

Massachusetts Port Authority Board Meeting

June 12, 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



Project Kick-off for the Massport Strategic Plan was last week



BCG

Massport Strategic Plan

Project Kickoff

June 4, 2025

Confidential Draft – Internal Discussion Purposes
Policy Deliberations

massport

Major Milestone for the Framingham Logan Express Garage Expansion Project: Topping Off of the Final Precast



Launched Massport's new brand positioning: *Going Above and Beyond*



CUSTOMER
SATISFACTION



Our new branding *Going Above and Beyond*:

- Reflects our ongoing commitment to delivering an elevated customer experience at every touchpoint—across all properties
- Captures who we are today and the standard we strive for in the future
- Shapes how we engage with passengers, partners, and each other, and will be reflected in everything we do
- External campaign officially launched **June 9, 2025**

Real-time parking availability signs enhance the Logan Airport customer journey



CUSTOMER
SATISFACTION


LEVEL 3
Reserved Parking
• Hybrid
• Alternate Fuel
• Powered Vehicles
• Electric Vehicles
Charging Stations Available

**You MUST
pay at a
Parking Pay
Station**
BEFORE returning
to your car.
exit express

**Terminal B
Spaces Available**

LEVEL 5	54
L4 COLD	374
LEVEL 3	60



Spirit
United
LEFT

Air
Canada
American Airlines
RIGHT

Live music performances coming to Terminals B & C baggage claim areas this summer, starting July 1



CUSTOMER
SATISFACTION



Partnering with Uber & Lyft on enhanced Ride App products for Logan passengers



CUSTOMER
SATISFACTION

Relaunching July 1, 2025:

- **Rideshare products**

Launching new product pilots over next few months:

- **Smart Match Programs**
- **Extended Rematch Window**

Exploring:

- EV Incentive programs
- Urban shuttle services



Enhancing the Cruise Experience: Clearer, Smoother, Smarter



CUSTOMER
SATISFACTION

We're elevating the passenger journey with thoughtful upgrades that make every step easier and more intuitive:

Fresh, Branded Signage

- Modern visuals and consistent branding to welcome and guide passengers

Clearly Marked Doors and Exits

- Easy-to-spot identifiers for smoother navigation inside the terminal

Improved Street-Side Wayfinding

- Enhanced signage for transportation options and pickup locations

Streamlined Ride App Flow

- Optimized pickup and drop-off zones for faster, more efficient service





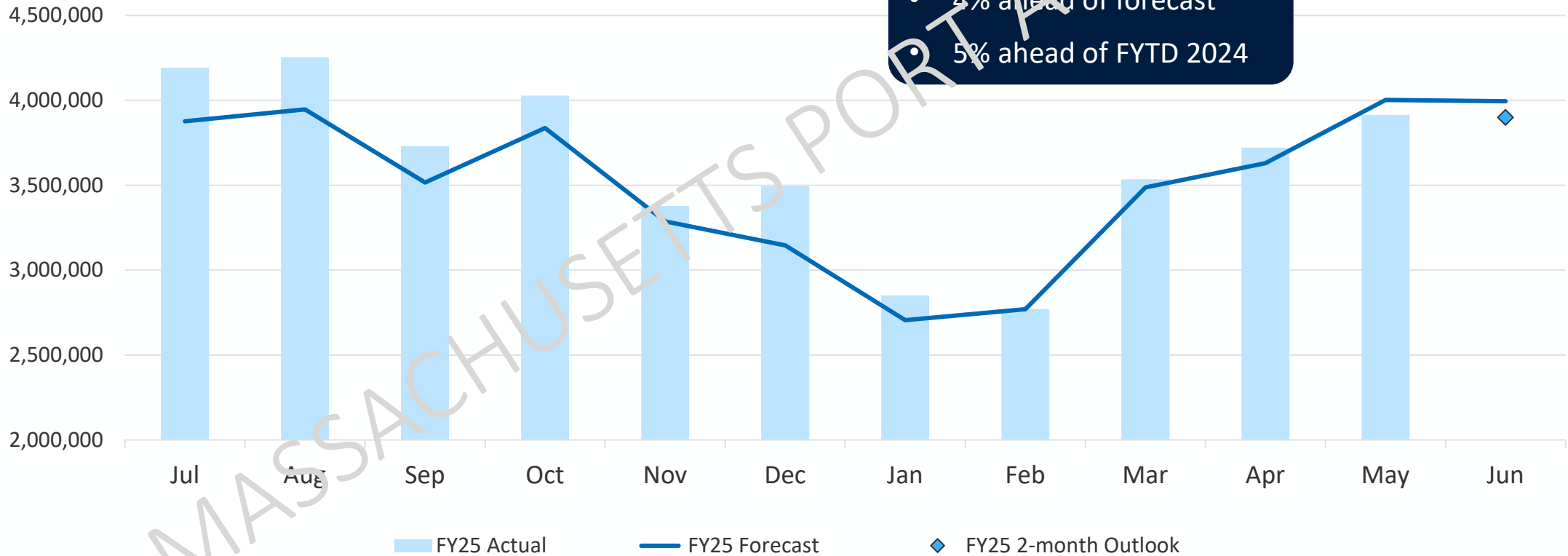
Logan served 40M passengers FYTD May, 4% better than forecast

Logan Passengers (Actual and Forecast)

May is preliminary estimate based on incomplete carrier reporting

FYTD May

- 40 million passengers
- 4% ahead of forecast
- 5% ahead of FYTD 2024



April 2025 Financial Results

Financial
Performance

Activity Highlights

- Logan served 3.7M passengers
- Conley Terminal processed 12,100 containers
- Real Estate revenues exceeded plan by \$0.3M
- Expenses were \$2.0M above budget

Financial Results

Revenues	\$115M
Expenses	<u>(\$103M)</u>
Contribution	\$12M

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



All Hands Meeting: celebrating our achievements and our outstanding colleagues with Olympic Gold-medalist hockey player, Mike Eruzione


MASSPORT
AS AN
EMPLOYER
OF CHOICE



Co-hosted *Regional Sustainable Aviation Fuel Workshop* to advance SAF development and deployment —right here in our region



- 130+ attendees from across the country
- Our partners:
 - The Commonwealth
 - CAAFI
 - U.S. DOT/Volpe Center
 - MIT Laboratory for Aviation and the Environment
 - MassCEC
- Explored practical steps for advancing SAF



SAF Working Group delivered actionable recommendations to the Governor to position Massachusetts as a SAF leader



2025

Recommendations to the Governor on
Accelerating the Adoption of Sustainable
Aviation Fuels in Massachusetts and New
England



May 2025

Recommendations

1. Understand current jet fuel supply chain and the potential for future blended SAF delivery, and regional feedstock opportunities and challenges
2. Create a Massachusetts and New England Region SAF Hub
3. Identify and market existing state programs and initiatives targeting greenhouse gas emissions reduction, climatetech, and economic development to support SAF
4. Enact legislation to fund a tax credit for SAF usage, infrastructure, and new SAF technology
5. Convene a Regional SAF Alliance, include six New England and nearby states

Workgroup Members:

Executive Office of Energy and Environmental Affairs (EOEEA), Executive Office of Economic Development (EOED), Executive Office of Administration & Finance (A&F), Department of Transportation/Aeronautics (MassDOT), Massachusetts Clean Energy Center (MassCEC), Office of Climate Innovation and Resilience, Massachusetts Port Authority (Massport)

Massport and the FAA hosted 2,200+ students and teachers at the annual Aviation & Maritime STEM Expo at Logan Airport



LEADERSHIP



Massport awarded the 2025 STEM and Memorial Scholarships



LEADERSHIP

- Two students from East Boston and Jamaica Plain were awarded \$5,000 STEM scholarships
- Four students from East Boston and South Boston were awarded \$5,000 Memorial scholarships in honor of former Massport employees
- One student from Winthrop was selected as the David W. Davis Memorial Intern, a paid public service opportunity at Massport awarded to an exceptional college junior or senior
- Since 2011, Massport has awarded more than \$325,000 in scholarships to over 100 students from neighboring communities



Left to right: Erin Flaherty, Dominic Jorge, Madelina Vivas, Teagen Scarpa, Alexander Lee, Susana Alvarez Ruiz, Ejo Hysa

Massport to participate in the 2025 Boston Pride Parade

Saturday, June 14, 2025



LEADERSHIP



- Hosted by **Boston Pride For The People** (volunteer-led since 2023)
- **Massport volunteers** will march with hundreds of others from community organizations, businesses, schools, city and state agencies, ERGs, and elected officials
- **1M+ attendees and 15,000+ marchers** last year



LEADERSHIP

Luciana Burdi named the 2025 Woman of the Year by WTS Boston

Congratulations Luciana!

Announcing WTS Boston 2025 Woman of the Year Award Recipient



Massport 2025 Hurricane Preparedness Week



SAFETY &
SECURITY

Strengthening Resilience Across the Enterprise

- Led by Corporate Security & Resiliency Teams
- Week-long program of training, exercises, and expert presentations

Key Highlights:

- Lessons Learned from **Tampa Airport & Port of Tampa** (2024 hurricanes)
- **Maritime & Aviation tabletop exercises** to test response protocols
- **Flood barrier demonstration** showcasing mitigation strategies
- **Daily staff engagement** with preparedness tips and expert insights
- **Forecast & hazard briefings** from MEMA, NWS, and the National Hurricane Center



Combating Human Trafficking: Massport hosts DHS Blue Lightning Initiative



SAFETY &
SECURITY

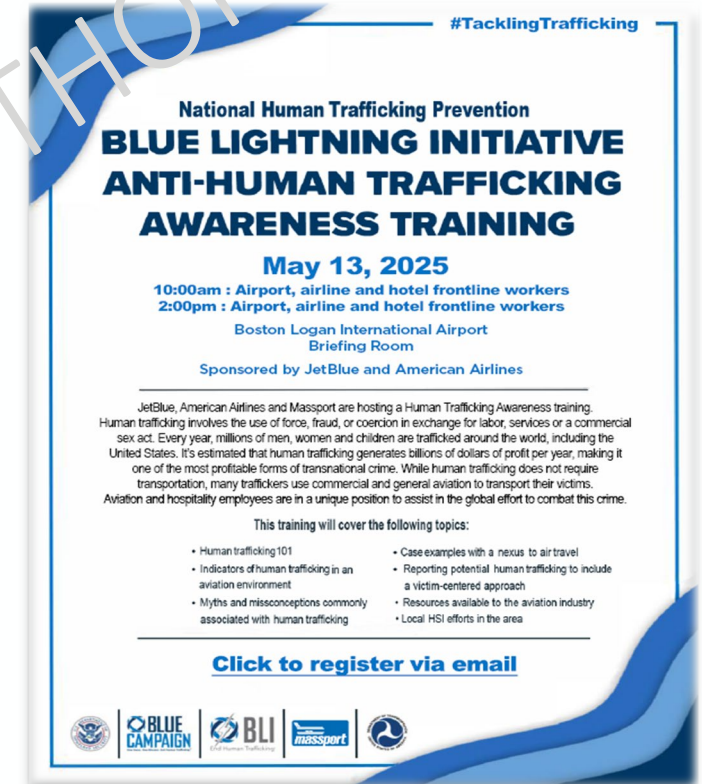
- Hosted at Logan Airport in partnership with the Department of Homeland Security
- 100+ participants from Massport departments, airlines, hotels, and federal partners
- Focused on:
 - Recognizing trafficking indicators in aviation settings
 - Dispelling myths and understanding the scope of the issue
 - Reporting protocols to protect victims
 - Resources for aviation and hospitality sectors

Why It Matters:

- Human trafficking is a multi-billion-dollar transnational crime
- Traffickers often exploit commercial aviation to move victims
- Victims include men, women, and children across all communities

Participating Groups:

- Massport Fire-Rescue, Police, Aviation Security, Operations, State Police, CBP, TSA, airlines, and hotel partners



Massport 2025 Spring Blood Drive: Partnering with Mass General Hospital to support lifesaving care

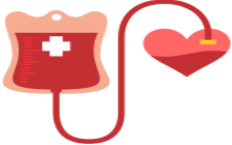


SAFETY &
SECURITY

- Strong turnout from Massport staff — **all donation slots filled**
- **45 participants**, including 21 first-time donors
- Donations will support **care for 90+ patients at MGH**
- Reinforces Massport's daily partnership with MGH through regular transports

Why It Matters:


- Blood donations are declining nationwide
- Hosting the MGH Bloodmobile on-site makes giving easy and impactful



**GIVE BLOOD
SAVE A LIFE**
BLOOD DRIVE

LOGAN OFFICE CENTER
Wednesday, May 7
8:30am - 2:00pm

Sign up at
<http://bit.ly/MassportMGH2>
or Scan the QR code



Recently, in just 3 days, MGH performed 8 liver transplants, 3 heart transplants, 10 Massive Transfusion Protocols along with multiple serious cardiac and vascular cases all on top of the "normal" case load. The blood used equaled almost an entire donations from the bloodmobile and donor center!

Donations are not keeping up with the month's need.

YOUR HELP IS NEEDED!
Please make an appointment to donate.

Boston Strong T-shirts for all donors as a thank you!

Massport addressing an uptick in over height truck strikes on Logan roadways



SAFETY &
SECURITY

Problem

- 108 truck strikes since January 2022
- 81% at 4 locations: Terminal B Arrivals Underpass, Terminal B Departures (2 spots), Terminal C Arrivals
- 31%: BOS was not the intended destination
- Drivers unaware of truck height, following GPS, not reading clearance signs

Actions

- Added messaging to LED signs for trucks to exit terminal roadways
- Improving clearance and other signage
- Designing a **Truck Exclusion Zone**
- Installing additional clearance bars/more prominent signs at problem locations
- Installed over height detection system at Terminal B Arrivals underpass – *28 documented saves so far*
- Looking for ways to communicate with truck drivers



ALL TRUCKS

Terminal **E**
Airport Exit

Keep Left



Massport Fire Rescue advances regional safety through training



SAFETY &
SECURITY

- Massport Fire Rescue continues leadership in regional emergency preparedness
- Recent collaboration with Quincy Fire Department
 - Trained new recruits in advanced fuel fire suppression techniques
- Strengthens mutual aid partnerships and regional response capabilities
- Reflects Massport's commitment to community safety and collaboration



Featured on Boston 25 News



SAFETY & SECURITY

Massport's Summer Drone campaign is live in market

Print



Campaign: 5/26-7/20



KEEP THE SKIES SAFE THIS SUMMER
KNOW THE RULES BEFORE YOU FLY

- Register your drone
- Never fly near any aircraft, airports or other controlled airspace
- Keep your drone in sight at all times
- Always fly below 400 feet
- Learn the rules for Remote ID and flying over crowds



Scan or visit [FAA.gov/UAS](https://www.faa.gov/UAS) for more information



Social Media



Massachusetts Port Authority
Sponsored

Keep the skies safe this summer.



KEEP THE SKIES SAFE THIS SUMMER
KNOW THE RULES BEFORE YOU FLY



massport.com
Fly Safe
Respect the rules

Learn More

1,607 · 112 Comments · 32,234 Views

Like Comment Share

Congratulations to John Nucci on his retirement from Suffolk University

Senior Vice President of External Affairs, Suffolk University

With deep appreciation, we recognize John Nucci's decades of service and leadership

- Over 30 years in public service and higher education
- Instrumental in transforming Suffolk University's campus and community relations
- Lifelong advocate for East Boston and the City of Boston
- Served as a Boston School Committee President, City Councilor, and Clerk-Magistrate
- A valued Massport Community Advisory Committee member since 2015



Thank you, John, for your unwavering dedication to public service, education, and community and your continued service to Massport!

Report of the Director of Aviation
Ed Freni

Logan’s preliminary May passenger count down 1.2% from a year earlier

Nationally, May TSA screenings declined by 1.4% compared to 2024

Logan Activity
May 2025
Preliminary

	Month	Prior Year	% Change Over Prior Year	FYTD 2025	FYTD 2024	% Change Over FYTD 2024
Passengers	3.9M	4.0M	-1.2%	39.9M	37.8M	5.4%
Aircraft Operations	35.8K	36.7K	-2.2%	380.3K	359.2K	5.9%

Preliminary numbers reflect estimates for incomplete reporting



Trump administration implemented a new travel ban targeting 19 countries, citing national security concerns

- Effective June 9, 2025
- **Fully Restricted (12 Countries):** Entry is barred for most travelers, including tourists and immigrants
- **Partially Restricted (7 Countries):** Entry is limited for certain visa categories
- **Exemptions Include:** U.S. permanent residents, immediate family of U.S. citizens, diplomats, athletes in major international events, and individuals granted waivers for national interest or humanitarian reasons
- **Enforcement:** Mainly through the denial of visa applications
- **Minimal impact on Logan:** Approximately 32,000 O&D passengers from these countries in 2024 and only 37% were visitors
- We are monitoring the situation closely and coordinating with federal agencies to ensure compliance and minimize disruption to affected travelers

Countries Impacted by Travel Ban

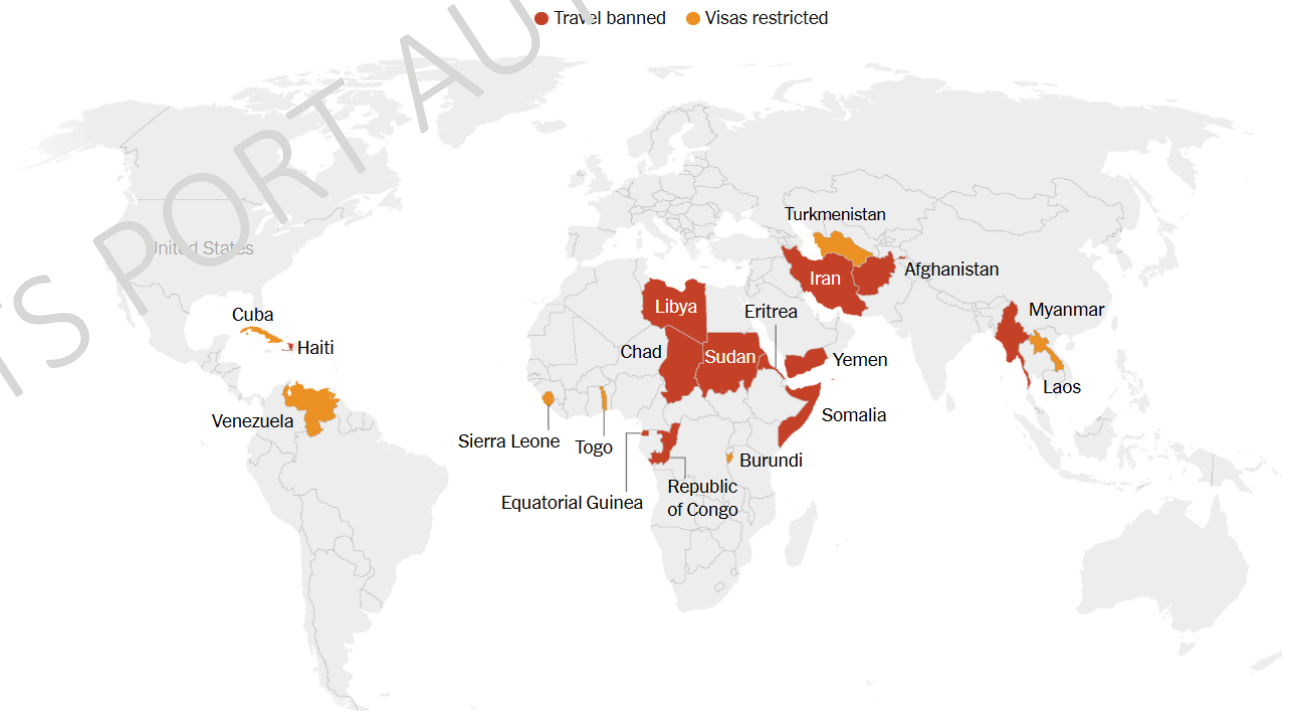


Image from New York Times

JetBlue and United announce new Blue Sky partnership

- **Blue Sky** is a strategic partnership—not a merger or codeshare—between United and JetBlue
- **Loyalty Integration:** MileagePlus & TrueBlue members can earn/redeem across both networks with reciprocal elite perks
- **Network Synergy:**
 - United gains access to JFK slots (7 daily round-trips by 2027)
 - Coordinated schedules at EWR for improved connectivity
- **Customer Convenience:**
 - Unified booking across both airline platforms
 - Shared benefits: priority services, baggage, seating
- **Technology & Retail:** United adopts JetBlue's Paisly platform for ancillary travel services
- Rollout Begins **Fall 2025** – *Pending Regulatory Approval*

<h2>Meet Blue Sky</h2> <p>Timing for reciprocal benefits to be announced later this year.</p>								
	TrueBlue on United				MileagePlus on JetBlue			
	MOSAIC 1	MOSAIC 2	MOSAIC 3	MOSAIC 4	PREMIER SILVER	PREMIER GOLD	PREMIER PLATINUM	PREMIER 1K
Priority Check-in	✓	✓	✓	✓	✓	✓	✓	✓
Priority Security	✓	✓	✓	✓	✓	✓	✓	✓
Priority Boarding	GROUP 2	GROUP 1	GROUP 1	GROUP 1	GROUP C	GROUP B	GROUP A	GROUP A
Checked Baggage	1 FREE BAG	1 FREE BAG	1 FREE BAG	1 FREE BAG	1 FREE BAG	1 FREE BAG	1 FREE BAG	1 FREE BAG
Priority Bag Handling	✓	✓	✓	✓	✓	✓	✓	✓
Preferred Seats	AT BOOKING	AT BOOKING	AT BOOKING	AT BOOKING	AT BOOKING	AT BOOKING	AT BOOKING	AT BOOKING
Extra Legroom Seats*	AT CHECK-IN	AT CHECK-IN	AT CHECK-IN	AT CHECK-IN	AT CHECK-IN	AT CHECK-IN	AT CHECK-IN	AT CHECK-IN
Same-Day Changes/Standby	✓	✓	✓	✓	✓	✓	✓	✓
<small>*Extra Legroom means EvenMore® and extra legroom seating on JetBlue, and Economy Plus® seating on United.</small>								
 								

Mike Eruzione gave an inspiring speech about teamwork at the All Hands meeting

- **Team Over Individual** – Success is a shared journey
- **Hard Work and Commitment** – Show up, give your all, and never quit
- **Belief in the Impossible** – Dream big, even when the odds are against you
- **Leadership Through Resilience** – Stay strong, especially when it's tough
- **Focus on the Present** – Let go of the past and play the moment



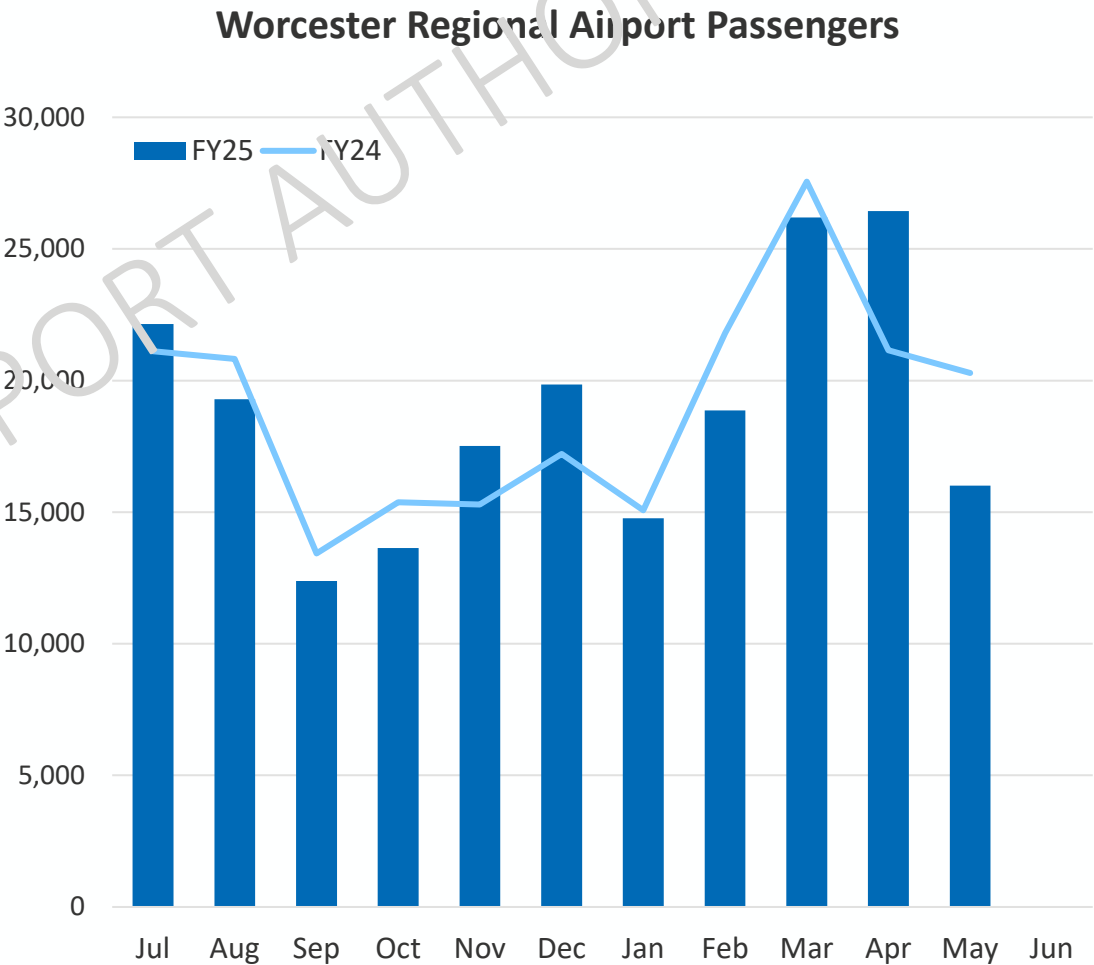
Worcester Regional Airport passengers down in May, potentially reflecting the impact of economic uncertainty on the discretionary leisure market segment

Monthly Activity

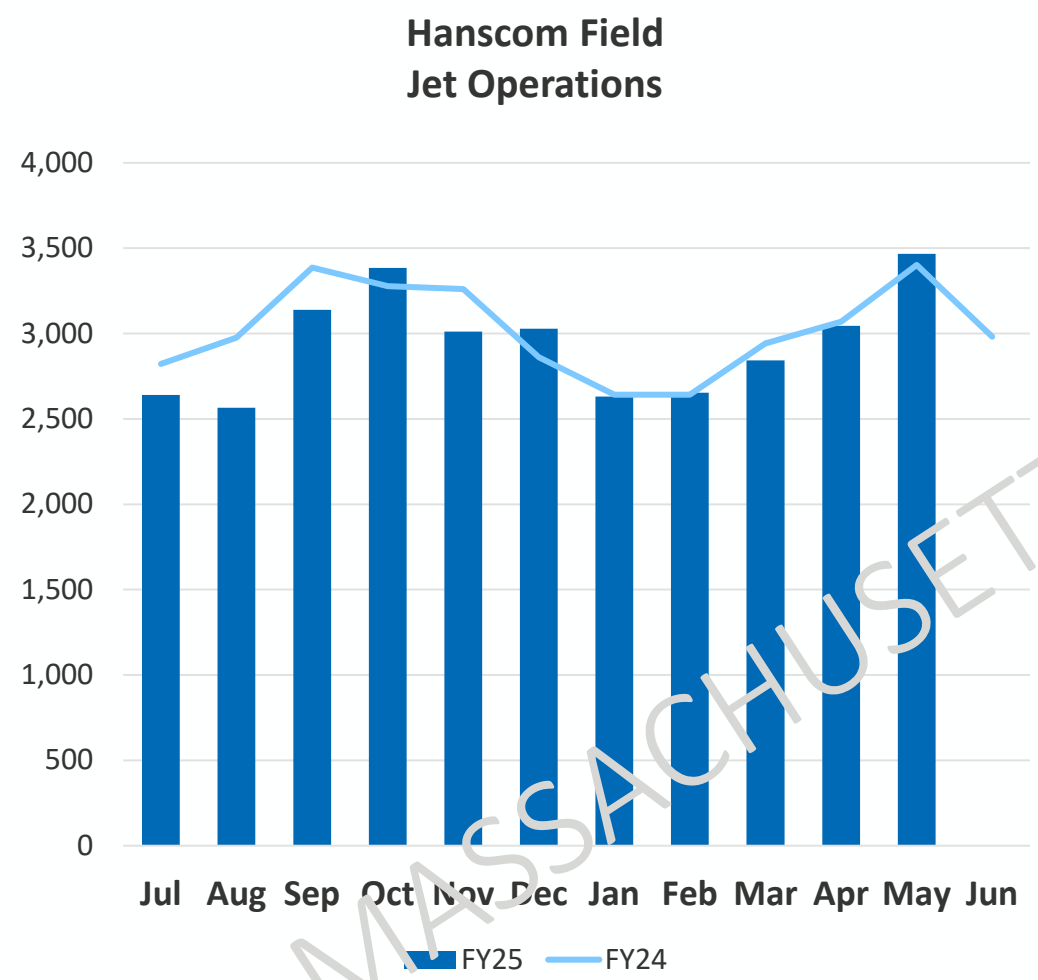
- 16,000 passengers, down 21% over May 2024
- Declines in all markets year over year
- 53% average load factor, down from 62% in 2024
- Seasonal Fort Myers service ended in April partially explaining the April to May decline

FYTD May 2025

- 207,100, down 1% over FYTD 2024



In May, Hanscom Field total operations declined 14% year over year, however, jets were up 2%



Month Activity:

May, 2025		
	Jets	Total
Operations	3,500	10,400
Chg vs 2024	2%	-7%
Chg vs 2019	20%	-14%

FYTD 2025 Activity:

	Jets	Total
Operations	28,900	91,800
Chg vs FY24	-3%	-8%
Chg vs FY19	14%	-7%



First Electric Aircraft Landed at Hanscom Field on June 5, 2025

Aircraft Overview:

- Alia CX300 by Beta Technologies
- Capacity - Up to 5 passengers
- Full Charge Time – Under 1 hour
- Max Range - 387 miles
- Capable of a one-way trip from Hanscom to Philadelphia (280 mi) with energy to spare
- Beta is working towards FAA type certification for the CX300 in 2025

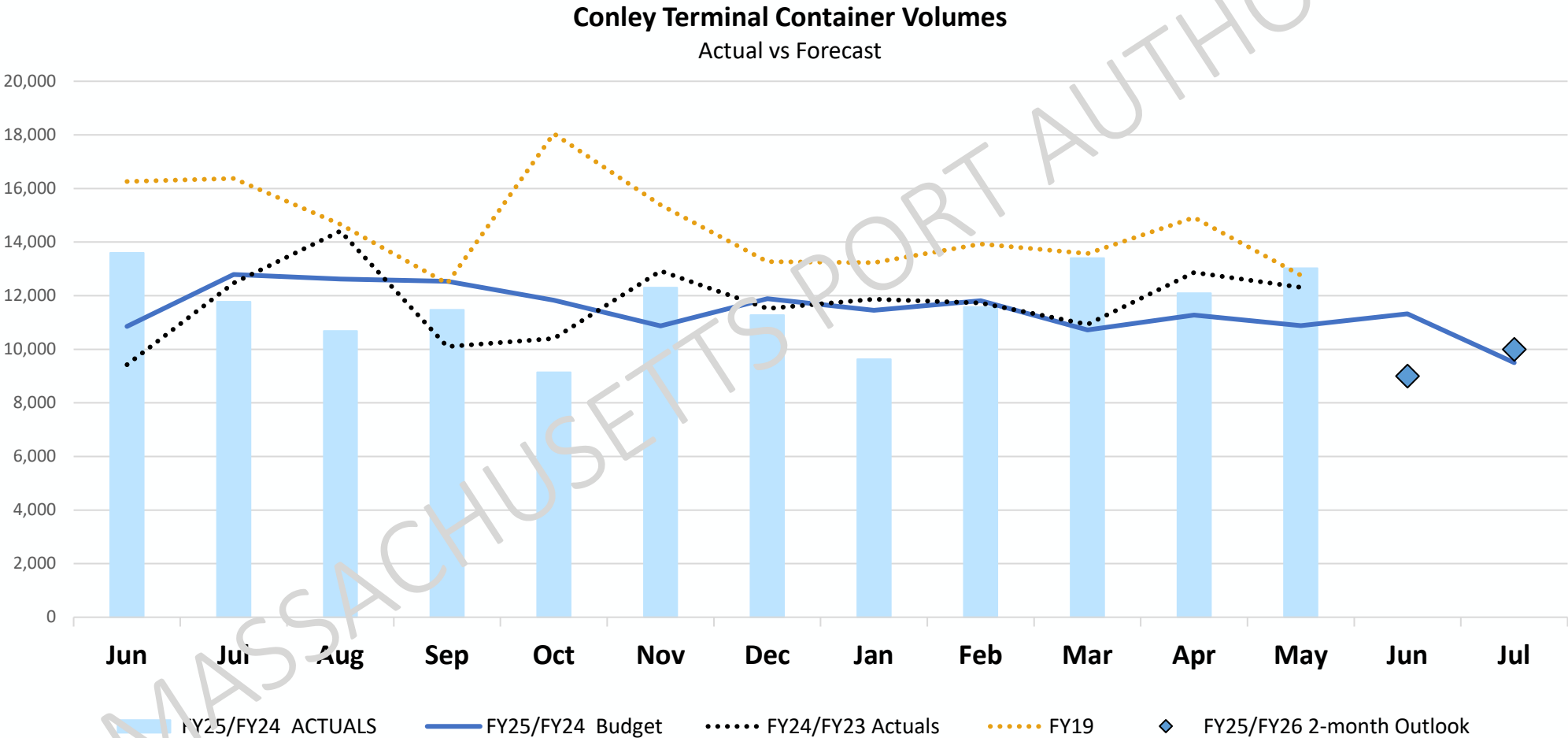
Significance

- Marks a milestone for Hanscom
- Advances the electric aviation industry
- Supports sustainable transportation goals



Report of the Director of Maritime
Lauren Gleason

Conley Terminal handled 18 vessels and processed over 13,000 containers in May – the best May container performance on record for Boston



U.S. and China strike new trade terms following recent negotiations

The New York Times

U.S. and China Agree to Resume Trade Truce After Tensions Escalated

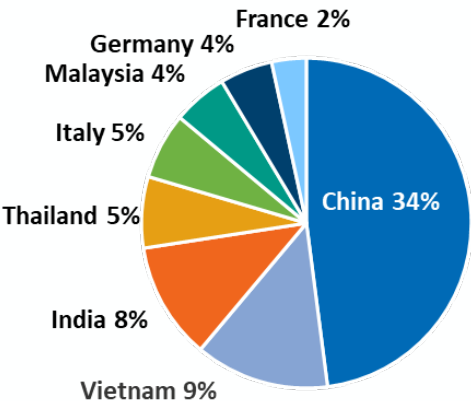
President Trump said on social media that the deal “is done” after two days of talks that resulted in a “framework” meant to solidify an agreement the superpowers reached last month.

Listen to this article · 7:28 min [Learn more](#) [Share full article](#)

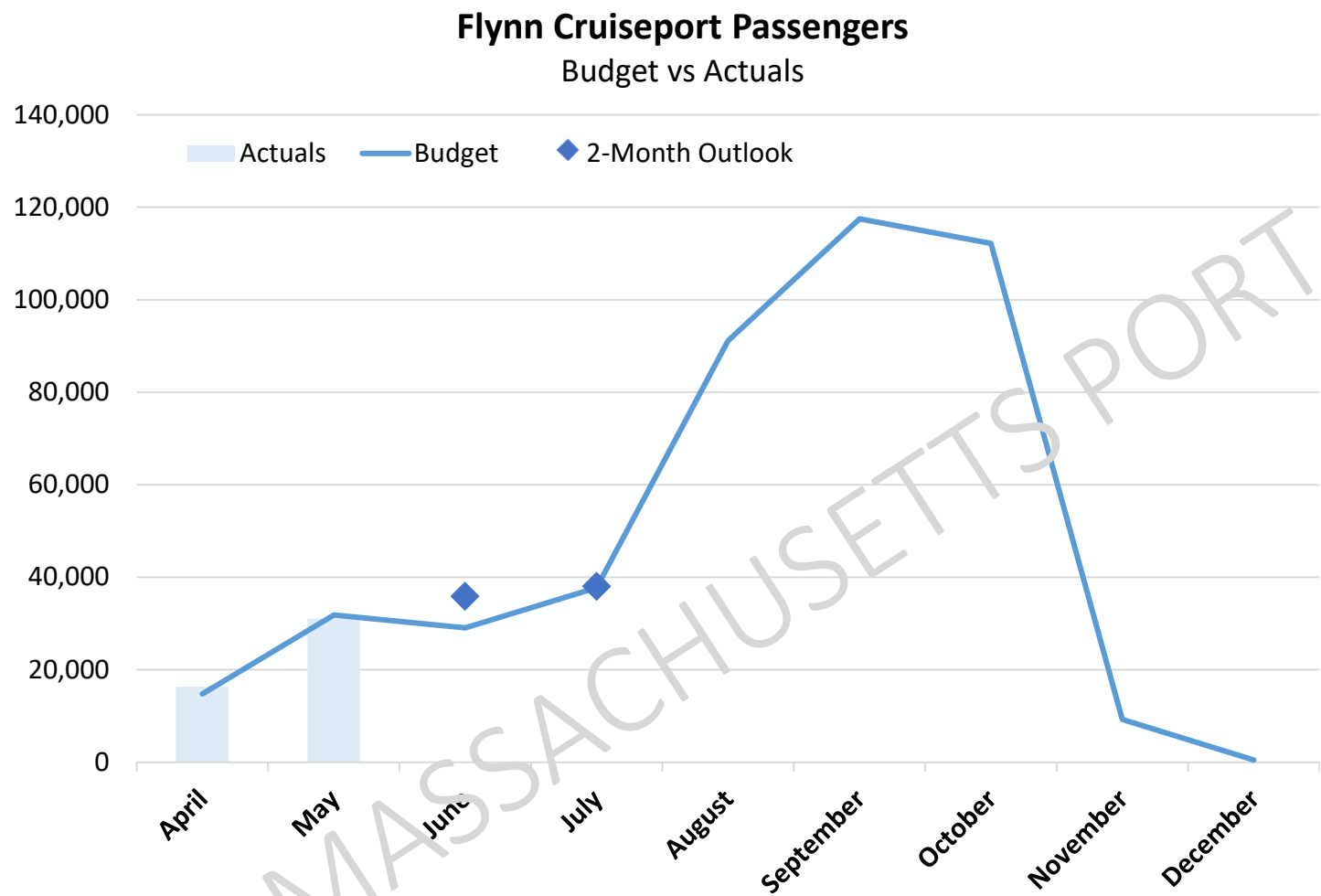


- The U.S. and China agreed to revive the trade truce from May, pending final approval by Presidents Trump and Xi
- China will resume exports of rare earth minerals and magnets; the U.S. will lift some export restrictions on Chinese goods
- The U.S. will impose a 55% tariff on Chinese imports, while China will maintain a 10% tariff on U.S. goods
- Both nations committed to continued dialogue, but skepticism persists among analysts about its durability, given past breakdowns and ongoing strategic competition

Conley Total Volume
Full Imports + Exports
(CY2024)



In May, Flynn Cruiseport Boston welcomed 10 vessels and over 31,000 guests, as the Cruiseport reaches a Fiscal Year record-breaking season at nearly 465K guests



2025 Cruise Ship Schedule

Months	Home Ports	Ports-of-Call	Total
April-June	15	11	26
July-September	37	37	74
October-December	19	33	52
Total	71	81	152



Maritime's Cruise team participated in the annual Cruise Canada New England Symposium, highlighting Boston's strategic role in the cruise market



- This week, Halifax, Nova Scotia, proudly hosted the **25th annual Cruise Canada New England Symposium**, a premier event bringing together over 200 industry leaders
- The Flynn Cruiseport Boston team held **strategic meetings with 15 cruise lines, itinerary planners, and shore excursion representatives** to emphasize Boston's vital role as a premier destination on the Canada–New England itinerary
- **Flynn Cruiseport will host the June 2027 Symposium**, further highlighting its growing role in the regional cruise industry

Human Resources, Diversity and Compensation

Election of Officers

Designation of Committees, Committee Chairs and Vice-Chairs and Committee Members

Facilities and Construction

Conley Terminal Program (M483, M517, and M549)

Luciana Burdi

June 12, 2025

Massport was awarded \$25M in USDOT BUILD Grant funds for Conley Terminal improvements



Markey, Warren, Lynch, and Pressley Announce \$20 Million Grant for Massachusetts Port Authority

Thursday, November 7, 2019

Washington (November 7, 2019) – Massachusetts Senators Edward J. Markey and Elizabeth Warren, and Representatives Stephen Lynch (MA-08) and Ayanna Pressley (MA-07) today announced that the U.S. Department of Transportation (DOT) has awarded a \$20 million “Better Utilizing Investments to Leverage Development (BUILD)” grant to the Massachusetts Port Authority (Massport). This federal funding will help Massport expand its volume capacity by 100,000 containers at the Conley Container Terminal, as well as construct a new C-berth freight corridor in South Boston.

Investments in waterside and landside infrastructure help keep Conley Terminal competitive with other ports along the east coast. Boston Harbor is currently being dredged to accommodate the large container vessels calling today and into the future. The project is a \$350 million partnership between the U.S. Army Corps of Engineers, the Commonwealth of Massachusetts, and Massport. Conley Terminal also has other improvement projects ongoing, including the purchase of three new ship to shore cranes, construction of two 50-foot berths, expanded reefer storage, and new in-and-out gate facilities. Massport is ensuring that Conley Terminal is big ship ready in order to welcome even larger ships to the New England market.

- The US DOT Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants program funds investments in transportation infrastructure to repair, rebuild and revitalize transportation systems including intermodal ports
- Massport was awarded two BUILD grants to improve infrastructure and related transportation at Conley Terminal
 - \$20M awarded in 2019
 - \$5M awarded in 2023

Conley Terminal Program includes three major components

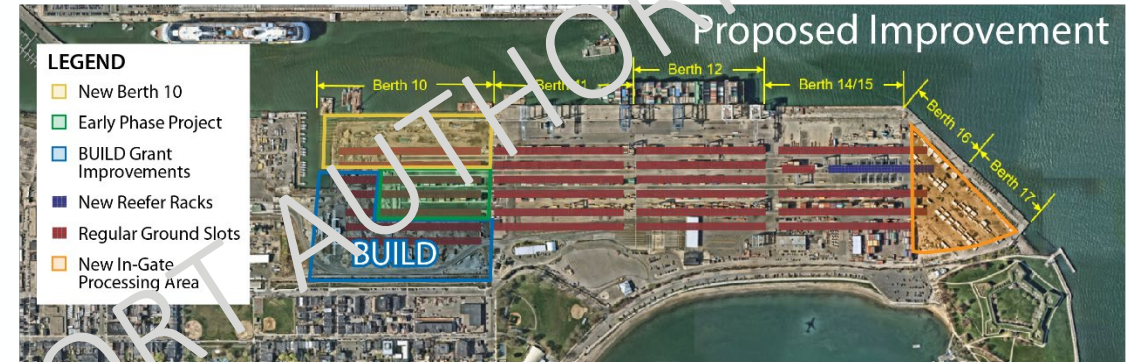
Project Scope:

1. **Conley Terminal Container Storage:** Expansion of container storage capacity by nearly 30% (*completion expected by end of 2025*)
2. **Conley Terminal Improvements:** Implementation of innovative gate and logistics system to improve safety, truck wait times, and the efficient movement of trucks to and within the terminal (*substantially complete*)
3. **Cypher-E Truck Route:** Construction of a freight corridor to enhance connectivity to the interstate highway system (*substantially complete*)



Sustainability Components:

- Advances environmental remediation on the Former Coastal Oil property at Conley Terminal
- Reduces truck idling and peak period queues
- Significantly improves transportation in South Boston



1. Terminal Container Storage & 2. Terminal Improvements



3. Cypher-E Freight Corridor

Conley Terminal Program Funding Details and Board Recommendation

Project Component	Project Cost	BUILD Grant	Massport	MassDOT
Terminal Container Storage	\$56.2M	\$20.5M	\$35.7M	N/A
Terminal Improvements	\$6.9M	\$3.5M	\$3.5M	N/A
Cypher-E Freight Corridor	\$28.0M	\$1.0M	N/A	\$27.0M
TOTAL	\$91.2M	\$25.0M	\$39.2M	\$27.0M

Approved by Board to Date: \$85.2M

- \$8.9M in February 2022
- \$27.0M in November 2022
- \$85.2M in October 2023

Board Recommendation

Approve a full project budget for the Conley Terminal Program in the amount of \$91.2M

Terminal E Canopy and Curbside Improvements (L1772)

Luciana Burdi

June 12, 2025

Terminal E Canopy and Curbside Improvements

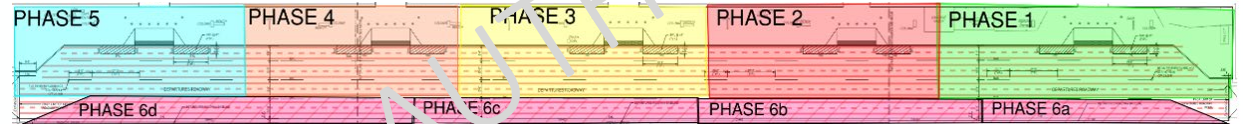
Project Scope:

- Departures level:
 - Waterproof the roadway and repair the trench drain to improve passenger comfort and safety
 - Replace sidewalks and ensure curbs are ADA compliant
 - Install new glass guardrails
- Arrivals level:
 - Remove existing arrivals soffit to improve passenger safety
- Both Arrivals & Departures levels:
 - Simplify and improve wayfinding with digital signage and new static signage
 - Install new entry doors
 - Remove two existing canopies to enable the new departures roadway and full canopy with connection to the North Garage

Funding:

- Partially funded with a **\$22.5M Airport Terminal Program grant** funded by the Bipartisan Infrastructure Law (BIL)

Terminal E Replacement Departures Level Sidewalk and Roadway Phasing



Phases 1 & 2: *Completed*
Phase 3: *Underway*

Phases 4-6: *July 2025 to July 2026*



Terminal E Departures Level
New digital signage, ADA sidewalk and curbs, and roadway



Terminal E Arrivals Level-
New digital signage

Milestones and Board Recommendation

Key Conditions of Satisfaction (COS):

- Improve passenger safety and experience by upgrading structural elements and improving wayfinding and ADA compliance
- Implement infrastructure updates in accordance with FAA specifications
- Work closely with stakeholders and end-users to coordinate construction and phased operational use/occupancy

Milestones:



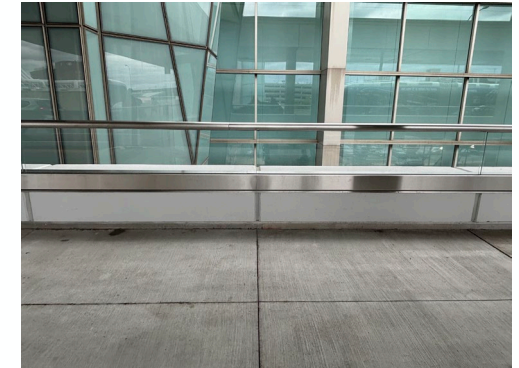
- Substantial completion by September 2027 (grant requirement)

Board Recommendation:

Approve a full project budget in the not-to-exceed amount of \$46.1M



Terminal E Arrivals Level
New Bus Shelter Under Construction



Terminal E Departures Level
New ADA Sidewalk and Curbs, Roadway, and Guardrail

Terminal A to B Post Security Connector (L1773)

Luciana Burdi

June 12, 2025

Terminal A to B Connector: the final step connecting all Logan terminals post-security

Project Scope and Benefits

- **Seamless Passenger Flow:** Enables smooth movement of screened passengers between all terminals post-security for easier domestic and international transfers
- **Flexible Gate Use:** Allows Massport to assign gates across terminals based on airline demand regardless of airline terminal location
- **Enhanced Passenger Experience:** Upgrades include better circulation, more seating, improved queuing, and new amenities like a sensory room, reflection room, and universal changing facilities
- **Improved Passenger Flow at Terminal A Satellite:** New stair, escalators, and a hold room for bus boarding operations



Existing public connector path of travel



Public connector path of travel

Airside connector path of travel

New Addition

Conditions of Satisfaction and Project Milestones

Key Conditions of Satisfaction:

- Improves Terminal B Gates B1-B3 hold rooms
- Does not eliminate or downsize any Terminal A or Terminal B gates
- Includes a new automated exit lane to the public side at Terminal A
- Does not preclude future Terminal B Pier A to Pier B connector for a faster connection to Terminals C and E

Milestones:

- Construction begins: Fall 2025
- Substantial completion: Late 2028

Board Recommendation:

Approve a revised partial project budget in the not-to-exceed amount of \$175M



Level 2 Proposed Plan

Audit and Finance

FY26 Budget Policy Objectives

John Prankevicius

June 12, 2025

Topics

- FY25 Year End Business Activity and Financial Results Forecast
- FY26 Operating Budget Scenario Planning
 1. Growth Scenario
 2. No Growth (Business Activity Equals FY25)
 3. 2008 “Great Recession” Event
- FY26 Operating Budget Recommendation and required Board Votes

FY25 Year End Forecast: Massport's business activity helps to improve margin 22%

Massport Business Activity

Business Line	FY25 Budget	FY25 Forecast	% Change
Logan PAX	42.2M	43.5M	3%
Conley Containers	140K	135K	(4%)
Cruise PAX	375K	468K	25%
Real Estate	\$52M	\$66M	27%



FY25 Financial Plan (in millions)	Budget	Forecast
Total Revenue	\$1,180	\$1,250
Total Operating Expenses	\$686	\$686
Debt Service	<u>\$182</u>	<u>\$182</u>
Margin generated for CIP	\$312	\$382
Capital Investment Planned	(\$312)	(\$312)
Margin improvement transfer to CIP	—	<u>(\$70)</u>
Budget Balance	<u>\$ -</u>	<u>\$ -</u>

Financial Observations

1. \$1.25 billion revenue forecast is 6%, or \$70M better than budget

- Logan's 3% increase in business activity produces more terminal concessions, rental car, parking, and ride app revenues. Revenue improvement assisted by the \$12M 776 Summer Street Deed restriction payment, Conley container rate adjustments, and higher interest rates

2. Operating expenses of \$686M are inline with budget.

- Expense management controls keep costs contained even with more business activity

3. \$182M in debt service payments and \$312M in capital funding made, as planned

4. Massport's margin forecast improves to \$70M, or 22% better than budget, and will fund new \$3.8B CIP voted by Board in March

FY26 Operating Budget Scenario Planning

Current Economic Environment: “We have to be prudent but we’re not panicking”

Background

- Economic experts predict that President Trump’s tariffs will result in higher prices, more inflation, slower economic growth, increasing job loss, and possibly an economic “recession”
- While we are optimistic about growth, economic uncertainty calls for a more conservative approach to FY26 budgeting
- Staff modeled three budget planning scenarios for FY26 and will adopt one as the baseline budget
- We will closely monitor business activity, determine financial trajectories and adjust course as needed throughout the year

The Boston Globe

‘Tumult and uncertainty’: Massport gets ready for potential slowdown at shipping terminals, Logan Airport

By Jon Chesto Globe Staff, Updated April 10, 2025, 1 hour ago



A cargo ship docked at the Conley Container Terminal in South Boston unloads in 2022. DAVID L. RYAN/GLOBE STAFF

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

FY26 Budget Planning Scenarios

- **Scenario 1 - Growth Continues:**

3% growth in business activity, equivalent to the growth assumptions used for the five-year financial plan that supports the FY25-FY29 CIP financial plan

- **Scenario 2 - Business Activity Resembles FY25:**

FY26 budget will follow this year's spending patterns and forecasts, with some required baseline adjustments

- **Scenario 3 – Economic Recession Like the 2008 “Great Recession”:**

A recession takes hold and business activity declines by approximately 10%, resulting in a revenue loss of approximately \$140M

Scenario 1

3% Growth in Business Activity

Finances FY25-FY29 \$3.8B CIP

Our March analysis assumed 3% growth in Logan's FY26 passenger volume

Logan Airport

- U.S. air passenger demand experiencing slower near-term growth
- Global tariffs weakening demand for domestic and international travel
- Boston air passenger market remains healthy due to high discretionary income, strong tourism, and convention demand
- Aircraft production delays impacting airline fleets and growth opportunities
- Flight reductions caused by Ultra/Low-Cost Carriers competing against legacy carriers, and airlines reducing/eliminating low/unprofitable itineraries
- Industry staffing shortages and ATC safety incidents

Maritime

- More cruise homeport and ports of call sailings
 - 154 vessels and 22 cruise lines, larger ships
- Cruise passenger forecast is 10% higher, 500K+/- annually, next 5 years
- \$105M Flynn Cruiseport Modernization
 - First New England Port with shore power
- Container volume impacted by global tariffs, weakening consumer demand, and geopolitical concerns
- ILA's 6-year contract brings stability at East Coast ports in 2025 and beyond
- Successful negotiations of new container rates reflect new ILA Labor contracts

Real Estate

- Fixed rents generating steady lease revenue, despite market instability
- Hospitality (4 hotels)/event sectors capturing increased convention and event parking revenue
- Demand for short term leases results in \$800K in new annual agreements
- Public realm activation partnerships (e.g., Tall Ship) generating \$400K in new revenue
- Blue economy start-ups seeking industrial space and water access
- Life sciences and commercial office space challenged by high supply, high construction costs, high interest rates, and federal funding uncertainty

Scenario 1: 3% Growth produces a \$1.35B FY26 Budget and finances the Board-approved \$3.8B 5-year CIP

	Year	Logan Passengers	Conley Containers	Cruise Passengers	Real Estate Revenues
Actual:	FY24	41.9M	145K	347K	\$43M
Budget:	FY25	42.2M	140K	375K	\$52M
Forecast:	FY25	43.5M	135K	468K	\$66M

Scenario Plan # 1

Budget:	FY26	44.8M	143K	484K	\$59M
	Change in Business Activity	+1.3M, or 3%	+8K	+16K	-\$7M

3% Growth drives \$1.325B in revenue to support \$3.8B FY25-FY29 CIP and higher operating expenses

Revenue Budget by Business Line	FY25 Budget	FY26 Budget
Logan	\$983.4	\$1,106
Hanscom/Worcester	\$25	\$30
Conley Container Terminal	\$68	\$80
Flynn Cruiseport	\$12	\$15
Real Estate	\$56	\$59
Interest Income	\$35	\$35
Revenue Total	\$1,180	\$1,325

FY26: \$145M in new revenue, up 12% from FY25

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

Operating expenses forecast at \$755M; \$69M in new expenses required to manage growth

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, Framingham, Back Bay, Woburn, Braintree, and Danvers LEX services, On-Airport Shuttle, MBTA passes	\$12.1M
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**

Massport FY26 Budget

Financial Plan (in millions)	FY25 Budget	FY26 Budget
Revenue	\$1,180	\$1,325
Operating Expenses	\$686	\$755
Debt Service	<u>\$182</u>	<u>\$175</u>
Margin Generated for CIP	\$312	\$395
CIP Funding	<u>(\$312)</u>	<u>(\$395)</u>
Budget Balance	<u>\$ -</u>	<u>\$ -</u>



Note: 'New Investment' shows a variance of FY25 Operating Budget vs FY26 Operating Budget

Scenario 2
No Growth Scenario
Staff's Recommended FY26 Budget

Scenario 2: No Growth requires FY26 budget to be more conservative, fiscally prudent, and agile

	Year	Logan Passengers	Conley Containers	Cruise Passengers	Real Estate Revenues
Actual:	FY24	41.9M	145K	347K	\$43M
Budget:	FY25	42.2M	140K	375K	\$52M
Forecast:	FY25	43.5M	135K	468K	\$66M

Scenario Plan 2

Budget:	FY26	43.5M	133K	484K	\$59M
	Change in Business Activity	+0M, or 0%	-2K	+16K	-\$7M

Scenario 2: No Growth outlook necessitates a fiscally prudent FY26 Budget

- Revenue is \$1.285B, \$40M less than Scenario 1
- Expenses are \$720M - \$34M in funding added for must have expenses
- **\$35M expense reserve created and “chilled” until business activity achieves forecast growth and debt service reduced by \$5M**

FY26 Growth Budget Budget	FY26 Expense Budget Projection	Adjustments
\$755M (FY26 Scenario # 1 Budget)	\$ 720M Total Budget for Board Approval	(\$35M)

Project/Expense	Description	New Investment
FY25 Forecast Expenses	Based on spending trends for rest of FY25	\$686M
Required Expense Adj.	Collective bargaining, merit awards, ILA, and other budget must have	\$34M
FY26 Expense Budget		\$720M

Expense Reserve	<ul style="list-style-type: none"> • New expenses to support growth will be “chilled”. • Expense reserve released as business activity reaches growth resembling Scenario 1 	\$35M
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Financial Plan (in millions)	Scenario 1 FY26 Budget	Scenario 2 FY26 Budget
Revenue	\$1,325	\$1,285
Operating Expenses	\$755	\$720
Debt Service	<u>\$180</u>	<u>\$175</u>
Margin generated for CIP	\$390	\$390
CIP Funding	<u>(\$390)</u>	<u>(\$390)</u>
Budget Balance	<u>\$ -</u>	<u>\$ -</u>

Examples of expenses included in Massport's FY26 Expense Reserve

- Increasing Framingham Logan Express service frequency from every 30 minutes to every 20 minutes
- Additional expenses required for increased Logan terminal building maintenance, cleaning and repairs should passenger forecast exceed 43.5M Logan passengers
- An increase in stevedoring expenses if container activity exceeds 133K containers
- Advancing Logan's International Business Incentive program if airlines add eligible international flight destinations
- Funding for new positions included in departmental decision packages should activity increase
- Professional fees, consultant services, appraisals, public realm programming, and employee travel and educational training
- Increased technology initiatives investment to meet growing demand in IT department

Scenario 3

“Great Recession” Type Event

Scenario 3: Great Recession-type downturn requires significant expense reductions to balance lower business activity and revenues

	Year	Logan Passengers	Conley Containers	Cruise Passengers	Real Estate Revenues
Actual:	FY24	41.9M	145K	347K	\$43M
Budget:	FY25	42.2M	140K	375K	\$52M
Forecast:	FY25	43.5M	135K	468K	\$66M

Scenario Plan 3

Budget:	FY26	39.3M	120K	445K	\$50M
	Change in Business Activity	-4.2M, or 10%	-15K	-23K	-\$16M

Recession leads to a 10% decline in business activity and revenues

- Revenues are \$1.185B, \$140M less than Scenario 1
- Expenses reduced by \$60M consisting of **\$35M expense reserve frozen**, **\$20M of additional reductions** and **\$5M of debt service due to reduced capital**
- \$80M capital spend to be deferred until activity recovers = \$140M in total**

FY26 Growth Budget Budget	FY26 Expense Budget Projection	Adjustments
\$755M (FY26 Scenario # 1 budget)	\$ 700M Total Budget for Board Approval	(\$55M)
Project/Expense	Description	New Investment
FY25 Forecasted Opex	Based on current spending trends for the rest of FY 2025	\$686M
Adds only:	Collective bargaining, merit awards, ILA, and other budget must haves	\$34M
Budget reductions required	\$20M in additional operating expense reductions and expense reserve freeze	(\$20M)
FY26 Expense Budget		\$700M

Financial Plan (in millions)	Scenario 1 FY26 Budget	Scenario 3 FY26 Budget
Revenue	\$1,325	\$1,185
Operating Expenses	\$755	\$700
Debt Service	<u>\$180</u>	<u>\$175</u>
Margin Generated for CIP	\$390	\$310
CIP Funding	<u>(\$390)</u>	<u>(\$390)</u>
CIP Reductions required	<u>\$ -</u>	<u>\$80</u>
Balanced Budget	<u>\$ -</u>	<u>\$ -</u>

Scenario 3: Examples of actions management would take to mitigate a 10% decline in business activity and revenues

1. \$60M in Operating Expense reductions needed

- A. \$35M expense reserve would be frozen, no new expenses would advance
- B. \$20M in further operating expense reductions required to include
 - Hiring Freeze for non-essential personnel, carefully evaluate public safety requirements
 - Reduce service level contracts to level-set new business activity including but not limited to terminal building cleaning operations, waste removal, elevator, escalator, HVAC service contracts, busing operations, baggage operations, other
 - Reduce Stevedore expenses to reflect reduced container volume
 - Freeze discretionary spending accounts to include travel, supplies,
 - Renegotiate contract rates with vendors to reflect new economic reality
 - Monitor business partner accounts receivable to manage cashflow requirements
- C. \$5M reduction in debt service expense from CIP adjustments and previously defeased bonds

2. \$250M Letter of Credit extension to help manage CIP cashflows, as needed

Scenario 3: An inventory of CIP projects that may be “deferred” should business activity decline 10%

3. ± \$100M list of FY26 & FY27 CIP projects that may be deferred

Category	\$ Value	Sample Projects
Airfield	\$ 8.6M	<ul style="list-style-type: none"> • Airfield Infrastructure Study, Second Airfield Lighting Vault Electrical Buildout and Airfield Re-circuitry (L1542) • Airfield Pavement Improvements (L1709) • Replacement Regulators Existing Vault (L1563)
Customer Experience	\$ 28.7M	<ul style="list-style-type: none"> • Braintree Logan Express Garage (L1630) • Terminal Seating (A353) • Worcester Jet Bridge Improvements (W313)
Equipment	\$ 11.2M	<ul style="list-style-type: none"> • Logan Airfield Equipment Replacement (L1239) • Hanscom Airfield Equipment Replacement (H243) • Worcester Airfield Equipment Replacement Program (W324)
Net Zero	\$ 9.0M	<ul style="list-style-type: none"> • Authority Wide Energy Conservation Efforts & Measures (A433) • Authority Wide Solar Implementation (A466) • Energy Optimization Program - Logan Airside Charging Stations (L1738)
Operational Efficiencies	\$ 43.9M	<ul style="list-style-type: none"> • Roof Replacement Program (L1694) • Electrical Infrastructure Improvements (L1351) • Authority-Wide Technology Development Program (A402)
Total	\$ 101.4M	



Note: Staff anticipates some spending on these projects to advance. The actual balance available for deferment may be less than the amounts shown to arrive at the \$80M target

FY26 Operating Budget Recommendation
Recommended Board Votes

FY26 Budget Recommendation

- An abundance of economic uncertainty in the Global economy led Executive leadership to challenge Massport's finance team to prepare a FY26 Budget that is conservative, fiscally prudent, and agile
- To meet this challenge, staff re-built the FY26 budget to reflect current 2025 business activity trajectory, adjusted certain must have expense accounts, and created an expense reserve to protect against uncertainty
- Staff recommends the Board approve a \$1.285B FY26 budget, equal to this year's forecast, adjusted for certain rate increases
- The FY26 operating expense budget will be set at \$720M
 - Current year spending forecasts of \$686M and a \$34M adjustment for required expenses
- \$175M in deposits will be made to various debt service accounts to pay Massport Bond holders
- \$390M in earnings will be used to fund the approved FY25-FY29 \$3.8B CIP
- A \$35M Expense Reserve will be created and used to fund necessary expenses should business activity exceed forecast

Board votes required to approve the FY26 Operating Budget

Item 6. FY26 Operating Budget and Funds Flow

- Approval of Scenario 2 Budget of \$1.285B

Item 7. Logan Express Bus Fare E-Ticket Discount Continuation

- Annual renewal of online ticket discount for LEX users

Item 8. City of Chelsea Agreement

- \$600K annual economic development payment to Chelsea to support Logan business activity (3-year agreement)

Item 9. Maritime FY26 Rates and Charges and Container Incentive Programs Renewals

- Annual adjustments to Conley Terminal and cruise facility fees to support maritime operating budget
- Annual renewal of container incentive program

Item 10. South Boston Parking Rates

- Parking facility rate adjustments

Item 11. Natural Gas Procurement

- 3-year agreement to allow hedging of futures contracts

Item 12. Credit Card Processing Services Contract Amendment

- 3-year agreement to increase contract for various credit card operations used by Parking, LEX, online transactions, etc.

Logan, Hanscom and Worcester Rates and Charges

Dan Gallagher

June 12, 2025

Agenda

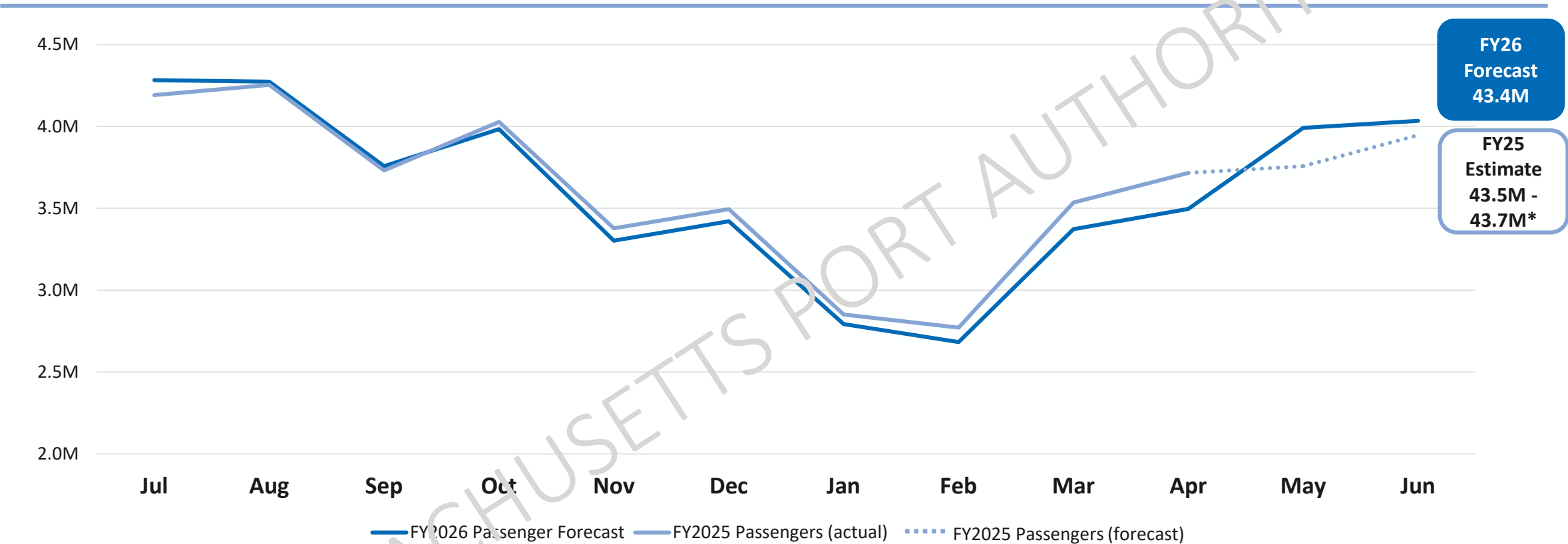
1. FY26 Logan Rates and Charges (Items 14 – 18)

- Passenger forecast
- Rates and charges activity forecasts
- Budget
 - Operating adjustments
 - Capital adjustments
 - Off-setting revenues
- FY26 Rates and Charges

2. Other FY26 Rates & Charges

- Logan Rental Car Center Rental Rates (Item 19)
- Logan Employee Supplemental Parking Fee (Item 20)
- Logan Exterior Wireless Antenna and Equipment Storage Rates (Item 21)
- Hanscom Rates and Charges (Item 22)
- Worcester Rates and Charges (Item 23)

FY26 Logan Passenger Forecast

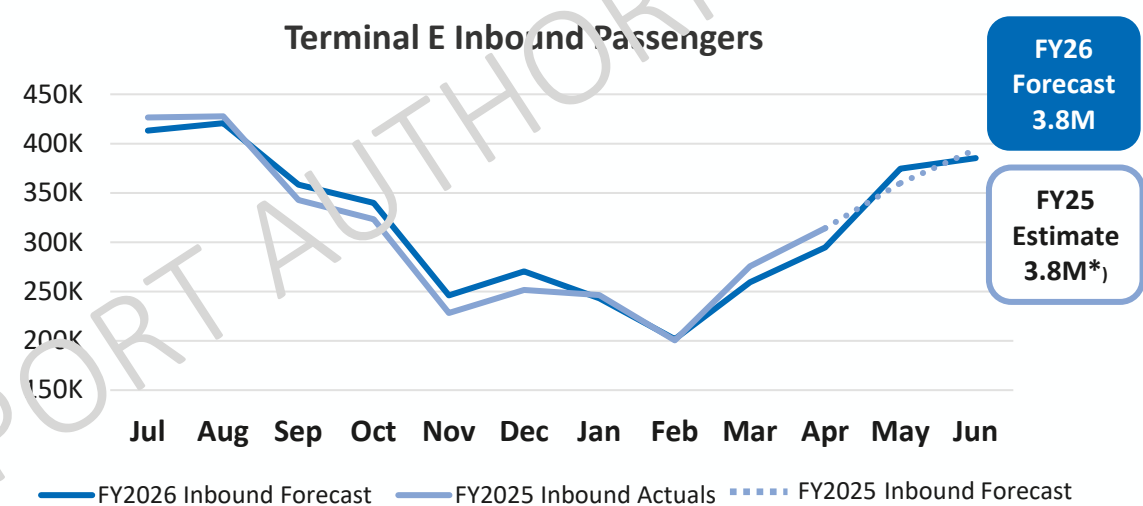
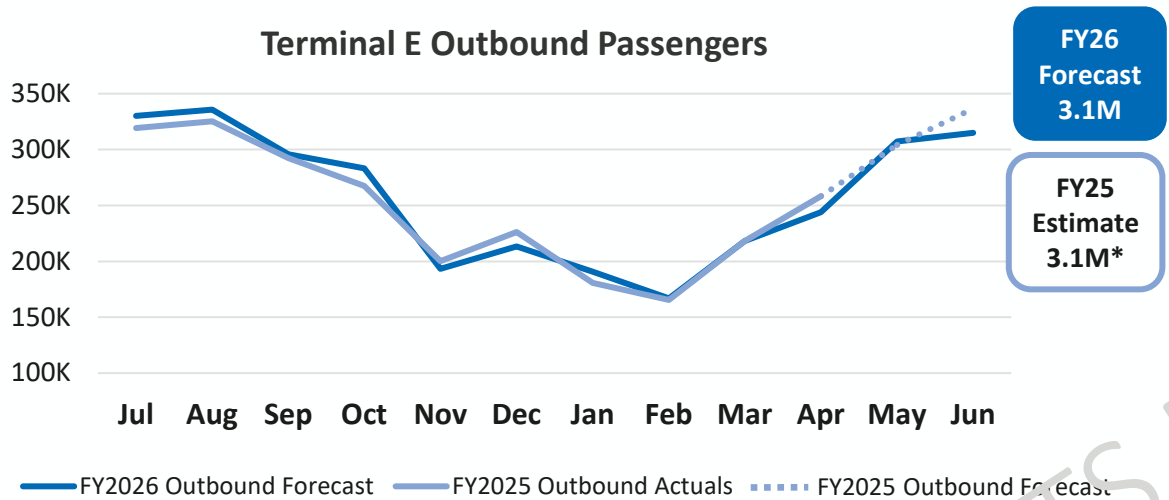


(in millions)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
FY26 Passenger Forecast	4.3	4.3	3.8	4.0	3.3	3.4	2.8	2.7	3.4	3.5	4.0	4.0	43.4
FY25 Passengers	4.2	4.3	3.7	4.0	3.4	3.5	2.9	2.8	3.5	3.7	3.8	3.9	43.7



*FY25 estimate is based on 10 months of actual data (July-April) and 2 months of budgeted data (May-June)

FY26 Terminal E Passenger Forecasts

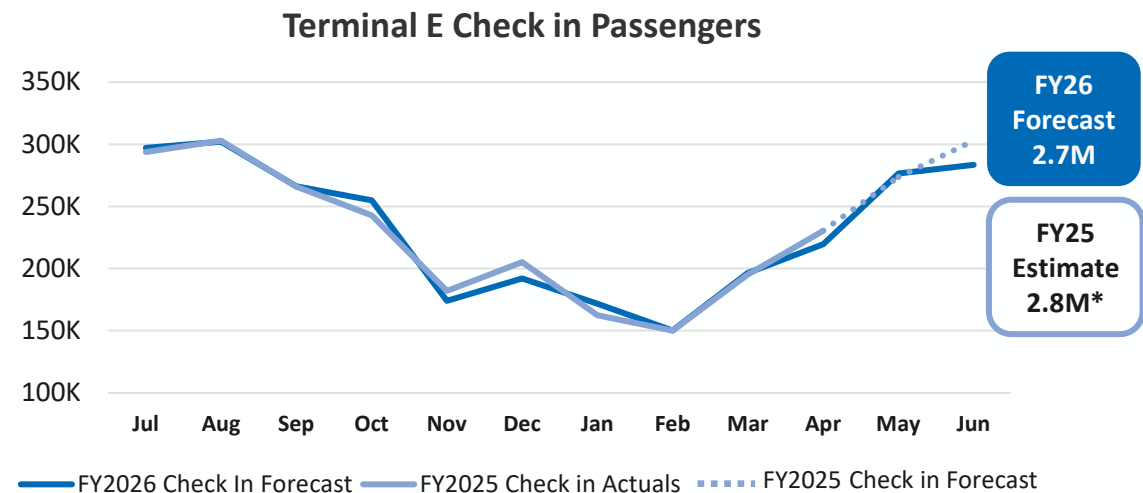


Assumptions:

Terminal E International Passengers: Based on economic uncertainty and feedback from carriers, staff is recommending a FY26 forecast similar to FY25 activity

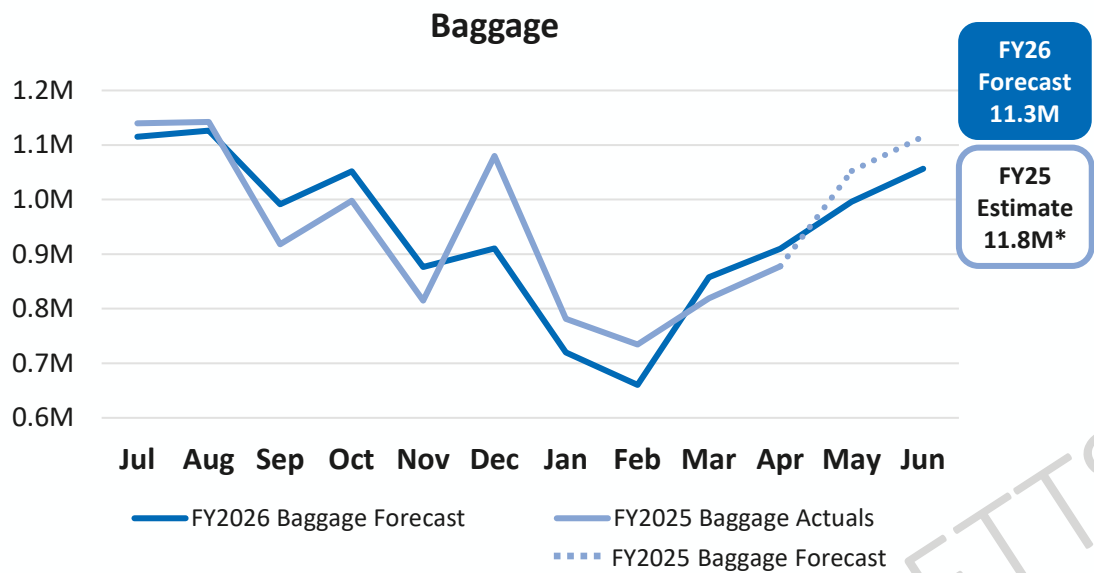
Performance by region:

- Demand for European and Caribbean service is still strong
- Service to Middle East and Latin America will be below historic trends
- Service to Asia has not returned to historic trends



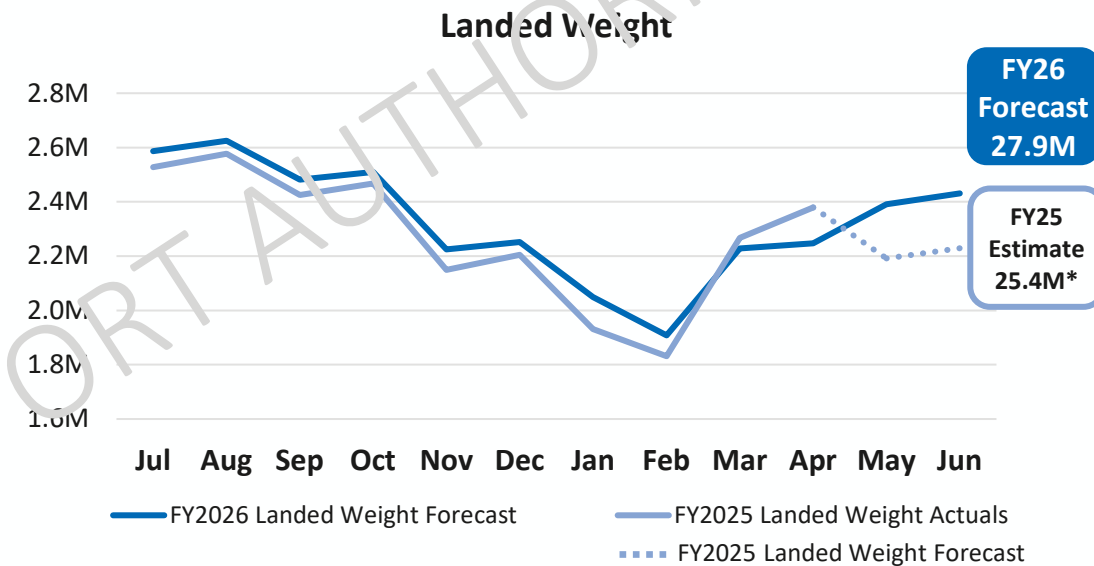
*FY25 estimate is based on 10 months of actual data (July-April) and 2 months of budgeted data (May-June)

FY26 Baggage and Landed Weight Forecasts



Assumptions:

- Checked baggage volume forecast will decrease due to standardization in reporting
- Customer behavior slowly returning to historic trends
- Remaining bag volume is consistent with FY25 levels



Assumptions:

- Landed weight forecast is consistent with FY25 levels
- Aircraft upgauging will continue based on aircraft delivery schedule
- Cargo and corporate aviation landed weights forecast remains consistent with FY25 activity levels

FY26 Logan Rates & Charges Budget Adjustments

Operating Adjustments - \$37.7M

- \$32.0M potential growth & contractual obligations
 - \$12M Ground Transportation Services
 - \$2.3M Carousel/Elevator/Escalator Maintenance and Repair Services
 - \$2M Pest Extermination (new contract)
 - \$2M Rubbish Removal (new contract includes recycling and organics)
- \$5.7M of additional personnel costs (chill at first)
 - \$1.7M Public Safety (Fire Fighters, Aviation Officers, Trusted Agents)
 - \$3.3M Operational and Maintenance Staff
- \$12.0M will be initially phased in during the first half of FY26, with remaining budget spend dependent upon operational demand

Capital Adjustments - \$18.9M

- Capital Amortization will be allocated to appropriate cost centers:
 - Landing Field: \$7.4M
 - Terminals: \$9.8M
 - Baggage Screening: \$0.4M

Off-Setting Revenue Adjustments - \$21.5M Increase

- Employee Parking permit \$11.0M
- Commercial Ground Access \$ 9.0M
- Landing Fee (aircraft parking) \$ 1.5M

FY26 Rates & Charges – Logan Airport

Description	FY25 Budget	FY25 Adjusted (eff. 2/1/2025)	FY26 Budget	FY26 Budget vs FY25 Budget Difference	% Difference
Landing Field Rate	\$6.61	\$6.10	\$6.58	-\$0.53	-0.5%
CBIS Baggage Screening Facility Fee (per Bag)	\$2.02	\$2.35	\$1.85	-\$0.17	-9%
Terminal Rates (per SF)					
Terminal A	\$202.66		\$213.01	\$10.35	5%
Terminal B	\$188.35		\$189.25	\$0.90	0.5%
Terminal B Pier A BHS Rental Rate per SF	\$14.85		\$14.94	\$0.09	0.6%
Terminal B Pier A BHS Bag Fee (per Bag)	\$7.35		\$7.53	\$0.18	2%
Terminal C (Blended)	\$189.34		\$199.83	\$10.49	6%
Terminal C - Main	\$292.25		\$298.70	\$6.46	2%
Piers B & C - Upper	\$162.98		\$193.14	\$23.15	14%
Piers B & C - Lower	\$100.59		\$109.75	\$9.16	9%
Pier A - Upper	\$153.37		\$165.92	\$12.55	8%
Pier A - Lower	\$148.58		\$161.13	\$12.55	8%
Terminal E					
Type 1	\$188.15		\$196.22	\$8.07	4%
Type 2	\$191.15		\$199.22	\$8.07	4%
Type 3	\$201.65		\$209.72	\$8.07	4%
Regional Carrier Facility	\$69.14		\$65.28	-\$3.86	-6%
Terminal E Passenger Fees (per activity count)					
Inbound International Fee	\$15.04		\$15.71	\$0.67	4%
Outbound Passenger Fee	\$5.36		\$6.06	\$0.70	13%
Inbound Non-FIS/Domestic Fee	\$15.04		\$15.71	\$0.67	4%
Common Use Check in Fee	\$9.02		\$10.74	\$1.72	19%

Other Rates and Charges

Logan Rental Car Center (RCC) Rental Rates

Overview

- FY26 rental car transactions forecast to be flat when compared to FY25 budget
- Changes in customer behavior has shifted mode share from rental cars to Ride Apps and peer-to-peer car sharing resulting in no growth in rental car activity

Customer Service Center: will increase 0.6% over FY25 budget

- Rate is impacted by a 5.5% (\$122K) decrease in operating expenses and a 29% (\$188K) increase in utility expenses

RCC Garage: will increase 2.9% over FY25 budget

- Rate is impacted by 13.0% (\$13K) increase in operating expenses and a 5.1% (\$237) decrease in utility expenses

Quick Turn Around (QTA): will increase 2.3% over FY25 budget

- Rate is solely comprised of ground rent which increases by the 2.4% CPI year-over-year change

Common Airport Transit System (CATS): will increase 1.5% over FY25 budget

- RCC allocation of the CATS fee for FY26 will decrease from 63% to 61%
- Rate is impacted by bus operating expenses which increase by 15.4% (\$2.7M)

Logan Employee Supplemental Parking Fee

Background

- Currently, there is an imbalance of assigned employee parking permits
- Costs for incremental growth in permits are increasing
- Need fairness in both allocation of permits and corresponding costs
- Staff proposes a \$475 “supplemental” rate for permits exceeding a tenant’s appropriate allocation
- Permits will be allocated based on market share (airlines) and operational need (i.e., TSA, concessions)
- Promotes cost recovery (actual costs) and demand management (encourages HOV use)
- Supplemental employee permit rate option presented to tenants and well received

Board Recommendation

Authorize Logan Employee Supplemental Parking fee of \$475 per month for each permit assigned to an airline exceeding its permit allocation, effective July 1, 2025

Logan Employee Parking Permit Cost & Pricing

	Cost Per Permit
Supplemental Parking Fee	\$475/month
Off-Airport Rate (7/1/25)	\$250/month

Logan Exterior Wireless Antenna and Equipment Storage Rates

Background

- Authority maintains License Agreements with three telecommunication providers – AT&T, Verizon & T-Mobile
- Agreements allow providers the right to install, operate, and maintain exterior wireless antennas and associated equipment at eight locations on Logan Airport property
- Current Agreements will expire on September 30, 2025
- Staff engaged independent wireless infrastructure consultant, Steel in the Air, to conduct market value analysis
 - Concluded that Logan Airport's wireless cell site rates are within the top wireless rates nationally

Board Recommendation

- Based on consultant's findings, staff recommends executing agreements with providers for the exterior wireless antenna sites at Logan Airport for a term of no more than five years at the following rates per site:

Year	Effective Dates	Annual Rates
Year 1	October 1, 2025 – June 30, 2026	\$230,506
Year 2	July 1, 2026 – June 30, 2027	\$242,031
Year 3	July 1, 2027 – June 30, 2028	\$254,132
Year 4	July 1, 2028 – June 30, 2029	\$266,838
Year 5	July 1, 2029 – June 30, 2030	\$280,180

Hanscom and Worcester Rates and Charges

Hanscom Field



- **Operations are expected to be down slightly (-2%) over FY25, consistent with recent trends**
 - All aircraft segments (i.e., single engine piston, private jets, etc.) were down consistent industry and current economic changes
- **Revenue expected to increase by 3%**
 - Increase is from contractual leases and the rate adjustment for declining operations
 - Terminal rental revenue projected to decline 11.7% due to anticipated continued vacancies
- **Expenses expected to increase by 9%**
 - Increase is due to inflation and increased operational expenses due to contractual obligations



Worcester Regional Airport



- **Operations are expected to be down (-3.9%) over FY25, based on scheduled activity**
 - FY26 landed weight adjusted due to change in equipment types
- **Revenue is expected to increase by 3%**
 - Increase results from rate adjustment for Landing Fees, Aircraft Parking Fees and Terminal Rental Rates
- **Expenses expected to increase by 11%**
 - Increase is due to inflation and repairs and maintenance for the terminal

Commercial Paper Letter of Credit Renewal

Anna Tenaglia

June 12, 2025

Commercial Paper Letter of Credit (LOC) Facility

Massport solicited proposals from qualified banking institutions to provide a direct pay letter of credit up to \$250M to support the Authority's commercial paper program

- The agreement with the current LOC provider, TD Bank, **expired on June 1, 2025**
- Considerations included demonstrated experience in providing direct pay letter of credit, the bank's long and short-term credit ratings, financial capacity, fees and the overall cost proposal
- The Authority received **eight responses** for varying LOC levels from \$100M to \$250M with terms from one to five years and various fee proposals
- **TD Bank** provided the most advantageous bid and was selected for the full **\$250M LOC facility**
- The new LOC facility will save the Massport nearly **\$1M in fees over the 3-year period**

Annual Insurance Program

John Prancevicius

June 12, 2025

FY26 Annual Insurance Program

- Annual insurance assessment is requirement of the Authority's 1978 Trust agreement
- Albert Risk Management Consultants certifies to the Trustee that:
 1. The Authority's FY26 insurance and risk management program is properly structured
 2. The program is cost effective given the Authority's complex risk profile
- The Authority's insurance risk profile consists of:
 - High limit/layered program for liability coverage and property insurance
 - Moderate to high retention levels
 - Limited/specialty insurance market
 - Structure is designed to protect the Authority and Bond holders from catastrophic loss
- The FY26 Insurance policy **budget is \$11.2M, a decrease of \$708K, or 6%, over FY25**

Massport's FY26 insurance policy expense to decrease by 6%

- **Property Coverage : \$500M limit, \$1M retention, plus 10% on next \$50M per occurrence**
 - The renewal rates for property insurance have decreased, falling below the 2% increase in insured values resulting in a minimum \$680k premium reduction
- **Aviation Liability: \$750M limit, retention of \$250K per policy aggregate**
 - 1% premium renewal increase reflects increased activity at Logan and continued passenger growth
- **Maritime Liability: \$100M limit, retention of \$25K per occurrence**
 - 9% Premium renewal increase due to increased maritime business operations
- **Excess Workers Compensation: unlimited, retention of \$1.0M per occurrence**
 - The renewal rates have decreased below, higher regulated reimbursements rates for medical costs and wage replacement
- **Automobile Liability: \$5M limit, retention of \$5K per occurrence**
 - A flat renewal rate combined with a low loss history resulted in a flat renewal
- **Cyber Liability:**
 - Increased investment in IT infrastructure and cybersecurity resiliency efforts helped reduce premium

FY24	Insurance Line	FY25	FY26	FY 25-26 Change	FY25-FY26 % Change
\$7,616,452	Property	\$7,481,358	\$6,800,000	(\$681,358)	-9%
\$1,174,000	Airport Liability	\$1,541,968	\$1,554,917	\$12,949	1%
\$506,000	Marine Liability	\$566,287	\$625,636	\$59,349	9%
\$689,000	Excess Workers Comp	\$777,794	\$751,000	(\$26,794)	-3%
\$794,000	Automobile Liability	\$875,492	\$875,250	(\$242)	0%
\$897,149	Cyber Liability	\$717,550	\$645,910	(\$71,640)	-10%
\$11,976,601	Total Program	\$11,960,449	\$11,252,713	(\$707,736)	-6%

Annual Independent Audit Plan for FY25

John Prankevicius

June 12, 2025

Ernst & Young (EY) presented their FY25 audit plan to the Audit & Finance Committee on June 10, 2025

- The FY25 audit plan includes:
 - Massport's FY25 financial statements
 - Massport's Retiree Benefits Trust
 - Federal Funds Audit (Uniform Guidance)
- EY is partnering with KVR LLC, a Boston-based WBE accounting firm, to perform this year's audit work (similar to last year)
- EY and KVR presented their required communications and areas of audit emphasis to the Committee
- EY indicated that the audit will be completed by September 26, 2025, in conformance with the Authority's 1978 Trust Agreement