

**Massachusetts Port Authority  
Board Meeting**

March 16, 2023



MASSACHUSETTS PORT AUTHORITY

Public Session

MASSACHUSETTS PORT AUTHORITY

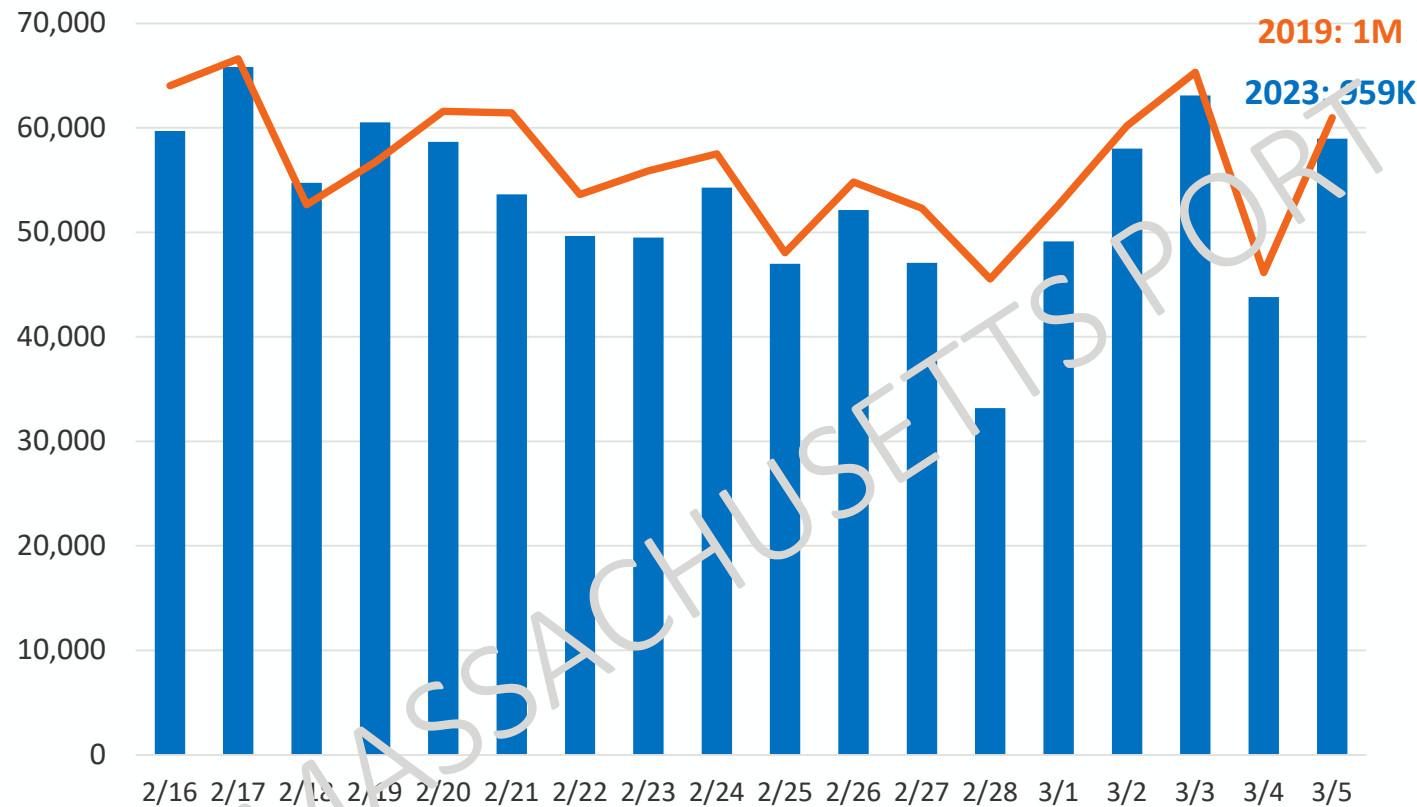


## Chairman's Comments

Report of the Director of Aviation  
*Ed Freni*

# February School Vacation Weeks (MA & NH) produced a high level of activity at Logan Airport

Logan Screened Passengers  
February School Vacation (MA & NH) 2023 vs 2019



A busy period\* for the Ground Transportations Services Team:

- 272,000+ Ride App pickups and drop-offs
- 77,000+ Logan Express Riders
- 13,600 Passenger vehicles valet parked or diverted to other lots on campus

\* Ground operations for 2/19-3/4



## Logan Airport passenger activity levels – February 2023

### Logan Activity Summary February 2023

	2023	Prior Year 2022	% Change Over 2022	2019	% Change Over 2019
Passengers	2.5M	1.9M	33.7%	2.7M	-6.8%
Aircraft Operations	28.0K	23.4K	19.5%	29.0K	-3.4%

# Budget transatlantic carrier, Norse Atlantic, announced that it will add Boston Logan – London Gatwick service in September

- Service will commence September 2 with five weekly flights
- Norse Atlantic's predecessor, Norwegian Air, served the Logan-Gatwick market from 2016 to 2020
- Logan will have nonstop London service from seven airlines:
  - Heathrow: American, British Airways, Delta, JetBlue, United and Virgin Atlantic
  - Gatwick: JetBlue and Norse Atlantic



Norse Atlantic U.S. Network – Summer 2023



Green = new market

Yellow = previously announced (FLL/MCO) or in service (JFK)

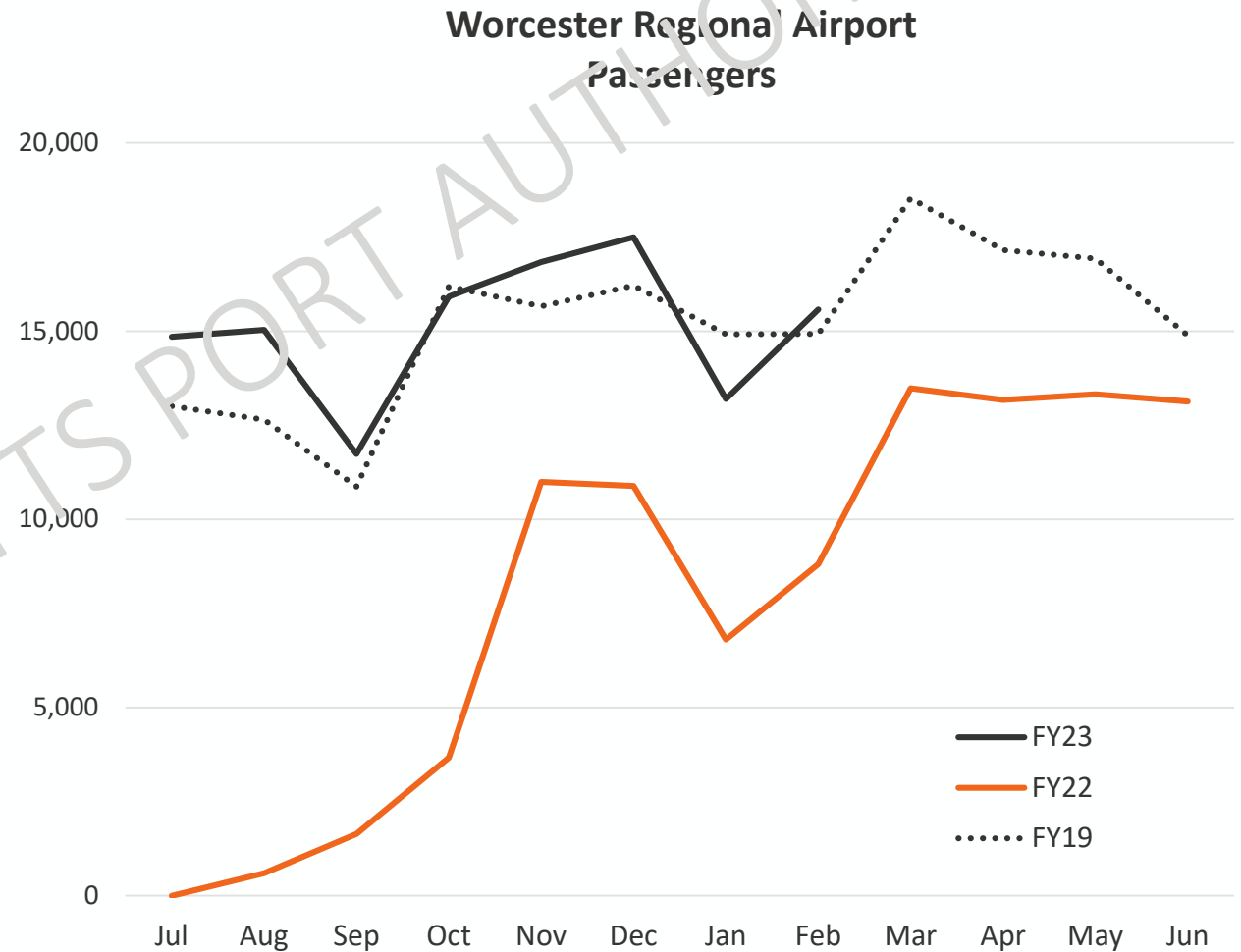
# Worcester Airport passenger volume for February continues strong trend

## February Activity:

- 15,600 passengers
  - Up 77% over February 2022
  - Up 4% over February 2019

## FYTD February Activity

- 120,600 passengers
  - Up 178% compared to FYTD 2022
  - Up 5% compared to FYTD 2019



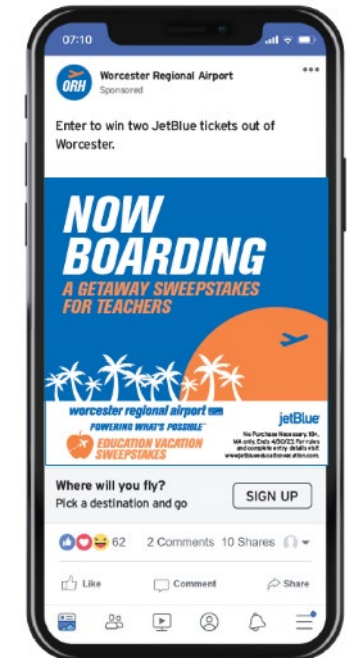


# Massport is collaborating with JetBlue on an Education Vacation Campaign for Worcester Regional Airport

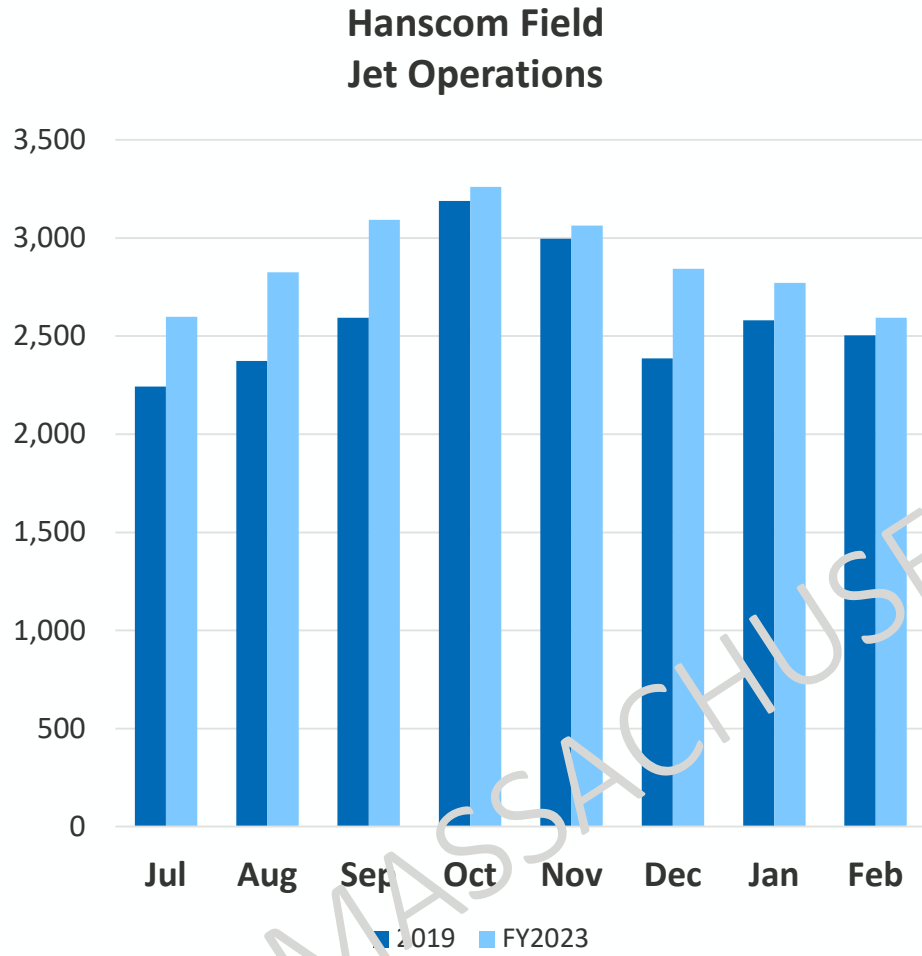
## JetBlue Education Vacation Campaign

Live: 3/20-4/20

- The *JetBlue Education Vacation Campaign* features a sweepstakes for two pairs of round trip tickets exclusively for educators teaching in the Worcester area
- The sweepstakes is open to educators from accredited elementary, middle school, high school and colleges in Worcester and surrounding areas
- The tickets will be awarded on May 2, 2023, National Teacher Appreciation Day



# Hanscom jet activity continues to exceed 2019 levels, but is trending down compared to last year



## February Activity:

	Jets	Total
Operations	2,600	7,300
Chg vs 2019	4%	(16%)
Chg vs 2022	(6%)	1%

## FYTD February Activity:

	Jets	Total
Operations	23,000	80,200
Chg vs 2019	10%	(6%)
Chg vs 2022	(3%)	(2%)



# Yesterday, Massport participated in an FAA Safety Summit in response to recent aviation industry incidents

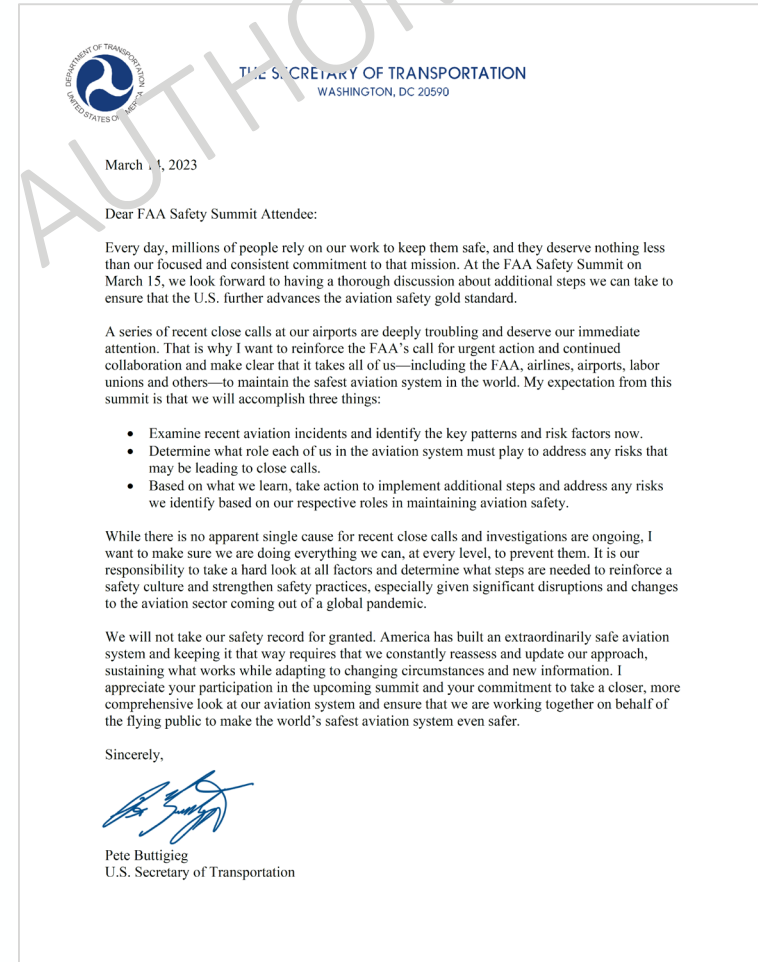
- In February, FAA Acting Administrator Billy Nolen called for several steps to pro-actively assess and respond to safety risks

## FAA Safety Summit

- Aviation industry leaders and stakeholders convened to examine additional actions the aviation community needs to take to maintain the industry's safety record

## Other FAA Actions:

- Conducting an Aviation Safety Information Analysis and sharing data to discern other incidents or trends that warrant action
- Assessing the Air Traffic Organization's (ATO) internal processes, systems, operational integration and actions needed to reinforce a collaborative, data-driven safety culture
- Exploring opportunities to strengthen the connection between ATO and the FAA Aviation Safety organization for monitoring and addressing safety risks



Report of the Director of Maritime  
*Joe Morris*

# Global shipping demand is weakened amid falling imports and excess capacity

## THE WALL STREET JOURNAL.

### Idled Ships, Empty Containers. Ocean Shipping Faces Its Biggest Slump in Years.

Box-ship carriers cancel up to a third of ship capacity across the Pacific

By Costas Paris

Updated March 2, 2023 4:09 pm ET



- **U.S. imports are trending down**
  - February TEUs down 25% year-over-year and down 16% from January
  - Inflation shifting consumer spending from goods to food, fuel and services
  - January Lunar New Year also impacted February volumes at US ports
- **Weak demand reflected in falling shipping rates**
  - Asia – US East Coast container rates down by nearly 67% since spring 2022
- **Shippers curtailing capacity**
  - Maersk and MSC have cancelled about 33% of scheduled Asia-US capacity over the past 3 months
  - 7% of industry wide vessel capacity has been idled

# The recent Trans-Pacific Maritime Conference (TPM) highlighted volatility and forecasts weak demand for US imports

## Journal of Commerce

### US imports to begin recovery, but remain well below 2022: retailers

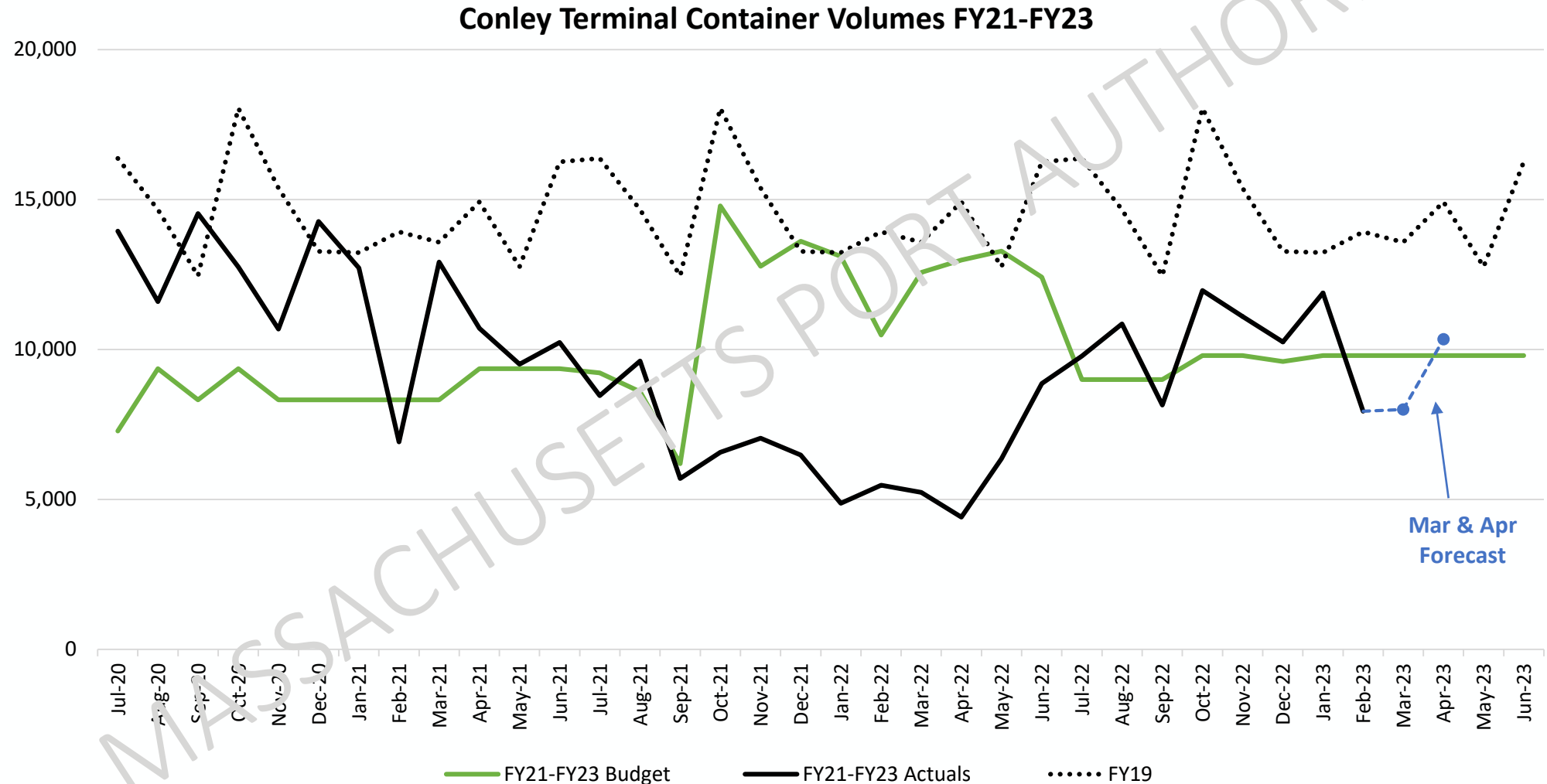


Bill Mongelluzzo, Senior Editor | Mar 8, 2023, 3:52 PM EST

- Major topics included:
  - Decarbonization in the supply chain
  - Shift of global ocean carrier alliances
  - Ocean Shipping Reform Act
  - Reduced consumer demand
- Maritime met with key industry stakeholders and partners communicating Boston's expanded global reach and frequency to new markets

“Retailers are maintaining reduced inventories in anticipation of rebuilding with new seasonal stock once they have a clearer take on expected levels of consumer spending.” - Ben Hackett, Hackett Associates, March 2023  
*Global Port Tracker*

# Conley Terminal serviced 8,000 containers in February as import volumes struggle nationally amid inflation concerns and overall declining consumer demand



# Flynn Cruiseport's season starts March 31<sup>st</sup> as we welcome back the *Norwegian Pearl* for weekly sailings to Bermuda



## Cruise Season 2023 Highlights:

- 28 cruise lines, all major brands
- Over 150 ships
- 50+ homeport cruises to Bermuda and Canada/New England
- Nearly 100 ports-of-call bringing tourists to Boston and Massachusetts
- Maiden calls: 6
- 3-Ship Days: 13

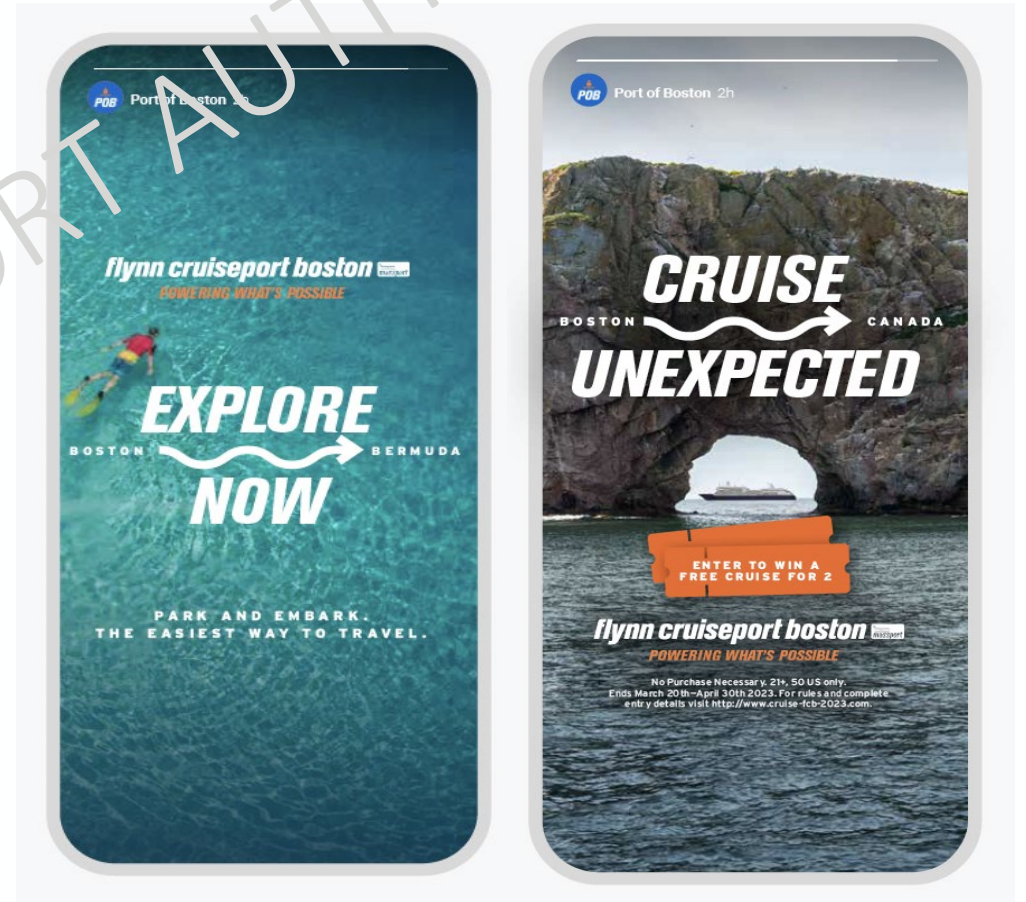
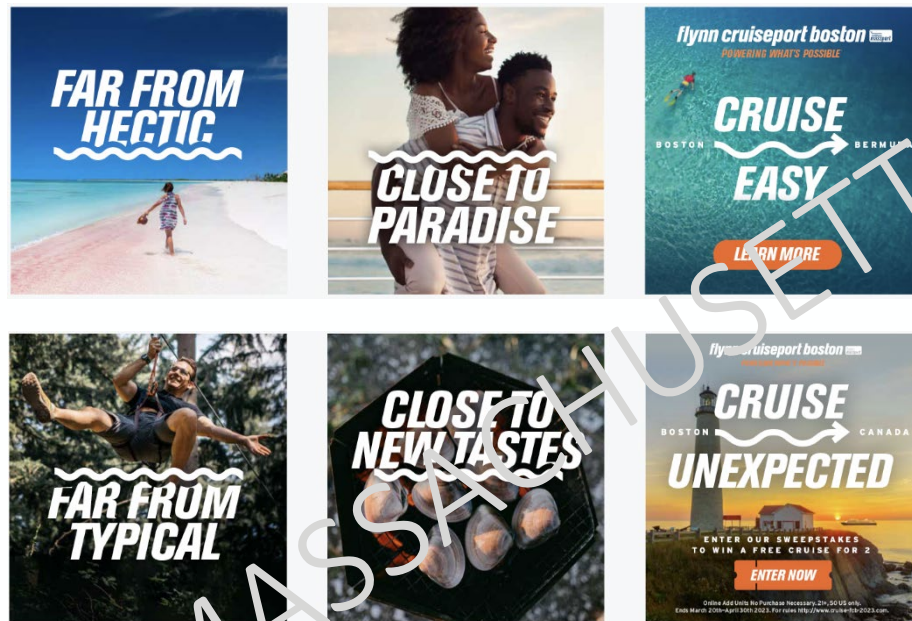
### 2023 Cruise Lines Visiting Flynn Cruiseport Boston





# A new Wave Season marketing campaign for Flynn Cruiseport Boston launches this month

- Campaign kicks-off March 20 with Canada /New England ads (through April 30) followed by Bermuda ads (May 1 to June 11)
- List ad to run in Boston Globe, Boston Herald and Worcester T&G on April 28 (day of Cruise Season 2023 kick-off event)



# Princess Cruises has announced Boston as their newest Homeport partner starting in 2024



- Princess Cruises will be Boston's newest Homeport partner, starting in 2024
- Princess will offer seven turns between Boston and the Canada/New England region on the *Emerald Princess*, a 3,100-passenger ship
- Cruises will start in July 2024, contributing to Massport's strategic initiative to welcome Canada/New England cruises earlier in the season

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# Sumner Tunnel Update

Joel Barrera

March 26, 2023



# MassDOT revised the Sumner Tunnel full closure schedule to reduce impacts this summer



## Sumner Tunnel Restoration Project Original Schedule

- **Phase 1:** 36 planned weekend closures, except for holiday weekends, started June 2022
  - 30 weekend closures have occurred to date and are scheduled to continue through May 2023, except for holiday weekends
- **Phase 2:** A full 16-week closure was planned from May through September 4, 2023
- **Phase 3:** 12 additional weekend closures were planned from September to December 2023

# The revised schedule spreads Phase 2 construction over the next two summers

## Sumner Tunnel Restoration Project Revised Schedule: Phases 2 & 3

- **Full closure** of the tunnel will now occur over two 8.5 week periods
  - July 5 – August 31, 2023
  - Similar dates in 2024
  - Historically, these weeks have the lowest traffic volumes of the year and do not overlap with the school year, however this is the peak period for Logan air passengers
- **Weekend closures:**
  - Periodic weekend closures from September 2023 to July 2024
  - 2-3 weekend closures from September 2024 through October 2024



# Massport will be fully engaged in MassDOT's newly-formed Sumner Tunnel Working Groups

## Public Safety

- Collaborate on fire and emergency response
- Plan ambulance routes

## Transit Issues /Users / Mobility

- Coordinate transit strategies
- Promote transit alternatives

## Traffic Freight/ Cargo

- Engage industry partners
- Focus special attention on freight logistics

## Business

- Engage individual business and chambers
- Help businesses understand impacts on employees and customers

## Communications/ Outreach

- Coordinate outreach strategies
- Amplify MassDOT message

Report of the CEO  
*Lisa Wieland*

## Massport Goals – FY 2023

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- 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



## Board member Sean O'Brien was recently appointed to the Advisory Committee for Trade Policy and Negotiations (ACTPN) and honored for his work raising funds for autism

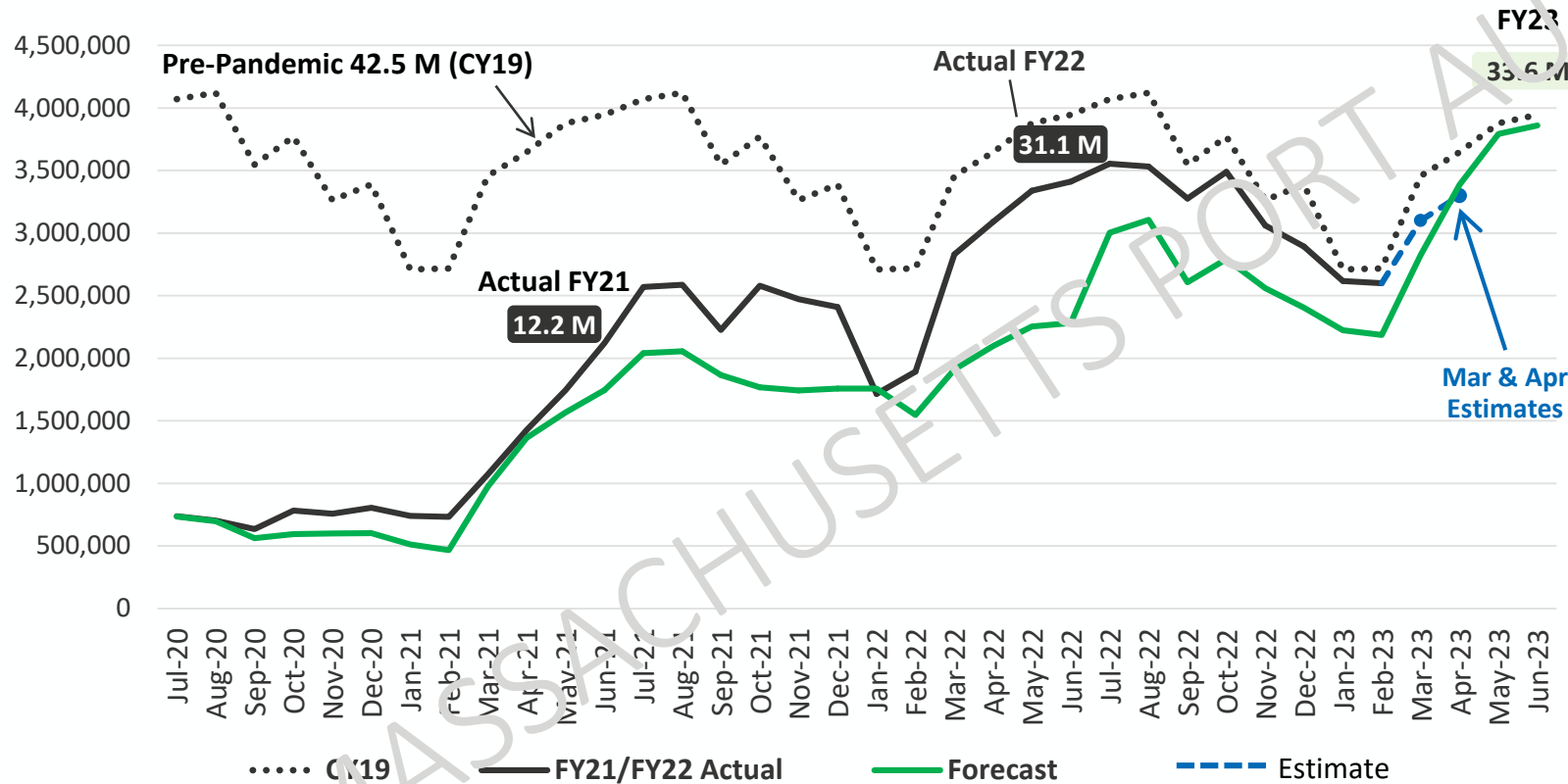
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- He was one of fourteen people appointed by President Biden to the 45-member ACTPN, which provides policy advice to U.S. Trade Representatives on matters related to trade policy development, implementation, negotiations and administration
- He was also honored for his work raising awareness and funds for autism by the Teamsters Local 25 at their 14<sup>th</sup> Annual Autism Gala



# 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
- Lifting of COVID testing requirements in the U.S. for passengers arriving from China
- Ongoing conflict in Ukraine
- Possible U.S. and global economic recession

# Financial Performance: January 2023

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## Activity Highlights

- Logan served 2.6M passengers
- Conley Terminal processed 11,900 containers
- Real Estate revenues exceeded plan by \$0.6M
- Expenses were \$3.6M above budget

## Financial Results

Revenues	\$88M
Expenses	<u>(\$74M)</u>
<b>Contribution</b>	<b>\$14M</b>

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

# The FAA awarded a \$22.5M FY23 Airport Terminal Program (ATP) grant to Massport

- The grant will help fund several Terminal E Modernization project elements:
  - A new oversized baggage belt
  - Renovations to the arrivals level curb and canopy
  - Two new passenger boarding bridges
- Total project cost: \$33M
- Grant award: \$22.5M (vs \$26.4M request)
- Required Massport match: \$10.5M
- Massport is grateful for the support of the MA federal delegation



## Biden Harris Administration Announces Nearly \$1B in Bipartisan Infrastructure Law Airport Funding Awarded to Meet Surging Air Travel Demand

Monday, February 27, 2023

*Larger security checkpoints, more reliable and faster baggage systems and better roadways and multimodal connections are just some of the improvements passengers will see*

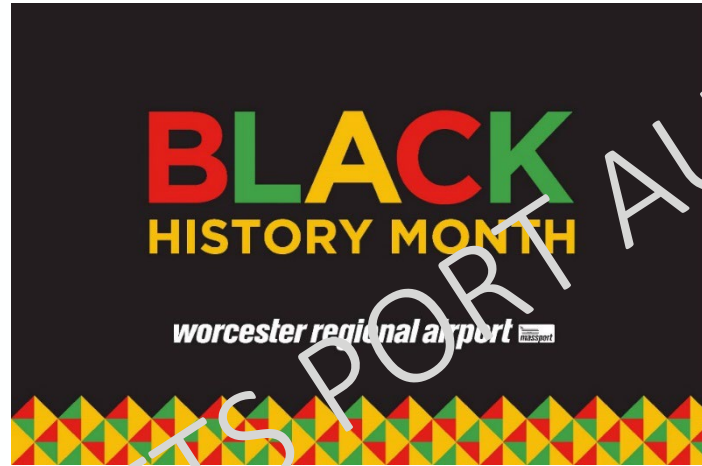
*Funding going to small, medium and large communities across the country*

**WASHINGTON** – With air traffic poised to reach or beat pre-pandemic levels this year, the Federal Aviation Administration (FAA) is awarding nearly \$1 billion from President Biden's Bipartisan Infrastructure Law to 99 airports of all shapes and sizes across the country.



# Massport hosted a unique Black History Month Art Exhibit at Worcester Regional Airport

- A collaboration with Worcester Black History and The Village Worcester, two local organizations
- Art works by six talented, local Black artists were on display in the passenger departure lounges during Black History Month
- The artworks were moved and displayed on the public side for a special open house that welcomed the artists, local leaders and the public to enjoy the art exhibit



# BEST Hospitality Training Center opened at the Omni Boston Hotel at the Seaport

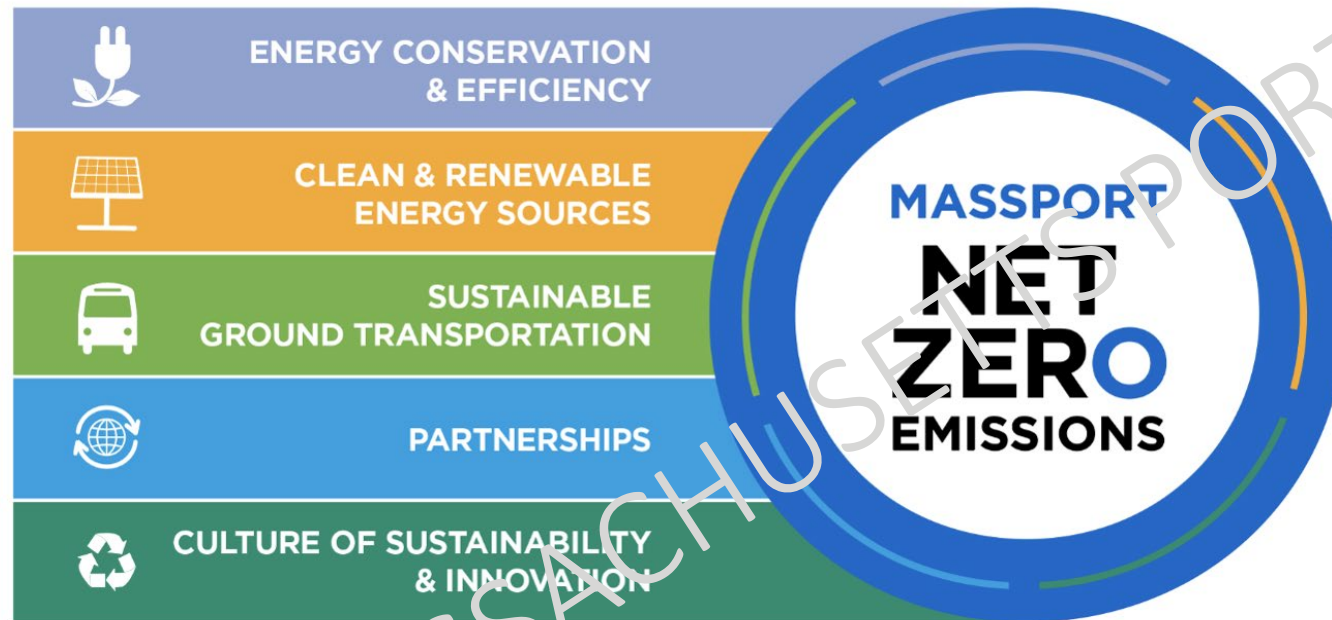
- A new training model for the hospitality industry, with labor and management working together to attain the best in hospitality
- BEST Hospitality Training Center's mission is to provide individuals with the education, skills, and training to excel in the hospitality industry and in their personal lives
- The training center provides pre-employment and incumbent worker training designed to meet the labor needs of Boston's growing hospitality industry



BEST graduates and event speakers, from left to right: *Tanisha Meranda, William Brown, and Margarida Silva*

# Massport has set a goal to reach Net Zero by 2031 for emissions within its direct control (Scope 1 and 2) and is working to influence Scope 3 emissions

This plan is following five pathways to Net Zero emissions

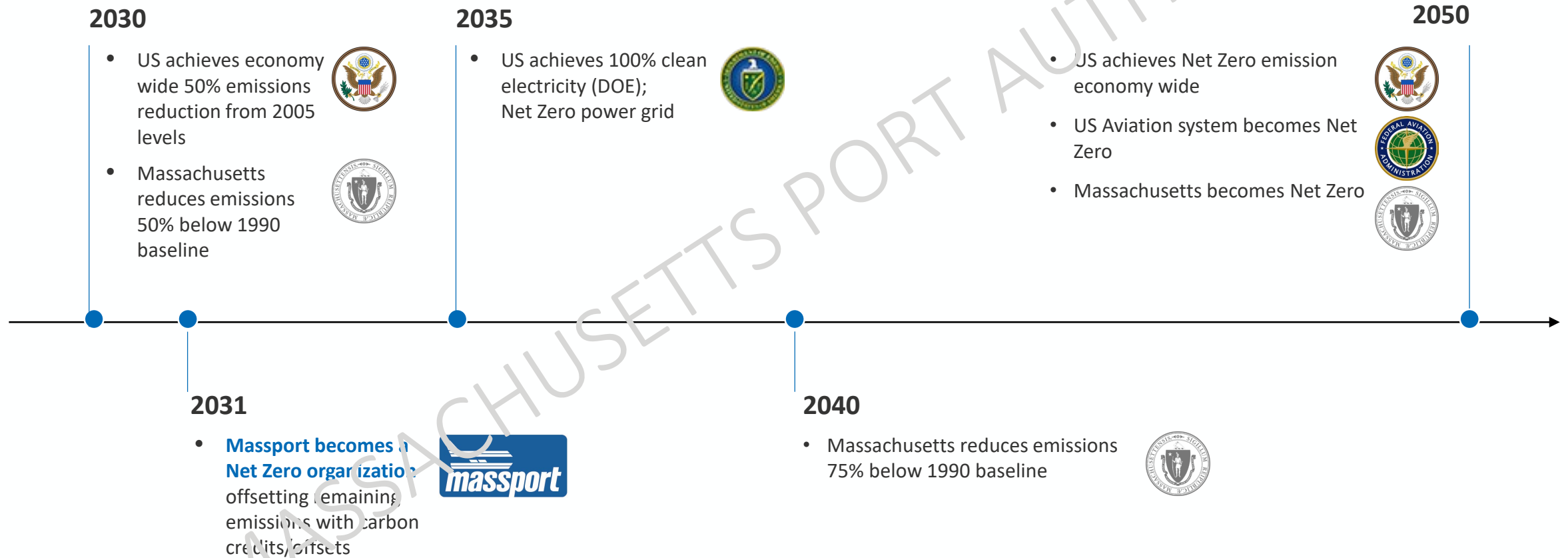


These pathways address:

- **Largest sources of Massport's greenhouse gas (GHG) emissions**
- Areas over which Massport has **direct control (Scope 1 and 2)** and can **influence (Scope 3)**
- Massport's desire to **advance innovation** in the aviation and maritime industries that will lead to significant emission reductions
- Where absolute reductions are not fully possible by 2031, emission credits/offsets will be used

# Massport's 2031 timeline aligns with the Net Zero trajectories for both the federal government and the Commonwealth

## US government and Massachusetts Net Zero target milestones





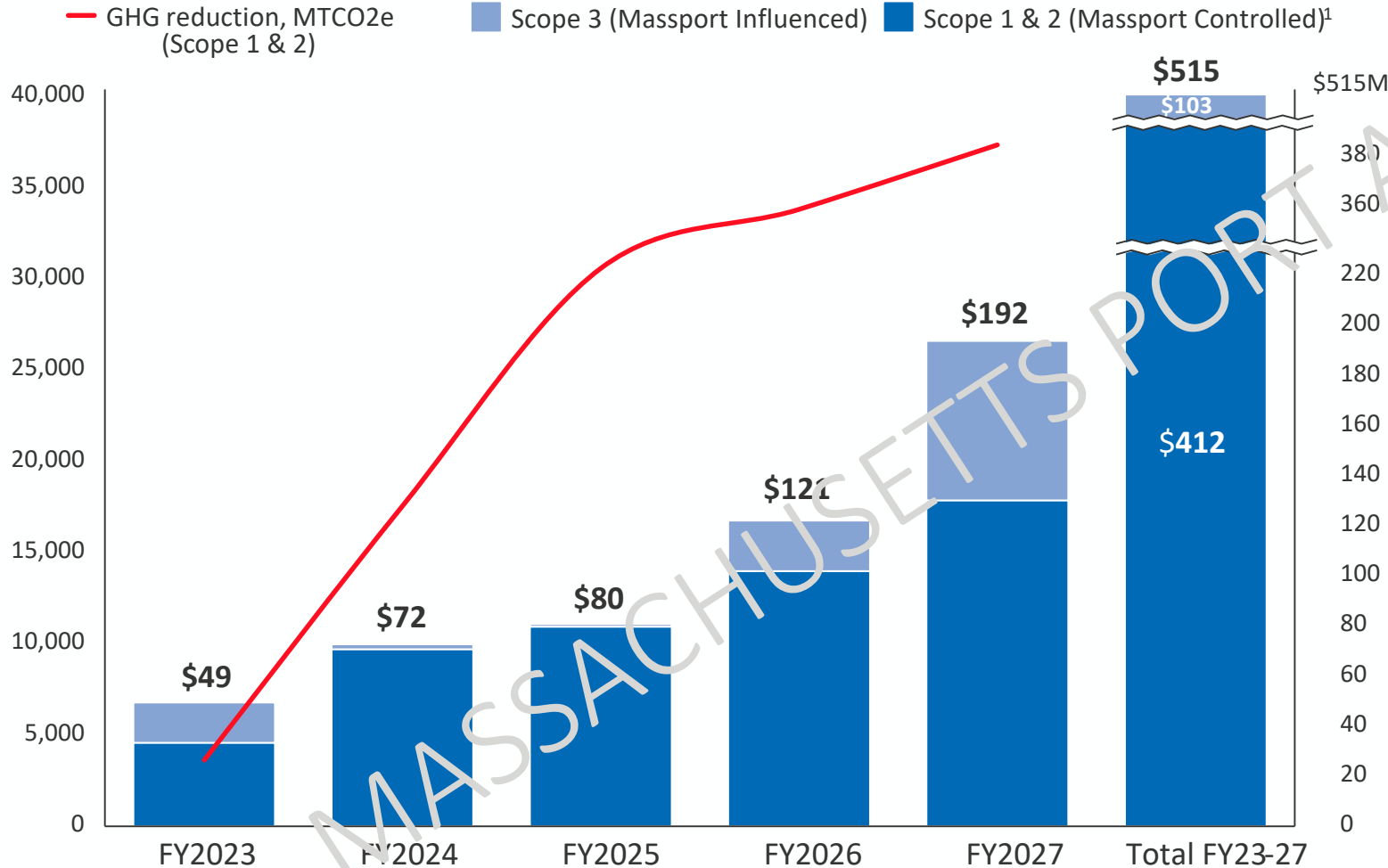
# One year into the NZ journey, Massport has advanced initiatives focused on reducing long-term emissions

Pathway	Example projects ( <i>not exhaustive</i> )
<b>Energy Conservation &amp; Efficiency</b>	<p>Seeking <b>LEED Gold certification for Terminal E Modernization</b>, given its environmentally responsible construction practices (Scope 1 and 2)</p> <p>Issued RFQ for a <b>Net Zero Central Heating Plant</b> (Scope 1)</p>
<b>Clean &amp; renewable energy sources</b>	<p>Establishing a <b>Sustainable Aviation Fuel (SAF) hub</b> with <i>MIT Zero Impact Aviation Alliance</i> (Scope 3)</p> <p>Generated 75% more energy than planned from <b>Terminal C Solar photovoltaic array</b> (Scope 2)</p>
<b>Sustainable ground transportation</b>	<p>Enabled <b>rental car</b> companies to move from 0 electric vehicles (EVs) on site to <b>550+ EVs</b> (Scope 3)</p> <p>Installed <b>EV Charging stations at Worcester Airport</b> (Scope 1 and 3)</p>
<b>Partnerships</b>	<p>Signed an agreement with NYSERDA and submitting potential maritime and aviation projects to the <b>Regional Clean Hydrogen Hub</b> (Scope 1)</p> <p>Partnering with Mass CEC and EEA to have Logan Airport spearhead the <b>transition of ride apps and taxis to EV</b> (Scope 3)</p>
<b>Culture of Sustainability &amp; Innovation</b>	<p>Established a <b>Net Zero Program Management Office (PMO)</b> to ensure project delivery and embed sustainability practices throughout Massport</p>



# Massport is seeking to invest \$500M+ over the next five years toward its Net Zero goal

Net Zero estimated investments and emissions impact, FY23-27 \$M



## Net Zero Investment Priorities

- **Energy Conservation & Efficiency**
  - Developing pathway to decarbonize the Logan central heating plant
  - Conducting energy audits to identify energy efficiency opportunities
  - Retrofitting cranes at Conley terminal
- **Clean and renewable energy sources**
  - Evaluating additional Massport sites for solar installation
  - Conducting shore power study (Conley & Cruise Terminals)
- **Sustainable ground transportation**
  - Planning the transition of 10 on-airport buses to EV
  - Planning the transition of 10 vehicles of the wider Massport fleet to EV
  - Procuring 8 enhanced electric hybrid Silver Line (SL1) buses



1. Contains funds either committed to fund Net Zero enabling projects (e.g., electrical infrastructure) or not yet defined

## Massport's Net Zero focus in the next quarter

- Select a partner to plan and design a Net Zero Central Heating Plant for Logan Airport
- Launch the MIT-led Zero Impact Aviation Alliance as a founding member
- Develop a fleet decarbonization plan to transition Massport's vehicle and equipment fleet to zero emissions
- Complete infrastructure assessments and develop initial estimate of investment required to support future electrical demand
- Conduct comprehensive energy efficiency evaluation of buildings



Strategic Plan

MASSACHUSETTS PORT AUTHORITY

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# FY23-FY27 Capital Improvement and Financial Plans

Lisa Wieland

March 16, 2023



## Topics

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- Introduction to the FY23-FY27 Capital Improvement Plan
- FY23-FY27 Capital Improvement Plan (CIP)
- FY23-FY27 Capital Improvement Plan (CIP) Financing

**Before the pandemic, Massport was targeting a \$3.2B CIP**

**FY19-FY23 CIP \$2.6B**

**New Projects:**

- Terminal E Phase 2 (3 gates + Blue Line Connection) \$ 150M
- Terminal E Garage \$ 150M
- Cruise Terminal Renovation \$ 100M
- Braintree LEX Parking Structure \$ 150M
- Framingham LEX Garage Addition \$ 35M
- New Suburban LEX Location \$ 50M

**Planned FY20-FY24 CIP \$3.2B**

**Massport suspended \$1B of projects due to COVID financial impacts**

**\$1B of Projects Suspended**

- Terminal E Phase 2 (3 gates + Blue Line Connection)
- Terminal E Garage
- Cruise Terminal Renovation
- New Suburban LEX Site
- Logan Terminal A Improvements (incl. Terminal A-B Connector)
- North Airfield Optimization
- Logan Taxiway Y Replacement
- Logan HVAC Replacement
- Central Heating Plant Upgrades

**\$0.5B of projects are restored in the current FY23-FY27 CIP**

**FY22-FY26 CIP \$2.2B**

**Key Projects Restored:**

- Terminal E Modernization Phase 1B
- Terminal E Garage
- Braintree LEX Parking Structure
- North Airfield Optimization
- Central Heating Plant Upgrades

**Proposed FY23-FY27 CIP \$2.7B**



# Beyond this CIP, Massport will need to invest an additional \$5B+ over the next 10 years to support the Commonwealth's economic, transportation, and climate goals

	Restore Suspended Projects	Replace Aging Infrastructure	Fund New Strategic Initiatives
Aviation	<ul style="list-style-type: none"> <li>Terminal E Modernization Ph 2 (3 gates + Blue Line connection)</li> <li>New Suburban LEX Site</li> <li>Logan Taxiway Y Replacement</li> <li>Logan HVAC Equipment Replacement</li> <li>Logan Terminal A Improvements</li> </ul>	<ul style="list-style-type: none"> <li>Terminal B Garage Replacement, Curb/Roadway Improvements</li> <li>Terminal C Modernization</li> <li>Logan Rwy 4R/22L Runway Safety Area</li> <li>New Logan Air Traffic Control Tower</li> <li>Central Heating Plant Upgrades</li> </ul>	<ul style="list-style-type: none"> <li>Terminal B Renovations</li> <li>Airside Passenger Connections (A to B, A to E)</li> <li>Central Heating Plant Replacement (NZ)</li> <li>HOV Expansion (NZ)</li> <li>Service Area Optimization</li> </ul>
Maritime/ REAM	<ul style="list-style-type: none"> <li>Cruise Terminal Renovation</li> </ul>	<ul style="list-style-type: none"> <li>Conley Terminal Yard Rehab</li> <li>Conley Terminal Ship-to-Shore Cranes</li> <li>Cruise Terminal Apron</li> <li>Boston Fish Pier Rehab</li> </ul>	<ul style="list-style-type: none"> <li>Conley Berth Expansion</li> <li>Army Parcels Acquisition</li> </ul>
Authority Wide	<ul style="list-style-type: none"> <li>Digital Transformation Projects</li> </ul>		<ul style="list-style-type: none"> <li>Electrical Infrastructure/ Capacity (NZ)</li> <li>Building Energy Efficiency (NZ)</li> <li>Fleet Decarbonization (NZ)</li> <li>Cybersecurity</li> </ul>



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# FY23-FY27 Capital Improvement Plan

Luciana Burdi

March 16, 2023



## Executive Summary

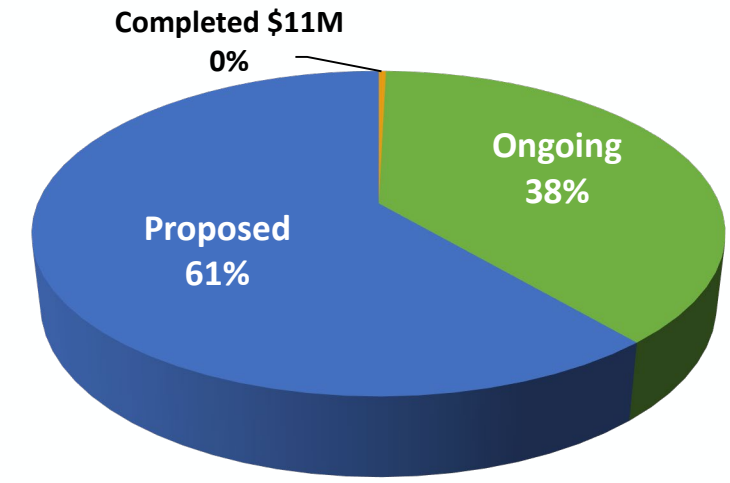
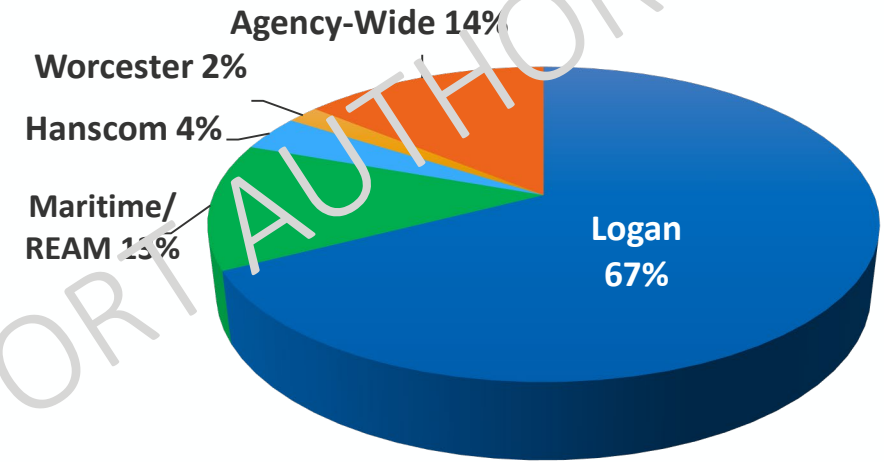
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- The five-year (FY23-FY27) Capital Program totals \$2.7 billion
- Almost 40% of the FY23-FY27 Capital Program continues investments in ongoing projects
- About \$1.6 billion of proposed new investments addresses immediate capital needs while advancing key strategic initiatives, like Net Zero
- Massport continues to devote a significant portion of the Capital Program to necessary maintenance and renewal to extend the safe and usable condition of our facilities
- The Federal Bipartisan Infrastructure Law (BIL) and other grant programs may provide opportunities to fund additional projects

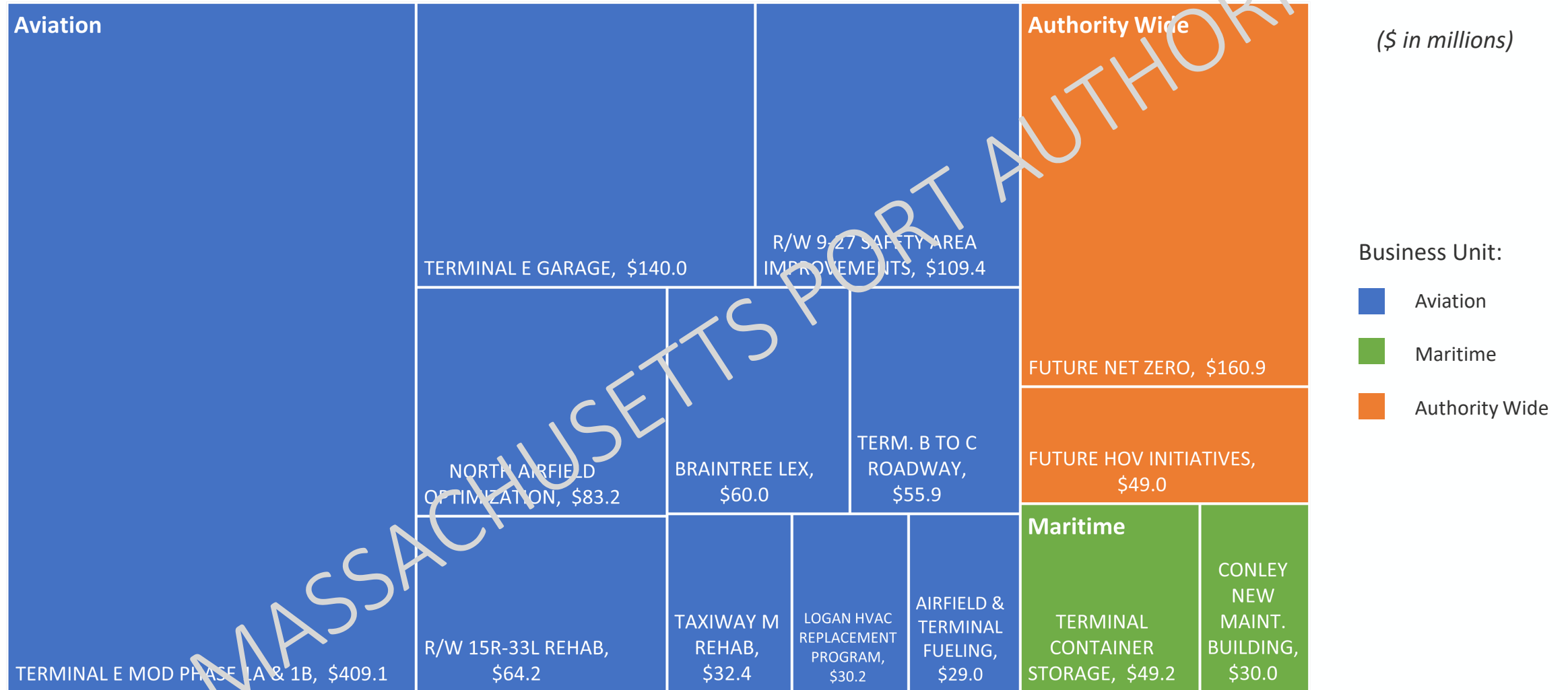
# The FY23-FY27 Capital Program commits \$2.7B for improving and maintaining Massport's critical transportation assets

**Capital Program by Business Line**  
(in millions)

Business Unit	FY23	FY24	FY25	FY26	FY27	Total
Logan	\$380	\$408	\$359	\$363	\$286	\$1,796
Maritime + REAM	\$70	\$85	\$78	\$79	\$33	\$346
Hanscom	\$14	\$19	\$13	\$35	\$16	\$97
Worcester	\$1	\$19	\$11	\$9	\$8	\$49
Agency-Wide + IT	\$39	\$61	\$103	\$80	\$91	\$375
<b>Total</b>	<b>\$505</b>	<b>\$593</b>	<b>\$565</b>	<b>\$566</b>	<b>\$434</b>	<b>\$2,662</b>



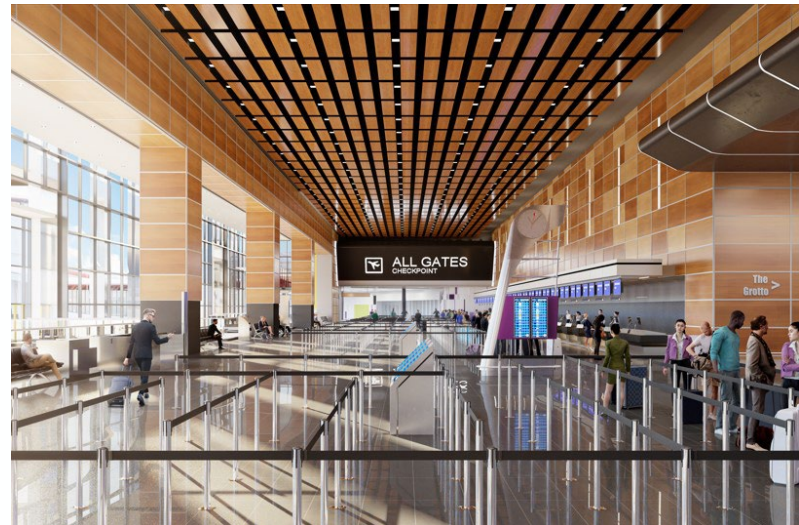
# Top proposed/ongoing projects in the CIP account for \$1.3B, or approximately 50%, of the entire CIP



# Future improvements to Terminal E, funded with BIL Grants and other sources, will ensure efficient operations, passenger convenience and environmental sustainability

## Terminal E Phase 1B Scope

- Expand Baggage Handling System Capacity
- Expand Passenger Ticketing/Check-in Capacity
- Replace End-of-Life Mechanical Equipment
- Renovate the Arrivals Level Canopy and Curb Area
- Replace Aging Passenger Boarding Bridges
- Enhance the CBP Area
- Upgrade Technology
- Support Net Zero and Sustainability Initiatives
- Add Two New Boarding Bridges



# Airfield safety improvements at Logan, Hanscom and Worcester will be funded with Federal grants and Massport resources

## Logan Airport

Rehab Runway 15R-33L

Total: \$64.2M; Federal Share: \$48.2M



Runway 9-27 Runway Safety Area

Total: \$109.4M; Federal Share: \$80M



## Worcester Regional Airport

Rehab Runway 29

Total: \$12M; Federal Share: \$10.8M \*



## Hanscom Field

Rehab Runway 5-23

Total: \$27.5M; Federal Share: \$23M \*\*



\* Worcester – Entitlement & Anticipated FAA Discretionary Funds

\*\* Hanscom – Entitlement, BIL, & Anticipated FAA Discretionary Funds

# The CIP invests over \$150M in HOV initiatives

Framingham Logan Express



Braintree Logan Express



Bus Investment



# Maritime Projects

Cruise Terminal Seawall Structural Rehabilitation



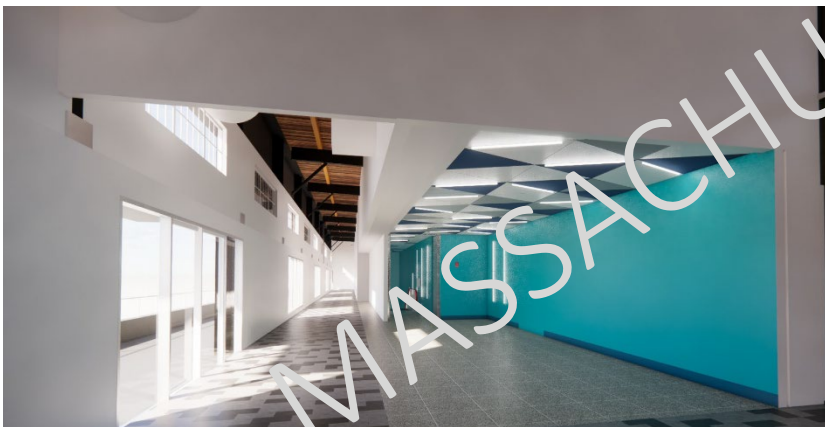
Maritime Roof Replacement Program – Fish Pier



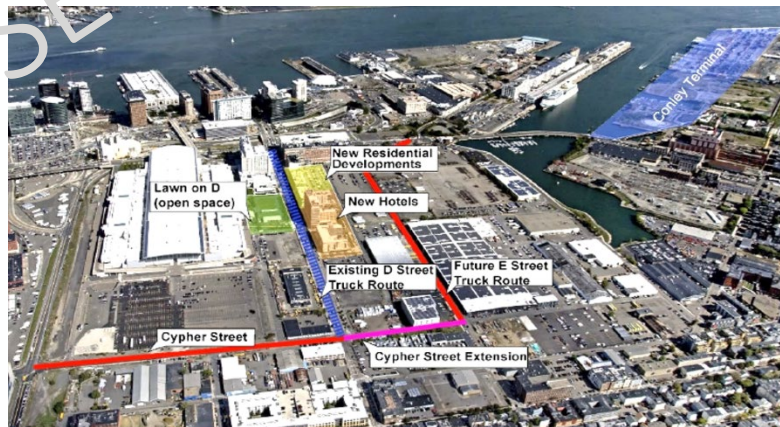
Coney Terminal Container Storage



Cruise Terminal Passenger Circulation Enhancements



Cypher-E Street Freight Corridor (MassDOT Funded)



Hybrid RTG Retrofits

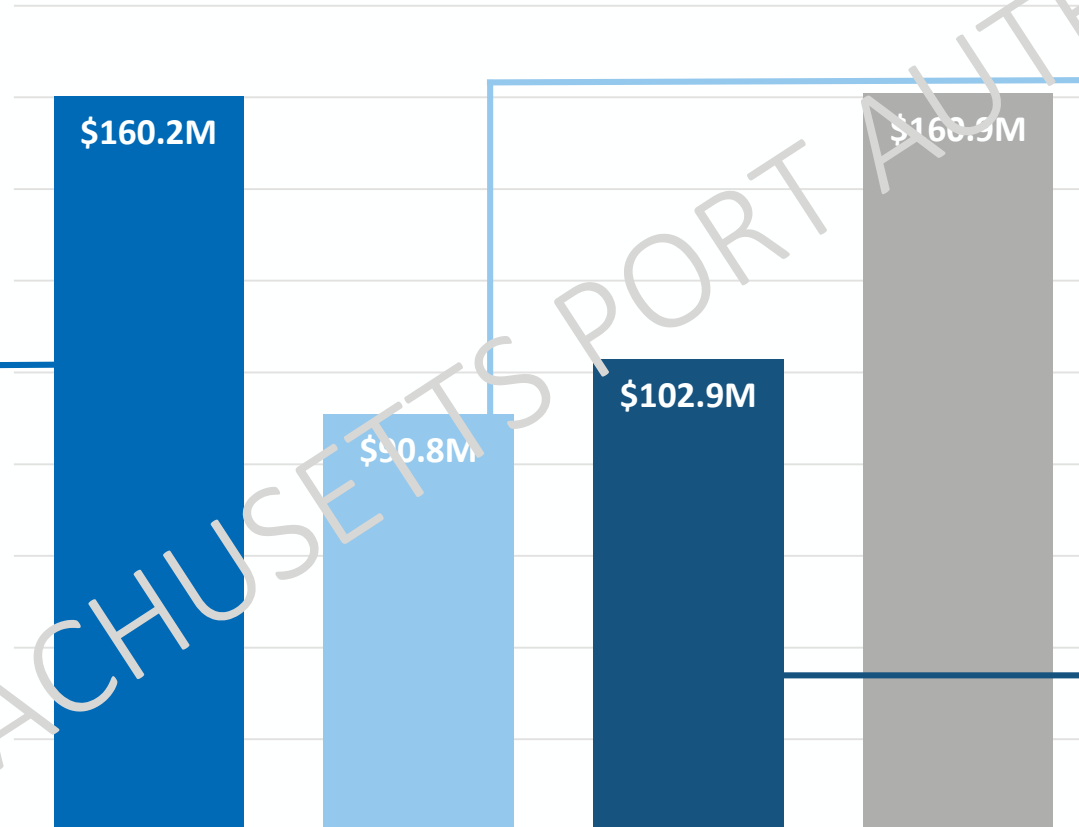




# The FY23-FY27 CIP invests \$500M+ for Net Zero projects

NZ Projects in the FY23-FY27 CIP by Scope

- Scope 1**
- Battery Electric Shuttle Buses
  - Building Conditions Assessment
  - CHP – 3<sup>rd</sup> Boiler Replacement
  - Net Zero Central Heating Plant
  - Cruise Terminal HVAC Upgrades
  - Steam System Rehabilitation
  - Hybrid RTG Retrofits
  - LOC RTU Replacement
  - State Police Vehicle Fleet Conversion & Replacement
  - HVAC Controls Upgrade Terminals B, C, & E
  - Hybrid Buses – Additional 8
  - Airside Utility Studies & Improvements
  - EV Studies

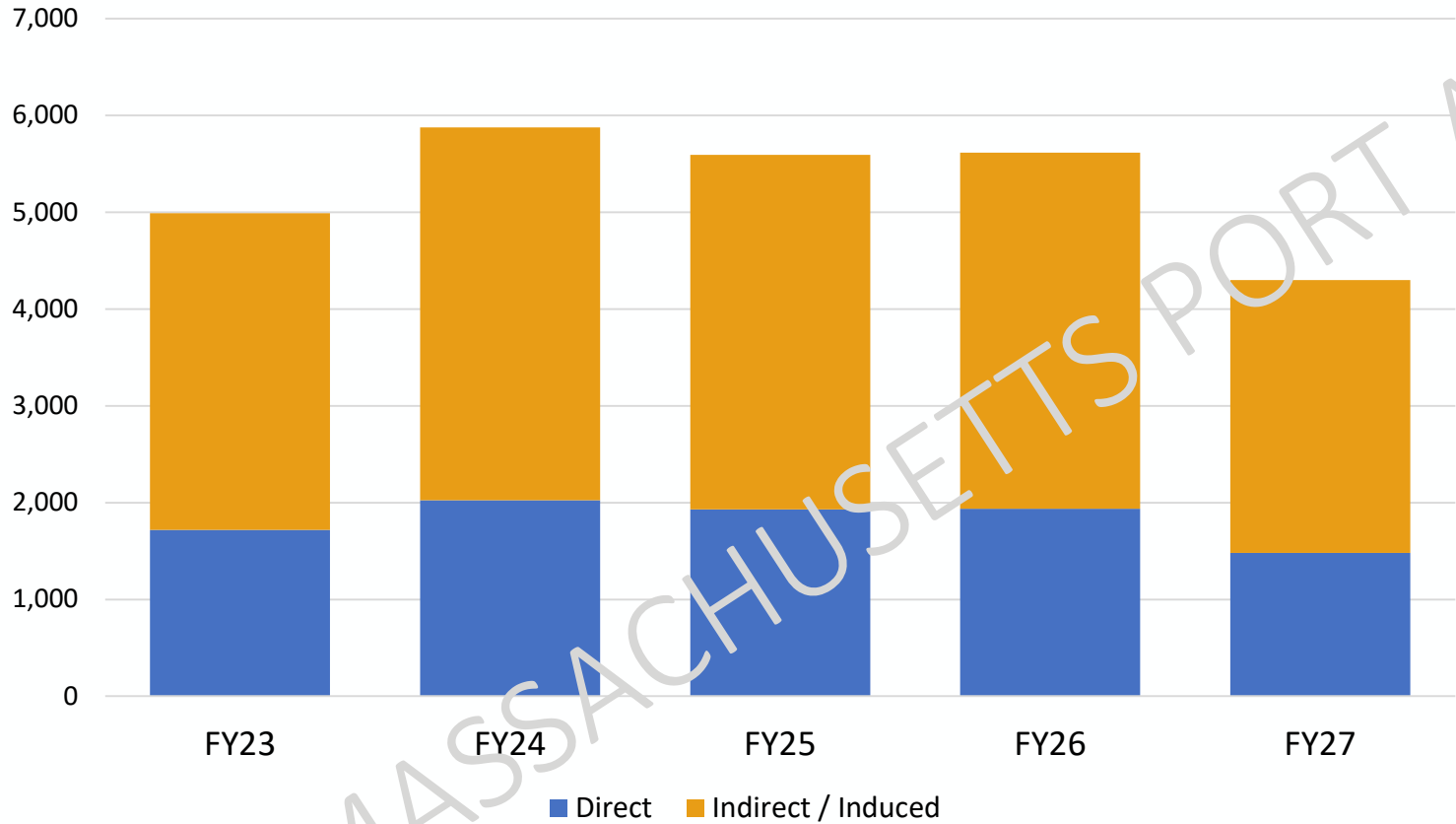


- Scope 2**
- Airside Electrical Infrastructure Upgrades
  - Electrical Infrastructure Improvements
  - Runway 4R Lighting
  - Cruiseport Electrical Distribution System Upgrades
  - Street Light Replacement Program
  - Electrification Infrastructure Assessment & Prioritization
  - Massport Building Condition Assessment
  - Meter Replacement Program

- Scope 3**
- Braintree Logan Express Garage
  - Hybrid Silver Line SL1 Buses
  - Logan Airside Charging Stations
  - Logan Landside Charging Stations
  - Authority Wide Charging Stations
  - Shore Power Study (Conley & Cruise Terminals)

# The Capital Program creates more than 26,000 jobs

Estimated 26,400 Full-Time-Employees (FTEs) Created



- **9,100** jobs directly related to Massport construction projects
- **17,300** jobs supported through vendor and worker re-spending (multiplier effect)

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# 5-year Financial Plan to Support the FY23-FY27 Capital Improvement Plan

John Prankevicius

March 16, 2023



## Executive Summary

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- Business activity is improving across Massport's transportation assets
- Near term financial capacity will increase as variable revenues increase slightly more than operating expenses in this upcoming five year cycle
- However, operating costs are increasing to account for higher inflation, more services, new investment in technology and digital transformation, higher debt expense, and market losses on pension and OPEB assets
- There is an abundance of necessary strategic investments, not yet funded, to build capacity, transition from fossil fuel dependence, maintain assets in a state of good repair, and address other investment needs and challenges
- Our longer term financial outlook identifies a funding gap against those strategic investments that will require the exploration of new partnerships and creative project delivery solutions, imaginative bridging strategies, new funding sources, and interesting and challenging choices to meet our capacity goals and needs
- Geopolitical and economic risks, among others, are elevated and these uncertainties could alter Massport's business, operational, and financial trajectory
- If necessary, we may have to adjust and adapt our plans to serve our customers and stakeholders while continuing to be an economic engine for the Commonwealth

# Higher business activity produces an 11% increase in CIP funding capacity compared to the FY22-FY26 financial plan

Business Activity				Five Year Financial Plan			
Year	Logan Passengers	Conley Containers	Cruise Passengers	Revenue	Expense	Debt Service	Earnings for CIP
FY23	36.8M	115K	160K	\$973M	\$520M	\$151M	\$302M
FY24	38.6M	132K	315K	\$1,037M	\$592M	\$173M	\$272M
FY25	42.1M	137K	324K	\$1,072M	\$631M	\$173M	\$266M
FY26	43.4M	141K	331K	\$1,109M	\$668M	\$196M	\$245M
FY27	44.8M	145K	338K	\$1,153M	\$702M	\$211M	\$240M

5-year Net Earnings for CIP funding capacity: **\$1.3B**

# A 7.4% increase in the 5-year revenue forecast will enable service restoration, offset inflationary cost increases, and add CIP funding capacity

## Revenue Forecast

	Last Year	This Year	Change
FY23	\$873M	\$973M	\$100M
FY24	\$964M	\$1.037B	\$73M
FY25	\$1.000B	\$1.072B	\$72M
FY26	\$1.053B	\$1.109B	\$56M
FY27	\$1.085B	\$1.153B	\$68M
			<b>\$369M</b>

## FY24 Major Revenue Drivers:

### Logan: \$852M, +19% increase over FY23

- Fixed revenue from terminal rents, ground leases and landing fees increase 19% as capital and operating costs are recovered from airline rates and new Terminal E assets come online
- Parking revenue approaches pre-pandemic levels, deferred parking rate increase effective July 2023 to fund new investments
- Concessions, Ride Apps and Logan Express collectively increase 25%

### Hanscom/ORH = \$23M, +14%

- Increase in BED Lease Revenues and ORH Parking drive increase

### Maritime: \$70M, +18%

- 18,000 additional containers at Conley Terminal
- 315,000 cruise passengers

### Real Estate: \$43M, +\$1M

- Parking activity at the South Boston Waterfront Transportation Center (SBWTC) outperforms the prior year

### Other Revenue: \$49M

- Includes Interest Income and final allotment of Federal Airport Assistance

# Higher business activity, completion of the Terminal E project, strategic initiatives and community commitments will increase operating expenses by 7.3%

## Operating Expense Forecast

	Last Year	This Year	Change
FY23	\$518M	\$520M	\$2M
FY24	\$550M	<b>\$592M</b>	\$42M
FY25	\$575M	\$632M	\$57M
FY26	\$620M	\$668M	\$48M
FY27	\$639M	\$702M	\$63M
			<b>\$212M</b>

## FY24 Major Expense Drivers:

- Newly added HOV transportation service contracts, service frequency increases and discounted LEX ticket prices add new expenses
- Terminal operating expenses for cleaning, elevator maintenance, waste recycling, and other services increase as passenger volumes improve
- New Terminal E expenses and return of route development incentives
- Worcester Airport subsidy to increase 7% as overhead expense increases
- Digital transformation resources to improve efficiencies and organizational performance
- Investments in Cybersecurity to mitigate potential threats
- Community contributions and mitigation commitments at Piers Park 2, community milestones, PILOT payments, and other community/summer jobs programs
- Employee wage and benefit increases, 11% increase in staff count over five year period, and new Retirement & OPEB assessment from stock market losses

# The FY23-FY27 financial plan uses a balanced approach to finance the \$2.7B CIP

## CIP Funding Sources

	FY22-FY26	FY23-FY27	Change
Operating Earnings	\$ 1,190M	\$ 1,325M	\$135M
Bonds	\$ 360M	\$ 437M	\$ 77M
Ongoing Projects	\$ 222M	\$ 387M	\$ 165M
Grants	\$ 354M	\$ 391M	\$ 37M
PFCs & Other Sources	\$ 65M	\$ 123M	\$ 58M
<b>Total CIP Sources</b>	<b>\$ 2.2B</b>	<b>\$ 2.7B</b>	<b>\$ 472M</b>

- **\$135M** in operating earnings
- **\$77M** increase in Massport bonds
  - Terminal E Modernization Phase 1B
  - Braintree Logan Express Garage
  - Terminal E Garage
- **\$165M** of ongoing projects funded in the prior year plan
- **\$37M** in Federal BIL Grant funding
- **\$58M** of Passenger Facility Charges (PFCs) from Logan passengers will fund airfield projects, subject to the FAA approval

In July 2022, \$90 million was added to the current CIP for matching funds for the competitive FAA Airport Terminal Program grant for Terminal E



## Next Steps

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- **March Board Meeting Vote:**
  - Approve \$2.7 Billion CIP
- **June Board Meeting Votes:**
  - Approve FY24 Operating Budget
  - Approve FY24 Airline Rates and Charges
- **July Board Meeting**
  - Pandemic deferred Parking Rate becomes effective

Safety and Security

MASSACHUSETTS PORT AUTHORITY



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# Training Update

Hank Shaw

March 16, 2023



# Massport kicked-off an Active Shooter Emergency Response Program for the Cruiseport

## Critical Objectives

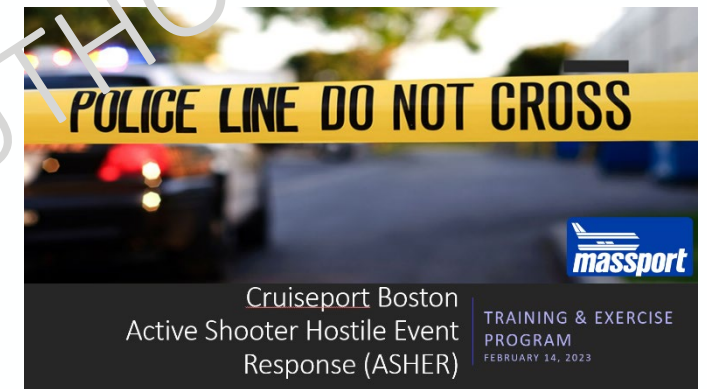
- Develop a collaborative multi-agency Active Shooter Hostile Event Response (ASHER) Program
- Enhance emergency response, coordination, and communications
- Leverage national and state standards for ASHER program development
  - Adopt best practices/concepts of the National Fire Protection Association (NFPA) 3000
  - Align with EOPSS guidance and expectations

## Stakeholders

- Massport Police, Massport Fire Rescue, Massport Maritime Operations/Facilities, State Police, Boston Police, Boston Fire, Boston EMS, FBI, U.S. Coast Guard, U.S. Customs and Border Protection, Massachusetts Department of Fire Services, Intercruises, Global Watch, Ports America

## Path Forward

- **Spring 2023:** Series of workshops to discuss ASHER integrated response, incident command, resource management, and review key emergency response and contingency plans
- **Summer 2023:** Update Flynn Cruiseport Boston ASHER Plan
- **Fall 2023:** Tabletop exercise focused on the updated plan and lessons learned
- **2024:** Variety of focused drills centered on tactical and operational response/capabilities
- **2025:** Multi-agency full scale exercise



## Active Shooter/Hostile Event Response Program

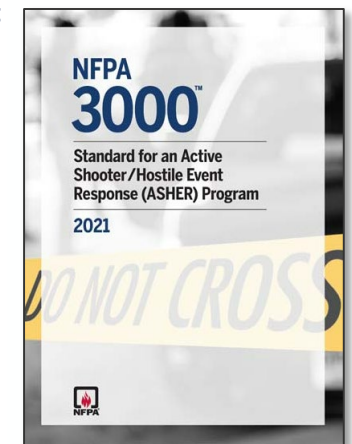
### NFPA 3000 Main Concepts

Whole Community

Unified Command

Integrated Response

Planned Recovery



# Massport launched Hanscom Field preparedness training, emphasizing a whole community approach

## Overview

- Unique set of challenges in addressing security and life safety events
- Post-pandemic focus has been reestablishing and advancing relationships
- Heavy reliance and coordination required across four towns, military, and others

## Key Areas of Emphasis

- Ensure the highest levels of emergency preparedness and readiness
- Enhance coordination and communications across all public safety partners
- Continue evaluations/assessments of security threats and all-hazards

## Initiatives Established in Collaboration with Our Partners

- Program kickoff meeting conducted in January with official launch in March 2023
- Review and update emergency response and contingency plans
- Conduct a series of workshops/emergency response exercises to formulate active shooter integrated response, incident command, and resourcing protocols

**hanscomfield** 



**massport TRUNKTOP**

# Massport supported Japan Airlines' emergency response training

## Required Annual Training for JAL

- Routinely audited by the Japanese Civil Aviation Bureau (FAA counterpart)
- Scenario and objectives dictated by JAL Corporate HQ

## Training Focus

- JAL Corporate HQ provided the facilitator and scenario - plane skids off the runway upon landing causing an unknown number of injuries
- Immediate actions to be taken by airline staff during an ALERT 3 scenario
- Establishment of a an initial Family/Friends Reception area
- Coordination with the Massport first responders and CARE team
- Clarification provided on the degree of support to be provided by Massport (life safety, busing operations, security at ticket counters, CARE team services)
- JAL recommended to have representation at EOC and Unified Command (as needed)
- JAL would lean on their One World alliance partners for support – American, British Airways, and Qatar

## Areas for Follow-up

- JAL is updating documented airport response protocols to reflect lessons learned from the TTX



Human Resources, Diversity, and Compensation


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



Community Outreach

# Massport CAC

- The Massport CAC held its General Meeting on February 16
- Massport provided an overview on Logan Aviation and Ground Transportation Operations
- Massport also updated the MCAC on upcoming runway rehabilitation projects at Logan Airport (15R-33L) and Hanscom Field (Runway 5-23)
- The FAA provided an update on its Noise Policy Review and RNAV Block 2



**MASSACHUSETTS PORT AUTHORITY COMMUNITY ADVISORY COMMITTEE**

Agenda for the Massport Community Advisory Committee General Meeting to be Held  
Thursday | February 16, 2023 | 4:00 PM ET  
Location: Zoom

To access the meeting from an Internet-connected computer, tablet, or smartphone, click on this link:  
<https://s06web.zoom.us/j/87137190765?pwd=ZDdsMmZlajRobUdJaXJNK1QwWUtXUT09&from=addon>

Follow the prompts on your screen to enable your video and audio.  
Your mic will be muted.

To access the meeting by phone, dial +1 646 558 8656  
Enter the meeting ID: 871 3719 0765 followed by #. Meeting Password: 537745 followed by #

**AGENDA**  
*(Times are estimates only)*

1. Attendance Roll Call [5 minutes]
2. Welcome [2 minutes]
3. Vote to approve Minutes of December 15, 2022 [5 minutes]
4. MCAC Massport Board Member Update – John Nucci [5 minutes]
5. Leadership Update - [30 minutes]
  - a. Runway 27 ROD (Record of Decision) exploration – Stephen Fox (with vote)
  - b. Communications consultant (with vote)
  - c. Website consultant
6. FAA (Federal Aviation Administration) Update – [30 minutes]
  - a. Runway 33L arrivals
  - b. Noise Policy Review status
  - c. Block 2 updates
7. Massport update – Logan 101 (Flavio Leo) [30 minutes]
8. New Business – reserved for matters the Chair did not reasonably anticipate at the time of posting
9. Correspondence
10. Public Comment [10 minutes]
  - a. Public comment will be limited to two minutes for each participant at the Chair's discretion. Those wishing to speak may indicate their desire to be heard following the procedure outlined by MCAC (Massport Community Advisory Committee) staff and the Chair will acknowledge each speaker in turn. Thank you in advance for your patience.
11. Adjournment roll call

## Real Estate and Strategic Initiatives

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# South Boston Waterfront Public Realm

Andrew Hargens

March 16, 2023



# Public realm activation is an integral part of today's urban fabric

- Public realm investment provides a **double bottom line return**, generating economic benefit to Massport's RE portfolio and social benefits as well
- Massport can use public realm installations **to inform and educate the public about the Port of Boston**, its history and the important role of the working waterfront today
- Inclusive public realm programming can help advance the South Boston Waterfront as a **welcoming destination for all**

## The Boston Globe

### With a 'great hall' for the Seaport, developer aims to create a truly public destination

When Massport awarded development rights for the site, it sought to improve the 'public realm'

By [Tim Logan](#) Globe Staff, Updated February 14, 2021, 3:23 p.m.



A rendering of the proposed development at 401 Congress St. SASAKI

The Seaport District has a lot of office buildings. It does not have a lot of great public spaces, the sort of places where anyone can go and feel welcome.

# Recent public realm activation successes by Massport tenants

- Tenants across the Massport portfolio are already engaging with the public through **space activation, events, murals, and installations**
- Many tenants are using installations as opportunities to highlight the work of **local artists and organizations**



Public Recreation Station  
*Oxford – Pappas Group*



HarborArts x PangeaSeed Seawalls Murals  
*Boston Harbor Shipyard & Marina*



Artist Collage Construction Scrim  
*10 World Trade*



Artist's for Humanity Stair Wrap  
*Gables Seaport*



Silvia Lopez Chavez Mural  
*Boston Harbor Shipyard & Marina*



East Boston Community Events  
*ICA Watershed*

# Public realm investments by upcoming development projects

## Commonwealth Pier

- Programmed waterfront public plaza and niches
- Enhanced Harborwalk with new lighting, seating, and wayfinding
- Improvements to pedestrian arcade along Seaport Blvd and public stairs to WTC Ave viaduct



## 10 World Trade

- Ground floor Great Hall (food hall and programming) open to the public 24/7
- Auditorium at WTC Ave viaduct open to public/community events
- “Triangle Park” at Congress St. with landbridge to WTC Ave viaduct and with programmable space below



## Seaport Circle

- Public “Urban Terrace” connecting Congress Street to new Silver Line Way MBTA Station
- Upper level pedestrian link to Ora/Hyatt public space
- South Boston Waterfront Job Training Pavilion



# Massport tactical public realm activations in the South Boston Waterfront

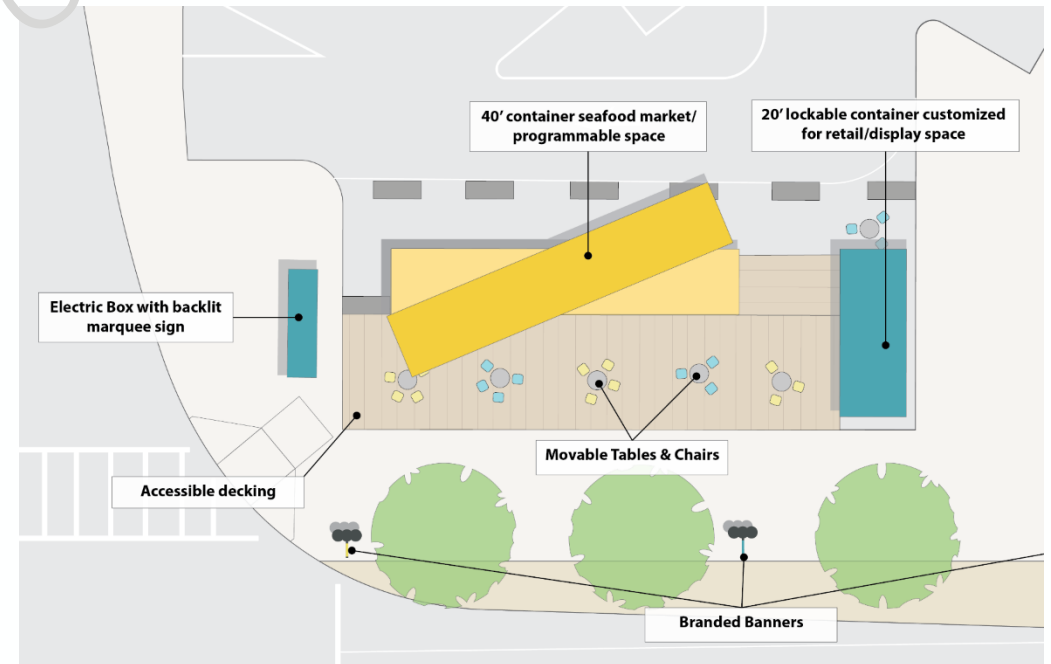
- Berklee Summer in the City Concert Series
- UtilityArt boxes painted program in spring 2022
  - 5 local artists painted 6 South Boston utility boxes
  - A second round planned for 2023
- WTC Avenue Viaduct Plaza (at the SBWTC)
  - Media wall programmed with current events, historical information, public service announcements, etc.
  - Promoted the space for public events
- South Boston Maritime Park seasonal activation
  - Holiday tree lights
  - Illuminated woodland animals
  - New Year's Eve ice sculpture





# BOXES at the Boston Fish Pier supports Massport's mission and will open in June

- **Supports Massport's Fish Pier tenants** by providing a flexible venue for a public seafood market
- Creates a highly visible and distinctive "front-door" to **promote the seafood industry and the working waterfront**
- Establishes a public venue on the waterfront to host programming supportive of Massport's **working port, sustainability and diversity/equity/inclusion** priorities
- Project is being advanced in collaboration with:
  - BRM Production Management consultant (woman-owned)
  - Fish Pier tenants
  - Mission-related non-profits: MA Seafood Collaborative, Boston Fisheries Foundation, Eating with the Ecosystem
  - Program partners to date: Save the Harbor/Save the Bay, Stone Living Lab



# BOXES will offer a flexible space to host a variety of programming to promote and educate the public about seafood industry, the working port, and Boston Harbor

- Installation elements:
  - Two stacked 40-foot containers with programmable, open-air space in the lower container
  - A 20-foot container outfitted for program or retail flex space
  - Educational panels on Fish Pier and the seafood industry both past and present
  - Moveable tables and chairs on a wooden deck
  - Mural of native fish species painted by Artists for Humanity
  - Coordinated light pole banners and other supporting material
- Installation underway - scheduled to open in early June
- Active collaboration with programming partners:
  - Regular seafood market featuring Fish Pier tenants
  - Periodic seafood-themed food truck events
  - Non-profit educational programming with organizations
  - Other public programming and vendors



Example Seafood Market: John Loo, Mountain View Farmers Market, <https://www.flickr.com/photos/johnloo/7818432004>

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# Massport Marine Terminal Parcel 5A Lease Amendment

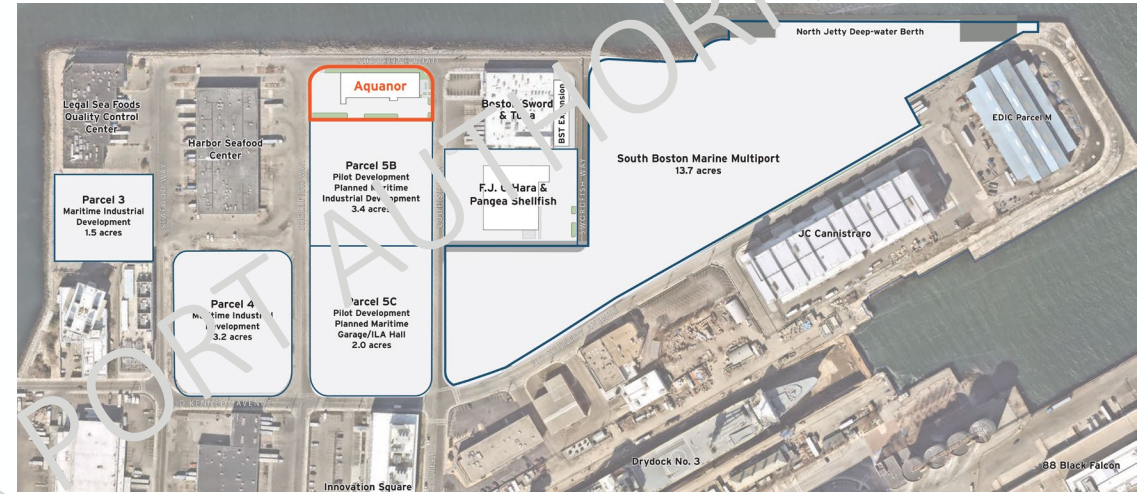
Andrew Hargens

March 16, 2023



# Outside Closing Date extension for new Aquanor processing and distribution plant

- Project snapshot:
  - 28,000 SF, state-of-the-art seafood facility
  - Pilot Development, Aquanor Marketing, Gilbane Construction
  - Important addition to seafood industry cluster
- Aquanor and Pilot have made substantial progress despite economic and supply chain challenges
  - Building design complete
  - Permitting nearly complete
  - Lease closing process underway
- Construction loan approval pending
  - Ready to begin work within 30 days
  - Bank merger has delayed loan approval
  - Requesting 6 month extension, from April 30, 2023 to October 31, 2023, to provide flexibility to secure financing and finalize closing documents



Assent Agenda

MASSACHUSETTS PORT AUTHORITY