

MASSACHUSETTS PORT AUTHORITY
MINUTES FOR THE REMOTE MEETING
HELD ON MARCH 25, 2021 AT 9:00 A.M.

The meeting of the Members of the Massachusetts Port Authority was held on March 25, 2021. The following Members participated remotely per Governor Baker's March 12, 2020 Order Suspending Certain Provisions Of The Open Meeting Law: Chairman Lewis G. Evangelidis presided, Patricia A. Jacobs, John A. Nucci, Sean M. O'Brien, Laura Sen, and Jamey Tesler. Lisa Wieland, Chief Executive Officer and Executive Director, Reed Passafaro, Chief of Staff, John P. Pranckevicius, Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Catherine McDonald, Chief Legal Counsel, Hank Shaw, Chief Security Officer, Michael Meyran, Port Director, Andrew Hargens, Chief Development Officer, Luciana Burdi, Director Capital Programs & Environmental Affairs, Tiffany Brown-Grier, Acting Director of Diversity & Inclusion/Compliance, Anna M. Tenaglia, Deputy Director of Administration and Finance, Daniel Gallagher, Director of Aviation Business and Finance, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:00 A.M.

Public Comment

There were no requests to speak during the Public Comment Period.

Ratification and approval of the minutes of the February 25, 2021 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the February 25, 2021 Board Meeting.

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

Chairman's Comments

Mr. Evangelidis noted that today is the two hundredth anniversary of Greek Independence Day and he has been asked by Governor Baker to present a proclamation naming today Greek Independence Day in Massachusetts at an event which might require him to leave this meeting before it ends.

Motion to Enter Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to consider the purchase, exchange, lease or value of real property, specifically regarding Massport Marine Terminal Parcel 5 – Pilot Development, and Massport Marine Terminal Parcels 7 and 8, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority.

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

Mr. Evangelidis stated that the Authority will reconvene after Executive Session.

The public session recessed at 9:05 A.M.

The public session reconvened at 9:30 A.M.

Report of the CEO

Ms. Wieland acknowledged that it has been one year since the first remote Massport Board Meeting and she thanked the Board Members for their leadership and support over that period as well as all the dedicated staff that has kept Massport functioning during this challenging time. Mr. Evangelidis thanked Ms. Wieland for all her work in managing through the pandemic challenges. Ms. Wieland then presented information on the obstacles faced, the responses to those obstacles, and the key priorities met over the last year, on the January FYTD financial performance, on the projected amount of funding Massport will receive from the passage of the \$1.9 trillion American Rescue Plan, on the progress made filling Massport’s \$400 million financial gap, on President Biden’s potential infrastructure plan, on the projected Logan passenger volume for FY21, on the trend since COVID-19 began of an increasing percentage of private vehicle trips to airports nationally and locally, on the increase in regional gateway traffic, on Massport’s projected limited discretionary revenue going forward, and on Massport Strategic Priorities 2021-2025 and developing proposals to address them.

Director of Aviation Presentation

Mr. Freni presented information on the submission of a USDOT Small Community Air Service Development Grant application for Worcester Airport, on the State Police Troop F rollout of a body camera program at Logan, on Logan being ranked one of the safest airports one year into the COVID-19 pandemic, on Delta’s new domestic service from Logan and its international joint venture with LATAM Airlines, on U.S. airlines efforts to implement measures to increase international travel, on the February Logan passenger volume and aircraft operations, on air travel booking data illustrating increased optimism among passengers and major U.S. airline CEOs, and on the February decline in Hanscom aircraft operations compared to the prior year.

Director of Maritime Presentation

Mr. Meyran presented information on the expectation that global container shipping congestion in the Asia – U.S. trade will continue through the summer, on worsening congestion in the Port of Savannah continuing to delay ship arrivals to the Port of Boston, on growth in the Europe – U.S. trade into Boston despite severe congestion, on Conley’s February decrease in cargo volume due to fewer ships compared to the prior year, on the announcement by cruise lines of the requirement that all crew and passengers be fully vaccinated, on the CDC’s extension of the conditional sail order until November 1st, on the cruise lines 2020 financial reporting, and on the steps taken by the maritime industry’s key stakeholders to decrease their carbon emissions.

Safety and Security Committee

COVID-19 Update

Mr. Shaw presented information on Massachusetts replacing its Travel Order with a Travel Advisory on March 22nd and also entering Phase IV of its reopening plan, on Massachusetts transit/transportation workers now being eligible for the COVID-19 vaccine, on updated CDC guidance for people who have been fully vaccinated, and on a decline in COVID-19 infections over the last month.

FAA Drone Pilot Program Update

Mr. Shaw presented information on Logan not being one of the five airports selected by the FAA for a pilot program to test and evaluate Unmanned Aircraft Systems (UAS), on the current regulations and technology to help operate UAS safely, on new FAA rules for UAS operation going into effect in April, and on Massport’s continuing efforts to collaborate with federal and state counterparts.

Community Outreach Committee

Real Estate and Strategic Initiatives Committee

Designation of Massport Marine Terminal Parcels 7 and 8

Mr. Hargens presented information on the location of Parcels 7 and 8, on the recommendation to select the Eastern Salt Company (“Eastern”) proposal to develop a multi-use bulk terminal and to restore the North Jetty berth, on Eastern’s positive reputation as a terminal operator and its recognition for creative community partnerships, and next steps.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, on February 1, 2016, the Authority issued a Request for Proposals (“RFP”) for the development and long term ground lease of certain parcels of land located at the Massport Marine Terminal (“MMT”) on Fid Kennedy Avenue, South Boston, Massachusetts, for inter alia, expansion of the maritime industrial uses on MMT; and

WHEREAS, the Authority's staff evaluated the proposals submitted within the framework of the Authority's goals set forth in the RFP and recommends that the Authority designate Eastern Salt Company, Inc. ("Eastern") as the developer and lessee of MMT Parcels 7 and 8 as a multi-use maritime industrial bulk terminal (the "MMT Parcels 7 and 8 Development Project"), and authorize staff to pursue negotiations of a development agreement and one or more ground leases for MMT Parcels 7 and 8 subject to the terms and conditions below.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

1. Eastern is hereby designated as the developer of MMT Parcels 7 and 8 Development Project, subject to the terms of this vote.
2. The Chief Development Officer and the Chief Legal Counsel and their designees (collectively, the "Authorized Officers") are hereby authorized to negotiate a term sheet for the MMT Parcels 7 and 8 Development Project with Eastern on such other terms and conditions as the Authorized Officers may determine are necessary or desirable; provided, however, upon completion of such negotiations, staff will seek further authorization from the Board to execute and deliver a development agreement and one or more ground leases with Eastern, or its nominee, in accordance with a vote and development agreement/ground lease term sheet that will be presented to the Board at such time.

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

Tenant and Subtenant Update

Mr. Hargens presented information on the proposed Eastie Landing on Pier 1, on the background of the Eastie Landing developer, and on the program and layout proposed for Eastie Landing on Pier 1 and on the adjacent Tall Ship. Mr. Hargens also noted that Eddie Merlot's restaurant opened on March 1st at Waterside Place.

Facilities and Construction Committee

Safety Update

Ms. Burdi presented information on three recent Boston area incidents where construction workers were injured or killed, on construction safety statistics including total annual fatalities in the Boston area, the 2019 national construction fatalities by industry sector, and Massport's 2020 construction recordable injuries, and on Massport's planning, prevention, and risk mitigation practices.

FY21 – FY23 Capital Program

Ms. Burdi presented information on the impact of the COVID-19 pandemic on the Capital Program planning process in 2020, on the \$1.28 billion FY21-FY23 Capital Program by fiscal year and business line, on the key strategic initiatives, on total program expenditures for maintenance and renewal, on the estimated number of jobs created, on safety and security projects, on technology projects focused on resiliency, efficiencies, and the passenger experience, on projects that continue a commitment to environmental sustainability, on the technology integration and sustainability and resiliency initiatives in the Terminal E and Conley Gate projects, and on pursuing outside funding to advance unfunded projects.

Mr. Evangelidis left the meeting at 10:55 A.M.

Mr. Prankevicius presented information on Massport's liquidity strategies to provide budget relief and capital funding, on the strategic capital projects that will be funded by the March 2021 Bonds, on the Green Bond Initiative to be included in the 2022 Bond Issue, on Massport's debt service profile with completed liquidity strategies, on the federal and state grants that support the Capital Program, on the percentage of the Capital Program that is financed by Pay-Go capital funds, on the funding sources and uses for the Capital Program, and next steps.

Upon a motion duly made and seconded, it was

VOTED:

To approve the attached Capital Program for Fiscal Years 2021-2023.

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

*A copy of the Capital Program for Fiscal Years 2021-2023 is kept with the Board Minutes on file with the Secretary-Treasurer.

Audit and Finance Committee

Terminal B to C Connector Lounge Lease

Mr. Gallagher presented information on the size and location of the passenger lounge, on the RFI objectives and selection criteria, on the four companies that submitted proposals, on the recommendation to select the ALD Development proposal, on the highlights of the ALD Development proposal, on the commitment to diversity, equity, and inclusion in ALD Development's proposal, and on the number of global passenger lounges operated by ALD Development.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Authority issued a Request for Interest (the "RFI") on October 9, 2020, for proposals to operate a full service premium passenger lounge (the "Premises") in approximately 12,000 square feet of space to be located in the Terminal B to C Connector, currently under construction, at Boston Logan International Airport; and

WHEREAS, the Premises will consist of shell space offered in its “as is” condition and the successful respondent is responsible for the design and buildout of the Premises; and

WHEREAS, the Premises is anticipated to be available for buildout in the first quarter of calendar year 2022; and

WHEREAS, staff received proposals from four proposers and, after review, the Selection Committee determined that ALD Development Corp. (“ALD Development”) provided the best demonstration of its ability to meet the RFI criteria; and

WHEREAS, staff recommends that ALD Development be selected to operate the Terminal B to C Connector Lounge.

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

The Chief Executive Office & Executive Director, Secretary-Treasurer, or Assistant Secretary-Treasurer, each acting singly, (each, an “Authorized Officer”) are each hereby authorized to execute and deliver on behalf of the Authority a Lease Agreement (the “Lease Agreement”) with ALD Development on the following terms:

- a) The term shall commence on or about May 1, 2021, and shall expire twelve (12) years from the date of beneficial occupancy, which is anticipated to be on or about July 1, 2022.
- b) The Lease Agreement will require total payments to the Authority in the amount of \$64.8 million, including upfront payments due upon the execution of the Lease Agreement in the amount of \$18 million, and the following annual payments:

Year 1:	\$5,000,000	Year 7:	\$3,700,000
Year 2:	\$4,500,000	Year 8:	\$3,700,000
Year 3:	\$4,000,000	Year 9:	\$3,700,000
Year 4:	\$3,700,000	Year 10:	\$3,700,000
Year 5:	\$3,700,000	Year 11:	\$3,700,000
Year 6:	\$3,700,000	Year 12:	\$3,700,000

- c) A minimum capital investment consisting of approximately \$16.8 million for the initial buildout and approximately \$3.6 million for a mid-term refurbishment.
- d) Reimbursing the Authority for the installation of a second elevator in the Premises, with an anticipated cost of approximately \$350,000.

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

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

2021 New Money Revenue Bond Issuance Update

Ms. Tenaglia presented information on the bond sale amount and interest rate, on the number of orders taken and orders unfulfilled, on the bond sale's top ten institutional investors, on a comparison of some prior Massport bond sale transactions, and some conclusions.

Human Resources and Compensation Committee

Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Ms. Brown-Grier noted that Massport submits ACDBE participation goals to the FAA for three-year periods and that the goals are established pursuant to the FAA formula for the overall concession program and the car rental concession program.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, pursuant to 49 Code of Federal Regulations Part 23 (the "ACDBE Regulations"), governing Airport Concession Disadvantaged Business Enterprise ("ACDBE") programs, the Authority is required to have an ACDBE plan (the "ACDBE Plan"), which includes ACDBE participation goals covering three-year goal periods, and to submit to the Federal Aviation Administration (the "FAA") any ACDBE plan updates, amendments, goals, and other related documents, certificates or agreements required under the ACDBE Regulations or the ACDBE Plan; and

WHEREAS, when the FAA adopted new ACDBE Regulations (in 2005) the Board was required to, among other things, designate an Airport Concession Disadvantaged Business Enterprise Liaison Officer ("ACDBELO") for the Authority; and

WHEREAS, the Board designated the Director of Diversity and Inclusion/Compliance as the ACDBELO and authorized the ACDBELO to submit to the FAA the Authority's ACDBE Plan, as well as any ACDBE Plan updates, amendments, goals, and other related documents, certificates or agreements required under the ACDBE Regulations or the ACDBE Plan; and

WHEREAS, the ACDBELO submits three-year goals to the FAA pursuant to the goal calculation formula prescribed by the FAA, and provides annual updates to the FAA on the ACDBE goal accomplishments during the goal period; and

WHEREAS, the ACDBELO also informs the Board of the three-year goals, as established, provides substantial updates to the Board, if any, during the three-year goal period, and provides the Board with a summary of accomplishments; and

WHEREAS, in accordance with the ACDBE Regulations, the ACDBELO submitted to the FAA the Authority's federal fiscal year ("FFY") 2020 accomplishment report and the Authority's ACDBE goals for FFY 2021-2023; and

WHEREAS, the ACDBELO presented to the Board at this Meeting information on the Authority's ACDBE FFY 2020 goal accomplishments and ACDBE goals for FFY 2021-2023; and

WHEREAS, as the Authority continues to ensure ACDBE participation in its Concessions Program, staff recommends that the Board reaffirm the Authority's commitment to the ACDBE Program during the FFY 2021-2023 goal period and staff will continue to provide updates of substantial changes to the ACDBE Plan, as may be necessary.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

The Board reaffirms the Authority's commitment to ACDBE participation in its Concessions Program, in accordance with the ACDBE Regulations, and directs staff to continue to provide substantial updates to the Board, as necessary.

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

Assent Agenda

Adjournment

Upon a motion duly made and seconded, it was

VOTED:

To adjourn at 11:25 A.M.

Adjourned at 11:25 A.M.

Michael A. Grieco
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. PowerPoint Presentation Slides