

**Massachusetts Port Authority
Board Meeting**

October 10, 2024



Public Comment

Chair's Comments

MASSACHUSETTS PORT AUTHORITY

CEO Report
Richard Davey

Massport Goals – FY 2025

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

In September, Massport completed an important runway safety project at Worcester Regional Airport

- A \$5 million replacement EMAS (Engineered Material Arresting System) was installed at the end of Runway 29
- Made from lightweight cement blocks, the EMAS is designed to crush and safely slow an aircraft that may overshoot the runway end
- The EMAS at the Runway 11 end will be replaced in CY 2025

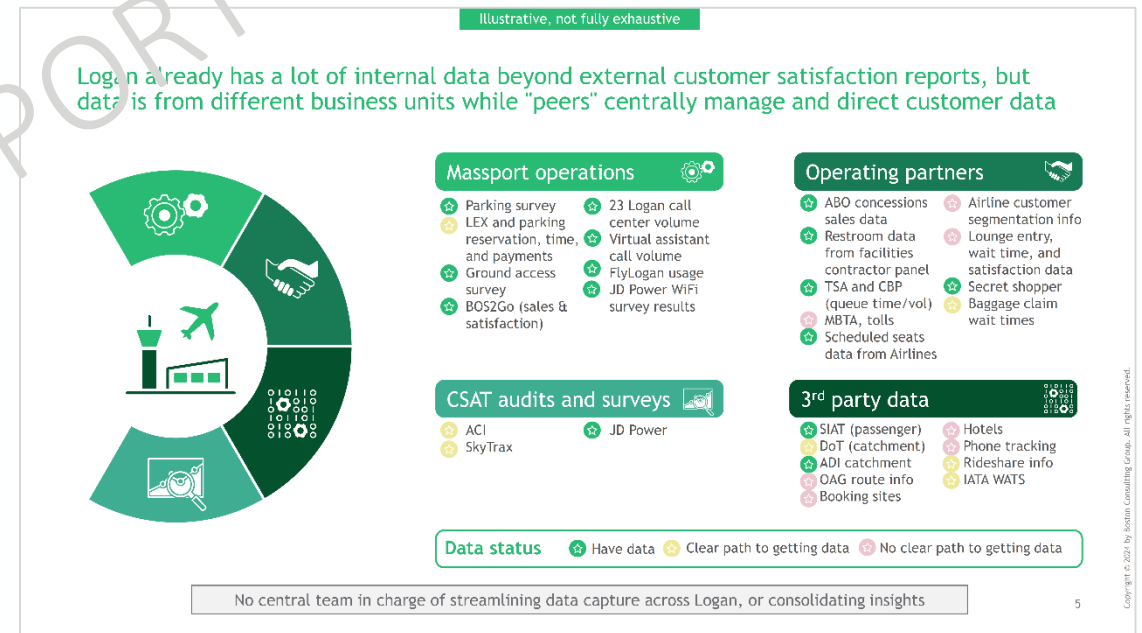


Kicked off a Customer Service Data Assessment with Boston Consulting Group (BCG)

- 5-week complimentary engagement, working closely with senior management to review current state of customer satisfaction at Logan Airport

Goal:

- Review available passenger/customer satisfaction data, specifically focusing on:
 - Creating a data baseline and defining the current state of customer satisfaction
 - Creating a list of quick wins and prioritized future actions by high-level customer segment
 - Providing a view of best practices from peer airports and, where relevant, comparable industries
 - Create a perspective on what "good" looks like, identify gaps vs current state, and provide a high-level plan to close gaps



The Sumner Tunnel restoration project is substantially complete and the tunnel will no longer close on weekends



Maura Healey, Governor
Kimberly Driscoll, Lieutenant Governor
Monica Tibbits-Nutt, Secretary & CEO



For immediate release:
October 7, 2024

Sumner Tunnel Reopens After Final Weekend

Project remains on track to be completed ahead of schedule with



Credit: MassDOT

- Last weekend closure was October 4-6
- Remaining work will be completed under normal off-peak hours
- MassDOT anticipates project to be completed ahead of schedule
- Massport will conduct an internal debrief to:
 - Assess lessons learned
 - Improve ground transportation and traffic management across the airport campus

Thanks to our colleagues at MassDOT, the State Police, neighboring communities, passengers, business partners, and Massport staff for their support and patience during the past two years of extended summer and weekend closures!

Financial Performance: August 2024

Activity Highlights

- Logan served 4.25M passengers
- Conley Terminal processed 10,700 containers
- Real Estate revenues exceeded plan by \$0.7M
- Expenses were \$3.6M below budget

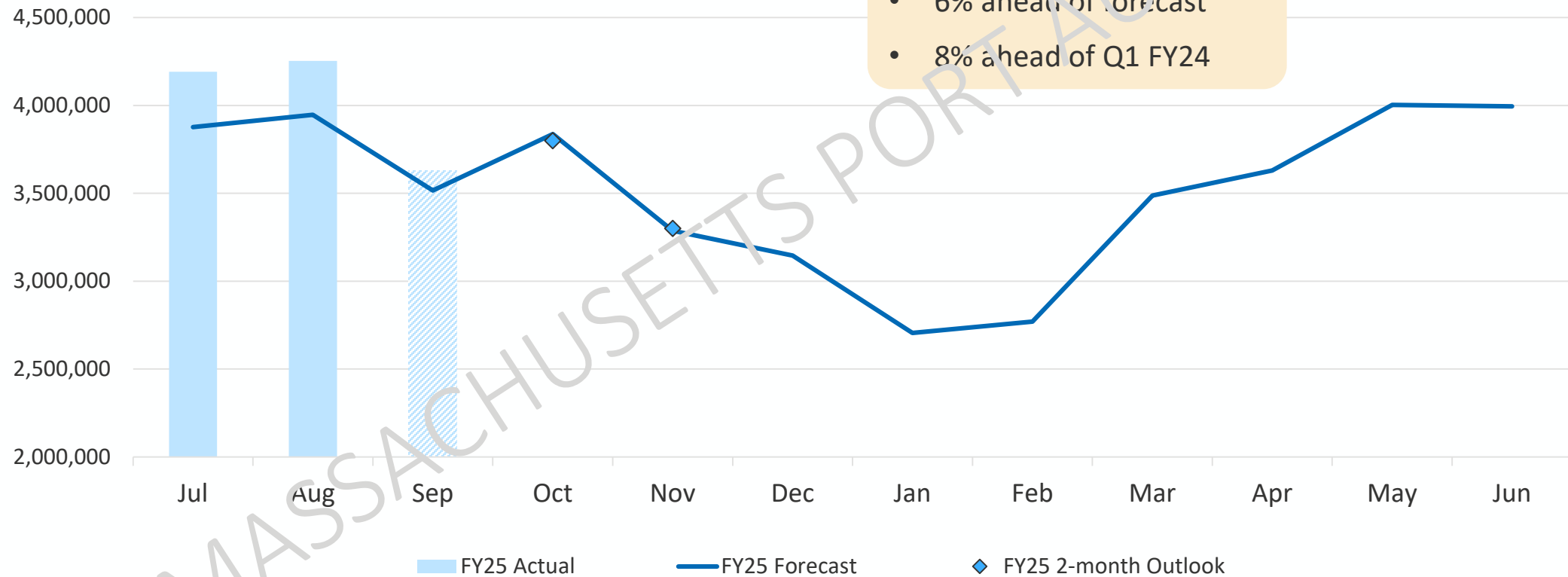
Financial Results

Revenues	\$116M
Expenses	<u>(\$102M)</u>
Contribution	\$14M

Net contribution will be used to fund the FY24-28 Capital Program including Net Zero initiatives and HOV enhancements

Logan served an estimated 12M passengers in Q1 FY25, approximately 6% better than forecast

Logan Passengers



Note: September passenger count is estimated as of October 9, 2024 based on TSA screened passengers and incomplete airline reporting

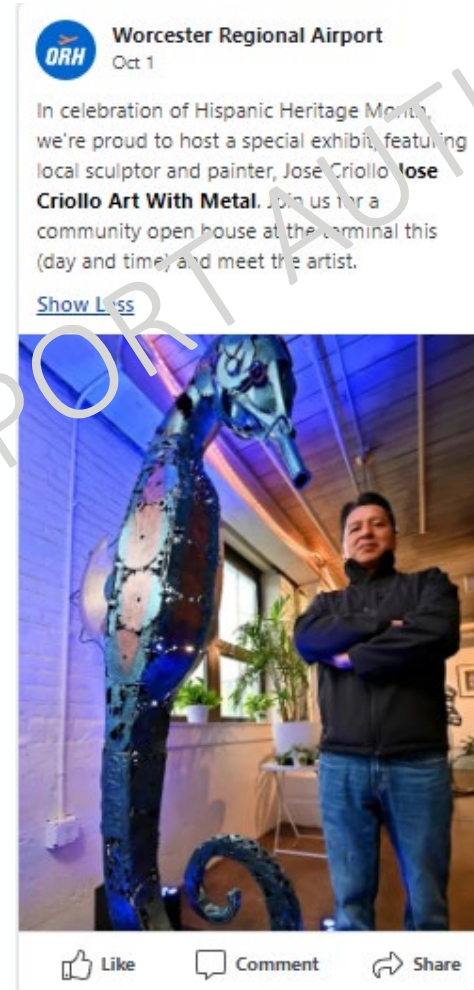


Josiane Martinez, Founder and CEO of Archipelago Strategies Group, joined us for a fireside chat to celebrate Hispanic Heritage Month



Massport is hosting a special art exhibit at Worcester Regional Airport for Hispanic Heritage Month

- Paintings and large format sculptures by Worcester artist Jose Criollo are on display throughout the airport terminal from October 1 to November 15
- Members of the community attended a Community Open House to officially open the exhibit on October 4
- Jose Criollo's work includes a 12-foot tall guitar and an 8-foot tall guitar made from recycled materials; both are on display at the airport



Massport is proud to partner with the East Boston YMCA as it celebrates 25 years of serving residents of East Boston and nearby communities

Wednesday, October 2, 2024

THE EAST BOSTON TIMES-FREE PRESS

Page 3

Massport kicks off the East Boston YMCA's 25th anniversary Reach Out Breakfast

Special to the Times-Free Press

The East Boston YMCA is excited to celebrate its 25th anniversary of serving the community at this year's Reach Out Breakfast, with the Massachusetts Port Authority (Massport) joining as the Presenting Sponsor. This annual event, which brings together over 300 community members, aims to celebrate and raise vital funds for local programs that support youth development, healthy living, and social responsibility.

The Reach Out Breakfast, hosted by State Representative Adrian Madaro, will take place on Wednesday, October 23, at 7 a.m. at the Boston Logan Airport Hilton. As we celebrate 25 years in East Boston, the YMCA is proud of its legacy of empowering individuals and fostering community well-being through a wide



Massport and East Boston YMCA officials are with some of the area children who will be participating in the October 23 Reach Out Breakfast.

variety of programs and services.

"We are incredibly grateful for Massport's ongoing partnership and support, which has spanned more than a decade," said Joe Gaeta, Executive Director of the East Boston

YMCA. "As we celebrate 25 years in the community, Massport's generosity as this year's Presenting Sponsor allows us to continue offering impactful programs that improve health and empower youth and families. Together,

with partners like Massport, we are able to make a meaningful difference for all."

Massport's sponsorship will help create access to essential programs such as childcare, teen leadership initiatives, and water safe-

ty education. One key program, the YMCA's swim lessons at the Mario Umana Academy pool, has successfully taught thousands of East Boston children how to swim safely since the YMCA took over the facility five years ago. With East Boston's unique geography—90% of the area being surrounded by water—swim safety remains a top priority. The YMCA aims to ensure that every family has the opportunity to participate in these programs, regardless of financial barriers with their 90% Initiative announced last year.

"Massport is always excited to partner with a great organization like the East Boston YMCA," said Rich Davey, CEO of Massport. "We are committed to supporting programs and organizations in our neighborhood that make a positive difference in the lives of so many. We look forward to seeing the

amazing results that this partnership will produce."

As the East Boston YMCA celebrates 25 years of service, it acknowledges the importance of partnerships with both state and local entities like Massport. Through these collaborative efforts, the Y is able to serve over 5,000 individuals in East Boston and its neighboring communities. Volunteers, donors, staff, and community partners come together to make it possible for the YMCA to meet the diverse needs of the community through a variety of programs and services.

For more information on how to support the Reach Out Breakfast or to inquire about tickets, please contact Joe Gaeta at jgaeta@ymcaboston.org or 617-418-8320. Tickets are also available for purchase online at ymcaboston.org/ReachOut-Breakfast.



Massport women joined other women from the Logan community and the Girl Scouts for a United Airlines' Girls in Aviation Day at Logan Airport

- Women in Aviation (WAI), a global organization with more than 20,000 members, is dedicated to increasing the number of women working in aviation and aerospace
- For 10 years, WAI and its members have hosted Girls in Aviation Day events to expose young girls to exciting careers in aviation
- United Airlines hosted an event for the Girl Scouts of Eastern Massachusetts at Logan Airport on September 21
- American Airlines will host a similar event on October 26



Anna Tenaglia selected as a 2024 Women in Public Finance Honoree



Anna Tenaglia
Deputy Director Administration & Finance

- Anna received the 2024 She's My Hero Award from Women in Public Finance (WPF)
- She was nominated by her peers for her contributions to the public finance industry and for being a role model to WPF members
- Anna is a valued member of the Massport team, providing financial leadership and oversight of key financial functions

We launched an Employee Climate Survey as part of Massport's ongoing People Strategy to enhance employee satisfaction

The graphic features a large blue megaphone on the left. The text 'LET YOUR VOICE BE HEARD' is written in large, bold, blue letters, with the megaphone's opening acting as the letter 'L'. The Massport logo is in the top left corner. Below the main text, it says 'YOU SPEAK. WE LISTEN!' followed by a call to action to take the survey. On the right, there is a QR code placeholder with the text 'SCAN QR CODE TO SHARE YOUR IDEAS' and a deadline to complete the survey by October 31st, 2024, for a chance to win a \$50 gift card.

massport

LET YOUR VOICE BE HEARD

YOU SPEAK. WE LISTEN!

Take the Massport survey today. Together, we can enhance our workplace culture and support career growth.

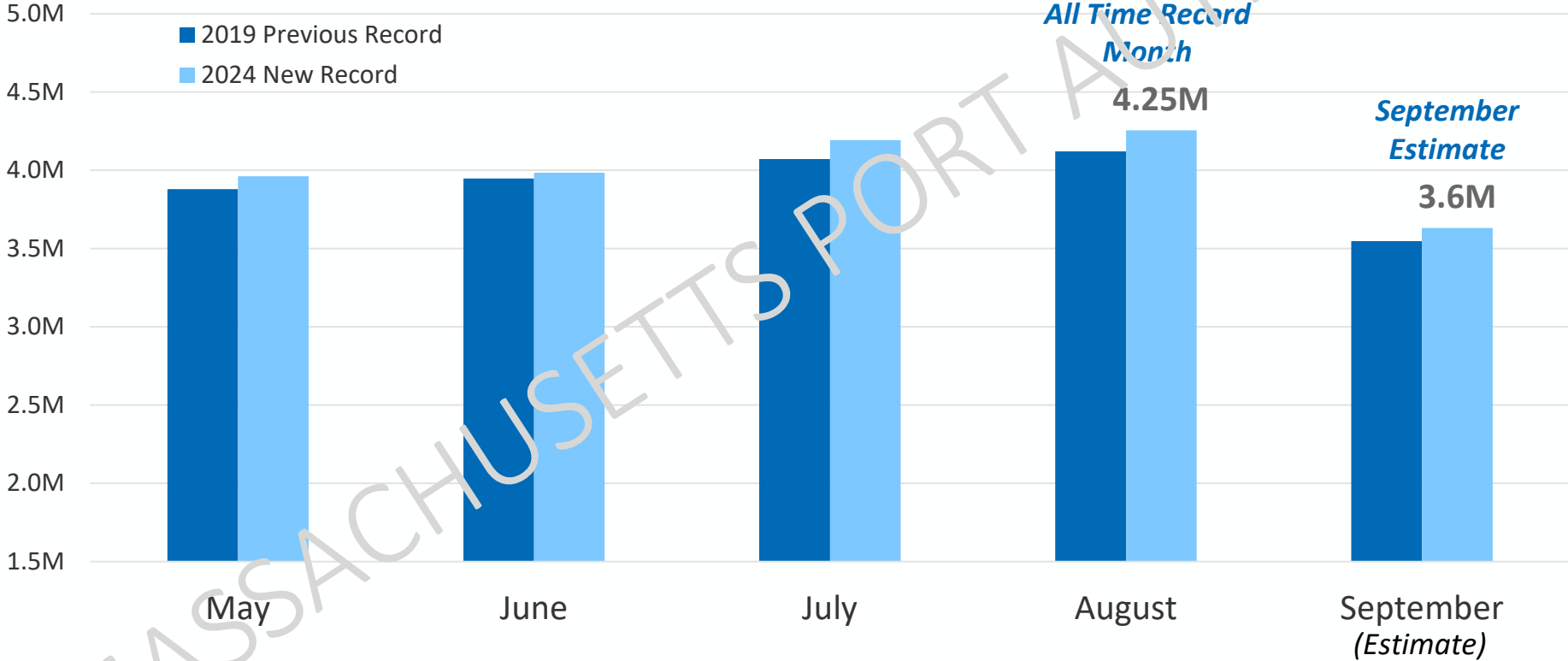
SCAN QR CODE TO SHARE YOUR IDEAS

Please fill out the survey by October 31st, 2024 to be entered into a raffle to **win a \$50 gift card!**

Report of the Director of Aviation
Ed Freni

Since May, Logan has been setting new monthly records for passenger activity

Logan Airport Passengers



Note: September passenger count is estimated as of October 9, 2024 based on TSA screened passengers and incomplete airline reporting



Delta Air Lines is expanding services from Logan Airport for the 2025 spring and summer travel seasons as it increases its Boston market share

New Seasonal Transatlantic Services:

- Milan
 - 4x weekly (May 23-Oct 24)
 - Boston's largest unserved European market
 - Boston last had nonstop service to Milan in 2008
- Barcelona
 - 3x weekly (May 22-Oct 23)
 - Currently served nonstop, year round by Level

Spring 2025 Domestic Service Additions (Apr 19-Apr 27):

- Myrtle Beach and Pensacola (weekend service)
- Sarasota increases from weekend to daily flights during Christmas and Spring Break periods
- Savannah service upgraded from a regional to a narrow body jet
- Increased frequencies to Orlando, Fort Myers, Tampa, Phoenix and Providenciales

Market Share

- Delta* is Logan's largest airline with a 25.9% passenger share for CYTD August 2024
- JetBlue ranks second with a 24.8% market share



Frontier will launch new nonstop services from Logan to Florida this winter

- Daily service to Tampa
- 4x weekly service to Miami
- Services commence Dec 17

“... we are thrilled to expand our service at Boston Logan International Airport with the addition of these two popular Florida destinations. There is strong demand for affordable air service to Miami and Tampa, and we are proud to offer consumers low-cost travel ... from Boston.”

- Josh Flynn, Vice President of Network and Operations Design, Frontier Airlines

BOSTON.COM

Frontier is launching nonstop service from Boston to these two warm-weather cities

In celebration of the new routes, travelers can score \$29 and \$49 flights for a limited time.



A Frontier Airlines plane. Frontier Airlines

By **Kristi Palma**

October 1, 2024



Frontier Airlines is providing more ways for Bostonians to escape the cold this winter.

Worcester Regional Airport passenger volume was down in September as airlines adjust schedules for the soft shoulder season

Monthly

- September: 12,400 passengers, down 8% over prior year

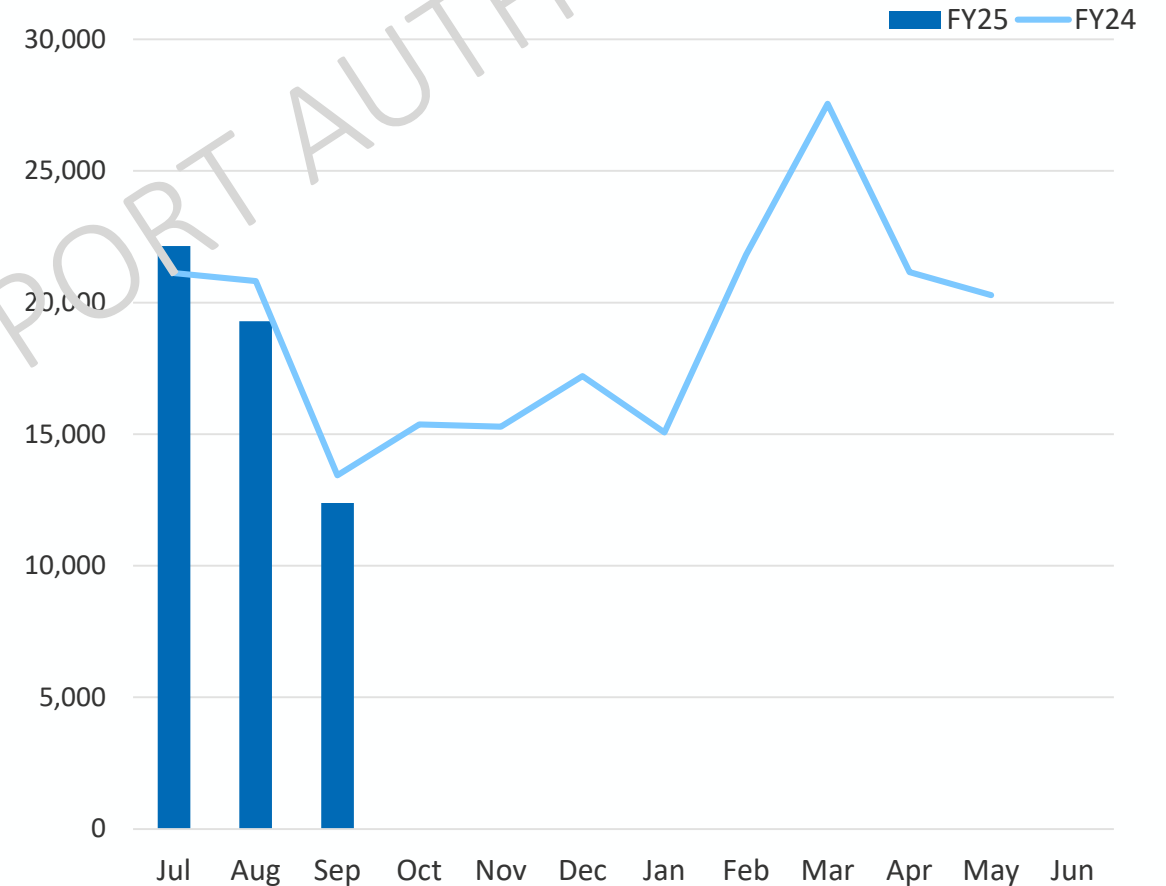
FYTD 2025

- 53,800 passengers, down 3% over FYTD 2024

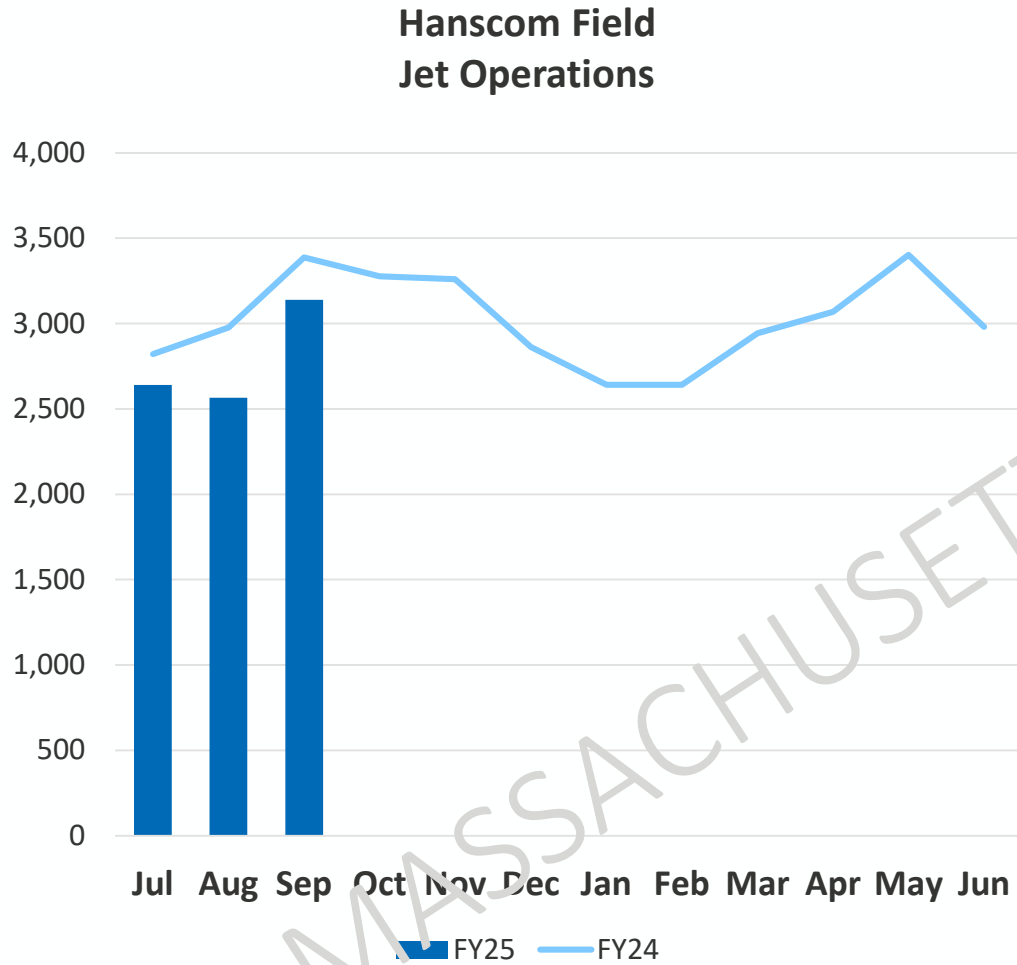
Upcoming Seasonal Service

- Nonstop JetBlue Fort Myers, FL service resumes Oct 27
- Operates 2x/wk through mid-February
- Increases to 7x/wk for 10 weeks starting mid-February to serve spring break demand

Worcester Regional Airport Passengers



Hanscom Field activity increased 2% in September compared to last year



Month Activity:

September 2024		
	Jets	Total
Operations	3,100	10,700
Chg vs 2023	-7%	2%
Chg vs 2019	21%	-16%

FYTD 2024 Activity:

	Jets	Total
Operations	8,300	31,900
Chg vs FY24	-9%	-4%
Chg vs FY19	20%	-3%



Report of the Director of Maritime
Lauren Gleason

The U.S. Maritime Alliance (USMX) and the International Longshoremen's Association (ILA) agreed to resume work after 3-day strike

THE WALL STREET JOURNAL.

U.S. Ports Reopen After Dockworkers End Strike

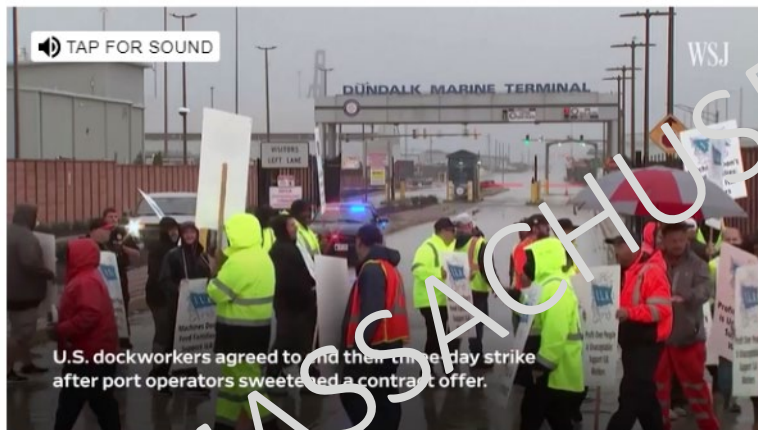
Companies sweeten contract offer to a 62% wage increase to reopen ports from Maine to Texas

By [Paul Berger](#) [Follow](#) and [Annie Linskey](#) [Follow](#)

Updated Oct. 4, 2024 9:16 am ET

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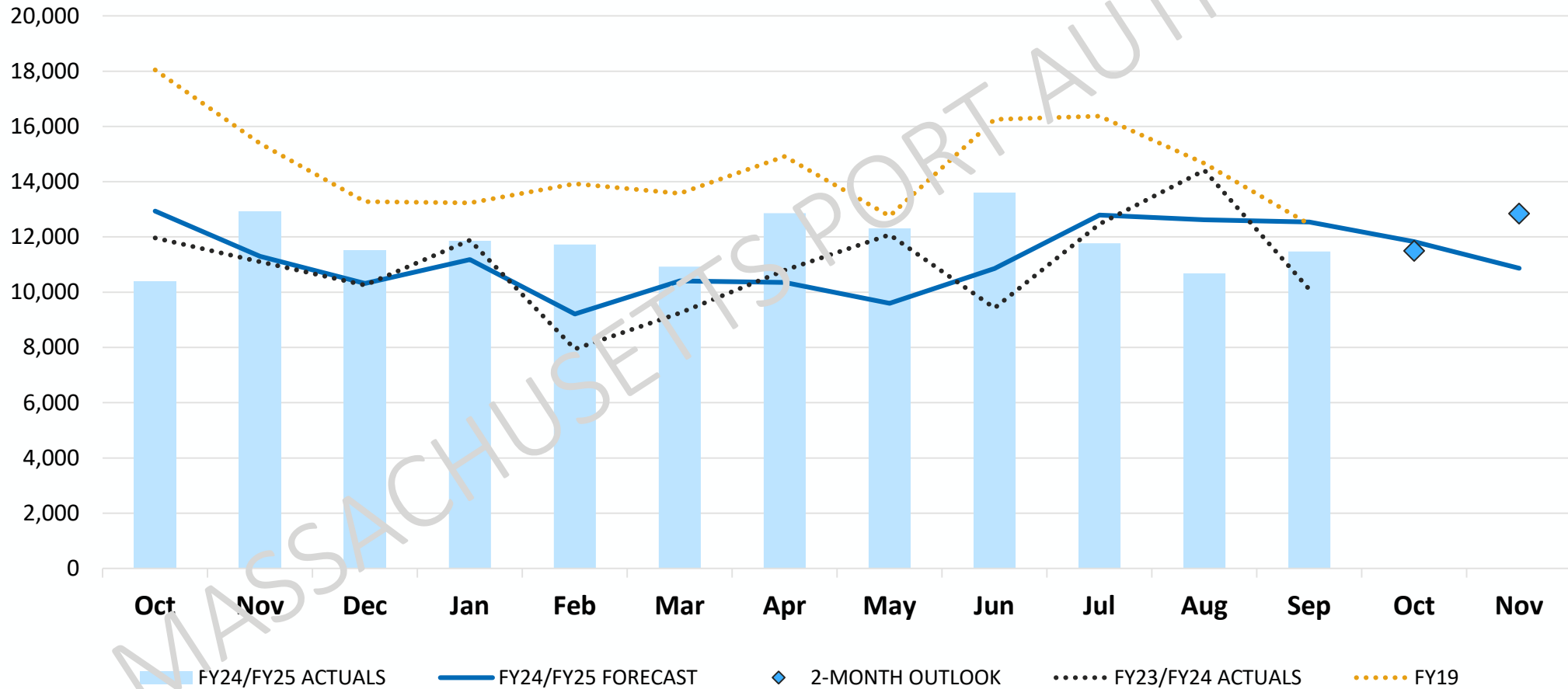
U.S. dockworkers agreed to end their three-day strike after port operators sweetened a contract offer.

U.S. dockworkers agreed to end their three-day strike. WSJ's Paul Berger explains how the two sides reached a deal. Photo: Michael Nigro/ZUMA Press

- USMX and the ILA reached an agreement to extend the USMX-ILA Master Contract that expired on September 30, 2024, for the period starting October 1, 2024, through and including January 15, 2025
- The parties agreed to resume bargaining in good faith to reach an agreement for a new Master Contract
- Conley Container Terminal reopened on Friday, October 4 and the first vessel worked was the *MSC Zlata* on Saturday, October 5

Conley Terminal handled 16 vessels in September and over 11,000 containers

Conley Terminal Container Volumes
Actual vs Forecast



Maritime will return to Europe and Asia this fall to engage with incumbent and target ocean carriers and seek additional services and diversified carrier offerings



Evergreen Chairman and Executive Team, October 2023

Fall 2024 Maritime Sales Mission



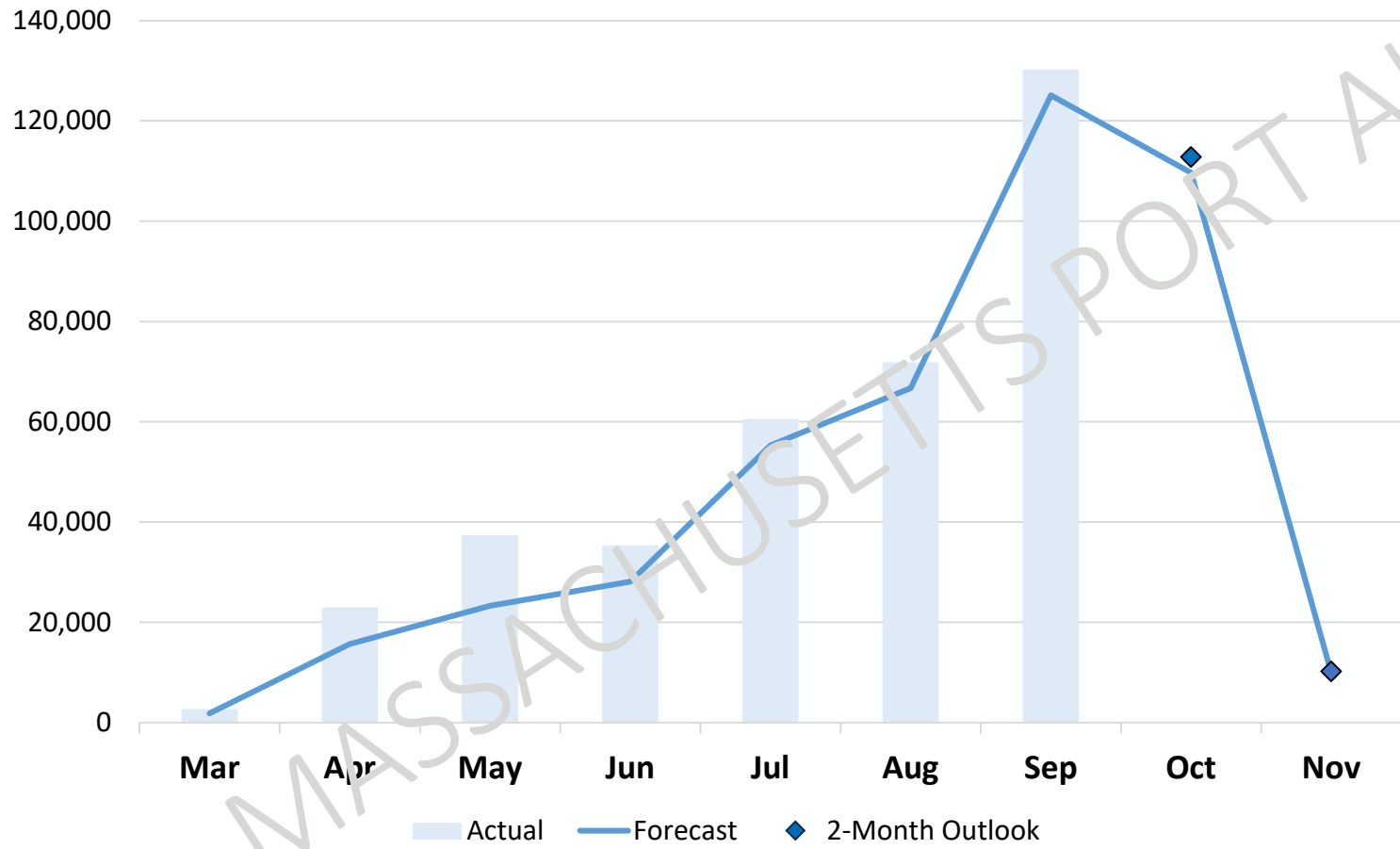
Key Focal Points:

- Ocean carriers expect global capacity to increase 9% in 2024-2025, resulting in larger vessels cascading into U.S. East Coast ports
- China and Southeast Asia remain the key target areas for ocean carrier growth for Boston and New England
- Environmental efforts are in the early assessment stage for ocean carriers, but the consensus is that green methanol or dual-fuel vessels are integral to reducing emissions



Flynn Cruiseport Boston continued to see high passenger counts during the summer travel season, welcoming 39 vessels and 130,000+ passengers in July & August

Flynn Cruiseport Passengers
Actuals vs Forecast



2024 Cruise Ship Schedule

Months	Home Ports	Ports-of-Call	Total
March-May	11	6	17
June-August	28	23	51
September-November	39	59	98
Total	78	88	166

Note: Cruise season began with one sailing in March and is scheduled to end with five sailings in November



Flynn Cruiseport Boston had three consecutive record passenger months in July, August and September with volume higher by more than 50% over 2023



- Passenger loads hovered above average during the summer months at 110% of capacity
- Vessel count increased by 28% in the September/October peak season
- Massport anticipates 123,000 passengers over the next two months to close out the season
- The 2024 cruise season is forecast to surpass 450K passengers

	Jul	Aug	Sep	Total
Passengers				
CS 2024	60,566	72,536	131,147	264,249
CS 2023	41,397	40,990	92,486	174,873
% Change	46%	77%	42%	51%
Ships				
CS 2024	17	22	44	83
CS 2023	12	11	42	65
% Change	42%	100%	5%	28%

Strategic Plan

MASSACHUSETTS PORT AUTHORITY

Ground Transportation Update

Joel Barrera

October 10, 2024



Executive Summary

- Over the past decade, Logan Airport has experienced significant disruptions and industry changes - emergence of Ride App technology, COVID changed business travel habits, and younger generations highly value travel experiences
- In 2024, Logan Airport is thriving, achieving new highs in passenger volumes, but the mix of passengers has evolved over the past decade
 - Leisure travel is now dominant at nearly 80% of Logan passengers
 - Business travel accounts for 21% of passengers, down from almost 40% in 2019
- Nearly 50% of Logan's passenger originate close-in, within I-95/Route 128
- The way passengers travel to the airport has also changed over time
 - HOV and transit use is at historic highs
 - Ride-Apps and private pickup/drop-off are dominant modes
- To address significant ground access challenges in the future, Massport must develop a comprehensive strategy to reduce vehicle trips to the airport through targeted investments and policies to support HOV/transit modes and overall trip reduction



Massport recently conducted a Logan Airport Air Passenger Ground Access Survey to better understand passenger profiles and ground access choices

- Massport has been conducting these surveys every 2-3 years for more than 40 years to understand:
 - Who our passengers are and why they are traveling
 - How they get to the airport
 - How passenger characteristics and their ground transportation choices have changed over time

2024 Logan Airport Passenger Survey:

- Conducted over 24 days in April-May 2024
- Surveyed 6,000 passengers across 345 representative airline flights



How did you arrive at Logan Airport for today's flight?
Please select *all forms* of transportation you used to reach the airport today.

Private Vehicle or Rental Vehicle

Private vehicle (owned/leased by you or someone you know)

Rental vehicle (includes Zipcar)

Taxi, Car Service, Shuttle, or Van

Taxicab

Ride app

Car service ("black car", executive sedan, private limo, etc.)

Free hotel or other courtesy shuttle

Other shared ride van or limo

Bus, Subway, Rail, or Water

Logan Express

Other scheduled express bus service

Charter/group tour bus

MBTA bus/subway

MBTA water ferry

MBTA commuter rail

Water taxi

Other

Walk

Bike

Other, please specify:

Interviewer Only << Previous Next >>

RSG | Privacy Policy Questions or comments? Contact us at loganairportsurvey@rsginc.com

28%

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Structural changes in the industry over the last decade have changed Logan's passenger market and how passengers get to the airport

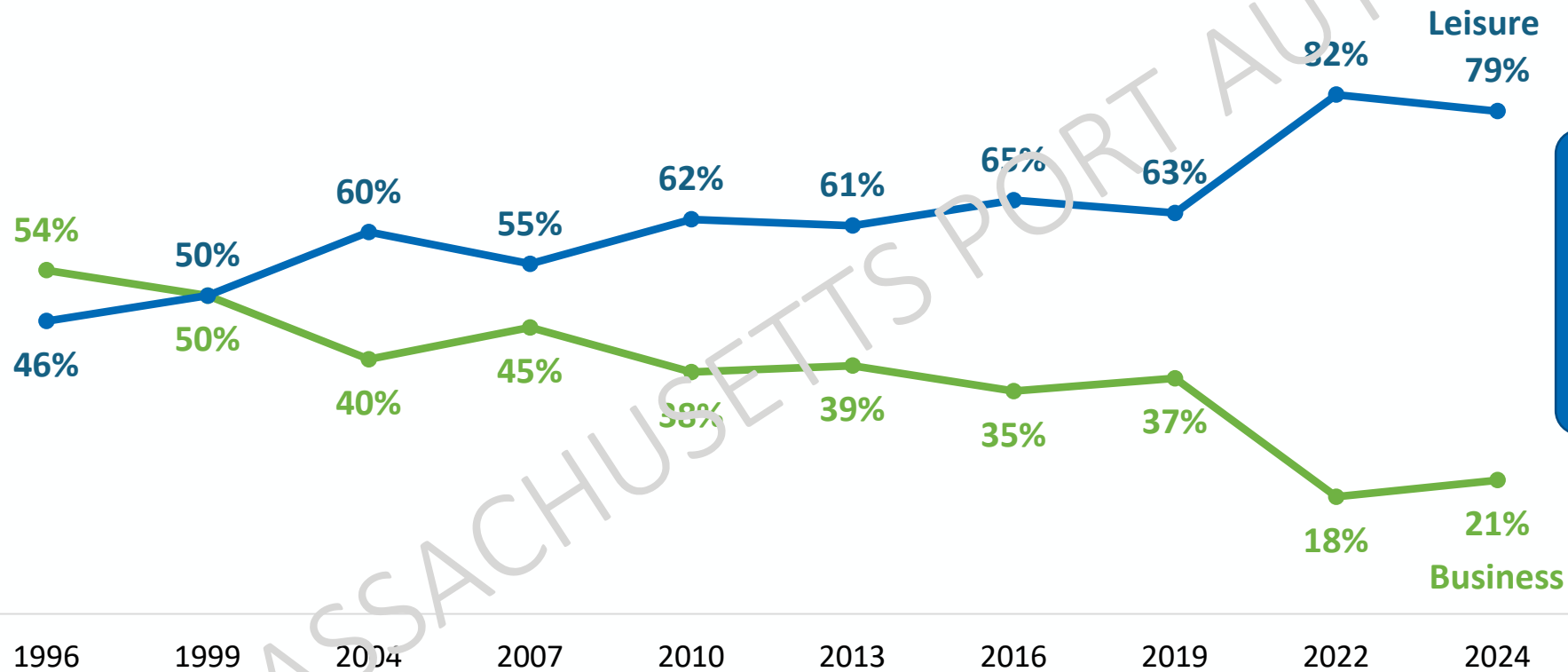
- Technology enabled Ride Apps like Uber and Lyft quickly became a preferred mode for passengers in the urban core
- Business travel was disrupted by the shift to remote meetings and “work from anywhere” flexibility during COVID and has not fully recovered
- Leisure travel has been growing due to demographic changes and people valuing travel experiences more than ever

All of these changes have implications for ground access planning and Logan Airport operations, facilities and policies



Nearly 80% of Logan's passengers are traveling for leisure purposes, a significant increase from 63% pre-COVID (2019)

Percent of Passengers by Trip Purpose

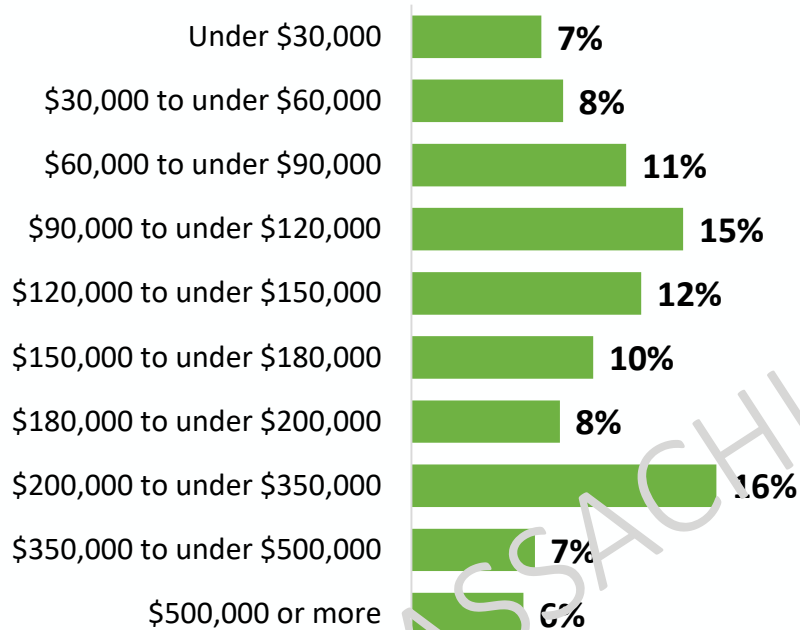


Overall, 28% of passengers in 2024 were either traveling solely for business or doing "some business" during a leisure trip

Logan's passenger base is high income, skews female, and two-thirds are residents

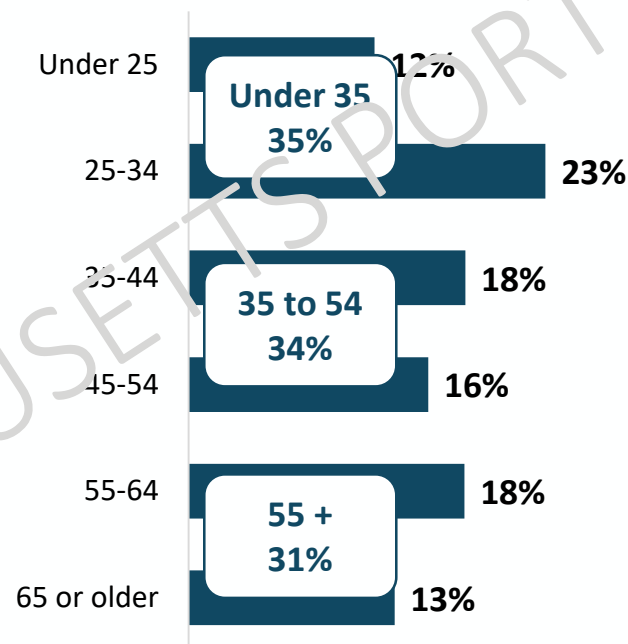
- Almost 60% have incomes over \$120,000, higher than the \$104,000 median for the Boston Metro Area

Household Income



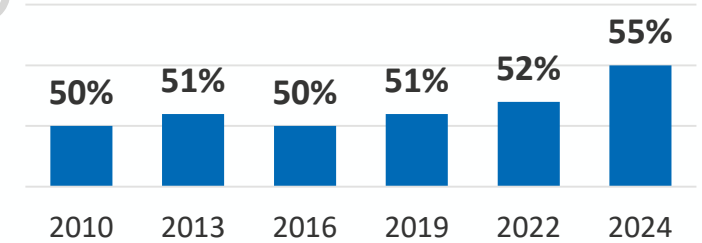
- Roughly even distribution across young, middle and older age groups

Age Distribution



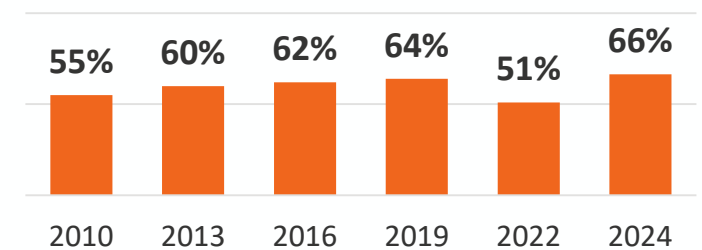
- 55% identified as female, a change from prior surveys

Percent Female



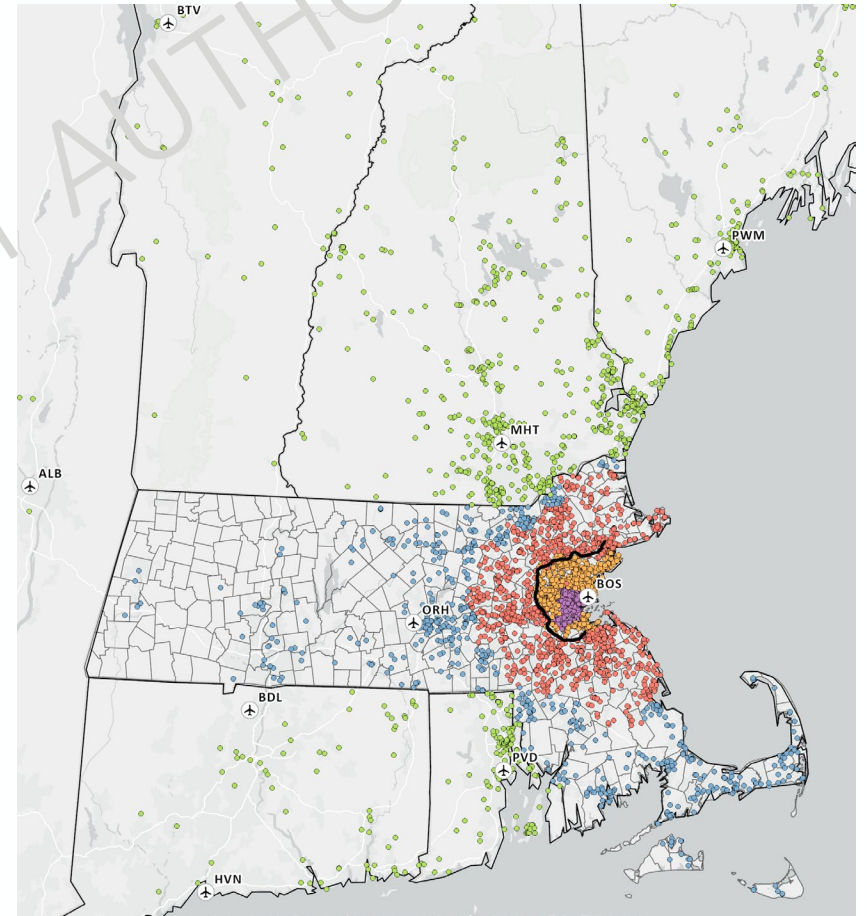
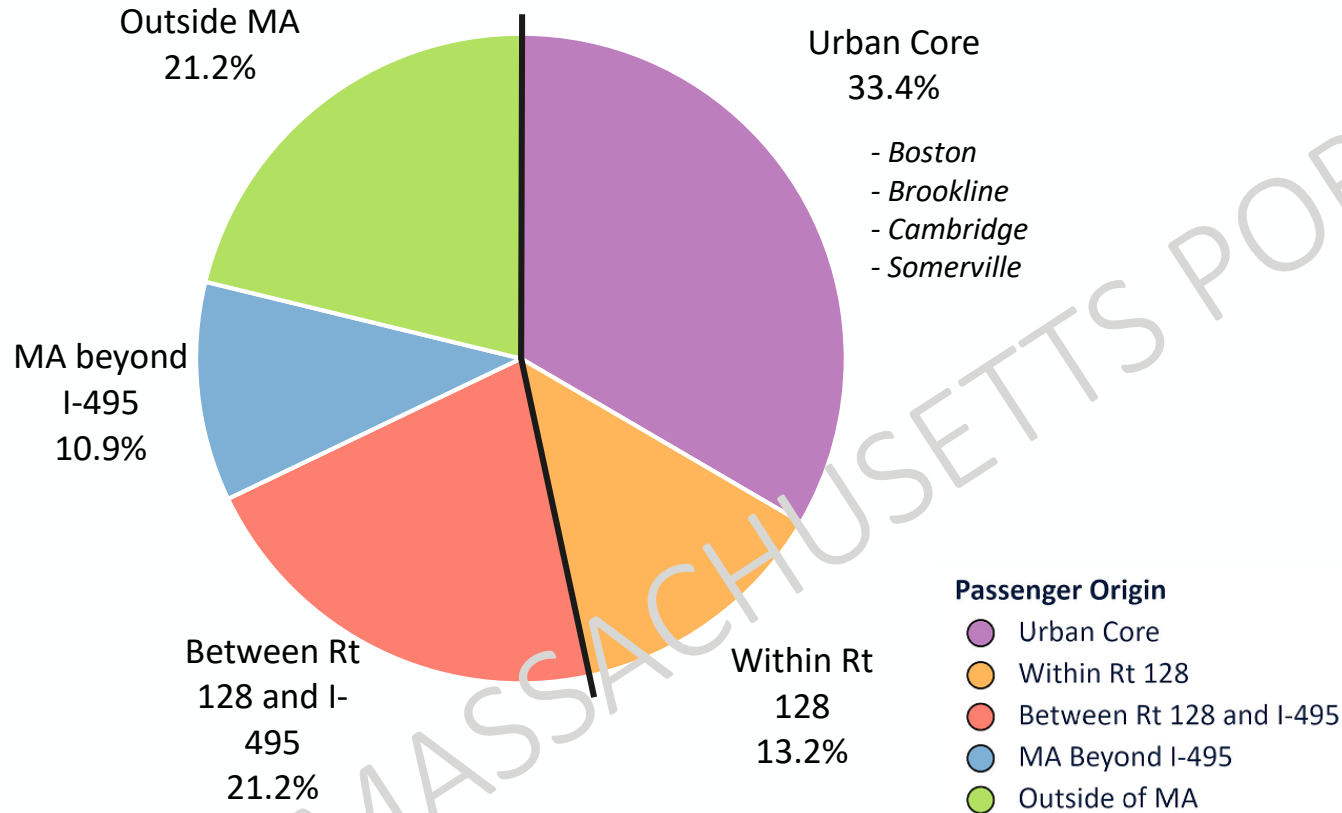
- 66% are residents, a share that has been increasing over time

Percent Resident



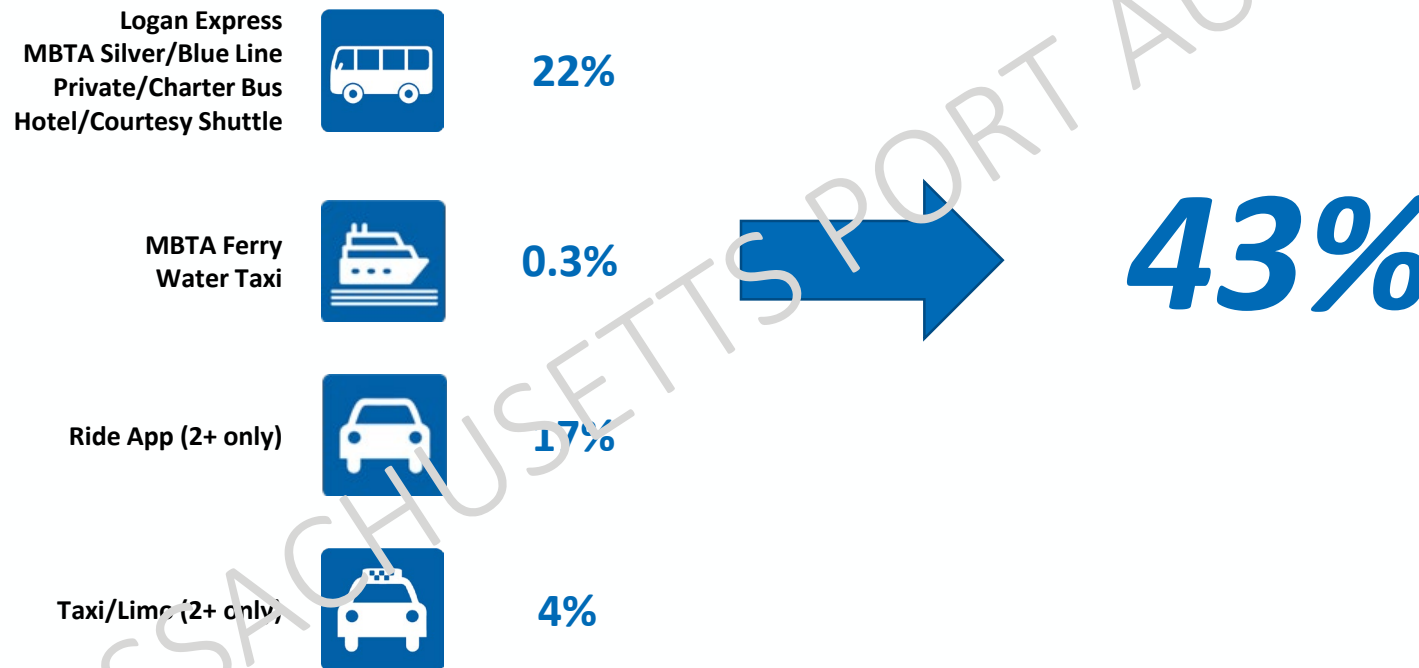
While Logan serves the entire New England region and parts of NY, almost half of passengers originate from cities and towns inside I-95/Rt 128

Logan Airport Passengers by Origin



Massport is exceeding its HOV target (37.5%) with 43% of passengers using transit or traveling in groups on commercial modes

Passengers Using High-Occupancy Vehicles (HOV)*



*Ride apps, taxis, and limos with 2+ passengers are included in HOV share

Since the 2022 survey, Massport and partners have invested in expanded transit options to move more passengers in fewer vehicles

Vehicle Trips per party

Less than one



Public/private transit,
water transportation

Two



Long-term parking,
rental cars

Three



Taxi / ride app / limo

Up to four

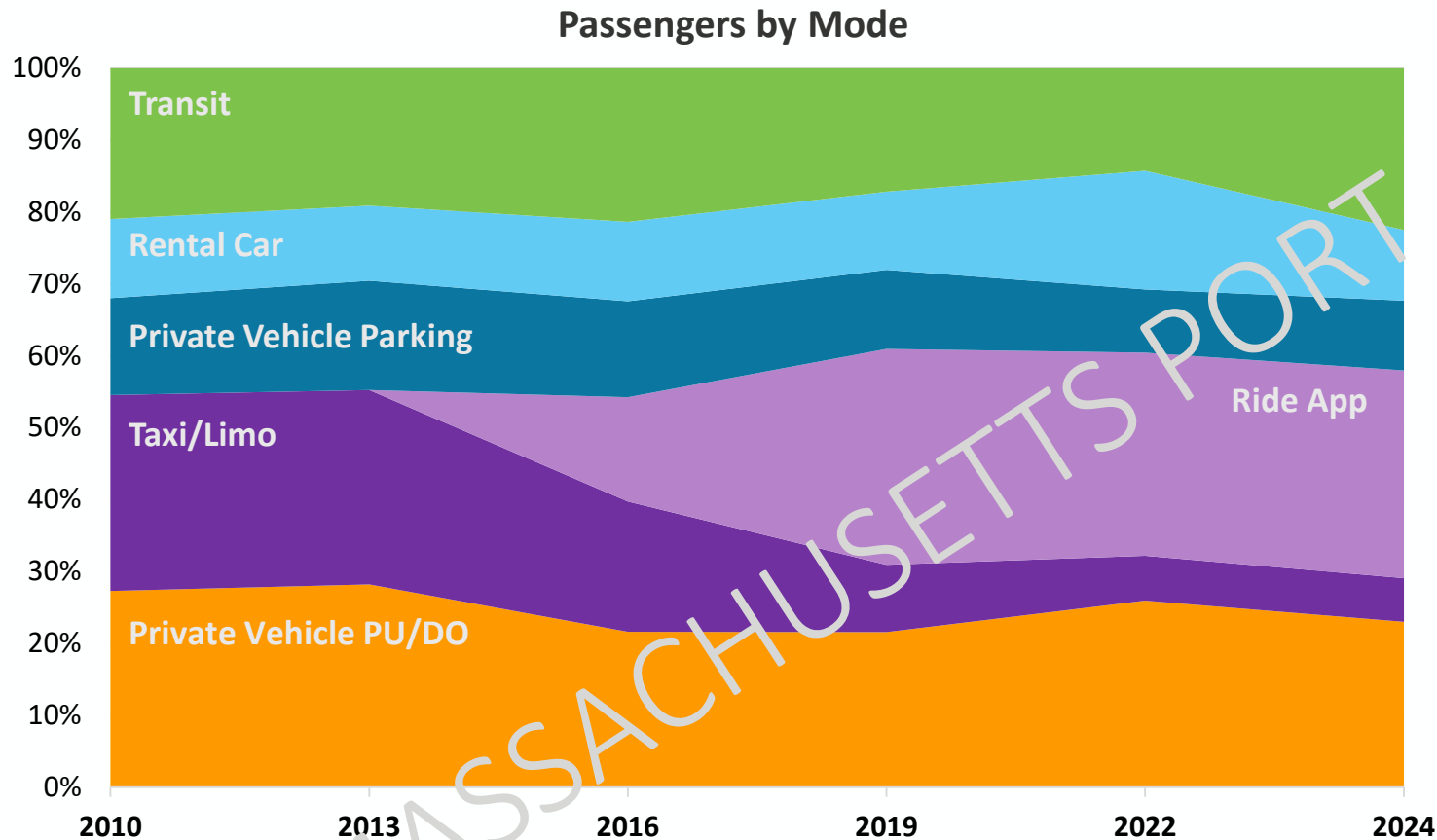


Drop-off / pick-up

Transit Investments (2021-2024)

- Added e-ticketing to Logan Express, and gave a discount for tickets purchased electronically
- Expanded Braintree LEX capacity for airline passengers by shifting employees to Quincy
- Restored the Back Bay LEX service
- Added overflow parking capacity at Framingham and Peabody LEX locations
- Purchased a new fleet of enhanced electric Silver Line SL1 buses
- Increased shuttle frequencies between the MBTA Airport Station and Logan terminals
- Private bus operators added new services (Blue Apple Bus from Mansfield and Canton) and increased frequencies

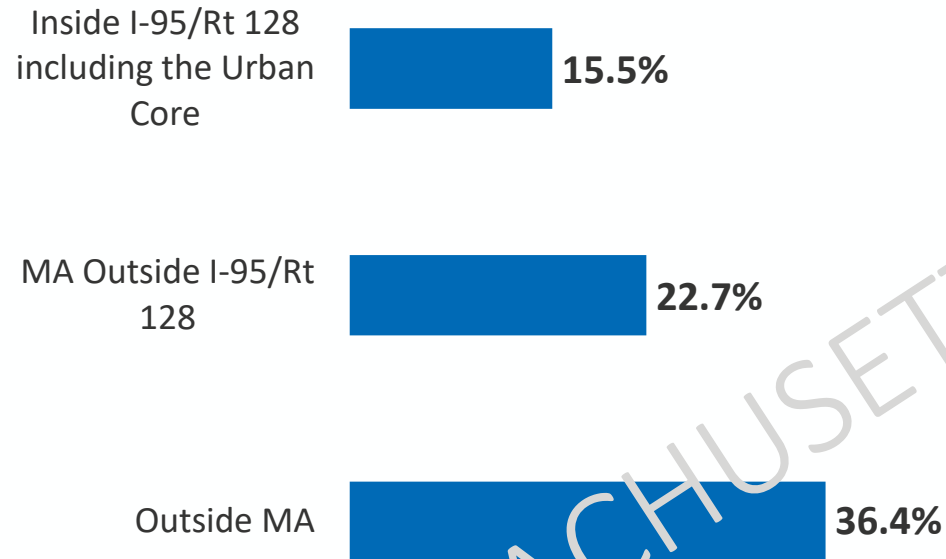
Transit mode share is higher than ever, but private vehicle pick up/drop off and Ride Apps remain a challenge to manage



- Transit share, including LEX, the MBTA and private buses, has increased to 22.2% - a new high
 - Up from 17.6% in 2019 – pre-pandemic
 - Up from 14% in 2022
- Parking has declined as a mode share, but durations have increased
- Ride Apps are a dominant mode at 28.5%
- Private pickup/drop-off is the second most utilized mode at 22.7%

Transit use is highest from the outlying regions

Transit Use by Passenger Origin Region



Inside I-95/Rt 128 + Urban Core:

- Primary transit modes include Hotel/Courtesy Shuttles, MBTA, and Logan Express
- Transit competes with the convenience of Ride Apps

MA Outside I-95/Rt 128:

- Logan Express is the primary transit mode

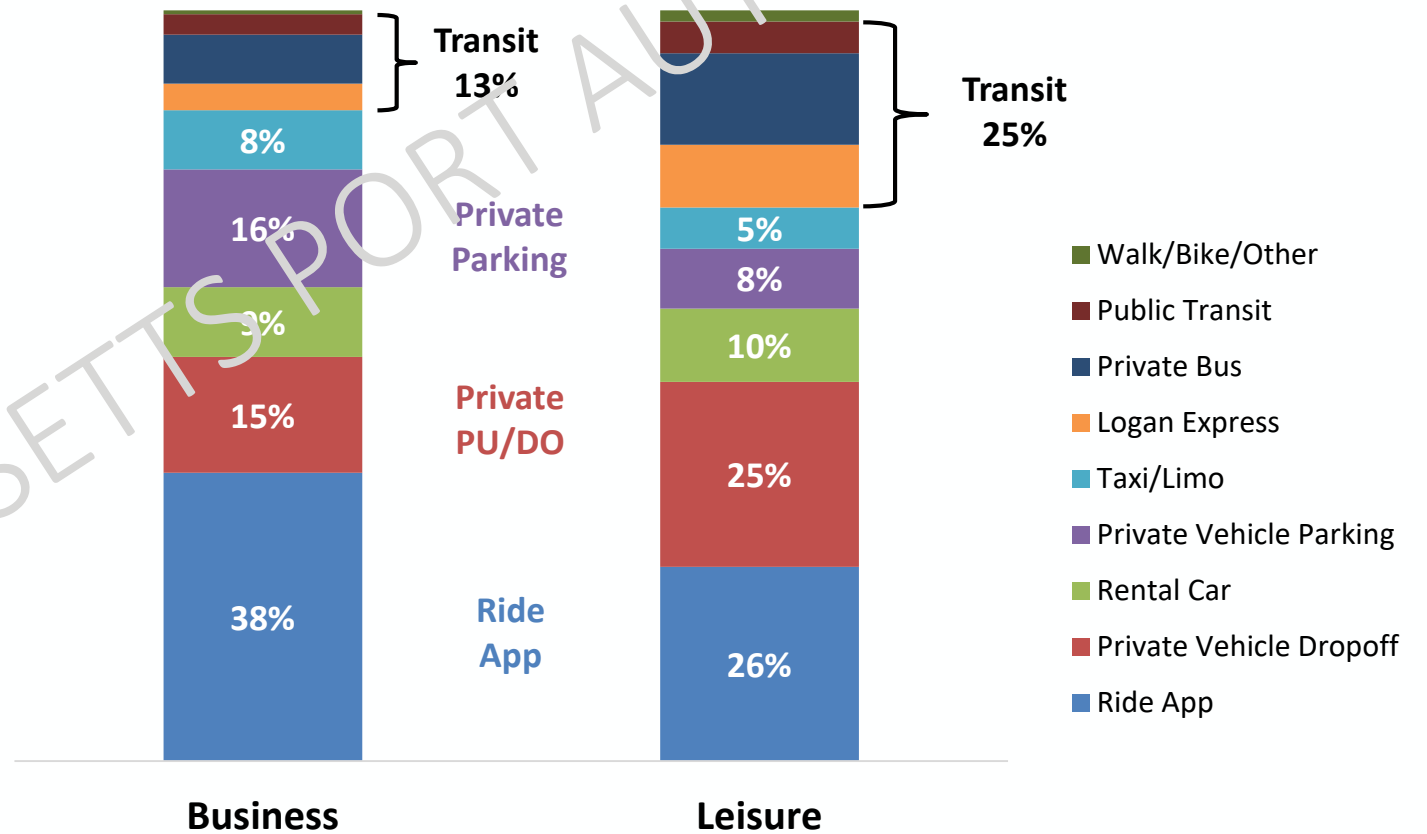
Outside MA:

- Private scheduled bus is the primary transit mode

Business and leisure travelers make different choices on how to get to Logan

- Leisure passengers are driving the growth in LEX and other transit modes
- Both leisure and business passengers rely heavily on pickup/drop-off modes
 - Business passengers prefer Ride Apps
 - Leisure passengers evenly split between Ride Apps and private pickup/drop-off
- Business passengers are twice as likely to park their private vehicles

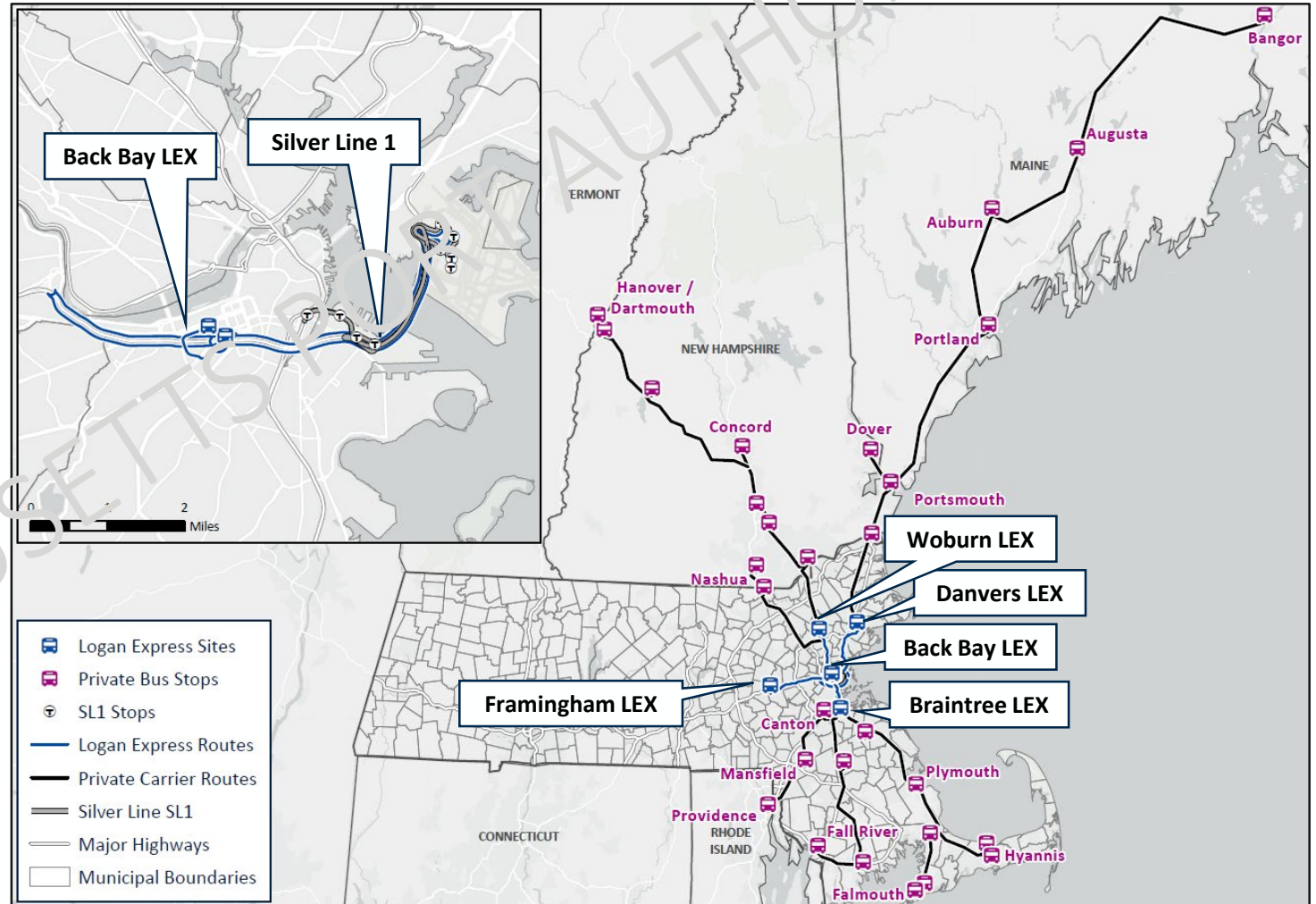
Passenger Mode by Market Segment



Massport is advancing additional HOV/transit investments and welcoming new service

- Adding 1,000 parking spaces to the Framingham Logan Express garage
- Doubled parking capacity at the new Danvers Logan Express site (formerly Peabody)
- Planning for a Braintree Logan Express garage
- MBTA adding a high frequency bus – 104 Malden Center to Airport Station - in December 2024

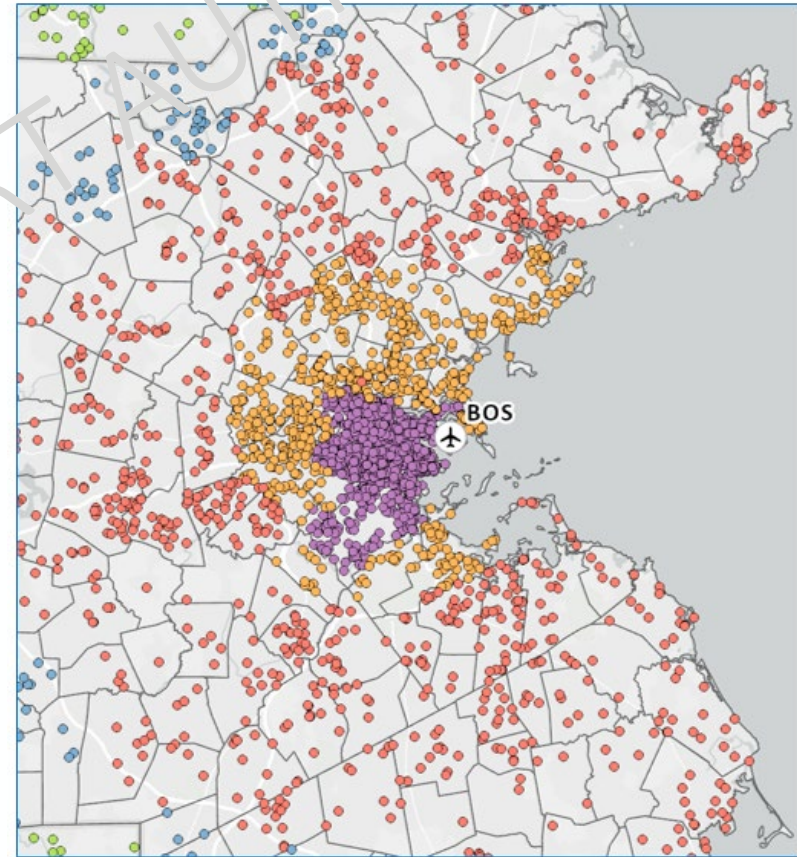
Logan has almost 40 direct to terminal transit options:



Survey data will inform the strategic planning process

- Growing HOV and transit use is essential for managing Logan's growth
- Massport must develop a *comprehensive* strategy and policies to move more people in fewer vehicles
- As the Authority sets its future strategic direction, understanding our customers is foundational
- Constant change is the new normal, and Massport must be agile in negotiating the future

Logan Airport Passengers by Origin
(Metro Region)



Safety & Security

MASSACHUSETTS PORT AUTHORITY

Massport successfully completed the BOS Operation Ready 2024 exercise

Overview

- Boston Logan Airport and Massport Fire-Rescue successfully conducted the FAA-required triennial full-scale exercise on September 20, 2024

Objectives

- Incident management and unified command; mass casualty field operations; Massport CARE Team activation and drill; HAZMAT and decontamination operations; and restoration of normal airfield operations

Highlights

- Scenario: Collision between two aircraft resulting in two separate debris fields
- More than 300 participants from Massport Fire-Rescue and mutual aid partners
- Volunteers from the Massachusetts Maritime Academy and Boston Fire cadet program served as role players, allowing first responders to treat and triage victims with simulated injuries
- JetBlue provided an aircraft and tested their internal incident response protocols
- Surrounding communities including Boston Fire, Boston EMS, and Chelsea Fire supported the exercise



Preview of the Boston Logan full-scale active shooter exercise

Purpose

- To exercise and test the Logan Airport Active Shooter/Hostile Event response plan, incorporating updated Commonwealth of Massachusetts training standards for first responders

What is ASTECC?

- Active Shooter Tactical Emergency Casualty Care
- Tactical trauma treatment in a high threat environment to identify and treat casualties with preventable causes of death and keep them alive long enough to reach a hospital
- Incorporates lessons learned from real world active shooter incidents to Stop the Killing, Stop the Dying, and Expedite Casualty Extrication

Exercise Details

- Will be held overnight October 22 -23 in Terminal C
- Provides a realistic terminal training environment for our first responders and mutual aid partners (last held in 2017 as “LEAP”)
- Involves the entire airport community and hundreds of volunteer role players including students from Massachusetts Maritime, Endicott College, and Fischer College, as well as cadets from the State Police Academy and the Municipal Police Training Academy



Real Estate and Strategic Initiatives

East Boston Pier 1 License Amendment

Andrew Hargens

October 10, 2024



In year 4, the Tall Ship has become a must-see entertainment and community venue

The popular waterfront entertainment and community venue includes a berthed 245-foot sailing vessel, a variety of food/beverage and retail stations, a performance stage, on-site valet parking, and water taxi service



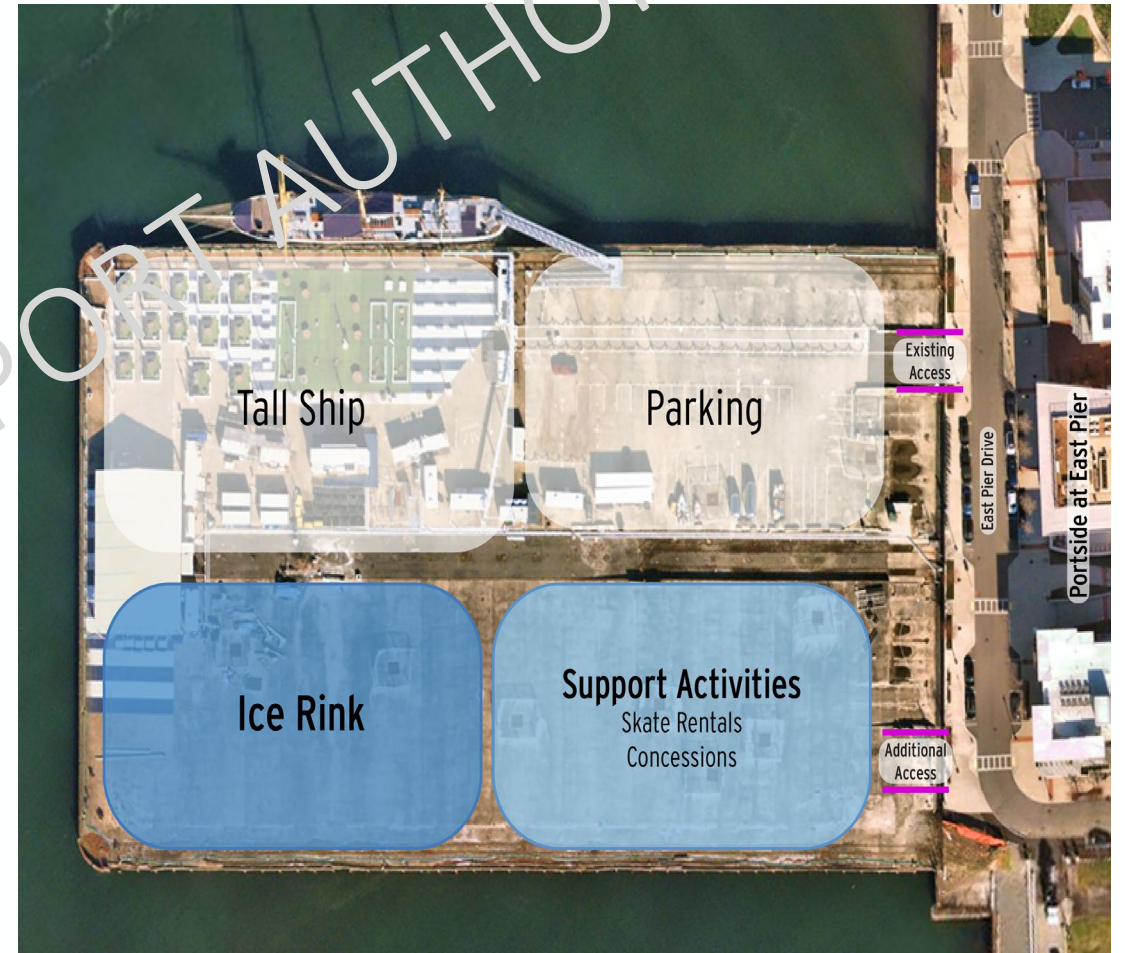
Tall Ship offers a dynamic mix of entertainment and community-centric programs



- Navy Yard Hospitality Group (NYHG) operates the Tall Ship venue under an existing license agreement executed in April 2022
- NYHG has been a professional and responsive partner offering a wide range of community programs
- Highlights from 2023 season:
 - Over 280K visitors; 90K arriving by NYHG-owned/operated water shuttles
 - Live music/dance featuring diverse local and national acts
 - Events with Zumix and other East Boston organizations
 - Over \$47K donated to area charities
 - NYHG paid Massport \$476K in license fees
- Extensive community programming, including:
 - Taste of Eastie, ALS Bingo, Harlem Lacrosse, For Kids Sake, EB Teacher Appreciation
 - East Boston Piers Park Sailing Center sponsorship
 - Halloween Family Party
 - Oktoberfest raised \$7K for East Boston organizations
 - Thanksgiving turkeys donated to East Boston food pantry

NYHG originally proposed its Pier 1 concept as a year-round public waterfront amenity

- From the start, NYHG envisioned Pier 1 concept to include winter activation in the form of an ice skating rink, and it is contemplated in the existing license agreement
- The fully-realized concept:
 - A skating facility including a hockey rink with a with refrigerated ice surface, a locker room/warming house, and supporting amenities
 - Seating, food/beverage, propane heaters, and/or fire pits
 - Rink will be used in the summer for activities that supplement the offerings at the Tall Ship (e.g., roller blading, family festivals)
- A facility supporting community-centric and youth programming
 - Youth hockey league games and practices
 - Free skating lessons, ice time for youth and community groups/public open skating for East Boston and neighboring communities
 - Other charity events
- Construction of the additional facilities are planned to begin this winter and open in summer of 2025



Continued good community relations is a NYHG priority

- NYHG has been responsive to community interests and concerns
- Site design and programming
 - Exploring site access modifications to minimize impacts on East Pier Drive
 - Installed equipment to allow real-time noise monitoring to ensure compliance with City of Boston standard (70 decibels)
 - Cut-off light fixtures and tailored operating hours to minimize impacts on abutters
 - Diverse community programming with priority given to East Boston residents
- Updated operational policies and protocols will apply to winter activities
 - 7 days/week operation, 11AM to 9PM on weekends and 3PM to 9PM on weekdays
 - Active crowd management and security by trained personnel
 - On-site valet parking, year-round water shuttles, off-site parking options, website/outreach to promote alternative transportation options

Staff seeks approval to extend the existing license to December 31, 2035

- NYHG estimates it will spend \$5M to create the skating facility
- Existing license expires on March 31, 2027, which provides insufficient term to amortize NYHG's investment
- License fees paid to Massport will continue to include a base fee plus 6% of gross revenues above the base fee

Massport Marine Terminal Parcel 5 Development Agreement Amendment

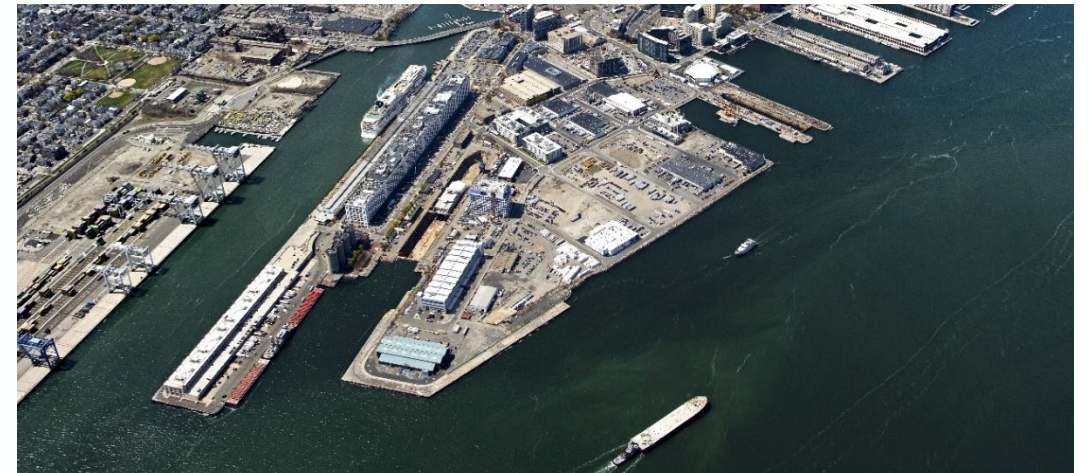
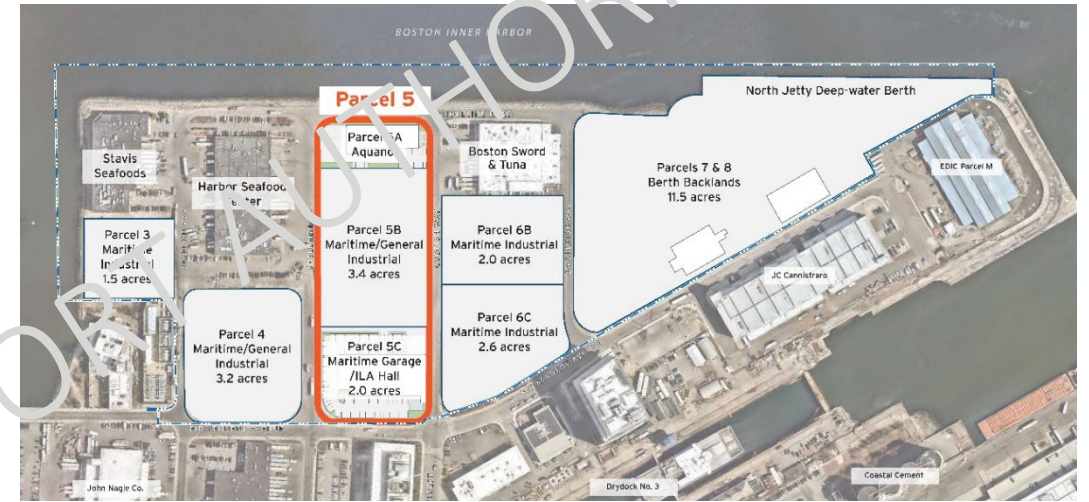
Andrew Hargens

October 10, 2024



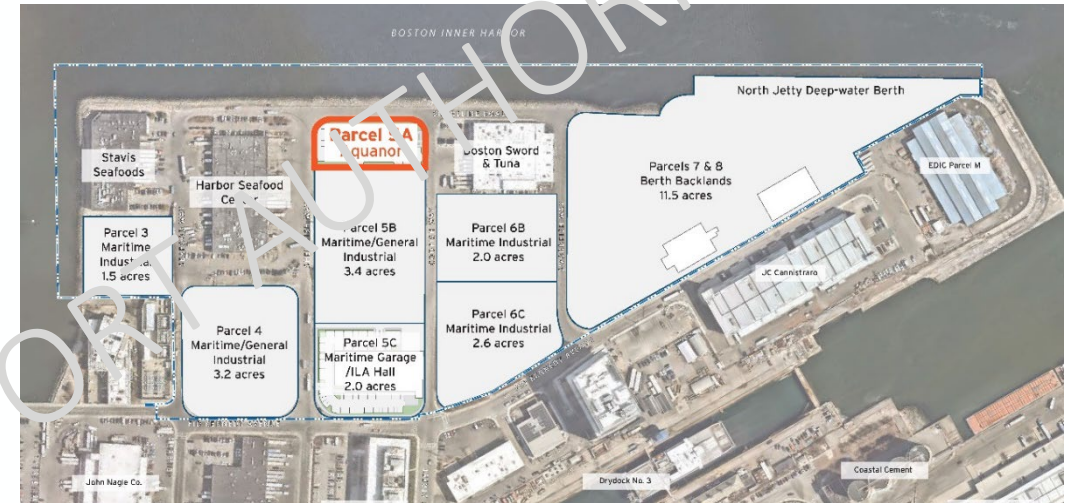
Pilot Development's plans for Parcel 5 will support progress on multiple complex maritime industrial projects well-aligned with Massport's mission

- Parcel 5 is key to Massport's longstanding priority to strengthen and expand the South Boston seafood industry cluster, one of four seafood hubs nationwide
- Massport selected/designated Pilot Development in 2018 to develop Parcel 5 through an RFP process
 - Pilot has strong record and unique experience delivering seafood industry projects in South Boston despite headwinds
- Pilot's development plan will leverage synergies between the proposed facilities and create a more efficient parcel layout
- As work progresses, demand is high for short-term uses, and the parcel generates revenue, boosting our bottom line while also introducing new maritime businesses to the MMT
 - \$1.6 million in annual MMT revenue, including > \$500K on Parcel 5
- Outside Closing Date extension to June 30, 2026 will allow time for financial markets to stabilize and development work to proceed while Massport leans into short-term revenue opportunities
 - \$75K extension fee to be paid to Massport



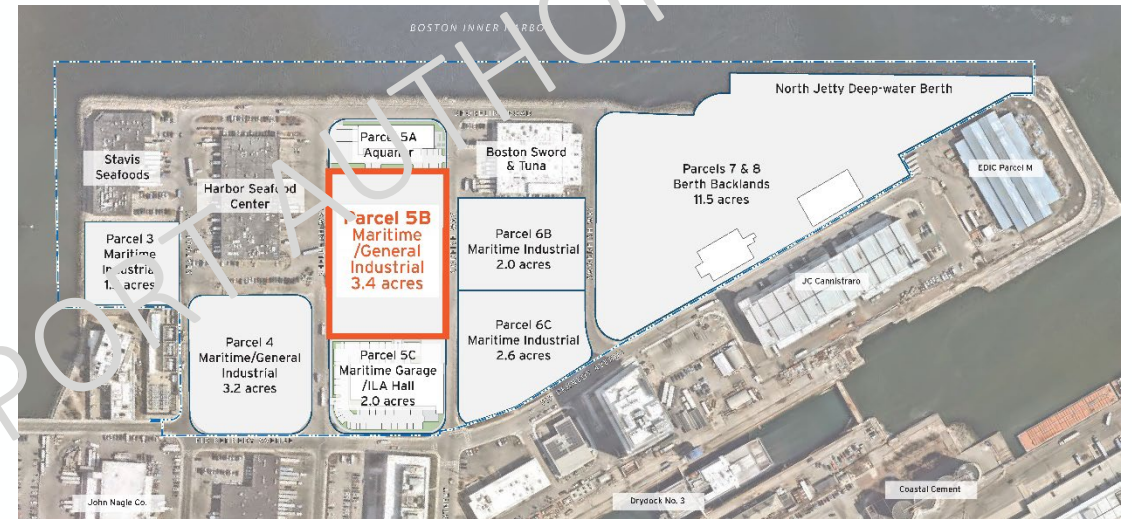
MMT Parcel 5A – Aquanor’s proposed state-of-the-art seafood facility is shovel-ready, but financial and market conditions must stabilize to begin construction

- Pilot (developer), Aquanor, and parent company Samherji (Icelandic co-owner) remain fully committed to the project
 - Nearly \$3 million invested to date
 - Design, permitting, and lease negotiation completed
 - Specialized refrigeration equipment purchased
 - “GMP” secured with Gilbane Construction
- Temporary financial market factors are having a major impact on project finances, significantly reducing margins
 - Interest rates peaked
 - Banks are requiring a Letter of Credit for small borrowers, further increasing the cost of project financing
 - Samherji is finalizing its equity contribution
- Project will keep a local company in Boston and be a meaningful addition to the South Boston seafood industry cluster



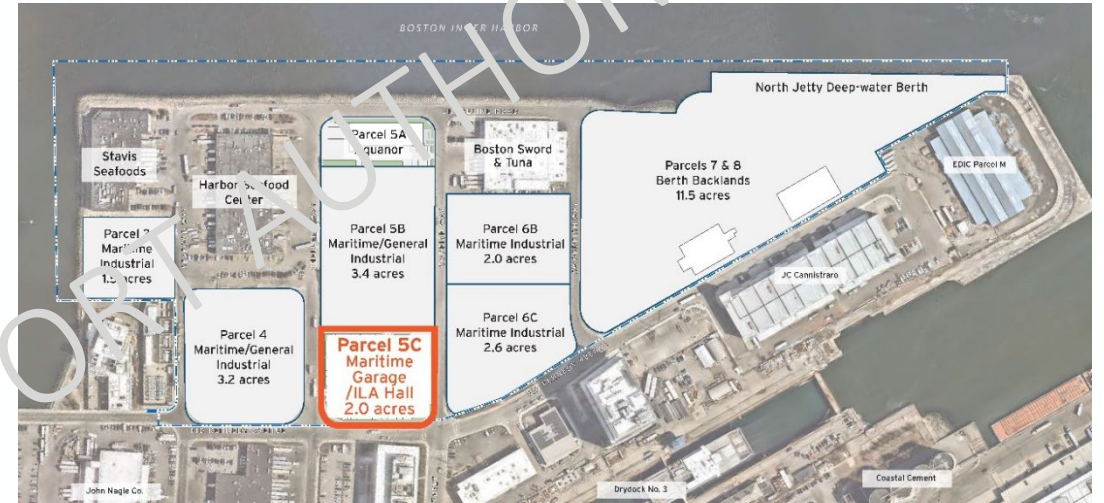
MMT Parcel 5B – well positioned to accommodate future seafood and maritime anchor tenant facilities

- Pilot is actively pursuing several maritime development concepts which would grow the South Boston seafood industry cluster
 - Advanced discussions with two major seafood operators elsewhere in the Marine Park, with whom Pilot has been working for years on relocating to the MMT
 - Parcel 3 Maritime Industrial 1.1 acres
 - Parcel 4 Maritime/General Industrial 3.2 acres
 - Multiple maritime industrial businesses elsewhere in Massachusetts are evaluating expansion to the South Boston Waterfront
 - Parcel 5A Aquaculture 1.1 acres
 - Parcel 5B Maritime/General Industrial 3.4 acres
 - Parcel 5C Maritime Garage / I/A Hall 2.0 acres
 - Parcel 6B Maritime Industrial 2.0 acres
 - Parcel 6C Maritime Industrial 2.6 acres
- Short- and long-term potential to provide truck layover space to support the seafood industry cluster
 - Seafood businesses rely on timely and complex freight operations
 - Accommodations for trucks has been identified as a major need for the entire Marine Park



MMT Parcel 5C – maritime parking garage, ILA union hall, and seafood space project continues advancing towards construction

- Affordable parking for the seafood industry workforce is critical to support the growth of the seafood industry cluster and other maritime activities
- Pilot Development has advanced the project design/permitting
 - Garage enlarged to 5 levels, 488 spaces (plus 96 surface spaces)
 - Relocated from Parcel 6C at Massport's request
 - Involvement of Marcus Partners ended when Vertex elected to remain at Fan Pier (equity source lost)
 - ILA union hall is a critical need for the Port
- Consolidated Written Determination on Marine Park Master Plan Update issued by MassDEP in April 2024, but permitting challenges with City of Boston remain (may require the garage to be built in two phases)



MASSACHUSETTS PORT AUTHORITY

Facilities and Construction

Air Traffic Control Tower Improvements (L1686) Revised Partial Project Budget

Luciana Burdi

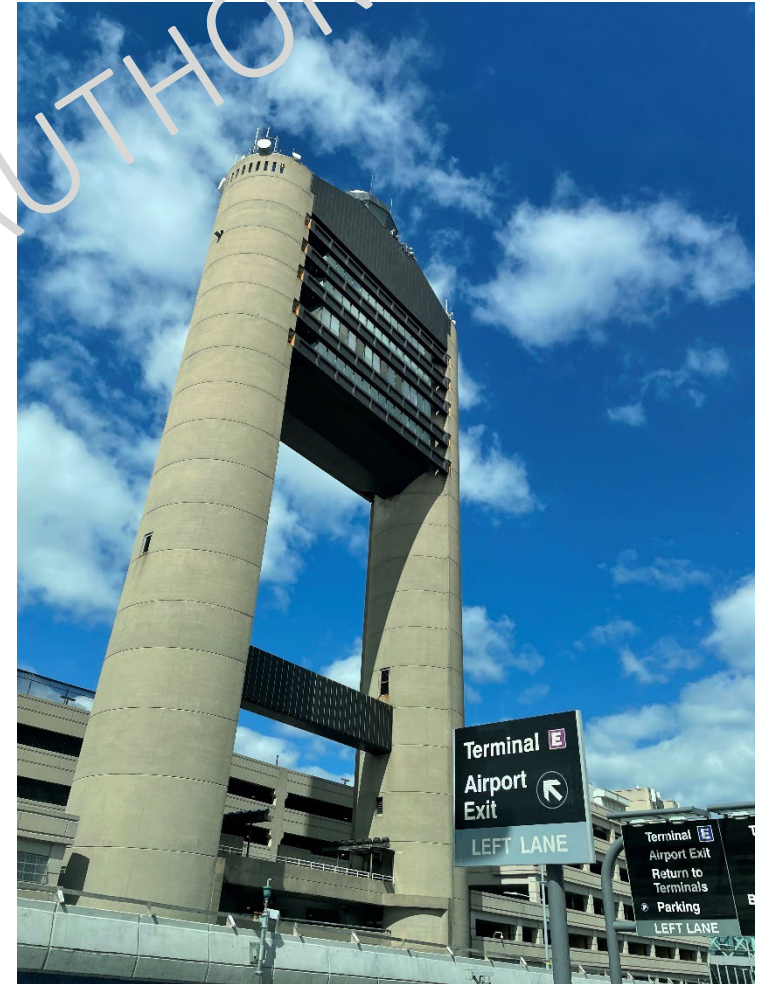
October 10, 2024



Air Traffic Control Tower (ATCT) Improvements will renovate and modernize the tower

Project Scope:

- A multi-year, multi-phased renovation and modernization of the ATCT
- Phase 1 will build a new tenant space for the FAA by adding five lower levels between the pylons (Levels Ground – 4)
- Planned future phases will update existing building systems and renovate the upper floors of the tower
- FAA awarded a \$12M FY24 Airport Terminal Program (ATP) grant (funded by the Bipartisan Infrastructure Law)



Air Traffic Control Tower (ATCT) Improvements will improve Safety and Operations

Key Conditions of Satisfaction (COS):

- Allow FAA to maintain continuous mission critical ATCT operations and occupancy during construction
- Work closely with stakeholders and end-users to coordinate the project during construction and phased operational use/occupancy
- Implement infrastructure updates in accordance with FAA specifications

Phase 1 Milestone:

- Substantial Completion – First Quarter of 2026



Rendering of Air Traffic Control Tower Facade

Board Recommendation:
Approve a revised partial project budget in the not-to-exceed amount of \$34 million

Audit and Finance

MASSACHUSETTS PORT AUTHORITY

Worcester Regional Airport Goddard Memorial Drive Land Conveyance

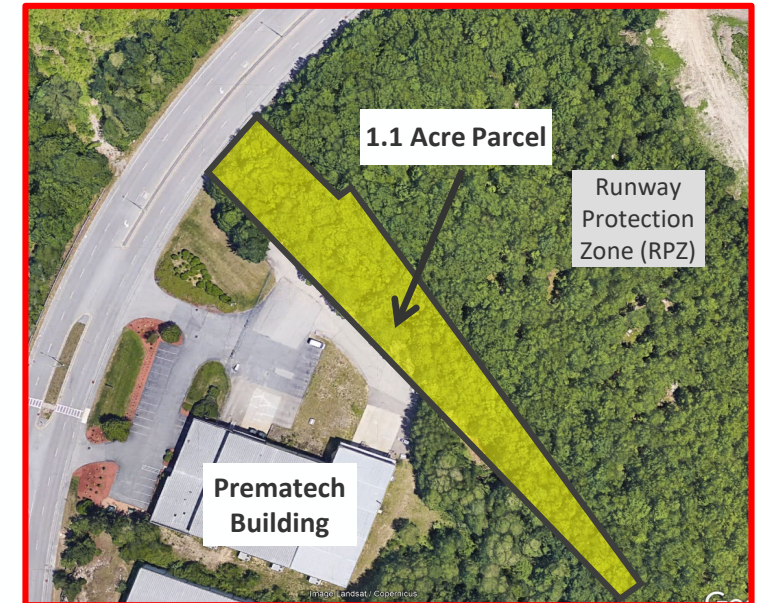
Daniel Gallagher

October 10, 2024



Background

- Prematech, LLC:
 - Local woman-owned advanced ceramics manufacturing company in operation since 1980
 - Located adjacent to Worcester Regional Airport on Goddard Memorial Drive
 - Existing property leased from the City of Worcester
- Prematech seeks to acquire a 1.1 acre parcel for 40 additional vehicle parking spaces to accommodate expanded operations
- The parcel is not suitable for development
- FAA approved the land release for the 1.1 acre site in June 2024
- The deed conveying the parcel shall contain an aviation easement
- Fair Market Rate was established by a third party appraisal at \$200,000



Recommendation

Staff requests that the Board approve the Vote to authorize staff to negotiate, execute and deliver a Purchase and Sale Agreement with Prematech, LLC to convey the approximately 1.1 acres at Worcester Regional Airport for vehicle parking and take all actions to complete the sale to Prematech, LLC for the fair market value of \$200,000

FY24 Authority-wide Audited Financial Statements

John Prankevicius

October 10, 2024



FY24 Financial Statement Highlights

- Ernst & Young (EY) issued a “**clean (unmodified) opinion**” and no material weaknesses
- The Authority’s financial performance reflects Logan Airport’s 41.8 million passengers (+6.6%), 259K TEU’s at Conley Terminal, and 382K cruise passengers at Flynn Cruiseport Boston

FY24 Highlights:

- **Revenue was \$1.15 billion, 15% more than FY23, and the Authority’s highest benchmark of record**
 - Increasing business activity at Logan, Maritime, and Real Estate drove variable revenues higher
- **Expenses were \$947 million, an 11% increase**
 - \$60 million of the increase was for operating expenses (\$25 million for Shuttle Bus, \$6 million for Stevedoring, and \$6 million for Terminal Cleaning and Waste Removal) and \$30 million was depreciation expense
 - Expenses reflect higher utilization of facilities, new terminal E operations, expanded service frequencies and added new transportation options for passengers and employees, additional capital investment, and inflation
- **Operating income was \$201 million, or 18% of revenue**
 - Earnings used to fund a portion of the \$3.2B FY24-FY28 CIP and bond defeasance
- **Balance Sheet (Net Position) increased 15%** aided by grants, non-operating revenues, and operating income
- **Cash flows increased 10%** as business activity improved, cash collections increased, and costs were controlled

FY24 Operating Revenues were \$1.15 billion, the highest revenue performance of record

Operating revenues improved 15%, an increase of \$147 million

- **Logan Airport: \$979.6 million, a 17% increase, or \$144.1 million**
 - Passenger volume drove variable revenue up \$60 million due to Concessions (\$25.7 million), Parking (\$14.7 million), and Shuttle Bus (\$6.7 million)
 - Airline fixed revenues were higher from terminal rents and landing fees were higher from the recovery of capital investment and operating costs
- **Worcester Airport generated \$3.3 million in revenue, up 10%, or \$0.3 million**
 - 18% increase in passengers generated more rental car commissions, on-airport parking, and fuel flowage
- **Hanscom produced \$21.3 million in revenue, down 14%, or \$3.5 million**
 - \$500K, or 2%, increase in operations from terminal rents, landing fees, fuel flowage, and customer user fees
 - Offset by an accounting adjustment to correct overstatement of ground lease revenues in prior years
- **Maritime: \$95.8 million, up \$6.3 million, or 7%**
 - 38K, or 17%, increase in container volume generated \$6.1 million more terminal revenue
 - 26K, or 7%, increase in cruise passengers produced \$1.2 million in additional revenue from passenger fees
- **Real Estate: \$47.4 million, flat from prior year**
 - Rental revenues and parking increased by \$400K , or 0.7%
 - Utility and other revenues declined about \$300K from change in wholesale electricity rates

FY24 Operating Expenses were \$947 million, an 11% increase as new services were added to keep pace with business demand

Operating expenses increased \$92 million to meet service demands

- **Logan expenses were \$349.3 million, a \$55.3 million, or 19%, increase** necessary to accommodate passenger activity
 - \$30 million of expense increases reflects facility upkeep and maintenance from four new Terminal E gates, facility management for cleaning and waste management, and a 4% increase in staff for security and screening, customer service, and fire rescue personnel
 - On-airport Shuttle Bus and Logan Express (LEX) added \$25 million in expenses to accommodate passenger and employee ridership
- **Worcester and Hanscom expenses were \$25.2 million, a \$2.4 million increase** due to
 - New Fort Myers service and a 28% increase in passenger volume at Worcester (\$1.3 million)
 - Operating expense and staffing needs at Hanscom (\$1.1 million)
- **Maritime & Real Estate expenses were \$88.1 million, a \$9.2 million increase** that reflects a \$6 million increase in Stevedoring costs to service a 17% increase in container volume and an increase in parking operations at SBWTC
- **G&A Expense was \$74.3 million, an increase of \$10.0 million** as greater activity required restoration of staff and professional services
- **Pensions, OPEB, and other expenses decreased by \$14.6 million to \$50.2 million** as a result of investment returns (12.2% for pensions and 15.1% for OPEB) that exceeded the 6.75% expected rates of return
- **Depreciation expense was \$359.8 million, a 9% or \$29.8 million increase** over FY23

Operating income improved to \$201 million, or 18% of revenue; earnings transferred to capital budget to fund FY24-FY28 CIP

<i>(in Millions)</i>	FY24	FY23	\$ Change	% Change
Revenue	\$1,150	\$1,000	\$147	15%
Expenses	<u>(\$947)</u>	<u>(\$855)</u>	<u>(\$92)</u>	<u>11%</u>
Operating Income/(Loss)	\$201	\$145	\$55	38%
<i>Operating Income Margin</i>	<i>18%</i>	<i>15%</i>		<i>21%</i>
Non Operating Income, net	\$189	\$126	\$63	50%
Capital Contributions	<u>\$91</u>	<u>\$25</u>	<u>\$66</u>	<u>264%</u>
Change in Net Position	\$480	\$296	\$185	62%

- **Non Operating Income was \$189 million, a \$63 million increase over FY23**
 - \$52 million increase in fair market value of fixed income investments
 - \$32 million increase in investment income earned from higher interest rates
 - \$6 million increase in PFC/CFC revenues from increased passengers and rental car transaction days
 - \$31 million decrease in grant revenue from the completion of federal ARPA program and higher interest expense on bonds and leases
- **Capital contributions from federal & state grants totaled \$91 million, up \$66 million over the prior year**

Authority-wide balance sheet improved 15%, as net position increased \$480 million

Total Assets of \$9.5 billion increased \$285 million (+ 3%)

- \$288 million increase in restricted and non-restricted investments, cash, and cash equivalents
- \$12 million increase in trade, lease, and grants receivables
- Net capital assets declined \$12 million and prepaid expenses decreased \$3 million

Deferred Outflows decreased \$65 million, to \$101 million (-40%)

- Pension and OPEB outflows declined \$64 million from investment gains; bond premiums also down \$1.0 million

Total Liabilities of \$3.7 billion decreased \$202 million (-5%)

- Bonds payable decreased \$97 million due to principal payments on bonds made during the year
- Noncurrent liabilities declined \$83 million primarily from lower Pension and OPEB liabilities from investment gains
- All other liabilities decreased \$20 million from reduced contract retainage and lower lease obligations

Deferred Inflows of Resources of \$2.2 billion decreased \$58 million (-3%)

- Real Estate lease receivables decreased \$38 million from developer payments
- Pension and OPEB balances decreased \$18 million as prior year losses were amortized
- Bond refundings were \$2 million lower as premiums were amortized during the year

These changes to the Authority's balance sheet resulted in its Net Position increasing \$480 million, or 15%

The Authority's cash liquidity position improved 10% from higher business activity, increased collections, and cost controls

Analysis of the Authority's Cash Flow Statement: Net Cash increase
(in Millions)

	<u>FY24</u>	<u>FY23</u>	<u>Change</u>	<u>Observations</u>
Operating Activities	\$490	\$575	(\$85)	<ul style="list-style-type: none"> Higher business activity at aviation and maritime facilities
Capital & Financing Activities	(\$334)	(\$200)	(\$134)	<ul style="list-style-type: none"> Cash used for capital projects (mainly to fund Terminal E Modernization) and debt service payments to bondholders
Investing Activities	(\$99)	(\$320)	\$221	<ul style="list-style-type: none"> Reinvestment of cash generated from operations and financing activities
Net Cash Increase	\$58	\$55	\$3	<ul style="list-style-type: none"> Improved liquidity
Total change in liquidity	10%	10%		

Conclusions

- **Clean (unmodified) audit opinion** from EY, and their WBE partner KVM
- Financial performance reflects improving business activity
- Operating Revenues reached \$1.15 billion, Massport's highest revenue benchmark of record
- Operating Net Income (earnings) improved \$55 million and was transferred to finance the FY24-FY28 CIP and debt defeasance
- **Looking ahead, the new Oracle Fusion financial software system is in process**
 - A 12-18 month implementation schedule
 - Will improve the Authority's financial reporting capabilities, increase digitization opportunities, enhance internal efficiencies, and improve real time decision making