

MASSACHUSETTS PORT AUTHORITY
MINUTES OF THE MEETING HELD ON
JANUARY 21, 2016 AT 9:00 A.M.
ONE HARBORSIDE DRIVE, EAST BOSTON, MA

The meeting of the Members of the Massachusetts Port Authority was held at One Harborside Drive, East Boston, Massachusetts on January 21, 2016. Chairman Michael P. Angelini presided. Lewis G. Evangelidis, Douglas Husid, L. Duane Jackson, Elizabeth Morningstar, Sean M. O'Brien, Stephanie L. Pollack, Thomas P. Glynn, CEO and Executive Director, Catherine McDonald, Acting Chief Legal Counsel, Elizabeth Morse, Chief of Staff, Betty Desrosiers, Director of Strategic & Business Planning, John P. Prankevicius, Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, Lisa Wieland, Acting Port Director, James Doolin, Chief Development Officer, Beatriz Gomez, Senior Planner – Project Manager, Jose C. Masso, Director of Community Relations, Kenn L. Turner, Director of Diversity & Inclusion/Compliance, Major William Christiansen, Troop F Commander, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:00 A.M.

Public Comment

Mr. Darryl Pomicter, President of the Logan CAC, provided a handout of his comments and he repeated his request for additional Logan noise mitigation information.

Ratification and approval of the minutes of the November 18, 2015 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the November 18, 2015 Board Meeting.

Members Angelini, Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

Chairman's Comments

Mr. Angelini noted that since the Massport CAC is a statutory organization of community representatives, he believes that the most efficient and effective mechanism available to the Authority to discharge its responsibilities to the various communities which are impacted is through the Massport CAC.

Report of the CEO

Mr. Glynn provided information on GE's two leading options for its headquarters site, on the State and City GE relocation incentives, on one possible GE office building design and development program, and on a possible Hanscom Field hangar site for GE. Ms. Pollack added that the aeronautics division of MassDOT will convene a working group to undertake both a site evaluation process and an FAA process for a public use helipad. Ms. Pollack also acknowledged the contributions of the Authority staff to the successful GE headquarters relocation effort.

Mr. Glynn also provided information on Logan's CY15 record of over 33 million passengers, on the new international low cost carriers at Logan, on the \$1.00 per hour increase in the Massachusetts minimum wage as accelerated in certain airport contracts, on the SEIU demonstration for a \$15 minimum wage that occurred on Martin Luther King Day, on the 2nd anniversary of JetBlue service at Worcester Airport, on the increase in containers and on the receipt of an EPA Diesel Emissions Reduction grant at Conley, on an illustration of past and present Runway 33L flights paths produced by a Belmont CAC member, on the resignation of Senator Petrucci, on receiving the MEPA Certificate for the Terminal E Modernization project, on the need for new Terminal E gates and more parking capacity due to Logan passenger growth, on the recent opening of 600 spaces as part of the Central Garage expansion project, on the increases in aviation and maritime business activity, on the Port Authority of New York & New Jersey access fee review, on a December 11th fatality at the Logan parking garage, on requests for information received from various communities and the Logan CAC, and on the 2016 Board Meeting schedule. Mr. Freni referenced a Massport newspaper ad to educate the public on drone flight restrictions. Ms. Pollack explained that MassDOT would be convening a working group to look at the legal, safety, and privacy issues related to regulating drones. Mr. Freni also provided information on the possibility of scheduled air service between Boston and Cuba, on changes to the TSA screening of airport employees, and on having to valet cars at the Framingham Logan Express Parking Garage over Christmas.

Strategic Plan Implementation

Seafood - Part II

Ms. Gomez presented information on the Boston Seafood Industry Analysis done by the firm of HR&A. The information presented included Boston's role as a seafood industry cluster, the cluster's growth due to increased product volume and employment, the benefits from a cluster's concentration of seafood businesses and its proximity to distribution channels, and the trends and growth strategies for the seafood cluster. The Members noted the distinction locally between the current fishing fleet industry and the growing seafood processing industry as well as the importance of providing this seafood industry analysis to other business and government stakeholders.

Real Estate: East Boston and South Boston

Mr. Doolin provided an overview of the Real Estate Strategic Plan including the priorities, the planning efforts and concepts, the balance between the Authority's revenue and its mission, the status of the local real estate market and developments by other entities, a five to ten year revenue generation strategy, some potential land acquisition and infrastructure improvements, and some East Boston economic development and employment opportunities. The Members noted the importance of the Authority's Seaport Transportation Center in assisting to improve the transportation and parking situations in the Seaport area.

Safety and Security Committee

Human Resources and Compensation Committee

Port Director – Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Lisa Wieland to the position of Port Director, level 13, in the Maritime Department at an annual salary within the established guidelines for that position as recommended by the Director of Human Resources and approved by the CEO & Executive Director. This position will report directly to the CEO & Executive Director and will be effective with this vote.

Members Angelini, Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

Chief Legal Counsel - Appointment

Upon a motion duly made and seconded, it was

VOTED:

The Authority hereby appoints Catherine McDonald to the position of Chief Legal Counsel, level 13, in the Legal Department at an annual salary within the established guidelines for that position as recommended by the Director of Human Resources and approved by the CEO & Executive Director. This position will report directly to the CEO & Executive Director and will be effective with this vote.

Members Angelini, Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

Designation of Committee Vice-Chair and Committee Member

Upon a motion duly made and seconded, it was

VOTED:

In accordance with Article III, Paragraph 4 of the By-Laws, Lew Evangelidis is hereby designated to serve as the Vice-Chair of the Safety and Security Committee and Stephanie Pollack is hereby designated to serve as a Member of the Real Estate and Strategic Initiatives Committee.

Members Angelini, Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

Diversity and Inclusion/Compliance Department Leadership Presentation

Mr. Turner showed an organizational chart of the Diversity and Inclusion/Compliance Department. Mr. Turner also had some members of his department introduce themselves and describe their areas of responsibility.

Executive Session

Upon a motion duly made and seconded, it was

VOTED:

I move that the Authority enter executive session to discuss litigation strategy and to consider the purchase, exchange, lease or value of real property, specifically regarding the Massport Marine Terminal, since a discussion in open session may have a detrimental effect on the litigating and on the negotiating position of the Authority.

Members Angelini, Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

Returned to open session at 11:00 A.M.

Mr. Angelini left the meeting at 11:00 A.M.

Community Outreach Committee

Massport CAC

Mr. Masso noted four recent appointments to the CAC bringing the total membership to 38 out of 40. Mr. Masso also noted that the next CAC meeting is scheduled for January 28th and agenda items include the election of the Executive Committee officers and the appointment of a Massport Board Member.

Town of Milton FAA Meeting

Mr. Masso noted the December 3rd meeting held in Milton by the FAA with elected officials and residents from surrounding communities regarding existing flight patterns and overflight noise. Mr. Masso also noted that Authority staff has met with elected officials, the FAA, and airlines to try to address the issues that were raised.

Real Estate and Strategic Initiatives Committee

Summer Street Hotel

Mr. Doolin provided information on the amended and restated Request for Qualifications (“RFQ”) for the project and noted that the three teams that submitted proposals under the 2014 Headquarters Hotel RFP qualified and that eight new responses to the RFQ were received. Mr. Doolin also noted the equally weighted project selection criteria and the project schedule.

Grand Prix of Boston (“GPB”)

Mr. Doolin noted an upcoming meeting with the Authority staff and GPB and that a MOU between GPB and the Authority is being drafted. The MOU is intended to reflect all Authority costs, the management plans, and the maritime-related and ground lease tenant interests in order to address the Authority’s constituencies that may be directly affected by the race course.

Facilities and Construction Committee

Transit to Terminals

Mr. Sleiman presented information on two concepts for connecting the MBTA Blue Line to the Logan terminals as well as on an Automated People Mover (“APM”) System. Mr. Sleiman noted that an APM System when fully built would reduce the number of buses on the roadways and terminal curbs and maximize on-airport service frequency for passengers. Mr. Sleiman also described the MBTA Connector Walkway concept at a cost of about \$80 million, the APM Phase I Shuttle concept at a cost of about \$105 million, and the APM Full Build concept. The Members discussed the different concepts and objectives and requested that staff provide additional information on this topic at a future meeting.

Terminal A to Terminal B Connector

Mr. Sleiman noted that the Terminal A to Terminal B Connector opened last Friday.

Audit and Finance Committee

Mediterranean Shipping Company (MSC) Terminal Services Contract Amendment

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, Mediterranean Shipping Company S.A. (“MSC”), the Authority’s oldest and largest container shipping line customer, accounting for approximately 54% of the Authority’s total container volume at the Paul M. Conley Marine Terminal (“Conley Terminal”), has requested near-term financial accommodations from the Authority and other ports across North America due to the current imbalance of capacity versus demand and deteriorating container shipping rates; and

WHEREAS, the Authority’s long-term relationship with MSC has led to significant growth in the Authority’s container volume and terminal services activity at the Conley Terminal; and

WHEREAS, in recognition of MSC’s past commitment to the Port of Boston, and to support the Authority’s future growth plans for its terminal service activities at the Conley Terminal, the Authority desires to assist MSC by amending its existing Marine Terminal Services Agreement with MSC to provide an incentive and rates and charges adjustment package in an aggregate amount not to exceed \$425,000.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

To authorize the Chief Legal Counsel, the Port Director and the Deputy Port Director of Operations or their respective designees to negotiate, and the Chief Executive Officer and Executive Director, Secretary-Treasurer and Assistant Secretary-Treasurer, each acting singly (each, an “Authorized Officer”), to enter into, execute and deliver, on behalf of the Authority, an amendment to the Marine Terminal Services Agreement dated July 1, 2013 (the “TSA”) with Mediterranean Shipping Company S.A. (“MSC”), whereby the Authority shall provide MSC with (i) an incentive of approximately \$250,000 in exchange for MSC agreeing to a minimum commitment of container volume at Conley Terminal during the term of the TSA; and (ii) a rate and charges adjustment for 2016 only in an amount of up to \$175,000 to promote additional container volume by providing a volume discount of \$15 to \$20 per box for growth in container volume above the minimum annual commitment, as more particularly described in **Schedule A** attached hereto and incorporated herein by reference (the “Amendment”), together with any other related documents, certificates or agreements as may be necessary to effectuate the Amendment to the TSA.

The Amendment and any other documents, certificates or agreements executed in connection therewith, shall contain such other terms and conditions as are substantially in accordance and not inconsistent with this Vote, as the Authorized Officer executing such Amendment or agreements in accordance with this Vote deems necessary or desirable.

Members Evangelidis, Husid, Jackson, Morningstar, O’Brien, and Pollack voted Yes.

SCHEDULE A

A. Minimum Volume Commitment

The Authority will pay MSC (or issue a credit against its account) an incentive payment in an amount of approximately \$250,000, in early Q1 2016; provided that MSC commits to 65,000 container moves at the Conley Terminal for three (3) consecutive 12-month periods as follows:

<u>Contract Year</u>	<u>Minimum Volume Commitment</u>
October 1, 2015-September 30, 2016	65,000 containers (loads + empties)
October 1, 2016-September 30, 2017	65,000 containers (loads + empties)
October 1, 2017-September 30, 2018	65,000 containers (loads + empties)

Notes:

1. MSC must be current with all outstanding balances due MASSPORT to receive this incentive payment.

2. In the event that MSC delivers container volumes below its minimum volume commitment in any of the three remaining contract years, a shortfall payment equal to the amount of the incentive bonus divided by the minimum volume commitment multiplied by the number of containers below the minimum volume commitment will be due.

For example:

<u>Contract Year</u>	<u>Minimum Volume</u>	<u>Shortfall Volume*</u>	<u>Shortfall Payment Due MPA</u>
2016	65,000 containers	5,000 containers	\$19,200 (\$3.84 x 5,000 containers)

**Shortfall volume refers to the gap between the minimum volume commitment and actual volume.*

B. Rates and Charges Adjustment

For 2016 only, the Authority will adjust its rates and charges for all containers moved above and beyond the minimum volume commitment as follows:

<u>Volume Above Minimum</u>	<u>Incentive</u>	<u>Maximum</u>
0-5,000 containers	\$15/container	\$75,000
5,000+ containers	\$20/container	\$100,000

All volume up to and beyond the minimum volume commitment would be paid at existing contract rates, with existing contract tiers also applying. The additional incentive discounts above would only apply to incremental volume beyond the minimum volume commitment as indicated.

The amounts payable by the Authority to MSC under A and B above is limited to an aggregate of \$425,000.

Assent Agenda

MPA L1281 – In-Ground Snowmelter Replacements, Logan International Airport, East Boston, MA,
Partial Project Budget

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to take all actions necessary or desirable and to execute all agreements necessary or desirable in order to continue with and complete the Authority's Capital Project known as the In-Ground Snowmelter Replacements (MPA L1281) subject to the following conditions: funds expended for the In-Ground Snowmelter Replacements Capital Project shall not exceed \$6,000,000.00 (the "Approved Partial Budget") as shown on the Financial Summary presented at the Board Meeting on January 21, 2016; the Director of Capital Programs and Environmental Affairs will provide to the Board quarterly updates on expenditures, contract amendments and change orders related to the In-Ground Snowmelter Replacements Capital Project and shall report back to the Board if at any time during the life of the Project it appears likely that the Project will exceed the Approved Partial Budget; the Director of Capital Programs and Environmental Affairs shall also report any material changes to the scope of work for the Capital Project as described in the back up materials presented at the Board Meeting on January 21, 2016. The CEO & Executive Director shall obtain all necessary permits and approvals and shall conduct all required environmental reviews prior to the execution of any agreement or to the commencement of any action all as may be required by law. The Authority intends to fund all or a portion of the cost of this Capital Project with tax exempt bonds. Any agreement arising out of this vote shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

MPA AP1603-C1, FY16-18 Term Mechanical, Authority-wide, Construction Contract

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to execute on behalf of the Authority an agreement for MPA AP1603-C1, FY16-18 Term Mechanical with Northeastern Mechanical, Inc. in the not-to-exceed amount of \$1,670,760.00. The agreement shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

MPA AP1601-C1, FY16-19 Elevator, Escalator, Moving Walkway Maintenance Term Contract

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer to execute on behalf of the Authority an agreement for MPA AP1601-C1, FY16-19 Elevator, Escalator, Moving Walkway Maintenance Term Contract with Otis Elevator Company in the not-to-exceed amount of \$10,836,780. The agreement shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

CNG Fuel Purchase Order Supplement

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director, Secretary-Treasurer or Assistant Secretary-Treasurer, or their respective designees, to issue on behalf of the Authority a supplement to the purchase order with Clean Energy for compressed natural gas for Authority vehicles including buses in the not-to-exceed amount of \$1,320,000.00 resulting in a total not-to-exceed amount of \$2,420,000.00 for the period ending March 31, 2018. The supplement to the purchase order and all related documents shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

East Boston YMCA Contribution

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director or his designee to make a contribution on behalf of the Authority to the East Boston YMCA in the amount of \$25,000.00.

Members Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

Salesian Boys & Girls Club Contribution

Upon a motion duly made and seconded, it was

VOTED:

To authorize the CEO & Executive Director or his designee to make a contribution on behalf of the Authority to the Salesian Boys & Girls Club, Inc. in the amount of \$25,000.00.

Members Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

D Street Right of Way – Section 61 Finding

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, Wynn MA, LLC (Wynn), has proposed constructing and operating a luxury hotel, a gaming area, retail space, food and beverage outlets, convention and meeting space, a spa and gym, and a parking garage and drop-off areas in Everett, Massachusetts (the Project);

WHEREAS, the Project is subject to the provisions of the Massachusetts Environmental Policy Act (MEPA) and on August 28, 2015, the Secretary of Energy and Environmental Affairs issued a Certificate on the Second Supplemental Environmental Impact Report (SSFEIR) finding that the SSFEIR adequately and properly complied with MEPA and its implementing regulations;

WHEREAS, in connection with MEPA review of the Project, Wynn has committed to certain off-site improvements including extensive transportation mitigation improvements to be constructed at Sullivan Square and Rutherford Avenue in Charlestown. A small portion of these improvements include proposed changes to property owned and controlled by Massport on D Street in Charlestown (D Street Property), and Massport has been requested to grant a license for the construction of those improvements;

WHEREAS, Massport's action is limited to the grant of a license and approval of the plans and specifications for the Project's transportation mitigation improvements on the D Street Property; and

WHEREAS, in accordance with the provisions of M.G.L. c. 30, Section 61 and 301 CMR 11.00, Massport is required to make a Section 61 finding effectively certifying that any adverse environmental impacts resulting from the Project's off-site transportation improvements to be performed on the D Street Property has been minimized and mitigated.

NOW THEREFORE, BE IT RESOLVED AND VOTED THAT:

The following Section 61 finding addresses the measures solely related to Project's proposed off-site transportation improvements on D Street Property, subject to the Project obtaining all easements and rights, and federal, state and local approvals and permits:

A. Based solely upon its review of the MEPA documents as they relate to the Project's work on Massport's D Street Property, the anticipated impacts of the Project's work on Massport's D Street Property, and the implementation of the Project as described in the Second Supplemental Environmental Impact Report for the Project, Massport hereby finds that the Project's improvements, as so described, will have no impact on Massport's ability to use the D Street Property for the purpose for which it was acquired; and subject to Massport's review and approval of detailed plans and specifications to support the request for a license, the Project's proposed transportation improvements on Massport's D Street Property are expected to result in no adverse environmental impacts. Accordingly, no environmental mitigation is required with respect to that portion of the Project's off-site transportation improvements located on Massport's D Street Property. However, to ensure the integrity of Massport's interests and its findings herein, the Project shall submit, for Massport's review and approval, detailed plans and specifications to support its request for a license to construct the proposed off-site transportation improvements on Massport's D Street Property.

B. Massport finds that the measure specified above constitutes all practicable and feasible measures to avoid damage to the environment, including consideration of the potential effects of climate change, and will minimize and mitigate such damage to the maximum extent practicable, for any impacts resulting from the Project's proposed off-site transportation improvements on Massport's D Street Property.

Members Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

Natural Gas Procurement Results

No discussion.

FY16 Boston Shipping Association Budget & ILA Fund Contributions

No discussion.

Executive Session

Upon a motion duly made and seconded, it was

VOTED:

I move that the Authority enter executive session to consider the purchase, exchange, lease or value of real property, specifically regarding a GE commercial real estate opportunity in South Boston, and an East Boston real estate opportunity, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority.

I further move that the Authority enter executive session to discuss litigation strategy, specifically regarding the Hanscom Field Accident Litigation and the 9/11 Litigation, since a discussion in open session may have a detrimental effect on the litigating position of the Authority.

Members Evangelidis, Husid, Jackson, Morningstar, O'Brien, and Pollack voted Yes.

Mr. Jackson stated that the Authority will not reconvene after Executive Session.

The public session adjourned at 12:00 P.M.

Michael A. Grieco
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. Darryl Pomicter Handout
3. GE and Massport PowerPoint
4. CEO Report PowerPoint
5. Advance Schedule of Board Meetings for 2016 Handout
6. *Here's What You Need To Know Before Your Fly A Drone* Ad Handout
7. Boston Seafood Industry Analysis PowerPoint
8. Strategic Plan – Real Estate Overview PowerPoint
9. Office of Diversity & Inclusion/Compliance PowerPoint Slides
10. Massport CAC Update PowerPoint Slide
11. FAA Milton Meeting (12/3) PowerPoint Slide
12. Summer Street Development Project RFQ PowerPoint
13. Grand Prix of Boston PowerPoint Slides
15. Terminal A to Terminal B Connector PowerPoint Slides
16. Transit to Terminals PowerPoint