



2019

*Massachusetts Port Authority
Annual Report*

**REFLECTING
FORWARD**





ON THE COVER

Construction of the new Terminal C Canopy will be completed in 2021 and feature rooftop solar panels that will generate enough power to exceed the lighting needs for the curb areas on both levels. The new, larger canopy uses a material called ETFE that allows natural light to pass through while still protecting passengers from the weather.

2019 ANNUAL REPORT

At the Massachusetts Port Authority, our history is long, our responsibilities serious, and our mission unwavering.

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THE MASSPORT MISSION

A world-class organization of people moving people and goods –
and connecting Massachusetts and New England to the world – safely
and securely and with a commitment to our neighboring communities.

A MESSAGE FROM CHAIRMAN AND SHERIFF LEWIS EVANGELIDIS AND CEO LISA WIELAND



LEWIS EVANGELIDIS
Chairman of the Board
Sheriff of Worcester County



LISA WIELAND
CEO

As we write this note in late April and contemplate last year and all Massport has accomplished, we are reminded of our incredible team and how the depth of their experience is helping guide us through the current situation today.

2019 was a banner year for the Authority. We saw record growth at Boston Logan, Conley Container Terminal, Flynn Cruiseport Boston, and Worcester Regional Airport. As the year wrapped, we had even higher expectations for 2020. Though times have changed, our mission has not. We remain focused on the safety and security of our passengers and staff, as well as our critical role connecting residents and local businesses to the world. We continue to be a responsible partner to our neighboring communities and an economic engine for the Commonwealth.

Like all of you, we've been accustomed to seeing planes departing and arriving, passengers traveling, ships unloading, and restaurants and hotels bustling. But as the world and economy remain uncertain, challenging decisions stand before us. However, throughout our history, Massport has endured difficult times and emerged stronger.

As this year began, we saw the world quickly shift before our eyes. Fortunately, our experienced team is always prepared for the unexpected — whether man-made, natural disaster, or a downturn in the economy. Our accomplished workforce remains one step ahead, armed with superior technology and the right tools in place while leveraging established networks and regular communications with Massport's key partners. These preparations are paying off today and we are incredibly proud of the work our team has done.

We cannot predict what 2020 will bring, but know we will adapt to the new normal to better serve our customers, partners, stakeholders, and employees. Massport is a strong organization powered by a sense of community, ingenuity, and resolve. There is a lot of uncertainty right now but there are certain things we know. We know Massport must remain agile and ready to adjust as necessary. We know we must continue to be a leader in our industries, and open to changes in how we do business. Whatever the challenges are, we will meet them head on.

Lewis Evangelidis

A handwritten signature in blue ink that reads "Lewis Evangelidis".

Lisa Wieland

A handwritten signature in blue ink that reads "Lisa Wieland".

THE MEANING OF MASSPORT

Massport means HISTORY

Created by the Massachusetts Legislature in 1956, Massport is an independent public authority governed by a seven-member Board. In our 63-year history, we have seen an evolution of Boston Logan, a revitalization of the Port, and been a catalyst for development and innovation across the Commonwealth.

Massport means ECONOMIC IMPACT

Approximately 107,000 direct jobs are supported by Massport facilities which generate an annual economic impact of \$21.9 billion for the Commonwealth.

Massport means BUSINESS

We're in the business of operating transportation facilities that move people and goods locally, across the country, and around the world. Our aviation properties include Boston Logan International Airport, Hanscom Field, and Worcester Regional Airport. On the Maritime side, we represent public terminals in the Port of Boston – Conley Container Terminal, Boston Fish Pier, and Flynn Cruiseport Boston. We also maintain ground leases with private parties, such as the Boston Harbor Shipyard & Marina and the Boston Autoport. In addition, we own real estate holdings in South Boston, East Boston, and Charlestown.

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SAFETY AND SECURITY



Hostile event drill at Boston Logan.



READY FOR TODAY PREPARING FOR TOMORROW

The threats to our nation's critical infrastructure are multifaceted and constantly evolving. As one of New England's most critical transportation nodes, with the responsibility of moving people and cargo around the world, Massport is committed to addressing the security challenges of today while preparing for the threats of tomorrow. Whether it's preventing violent acts, defending against cyber-attacks, or mitigating new technologies that pose potential harm, Massport continues to engage with security partners, policy makers, and industry experts to be ready for any challenge.

In 2019, Massport furthered our commitment to safety and security by hiring 39 new firefighters and 30 additional Massachusetts State Troopers. Massport also strengthened our relationship with the Massachusetts Army National Guard by temporarily integrating guardsmen into security operations during the peak summer travel months.

Massport Fire Rescue successfully satisfied a mandatory safety requirement by conducting a full-scale exercise simulating an airplane crash at Hanscom Field.

The Fire Department also moved into the newly constructed Aircraft Rescue and Firefighting (ARFF) building at Hanscom Field. The new facility allows the Fire Department to respond to both airfield



Newly constructed Hanscom Field Aircraft Rescue and Firefighting building.

and landside fire and rescue calls at Hanscom, as well as housing new facilities for Customs and Border Protection (CBP).

UNDERSTANDING RISKS

Addressing Rising Active Shooter Threats

Throughout 2019, Massport engaged in a multifaceted effort to prepare first responders and community members on how to respond to an active shooter situation. The Massachusetts State Police, Troop F (MSP), Massport Fire Rescue, and Massport Police hosted training workshops for its employees. Massport also conducted two live-action drills and created a training video specific to an airport environment.

Stopping Digital Hackers

In October of 2019, the Information Technology (IT) department kicked off a phishing awareness campaign educating employees on the threat of cyber phishing and testing their ability to identify malicious emails. Additionally, Massport invested in IT infrastructure upgrades and cyber defense tools to harden our networks.

Increasing Drone Awareness

Massport continues to evolve as rapid advances in Unmanned Aircraft System (UAS) technologies revolutionize air transportation. Massport is actively engaged in efforts to support appropriate safeguards and procedures for UAS integration, including:

- Conducting a UAS tabletop exercise which included the Federal Aviation Administration (FAA) Control Tower at Boston Logan, MSP, the Federal Bureau of Investigation (FBI), the Transportation Security Administration (TSA), and the Massachusetts Department of Transportation (MassDOT). The exercise helped Massport understand the appropriate response processes in the event of a drone flying over or near Boston Logan. As a result, new notification procedures were developed to streamline communication protocols.
- Testifying before the U.S. Senate on drone safety and potential impacts on airport operations.
- Rolling out a public education campaign to increase awareness that flying drones near or around airports is dangerous and illegal.

**ARE YOU IN A
NO DRONE ZONE?**

**DON'T BREAK THE LAW.
KNOW THE RULES. VISIT [FAA.GOV/UAS](https://www.faa.gov/uas)**

- 1** Flying in controlled airspace (around and above airports) is prohibited without prior FAA approval. Violators will be subject to penalties.
- 2** Never fly near any aircraft, especially near airports.
- 3** Keep your drone in sight at all times and always lower than 400 feet.

REGISTER YOUR DRONE

You must register your drone with the Federal Aviation Administration at [faadrones.faa.gov](https://www.faa.gov/uas). Mark the outside of your drone with the registration number and always carry proof of registration.

Drone awareness campaign.

MASSPORT CARE TEAM



Red Cross volunteers during CARE Team role playing exercise.

MEETING IMMEDIATE NEEDS

Massport's CARE Team was created to bridge the gap between an initial incident and when an airline's team arrives to assist with a disaster.

With its origins in assisting families and friends of aviation disaster victims, Massport's CARE Team has broadened its mission to include response to a range of incidents that could occur on or near Massport property. Immediately following an emergency situation there is critical need to collect and

share information as well as assist families in contacting relatives. Families of victims need a safe space away from media presence and aid in contacting emotional, medical, and spiritual resources. Several times each year, the CARE Team conducts recruitment events to seek compassionate and caring Massport employees for important roles in this volunteer program.

ESTABLISHING PARTNERSHIPS

To supplement the original Boston Logan Family Assistance Center (FAC), the CARE Team has established relationships with facilities proximate to the Massport seaport, Hanscom Field, and Worcester Regional Airport. The CARE Team understands that being prepared with multiple locations offers greater flexibility to respond to a wide range of incidents. We have continued to build partnerships with victim assistance entities such as the American Red Cross, FBI, National Transportation Safety Board (NTSB), and the MA Department of Public Health.

In 2019, the CARE Team, in close partnership with Massport's IT department, procured new badging equipment essential to the maintenance of the safety, security, and privacy of a Family Assistance Center.

IMPLEMENTING TRAINING

In the spring, the CARE Team held a training session focused on teaching family assistance volunteers how to help families and friends of disaster victims (while remembering to care and advocate for themselves). A fall training incorporated a tabletop exercise, including multiple responding agencies, with the focus on activation, notification, set-up, and operation of an FAC.



Volunteers learning how to activate a Family Assistance Center in the event of a disaster.

Massport's CARE Team was created to provide families of disaster victims compassionate care, information, and logistical support during the early stages of an incident, as well as bridge the gap between initial incident and when an airline's team arrives to assist with disasters.

AVIATION



BOSTON LOGAN INTERNATIONAL AIRPORT

Dynamic Growth

The demand for both domestic and international air service at Boston Logan was strong in 2019. A record 137 nonstop destinations were served, which was comprised of 79 domestic and 58 international markets. In 2019, Boston Logan welcomed the addition of two new domestic airlines (Frontier and Hawaiian) and three new international airlines (KLM, Korean, and Royal Air Maroc). New international nonstop service to Casablanca, Morocco, now connects New England to the African continent and opens doors to more people and goods. Other nonstop international destinations added in 2019 included Edinburgh, Scotland; Sal Island, Cape Verde; and Seoul, South Korea.

In September 2019, Delta Air Lines and Massport celebrated the expansion of Delta Air Lines to all Terminal A Gates at Boston Logan. The expansion grew Delta's airport footprint ahead of their additional domestic service offerings. As part of the airline's 2020 plans, Delta CEO Ed Bastian announced Boston as its newest hub.

2019 marked the 10th consecutive year of growth and a new record for passengers. Boston Logan International Airport served 42.5M passengers – an increase of 3.9% from 2018.

MA Governor Charlie Baker speaking at the Delta Terminal A event.

AVIATION

Economic Growth

In 2019, there was strong demand for air travel both to and from Boston. Because of that demand, Massport's airline business partners saw strong return on their investments at Boston Logan International Airport.

Boston Logan's economic impact is estimated by the State to be more than \$16.3 billion annually. (MassDOT Study, January 2019)

Terminal Improvements

After several years of work, the completion of the Terminal B Optimization project resulted in better customer service while improving airline operational efficiency and capacity. Key elements included the addition of newly reconfigured gates, replacement of old jet bridges, renovation of hold rooms and concourses, consolidation of security checkpoints (with innovative technology to reduce wait times), and the co-location of airline operations.



Terminal B



September 2019: Delta Terminal A event announcing Boston as a hub, with featured guests from L to R: Senior Vice President - Airport Operations Northeast, Delta Air Lines, Inc. Henry Kuykendall, Massport CEO Lisa Wieland, Delta Air Lines, Inc. CEO Ed Bastian, Massport Director of Aviation Ed Freni, MA Governor Charlie Baker, MA Office of Travel and Tourism (MOTT) Executive Director Keiko Orrall, and MA State Representative Steven Howitt.



June 2019: Ribbon Cutting for Terminal B Great Hall Opening with featured guests from L to R: Massport Director of Capital Programs and Environmental Affairs Sam Sleiman, Executive Director at The Sports Museum Rusty Sullivan, Massport Board Member Sean O'Brien, President of MarketPlace Development Paul McGinn, Massport Director of Aviation Ed Freni, MA Lieutenant Governor Karyn Polito, Vice President, Government and Airport Affairs at American Airlines Michael Minerva, Managing Director, Corporate Real Estate at American Airlines Palmira Whelan, General Manager of American Airlines Derek Proffitt, Massport Board Member Patricia Jacobs, President of TD Garden Amy Latimer, and Vice President, Field Stations at American Airlines Donna Paladini.

AVIATION

LAUNCHING LOGAN FORWARD 2019

Over the next several years, Boston Logan will undergo a series of significant projects aimed to enhance the customer experience by providing better options for getting to and from the airport, improving on-airport traffic flow, decreasing congestion at the terminal curbs, increasing parking availability, and providing seamless connections for passengers changing flights between terminals. Massport calls this commitment **Logan Forward**.

Key projects for **Logan Forward** include:

- HOV Initiatives
- Terminal B-C Roadway Improvements
- Terminal C Optimization and Terminal B-C Connector
- Terminal C Canopy and Upper Deck
- Terminal E Modernization
- Parking Program to Generate Fewer Trips To/From the Airport
- Reconfigured Ride App Operations

While improving customer experience at the airport, **Logan Forward** also aims to reduce Boston Logan's environmental footprint. In addition to the sustainability measures incorporated into all **Logan Forward** projects, fewer vehicle movements and less time spent idling on the airport roadways will create lasting air quality benefits for our neighboring communities.

Logan Forward is more than a set of program and facility enhancements, it's also a communication and information initiative. Throughout the course of **Logan Forward**, Massport has pledged to keep travelers apprised of the specific projects, benefits, and timelines of the work through a text and email alert system, regular website updates, and targeted marketing campaigns.



Rendering of the future Terminal B-C Connector, part of the Logan Forward construction initiative.

AVIATION

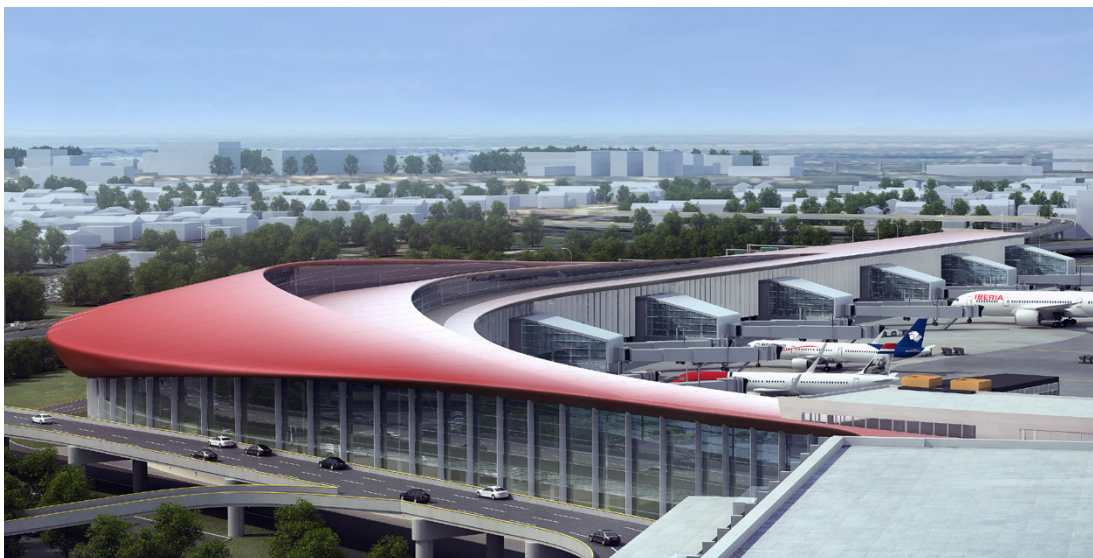
CONNECTING MASSACHUSETTS TO THE WORLD

As part of our **Logan Forward** initiative, Massport broke ground on the Terminal E Modernization project and the Terminal B-C Connector project in 2019. These projects will add much needed capacity and amenities for Boston Logan passengers.

The Terminal E Modernization project will add seven additional gates, hold rooms, ticket counters, a new security checkpoint, additional baggage claim areas, and bag rooms. The Terminal B-C Connector project will facilitate a seamless passenger connection by linking Terminals B and C post-security.

These improvements are expected to achieve energy efficiencies at a minimum of 20% more than the MA Energy Code by generating 300kW of solar energy through roof panels and solar glazing, and reducing airside operational related greenhouse gas emissions by 15%.

Also part of **Logan Forward** are the exciting new local food and beverage options added to each terminal. In partnership with MarketPlace Development, over 40 new diverse and in-demand concessions were opened in 2019 including Davio's, Sullivan's, Bruins Bar, and a New Balance store. In addition, the innovative "At Your Gate" meal delivery service was launched in Terminals A and C which makes getting a bite to eat at the airport easier than ever.



Rendering of the future Terminal E.



New local concession, Davio's, located at Boston Logan.

AVIATION

Easing Congestion

The tremendous growth in Boston Logan passengers, from 30 to 40 million over the last five years, has supported economic growth in the Commonwealth. However, the rapid increase in passengers over a short period of time overwhelmed the airport's roadways and curbs.

HOV

Boston Logan has one of the highest rates of high-occupancy vehicle (HOV) passenger transportation in the nation. HOV transportation reduces traffic congestion and air pollution which are important goals to Massport. To further encourage the use of HOV offerings, Massport invested significantly to make these options more accessible and attractive.



Passenger on Logan Express.

Logan Express

In 2019, Massport re-launched the Back Bay Logan Express (LEX) to encourage the use of this cost effective and convenient service. The initiative more than doubled ridership with new fares (\$3 to the airport and free from the airport) and "Ticket to Skip" passes for airport security line privileges. The success of "Ticket to Skip" led to the inclusion of water transportation to the incentive program.

Last year, Braintree LEX remained the most popular of the four suburban bus routes. To better serve the high passenger volume, bus frequency was increased from every 30 minutes to every 20 minutes.

Further improvements to Logan Express are expected to include new urban service from North Station and new suburban service with parking, online e-ticketing, additional parking at Framingham and Braintree, and an increase in bus frequencies from Framingham.



Boarding the Logan Express.



Logan Express Bus Service.

AVIATION

Ground Transportation

Improvements through **Logan Forward** will reduce emissions associated with traffic delays, decrease traffic congestion, and improve lighting and way-finding signage throughout the airport.

There was significant progress on roadway improvement projects in 2019. Upon completion, these projects will ease congestion by providing separate roadways to and from Terminals B and C. The new roadways will eliminate a bottleneck between terminals and ultimately result in safer, more efficient traffic flow.

Ride Apps

Ride Apps, such as Uber and Lyft, continue to reshape urban transportation and diversify the options for customers to get to and from the

airport. The popularity of Ride Apps continued, with total calendar year 2019 pick-ups and drop-offs at 3.5 million and 4.8 million, respectively.

In 2019, Boston Logan was the first airport in the nation to centralize Ride App pick-ups and drop-offs to reduce “deadheading” (when a vehicle comes to or leaves the airport empty), and to ease terminal curb and roadway congestion. Massport is on track to achieve its goal of reducing deadhead vehicle trips. Since fully implementing the Ride App operations plan in 2019, Massport estimates a deadhead rate reduction of over 15%.

New Ride App location in Central Parking.



WORCESTER REGIONAL AIRPORT

Growth Strategy and Investments

In 2019, Worcester Regional Airport and its airline business partners continued to improve the reliability and options for air service for business and leisure passengers from Central Massachusetts.

We added two new jet bridges, bringing the total to four, to accommodate the recent increase in air service as well as plan future growth. We also equipped all jet bridges with aircraft ground power and HVAC to assist with ground cooling.

As a result of our partnerships with local business groups, colleges, and community leaders, plus investments made by Massport, Worcester Regional Airport saw a 34% increase in passenger volume in 2019, the highest level since 1993. Looking ahead, we will continue to work towards increasing commercial passenger bookings while supporting the revitalization of Worcester and the Central Massachusetts region.



American Airlines, JetBlue, and Delta Air Lines planes prior to take-off at Worcester.

AVIATION

WORCESTER REGIONAL AIRPORT

New Service

In August of 2019, Delta launched nonstop service to Detroit, Michigan. This new service built on the success of our continued partnerships with American Airlines and JetBlue, increased Worcester Regional Airport's nonstop flights to five cities, and added connections to over 120 domestic and international destinations. In recognition of Delta becoming the 3rd major carrier serving Worcester Regional Airport, Massport hosted a launch event to celebrate their inaugural flight out of Worcester.

Economic Impact

In 2019, the economic output of Worcester Regional Airport more than doubled to \$97 million since the last economic report in 2014. This estimated 109% increase in growth provided economic benefits to the Commonwealth and grew aviation related jobs by 64%. This increase was driven by the new airline services and over \$100 million worth of investments made by Massport and private funds.

Milestones

As part of Massport's continued community and public awareness outreach efforts in Central Massachusetts, we remain committed to giving back. In November 2019, Massport leaders, Worcester City and State officials, our airline partners, and The Home Base Program teamed up to honor Veterans in the Central Massachusetts area. The Home Base Program received two pairs of round-trip tickets from each of our airline carriers which helped serve local warriors needing to travel for treatment. During this event we also celebrated Worcester Regional Airport's 6th Anniversary and 750,000-passenger milestone.

Outreach and Awareness

In Summer of 2019, Worcester Regional Airport sponsored the Latin American Festival, an event attended by over 10,000 guests. Corporations, businesses, and organizations had a chance to celebrate the rich Hispanic culture and heritage thriving in the City of Worcester. With the local population comprising of 20% Latin American residents, we saw an opportunity to raise awareness of Worcester Regional Airport to a community who would benefit from connecting flights from Worcester to Caribbean, Latin American, and South American markets.

In Fall of 2019, Worcester Regional Airport also began a campaign targeting local colleges and students. With over 36,000 students across 12 colleges and

universities in the Worcester area, we saw an opportunity to raise awareness with students who wanted to get home for the holidays and escape for spring and summer breaks. As part of this campaign, we offered three local students two round-trip tickets on behalf of our airline partners to fly anywhere within the continental United States.

With Worcester Regional Airport's market area population totaling over 1 million, Massport will continue to look for ways to invest in Worcester's future by broadening our audiences and partnering with community stakeholders, non-profit organizations, major corporations, and educational institutions across Central Massachusetts.



August 2019: Worcester Regional Airport Delta launch event featuring guests from L to R: Massport Board Chairman Sheriff Lewis Evangelidis, Worcester Chamber of Commerce President Tim Murray, Delta Air Lines Director of New England Sales Charlie Schewe, Worcester Art Museum President of Board Trustees Lisa Kirby Gibbs, Delta Air Lines Director of Local Government Affairs Patricia Ornst, MA Lieutenant Governor Karyn Polito, Massport Director of Aviation Ed Freni, Massport CEO Lisa Wieland, Congressman Jim McGovern, and Worcester City Manager Ed Augustus.

AVIATION

HANSCOM FIELD

Hanscom Field is the region's premier full-service general aviation airport, playing a critical role in New England's regional aviation system as a corporate reliever for Boston Logan. Aircraft operations at Hanscom have traditionally included commuter, business, charter, cargo, personal aircraft, air taxi, medical, and flight school activity. Hanscom Field serves the diverse flying needs of Massachusetts based businesses, local sports teams, and educational institutions. It is also an important resource for Hanscom Air Force Base, a research and development facility abutting the airfield.

In 2019, there were 128,681 operations at Hanscom, which is a 5.8% increase compared to the previous year.



Personal aircraft at Hanscom Field.

Hanscom's facilities are essential to the economic prosperity of the Commonwealth, promoting residents and industries to make connections with new markets, products, customers, family, and friends. The MassDOT 2019 Aviation Economic Impact Study determined there were 2,243 full-time equivalent jobs related to Hanscom Airfield with annual wages for these workers totaling \$134 million. Further, the study concluded that Hanscom generated an overall annual economic benefit of over \$679 million when considering all direct, indirect, and induced economic benefits.

Hanscom Field is a vital link to domestic and international destinations for Massachusetts based corporations. Businesses look for convenient, accessible air travel when deciding where to locate, and Hanscom provides them with easy access to corporate travel opportunities. Hanscom's role in the regional system of airports is consistently that of a corporate aircraft center. As our need for global mobility increases, the business community requires flexible travel means, like corporate aviation, to efficiently link workplaces and markets. The 32,224 civilian jet operations that were conducted in 2019 represented 25% of the total activity and indicate a 4.9% increase compared to 2018.

Hanscom has three first-class Fixed Base Operators (FBO) on the field. In 2018, Jet Aviation completed a major campus redevelopment plan including a new 40,000 sf hangar and 12,000 sf FBO building. Ross-Rectrix and Signature Flight Support have recently executed agreements with Massport for major campus redevelopment plans. Ross-Rectrix will invest nearly \$20 million for 60,000 sf of new corporate hangars and associated aprons. Signature will also invest nearly \$20 million for a new FBO building, increased apron space, and major upgrades to five hangars.

In 2019, Massport completed construction on a new ARFF and U.S. Customs and Border Protection facility. Both facilities will enhance safety and customer service for Hanscom's customers.



New ARFF facility at Hanscom Field.

MARITIME

ECONOMIC ENGINE

2019 was a year of progress for the Port of Boston, from handling the largest container ship in the Port's history, to reaching new milestones in capital investments that support the bright future of the working waterfront. Serving 14 million consumers, the Port of Boston has become a flexible, efficient, and reliable gateway for New England.

The Port of Boston is a strategic regional gateway, servicing the New England economy through international trade and cruise tourism. The Port generates \$8.2 billion in annual economic impact and supports 9,000 direct jobs. Nearly half of the economic activity generated by the Port of Boston comes from Massport's maritime facilities including container shipments through Conley Terminal, cruise ships calling on Flynn Cruiseport Boston, automobiles handled at the Boston Autoport, and seafood processing and distribution operations at the Fish Pier and Massport Marine Terminal (MMT). The activity at Massport's maritime facilities creates good paying, blue-collar jobs that can support families including truckers, longshoremen, freight forwarders, tug boat pilots, harbor pilots, shipping agents, and seafood workers.



Cargo container ship at Conley Container Terminal.

MARITIME



Conley Container Terminal.

CONLEY CONTAINER TERMINAL

In 2019, Conley Container Terminal achieved its fifth consecutive record with 300,762 twenty-foot equivalent units (TEUs), a 1% increase from 2018. Conley Terminal provides over 2,500 businesses utilizing the Port with three weekly services: Mediterranean Shipping Company's (MSC) direct service from North Europe to Boston, with further connections to Latin America, the Mediterranean, and Southeast Asia; Ocean Alliance (COSCO Shipping, OOCL, Evergreen, CMA CGM, APL) and The Alliance (Yang Ming, Hapag-Lloyd, Ocean Network Express), both whom provide weekly, direct service from Asia. Conley Container Terminal handles a variety of commodities through the Port, including furniture, recycled fibers, seafood, home décor, wine and spirits, apparel, footwear, and auto parts. In May 2019, Conley Terminal welcomed the largest vessel to ever berth in Boston, Hapag-Lloyd's *Seaspan Thames*, a 10,100 TEU vessel.

Strong partnerships have enabled Conley Terminal to proactively collaborate with New England-based retailers and shippers on navigating tariffs and trade restrictions implemented nationwide in late 2018 and early 2019. A 1.2% increase in imports and a 1.7% increase in exports year-over-year was the direct result of our joint efforts between terminal operations, labor, and customer engagement to keep cargo moving and avoid port congestion. China remains Conley Terminal's largest trading partner, however,

New England retailers diversified sourcing strategies abroad, expanding Conley's trade portfolio into Southeast Asian countries to include Vietnam, India, and Pakistan.

CONLEY TERMINAL EXPANSION AND MODERNIZATION

FASTLANE Projects

Massport continued to leverage federal funding from a \$42 million U.S. Department of Transportation (USDOT) FASTLANE Grant to help modernize Conley Terminal. To date, 100% of the projects that are part of the \$103 million FASTLANE program are either completed or underway, with an expected completion date by the end of 2021. This Grant supports modernization projects, including the Reefer Rack Project (for refrigerated container storage), the Conley Wi-Fi/LED Terminal Lighting Project, and the New Gate Processing Facilities project. The remaining FASTLANE terminal improvement projects include Berth 11 Rehab, Berths 11/12 Backland Area Improvement, Berth 11 Deepening, Crane Structural Painting, and the Berth 12 Fender Project, all designed to facilitate the safe and efficient handling of large ships.

BUILD Grant

USDOT awarded Massport a \$20 million Better Utilizing Investments to Leverage Development (BUILD) Grant to fund a \$65.8 million project that further modernizes Conley Terminal and enhances truck routes in the working port. This grant will facilitate

MARITIME

the complete build out of the Coastal Oil site at Conley, deploy innovative terminal technologies, and build a new truck route which will facilitate the safe and efficient movement of cargo from truck dependent businesses in South Boston to the interstate highway system. Massport anticipates the signing of the BUILD Grant in 2020, and the completion of all project components by 2025.

Dredging Project

As the local sponsor, Massport is working closely with the Army Corps of Engineers (ACOE) on the Boston Harbor Deep Draft Navigation Improvement Project to ensure Conley's continued growth and competitiveness as an East Coast gateway.



Dredging of Boston Harbor by the Army Corps of Engineers.

But the \$350 million dredging project would not have advanced without the support of the Commonwealth. Dredging of the Reserve and Main Ship Channel began in July 2018. Cashman Dredging and Dutra Group are responsible for removing 12.5 million cubic yards of silt, blue clay, till, and weathered rock. Approximately 8 million cubic yards had been dredged at the end of 2019, bringing the deepening project to a 65% completion milestone.

The widening of the turning basin was also completed, expanding the diameter to 1,725 feet. Once this overall dredging project is completed, Boston Harbor will have a depth of -47 feet. The dredging project will allow the larger container vessels calling today – and even larger ships expected in the future – to more efficiently and safely transit Boston Harbor to berth at Conley Terminal.

Berth 10/Cranes

The Conley Terminal Berth 10 and crane project is well underway, with an expected completion date on track for 2021. These capital improvements aim to accommodate the next generation of post-panamax vessels, allowing Massport to efficiently service the 13,000-14,000 TEU vessels calling U.S. East Coast ports today.

Capital improvements are on schedule to construct Berth 10, a new 1,250 foot ship berth contiguous with the terminal's existing Berths 11 and 12. Berth 10 is strategically located beyond the air space constraints that hinder operations today at Conley Terminal. This new berth will

allow for three Low Profile Post Panamax ship to shore cranes standing 205 feet tall, reaching 22 container rows wide, and capable of lifting containers 160 feet. The three cranes are under construction and expected to be delivered and commissioned in 2021.

Rubber Tired Gantry Crane (RTG) Procurement

Investing in equipment to efficiently move containers to trucks contributes to Conley Terminal's overall value of quick turnaround times for customers. Rubber Tired Gantry Cranes (RTGs) were procured and delivered to Conley in 2019, increasing the RTG fleet to 16. Deploying additional yard equipment allows truckers to process dual transactions under 35 minutes and promotes an efficient, congestion-free terminal for New England-based businesses. These energy efficient RTGs are equipped with advanced features which have increased performance and reliability, provide better safety for employees and customers, and lower fuel consumption and emissions.

MARITIME

FLYNN CRUISEPORT BOSTON

Flynn Cruiseport Boston contributes \$290 million to the local economy through the support of nearly 1,100 direct jobs.

Since 1986, over 6.5 million passengers have cruised through Flynn Cruiseport Boston. In 2019, a pinnacle year was marked in our 33-year history, welcoming 402,346 passengers on 138 ships. Passenger volume increased by 3%, driven by new itineraries, larger ships, and cruise lines testing the shoulder season months. Flynn Cruiseport Boston also recorded its longest season in history, starting in late March and running through mid-November.

In 2019, Maritime also celebrated The Norwegian Gem (the new Homeport vessel to Bermuda) with the Cruise Season Kick Off. At the celebration, MA Lieutenant Governor Karyn Polito was presented with the inaugural Maritime Champion Award in recognition of her hard work and advocacy for the Port of Boston and the Seaport Economic Council.

The MSC Meraviglia calling on Boston in October.



June 2019: The Working Port of Boston Panel Discussion from L to R: Moderator, Former Port Director, Port Authority of New York/New Jersey Molly Campbell, International Longshoremen's Association George McEvoy, CEO Eastern Salt Company, Inc. Shelagh E. Mahoney, Vice President Global Transportation International Forest Products Charlie Cunnion, Vice President Boston Sword and Tuna Larry Dore, Principal and General Manager Boston Harbor Cruises Alison Nolan, and Vice President of Deployment and Itinerary Royal Caribbean Cruises Ltd. Chris Allen.

Flynn Cruiseport Boston's season starts months prior to the first sailing with the annual Wave Season campaign. To build brand awareness on itineraries and destinations leaving Boston, Massport worked together to deploy an innovative and diversified marketing campaign across the Commonwealth. This campaign reached audiences through social media, digital display, newspaper, and targeted advertising.

Massport celebrated eight maiden voyages to Boston in 2019: Scenic Cruises' *Eclipse*, TUI's *Mein Schiff 1*, Princess Cruises' *Sapphire Princess*, Viking Cruises'

Viking Sun, Ponant's *Le Champlain*, Oceania's *Riviera*, Holland America's *Zaandam*, and MSC Cruises' *Meraviglia*. The *Meraviglia*, the largest cruise ship to ever call Boston, is capable of carrying 4,500 passengers and represents the newest, most modern cruise ship experience available today. Flynn Cruiseport Boston supported itineraries to Bermuda, the Caribbean, and the New England-Canadian coastline from over 20 different cruise lines. Other exciting itineraries were offered via repositioning cruises, including Iceland/Scandinavia, Western Caribbean, and Mexico.

MARITIME

SOUTH BOSTON SEAFOOD CLUSTER

South Boston is home to one of the largest and most dynamic seafood industry clusters in the United States. The Port of Boston Seafood Cluster creates \$917 million of annual business revenue, and is made up of a mix of new and established firms. This multigenerational, blue collar workforce consists of approximately 60 processors, wholesalers, and distributors located in the South Boston Waterfront alone and accounts for approximately 2,100 direct jobs. The proximity to Conley Terminal and Boston Logan is a major contributing factor to its continued growth and success.

BOSTON FISH PIER

The Boston Fish Pier is home to 18 seafood processing and distribution businesses, such as Atlantic Coast Seafood, Boston Smoked Fish, John Mantia & Sons, Martinez Produce and Seafood, Red's Best, and Sunny's Seafood.

Built in 1914, the Boston Fish Pier is the oldest continuously operating seafood processing facility in the United States and the only location in Boston Harbor where fish can be unloaded from vessels directly adjacent to processing facilities. Processing 17 million pounds of seafood annually, the Boston Fish Pier enables seafood to be transported to customers within 24 to 48 hours after being caught.

Massport Fish Pier tenant Red's Best was awarded the Greater Boston Chamber of Commerce 2019 Small Business of the Year Award for Innovation and Growth. Red's Best developed a technology system that electronically tracks daily catches from when fishermen offload the catch. Innovative approaches in seafood processing, such as this system, have enabled Red's Best's further growth and success in the South Boston Seafood Cluster.

In 2019, the Boston Seafood Festival, hosted by the non-profit Boston Fisheries Foundation, attracted over 5,700 visitors to the Fish Pier for the 8th annual festival featuring education booths and seminars, children's activities, live entertainment, and 55 vendors, several of which are Fish Pier and MMT tenants.



Seafood Festival at the Boston Fish Pier.

Massport and CNN partnered with various Fish Pier and MMT tenants to produce a documentary entitled "Real Port: Real People". This documentary, featured at the Boston Seafood Festival as well as on the CNN monitors at Boston Logan International Airport, tells the story of seafood processors, many of which span generations, and how their businesses have thrived in the South Boston Seafood Cluster.



Fish processing at the Fish Pier's Atlantic Coast.

MARITIME

THE MASSPORT MARINE TERMINAL

Located in South Boston, the MMT is the site of a growing concentration of modern seafood processing facilities. The 75,000 sf Legal Sea Foods corporate headquarters and quality control center and the 68,000 sf multi-tenant Harbor Seafood Center established the site as a destination for modern industry expansion in the early 2000's.

Today, several projects to build state-of-the-art facilities are in the pipeline. In 2019, Boston Sword & Tuna broke ground on a 48,000 sf headquarters and processing facility, which is expected to open in spring 2020. Other projects are in the design and permitting phase, and Massport has made significant investments on site-wide roadway and utility infrastructure improvements to support development. Massport's plan for the entire MMT site envisions approximately 400,000 sf of maritime industrial use at full build out.

Boston Mayor Martin J. Walsh speaking at the groundbreaking of the new Boston Sword & Tuna facility, January 2019.



THE BOSTON AUTOPORT

The Boston Autoport, a critical part of the working port, continues to grow with 84,000 vehicles processed in 2019.

Beyond the core auto import/export business, the Autoport functions as an 80 acre maritime industrial business park and is home to a diverse mix of companies which employ hundreds of workers. In 2019, Massport took significant steps to strengthen the Autoport's future operations by negotiating a lease with the Boston Planning and Development Agency (BPDA) to secure the use of the adjacent 2.2 acre Moran Annex Parcel for continued Autoport operations.

In collaboration with the City of Boston, Massport made major headway in defining a package of community benefit commitments intended to buffer maritime industrial operations from nearby residents. As part of this process, Massport secured commitments to help protect and improve key Charlestown truck routes that provide access to businesses in the Charlestown Designated Port Area.

BOSTON HARBOR SHIPYARD & MARINA

Located in East Boston, the Boston Harbor Shipyard & Marina is home to approximately 30 businesses and employs over 250 individuals. The site has been historically operated as a shipbuilding and repair facility, but has transformed into a mixed-use property which includes businesses such as steel fabrication, maritime, high-tech industrial, and food and beverage offerings. In addition to cultural amenities like the ICA Watershed and HarborArts, the marina provides 180 slips, 2,500 linear feet of commercial berthing space, and boat storage.

Vibrant cultural offerings attract neighborhood residents and visitors to the shipyard. The Institute of Contemporary Art's free ICA Watershed exhibit brings international artists to the East Boston waterfront. In 2019, the celebrated artist and filmmaker John Akomfrah's immersive Purple installation was the feature exhibit. Additionally, HarborArts, which has its offices in the shipyard, showcases public artwork throughout the property in a permanent outdoor gallery. Since coming on board as Principals of Boston Harbor Shipyard & Marina, LLC in 2018, Chuck and Ann Lagasse have hired an interdisciplinary design consultant to lead a master planning process that will guide long-term growth and sustainability at the shipyard.

Overhead of Boston Harbor Shipyard & Marina in East Boston.



REAL ESTATE & ASSET MANAGEMENT



Construction of the Omni Hotel site in South Boston's Seaport District.

Massport owns approximately 460 acres of real estate. Of the 460 acres, 320 acres support maritime and commercial establishments in Charlestown, East Boston, and South Boston. The Real Estate and Asset Management Department (RE&AM) manages a mix of long-term ground leases, space leases at the Boston Fish Pier, and short-term licenses. Assets range from commercial office buildings, hotels, and apartment buildings to the Boston Fish Pier, the MMT, the Boston Autoport, and 88 Black Falcon. RE&AM supports Massport's Maritime mission by managing the maritime industrial tenant relationships and overseeing commercial assets to maximize revenues to invest in the Port.

Fundamentally, Massport is in the real estate business to achieve three primary objectives:

- 1) Generate lease revenue and make land use decisions that support Port facilities, their operations, and the surrounding community.
- 2) Pursue projects that stimulate economic development by creating jobs, generating tax revenues, and supporting unique industries such as Boston's hub of seafood processing and distribution.
- 3) Provide leadership and apply innovation that help shape urban development in Boston through initiatives such as Diversity and Inclusion and public realm.

REAL ESTATE & ASSET MANAGEMENT

A SOLID PORTFOLIO AND TRACK RECORD

Massport has established a solid track record of commercial development on portions of its properties no longer necessary for the operation of its other business lines (Maritime and Aviation). As of 2019, the portfolio of operating assets developed under long-term ground leases includes approximately 3 million sf of office space, 1,531 rental apartments, and 898 hotel rooms.

In addition to the existing portfolio, a number of major new projects are under construction and expected to open in the 2020-21 time frame.

These projects include:

- Gables Seaport: a residential apartment building with 307 units.
- Ora Seaport Apartments: a residential apartment building with 304 units.
- The Hyatt Place Boston/Seaport Hotel: a select service hotel with 293 rooms.
- The Omni Boston Hotel at the Seaport: a full-service hotel with 1,055 rooms.

CONSISTENT GROWTH AND ADVANCEMENT

In May of 2019, the South Boston Waterfront Transportation Center celebrated its one-year anniversary. The parking facility provides much needed capacity for nearby residents and workers, as well as event attendees at the Boston Convention and Exhibition Center (BCEC), cruise passengers, and other venues. Focused marketing efforts have helped the property gain market share and surpass revenue projections during 2019.

In December 2019, Suffolk Construction tested the water resistance of a cutting-edge new ground floor wall system at The Ora Seaport development on Massport property in South Boston. The project is the first major third-party development project on Massport property designed to meet or exceed the requirements of Massport's Floodproofing Design Guide. In addition to the water resistance of the building envelope, the project was designed and built with all critical utility infrastructure elevated to a prescribed height well above grade to ensure resilience in flooding events.

NEW DEVELOPMENT INITIATIVES

Parcel A-2

In Spring of 2019, Massport executed a Development Agreement with Boston Global Investors for the Parcel A-2 project, which consists of a 600,000 sf, 18-story signature



Parcel A-2 rendering.

office building on 1.1 acres in South Boston. The project will include a significant investment of approximately \$25 million in public realm build-out and programming. This will include more than 100,000 sf of new public space with activities targeting all Boston residents. Diverse minority and women-owned business (M/WBE) participation has been included in all aspects of the project.

REAL ESTATE & ASSET MANAGEMENT

Commonwealth Pier

In 2019, Massport saw the completion of the redevelopment agreement for Commonwealth Pier with Pembroke, Massport's longstanding tenant. The project, which includes significant public realm elements and expanded diversity and inclusion commitments, will rejuvenate the historic pier to better suit future use demands. The project will modernize the entire asset with an updated façade with the goal of achieving LEED Gold certification and increased attention to resiliency. The project will provide expanded public access to the water's edge and improved facilities for passenger water transportation including expanded dock capacity, improved universal access, restrooms, ticket offices, and indoor waiting areas.

Parcel H

RE&AM issued the Parcel H Request for Proposals (RFP) in summer of 2019, which seeks a developer for the 1 acre South Boston parcel along with two option parcels. The site, planned for up to 600,000 sf of mixed-use commercial development, includes the opportunity to improve/integrate the MBTA Silver Line station. Massport is in the process of evaluating the seven bids received in response to the RFP.

THE IMPORTANCE OF PUBLIC REALM

In cities today, high quality public realm spaces have become the expectation. Given the pace of recent development, the rapid evolution of the South Boston Waterfront has generated demand for new and better public venues and programs. With the goal of activating existing spaces and ensuring new development projects create first-class public amenities, Massport continues to advance a public realm initiative it began in 2018. In order to attract visitors throughout Boston to the waterfront, Massport has reached out to cultural leaders, non-profit organizations, tenants, and other stakeholders to begin a dialogue about potential partnerships to enhance the public realm in the South Boston Waterfront.

Programming and Public Realm Improvements

In 2019, Massport sought to bring energy and entertainment to the neighborhood by hosting the Berklee College of Music concert series "Summer in the City" at the South Boston Maritime Park, featuring two lunchtime performances per week from June through October. Students from Berklee performed more than 400 free concerts at notable venues around Boston as part of their "Summer in the City" concert series, which featured some of Berklee's most promising young artists performing a variety of musical genres, such as jazz, R&B, pop, and classical. Plans for 2020 are in the works.

Massport also worked to begin outreach to strategic cultural and non-profit partners. Together with Grayscale Collaborative, Massport will work to develop multi-year programming that will draw visitors from across Boston to engage with the working port and the waterfront. Significant public realm improvements will include a large new public plaza, an expanded apron, an enhanced harborwalk around the entire perimeter of the pier, and more than 30,000 sf of new retail space across the ground and viaduct levels.



Berklee College summer music series in South Boston Maritime Park.

COMMUNITY RELATIONS & GOVERNMENT AFFAIRS

CHARITABLE CONTRIBUTION PROGRAMS

Massport's Charitable Contribution Program promotes good will in our neighboring communities. By awarding grants to local organizations, Massport is able to make a positive impact on the lives of neighboring residents. Organizations apply for funding to support a wide array of programming in areas such as athletics and recreation, youth education, arts and culture, social service, and environment.

Massport's Community Summer Jobs Program enables local organizations to provide meaningful employment opportunities to students in neighboring communities. In 2019 alone, Massport awarded \$600,000 in grants to over 30 summer programs.

Serving approximately 1,600 children every year – and one of the many programs that Massport supports through the Community Summer Jobs Program – Piers Park Sailing Center uses its grant to employ camp counselors who help to maintain safety on the water (and a fun learning environment for younger children).



The Community Summer Jobs Program at Piers Park Sailing Center.

COMMUNITY RELATIONS & GOVERNMENT AFFAIRS



Memorial, Diversity and STEM Scholarship winners with Massport from L to R: Director of Community Relations and Government Affairs Alaina Coppola, CEO Lisa Wieland, and Director of Diversity & Inclusion/Compliance Kenn Turner.

SCHOLARSHIP PROGRAM

Massport offers high school seniors several scholarship opportunities each year. The Massport Memorial Scholarships are named in honor of longtime Massport employees who made a significant impact on their communities and in their respective fields. These \$5,000 scholarships are awarded to high school seniors who meet the scholarship criteria and are chosen by the scholarship selection committee. Massport also provides several neighboring community high schools with Massport Scholarship Grants.

Massport's Office of Diversity & Inclusion/Compliance offers a scholarship program to foster diversity in the transportation industry and connect the best and brightest graduating minority high school seniors to college scholarships that support the Commonwealth's STEM (Science, Technology, Engineering, and Math) Initiative. Students eligible to apply for the STEM Scholarships include all graduating minority high school seniors from neighboring communities interested in pursuing a degree in areas of study including aviation, business administration, accounting, architecture, engineering, finance, and human resources.

GRAND OPENINGS

Residents had long asked the City of Boston to station a second ambulance in East Boston to cut down on response times when the only other local ambulance was busy answering a call. Massport worked closely with Boston EMS to coordinate the new ambulance bay project. Design and construction for the new ambulance bay (as well as a new, larger office trailer for EMS personnel) began in 2018 and was completed in April 2019.

On May 22, 2019, during National EMS Week, Massport officially cut the ribbon on the new Boston EMS ambulance bay at Boston Logan and thanked Boston EMS for their hard work and dedication. East Boston residents, elected officials, and first responders joined Massport to celebrate the opening of the new bay and trailer.



May 2019: Ribbon Cutting of the East Boston EMS ambulance bay with guests from L to R: Massport Director of Capital Programs and Environmental Affairs Sam Sleiman, Massport Director of Aviation Ed Freni, Director of Administration and Finance/Secretary Treasurer John Pranckevicius, Boston Mayor Martin J. Walsh, Boston EMS Chief James Hooley, MA State Representative Adrian Madaro, Massport Fire Chief Joe DeGrace, and EMS paramedics.

COMMUNITY RELATIONS & GOVERNMENT AFFAIRS



Community mural painting at Eastie Pride Day.

COMMUNITY ART PROJECT

Taking place in Massport's Piers Park, Eastie Pride Day is a large event that brings families, friends, neighbors, local businesses, and local elected officials together to celebrate neighborhood pride. In 2019, during the 31st Annual Eastie Pride Day, Massport hosted a community art project.

Hundreds of community members and families came out to help complete a paint-by-numbers style mural that was subsequently installed in the new Terminal A Ride App area in Central Parking at Boston Logan. Massport enlisted the help of local artist James Weinberg who created a one-of-a-kind paint-by-number style piece that evoked the spirit and pride of East Boston and the City of Boston as a whole.

PIERS PARK PHASE II

Long imagined when construction of Phase I began in the early 1990s, Piers Park Phase II became a reality as part of the Terminal E mitigation program.

Massport, along with the East Boston Project Advisory Committee, Inc. (PierPAC), held community meetings in 2019 to discuss and finalize a preliminary design for this new open space planned at a cost of \$15 million. Kleinfelder Northeast Prime was selected as the park's landscape architect, working in collaboration with Pressley Associates to incorporate climate resilience designs into the park. Adjacent to the award-winning Piers Park, Phase II will add an additional 4.5 acres of greenspace on the East Boston waterfront, creating an 11 acre waterfront park.

Community mural in Terminal A's Ride App location in Central Parking.



Rendering of Piers Park II in East Boston.



DIVERSITY & INCLUSION

DIVERSITY IN COMMERCIAL REAL ESTATE DEVELOPMENT

Diversity Criteria

Massport launched a novel diversity and inclusion model in commercial real estate development with the Omni Hotel project. Since then, Massport has aimed to build on the success of the initiative with the A-2 project adjacent to World Trade Center Ave and in 2019 with the RFP on Parcel H near the Massport Haul Road MBTA stop. The approach to increasing minority involvement in Boston's real estate market was recognized locally and nationally in media outlets, publications, and presentations. Notably, Harvard Kennedy School of Government and Harvard Business School published a case study of Massport's diversity and inclusion model. Also, WGBH's Color of Public Money spotlighted the Massport's diversity and inclusion model, challenging the field locally and nationally to use a similar approach to truly increase minority participation in state contracts.

Building Partnerships

The Office of Diversity & Inclusion/Compliance at Massport partnered with RE&AM in hosting "Building Partnerships", the first of its kind networking event that brought together real estate businesses such as developers and professionals to build relationships with minority and women owned businesses. The event was well attended by 166 local and national real estate professionals including developers, contractors, investors, consultants, and service providers.

83% of attendees thought the networking session provided opportunities to establish potential business relationships.

~Business Diversity Summit Survey.



October 2019: Building Partnerships event with featured guests from L to R: Massport Board Member Warren Fields, E. Green & Associates, LLC. Ernest "Ernie" Green, Massport CEO Lisa Wieland, Former Massport Board Member L. Duane Jackson, Massport Director of Diversity & Inclusion/Compliance Kenn Turner, MA State Senator Nick Collins, City of Boston Chief of Economic Development John Barros, MA State Representative David Biele, and Massport Chief Development Officer Andrew Hargens.

DIVERSITY & INCLUSION

EMPLOYEE RESOURCE GROUPS

As part of Massport's Diversity Strategic Plan, the Women's Employee Resource Group (ERG) was launched in 2019. The first Women's ERG meeting was held in November 2019 with over 60 employees attending. Members voted on the group name "SHE" (Supporting, Helping, Empowering) and will work on various initiatives such as professional development workshops and mentoring programs.

DIVERSITY TRAINING PROGRAMS

The relaunch of Massport's Supplier Diversity Program (SDP) fosters competition and prosperity for small and diverse businesses and allows for cross certification partnerships with the City of Boston as well as national, regional, and private certification organizations. Each year Massport establishes a diverse supplier goal by conducting availability analysis. During FY 2019, Massport determined an overall diverse supplier goal of 2.54% for the purchase of goods and non-professional services, and achieved 4.30% diverse supplier participation (exceeding the goal by 1.76%).

Massport developed and implemented The Diversity and Inclusion Cultural Sensitivity training with approximately 1,000 employees. The primary goal of this initiative is to create a Massport culture of inclusiveness with awareness.



November 2019: Women's Employee Resource Group from L to R: Massport Deputy Director of HR Strategy and Organizational Development Kafi Garrus, Massport Assistant Director Media Relations Bernice Freedman, Massport Director of Diversity & Inclusion/Compliance Kenn Turner, Compass Working Capital General Counsel and Chief Legal Advisor Betty Francisco, and Massport Workforce Diversity Program Administrator Cindy Montoya.

SUSTAINABILITY AND RESILIENCE

In recent years, Massport has received a number of Sustainability, Resiliency, and Environmental awards and grants.

LEADING BY EXAMPLE

At the 13th annual Leading By Example Awards in December 2019, the Baker-Polito Administration recognized eight Massachusetts state agencies, public higher education institutions, municipalities, and public sector individuals for their leadership in promoting clean energy and sustainability initiatives. Massport received a recognition award for wide-ranging energy efficiency, renewable energy, and sustainable transportation programs across several sites. These programs include lighting retrofits to save 1,776,000 kWh of electricity and the design of a solar canopy at Boston Logan's Terminal C. Other initiatives recognized included a commitment by Boston Logan tenants to procure approximately 200 pieces of electric ground support equipment (eGSE), the installation of electric charging infrastructure, LEED Gold certification at Terminal B Connector, the purchase of hybrid electric vehicles, and the installation of electric vehicle charging ports.

Electric car charging station.



VALE GRANTS

Voluntary Airport Low Emissions (VALE) grants assist airports in implementing air quality actions to reduce on-airport generated emissions.

- Boston Logan International Airport has received multiple grants through the FAA's VALE Program (the two most recent grants received totaling just over \$4.6 million).
- The grants will fund infrastructure for approximately 98 charging stations, 43 of which will be located at Boston Logan Terminal C. Massport will match each grant by covering approximately 25% of the project cost.

The VALE grants support a broader, airport-wide initiative to install electric charging infrastructure as airlines replace their ground services equipment (GSE) with electric powered versions. As airlines work to replace appropriate vehicles with commercially available electric substitutes, Massport is installing charging stations at all terminals with 250 such stations expected to be installed on the airfield by the end of February 2020.

SUSTAINABLE MASSPORT 2.0

In order to continue to update the sustainability program and initiatives at Massport, an effort was launched in February 2019 to engage via charrettes with over 150 employees and representative stakeholders from 70 separate entities.

Using the feedback received, a detailed set of recommendations was developed and resulted in the creation of a 12-month action plan focused on:

- Recycling, reuse and waste reduction, the creation of a sustainable culture, communication of initiatives and progress, and further engagement and education of employees and other stakeholders.
- Identification of specific representative initiatives that address expansion of the organic waste program, growth of the liquid diversion program at TSA checkpoints, creation of a food donation program, launch of a Sustainable Massport recognition program, and the development of a Maritime Sustainability and Resiliency plan.
- Creation of a detailed report with summary recommendations to further inform the development of longer-term plans.

SUSTAINABILITY AND RESILIENCE

ADDRESSING CLIMATE CHANGE

In 2015, with funding from the FAA, Boston Logan International Airport became one of the first airports in the country to incorporate climate change into a sustainability plan. Currently this plan is serving as the model for an expanded plan to cover the entire Massachusetts Port Authority organization.

In March of 2018, two significant Nor'easters hit the Northeastern United States. Massport activated its Flood Operations plans and came through the storms with little impact. *The New York Times* highlighted the decision to pursue resiliency planning in earnest, writing that Massport had a “plan to make the airport, which is almost surrounded by water, more environmentally sustainable and resilient in the face of climate change.”

Massport's environmental efforts are achieving measurable results for passengers, customers, and the community. In some areas, Massport has already reached or surpassed the goals set for 2020 at Boston Logan.

FOCUSING ON CONSERVATION

Renewable energy generation at Boston Logan has more than doubled since FY 2012. As a result, greenhouse gas emissions per passenger have been reduced by 46%.

Massport continues to strive to conserve energy by constructing buildings with higher levels of efficiency than required by building codes. Since 2002, energy use intensity (kBtu per square foot) at Boston Logan has decreased by approximately 25%. Our investments included increasing central heating and cooling plant efficiency by 30% through the installation of two new chillers. As part of the Terminal B Optimization Project, View Dynamic Glass was installed to reduce energy use and greenhouse gas emissions. Throughout the day, the glass automatically tints to maximize natural light, reduce heat and glare, and provide unobstructed views. In addition to improved comfort for passengers, the dynamic glass is expected to reduce both cooling loads and lighting needs by 5%.

In a further initiative to conserve energy, Massport has replaced 14 oil-fired heating systems with high efficiency natural gas as well as installed nearly 4,000 solar panels. In one year, the electricity produced by the solar panels totaled over one million kWh (enough to power more than 150 Massachusetts homes a year).



Solar Panels on top of Terminal A at Boston Logan.

SUSTAINABILITY AND RESILIENCE

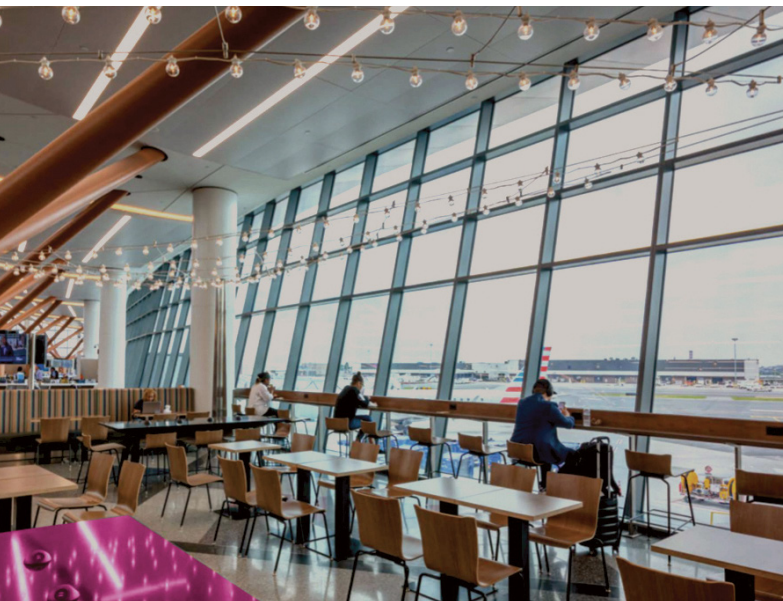
LEED GOLD BUILDINGS

Boston Logan International Airport's Terminal B Gates 37-38 Connector has been certified LEED Gold by the U.S. Green Buildings Council.

Working with our construction and design team we:

- Reduced lighting power consumption by 52%, potable water usage by 28%, and diverted 72% of construction waste from landfill disposal.
- Manufactured 23% of the building materials from recycled content, sustainably sourced 100% of wood products (FSC certified), and manufactured 34% of project materials within 500 miles of the site.

The project team emphasized passenger and employee well-being, energy efficiency, and close consultant collaboration throughout the design and construction process. Massport now has five facilities that have LEED certification.



RESILIENCY: THE ABILITY TO RECOVER QUICKLY

The ability to recover quickly following a significant weather event means protecting critical infrastructure such as electrical power and fresh water pumping stations, heavy equipment, telecommunications systems, and public safety including police and fire.

50% of Massport's critical infrastructure is protected from storm surge flooding, surpassing the 2020 goal of 25%. To date Massport has:

- Installed flood barriers and flood doors which can be deployed in advance of a storm to protect critical infrastructure against storm surges.
- Moved electrical and mechanical equipment to upper building floors wherever possible.
- Purchased pumps and generators to restore operations quickly after a storm.
- Installed water-resistant materials, water sensors, and sealed electrical conduits.

The flood barriers are tested regularly and training exercises are conducted to ensure preparedness for severe-weather events. Looking toward the future, Massport continues to incorporate our Floodproofing Design Guide into capital planning and real estate development processes to make infrastructure and operations more resilient to anticipated threats. The Floodproofing Design Guide identifies flood elevations for new and existing infrastructure, and specifies the threshold above which the lowest floor, important utilities, life-safety systems, and other critical equipment must be elevated.

Updated Terminal B LEED Gold construction.

INDUSTRY RECOGNITION

Massport received the CMAA Leader in Sustainability Award for the development of a resiliency application created to address challenges identified from weather impacts to Massport facilities during the winter of 2018.

The application facilitates the management of flooding or heavy precipitation events impacting Massport infrastructure. It also helps inform decision-making during a flood event in which Massport Flood Operation Plans may have been activated. Finally, via mobile devices, the use of the application can enable real-time field updates of flood water encroachment, barrier and resource deployments, equipment status or activity milestones, and site inspections.

FISCAL RESPONSIBILITY

RESPONSIBLE STEWARDS

The Massachusetts Port Authority was created by Chapter 465 of the Massachusetts Acts of 1956 ("the Enabling Act"). Under the Enabling Act, Massport has the power to issue revenue bonds for financing purposes, fix, revise, charge, and collect rates, fees, rentals, and charges for the use of its projects, and maintain, repair, operate, extend, enlarge, and improve its projects. While it does periodically receive federal and state funding grants for specific purposes, for example the modernization of the Conley Container Terminal and runway and taxiway improvements at all of Massport's airports including Boston Logan, Massport remains an independent public authority and is financially self-reliant. Massport has the financial and operational independence to enhance the experience of customers using its facilities, be a responsible steward of the assets under its control, and incorporate visionary planning into strategic investments, providing use by future generations. All of this is in support of Massport's mission to be an engine of economic development for the Commonwealth by connecting Massachusetts to the global economy and providing quality services to its many and diverse customers, stakeholders, and business partners.

CAPITAL INVESTMENT

The 2018 Annual Report noted that record breaking business growth in passengers and containers, along with increasing customer service needs across Massport facilities, was resulting in higher demands for capital investment. In 2019, business activity continued to grow at a record setting pace. Over the next five years, Massport plans to invest in strategic initiatives that include transforming Boston Logan terminals for the future and improving Conley Terminal to accommodate larger ships.

In addition to revenue bonds, a sizable portion of the capital program will be financed by Massport's margin. Because airport parking and other traditional revenue sources are under pressure from new businesses such as Ride App companies, it is imperative that operating costs are rigorously monitored and controlled to limit increases to absolute minimums. Massport must also use its margin to subsidize several key businesses including certain Maritime facilities, Hanscom, and Worcester Regional Airport as they provide significant economic benefits to the region.

Massport has enjoyed one of the highest bond ratings of any U.S. airport in the country for the past several years, and these ratings were once again affirmed in June 2019 as part of Massport's most recent bond sale.

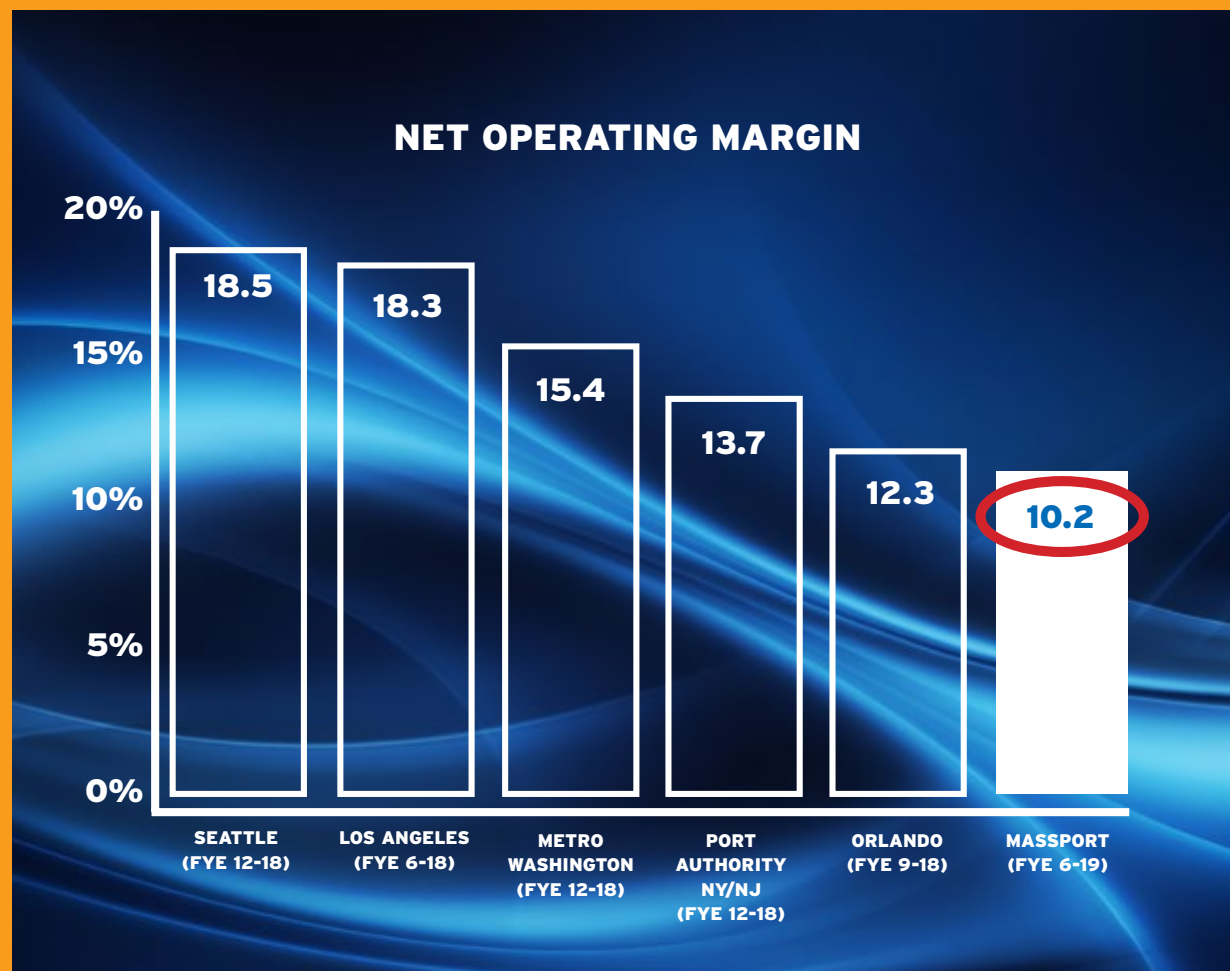
The rating agencies' strong vote of confidence in Massport is grounded in the fact that according to Moody's, "Massport's combination of high origin and destination demand from a strong non-leisure-based economy and diversity of carrier mix is one of the key credit strengths of the authority." Boston Logan, which generated 82% of Massport's operating revenues in fiscal year 2019, set another record for passengers. On a calendar year basis, over 42.5 million passengers used Boston Logan, which represents a 3.9% increase over last year. Maritime's Conley Terminal also set a new record in calendar year 2019 by handling 300,762 TEUs, which is 1% more than the prior year.

FISCAL RESPONSIBILITY

GROWTH AND MARGINS

From fiscal year 2000 to fiscal year 2019 (FY falls July through June), Boston Logan and Conley Terminal grew on average by 2.2% and 4.0%, respectively.

Massport continues to operate with margins that are both lower than 10 years ago and, as illustrated in the following chart, below those of peer airports. Massport will continue to carefully balance the financial impact of its strategic capital investments against sustainable financing sources to maintain its credit ratings while generating additional economic benefits for the region. Massport will exercise prudence and disciplined fiscal responsibility, as we have in the past, while providing the highest possible levels of safety, security, and service to our customers, partners, and stakeholders who use our facilities.



Source: Peer Airports - 2018 Comprehensive Annual Financial Reports
Massport - 2019 Comprehensive Annual Financial Report.

SENIOR STAFF

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Chief Executive Officer

KWANG CHEN

Chief Information Officer

ALAINA COPPOLA

Director of Community Relations & Government Affairs

BRIAN DAY

Director, Labor Relations/Labor Counsel

VIRGINIA FLYNN

Director, Internal Audit

EDWARD FRENI

Director of Aviation

DAVID GAMBONE

Chief Human Resources Officer

ANDREW HARGENS

Chief Development Officer

JOSÉ MASSÓ

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JENNIFER MEHIGAN

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MIKE MEYRAN

Port Director

REED PASSAFARO

Chief of Staff

JOHN PRANCKEVICIUS

Director of Administration & Finance/Secretary Treasurer

JOHN RAFTERY

Chief Marketing Officer

HAROLD SHAW

Chief Security Officer

HOUSSAM SLEIMAN

Director of Capital Programs & Environmental Affairs

KENN TURNER

Director of Diversity & Inclusion/Compliance

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SEAN M. O'BRIEN



JOHN NUCCI



WARREN FIELDS



LAURA SEN

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*Massachusetts Port Authority
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