

Massachusetts Port Authority Board Meeting

October 16, 2025



Public Comment

Chair's Comments

Report of the CEO
Rich 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



Delta Supplier Summit 2025: Strengthening Our Strategic Partnership and Vision for Sustainable Growth

Planning &
Managing
for Growth



- Delta is a strategic partner: Logan's #1 airline, 11.3M annual pax, 26% market share

Partnerships with Delta:

- Collaborating on a remote terminal pilot at Terminal A
- Providing charging infrastructure for airline fleets - Delta has the largest eGSE fleet at Logan
- Co-founding members of the MIT-led Zero Impact Aviation Alliance (ZIAA)
- Delta a collaborating member of the Massachusetts and New England Regional SAF Hub

We welcomed Chick-fil-A to Logan Airport, Terminal A

Customer
Satisfaction



Launched a new customer experience initiative at Logan Airport: BOS Paws

Customer
Satisfaction

- **BOS Paws** animal therapy program launched in partnership with the Alliance of Therapy Dogs
- Therapy dogs and handlers will greet passengers in terminals to provide comfort and stress relief
- Featured dogs include **Waffles** (French Bulldog), **Remington** (Giant Schnauzer), and **Buster** (Westie)
- Program **enhances passenger well-being** and supports a more welcoming airport environment



We celebrated Customer Service Week (Oct. 6-10) with passengers at Logan Airport

Customer
Satisfaction

- **Customer Service Week** is an international event celebrating the importance of customer service and of the people who serve and support customers

Massport activities:

- **CEO Appreciation:** Met with Customer Service staff to thank them for their dedication
- **Passenger Outreach:** Joined the team at Logan to hand out treats



Renovating and enhancing Logan's Kidport play areas to better serve families traveling with children

Customer Satisfaction

Terminals A & B Updates

- Renovating three high-use Kidports with:
 - New play structures
 - Upgraded safety flooring
 - Improved seating and wall finishes

Terminal C Pilot: "Sky Explorers"

- A new 1,080 sq. ft. play space themed around flight and exploration
- Features include:
 - Airplane climbing structure for active play
 - Sensory-friendly "cloud" zone
 - Interactive displays and immersive sound elements
- Designed to engage children of all ages and abilities

Terminals A & B Refresh



Terminals C Sky Explorers Pilot



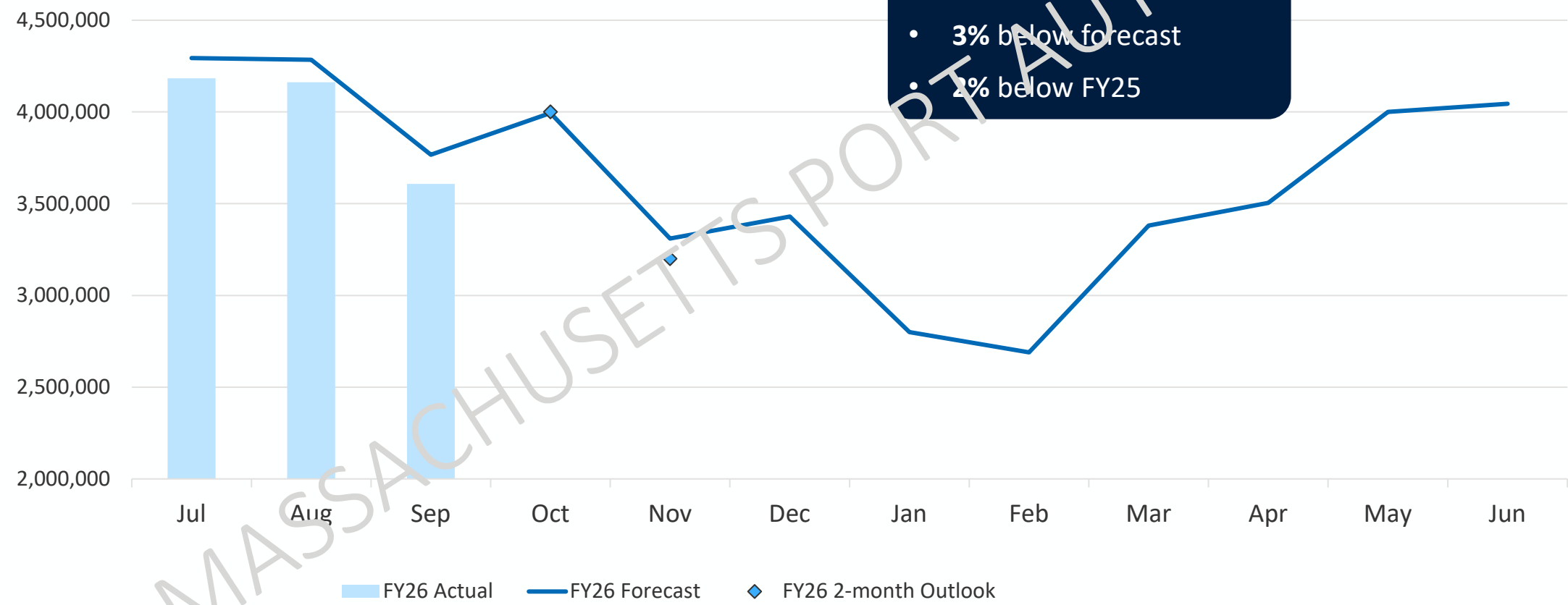


Logan served 12M passengers in Q1 FY26, slightly below forecast

Logan Passengers (Actual and Forecast)

Q1 FY26

- 12.0 million passengers
- 3% below forecast
- 2% below FY25



FYTD August 2026 Financial Results

Financial
Performance

Activity Highlights (July + August)

- Logan served 8.3M passengers
- Conley Terminal processed 23,400 containers
- Revenue was \$16.6M above budget
- Expenses were \$1.4M below budget

Financial Results (July + August)

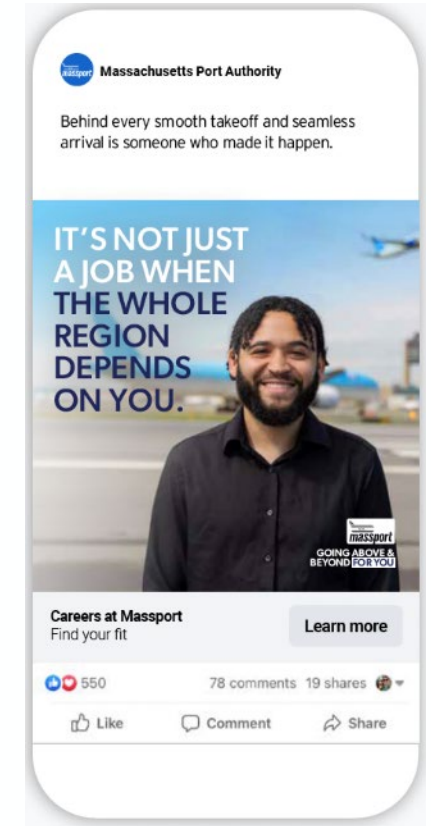
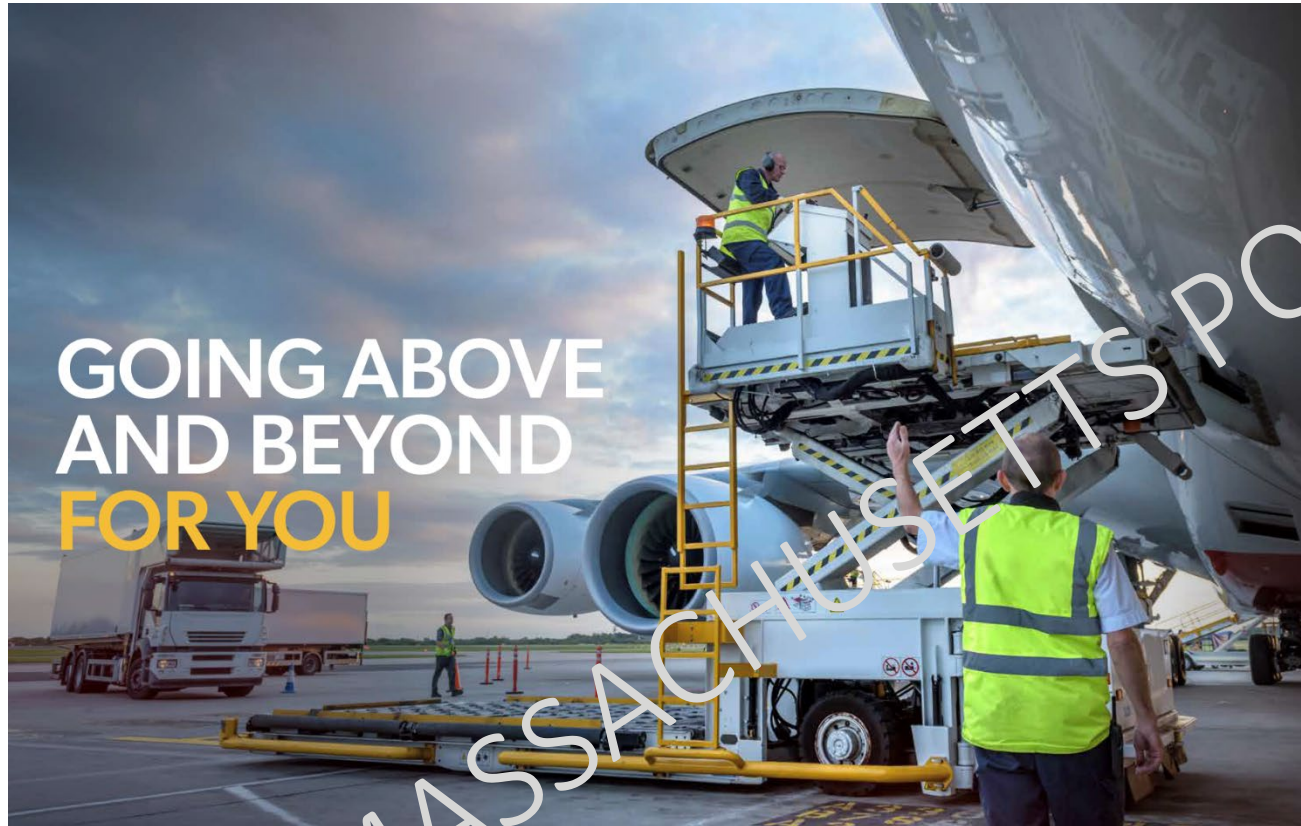
Revenues	\$242M
Expenses	<u>(\$224M)</u>
Contribution	\$18M

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



We rebranded the Human Resources department as People & Culture to reflect our evolving priorities

Massport
as an
Employer
of Choice



Massport is implementing a zero emissions GSE policy for airside operators at Logan Airport

Double
Down on Fight
Against Climate
Change

Phased Approach to Logan Airport Zero Emissions GSE Policy



All diesel GSE
must use
renewable diesel

October 1, 2025

50% of GSE must
be zero emission

December 31, 2026

75% of GSE must
be zero emission

December 31, 2029

100% of GSE
must be zero
emission

December 31, 2031

Massport joined the City of Boston's annual Deployables Day

Double
Down on Fight
Against Climate
Change

- Deployables Day is a **citywide training exercise and demonstration** of temporary flood protection
- At the **Fish Pier**, we showcased our **deployable flood barriers**—highlighting our commitment to preparedness and climate adaptation
- Deployables Day helps build public awareness and strengthen the community's confidence in local emergency preparedness efforts



Massport celebrated Hispanic Heritage Month with special guest, Alberto Vasallo III, President & CEO of El Mundo Boston

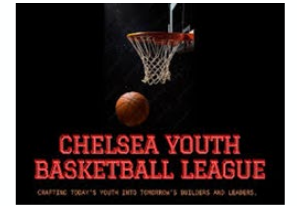
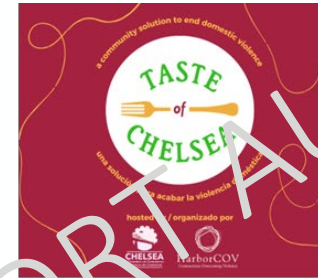
Leadership



Massport supports local communities through Q1 charitable giving

Leadership

- **\$37,500** awarded to **11 organizations** across Massport's neighboring communities
- Grants supported programs in:
 - Arts & Culture – \$6,000
 - Athletics & Recreation – \$7,500
 - Civic Sponsorship – \$6,000
 - Social Services / Health / Environment – \$10,000
 - Youth & Education – \$8,000
- Reflects Massport's commitment to improving quality of life in Charlestown, Chelsea, East Boston, Revere, South Boston, Winthrop, Worcester, and Hanscom- area towns



Massport police officers recognized for heroic response



SAFETY &
SECURITY

- Officers **Meghan Delloiacono** and **Whitney Long-Jenness** were honored by Boston Police for their swift and compassionate response to a suicidal individual at Piers Park
- Responded swiftly to a report of a distressed individual
- Safely deescalated the situation and coordinated with BPD, Fire, and EMS
- Ensured the individual was safely transported for medical evaluation
- Their actions reflect **exceptional professionalism, courage, and care**—upholding the highest standards of public service



Massport leads national efforts on lithium-ion battery safety



SAFETY &
SECURITY

National Recognition:

- BOS is the first U.S. airport with a dedicated lithium-ion battery task force
- Safety model presented to **AAAE Emergency Managers** (65+ airports)

Key Initiatives:

- Developed policies, drills, and response plans
- Procured specialized equipment for first responders

Emerging Risks:

- EV fires pose structural and environmental hazards
- Micromobility devices (e.g., e-bikes, scooters, etc.) and electronics increase fire risk

Mitigation Strategies:

- Workforce education and stakeholder engagement
- Organization-wide policies defining clear expectations
- Strategic EV fleet management and charging station placement
- Adoption of advanced containment tools (e.g., cell block agents, fire blankets, etc.)

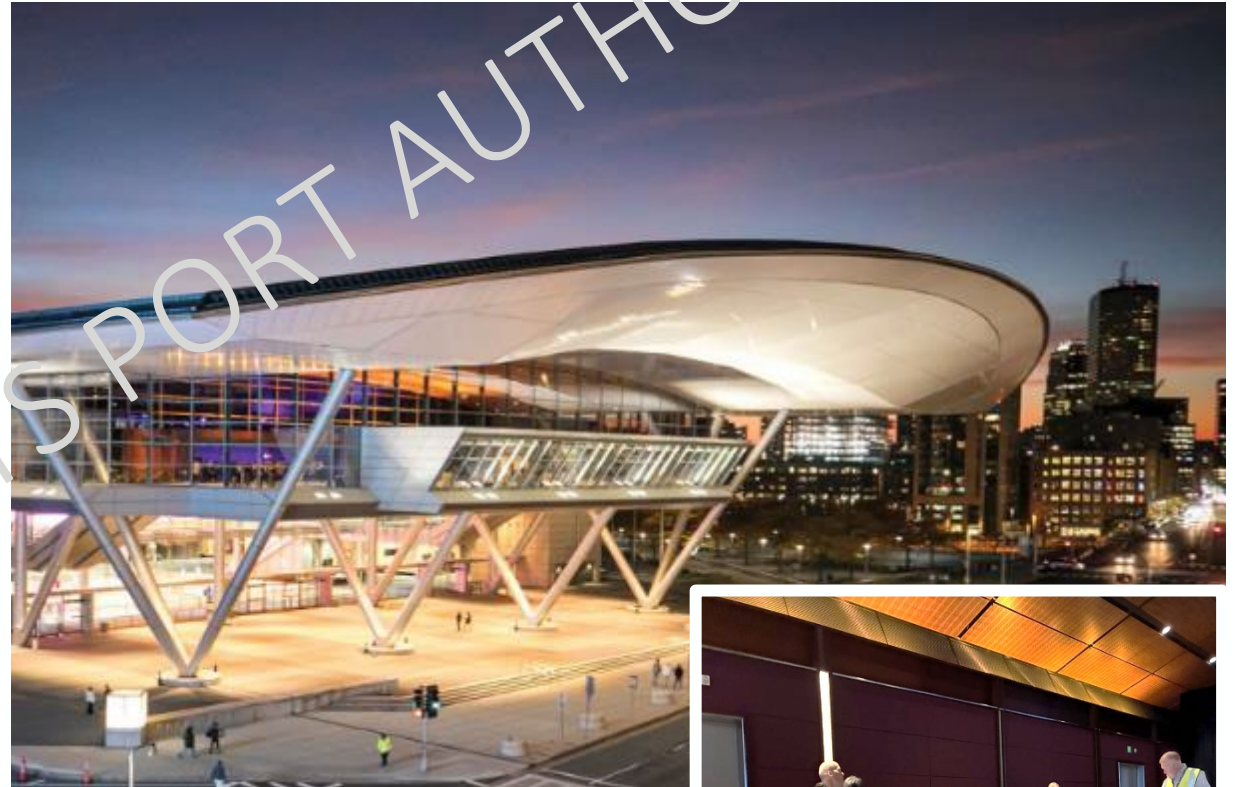


Strengthening Public Safety Through Strategic Partnerships



SAFETY &
SECURITY

- Massport actively partnered with the **Massachusetts Convention Center Authority** to support a full-scale public safety exercise
- The exercise took place September 23 at the **Menino Convention & Exhibition Center**, simulating real-world emergency scenarios to enhance preparedness
- This collaboration reflects Massport's ongoing commitment to regional safety, interagency coordination, and operational readiness
- Joint efforts like these reinforce our shared mission to protect the public and ensure secure, resilient infrastructure across Massachusetts



New badging system strengthens airport safety and service



SAFETY &
SECURITY

- Massport launched a modernized badging system serving **20,000+ personnel** at **Logan and Worcester Airports**
- Built on a **robust, industry-standard platform** to ensure long-term reliability and support
- Introduces **modern equipment** that enhances the user experience
- Reflects Massport's **proactive approach** to secure and resilient airport operations



 intellisoft



Board member John Nucci recently retired from Suffolk University

- John served his alma mater for nearly 20 years as a senior administrator
- His career spans decades of public service—from the Boston School Committee and City Council to his leadership at Suffolk and his tenure on the Massport Board
- John reshaped Suffolk University's campus leading major development projects in Downtown Crossing and strengthening its ties to the city
- His leadership extended beyond education—opening dorms to shelter homeless residents during COVID and revitalizing East Boston Memorial Park for shared community use
- He has been a tireless advocate for community engagement, urban development, and strengthening partnerships between Suffolk University and the City of Boston

**Congratulations John on your remarkable career
and thank you for your enduring impact on
Suffolk University, the City of Boston, and Massport!**



Report of the Director of Aviation
Ed Freni

Federal Government Shutdown: Air Travel Impacts as of October 15, 2025

National Impacts

- **Flight Delays & Cancellations:** FAA slowing operations due to air traffic controller shortages
- **Longer Security Wait Times:** TSA agents working unpaid; rising absenteeism
- **Safety Concerns:** Reduced staffing affects system redundancies
- **Training & Hiring Freezes:** FAA unable to onboard new controllers
- **Worker Stress:** Financial and mental strain on essential personnel

Logan Airport Status

- Minimal Disruptions to Date
- Operations remain stable
- No major delays or security issues reported
- Monitoring closely in coordination with FAA & TSA

Logan Airport Runway 27 EMAS Project – Status Update

- Construction began September 2, 2025, with **two 75-day windows** planned (Fall 2025 & Fall 2026)
- Runway **scheduled to reopen November 16**; currently at Day 45 of 75 for Year 1
- Project is on schedule for **completion in 2026**
- **Work is progressing 24/7**, with noise-producing activities limited to **daytime hours**
- Majority of precast concrete **materials are being delivered via barge** to reduce land transport impact

The Boston Globe

Weather, construction causing delays at Logan airport

By Travis Andersen Globe Staff, Updated September 25, 2025, 2:56 p.m.



Terminal C at Boston Logan International Airport on Aug. 11, 2025, in East Boston. DANIELLE PARHIZKARAN/GLOBE STAFF

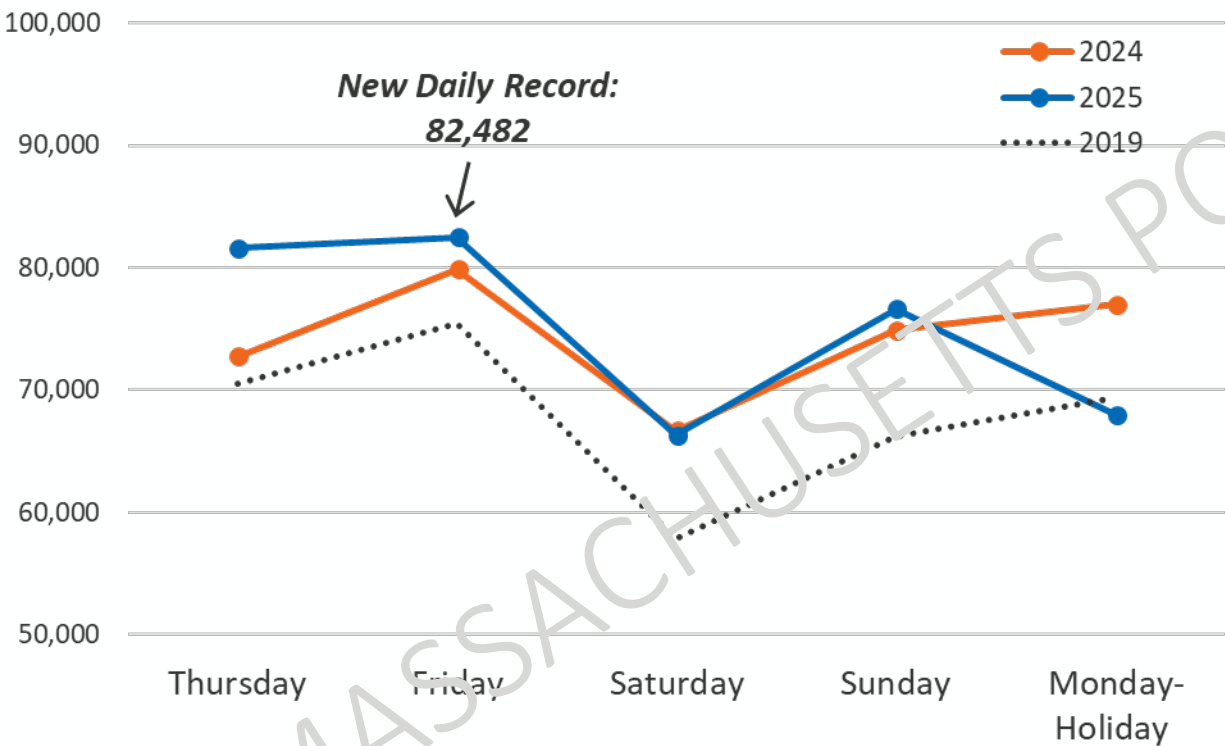
Logan sees softer September performance

Logan Activity
September 2025

	Month	Prior Year	% Change Over Prior Year	FYTD 2026	FYTD 2025	% Change Over FYTD 2025
Passengers	3.6M	3.7M	-3.1%	12.0M	12.2M	-1.8%
Aircraft Operations	35.4K	37.5K	-5.4%	111.9K	114.5K	-2.3%

Logan activity was strong over the Indigenous People’s Day holiday weekend

Logan Airport - TSA Screened Passengers
October Holiday Weekend



- **375K** passengers screened over five days (Thursday to Monday)
- **2% higher** than last year
- Set a record on Thursday (81.6K) and then broke that **record** the following day with **82.5K on Friday**

Southwest Airlines adding new destinations at Logan Airport

- **San Diego:** new, daily nonstop service, operated year-round (eff. **June 4, 2026**)
- **Kansas City:** new, daily nonstop service, operated during summer season (eff. **June 4, 2026**)
- Part of Southwest's broader summer 2026 route expansion across the U.S., Mexico, and Alaska
- Changes align with Southwest's strategy to boost service in strong-performing markets
- Follows recent policy shifts including assigned seating and fare class updates



Play, a budget Icelandic airline ceased all operations on September 29

- Play flew nonstop from **Logan to Reykjavik, 5x weekly** this past summer
- In June, Play announced a change to its business model and the discontinuation of all U.S. flights
 - **Logan service ended September 15**
- The airline was facing operational challenges it could not overcome:
 - Poor ticket sales and underperformance
 - Internal employee dissatisfaction over strategy shift
 - Aircraft utilization fell below 3,000 flight hours/month in summer 2025, down from 4,000 in previous years



Worcester Regional Airport passengers for FYTD September down 13% year over year

Monthly

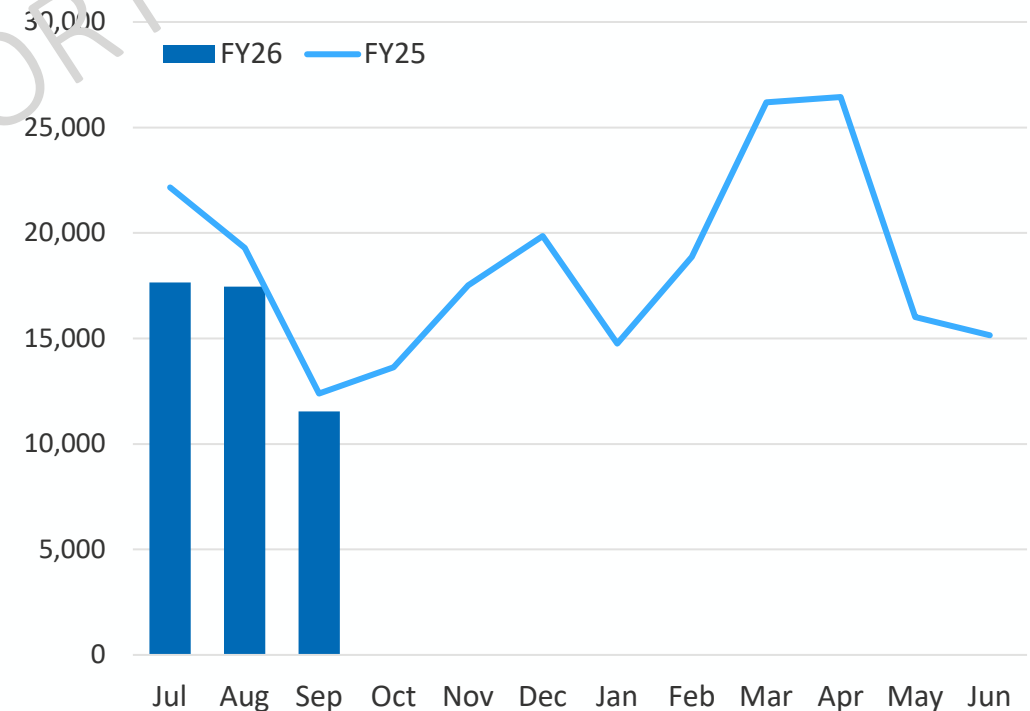
- **Sept: 11,500** passengers, down 7% over FY25
- Reflects economic uncertainty and lower capacity with aircraft right-sizing:
 - JetBlue: New 140-seat A220s replaced 162-seat (Fort Lauderdale)
 - American: Started Philadelphia service with a 50-seat regional jet, replacing 76-seater to New York



FYTD 2026

- 46,700 passengers, down 13% over FYTD 2025

Worcester Regional Airport Passengers



Hat Trick for Worcester: Promoting Worcester Regional Airport and strengthening community ties with the Worcester Railers

New 3-Year Partnership

- Worcester Regional Airport is now the **Official Airport of the Worcester Railers**

Supporting Local Youth

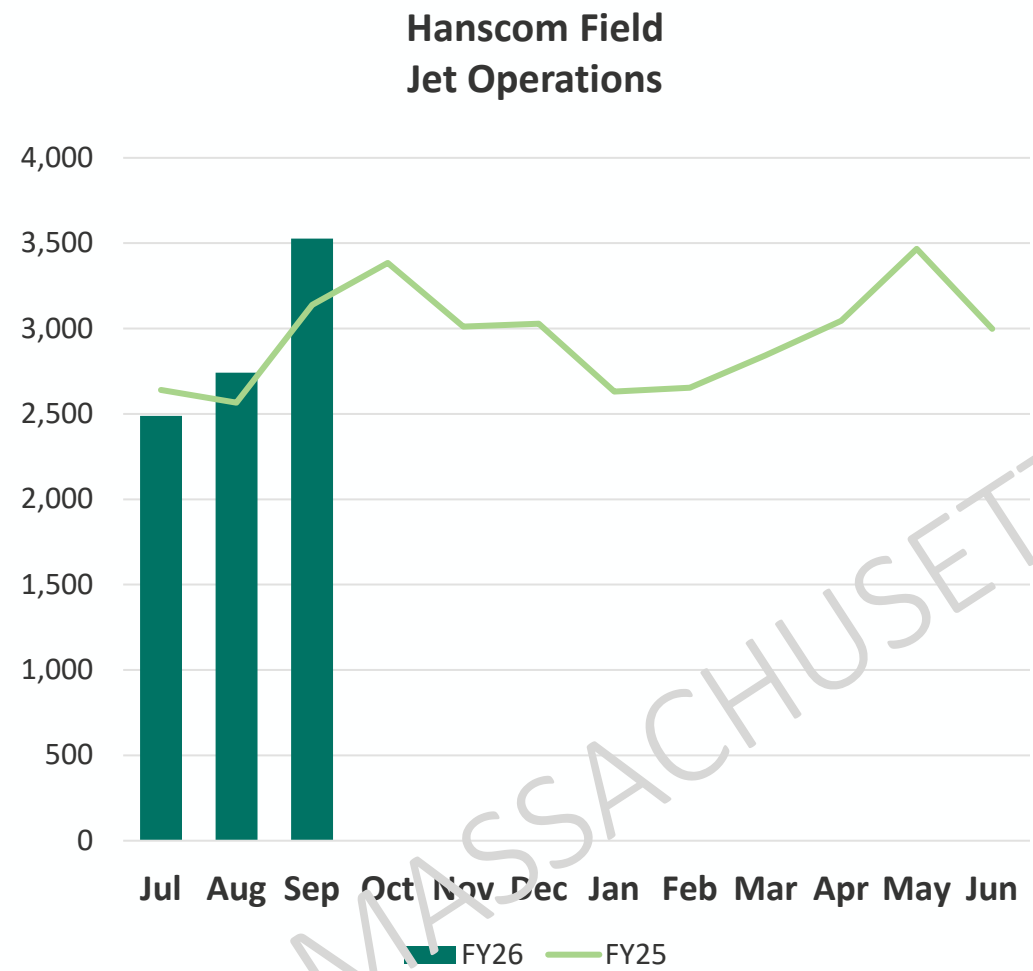
- Massport is the presenting sponsor of the Railers' annual **Teddy Bear Toss** game
- 200 tickets** donated annually to **Worcester Public Schools**
- This year's game: Saturday, **December 20, 2025** at the **DCU Center**

Strengthening Regional Presence

- Partnership blends **community engagement**, **sports**, and **regional pride**, reinforcing Worcester Regional Airport's role in the heart of Central Massachusetts



Hanscom Field had a third consecutive month of increased aircraft activity



September Activity		
	Jets	Total
Operations	3,500	12,300
Chg vs FY25	12.4%	14.6%
Chg vs FY19	36.0%	-3.8%

- In additions to growth in jets, YoY growth driven by:
 - Local/training operations +18%
 - Single engine operations +25%
- Increases for training and single engine operations reflect improved flying weather



Todd Smith, Deputy Executive Director of Aviation Operations, will retire in November

After 46 years in aviation and 14 years at Massport, Todd leaves a legacy of dedication and excellence

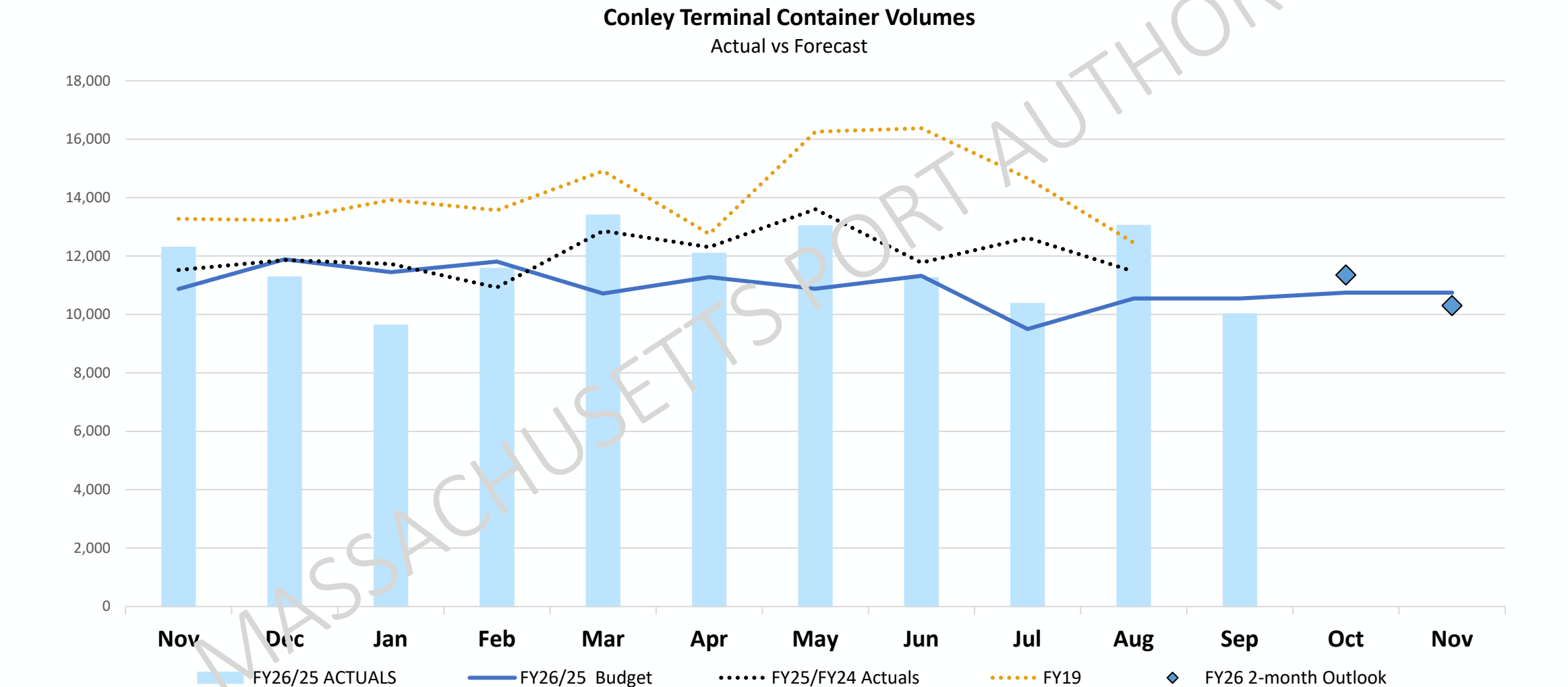


- Oversaw Logan Operations, Terminal & Facilities, Aviation Security, Customer Service, Transportation, Hanscom Field & Worcester Regional Airport
- Key contributor to labor negotiations with SEIU and other unions
- Strong liaison with Airlines, TSA, and CBP
- Led teams recognized with multiple Balchen/Post Awards for top-tier snow removal performance
- 32-year career at American Airlines, including GM at Orlando International and executive roles at 6 major airports and HQ
- Certified Airport Executive (ACE) in Operations by AAAE

Thank you for your service and best wishes!

Report of the Director of Maritime
Lauren Gleason

Conley Terminal handled 14 vessels and processed over 10,000 containers in September, reflecting steady throughput amid ongoing discussions around potential new fees and tariffs



Industry monitors China's USTR Port Fees response, with no disruption expected at Conley Terminal

S&P | Journal of Commerce

Home > Maritime

China's port fee warning to US puts ocean carriers on edge



Cosco has told its US customers to expect little change in its services and rates ahead of new US port fees that go into effect Oct. 14. Photo credit: Sheila Fitzgerald/Shutterstock.com.

Maritime | Container lines | Trans-Pacific | Container Shipping News

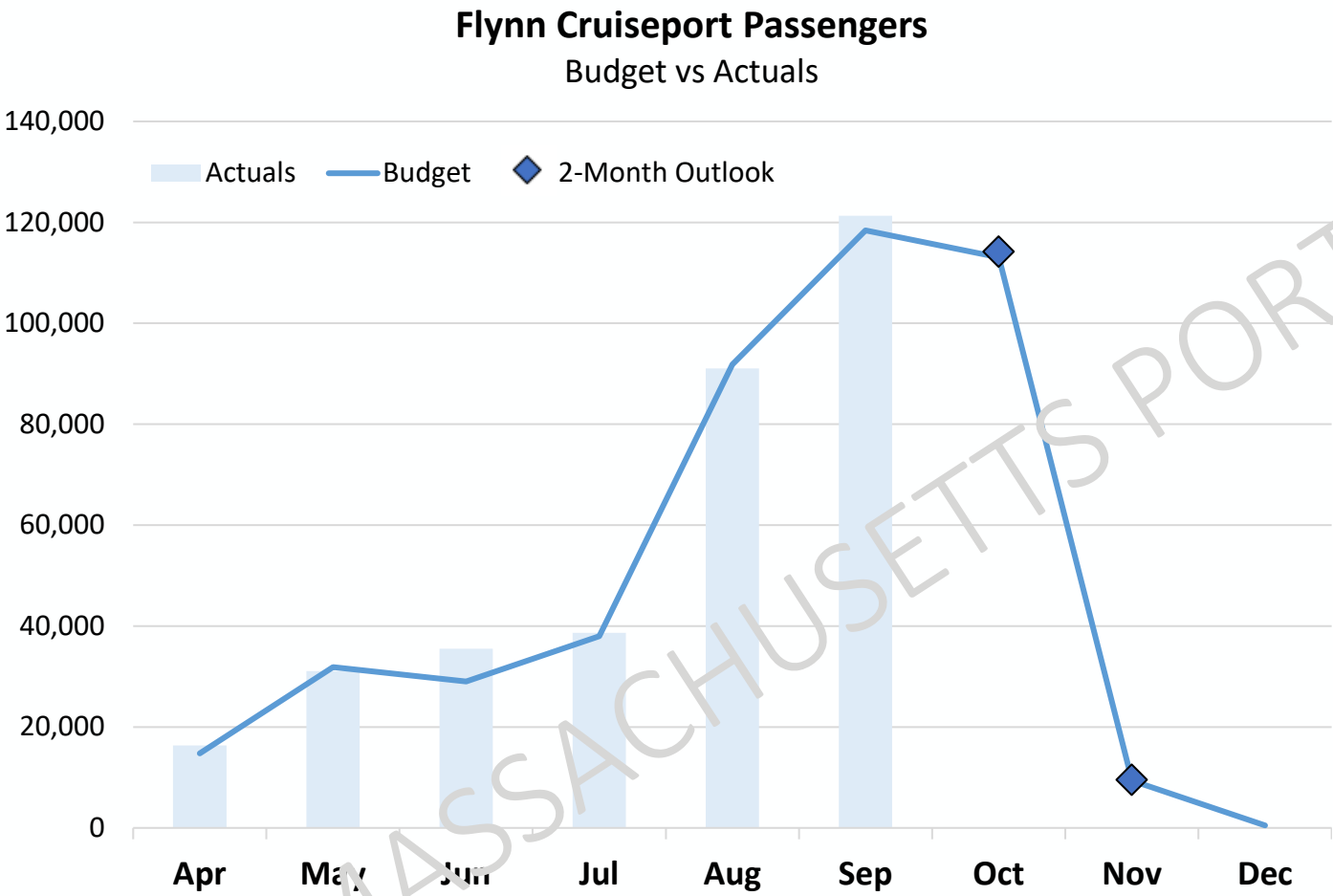
Mark Szakonyi | Oct 2, 2025, 4:20 PM EDT



- **U.S.–China tensions escalate over new U.S. port fees**
 - **U.S. port fees took effect October 14**; most carriers have adjusted operations to avoid impact
 - China has amended its shipping law to allow retaliatory fees and restrictions on vessels from countries it deems discriminatory
- **Uncertainty for U.S.-aligned vessels**
 - Criteria for **retaliation remain vague**, raising concerns for U.S.-flagged and U.S.-aligned ships
- **Conley Terminal Update**
 - **No disruptions expected** from the October 14 fee implementation
 - Carriers have proactively adjusted networks and confirmed no pass-through of fees to customers

	Chinese owned or operated vessels	Operators of Chinese-built vessels
Effective Date #1	October 14, 2025	October 14, 2025
Fee #1	\$50 per NT	\$18 per NT or \$120 per container
Effective Date # 2	April 17, 2026	April 17, 2026
Fee #2	\$80 per NT	\$23 per NT or \$153 per container
Effective Date #3	April 17, 2027	April 17, 2027
Fee #3	\$110 per NT	\$28 per NT or \$195 per container
Effective Date #4	April 17, 2028	April 17, 2028
Fee #4	\$140 per NT	\$33 per NT or \$250 per container

Flynn Cruiseport Boston welcomed 46 vessels and over 121,000 passengers in September, marking the busiest month of the year, driven by the fall peak cruise season



2025 Cruise Ship Schedule

Months	Home Ports	Ports-of-Call	Total
April-June	15	11	26
July-September	37	37	74
October-December	17	34	51
Total	69	82	151



Flynn Cruiseport Boston welcomed two new additions to its 2025 cruise season – the *Norwegian Aqua* and the *Norwegian Escape*

- Due to itinerary changes, Flynn Cruiseport Boston welcomed **two additional vessels** this week, boosting seasonal activity
- The *Norwegian Aqua*, Norwegian Cruise Line's newest ship, made its maiden call to Boston on September 30
 - Launched in April 2025, it boasts a capacity of over 3,000 passengers
- The *Norwegian Escape* made its maiden call to Boston on October 1
 - With a capacity exceeding 4,000 passengers, it ranks among Norwegian Cruise Line's largest vessels



Norwegian Aqua



Norwegian Escape

Flynn Cruiseport prepares for final 3-ship day of the season this weekend



- In CY 2025, Flynn Cruiseport Boston recorded **eight days with three cruise ships in port**, an operational milestone that reflects the port's capacity and demand
- On October 18, Flynn Cruiseport will host **its final triple-ship day of the season**, welcoming the *Silver Shadow*, *Zuiderdam* and *Liberty of the Seas*
- This achievement underscores the dedication of our Operations team, whose coordination and planning have enabled **efficient berth utilization and seamless service for multiple vessels** simultaneously
- The 2025 cruise season is still underway, with vessel calls continuing through December

Strategic Plan

Massport Strategic Plan

Board Discussion

October 16, 2025



AGENDA

Context & process update *(5 mins)*

Vision, mission, and strategic objectives
(Massport-wide and by asset) *(15 mins)*

Observations by asset and cross-cutting theme *(35 mins)*

Wrap-up & next steps *(5 mins)*

MASSACHUSETTS PORT AUTHORITY

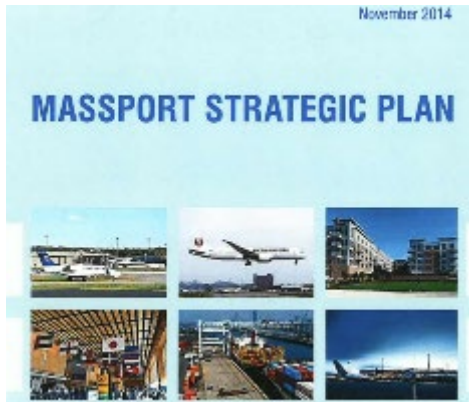
Context & Process Update

5 minutes



Recall | Context on Massport strategic planning work

Why are we here?



- Existing strategic plan is 10+ years old
- The world has changed: global shifts, industry trends, technological advancements

What are we doing?



- Understand the **baseline**
- Co-create the **vision**
- Evaluate future **scenarios**
- Develop robust **strategy**

How are we doing it?

**BCG** **mercator****HNTB****CBRE****BA****MARINE TIGER
TECHNOLOGIES**
Business Solutions for Transportation



Guiding principles for this effort balance immediate needs and long-term success



True to our Values

Safe and secure

A catalyst for **economic development**

A leader in customer satisfaction

An employer of choice
in the Commonwealth



Ambitious

Looking towards 10+ year horizon

Mindful of **trends** and **shifting landscape**
(global, regional, and local)

Meet our **Net Zero** goals



Collaborative

Engaging Massport's
diverse internal &
external **stakeholders**
to align on a shared
future vision

Considering the needs
of our **surrounding communities** and the
environment



Balanced

Incorporating **long- and short-term** horizons

Determining the right
investments in physical
and **digital infrastructure**



What we have heard from you: topics to address in the strategic planning process



Community

Community and external stakeholder engagement is a core priority

- Need to address both the **benefits and community impacts of growth** at Logan and define framework for **regionalization** among aviation assets
- Congestion/ ground access is top of mind; need for major interventions, especially longer-term



Fiscal responsibility

Ongoing commitment to **responsible stewardship of assets & finances**

- Consider options to improve financial state of key assets given market conditions (Worcester, Conley)
- Explore revenue-generation opportunities (e.g., potential REAM strategic acquisitions, off-season revenue at Flynn, offset decreasing parking revenue at Logan)



Workforce

Need to further develop Massport's position as an **Employer of Choice** via workforce branding and earlier talent pipeline development

Important to address **AI** impacts from multiple angles (**opportunities** to enhance operational efficiencies alongside **concerns** about impacts on workforce)



Innovation & Sustainability

Continued support for Massport's **sustainability & Net Zero leadership** and climate action

Ongoing support for **innovation and sustainability ecosystems**, including with partners (existing and potential new)

Mission, Vision, and Strategic Objectives

15 minutes



We held an initial brainstorming **workshop** with Massport leadership to ideate, articulate & clarify Massport's organization-wide **mission, vision**, and **strategic objectives** as well as **vision** by asset and line of business to guide the strategic planning process

Convened participants spanning teams, functions, and tenure at Massport

Reviewed what mission and vision are and why they matter

Studied mission and vision statements for numerous peer and other organizations for inspiration

Identified common values & success criteria for Massport

Generated and discussed ideas, openly sharing diverse perspectives

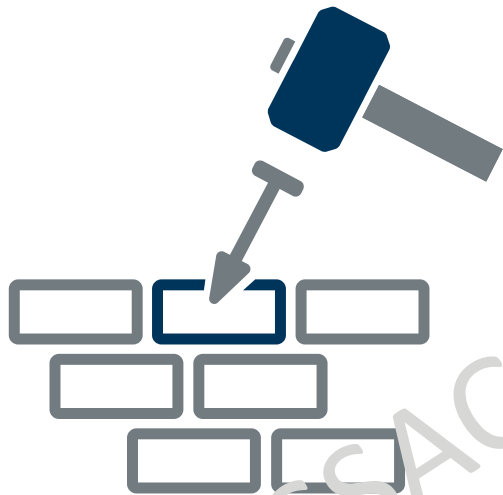
Brainstormed & voted on options for Massport's vision for this strategic plan





An organization's **vision** answers the question: *"Where do we want to go?"*

"I am laying bricks"



"I am building a cathedral"





Mission, vision, and strategic objectives are the guiding elements outlining the structure of the Strategic Plan and will inform the strategic initiatives within it



Mission

Reason-for-being; universal and timeless



Vision

Aspirational statement of a desired future;
Can vary over time, e.g., 5-10 year horizon



Strategic Objectives (with KPIs)

An outcome which is measurable, bounded by a timeframe, and links to the vision



Strategic initiatives

Specific areas of action or investment that collectively drive to goals, by asset/ function





For discussion | Proposed Massport-wide mission, vision, and strategic objectives


Mission

Connecting Massachusetts to the world
and moving the region forward


Vision

A world-class leader in customer service and innovation in travel,
shipping and economic development supporting our diverse communities


Strategic
objectives
*(Summary; detail
on following page)*

Safety & Security

Employer of Choice

Customer Experience/
Satisfaction

Financial Performance

Managing for Growth /
Economic Impact

Sustainability &
Resilience

Community Focus

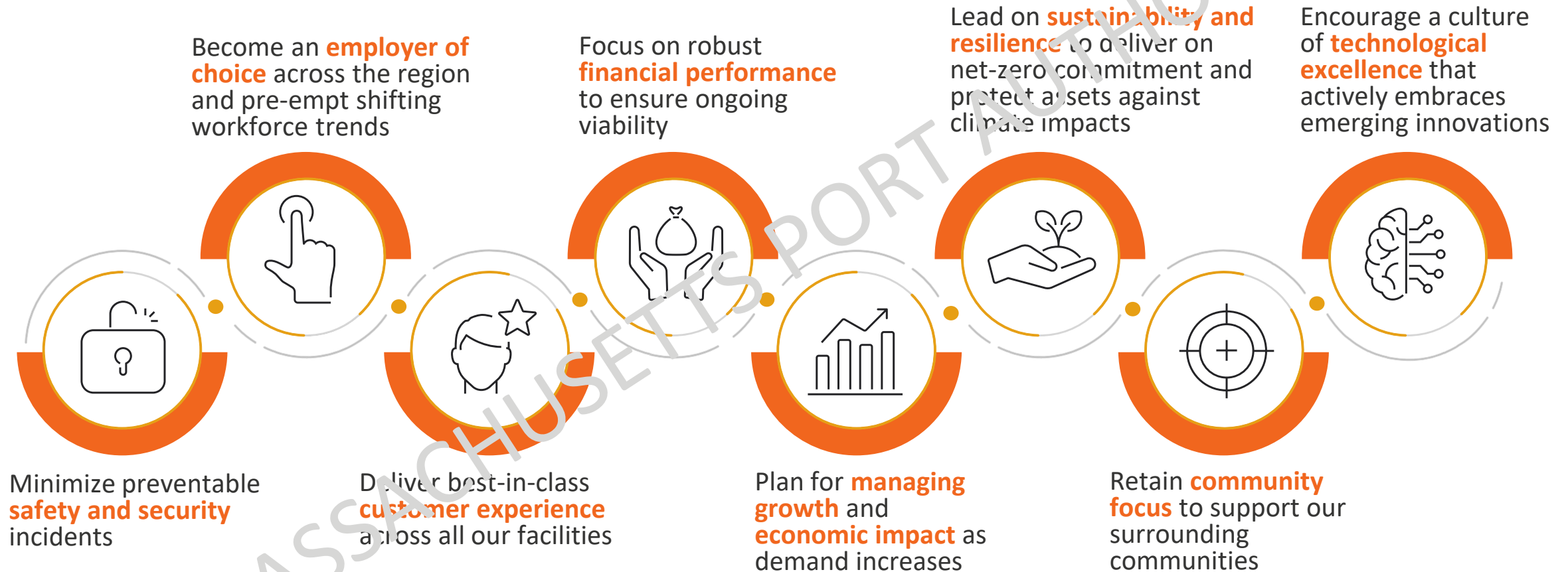
Technological
Excellence


Strategic
initiatives

Currently being defined in the strategic planning process



For discussion - Detail | Proposed Massport-wide strategic objectives to guide the Plan





MASSPORT'S 2025 PRIORITIES

Detail | We took
Massport's existing
2025 Priorities as a
starting point to
inform the Strategic
Objectives

PLANNING
& MANAGING
FOR GROWTH ✓

CUSTOMER
SATISFACTION ✓

FINANCIAL
PERFORMANCE ✓

MASSPORT
AS AN EMPLOYER
OF CHOICE ✓

DOUBLE
DOWN ON
FIGHT AGAINST
CLIMATE CHANGE ✓

LEADERSHIP ✓

SAFETY & SECURITY ✓



Proposed vision statements across lines of business and asset-specific roles, aligned to Massport-wide Mission and Vision statements

Aviation 	Maritime 	REAM 
Vision by line of business		
Connecting New England to the world, elevating every journey	Connecting New England to the world efficiently and safely.	Strategically optimizing land use and value to Massport, balancing revenue generation, maritime vitality, economic development, and dynamic & inclusive placemaking
... and specific roles by asset		
Boston Logan: Best-in-class gateway between New England and the world Worcester Regional Airport: Central MA's leading airport, serving passengers, cargo, & GA Hanscom Field: Premier, innovation-focused corporate & general aviation reliever	Cargo: Connecting New England to the world Cruise: Provide optionality to all New England consumers for a seamless vacation experience	South Boston: A dynamic, evolving economic and cultural engine of maritime and other commerce East Boston: A diverse waterfront ecosystem that uniquely couples maritime activities, economic development, and parks/public realm in a dense urban neighborhood Charlestown: A long maritime industrial history, adjacent dense residential neighborhoods, and large tracks of DPA-protected waterfront land supporting modern marine logistics

Observations by asset and cross-cutting theme

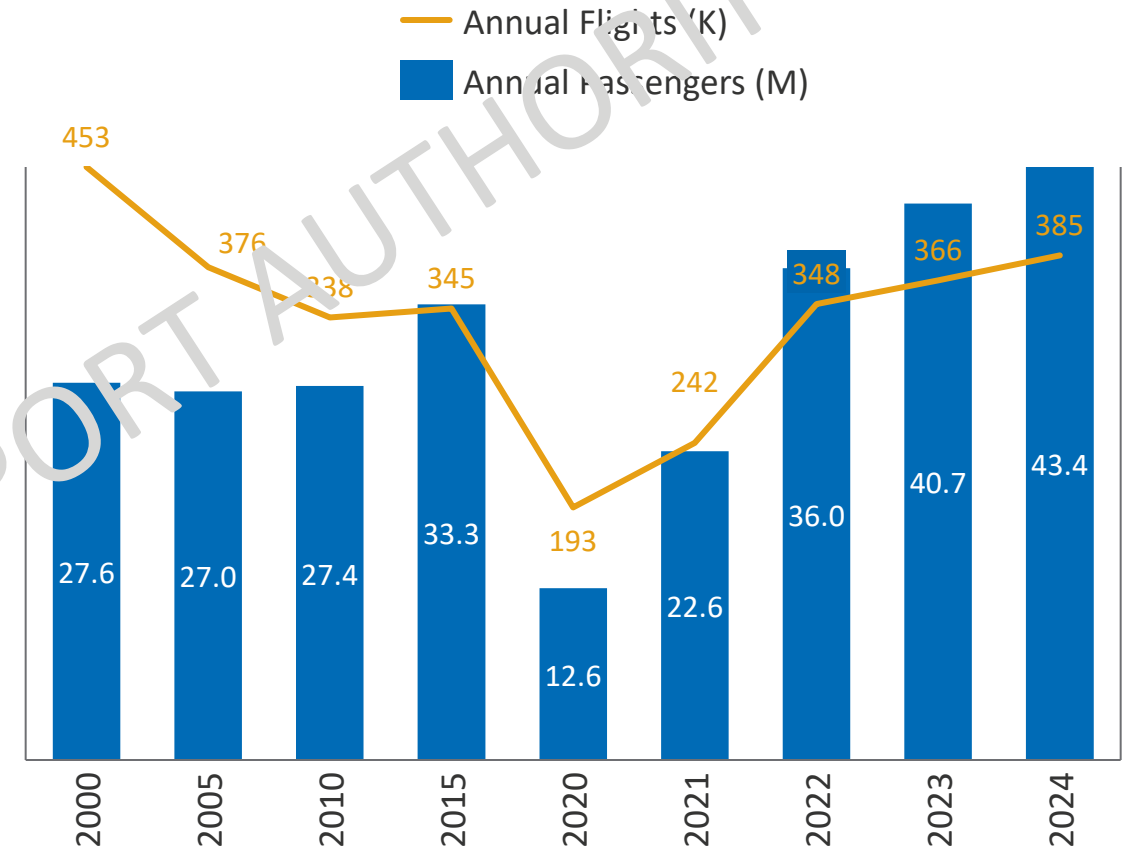
35 minutes



Observations: Logan

- 1 **Growing demand for air travel in Boston and New England driven by regional economic growth**, international demand growth outpacing domestic (~6% CAGR over last decade)
- 2 Logan operates as **one of the densest large airports in the U.S.**, with a small footprint and growing congestion, airside (taxiways/ramps) and landside (vehicles at curbs/gateways)
- 3 **Critical pieces of aging infrastructure** are nearing end of life in short/medium term (e.g., ATC Tower, B garage); Logan's central role in the Northeast's air network (with more enplanements than next 10 New England airports combined) highlights urgency of operational resilience and upgrades
- 4 **Technological advancements** (including in AI transportation modes, and sustainable fuels) present opportunities to innovate for managed growth & passenger experience
- 5 **Logan's diverse airline base gives it operational and financial stability**: No single carrier dominates, though JetBlue and Delta lead in share.

Prevalence of higher-capacity jets has reduced flight operations at Logan even as passenger volume has risen since 2000

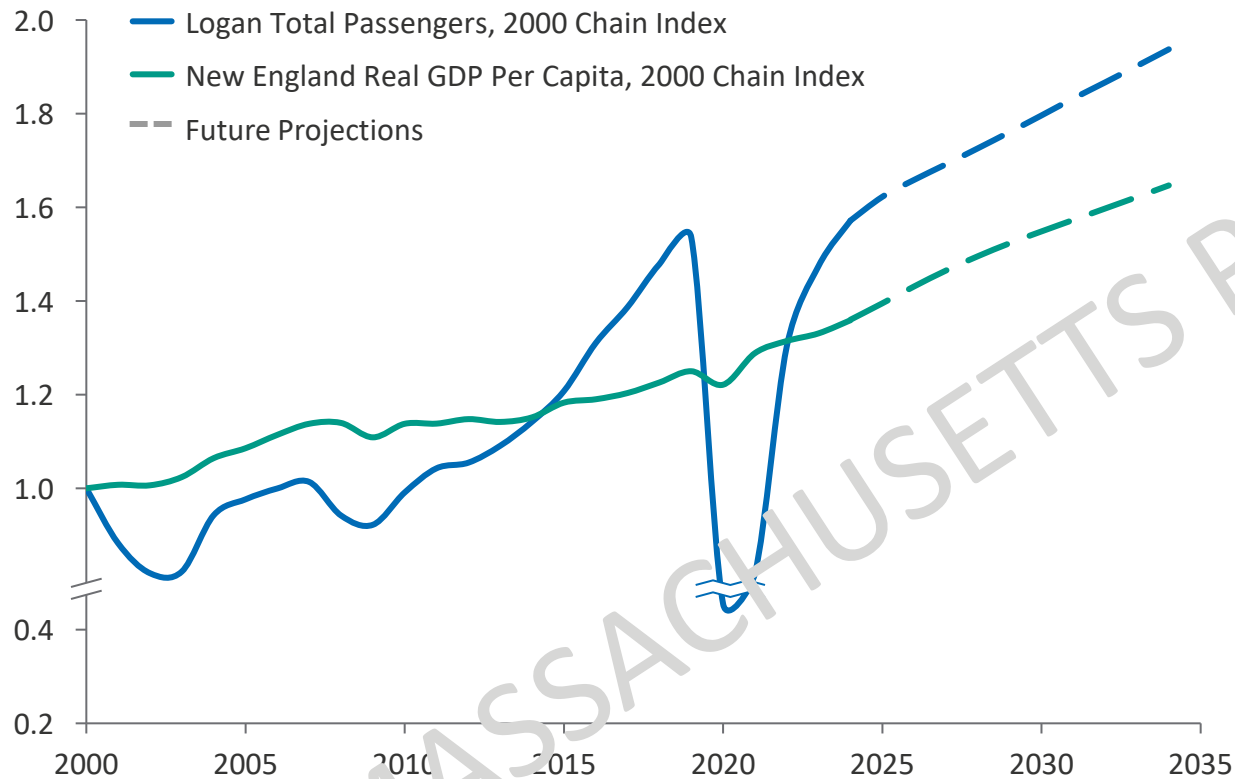


Since 2000, annual **flight operations have fallen by ~15%** while annual **passenger volume has risen by ~57%**; need to manage growth as larger aircraft deliver more passengers at once



Growing towards 53.5 million annual passengers could strain Logan's airside while exacerbating groundside congestion

Particularly over the last decade, growth in Logan's total passenger volume has outpaced growth in New England real GDP per capita



Without strategic interventions, growing towards 53.5 million annual passengers could threaten Logan's operational resiliency

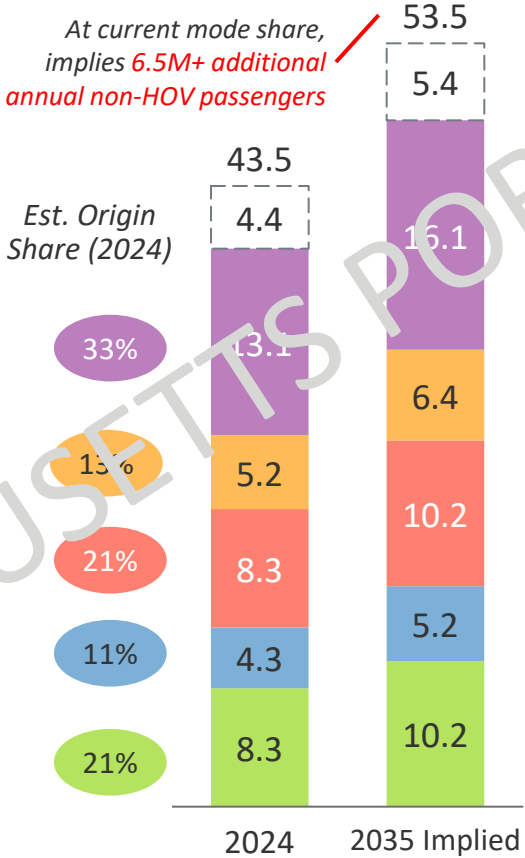
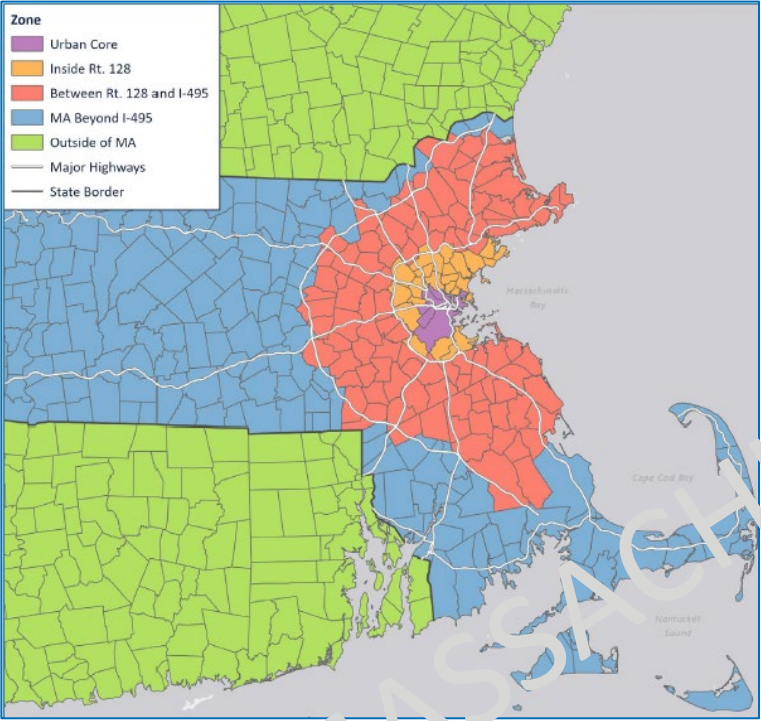
- **Groundside congestion:** Greater passenger volume increases the severity of congestion, particularly at curb and gateway chokepoints
- **Airside strains:** Taxiway & ramp congestion intensifies, leading to increased risk of runway delays under weather-weighted conditions at peak times
- **Terminals under pressure:** Especially during peak times, specific processing points experience noticeable slowdowns



Logan's passengers originate from points across greater Boston, MA, and New England, highlighting need for range of HOV options to meet passenger preferences

Implied distribution of annual Logan ground passengers at current and future volumes (millions), based on passenger origin zones

Underlying strategy to increase optionality and attractiveness of HOV and transit modes



Zone	HOV & Transit Options (Zone Origin)
Urban core	- MBTA Blue Line & T connections - Silver Line - Logan Express - MBTA ferry/water taxi - Other (e.g., hotel shuttle)
Inside Rt. 128	- MBTA Blue Line, rail connections, and 104 bus - Silver Line (Chelsea) - Logan Express
Between Rt. 128 & I-495	Logan Express
MA Beyond I-495	Other scheduled private bus
Outside MA	Other scheduled private bus

Note that passengers may use multiple modes to access airports; options listed in each zone represent options that originate in given zone



Detail: Case Study | In Philadelphia and now Chicago, American Airlines connects regional airports to hubs with premium motorcoach "land flights"

Greater Philadelphia service to five airports:

Allentown (ABE), Atlantic City (ACY), Trenton (TTN), Wilkes-Barre/Scranton (AVP), and Wilmington (ILG)



Chicago-area ORD service to South Bend (SBN) & Rockford (RFD) beginning fall 2025



Notes & commentary

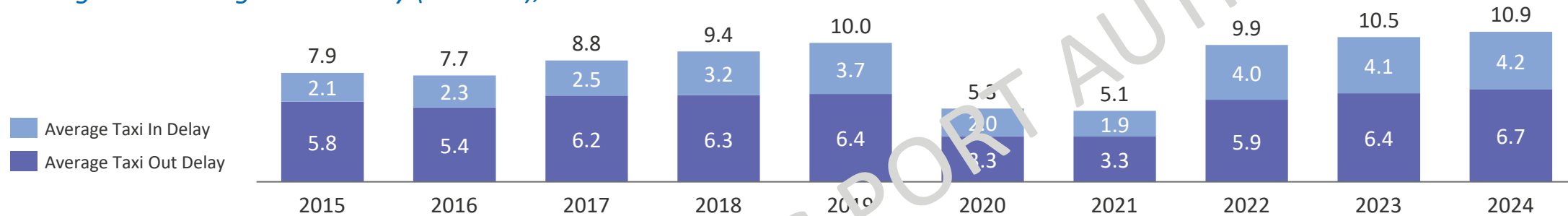
- Passengers book motorcoach like any other connecting flight in American's network; **bus marketed as premium experience**, with entertainment, Wi-Fi, power at every seat
- American's service uses **existing security set-ups at small regional airports** instead of creating net-new "remote terminals"
- For flights departing from ORD & PHL, passengers check bags and undergo security screening at regional airports before being driven directly to connecting gates at hubs (ORD or PHL)
- For flights arriving at ORD & PHL, bags are transferred from plane to motorcoach; passengers board directly at a connecting gate and collect bags from baggage claim at final destination



Managing taxiway congestion is critical to maintain operational excellence, safety, and passenger experiences on Logan's constrained footprint

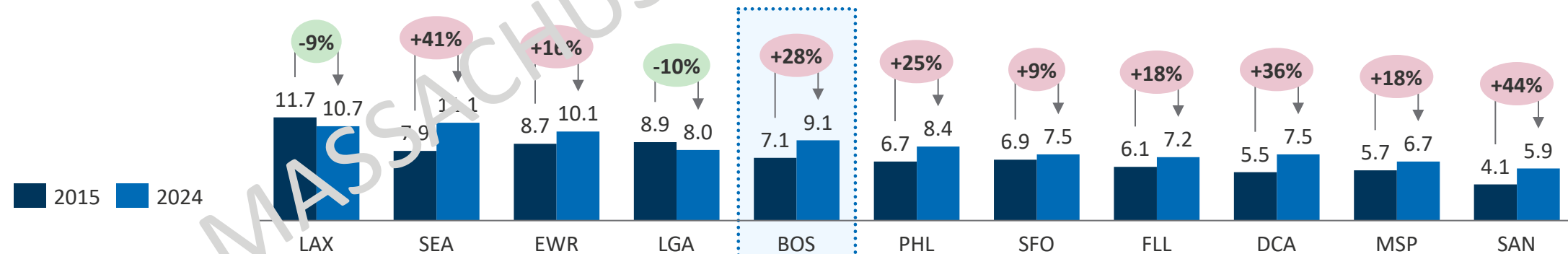
Logan's average taxi-in delays have doubled and taxi-out delays increased by 35% in the past decade

Average Boston Logan taxi delay (minutes), 2015 - 2024



Taxi-in times have increased across most peer airports, particularly those with high enplanement growth on smaller footprints (e.g., SEA, SAN, and DCA)

Peer comparison of avg. taxi-in times (minutes), 2015 - 2024





Though Logan has risen in recent rankings, greatest relative weaknesses in recent JD Power surveys concentrate on food & bev. and traffic

J.D. Power's airport satisfaction surveys segment North American airports by annual passenger count...

...and in Mega segment, **Logan's peer ranking has jumped since 2022**

Year	J.D. Power Mega-Airport Ranking
2022	17
2023	16
2024	10
2025	10

Component	BOS Ranking 2025	BOS Ranking 2024	Additional detail (2024 report)
Arrival/from airport experience	13	17	Boston has more reports of "heavy traffic" leaving airport than the average mega airport
Departure/to airport experience	12	14	Ranks 12 th in cleanliness of check-in/baggage check area; ranks 13th in ease of finding check-in/baggage check area; ranks 17th in traffic flow on airport grounds ; ranks 13 th in traffic flow at check-in/baggage check area
Food, beverage, & retail	15	16	Ranks 13 th in variety of shops; ranks 19th in variety of food & beverage; ranks 18th in quality & taste of food & beverage ; ranks 17 th in "reasonableness of price" for F&B
Airport staff	5	11	Ranks 9 th in professionalism of security staff
Terminal facilities	9	12	Ranks 11 th in cleanliness of terminal concourses & hallways; ranks 14 th in cleanliness of terminal restrooms; ranks 13 th in clarity of signs & directions within terminal
Level of trust with airport	8	8	Ranks 11 th in "ability of security process to make you feel safe"
Ease of travel through airport	7	9	Ranks 11 th in amount of time required for security check

Color Legend:

#1 #20

Ranking among 20 mega airports



Observations: Worcester

1

Worcester served ~229K passengers in 2024, representing a strong ongoing recovery since the Covid pandemic, but **activity still lags regional peers** (e.g., BDL, PVD, MHT)

2

Proximity to other airports (including Logan ~45 miles away) limits ability to attract significant passengers for commercial service despite sizable catchment population

3

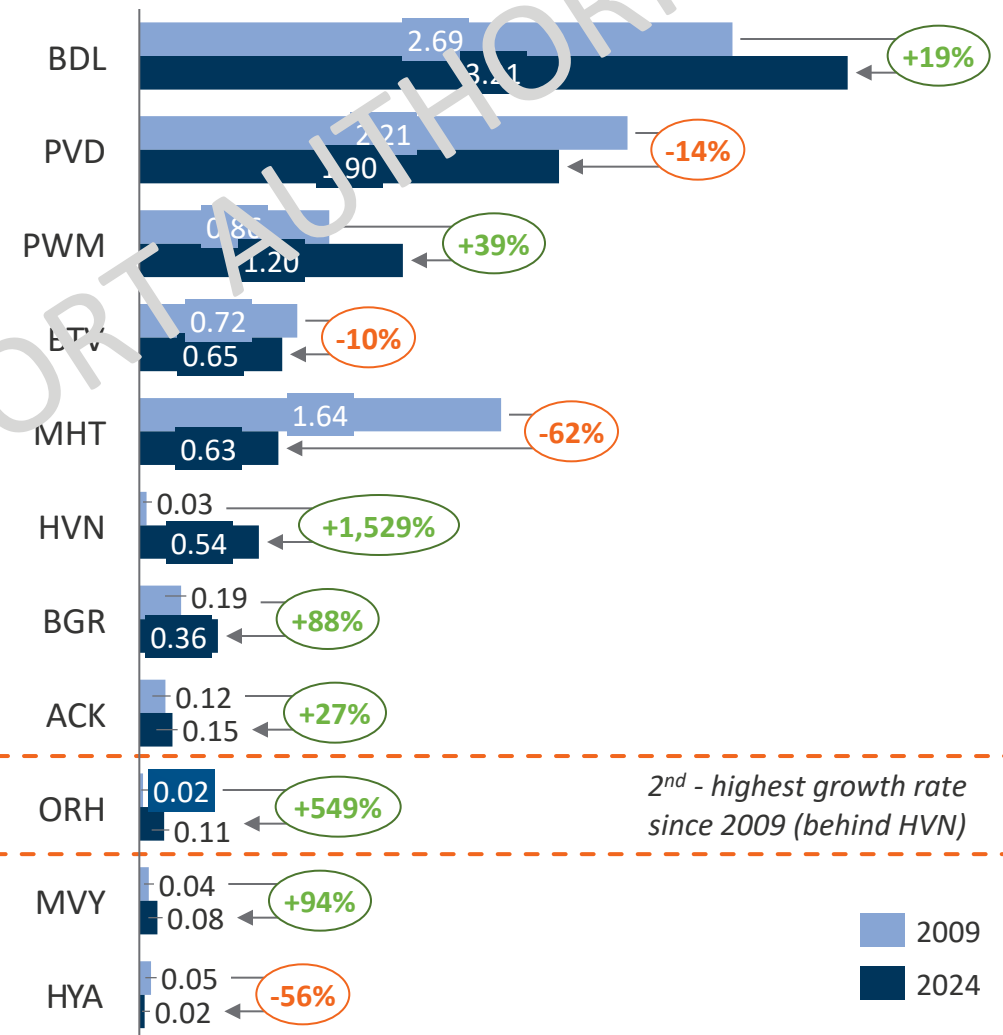
Worcester benefits from significant **airfield capacity** and available land and **investment from Massport** (over \$120M. in major infra improvements, e.g., Category III landing system), improving reliability. However, utility and topographic constraints limit certain types of development

4

Runway length & airfield support. Worcester can support Airplane Design Group III aircraft, but **lack of support for larger, Airplane Design Group IV aircraft** limits ability to host larger cargo operations today

While ORH serves fewer annual passengers than peers, enplanements have grown over 500% under Massport ownership

Annual passenger enplanements (M)



Note that years represent federal fiscal years; enplanements rounded to nearest hundredths place.
Source: FAA Terminal Area Forecast data for New England airports, 1990-2050



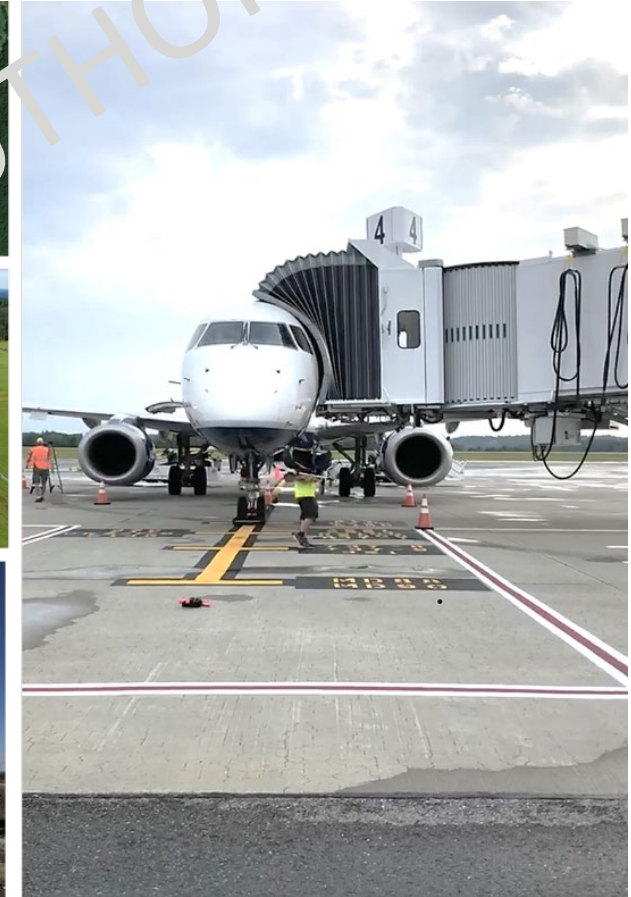
Massport has invested over \$120M in major infrastructure improvements at Worcester, prioritizing safety, security and long-term growth

Upcoming:

2026	Replace Boarding Bridges (Gates 1 & 2)	\$3.5 M
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Recently Completed:

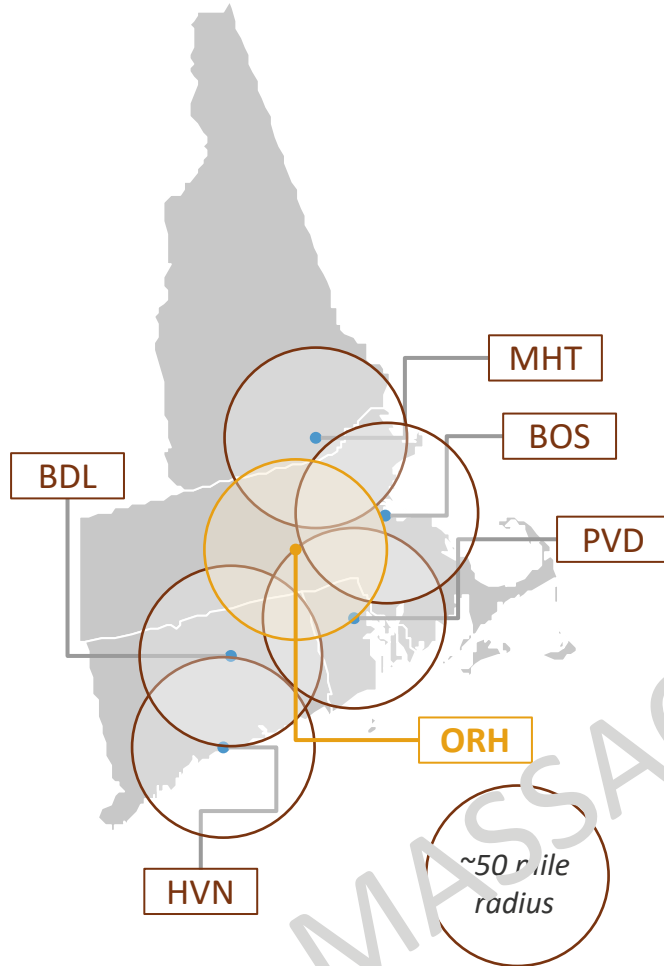
2025	Runway 11-29 Runway Safety Area EMAS Replacement (11 End)	\$10 M
2024	Runway 11-29 Runway Safety Area EMAS Replacement (29 End)	\$5.0 M
2024	Security Checkpoint Redesign	\$2.5 M
2024	Terminal Roadway Resurfacing	\$1.4 M
2024	160 Temporary Parking Spaces for Passengers	\$1.1 M
2023	Runway 11-29 Rehabilitation (29 End)	\$12 M
2022	4 EV Charging Ports in Public Parking Lot	\$0.2 M
2021	Taxiway B Rehabilitation (Between Taxiways F & E)	\$2.1 M
2020	Runway 11-29 Rehabilitation (11 End)	\$5.7 M
2019	Airfield Electrical Upgrades	\$1.2 M





Worcester is geographically encircled by region's other airports, meaning proximate population has many competing choices for travel

Among top six, non-island commercial passenger airports in MA, CT, RI, and NH, **Worcester (ORH) has the shortest average driving distance to the other five**



Code	Airport Name	Location	Avg. Driving Distance to Other 5 Airports (miles)
ORH	Worcester Regional Airport	Worcester, MA	57.3
PVD	T.F. Green International Airport	Warwick, RI	68.1
BOS	General Edward Lawrence Logan International	Boston, MA	71.7
BDL	Bradley International Airport	Windsor Locks, CT	79.5
MHT	Manchester-Boston Regional Airport	Manchester, NH	92.9
HVN	Tweed New Haven Airport	New Haven, CT	93.6



Observations: Hanscom

1

Hanscom is the **largest General Aviation airport in New England**, serving and relieving Logan of a diverse set of GA operations (~120K total daytime flight operations in 2024)

2

Hanscom benefits from **strong physical fundamentals** (quality pavement, airfield space, and recent FBO investments) but it is limited by regulation as well as limited electric utility capacity, surface parking crowding, limited hangar space, and some apron space constraints

3

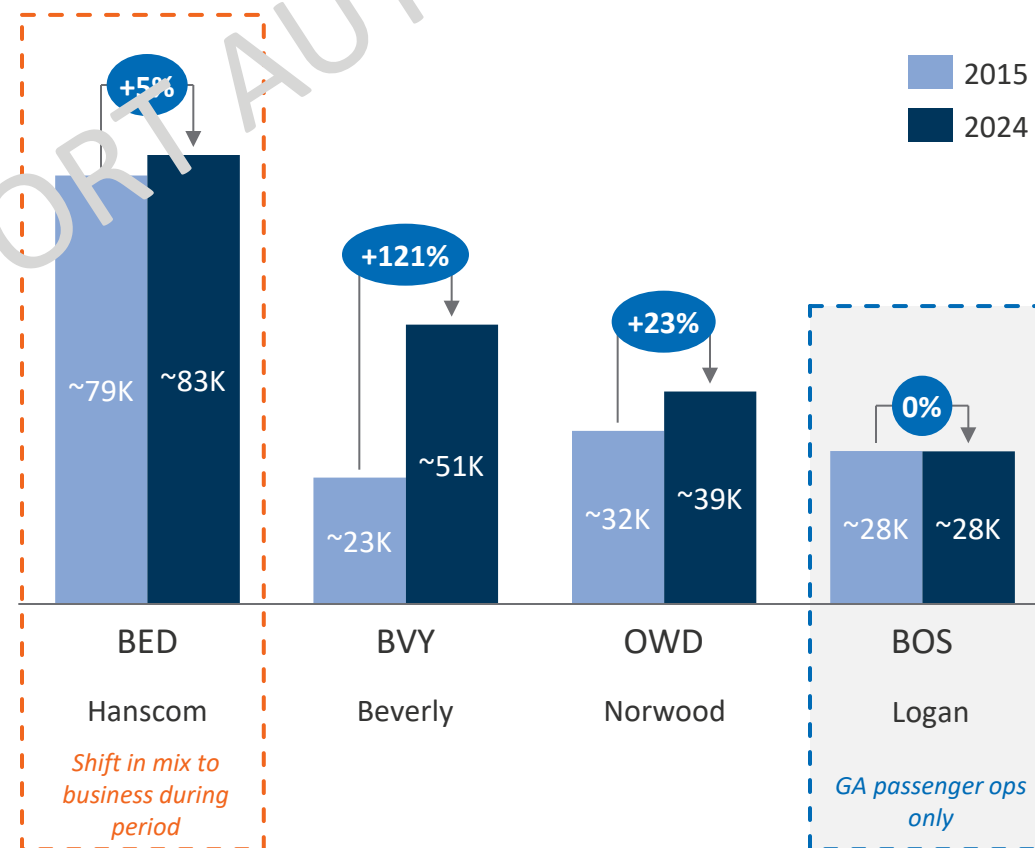
Rising demand for business jet travel has led to an ~8% increase in share of jet operations since 2015 and waitlists for hangars; **smaller GA neighbors** (especially Beverly and Norwood) have grown operations in recent years

4

Hanscom has an opportunity to deepen the role it plays in the local and regional **innovation and sustainability ecosystems**, especially given its proximity to **leading R&D players** and the rise of **sustainable aviation fuels (SAF)**

Total air taxi and itinerant general aviation operations have increased across the Boston area, absorbed by Hanscom and smaller neighbors BVY and OWD

Total air taxi & itinerant GA operations at Boston-area GA airports, 2015 - 2024

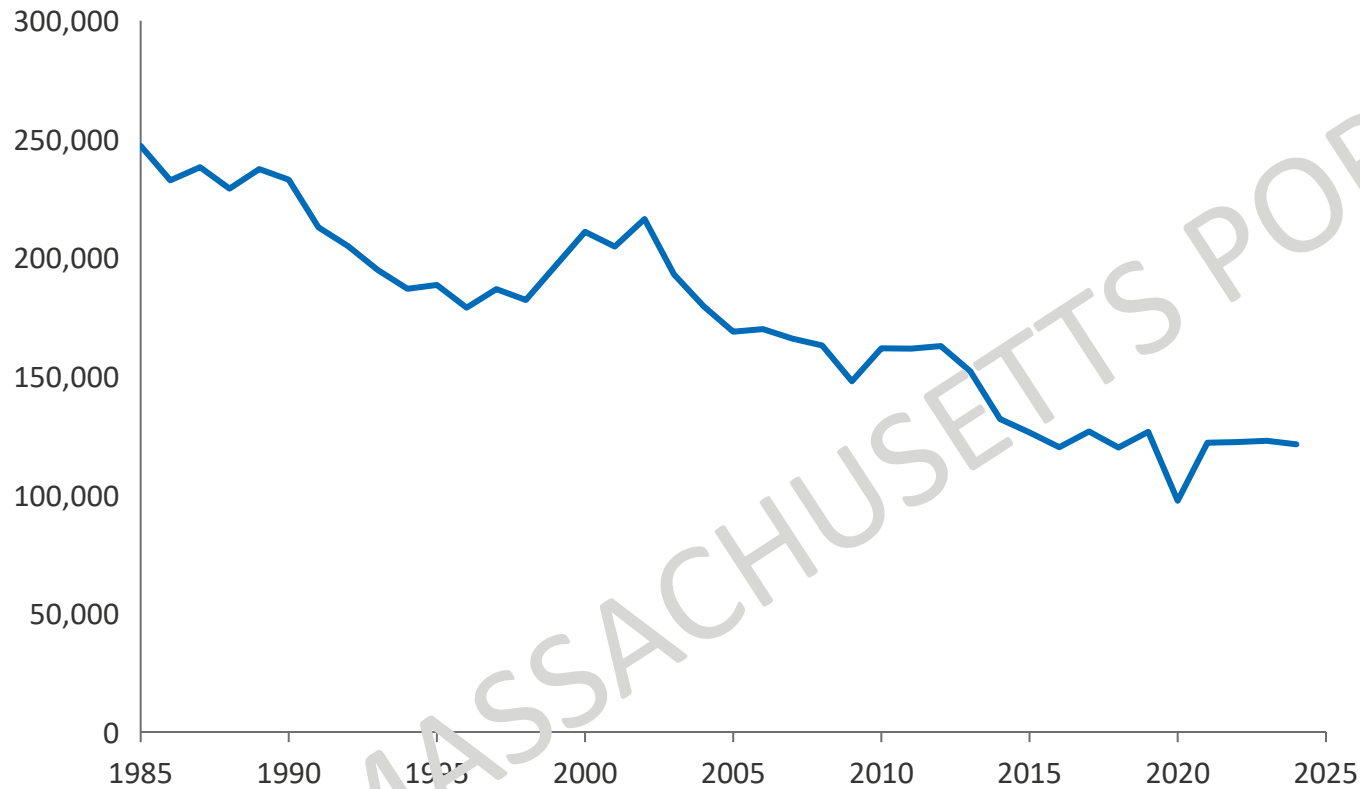


Source: FAA Terminal Area Forecast Total Operations data, 2015 to 2024 (federal fiscal years); Boston Logan annual volume stats (GA ops)

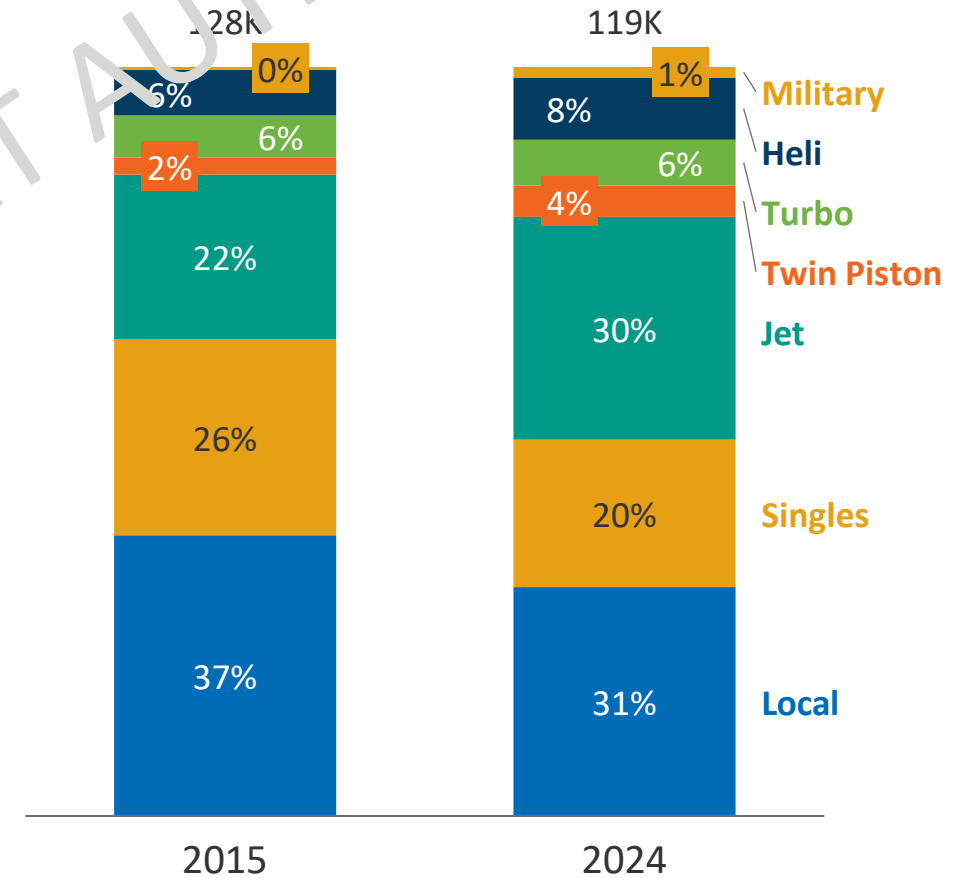


Over time, annual absolute operations have dropped at Hanscom, due to broader GA trends & shift in aircraft mix away from small aircraft towards jet operations

Hanscom's annual flight operations have fallen consistently since the late 1980s...



... with absolute reduction accompanied by shift in mix towards jet operations





The strategic plan will consider and plan for the impacts that several key technological trends may have on airport operations and passenger experiences



Artificial Intelligence (AI) and Digital Twins

Emerging applications for airport operations include AI-based gate allocation & digital twins for real-time simulation of physical assets, allowing for robust, dynamic planning and optimized operations



eVTOL & urban air mobility

Electric vertical takeoff and landing (eVTOL) and other advanced aircraft may introduce new modes of short-distance air travel, with potential need to adapt infrastructure, airspace management, and passenger services



Autonomous Vehicles (AVs)

Autonomous vehicles will introduce a new mode for passenger access to airports and has the potential to reshape regional ground transportation in the longer term



Sustainable aviation fuels (SAF)

Sustainable fuels offer a critical pathway to decarbonize air travel; Massport can help accelerate emissions reductions by supporting SAF adoption and development



Observations: Conley

1

Conley's volume of **total TEUs peaked in 2019** when we **served ~175k total containers**

- Despite some COVID-induced fluctuations, Conley's volumes are expected to remain steady around 130-150k annual throughput in the near-term

2

Conley is able to service ~80% of the global fleet of the 5 liners that call on Conley today; however, larger vessels are being built and, when including the orderbook, Conley can only service ~65% of the expected future fleet

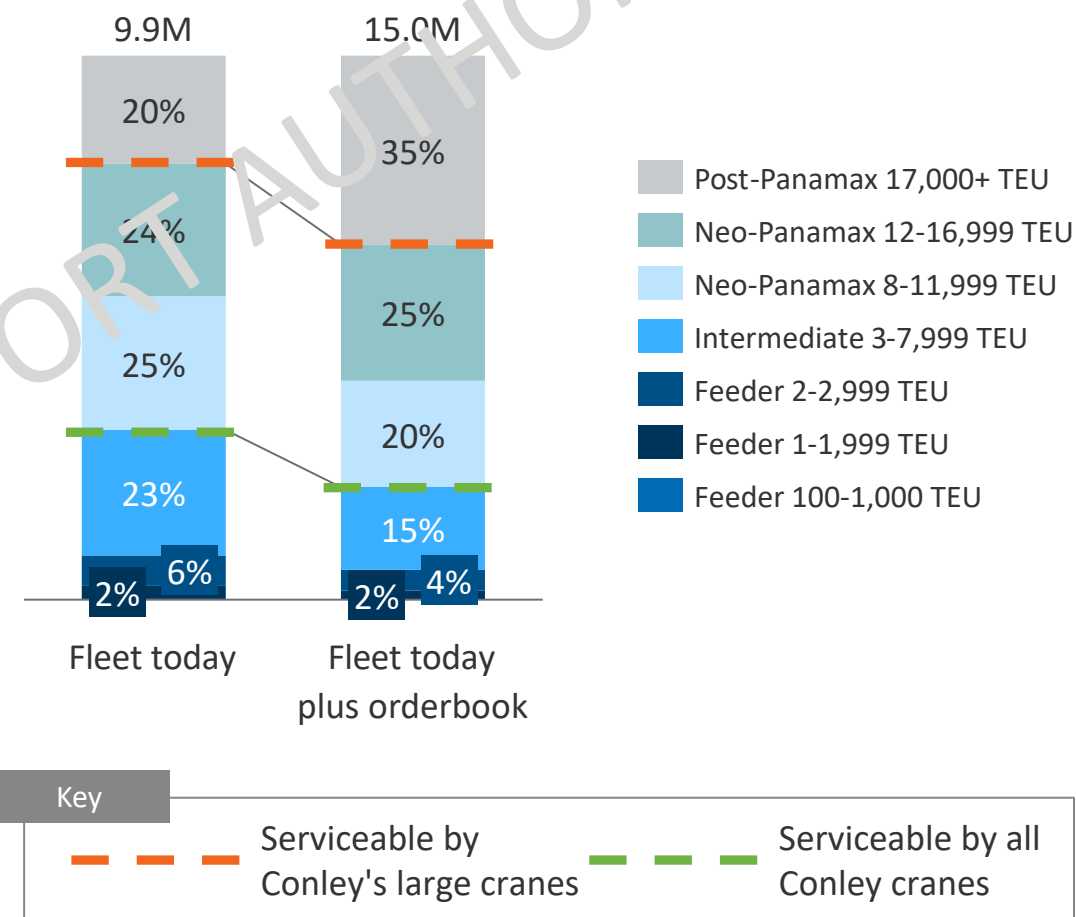
- Only 2 of 7 cranes can handle most of that volume
- Without those 2 larger cranes, Conley would only be able to service **~21% of TEU capacity** by 2035

3

Liners and shippers indicate Conley's key value and differentiator is the **ability to service vessels quickly**

- While key "must-stop" ports on the East Coast have long waits before being serviced by the port, Conley is able to service vessels quickly with little-to-no wait times

Conley's investments in larger cranes have allowed access to ~80% of TEU volumes at liners that call on Conley today; when including vessels in the orderbook, the accessible TEU volume reduces to ~65% of TEUs

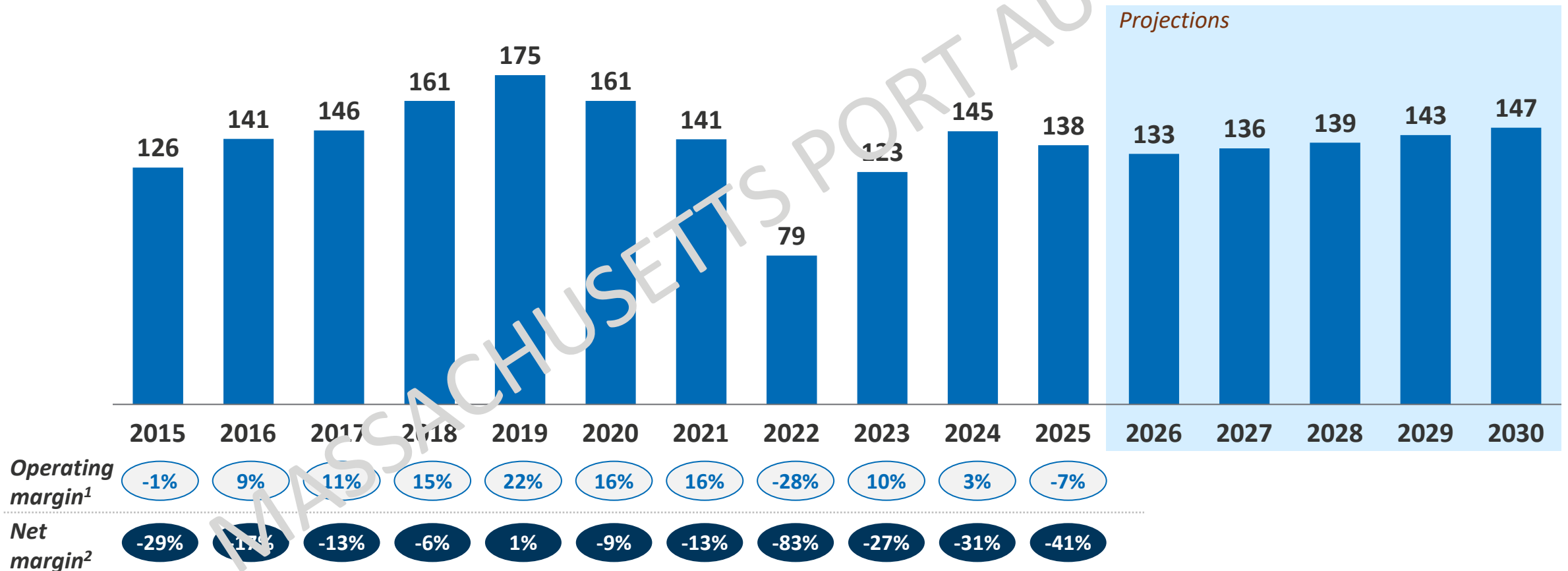


Note: Figures represent the fleet and orderbook of the 5 liners that call on Conley today
Source: Clarkson's Global Fleet Registry; BCG analysis



Conley performance | Conley's volumes peaked at ~175k containers in 2019 and are expected to remain at 130-150k in the near-term despite COVID disruptions

Conley Containers FY 2015-2030 (k)

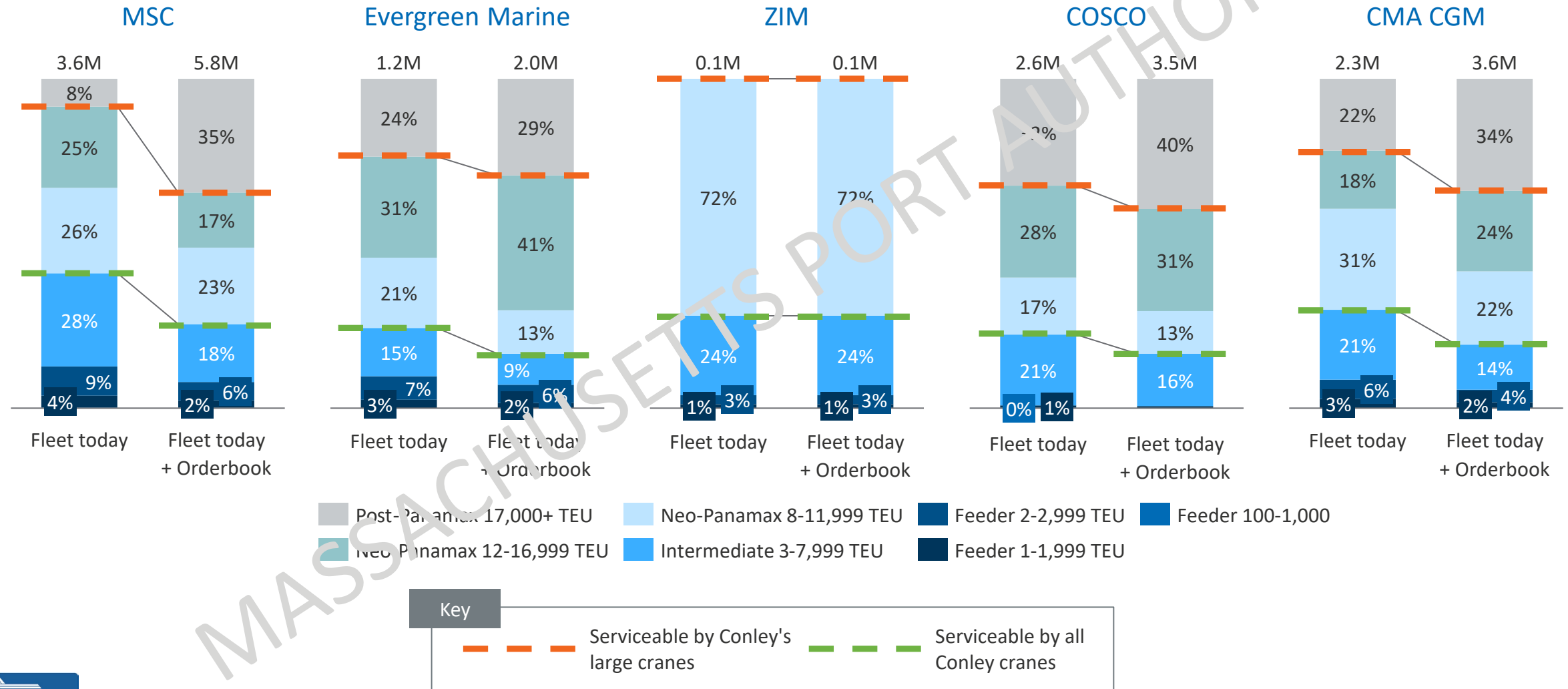


1.Excludes amortization costs 2.Includes amortization costs. Note: FY25 excludes the \$12M of non-operating revenue from the sale of a right-of-way at Conley Terminal.

Source: Massport Conley volumes 2015-2025; Massport Maritime 5-year budget



Vessel serviceability | While Conley can service ~80% of TEU capacity of the liner fleet calling on Conley today, larger vessels being built will decrease that number to ~65%





Observations: Flynn

1

The US cruise market has experienced **consistent growth of 5-6% passengers p.a.** since 2015

- Despite collapse of the market during COVID, market growth has accelerated slightly over the last decade

2

Flynn is expected to grow below market at **2-4% passengers p.a.**, primarily due to its concentration in the comparatively lower-growth Bermuda and Canada–NE markets

3

Flynn's **growth prospects are moderated by structural limits**

- Limited access to year-round Caribbean routes (40% of cruise volume), with highly seasonal demand
- Flynn currently has ~20% of the Bermuda market and ~56% of the Canada–NE market

4

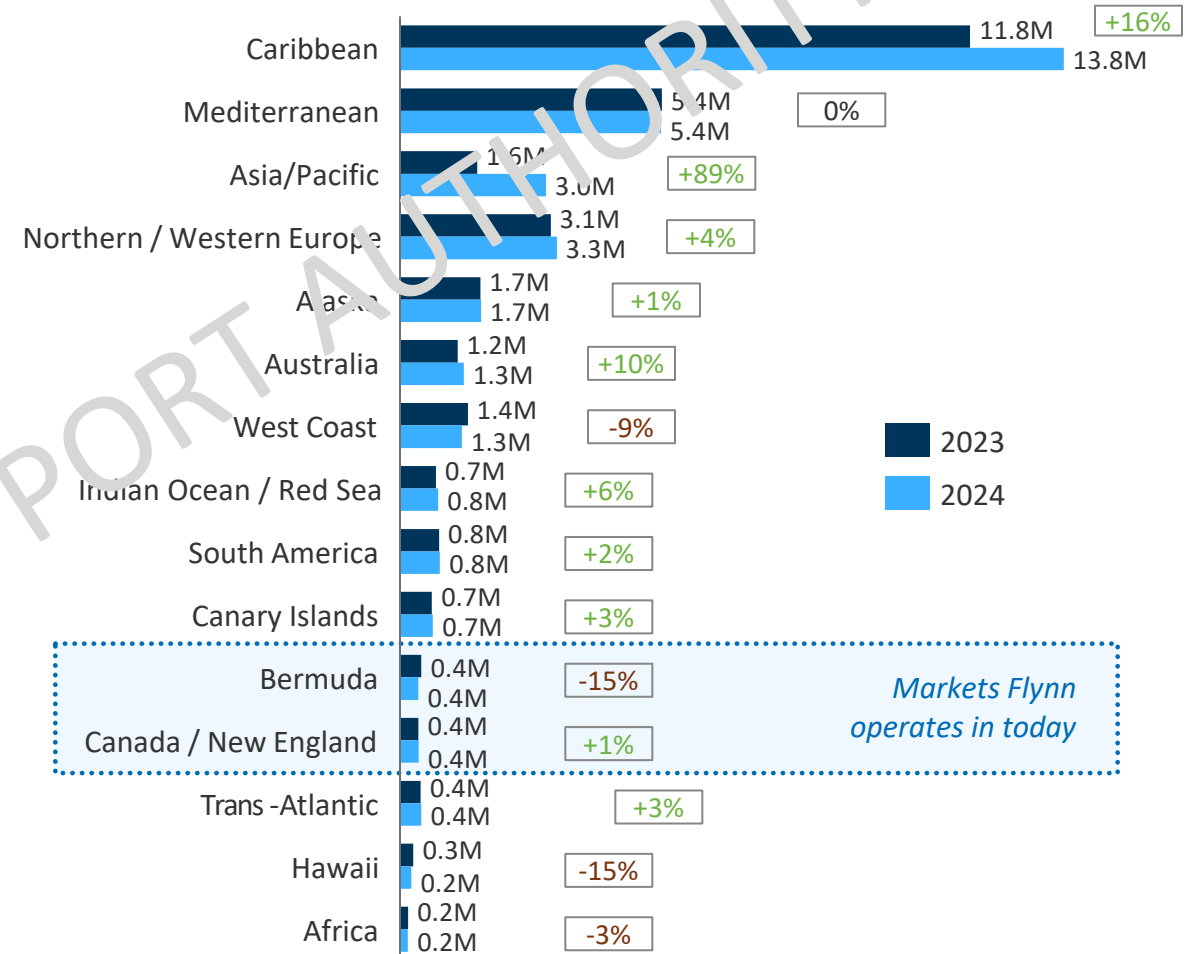
Most deployment drivers are **outside Flynn's control**

- Cruise lines prioritize geography and network/fleet deployment, factors Flynn can't change

5

Flynn's terminal building lags peers in terms of overall size and age of key infrastructure; major investments are addressing

Top 15 Cruise destination markets by size (2023-2024)



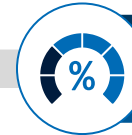
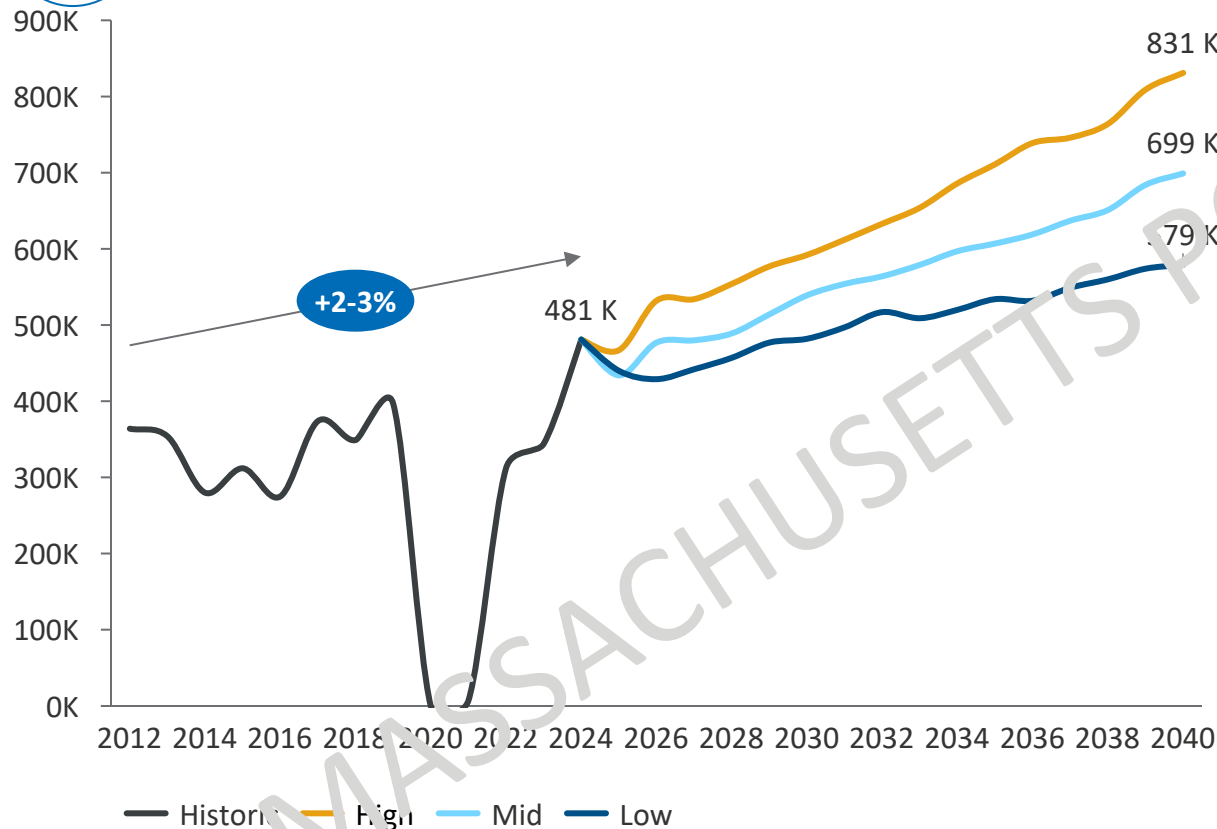
Flynn's geography and ship speeds limit access to the Bermuda and Canada / New England markets today, which are comparatively lower-growth than the cruise market overall



Cruise forecasts | Flynn is expected to maintain historic growth rates of 2-3%



Flynn Cruiseport overall cruise forecast
Revenue passengers, 2012-2040



Potential future conditions

High case: 3.5% CAGR

Strong upside. Added sailings beyond peak season, larger ships, and potential year-round homeport activity.

Medium case: 2.3% CAGR

Steady growth. Newer, larger ships replace older ones; modest operational improvements, but no major expansion.

Low case: 1.2% CAGR

Flat demand. Minimal new lines or upgrades; seasonal patterns largely unchanged.



Seasonality imposes peak volume constraints at Flynn



Flynn's cruise schedule is **highly seasonal**, with a ~57% of sailings occurring during **September and October**



95% of itineraries calling at Flynn are destined for **Bermuda, or Canada / New England**

Boston sailings by month and destination

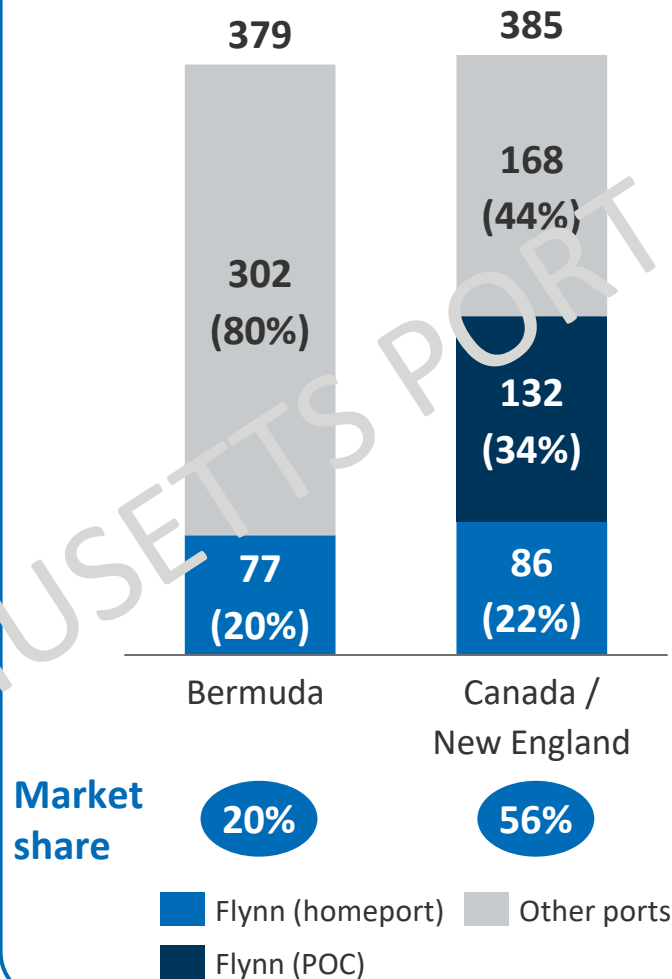
Seasonality	% Sailings by month	% Sailings by month		
	Overall	Canada / New England Only	Bermuda Only	Other
January	0%	0%	0%	0%
February	0%	0%	0%	0%
March	2%	0%	3%	0%
April	3%	1%	13%	0%
May	6%	4%	17%	8%
June	7%	4%	13%	25%
July	8%	6%	23%	17%
August	18%	12%	23%	0%
September	33%	33%	7%	17%
October	24%	36%	0%	33%
November	1%	4%	0%	0%
December	0%	0%	0%	0%
Total Sailings	167	125	30	12
Total Passengers	481k	306k	151k	24k
% of total passengers	100%	64%	31%	5%
Average sailing nights	-	10.0	7.4	N/A



Flynn market share |
Flynn captures sizeable share of the total market to their two key destinations, limiting upside potential

Annual actual passenger volumes 2024 (k)

Takeaways



- Flynn captures a **significant share** of volumes in the Bermuda, and CNE markets in 2025, limiting potential upside opportunity within these markets
- Due to the relatively small size of the key regions it serves, its growth potential may be **more modest** than homeports serving more expansive markets



Observations: REAM

1

The RE market in Boston has **struggled post-COVID**

- Office, Lab, and Industrial have all **meaningfully declined** (80%+) with little prospect of a near-term turnaround
- **Residential is an outlier**, with the highest unit deliveries post-COVID expected in '27

2

"New" Blue Economy represents a **growing segment of water-dependent businesses**, with a market size of \$12-16B and projected growth of 8-10%

- **Massport can influence critical criteria** where Boston is less competitive (permitting, infrastructure)

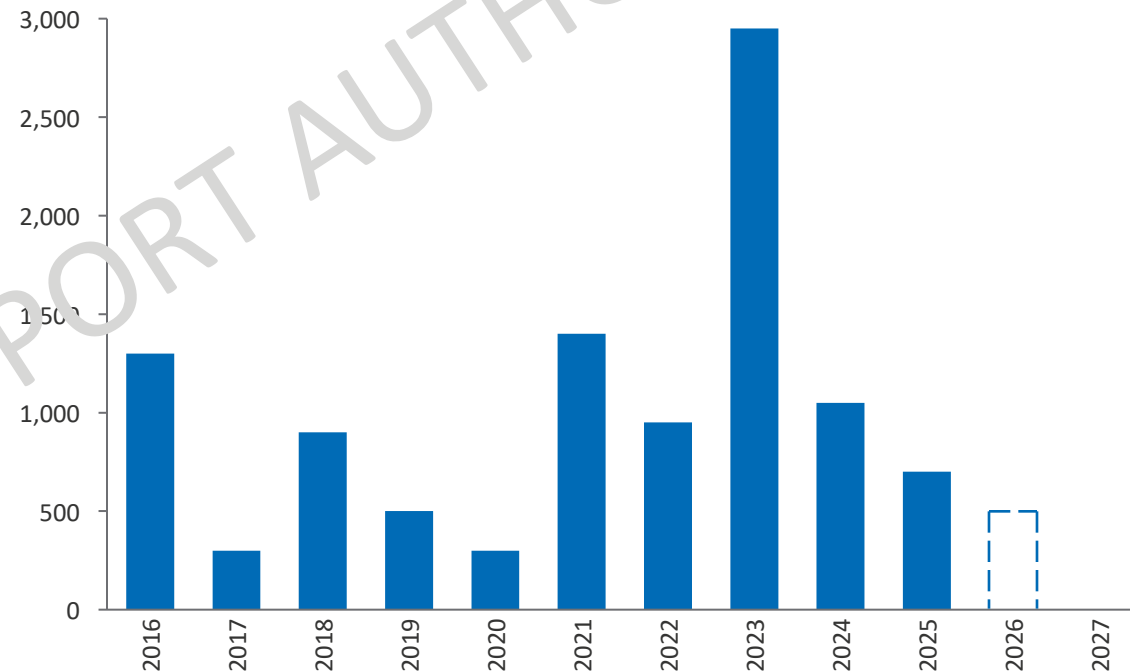
3

There are several **unique opportunities for property acquisition**

4

REAM spends ~\$0.1M on placemaking each year, **representing a lower portion of total budget than most peers**

Estimated Boston office completions (sqft, in thousands)

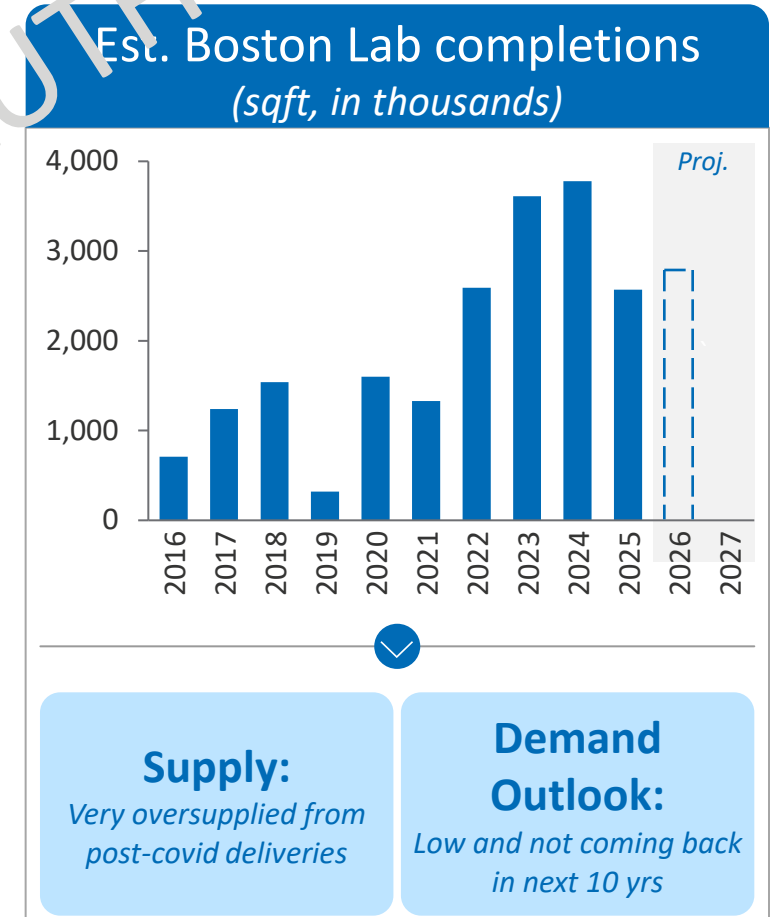
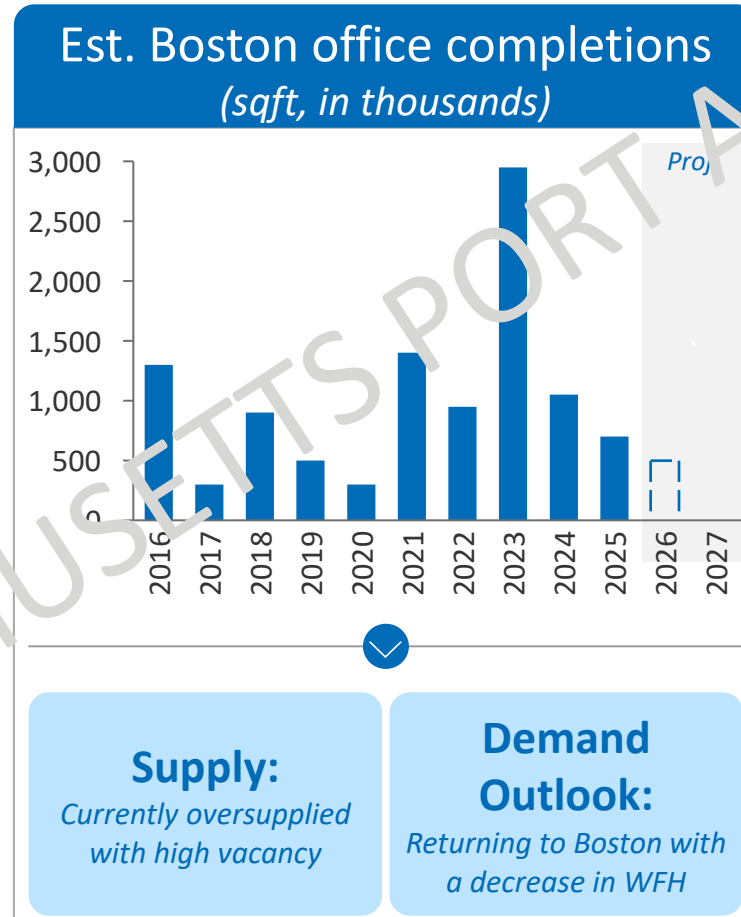
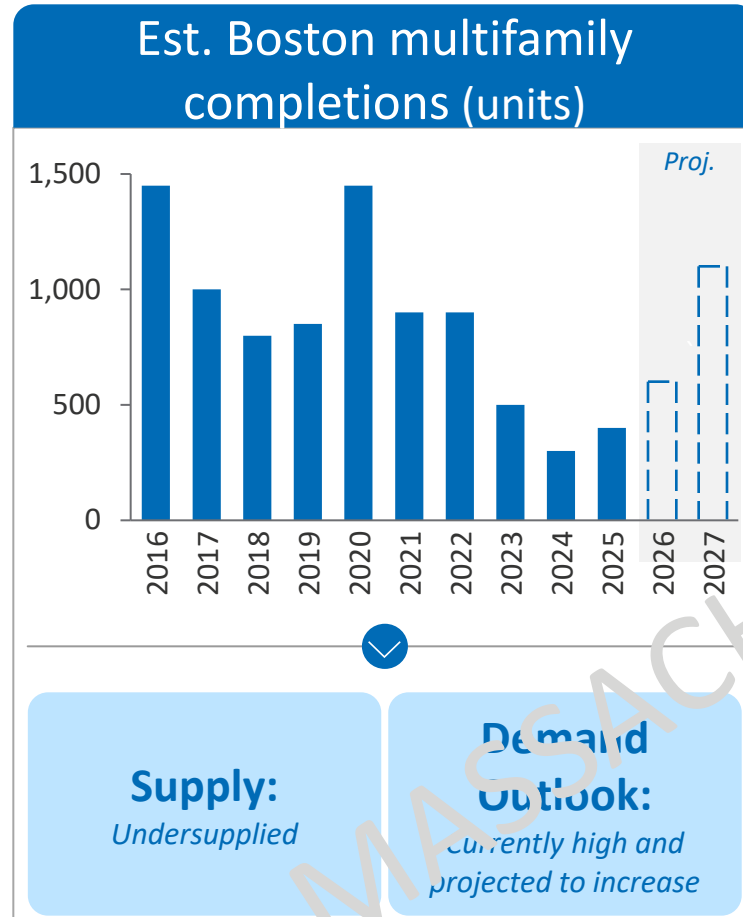


Boston's real estate market has fallen post-COVID, except for residential, limiting the demand for new development, but presenting unique opportunities for Massport



Residential is the most viable asset class in Boston today for Massport development—provided it can align with Massport's mission and strategy

High rates, high construction costs, and supply-demand imbalance makes most development unattractive in the current market

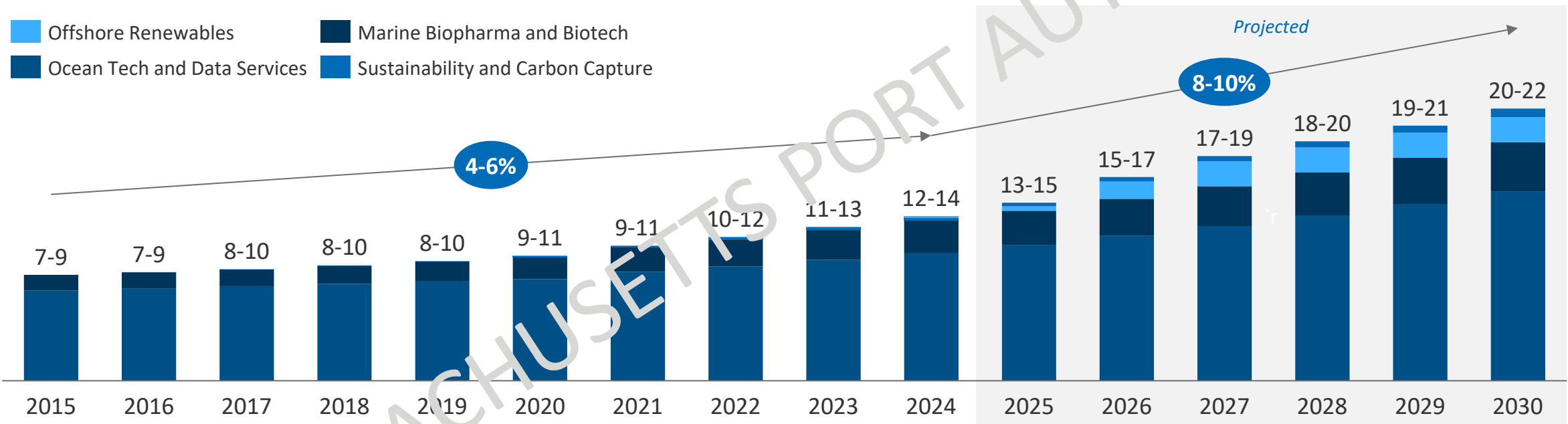




The "New" Blue Economy represents a \$12-14B market in the US, with market growth accelerating to 8-10% p.a. as new segments develop

Preliminary analysis; To be refined

Annual US market size of "New" Blue Economy (\$B)



	Ocean Tech & Data Services CAGR	Marine Biopharma and Biotech CAGR	Offshore Renewables CAGR	Sustainability & Carbon Capture CAGR
2015-2024	3-5%	7-9%	63-65% ¹	44-46% ²
2025-2030	6-8%	6-8%	59-61%	16-18%



1. Started from nearly \$0 market size in 2015; 2. Ranges from 2020 to 2024
 Source: NOAA; Verified Market Reports; NREL; Statifacts; Precedence Research; Maximize Market Research; GMI Insights; The Insight Partners; BCG analysis



Placemaking can be used to...

MASSACHUSETTS PORT AUTHORITY



Strengthen asset performance

Make REAM parcels easier to lease and operate by upgrading the public realm (wayfinding, lighting, activation), **extending dwell time, boosting lease value, and improving overall tenant appeal**



Increase economic impact

Leverage placemaking by programing markets, kiosks, and events **to generate revenue, create jobs, and drive broad economic development benefits** for the local economy



Support surrounding communities

Strengthen relationships and trust with local Boston communities by assisting development **to create vibrant places**

Observations by key cross-cutting topic: Digital/AI, Workforce, Sustainability & Resilience



Digital / AI

- **Rapid evolution** of AI chatbots, IoT sensors, digital twins, automated/ autonomous systems & decisions; require **clean, accessible data**
- Increasing generation of data and ability to **leverage data** for KPI tracking & strategic insights
- **Growing** employee, customer, and passenger **expectations** for digital-enabled, seamless experiences
- **Exploration of digital & AI tools** by employees, passengers, partners
- AI is expected to yield significant **productivity gains** across workforce



Workforce

- **Workforce demographics** are evolving
- Increasing **difficulty recruiting and retaining talent**
- Employees expect greater optionality and **flexibility of work experience**, especially remote work
- Organizations must **upskill employees** to meet the rapidly changing **digital needs** of the modern workplace
- Boston **wages are rising** faster than national average, and even faster in aviation and port ops



Sustainability & Resilience

- Mounting **pressure to meet Net-Zero** commitments; **tracking of emissions** (Scope 1-3) increasingly common, including from partners, customers, and tenants
- Conley, Flynn, & Seaport at **greatest risk of storm surge / flooding** and sea-level rise
- Emerging solutions such as **SAF, shore power & alternative marine fuels** key to decarbonization, but scale-up remains a challenge
- **External agency funding** is available for sustainability, with greater emphasis on progress **tracking and reporting**

AI can transform capacity, safety, and environmental performance in Massport operations through overlapping and reinforcing measures



Key trends in AI

1

AI-Driven Operational Efficiency (Predictive Maintenance & Resource Optimization)

AI-powered analytics are transforming enormous amounts of data into actionable insight to optimize operations at airports and seaports

2

AI-Powered Passenger Experience and Services

AI-driven tools are enhancing the passenger journey at every step, providing support and personalized recommendations for a more enjoyable trip

3

Advanced Safety and Security through AI

AI is enabling more intelligent surveillance, threat detection, and emergency response, augmenting human security teams across airports

Wrap-up & next steps

5 minutes



Next steps: Areas of continued analysis



Aviation

- What options should Massport consider to improve passengers' experience accessing Logan while minimizing congestion? How can Massport best partner with partners/stakeholders?
- What operational (e.g., digital, policy) and physical improvements could Massport make to improve the efficiency/use of existing space on Logan's airfield?
- What are the key opportunities for Logan to improve passenger experiences?
- How can Massport best leverage our network of aviation assets?
- What opportunities does Massport have to support aviation innovation & sustainability?



Maritime

- How can Conley best improve operational efficiencies to remain competitive with peers?
- What impact would additional infrastructure investments in Conley have on future volumes?
- Are there any value-added services that could be worth offering to Conley customers?
- What are the key opportunities for Flynn to improve customer experience and throughput?
- What are the best uses for Flynn properties in the off-peak cruise season?
- How can we best leverage our land to meet Maritime operational needs?



REAM

- Given real estate market cycles, what options does Massport have to use undeveloped land?
- How can we best optimize the existing land to meet operational needs, financial returns, and community impact? What partnerships would support these goals?
- What is the checklist/success criteria through which Massport evaluates parcel acquisitions?
- How much can placemaking initiatives improve asset performance and economic impact, and what KPIs should be tracked against them?



Next Steps: Topics to address in future sessions

Strategic priorities and key initiatives, by asset and cross-cutting theme

Draft/narrative of Strategic Plan

Community and external engagement

Audit and Finance

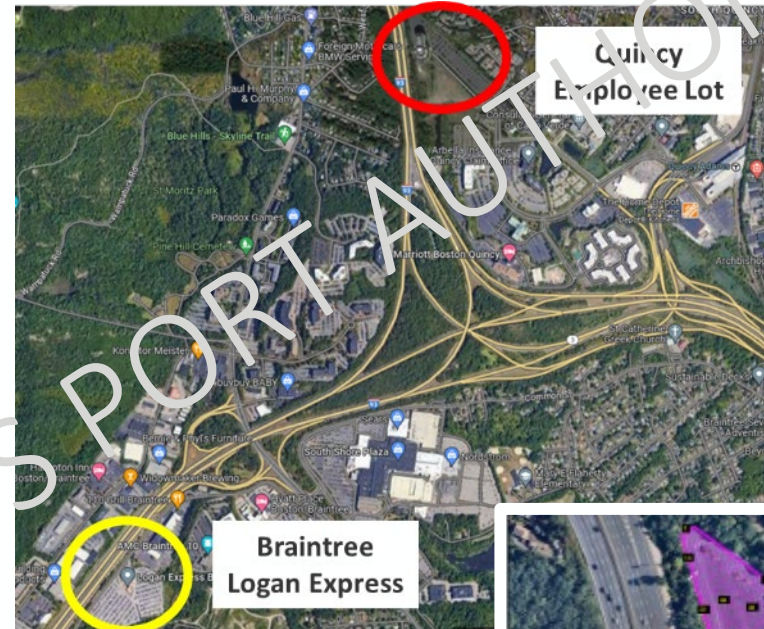
Quincy Parking License Amendment (Braintree Logan Express Employee Parking)

Daniel Gallagher

October 16, 2025

Background

- Existing Braintree Logan Express (LEX) site has approximately 1,800 parking spaces
- Due to increased LEX ridership, employee parking and shuttle operations were relocated to a new site in Quincy in February 2023 to create additional capacity for airline passengers at Braintree
- The existing Quincy Employee Lot has 700 spaces
- Employee LEX ridership is exceeding historic levels and Quincy parking demand frequently exceeds capacity
- Staff negotiated 100 additional parking spaces at the Quincy Employee Lot for an additional \$10,965 per month



Recommendation

Authorize staff to execute an Amendment with Crown Colony Office Park LLC (“Flatley”) for an additional 100 parking spaces for an additional \$10,965 per month for a total current annual license fee of \$1,041,695

Navy Hangar Project Section 61 Findings

Dan Gallagher

October 16, 2025

Runway Realty Ventures (RRV) received approval on Notice of Project Change for R&D use of the Navy Hangar

Background:

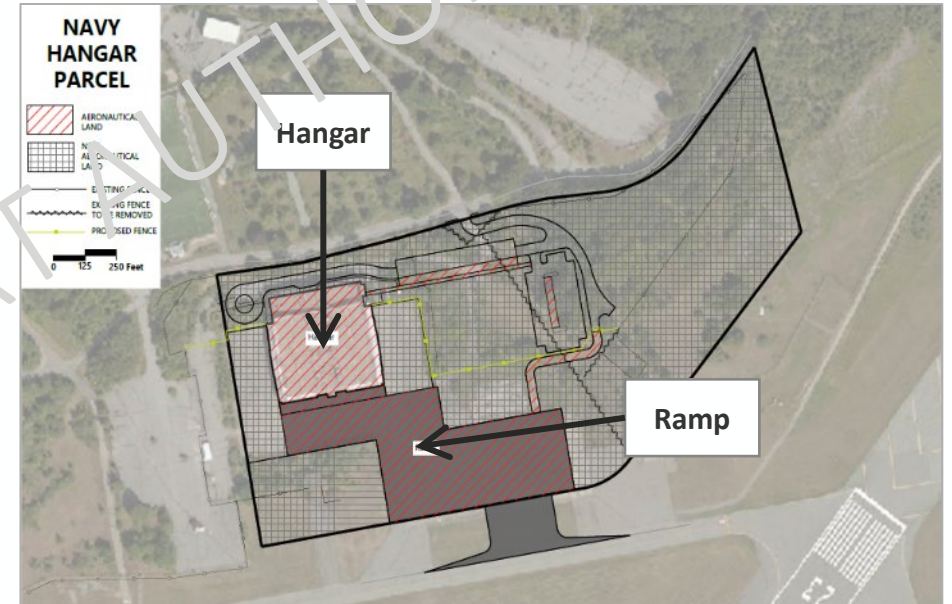
- Term Sheet for land swap and access agreement with Runway Realty Ventures LLC (“RRV”) voted by the Board on **October 20, 2022**
- In **May 2025**, RRV proposed to repurpose the Navy Hangar for two uses: **research and development** and **medical missions**, instead of the originally planned corporate aviation use
- R&D use is consistent with the hangar’s historic use
- Potential to add over 100 jobs, with an average salary of \$100,000+

Update:

- **MEPA Process:** RRV filed and received Notice of Project Change approval

Process:

- **Massport Board votes on Section 61 findings** after MEPA approvals
- **NEPA Process:** FAA reviewing Notice of Proposed Construction or Alteration
- Massport and RRV to execute previously approved through-the-fence agreement, land swap agreement and land conveyance
- RRV to obtain Town of Bedford Zoning and Building Permits



Section 61 Findings

- Regulations require Massport to issue a Section 61 Finding(s), whenever it takes an agency action for a project that requires an Environmental Impact Report
- Land swap and through the fence agreement are considered agency actions
- Proponent's mitigation measures to environmental impacts are incorporated into the Section 61 Findings

Environmental Impacts Mitigation	Schedule	Estimated Cost	Responsible Party
Replacement of 1.35 acres of pavement with six (6) inches of seeded soil	During Project Development	Part of Proponent's Development Costs	RRV
Installation of 35 electric vehicle (EV) charging stations, including two (2) EV charging stations for public use	During Project Development	Part of Proponent's Development Costs	RRV
Construction of a new stormwater management system that meets the Massachusetts Stormwater Management Standards and is sized with capacity for future storm event	During Project Development	Part of Proponent's Development Costs	RRV
Implementation of a Transportation Demand Management program to minimize single-occupancy auto trips	During Project Development	Part of Proponent's Development Costs	RRV
Water-conserving plumbing fixture and reduced use of water for landscaping	During Project Development	Part of Proponent's Development Costs	RRV
A high-efficiency building envelope and heating, cooling, and ventilation systems in the Navy Hangar which exceed 2023 Stretch Code Baseline requirements	During Project Development	Part of Proponent's Development Costs	RRV
Installation of a 294.4-kilWatt(kW) rooftop solar photovoltaic (PV) generating system on the Navy Hangar building subject to historical considerations	During Project Development	Part of Proponent's Development Costs	RRV
Implementation of construction-period measures to minimize noise, air quality, transportation, and water quality impacts	During Project Development	Part of Proponent's Development Costs	RRV
Relocation of Through-the-Fence license area as required by Natural Heritage to avoid a "Take" of Midland Sedge	During Project Development	Part of Proponent's Development Costs	RRV

Board Recommendation

Staff recommends that the Board approve the Section 61 Findings for the Navy Hangar Project at 154 Hartwell Road Bedford, MA. The Section 61 Findings specify in detail the project's impacts to the environment and mitigation of such impacts for which RRV shall be responsible.

FY25 Authority-wide Audited Financial Statements

John Prankevicius

October 16, 2025

FY25 Financial Statement Highlights

- Ernst & Young (EY) issued a “**clean (unmodified) opinion**” and no material weaknesses

Business Activity & Financial Highlights:

- Logan Airport served 43.9 million passenger, +4.8% - another all time high
- Flynn Cruiseport Boston serviced 465K pax, +22% passenger growth, while Conley Terminal serviced 247K TEU's (-4.6%)
- **Operating Revenues totaled \$1.23 billion, highest benchmark of record**, a 7.5% increase over FY24
 - Increasing business activity at Logan, Maritime, and Real Estate drove operating revenues \$88 million higher
- **Business line income generation improved by \$21 million, or 4% YoY**
- **Depreciation, Pension, and OPEB expenses increased \$32 million from new assets placed into service and the amortization of actuarial investment gains**
- **The Authority's Net Position (Balance Sheet) improved 14%** aided by grants, non operating revenues, and operating income
- **Authority cash flows increased 15%** as business activity improved, cash collections increased, debt was paid down, and costs were contained

FY25 Operating Revenues were \$1.23 billion, the highest revenue performance of record

Operating Revenues improved 8%, an increase of \$88 million

- **Logan Airport: \$1.06 billion, up \$77 million, or 7.9%**
 - Passenger volume contributed to higher concession revenue (\$+8.8M), on- and off-airport parking (+\$3.7M) and revenues from on-airport and Logan Express (LEX) shuttle bus operations (+3.7M)
 - Airline revenue payments from terminal rents (+\$50M), landing fees (+\$12M), and aircraft parking (+\$2.1M) increased due to the recovery of capital investment and operating costs
- **Hanscom produced \$25.7 million in revenue, up \$4.4 million, or 20%**
 - Ground lease revenues (+\$4.4M) from fixed based operators increased due to a lease term accounting adjustment recorded last year
- **Worcester Airport generated \$3.2 million in revenue, a \$0.1 million reduction**
 - A 2% decline in passenger volume reduced revenues from rental car commissions, on-airport parking, and fuel flowage
- **Maritime: \$99 million, up \$3.2 million, or 3%**
 - Cruise revenues were \$3.2M higher from a 22% increase in cruise passengers (+83K)
 - Conley revenues increased \$0.7M, or 1%, as new shipping line box rates were negotiated to offset increased stevedore labor costs.
 - Fish Pier rents were \$0.7M lower from tenant relocations required during major roof repairs
- **Real Estate: \$48.6 million, up \$1.2 million, or 2.5%**
 - Rental and parking revenues increased by \$1.0 million, or 2.5%
 - Other revenues increased \$200K from license agreements and dockage fees

FY25 Expenses totaled \$1.045 billion, a 10% increase driven by higher business demand, higher Depreciation and GAAP expenses related to Pensions & OPEB

Operating Expenses totaled \$644 million, an increase of \$65 million to accommodate increased business demand

- **Logan expenses were \$396 million**, a \$46 million increase to accommodate more passengers including:
 - \$15.2 million for terminal facility upkeep and maintenance for four new Terminal E gates, cleaning and waste management, and snow removal
 - \$14.6 million for personnel costs reflects collective bargaining, merit awards, higher health insurance premiums, Sumner Tunnel closure expenses, and 2.6% increase in staffing
 - \$9.8 million for On-airport and LEX shuttle bus services to accommodate passengers and employees
- **Worcester and Hanscom expenses were \$29 million**, a \$3.8 million increase due to increased facility maintenance and upkeep
- **Maritime & Real Estate expenses were \$96.4 million**, a \$8.3 million increase including:
 - \$4.4 million for stevedoring labor, \$1.2 million for snow removal from higher storm activity, \$3.7 million of labor costs for collective bargaining, merit awards, and higher health insurance premiums, offset by lower real estate consulting services
- **G&A expense was \$80.5 million**, a \$6.2 million increase from due to SaaS licensing agreements for Enterprise Resource Planning and Human Capital Management initiatives, marketing, and labor expense for merit awards and health insurance premiums
- **PILOT payments to Boston and Winthrop totaled \$26.2 million**, a \$0.3 million, or 1.2%, increase

Depreciation and Pension & OPEB expenses were \$401 million, an increase of \$33 million

- **\$379 million of Depreciation expense** reflects a \$19.2 million increase from \$240 million in new assets
- **\$22 million of Pension & OPEB expenses**, increased \$13.4 million from completed amortization and actuarial investment gains

Operating Income is \$189 million, or 15% of revenue; earnings transferred to capital budget to fund \$3.8B FY25-FY29 CIP

<i>(in millions)</i>	FY25	FY24	\$ Change	% Change
Revenues	\$1,234	\$1,150	\$84	7%
Operating Expenses	(\$644)	(\$579)	(\$65)	11%
Depreciation, Pensions & OPEB	<u>(\$401)</u>	<u>(\$368)</u>	<u>(\$33)</u>	<u>9%</u>
Operating Income	\$189	\$203	(\$14)	6.7%
Operating Income Margin	15%	18%		(16.7%)
Non-Operating Income, Net	\$240	\$189	\$51	27%
Capital Contributions	<u>\$83</u>	<u>\$91</u>	<u>(\$8)</u>	<u>(8.7%)</u>
Change in Net Position	\$512	\$480	\$32	6.7%

- **Non-Operating income was \$240 million, a \$51 million increase over FY24 including:**
 - \$3.0 million in PFC/CFC revenues from higher passenger volume and rental car transaction days
 - \$6.6 million in investment income from higher interest rates and cash balances
 - \$16 million from 776 Summer St deed restriction payment and an increase in fair market value of fixed income investments
 - \$24 million reduction to interest expense from \$110M bond defeasance and principal reduction
- **Capital contributions from federal and state grants totaled \$83 million, an \$8 million decrease over the prior year**

The Authority's Balance Sheet improved 14%, as Net Position increased by \$513 million

Total Assets: \$9.8 billion, increased \$344 million, or 3.6%

- \$155 million increase in restricted and non-restricted investments, cash, cash equivalents, and receivables
- Capital Assets increased \$185 million on the cost of new assets being placed into service
- Non-Current Assets increased \$4 million from interest on long term ground leases with real estate tenants

Deferred Outflows: \$65 million, decreased \$35 million, or 35%

- Pension and OPEB outflows declined \$35 million from completed amortization of prior year investment returns

Total Liabilities: \$3.5 billion, decreased \$146 million, or 4%

- Bonds payable decreased \$212 million due to a debt defeasance and principal payments on bonds
- Other liabilities decreased \$24 million from a reduction in Pension and OPEB liabilities
- Current liabilities increased \$90 million primarily from payments due to our partners and contractors at year end

Deferred Inflows: \$2.15 billion, decreased \$57 million, or 3%

- Real Estate lease receivables decreased \$45 million from developer payments
- Pension and OPEB balances decreased \$10 million as prior year losses were amortized
- Bond refundings were \$2 million lower as premiums were amortized during the year

The Authority's cash liquidity position improved 15% from higher business activity, increased collections, cost controls, and matured investments

Analysis of the Authority's Cash Flow Statement: Net Cash Increase (in millions)

	<u>FY25</u>	<u>FY24</u>	<u>Change</u>	<u>Observations</u>
Operating Activities	\$513	\$490	\$23	4.7% increase in cash generated from increased business activity at aviation and maritime facilities
Capital & Financing Activities	(\$543)	(\$334)	(\$209)	Cash used for capital projects, \$110 million debt defeasance and debt service payments to bondholders
Investing Activities	<u>\$127</u>	<u>(\$99)</u>	<u>\$226</u>	Cash generated from matured investments
Net Cash Increase	\$96	\$58	\$38	Improved liquidity
Total Change in Liquidity	15%	10%		

Assent Agenda