

MASSACHUSETTS PORT AUTHORITY  
MINUTES OF THE MEETING HELD ON  
MARCH 24, 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 March 24, 2016. Vice Chairman L. Duane Jackson presided. Michael P. Angelini (by telephone), Lewis G. Evangelidis, Elizabeth Morningstar, John A. Nucci, Stephanie L. Pollack, Thomas P. Glynn, CEO and Executive Director, Catherine McDonald, Chief Legal Counsel, Elizabeth Morse, Chief of Staff, John P. Prankevicius, Director of Administration and Finance and Secretary-Treasurer, Edward C. Freni, Director of Aviation, George Naccara, Chief Security Officer, Lisa Wieland, Port Director, James Doolin, Chief Development Officer, Joris Jabouin, Director, Internal Audit, Beatriz Gomez, Senior Planner – Project Manager, Flavio Leo, Director of Aviation Planning and Strategy, Houssam H. Sleiman, Director, Capital Programs & Environmental Affairs, and Michael A. Grieco, Assistant Secretary-Treasurer were in attendance.

The meeting commenced at 9:05 A.M.

Mr. Jackson stated that Mr. Angelini will be participating by telephone due to geographic distance.

Public Comment

Rev. Philip Jacobs, Mr. John Walkey, Ms. Linda Jenkins, Mr. Jose Plama, Ms. Darlene Lombos, and Mr. Paul Drake each spoke in support of increasing the minimum wage to \$15 an hour for workers employed at Logan Airport.

Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to discuss the deployment of security personnel or devices, or strategies with respect thereto.

Members Angelini (by telephone), Evangelidis, Jackson, Morningstar, Nucci, and Pollack voted Yes.

Mr. Jackson stated that the Authority will reconvene after Executive Session.

The public session recessed at 9:30 A.M.

The public session reconvened at 10:05 A.M.

Ratification and approval of the minutes of the February 25, 2016 Board Meeting

Upon a motion duly made and seconded, it was

VOTED:

To ratify and approve the minutes of the February 25, 2016 Board Meeting.

Members Angelini (by telephone), Evangelidis, Jackson, Morningstar, Nucci, and Pollack voted Yes.

Chairman's Comments

Report of the CEO

Mr. Glynn provided information on international flights from Logan including JetBlue's application to fly Boston to Cuba, on the monthly average load factors at Worcester Airport, on the Fly Worcester print ad campaign, on some upcoming Worcester Airport events, on the accident at Stavis Seafoods, on a visit to Conley by Transportation Secretary Foxx, on the 8,500 TEU COSCO Ship coming to Conley, on the start of the 2016 Cruise season, on renaming the Boston Marine Industrial Park after Ray Flynn, on potential parking garage sites at Logan, on a visit by Congressman John Lewis, on the Authority's February budget results, and on Massport's minimum wage at Logan along with the federal and the state minimum wage. Mr. Freni noted that the Logan passenger numbers in January and February were very positive.

Strategic Plan Implementation

Seafood Study Update

Ms. Gomez presented information on the Boston, Gloucester, and New Bedford Seafood Industries and described each as a distinct seafood hub. Ms. Gomez noted that the Boston Seafood Industry's access to Logan and Conley Terminal favors import dependent businesses that can provide greater diversity of products while Gloucester and New Bedford focus primarily on lobster and scallops, respectively.

Safety and Security Committee

Human Resources and Compensation Committee

Internal Audit Department Leadership Presentation

Mr. Jabouin showed an organizational chart of the Internal Audit Department. Mr. Jabouin also had some members of his department introduce themselves and describe their areas of responsibility.

Community Outreach Committee

FAA Flight Patterns

Mr. Leo provided information on the overall reduction of aircraft noise and emissions at Logan, on discussions between the Authority and the FAA on RNAV and flight track concentration issues, and on the Authority's letter to air carriers at Logan regarding using over water procedures for late night operations.

Real Estate and Strategic Initiatives Committee

Massport Marine Terminal (MMT) RFP

Mr. Doolin provided information on the RFP objectives, on the pre-submission conference, on the number of RFP downloads, on the parcels offered in the RFP, and on the developer selection schedule.

Summer Street Hotel RFP

Mr. Doolin provided information on the Parcel D-2 pre-proposal conference attendees, on the developer selection schedule, and on the designated developer process.

Facilities and Construction Committee

MPA M491 – Dredging Project Partnership Agreement and Confined Aquatic Disposal (CAD) Cell Construction, Maritime, Partial Project Budget

Mr. Sleiman provided information on the location of the proposed CAD Cell, on the federal channel areas requiring maintenance and improvement dredging, and on the location of all CAD Cells in Boston Harbor.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, the Port of Boston is New England's only full service port, providing infrastructure and value-added services to enhance the competitiveness of New England trade-dependent companies, and ultimately benefitting New England residents and consumers; and currently, generates an estimated 50,000 total jobs and \$4.6 billion annual economic impact for the Commonwealth of Massachusetts and the New England region; and

WHEREAS, the Port also provides significant environmental benefits by shifting significant volumes of New England cargo, including, but not limited to, containerized cargo, petroleum products, and dry bulk cargo, automobiles, cement, road salt, and scrap metal, from the Port of New York and New Jersey to the Port, thereby reducing the number of trucks and related air emissions on the region's roadways; and

WHEREAS, to ensure vessels carrying home heating oil, salt, Logan Airport's jet fuel, as well as automobiles to the Autoport, can continue to get to inner terminals on the

Chelsea and Mystic Rivers, maintenance dredging of the inner harbor to restore it to -40 feet and construction of a Confined Aquatic Disposal (“CAD”) Cell for disposal of dredging materials will need to be performed by the United States Army Corps of Engineers (“ACOE”) in order to prevent increased vessel transit times, economic inefficiencies, and navigational safety concerns; and

WHEREAS, the Authority and the ACOE agree it is in the best interest of the Authority and the Commonwealth of Massachusetts to perform, as the initial component of the larger Boston Harbor Deep Draft Navigational Improvements Project, such maintenance dredging and to construct the CAD Cell; thereby providing deeper channels for vessels to safely transit through the inner harbor; and

WHEREAS, the ACOE has allocated \$12 Million from its FY16 Work Plan as the federal government’s cost share for the design and construction of the CAD Cell; and

WHEREAS, the Authority can request that ACOE design and construct the CAD Cell to have greater disposal space in order to accommodate dredged materials from the Authority’s maritime berths which will result in significant environmental benefits and cost savings as compared to taking materials to alternative upland disposal locations via trucking through the community; and

WHEREAS, ACOE is willing to accommodate the Authority’s need to have greater disposal space in the CAD Cell provided that the Authority enter into a CAD Cell Project Partnership Agreement and agrees to fund its share of the design and construction of the CAD Cell.

NOW, THEREFORE, BE IT RESOVED AND VOTED:

The Board hereby authorizes (a) the Port Director and the Chief Legal Counsel or their respective designees to negotiate, and the Chief Executive Officer, Secretary- Treasurer or Assistant Secretary-Treasurer, each acting singly (each and “Authorized Officer”) on behalf of the Authority to take all actions necessary or desirable to execute a Confined Aquatic Disposal (“CAD”) Cell Project Partnership Agreement with the United States Army Corps of Engineers New England District and the Commonwealth of Massachusetts Department of Transportation for the design and construction of a CAD Cell in Boston Harbor to accommodate the dredged materials from the inner harbor maintenance dredging as well as additional dredged materials from the Authority’s maritime terminal berths, and such other documents, instruments and agreements related thereto as the Authorized Officer may deem necessary or desirable to effectuate the design and construction of said CAD Cell; and (b) 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 Dredging Project Partnership Agreement and Confined Aquatic Disposal (CAD) Cell Construction (MPA M491) subject to the following conditions: funds expended for the Dredging Project Partnership Agreement and Confined Aquatic Disposal (CAD) Cell Construction Capital Project shall not exceed \$10,000,000.00 (the "Approved Partial Budget") as shown on the Financial Summary presented at the Board Meeting on March 24, 2016; the Director of Capital Programs and Environmental Affairs will provide to the Board annual updates on expenditures, contract amendments and change orders related to the Dredging Project Partnership Agreement and Confined Aquatic Disposal (CAD) Cell

Construction 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 March 24, 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. 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 Angelini (by telephone), Evangelidis, Jackson, Morningstar, Nucci, and Pollack voted Yes.

#### Audit and Finance Committee

#### Logan Commercial Parking Rates

Mr. Prankevicius noted that the \$1.7 billion Five-Year Capital Program (“Capital Program”) requires new revenues to support long term strategic initiatives, that the Capital Program includes over \$500 million of new investments targeted for expanded HOV options, increased parking capacity and other items, that a Logan Parking Public Meeting was noticed and held, that the bond rating agencies will evaluate the Authority’s financial strategy to pay for \$1 billion of new debt while maintaining a AA bond rating, and that the Logan parking rates will remain lower than those at other large airports and at Boston area parking facilities.

Upon a motion duly made and seconded, it was

VOTED:

WHEREAS, there is an increasing passenger demand for parking spaces at Boston-Logan Airport (the “Airport”); and

WHEREAS, the Authority has an inadequate number of commercial parking spaces to meet the increased demand; and

WHEREAS, though the Authority has controlled the growth of expenses, there is a need to increase revenues to cover operating costs as well as the costs associated with the building of new parking spaces and terminal improvements; and

WHEREAS, to respond to the elasticity of parking demand for commercial parking spaces at the Airport, and increase revenue to support the Authority's capital program improvements and high occupancy vehicle ("HOV") initiatives as an alternative to parking at the Airport, staff recommends that the Members of the Authority (the "Board") approve the Commercial Parking Rate Structure shown on the attachment hereto ("Attachment A"); and

WHEREAS, the Authority's goals are to provide excellent customer service to its parking customers, to utilize efficiently its limited parking resources and to meet or exceed its budgeted net revenues for its parking facilities as such budgets may be established from time to time by the Board (collectively, the "Parking Goals"); and

WHEREAS, to achieve said Parking Goals, staff recommends that the Authority approve the Commercial Parking Rates structure recommended by staff for each of the years 2017, 2019 and 2021, effective July 1 of each year.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

1. The Commercial Parking Rates for each of the years 2017, 2019 and 2021 shall be the rates shown on Attachment A hereto, and shall be effective on July 1 of each year.
2. This Commercial Parking Rates vote shall supersede the commercial parking rates contained in all previous votes regarding commercial parking rates at the Airport (not including employee parking rates, or special promotional parking programs).

Members Angelini (by telephone), Evangelidis, Jackson, Morningstar, Nucci, and Pollack voted Yes.

Appendix A

<b>Boston Logan International Airport</b>					
<b>Terminal Area Parking Rates</b>	<b>Current Rate</b>	<b>July 2016 Rate Approved</b>	<b>July 2017 Rate Proposed</b>	<b>July 2019 Rate Proposed</b>	<b>July 2021 Rate Proposed</b>
First Day:					
First hour	\$6.00	\$6.00	\$7.00	\$8.00	\$9.00
1 hour - 2 hours	\$14.00	\$17.00	\$19.00	\$21.00	\$23.00
2 hours - 3 hours	\$19.00	\$22.00	\$24.00	\$26.00	\$28.00
3 hours - 4 hours	\$23.00	\$26.00	\$28.00	\$30.00	\$32.00
4 hours - 7 hours	\$27.00	\$30.00	\$32.00	\$34.00	\$36.00
7 hours - 24 hours	\$29.00	\$32.00	\$35.00	\$38.00	\$41.00
1 day and 0 - 6 hours	\$44.00	\$48.00	\$53.00	\$57.00	\$62.00
1 day and 6 - 24 hours	\$58.00	\$64.00	\$70.00	\$76.00	\$82.00
Each Additional Day	\$29.00	\$32.00	\$35.00	\$38.00	\$41.00
Additional Day 0 - 6 hours	\$15.00	\$16.00	\$18.00	\$19.00	\$21.00
Lost Parking Ticket Fee Applicable Parking Fee + \$5.00					

<b>Boston Logan International Airport</b>					
<b>Economy Parking Rates</b>	<b>Current Rate</b>	<b>July 2016 Rate Approved</b>	<b>July 2017 Rate Proposed</b>	<b>July 2019 Rate Proposed</b>	<b>July 2021 Rate Proposed</b>
First Day:					
First Hour	\$6.00	\$6.00	\$7.00	\$8.00	\$9.00
1 - 2 hours	\$13.00	\$16.00	\$18.00	\$20.00	\$22.00
2 hours - 3 hours	\$15.00	\$18.00	\$20.00	\$22.00	\$24.00
3 hours - 4 hours	\$18.00	\$21.00	\$23.00	\$25.00	\$27.00
4 hours - 24 hours (1 day)	\$20.00	\$23.00	\$26.00	\$29.00	\$32.00
1 day and 0 - 6 hours	\$30.00	\$35.00	\$39.00	\$44.00	\$48.00
1 day and 6 - 24 hours	\$40.00	\$46.00	\$52.00	\$58.00	\$64.00
Each Additional Day	\$20.00	\$23.00	\$26.00	\$29.00	\$32.00
Additional Day 0 - 6 hours	\$10.00	\$12.00	\$13.00	\$15.00	\$16.00
Lost Parking Ticket Fee Applicable Parking Fee + \$5.00					

\* Note the proposed rates include the elimination of the partial hour rates and the weekly Economy rate.

Assent Agenda

Strategic Planning Services Contract Amendment

Upon a motion duly made and seconded, it was

VOTED:

To authorize the Chief Executive Officer and Executive Director, the Secretary-Treasurer and Assistant Secretary-Treasurer, each acting singly (each, an “Authorized Officer”), to execute and deliver on behalf of the Authority an amendment to the LeighFisher, Inc. Consulting Agreement (GG-10690) to (i) extend the term of the Agreement to December 31, 2016; (ii) increase the not-to-exceed compensation amount by \$645,000.00 resulting in a total not-to-exceed compensation amount of \$3,670,000.00; and (iii) expand the scope of services to cover leading the implementation of the strategic plan, including the Logan Parking Freeze Amendment and the Logan Parking Garage.

The terms of such Amendment shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Angelini (by telephone), Evangelidis, Jackson, Morningstar, Nucci, and Pollack voted Yes.

Landscaping Supplies and Services Contracts Amendments

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 amendments to the agreements with the following companies for landscaping supplies and services at various locations in the following not-to-exceed amounts:

<u>Vendor</u>	<u>Amendment Amount</u>	<u>Five Year Not-to-Exceed Amount</u>
Cambridge Landscaping Co., Inc	\$ 50,000	\$ 820,000
ValleyCrest Landscape Development	\$200,000	\$1,150,000

The amendments shall contain such other terms and conditions as the person executing in accordance with this vote deems necessary or desirable.

Members Angelini (by telephone), Evangelidis, Jackson, Morningstar, Nucci, and Pollack voted Yes.

Review of Deferred Compensation Plan Matched Contribution

No discussion.

FY15 A-133 Audit of Federal Awards and Passenger Facility Charges

No discussion.

Executive Session

Upon a motion duly made and seconded, it was

VOTED:

That the Authority enter executive session to consider the purchase, exchange, lease or value of real property, specifically regarding a Maritime update, the Conroy Development Parcel K, the Seaport Transportation Center, Stavis Seafood/Millennium, GE, and the Grand Prix of Boston, since a discussion in open session may have a detrimental effect on the negotiating position of the Authority; and

That the Authority enter executive session to discuss litigation strategy, specifically regarding the Hanscom Field Accident, Litigation – Strategy/Review, and a pending legal matter, since a discussion in open session may have a detrimental effect on the litigating position of the Authority.

Members Angelini (by telephone), Evangelidis, Jackson, Morningstar, Nucci, and Pollack voted Yes.

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

The public session adjourned at 10:55 A.M.

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Michael A. Grieco  
Assistant Secretary-Treasurer

List of Documents and Other Exhibits Used in Public Session

1. Board Book
2. CEO Report PowerPoint
3. Gloucester & New Bedford Synergies with Boston Seafood Industry & Massport PowerPoint
4. Internal Audit Organization Chart PowerPoint Slide
5. FAA-Flight Patterns PowerPoint
6. Massport Marine Terminal RFP PowerPoint Slides
7. Summer Street Hotel Development Project RFP PowerPoint Slides
8. Dredging Project Partnership Agreement and Confined Aquatic Disposal Cell Construction PowerPoint Slides
9. Logan Airport Future Parking Rates PowerPoint