

MASSACHUSETTS PORT AUTHORITY
MINUTES FOR THE REMOTE MEETING
HELD ON SEPTEMBER 23, 2021 AT 9:00 A.M.

The meeting of the Members of the Massachusetts Port Authority was held on September 23, 2021. The following Members participated remotely per An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency signed into law by Governor Baker on June 16, 2021: Chairman Lewis G. Evangelidis presided, Patricia A. Jacobs, John A. Nucci, Sean M. O'Brien, Laura Sen, and Jamey Tesler. Lisa Wieland, Chief Executive Officer and Executive Director, Reed Passafaro, Chief of Staff, John P. Prankevicius, Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Catherine McDonald, Chief Legal Counsel, Hank Shaw, Chief Security Officer, Michael Meyran, Port Director, Alaina Coppola, Director, Community Relations and Government Affairs, Andrew Hargens, Chief Development Officer, Tiffany Brown-Grier, Director, Diversity Equity & Inclusion/Compliance, Christine Reardon, Director, Internal Audit, John Teehan, Director, Maritime Security, Flavio Leo, Director of Aviation Planning & Strategy, Daniel Gallagher, Director of Aviation Business and Finance, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:00 A.M.

Public Comment

Jude Clavien, Ababuti Olok, and Rafael Valerio, employees of Commercial Services Operators (CSOs) at Logan Airport, each spoke seeking an increase in the hourly minimum wage for CSO employees at Logan Airport due to their cost of living expenses.

Ratification and approval of the minutes of the July 22, 2021 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the July 22, 2021 Board Meeting.

Members Evangelidis, Jacobs, Nucci, O'Brien, Sen, and Tesler voted Yes.

Chairman's Comments

Mr. Evangelidis noted that whether upcoming Board Meetings are held remotely or in-person will be decided on a monthly basis.

Report of the CEO

Ms. Wieland presented information on the swearing in of Mr. Tesler as Secretary of Transportation, on the Massport activation of its Flood Mitigation Plan due to recent record rainfall and extreme weather events, on the weekly topics and tips provided to Massport employees in September for National Preparedness Month, on Logan receiving the 2021 Airports Council International (ACI) Airport Health Accreditation, on the successful FAA – required emergency plan exercise held at Worcester Airport, on Logan’s ranking in the J.D. Power 2021 North America Airport Satisfaction Study, on Logan’s selection as one of only fourteen U.S. airports on SKYTRAX’s list of World’s Top 100 Airports 2021, on Tripadvisor travelers ranking Hyatt Place Seaport and the Seaport Hotel in the top ten out of ninety-nine hotels, on Massport’s Comprehensive Annual Financial Report receiving the GFOA’s Certificate of Achievement for Excellence in Financial Reporting, on the expected reduction in the FY21 Massport budget deficit, on the July financial performance, on Massport’s AA bond rating being affirmed and its ratings outlook being improved to stable by Fitch Ratings, on the impact of the COVID Delta variant on U.S. airlines, on the recent opening of the Omni Boston Hotel at the Seaport which was the first project with a new inclusive real estate development model, on the opening of the Logan Food Market at the Logan Convenience and Filling Station, on Massport’s launch of its Pathways Program with Bridgewater State University, on the selection of VHB to led the team to develop Massport’s Climate Action Plan, on Massport’s grant submission to expedite the Ride for Hire industry transition to electric vehicles, on recent federal actions to advance sustainable aviation fuels to reduce emissions, on the ability to purchase Logan Express tickets on the FlyLogan Mobile app, on Massport’s recent efforts to promote Logan’s HOV options, on Massport’s 2021 STEM and Memorial Scholarships awards, on Worcester Airport’s partnering with Polar Park to support local community organizations, and on the Congressional Medal of Honor Society hosting its 2021 Convention at the Seaport Hotel.

Director of Aviation Presentation

Mr. Freni presented information on the 9/11 remembrances held at Logan, on Massport’s 16th annual SAFE and Logan Star Award Ceremony, on the July and August Logan passenger volume and aircraft operations, on the Logan weekly outbound passenger volume, on Logan domestic and international seat capacity in September, on Aer Lingus receiving approval for service between Logan and Manchester, UK in 2022, on the return of service at Worcester Airport by JetBlue, Delta, and American Airlines, on the recognition of Worcester Airport’s seventy-fifth anniversary by the Worcester Regional Chamber of Commerce, on the July and August Hanscom aircraft operations, on Hanscom receiving the 2021 Balchen/Post Award for outstanding achievement in airport snow and ice control, on a new Logan HOV option, and on the International Air Transport Association (IATA) 77th Annual General Meeting to be held in Boston October 3-5.

Director of Maritime Presentation

Mr. Meyran presented information on the status of the new Conley cranes, on port shutdowns and the impact on a severely constrained supply chain, on U.S. port congestion delaying ship transit times and reducing systemwide capacity, on the expected 2024 launch of the first carbon neutral container ship, on container ship crews entering the Port of Boston having access to COVID-19 vaccines, on Massport being awarded a FY21 Port Security Grant, on the August Conley container volume, on the Crystal Symphony Boston to Bermuda cruises in August and September, on the Ocean Explorer arriving at Flynn Cruiseport Boston in September and October, on new CDC guidance to those at increased risk of severe illness to avoid cruise ship travel regardless of vaccination status, and on CDC updates on August 27th to its technical guidelines.

Strategic Plan

Safety and Security Committee

COVID-19 Update

Mr. Shaw noted that the European Council recommended that restrictions on tourists from the U.S. be reinstated due to rising COVID-19 infections, and that the U.S. plans to ease travel restrictions for vaccinated international visitors in early November.

Human Resources, Diversity, and Compensation Committee

Director, Diversity Equity & Inclusion/Compliance – Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Tiffany Brown-Grier to the position of Director, Diversity Equity & Inclusion/Compliance, level 12, effective September 23, 2021, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the CEO and Executive Director. This position will report directly to the CEO and Executive Director.

Members Evangelidis, Jacobs, Nucci, O'Brien, Sen, and Tesler voted Yes.

Director, Internal Audit – Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Christine Reardon to the position of Director, Internal Audit, level 12, effective September 23, 2021, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the CEO and Executive Director. This position will report to the Chair of the Audit & Finance Committee of the Board and administratively to the CEO and Executive Director.

Members Evangelidis, Jacobs, Nucci, O'Brien, Sen, and Tesler voted Yes.

Director, Maritime Security – Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints John Teehan to the position of Director, Maritime Security, level 11, effective September 23, 2021, at an annual salary within the established guidelines for that position as recommended by the Chief Human Resources Officer and approved by the CEO and Executive Director. This position will report to the Port Director.

Members Evangelidis, Jacobs, Nucci, O'Brien, Sen, and Tesler voted Yes.

Community Outreach Committee

RNAV Block 2 Update

Mr. Leo presented information on the background leading to the collaboration between Massport and the FAA for an RNAV Study (the "Study") directed by Professor John Hansman, Director of the MIT International Center for Air Transportation. Mr. Leo noted that the goal of the Study was to analyze ideas that could incrementally reduce aircraft noise through changes to RNAV procedures while maintaining safety and efficiency benefits, and that the Study's technical approach was broken down into two separate categories: Block 1 and Block 2. Mr. Leo also noted the Block 1 process followed by the Massport Community Advisory Committee (the "CAC") and Massport, the status of the Block 1 recommendations, and that the Block 2 recommendations will follow the same process as Block 1. Mr. Hansman provided a comprehensive presentation explaining the Block 2 procedure recommendations including the Study's technical approach, the noise analysis framework, the Block 1 recommendations and status, and a detailed analysis of the Block 2 recommendations by runway arrival and departure, procedure, and primary benefits. Mr. Dave Carlon, Chair of the CAC, thanked the MIT, FAA, and Massport teams for all the work that went into the Study. Mr. Carlon noted that the Study process worked well and that it provided the CAC communities an opportunity to digest the complex information and provide feedback and suggestions. Ms. Wieland noted that the ultimate decision on whether or not to advance the Block 2 recommendation will be made by the CAC. The presentation and discussion concluded with Mr. Nucci thanking Mr. Carlon, the CAC members, and everyone involved for all their work during the Study process.

Real Estate and Strategic Initiatives Committee

Massport Marine Terminal Lease Amendment

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Massachusetts Port Authority (the “Authority”) currently leases from the Economic Development Industrial Corporation of Boston (“EDIC”) certain parcels of land in the Raymond L. Flynn Marine Park in South Boston, Massachusetts being commonly known as the Massport Marine Terminal (the “MMT”), pursuant to Lease P-752, dated November 27, 1979, as amended by the Amendment to Lease, dated June 30, 1980, as further amended by the Second Amendment to Lease, dated August 7, 1985, as further amended by the Third Amendment to Lease, dated September 8, 1986, as further amended by the Fourth Amendment to Lease, dated as of February 17, 2000, as further amended by a certain letter dated September 20, 2005, as further amended by a certain letter dated July 21, 2006, and as further amended by the Fifth Amendment to Lease, dated as of December 19, 2012 (collectively, as amended, the “EDIC Lease”); and

WHEREAS, the EDIC Lease currently expires on February 20, 2070 (the “Original Expiration Date”); and

WHEREAS, in 2016, the Authority issued a Request for Proposals (“RFP”) for the development and long term ground lease of six (6) parcels of land located at the MMT, for, among other things, expansion of the seafood processing cluster at the MMT to support economic development of the MMT, including, but not limited to, the creation and sustainment of blue collar jobs; and

WHEREAS, in order to finance the development of the parcels at MMT, the designated and proposed developers of the MMT have requested that the term of the ground leases of the parcels be greater than fifty (50) years; and

WHEREAS, staff has made a request to EDIC to extend the term of the EDIC Lease for an additional fifty (50) years beyond the Original Expiration Date to February 20, 2120; and

WHEREAS, subject to Board approval, staff and EDIC have agreed upon proposed terms and conditions for an amendment to the EDIC Lease, including the extension of the term of the EDIC Lease, such terms and conditions being described in **Schedule A** attached to this Vote (“Term Sheet”); and

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

1. To authorize (i) the Chief Development Officer and the Chief Legal Counsel, and their designees, each acting singly, to negotiate with EDIC an amendment to the EDIC Lease on terms substantially consistent with the Term Sheet; and (ii) the Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer, or Assistant Secretary-Treasurer, each acting singly, (each, an “Authorized Officer”) to execute and deliver on behalf of the Authority an amendment to the EDIC Lease, on such terms and conditions as are substantially consistent with this Vote as the Authorized Officer executing such agreement(s) may determine are necessary or desirable; and
2. Each Authorized Officer is further authorized to execute on behalf of the Authority any and all other related documents, certificates or instruments, and to take any other actions deemed necessary or desirable to effectuate the amendment to the EDIC Lease provided all such documents, certificates, instruments or actions are substantially consistent with this Vote. The Amendment to the EDIC Lease and other documents, certificates or instruments shall contain such other terms and conditions not inconsistent with this Vote as the Authorized Officer executing such Amendment, documents, certificates or instruments may determine are necessary or desirable.

Members Evangelidis, Jacobs, Nucci, O’Brien, Sen, and Tesler voted Yes.

**SCHEDULE A
EDIC LEASE AMENDMENT**

- Term:** Extend the original lease term by fifty (50) years from February 20, 2070 to February 20, 2120.
- Fixed Rent:** Fixed Rent, currently at \$976,000, shall be subject to an annual escalation equal to the lesser of (i) 100% of the CPI adjustment, as defined in EDIC Lease, or (ii) three percent (3%).
- Commencing on February 20, 2070, the annual Fixed Rent for the entire Leased Premises shall be payable at the then-current market rate based upon an independent appraisal process set forth in Section 4.4. of the EDIC Lease.
- Percentage Rent:** The Authority shall pay to EDIC as Percentage Rent twelve and 5/10 percent (12.5%) of ground-lease revenue received from long-term ground-lease subtenants (excluding any pass-throughs).
- Transaction Rent:** The Authority shall pay to EDIC fifty percent (50%) of any fees that the Authority receives from a sale of the Authority's interest in the EDIC Lease.
- Common Area Maintenance Charges:** Commencing on February 20, 2057, the Authority shall pay its pro-rata share of common area maintenance charges, if any, for the Raymond L. Flynn Marine Park.
- Resiliency:** The Authority will collaborate with EDIC on resiliency infrastructure for the Leased Premises.
- Permitted Uses:** The Authority and EDIC agree to continue to negotiate in good faith an amendment of the EDIC Lease to allow for flexible uses of the upper floors of the buildings located on the Leased Premises with the intent of subsidizing the maritime industrial uses on the ground floor of such buildings, pending the resolution of the Raymond L. Flynn Marine Park Master Plan updated proposals and the outcome of the Authority's ongoing advocacy to the Massachusetts Department of Environment Protection on the matter.

Facilities and Construction Committee

Audit and Finance Committee

Rates and Charges FY21 True-Up

Mr. Gallagher presented information on the FY21 Budgeted and Actual Rates and Charges Costs, on the FY21 Activity Fees Performance, on the FY21 True-Up Rates, on the Temporary Airline Cost Center Relief (TACCR) balance after True-Up, on the FY21 International Activity True-Up, and next steps.

Logan Landing Fee

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority in accordance with 740 CMR 21.24 and 740 CMR 21.100, Appendix C, an adjustment to the landing fee rate at Boston-Logan International Airport for the period of July 1, 2020, through June 30, 2021, which landing fee rate shall be \$10.53 per thousand pounds of certificated landed weight of the aircraft conducting the particular landing operation with a minimum landing fee of \$30.00 for fixed wing aircraft and \$30.00 for rotary wing aircraft.

Members Evangelidis, Jacobs, Nucci, O'Brien, Sen, and Tesler voted Yes.

Logan Terminal Building Rental Rates

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority an adjustment to the terminal building rates and passenger fees for Boston-Logan International Airport for the period of July 1, 2020, through June 30, 2021, which shall be as follows:

<u>A. Building Rates:</u>	<u>Rate</u>
Terminal A	\$159.73 per square foot per year
Terminal B	\$153.51 per square foot per year
Terminal B BHS Facility	\$ 7.57 per square foot per year
Terminal C - Main Terminal	\$220.40 per square foot per year
Terminal C - Upper Piers	\$126.32 per square foot per year
Terminal C - Lower Piers	\$ 68.17 per square foot per year
Terminal C - Pier A Upper Pier	\$116.50 per square foot per year
Terminal C – Pier A Lower Pier	\$111.14 per square foot per year
Terminal E - Type 1 Space	\$109.84 per square foot per year
Terminal E - Type 2 Space	\$112.84 per square foot per year
Terminal E - Type 3 Space	\$123.34 per square foot per year
Amelia Earhart (Regional Carrier Facility)	\$ 71.20 per square foot per year

<u>B. Passenger Fees:</u>	<u>Terminal E Common Use Facilities</u>
Inbound International	\$79.39 per passenger
Outbound	\$38.00 per passenger
Inbound Non-FIS/Domestic	\$79.39 per passenger
Check in Fee	\$79.19 per passenger

The adjustment to the Terminal E Common Use Facilities Passenger Fees has been established, in part, to determine the shortfall in Terminal E Common Use Facilities Passenger Fees collected from the airlines that operated at Terminal E in FY 2021 (approximately \$16.5 million) (the “FY 2021 Shortfall”), which shall be recovered by the Authority in accordance with the June 24, 2021 Vote.

Members Evangelidis, Jacobs, Nucci, O’Brien, Sen, and Tesler voted Yes.

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority an adjustment to the Baggage Screening Facility Fee at Boston-Logan International Airport which Baggage Screening Facility Fee shall be \$5.15 per checked bag for the period July 1, 2020, through June 30, 2021.

Members Evangelidis, Jacobs, Nucci, O'Brien, Sen, and Tesler voted Yes.

Logan Rental Car Center Rental Rates

Upon a motion duly made and seconded, it was

VOTED:

To establish on behalf of the Authority an adjustment to the following facility rates and fees for the Rental Car Center at Boston Logan Airport effective from July 1, 2020, through June 30, 2021.

A. <u>Facility Rates</u>	<u>Rate</u>
Customer Service Center Facility Rent	\$211.78 per square foot per year
Garage Facility Rent (Levels 1-3)	\$2.41 per square foot per year
Garage Facility Rent (Roof Level)	\$1.21 per square foot per year
Quick Turn Around Facility Rent	\$4.96 per square foot per year

A. <u>Fees</u>	<u>Rate</u>
Common Airport Transit System Fee ("CATS")	\$9.96 per rental car transaction
Rental Car Center Facility Access Fee ("FAC")	\$2.50 per rental car transaction

Members Evangelidis, Jacobs, Nucci, O'Brien, Sen, and Tesler voted Yes.

Assent Agenda

Foreign Currency Exchange Concession Agreement

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, on May 18, 2021, the Authority issued a Request for Proposals ("RFP") for foreign currency exchange ("FOREX") concession services at Logan Airport, and received two proposals in response to the RFP; and

WHEREAS, the Authority's selection committee charged with the responsibility of evaluating the proposals unanimously voted, in accordance with the criteria set forth in the RFP, to recommend that the Authority enter into a new lease (the "Lease") with Lenlyn Ltd d/b/a ICE Currency Services USA for the provision of such FOREX concession services; and

WHEREAS, the Authority's goals and objectives as stated in the RFP reflect the Authority's commitment to providing the traveling public with a first class, high quality, FOREX concession program, focused strongly on excellent customer service and customer convenience, as well as the Authority's goal of achieving a competitive financial return; and

WHEREAS, the Lenlyn Ltd d/b/a ICE Currency Services USA proposal serves the overall best interest of the Authority considering, among other things, operating experience, management, value to the traveling public, and financial return to the Authority;

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

The Director of Aviation or his designee and the Chief Legal Counsel or her designee are hereby authorized to negotiate, and the Chief Executive Officer and Executive Director, the Secretary-Treasurer or the Assistant Secretary-Treasurer, each acting singly (each an "Authorized Officer"), are hereby authorized to execute and deliver on behalf of the Authority, a Foreign Currency Exchange Concession Lease with Lenlyn Ltd d/b/a ICE Currency Services USA, consistent with the terms and conditions set forth below:

(a) The Lease shall be for a maximum term of five (5) years commencing on or about November 1, 2021 and expiring on or about October 31, 2026, with an initial term of three (3) years and two (2) one year option terms, to be exercised at the option of Lenlyn Ltd d/b/a ICE Currency Services USA.

(b) The FOREX concession services will include, at a minimum, the purchase and sale of U.S. and international currencies, cash advances and the sale of sim cards. The locations are initially comprised of full service booths in Terminal E. Any additional services, products or locations shall only be added with the approval of the Director of Aviation.

(c) Lenlyn Ltd d/b/a ICE Currency Services USA shall pay the Authority the total amount of annual Gross Revenue percentage fees, as follows: (i) currency exchange (including online currency preordering and foreign currency ATM transactions) – 2.0% for sales up to \$5 million, 6.0% for sales between \$5 million and \$10 million, and 12.0% for sales above \$10 million, (ii) 25.00% for sales of sim cards, and (iii) 20.0% for cash advances.

The terms of the Lease shall contain such other terms and conditions not inconsistent with this Vote as the Authorized Officer executing such Lease in accordance with this vote deems necessary or desirable.

Members Evangelidis, Jacobs, Nucci, O'Brien, Sen, and Tesler voted Yes.

Motion to Enter 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 the Parcel H term sheet, and the 480 McClellan Highway lease amendment, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority.

Members Evangelidis, Jacobs, Nucci, and O'Brien voted Yes.

Members Sen and Tesler were temporarily not present in Zoom.

Mr. Evangelidis stated that the Authority will not reconvene after Executive Session.

The public session adjourned at 11:15 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