

Massachusetts Port Authority
Special Facilities
Revenue Bonds (BOSFuel)



TEFRA Hearing
April 11, 2018

Agenda

1. FY 2018 Special Facilities Revenue Bonds, BOSFuel, Bond Sale up to \$175 million
2. PFM Summary of Transaction
3. Overview of BOSFuel Projects
4. Board Timeline

2018 Plan of Finance

1. Use of Bond Proceeds – New Money

Wastewater treatment facility	\$ 5.4M
Fuel Farm Modifications	\$ 4.2M
Variable Frequency Drives	\$ 5.3M
Fire Protection and Hydrant System Modifications	\$ 9.3M
Terminal B (Pier B; Gates B30-B36, B37-C25)*	\$ 3.9M
Terminal C (Gate 19A)*	\$ 0.3M
Terminal E (Gates E3 & E4, 4 new Gates, fuel loop)*	\$ 5.9M
5 th Storage Tank*	\$ 10.0M
Plus soft costs associated with *	<u>\$ 5.7M</u>
New Money Bonds	\$50.0 M

2. Bond Refunding

Refunding Series 2007	<u>\$ 86.4M</u>
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3. Reimbursement of Member Loans (Taxable)

\$ 5.0M

Massport's Total 2018 Project Costs

\$141.4M

Note: Up to \$175 million authorized, which will include cost of issuance, a debt service reserve fund and capitalized interest in addition to New Money, Bond Refunding and Member Loan Reimbursement as detailed in table.

2018 Plan of Finance

1. New Money Bonds: up to \$65.0 million par amount

- Level annual debt service, final maturity July 1, 2048
- Amortization starts July 1, 2019

2. Refunding Bonds: up to \$97.0 million par amount

- Refunding \$86.4 million of Series 2007 Bonds
- Will save BOSFuel \$10.247 million in PV savings (11.85% of refunded bonds) based on current market rates (as of March 28, 2018)
- Approximately \$700,000 in annual debt service savings per year from 2019 through 2038
- Meets Massport's Debt Policy Goals

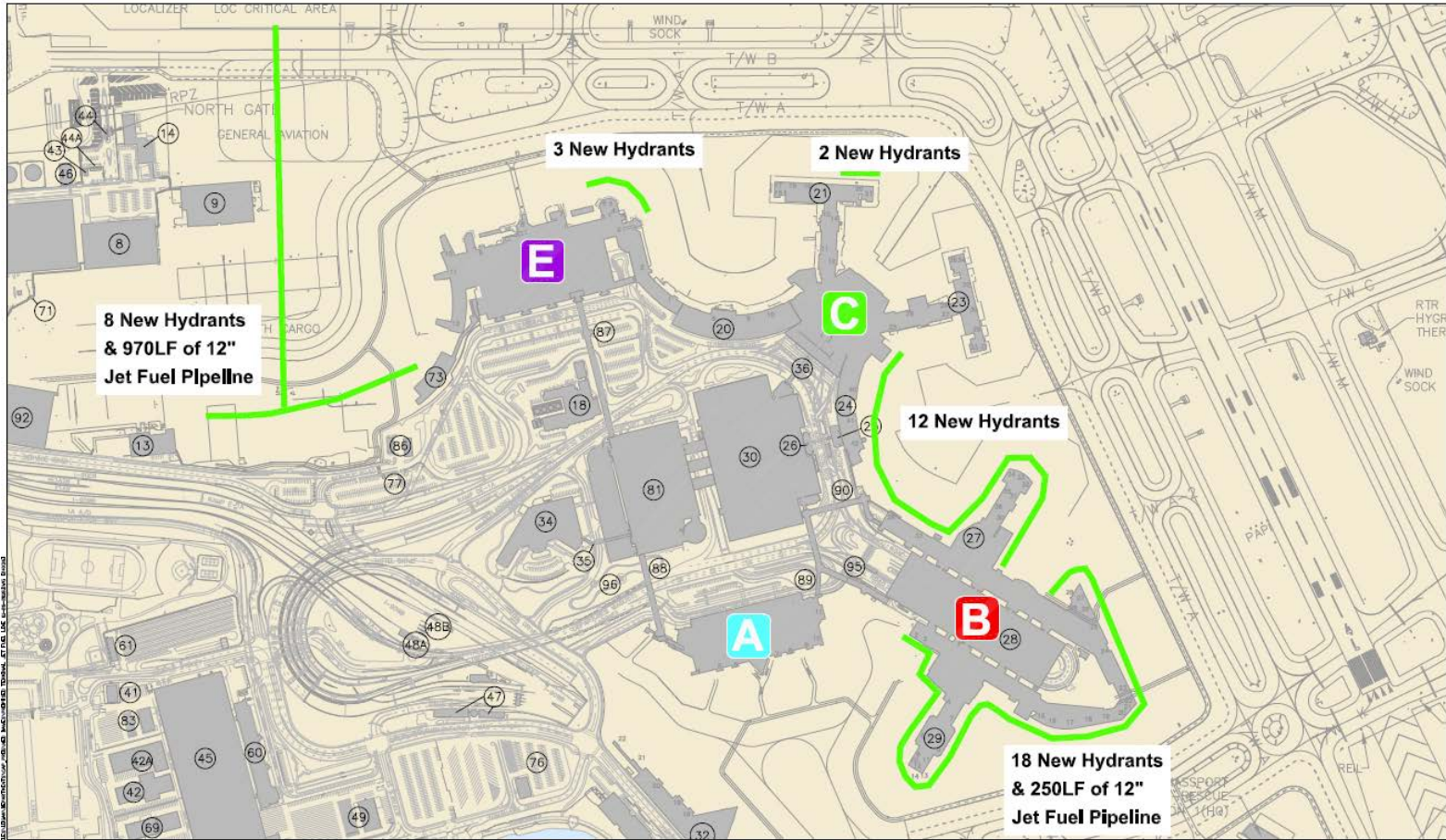
3. Member Loan Reimbursement: up to \$5.5 million par amount (taxable)

4. Other: up to \$7.5 million par amount

- Cost of issuance, a debt service reserve fund and capitalized interest*

Note: Cost of issuance, a debt service reserve fund and capitalized interest may also be included in maximum par amounts for New Money, Bond Refunding and Member Loan Reimbursement.

Logan Airside Terminal Fueling Improvements



Logan International Airport
East Boston, MA

Proposed Terminal Jet Fuel Line / Hydrant Enhancements

Massachusetts Port Authority
Capital Programs Department
January 2015

Legend:
█ Jet Fuel Pipeline/Hydrants



Overview of Major BOSFuel Projects

Wastewater treatment facility

- Treats waste water from the fueling facility area and from the fuel pits at the gates
- Will increase current capacity to treat wastewater before discharge

Fuel farm modifications

- Re-fueler loading area upgrades
- Fire protection upgrades in the operations building
- Replacement of valves and filtration components to provide redundancy and flexibility

Variable Frequency Drives

- Replacement of hydrant pump motor starters
- Will reduce energy consumption, maintenance costs, and downtime

Hydrant System Modifications

- Survey and condition assessment of the existing system
- Valve vaults will be modified, upgraded, and repaired as necessary

Overview of Major BOSFuel Projects

Terminal B, Pier B

- 21 new pits between gates B1 and B28

Terminal E, 4 new Gates

- 8 new pits, 2 per gate for aircraft type flexibility

5th Storage Tank

- Site prep work is \$5M and tank construction is \$5M

Timeline – Board Actions

April

- Board adopts Bond Resolution – April 12, 2018
- Bond Pricing – TBD