

**Massachusetts Port Authority
Board Meeting**

January 19, 2023



MASSACHUSETTS PORT AUTHORITY

Public Session

MASSACHUSETTS PORT AUTHORITY



Chairman's Comments

Gina Fiandaca to join Massport Board as new Secretary of Transportation

wbur

Healey picks former Boston official Fiandaca as transportation secretary

December 23, 2022

By Michael P. Norton and Chris Lisinski, State House News Service



Gina Fiandaca pictured in Boston on March 29, 2018. (Jonathan Wiggs/The Boston Globe via Getty Images)

- Since May 2019, she served as the Austin, TX Assistant City Manager responsible for outcomes and strategies of Austin's Strategic Direction, Strategic Mobility Plan and Imagine Austin Transportation Vision, across multiple departments:
 - Transportation
 - Public Works
 - Fleet Services
 - Austin Water Utility
 - Aviation
- She was the Commissioner of the City of Boston's Transportation Department in Mayor Walsh's administration from 2015 to 2019
 - Responsible for ensuring safe, efficient and equitable access on the city's street system
 - Oversaw transportation planning, traffic management and engineering, roadway signage and parking enforcement
 - Developed the city's Go Boston 2030 transportation plan
- East Boston native

Thank you, Secretary Tesler for your service to the Commonwealth and Massport



Report of the CEO
Lisa Wieland

Massport Goals – FY 2023

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

TSA found a record number of firearms at airport checkpoints in 2022, including Logan Airport



Record number of firearms detected at New England airports in 2022

Local Press Release
Wednesday, January 11, 2023



BOSTON – Transportation Security Administration (TSA) officers at six New England airports detected a record 46 firearms in 2022, three more than the previous record of 43 in 2018.

The increase in firearms detected at New England airports mirrored what happened around the country. Throughout 2022, TSA officers nationwide detected a record 6,542 firearms in carry-on bags or on passengers at checkpoints. At New England airports, TSA saw a firearm detection rate of approximately one firearm for every 565,220 passengers. Last year's rate was approximately one for every 442,800 passengers.

Nationally, 88% of firearms detected by TSA officers were loaded. In New England, the rate of loaded firearms detected was 87%.

Massport hosted DHS Homeland Security's Blue Lightning Initiative Anti-Human Trafficking Awareness Training

- January has served as National Human Trafficking Prevention Month
- Goal is to raise awareness and educate members of the airport community on how to identify and prevent this crime
- Course held at Logan Airport specifically addressed:
 - Types of human trafficking
 - Indicators in an aviation environment
 - Myths and misconceptions commonly associated with trafficking
 - How to report suspicious activity to protect the victim
 - Resources available to aviation and hotel industry to combat these crimes
- Several Massport departments and stakeholders participated:
 - Massport Fire-Rescue, Massport Police, Massport Aviation Security, Massport Operations, State Police, U.S. Customs and Border Protection, TSA, multiple airlines, and partner hotels

#TacklingTrafficking

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

Jan. 10, 2023 10:00 – 11:30am EST
Jan. 10, 2023 2:00 – 3:30pm EST
Jan. 11, 2023 10:00 – 11:30am EST
Jan. 11, 2023 1:00 – 2:30pm EST

Massport Aviation Administration, Briefing Room
[See registration page for detailed directions.](#)

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

This training will cover the following topics:

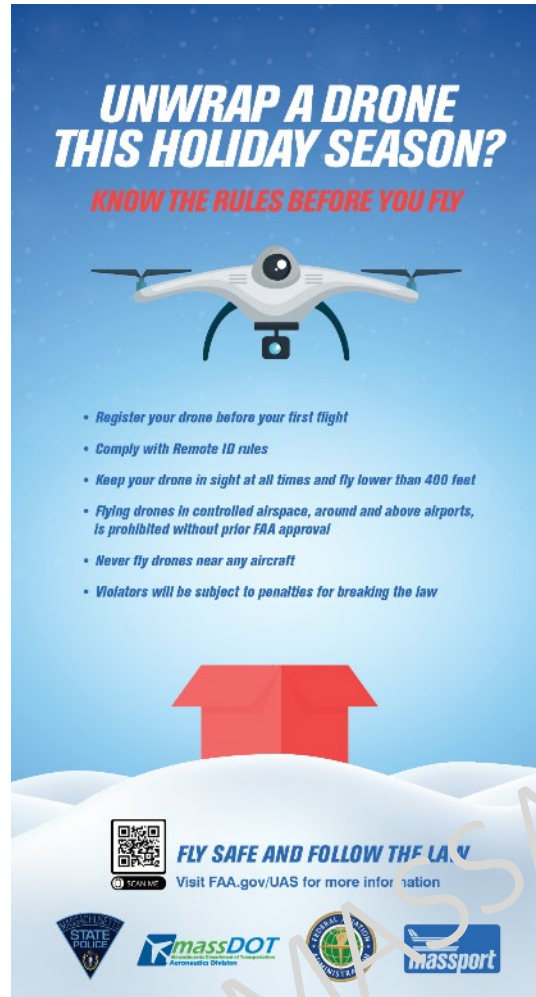
- Human trafficking 101
- Indicators of human trafficking in an aviation environment
- Myths and misconceptions commonly associated with human trafficking
- Case examples with a nexus to air travel
- Reporting potential human trafficking to include the victim centered approach
- Resources available to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

REGISTER TODAY





Massport launched an 8-week holiday drone campaign on December 26th to educate new owners about drone use safety



Print



Static and Animated Social



Social Video

Financial Performance: November 2022

Activity Highlights

- Logan served 3.3M passengers
- Conley Terminal processed 11,100 containers
- Real Estate revenues exceeded plan by \$1.1M
- Expenses were \$30K above budget

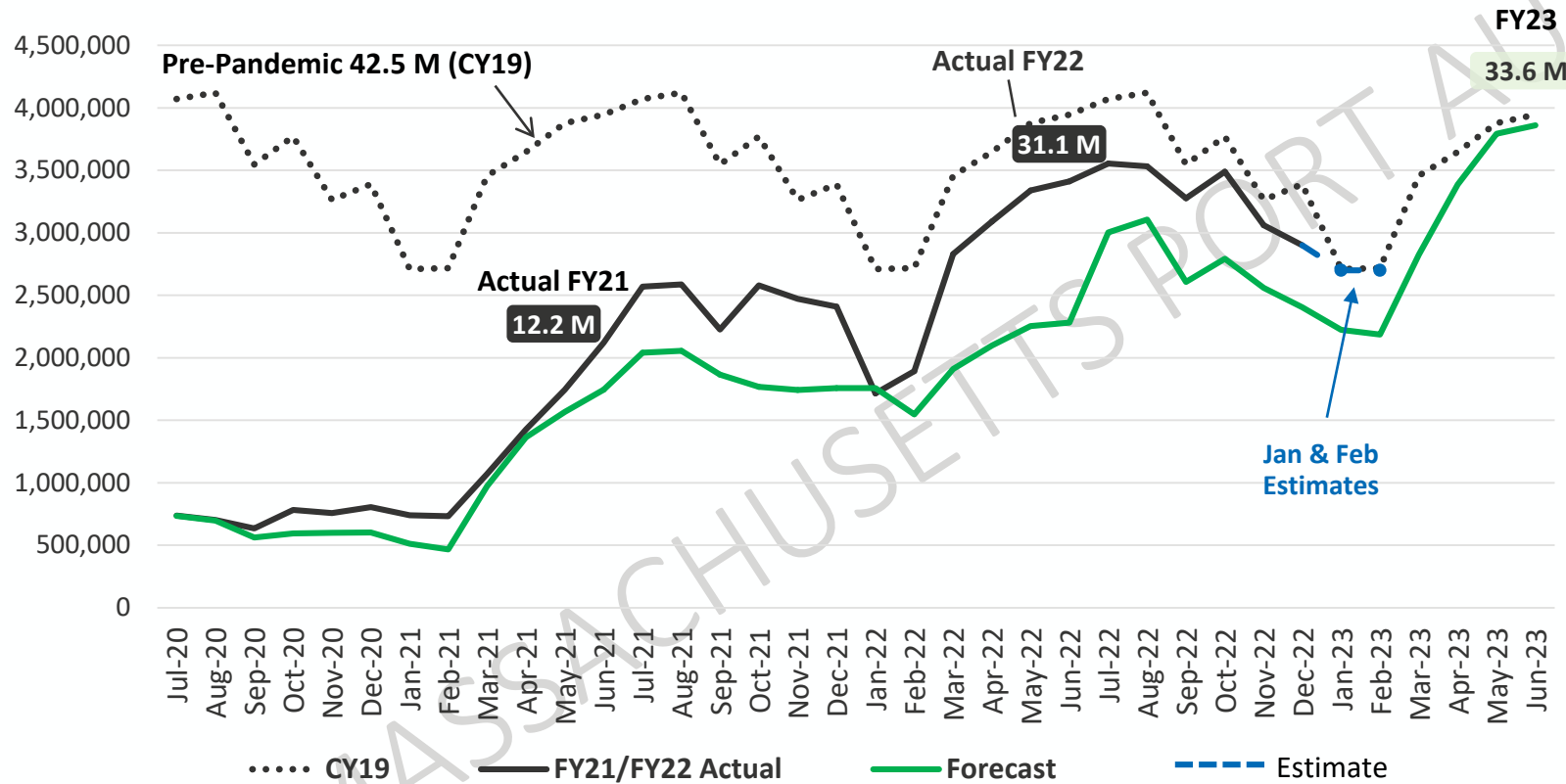
Financial Results

Revenues	\$92M
Expenses	<u>(\$71M)</u>
Contribution	\$21M

November contribution will be used to fund HOV initiatives, the FY22-24 Capital Program, and matching funds for Logan Airport BIL grants

Logan's passenger volume is trending upward, but a full recovery is not expected until after FY23

Forecast of Logan Passengers FY22 to FY23



Positive Trends Continue but Headwinds Remain

- Domestic business travel appears to be ticking upward
- Airlines face supply challenges: pilot shortage, delayed aircraft deliveries, and FAA air traffic controller staffing issues
- COVID-19 new variants and impacts on staffing and travel over the winter
- Ongoing conflict in Ukraine
- Possible U.S. and global economic recession

Massport hosted the 9th Annual Business Diversity Summit to help small, diverse vendors learn about opportunities to do business with Massport

- Over 125 businesses participated in the live virtual summit to learn about upcoming procurements across Massport's business lines and RFP/RFQ requirements
- The program included a live Fireside chat with Lisa Wieland, Massport CEO & Leslie D. Hale, President and CEO RLJ Lodging Trust and Delta Air Lines Board member
- The summit also featured workshops on upcoming opportunities in FY23 & FY24 and the RFP/RFQ Processes and Requirements for doing business with Massport



Massport exceeded its DE&I goal for Charitable Contributions for the first half of FY23

Contributions

- **FY23 DE&I Goal:** Award **50%** of Massport's Charitable Contributions Program budget to organizations that serve predominately people of color
- **FY23 Actual:** **59%** of funds awarded to organizations or programs that serve predominately people of color
- 25 organizations received grants totaling \$118,500
 - 13 organizations serving predominately people of color received grants totaling \$70,000 in Q1 & Q2
 - 11 organizations are run by or have a person of color on the executive leadership team

Funded Organizations in Q2 Meeting DE&I Goal:



Worcester Public Schools
Innovat on Pathways Program



YMCA of Central MA
Greendale Branch, Worcester



Teen Center at St. Peter's



Other Funded Organizations in Q2:



Massport installed four Level 2 EV chargers in the parking lot at Worcester Regional Airport



Massport hosted its largest ever Annual Winter Coat Drive for Children

2022 Annual Winter Coat Drive

- Over 150 Massport employees participated
- 139 children received new coats, more than double the number of coats collected in 2021



The Prince and Princess of Wales toured Piers Park during their visit to Boston for the 2022 Earthshot awards



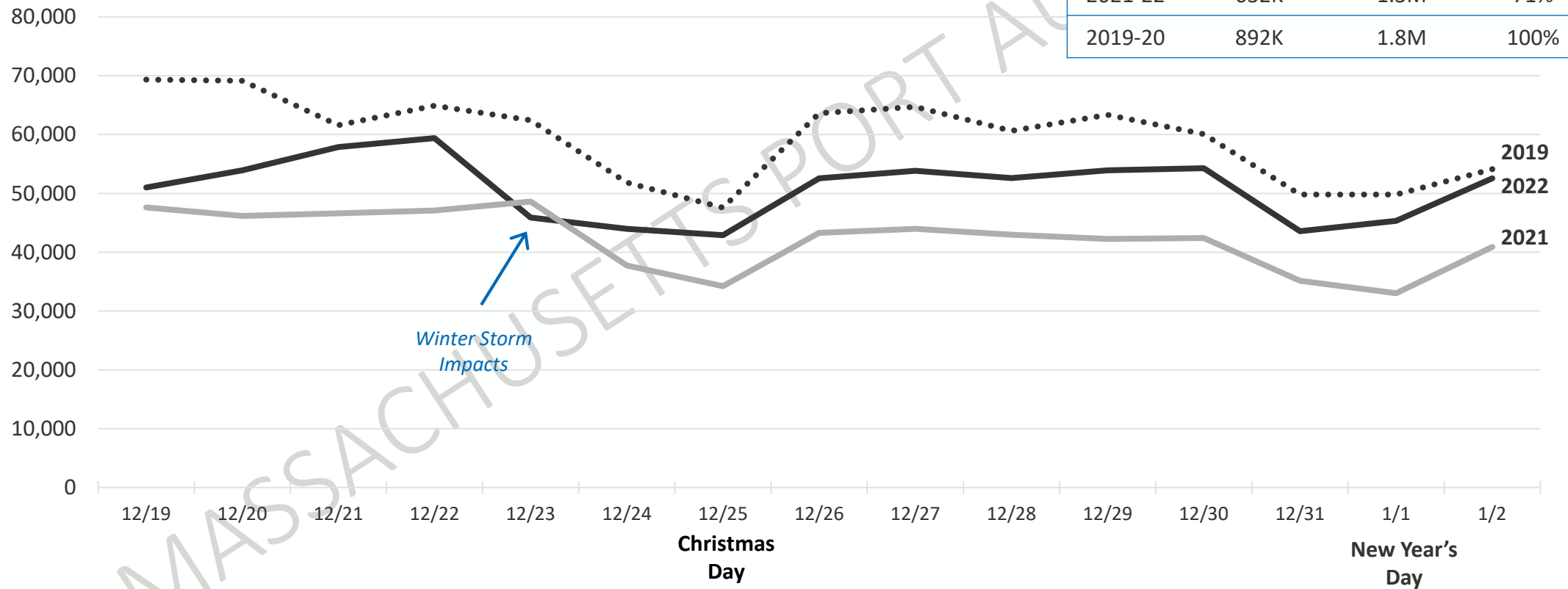
MASSACHUSETTS PORT AUTHORITY

Report of the Director of Aviation
Ed Freni

Logan Airport recovered 86% of its pre-COVID Christmas/New Year's passenger volume

TSA Screened Passengers

(15 days, 12/19 to 1/2)

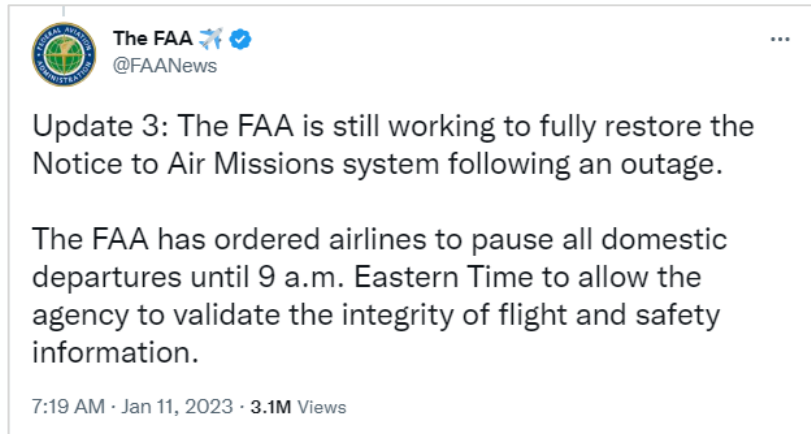


Logan Airport passenger activity levels – CY 2022

Logan Activity Summary November, December and CY 2022

		2022	Prior Year	Pre Pandemic 2019	% Change Over 2019
November:	Passengers	3.1M	2.5M	3.3M	-6.2%
	Aircraft Operations	32.2K	28.3K	34.3K	-6.0%
December:	Passengers	2.9M	2.4M	3.4M	-14.7%
	Aircraft Operations	30.1K	27.3K	33.9K	-10.6%
CY:	Passengers	36.1M	22.7M	42.5M	-15.1%
	Aircraft Operations	378.6K	266.0K	427.2K	-11.4%

On January 11, 2023, the FAA issued a nationwide ground stop due to a NOTAM system outage – the first since 9/11

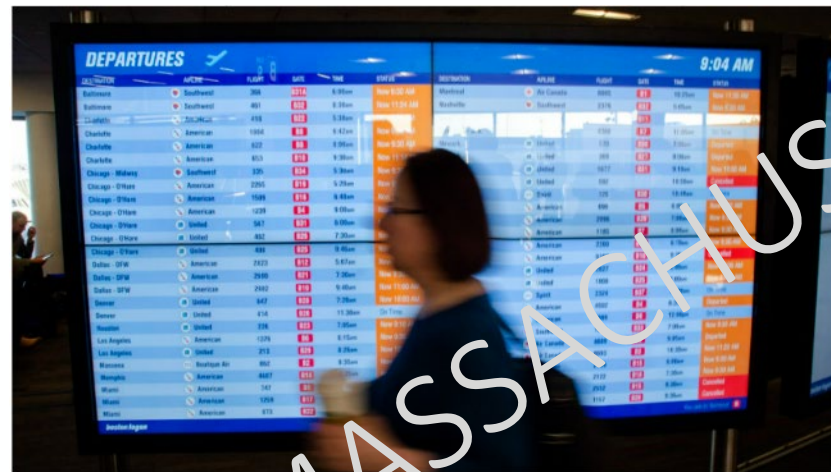


The FAA @FAANews

Update 3: The FAA is still working to fully restore the Notice to Air Missions system following an outage.

The FAA has ordered airlines to pause all domestic departures until 9 a.m. Eastern Time to allow the agency to validate the integrity of flight and safety information.

7:19 AM · Jan 11, 2023 · 3.1M Views



A traveler walks past a departures board filled with delayed and canceled domestic flights at Logan Airport's Terminal B. (David Lubock for WBUR)

- NOTAM (Notice to Air Missions) notifies pilots of flight hazards such as bad weather enroute, runway and taxiway closures at an airport and closed airspace
- **January 10:** Issues with the online NOTAM system started late afternoon on Tuesday, and the system stopped working that evening
- **January 11:** After a system reboot, FAA issued a nationwide ground stop for domestic flights at 7:15am to validate system information and lifted the ground stop at 9:00am
- USDOT said the issue was caused by a corrupted database file and not a cyber attack
- Logan experienced 359 delayed flights and 42 cancellations as of 7:00pm Wednesday according to FlightAware

International travel to/from China resumed this month as the Chinese government lifted its strict pandemic protocols and travel restrictions

- In December, China started loosening domestic travel restrictions after angry protests against Zero COVID policies
- On January 5, the U.S. began requiring all passengers originating in China, Hong Kong and Macau to submit a negative COVID test taken within 2 days of departure
 - Applies to persons traveling via third country transit points, connecting through the U.S. onward to further destinations, and traveling through the airports in Seoul, Toronto, and Vancouver if they have been in China the prior 10 days
- On January 8, China dropped its severe mandatory quarantine for international arriving passengers and only requires a negative PCR test taken within 48 hours of departure
- 40 global airlines have submitted applications to restore more than 700 commercial flights to China that were suspended in 2020 due to the COVID outbreak

REUTERS

China reopens borders in final farewell to zero-COVID

By Joyce Chen and Lew Lun Tian

January 8, 2023



HONG KONG/BEIJING, Jan 8 (Reuters) - Travellers streamed into China by air, land and sea on Sunday, many eager for long-awaited reunions, as Beijing opened borders that have been all but shut since the start of the COVID-19 pandemic.

Hainan Airlines restoration of services between Logan Airport and China



Hainan Airlines last served Boston January 2020

2019 Hainan Airlines Boston-China Service:

- Year round service to:
 - Beijing, daily
 - Shanghai, 4x weekly
- 200,000 annual passengers
 - 75% of passengers to Beijing/Shanghai
 - 25% connected onward to other points within China

2023 Hainan Airlines Boston-China Service:

- Year round service to:
 - Beijing, 3x weekly
 - Shanghai, 3x weekly
- Proposed re-start date February 17th
- Pending government approvals

Other new services and service restorations

Avianca resuming Logan service:

- **Bogota**, effective 3/27

Delta Air Lines adding new domestic nonstop markets:

- **Phoenix**, effective 12/10, last served by Delta in 2008
- **San Juan**, effective 12/17, not served by Delta for 20 years
- **Memphis**, effective 5/8
- **Louisville**, effective 5/8

JetBlue resuming seasonal trans border service:

- **Vancouver**, effective TBD, suspended during COVID

Return of seasonal Caribbean services:

- **American Airlines:** Montego Bay, Turks and Caicos, Punta Cana, effective 12/17
- **Delta Air Lines:** Montego Bay, Nassau, Punta Cana, effective 12/17

TRAVEL WEEKLY
THE TRAVEL INDUSTRY'S TRUSTED VOICE

Avianca to launch Boston-Bogotá route

By Robert Silk | Dec 27, 2022



Avianca will be the only airline flying between Boston and Bogotá. Photo Credit: Avianca

Massport held its 17th annual SAFE and Logan Stars Awards Ceremony

- Massport sponsors two recognition programs that honor exceptional employees in the airport community who have contributed to the safety and security of Logan Airport and demonstrated exceptional customer service

- SAFE (Security Awareness For Everyone)
- Logan Stars



- On January 10, 2023, over 250 attendees listened to 20 stories and honored 43 award recipients

- Honorees included employees from:

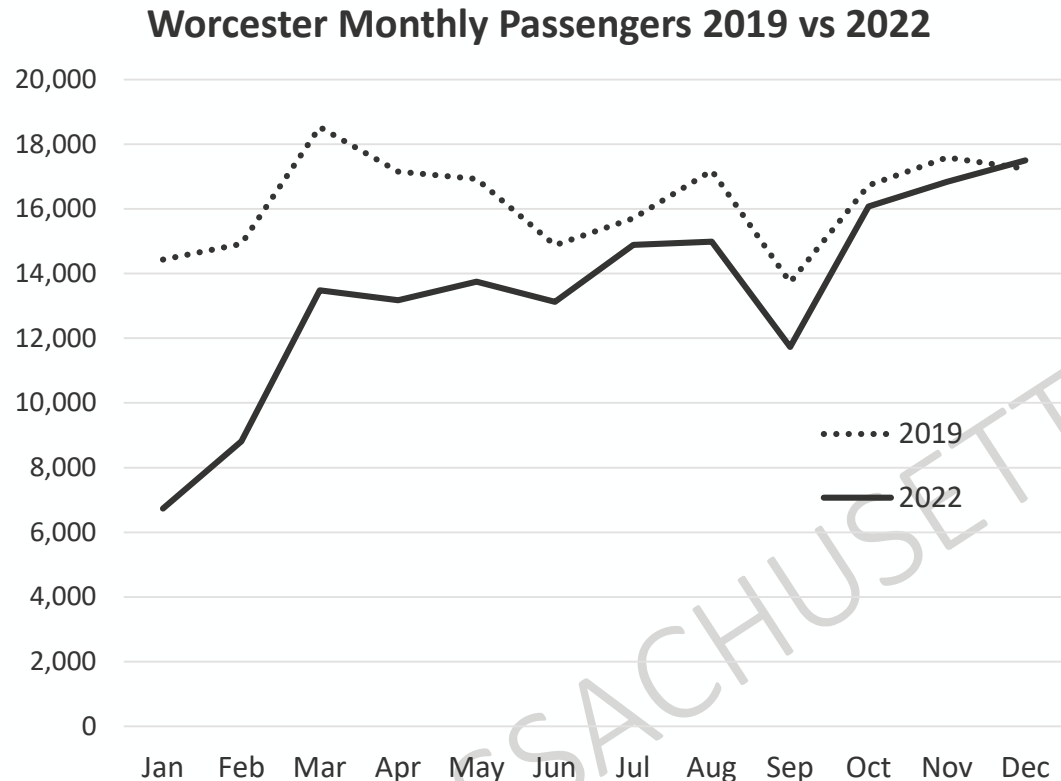
- TSA
- American Airlines
- State Police
- Kone, Inc.
- C & W Cleaning Service
- Delta Airlines
- Avis

Special Guest:

- Boston Police Commissioner Michael Cox delivered an inspiring keynote address
- Commissioner Cox is a 30-year veteran of the Boston Police Department and most recently served as the Chief of Police of the Ann Arbor Police Department in MI



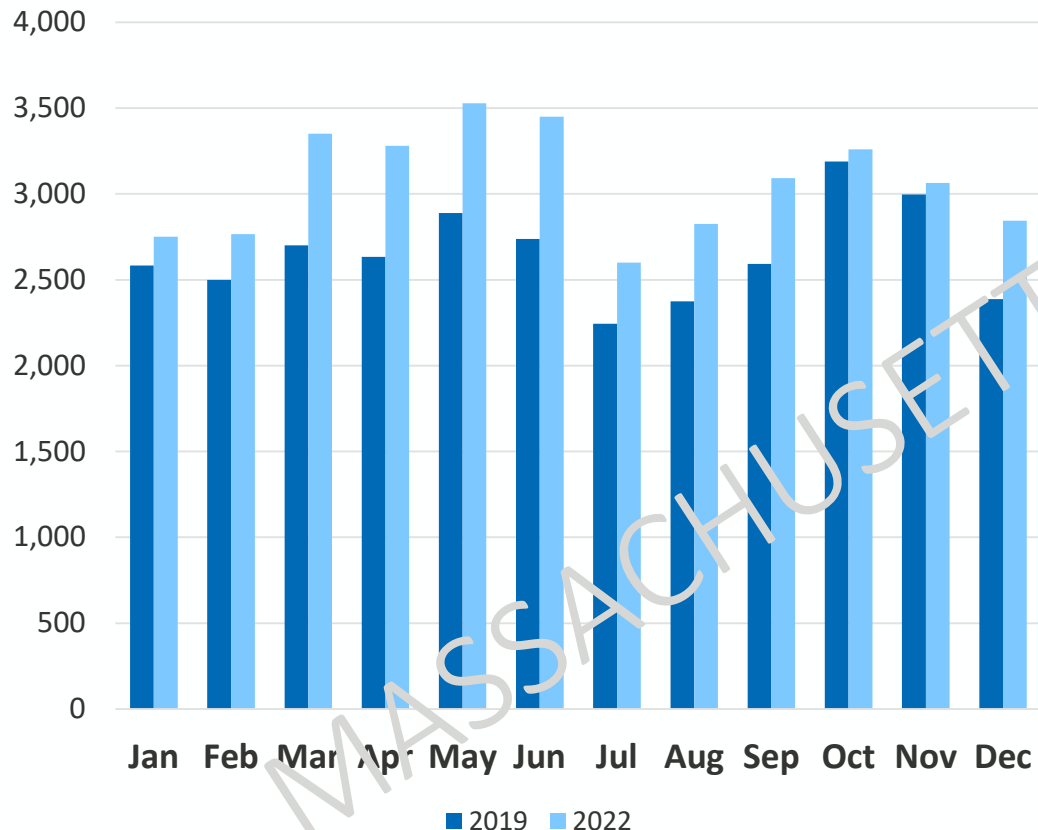
Worcester ended the year with 161,000 passengers, 83% of 2019 volume



- Monthly volume shows an impressive rebound trend, with December catching up to and exceeding 2019
- JetBlue's Ft. Lauderdale upgrade from a 100-seat E190 to a 162-seat A320 played an important role in closing the gap in the 2nd half of 2022
- Since the upgrade on July 9:
 - Nearly 250 FLL flights exceeded 100 passengers, the maximum E190 capacity
 - 9,400 more passengers were able to fly than if the flight was still an E190, the equivalent of adding 98 flights to/from FLL
 - 100+ flights had load factor (LF) over 90%
 - Average A320 LF was 74% vs. 2019 E190 LF of 77%

Hanscom ended 2022 with a record number of jet operations

Hanscom Field
Jet Operations



December Activity:

- 2,800 jet operations, up 20% compared to 2019
- Total operations up slightly, 0.3% compared to 2019

CY 2022 Activity:

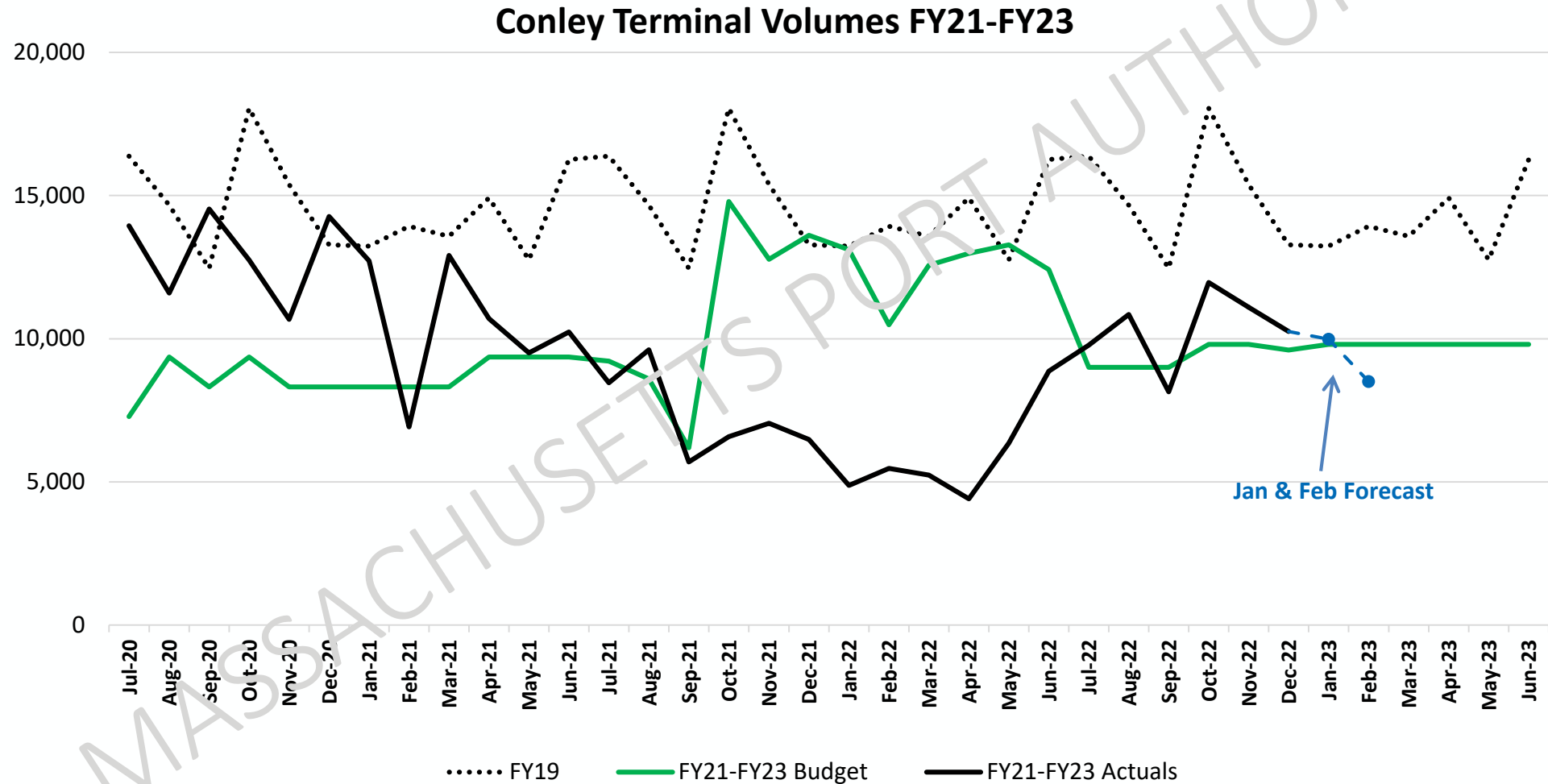
- 36,800 jet operations up 16% over 2019
 - Private jet use, which surged during the pandemic, is expected to remain strong even as commercial airline services return
- Total operations down 5% versus 2019



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Report of the Director of Maritime
Joe Morris

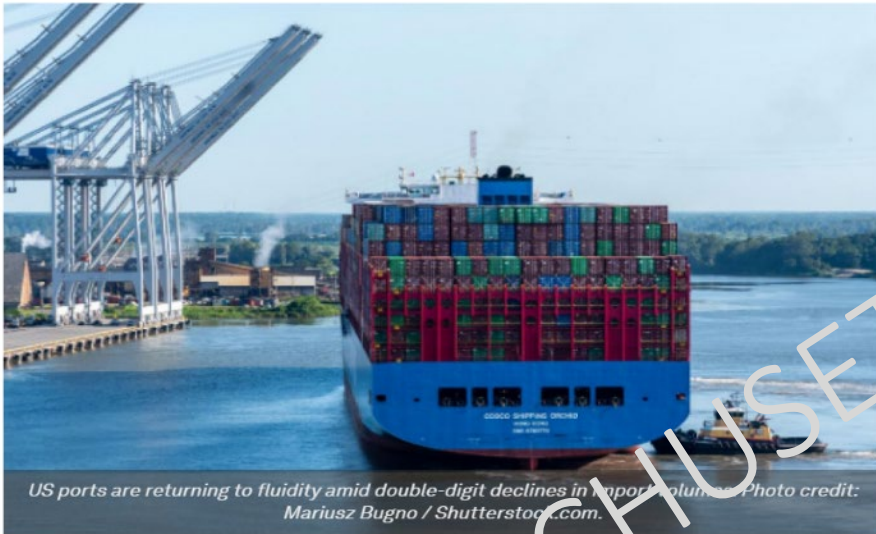
Conley Terminal ends CY2022 with nearly 174,000 TEUs handled as direct connectivity has grown to two dozen ports globally



The National Retail Federation predicts that imports in early 2023 will fall to their lowest levels in three years



Double-digit US import declines to accelerate through spring: retailers



Container lines | Trans-Pacific

Bill Mongelluzzo, Senior Editor | Jan 9, 2023, 2:52 P.M. EST



US imports in February will fall to their lowest in almost three years, a major retailers group projected Monday, even though consumer spending remained strong through the holiday season and is expected to pick up as inflation eases.

- Despite strong consumer spending trends through the holiday season, inflation will impact a national decline in imports
- Retailers are forecasting double-digit declines in U.S. imports through May 2023
- As inflation eases in the coming months, growth in import demand will slowly return into the second half of 2023

Bar Harbor businesses challenging the cruise passenger limit approved by voters in November

The Boston Globe

Stormy seas for cruise ships in Bar Harbor

Local businesses challenge voter-approved limit on passengers on Mount Desert Island

By Thomas Farragher Globe Columnist, Updated January 15, 2023, 4:32 p.m.



Early-morning light illuminates shops on Main Street in Bar Harbor, Maine. ROBERT F. BUKATY/ASSOCIATED PRESS

- 58% of voters approved a ballot initiative to limit the number of cruise ship passengers to 1,000 per day overriding the limits set by town government
- In September, the town council adopted regulations calling for a limit of 3,500 to 3,800 passengers per day
- The previous limit was 3,500 people a day in July and August and 5,500 per day in May, June, September, and October
- A group of local businesses filed a federal lawsuit to overturn the limit

Strategic Plan

MASSACHUSETTS PORT AUTHORITY

Ground Transportation Update

Daniel Gallagher

January 19, 2023



Massport Strategic Priorities 2025

Aviation

- Reimagined Customer Journey
- Adaptive Terminal E Use
- Terminal Connectivity
- Diversified Logan Operators/Airfield Land-Use Planning
- **Asset/Area Optimization and Repurposing**
- Worcester Rebound
- Hanscom Operating Break-Even

Maritime

- Full Global Connectivity & Diversified Service Mix
- Infrastructure Modernization
- Cruise Rebound
- Financially Self-Sustaining

Real Estate

- Asset Optimization and Diversification
- Expanding the *Massport Model*
- Growth and Support of Maritime Industries and the Seafood Cluster
- Public Realm and Placemaking

Authority-Wide

- Safety, Security & Health
- Financial Sustainability
- DE&I (Internally and Externally)
- Workforce Sustainability
- **Climate Action Plan**
- Technology Plan
- **Operational Efficiency**
- **Transportation Access and Mobility**
- Community Partnerships
- Telling our Story

Massport's ground access strategy is to move more people in fewer vehicles in the most efficient, customer-friendly, and environmentally responsible way possible

- Realign ground transportation assets and policies around Massport's Net Zero strategy
- Expand HOV opportunities
- Continue to use parking as a trip-reduction strategy and source of HOV funding
- Further develop facilities to enable multiple ground transportation uses to drive efficiencies



Current Logan Ground Transportation Trends and Ongoing Research

Observed Trends

- Logan Express air passenger mode share on suburban services remains higher than pre-COVID levels due in part to lower online fares
- Ride App mode shares are nearly back to pre-COVID levels
- Parking exits are down but revenues are up because of longer travel durations
- Other HOV modes are rebounding from COVID lows, but still generally remain below pre-COVID levels

Research Initiatives

- Data from the Logan Air Passenger Ground Access Survey, nearing publication, will lend insight into trends and inform policy decisions
- Partnering with outside business organizations to understand opportunities to expand HOV usage



Our ground access strategy includes several short, medium, and long-term goals, with specific actions targeted for 2023

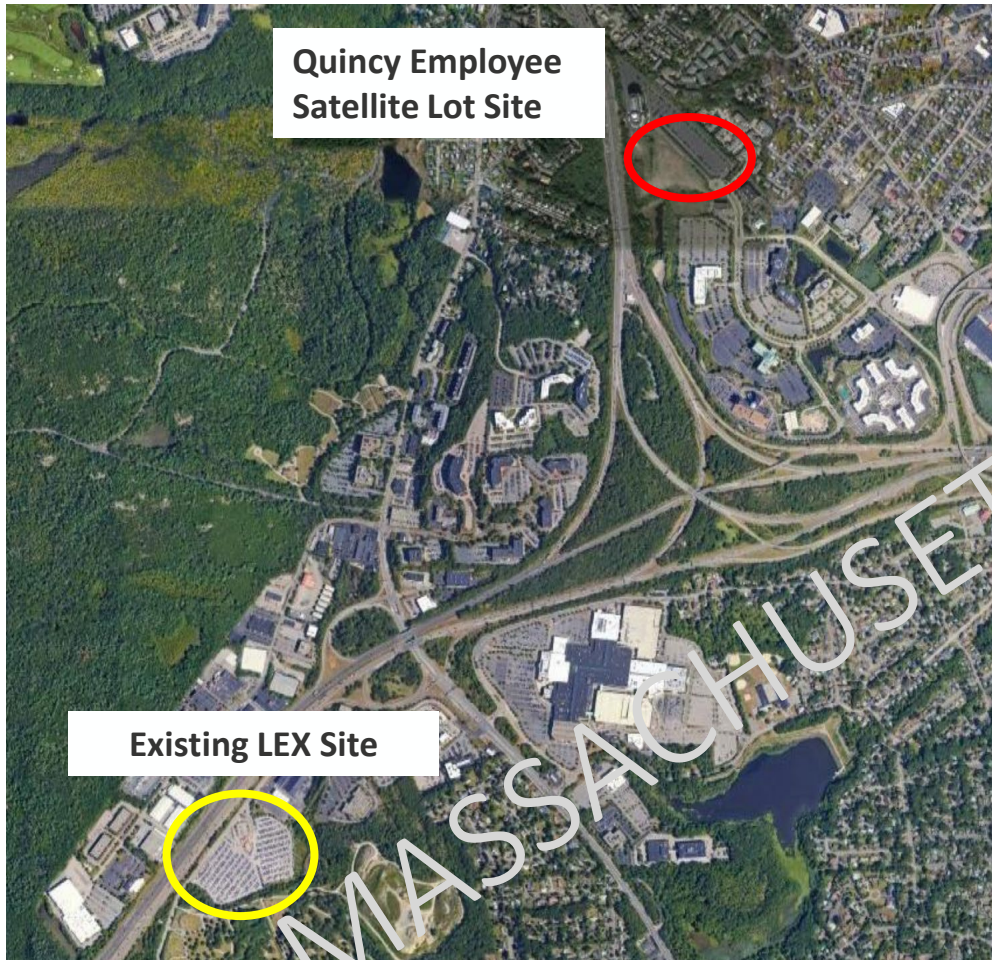
Long-term Goals

- Double Logan Express ridership to 4M
- Double Silver Line bus capacity
- Increase Direct Blue Line – Terminals frequencies
- Develop multi-purpose facilities that will include:
 - Additional already permitted parking capacity (4 → 2 trips)
 - Ground Transportation Centers (efficiency)
 - New terminal curbs (capacity)
- Leverage technology to influence less impactful ground access behaviors through pricing and messaging

CY 2023 Near-term Actions

- Launch Quincy Employee Satellite Lot
- Replace 8 Silver Line-Airport Station buses with new enhanced electric buses and fund additional service
- Increase direct Blue Line shuttle capacity by 67%
- Introduce new digital bus travel planning tools for all airport shuttle and Logan Express customers
- Launch Logan Express employee e-ticketing
- Further develop Net Zero bus/shuttle fleet replacement plan

Braintree LEX parking overflow



Existing Conditions:

- Braintree facility has approximately 1,800 spaces
- Parking demand is frequently exceeding pre-COVID levels and site capacity
- Parking capacity declines by 10% during heavy snowfall

In September 2022, the Board approved the lease of additional parking spaces at Crown Colony Park in Quincy:

- The Crown Colony Lot will add 350 spaces (20% increase)
- Lot will be dedicated to employee parking
- Will allow additional LEX service (20 min service) to be added at a future date

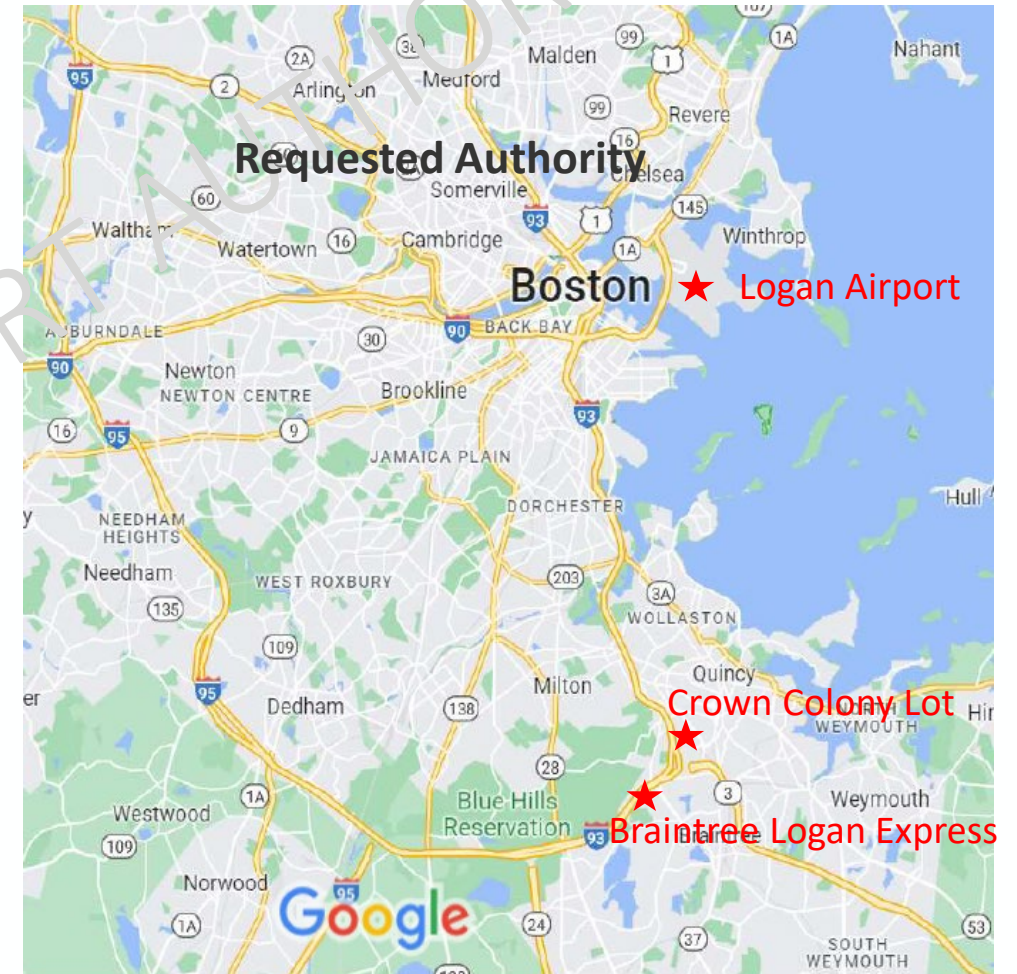
Staff requests Board authorization to enter into a contract with Plymouth & Brockton (P&B) for bus services at the new Logan Express Braintree satellite lot in Quincy

Requested authority:

Not-to-Exceed (NTE) Amount	Term
\$8,500,000	20 months

Massport issued an RFI for bus services at the Quincy Lot:

- Five responses received, three invited for interviews
- Selection committee voted unanimously to recommend P&B
- P&B proposed the best overall plan to address the Authority's goals and objectives as well as the lowest cost
- Frequent, high-quality service is critical for the Authority's plan to relocate most Braintree Logan Express employees to Quincy
- The plan will be phased over the course of the winter and spring, allowing the Braintree lot to accommodate air passenger HOV growth
- The bus term aligns with the Quincy Lot lease



Enhanced Electric Silver Line 1 buses will enter the fleet this spring

- The MBTA procured next generation, enhanced electric Silver Line buses
- Massport is purchasing 8 of those buses for Silver Line 1 service
- These enhanced electric buses will operate exclusively on electricity through the Logan Airport terminals
- Buses will be delivered this spring
- Massport is currently working with the MBTA to further enhance Silver Line 1 Service



The future HOV fleet will move toward zero-carbon fuels and will require a transition period

- Current fuel
 - Diesel
 - CNG
 - Hybrid
- Transition to zero-carbon fuels will require use of legacy fuels such as CNG
- Potential future net zero fuels
 - Electric
 - Bio-fuels
 - Hydrogen



Ongoing efforts

- Fleet plans
 - Exploring procurement options to transition on-airport fleet to zero emission buses
 - Decarbonize the Logan Express fleet
 - Dialogue with private carriers about their transition plans is underway
- Energy infrastructure
 - On Airport
 - At Logan Express sites
 - Other sites



MBTA Silver Line Battery Electric Bus (BEB) with demonstration of en-route charging

Staff requests Board approval for a supplement to the CNG purchase order with vendor *Clean Energy* in the amount of \$2M for the period ending January 1, 2025

History of CNG Purchase Order with vendor *Clean Energy*

Board Vote	Amount Authorized	Total NTE
Prior Votes & Supplements	\$4,805,000	\$4,805,000
Request (January 2023)	\$2,000,000	\$6,805,000

***Clean Energy* provides an essential service to Massport:**

- Airport shuttle bus fleet includes 31 CNG vehicles
- *Clean Energy* has a lease for the Logan CNG station
- Contract will ensure pricing at or below market rates



Votes

Item 4. Braintree Logan Express Quincy Overflow Lot Shuttle Agreement

Item 5. CNG for Massport Buses

MASSACHUSETTS PORT AUTHORITY

Real Estate and Strategic Initiatives

Boston Fish Pier Bays 15 ½ -19 Update

Andrew Hargens

January 19, 2023



Update on Boston Fish Pier Bays 15 ½ -19

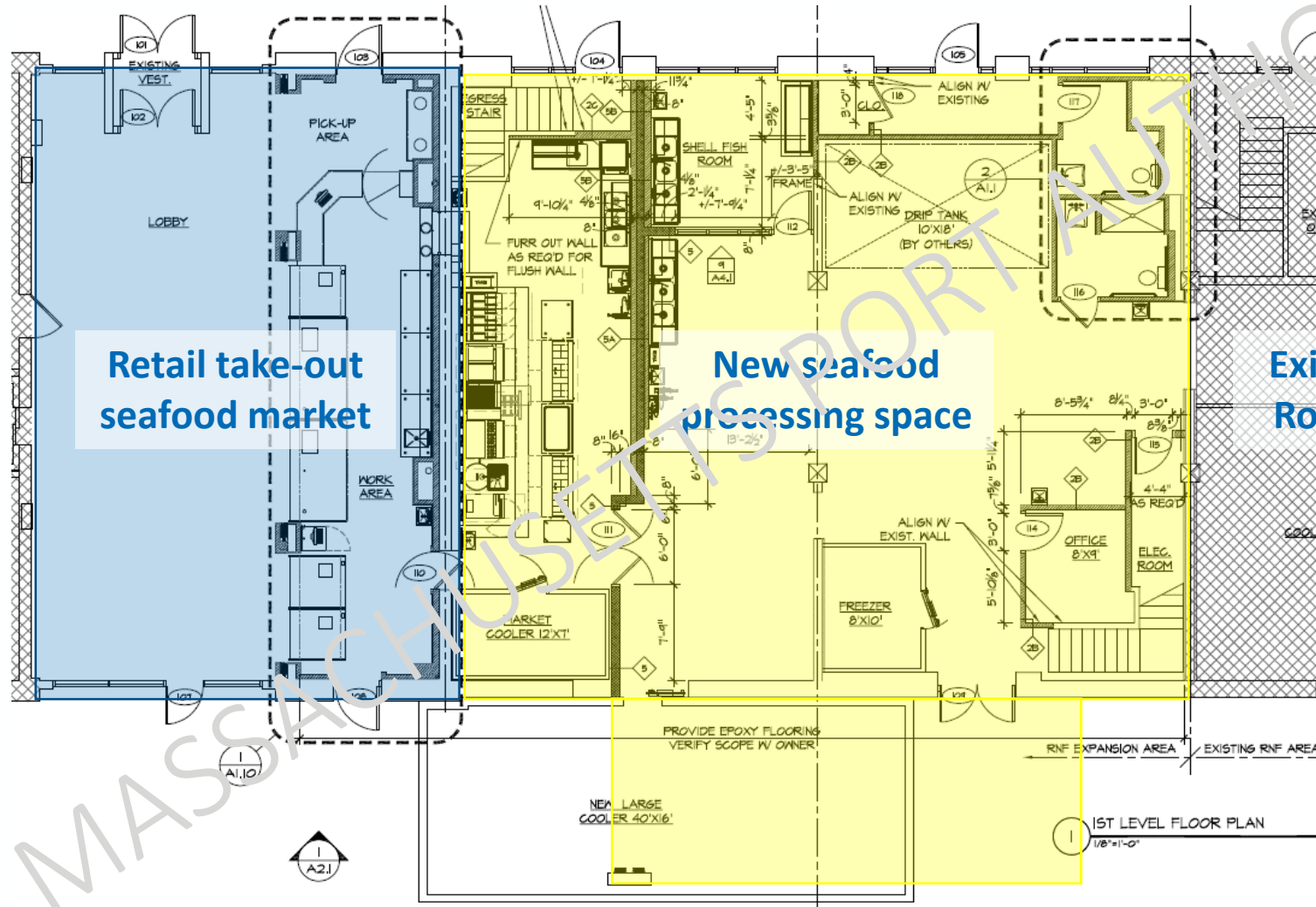
- Ideal Seafood, a longstanding Fish Pier tenant, exercised its right to lease the adjacent Bays 15 ½ -19 (formerly the No Name restaurant) under a DEP-approved protocol for leasing vacant space on the pier
- Ideal Seafood and its business and operating partner, Rocky Neck Fish (RNF) Company, plan to renovate the space, returning it to seafood processing on the first floor, with a retail take-out seafood market in the East 1 Atrium and supporting office space on the second floor
- Recent progress includes:
 - Ideal Seafood/RNF completed design, selecting contractor
 - Massport has begun the project to repair/replace damaged under slab plumbing, which will be closely coordinated with the Ideal Seafood/RN design and construction
- Launched in 2004, RNF is a successful seafood business, with market locations in Chatham, Hanover, Hingham, and Milton
 - Participates in numerous seasonal farmers markets
 - Intends to participate in the Boxes @ the Fish Pier project in the spring of 2023



RNF
CO.

“WHEN YOU BUY FROM ROCKY NECK FISH COMPANY, YOU’RE BUYING DIRECT. WE PROCESS IN OUR OWN PLANT AND WE DELIVER IN OUR OWN TRUCKS. WE’RE HANDLING THE PRODUCT FROM THE BOAT RIGHT TO YOU.”

Proposed renovations to Bays 15 ½ - 19, first floor

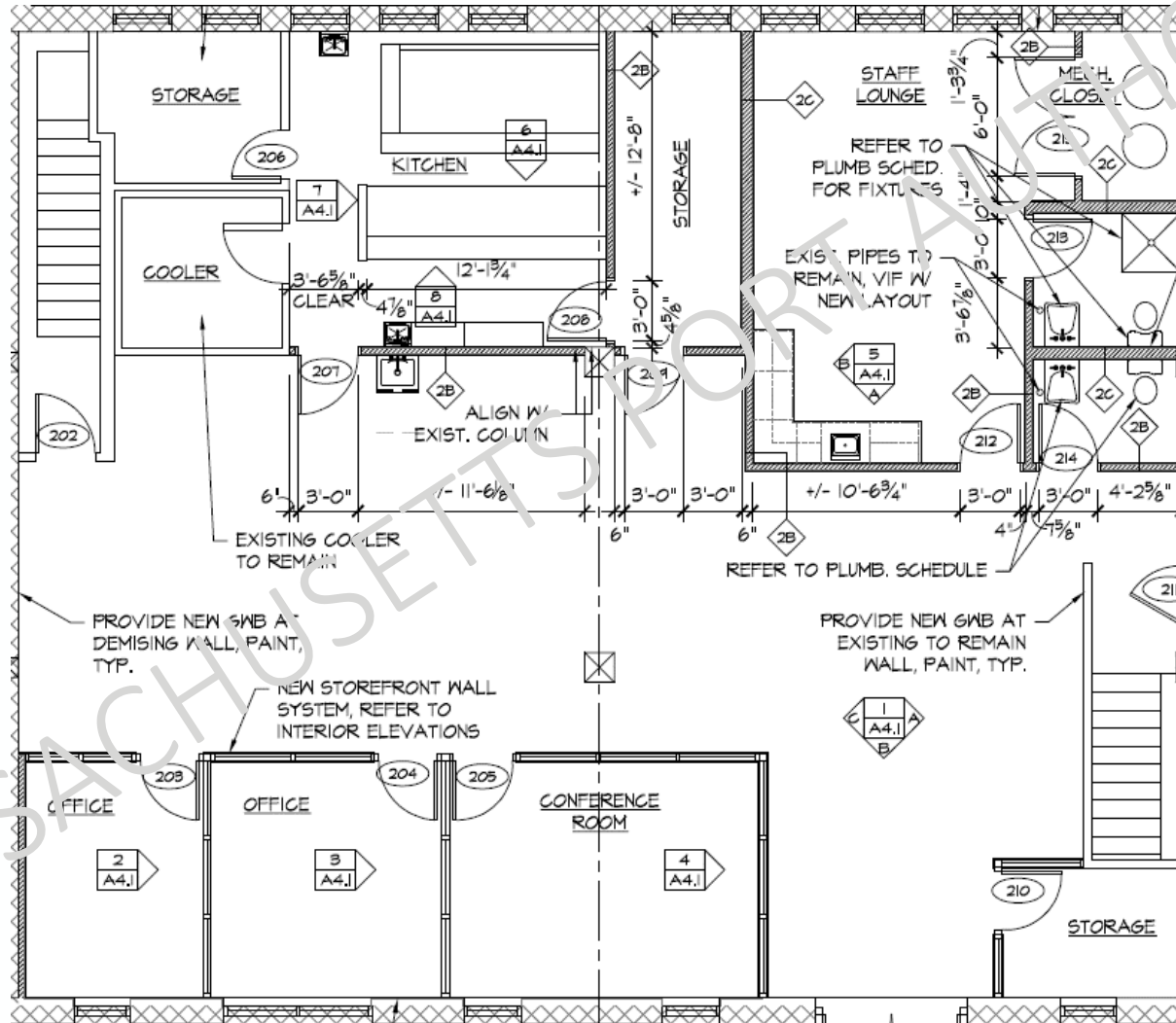


Retail take-out
seafood market

New seafood
processing space

Existing Ideal Seafood/
Rocky Neck Fish Space

Proposed renovations to Bays 15 1/2 - 19, second floor



Proposed retail take-out seafood market in Fish Pier East 1 atrium

Existing East 1 Atrium



Proposed Market Concept



MASSACHUSETTS PORT AUTHORITY

Facilities and Construction

M727 - Cruise Terminal Passenger Circulation Enhancements

Luciana Burdi

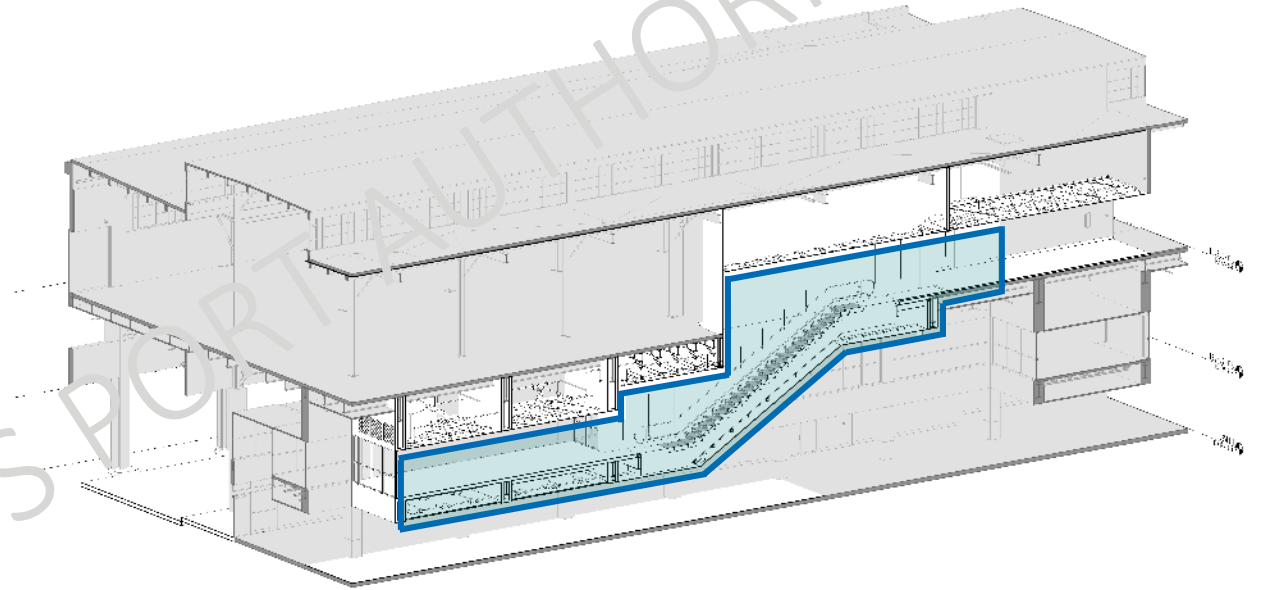
January 19, 2023



Cruise Terminal Passenger Circulation Enhancements will provide significant operational and passenger benefits

Project will consist of:

- Addition of 1,000 SF of queuing space on the third floor, which is currently unfinished
- Procurement and installation of a new escalator connecting the existing third and second (Mezzanine) floors
- Construction of 1,000 SF of new second (Mezzanine) floor platform for escalator to land upon



Key Conditions of Satisfaction :

- Deconflict existing embarking and disembarking passenger circulation paths
- Allows future Cruise Terminal enhancements and expansion
- Escalator throughput sufficient for anticipated passenger volumes

Cruise Terminal Passenger Circulation Enhancements project incorporates resiliency and green elements



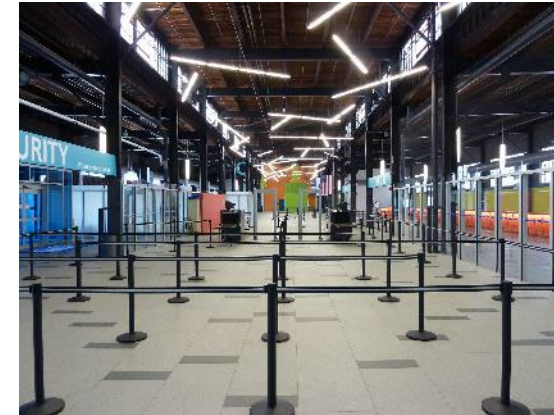
Sustainability Components:

- Electrical components for the new escalator will be raised above the future flood elevation at Flynn Cruiseport Boston
- Energy-efficient LED lighting will be installed to illuminate the new space



Implementation:

- New escalator was procured in November 2022
- Construction bids expected on February 1, 2023
- Target completion date is August 2023



Board Recommendation:

Approve a partial project budget for the not-to-exceed amount of \$6.1M

L1622 – Terminal A Improvements

Logan International Airport

Luciana Burdi

January 19, 2023

The Terminal A Improvements project will enhance the passenger experience and maintain critical terminal infrastructure in a state-of-good-repair

Project will:

- Reduce checkpoint wait times
- Provide a post security pet relief area (ADA requirement)
- Replace the Upper Level Controls which operate the baggage screening and sortation system



Key Conditions of Satisfaction :

- Reduction of passenger wait times at the security checkpoints
- Executing the project improvements in a manner that maintains terminal operations
- Phasing the construction to support airline schedules

The Terminal A Enhancements project has been phased in order to support the seasonal fluctuations in airline flight schedules and travel demand



Sustainability Components:

- Energy-efficient LED lighting will be installed to illuminate the new space



Implementation:

- A fully functional temporary checkpoint was put into service prior to the 2022 summer schedule
- The permanent checkpoint and pet relief facility will be phased to allow lanes to be available during peak travel periods in February and April 2023
- Phase II construction will be completed prior to Summer 2023

Board Recommendation:

Approve a full project budget for the not-to-exceed amount of \$10M

Audit and Finance

Massport Strategic Priorities 2025

Aviation

- Reimagined Customer Journey
- Adaptive Terminal E Use
- Terminal Connectivity
- Diversified Logan Operators/Airfield Land-Use Planning
- **Asset/Area Optimization and Repurposing**
- Worcester Rebound
- Hanscom Operating Break-Even

Maritime

- Full Global Connectivity & Diversified Service Mix
- Infrastructure Modernization
- Cruise Rebound
- Financially Self-Sustaining

Real Estate

- Asset Optimization and Diversification
- Expanding the *Massport Model*
- Growth and Support of Maritime Industries and the Seafood Cluster
- Public Realm and Placemaking

Authority-Wide

- Safety, Security & Health
- **Financial Sustainability**
- DE&I (Internally and Externally)
- Workforce Sustainability
- Climate Action Plan
- Technology Plan
- Operational Efficiency
- Transportation Access and Mobility
- Community Partnerships
- Telling our Story

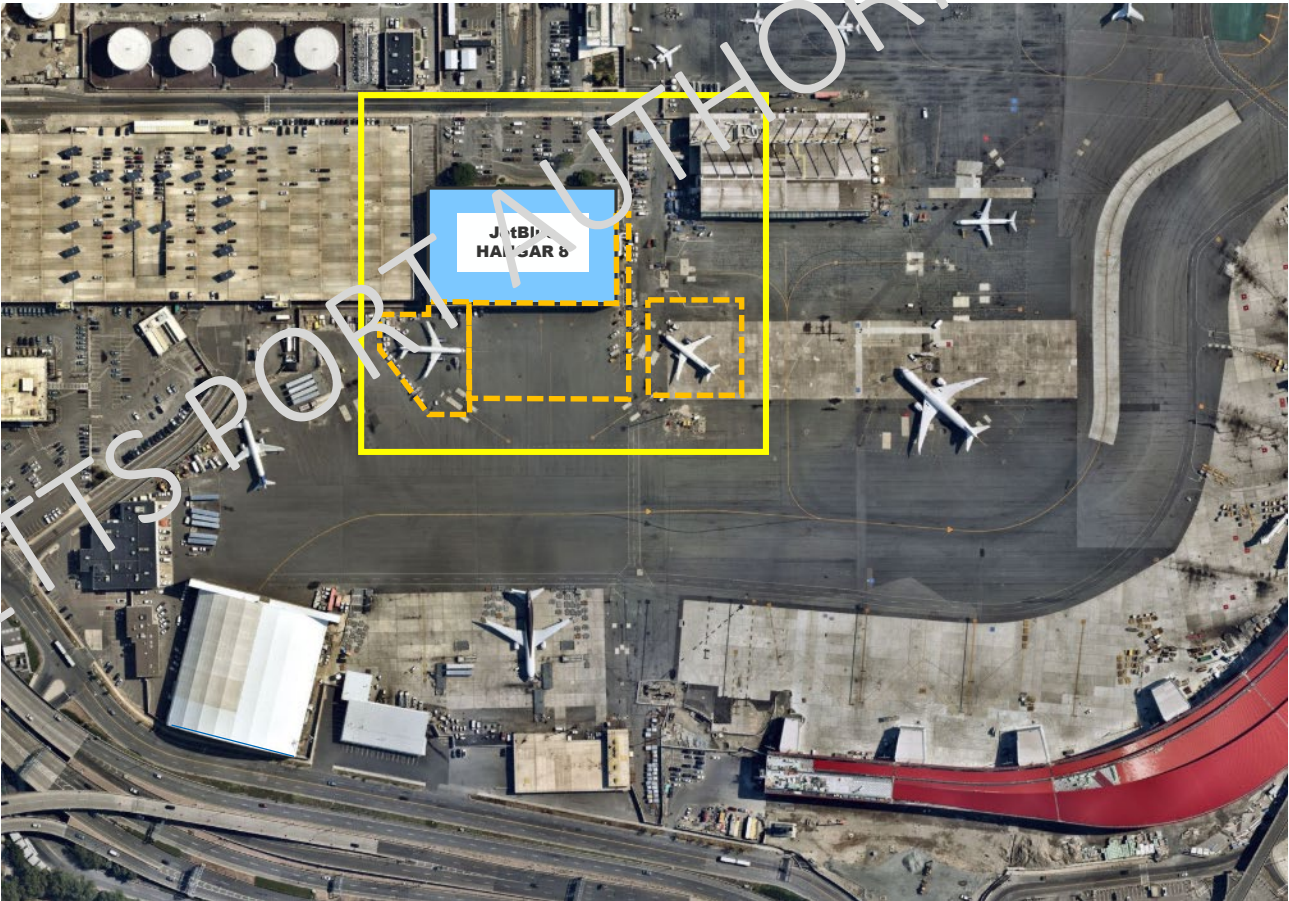
Logan Airport JetBlue Hangar 8 Lease

Daniel Gallagher

January 19, 2023



Hangar 8 Site Location



Current Hangar 8

Landside



Rampside



Background

- Hangar 8 was originally built by Northeast Airlines in 1958
- In October 2012, JetBlue entered into a lease agreement for Hangar 8 (and adjacent ramp space) for aircraft and ground service equipment (GSE) maintenance activities
- The existing leased Premises included:
 - 54,036 square feet of hangar floor area
 - 25,821 square feet of mixed use/office area/vehicle maintenance
 - 3,156 square feet of mezzanine space
 - 141,471 square feet of ramp land space
- The lease expired in September, 2022 and JetBlue is currently holding over on a month to month basis

Key Elements of Hangar 8 Lease

- To improve operational efficiencies, staff is recommending separating the hangar and ramp lease premises into three distinct agreements to ensure the most efficient use of Logan property and assets
 1. Hangar 8 lease will be brought to market rate, generating an additional \$900K in annual revenue
 2. License Agreement for 87,850 SF of ramp area for GSE will generate an additional \$100K annually
 3. Preferential Use Agreement for four aircraft hardstands will generate an additional \$248K annually
- Net revenue gain to the Authority of approximately \$1.3M in Year 1

Key Elements of Hangar 8 Lease

Term:	Initial term of five years with one 5-year option effective February 1, 2023
Hangar Space Rate: (per sq. foot per year)	\$29.06
Escalation Hangar Space:	Rent shall adjust annually each July 1 in an amount equal to the greater of: (i) 100% of the CPI adjustment or (ii) 3%
Land Rate: (per sq. foot per year)	\$5.69
Escalation Land Rate:	Land Area rent is subject to change, from time to time, by the Authority's Board at its sole discretion
Premises:	<ul style="list-style-type: none"> • 54,036 square feet of hangar floor area • 25,821 square feet of mixed use/office area/vehicle maintenance area • 12,566 square feet of mezzanine space • 4,378 square feet of adjacent land space • 79,857 square feet of land on which the hangar building sits

Staff Recommendation

Staff requests that the Board approve the Vote that will authorize staff to negotiate, execute and deliver a lease agreement with JetBlue for use and occupancy in Hangar 8

Logan Airport American Airlines Hangar 9 Lease

Daniel Gallagher

January 19, 2023



Hangar 9 Site Location



Current Hangar 9

Landside



Rampside



Background

- Hangar 9 was originally built by TWA in 1961
- In August 2013, American entered into a lease agreement for Hangar 9 (and adjacent ramp space) for aircraft and ground service equipment (GSE) maintenance activities
- The existing lease premises include:
 - 50,629 SF of hangar floor area
 - 27,988 SF of mixed use/vehicle maintenance/office area
 - 27,979 SF of ramp equipment storage
 - 64,864 SF of ramp area
- The lease terminates on August 28, 2023

Key Elements of Hangar 9 Lease

- To improve operational efficiencies, staff is recommending separating the hangar and ramp lease premises into three distinct agreements to ensure the most efficient use of Logan property and assets
 1. Lease at Hangar 9 will be brought to market rate; generating an additional \$1.5M in annual revenue
 2. License Agreement for 64,486 sf of ramp area will generate an additional \$30K annually
 3. Preferential Use Agreement for 2 aircraft hardstands will generate an additional \$132K annually
- Net revenue gain to the Authority of \$1.7M in Year 1

Key Elements of Hangar 9 Lease

Term:	Initial term of five years with one 5-year option effective August 29, 2023
Hangar Space Rate: (per sq. foot, per year)	\$29.93
Escalation Hangar Space:	Rent shall adjust annually each July 1 in an amount equal to the greater of: (i) 100% of the CPI adjustment or (ii) 3%
Land Rate: (per sq. foot, per year)	\$5.86
Escalation Land Rate:	Land Area rent is subject to change, from time to time, by the Authority's Board at its sole discretion
Premises:	<ul style="list-style-type: none">• 50,629 square feet of hangar floor area• 27,988 square feet of mixed use/vehicle maintenance/office area• 61,977 square feet of land on which the hangar building sits

Staff Recommendation

Staff requests that the Board approve the Vote that will authorize staff to negotiate, execute and deliver a lease agreement with American for use and occupancy in Hangar 9

Rates and Charges FY23 Adjustment

Dan Gallagher

January 19, 2023

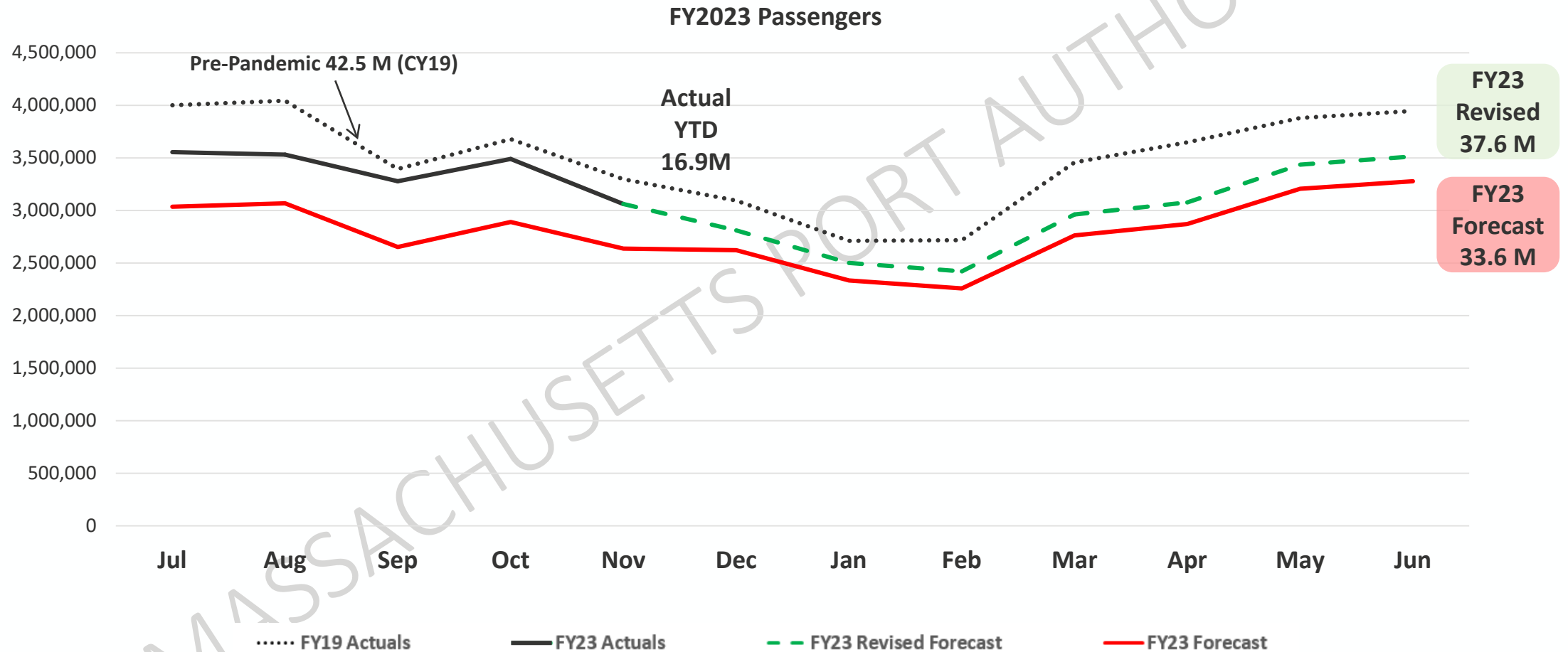


Agenda

1. FY2023 YTD Passenger Activity Update and Forecast
2. Board Vote – Rate Adjustment

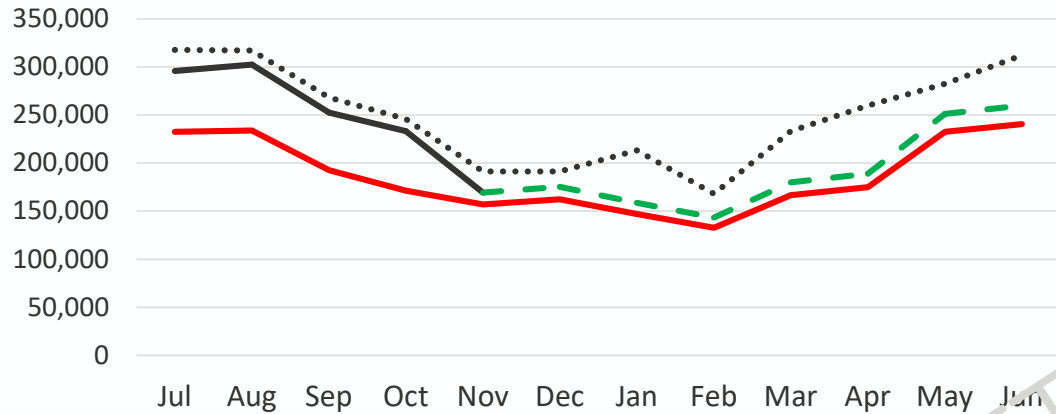
MASSACHUSETTS PORT AUTHORITY

Based on year-to-date activity, Massport is revising the Logan Airport passenger forecast for FY 2023



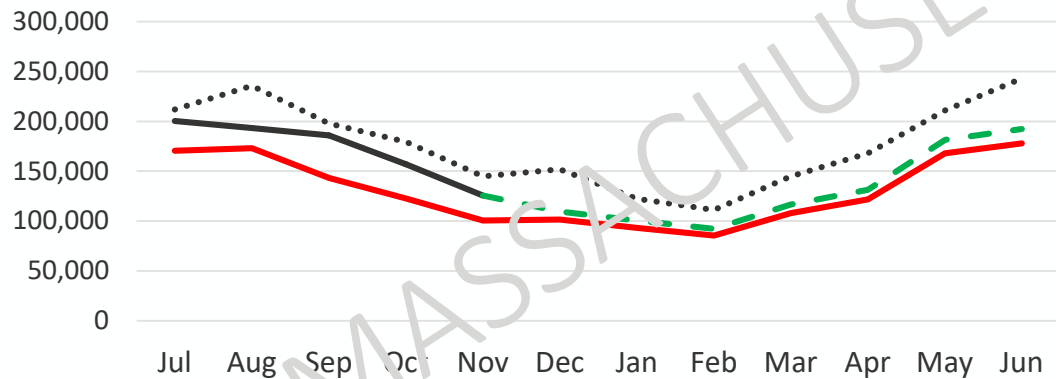
Terminal E Passenger Outlook: International passenger activity for the remainder of FY 2023 is expected to trend above the original forecast

FY2023 Terminal E Inbound Passengers

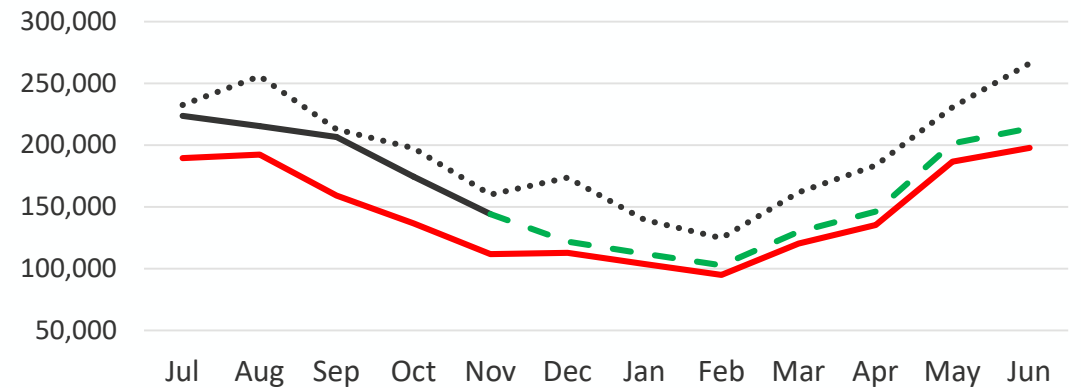


- European markets saw increased market share and demand through November
- Winter season capacity is lower due to a combination of factors: inflation, recession fears and rise in COVID
- Carriers remain optimistic for upcoming summer season; however the revised forecast reflects the latest available information

FY2023 Terminal E Check-in Passengers



FY2023 Terminal E Outbound Passengers



..... FY19 Actuals

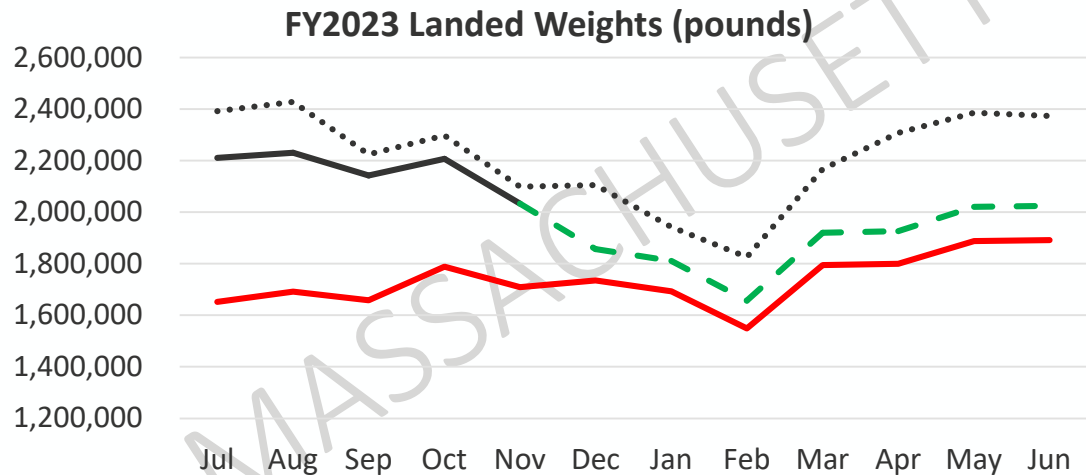
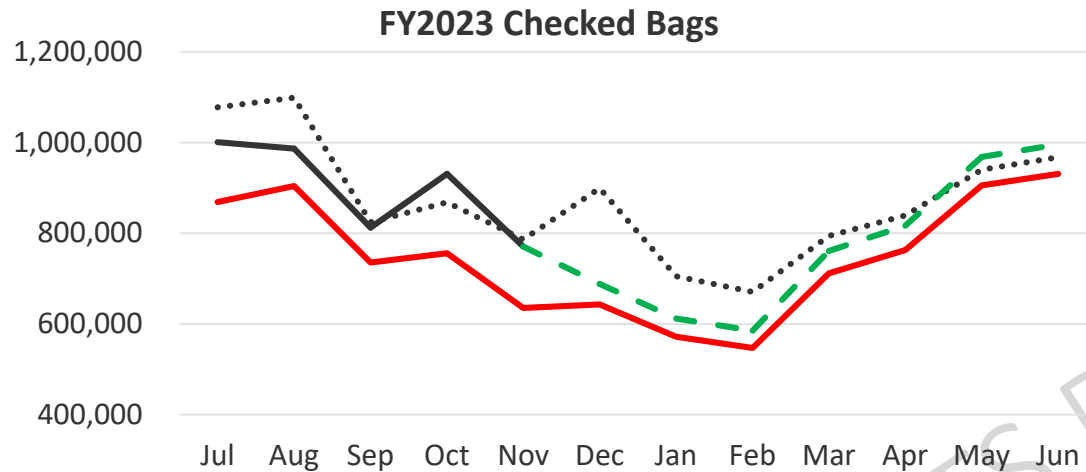
— FY23 Actuals

- - - FY23 Revised Forecast

— FY23 Forecast



Checked bags and landed weights are expected to trend above the original forecast for the remainder of FY 2023



Baggage Activity:

- Checked bags continue to track above forecasted amounts, with a higher number of bags checked per passenger

Landed Weights:

- Systemwide the industry is still facing staffing and equipment challenges leading to continued capacity discipline



..... FY19 Actuals — FY23 Actuals - - - FY23 Revised Forecast — FY23 Forecast

Staff recommends a rate adjustment based on YTD activity and the revised forecast

- Increased activity has resulted in a likely over-collection
- The recommended adjusted rates would be effective February 1, 2023

FY23 Activity Based Rates

	Total Cost to be Recovered	FY23 Activity (Original Forecast)	Board Voted FY23 Rate (eff 7/1/2022)	FY23 Activity (Revised Forecast)	Proposed FY23 Rate (eff 2/1/2023)
Landing Fee	\$129M	20.9M ¹ (1,000 lbs)	\$5.74	24.0M (1,000 lbs)	\$5.49
Baggage Screening Fee	\$18.9M	9.0M bags	\$2.10	9.9M bags	\$1.94
Int'l Inbound Fee	\$33.5M	2.2K pax	\$14.93	2.6M pax	\$12.99
Int'l Outbound Fee	\$8.2M	1.7K pax	\$4.68	2.0M pax	\$3.97
Terminal E Check-in Fee	\$14.4M	1.6K pax	\$9.22	1.8M pax	\$8.23

Votes

Item 11. Logan Landing Fee Rate Adjustment

Item 12. Logan terminal E Passenger Fees Rate Adjustment

Item 13. Logan Baggage Screening Facility Fee Rate Adjustment

Assent Agenda

MASSACHUSETTS PORT AUTHORITY