

## Staff Summary Sheet Board of Directors Meeting

TO		FOR		FROM:
1	Sec./CEO		Approval Signature	Dept.: Office of CFO    Presenter: Susan Woods Ext: 9145
2	BD	X	Vote Info	Subject: Boston Harbor Deep Draft Improvements Project/Harbor Dredging Contract: # 97690 Date: November 2018
Implications: (The implications checked below are involved in this action, are discussed below or in a separate enclosure, and have been considered in the final recommendation.)  <input checked="" type="checkbox"/> Capital Budget <input type="checkbox"/> Operating Budget <input type="checkbox"/> Legal <input type="checkbox"/> Other				

**PURPOSE:**

To request the Board of Directors to authorize MassDOT to extend the contract and increase the funding to the Massachusetts Port Authority to fund the local/state share of the U.S. Army Corps of Engineers' capital infrastructure in Boston Harbor called the Boston Harbor Deep Draft Improvements Project/Boston Harbor Dredging (CT # 97690)

**TOTAL PROJECT COST:**

<u>Current Contract Total:</u>	\$35,000,000
<u>Net Increase</u>	\$35,000,000
<u>New Contract Total</u>	\$70,000,000

**DISCUSSION:**

This amendment for \$35,000,000 is to extend the existing contract to fund the FY19 share of the costs from the State Bond Cap as was programmed in the FY19-23 CIP that had been approved by the Board in June, 2018. In partnership with MassPort, MassDOT is committed to matching a federal funding from the Army Corps of Engineers to increase the depth of Boston Harbor to approximately 50 feet, opening the port to increased commercial shipping and will allow for accommodating larger ships and more container traffic, thus generating jobs and economic growth for Boston, the Commonwealth and the entire region.

**FINANCIAL IMPACT:**

Because the total costs have been programmed and approved by the Board in the FY19-23 CIP, there is no financial impact.

**RECOMMENDATION:**

It is hereby recommended that the Board of Directors approve this Agreement in order for MassDOT to provide the MassDOT/Commonwealth support.

**RECOMMEND APPROVAL:**

David W. Pottier, Chief Financial Officer	_____
Marie Breen, General Counsel	_____
CPC	_____
Stephanie Pollack, Secretary/CEO	_____

*\*See additional information attached*

## Staff Summary Subject: MBTA Capital Support Agreement

### PROJECT OVERVIEW:

The Port of Boston (the "Port") 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. Currently, the Port generates an estimated 50,000 total jobs and \$4.6 billion annual economic impact for the Commonwealth of Massachusetts and the New England region. The Port also provides significant environmental benefits by shifting substantial 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. The Final Feasibility Report and Final Environmental Impact Statement prepared by the United States Army Corps of Engineers ("ACOE") determined that the deepening and widening of certain navigation channels in the Port of Boston would provide significant economic and environmental benefits to the Port, the Commonwealth and the New England region, including the ability of the Paul W. Conley Marine Terminal ("Conley Terminal") and other Port Terminals to continue to compete for Post-Panamax cargo and container business in the future. The ACOE forecast that with the improvements, container volume at the Conley Terminal will more than double to over 400,000 annual TEUs (twenty-foot equivalent units).

The Boston Harbor Deep Draft Navigational Improvements Project was included in the federal Water Resources Reform and Development Act of 2014. The Project is initially estimated to cost between \$340-\$350 million with an estimated \$210 million federal government contribution and a \$130 million non-federal government cost share of which the Commonwealth of Massachusetts would contribute \$75 million and Massport would contribute the remaining \$55 million.

The Boston Harbor Deep Draft Improvements Project includes (1) deepening and widening the Broad Sound North Channel to -51 feet Mean Lower Low Water ("MLLW"); (2) deepening and widening the Main Ship Channel ("MSC") and turning basin to -47 feet MLLW; (3) deepening President Roads Anchorage and lower Reserved Channel to - 47 feet MLLW; (4) deepening the MSC that services the Massport Marine Terminal to -45 feet MLLW; (5) deepening of the Mystic Channel that services the Medford Street Terminal to -40 feet MLLW; and (6) deepening and widening of the Chelsea River channel to -40 feet MLLW.