

Massachusetts Port Authority Board Meeting

March 20, 2025



Public Comment

Chair's Comments

CEO Report
Richard Davey

MASSPORT'S 2025 PRIORITIES

**PLANNING
& MANAGING
FOR GROWTH**



**CUSTOMER
SATISFACTION**



**FINANCIAL
PERFORMANCE**



**MASSPORT
AS AN EMPLOYER
OF CHOICE**



**DOUBLE
DOWN ON
FIGHT AGAINST
CLIMATE CHANGE**



LEADERSHIP



SAFETY & SECURITY



New and expanded ticket counters and elevators in Terminal E will be completed in April, in time for the summer season



PLANNING
& MANAGING
FOR
GROWTH



Logan moved up to 8th in overall satisfaction in the JD Power North America Airport Satisfaction Study



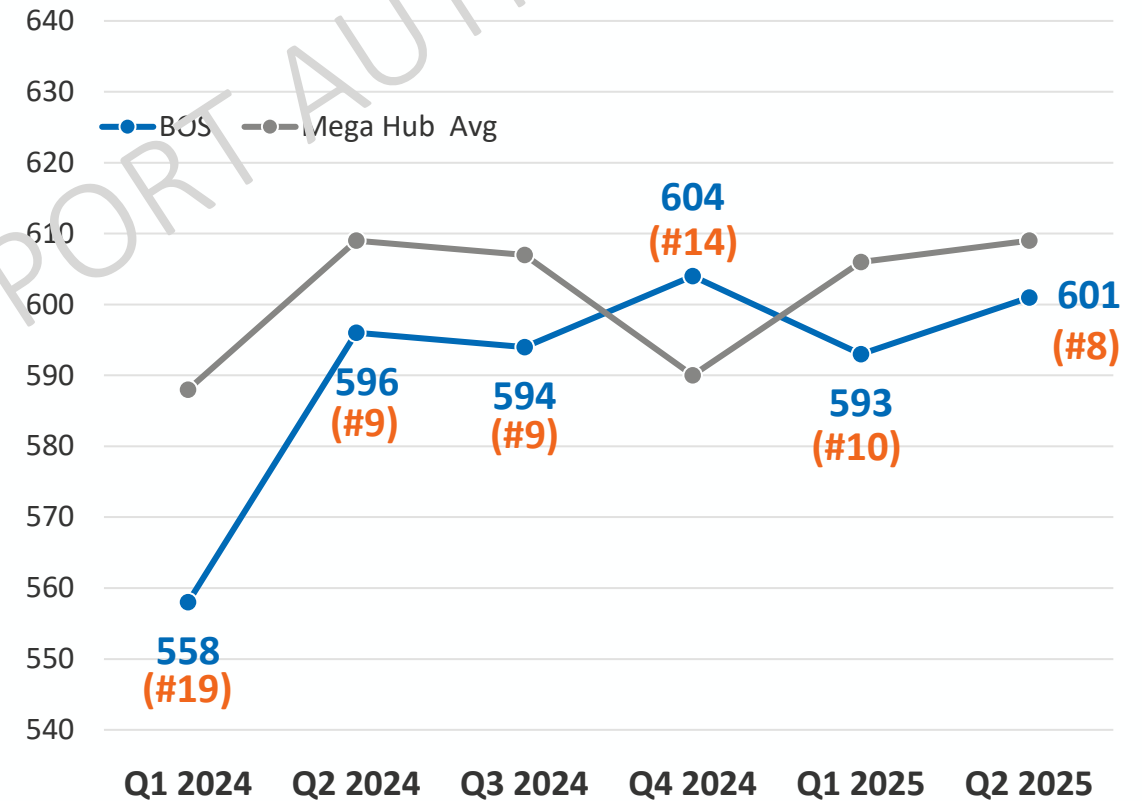
CUSTOMER
SATISFACTION

J.D. POWER

North America Airport Satisfaction Study



Overall Satisfaction and Ranking: Q1 2024 to Q2 2025



Note: Year starting July 1. ♦ Small sample

Source: JD Power, North America Airport Satisfaction Study, March 7, 2025

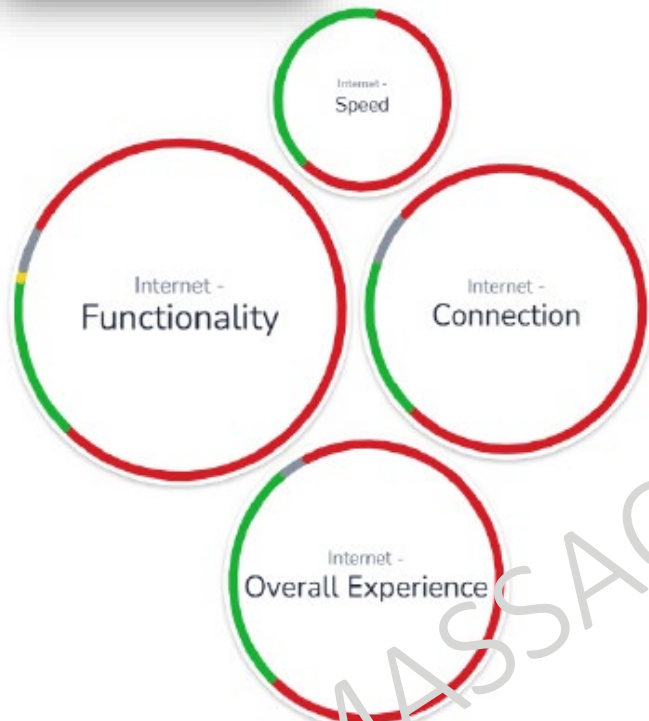
We responded to customers and tweaked the Logan Wi-Fi for a 200% improvement to bandwidth



CUSTOMER
SATISFACTION

J.D. POWER

Q1 2025 BOS Passenger View



Cust. Sat.

74%



Internet

Pain Points

- Connection
- Functionality
- Speed

- Expand Access Point coverage
- Increase bandwidth
- Upgrade Comcast speed

Solutions

Results

200%



Bandwidth

New digital signs with bus arrival times at the terminals,
Airport Station and the Rental Car Center

Customer
Satisfaction

#

Rental Car Center

boston logan

55

Subway/Blue Line,
Rental Car Ctr, Terminals

2 mins

I joined our Public Service Representatives to surprise Logan passengers with Valentine's Day treats



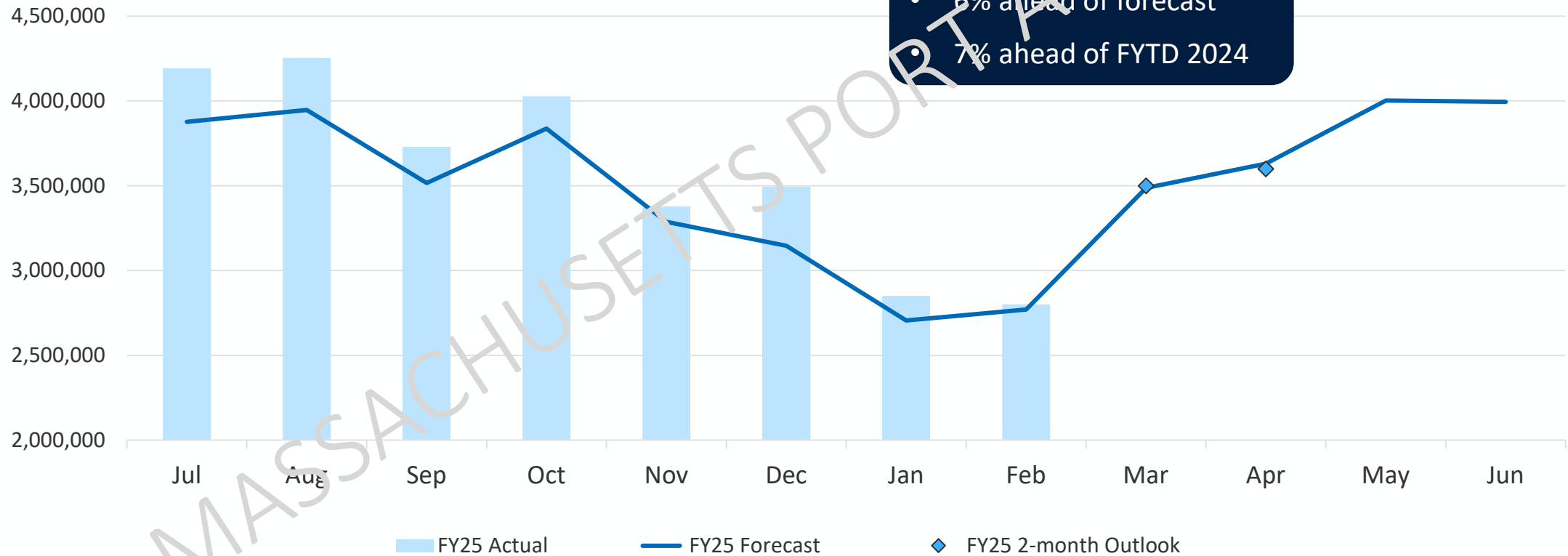
CUSTOMER
SATISFACTION



Logan served almost 29M passengers FYTD February, 6% better than forecast

Financial
Performance

Logan Passengers (Actual and Forecast)



January 2025 Financial Results

Financial
Performance

Activity Highlights

- Logan served 2.9M passengers
- Conley Terminal processed 9,600 containers
- Real Estate revenues exceeded plan by \$0.5M
- Expenses were \$2.4M above budget

Financial Results

Revenues	\$98M
Expenses	<u>(\$90M)</u>
Contribution	\$8M

Net contribution will be used to fund the Capital Investment Program including Net Zero initiatives and HOV enhancements





MASSPORT
AS AN
EMPLOYER
OF CHOICE

Thank you to Pamela Everhart for joining us for Black History Month



The SHE & Multicultural ERGs sponsored a media discussion for International Women's Day and Women in Construction Week



INTERNATIONAL WOMEN'S DAY
Women in Construction Week

Wednesday, March 5th, 2025
12:00PM - 1:00PM
LOC Auditorium

Discussion of the movie
"On the Basis of Sex"
Ruth Bader Ginsburg

#AccelerateAction

Organized by
Capital Programs and Environmental Affairs

With support from:
SHE ERG
Multicultural ERG

massport

EASE INITIATIVE



Massport launched two new employee development programs



MASSPORT
AS AN
EMPLOYER
OF CHOICE



Massport Momentum

Massport Momentum is a six-month learning development program tailored for entry-level employees. This program is designed to build confidence and equip participants with the essential skills for success.

Program Highlights:

- Interactive Workshops
- Mentorship
- Deep Dive into Massport

Participants will develop the skills needed to communicate effectively, collaborate across teams, and prepare for future leadership opportunities.

MASSPORT ADVISE

Unlock Your Potential!

HR is introducing Massport Advise sessions with the Organizational Development team.

During these sessions, you will receive personalized advising sessions designed to help you achieve your professional goals. Topics will include development tools, trainings available and more!

You can sign up for a session using our new form on Connect or by clicking the link below.

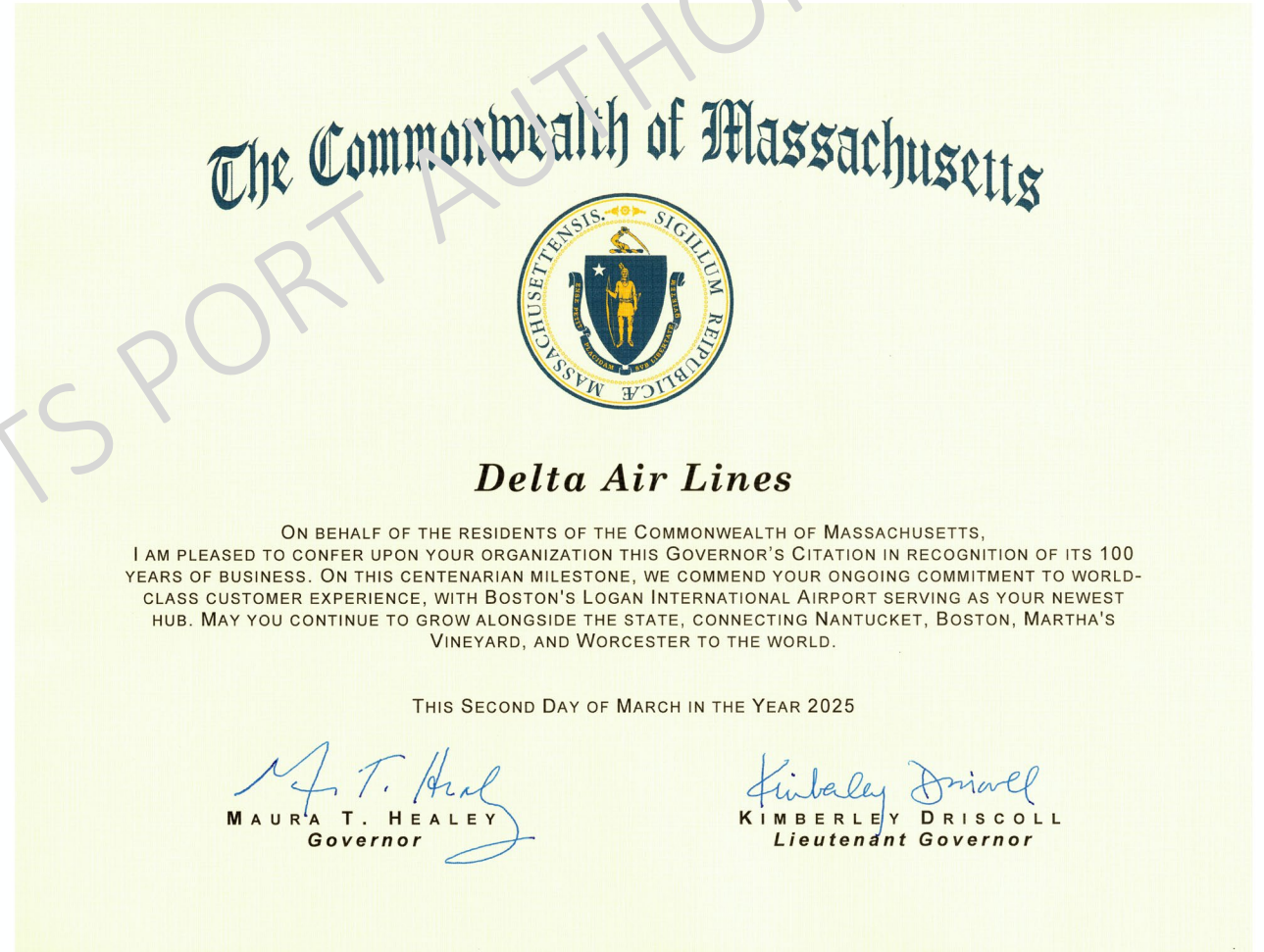
[SIGN UP](#)

Report of the Director of Aviation
Ed Freni

Governor Healey issued a citation recognizing Delta Air Lines for on its centennial anniversary and for its contributions to Massachusetts

- Founded on March 2, 1925, as Huff Daland Dusters—the world's first aerial crop-dusting company—the airline began commercial passenger service four years later as Delta Air Service
- Delta's team of 100,000 people deliver a world-class customer experience on over 4,000 daily flights, with Boston's Logan International Airport serving as Delta's newest hub
- Delta's world-class connectivity keeps the Massachusetts economy going strong with 65 nonstop destinations on over 168 peak day flights

Massport congratulates Delta Air Lines on its 100-year milestone



Logan Airport served 2.8M passengers in February propelled by school vacation week travel

Logan Activity February 2025 *Preliminary*

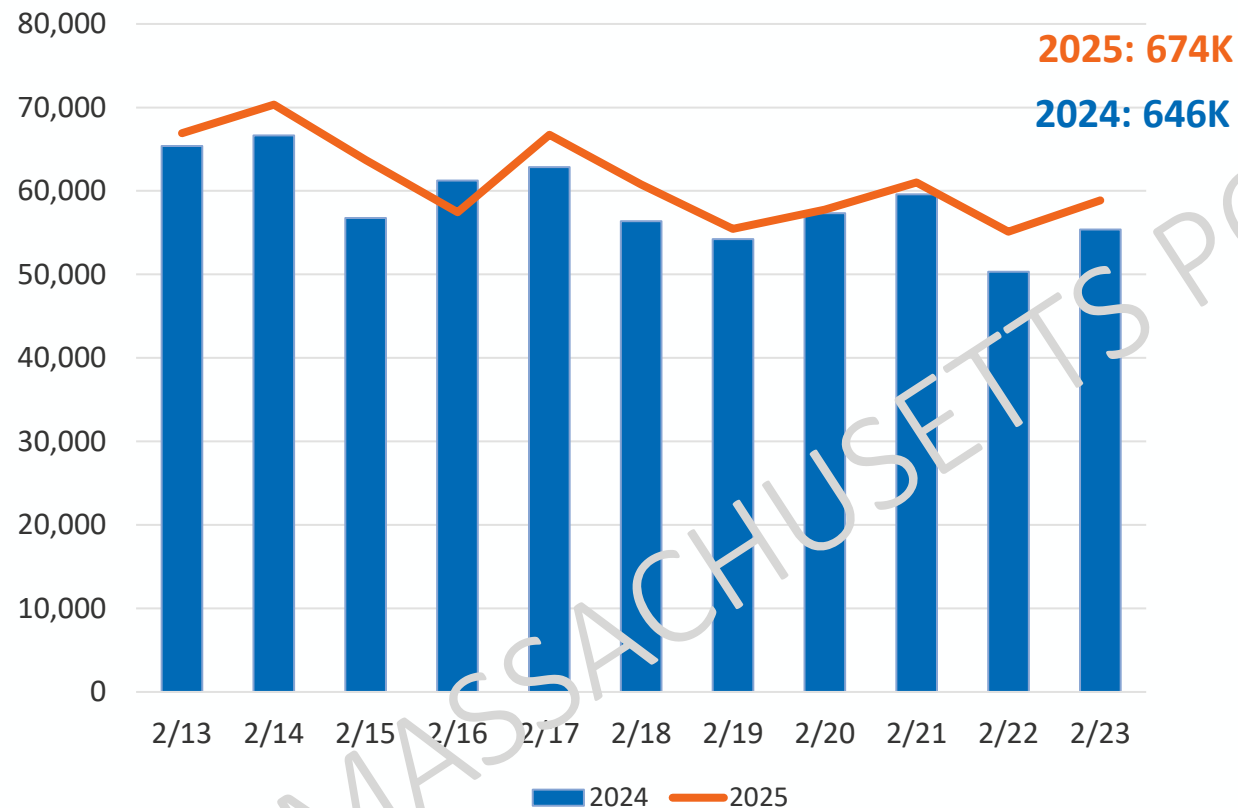
	Month	Prior Year	% Change Over Prior Year	FYTD 2025	FYTD 2024	% Change Over FYTD 2024
Passengers	2.8M	2.7M	0.3%	28.7M	26.8M	6.9%
Aircraft Operations	27.5K	27.9K	-1.5%	275.7K	256.9K	7.3%

Preliminary numbers reflect estimates for incomplete reporting



Logan saw strong outbound passenger activity over the MA & NH February school vacation break

Logan Screened Passengers
February School Vacation 2025 vs 2024



- **674K** outbound passengers over 11-day period (2/13-2/23), capturing MA and NH vacation periods:
 - Up 11% over last year
 - Up 7% over 2019
- Parking constraints required valet and diversion operations (2/15 to 2/24):
 - **1,232 cars valet parked**
 - **2,350 cars diverted** to other parking areas on the campus

Worcester Regional Airport passenger volume down 13% in February

Monthly Passengers

- 18,900, down 13% over February 2024
- Last year was a leap year with 29 days

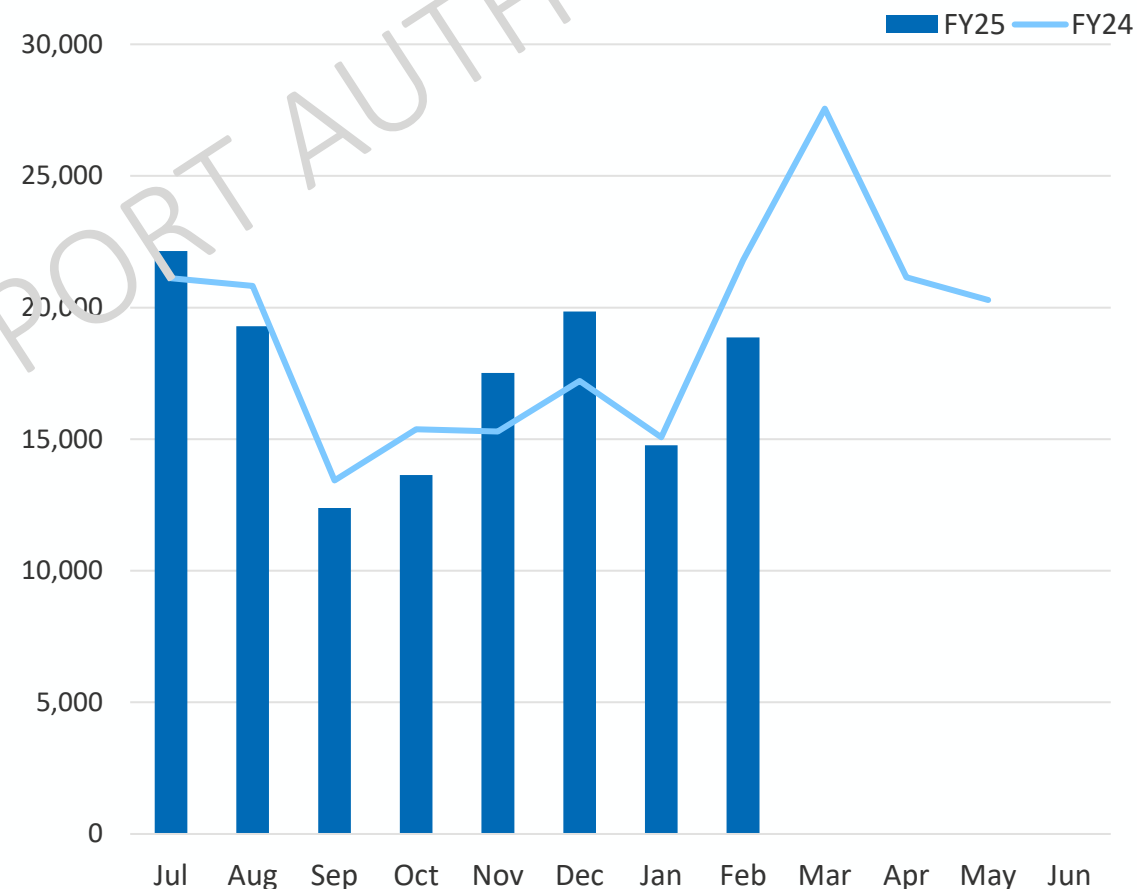
Load Factors

- Lower passenger load factors mainly due to weather related cancellations in 2024, which boosted LFs last year
 - FL markets 77% vs 84% in 2024
 - NYC markets 24% vs 42% in 2024
 - All markets 61% vs 71% in 2024

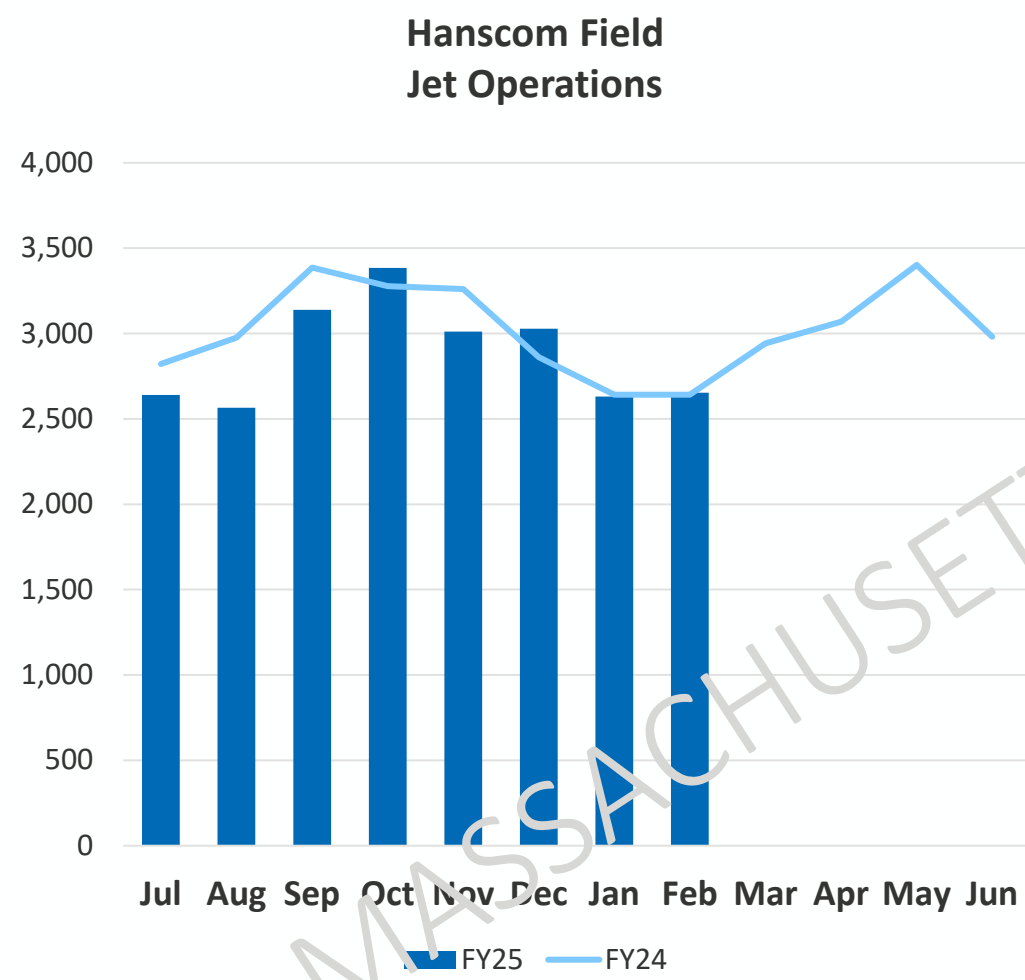
FYTD February 2025

- 138,400, down 1% over FYTD 2024

Worcester Regional Airport Passengers



In February, total activity at Hanscom Field declined but jet operations were up year-over-year



Month Activity:

February 2025		
	Jets	Total
Operations	2,700	7,100
Chg vs 2024	0.5%	-23%
Chg vs 2019	6%	-18%

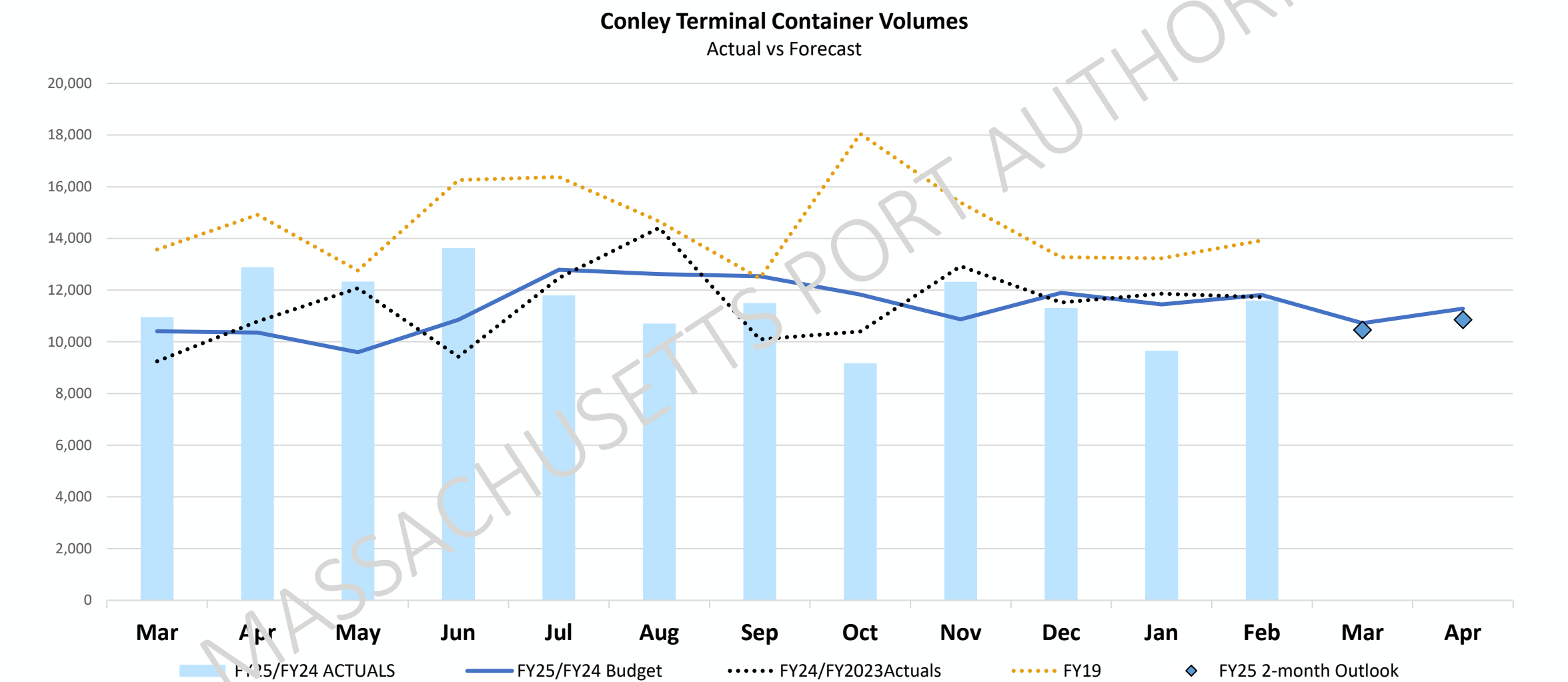
FYTD 2025 Activity:

	Jets	Total
Operations	23,100	75,200
Chg vs FY24	-3%	-8%
Chg vs FY19	14%	-5%



Report of the Director of Maritime
Lauren Gleason

Conley Terminal handled 14 vessels and processed over 11,500 containers in February



Consistent with shipping industry trends, Conley Terminal continues to welcome increasingly larger vessels, with capacities exceeding 13,000 TEUs

MSC ALIYA



Tampa Triumph



- This month, Conley is welcoming several larger capacity vessels:
 - *MSC Aliya* - **14,200 TEUs** (arrived Mar 15); 2nd largest vessel to ever call at Conley
 - *Tampa Triumph* - **13,870 TEUs** (arrived Mar 19); largest Evergreen vessel to call at Conley Terminal,
 - *MSC Verona* - **16,000 TEUs** (ETA Mar 24); **largest vessel in Conley's history**
 - *MSC Camille* - **15,016 TEUs** (ETA Mar 30); 3rd largest vessel in Conley's history

Massport's strategy for Conley builds upon the progress made, while incorporating new initiatives to expand our global service offering and grow volumes



Global Connectivity

- After modernization, Conley Terminal increased its connectivity to include Southeast Asia, Europe, the Mediterranean and Latin America

Association Advocacy

- Conley adapts to the needs of customers; shifting trends in sourcing have diversified Conley's shippers and direct services

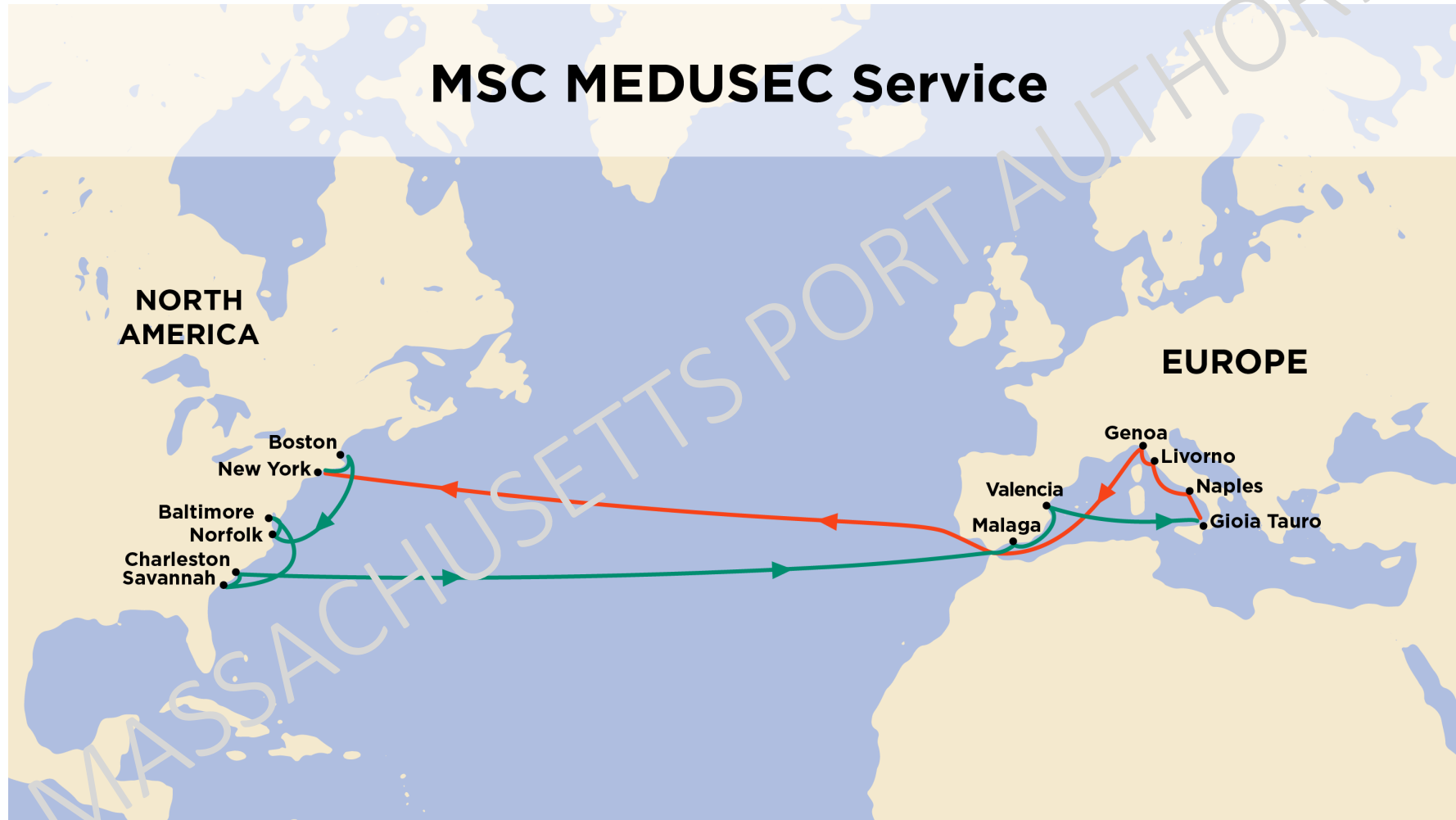
Diversification

- The Maritime team continues to emphasize carrier sales, and actively promotes new markets and new trade lanes to maintain a balanced service portfolio

Continued Expansion

- To keep up with evolving carrier needs and compete with other East Coast ports, Massport needs to expand and grow Conley's infrastructure

MSC introduces new Mediterranean service to Boston with best-in-class transit



External factors continue to influence the broader shipping industry, impacting current and future activity at Conley Terminal

Overhaul U.S. Maritime Industry

Announcements

- **Feb. 21:** USTR investigation on Section 301 found China's acts, policies, and practices to be unreasonable and to burden or restrict U.S. commerce
 - USTR proposes **fees up to \$1.5M per port call** for Chinese-operated and Chinese-built vessels
- **Mar. 6:** CMA CGM announced a \$20B investment to boost U.S. shipbuilding and lessen China's industry influence
 - Includes a new **logistics R&D hub in Boston**, focusing on advanced robotics and automation

Implementation

- **Mar. 24:** The USTR will hold a public hearing of the proposed actions Mar. 24

Panama Canal Ownership

- **Jan. 20:** Trump announced that the U.S. will seek to reclaim control of the Panama Canal, asserting that China currently holds influence over its operation
- **Mar. 4:** The BlackRock Group and Mediterranean Shipping Co.'s Terminal Investment Limited announced the acquisition of CK Hutchison's port operations for \$22.8 billion
 - This acquisition includes a 90% stake in the Panama Ports Company, which operates terminals in Balboa and Cristobal
 - The deal satisfies the Trump Administration's desire to "take back" the Panama Canal from China

Tariffs

Announcements

- **Feb. 1:** Executive Order effective Feb. 4 - 25% tariff on Canada, Mexico and 10% tariff on China
- **Feb. 3:** Trump delays tariffs on Canada and Mexico to Mar. 4
- **Feb. 10:** 25% tariffs on steel & aluminum imports from all countries, effective March 12
- **Feb. 13:** Global reciprocal tariffs effective April 2
- **Mar. 6:** Trump delays Canada and Mexico tariffs until April 2 that qualify under USMCA

Implementation

- **Feb. 4:** 10% tariffs against China
- **Mar. 4:** Additional 10% tariffs against China – raising the total tariff at 20%
- **Mar. 7:** 25% tariffs on non-USMCA compliant goods from Canada and Mexico, plus 10% tariffs on energy products and potash
- **Mar. 12:** 25% tariff on global steel and aluminum imports
- **Apr. 2:** Global reciprocal tariffs to be implemented

Trump threatens 200% tariff on European wine and spirits due to EU retaliation on whiskey



Trump threatens 200% tariff on European alcohol as trade war escalates



By David Goldman, CNN

6 minute read · Updated 1:41 PM EDT, Thu March 13, 2025



- The European Union plans to impose tariffs on American whiskey and other products in retaliation for Trump's 25% tariffs on steel and aluminum imports
- As a response, President Donald Trump threatened a 200% tariff on European wine, cognac, and other alcohol imports, escalating the global trade war
- Over the past 12 months, wine and spirits have made up **9% of Conley Terminal's total import volume**, ranking as our third largest import commodity

USS Thomas Hudner visited Flynn Cruiseport, honoring legacy and maritime history in Boston



- The USS Thomas Hudner docked at Flynn Cruiseport in Boston from March 15-17
- While in port, the USS Thomas Hudner offered public tours that highlighted its role in supporting U.S. national interests
- Named after Medal of Honor recipient and MA native Capt. Thomas J. Hudner, Jr., the ship's presence honors his heroic actions during the Korean War and celebrates Boston's maritime history

Norwegian Cruise Lines has selected Boston as one of the East Coast ports for celebrating the inaugural sailing of their new ship, the *Norwegian Aqua*



- Starting April 4, Norwegian Cruise Line will host informational sessions for 2,800 travel advisors and industry professionals aboard the ship
- A special inaugural Plaque Exchange Ceremony and ship tour will be held with Norwegian Cruise Lines vessel staff, Massport executives and other industry and tourism partners
- The *Norwegian Aqua* is part of Norwegian's Prima Class vessels with a 3,570-passenger capacity
- Our official cruise season kicks-off on April 11
- Massport anticipates 174,800 passengers from NCL in 2025 and will welcome the *Norwegian Breakaway*, with a 3,900-passenger capacity, in 2026

Chief Marketing Officer Presentation
John Raftery

Marketing Update

John Raftery

March 20, 2025

Marketing and Strategic Communications: Review of 2024

- First full year of new Massport website (refresh went live the end of 2023) yielded more engagement
- Heavily promoted FlyLogan App
- Expanded social media presence and shared more video content to tell our story
- Created digital, web-based version of Massport's Year in Review

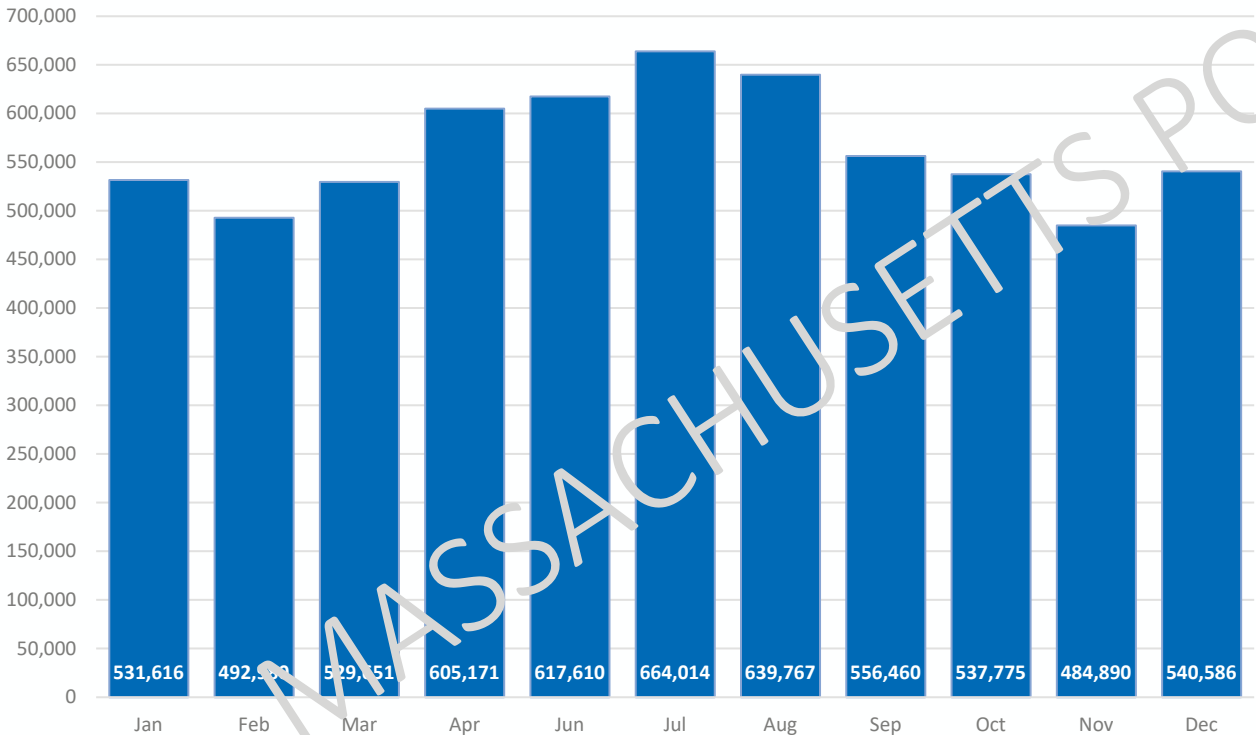
Website At a Glance - 2024

 **6,351,415** visitors

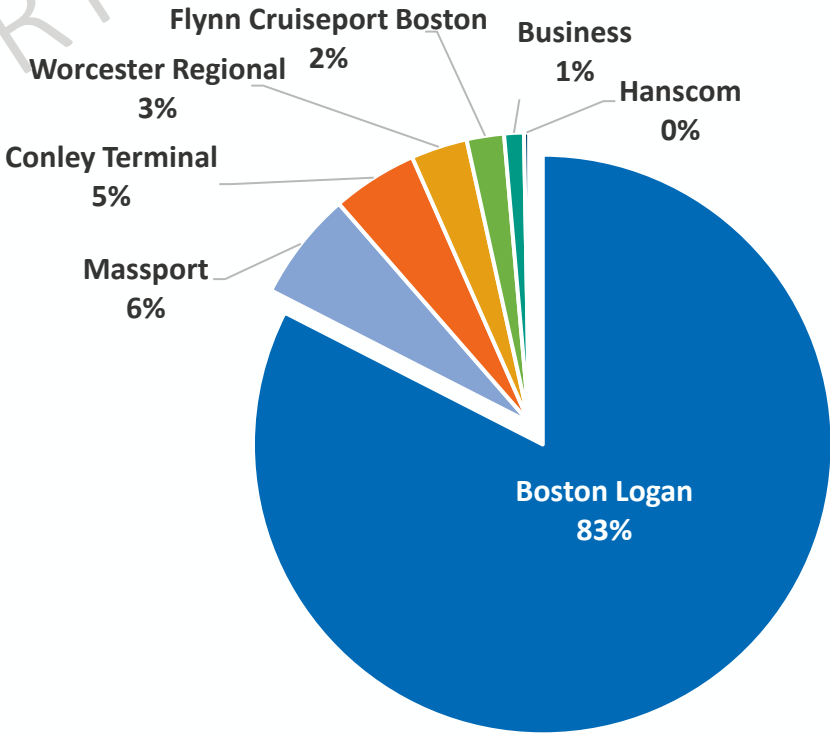
 **20,107,594** page views

 **01:25** avg time on site

Traffic by Month

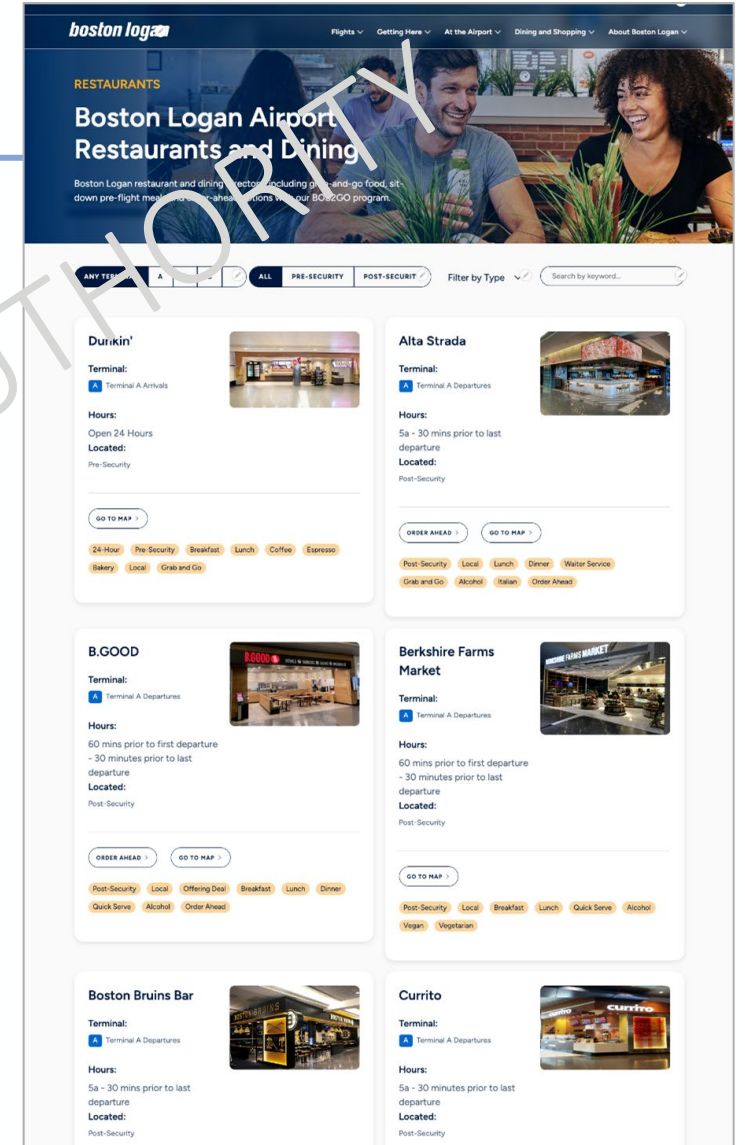


Traffic by Business Line



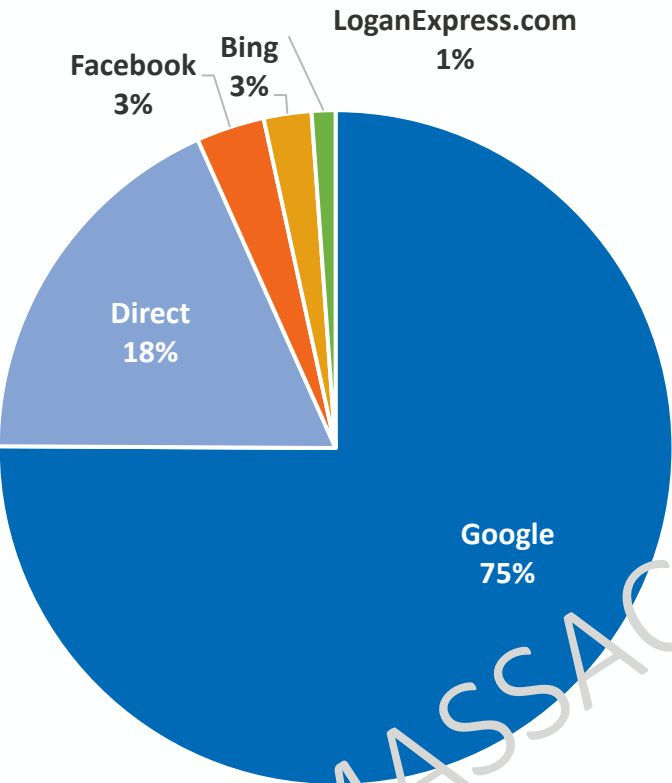
Website Top Pages - 2024

Page	Section	Views	YOY
Flight Status	BOS	2,488,311	65%
Restaurants	BOS	1,562,342	159%
Logan Homepage	BOS	1,387,331	67%
Terminal Parking	BOS	726,441	26%
Vessel Schedule	Conley	713,786	29%
Parking	BOS	704,292	-8%
Airlines	BOS	635,385	72%
Logan Express	BOS	634,034	101%
Logan Express - Braintree	BOS	526,790	-11%
Logan Express - Framingham	BOS	520,914	-7%

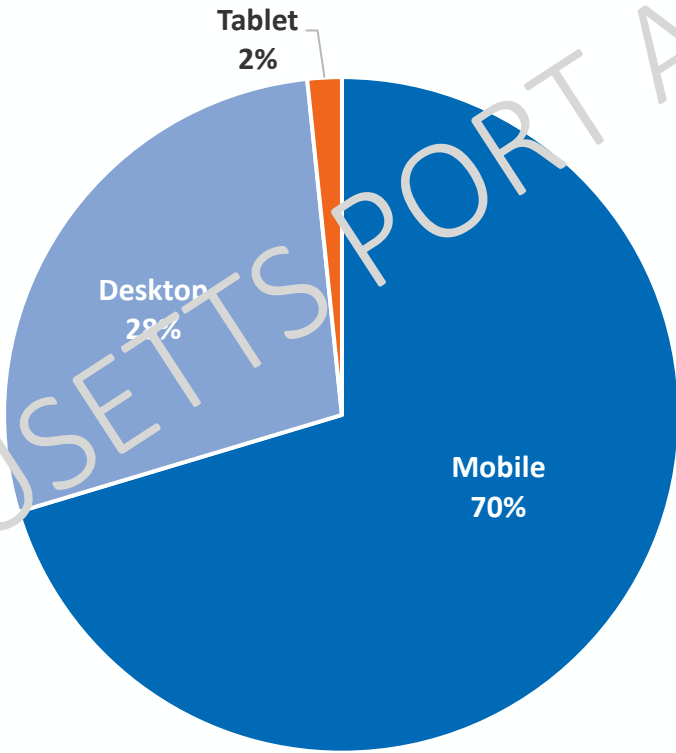


Website Sources and User Behavior - 2024

Top Sources



Top Devices

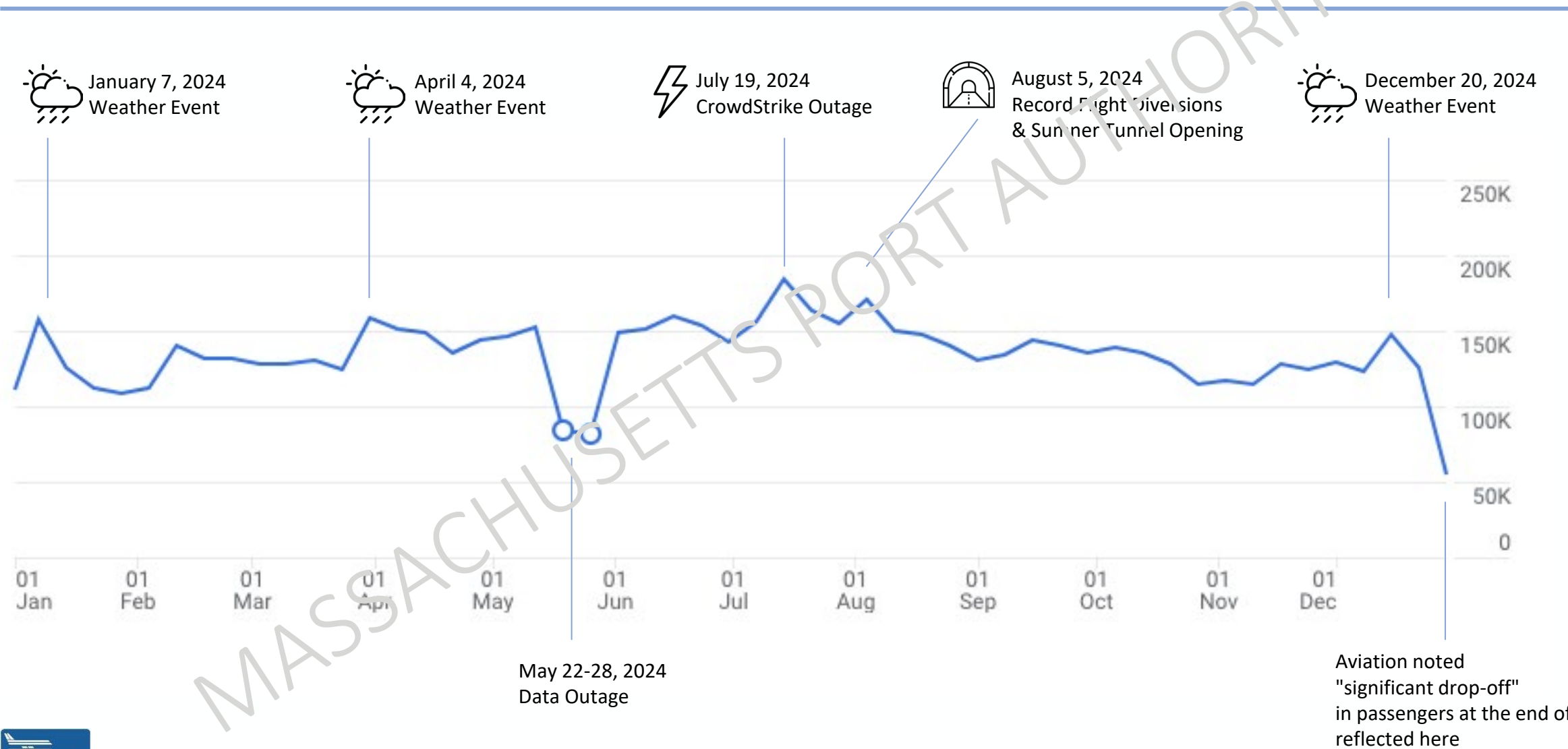


Top Search Terms

- logan airport
- logan airport parking
- boston airport
- boston logan airport
- logan express



Website Visits - Key Events - 2024



FlyLogan App Downloads - 2024

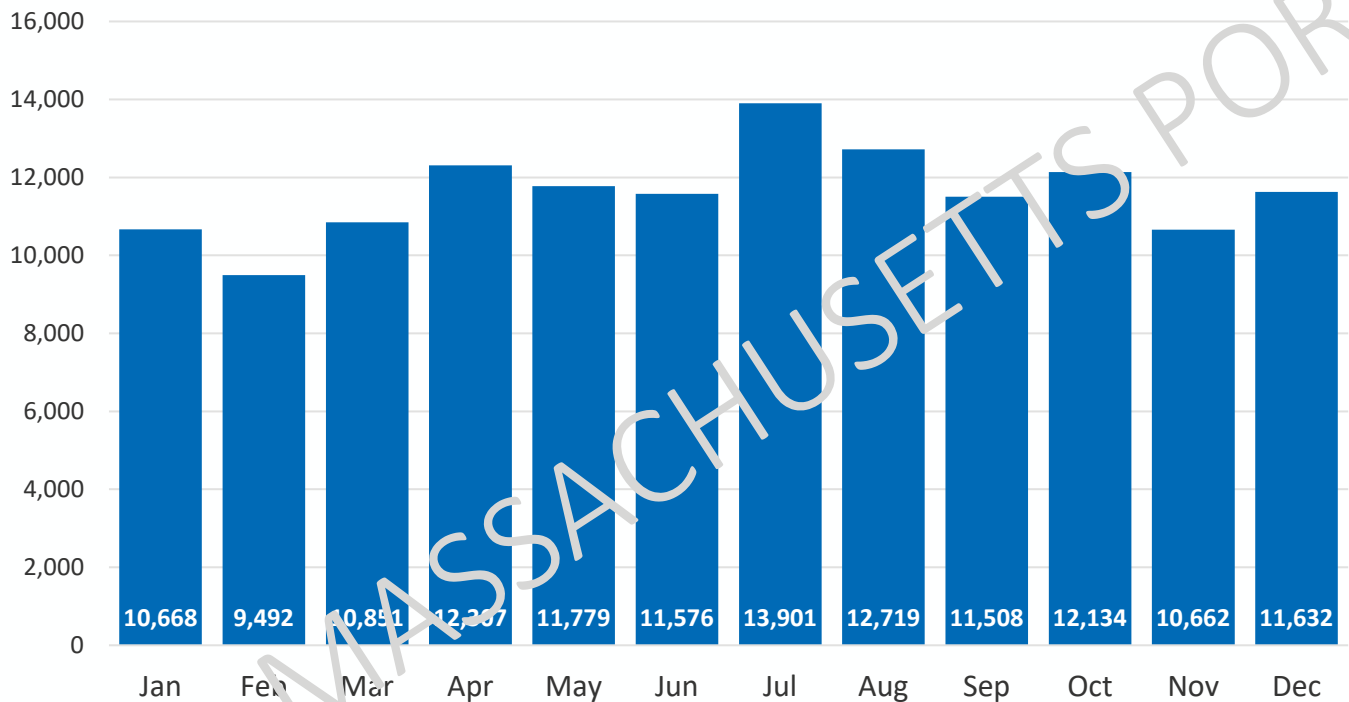


139,229 new downloads

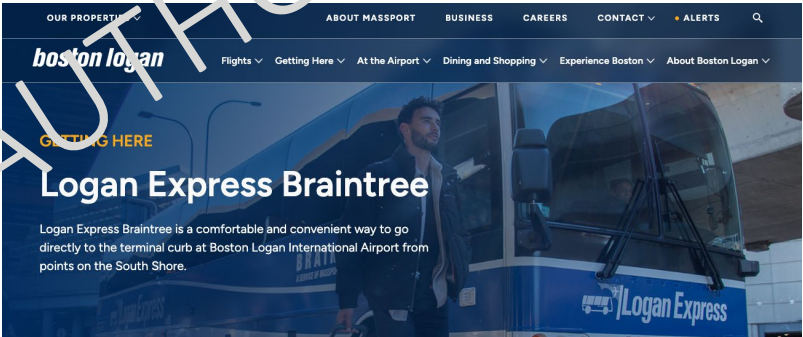


160,989 active users

App Downloads by Month



+97% YOY



Find Logan Express Braintree

Logan Express Braintree is conveniently located in Braintree opposite the South Shore Plaza on Forbes Road, off Route 37 South at Routes 93 and 128.



262 Forbes Road
Braintree, MA 02184
Phone: 781-843-0283














Facility Hours of Operation: 24 hours

ARRIVAL TIMES
Bus Locator

Download the FlyLogan app and see arrival times at your terminal curb for Logan Express.

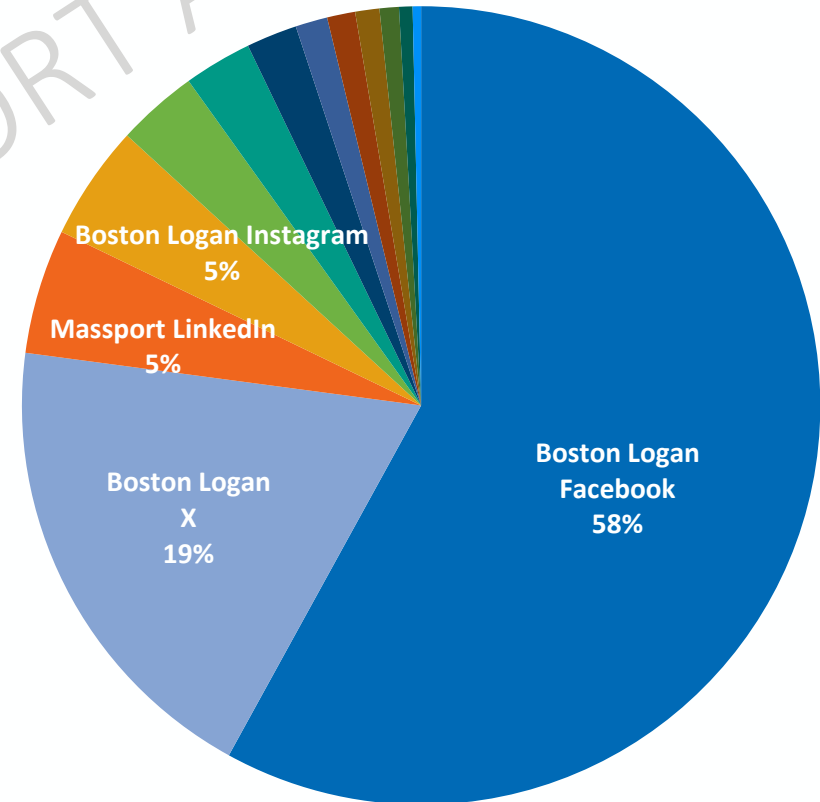
LEARN MORE

Social Audience – Followers 2024

	Profile	Audience	YOY
	Boston Logan	166,537	5%
	Boston Logan	54,870	2%
	Massport	14,503	16%
	Boston Logan	13,390	40%
	Port of Boston	9,428	3%
	Massport	7,911	2%
	Worcester Regional	5,907	16%
	Worcester Regional	3,726	5%
	Port of Boston	3,271	16%
	Massport	2,811	7%
	Worcester Regional	2,248	7%
	Flynn Cruiseport Boston	1,564	0.1%
	Port of Boston	978	1%

We grew all 13 Massport-owned social media accounts across Facebook, Instagram, X and LinkedIn to more than **287,000** followers

Share of Followers by Account



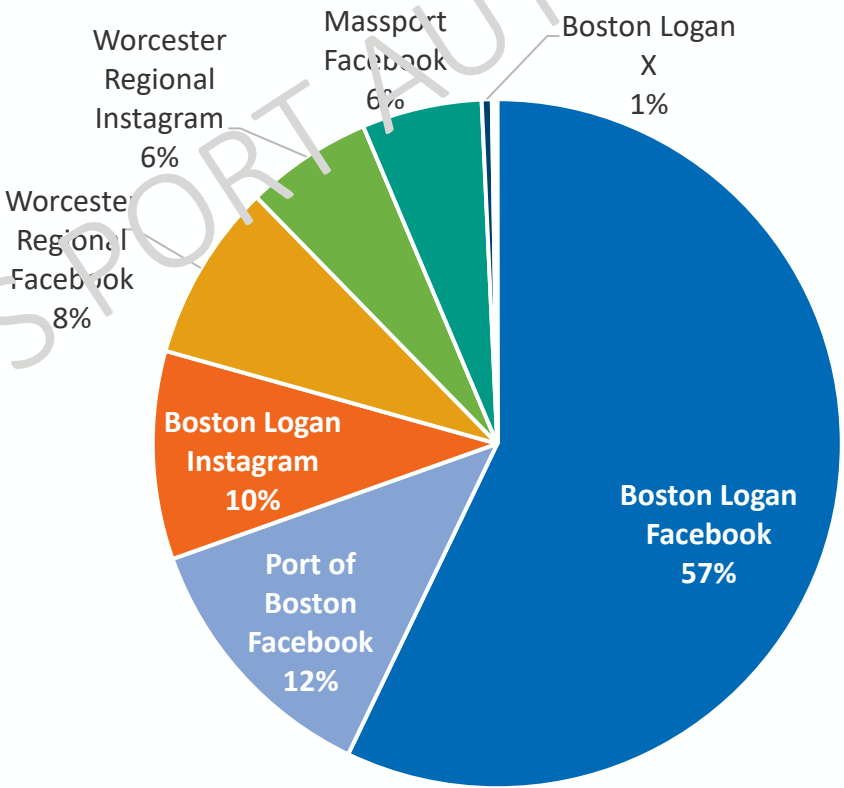
Social At a Glance - 2024

 **212,057,484** impressions

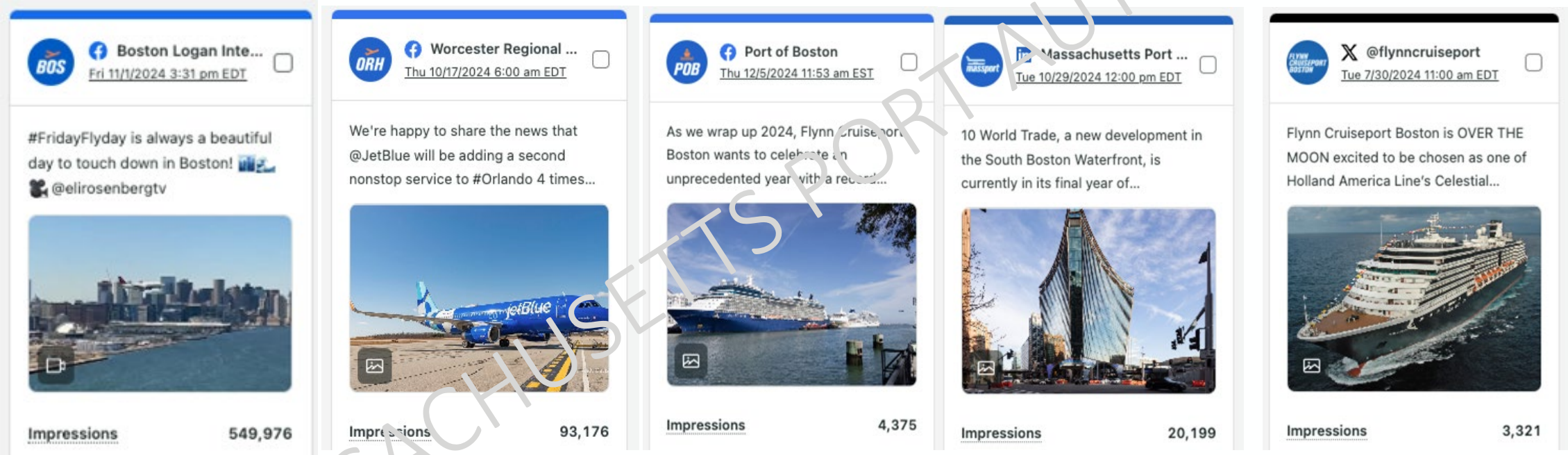
 **287,165** followers/likes

 **2,458** posts published

Impressions by Account




2024 Digital in Review: Top Performing Organic Social Posts by Property



Massport Year in Review 2024 and Annual Report

OUR PROPERTIES


ABOUT MASSPORTBUSINESSCAREERSCONTACTALERTS



CommunityEnvironmentDiversitySafety and SecurityMediaOur BusinessWorking Here


OUR BUSINESS

Massport Year in Review




MASSPORT
2024 Highlights

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Safety and Security

→ Learn More




Aviation

→ Learn More




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→ Learn More




Sustainable Ground Transportation

→ Learn More



Commitment to Net Zero

→ Learn More




Community

→ Learn More

Now live: www.massport.com/our-business/year-review-2024

Safety and Security

Massport is committed to safety and security working in tandem with our tenants, local, state and federal security and emergency services. In 2024, Massport successfully completed the largest-ever active shooter training exercise at Boston Logan which involved first enforcement from local communities, our federal partners, role-playing volunteers and Massport staff. The Authority also conducted training exercises atin Hanscom Field and Worcester Regional Airport.




Active Shooter Tactical Emergency Casualty Care (ASTECC) Drill at Logan Airport

Nearly 1,100 staff, first responders, mutual aid partners, and volunteers gathered in Terminal C at Logan Airport for the largest ever overnight Active Shooter Tactical Emergency Casualty Care (ASTECC) full-scale emergency exercise.

Commitment to Net Zero

Massport is committed to reaching Net Zero by 2031. Our roadmap to Net Zero includes energy efficiency, clean and renewable energy sources, sustainable ground transportation, partnerships and a culture of sustainability. Last year we formed important partnerships with our sister agencies to tackle aircraft emissions, worked to reduce emissions in our diesel fleets and made progress on transitioning to hybrid and all electric vehicles and equipment.



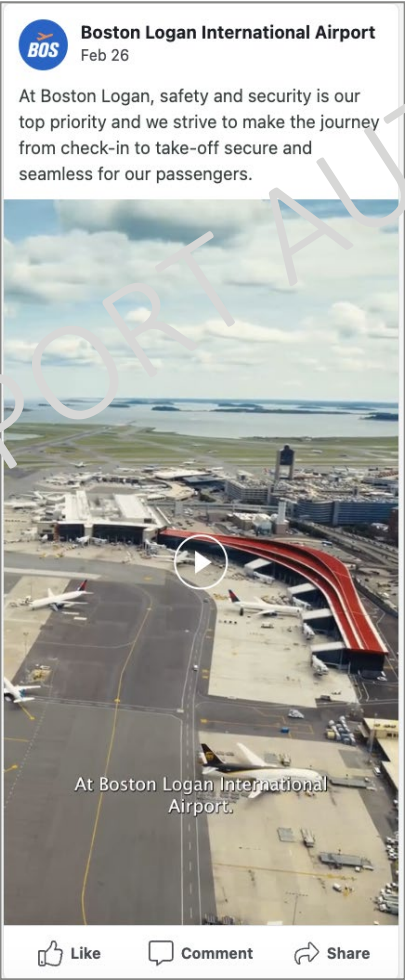
REDUCING EMISSIONS FROM MEDIUM AND HEAVY DUTY FLEET AND EQUIPMENT

We piloted renewable diesel at all of our facilities and will transition to 100% renewable diesel use in 2025. With this transition, use of Massport's diesel-powered equipment and tenant ground support equipment will be carbon neutral.



2025 Look Ahead

2025 Safety Video



Private Bus Promotion: Spring & Summer

Spring Break: 4/7-4/27 / Summer Vacation: 6/23 - 8/29

LET SOMEONE ELSE DO THE DRIVING TO BOSTON LOGAN

There's a better way to get to Boston Logan that doesn't involve a car. Private coach buses offer reliable service from around New England, including Cape Cod, New Hampshire, Maine, and more. Enjoy comfortable seats and a restroom onboard. Sit back and relax on the ride to your terminal.

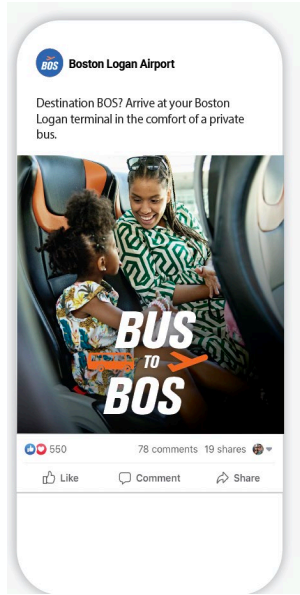
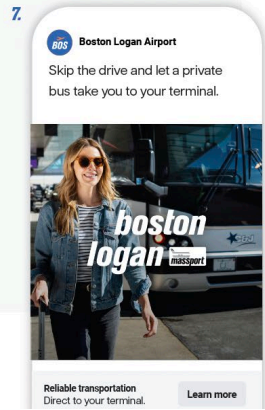
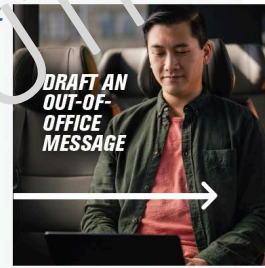
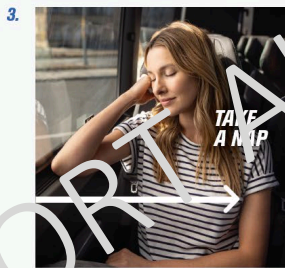
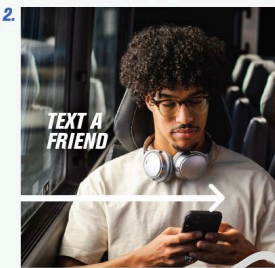
- 27 pickup locations throughout New England
- Wi-Fi onboard
- Direct to your terminal

Boston Logan's private buses:

Starline, GUNWARR, pb, DARTMOUTH COACH

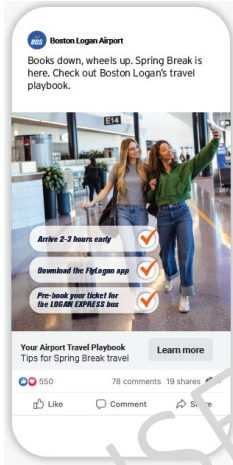
SCAN TO VIEW SERVICE OPTIONS

bostonlogan

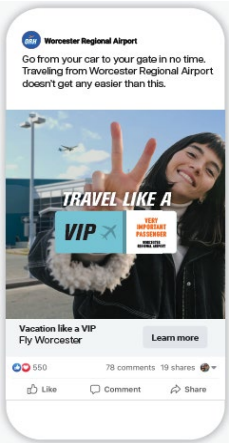
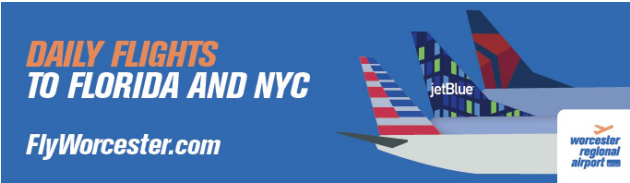


Campaigns in Market: Upcoming

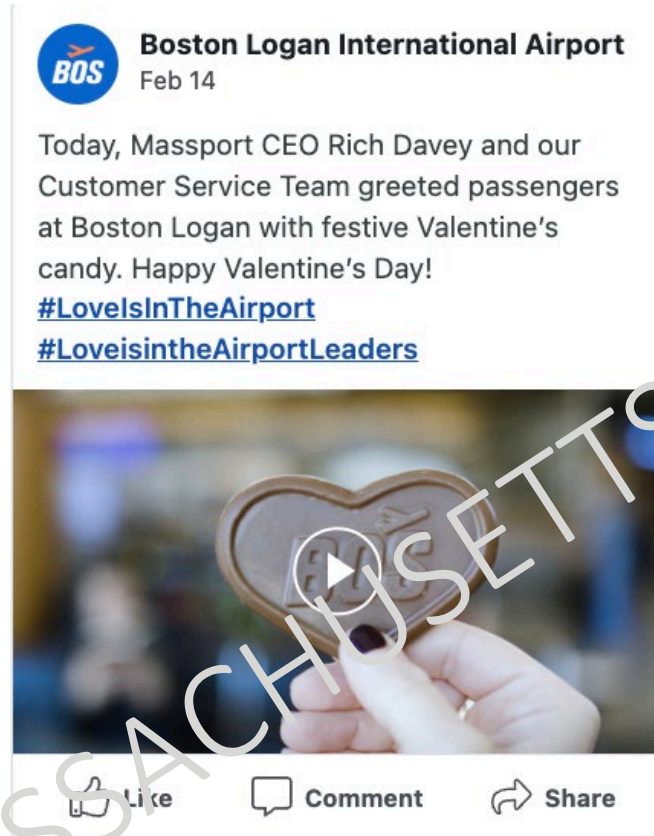
BOS Spring Break: 4/7-4/27



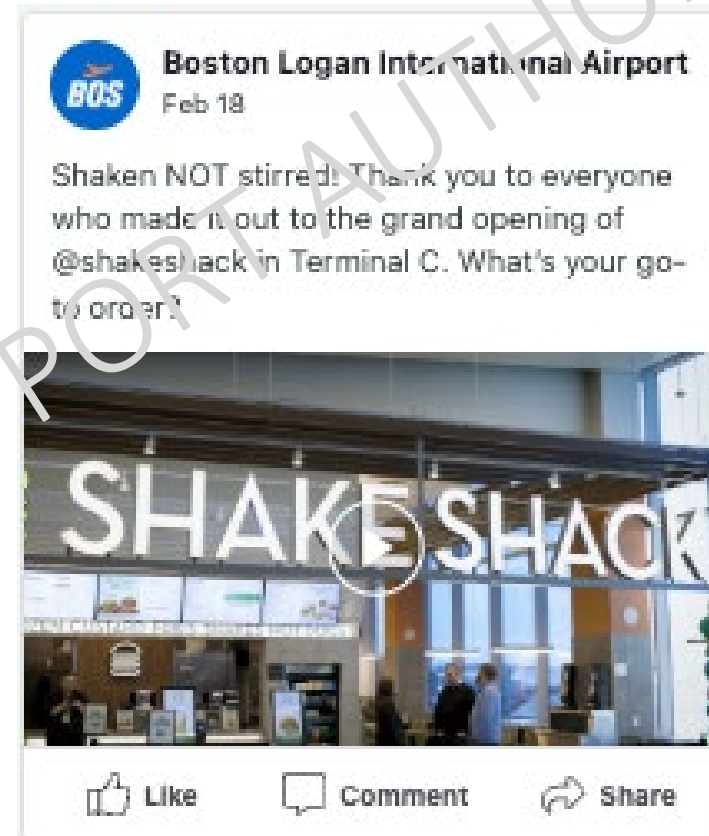
ORH Spring Break: 4/7-4/27



Surprise & Delight Social Moments



<https://www.youtube.com/watch?v=Yg9Nqp0wVME>



<https://youtu.be/iqb6YBkA3mc>

Surprise & Delight Social Moments



Customer Service Survey



Massport.com Website - Improved Reporting in 2025

- We enhanced our data collection, capturing click-level interactions and user actions
- This provides deeper insights into user behavior and preferences, such as customer service connections, popular concessions, and partner engagement
- We'll use these insights to track trends and optimize the user experience

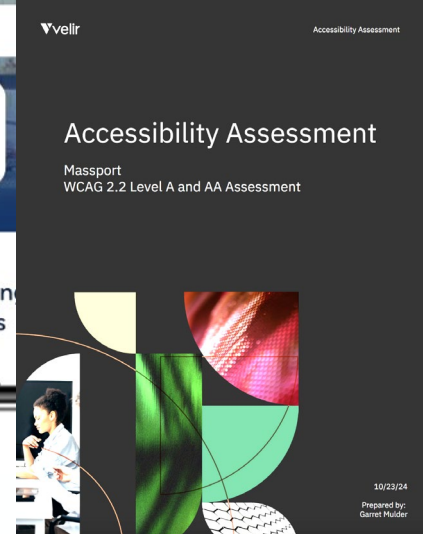
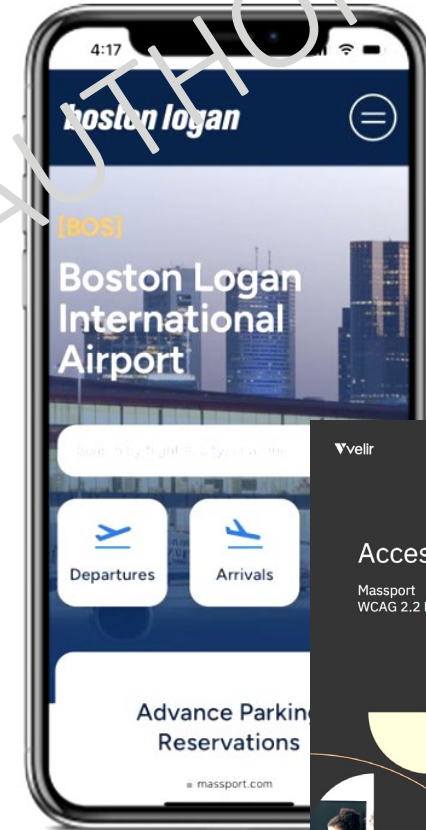
February 2025 Click Data	
Clicks to make a parking reservation	32,574
Clicks to buy Logan Express tickets	29,454
Clicks to BOS2Go	5,805
Clicks to job listings	5,743
Clicks to call customer service	845
Clicks to email customer service	286



2025 Website Initiatives

Marketing is working on several initiatives to enhance customer experience on our website:

- **Mobile Assessment:** In progress, with 71% of users on mobile devices
- **Audience Journey Review:** Reviewing key user journeys to ensure seamless experiences and provide helpful information
- **Accessibility Audit:** We are working towards making the website accessible for a broader range of people with diverse abilities
 - Increased color contrast for easier readability
 - Keyboard accessible navigation
 - Improved heading structure



Strategic Plan

Logan Airport Ground Transportation Program

Dan Gallagher

March 20, 2025

Executive Summary

Logan's ground transportation challenges are impacting customer service:

- Parking, Logan Express, and Ride App demand regularly exceed capacity
- Airport tunnels, roadways, and curbs are heavily congested at peak times

Significant investments in infrastructure and new services are needed to improve the passenger experience:

- More HOV capacity for less congestion and a stress-free ride to the airport
- Remote terminal(s) to get passengers to their gates faster and encourage HOV ridership
- More curbs for Ride Apps, the passenger's top choice for getting to/from the airport, and better rematch capabilities
- More parking capacity to meet passenger needs
- Better airport roadways and curbs to reduce on-campus congestion

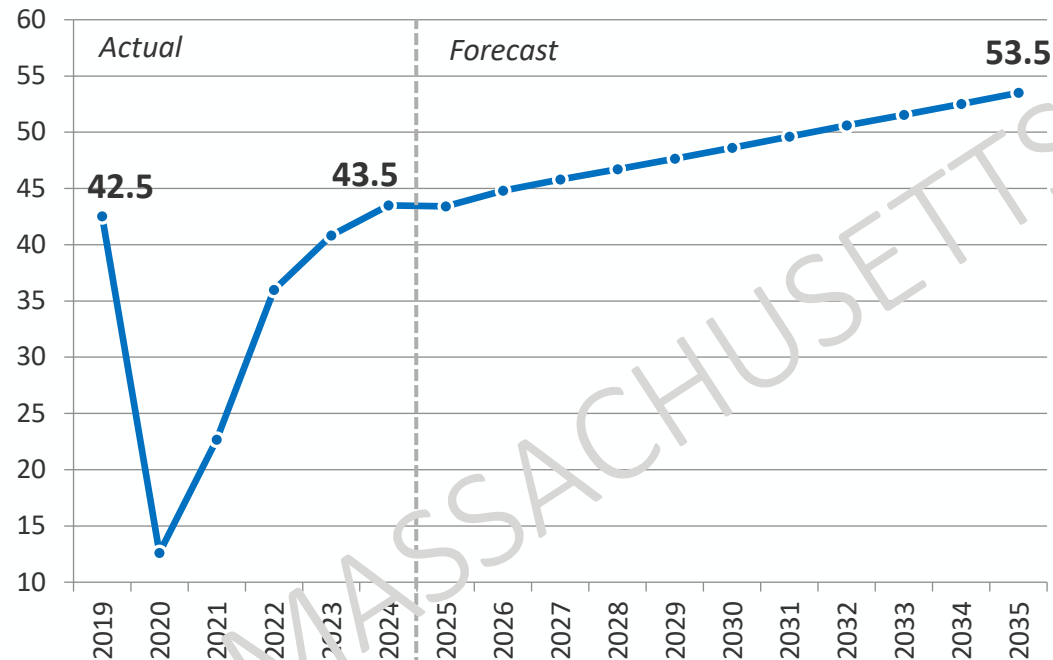
Recommendations:

1. **Increasing ground transportation rates and fees** to fund ground transportation investments and services, and to help manage ground access demand
2. **Freeze current HOV prices and fees** to promote affordable and environmentally efficient transportation options
3. **Collaborate with ground transportation partners** to pilot new services and technologies to improve customer experience and reduce congestion

Without significant investments in the ground transportation, access to Logan becomes distressed

- Massport anticipates growth to 53M passengers in 10-15 years
- This passenger volume will add an estimated 13,000 vehicles per day to an already constrained gateways, roadways and curbs.

Logan Airport Passengers (millions)



Gateways/Tunnels, Roadway, and Curb Challenges

- Inadequate capacity for **Ride Apps at the existing Terminals A/E facility** will degrade the customer experience and rematch capabilities
- Severe congestion at the **airport entrance roadway** near Terminal A will cause major travel delays
- If **Terminals C and Terminal E roadways** remain coupled, severe traffic congestion at peak periods will impact the campus roadway system
- **Logan Express demand** will continue to exceed capacity, forcing HOV customers to use other, more impactful modes to Logan
- **Constrained HOV capacity** will further stress gateways/tunnels
- **Passengers preferring to park** will exceed available capacity and need to be routinely redirected to alternate off-airport parking locations

\$1.5B in capital investment is needed to meet customer ground transportation needs and improve customer service

Ground Transportation Projects
Braintree Garage/ Remote Terminal
Danvers Logan Express
Framingham Garage Expansion
Airport Shuttle Bus Replacement/Electrification Program
Terminal E Garage
Terminal E Canopy
Terminal C To E Roadways and Curb
Terminal B Roadway and Garage Optimization / HOV Improvements*
Terminal E Vertical Circulation to the Terminal E Garage
C to E Garage Connection & PAX Circulation
Woburn Logan Express Site Improvements
Terminal E Curbside Improvements
Enhance Electric Hybrid Buses – Additional 6 Buses
Logan Airport Roadways and Lots -Non-Grant Project
Logan Roadway Rehabilitation
Authority Wide Elevator, Escalator, And Moving Walkway Program
Other Transportation Projects



And \$30M is needed for annual operating costs to enhance the frequency and reliability of HOV services

Policies and Programs
Wonderland Employee Parking Program Expansion/New Contract
New Airport Shuttle Bus O&M Contract and Expanded Service
Back Bay LEX Bus O&M Extension/New Contract
New Framingham LEX Bus O&M Extension/New Contract
New LEX Facilities Management Contract & Expanded Site Services
Bus, Ticketing, and Facility Management Technology Integration
New Danvers LEX Bus O&M Extension/New Contract
Framingham Logan Express 20-Minute Headways
New Braintree LEX Bus O&M Extension/New Contract
LEX Bus Replacement, Amortization
New Woburn Logan Express Bus O&M Contract
Danvers Logan Express 30-Minute Headways
Woburn Logan Express 20-Minute Headways
Braintree Logan Express 20-Minute Headways
Back Bay Logan Express 20-Minute Headways
Operating Savings from New Braintree Garage (Quincy Shuttle)



Massport and the Ride App companies have successfully negotiated terms

Uber and Lyft have agreed to:

- Restart Shared Rides by end of year
- Develop scheduled urban HOV services (e.g., North Station and Kendall Square)
- Collaborate with Massport to develop potential Logan Express last mile programs
- Pilot new services and technologies to improve customer experience and reduce congestion

Massport agrees to:

- Increase Ride App fee to \$5.50 (7/1/2025)
- Freeze the second fee increase (originally \$7.50 effective 7/1/2027)
- Hold the Ride Share fee at \$1.50
- Deferring approximately \$15 million in annual operating expenses
 - North Station Logan Express
 - Logan Express Net Zero Fleet Transition
- Deferring approx. \$300 million of capital from the FY25-FY29 CIP
 - Terminal C to E Improvements
 - Net Zero
 - NSA Optimization
 - Terminal E Canopy

Fees for HOV/transit mode fees will remain unchanged

Ground Access Modes	Board vote Effective Date	FY25 (existing)	FY26	FY27	FY28	FY29
Logan Express Suburban Bus Fare (w/discount)	6/27/2024	\$9	\$9	\$9	\$9	\$9
Logan Express Suburban Parking	3/1/2012	\$7	\$7	\$7	\$7	\$7
Logan Express Urban Bus Fare (to/from Logan)	5/1/2019	\$3/\$0	\$3/\$0	\$3/\$0	\$3/\$0	\$3/\$0
MBTA Silver Line SL1 (leaving Logan)	10/16/2014	\$0	\$0	\$0	\$0	\$0
Airport Shuttle (MBTA Airport Station and Water Dock to Terminals)	N/A	\$0	\$0	\$0	\$0	\$0
Ride App Shared Ride	10/1/2019	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Private Bus Carrier Pickup (16+ passengers)	7/1/2007	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Private Bus Carrier Drop-off (16+ passengers)	7/1/2007	\$0	\$0	\$0	\$0	\$0
Courtesy Bus/Van Pickup	7/1/2007	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75
Courtesy Bus/Van Drop-off	7/1/2007	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75

Next Steps: Approve fee schedule (Items 3 & 4)

FY26 Fee Increases

Ground Access Modes	Board Voted Effective Date	FY25 (existing)	FY26
Ride App Pickup	10/1/2019	\$3.25	\$5.50
Ride App Drop-off	10/1/2019	\$3.25	\$5.50

FY26 & FY28 Fee Increases

Ground Access Modes	Board Voted Effective Date	FY25 (existing)	FY26	FY27	FY28	FY29
Limo Pickup (up to 15 passengers)	7/1/2007	\$3.25	\$5.50	\$5.50	\$7.50	\$7.50
Taxi Pickup	7/1/2007	\$2.25	\$3.50	\$3.50	\$5.50	\$5.50
Employee Parking	1/1/2017	\$175	\$250	\$250	\$275	\$275
Terminal Parking: Max. Daily Drive-up Rate	7/1/2023	\$41	\$46	\$46	\$51	\$51
Economy Parking: Max. Daily Drive-up Rate	7/1/2021	\$32	\$37	\$37	\$42	\$42
Passport Gold Parking	4/13/2006	+\$5.00 Premium \$200 Application \$100 Renewal	+\$5.00 Premium \$225 Application \$125 Renewal	+\$5.00 Premium \$225 Application \$125 Renewal	+\$5.00 Premium \$225 Application \$125 Renewal	+\$5.00 Premium \$225 Application \$125 Renewal

 Denotes fee increase

FY25-FY29 Capital Investment Plan

Luciana Burdi

March 20, 2025

Executive Summary

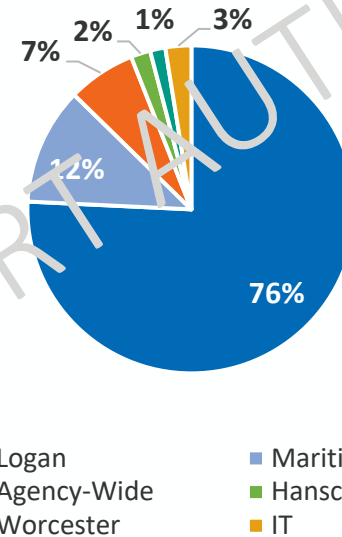
- The five-year (FY25-FY29) Capital Investment Plan (CIP or Capital Program) totals **\$3.8** billion, which represents an increase of ~\$603 million
- Over **81%** of the FY25-FY29 Capital Program continues investments in **ongoing projects**
- Massport continues to devote a significant portion of the Capital Program to necessary maintenance and renewal to extend the safe and usable condition of our facilities
- Net Zero initiatives represent a significant portion of the Capital Program as we work to achieve our 2031 commitment

The \$3.8B FY25-FY29 CIP largely continues investment in on-going projects, while advancing new initiatives to maintain assets and support strategic goals

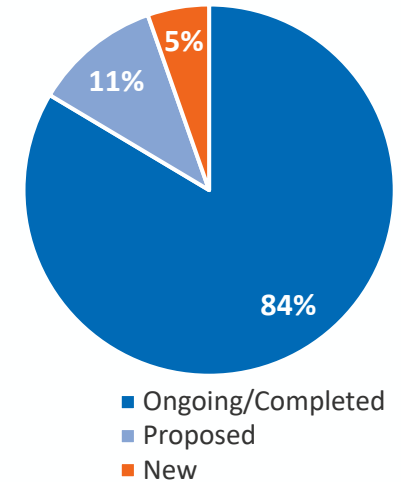
Capital Program by Business Line
(in millions)

Business Unit	FY25	FY26	FY27	FY28	FY29	Total
Logan	\$398	\$615	\$724	\$726	\$401	\$2,864
Hanscom	\$18	\$26	\$11	\$14	\$4	\$73
Worcester	\$17	\$13	\$14	\$7	\$6	\$57
Maritime + REAM	\$97	\$143	\$93	\$61	\$42	\$437
Agency-Wide	\$42	\$80	\$71	\$44	\$16	\$253
IT	\$45	\$26	\$12	\$10	\$4	\$97
Total	\$618	\$904	\$925	\$862	\$472	\$3,781

By Business Unit



By Project Status



- **\$2.9B** represents investment in Logan Airport
- **84%** of the CIP, or **\$3.2B**, represents investment in on-going and recently completed projects
- **11%**, or **\$419M**, is for projects from the prior 5-year CIP that have not yet started
- **5%**, or **\$203M**, is for new projects

**MASSPORT'S
2025 PRIORITIES**



Main Projects

Aviation

- Runway 9-27 Safety Area Improvements
- Rehabilitate Runway 4R-22L
- Terminal E - CBP Optimization and BHS Upgrades
- Rehab TW A and B East and South (from TW N to RW 4R)
- Terminal B Roadway and Garage Opt. / HOV Improvements
- Rehabilitate TW N from Runway 15R-33L to Runway 22L
- Rehabilitate Runway 4L-22R
- Rehab Runway 5-23 with Lighting, EMAS, and Geometry Improvements (Hanscom)
- Runway 11 and 29 EMAS Replacement (Worcester)

Maritime

- New Maintenance Building
- Cruiseport Pier Rehabilitation and New Fenders

Authority-Wide

- Massport MICA & ASHRAE Improvements



Rehab Runway 5-23 with Lighting, EMAS, and Geometry Improvements (Hanscom)



Runway 11 and 29 EMAS Replacement (Worcester)

≈\$985M In-Program

Runway 9-27 Safety Area Improvements

The Runway 27 Safety Area Improvements project will enhance the safety area consistent with FAA standards

- Construct a pile supported deck over Boston Harbor to extend the runway safety area (RSA) to a length of 650' from the runway threshold with an engineered materials arresting system (EMAS) within the new RSA footprint
 - Construct emergency access ramps on either side of the deck
 - The project includes installation of an EMAS on the pile supported deck
-
- EMAS is a safety system consisting of lightweight crushable concrete blocks in the runway safety area that can safely slow an aircraft in an overrun situation
 - EMAS is an FAA-approved measure for achieving safety standards
 - This is a required FAA safety project that does not extend the runway or change the operational capacity of the runway
 - 75% of eligible costs will be funded with an FAA Airport Infrastructure Grants (AIG) funded by the Bipartisan Infrastructure Law



EMAS

Main Projects

Aviation

- Terminal E Garage and Terminal C-E Roadways and Curb (NCEC Program)
- A to B Post Security Connector
- Braintree Logan Express Garage/Remote Terminal
- Terminal E Program
- North Service Area (NSA) Program
- Framingham Logan Express Garage Optimization
- Residential Sound Insulation Program
- Danvers Logan Express
- Terminal C Program
- Salt Storage Relocation and Civil Air Terminal Parking Expansion (Hanscom)
- Worcester Overflow Parking (Worcester)

Maritime

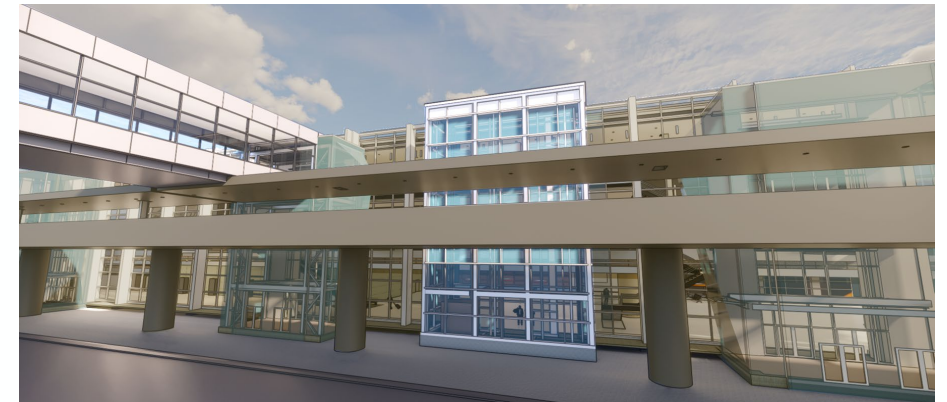
- Terminal Container Storage
- Cypher-E Freight Corridor
- Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power

Authority-Wide

- Strategic Projects Program Management & OPM
- Authority-wide Technology Development Program



Terminal C Program



Terminal E Program

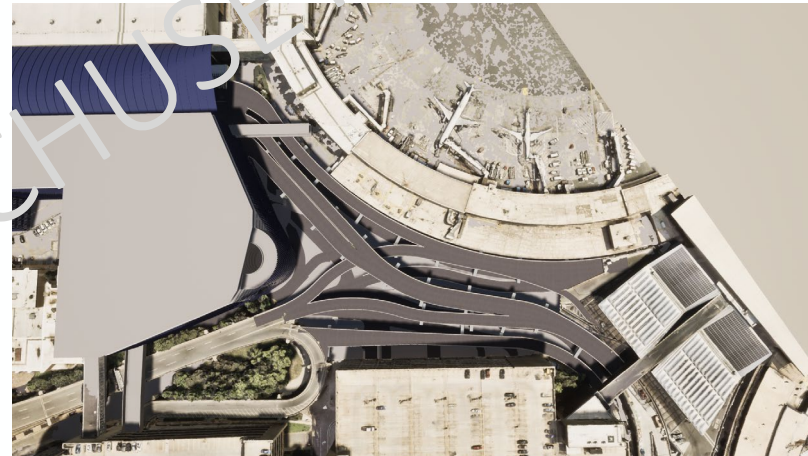
≈\$1.1B In-Program

NCEC Program (Terminal E Garage + Terminal C to E Roadways and Curb)

- Expanded Departures Deck provides increased curb capacity for passenger drop off
- New garage increases available parking supply and provides transportation center functions of passenger pick-up, TNC drop-off/pick-up and Limo pick-up
- New roadways de-conflict Terminal C and E traffic improving the driving experience



New Ten-Story 4,000 Space Garage with Pedestrian Bridge to Terminal C

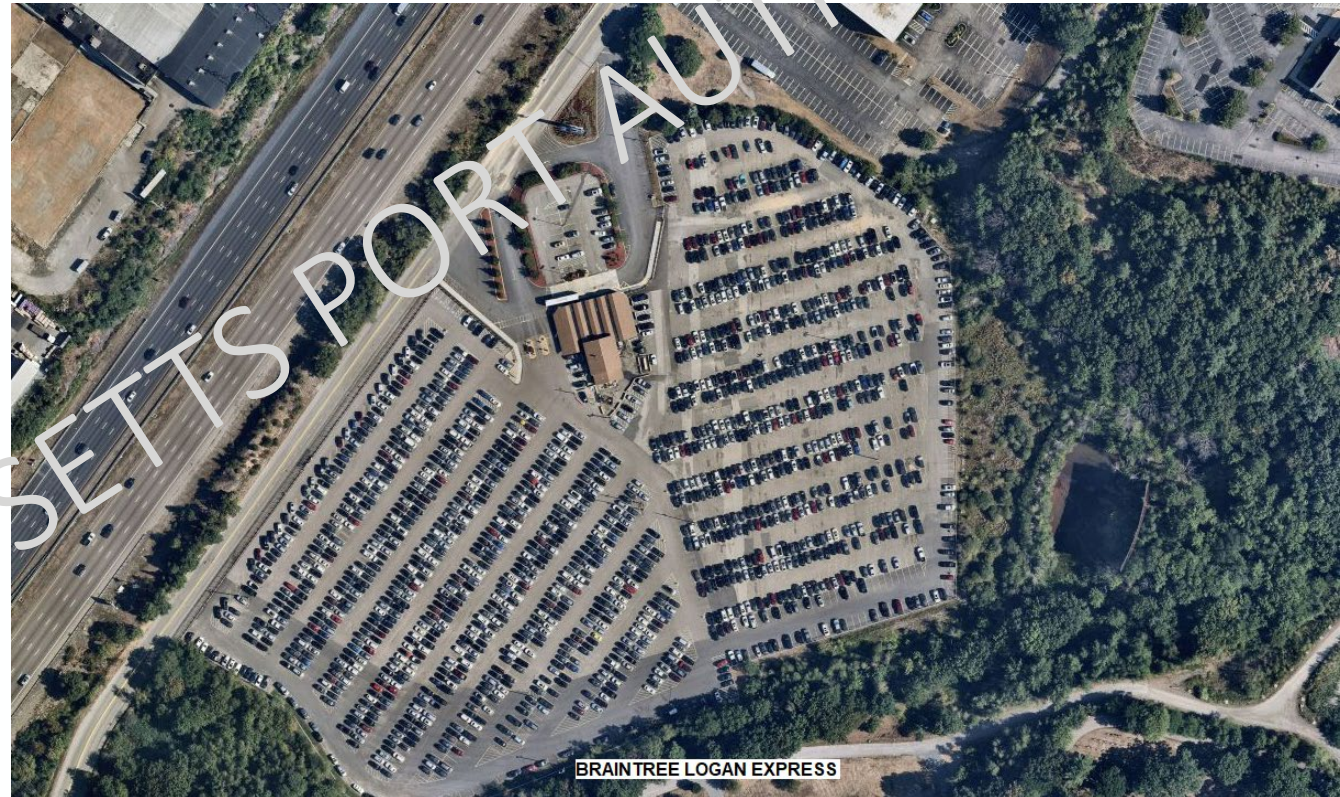


New Arrivals Curbside at Terminal E

New C to E Departures and Arrivals Roadways

Braintree Logan Express Garage/Remote Terminal

- Increase parking to meet projected demand – 3,000 total spaces
- Possible introduction of remote passenger and bag check-in and screening at Logan Express Braintree
- Enhance sustainability features



Framingham Logan Express Garage Optimization

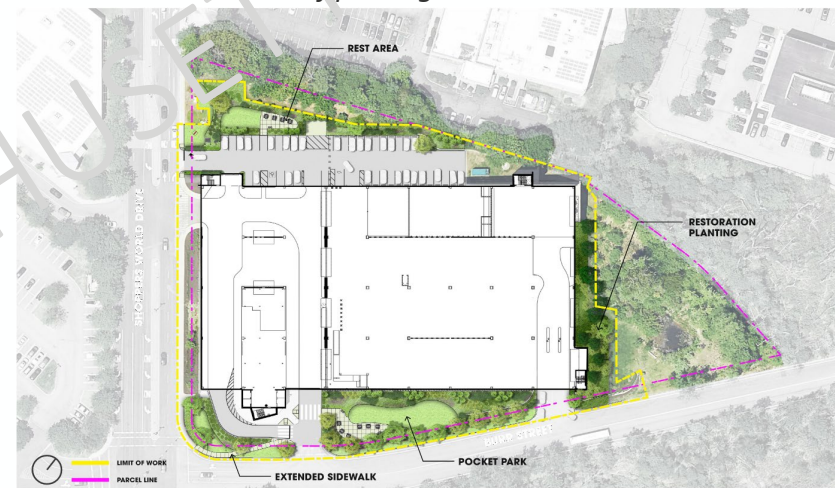
- Three-level addition to existing garage to add approximately 1,000 additional spaces
- Parking Access Revenue Control System (PARCS) for intuitive parking
- Building integrated photovoltaic panels (BIPV), to offset building energy usage by at least 50%
- Addition of Level III electric vehicle charging stations



Three additional levels of parking



Building Integrated Photovoltaic Panels



Site enhancement and placemaking with pocket parks



Enhanced parking facility for growing HOV(LEX) users

Danvers Logan Express

- Approximately 500 long-term parking spaces in the final build for Danvers Logan Express and 20 short-term parking spaces
- A pick-up/drop-off area and electric vehicle charging stations for customer convenience
- New Ground-up Ticketing Office Building to replace existing temporary trailers
- Waiting area for visitors, complete with seating, integrated charging stations, and curated art installation to enhance the customer experience



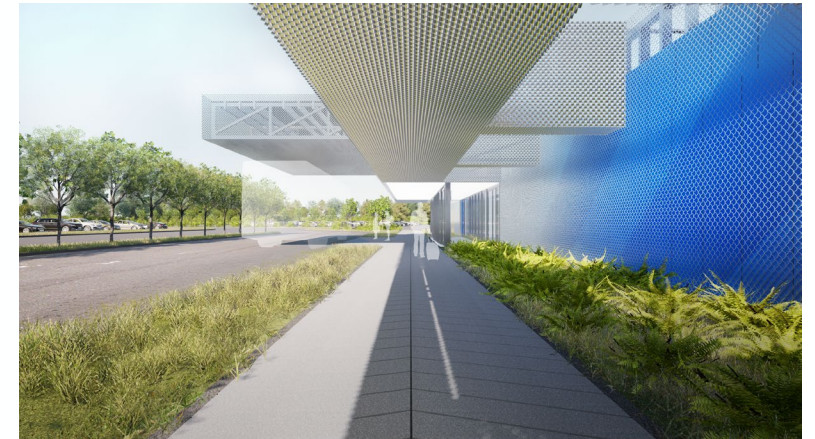
New Long-term Parking Lot with Increased Parking Supply, and New Short-term Parking Lot



New Ground-up Ticketing Office Building with a Cantilevered Canopy and Intricate Façade



Lobby with Curated Art Installation



New Pedestrian Walk connects Long-term and Short-term Parking Lots to Main Entry

Main Projects

Aviation

- Terminal E Program
- Terminal C Program
- Terminal E Garage and Terminal C-E Roadways and Curb (NCEC Program)
- A to B Post Security Connector
- Logan HVAC and Controls Replacement Program
- Terminal B Roadway and Garage Opt./HOV Improvements
- Braintree Logan Express Garage/Remote Terminal
- Restroom Improvement Program
- Framingham Logan Express Garage Optimization
- Civil Air Terminal Architectural and Security Upgrades (Hanscom)
- Worcester Overflow Parking (Worcester)

Maritime

- Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power

Authority-Wide

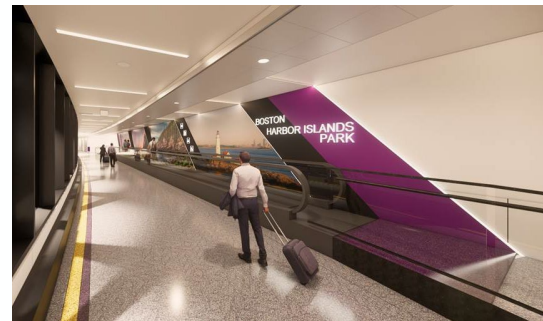
- Authority Wide Elevator, Escalator, and Moving Walkway Program
- Terminal B and C Escalators Modernization Project



Restroom Improvement Program
(New York LaGuardia Airport)



Terminal E Program
Baggage Claim 7 & 8

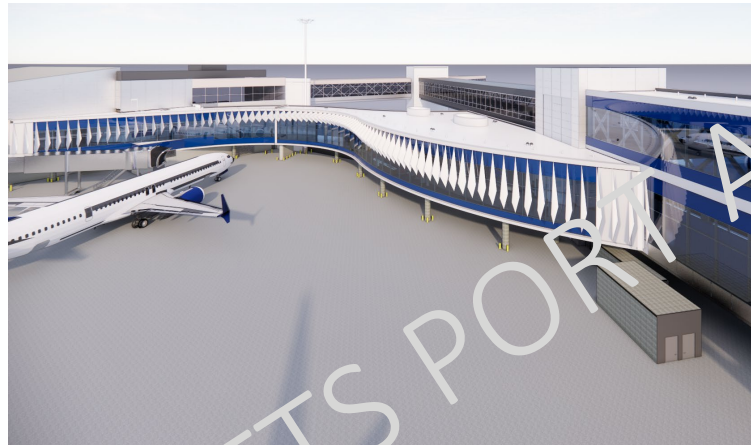


Authority-Wide Elevator, Escalator,
and Moving Walkway Program

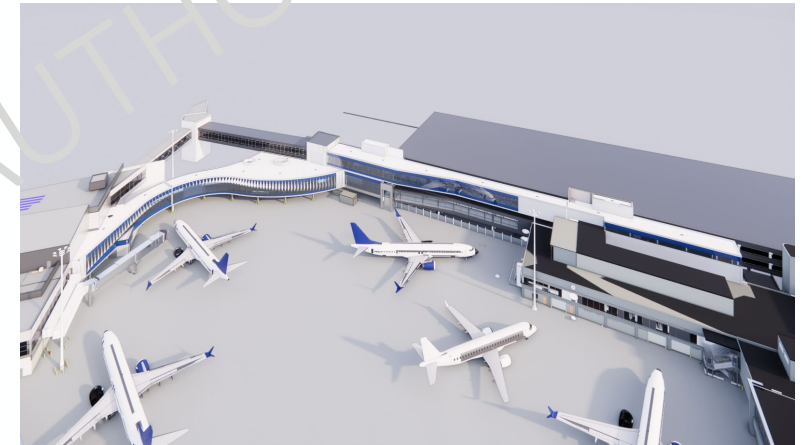
≈\$990M In-Program

A to B Post Security Connector

- Final phase of post-security connectivity between all Terminals at Logan, connecting Terminal A to Terminal B
- Adds new companion care restrooms, a universal changing room, a mother's room, a sensory room, an airplane simulator, a reflection room, and addition seating and lounge space
- Renovates ten (10) existing restrooms and four (4) holdrooms
- Upgrades to vertical circulation



New Connection between Terminal A and B



Birdseye view of New Connection between Terminal A and B



View from Terminal A towards seating area



View from Terminal B towards A

Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power

- A second passenger boarding bridge, additional escalator, and new sheltered exterior concourse will facilitate boarding and debarking, decreasing wait times
- A new 1,000+ passenger hold room will increase capacity and comfort for passengers during pre-boarding
- Shore power will eliminate local emissions for connected vessels, improving surrounding air quality



Passenger boarding bridge



Hold room



VESSEL CONNECTION
14MVA



Shore Power

Main Projects

Aviation

- North Service Area (NSA) Program
- Terminal E Garage and Terminal C-E Roadways and Curb (NCEC Program)
- Roof Replacement Program
- Worcester Overflow Parking (Worcester)
- Airside Utility Studies and Improvements - East Ramp and North Airfield (Hanscom)

Maritime

- Harbor Deepening
- Terminal Container Storage
- Ship to Shore Crane Replacement Program

Authority-Wide

- ERP System Consolidation
- Utility Metering System Upgrade - Massport-wide
- Authority-Wide Parking Revenue System Installation and Upgrades



NSA Program



Terminal Container Storage

≈\$255M In-Program

NSA Program (Large Vehicle Service And Maintenance Facility + Existing Green Bus Depot Repurposing & Garage)

- Demolition of four 1960's-70's inefficient and undersized critical operations buildings and consolidation of these functions into one new Large Vehicle Storage and Maintenance Facility, and a renovated Bus Depot Building re-purposed into additional vehicle storage and maintenance
- New service road to move operations airside to improve efficiency of Sky Chef & Gate Gourmet operations
- New Wildlife facility to replace existing undersized existing facility



Aerial view of LVSMF, Repurposed GBD, etc. looking SE



Aerial view of Repurposed GBD, LVSMF, added ramp area, etc. looking SW



Aerial view looking W



Perspective view of LVSMF entrance from Lovell St.

Main Projects

Aviation

- On Airport Shuttle Bus Replacement Program - Battery Electric Buses
- Terminal E Program
- Braintree Logan Express Garage
- Logan NPDES Permit Infrastructure
- Energy Optimization Program - Logan Airside Charging Stations

Maritime

- Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power
- Building Envelope and Roof Upgrades Program

Authority-Wide

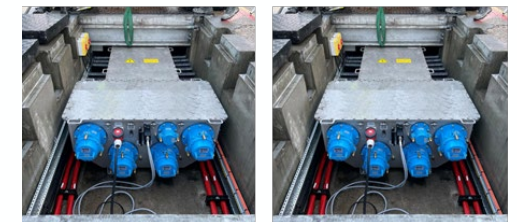
- Authority-Wide Energy Conservation Efforts & Measures
- Authority-Wide Solar Implementation
- Massport MICA & ASHRAE Improvements
- Climate Action Initiatives



On Airport Shuttle Bus Replacement Program - Battery Electric Buses



VESSEL CONNECTION
14MVA



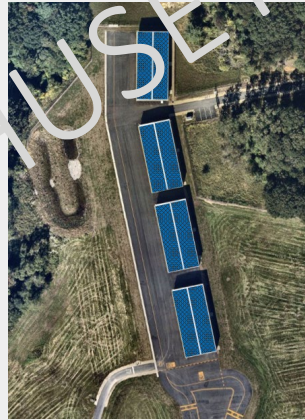
Flynn Cruiseport Boston
Modernization & Cruise Terminal
Shore Power

≈\$500M In-Program

Authority Wide Solar Implementation

Fast Track Solar

- Recently constructed buildings designed with structural capacity to add solar; Procurement Method -Design-Bid-Build. Under Construction - Complete May 2025
- Hanscom Aircraft RFF/CBP:** Nearly Net Zero Load Offset 82% - 82.9kW – 54,949.82lbs CO2/yr savings
- Piers Park 2 Sailing Center:** Achieves Net Zero Load Offset 104% - 30kW – 19,885.34lbs CO2/yr savings
- Hanscom North Airfield Hangers:** Achieves Net Zero Building Load Offset 191% - 49.7kW – 32,943.38 CO2/yr savings per building

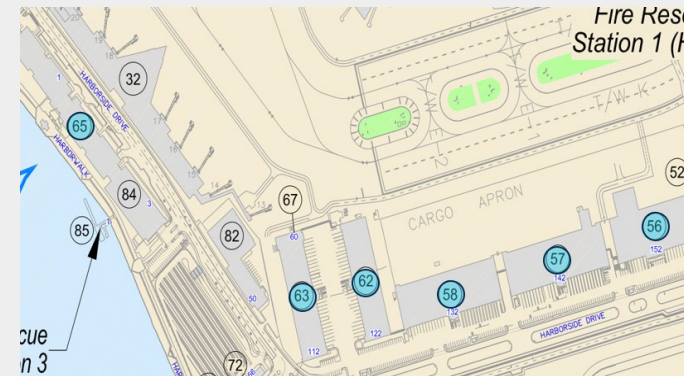


Stage Gate 3+
Construction

Anticipated Completion
FY25-FY26

Logan South Cargo Solar Project

- Massport's first major MGL Chapter 25A Section 11C Design/Build procurement
 - Rooftop Solar at Buildings 56, 57, 58, 62, 63, and Logan Office Center
 - Roof Replacement at Building 63
 - Electric Upgrades at Building 56
- Environmental Leadership Efforts
 - Potential reduction of 549 megatons of CO2e
 - Envelope improvements at Building 63
- Design/Build procurement enables expedited design, construction, and commissioning timeline



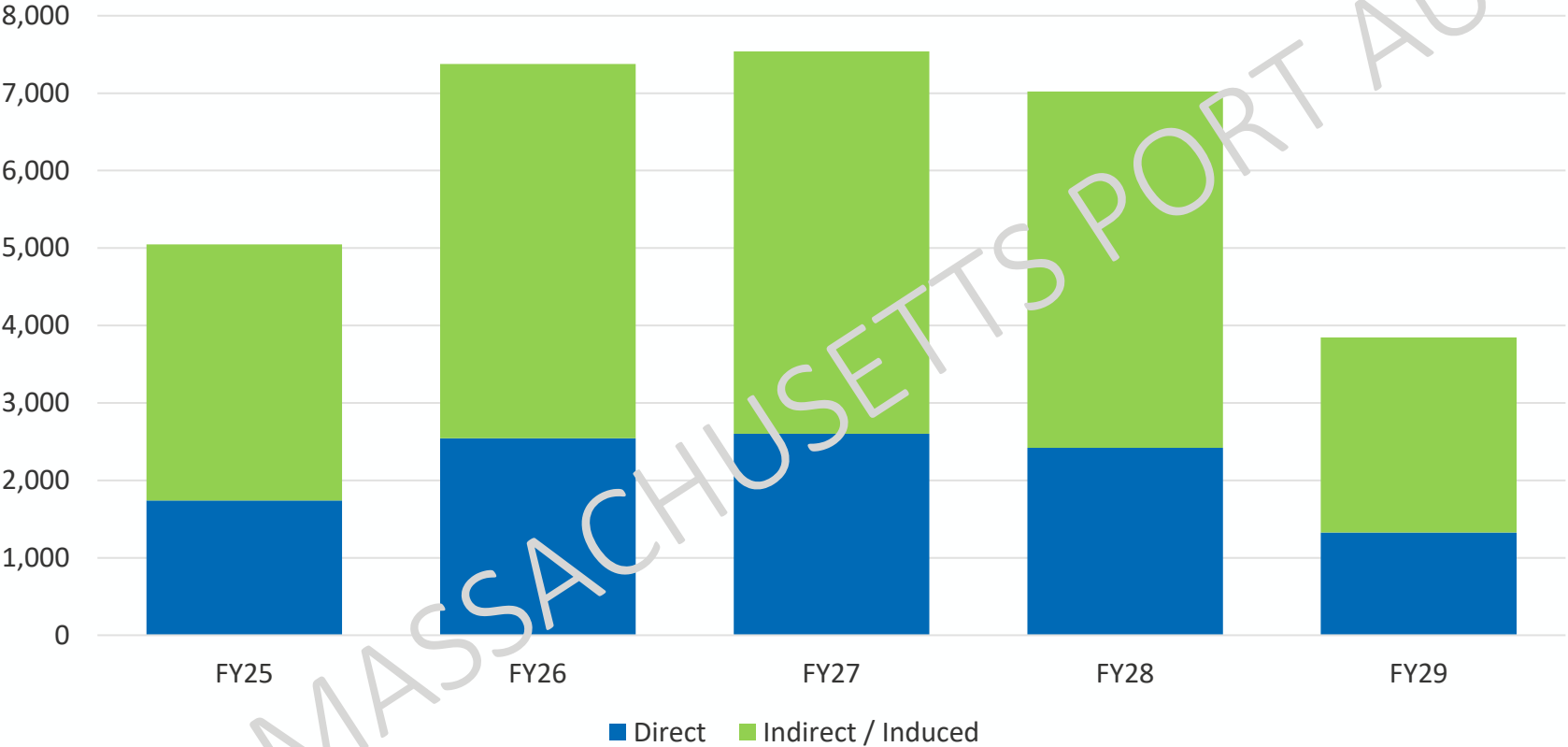
Building Locations for solar project

Stage Gate 2
Project Definition

Anticipated Completion
FY27

The Capital Program creates more than 30,000 jobs

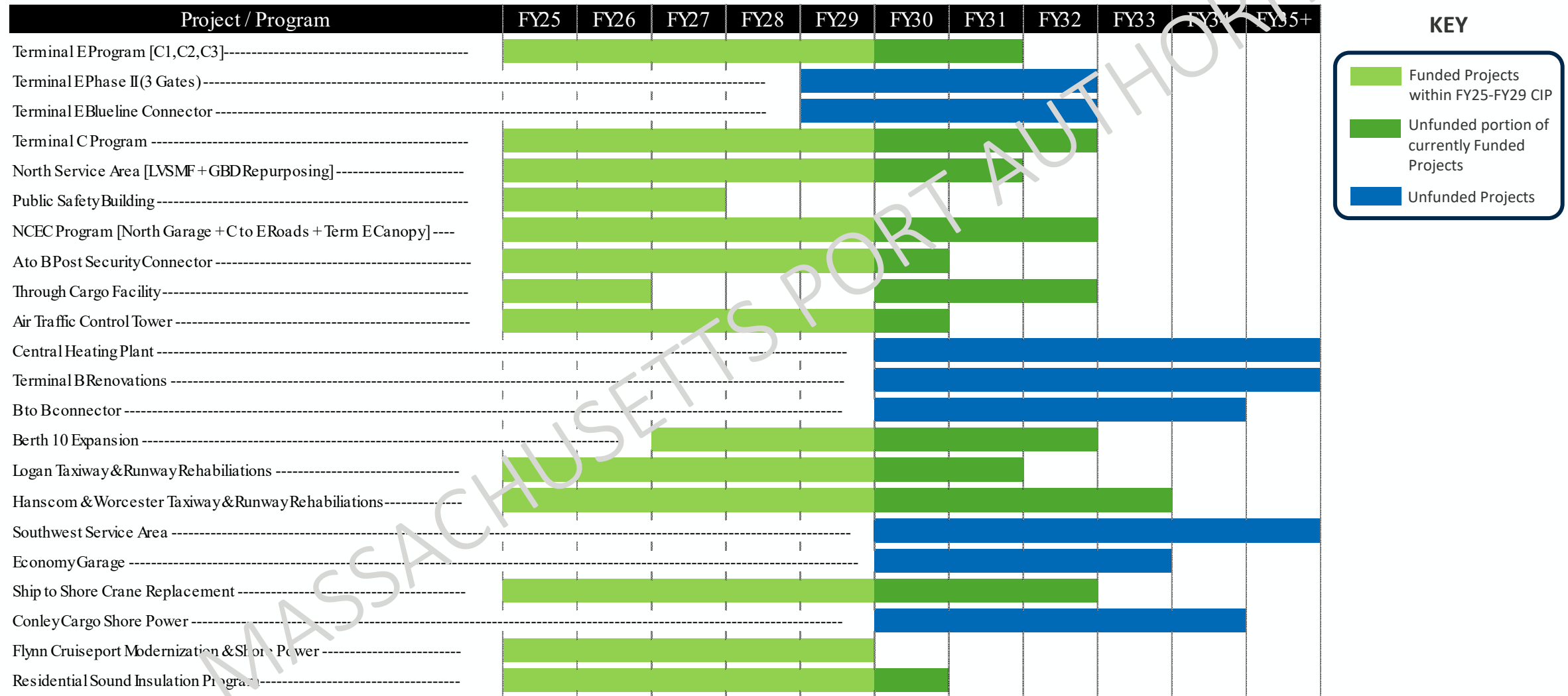
Estimated 30,830 Full-Time-Employees (FTEs) Created



- **10,631** jobs directly related to Massport construction projects
- **20,199** jobs supported through vendor and worker re-spending (multiplier effect)



Beyond the FY25-FY29 CIP, MPA will need to invest an additional \$5B+ over the next ten years to support Massport's economic, transportation, and climate goals



FY25-FY29 Capital Investment Financial Plan

John Prankevicius

March 20, 2025

Executive Summary

- Business activity exceeds pre-pandemic levels and is tracking towards 53 million passengers by 2035
- Over the next five years, more business activity across our transportation assets require targeted transportation fee adjustments to finance new capital projects and operational capacity to manage growth
- Expenses will also increase to service more passengers, manage greater facility use, increase customer service, absorb inflation-related cost pressures, and fund other business demands to keep pace with growth
- This five-year financing plan increases earnings 20% to support Massport's \$3.8B 5-year CIP, the largest capital program on record
- Despite this sizeable investment, **the pipeline of unmet investment needs and the new vision generated by Massport's forthcoming Strategic Plan will require creativity, flexibility, and more financing capacity**
- Geopolitical tensions, economic risks including tariffs and interest rates, among others, are elevated and could alter Massport's business, operational, and financial trajectories
- If necessary, we are prepared to adapt and adjust to the externalities that may impact growth while continuing to serve our customers and constituencies and drive economic growth for the Commonwealth

Five-Year Business Activity Forecasts

Logan's near term passenger forecast reflects reasonable growth in the U.S. and regional economies as well as industry supply constraints

Economic Factors

U.S. Air Passenger Demand

- U.S. airlines are projecting slower growth with passenger expectations at lower end of near-term forecasts
- Uncertainty in U.S. economy/tariffs/geopolitical conflicts
- Slower pace of economic growth

Boston Air Passenger Demand

- High discretionary income and higher propensity for international travel
- Strong transatlantic demand supports international demand
- Corporate institutions and universities support domestic and international air travel; loss of federal funds will curtail travel
- Strong tourism and convention demand

Industry Challenges

Aircraft Constraints

- Continuing aircraft production supply chain delays and manufacturing challenges are impacting airline fleets and growth opportunities

Airline Industry

- Pressure on Ultra/Low Cost Carriers as legacy carriers introduce similar products
- Airlines implementing profitability strategies including debt restructuring, capacity reductions on unprofitable destinations, and creation of ancillary revenue products

Industry Staffing Shortages and Safety

- Recent airline incidents raise the public's fear of flying
- FAA shortage of air traffic controllers reduces overall capacity of controlled airspace

Maritime's Cruise business bolstered by strong demand, while global tariffs and other market forces temper Conley's container growth

Cruise Business

More cruise line homeport and ports of call sailings

- 154 vessels (82 homeport, 72 port of call)
- 22 cruise lines, larger ships, unique itineraries

Passenger forecast 10% higher than previous forecast

- 2024 record-breaking year
- Passenger growth to reach 500K+/- annually, next 5 years

Facility improvements

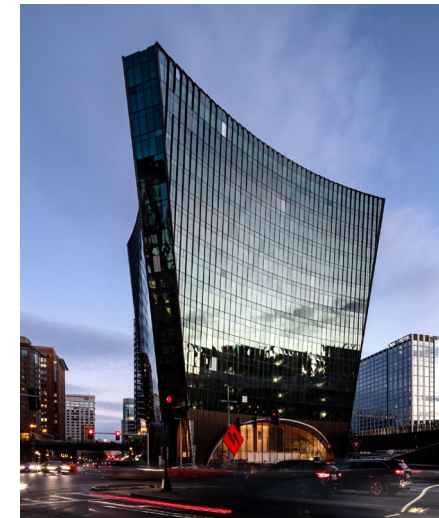
- \$105M Flynn Cruiseport modernization program underway
- First New England Port with shore power
- 90% increase in economic impact to \$256M, supporting the City and Commonwealth

Container Shipping

- ILA ratification of new 6-year deal with USMX provides stability at East Coast ports in 2025 and beyond
- 2024 global shipping line profits were healthy and may reach \$50B in 2025
- New container rate negotiations underway with Port shipping line carriers to offset new Labor contract
- Global tariffs, weakening consumer demand, and geopolitical concerns are stressing near term trade as retailers adjust forecasts
- Industry concerns on proposed U.S. port fees of \$1.5M per port call for Chinese-built vessels
- New England market scale is limited by infrastructure, population, and local GDP
- Bigger ships and airport flight path restrictions pressuring Conley's existing berths and landside footprint

Massport's diversified RE portfolio is producing steady revenue performance, despite economic headwinds

- Fixed rents generating steady lease revenue, despite market instability
 - 10M square feet in stabilized assets
 - 10 World Trade and Commonwealth Pier coming online in 2025/2026
- Hospitality (4 hotels)/event sectors are driving rent (Hotel RevPAR up 9% yoy) and ancillary revenues capturing increased convention/event parking revenue
- Pursuing strong demand for interim uses (0 - 5 years) on available parcels to generate lease revenue (\$800K in new annual agreements)
- Public realm activation partnerships (e.g., Tall Ship) are generating meaningful revenue (over \$400K), in addition to enhancing portfolio, community, and customer service benefits
- On-going exploration of blue economy finding traction with business start-ups looking for industrial space and water access
- Life sciences space in the local market is abundant, absorption will take time
 - High lab vacancies (30%), hiring down, NIH and federal funding uncertainty
 - Life sciences over-supply and office vacancies driving shift to broader R&D uses
- Challenges remain for new construction due to interest rate uncertainty, high construction costs, and federal funding uncertainty



Massport's business activity is performing better than last year's forecast and this growth will help fund investments in the new five-year \$3.8B CIP

	Logan Passengers		Conley Terminal Containers		Flynn Cruiseport Boston Passengers		Real Estate Revenue	
	Prior Forecast	New Forecast	Prior Forecast	New Forecast	Prior Forecast	New Forecast	Prior Forecast	New Forecast
2025	42.2	43.5	140	133	375	445	\$52.0	\$66.0 ⁽¹⁾
2026	44.1	44.8	137	143	445	484	\$56.0	\$59.2
2027	45.3	45.9	141	147	450	490	\$59.0	\$60.7
2028	46.2	46.8	145	150	460	505	\$61.0	\$61.4
2029	47.2	47.7	150	152	505	515	\$62.0	\$62.3
5-year Total	225 M	229 M	713K	725K	2.2M	2.4M	\$290M	\$298M
Change		+ 4M		+ 12 K		+200 K		+\$20M

Note: (1) FY25 Real Estate Revenue includes \$12M 776 Summer Street deed restriction payment used to fund cruise facility improvements

FY25-FY29 Financial Plan to Fund \$3.8B Capital Improvement Plan

Revenue forecast improves \$465M from business growth and fee adjustments needed to fund \$3.8B FY25-FY29 CIP and increasing operating expense budget

	Revenue Forecast		
	FY24-FY28 Financial Plan	FY25-FY29 Financial Plan	Budget to Budget Change
FY25	\$1.18B	\$1.25B	\$70M
FY26	\$1.25B	\$1.325B	\$75M
FY27	\$1.29B	\$1.37B	\$80M
FY28	\$1.33B	\$1.45B	\$120M
FY29	\$1.40B	\$1.52B	\$120M
			\$465M

FY26: Major drivers add \$145M in new revenue, up 12% from FY25 (FY24-FY28 Plan)

Logan: \$1.1B, +\$123M, or 13% over FY25 budget

- Airline rates & charges will generate \$35M, or 8% more than last year from the recovery of operating expenses and new capital costs
- Logan parking and GTU revenues will increase by \$62M more business activity and fee adjustments will fund new HOV related services and infrastructure investments
- Other revenues will be \$22M or 9% higher as revenues from terminal and rental car concession revenues, shuttle bus trip revenues, real estate leases, utilities and other miscellaneous revenues increase in concert with business activity

Hanscom (BED)/Worcester (ORH): \$30M, +\$4M, or 22%

- Increases in BED ground rents from FBO leases and more ORH passengers drive revenue higher

Maritime: \$95M, +\$15M, or 18%

- Conley \$12M higher or 18%: \$9M from 14% increase in container ship fees, \$1.5M from 3,000 additional containers, \$1.2M from new fees and restoration of 80/20 full-to-empty container ratio
- Cruise up \$3M or 21%: \$2.3M from a 9% increase in passengers and an 8% inc. in passenger fees, \$360K from Cruise Facility Fee, \$330K from equipment usage, utilities, and other

Real Estate: \$59M, +\$3M, or 8%

- Reflects higher ground and percentage rents at commercial real estate properties including Commonwealth Pier and increased parking activity at SBWTC and WTC Seaport Garage

Interest Income: \$35M, or 0%

- Stable as the Federal Reserve is likely to move slowly, if at all, to reduce interest rates

Massport's FY26 expense budget totals \$755M, a \$69M increase to manage business activity growth

Operating Expense Forecast

	FY24-FY28 Financial Plan	FY25-FY29 Financial Plan	Change
FY25	\$686M	\$680M	(\$6M)
FY26	\$752M	\$755M	\$3M
FY27	\$807M	\$810M	\$3M
FY28	\$851M	\$860M	\$9M
FY29	\$900M	\$910M	\$10M
			\$19M

FY26 Major Expense Drivers:

- On-Airport bus operations, Airport employee busing and parking operations, new HOV transportation service contracts
- More terminal usage by passengers results in additional cleaning; elevator, carousel, and mechanical service and maintenance; waste recycling, and pest control services
- Business activity increases, Airfield Paving to adjust for post-COVID inflation costs, Logan International Air Incentive Programs (Asia/South America)
- New ILA agreement took effect October 2024
- Digital transformation resources to improve efficiencies and organizational performance and investments in cybersecurity to mitigate potential network threats
- PILOT payments increasing by CPI, East Boston and Winthrop milestone payments, and other community/summer jobs programs
- Employee benefit increases, 4.4% additional headcount, collective bargaining agreements and merit awards

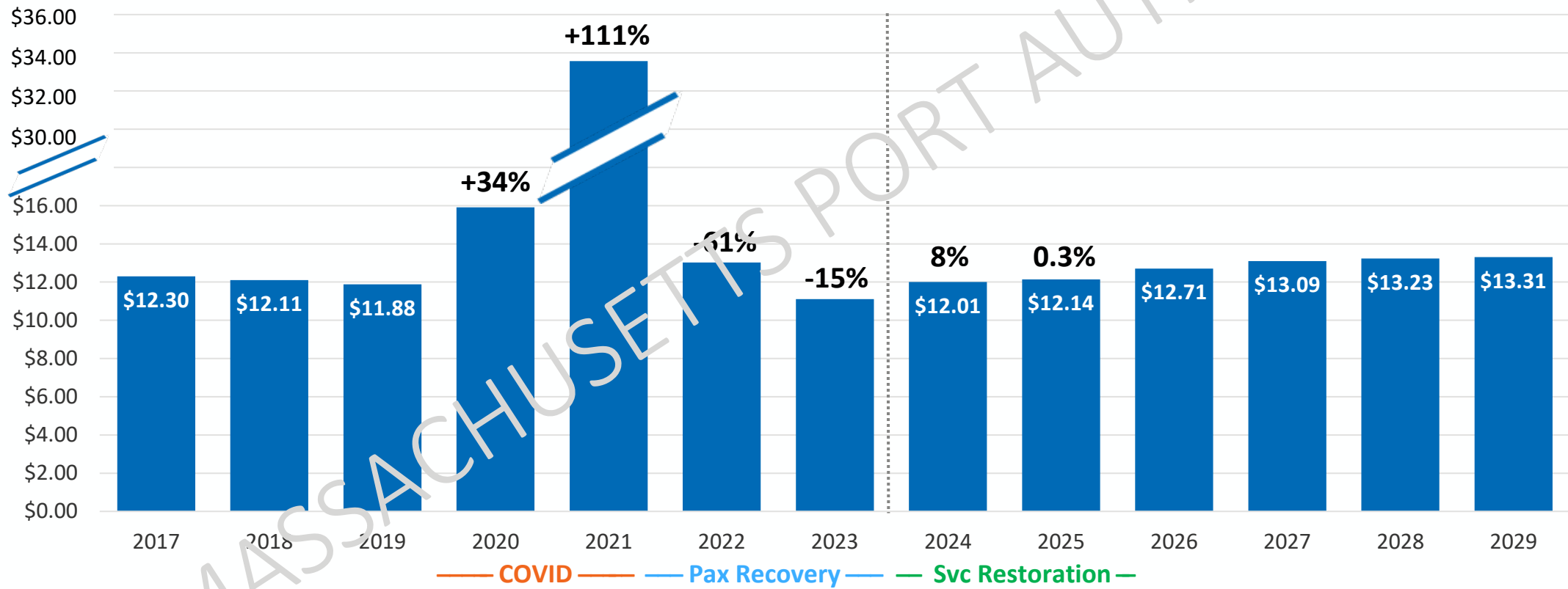
A closer look at expense drivers in the FY26 budget

FY 25 Expense Budget	FY 26 Expense Budget Projection	Adjustments
\$686M (original budget)	\$ 755M – projected next year	\$69M
Project/Expense	Description	New Investment
Logan Express & On Campus Shuttle	Quincy & Wonderland employee shuttle, Frammingham, Back Bay, Woburn, Braintree, and Danvers LEX services, On-Airport Shuttle, MBTA passes	\$12M
Business Activity Increases	Building cleaning, recycling and waste removal, Stevedoring, RDP, airfield paving, new destinations incentives	\$17M
Logan Terminal Increased Usage	Carousel maintenance, elevator & escalators, mechanical, electrical, fire alarm services, landscaping, parking credit card fees	\$16M
Employee Wages & Benefits	Employee wage adjustments, 4% planned head count increase, Pension & OPEB assessment, health care premiums increasing 10%	\$10.5M
Public Safety & Security	State Police, Fire Fighters (8), Aviation Officers, Safety Management	\$5M
Cybersecurity / Digital Transformation	Cybersecurity enhancements, Oracle Fusion (ERP), Microsoft 365 licenses	\$2.5M
Other adjustments	CPI PILOT payments, community & charitable giving, property insurance, utilities, strategic plan and inflation related increases	\$6M

Total New Investment \$69M

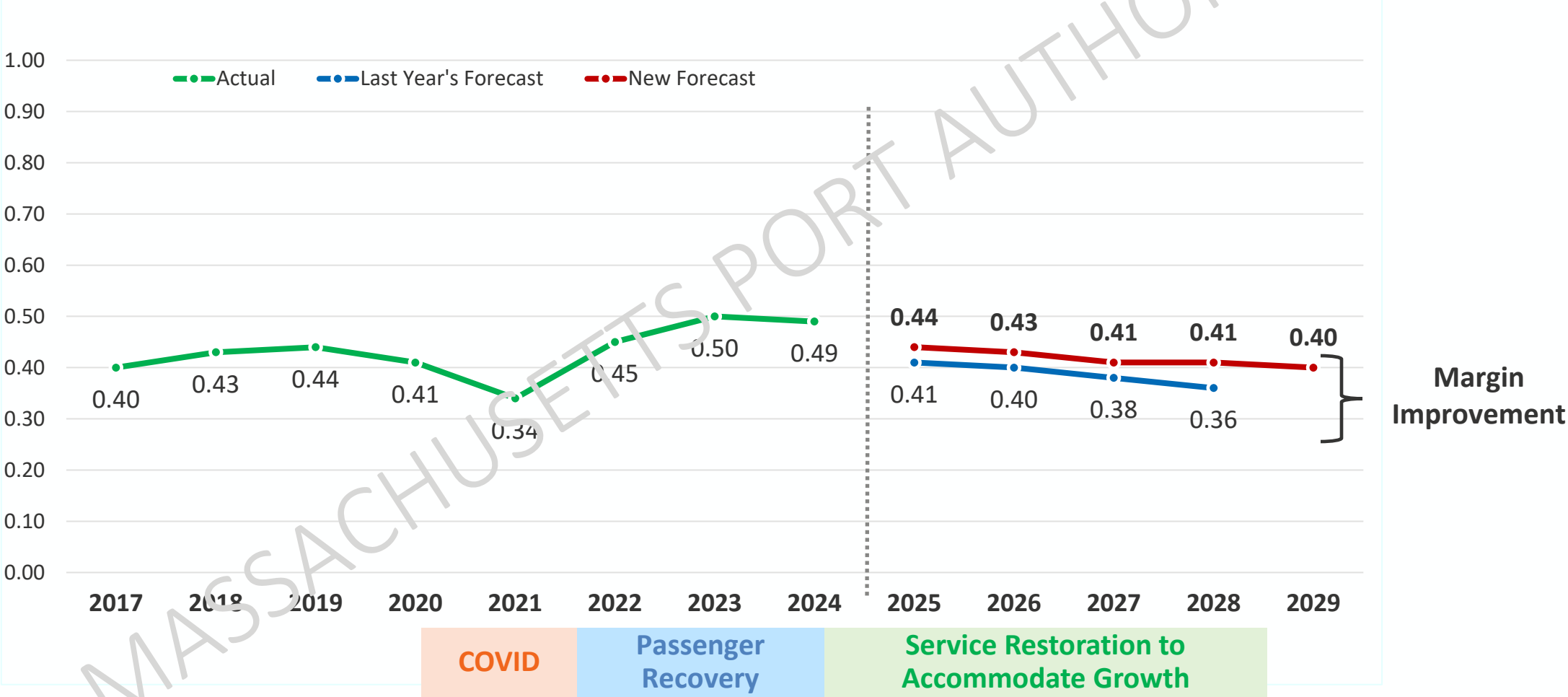
On an inflation adjusted basis, operating expenses per passenger increasing to fund more transportation services required to meet growing Logan passenger demand

Real Operating Expense per Passenger (2017\$) and Annual Percent Change



Massport's margin growth creates the financial capacity needed to fund 5-year CIP

Operating margin improves and is in line with Board-approved Debt Policy



Massport’s business activity growth helps generate 20% higher net earnings to finance the new FY25-FY29 CIP

Business Activity				Five Year Financial Plan			
Year	Logan Passengers	Conley Containers	Cruise Passengers	Revenue	Expense	Debt Service	Earnings for CIP
FY25	43.5M	133K	445K	\$1,250M	\$680M	\$174M	\$396M
FY26	44.8M	143K	484K	\$1,325M	\$755M	\$185M	\$385M
FY27	45.9M	147K	490K	\$1,370M	\$810M	\$199M	\$361M
FY28	46.8M	150K	505K	\$1,450M	\$860M	\$224M	\$366M
FY29	47.7M	152K	515K	\$1,520M	\$910M	\$253M	\$357M

New 5-year Net Earnings Forecast **\$1.87B**

Previous 5-year Net Earnings Forecast **\$1.55B**

Change **+\$320M, + 20%**



Massport's 5-year finance plan is structurally balanced, uses a mix of revenues from activity, new fee adjustments, revenue bonds, Federal grants, and other sources

CIP Funding Sources

Sources of Funds for CIP	FY24-FY28	FY25-FY29	Change
Net Earnings – Operations	\$ 1.55B	\$ 1.87B	\$320M
Revenue Bonds	\$ 571M	\$ 1.0B	\$429M
Previously Funded Projects	\$ 479M	\$ 405M	(\$74M)
Grants	\$ 412M	\$ 336M	(\$76M)
PFCs & Other Sources	\$ 165M	\$ 169M	\$ 3M
Total CIP Sources	\$3.15B	\$ 3.8B	\$ 602M

- **\$1.87B** in forecast earnings being used to finance new CIP, **\$320M** more than last year
- **\$1.0B** in bond proceeds will be used to fund the CIP
 - Terminal E Operational Improvements
 - Framingham Logan Express Garage
 - Terminal E Garage
 - Terminal C to E Roadways & Curb
 - A to B Post Security Connector
 - *An additional \$650M+ in Bonds is expected to be issued in Years 30+ for projects included in CIP*
- **\$405M of previously funded projects** is carried over into current year program, a decrease of \$74M
- **\$336M in funds from Federal BIL competitive grants (\$58M), Federal BIL AIG formula grant funds (\$112M), Federal AIP grants (\$142M), and other Federal grant programs (\$24M)**
- **\$110M** of Logan Passenger Facility Charges (PFCs) for airfield projects and **\$59M of other project funds** used for Cypher to E Street Freight Corridor, Terminal A, and other projects

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

1. Inflation/Economy

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

2. Geopolitical Issues

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

3. World Public Health

- New pandemics

4. Aviation Industry Challenges

- Potential airline consolidation
- Evolving airline business models
- Asia recovery
- Tourism slump
- Air traffic controller shortages

5. Climate Change/Environment

- Deregulation
- Infrastructure investment needs

6. Changing Customer Behaviors

- Airport access modes
- Time spent in airport

7. Technology

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

8. Traffic Congestion

- On-airport
- Tunnels

9. Maritime Challenges

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

10. External Shocks and Threats

- Terrorism
- Cyber breach
- Active shooter
- Extreme weather

What if Massport experiences a slowdown similar to the 2008 Great Recession?

- Massport stress tested the financial plan using an economic model mirroring the 2008 Great Recession (i.e., 9% decline with a 24-month recovery for Logan, slightly longer for Maritime)
- The stress test indicates a possible \$140M revenue loss over the five-year forecast period
- Management would enact similar steps to mitigate this loss including:
 1. Freeze discretionary spending
 2. Reduce service contract frequencies to operate facilities commensurate with reduced business activity (i.e., terminal cleaning, escalator/elevator maintenance, on- and off-airport busing, reduced ILA expenses from lower container volume, landscaping frequencies, utilities etc.)
 3. Renegotiate contract pricing for goods and services with existing vendors
 4. Enact an employee hiring “chill” or “freeze” to lower headcount
 5. Defer capital project spending until recovery
 6. Refinance/restructure Massport debt (if interest rates fall)
 7. Asset sales, sale/lease back opportunities

Next Steps

- **March Board Meeting Vote:**
 - Vote Item 7 - Adoption of the FY25-FY29 Capital Investment Plan
 - Vote Item 8 - Declaration of intent to use bond proceeds for certain project costs
- **April Board Meeting Vote:**
 - Maritime shipping rate adjustments and other fees
- **June Audit and Finance Committee**
 - Presentation of the FY26 Operating Budget
- **June Board Meeting Votes:**
 - Approve FY26 Operating Budget
 - Approve FY26 Airline Rates and Charges
 - Approve FY26 funds flow and other operating budget items

Audit and Finance

Danvers Logan Express Bus O&M Agreement

Dan Gallagher

March 20, 2025

Danvers Logan Express Service RFP Award Recommendation

Background

- Current bus O&M agreement expires 8/31/25
- RFP for new buses and O&M for a five-year term: 9/1/25 – 8/31/30
- Option to replace buses mid-term with zero-emission vehicles (ZEVs) if appropriate buses reach market; otherwise, issue RFP in 2030 with ZEV requirement
- Responses received from five operators
- McGinn Bus Company (“McGinn”) received highest rating across all evaluation criteria

Board Recommendation

- Approve the Vote awarding the operation of the Danvers LEX bus service to McGinn and authorize staff to negotiate, execute and deliver an operating agreement with McGinn with a term of five years and a not-to-exceed amount of \$20 million

