

MASSACHUSETTS PORT AUTHORITY
MINUTES OF THE MEETING HELD ON
MARCH 15, 2018 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 15, 2018. Chairman Lewis G. Evangelidis presided. L. Duane Jackson, Patricia A. Jacobs, John A. Nucci (by telephone), Sean M. O'Brien, Stephanie L. Pollack, Laura Sen, Thomas P. Glynn, CEO and Executive Director, Catherine McDonald, Chief of Staff, Michelle Kalowski, Acting Chief Legal Counsel, 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, Elizabeth Becker, Director, Community Relations and Government Affairs, George Naccara, Chief Security Officer, David Gambone, Director of Human Resources, Flavio Leo, Director of Aviation Planning and Strategy, Frank McGinn, Troop F Commander, Matthew Gravini, Troop F Captain, Andrew Hargens, Deputy Director, Real Estate Development, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:00 A.M.

Mr. Evangelidis stated that Mr. Nucci will be participating by telephone.

Public Comment

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

Ratification and approval of the minutes of the February 15, 2018 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the February 15, 2018 Board Meeting.

Members Evangelidis, Jackson, Jacobs, Nucci (by telephone), O'Brien, Pollack, and Sen voted Yes.

Chairman's Comments

Mr. Evangelidis noted that staff will be presenting information during the meeting on Real Estate Market Trends and Delegation of Authority Limits.

Community Outreach Committee

Massport CAC Update

Mr. Leo presented information on the submission of the Block 1 recommendations to the FAA for its review and implementation, on the Block 2 procedures to be considered in the MIT RNAV Study, and on a preliminary RNAV Study process timeline.

Report of the CEO

Mr. Glynn presented information on passenger growth at some national and regional airports, on a new flight from Logan to Chengdu, China, on some new and expanded international routes in 2018, on the EPA approval of the increase in the total number of commercial parking spaces in the Logan Parking Freeze, on the different responses at Logan and JFK to the January snow storm, on runway incursion data for Logan and similar airports, on Worcester Airport speaking and roundtable events, on resiliency plan implementation efforts for the March 3rd storm, on a meeting with Governor Baker on investing in Cruiseport facility improvements through the Economic Development Bill, on Governor Baker being named “Person of the Year” by the Propeller Club of Boston, on the *Architecture Boston* edition on Boston’s working port, on the Black Economic Council of Massachusetts and the *Boston Globe* Spotlight Team forums on diversity, on the rescheduling of the Parcel K groundbreaking event, on the release of the RFP for Parcel A-2, on the *Wall Street Journal* article recognizing the role of the Logan RNAV Study in seeking solutions to airplane noise, on the community support for the Piers Park III project, on the Boston Public Health Commission Report that asthma hospitalization rates in East Boston were lower relative to the rest of Boston, and on the Authority’s Black History Month event. Mr. Freni presented information on the March weather impacts on Logan flights, on the February year-over-year increase in Logan passengers, on the visit to Logan by FBI Director Christopher Wray, and on a State Police arrest of an illegal valet car service operator at Logan. Also, Major McGinn introduced new Troop F Captain Matt Gravini.

Mr. Nucci left the meeting by telephone at 10:00 A.M.

Strategic Plan Implementation

Market Trends: Real Estate Presentation

Mr. Doolin presented information on real estate market trends in Boston, on the strong South Boston Waterfront hotel, residential, and office market trends, on the East Boston Waterfront residential market, on the Authority’s real estate objectives, on the Strategic Plan I real estate results that support the working port and enhance diversity, on some Authority South Boston real estate projects in process and their impact, on the Authority’s existing South Boston real estate portfolio and its impact, on the East Boston Roseland East Pier Development, on future Authority development projects, on the sequencing of the Parcel A-2, Parcel H, and Parcel D-3 projects, on the new public realm initiative, on the United States Postal Service General Mail Facility relocation site, on the Army land exchange parcel and additional Army parcels in South Boston, and on the former and current parking strategies for Commonwealth Flats.

Due to time constraints, the Ground Transportation Initiatives Framework was not discussed.

Safety and Security Committee

2018 Comprehensive Safety & Security Training Calendar

Mr. Naccara presented the annual training calendar of all drills and exercises at all Authority facilities. He also noted that the calendar had been distributed to all Authority tenants, vendors, and partners to in an effort to facilitate all parties continuing to train and work together.

Human Resources and Compensation Committee

Schedule of Upcoming Meetings

Mr. Gambone presented information on the agenda for the May Human Resources and Compensation Committee Meeting, on the scheduling of the CEO performance report at the May Board Meeting, and on the scheduling of the annual CEO assessment at the June Board Meeting.

Real Estate and Strategic Initiatives Committee

Parcel A2 RFP

Due to time constraints, the Parcel A2 RFP was not discussed.

Facilities and Construction Committee

Delegation of Authority Limits

Mr. Sleiman presented information on Capital Project budget approval milestones, on the consultant selection process for construction projects, on the construction delivery methods, on the current delegated authority limits, on a summary of Board voted items by amount and type, on delegated authority benchmarks for some State Agencies, Authorities, and local universities, and on the staff recommendations for increases in some delegated authority limits for Capital budget expenditures. Mr. Prankevicius presented information on the current delegated authority limits for Administration and Finance and Operational Departments, on delegated authority limits at some peer State Agencies and Authorities, on the staff recommendation for an increase in the delegated authority limit, on an historical analysis showing that the increased limit would result in continued Board review of about three quarters of total contract expenditures, and on some examples of contract services that would be within and above the recommended delegated authority limits. After some discussion it was determined that staff would discuss this matter further with the Chairs of the Audit and Finance and the Facilities and Construction Committees prior to making a recommendation.

MPA L1375 – Terminal B Optimization, Logan International Airport, East Boston, MA, Final Project Budget

Mr. Sleiman presented information on the Terminal B gate assignments, on the consolidation of three existing security checkpoints into one checkpoint with automated screening lanes, on the areas of new construction and renovation, on the areas and costs to be funded by American Airlines, by MarketPlace, and by the Authority, on the creation of a new Great Space area, and on new seating and other amenities.

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 the Terminal B Optimization (MPA L1375) subject to the following conditions: funds expended for the Terminal B Optimization Capital Project shall not exceed \$156,000,000.00 (the "Approved Final Budget"), as shown on the Financial Summary presented at the Board Meeting on March 15, 2018; the Director of Capital Programs and Environmental Affairs shall provide to the Board annual updates on expenditures, contract amendments and change orders related to the Terminal B Optimization 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 Final Budget; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of work for the Capital Project as described in the backup materials presented at the Board Meeting on March 15, 2018. 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. The Authority intends to fund all or a portion of the cost of this Capital Project with tax-exempt bonds. 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 Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

Audit and Finance Committee

Mr. Prankevicius and Mr. Doolin presented information on the scheduled opening of the South Boston Waterfront Transportation Center and on the proposed parking rates to take effect upon its opening.

South Boston Waterfront Transportation Center Parking Rates

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Authority is nearing the completion of its construction of the South Boston Waterfront Transportation Center (the "SBWTC"); a "soft" opening of the SBWTC is scheduled for late April 2018; and

WHEREAS, the Board has previously voted parking rates for the five (5) surface parking lots owned by the Authority, located in the waterfront area of South Boston, identified as the Fish Pier West Lot, the Fish Pier East Lot, Lot A-2, Lot D-3 and Lot H (collectively the "South Boston Lots"); and

WHEREAS, staff recommends that the Authority establish parking rates for the SBWTC which shall include daily, early bird, monthly, hotel guests, construction workers, overflow event parkers and reserved parking space rates; and

WHEREAS, in order to efficiently manage evolving market conditions and parking demands in the South Boston Waterfront which affect the SBWTC, staff recommends that the Authority grant delegated authority to the Director of Administration and Finance/Secretary-Treasurer to adjust the parking rates at the SBWTC in consultation with the Chief Development Officer based on recommendations from the Authority's parking operator, SP Plus.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

1. The following categories of parking rates for the SBWTC are hereby approved:
 - Early Bird - \$25 per day for those who enter prior to 9:00 AM and exit prior to 5:00 PM the same day, notwithstanding the transient hourly rates set forth below;
 - Transient/Daily - \$9 for 0-1 hour, \$19 for 1-2 hours, \$25 for 2-3 hours, \$32 for 3-4 hours, and \$38 for more than 4 hours;
 - Monthly Reserved Parking Space - \$500 per month for an exclusive reserved parking space;
 - Monthly Unreserved - \$360 per month;

- Hotel Guest - \$30 per day for guests of neighboring hotels;
 - Construction Worker - \$350 per month for construction workers;
 - Overflow Event Parkers - \$19 per day for pre-arranged parking for events at the Westin Hotel and the Boston Conference and Exchange Center (“BCEC”); and
 - Snow Emergency- Free parking for South Boston residents during a snow emergency.
2. The Director of Administration and Finance/Secretary-Treasurer, or his designee, in consultation with the Chief Development Officer, and based on the recommendation of the Authority’s parking operator, SP Plus, is hereby granted delegated authority to adjust the SBWTC parking rates set forth above in order to efficiently manage evolving market conditions and parking demands in the South Boston Waterfront which affect the SBWTC. The Director of Administration and Finance or his designee shall report such adjustments on a monthly basis to the Board in the delegated items report for the month in which the adjusted rates are implemented.
 3. The Chief Executive Officer and Executive Director, the Director of Administration and Finance/Secretary-Treasurer and the Assistance Secretary-Treasurer each acting singly, (each, an “Authorized Officer”) are hereby authorized to do all acts and things and to execute and deliver any and all documents and other instruments necessary or desirable to effectuate this Vote.
 4. This Vote shall not affect the parking rates for (1) Flynn Cruiseport Boston established by the Board at its February 2017 meeting; (2) the future Omni Hotel, established by the Board at its April 2017 meeting; or (3) the South Boston Lots, established by the Board at its June 2017 meeting.

Members Evangelidis, Jackson, Jacobs, O’Brien, Pollack, and Sen voted Yes.

China Business Development and Marketing Consultant Services Contract

Ms. Wieland presented information on China Market Solutions' (CMS) instrumental role in attracting COSCO to the Port of Boston in 2002, and on how the Authority in conjunction with CMS and its partners has achieved container volume growth at Conley Terminal and sustained the Asian direct-call service. After some discussion it was determined that staff would provide more information on industry practices with shipping lines at other ports.

Assent Agenda

Mid-Year Adjustments

Mr. Prankevicius noted that based on a mid-year review, since bag volume, landed weight, and Terminal E passenger volume will each exceed the originally forecast amount, there rates are being adjusted in order to reduce a large over collection of airline fees in FY18.

Logan Landing Fee Mid-Year Adjustment

Upon a motion duly made and seconded, it was

VOTED:

To establish, on behalf of the Authority, in accordance with 740 CMR 21.24, a landing fee rate at Boston-Logan International Airport of \$4.49 per thousand pounds of certificated landed weight of the aircraft conducting a landing operation, with a minimum landing fee of \$30.00 for fixed wing aircraft and \$30.00 for rotary wing aircraft. This rate shall be effective from April 1, 2018 through September 30, 2018, or until the Authority establishes a new rate.

Members Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

Logan Baggage Screening Facility Fee Mid-Year Adjustment

Upon a motion duly made and seconded, it was

VOTED:

To establish, on behalf of the Authority, a Baggage Screening Facility Fee at Boston-Logan International Airport of \$1.66 per checked bag, billable to each airline checking bags. This rate shall be effective from April 1, 2018 through September 30, 2018, or until the Authority establishes a new rate.

Members Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

Logan Terminal E Passenger Fees Mid-Year Adjustment

Upon a motion duly made and seconded, it was

VOTED:

To establish, on behalf of the Authority, the following Terminal E passenger fees for Boston-Logan International Airport. The rates shall be effective from April 1, 2018 through September 30, 2018, or until the Authority establishes a new rate.

<u>Passenger Fees:</u>	<u>Terminal E Common Use Facilities</u>
Inbound International	\$12.70 per passenger
Outbound	\$ 4.00 per passenger
Inbound Non-FIS/Domestic	\$12.70 per passenger
Check in Fee	\$ 6.65 per passenger

Members Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

MPA L1516 – Roof Replacement, Phase 2, 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 the Roof Replacement, Phase 2 (MPA L1516) subject to the following conditions: funds expended for the Roof Replacement, Phase 2 Capital Project shall not exceed \$8,000,000.00 (the "Approved Partial Budget"), as shown on the Financial Summary presented at the Board Meeting on March 15, 2018; the Director of Capital Programs and Environmental Affairs shall provide to the Board annual updates on expenditures, contract amendments and change orders related to the Roof Replacement, Phase 2 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; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of work for the Capital Project as described in the backup materials presented at the Board Meeting on March 15, 2018. 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 Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

MPA L1281 – In-Ground Snowmelter Replacements, Logan International Airport, East Boston, MA, Final 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 the In-Ground Snowmelter Replacements (MPA L1281) subject to the following conditions: funds expended for the In-Ground Snowmelter Replacements Capital Project shall not exceed \$15,223,000.00 (the "Approved Final Budget"), as shown on the Financial Summary presented at the Board Meeting on March 15, 2018; the Director of Capital Programs and Environmental Affairs shall provide to the Board annual updates on expenditures, contract amendments and change orders related to the In-Ground Snowmelter Replacements 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 Final Budget; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of work for the Capital Project as described in the backup materials presented at the Board Meeting on March 15, 2018. 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 Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

MPA L1301 – Runway Status Lights (RWSL) – Phase 2, Logan International Airport, East Boston, MA, 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 the Runway Status Lights (RWSL) – Phase 2 (MPA L1301) subject to the following conditions: funds expended for the Runway Status Lights (RWSL) – Phase 2 Capital Project shall not exceed \$4,200,000.00 (the "Approved Budget"), as shown on the Financial Summary presented at the Board Meeting on March 15, 2018; the Director of Capital Programs and Environmental Affairs shall provide to the Board annual updates on expenditures, contract amendments and change orders related to the Runway Status Lights (RWSL) – Phase 2 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 Budget; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of work for the Capital Project as described in the backup materials presented at the Board Meeting on March 15, 2018. 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 Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

Norwegian Air UK Limited Operating Agreement

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, conditional upon receipt of all required documentation, an agreement with Norwegian Air UK Limited or to take such other action as may be deemed appropriate to allow Norwegian Air UK Limited to conduct operations at Logan International Airport. Norwegian Air UK Limited will pay all applicable fees established by the Authority for use of airport premises, including, but not restricted to, landing fees, parking fees, rental charges for terminal or other space at the Airport, and such other charges and fees as the Authority has established or may establish from time to time. Before the agreement is executed, or Norwegian Air UK Limited is otherwise authorized to commence operations, Norwegian Air UK Limited shall have valid and current certifications and authorizations from all state, federal and other governmental regulatory bodies for the aircraft used and the aircraft operation conducted, and the operating agreement shall be subject to cancellation or termination by the Authority. The agreement shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

Motion to Enter Executive Session

Upon a motion duly made and seconded, it was

VOTED:

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

That the Authority enter executive session to consider the purchase, exchange, lease or value of real property, specifically regarding the Roseland Pier I Interim Lease, 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 a litigation update, since a discussion in open session may have a detrimental effect on the litigating position of the Authority.

Members Evangelidis, Jackson, Jacobs, O'Brien, Pollack, and Sen voted Yes.

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

The public session adjourned at 11:25 A.M.

Michael A. Grieco
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. PowerPoint Presentation Slides