

**Massachusetts Port Authority  
Board Meeting**

February 13, 2025



Public Comment

MASSACHUSETTS PORT AUTHORITY

Chair's Comments

MASSACHUSETTS PORT AUTHORITY

CEO Report  
Richard Davey



# Washington, DC plane crash

AP

POLITICS

## Midair collision kills 67 people in the deadliest US air disaster in almost a quarter century



1 of 36 | A diving team and police boat is seen around a wreckage site in the Potomac River from the Potomac side of the Ronald Reagan Washington National Airport, Thursday, Jan. 30, 2025, in Arlington, Va. (AP Photo/Jose Luis Magana) [Read More](#)

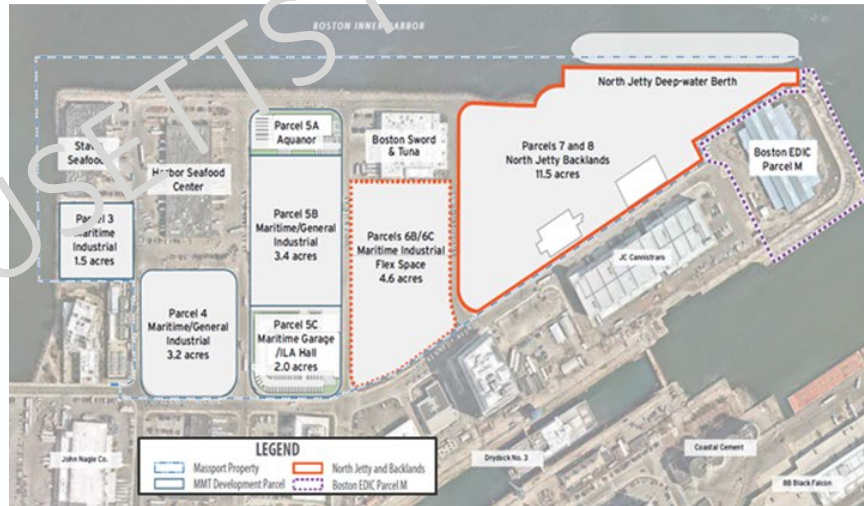
BY LOLITA C. BALDOR, TARA COPP, ADRIAN GOMEZ-LONDONO and LEA SKENE

Updated 10:53 PM EST, Jan. 30, 2025

- Washington, DC airspace is uniquely complex
  - 200 daily helicopter operations in the vicinity of Washington Reagan National Airport
  - ≈24 daily helicopter operations at Logan (e.g., military, news media and law enforcement)
- Massport immediately reached out to MWAA offering assistance including a “Go Team”
- MWAA will share lessons learned and takeaways when investigations are completed and operations return to normal
- Massport continues to monitor the incident while the NTSB conducts its investigation

# 2025 Priorities

1. Planning and Managing for Growth
2. Customer Satisfaction
3. Financial Performance
4. Massport as an Employer of Choice
5. Double Down on Fight Against Climate Change
6. Leadership



## Timeline:

- ✓ January 17, 2025: Issue RFP
- February -March 2025: Selection Process
  - ✓ Pre-submission Briefing – Feb. 5
  - Submissions Due – Feb. 26
  - Short List Interviews – Mar. 14
  - Selection – mid March
- April 2025: Notice to Proceed
- May 2025 – May 2026: Strategic Planning

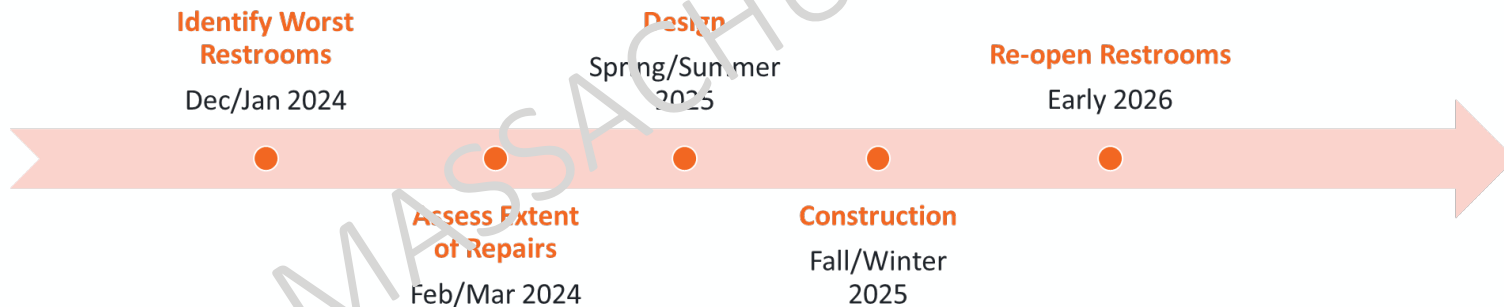
**100+**  
*individuals joined the virtual  
information session on February 5*



# Logan Restroom Refresh Program

Customer Satisfaction

- Targeted effort to identify and renovate the 10 worst public restrooms:
  - Appears on Customer Service, Facilities, and/or Operations Lists
  - Finishes at end of life
  - Dirty beyond maintenance or cleaning
  - Damaged partitions, floors, cove base, rusted components
  - Poor lighting
  - Mother's Room substandard
  - Most impactful if renovated (most prominent or highly utilized by passengers)



# Improve Logan Wayfinding

Customer Satisfaction

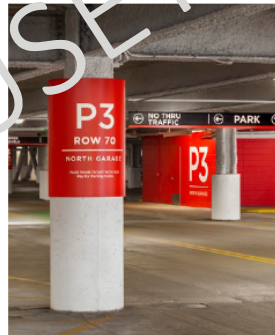
- Kicked-off Parking Signage Refresh
- Objectives:
  - Ensure all passengers can navigate to their destinations safely and efficiently
  - Ensure passengers can easily find their cars when they return

## PRELIMINARY RECOMMENDATIONS OVERVIEW

### CONSISTENCY

#### CREATE CLEAR & CONSISTENT SIGNAGE THROUGHOUT

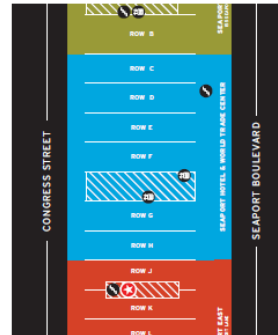
Provide a great customer experience by implementing clear and consistent signage and messaging in predictable locations throughout the garage.



### ORIENTATION

#### DEVELOP AN INTUITIVE ORIENTATION STRATEGY

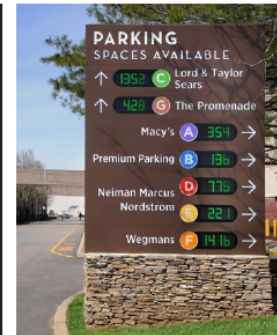
Ensure customers can easily answer the questions, "Where am I?" And "Where am I going?" at every step of their journey through the garage and bridges.



### EFFICIENCY

#### BUILD IN OPERATIONAL FLEXIBILITY & EFFICIENCY

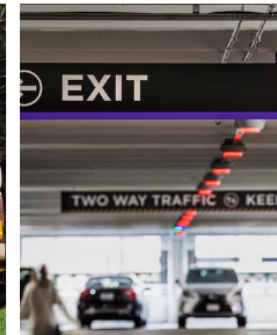
Design a signage system that adapts to the frequently changing demands of the garage, improving operational efficiency and customer experience.



### INNOVATIVE TOOLS

#### INTEGRATE INNOVATIVE WAYFINDING TOOLS

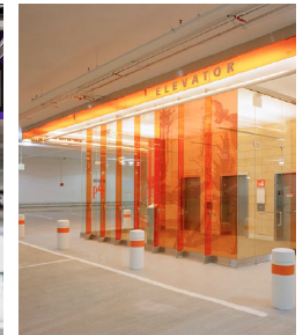
Evaluate multiple means of providing information including but not limited to: static signage, digital signage, app-based navigation, parking assist systems.



### BREAD CRUMBS

#### PROVIDE ENVIRONMENTAL CUES OR "BREAD CRUMBS"

Make certain travelers have an unbroken trail of signage and cues—or "bread crumbs"—to follow throughout their journey within the parking garages and bridges.



ARROWSTREET

UXarchitecture studio

MASSPORT / CENTRAL PARKING SIGNAGE STUDY

PROJECT STATUS UPDATE / 10 FEB 2025 / 15



# Grand Opening Event: Shake Shack in Terminal C (Gate C25)

Customer Satisfaction



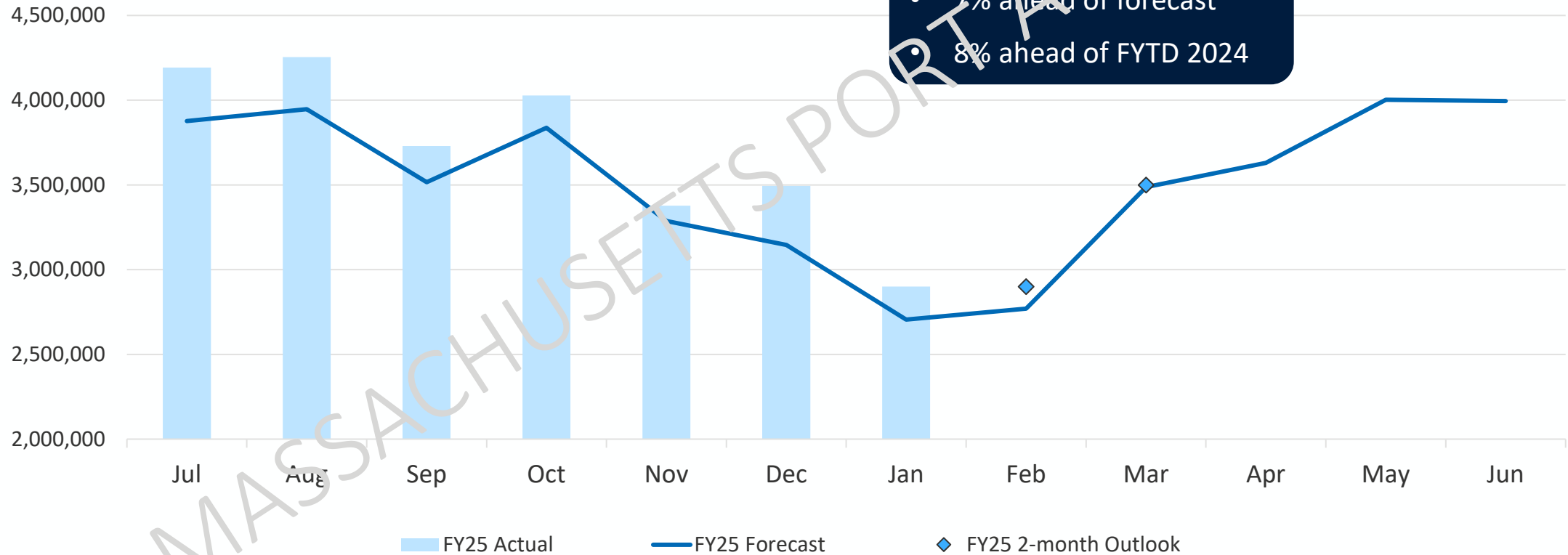


# Logan served 26M passengers FYTD January, 7% better than forecast

## Logan Passengers (Actual and Forecast)

**FYTD January**

- 26 million passengers
- 7% ahead of forecast
- 8% ahead of FYTD 2024



# December 2024 Financial Results

Financial  
Performance

## Activity Highlights

- Logan served 3.5M passengers
- Conley Terminal processed 11,300 containers
- Real Estate revenues exceeded plan by \$12M due to 776 Summer Street deed restriction payment
- Expenses were \$0.9M below budget

## Financial Results

Revenues	\$114M
Expenses	<u>(\$90M)</u>
Contribution	\$24M

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





# Celebrating Black History Month with special guest, Pamela Everhart

Massport  
as an  
Employer  
of Choice

**BLACK HISTORY MONTH**

**2025 Black History Month Celebration**  
Fireside Chat

2nd Floor Lobby, Logan Office Center  
Thursday, February 27, 12:00pm



**Pamela Everhart**  
Massport Board of Directors

 celebrating diversity

MASSACHUSETTS PORT AUTHORITY

# The Multicultural ERG sponsored a Lunar New Year Celebration

Massport  
as an  
Employer  
of Choice





# North America's first electric catering truck arrives at Logan Airport

Double  
Down on Fight  
Against Climate  
Change

- A Cargo Ventures and Delta collaboration
- Delta is a leader in transitioning to eGSE, with 153 electric versions at Logan, nearly 50% of its fleet
- Massport has installed over 370 charging ports for eGSE at Logan



# New AI waste-sorting technology coming to Logan Airport

Double  
Down on Fight  
Against Climate  
Change

**OSCAR<sup>Sort</sup>**

## HELP US RECYCLE

Scan your trash and OSCAR will help you sort and recycle the right way!

**1** → **2**  
Scan → Sort

**boston logan**

Hi, I'm Oscar! I'm here to help you toss your trash the right way and keep Boston Logan Airport green

**1** Scan

**2** Sort

PLEASE EMPTY YOUR LIQUIDS

LANDFILL | METAL | PAPER | COMPOST



# Four new EV fast-charging stations installed in Ride App lot

Double  
Down on Fight  
Against Climate  
Change





# MIT/Massport recognized for the Logan Airport RNAV Study

Leadership



## Boston Logan International Airport Wins Prestigious 2025 Jay Hollingsworth Speas Airport Award

**February 6, 2025 – Reston, Va.** – The American Institute of Aeronautics and Astronautics (AIAA) congratulates Boston Logan International Airport (BOS) as the winner of the 2025 Jay Hollingsworth Speas Airport Award for designing new low-noise flight procedures to actively reduce aviation noise impacts around the airport while also providing a reduction in fuel burn.

- **Jay Hollingsworth Speas Airport Award** recognizes industry professionals who have contributed most significantly to the enhancement of relationships between airports and their surrounding environments via exemplary innovation that might be replicated elsewhere

- Logan Airport RNAV study recognition:

“For developing, validating and implementing novel noise abatement procedures at Boston Logan International Airport that reduced community noise impacts as well as flight distance and fuel burn.”

- Award to be presented March 13 at the AAEE/ACC Airport Planning, Design, and Construction Symposium



MASSACHUSETTS PORT AUTHORITY

Report of the Director of Aviation  
Ed Freni

## Logan Airport served 2.9M passengers in January

### Logan Activity January 2025

	Month	Prior Year	% Change Over Prior Year	FYTD 2025	FYTD 2024	% Change Over FYTD 2024
Passengers	2.9M	2.7M	6.4%	25.9M	24.1M	7.6%
Aircraft Operations	29.5K	27.7K	6.5%	248.3K	229.1K	8.4%



# Safe and Logan Stars Event with Major General Gary Keefe



# Worcester Regional Airport passenger volume down 2% in January, but 1% higher than last year for the fiscal year-to-date

## Monthly Passengers

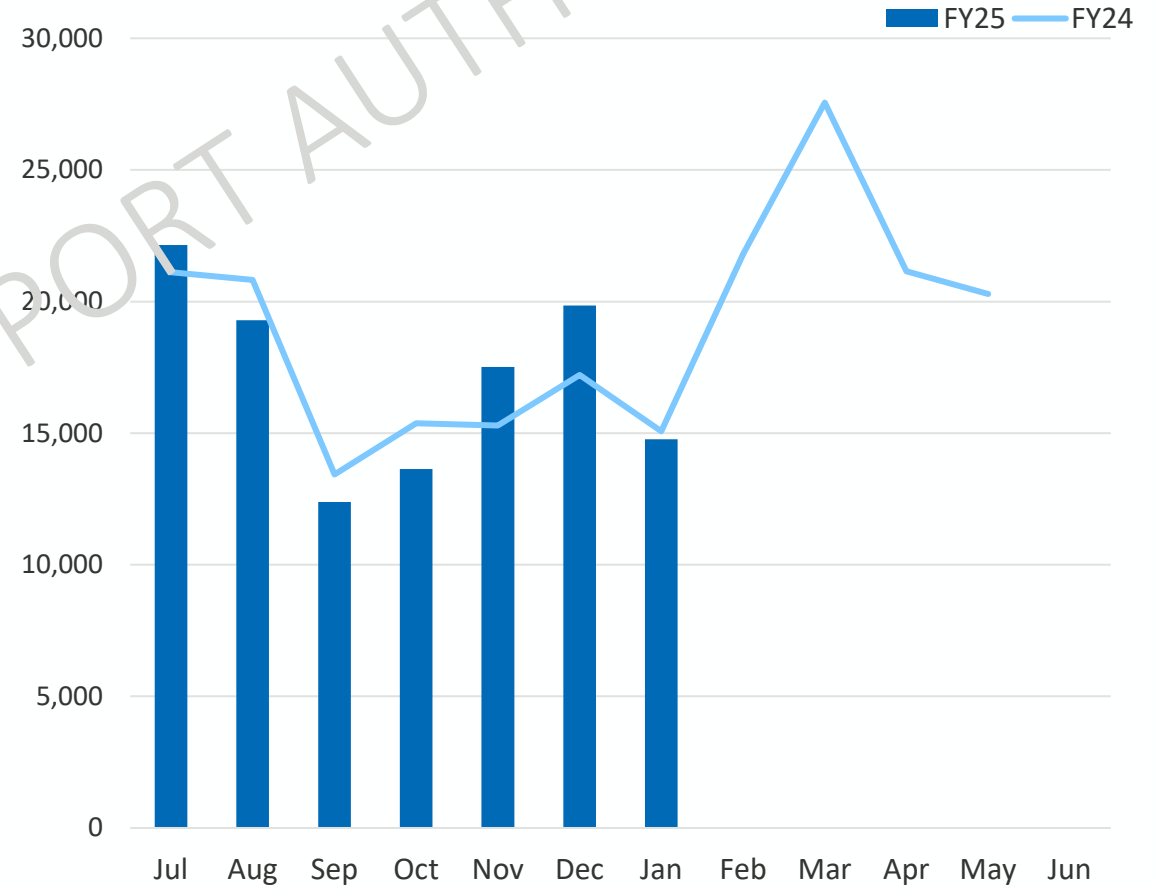
- 14,800, down 2% over prior year

## FYTD January 2025

- 119,600, 1% higher than prior FYTD

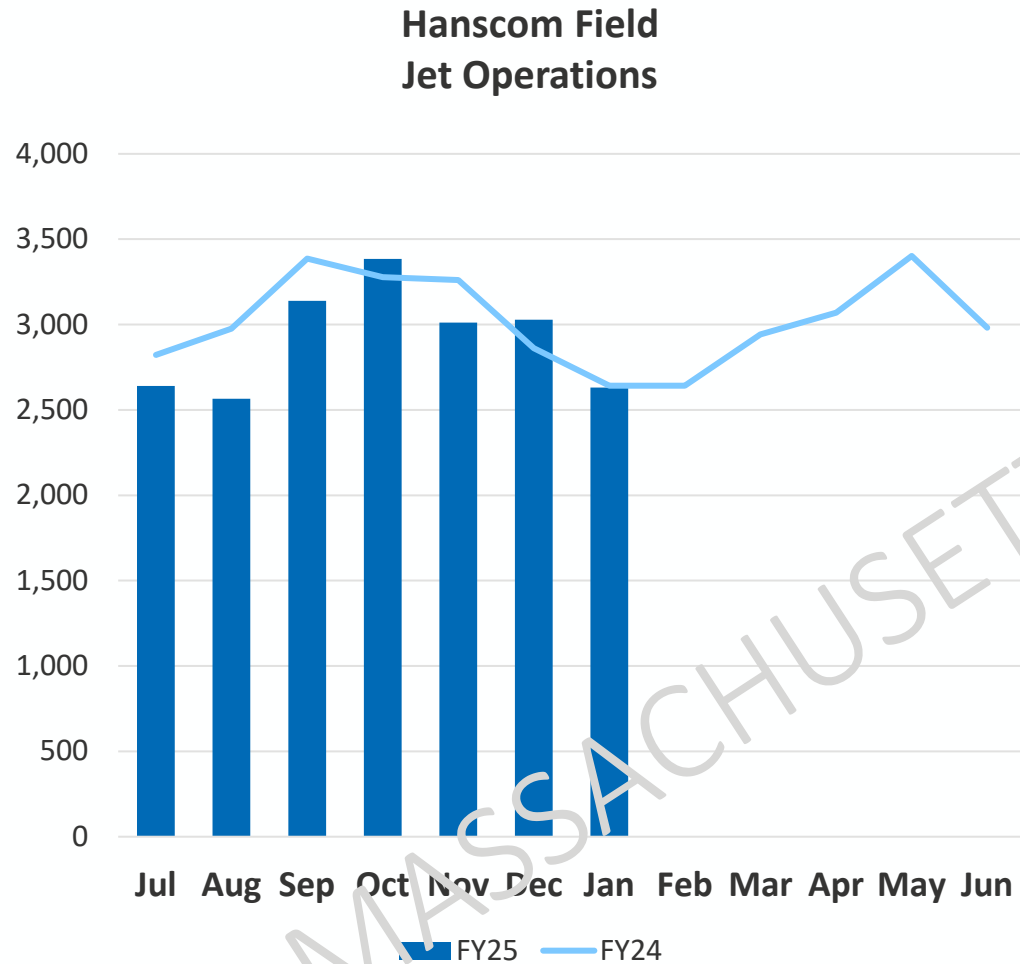


Worcester Regional Airport Passengers





# In January, total activity at Hanscom Field declined but jet operations were flat year-over-year



### Month Activity:

January 2025		
	Jets	Total
Operations	2,600	6,900
Chg vs 2024	-0.4%	-8%
Chg vs 2019	2%	-15%

### FYTD 2025 Activity:

	Jets	Total
Operations	20,400	43,400
Chg vs FY24	-4%	-6%
Chg vs FY19	15%	-3%

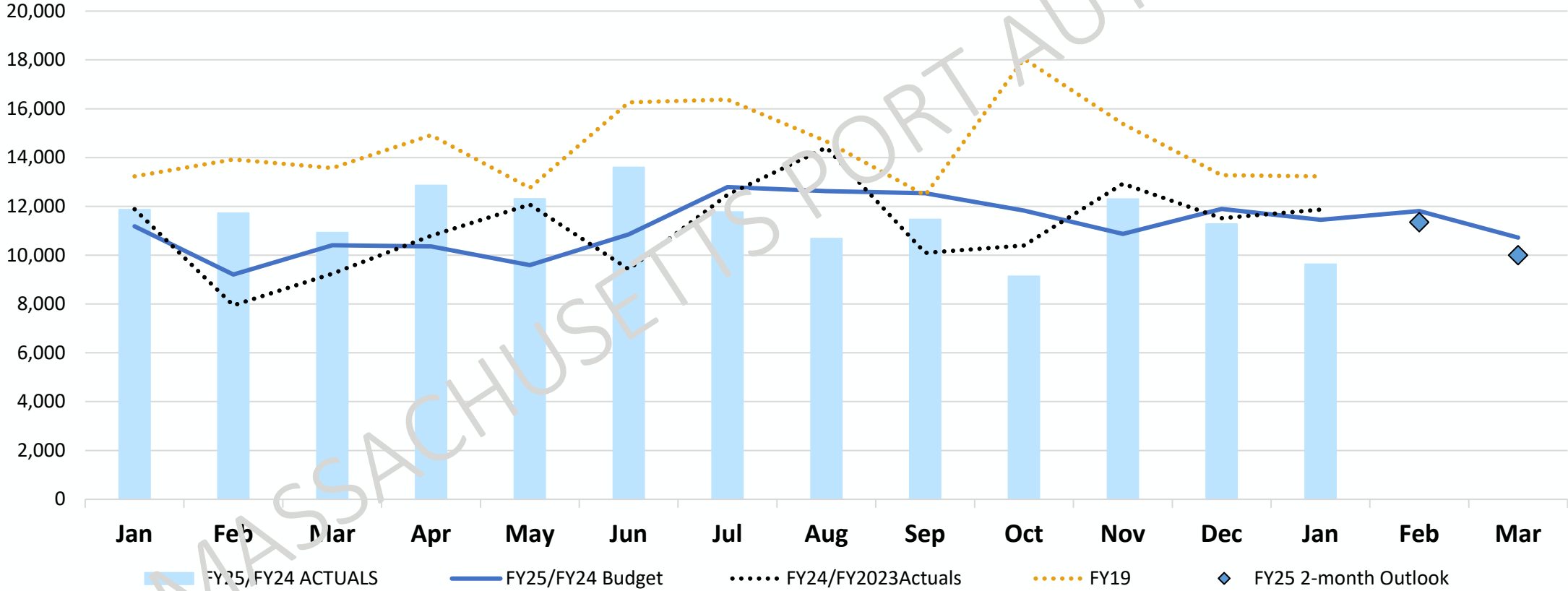


MASSACHUSETTS PORT AUTHORITY

Report of the Director of Maritime  
Lauren Gleason

# Conley Terminal handled 13 vessels and processed over 9,600 containers in January

**Conley Terminal Container Volumes**  
Actual vs Forecast



# Update on Recent Tariff Implementations by the Trump Administration



ECONOMY

## Chinese counter-tariffs to kick in as Trump threatens more to come

FEBRUARY 10, 2025 · 3:28 AM ET

John Ruwitch



A magazine carrying a front cover of President Donald Trump with the words "Trump shock again" on display with other magazines at a bookstand in Beijing on Tuesday, Feb. 4.  
Andy Wong/AP

### China – High Impact to Conley Terminal

- A 10% tariff is effective from February 4, 2025, at 12:01 AM
- China accounts for 34% of Conley's annual volume
- This 10% tariff is in addition to the existing Section 301 tariffs imposed during Trump's previous term in 2018

### Canada – No Impact to Conley Terminal

- 25% tariff, originally implemented February 1, 2025, was postponed on February 3, for 30 days after Canada agreed to bolster border security

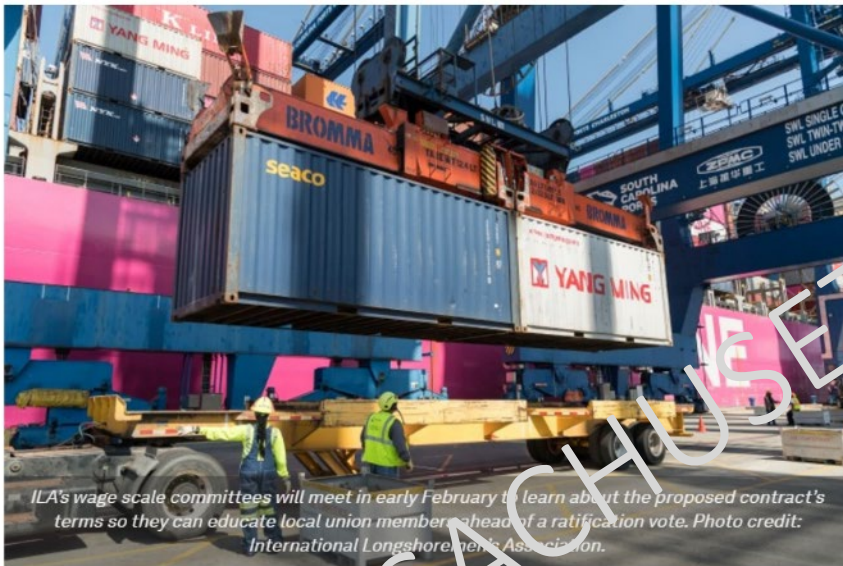
### Mexico – No Impact to Conley Terminal

- 25% tariff, originally implemented on February 1, 2025, was postponed on February 3, for 30 days after Mexico agreed to bolster border security

# ILA officials met last week to discuss ratification of new East Coast agreement

Journal of Commerce

## ILA officials to meet next week as ratification of USMX deal looms



Longshore labor | Container lines | North American ports | Marine terminals

Michael Angell, Senior Editor | Jan 31, 2025, 12:40 PM EST

- The ILA is presenting the new collective bargaining, ensuring six years of labor peace at US East and Gulf coast ports, over the next two weeks
- The United States Maritime Alliance board of directors has approved the contract, which includes a 62% wage increase over six years and guarantees minimum staffing levels when ports implement semi-automation technology
- A full vote by the approximately 45,000 registered ILA members is expected near the end of February, with the new agreement taking effect in March

Strategic Plan

MASSACHUSETTS PORT AUTHORITY



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# Conley Terminal and Flynn Cruiseport Boston Business Update

Lauren Gleason

February 13, 2025



# Supporting Massport's Mission: Maritime's Contribution to the Commonwealth's Economic Growth

## THE WORKING PORT: REACHING NEW HEIGHTS

CONLEY TERMINAL

FLYNN CRUISEPORT

BOSTON AUTOPORT

SEAFOOD PROCESSING

WITH INCREASING ECONOMIC IMPACT AND RECORD-BREAKING ACTIVITY, THE PORT OF BOSTON IS:

### Creating Jobs:

- 66,091 total jobs, including 9,014 direct jobs

### Contributing Significant Economic Impact:

- \$8.2B - total Port
- \$3.6B - Conley Terminal
- \$256M Flynn Cruiseport Boston

### Connecting Consumers And Companies To The Global Economy:

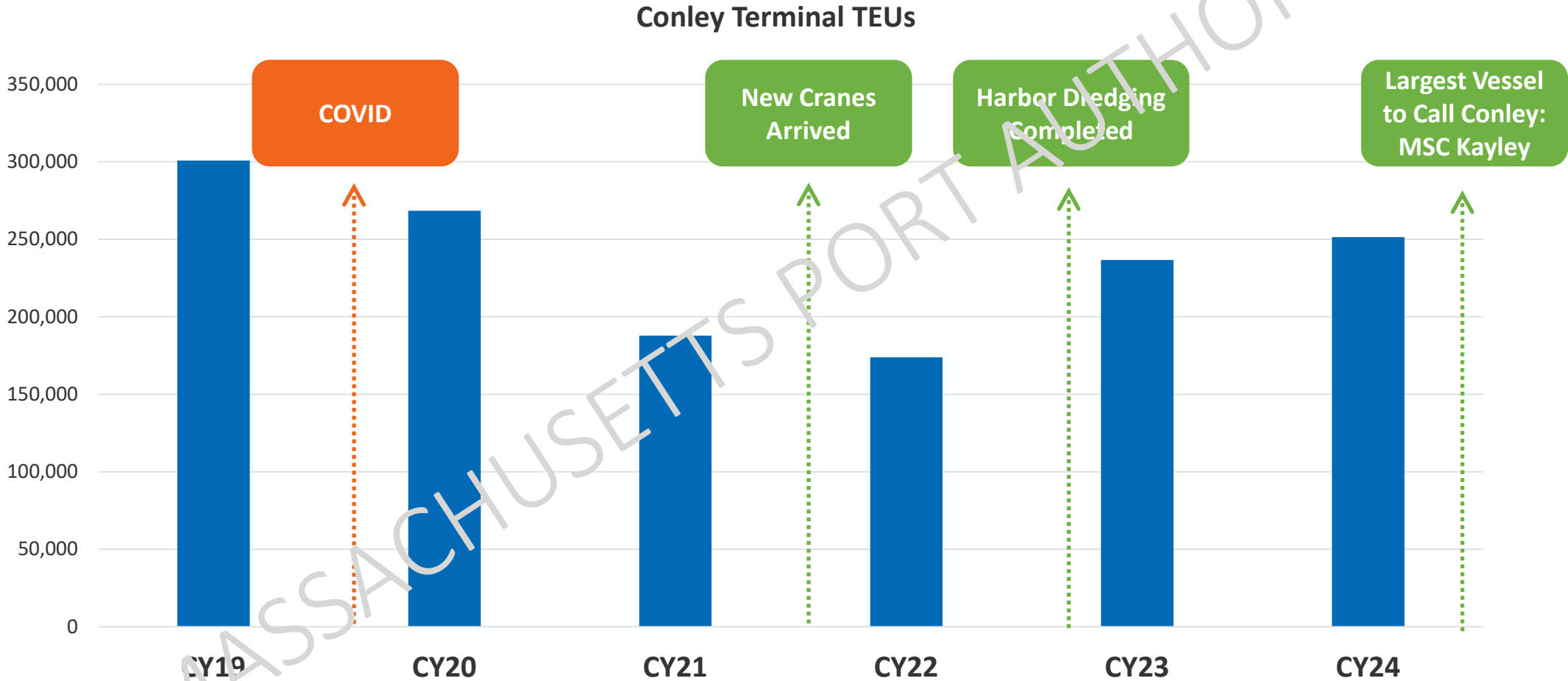
- 2,500+ companies across New England use the port to ship and receive goods

### Investing for the Future:

- \$850+ million in significant infrastructure improvements funded by Massport, the Commonwealth, and the Federal Government to keep the Port competitive

Conley Terminal

# Conley Terminal handled 250,000 TEUs in 2024, remaining committed to the New England Market through our modernization period



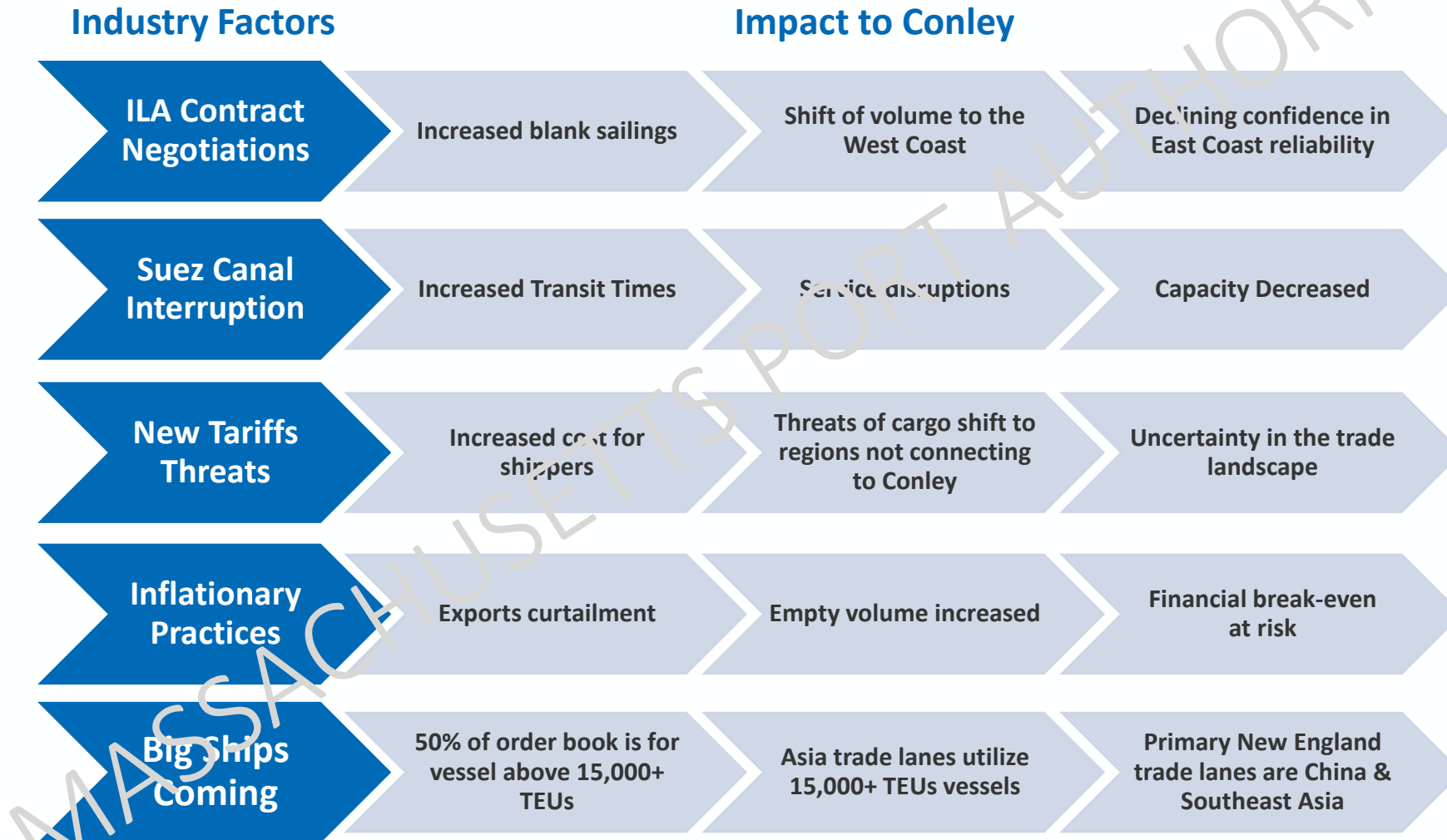
Source: Massport



# Conley Terminal Modernization and Harbor Deepening resulted in more global connections opening new markets for the Commonwealth and New England



# External factors influenced the broader shipping industry, impacting present and future volume at Conley Terminal



# The CMA CGM Marco Polo is the largest vessel to call the North American East Coast



The Port of Philadelphia



The Port of New York



The Port of Charleston



The Port of Virginia

- CMA CGM Marco Polo:
  - 16,022 TEUs
  - 1,300 ft in length
  - 176 ft wide
  - Requires a minimum of 4 cranes
- Ports called:
  - Halifax, Nova Scotia
  - New York New Jersey
  - Virginal
  - Savannah
  - Charleston
  - Philadelphia (November 2024)



# Massport's strategic planning process will consider Conley Terminal's strengths and opportunities while addressing weaknesses and threats

## STRENGTHS

- Operational Execution (30 min truck turn times and 30 Crane Moves Per Hour)
- Newly dredged harbor and berth
- 3 new ship-to-shore cranes
- 19 vessel start times
- Strong relationship with ILA
- Balanced import and export ratio

## OPPORTUNITIES

- Expand berth westward – away from restrictions to support larger cranes
- Rehabilitate Berths 14/15, 16, 17
- Build more distribution centers and attract larger shippers
- Explore sustainable fueling for carriers

## WEAKNESSES

- Current air draft restrictions for cranes 1-5
- Limited ability to service bigger vessels
- Underutilized/obsolete berths
- Operational costs are detrimental to break-even
- Increasing operational costs
- Density of distribution centers and warehousing

## THREATS

- Risk of losing current Ocean carriers
- Shrinking New England container market
- Insufficient number of post-Panamax cranes to support large vessels
- Possible import tariffs driving cargo to new locations



# Conley's business remains competitive with East Coast ports



	Boston	Philadelphia	Baltimore	Wilmington, NC	Jacksonville
<b>Harbor Depth (feet)</b>	47	48 - 50	50	42	47
<b>Cranes</b>	3 Post-Panamax 4 Neo-Panamax	5 Super Post-Panamax 2 Post-Panamax	8 Super Post-Panamax 7 Post-Panamax	4 Post-Panamax 3 Neo-Panamax	22
<b>Container Berths</b>	3	6 + 1 Roro	4	2	6
<b>Weekly Services</b>	4	11	6	7	21
<b>Annual TEUs</b>	251K	743K	1.1M	320K	1.3M
<b>Rail</b>	No	Yes	Yes	Yes	Yes
<b>Owner/Operator Model</b>	Owner-operator	State-owned, Private Operator	State-owned, Private Operator	State-owned, Owner-Operator	County-owned, Private Operator

# Continued investments in container terminals are required to remain competitive on the East and Gulf Coasts

## Baltimore



- \$174M EPA Clean Ports Grant
- \$30M new berth reconstruction
- \$7.5M in resiliency and rehab projects
- \$466M to expand on-dock rail

## Philadelphia



- Recent 2040 Strategic Plan announced a \$3.5B capital investment
- \$92M EPA Clean Ports Grant
- \$217M to build second berth and expand container terminal by 10 acres

## Charleston



- \$400M to construct a new intermodal rail facility
- \$1.3M EPA Clean Ports Grant
- \$2.5B of investments over the next decade to support 24% growth in business

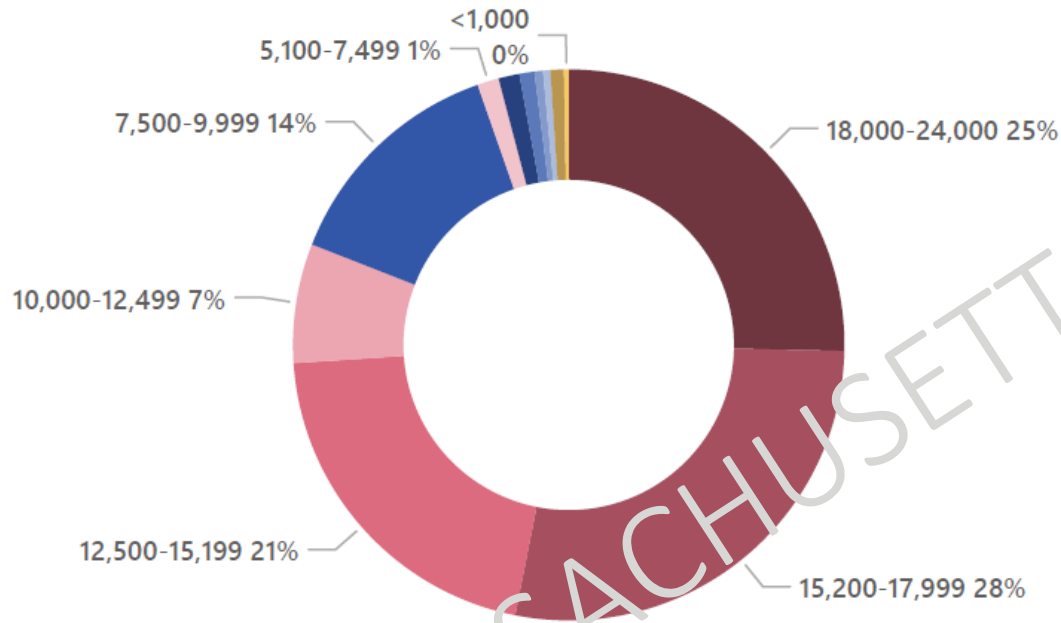
## New Orleans



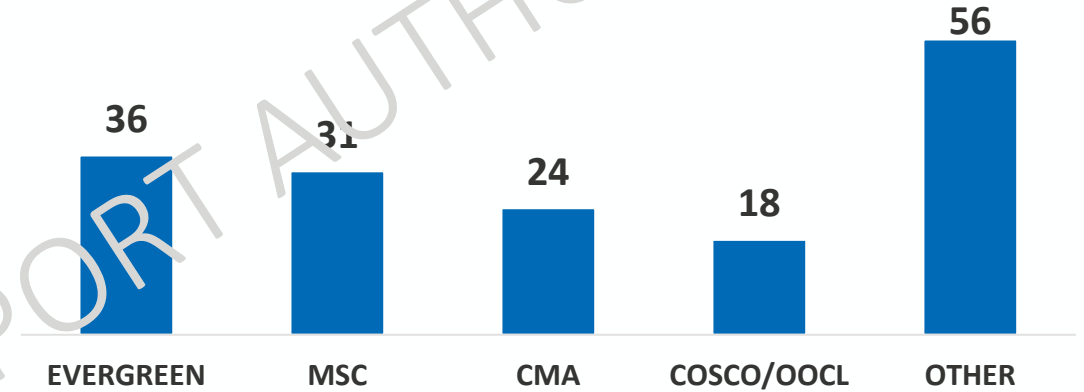
- \$1.1B for the new LA International Terminal (LIT)
- \$1M EPA Clean Ports Grant
- \$7.5M in resiliency and rehab projects
- \$7.1M in sustainability/truck emissions reductions

# 50% of the carrier order book is for vessels >15,000 TEUs, predominantly Conley customers

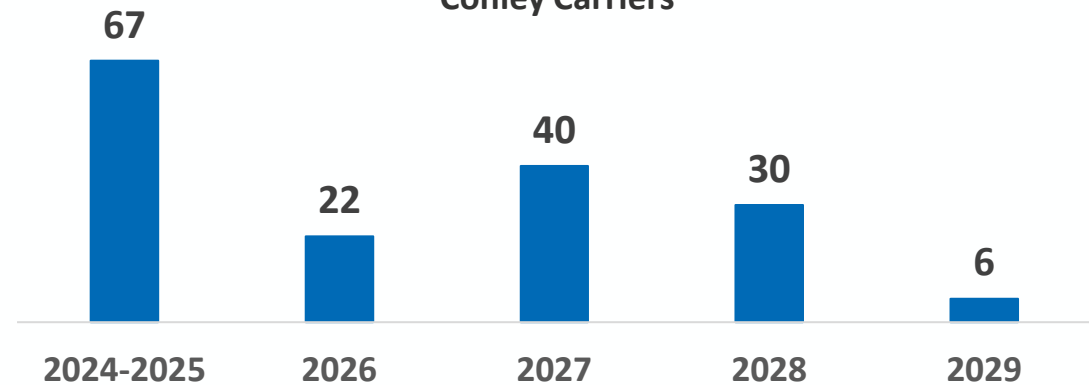
### Order Book Capacity Breakdown by TEU (2025-2029)



### Conley Container Shipping Line Carriers



### Number of 15-16,999 TEU Vessel Deliveries by Year for Conley Carriers



Source: Alphaliner, 2024

## Key Questions for the Strategic Plan

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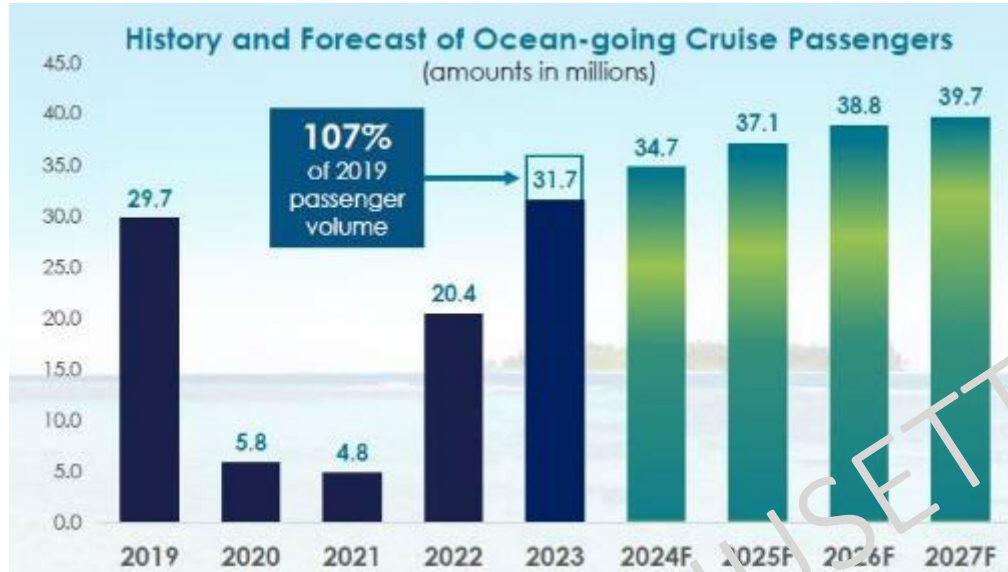
- How do we stand out and diversify our port offering in a saturated market?
- How do we attract more services and global connectivity while being cost competitive?
- What should our business development strategy be and what markets will define our growth?
- What role should the Commonwealth play in incentivizing warehousing/distribution?
- What is the next iteration of strategic investment to support Conley Terminal?
- What size vessels are defined as “ideal” for Conley Terminal?
- What do we do with Berths 11/12?
- Should Massport consider a public-private partnership for Conley Terminal?
- What role do we play in environmental stewardship, including shore power or strategic fueling?

MASSACHUSETTS PORT AUTHORITY

Flynn Cruiseport Boston

# The global cruise industry continues its unprecedented growth trajectory spurred on by younger/new to cruise demographics

## Global Cruise Passenger Forecast



## Vessel Size Increasing



- 37M passengers forecast for 2025, up 7% over 2024
- Global capacity will grow to support forecast demand of 40M passengers by 2027
  - 56 vessels, worth \$40 billion, will be deployed through 2028
  - 12 vessels will be deployed this year
- Vessel sizes trending larger in 2024 with 3,000+ passengers
- 2025 global cruise season trends:
  - 27% of passengers are first-time cruisers, up 12% over last year
  - 30% of families cruise with at least two generations



# Cruise lines are focusing on family, luxury and expedition offerings, providing unique destination and shore excursion experiences

## Smaller/Luxury Brands



## Family/Multi-Generational



## Expedition/Adventure



# Flynn Cruiseport Boston's 2025 Cruise Season features a record number of homeport partners and continued passenger growth



Virgin Voyages' Brilliant Lady



Celebrity Cruises' Celebrity Silhouette

## Cruise Season 2025 Highlights:

- 23 Cruise Lines
- 154 Vessels
  - 82 homeport sailings
  - 72 ports-of-call
- 11 Homeport Vessels
- 7 maiden calls
- 8 days with three ships in port

### 2025 Cruise Lines Visiting Flynn Cruiseport Boston





# For the 2025 cruise season, Flynn Cruiseport Boston will have a record 11 homeport ships and six repositioning cruises with unique itineraries

## 11 Homeport Ships



## Six Unique Itineraries

**Boston - Iceland**  
**HAL Volendam**  
July 2025



**Boston - Rotterdam**  
**HAL Zuiderdam**  
July 2025



**Boston - Bonaire**  
**Celebrity Silhouette**  
Oct. 2025



**Boston-Curacao**  
**HAL Zuiderdam**  
Oct. 2025



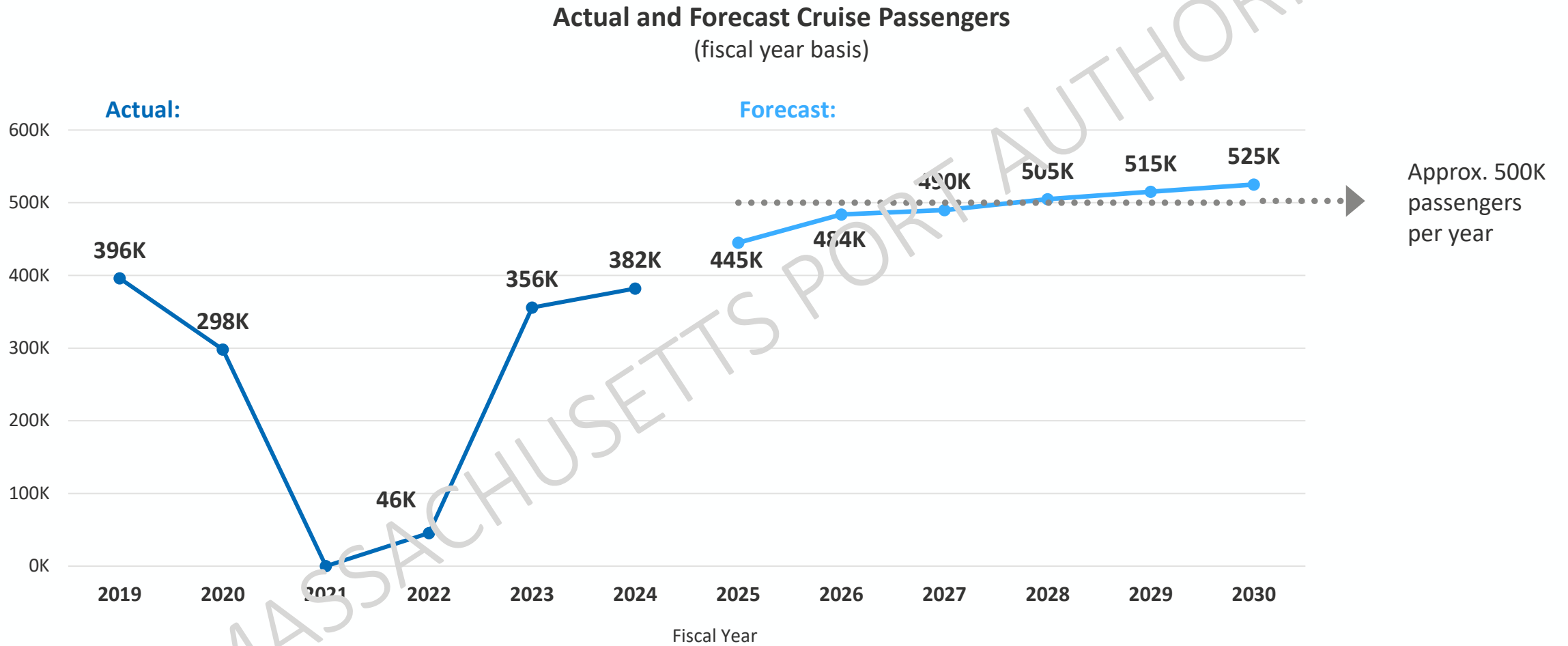
**Boston – South America**  
**Oceania Insignia**  
Oct. 2025



**Boston – San Juan**  
**RCL Brilliance of the Seas**  
Nov. 2025



# Cruise passenger volume is projected to reach 525K in FY 2030



# Massport's strategic planning process will consider Flynn Cruiseport Boston's strengths and opportunities while addressing weaknesses and threats

## STRENGTHS

- Key strategic homeport for Canada New England/Bermuda
- Impressive airlift capacity
- Closest proximity airport to Cruiseport to parking/tourist activities
- Desirable tourist destination
- Strong revenue market for cruise lines

## OPPORTUNITIES

- Support for infrastructure improvement
- Support for shore power initiatives
- Seasonal expansion opportunities
- Expanded tourism opportunities
- Optimize ground transportation and land use

## WEAKNESSES

- Outdated/structurally compromised infrastructure
- Limited footprint for operations/landside
- Passenger experience
- Limited itinerary availability
- Geographic challenges

## THREATS

- Aging facility and pier
- Infrastructure improvement timeline
- Limited operations/capacity
- Increased port competition
- Limited berth availability (turns)
- Growing calls to reduce emissions

# Ships continue to grow, and Boston will be handling larger ships in 2025, pushing the limits of our operational capabilities requiring us to utilize two berths for one ship

	Homeports			Port-of-Calls	
<b>2024:</b>	 <p><i>Emerald Princess – Canada/NE (3,100 pax)</i></p>	 <p><i>Celebrity Eclipse – Canada/NE (2,850 pax)</i></p>	 <p><i>Norwegian Jade 2,400 pax</i></p>	<p><i>Norwegian Getaway 4,500 pax</i></p> 	
<b>2025:</b>	 <p><i>Majestic Princess – Canada/NE (3,560 pax)</i></p>	 <p><i>Celebrity Silhouette - Canada/NE (2,900 pax)</i></p>	 <p><i>Royal Caribbean Brilliance OTS– Canada/NE (2,600 pax)</i></p>	<p><i>Enchanted Princess 3,660 pax</i></p> 	
<b>2026:</b>	 <p><i>Norwegian Breakaway – Bermuda (4,500 pax)</i></p>			<p><i>RCCL Liberty of the Seas 4,000 pax</i></p> 	



# Near term, Massport is advancing the Flynn Cruiseport Boston Modernization project (Item 5 on today's agenda) to accommodate a larger Homeport vessel

Cruise Industry News

## Massport Announces Record-Breaking Season, Big Investments

November 22, 2024



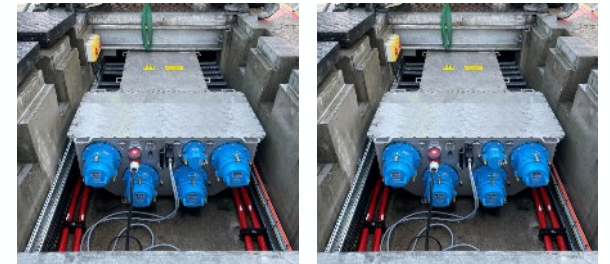
The \$105M Flynn Cruiseport Boston Modernization project includes:

- \$60M to install ship-to-shore electrical connections (shore power)
- \$45M for infrastructure improvements to accommodate larger vessels and higher passenger volumes

Boston will be the first port in New England with shore power, joining about a dozen other ports in North America



VESSEL CONNECTION  
14MVA



SHORE POWER CONNECT PITS  
14MVA

# Like other ports, creative financing solutions are needed to further support immediate and future infrastructure initiatives

## Infrastructure Fees - Other Ports

Port/Region	Owner/ Operator Mode	Infrastructure Fee
Miami	County-owned, private-public partnerships with cruise lines	\$2 to \$10 per passenger based on terminal expansions and passenger guarantees
Canaveral	Independent Port Authority	\$2 to \$6 per passenger based on terminal expansions and passenger guarantees
Port Everglades	County-owned, private-public partnerships with cruise lines	Capital costs of \$37.4M recovered over 6-month period
Portland, ME	Owned by City of Portland, ME	\$2 per passenger
Seattle, WA	County-owned, private-public partnerships with cruise lines	\$38.25 per passenger environmental fee
Iceland	Joint venture – City of Reykjavik and private operators	\$18 per passenger per night
New York	City-owned, privately leased to 3 <sup>rd</sup> party operator	none
Baltimore	State-owned, privately leased to 3 <sup>rd</sup> party operator	none

## Proposed Facility Improvement Fee (FIF) for Flynn Cruiseport Boston

Year	Fee Per Passenger
2025	none
2026	\$3.00
2027	\$6.00
2028	\$9.00
2029	\$12.00
2030	\$15.00



## Financing plan for Flynn Cruiseport Boston Terminal Modernization project (M647)

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- Flynn Cruiseport Boston requires approximately \$105 million of new investment
- Funding will come from two sources:
  - 10%, or \$12M, will come from the 776 Summer Street deed restriction payment (currently in hand)
  - 90%, or \$93M, will be financed from a new Facility Improvement Fee (FiF)
- The investment requires approximately \$6.6M of annual capital amortization expense, and the additional square footage will require \$900K in new operating expense annually
- With an average annual cruise passenger forecast of 500K, a \$15 Facility Improvement Fee will generate \$7.5M annually, which will be used to finance the project

# Long-term, Massport will need to address infrastructure and funding options to meet cruise line and passenger needs and adapt to growing demand



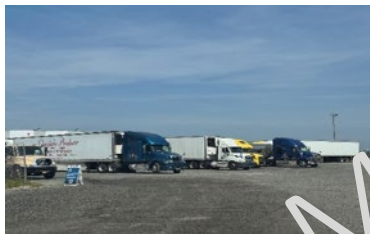
**Pier/Deck Infrastructure**



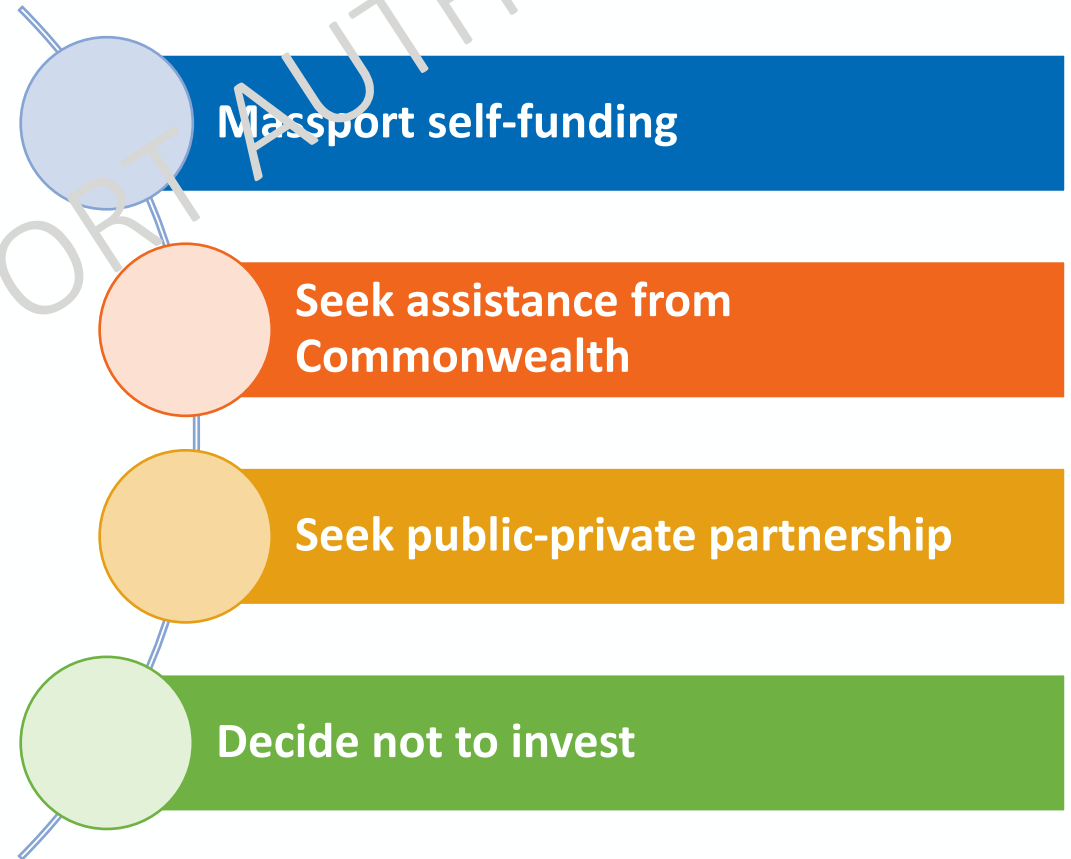
**Terminal Modernization with a Sustainable Lens**



**Ground Transportation Strategy**



**Future Land Use for Cruise Provisioning / Security Screening**



# Key Questions for the Strategic Plan

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- With so many growth opportunities, how does Boston remain a key strategic port and premier destination for cruise line partners and their guests?
- How does Flynn Cruiseport Boston increase business growth with its geographical and infrastructure challenges and limitations?
- While the \$105M from the Flynn Cruiseport Boston Terminal Modernization Project will help in the short-term, what investments and further upgrades need to happen in order to support future business growth and expanded economic impact?
- What can Massport do to further support the needs of the City, Commonwealth, and the communities and business we serve?
- How can Massport maximize customer satisfaction and enhance the passenger experience from curb to ship?


Community Outreach



# Massport CAC Update

- The Massport CAC held its General Meeting on January 23
- Massport provided a Net Zero presentation to the committee
  - Updates on completed and proposed projects
  - Potential for Sustainable Aviation Fuel (SAF) in Massachusetts
  - Ship-to-shore power at Flynn Cruiseport Boston
- Massport provided an update on the upcoming Runway 27 Safety Area Improvements project
  - Overview of what runway closure will mean for operations at Logan Airport
  - Proposed public outreach plan



 **MCAC**  
Massport Community Advisory Committee


General Committee Agenda for January 23, 2025

January 23, 2025, 4:00 p.m. - 6:00 p.m.  
This is a virtual meeting

*Please note that agenda items for this meeting may be subject to a vote based on discussion and motions filed by MCAC members.*

- I. Attendance Roll Call
- II. Approval of the General Committee Meeting Minutes –September 19, 2024 (emailed 10/11/24 and 1/9/25)
- III. Public Comment (subject to time constraints) - up to 10 minutes
- IV. Treasurer’s Update – Ira Goldman
- V. Massport Board Member Update – John Nucci
- VI. FAA Update – Lindsey White, FAA
  - a. Block 1/Block 2 implementation
  - b. Noise Policy Review
- VII. Massport Update – Net Zero plan
- VIII. Leadership Update – Aaron Toffler
  - a. Website
  - b. Logan Air monitor
  - c. Data visualization project
  - d. Triennial audit
- IX. New Business – reserved for matters the Chair did not reasonably anticipate at the time of posting.
- X. Correspondence
- XI. Adjournment

I certify on January 16, 2025, at 1:30pm, notice was posted as “MCAC General Committee Meeting Agenda 1-23-25” on [www.massportcac.org](http://www.massportcac.org) and emailed to [regs@sec.state.ma.us](mailto:regs@sec.state.ma.us) and [Melissa.Andrade@state.ma.us](mailto:Melissa.Andrade@state.ma.us)



Karen Cuddy, Executive Assistant  
Massport Community Advisory Committee

Audit and Finance

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# Solid Waste, Recycling, Organics and Sustainable Materials Management Services New Contract

Luciana Burdi

February 13, 2025



# Solid Waste, Recycling, Organics & Sustainable Materials Management Services Procurement

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## Background:

- Current solid waste services contract for Logan, Worcester, and Hanscom with Allied Waste Services (d/b/a Republic Services) expires February 28, 2025 (staff is requesting authority to add additional funds and extend the contract to June 30, 2025 at today's meeting in Assent)
- Current waste services contract for Logan Express Sites and Maritime Facilities with DBI Waste Systems was extended and expires June 30, 2025 (executed under delegated authority)

## Procurement:

- RFP was issued in August 2024 for Massport-wide services
- RFP had an M/WBE goal of 8.6% (achieved via subcontractors)
- Responses were received from four vendors in September 2024
- Interviews and presentations were held in October 2024
- Best and final offers were submitted and evaluated in November 2024
- Contract Start Date: July 1, 2025



# Evaluation Criteria and Selection

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## Evaluation Criteria:

- Experience, Skill, and Business Standing
- Proposed Technical Approach
- Equipment and Vehicle Information
- Statement on Achieving MBE/WBE Goals
- Financial Statements

## Selection:

- Casella was selected for services at Massport's aviation facilities
- DBI Waste Systems was selected for services to Massport's Logan Express locations and Maritime facilities

# Cost Comparison

## Proposed Pricing for Aviation Sites

Bidder	7-Year Total	Year-1 Total	Current Contract Annual Total	Increase	Percent Increase
Casella	\$29.4M	\$4.9M	\$3.5M	\$0.4M	12%
Capitol	\$37.1M	\$4.2M	\$3.5M	\$0.7M	19%
Republic	\$36.0M	\$4.9M	\$3.5M	\$ 1.3M	38%

## Proposed Pricing for Logan Express and Maritime Sites

Bidder	7-Year Total	Year-1 Total	Current Contract Annual Total	Increase	Percent Increase
DBI	\$4.8M	\$627K	\$539K	\$ 88K	16%
Capitol	\$4.6M	\$603K	\$539K	\$ 64K	12%
Casella	\$5.6M	\$730K	\$539K	\$ 191K	35%

# Program Objectives and Waste Categories

## Program Objectives

- **Waste Stream Improvement**
  - Increase diversion rates and eliminate contamination of recycling streams
  - Implement an organic waste collection and hauling program
- **Achieve Established Sustainability Objectives and Support Net Zero**
  - Reduce overall waste generation particularly in terminals and higher occupancy buildings
  - Increase recycling rates through stakeholder engagement
  - Reduce landfill-based greenhouse gas emissions through reduction and diversion programs
- **Regulatory Compliance**
  - Ensure alignment with state and federal regulations
  - Improve performance reporting while achieving overall program success

## Waste Categories

- Municipal Solid Waste
- Mixed Recycling (i.e., cardboard, paper, plastic, aluminum/ metal, glass)
- Organics
- International Waste
- Metals (Recycled)
- Wooden Pallets
- Tires
- Universal Waste (includes battery recycling)

# Improvements to Current Level of Service

## New and Additional Equipment/Improved Signage

- New collection equipment
- Improved signage at compactor/dumpster locations
- Introduce artificial intelligence waste sorting in terminals through OSCAR Sort pilot

## New and Improved Collection Services

- Expanded organics collection program at Logan Airport
- Implementation of an electronic waste collection program at Logan Airport
- Routine sanitization at collection sites

## Sustainable Materials Management Consulting and Enhanced Data

- Vendor support for program performance
- Real-time waste and recycling data dashboard

## Real-time Massport Waste Management Dashboard





## Recommendations

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1. Staff recommends that the board authorize staff to enter into an agreement with Casella for services at Logan Airport, Worcester Airport, and Hanscom Field to commence on July 1, 2025 in the not-to-exceed amount of \$29,449,194 over a term of seven years with three one-year options to renew subject to mutual agreement of the parties and subject to further Board approval
2. Staff recommends entering into an agreement with DBI Waste Systems for services at Logan Express sites and Maritime facilities to commence on July 1, 2025 in the not-to-exceed amount of \$4,803,139 over a term of seven years (the execution of this agreement falls under delegated thresholds). The agreement will contain three-one year options to renew subject to the mutual agreement of the parties and Board approval
3. Staff recommends that the Board approve the extension of the contract with Republic for waste hauling and recycling services at Logan Airport, Worcester Airport, and Hanscom Field through June 30, 2025 and increasing the not-to-exceed amount by \$1,200,000, resulting in a total not-to-exceed amount of \$12,805,000

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# FY25 Six Month Financial Performance

John Pranckevicius

February 13, 2025



## FY25: First Six Months Highlights

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- Business activity is better than last year across most of Massport's transportation assets, helping improve our financial performance for the first six months of FY25
  - Logan Airport served 23.1M passengers, a 7% increase over last year, enhancing Logan's other variable revenues
  - Worcester Airport passenger volume is 2% higher than last year, assisted by flights to Fort Myers
  - Hanscom ground leases are contributing to the airport's improved financial performance, operations are 5% below last year
  - Cruise passengers reached 382K, a 35% increase over last year, while Container volume was 5,200 below last year's activity
- For the first six months, operating revenues were \$630M, a \$48M, or 8% increase over the prior period
- Operating expenses were \$513M, an increase of \$47M as demand driven expenses, terminal cleaning and maintenance frequency increased, more passenger and employee transportation services, service inflation, and the Sumner Tunnel closure impacted costs
- Net income was \$117M, a 1% increase that will be re-invested in the new \$4.0B Capital Improvement Plan (CIP) being prepared

## Growth in Business activity drove 1H FY25 revenue 8% higher to \$630M, a \$48M increase over the prior year period

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- **Logan: \$530M**, an increase of \$33M, or 6%
  - Logan's Terminal Rents, Ground Leases, Landing Fees, and utility revenues were up \$20M higher as terminal rents increased with the opening of Terminal E, and airline rates & charges increased to recover added service costs and capital investment
  - Logan's variable revenue improved \$13M as higher passenger traffic increased Terminal Concessions, Rental Cars, Advertising, Foreign Exchange, and Commercial Services by \$5.0M, Parking revenue was \$4M higher, and Ride Apps, Logan Express, On Airport Shuttle and other GTU services added \$4.0M in new revenue
- **Hanscom: \$12.6M**, an increase of \$2M, or 24% from higher FBO leases and increased aeronautical revenues
- **Worcester: \$1.0M**, is equal to last year as more landing fees are offset by reduced ground rents
- **Maritime: \$50M**, on par with last year with cruise passenger revenue growth offsetting lower container volume revenues
- **Real Estate: \$36M**, a \$13.0M increase aided by the 776 Summer Street Deed restriction payment of \$12M and \$1.0M in short term licensing revenue and dockage fee revenue



## Operating Expenses totaled \$513M, \$47M or 10% more than last year to accommodate business demand, higher inflationary costs, and asset depreciation

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- **Passenger and Employee Shuttle Bus Services: \$34.6M**, a \$4.5M increase spent to improve employee shuttle operations at Wonderland, Chelsea, and Quincy, add on-airport shuttle frequencies, and additional LEX bus operations
- **Service Contracts: \$52M**, an increase of \$9.8M as business demand required more spending for terminal cleaning services, increased elevator, escalator and baggage carousels maintenance, concession receiving and distribution operations, and increasing technology contracts.
- **Conley Stevedoring: \$21M**, an increase of \$2.0M to account for the new ILA contract
- **Other Expenses: \$74M**, increased \$1.4M to pay for higher property and casualty insurance premiums, Pilot Payments, utilities, and other miscellaneous expenses
- **Employee Wages and Benefits: \$129.5M**, an increase of \$13.6M
  - Employee Wages increased \$9.5M to \$87.5M due to a 5% increase in headcount required for the periods to keep pace with business activity and employee attrition (Aviation operations and safety 25, Maritime operations 9, Capital programs 10, Technology 5, and 15 LOC positions); the balance reflects wage adjustments for union and non-represented personnel
  - Overtime and Employee benefits totaled \$42M, an increase of \$1.3M and \$2.8M, respectively. Overtime for the Sumner Tunnel closure impacts and more operations were needed to keep pace with demand. Higher health insurance premiums, increased census, and state police pensions payments influenced benefit costs
- **Pension and OPEB payments: \$11M**, a \$2.1M increase as pension losses continue to be amortized
- **Depreciation: \$191M**, an increase of \$14M that reflects the Terminal E screening equipment transfer to the TSA and other assets placed into service during the year

**1H FY25 operating income was \$117M, a \$1M increase over last year and will be reinvested to fund Massport's new \$4.0B CIP**

	1H FY25	1H FY24	FY25 vs Prior Year		1H FY19 (Pre-pandemic)
			Amt.	%	
<b>Revenues</b>	<b>\$ 630M</b>	<b>\$ 582M</b>	<b>\$ 48M</b>	<b>8%</b>	<b>\$ 466M</b>
Operating Expenses	(\$ 322M)	(\$ 289M)	\$ 33M	11%	(\$ 247M)
Depreciation Expense	<u>(\$191M)</u>	<u>(\$ 177M)</u>	<u>\$ 14M</u>	<u>8%</u>	<u>(\$ 128M)</u>
<b>Total Expenses</b>	<b>( \$513M)</b>	<b>(\$ 466M)</b>	<b>\$ 47M</b>	<b>10%</b>	<b>(\$ 375M)</b>
<b>Operating Income</b>	<b>\$ 117M</b>	<b>\$ 116M</b>	<b>\$ 1M</b>	<b>1%</b>	<b>\$ 91M</b>

## Balance Sheet: Massport's net position grew 7%, or \$260M in 1H FY25 due to the reduction in long term debt (defeasance and annual debt payments)

### Total Assets and Deferred Outflows was unchanged

+ \$ 0M

- Current assets increased \$120M from the conversion of operating earnings for the first six months.
- Non current assets decreased \$117M as investments were used to defease Massport's debt, amongst other asset adjustments

### Total Liabilities & Deferred Inflows declined

(\$ 260M)

- Liabilities declined \$220M due to pay-down of long term bonds and debt defeasance
- Deferred inflows declined by \$40M as lease revenues were recognized during the period and OPEB and pension gains were amortized

**Change in Net Position** + \$ 260M

**Beginning Net Position** \$ 3.7B

**Ending Net Position** \$ 3.96B + 7%

# 1H FY25 Budget to Actuals – Net contribution exceeded budget as Logan passengers exceeded plan by 8% and cost containment strategies lowered expenses 13%

	1H FY25 Actuals	1H FY25 Budget	FY25 vs Prior Year Amt.	%
<b>Revenues</b>	<b>\$ 630M</b>	<b>\$ 583M</b>	<b>\$ 47M</b>	<b>8%</b>
Operating Expenses	(\$ 322M)	(\$ 339M)	(\$ 17M)	(13%)
MR/IE/Debt payments	(\$ 261M)	(\$ 261M)	\$ 0M	-
<b>Total Expenses</b>	<b>( \$583M)</b>	<b>( \$ 600M)</b>	<b>( \$ 17M)</b>	<b>(3%)</b>
<b>Operating Margin</b>	<b>\$47M</b>	<b>(\$17M)</b>	<b>\$ 64M</b>	<b>265%</b>
Interest Income	\$39M	\$ 17M	\$ 22M	123%
GAAP adjustments to Trust	(\$3M)			
<b>Net Contribution</b>	<b>\$ 83M</b>	<b>\$ 0M</b>		

## Observations:

- Massport' annual budget is organized to comply with Massport's Bond Covenants (1978 Trust), which require Massport to make:
  - **Debt payments** to bond holders
  - **Maintenance reserve deposits** to keep existing assets in state of good repair
  - **Improvement & Extension fund deposits** to construct new assets to grow capacity
- In place of the above, GAAP financials require the recording of depreciation expense to spread the cost of fixed assets out over a period of time to determine the asset's annual use
  - Depreciation expense will increase as our CIP grows impacting net income (unless margin increases too)



# Risks and challenges to achieving Massport's strategic initiatives and financial plans

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## 1. Inflation/Economy

- Tariffs/trade wars
- Rising interest rates & Federal Reserve policy
- Inflation on construction & operating costs
- Recession
- Real Estate portfolio

## 2. Geopolitical Issues

- War in Ukraine
- China and North Korean relations
- Trade wars
- Panama Canal/Suez Canal

## 3. World Public Health

- New pandemics

## 4. Aviation Industry Challenges

- Potential Airline Consolidation
- Evolving Airline business models
- Asia recovery
- Tourism slump
- Air traffic controller shortages

## 5. Climate Change/Environment

- De-Regulation
- Infrastructure investment needs

## 6. Changing Customer Behaviors

- Airport access modes
- Time spent in airport

## 7. Technology

- Autonomous vehicles
- Urban Air Mobility (UAM) –eVTOLs

## 8. Traffic Congestion

- On-airport
- Gateways

## 9. Maritime Challenges

- Supply chain disruptions
- Change in shipping alliances and global trade
- Outflow of distribution centers/warehouses from MA
- Land use pressure and truck access

## 10. External Shocks and Threats

- Terrorism
- Cyber breach
- Active shooter
- Extreme weather

## Summary

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- Massport's business activity grew about 7% helping increase revenue by \$48M
- To keep pace with demand expenses increased by \$47M to pay for additional services, increased frequencies resulting from use, and other inflationary costs as activity increased
- Massport's six month earnings were solid, exceeded pre pandemic levels, and grew by 1%.
- These earnings are essential to fund Massport's new 5 year \$4.0B CIP that will include significant HOV investments, projects either suspended or deferred during the pandemic, and other congestion relief infrastructure essential to manage growth
- Geopolitical risks, domestic policy, tariffs, public health and other risks remain high which could alter Massport's growth and investment trajectory
- We will continue to assess these risks, and others, and adjust where needed to continue serving customers and generating economic value for the Commonwealth

MASSACHUSETTS PORT AUTHORITY

## Facilities and Construction

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# Flynn Cruiseport Boston Modernization (M647)

Luciana Burdi

February 13, 2025





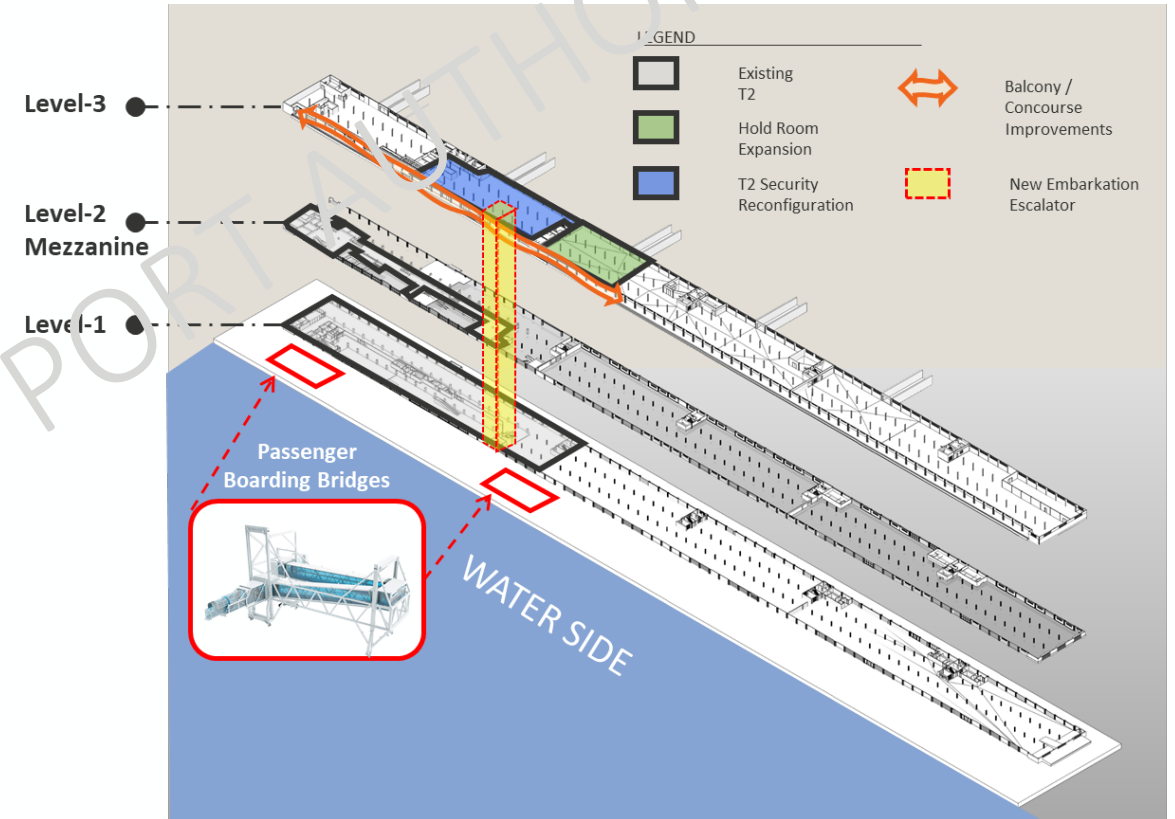
# The Flynn Cruiseport Boston Modernization project will upgrade the facility to accommodate larger vessels and shore power

## Key Conditions of Satisfaction:

- Provide Flynn Cruiseport with the ability to service larger vessels that require the use of two passenger doors
- Improve the passenger experience and movement when boarding and disembarking
- Reduce GHG emissions by implementing shore power

## Project Scope:

1. Install ship to shore power connections for 2 berths
2. Purchase a new passenger boarding bridge
3. Upgrade the terminal to accommodate larger vessels with twice the passenger capacity of current vessels
  - a) Construct new hold room area
  - b) Procure and install a new escalator
  - c) Update balcony



# Shore power infrastructure will allow cruise vessels to turn off their diesel engines and run on electric power while at berth

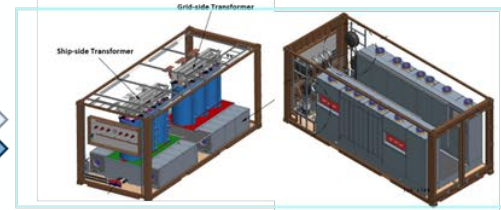
- Installation of shore power at Flynn Cruiseport will significantly reduce the greenhouse gas emissions generated by cruise vessels and have a positive impact on noise and air quality control in the adjacent communities

**EVERSOURCE**

CIRCUIT  
14 MVA CAPACITY



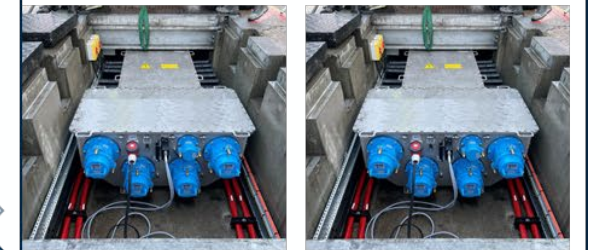
**MEDIUM VOLTAGE SWITCHGEAR**  
13,300 VOLTS, 1200A  
28 MVA CAPACITY (EACH BAY)



**SHORE POWER EQUIPMENT**  
14MVA



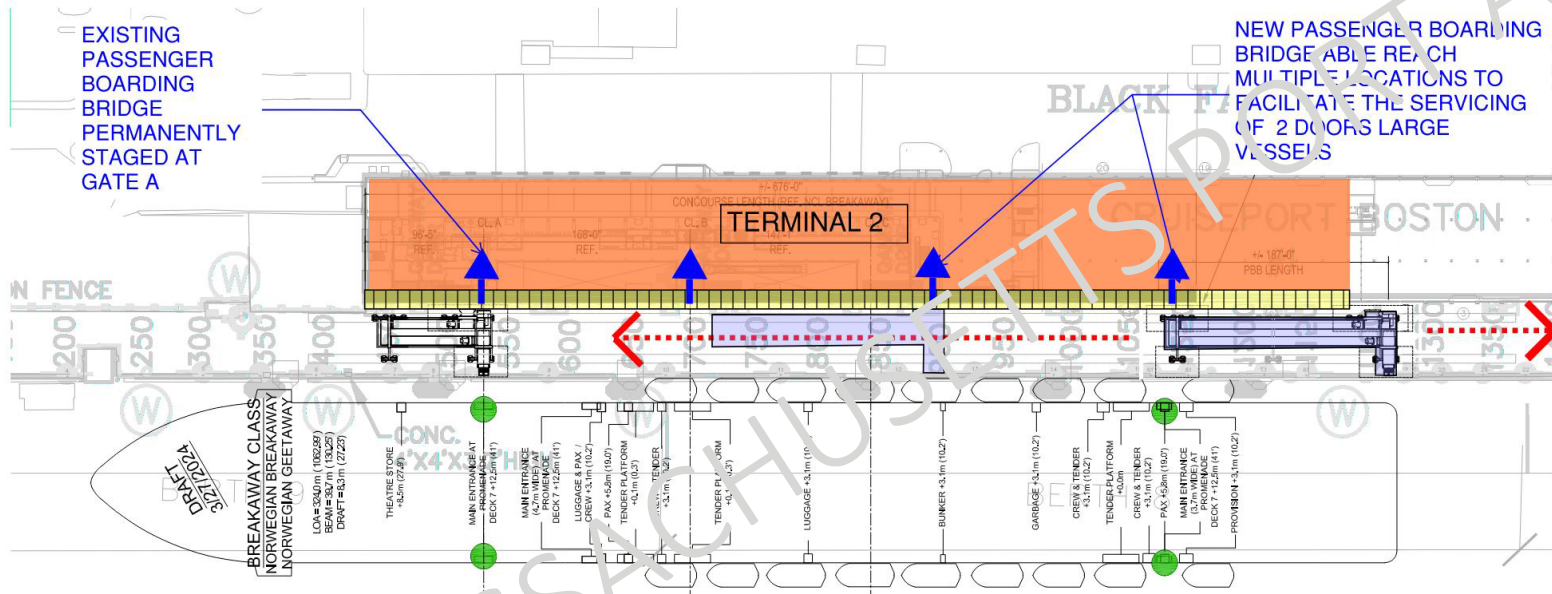
**VESSEL CONNECTION**  
14MVA



**SHORE POWER CONNECT PITS**  
14MVA

# A second passenger boarding bridge is required to service larger vessels that need concurrent access through two passenger doors

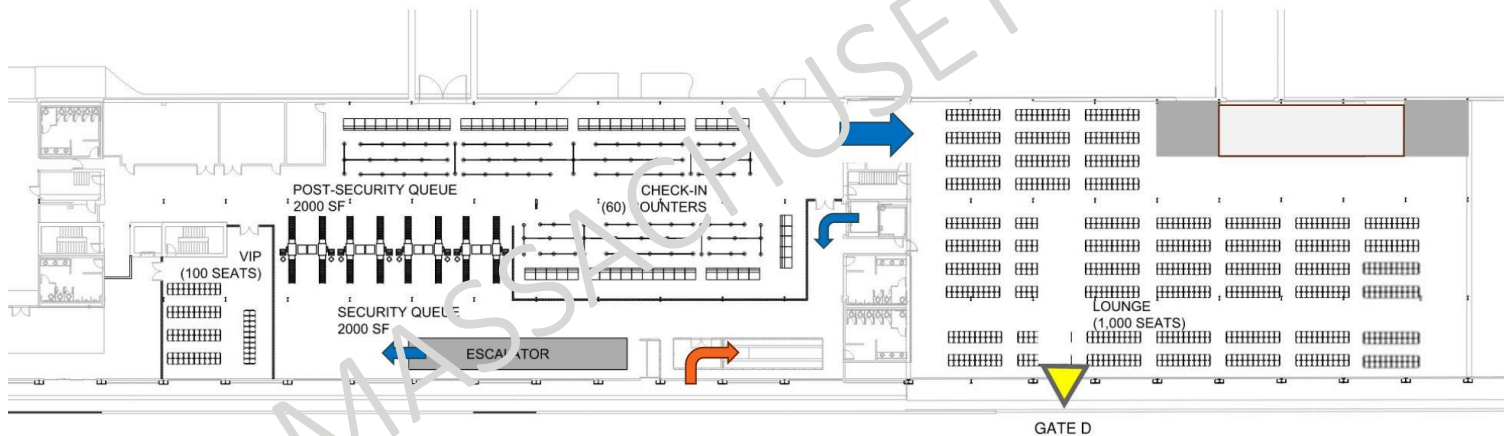
- The new passenger boarding bridge offers an expanded vertical reach range and is able to connect the Cruiseport to the ship doors at various tidal conditions





# Construction of a new hold room area will facilitate passenger screening and ticketing operations and improve the passenger experience

- Hold room construction includes new stairwells, restrooms, exterior envelope improvements, interior finishes and new mechanical, electrical and plumbing systems
- Installation of a new embarking escalator and the reconfiguration of the existing escalators will improve passenger movement within the building



# Project Timeline and Board Recommendation

## Implementation:



- Construction is anticipated to start in Spring 2025
- Construction duration is expected to be approximately 24 months



## Board Recommendation:

- (1) Approve a Partial Project Budget in the not-to-exceed amount of \$60 million**
- (2) Approve Facility Improvement Fee**
- (3) Transfer the \$12 million 776 Summer Street deed restriction payment to the capital budget account**



Assent Agenda

MASSACHUSETTS PORT AUTHORITY