

**Massachusetts Port Authority
Board Meeting**

February 15, 2024



Public Comment

Chair's Comments

MASSACHUSETTS PORT AUTHORITY

Executive Session

MASSACHUSETTS PORT AUTHORITY

Public Session

MASSACHUSETTS PORT AUTHORITY



CEO Report
Interim CEO Ed Freni

Massport Goals – FY 2024

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

Massport hosted Anti-Human Trafficking Awareness Training for the Logan Airport community

- The DHS provided its Anti-Human Trafficking Awareness training to Massport and our business and security partners at Logan Airport
- The goal of the training is to raise awareness for aviation and hospitality industry employees and specifically addressed:
 - Types of human trafficking and indicators in an aviation environment
 - Myths and misconceptions
 - Resources available to combat these crimes and how to report suspicious activity
 - Actions that first responders should take if they encounter a possible victim
- Over 100 participants from Massport Fire-Rescue and police, MSP, BOS Operations, TSA, multiple airlines, and hotels
- Additional training sessions are being held at Hanscom Field and Worcester Regional Airport February 2024

National Human Trafficking Prevention Month
BLUE LIGHTNING INITIATIVE
ANTI-HUMAN TRAFFICKING
AWARENESS TRAININGS

January 29, 2024

10:00AM: Airport, airline, and hotel frontline workers
Logan Airport Briefing Room

2:00PM: First Responders
Massport Fire Department Auditorium
[See registration page for detailed directions.](#)

Professional Women in Aviation chapter for American Airlines and Massport are hosting these Human Trafficking Awareness training sessions. Human trafficking involves the use of force, fraud, or coercion in exchange for labor, services, or a commercial sex act. Every year, millions of men, women, and children are trafficked around the world, including the United States. It is estimated that human trafficking generates billions of dollars of profit per year, generates billions of dollars of profit per year, making it one of the most profitable forms of transnational crime. While human trafficking does not require transportation, many traffickers use commercial and general aviation to transport their victims. Aviation and hospitality employees are in a unique position to assist in the global effort to combat this crime.

This training will cover the following topics:

- Human trafficking 101
- Indicators of human trafficking in an aviation environment
- Myths and misconceptions commonly associated with human trafficking
- Case examples with a nexus to air travel
- Reporting potential human trafficking to include a victim-centered approach
- Resources available to the aviation industry
- Local IHSI efforts in the area

REGISTER TODAY



Boston was selected as one of 14 North American cities to host the 2026 FIFA World Cup

- Boston's connectivity to the world was highlighted as a major asset
- Other cities hosting include Toronto, San Francisco, Los Angeles, Dallas, Miami, New York, and Mexico City
- 7 games scheduled in Boston

"The City of Boston is thrilled to learn that Boston will host seven matches when the FIFA World Cup returns to our city and Massachusetts - an exciting opportunity to showcase all that Boston has to offer as a premier travel destination and world-class hub for the arts, culture, and sports." – Michelle Wu, Mayor of Boston

BOSTON IS READY TO HOST THE 2026 FIFA WORLD CUP™

2026 FIFA BOSTON

MATCH SCHEDULE

6/13/26	GROUP STAGE	6/26/26	GROUP STAGE
6/16/26	GROUP STAGE	6/29/26	ROUND OF 32
6/19/26	GROUP STAGE	7/09/26	QUARTERFINAL
6/23/26	GROUP STAGE		

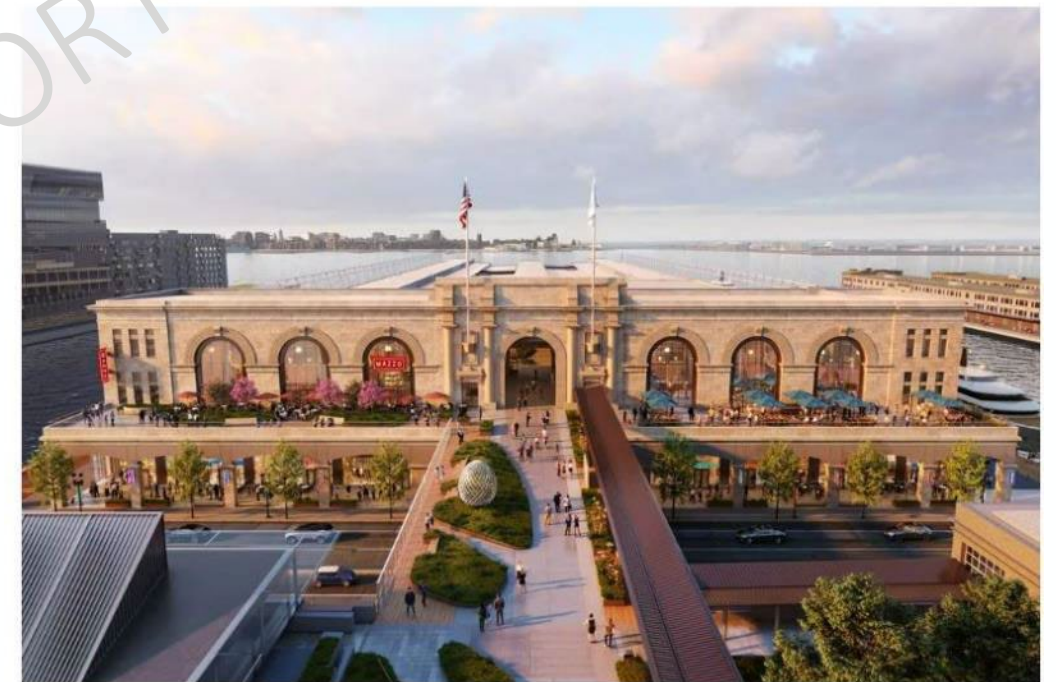
Pembroke kicked-off its retail program for the Commonwealth Pier redevelopment by announcing two new restaurant tenants slated to open in 2025

- Union Square Hospitality Group (USHG) will enter the Boston market with two restaurants at Commonwealth Pier
- USHG has a successful track record creating inclusive and approachable spaces
- Planned offerings will enhance the South Boston Waterfront's dining offerings with:
 - A casual, neighborhood café with high quality dine-in or takeout on the lower level
 - An elevated dining experience with Italian-inflected cuisine and outdoor dining on the upper level

Danny Meyer's Union Square Hospitality Group is coming to Boston

The New York-based company will bring two restaurants to the Seaport

By Devra First, Globe Staff, Updated January 25, 2024, 6:00 a.m.



A rendering of the future Commonwealth Pier development at 200 Seaport Boulevard. (Signs have placeholder names only.) COURTESY OF PEMBROKE

The White House announced that Massport will receive a \$12M FAA Airport Terminal Program grant

- The grant will help fund Phase 1 of the **Air Traffic Control Tower Improvements project**
- Total Project Cost: \$35M
- Grant Award: \$12M
- Massport is grateful for the support of the MA federal delegation

Boston Herald

Boston Logan International Airport in line for \$12M from feds to upgrade control tower



Boston Logan International Airport is in line to receive \$12 million from the Biden administration to fund the expansion and renovation of the existing air traffic control tower with new equipment and facilities. (Staff Photo By Matt Stone/Boston Herald, file)



By **CHRIS VAN BUSKIRK** | cvanbuskirk@bostonherald.com

February 15, 2024 at 5:10 a.m.

Financial Performance: December 2023

Activity Highlights

- Logan served 3.1M passengers
- Conley Terminal processed 11,500 containers
- Real Estate revenues exceeded plan by \$1.3M
- Expenses were \$2.5M above budget

Financial Results

Revenues	\$96.7M
Expenses	<u>(\$84.3M)</u>
Contribution	\$12.4M

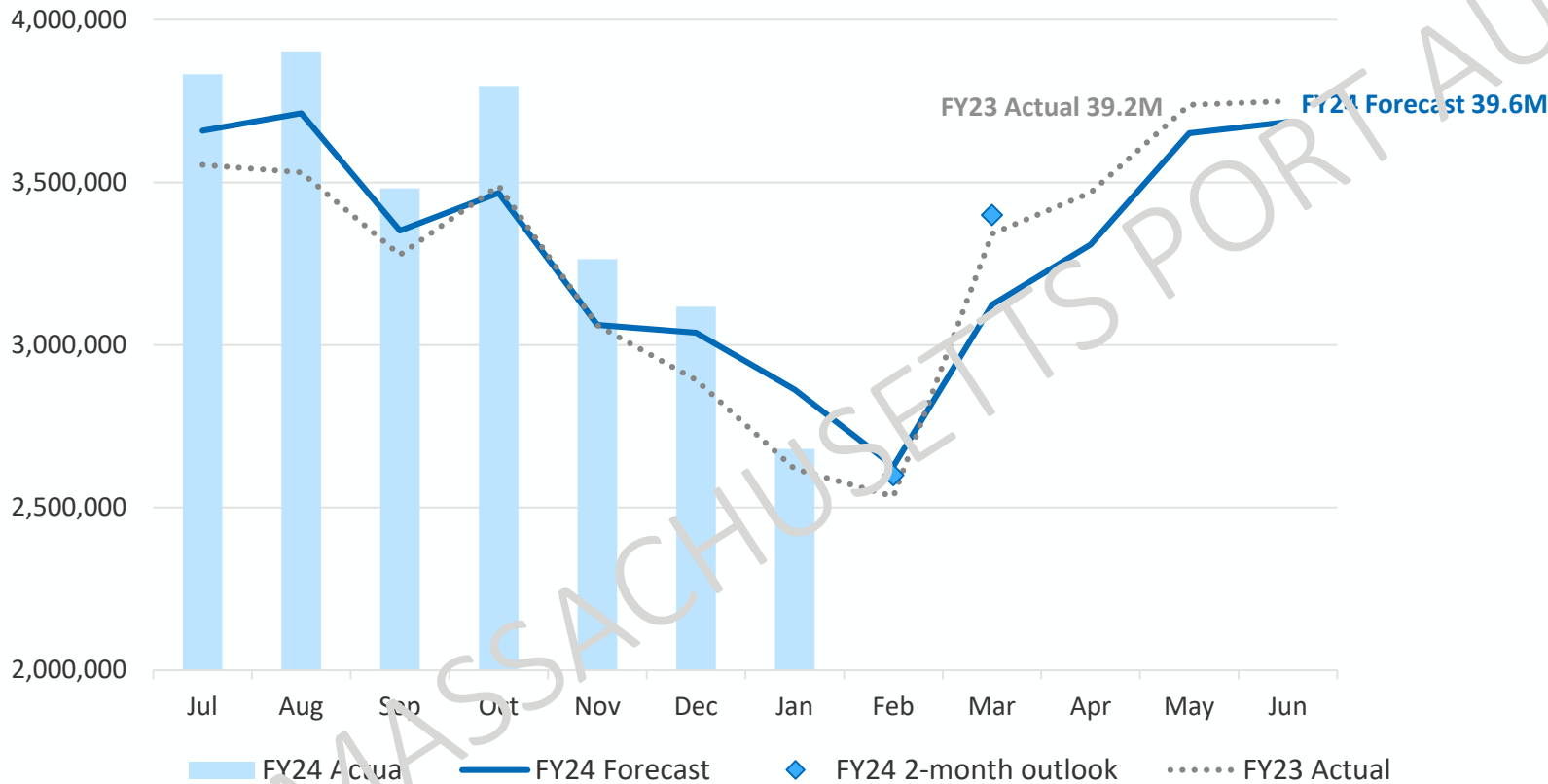
December net contribution will be used to fund the FY23-27 Capital Program including Net Zero initiatives and HOV enhancements

Note: Totals may not add due to rounding



Logan passenger activity is exceeding forecast as the economy remains strong

Logan Passengers
Actual vs. Forecast and Prior Year



Passenger Activity vs Forecast

- January: -6% (Preliminary)
- FYTD: +4% (Preliminary)

Outlook

- Summer demand looking strong
- Business travel back but below pre-pandemic levels
- Airlines face supply challenges: pilot shortages, delayed aircraft deliveries, P&W GTF engine recall
- FAA faces air traffic controller shortages
- Economy likely to avert a recession in 2024 but growth expected to slow



Massport is piloting the use of renewable diesel

Renewable Diesel (RD)

- Made from renewable sources such as waste agricultural products and waste oils/fats
- Can be produced, delivered and stored in existing petroleum diesel infrastructure and is considered a “drop-in” fuel
- Significantly less GHG emissions compared to fossil diesel

Massport Pilot

- Actively testing heavy equipment in use at Massport facilities:
 - Cobuses, street sweepers, and trash truck at Logan Airport
 - Front loaders at Hanscom Field
 - Yard tractors at Conley Terminal
 - Snow melters are being tested at the factory



UHub Chris Dagdigan

Massport completed construction of the Barry Field Connector, adding a section of Harborwalk to improve pedestrian access and safety for the Charlestown community

- Massport made a commitment to invest \$2 million in community benefits in Charlestown as part of a lease agreement with the BPDA for the continued maritime use of the Moran Annex parcel by the Boston Autoport
- The agreement called for Massport to construct a new accessible pedestrian connection at Barry Field along the Little Mystic Channel in addition to other public access improvements in the immediate area
- The Barry Field Connector project has added a missing piece of Harborwalk and safe and direct pedestrian access across the critical Chelsea Street truck route
- Massport designed and constructed the project in collaboration with BPDA, City of Boston, MassDOT, and other stakeholders
- The City of Boston Parks Department will own and maintain the asset and handoff is currently underway



Massport and our concession partners support Angel Flight New England



- Partnered with Keezer Sportswear/Landmark Graphics, Hudson News, NewsLink, and Delaware North for this unique fundraiser for Angel Flight
- Our retail concession partners purchased 7,900 BOS branded t-shirts and sweatshirts and \$2 from each sale was donated to Angel Flight
- We raised \$16,000, nearly double the amount raised last year

Report of the Director of Aviation
Ed Freni

Passenger activity at Logan Airport is up over last year, while aircraft operations are down

Logan Activity Summary - Preliminary January 2024

	Month	Prior Year	% Change Over Prior Year	FYTD 2024	FYTD 2023	% Change Over FYTD 2023
Passengers	2.7M	2.6M	2.4%	24.1M	22.4M	7.4%
Aircraft Operations	27.7K	29.3K	-5.5%	229.1K	232.1K	-1.3%

Austrian Airlines announced new nonstop service between Boston Logan and Vienna

- Nonstop service to launch July 1, 2024
- Will operate 5-6 times a week with a 211-seat B767-300ER
- Austrian is part of the Lufthansa Group and the Star Alliance
- Service was previously scheduled to start in March 2020 but cancelled due to the pandemic
- This will be Boston's first nonstop to Vienna, bringing Logan's total number of nonstop international destinations to 59



Other services starting or returning in March

Aeromexico Mexico City

- Restarting daily service, effective March 22, 2024
- Previously served BOS-MEX with daily service but suspended the service in 2019
- Aircraft: B737-800/Max 8 with 160-166 seats



Lynx Air

- New ultra low cost service to Toronto Pearson, effective March 28, 2024
- Will operate 6x weekly
- Aircraft: 189-seat B737 Max 8
- Air Canada and Porter Airlines already serve Toronto Pearson and Billy Bishop airports, respectively

Etihad Airways

- New nonstop service to Abu Dhabi, effective March 31, 2024
- Will operate 4x weekly
- Aircraft: 235-seat B787-900



Worcester Regional Airport served 15,000+ passengers in January

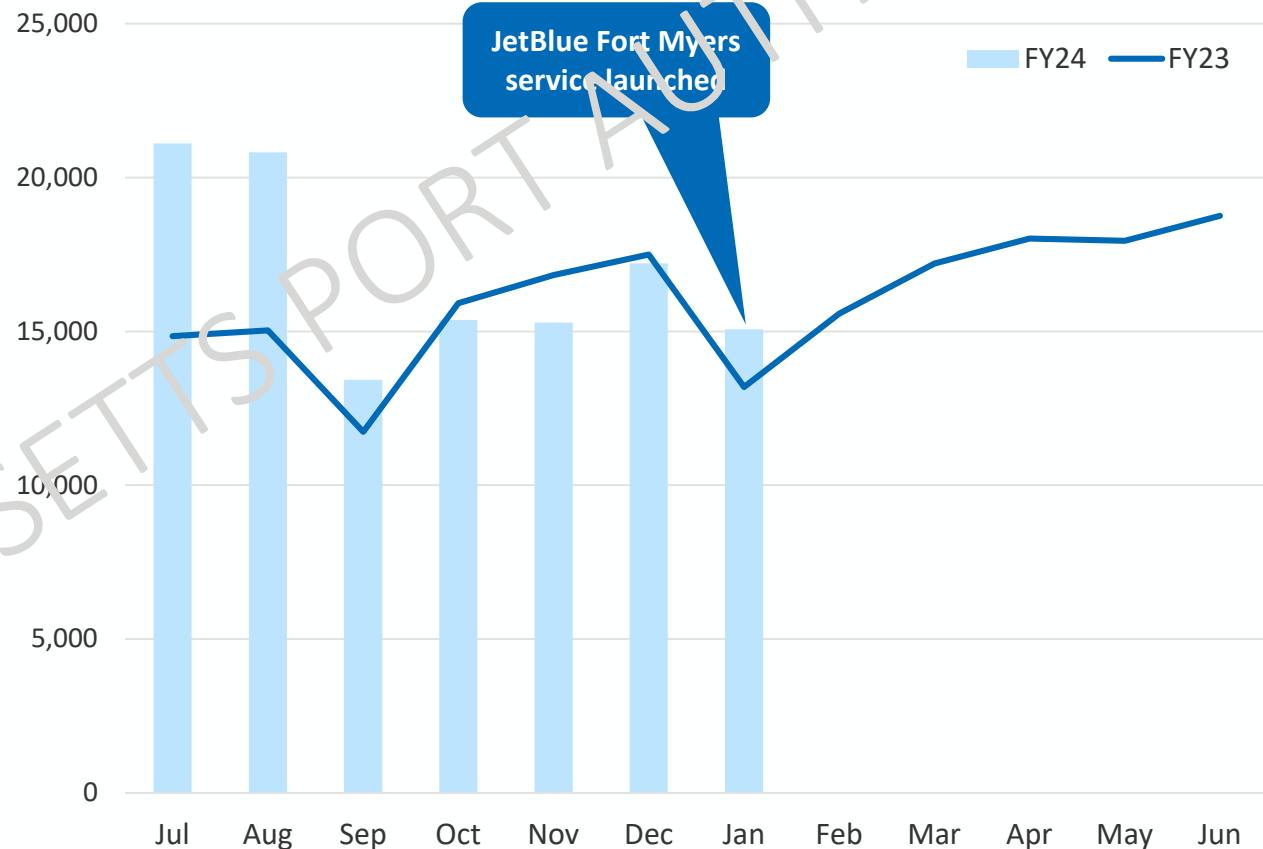
January, 2024

- 15,100 passengers
 - Up 14% over 2023

FYTD 2024

- 118,300 passengers
 - Up 13% over FYTD 2023

Worcester Regional Airport Passengers



The Boston Globe recognized Worcester Airport Director Andy Davis and the airport's 2023 performance

The Boston Globe

BOLD TYPES

Worcester Airport regains its altitude under Andy Davis's watch

By **Jon Chesto** Globe Staff, Updated February 12, 2024, 5:09 p.m.

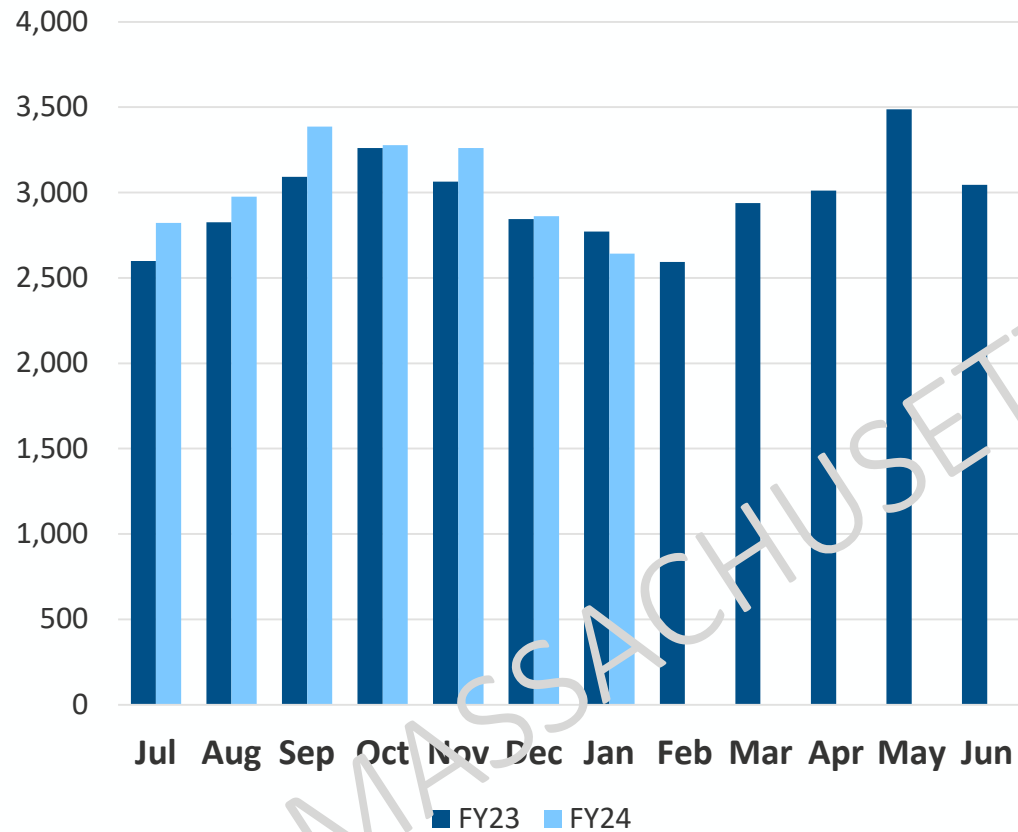


Worcester Regional Airport director Andy Davis. CHRIS MORRIS

While passenger traffic at Logan Airport still fell short of its 2019 levels last year, Logan's smaller sibling in Worcester has already soared above its prepandemic count.

In January, total operations at Hanscom Field declined by 12% over the prior year

**Hanscom Field
Jet Operations**



January Activity:

	Jets	Total
Operations	2,600	7,500
Chg vs 2023	(5%)	(12%)
Chg vs 2019	2%	(8)%

FYTD 2024 Activity:

	Jets	Total
Operations	21,200	72,000
Chg vs FY23	4%	(1%)
Chg vs FY19	20%	3%



Marty St. George to return to JetBlue as President

Bloomberg

JetBlue Brings Back Former Executive St. George as President

By [Mary Schlangenstein](#)

February 7, 2024 at 10:36 AM EST

Save

JetBlue Airways Corp. will bring back a former executive and industry veteran to fill the president's role under Joanna Geraghty, 51, when she takes the top job at the carrier on Feb. 12.

Marty St. George, most recently chief commercial officer at Latam Airlines Group SA, spent 13 years at JetBlue before leaving in 2019. On Feb. 26, he will take over one of two jobs Geraghty is vacating to become chief executive officer. The carrier hasn't named a new chief operating officer.



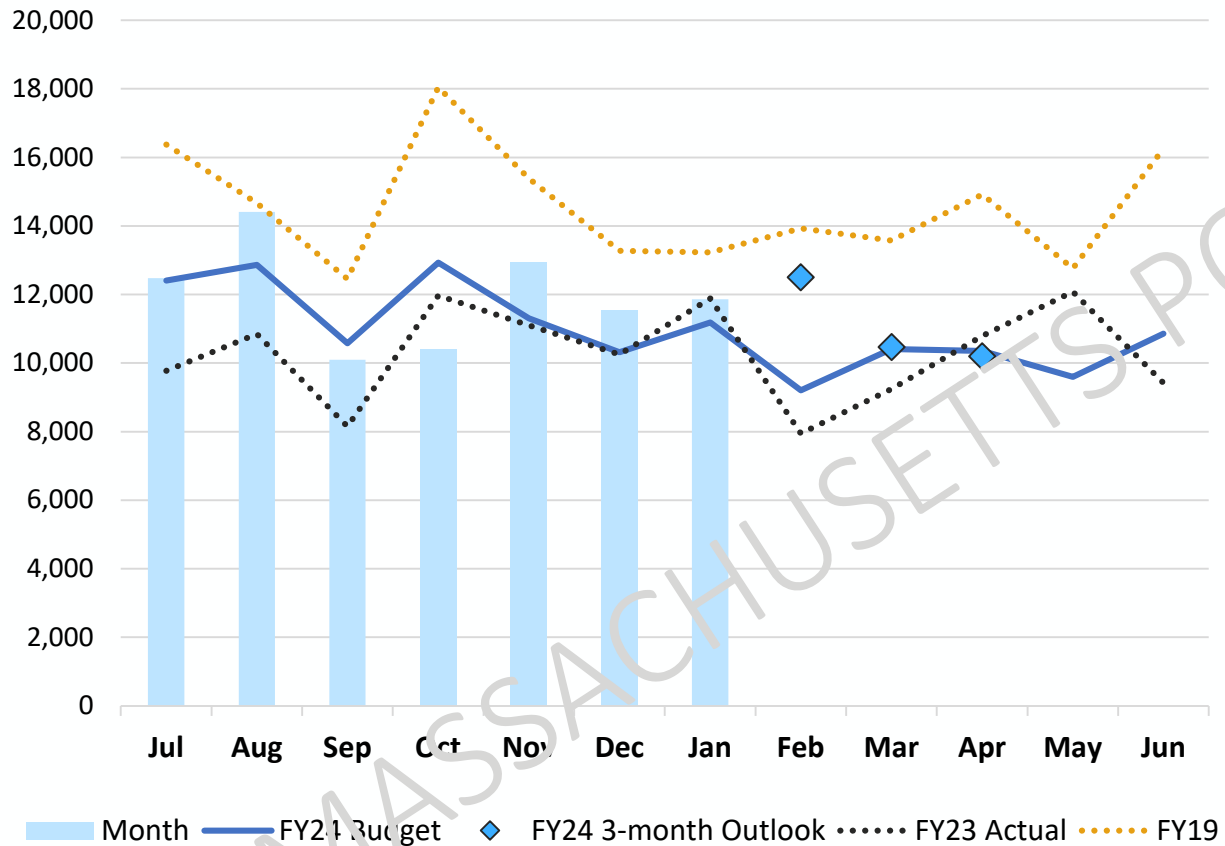
Marty St. George

MASSACHUSETTS PORT AUTHORITY

Report of the Director of Maritime
Joe Morris

Conley Terminal handled 17 vessels in January and over 11,800 containers

Conley Terminal Container Volumes
Actual vs Forecast



Evergreen brought its largest ship ever to Conley Terminal on February 6 - the *Thalassa Doxa* – a 13,800 TEU vessel

Global ocean alliances are shifting with the formation of the Gemini Cooperation, consisting of European-based carriers Maersk and Hapag-Lloyd



Hapag-Lloyd, Maersk to form new alliance from 2025

Reuters

January 17, 2024 5:32 AM EST · Updated 22 days ago



[1/2] Hapag-Lloyd sign on a container ship captured at the Valparaiso port, Chile, January 11, 2024. REUTERS/Rodrigo Garrido/File Photo Purchase Licensing Rights

- Maersk and Hapag-Lloyd, two of the top 10 ocean carriers globally, will form the **Gemini Cooperation Alliance** effective February 2025
- The Gemini Cooperation will consist of 290 vessels with a capacity of 3.4M TEUs
- Maersk and Mediterranean Shipping Company (MSC) previously announced that they would part ways as members of the 2M Alliance, while Hapag-Lloyd will depart from THE Alliance



Source: Flexport

Strategic Plan

MASSACHUSETTS PORT AUTHORITY

Flynn Cruiseport Boston Strategic Plan Update

Lauren Gleason

February 15, 2024



Massport Strategic Priorities 2025

Aviation	Maritime	Real Estate
<ul style="list-style-type: none">• Reimagined Customer Journey• Adaptive Terminal E Use• Terminal Connectivity• Diversified Logan Operators/Airfield Land-Use Planning• Asset/Area Optimization and Repurposing• ORH Rebound• Hanscom Operating Break-Even	<ul style="list-style-type: none">• Full Global Connectivity & Diversified Service Mix• Infrastructure Modernization• Cruise Rebound• Financially Self-Sustaining	<ul style="list-style-type: none">• Asset Optimization and Diversification• Expanding the <i>Massport Model</i>• Growth and Support of Maritime Industries and the Seafood Cluster• Public Realm and Placemaking
Authority-Wide		
<ul style="list-style-type: none">• Safety, Security & Health• Financial Sustainability• DE&I (Internally and Externally)• Workforce Sustainability• Climate Action Plan		<ul style="list-style-type: none">• Technology Plan• Operational Efficiency• Transportation Access and Mobility• Community Partnerships• Telling our Story

Agenda

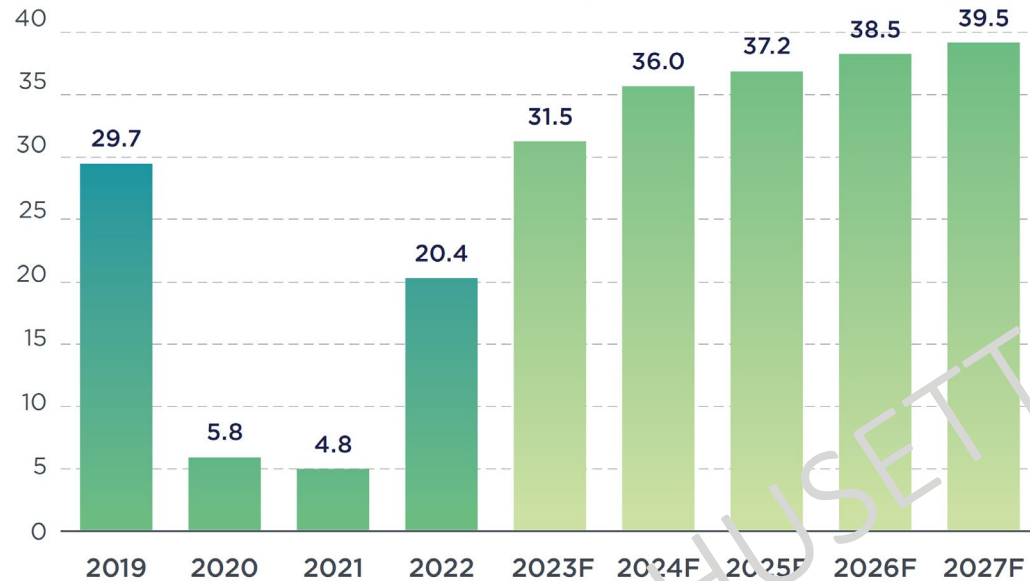
1. Cruise Industry Trends
2. Flynn Cruiseport Boston Outlook
3. Strategic Initiatives

MASSACHUSETTS PORT AUTHORITY

The global cruise industry is back and breaking pre-pandemic records

Global Cruise Passenger Forecast

Ocean-going cruise passengers (amounts in millions)



Vessel Size Increasing



- 36M cruise passengers forecast for 2024 – up 20% over 2019
- Global capacity is expected to grow by 19% through 2028
 - 44 vessels, worth \$35 billion, will be deployed through 2028
 - 14 vessels will be deployed this year
- Vessel sizes are trending larger – 6 of 14 new builds in 2024 are 3,000+ passengers
- Growing interest in cruising among Millennials and Gen-X travelers – 73% are considering a cruise vacation



Percentage of Millennials and Gen-X cruisers that plan to cruise again

Cruise activity creates \$135M of economic value for the Commonwealth and supports the region's tourism and hospitality sectors



Flynn Cruiseport Boston Economic Benefits:



Annual Economic Impact: **\$135M**



Total Jobs: **2,200**



State/Local Taxes: **\$11M**

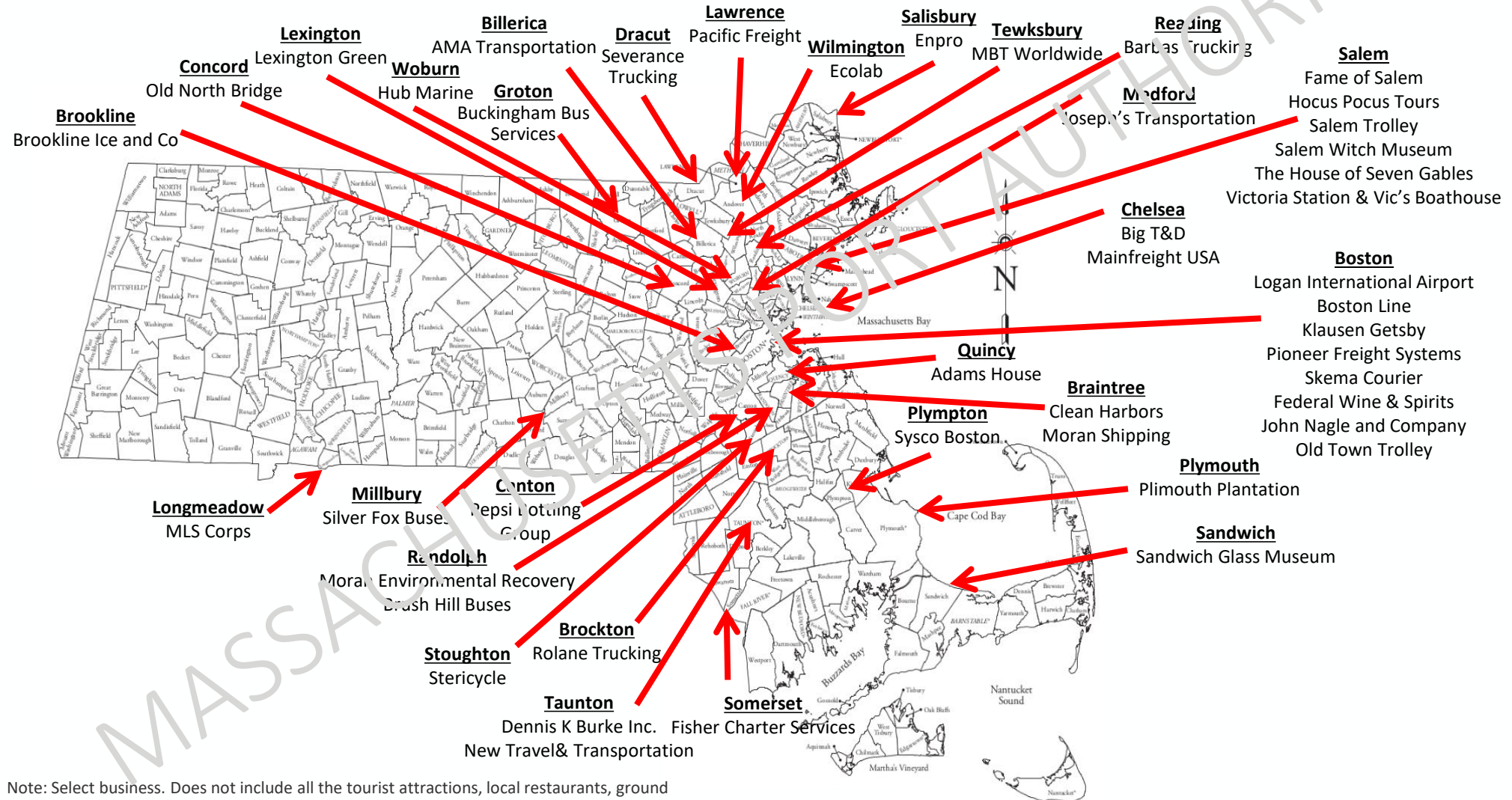
Federal Taxes: **\$29M**

Impact to the Massachusetts Tourism Industry:

“Cruise passengers are crucial to the health of our visitor economy, injecting a tremendous amount of spending during the summer months and through our shoulder seasons” **Martha Sheridan, President and CEO of Meet Boston, May 9, 2023**



Cruise activity at Flynn Cruiseport Boston generates revenue for businesses across the Commonwealth



Note: Select business. Does not include all the tourist attractions, local restaurants, ground transportation and retail outlets patronized by port of call passengers.

Cruise line partners are supporting local businesses by sourcing seafood from Massport's Fish Pier tenants

Forbes

A New Global Fresh Fish Program Is Boarding Holland America Line Cruises

Melissa Kravitz Hoeffner Contributor @



Sep 20, 2023, 01:22pm EDT



Morimoto's Epice Lobster Tails with lemon foam, seasonal vegetables and Morimoto Epice are part of ... [+] HOLLAND AMERICA LINE

- Holland America, Flynn Cruiseport's 2nd largest cruise line, is committing to source locally caught seafood from over 60 ports globally, including Boston
- Massport and Holland America are collaborating on engagement with Massport tenants to identify opportunities to locally source, for Boston-based sailings as well as Fort Lauderdale, taking advantage of Logan's airlift
- Holland America currently is sourcing from John Nagle & Co in Boston for sailings to Canada/New England, including cod, haddock, arctic char, and lobsters

Flynn Cruiseport Boston is an attractive market for fly-in passengers because of its proximity to Logan Airport

2024 Nonstop Destinations

Domestic U.S.



Europe/Middle East



141 Nonstop Destinations:

- 82 domestic
- 59 international

Canada/Mexico/Central & South America



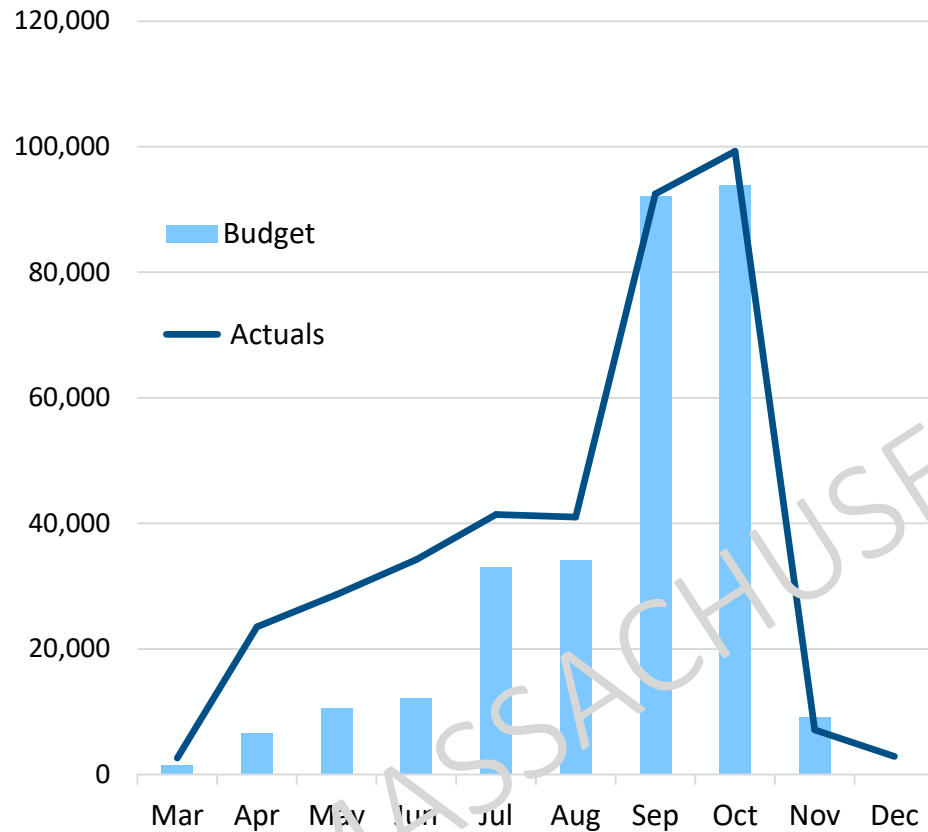
Asia



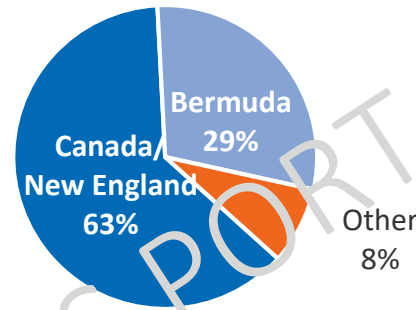
Note: Includes winter and summer seasonal destinations

Flynn Cruiseport Boston had a strong rebound in cruise activity in 2023

2023 Flynn Cruiseport Passengers
Actual vs Budget



2023 Cruise Passengers
by Itinerary



- 373,000 passengers, up 20% over 2022
- 149 ships, a 16% increase over 2022
 - 58 homeports and 91 port-of-calls
 - 5 maiden calls
 - 16 days with three ships in port
 - 5 homeport vessels
- Cruise ship passenger load factors averaged 90%, compared to 82% in 2022
- Holland America celebrated its 150th Anniversary in September by donating \$5,000 each to three local South Boston charities

Massport expects a robust 2024 Cruise Season at Flynn Cruiseport Boston



Cruise Season 2024 Highlights:

- 25 cruise lines
- 172 ships, up 15% over 2023
 - 79 homeport sailings, up 36% over 2023
 - 93 ports-of-call
- 14 maiden calls
- 16 days with three ships in port

2024 Cruise Lines Visiting Flynn Cruiseport Boston



For the 2024 cruise season, Flynn Cruiseport Boston will have a record eight homeport ships and five repositioning cruises with unique itineraries

Eight Homeport Ships

**Norwegian Gem –
Bermuda (2,400 pax)**



**Holland America
Zuiderdam –
Canada/NE (2,200 pax)**



**Celebrity Eclipse –
Canada/NE (2,850 pax)**



**Royal Caribbean Grandeur
of the Seas– Canada/NE
(2,450 pax)**



**Holland America Volendam
– Canada/NE (1,400 pax)**



**Norwegian Jade –
Canada/NE (2,400 pax)**



**Emerald Princess –
Canada/NE (3,100 pax)**



**Oceania Nautica –
Canada/NE (680 pax)**

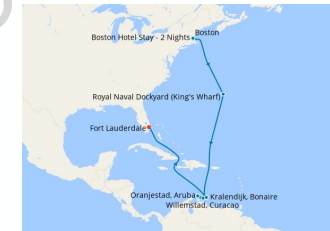


Five Unique Itineraries

**Boston-Caribbean
Holland's Zaandam
Oct. 2024**



**Boston - Caribbean
Celebrity Eclipse
Oct. 2024**



**Boston to St. Maarten
Windstar – Star Pride
Oct. 2024**



**Boston – Panama Canal
Hapag-Lloyd's Hanseatic Inspiration
Oct. 2024**

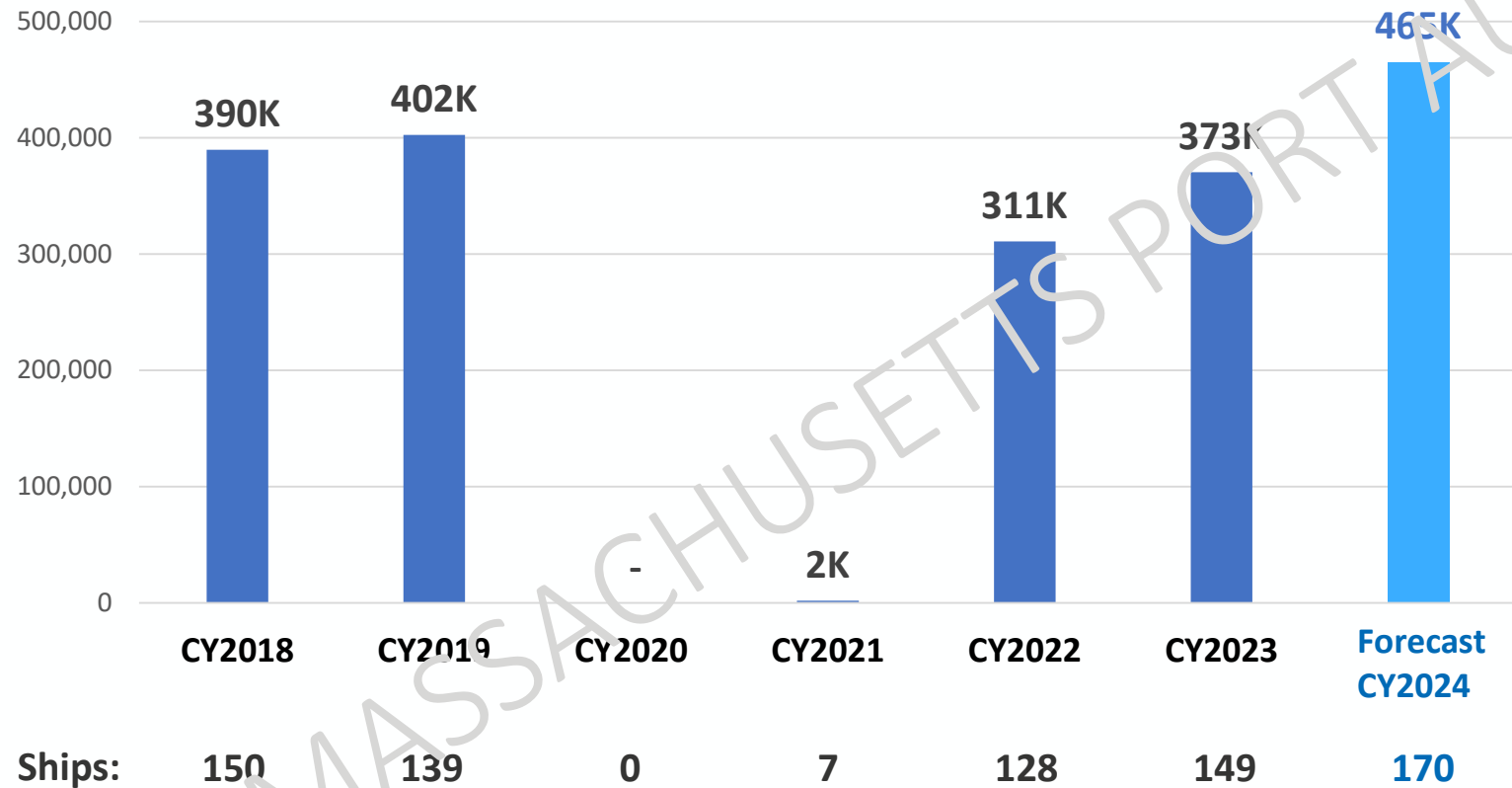


**Boston - Caribbean
Holland's Zuiderdam
Nov 2024**



In 2024, Flynn Cruiseport Boston is forecast to serve 465K passengers, a record-breaking year

Actual and Forecast Cruise Passengers
CY2018 to CY2024



CY2024 Forecast:

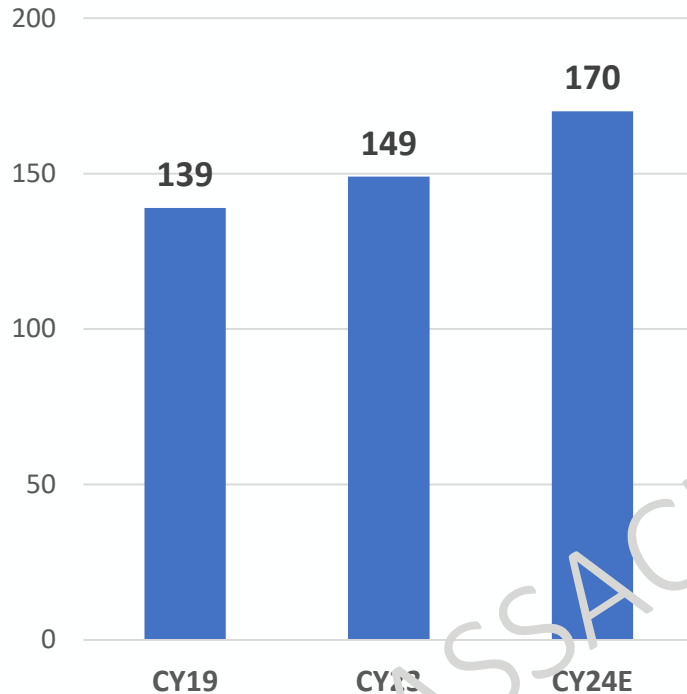
- 25% increase over 2023, due to growth in homeports
- 16% higher than 2019, the pre pandemic volume
- Assumes a 90% passenger load factor (100% capacity = 517K)



Flynn Cruiseport Boston's rebound from the pandemic is driving volume growth and improved financial performance

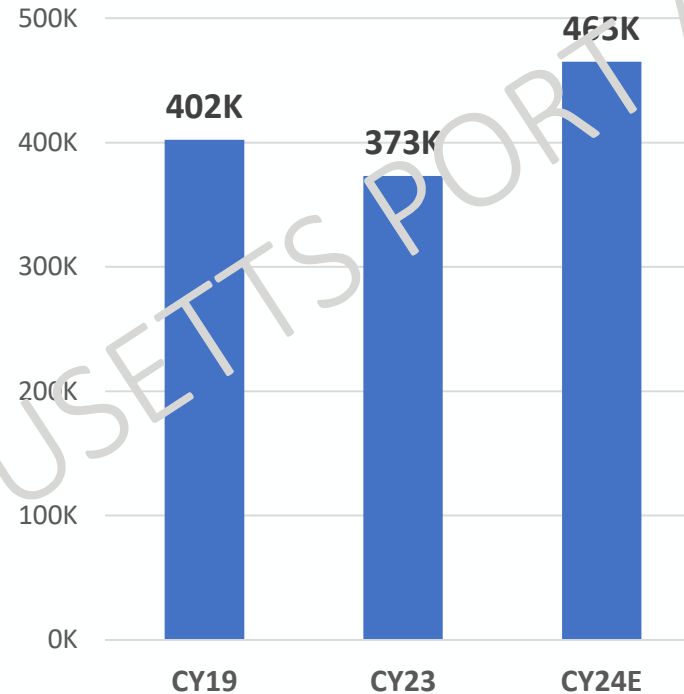
- 22% increase in ship calls

Number of Ships



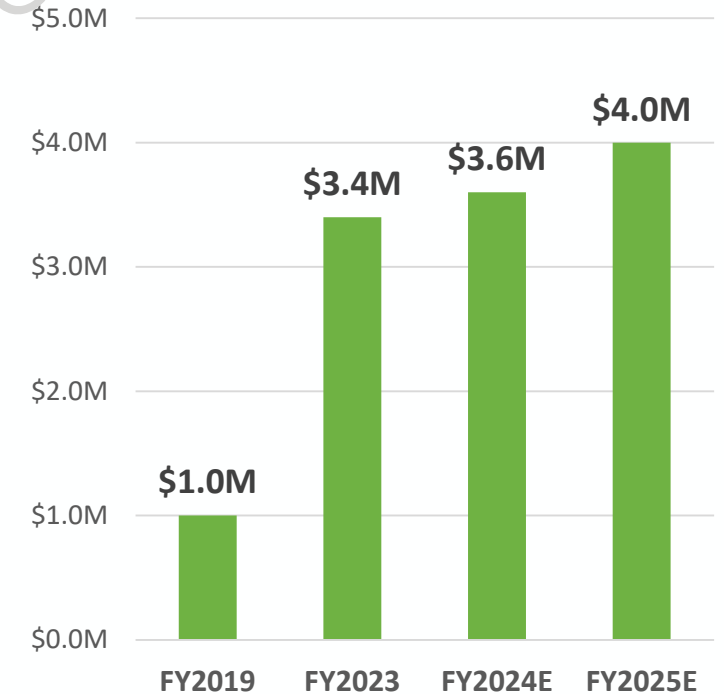
- 16% increase in passengers

Passengers



- Operating margin is growing

Operating Contribution



E = estimate



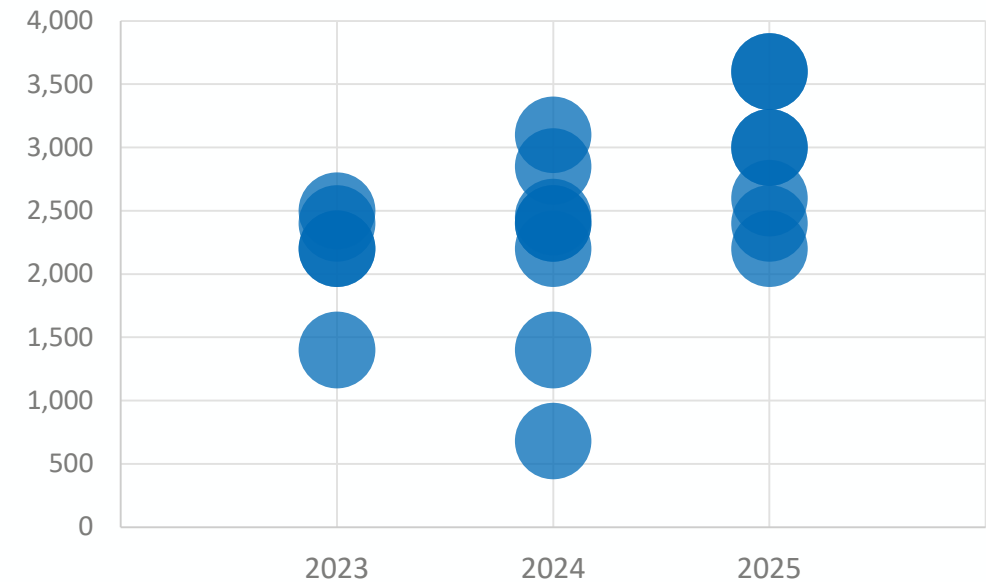
Flynn Cruiseport Boston will continue to see larger cruise ships cascade into the market

- Boston's average homeport vessel in 2025 will be 36% larger than the average vessel size in 2023

Boston Homeport Ships (sample)



Flynn Cruiseport Homeport Vessels by Passenger Capacity (2023 to 2025)



Avg. Homeport Size (pax)	2023	2024	2025
	2,140	2,185	2,914

Accommodating anticipated 4,000-5,000 passenger homeport vessels will present operational challenges - *studies underway to assess future facility needs*

1. Cruiseport Renovation & Enhancements Study

- Throughput
 - Passenger processing and waiting areas
 - Luggage processing and laydown areas
- Pier structure
 - Deck and pier reinforcement
 - Bollard and fender upgrades
 - Additional passenger boarding bridges
- Ground transportation area
 - Pickup/drop-off area limitations

2. Shore Power Feasibility Study



Summary

- Global demand for cruising remains strong and 2024 is expected to be a record setting year
- Flynn Cruiseport Boston had a strong rebound last year and expects record cruise activity in 2024
- A strong Boston cruise market creates economic value for the Commonwealth and supports the region's tourism industry
- To continue to capitalize on cruise industry growth and support the visitor economy in the City and Commonwealth, Massport is assessing future investments needs and sustainability initiatives
- Staff will present options to the Board when the assessment is completed

HOV Update

Joel Barrera

February 15, 2024



Massport's ground transportation strategy focuses on HOV, sustainability, and efficiency

- Massport must accommodate all forms of transportation to/from Logan Airport, but prioritizes HOV
- Our Net Zero goal includes a plan to decarbonize as much of the Massport and commercial fleets as possible by 2031
- Massport is committed to operational efficiency and policy choices that focus on moving more people in fewer vehicles

Average vehicle trips per party:

Less than one



Public/private transit,
water transportation

Two



Long-term parking,
rental cars

Approx. three



Taxi / ride app / limo

Up to four



Drop-off / pick-up

Massport has been executing its ground access strategy to move more people in fewer vehicles, in an efficient, customer-friendly, and environmentally responsible way

Long-term Ground Access Goals:

- Double Logan Express ridership to 4M
- Prioritize HOV modes on Logan roadways to encourage greater HOV use
- Leverage technology and policy choices to influence ground access behaviors
- Procure a more sustainable Massport bus fleet

Today's discussion:

- Expanding HOV options and roadway transit priority
- Aligning ground transportation assets and policies with Net Zero strategy



Logan Express set a record of 2.3 million riders in 2023

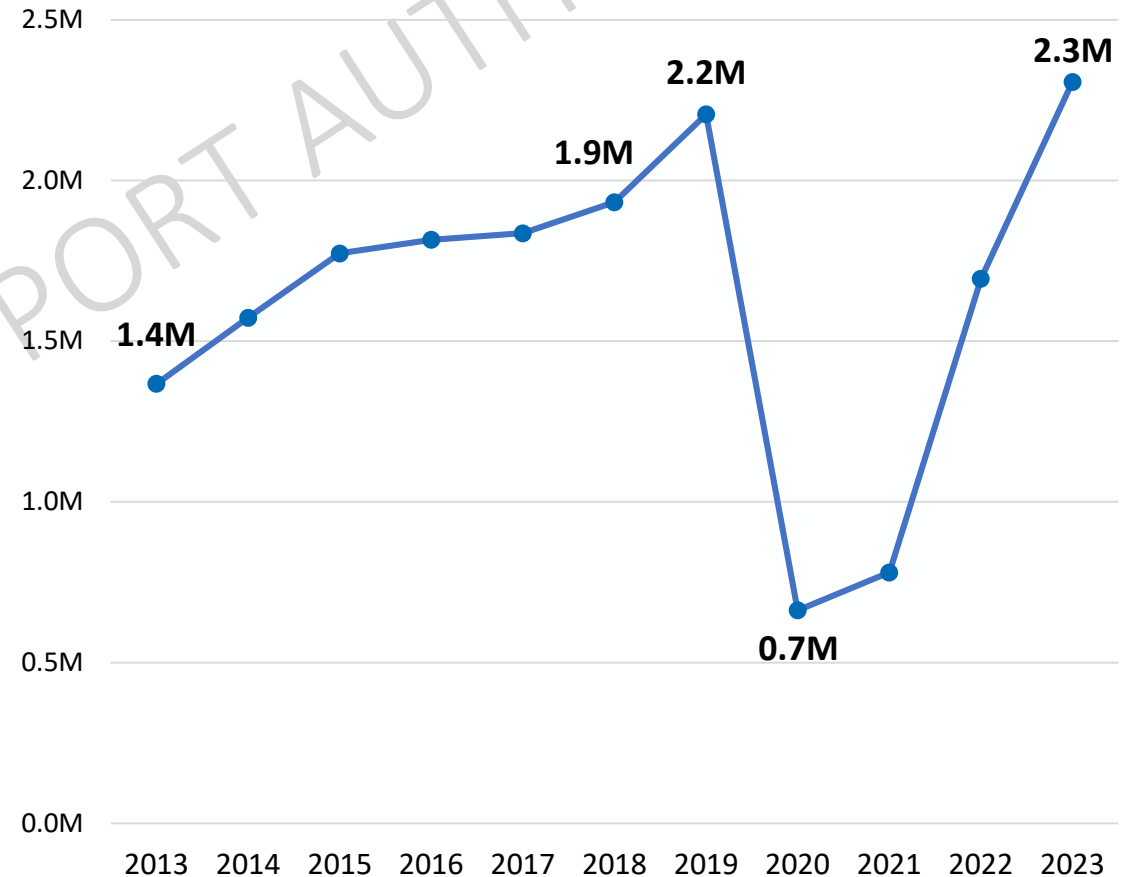
2023 Improvements:

- Expanded Braintree LEX capacity for passengers by moving employees to a new Quincy Employee Bus service
- Continued the e-ticketing discount for online fare purchases
- Provided passengers with real time bus tracking in the FlyLogan App

Ongoing and Future Actions:

- Advancing the Framingham LEX Garage Project to expand capacity by adding three levels to the garage, which will enable an increase in service frequency
- Relocate Peabody LEX to a permanent, larger site
- Develop alternatives to improve Braintree LEX parking capacity

Logan Express Riders 2013-2023



In 2023, more than 1.5M passengers used private, scheduled buses to access Logan, 96% return to 2019 levels

- Private bus activity increased to 96% of 2019 levels, as bus operators continued to restore services
- Private buses, as well as Logan Express, on-airport shuttles, courtesy vans and charter buses all rely on dependable curb access at Logan Airport

2023 Improvements:

- Roadway improvements to prioritize HOV during the Sumner Tunnel closure are becoming permanent

Future Actions:

- Continue bus prioritization at Terminal B, Terminal E, and the Jeffries Point entrance to TWT

Board Vote:

- Item 8: Terminal B Roadway & Garage Optimization



Blue Line Airport Station ridership recovered to 90% of 2019 ridership, the strongest recovery among MBTA subway lines

2023 Improvements:

- Increased direct Airport Station shuttles to/from the terminals by 67%
- Reconfigured Transportation Way to reduce shuttle bus delays
- Provided Blue Line passengers with real time shuttle bus tracking
- Partnered with the MBTA to improve the Airport Station canopy and wayfinding, and improve transportation options for airport employees

Future Actions:

- Leverage Airport Shuttle Bus contracts to support Blue Line usage and continue technology improvements

Board Vote:

- Item 10: Airport Shuttle Bus Contracts



The Silver Line 1 served 1.5M Logan Airport riders in 2023

- Logan Airport ridership was 24% lower than 2019 levels, but recovered at a faster pace than overall SL1 ridership, which was 46% below 2019 ridership
- More than 800K riders took advantage of the free service from Logan to downtown Boston

2023 Improvements:

- Purchased 10 new enhanced electric SL1 buses that operate with zero emissions through the Logan terminal areas

Future Actions:

- Continue collaboration with the MBTA to increase service frequencies as needed and improve wayfinding and marketing
- Approve the MBTA Silver Line Agreement



Massport launched two new HOV services for Logan Airport employees

2023 Improvements:

- Successfully launched the Quincy Employee Bus service
- Established a new Wonderland employee bus service with dedicated parking and 24-hour service to Logan utilizing a new employee bus service and the Blue Line

Future Actions:

- Board votes in March and the fall addressing the bus operation and maintenance contract for employee bus services
- Continue collaborating with the MBTA as they launch a new T104 high frequency bus route serving Malden, Everett, Chelsea, and East Boston/Airport Station



Massport is advancing initiatives to support the decarbonization of the Logan Airport ground transportation fleet

2023 Improvements:

- Upgraded and expanded EV charging options in Ride App lot, taxi lot, and the Rental Car Center
- Implemented front of the line privileges for EV taxis

Future Actions:

- Developing RFP and equipment criteria to transition LEX buses in alignment with net zero goals
- Policy and infrastructure choices to facilitate commercial vehicle transition
- Massport will future-proof the new LEX site (relocation of Peabody LEX) to allow us to pilot sustainable alternatives to the existing fleet

Board Vote:

- Item 10: Airport Shuttle Bus Contracts



Ground Transportation Operators Fleet Electrification Progress

- 7 EV taxis now operating at Logan
- 900+ unique Uber and Lyft EV cars
- ≈1,000 EVs available to rent at Logan Airport



Today's Votes

Item 8. Terminal B Roadway & Garage Optimization

Item 10. Airport Shuttle Bus Contracts

MASSACHUSETTS PORT AUTHORITY

Community Outreach

Massport CAC Update

- The Massport CAC held its General meeting on January 18
- The FAA New England Regional Administration provided an update on:
 - The noise policy review
 - Status of RNAV Block 1 and Block 2 procedures
 - The utilization of Runway 33L RNP procedure (Required Navigation Performance)
- The MCAC voted to advance their Data Analytics project after issuing an RFP and choosing Revision/OnPoint as the consultant



MCAC General Meeting Agenda

January 18, 2024

4:00 p.m. - 6:00 p.m.

Attendance details: Virtual via Zoom:

<https://us06web.zoom.us/j/84429398480?pwd=YmNmSGREbkQ3UDk2S0N6OzNMSy9UUT09>

Dial-in: +1 46 558 8656 Meeting ID: 844 2939 8480 Passcode: 842580

One tap mobile

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1. Member roll call and approval of prior meeting minutes (September 21, 2023)
2. Public Comment period (limited to two minutes per person)
3. Quarterly member recognition
 - a. Above and Beyond Award
 - b. Participation Recognition – working group members
4. FAA (Federal Aviation Administration) Update – Lindsey White/Ken Knopp
5. MCAC Massport Board Member Update – John Nucci
6. Treasurer's Report – Ira Goldman
7. Review and vote on Data tool consultant project.
8. Deep dive and potential vote on Research Opportunity project.
9. Subcommittee updates:
 - a. Aviation Operations - Fly Quiet efforts; Feedback/Next Steps on FAA Noise Policy Response (One alternate subcommittee vacancy)
 - b. Environment and Health - upcoming workshop, Saturday, January 27, 2024, 9am-noon, Assembly Row, Somerville. (Three subcommittee vacancies, three alternate vacancies)
 - c. Finance subcommittee to kick off soon. (One subcommittee vacancy)
10. Working Group updates
 - a. Website revamp working group
 - b. Data tool RFP working group
11. Communications: Newsletter, One-Pager, Website and more: what works best for your community?
12. New Business – reserved for matters the Chair did not reasonably anticipate at the time of posting
13. Correspondence
14. Adjournment roll call

Facilities and Construction

Air Traffic Control Tower (ATCT) improvements (L1686) Partial Project Budget

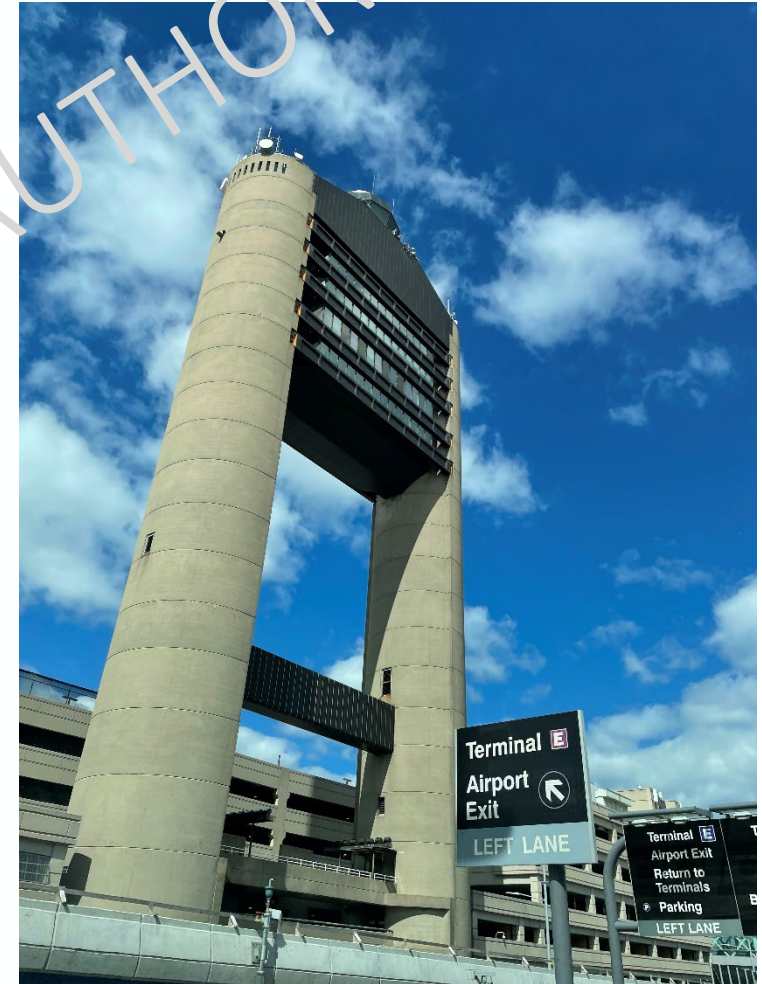
Luciana Burdi

February 15, 2024

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

Project Scope:

- A multi-year, multi-phased renovation and modernization of the ATCT
- The first phase will build a new tenant space for the FAA by adding four lower levels between the pylons (Levels 1 – 4)
- Once the first phase is complete, there will be areas available at the upper floors of the tower, allowing space for subsequent phased renovations and modernizations
- The White House announced that Massport will receive a \$12 million grant through the FY24 Airport Terminal Program (ATP), funded by the Bipartisan Infrastructure Law
- FAA will reimburse Massport for any costs not covered with the grant through its lease agreement



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

Key Conditions of Satisfaction (COS):

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

Milestones:

- Select Construction Manager – March 2024
- Pre-Construction Services – Spring 2024
- Commence Construction – Summer 2024
- Substantial Completion – Winter 2025



Rendering of Air Traffic Control Tower Facade

Board Recommendation:
Approve a partial project budget in the not-to-exceed amount of \$20 million

Terminal B Roadway & Garage Optimization (L1697) Partial Project Budget

Luciana Burdi

February 15, 2024

The Terminal B Roadway & Garage Optimization Project

- Terminal B accounted for 34% of Logan passengers in 2023, and is home to seven airlines: Air Canada, Alaska, American, Boutique, Southwest, Spirit, and United

Terminal B Roadway & Garage Optimization Project will:

- Improve efficiency by shifting passenger vehicle pickups to expanded curbside space in the Terminal B Garage
- Enhance ADA access
- Make structural repairs to the garage
- Improve Wayfinding

Terminal B Roadway & Garage Optimization

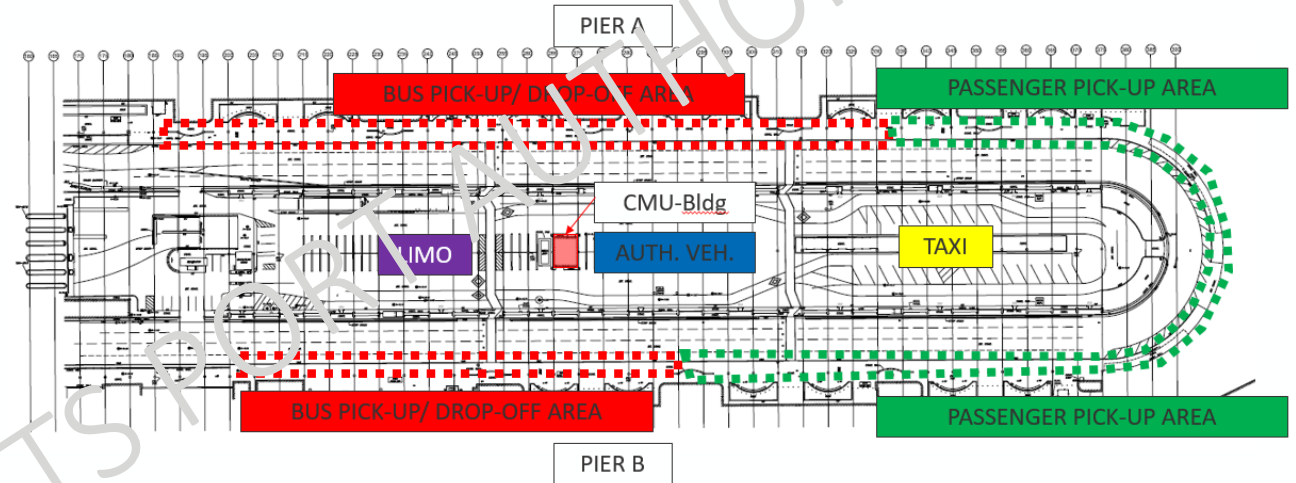
Project Scope:

- Shift passenger vehicle pickups to expanded curb space in interior of Terminal B Garage
- Move taxis to the outer curb, and relocate the limos to Level 2
- Add ADA ramps and improvements
- Make structural repairs to the elevated roadway, and garage Levels 1-5
- Repave the Arrivals Level roadway

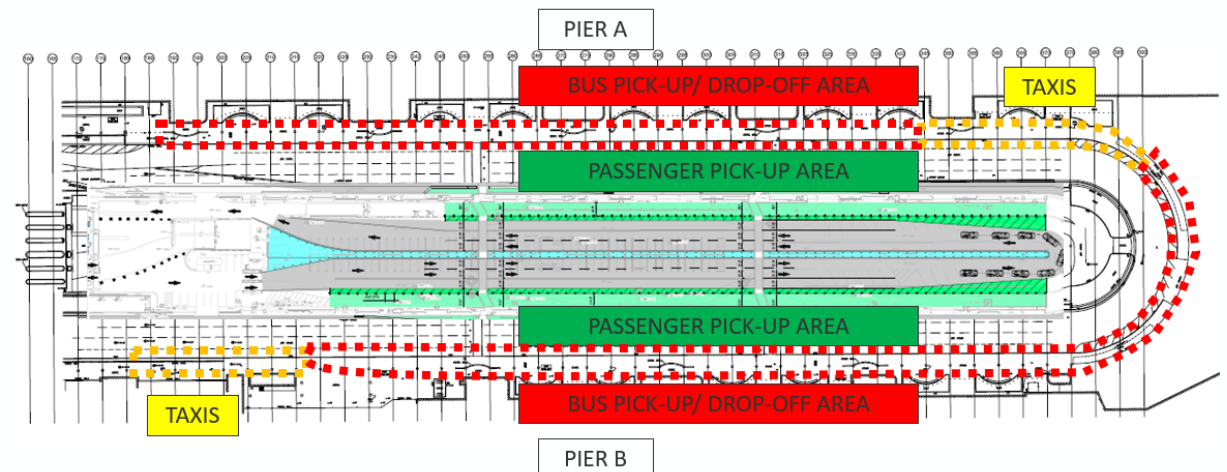
Funding:

- Massport submitted the project to the FAA for an FY24 Airport Terminal Program grant, funded by the Bipartisan Infrastructure Law (BIL), and is awaiting a response

Existing Layout

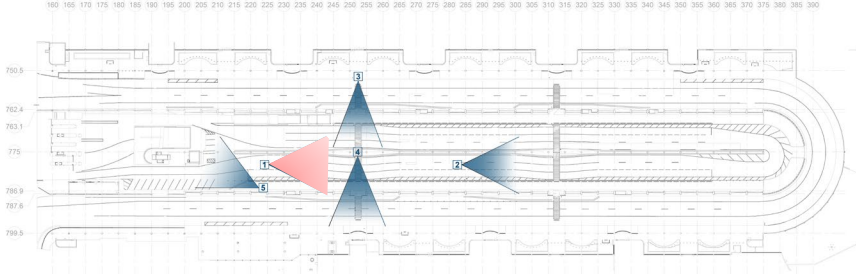


Proposed Layout



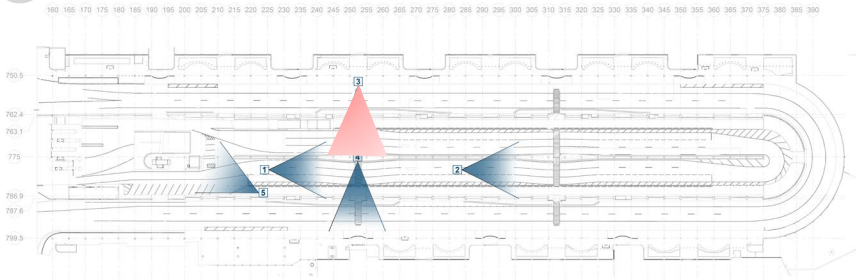
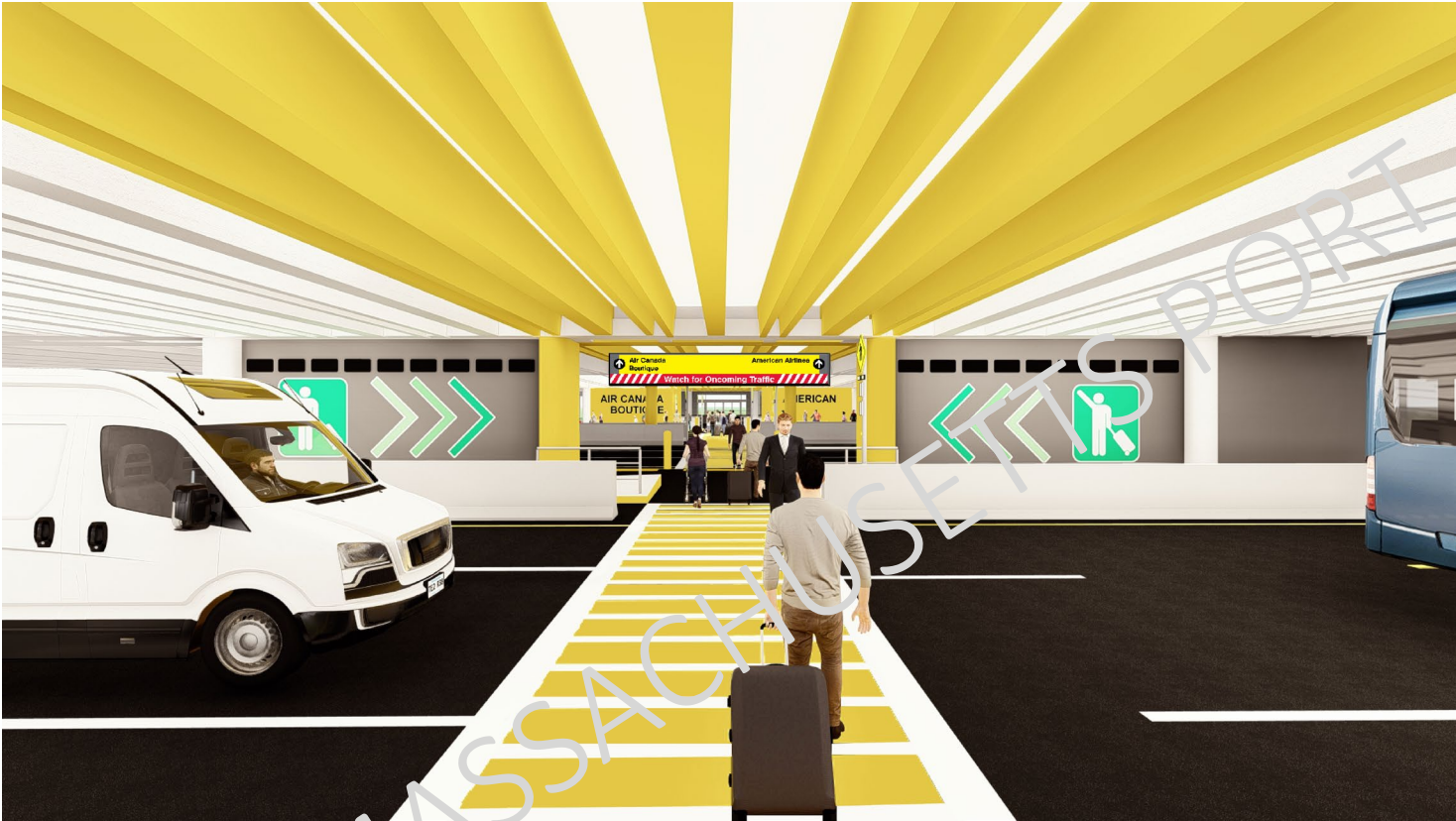
Terminal B Roadway & Garage Optimization

View 1 New Lanes - Level 1 Garage Interior



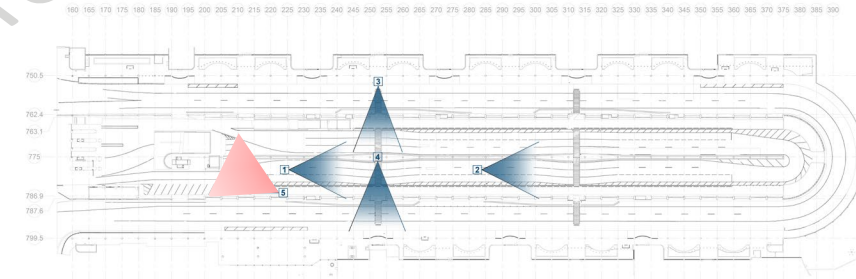
Terminal B Roadway & Garage Optimization

View 2 New Pedestrian Crossing - Level 1 Garage Interior



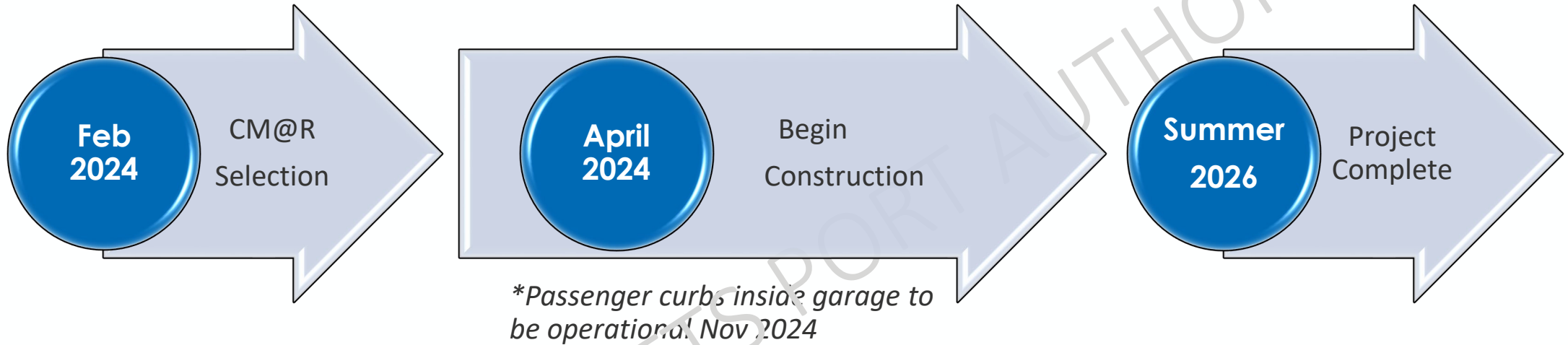
Terminal B Roadway & Garage Optimization

View 3 Expanded Passenger Vehicle Pickup at New Curb - Level 1 Garage Interior



Terminal B Roadway & Garage Optimization

Schedule for Phase I:



Board Recommendation:
Approve a partial project budget for the not-to-exceed amount of \$40M



Sustainability Components:

- Contractor to install new LED lights and track demolished recycled materials
- Increased HOV usage

Terminal C Improvements (L1809) Partial Project Budget

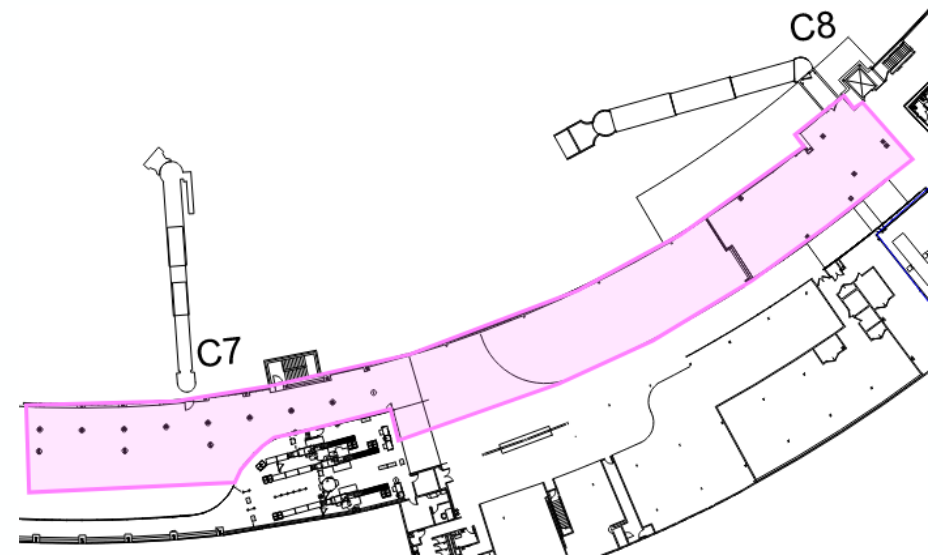
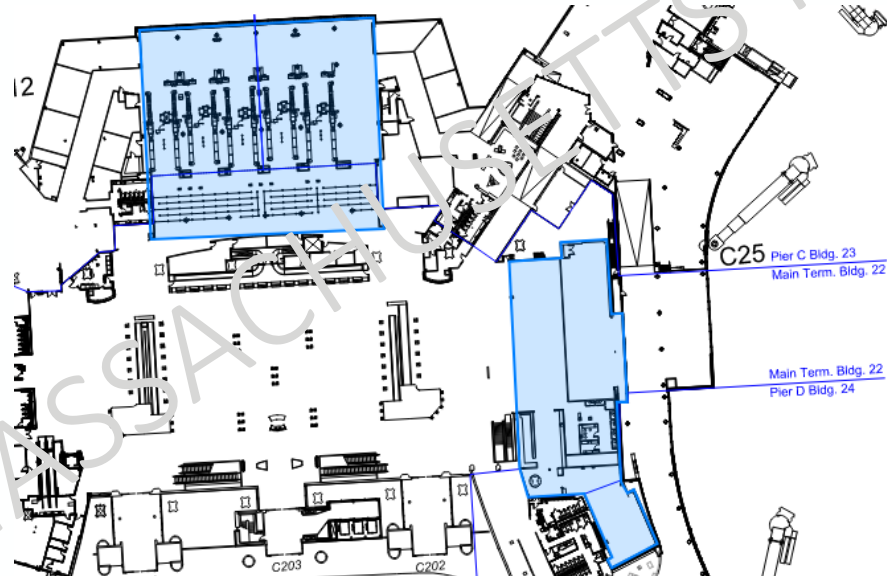
Luciana Burdi

February 15, 2024

Terminal C Improvements – Project Scope

The project will design and construct:

- **A Terminal C Federal Inspection Services (“FIS”) secure connector** extension from Gate C7 to Gate C8 to enhance international arrivals processing
- **A Terminal B to C Connector Checkpoint** which will allow up to four standard security screening lanes
- **Four Automated Security Lanes** at the *Terminal C Main* passenger checkpoint to replace four standard security screening lanes



Terminal C Improvements will improve passenger processing and enhance the customer experience

Key Conditions of Satisfaction:

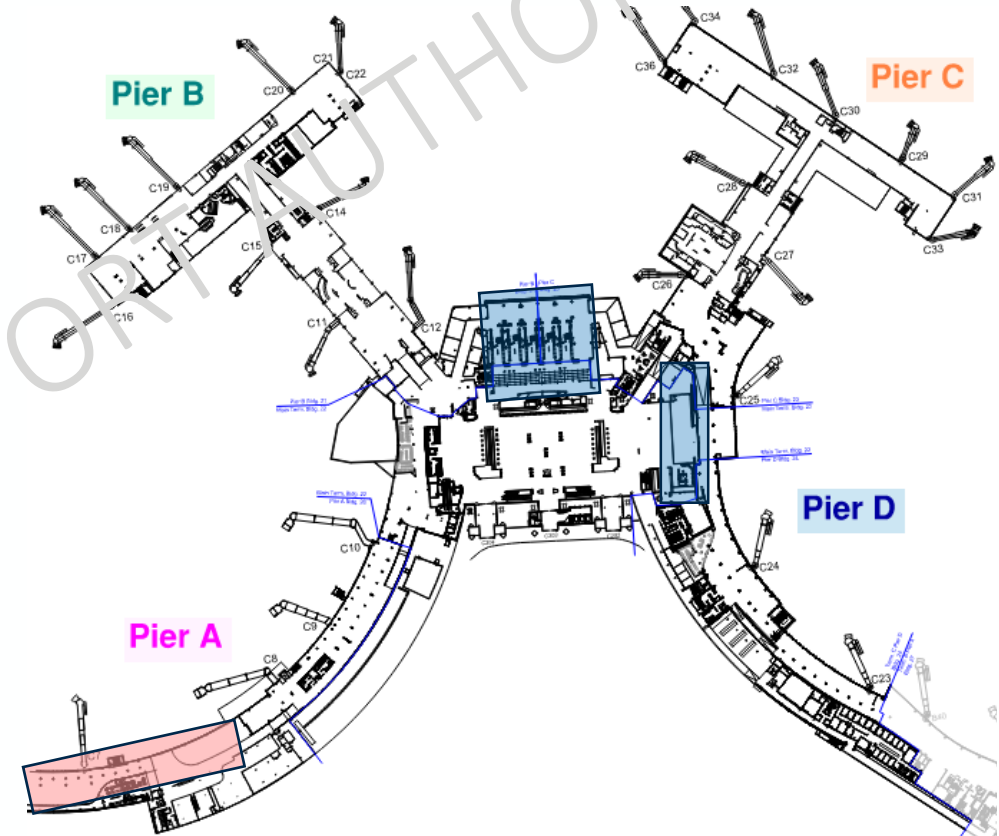


- Seek to maintain strict adherence to Massport's Sustainability, Net Zero, & Resiliency Guidelines
- Improve the passenger's experience when departing from or arriving at Terminal C
- Minimize disruptions to Massport Operations

Implementation:



- Construction is anticipated to start in Summer 2024
- Construction duration is expected to be approximately 24 months



Board Recommendation: Approve a partial project budget in the not-to-exceed amount of \$7 million

Audit and Finance

Airport Shuttle Bus Contracts

Daniel Gallagher

February 15, 2024



Airport Shuttle Operation & Maintenance Contract Procurement Schedule

- The current Airport Shuttle contract expires on September 30, 2024
- An RFP was issued in July 2023 and responses were received from two vendors in September 2023
- Interviews and site visits to off-airport bus maintenance facilities occurred in December 2023
- The Selection Committee met in January to review best and final offers and determined that it could not recommend awarding the full scope of work to either vendor due to driver shortages
- Respondents were asked to submit cost proposals for each of two separate scopes of services:
 - Scope 1: Chelsea Garage, LOC, South Cargo, Water Transportation (4,600 service hours/month)
 - Scope 2: RCC/MBTA, Economy Garage, Inter-terminal (14,900 service hours/month)

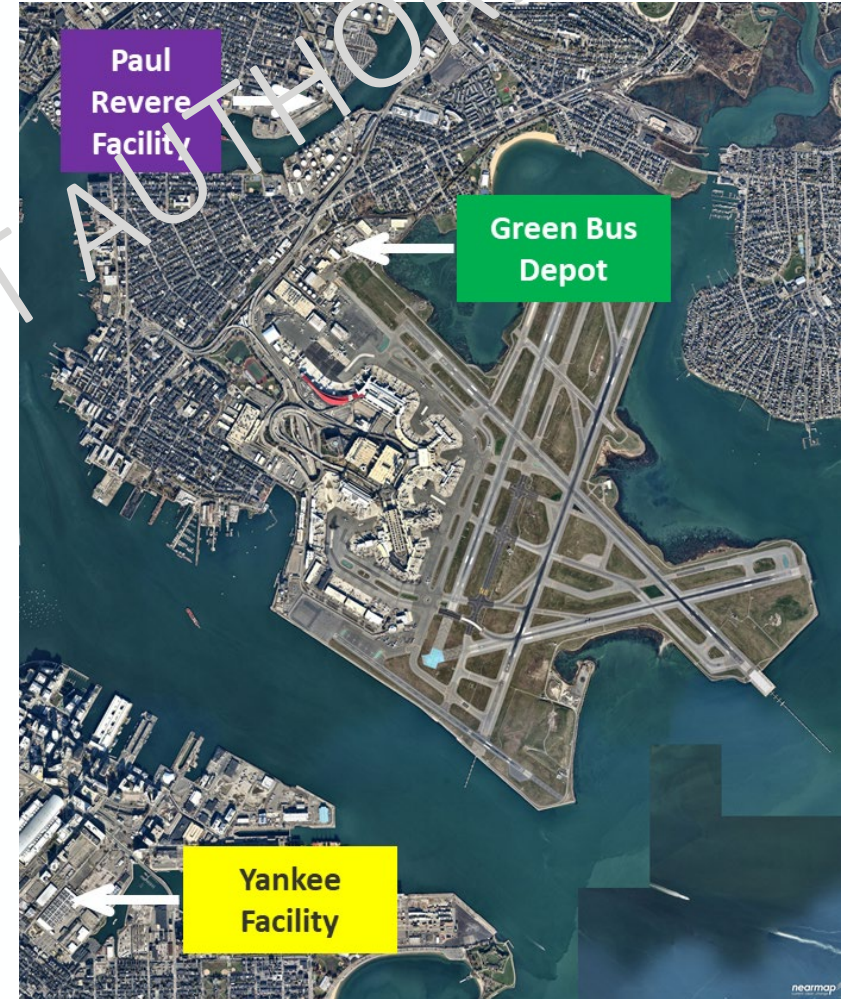
The Airport Shuttle contract will continue our existing on-airport shuttle service, while enabling Net Zero fleet electrification and providing for potential HOV growth strategies

- Selection Committee recommends services be provided by two operators:
 - **Yankee Bus Line:** Chelsea Garage, LOC, South Cargo, Water Transportation
 - **Paul Revere Transportation:** RCC/MBTA, Economy Garage, Inter-terminal
- Contract covers both the operation and maintenance of the airport shuttle fleet
- Commencement: October 1, 2024
- Term: Three years with two one-year options
- Not-to-exceed amounts:
 - Yankee Bus Line - \$70 million
 - Paul Revere Transportation - \$150 million



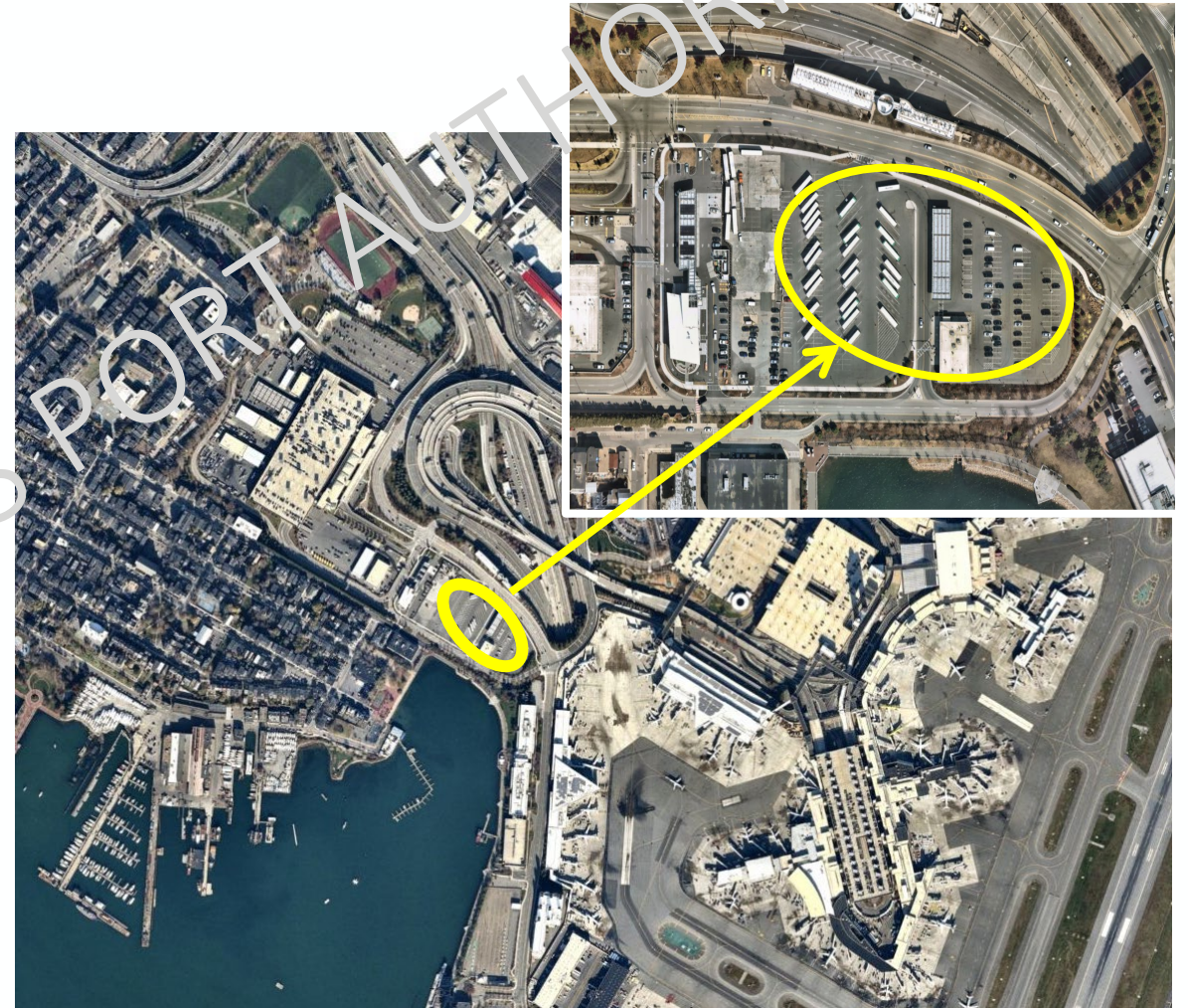
Airport Shuttle Fleet Maintenance Transition Plan

- The existing airport shuttle fleet is comprised of 31 compressed natural gas and 32 diesel electric hybrid buses
- As part of the Authority's NetZero goals, this shuttle fleet will ultimately be retired and transitioned to a zero-emission fleet
- This contract calls for Paul Revere to operate and maintain 50 existing buses at the Green Bus Depot, eventually moving maintenance functions to their Chelsea facility to allow for electric bus maintenance
- Yankee Bus Line will maintain 13 existing shuttle buses at their South Boston facility, transitioning to electric bus maintenance upon replacement of the existing fleet



Airport Shuttle Net Zero Fleet Decarbonization Plan

- Staff is currently evaluating possible locations for the construction of an on-airport zero-emission fleet maintenance facility, replacing the existing Green Bus Depot
- One proposed site for this replacement facility would be within the South West Service Area (SWSA)
- The SWSA site would provide a number of benefits for such a facility, including:
 - Reduced vehicle miles traveled (VMTs)
 - Greater efficiency for future net zero infrastructure (e.g., vehicle battery charging and micro-grid)
 - Enhanced shuttle frequency and capacity through improved shuttle circulation
 - Consistency with existing uses, i.e., bus storage and staging



Best and Final Offers revealed Yankee to be the lower-cost option for Scope 1 and Paul Revere the lower-cost option for Scope 2

Best and Final Offers Over Five-Year Term of Contract (Including Option Years):

Scope 1 Base Costs

Respondent	Year 1 Estimated Base Cost: Off-Airport Facility	Estimated Five Year Cost
Yankee	\$10.8 million	\$56.6 million
Paul Revere	\$11.6 million	\$59.4 million

Scope 2 Base Costs

Respondent	Year 1 Estimated Base Cost: Off-Airport Facility	Estimated Five Year Cost
Yankee	\$36.4 million	\$191.1 million
Paul Revere	\$23.5 million	\$125.6 million

The proposed Airport Shuttle contract values represent the costs to fully staff current and potential future growth in Airport Shuttle service to support HOV

Proposed Contract Values Over Five-Year Term of Contracts (Including Option Years)

Respondent	Yankee	Paul Revere	Total
Total Base Cost	\$57M	\$126M	\$182M
Contingencies	\$13M	\$24M	\$38M
Total Not-to-Exceed Contract Value	\$70M	\$150M	\$220M

- Staff suggests contingencies based upon possible increase in shuttle service, possible urban HOV opportunities as well as fuel cost volatility

Next Steps

- Staff recommends the Board authorize execution of a contract with **A Yankee Line, Inc. for Scope 1** to commence October 1, 2024 in the not-to-exceed amount of \$70 million over a term of three years, with two one-year options to renew exercisable by the Authority
- Staff recommends the Board authorize execution of a contract with **Paul Revere Transportation LLC for Scope 2** to commence October 1, 2024 in the not-to-exceed amount of \$150 million over a term of three years, with two one-year options to renew exercisable by the Authority

Logan Airport Non-Terminal Buildings Cleaning Services Contract

Dan Gallagher

February 15, 2024



Non-Terminal Buildings Cleaning Services Contract Procurement Schedule

- Current cleaning contract with C&W Facilities Services, Inc. expires March 31, 2024 (both terminal buildings and non-terminal buildings)
- The Authority unbundled this larger contract scope to create opportunities for small businesses and W/MBE firms
- RFP issued in October for non-terminal buildings, totaling approximately 465K sq. ft.
- Responses were received from nine vendors in November 2023
- Interviews and presentations with three shortlisted vendors were held in December 2023
- Best and final offers were submitted and evaluated in January 2024
- Contract Start Date: April 1, 2024

Best and Final Offers

	Year 1	Hours	\$ / Hour	MWBE	3-Year Total
ABM	\$2.9M	59.9K	\$49.16	80.8%	\$9.1M
C&W	\$2.7M	60.0K	\$44.67	84.2%	\$8.3M
DRB	\$2.9M	60.0K	\$48.49	100%	\$9.1M

Scope:

- Rental Car Center (RCC)
- Central Garage Passenger Walkways
- State Police Troop F / TSA Offices (Bldg. 11)
- Fire Rescue Headquarters
- Massport Facilities 1, 2, and 3
- Harborside Drive Cargo Buildings
- Taxi Pool
- TNC Pool
- Bus/Limo Pool Buildings
- Water Shuttle Terminal
- Amelia Earhart Building
- North & South Gates
- BU Building
- Central & West Garage Offices
- FAA Control Tower

Incentives and Recommendation

Cleaning Performance Incentive:

- Performance-based cleaning program designed to incentivize performance
- Cleanliness standards will be independently evaluated and scored monthly by an independent third party, Elliott Affiliated, Ltd.
- This program may add up to \$60,000 each year to cover incentive payments, contingencies and other potential expenses
- Incentive payments will be paid to cleaning staff directly in their paychecks

Recommendation:

- Staff recommends that the Board authorize staff to enter into an agreement with C&W Facility Services, Inc. to commence on April 1, 2024 in the not-to-exceed amount of \$8.5 million over a term of three years, with two one-year options to renew exercisable by the Authority

FY24 Six Month Financial Performance

John Pranckevicius

February 15, 2024



FY24: First Six Months Highlights

- Business activity exceeded prior year results across all transportation assets, resulting in improved revenue performance for the first 6 months of FY24
 - Logan Airport served 21.4 million passengers, an 8% increase over last year, boosting Logan's variable revenues
 - Maritime's financial performance improved 6.2%, as Conley Terminal's container volume grew 15.7%, Flynn Cruiseport Boston passengers increased 6.2%, and South Boston Waterfront Transportation Center and other parking assets outperformed prior year results by 12%
 - Worcester Airport passenger volume increased 12% as JetBlue up-gauged its aircraft to meet passenger demand
 - Hanscom Field operations were level with last year and new ground leases continue to aid financial performance
- Operating revenues were \$582 million, an \$82 million increase over prior year from improving business demand
- Operating expenses increased \$78 million to \$466 million as demand driven expenses, the addition of new employee and passenger transportation services, and the Sumner Tunnel closure impact costs
- Net position increased 8%, assisted by margin improvement, higher investment income, and an increase in Federal grant capital contributions; These additional resources will be reinvested in the new 5-year Capital Improvement Plan (CIP)

Business activity growth drove 1H FY24 revenue 16% higher to \$582 million, an \$82 million increase over the prior year period

- **Logan: \$497 million, an increase of \$79 million, or 19%**
 - Variable revenue improved \$32.5 million over last year as passenger traffic increased
 - Parking revenue is \$8.5 million higher, as revenue per exit improved from \$89 to \$98 from the July 1, 2023 rate adjustment
 - Terminal Concessions, Rental Cars, Advertising, Foreign Exchange, and Commercial Services increased \$16 million
 - Ride Apps, Logan Express, On Airport Shuttle and other GTU services added \$8 million in new revenue
 - Logan's Terminal Rents, Ground Leases and Landing Fees were up \$43.5 million as terminal rents increased with the opening of Terminal E and Airline rates & charges increased to recover additional service costs and capital investment
- **Hanscom: \$10.1 million, on par with last year, as a prior period ground lease accounting adjustment is reducing stated revenue by \$2.0 million**
- **Worcester: \$1.6 million, an increase of \$270K, or 20%, as more passengers increased parking and rental car revenue**
- **Maritime: \$50.4 million, up \$2.6 million, or 8%, due to 9.7K additional containers and 16.7K additional cruise passengers**
- **Real Estate: \$22.7 million, is \$1.5 million higher from more land use rents and parking activity at the South Boston Waterfront Transportation Center outperformed the prior year**

HOV investment, the Sumner Tunnel closure, and demand driven business expenses resulted in \$78 million of additional expense, for a total of \$466M

- **Passenger and Employee Shuttle Bus Services: \$30 million**, a \$14 million increase, as Massport added new and improved shuttle and parking operations at Wonderland, Chelsea, and Quincy, more on-airport shuttle frequencies, and additional LEX bus operations
- **Services, Stevedoring, Maintenance, and Repairs: \$77 million**, an increase of \$8.6 million, to pay for more terminal cleaning services, increased maintenance of elevators, escalators and baggage carousels, additional recycling and waste removal, and more landscaping services at Logan; also 18K additional containers at Conley Terminal increased Stevedoring expenses
- **Other Expenses: \$57 million**, an increase of \$2.5 million, reflects higher property and casualty insurance premiums, Logan parking credit card transaction fees, professional services, utilities, and other miscellaneous expenses
- **Employee Wages and Benefits: \$115.9 million**, an increase of \$19.1 million
 - Employee Wages increased \$8.1 million to \$77.9 million due to a combination of increased business activity and employee attrition which required additional headcount (33 public safety, security, and port officers, 19 customer service representatives, and 47 other operational and support staff); The balance reflects wage adjustments for union and non-represented personnel
 - Overtime increased \$7.5 million to manage the Sumner Tunnel closure impacts, train a new firefighter class, accommodate the increase in cruise activity, and manage other business activity growth
 - Employee benefits were \$3.5 million higher due to an increase in insurance premiums, more headcount, and state police pension assessments
- **Pension and OPEB expenses totaled \$9.1 million** and reversed last year's contra expense offset recognized by the prior year's stock market gains resulting in an \$18 million expense change for this period
- **Depreciation: \$177.4 million, an increase of \$16.3 million, or 10%**, to reflect the new Terminal E addition placed into service

1H FY24 operating income was \$116M, an increase of \$3M compared to last year

	<u>1H FY24</u>	<u>1H FY23</u>	<u>FY23 vs Prior Year</u>		<u>1H FY19 (Pre-pandemic)</u>
			<u>Amt.</u>	<u>%</u>	
Revenues	\$ 582 M	\$ 501 M	\$ 81 M	16%	\$ 466 M
Operating Expenses	(\$ 289 M)	(\$ 227 M)	(\$ 62 M)	(27%)	(\$ 247 M)
Depreciation Expense	<u>(\$ 177 M)</u>	<u>(\$ 161 M)</u>	<u>(\$ 16 M)</u>	<u>(10%)</u>	<u>(\$ 128 M)</u>
Total Expenses	(\$ 466 M)	(\$ 388 M)	(\$ 78 M)	(20%)	(\$ 375 M)
Operating Income	\$ 116 M	\$ 113 M	\$ 3 M	2.7%	\$ 91 M

Balance Sheet: Massport's net position grew by 8%, or \$263M, in 1H FY24

Total Assets and Deferred Outflows increased

+ \$ 100 M

- Assets increased from the conversion of \$116 million of operating earnings for the first six months, and debt service reserves were used to pay bonds
- Deferred outflows decreased \$13 million as prior year pension and OPEB losses continued to be amortized

Total Liabilities & Deferred Inflows declined

(\$ 163 M)

- Liabilities declined \$128 million due to pay-down of long term bonds
- Deferred inflows declined by \$35 million as lease revenues were recognized during the period and OPEB and pension gains were amortized

Change in Net Position **\$ 263 M**

Beginning Net Position **\$ 3.2 B**

Ending Net Position **\$ 3.48B + 8.2%**

Summary

- Massport's business activity grew at a healthy pace, and exceeded plan, resulting in \$82 million in revenue improvement
- During the same period, \$78 million of expense was added to increase HOV options for passengers and employees, operate the new Terminal E, and add headcount to keep pace with new business demand
- Massport's six month earnings, which grew 2.7%, will be used in the upcoming CIP to advance investments in NetZero initiatives and capital projects previously suspended or deferred during the pandemic
- Geopolitical risks and tensions are high across the globe, public health concerns continue to linger, and cybersecurity threats continue to be potential risks that could alter Massport's growth trajectory
- Massport will continue to assess these risks, and others, and will adjust as necessary to continue serving customers and generating economic value for the Commonwealth

Assent Agenda

MASSACHUSETTS PORT AUTHORITY