

MASSACHUSETTS PORT AUTHORITY
MINUTES FOR THE MEETING
HELD ON OCTOBER 19, 2023 AT 9:00 A.M.
LOGAN OFFICE CENTER
ONE HARBORSIDE DRIVE, EAST BOSTON, MA

The meeting of the Members of the Massachusetts Port Authority was held on October 16, 2023. The following Members participated in person: Chair Patricia A. Jacobs presided, Lewis G. Evangelidis, Laura Sen, Sean O'Brien and Monica Tibbits-Nutt. Mr. John Nucci participated remotely. Lisa Wieland, Chief Executive Officer and Executive Director, Reed Passafaro, Chief of Staff, John P. Prankevicius, Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Catherine McDonald, Chief Legal Counsel, Hank Shaw, Chief Security Officer, Joseph Morris, Port Director, Luciana Burdi, Director Capital Programs & Environmental Affairs, Kwang Chen, Chief Information Officer, Alaina Coppola, Director, Community Relations and Government Affairs, Andrew Hargens, Chief Development Officer, Dan Gallagher, Director of Aviation Business and Finance, and Ann Buckley, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:04 A.M.

Public Comment

Senator Lydia Edwards and Representative Adrian Madaro addressed their desire for Massport to support an increase in the minimum wage and additional PTO (paid time off) for aviation service company employees and safe working conditions and safety training for aviation service company employees.

Mr. Dan Nicolai, 32BJ SEIU 615 District Manager, introduced to the Board that a number of Local 32 BJ SEIU members will make a public comment and announced a proposal to provide \$1 increase in pay rate per hour, more PTO and training for aviation service company employees at Logan. Mr. Nicolai also expressed concern of Swissport being non-union but under ongoing investigation for wage, health and safety violations.

Mr. El Mustapha Leghari, Ms. Shell Smith and Mr. Macdonald Vincent, aviation service company employees and members of Local 32 BJ SEIU, spoke about the importance of their work for safety and security and efficiency of Logan Airport and the inability to take time off from work, about the high cost rent and other living expenses and the lack of adequate hourly pay and earned time off for vacation and personal reasons, and expressed their support for the increase in their pay rate by \$1 per hour.

Mr. Elvis Lubega, a Swissport employee spoke about the dangerous working conditions at Swissport, and for Massport to support the increase in pay rate by \$1 per hour.

Ratification and approval of the minutes of the October 19, 2023 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the minutes of the October 19, 2023 Board Meeting.

Members Jacobs, Sen, Nucci, O'Brien, Evangelidis and Tibbits-Nutt voted Yes.

CHAIR'S COMMENTS

Chair Jacobs noted that a celebration for Ms. Wieland achievements as CEO will be held at the end of the Board Meeting.

REPORT OF THE CEO

Ms. Wieland presented information on Massport celebrating the Modernization of Terminal E and Logan's 100th anniversary, on Ms. Burdi being elected to the National Academy of Construction, a high professional honor for construction industry leaders, on Massport formally kicking off planning with external partners for the ASTECC (Active Shooter Tactical Emergency Casualty Care) full scale active shooter exercise at Logan Airport, on the Massport CARE Team receiving specialized training in psychological first aid, on a variety of new retail openings on Massport properties enhancing the public realm on the South Boston Waterfront, on financial performance for August 2023, on Logan having a strong start to FY24, on Massport holding its 10th annual Business Diversity Summit themed "Businesses Navigating Through Change, Challenge, and Opportunity, on Massport celebrating Hispanic Heritage Month with Veronica Robles, Co-Founder and Director of the Veronica Robles Cultural Center in East Boston, on Massport joining with MIT and aviation industry partners to form the Zero Impact Aviation Alliance (ZIAA) to collaborate on flight emission reduction, on the "Mark My Car" feature in the FlyLogan app being highlighted in Massport's holiday marketing campaign, and on Massport exceeding its DE&I goal for Charitable Contributions for Q1 FY24.

Director of Aviation Presentation

Mr. Freni presented information on Logan Airport activity levels for September 2023, on AeroMexico flights returning to Logan Airport in June 2024, on major international airlines reducing or suspending flights to Israel, on Worcester Regional Airport serving nearly 13,000 passengers in September, on over 100 children and their families attending the Wings for Autism event at Worcester Regional Airport, and on Hanscom jet activity for September being up 10% compared to the prior year.

Director of Maritime Presentation

Mr. Morris presented information on the European Commission announcing the end of carrier exemptions from competition law, on Massport increasing engagement with the shipping community regionally and globally with visits to existing and prospective customers, on Conley Terminal handling more than 10,000 containers in September on 15 vessels, and on Flynn Cruiseport Boston welcoming 94,000 passengers and 43 ships in September..

STRATEGIC PLAN

SAFETY AND SECURITY/COMMITTEE CHAIR O'BRIEN

REAL ESTATE AND STRATEGIC INITIATIVES/COMMITTEE CHAIR FIELDS

Massport Marine Terminal Parcel 5A Lease Extension

Mr. Hargens presented information on Aquanor's state-of-art seafood facility being shovel-ready, but the current lending environment must stabilize to support project financing.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Authority currently leases from the Economic Development Industrial Corporation of Boston ("EDIC") a parcel of land in the Boston Marine Industrial Park located on Fid Kennedy Avenue, South Boston, Massachusetts, commonly known as the Massport Marine Terminal ("MMT"), pursuant to a Lease dated November 27, 1979 (as amended, the "EDIC Lease"); and

WHEREAS, at its November 15, 2018 meeting, the Members of the Authority (the "Board") authorized the negotiation, execution and delivery on behalf of the Authority of (i) a development agreement with Pilot Development Partners, Inc. ("Pilot"); and (ii) one or more long-term ground subleases with Pilot or its nominee for the phased development of MMT Parcel 5, both substantially in accordance with the term sheet ("Term Sheet") presented to the Board at that time; and

WHEREAS, on April 30, 2019, Pilot and the Authority entered into a development agreement for Parcel 5 (as amended, the "Development Agreement"); and

WHEREAS, at its October 21, 2021 meeting, the Board authorized the negotiation, execution and delivery on behalf of the Authority of an Amendment to the Development Agreement which allowed for (i) Pilot's prospective subtenant, Aquanor Marketing, Inc. ("Aquanor"), to relocate its proposed seafood distribution facility from MMT Parcel 6B-2 to MMT Parcel 5A; and (ii) the

extension of the Outside Closing Date for MMT Parcel 5A to October 31, 2022;
and

WHEREAS, at its October 20, 2022 and March 15, 2023 meetings, the Board authorized the negotiation, execution and delivery on behalf of the Authority of an Amendment to the Development Agreement which allowed for extensions of the Outside Closing Date for MMT Parcel 5A to October 31, 2023; and

WHEREAS, over the past year, Pilot and Aquanor have worked diligently and invested significant resources to advance the development of MMT Parcel 5A as a seafood distribution facility (the "Project"), but have requested a further extension of the Outside Closing Date in order to secure financing with terms that are compatible with the Project pro forma and to complete negotiations of legal documentation related to the financing of the Project; and

WHEREAS, in order to allow Pilot and Aquanor adequate time to secure such financing and to complete negotiations of legal documentation related thereto, staff recommends that the Board authorize an additional fourteen (14) month extension of the Project's Outside Closing Date from October 31, 2023 to December 31, 2024.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

1. To authorize (i) the Chief Development Officer and the Chief Legal Counsel, and their designees, to negotiate and (ii) the Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer, or Assistant Secretary-Treasurer, each acting singly, (each, an "Authorized Officer") to execute and deliver, on behalf of the Authority an Amendment to the Development Agreement (the "Amendment") with Pilot, which extends the Outside Closing Date for delivery of ground sublease(s) with Pilot or its nominee for MMT Parcel 5A by fourteen (14) months from October 31, 2023 to December 31, 2024. The Amendment shall contain such other terms and conditions not inconsistent with this Vote as the Authorized Officer executing the Amendment may determine are necessary or desirable.
2. Each Authorized Officer is further authorized to execute on behalf of the Authority any and all other documents, certificates or instruments, and to take any other actions deemed necessary or desirable to effectuate this Vote, provided all such documents, certificates, instruments or actions are substantially consistent with this Vote.

Members Jacobs, Sen, Nucci, O'Brien, Evangelidis and Tibbits-Nutt voted Yes.

UPS Ground Lease Extension

Mr. Hargens presented information on the United Parcel Service (UPS) parking lease extension.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, Massport, as landlord, and United Parcel Service, Inc., (“UPS”), as tenant, entered into that certain lease dated as of September 15, 2015 of that certain 71,169 square feet parcel of vacant land located at the rear of the Fargo Street Terminal in South Boston, Massachusetts (the “Leased Premises”), which is located adjacent to the UPS distribution center at 647B Summer Street (the “UPS Lease”); and

WHEREAS, OPG MP Parcel Owner (DE) LLC (as successor in interest to Boston Harbor Industrial Development LLC, “Oxford”), as sublandlord and UPS as subtenant are parties to a certain lease dated as of September 19, 2000 (the “Oxford Lease”), for the UPS distribution center building known as 647B Summer Street, with a term ending on December 31, 2025; and

WHEREAS, UPS uses the Leased Premises to provide employee parking for the UPS distribution center at 647B Summer Street; and

WHEREAS, on November 21, 2019, the Members of the Authority (the “Board”) voted to approve a three (3) year extension of the term of the UPS Lease until June 30, 2024; and

WHEREAS, UPS has requested an eighteen (18) month extension of the term of the UPS Lease until December 31, 2025 to be coterminous with the Oxford Lease; and

WHEREAS, staff recommends that the Board approve the Vote, which extends the term of the UPS Lease for an additional eighteen (18) month period to December 31, 2025.

NOW, THEREFORE, BE IT RESOLVED AND VOTED:

To authorize the Chief Development Officer and the Chief Legal Counsel, and their designees, each acting singly, to negotiate, and the Chief Executive Officer and Executive Director, the Director of Administration & Finance and Secretary-Treasurer, or the Assistant Secretary-Treasurer, each acting singly, (each, an “Authorized Officer”), to execute and deliver, on behalf of the Authority an amendment to the UPS Lease extending the term for eighteen (18) months to December 31, 2025. The amendment shall contain such other terms and conditions not inconsistent with this Vote as the Authorized Officer executing the amendment deems necessary or desirable.

Members Jacobs, Sen, Nucci, O’Brien, Evangelidis and Tibbits-Nutt voted Yes.

HUMAN RESOURCES, DIVERSITY, AND COMPENSATION/COMMITTEE CHAIR JACOBS

Ms. Jacobs gave an update on the CEO Search Process.

COMMUNITY OUTREACH/COMMITTEE CHAIR NUCCI

AUDIT AND FINANCE/COMMITTEE CHAIR SEN

FY23 Authority-wide Audited Financial Statements

Mr. Pranckevicius presented information on FY23 Financial Statement Highlights, on FY23 Operating Revenues being \$1 billion, the highest revenue performance of record, on FY23 Operating Expenses being \$855 million, a 19% increase as new services and activity were added to keep pace with business demand, on Operating Income improving to \$145 million, or 15% of revenue, on earnings transferring to capital budget to fund FY23-27 CIP (Capital Investment Plan), on Authority-wide balance sheet improving 10%, as net position increases by \$295 million, on the Authority's cash liquidity position improving 10% from increased collections, higher business activity, and new "Green Bond" sale and on EY, and their WBE partner KVM, issuing a clean (unmodified) audit opinion.

FACILITIES AND CONSTRUCTION/COMMITTEE CHAIR JACOBS

MPA L1581, L1811, and L1822 – Terminal E Program, Logan International Airport, East Boston, MA, Partial Project Budget

Ms. Burdi presented information on the Terminal E Program increasing the operational efficiency of passenger baggage delivery and processing to provide flexibility to accommodate the continuous needs of the terminal.

Upon a motion duly made and seconded, it was

VOTED:

To authorize the Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer or Assistant Secretary-Treasurer, each acting singly (each, an "Authorized Officer"), to take all actions necessary or desirable and to execute all agreements necessary or desirable in order to continue with and complete the Authority's Capital Project known as the Terminal E Program (MPA L1581, L1811, and L1822) subject to the following conditions: funds expended for the Terminal E Program Capital Project shall not exceed \$35,000,000.00 (the "Approved Partial Project Budget"), the Director of Capital Programs and Environmental Affairs shall report back to the Board if, at any time during the life of the Project, it appears likely that the Project will exceed the Approved Partial Project Budget; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of the work for this Capital Project as described in the backup materials presented at the Board Meeting on October 19,

2023. The Chief Executive Officer and Executive Director shall obtain all necessary permits and approvals and shall conduct all required environmental reviews prior to the execution of any agreement or to the commencement of any action all as may be required by law. Any agreement arising out of this vote shall contain such other terms and conditions as the Authorized Officer executing such agreement in accordance with this vote deems necessary or desirable.

Members Jacobs, Sen, Nucci, O'Brien, Evangelidis and Tibbits-Nutt voted Yes.

MPA M483, M517, and M549 – Conley Terminal BUILD Grant Program, Paul W. Conley Terminal, South Boston, MA, Partial Project Budget

Ms. Burdi presented information on the Conley Terminal BUILD Grant Program including three major components: Conley Terminal Container Storage, Conley Terminal Technologies Improvements and Construction of the Cypher-E Truck Route.

Upon a motion duly made and seconded, it was

VOTED:

To authorize the Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer or Assistant Secretary-Treasurer, each acting singly (each, an "Authorized Officer"), to take all actions necessary or desirable and to execute all agreements necessary or desirable in order to continue with and complete the Authority's Capital Project known as the Conley Terminal BUILD Grant Program (MPA M483, M517, and M549) subject to the following conditions: funds expended for the Conley Terminal BUILD Grant Program Capital Project shall not exceed \$85,151,791.00 (the "Approved Partial Project Budget"), the Director of Capital Programs and Environmental Affairs shall report back to the Board if, at any time during the life of the Project, it appears likely that the Project will exceed the Approved Partial Project Budget; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of the work for this Capital Project as described in the backup materials presented at the Board Meeting on October 19, 2023. The Chief Executive Officer and Executive Director shall obtain all necessary permits and approvals and shall conduct all required environmental reviews prior to the execution of any agreement or to the commencement of any action all as may be required by law. Any agreement arising out of this vote shall contain such other terms and conditions as the Authorized Officer executing such agreement in accordance with this vote deems necessary or desirable.

Members Jacobs, Sen, Nucci, O'Brien, Evangelidis and Tibbits-Nutt voted Yes.

MPA M625 – Cruiseport Pier Rehabilitation and New Fenders, Flynn Cruiseport Boston, South Boston, MA, Partial Project Budget

Ms. Burdi presented information on Cruiseport Pier rehabilitation and new fenders project scope and implementation.

Upon a motion duly made and seconded, it was

VOTED:

To authorize the Chief Executive Officer and Executive Director, Director of Administration & Finance and Secretary-Treasurer or Assistant Secretary-Treasurer, each acting singly (each, an "Authorized Officer"), to take all actions necessary or desirable and to execute all agreements necessary or desirable in order to continue with and complete the Authority's Capital Project known as the M625 Cruiseport Pier Rehabilitation and New Fenders (MPA M625) subject to the following conditions: funds expended for the M625 Cruiseport Pier Rehabilitation and New Fenders Capital Project shall not exceed \$20,600,000.00 (the "Approved Partial Project Budget"), the Director of Capital Programs and Environmental Affairs shall report back to the Board if, at any time during the life of the Project, it appears likely that the Project will exceed the Approved Partial Project Budget; and the Director of Capital Programs and Environmental Affairs also shall report any material changes to the scope of the work for this Capital Project as described in the backup materials presented at the Board Meeting on October 19, 2023. The Chief Executive Officer and Executive Director shall obtain all necessary permits and approvals and shall conduct all required environmental reviews prior to the execution of any agreement or to the commencement of any action all as may be required by law. Any agreement arising out of this vote shall contain such other terms and conditions as the Authorized Officer executing such agreement in accordance with this vote deems necessary or desirable.

Members Jacobs, Sen, Nucci, O'Brien, Evangelidis and Tibbits-Nutt voted Yes.

ASSENT AGENDA

Motion to Enter Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to discuss strategy related to the deployment of security personnel or devices and real estate.

Members Jacobs, Sen, Nucci, O'Brien, Evangelidis and Tibbits-Nutt voted Yes.

The public session adjourned at 10:34 A.M.

The public session reconvened at 11:55 A.M.

Policy Related to Commonwealth of Massachusetts State of Emergency as of August 8, 2023

Board Policy Statement

Recognizing that the Commonwealth, and the Massachusetts Port Authority and Boston Logan International Airport, have been and will continue to be impacted by the recent rapid increases in the number of migrant families entering the United States and the Commonwealth, the Massachusetts Port Authority Board supports the request of the Governor of the Commonwealth and of the Massachusetts Congressional delegation for prompt federal assistance and action.

Members Jacobs, Sen, Nucci, O'Brien, Evangelidis and Tibbits-Nutt voted Yes.

Ann Buckley
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. PowerPoint Presentation Slides