

**Massachusetts Port Authority
Board Meeting**

September 21, 2023



MASSACHUSETTS PORT AUTHORITY

Public Comment

Chair's Comments

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Executive Session

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Public Session

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Strategic Plan

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Worcester Air Service Incentive Program Extension

Daniel Gallagher

September 21, 2023



Staff recommends the renewal and extension of the Worcester Air Service Incentive Program

Background

- Airport administered incentive programs must follow FAA guidelines
- Programs are intended to mitigate risk to new carriers entering the market or existing carriers expanding to new destinations

Program Results

- The Worcester Air Service Incentive Program has been an important tool in Worcester's rebound; three destinations qualified for incentives in FY22:
 - Delta - New York (LGA)
 - JetBlue - New York (JFK)
 - JetBlue - Ft. Lauderdale
- FY24 incentive program marketing support will include JetBlue's new Orlando service

Recommended Board Action

- Staff requests Board renew and extend the Worcester Air Service Incentive Program to December 31, 2025

Worcester Air Service Incentive Program



To Qualify:

- A minimum of 6 months of continuous service with at least 2x weekly frequencies to a new destination



Financial Incentives:

- 100% cost credits applied to airport fees for first two years
- Cooperative marketing promotion of the destination and airline

Logan Airport Transit Enhancements

Daniel Gallagher

September 21, 2023



Staff recommends the continuation of successful bus services implemented during the Sumner Tunnel closure to improve airport HOV and transit connectivity

Additional Shuttle Services during tunnel closure

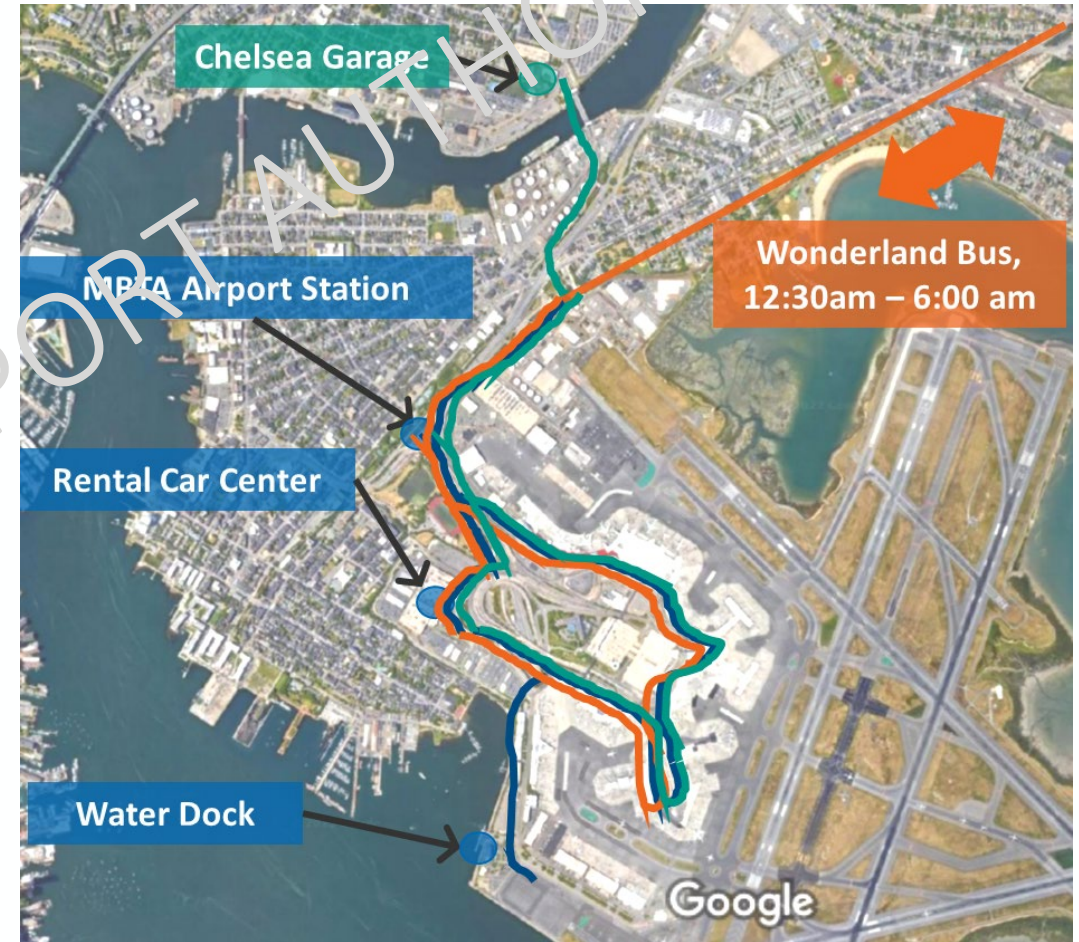
- Commenced new partnership with MBTA to allow employees to park at Wonderland Garage and use MBTA Blue Line
- Additional bus operators allowed more Airport Shuttle service to MBTA Airport Station, Water Dock, Rental Car Center and sustained Logan Express headways system-wide

Challenges

- Driver shortage: Existing Airport Shuttle service cannot reabsorb Chelsea or Wonderland without reducing on-airport service
- Additional shuttles necessary to meet demand

Recommendation

- Extend short-term contracts with Academy Express and Yankee Line to October 2024 with NTEs of \$20 million
- Services will be funded in FY24 by anticipated savings in budget and will be included in FY25 budget plan



Logan Roadways Project

Luciana Burdi

September 21, 2023



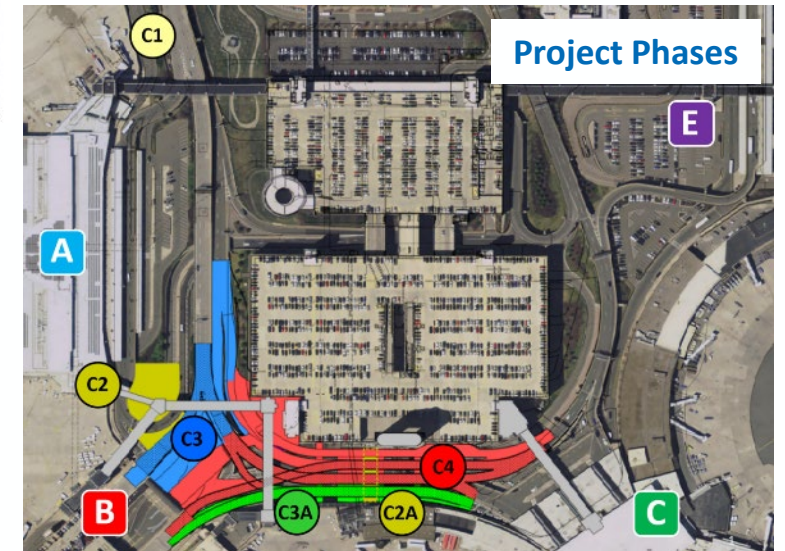
Terminal B to C Roadway Improvements Project Overview

Project Scope

- Replace the 1960's vintage section of the Departures Roadway between Terminal B and Terminal C
- Reconfigure the Arrivals Roadway

Project Benefits

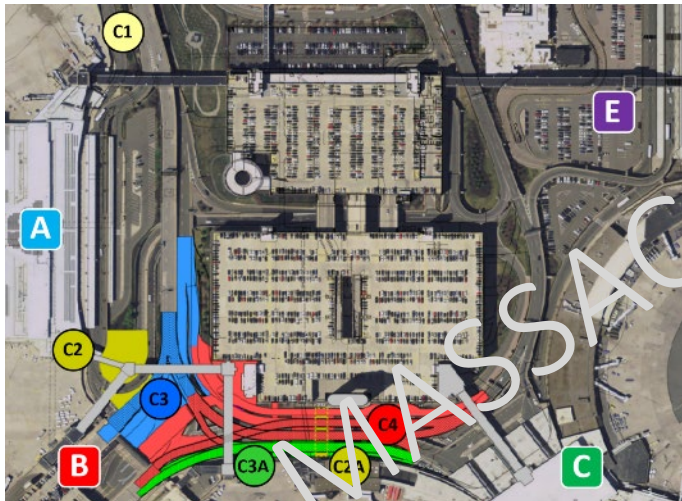
- Enhances the traffic flow between Terminal B and Terminal C
- Improves overall airport traffic flow
- Eliminates costly and disruptive future roadway repairs for the Departures viaduct which is at the end of its serviceable life



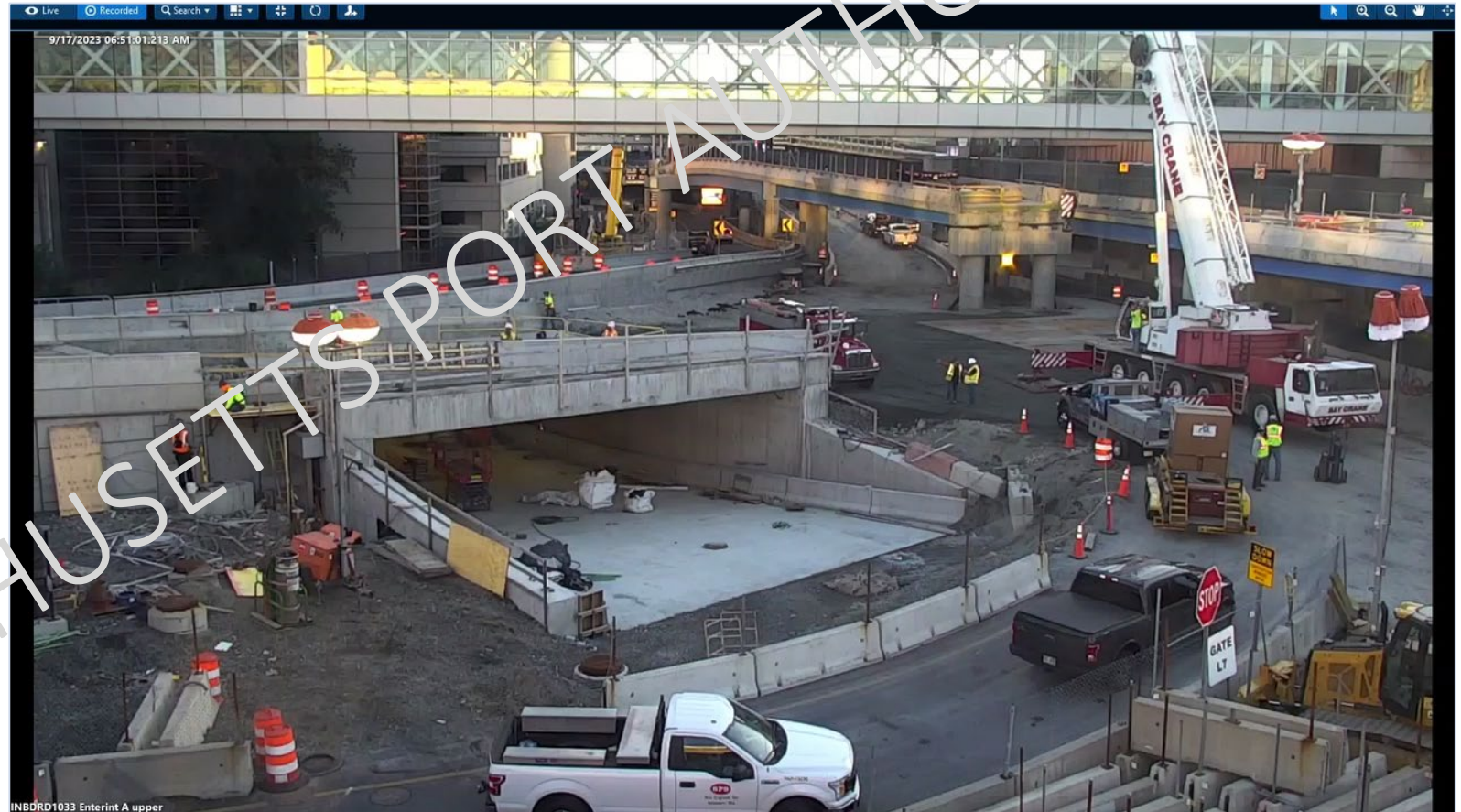
Final phase of the Terminals C/E Departures road is underway with detours through 9/25 – when completed, C/E traffic will no longer have to merge with traffic exiting B

Construction Phase Completion Dates

- C1 Sep 2019
- C2 Oct 2019
- C2A Jun 2019
- C3 Jan 2021
- C3A Oct 2021
- C4 Nov 2023 (anticipated)



Time Lapse Video



Dedicated roadways for vehicles exiting Terminal B Departures level, vehicles traveling to Terminals C and E, and HOV vehicles will improve traffic flow

Before (2019 conditions)

Terminal B Departures Roadway (AM peak)



Terminal C Departures Curb (AM peak)



Roadways De-conflicted (November 2023 completion)



Real Estate and Strategic Initiatives

Parcel D-4 Developer Designation

Andrew Hargens

September 21, 2023



Affordable housing remains a high priority for the City and State

Healey's \$14 billion capital investment plan includes brand-new affordable housing program

By Samantha J. Gross and Andrew Brinker Globe Staff. Updated June 22, 2023, 4:02 p.m.



Governor Maura Healey arrives to tour a portion of the former Manner Mill that is being developed into mixed-income rental housing. PAT GREENHOUSE/GLOBE STAFF

A \$14 billion spending plan unveiled by Governor Maura Healey Thursday reveals modest investments over the next five years to further the administration's goals on climate, economic development and, most crucially, housing.



BOSTON.com

MENU

REAL ESTATE NEWS BUYING OPEN HOUSES RENTING LUXURY RENO DEVELOPEMENT BEST RESTAURANTS

Report ranks Boston 35th in the nation for building housing

There are only 44 affordable and available rental homes constructed for every 100 extremely low-renter households in Massachusetts.

BOSTON.com

Wu unveils \$67M plan to bring more affordable housing to Boston

The ambitious plan spans 17 projects in eight communities, providing both rental and homeownership opportunities.

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24 SEP WATCH: How The High Cost Of Housing Is Hurting MA Businesses

At the Chamber, we know that a thriving economy needs affordable housing for the workforce and sensible development for neighborhoods and businesses.

Housing and development are not just business issues, they are also community issues.

...ance for talent, every advantage – or disadvantage – matters, so employers understand the need to address our region's housing costs. Massachusetts has among the highest housing costs in the country, and, particularly in the context of remote work, talent will seek less expensive, quality housing, even if it's thousands of miles away or just over the state's border.

Parcel D-4 Location and Context



Parcel D-4 selection process

- Issued Request for Qualifications December 2021
- Interviewed all 9 RFQ submitters April 2022
- Selected five qualified developers June 2022
 - Beacon Communities/RISE Together
 - Catalyst Ventures Development/WinnCompanies
 - The Community Builders (TCB)/Menkiti Group
 - Preservation of Affordable Housing (POAH)/DREAM Development
 - Trinity Financial/South Boston Neighborhood Development Corporation (SBNDNC)
- Issued RFP to all qualified developers August 2022
- Received five RFP proposals October 2022
- Interviewed all five development teams December 2022
- Internal review and deliberation January - August 2023
 - Met with DOER's "Leading By Example" program to discuss sustainable building design
- Designate developer September 2023

RFP included four equally-weighted selection criteria

Levels of Affordability replaced Financial Proposal

- Ability to Execute
 - Track record developing and financing affordable housing projects of similar scale
 - Experience with high-rise construction
- Levels of Affordability
 - Range to include low-income housing as well as workforce housing
 - To include over 50% 2- and 3-bedroom units
- Diversity, Equity, and Inclusion
 - Advances the “Massport Model” by integrating minority- and women-owned businesses and individuals into all aspects of the project
- Design and Programming
 - Advances Massport’s sustainability/resiliency initiatives
 - To include public activation along D Street



Parcel D-4 fronts on D Street adjacent to the South Boston Waterfront Transportation Center and between the Omni Hotel and Waterside Place apartments; Massport owns development air-rights for the parcel above the I-90 tunnel

RFP requirements

The RFP set forth the minimum requirements to create the first mixed-income housing project in the South Boston Waterfront

- Minimum number of affordable units 100
- Minimum to maximum number of total units 140 to 200
- Definition of affordable 30% to 120% AMI (Area Median Income)
- Market rate units *allowed*
- Ownership units (both market and affordable) *allowed*

AMI	Maximum Income for Household of One	Maximum Income for Household of Four
30%	\$31,170	\$44,520
60%	\$62,340	\$89,040
80%	\$83,120	\$118,720
100%	\$103,900	\$148,400
120%	\$124,680	\$178,080

The TCB/Menkiti proposal stands out...



... across all selection criteria

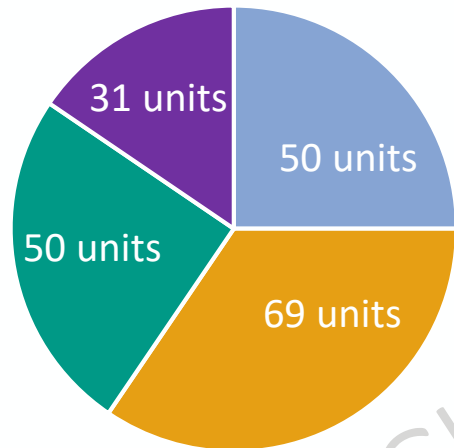
- Proven capacity to develop and manage complex projects of this scale
 - Deep organizational capacity in the Boston area
 - Extensive track record of obtaining public subsidies (city, state, and federal funding) necessary to develop affordable housing projects
 - Demonstrated construction expertise
- Maximum number of affordable units (200) at diverse income levels
 - 100% affordable rental building, no market-rate rental or ownership units
 - Affordability range 30% to 120% Area Median Income (AMI) includes workforce
 - More than half of the units are 2 or 3 bedrooms, ideal for families
- Diversity, Equity, and Inclusion plan ranked above other proposals
 - Project team includes rising M/WBE partners with leadership roles
 - Construction team is a 50% M/WBE Joint Venture
- Highly sustainable building design
 - All-electric building, solar panels, and Passive House/LEED Gold certifications
 - Elegant 15-story tower with articulated massing (bay windows with water views)
 - Generous area on lower floors for community support, day care, retail



TCB/Menkiti proposes 200 affordable units tailored to a broad range of income levels

Ideal for working families, over half the total unit count consists of two and three bedroom units

**Number of Affordable Units
by Area Median Income**
(AMI, for household sizes of 1 to 4)



- 30% AMI (\$31,170 TO \$44,520)
- 60% AMI (\$62,340 TO \$89,040)
- 80% AMI (\$83,120 TO \$118,720)
- 120% AMI (\$124,680 TO \$178,080)



Flight Attendant
30% AMI - 50% AMI



Entry-level lab/R&D
80% - 120% AMI



Bus driver + Teacher's aide
50% - 60% AMI



Mid-level Seafood Employee
80% - 120% AMI

The majority of TCB's recent and in-progress Boston projects are mixed-income

- The Massport Parcel D-4 project is mixed-income and not supportive housing
- **Mixed-income housing** projects target those with an established and stable source of income
- **Supportive Housing** combines affordable housing assistance with supportive services for unhoused people and those in transition and by nature often generates community objections

Mixed-Income Projects	Type	Neighborhood	Unit Count	Completion
A.O Flats	Family	Jamaica Plain	78	2019
125 Amory	Senior	Jamaica Plain	202	2020
250 Centre	Family	Jamaica Plain	110	2023
Mildred Hailey 1a/1b	Family	Jamaica Plain	223	2024
127 Amory	Family	Jamaica Plain	96	2025
Faneuil Gardens (Phase 1)	Family	Brighton	110	2026
Parcel 12 C	Family	Chinatown	119	2026
Supportive Housing Projects				
3368 Washington	Family	Jamaica Plain	202	2024
900 Morrissey	55+	Dorchester	99	2025

TCB and Menkiti have local roots with extensive urban high-rise experience

- **The Community Builders (TCB) *non-profit***

- **Bart Mitchell** has served as President and CEO since 2012
- Founded in 1964 in Boston's South End
- Ownership and management portfolio exceeds 14,000 units
- 402 projects developed in 14 states and DC
- 600,000 SF of commercial/retail space developed
- Over \$4B in debt and equity financing raised



- **Menkiti Group *MBE***

- **Bo Menkiti** founder and CEO, born and raised in Somerville, MA
- Founded in 2004 in Washington DC, 100% minority-owned
- 4 projects currently underway in Worcester, MA
- Raised, deployed, and managed over \$70M in equity capital across \$500M+ in real estate assets
- Invested over \$350M in emerging urban neighborhoods and developing over 3M SF of real estate in Washington DC and Massachusetts



The TCB/Menkiti team is committed to supporting and expanding local M/WBE talent

TCB/Menkiti made a specific point to support and mentor rising M/WBE leaders/businesses by integrating them into the project team with significant roles, responsibilities, and equity position

- **Sinclair Real Estate Group MBE**

- **Rodney Sinclair** launched his firm in 2020
- He has over 20 years of experience in Boston real estate
- Previous experience with Janey Construction, BPDA, and Massport
- Will have a 5% stake in ownership with **TCB**



- **Ionic WBE**

- **Kaitlin McCarthy** launched her firm in 2022
- She has over 10 years of experience in Boston real estate
- Previous experience with HYM Investment Group, Boston Consulting Group, and Turner Construction
- Will have a 5% stake in ownership with **Menkiti**



Team experience with comparable urban projects in Boston and Massachusetts

- **The Community Builders (TCB)**

- A.O. Flats Forest Hills, Jamaica Plain
 - 78 affordable rental units
- 225 Centre Street, Jamaica Plain
 - 103 rental units, 35 affordable
- Charlesview Residences, Allston-Brighton
 - 240 affordable rental units
 - 20 affordable home ownership units



A.O. Flats Forest Hills



225 Centre Street

- **Menkiti Group**

- 554 Main Worcester, MA
 - Ground floor retail/services, 750 SF – 7,000 SF
 - Commercial office space, 500 SF to 35,000 SF



Charlesview Residences



554 Main

The TCB/Menkiti team offers a comprehensive approach to DEI

Development

- Developer Partnership is 50% M/WBE
- Includes both established and emerging firms
- Clear roles and responsibilities identified for each team member
- Strong local roots

Financing

- Obsidian Catalyst Fund (MBE) as primary equity fundraising source for the workforce housing (non-LIHTC component of the project)

Construction

- 50% Joint Venture between general contractors Smoot (MBE) and Consigli
- Additional 40% M/WBE goal for construction subcontractors

Design

- ICON Architecture (WBE) Architect
- KMDG (WBE) Landscape Architect
- MBE/WBEs will earn at least half of the project's design fees

M/WBE entities well represented throughout the project team

- Consigli Construction
 - **Smoot Construction (MBE)**
 - **ICON Architecture (WBE)**
 - **Klopfert Martin Design Group (WBE)**
 - McNamara Salvia
 - **dbHMS (MBE)**
 - **Databased+ (MBE)**
 - VHB
 - Joseph Feaster of Dain, Torpy, Le Ray, Wiest & Garner
- Construction JV
Construction JV
Architect
Landscape Architect
Structural Engineering
MEP Engineering
Sustainability Consulting
Civil, Transportation Consulting
Legal Counsel, Permitting



Building design and programming

Design

- 15-story tower, which maximizes use of the site
- Pop-out bays provide views of Boston Harbor
- L-shaped floor plan with double-height lobby/mezzanine
- Off-street drop-off minimizes D Street congestion

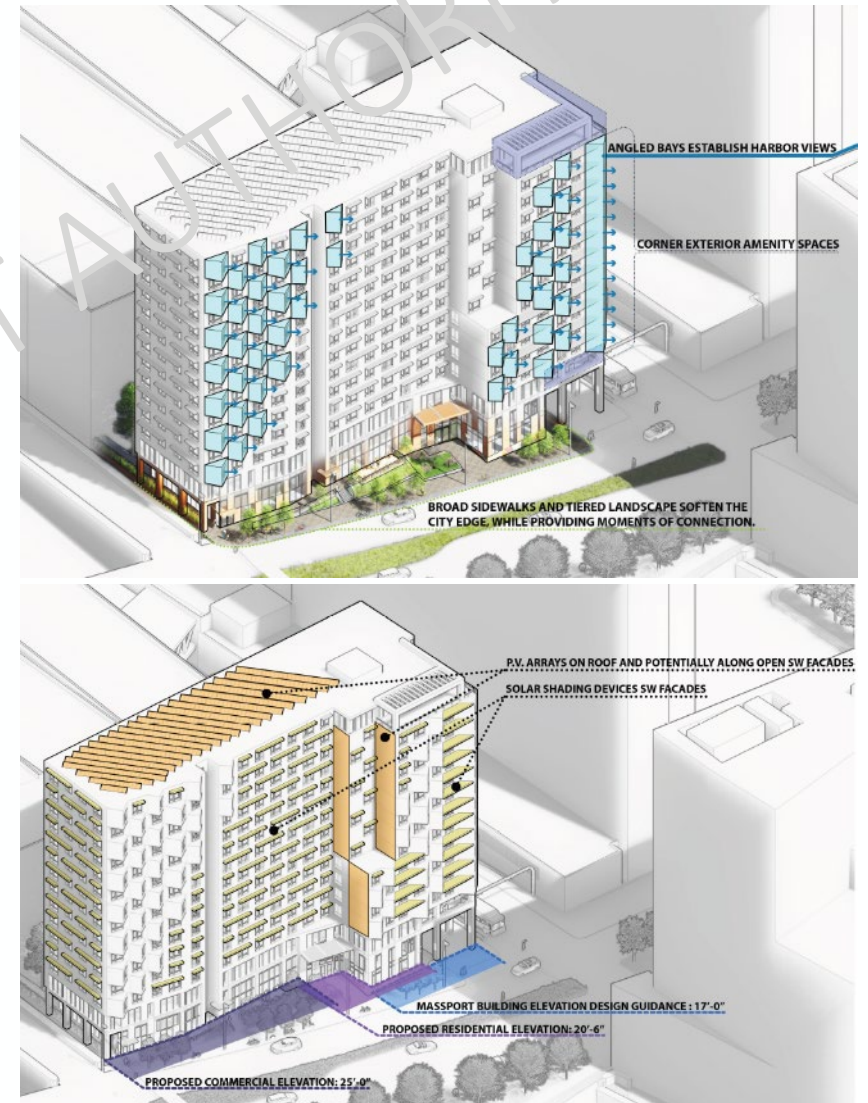
Program

- Clear and generous resident access/activity areas
- 15K SF of community/retail space on lower floors
 - On-site childcare and family services
 - Opportunity for diverse retail tenants

Sustainability

- All-electric, Passive House; LEED Gold*
- Cross-laminated timber structure above podium
- Solar sunshading elements on façade and panels on roof

*Opportunity to collaborate with DOER's "Leading By Example" program to incorporate sustainable building design



In Summary: The TCB/Menkiti proposal offers a compelling project and proven partners

- Most responsive development program to Massport's fundamental affordable housing objectives for Parcel D-4 (i.e., maximum number of affordable units, broad mix of unit types, a wide affordability range)
- An architectural concept that maximizes the use of the site and responds well to its urban waterfront context
- A sustainable design approach that pushes engineering/technological boundaries and is aligned with the Commonwealth's climate goals
- A comprehensive project-wide DEI plan
- The TCB/Menkiti team has a strong track record with local and national experience specializing in building and operating complex affordable housing projects



Developer designation recommendation

- The Parcel D-4 project will address several important civic needs
 - Addresses acute local/regional affordable housing need
 - Introduces first mixed-income affordable housing development in the South Boston Waterfront
 - Advances DEI opportunities in the area consistent with Massport objectives
- MPA staff and consultants have undertaken a deliberate and thorough proposal review process
- The Community Builders excels in the affordable housing sector and is the most highly ranked proposal by a considerable margin
- Staff recommends that the Board vote to designate The Community Builders/Menkiti team as the Parcel D-4 developer

Parcel H Outside Closing Date Extension

Andrew Hargens

September 21, 2023



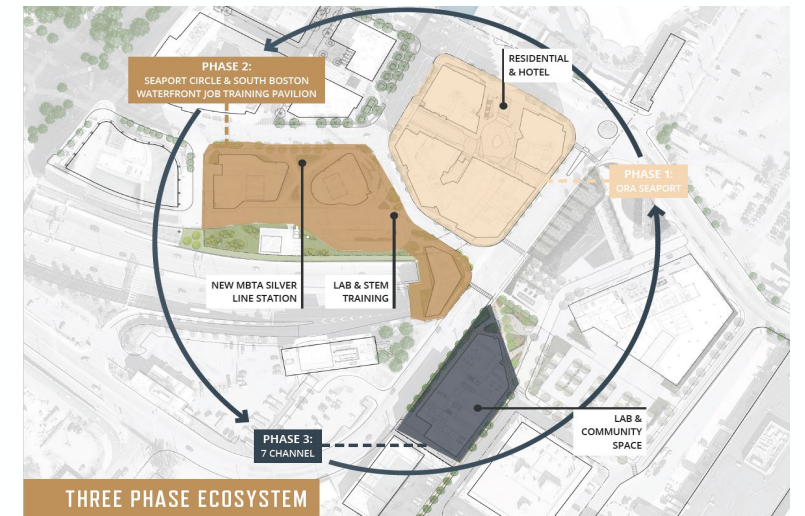
Fully designed and permitted, Lincoln Property Company (LPC) seeks an extension for the Seaport Circle project due to current market conditions

- 15-story life science and office building
 - 578,000 SF combo lab/office/incubator space
 - 14,300 SF Life Science Job Training Center
 - Integrated public realm and new MBTA station
- LPC has invested over \$20M to secure development and building permits for the project, including complex negotiations with the MBTA regarding the design of the first-level Silver Line station
- Design received 2023 International Architecture Award in the Commercial Building category from the Chicago Athenaeum
- Original schedule anticipated construction start in summer 2023
- Slowdown of the lab market and higher interest rates have made it more challenging to secure project financing



Staff recommends a 24-month extension of the outside closing date

- Under current market conditions, the project cannot proceed on a speculative basis; the debt market now requires pre-leasing commitments to obtain a construction loan
- Extending the Outside Closing Date from 2/24/24 to 2/28/26 will allow LPC to secure a pre-lease tenant commitment
- LPC is incentivized to start construction as soon as possible
- LPC will pay \$100K per year until construction begins
- Lincoln has been an exemplary partner in preparing a stellar and nearly shovel-ready project
- Lincoln is committed to the South Boston Waterfront and this specific sub-district
 - Developed the highly successful Ora Seaport and Hyatt Place Hotel projects at the adjacent Massport Parcel K
 - BPDA recently designated LPC to develop Parcel U in the Ray Flynn Marine Park



Human Resources, Diversity and Compensation

Designation of Committees, Committee Chairs and Vice-Chairs, and Committee Members

CEO Search Process Update

MASSACHUSETTS PORT AUTHORITY



Community Outreach

Community Giving Update

Alaina Coppola

September 21, 2023



Massport's FY24 Community Summer Jobs Program (CSJP) supports youth in neighboring communities

- The CSJP provides funding to civic and social service agencies to support summer youth employment programs in neighboring communities
- 30 organizations received \$650K to fund 280 summer jobs
- 38% of the employees hired were students of color, exceeding the 33% DE&I goal



Paris Street Community Center



Email: editor@winthroptranscript.com

The Winthrop Sun Transcript Thursday, August 17, 2023

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Massport's Community Summer Jobs Program celebrates 2023 Season

Special to the Transcript

The Massachusetts Port Authority (Massport) is celebrating another year of its Community Summer Jobs Program, which has supported thousands of local students through partnerships with community organizations. This year, 30 organizations received \$650,000 in grant funding to support nearly 280 seasonal jobs.

The annual program is designed to help civic and social service agencies by providing funds to hire youth workers in Massport's neighboring communities including Bedford, Charlestown, Chelsea, Concord, East Boston, Lincoln, Revere, South Boston, Winthrop, and Worcester. Without the assistance of Massport's Community Summer Jobs Program, many local organizations would not be able to offer affordable summer programs to local residents. Since 1991, over 9,000 local students have gained valuable work experience in various jobs, such as camp counselor, office assistant, maintenance worker and lifeguard, paid for by the grant.

"Massport is proud to partner with and support the great work of local non-profit groups and community organizations," said Massport CEO Lisa Wieland. "These summer jobs mean much



Massport CEO Lisa Wieland and Director of Community Relations and Government Affairs Alaina Coppola with students at Winthrop Parks and Recreation.

more than a paycheck – they provide a great opportunity for young people to learn important life skills and gain professional, hands-on experience while giving back to their communities."

The 2023 program supported the following local organizations:

- Charlestown Boys & Girls Club
- Charlestown Community Center
- Chelsea Boys & Girls

- Club Chelsea Department of Public Works
- Community Action for Safe Alternatives (CASA)
- Community Action Programs Inter-City, Inc. (CAPIC)
- Condon Community Center
- East Boston Community Development Corporation
- East Boston Social Centers
- East Boston YMCA

- John F. Kennedy Family Service Center
- La Colaborativa
- Martin Pino Community Center
- Maverick Landing Community Services
- McDonough Sailing Center
- Minute Man National Historical Park
- Paris Street Community Center
- Piers Park Sailing Center
- Revere Recreation

- Department of Salesian Boys & Girls Club
- South Boston Boys & Girls Club
- South Boston Neighborhood House
- Swift Waters After School Program
- Town of Bedford
- Town of Concord
- Town of Lincoln
- Tynan Community Center
- Winthrop Parks & Recreation Department

- Worcester County Horticultural Society
- Worcester Neighborhood Summer Park Steward Program

Massport also supports local youth athletic and enrichment programs throughout the year and offers scholarships for graduating high school seniors. For more information on Massport's community initiatives and youth programs, visit www.massport.com.

Massport employees supported our 15th Annual Backpack Project for Children

- The annual Backpack Project for Children prepares local children and families for the upcoming school year
- Participating Massport employees purchased new backpacks, school supplies and first-day-of-school outfits for the children
- 150+ employees participated
- The program sponsored nearly 100 children at five local organizations:
 - Crossroads Family Center in East Boston
 - Condon Community Center, South Boston
 - East Boston YMCA
 - South Boston Neighborhood House
 - 21st Century Afterschool Program, Winthrop



21st Century Community Learning Centers



Condon Community Center

Massport celebrated Eastie Pride Day with the community at Piers Park

- The community has organized this event to celebrate East Boston's diversity and community pride for more than 30 years
- Over 1,000 people attended



CAC Update

Alaina Coppola

September 21, 2023



Massport CAC Update

- The Massport CAC held its Executive Committee meeting on September 12 at the Cathy Leonard McLean Room in the Logan Airport Rental Car Center
- Massport gave committee members an airside tour of Logan Airport and an update on capital projects taking place at the airport
- Massport also presented an overview of the Massport budgeting process at the Executive Committee meeting



Audit and Finance Committee

MASSACHUSETTS PORT AUTHORITY

FY2023 Logan Rates & Charges True-up

Daniel Gallagher

September 21, 2023



Fiscal Year 2023 Budget and Activity Performance

Annual Rates and Charges True-up

- Process in which all fees and rents are reconciled (Budget to Actual) to determine applicable credits or shortfall

Budget Performance (FY2023 - 12 month actual)

- Budgeted Airline Rates and Charges Costs: **\$416.9M**
- Actual Airline Rates and Charges Costs: **\$401.1M (\$15.8M or 3.8% below budget)**

Activity Performance (FY2023 - 12 months actual vs forecast activity)

- Activity fees represent roughly 50% of all Airline Rates and Charges revenue collected
 - Landed Weights: **+20%**
 - Bags Checked: **+18%**
 - Intl. Inbound activity: **+27%**
 - Intl. Outbound Fee activity: **+29%**
 - Check-in Fee activity: **+29%**

Activity Based Cost Center Overview

Landing Fees (Actual Cost: \$121M)

- Expenses \$8.8M (6.8%) below budget
- Airfield revenue offset \$1.5M (11.5%) above budget
- Snow removal costs \$630K (27%) below budget
- Activity 20% above budget

Baggage Fees (Actual Cost: \$19.0M)

- Expenses 0.8% above budget
 - G&A expenses \$190K (8.1%) above budget
- Activity 18% above budget
- Bags per passenger above historic rate
 - 0.51 in FY23 vs .044 in FY19

Terminal E Passenger Fees

- I. International Inbound
- II. International Outbound
- III. Check in

(Actual Cost: \$55.0M)

- Expenses \$0.8M (1.4%) below budget
 - M&O \$1.7M (6.2%) below budget
- Activity 27% above budget
 - Europe and Caribbean demand exceeded historic levels
 - South America service restored in FY2023, however, mainland China service not yet restored

Terminal Area Cost Center Overview

Terminal A

(Actual Cost: \$54.7M)

Terminal Size: 568K sf)

- Expenses \$2.6M (4.5%) below budget
 - Maintenance and operating expense \$3M (16.2%) below budget
 - Utilities over budget \$435k (11.3%)

Terminal B

(Actual Cost: \$73M)

Terminal Size: 707K sf)

- Expenses \$80K (0.1%) below budget
 - Maintenance and operating expense \$1.4M (6.1%) below budget
 - Utilities over budget \$1M (20.8%)

Terminal C

(Actual Cost: \$56.8M)

Terminal Size: 627K sf)

- Expenses \$2.8M (4.7%) below budget
 - Maintenance and operating expense \$2.1M (10.6%) below budget
 - Utilities below budget \$783K (21.1%)

Terminal E

(Actual Cost: \$75.5M)

Terminal Size: 719K sf)

- Expenses \$1.3M (1.7%) below budget
 - Maintenance and operating expenses \$1.7M (6.2%) below budget
 - Utilities over budget \$609K (15%)
- Domestic carrier revenue offset exceeded budget \$684K (1%)

FY2023 Terminal Area and Airline Activity True-up Rates

Description	2023 Rate (eff. 07/1/22)	Rate Adjustment (eff. 02/1/23)	2023 True up Rate	Variance
Terminal A	\$182.23		\$174.34	-4.3%
Terminal B	\$167.49		\$167.30	-0.1%
Terminal B Pier B BHS Facility	\$10.97		\$13.26	20.8%
Terminal C				
Terminal C - Main	\$201.43		\$196.76	-2.3%
Piers B & C - Upper	\$151.12		\$145.40	-3.8%
Piers B & C - Lower	\$94.60		\$87.60	-7.4%
Pier A - Upper	\$138.22		\$130.66	-5.5%
Pier A - Lower	\$132.41		\$125.85	-5.7%
Terminal E				
Type 1	\$131.55		\$127.46	-3.1%
Type 2	\$134.55		\$130.46	-3.0%
Type 3	\$145.05		\$140.96	-2.8%
Regional Carrier Facility	\$93.33		\$64.07	-31.4%
Landing Field Rate per 1,000 pounds	\$5.74	\$5.49	\$4.81	-16.2%
Baggage Screening Facility Fee	\$2.10	\$1.94	\$1.80	-14.2%
Terminal E per Passenger Fees				
Inbound International	\$14.93	\$12.99	\$11.67	-21.9%
Outbound Passenger	\$4.68	\$3.97	\$3.57	-23.6%
Inbound Non-FIS/Domestic	\$14.93	\$12.99	\$11.67	-21.9%
Common Use Check-in	\$9.22	\$8.23	\$6.80	-26.2%

Rental Car Center Overview

Customer Service Center (Actual Cost: \$4.5M)

- Expenses \$229K (4.8%) below budget
 - Maintenance and operating expense \$633K (24.4%) below budget
 - Utilities over budget \$512k (84%)

Quick Turn Around (QTA) Facility (Actual Cost: \$2.8M)

- Expenses \$4K (0.2%) above budget

Garage Facility (Actual Cost: \$2.4M)

- Expenses \$68K (3.0%) above budget
 - Maintenance and operating expense \$58K (42.7%) above budget

Common Area Transit Fee (Actual Cost: \$6.2M)

- Expenses \$1.7M (21.7%) below budget
 - Maintenance and operating expenses \$1.7M (17.7%) below budget
 - 37% fewer shuttle bus hours due to driver shortage in FY23
- Transaction activity over budget 10.3%

FY2023 Rental Car Center & Activity True-up Rates

Description	2023 Rate (eff. 07/1/22)	2023 True up Rate	Variance
Customer Service Center	\$306.21	\$291.45	-4.8%
Garage Level 1-3	\$2.60	\$2.68	3.1%
Garage Level 4	\$1.35	\$1.39	3.0%
QTA Facility	\$5.53	\$5.52	-0.2%
CATS Fee	\$8.01	\$5.69	-29.0%

Next Steps

1. Staff recommends Massport Board approve FY2023 true-up
2. Work with tenants to apply any true-up balances towards outstanding or future rents and fees

MASSACHUSETTS PORT AUTHORITY

Facilities and Construction

Bipartisan Infrastructure Law (BIL)

Terminal E Improvements

MPA – L1757

Luciana Burdi

September 21, 2023



Massport is advancing Terminal E rehabilitation and renovations funded with the competitive FAA FY22 Airport Terminal Program Grant

Bipartisan Infrastructure Law (BIL), Airport Terminal Project Information Grant

- **Grant amount:** \$50M
- **Project Cost:** \$141M
- **Project Scope:** Terminal E rehabilitation and renovations
 - Upgrade HVAC Systems
 - Replace seven passenger boarding bridges
 - Expand baggage claim area
 - Add 26 check-in positions
 - Improve departure curb signage



Board Recommendation: Approve a partial project budget for the not-to-exceed amount of \$120M

Bipartisan Infrastructure Law (BIL)
Terminal E Canopy and Curbside Improvements
MPA – L1772

Luciana Burdi

September 21, 2023



The FAA awarded Massport a competitive FY23 Airport Terminal Program Grant for Terminal E canopy and curbside improvements

Bipartisan Infrastructure Law (BIL), Airport Terminal Project Information Grant

- **Grant Amount:** \$22.5M
- **Project Cost:** \$28.1M
- **Project Scope:**
 - Replace Arrivals Level canopy
 - Add new energy efficient LED lighting to replace exiting canopy lighting
 - Upgrade Arrivals Level paging system
 - Simplify and improve passengers wayfinding
- Massport received FAA approval to move forward with the project (August 2023)
- Construction is scheduled to start Fall 2023



Terminal E Replacement Canopy (*rendering*)

Board Recommendation: Approve a partial project budget for the not-to-exceed amount of \$20M

Conley Terminal Pavement Rehabilitation

MPA – M689

Luciana Burdi

September 21, 2023



Conley Terminal Pavement Rehabilitation

Project Scope:

- Repair damaged pavement to enable safe and efficient terminal operation for workers and equipment
- Improve site drainage directly behind Berth 12

Key Conditions of Satisfaction:



- Minimize impact to Conley Terminal operations
- Reuse soils and demolition materials on-site
- Follow best management practices for storm water management
- Construction to start in October 2023 and be completed by early June 2024



Board Recommendation: Approve a full project budget for the not-to-exceed amount of \$6M

Assent Agenda

MASSACHUSETTS PORT AUTHORITY

Report of the CEO
Lisa Wieland

Massport Goals – FY 2024

- Ensure safe and secure facilities
- Generate economic impact for the Commonwealth
- Enhance the customer experience
- Improve financial and operational performance
- Embed DE&I into our organizational DNA
- Advance our environmental leadership
- Bring about digital transformation
- Maintain strong relationships with business partners, customers, stakeholders, elected officials, surrounding communities and employees

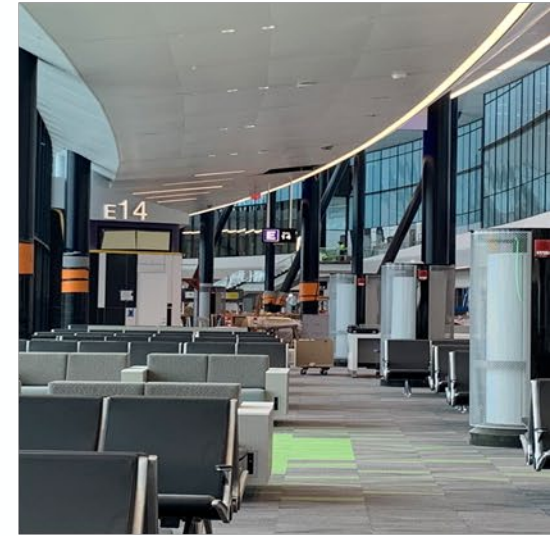
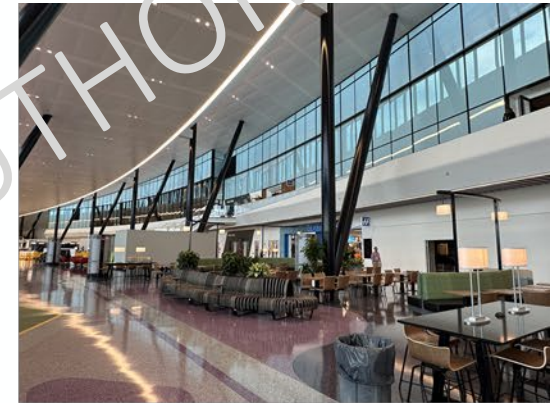
Massport met with Department of Homeland Security (DHS) Secretary Alejandro Mayorkas during his visit to Boston last month



Massport and DHS share a mutual commitment to keep Massport's facilities safe and secure for employees, business partners, and the traveling public

Airlines and passengers began using the new Terminal E Gates in August

A grand opening event and Logan 100 celebration is planned for October



Logan Airport Terminal B to C Connector was selected as the 2023 Best Project by ENR New England and achieved LEED Gold certification

ENRNewEngland

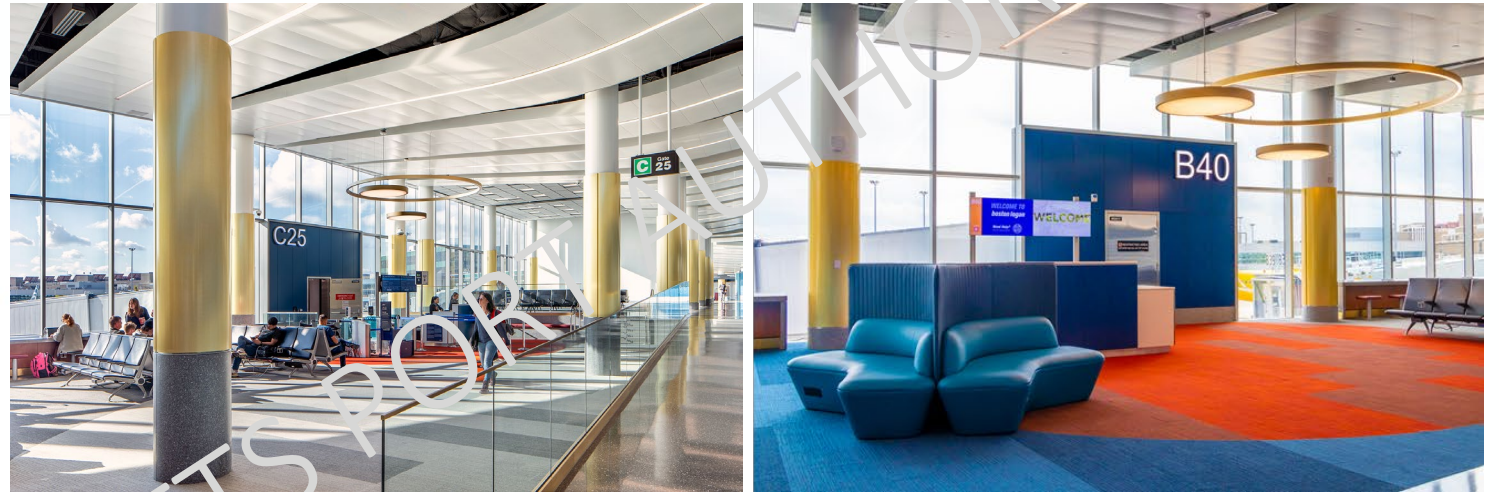
Airport/Transit

Best Project

Logan International Airport Terminal B to C Connector

Boston

Submitted by Suffolk



- Each year, ENR New England selects the best overall regional projects in several project categories
- Projects are judged based on safety, construction/design quality, contribution to the industry and the community, and the team's ability to overcome project challenges
- The project will be in the running for the national Project of the Year awards



Financial Performance: FY2023 *(preliminary)*

FY2023 Activity Highlights

- Logan served 39.3M passengers, 18% above plan
- Conley Terminal processed 123,500 containers, 8,500 above plan
- Real Estate revenues exceeded plan by \$10.9M
- Operating revenue was nearly \$178M above plan due mainly to higher passenger volume at Logan Airport
- Operating expense was nearly \$9M above plan due to increases in activity-driven expenses

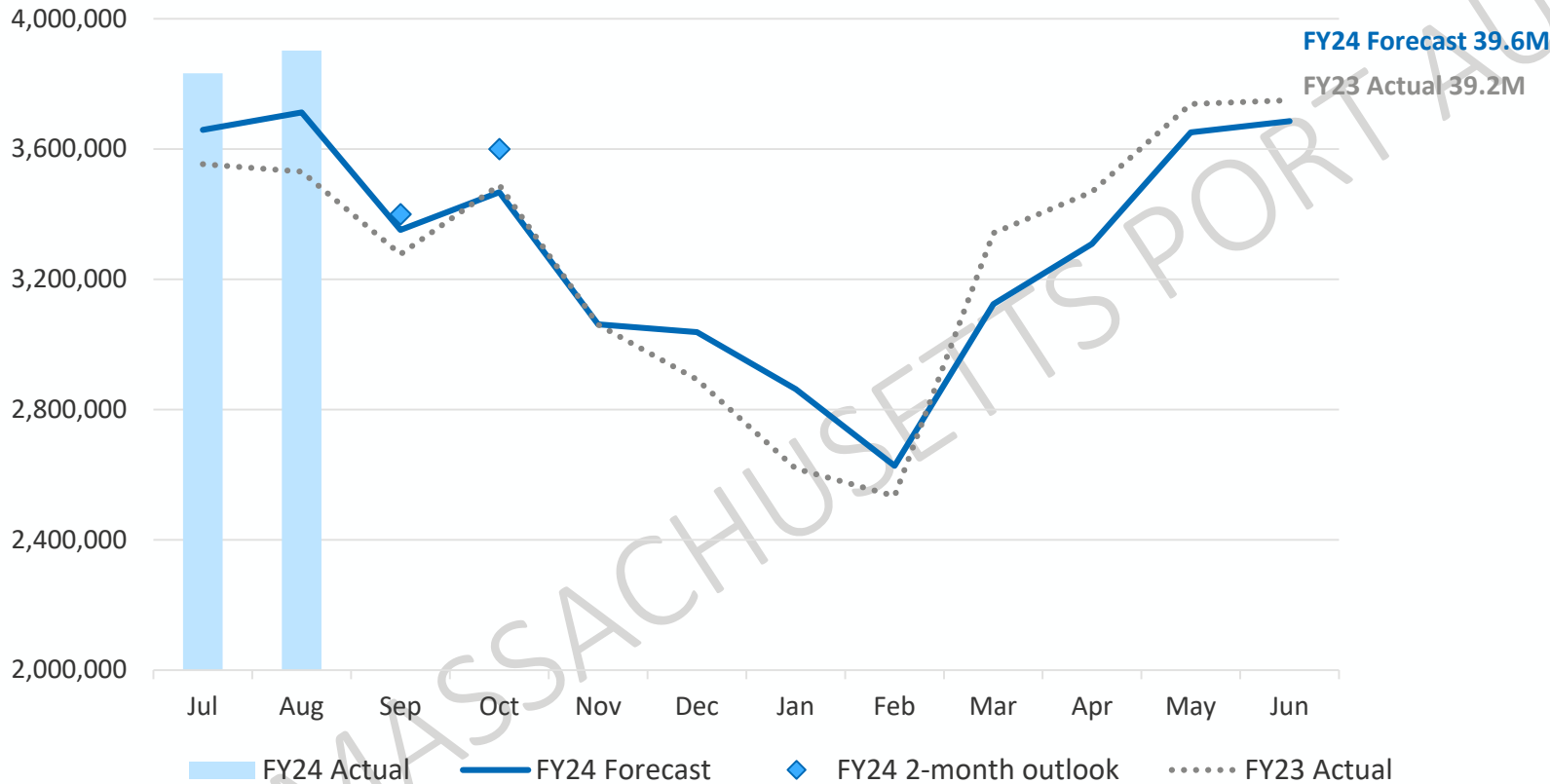
FY2023 Financial Results (Preliminary)

Revenues	\$1,085M
Expenses	<u>(\$1,052M)</u>
Contribution	\$33M

FY2023 contribution was transferred to the Capital Program fund per the June Board vote to pay for capital projects including Net Zero initiatives and HOV enhancements

Logan had a strong start to FY24

Logan Passengers
Actual vs. Forecast and Prior Year



Passenger Activity vs Forecast

- August: +5%
- FYTD: +5%

Outlook

- Strong leisure demand
- Business travel trending below pre-pandemic levels
- Asia travel demand still lagging
- Airlines face supply challenges: pilot shortages, delayed aircraft deliveries
- FAA faces air traffic controller shortages
- Economic uncertainty persists with a slowdown or recession predicted in the first half of 2024

Financial Performance: July 2023 (FY2024)

Activity Highlights

- Logan served 3.8M passengers
- Conley Terminal processed 12,500 containers
- Real Estate revenues exceeded plan by \$0.9M
- Expenses were \$0.6M below budget

Financial Results

Revenues	\$101M
Expenses	<u>(\$88M)</u>
Contribution	\$12M

July net contribution will be used to fund the FY23-27 Capital Program including Net Zero initiatives and HOV enhancements

Note: Totals may not add due to rounding



During the NAACP National Convention, Massport hosted a special event honoring Civil Rights legend, Ernest “Ernie” Green



Fireside Chat with Ernie Green and Carol Fulp, at Omni Boston Hotel at the Seaport, July 26, 2023



Seaport Circle won a prestigious 2023 International Architecture Award in the Commercial Buildings category



The World's Foremost International Distinguished Building, Landscape Architecture, and Urbanism Awards Program



Seaport Circle, Boston, Massachusetts, USA | 2023

Architects: Arrowstreet

Associate Architects: Moody Nolan Inc. and STUDIO ENÉE architects

General Contractor: Suffolk Construction Company

Client: Lincoln Property Company Boston

Images Courtesy of the Architects



The Boston Fisheries Foundation (BFF) hosted the 10th annual Boston Seafood Festival at the Boston Fish Pier

- 1,900+ people attended
- Over 50 seafood vendors with educational booths, cooking demonstrations, fun activities for kids and adults, a Blessing of the Waters ceremony, and live entertainment
- The BFF honored three individuals for their support of local, sustainable seafood by inducting them into the Boston Seafood Hall of Fame:
 - Congressman Stephen Lynch
 - Al Cottone, Executive Director of the Gloucester Fisheries Commission
 - Laura Orleans, Executive Director of the Fishing Heritage Center



**BOSTON
FISHERIES
FOUNDATION**



Report of the Director of Aviation
Ed Freni

On September 11, members of the Logan Airport community solemnly convened to commemorate the 22nd anniversary of the 9/11 attacks



- Moment of silence at all TSA checkpoints at 8:46am followed by an honor guard and another moment of silence at 1:00pm
- American Airlines and United Airlines held remembrances at Gate B11 and Gate B27, including moments of silence, prayer and flag ceremonies
- Others visited the 9/11 Memorial for quiet reflection

Logan Airport passenger activity levels – August 2023

Logan Activity Summary August 2023

	Month	Prior Year	% Change Over Prior Year	FYTD 2024	Prior FYTD	% Change Over Prior FYTD
Passengers	3.9M	3.5M	10.5%	7.7M	7.1M	9.2%
Aircraft Operations	36.1K	35.8K	0.7%	70.2K	71.3K	-1.5%

BermudAir, the first Bermuda-based airline, launched year-round service from Logan Airport

BERMUDAIR

- 6x weekly service to Hamilton, Bermuda
- Inaugural flight on 9/1
- Initial service with 88-seat Embraer E175 aircraft



Worcester Regional Airport served nearly 42,000 passengers in July and August

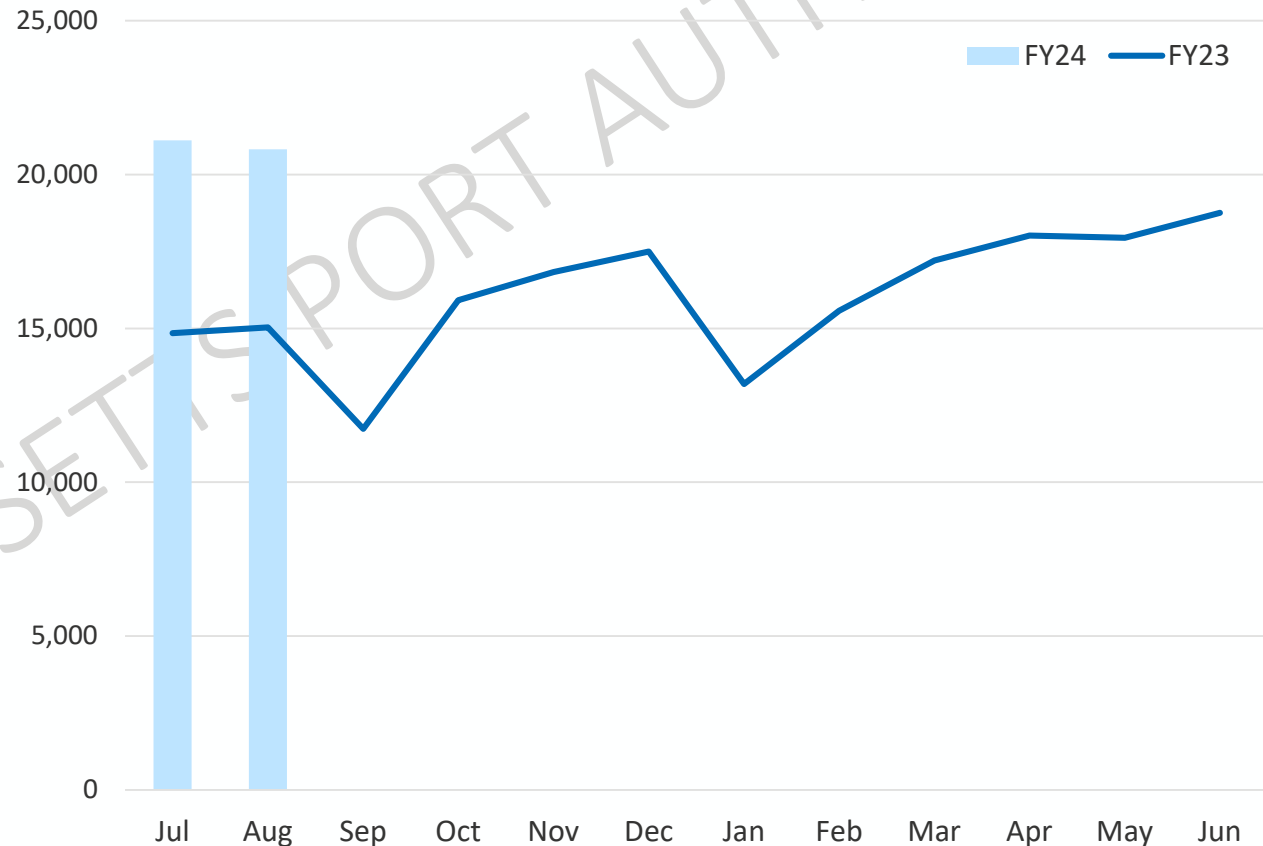
August

- 20,800 passengers
 - Up 39% over FY23
 - Up 65% over FY19
- **21,100 passengers in July was the highest monthly passenger count since Massport assumed ownership**

FYTD

- 41,900 passengers
 - Up 40% over FY23
 - Up 63% over FY19

Worcester Regional Airport Passengers



Massport and airline partners continue to actively promote and market services to the Worcester community

- In partnership with **Delta Air Lines**, awarded 2 roundtrip tickets as part of the **Worcester Summer Getaway Sweepstakes**
- In partnership with **JetBlue**, the **WooSox** awarded 4 roundtrip travel certificates to a local resident during **Fan Appreciation Week** (Sept. 14)
- Massport was a sponsor of the **Pride Worcester Festival**, the largest celebration of the LGBTQ+ community in Central Massachusetts (Sept. 9)



Worcester Summer Getaway Sweepstakes



WooSox Fan Appreciation Week

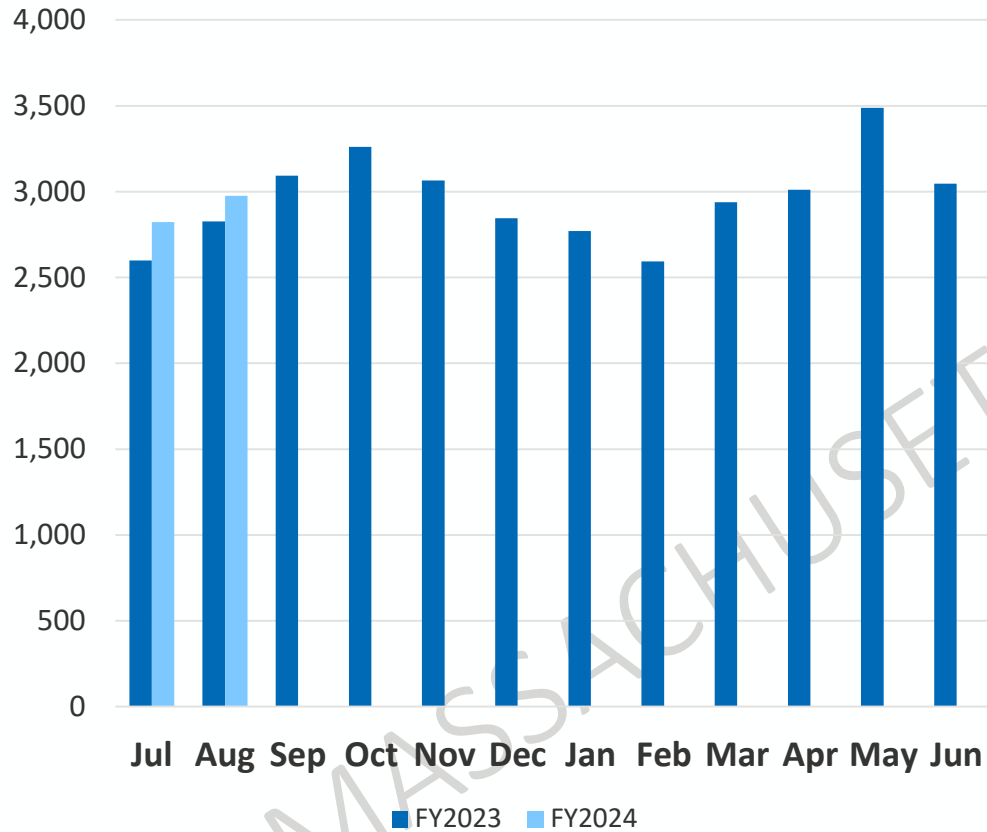


Pride Worcester Festival



Hanscom jet activity for August was up 5% compared to the prior year

**Hanscom Field
Jet Operations**



August Activity:

	Jets	Total
Operations	3,000	11,100
Chg vs FY2023	5%	(11%)
Chg vs FY2019	25%	(13%)

FYTD Activity:

	Jets	Total
Operations	5,800	22,500
Chg vs FYTD 2023	7%	(10%)
Chg vs FYTD 2019	24%	(13%)



Report of the Director of Maritime
Joe Morris

Massport continued to engage with Conley's current and prospective customers, promoting Conley's strong value proposition and congestion-free gateway

- Business Development on track to have 400 customer engagements in Q1 FY2024
- Importers from the apparel, footwear, furniture, and seafood industries continue to grow and expand their volumes through Conley
- Customer applications being processed for the FY2023 Container Incentive Program
- Maritime has engaged in-person with dozens of customers this summer on Conley Terminal port tours, resulting in additional volumes
- ZIM will upsize their vessels serving Boston by the end of 2023

Conley Terminal Strategic Initiatives 2023 and Beyond



1. Deliver on the value proposition consistently



2. Provide diversified carrier offerings and global connectivity



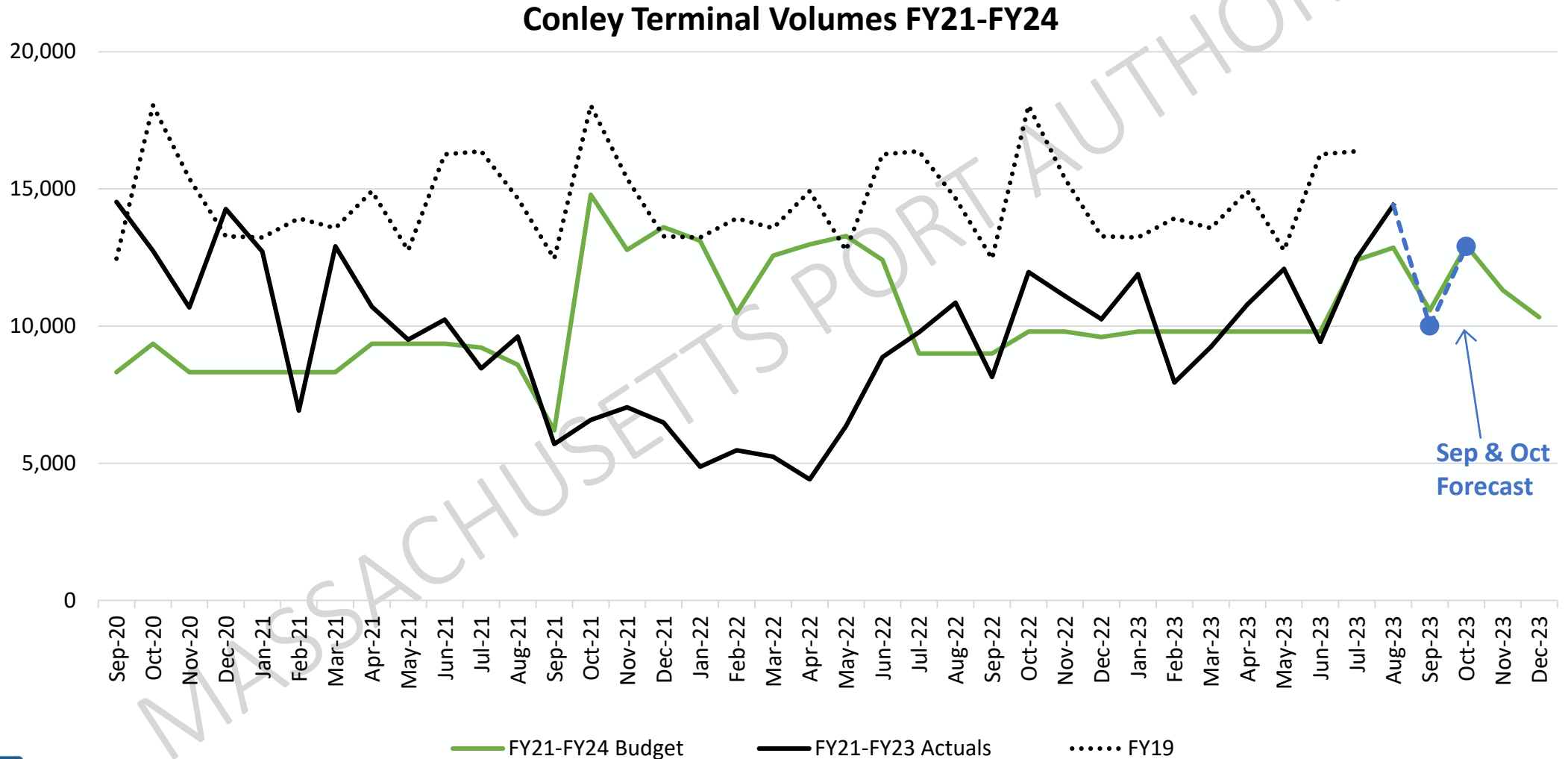
3. Expand incentive programs for importers and exporters



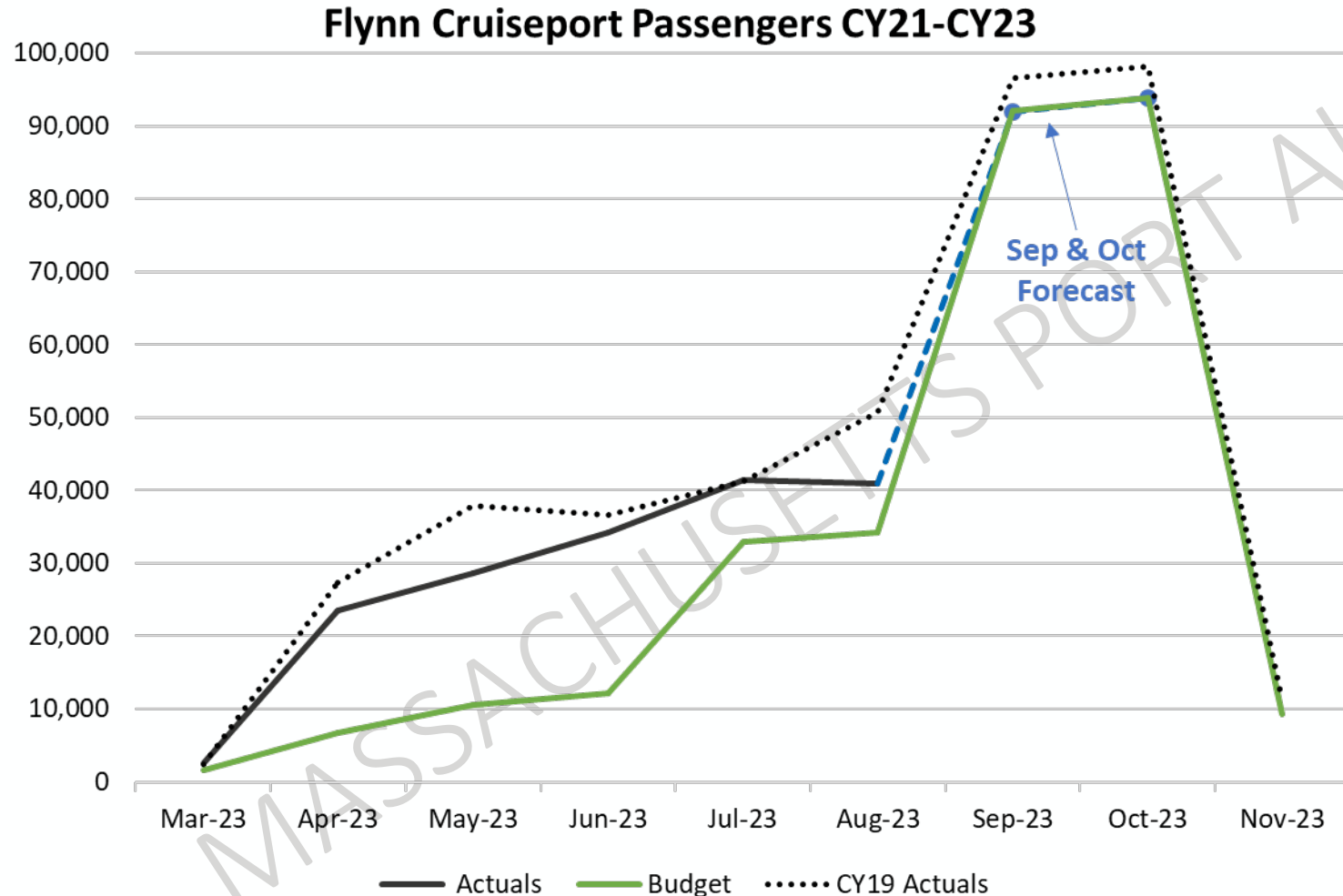
4. Recapture New England market share

5. Restructure ocean carrier contracts (CY2024)

Conley Terminal serviced over 14,400 containers in August – the most since September 2020 with a record 24 vessels



Flynn Cruiseport Boston welcomed 41,000 passengers in August as the Cruiseport prepares for its traditional peak period with the fall Canada/New England sailings



Cruise Season-to-Date:

Months	Home Ports	Ports-of-Call	Total
March-May	13	3	16
June-August	22	12	34
September-November	23	73	96
Total	58	88	146

Massport, South Boston elected officials, and port stakeholders came together on September 13 to celebrate Holland America's 150th Anniversary



- Holland America is celebrating not only their 150th Anniversary, but also their 25th Anniversary calling Flynn Cruiseport Boston
- The Holland America Foundation generously donated \$5,000 each to three local charities:
 - South Boston Boys & Girls Club
 - South Boston Neighborhood House
 - Labouré Center
- Holland America, one of Flynn Cruiseport Boston's largest cruise lines, is projecting a 15% increase in passengers next year as they grow their Canada/New England business