2017. The amendment shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

FY 16 Single Audit of Federal Awards and Passenger Facility Charges

No discussion.

Piers Park Operation, Maintenance and Security Agreement

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, pursuant to Chapter 349 of the Acts of 1986, as amended by Chapter 33 of the Acts of 1991 (the "Legislation"), the Massachusetts Port Authority ("Massport") and the East Boston Project Advisory Committee, Inc. (the "PAC") have entered into the East Boston Piers Waterfront Park Operation, Maintenance, and Security Agreement and Cooperation Agreement commencing as of August 13, 1997, the term of which has been extended from time to time; and

WHEREAS, the Operation, Maintenance, and Security Agreement and Cooperation Agreement is set to expire on April 30, 2017; and

WHEREAS, Staff recommends that the Massport extend the Term and as required by the Legislation, pay the reasonable expenses of the PAC in the amount of \$75,000 per year.

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

The Chief Executive Officer and Executive Director, the Director of Administration & Finance and Secretary-Treasurer or the Assistant Secretary-Treasurer, each acting singly (each an "Authorized Officer"), is hereby authorized and directed to execute and deliver on behalf of Massport agreements including the following:

1. The Term of the Piers Park Agreement shall be extended for a term up to July 31, 2027; and

2. Massport shall pay the PAC Seventy-Five Thousand Dollars (\$75,000) per year for reasonable administrative expenses of the PAC, as set forth in the Agreement and subject to reporting as set forth in the Agreement.
3. Each Authorized Officer, acting singly, is hereby authorized and directed to do all acts and things and to execute and deliver any and all agreements, documents, certificates and other instruments, not inconsistent with this Vote necessary or desirable to effectuate the transactions contemplated by this Vote.

Members Angelini, (by telephone), Evangelidis, Jackson, Jacobs, and Nucci voted Yes.

Report of the CEO

Mr. Glynn presented information on an award given to the Authority for its Resiliency Program, on the comments by Delta's CEO to increase flights at Logan, on Avianca's new international route from Logan to Colombia, on JetBlue's announcement of new service from Worcester Airport to JFK, on the impact of President Trump's travel ban on the demand for air travel, on President Trump's Infrastructure and Budget proposals, on Governor Baker's Chamber of Commerce comments on Conley Terminal, on the start of the harbor maintenance dredging, on an April visit by Federal Maritime Commissioner Dan Maffei, on the construction of 2,100 replacement parking spaces in the Seaport, on the nomination of the Boston Fish Pier for inclusion on the National Register of Historic Places, on the East Boston Foundation newspaper ad identifying the Trustees, Executive Director, and organizations that received grants, on the Mass. Lawyers Weekly 2017 In-House Leaders Excellence in Legal Services Award received by Katie McDonald, and on the Terminal E Boston "T" Party Interactive Exhibit. Mr. Freni presented information on the February Logan valet and overflow parking situation and the Framingham Logan Express overflow parking situation, on the increase in transportation network company activity at Logan, and on the 7.2 percent increase in 2017 Logan passengers over the same period in 2016.

Strategic Plan Implementation

DEP Schedule

Mr. Glynn noted that the Public Notice for DEP's Logan Parking Freeze draft amendment was filed with the Secretary of State's Office and will be published in the Massachusetts Register on March 24th. Mr. Glynn also noted that a public hearing will be held on April 25th and that the public comment period would close about a week later.

Safety and Security Committee

Human Resources and Compensation Committee

Community Outreach Committee

Massport CAC

Ms. Becker presented information on the March 9th CAC meeting she attended that included updates by John Nucci, Tom Glynn, and Flavio Leo. Ms. Becker noted that the CAC passed four aviation related resolutions and that the next CAC meeting is scheduled for June 8th. Mr. Nucci credited Dave Carlon, CAC President, on the professional way the meeting was conducted and on the process that the CAC followed.

Real Estate and Strategic Initiatives Committee

Institute of Contemporary Art East Boston Watershed

Mr. Hargens presented information on the ICA's East Boston Harbor Shipyard Watershed location, on the seasonal nature of the facility, on the proposed water taxi service between the facilities, on the size and cost to renovate the Watershed facility, and on the projected 2018 Watershed opening.

Facilities and Construction Committee

Terminal E

Mr. Sleiman presented information on some of the work remaining on the Terminal E Renovations and Enhancements project including the new bathrooms on the lower level, on the graphics and design for the new Walden Pond area, on the paper airplane graphics illustrating the countries with direct service from Logan to be installed in the baggage claim area, and on a wall design with "welcome" signs in different languages to be located at the Terminal E exit.

Public Session adjourned at 11:35 A.M.

Michael A. Grieco
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. East Boston Community Commitments PowerPoint Slide
3. Supplier Diversity Program PowerPoint Slide
4. CEO Report PowerPoint
5. Governor Baker's Chamber of Commerce Conley Terminal Comments Video
6. DEP Schedule PowerPoint Slide
7. Massport CAC Update PowerPoint Slide
8. Institute of Contemporary Art Watershed, East Boston PowerPoint
9. Terminal E Renovations and Enhancements Remaining Work PowerPoint