



Charles D. Baker, Governor
Karyn E. Polito, Lieutenant Governor
Stephanie Pollack, MassDOT Secretary & CEO



MINUTES

Meeting of the MassDOT Board of Directors and Joint Meeting of the MassDOT Board of Directors and the Fiscal and Management Control Board

February 11, 2019

At the call of Chair Stephanie Pollack, a meeting of the MassDOT Board of Directors (Board) was called to order 12:05 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts joining the Fiscal and Management Control Board meeting for Joint Board presentations.

Those present were Chair Stephanie Pollack, Directors Betsy Taylor Robert Moylan, Tim King, Joseph Sullivan (departed at 2:37 p.m.), Dean Mazzarella, Kathleen Murtagh, Chrystal Kornegay, and Monica Tibbits-Nutt, being a quorum of the Board of Directors of the Massachusetts Department of Transportation (Board).

Also present were Highway Administrator Jonathan Gulliver, Aeronautics Administrator Jeffrey DeCarlo, Rail and Transit Administrator Astrid Glynn, Registrar of Motor Vehicles Erin Deveney, FMCB Chair Joe Aiello (arrived at 2:37), Chief Financial Officer David Pottier, Chief of Strategy Scott Bosworth, General Manager Steve Poftak (arrived at 2:37 p.m.), Deputy General Manager

Jeff Gonneville (arrived at 2:37 p.m.), Jack Moran, Owen Kane, Marie Breen, Michelle Ho and Nathan Peyton,

Immediately after the call to order the Board went into Executive Session.

On motion duly made and seconded, it was by roll call;

Chair Pollack	Yes
Director Mazzarella	Yes
Director King	Yes
Director Tibbits-Nutt	Yes
Director Kornegay	Yes
Director Murtagh	Yes
Director Taylor	Yes

VOTED: to enter into Executive Session for a discussion of strategy related to real estate and meeting with auditors at 12:07 p.m.

The Board returned from Executive Session at 1:10 p.m.

No individuals signed up to speak on Agenda Items 2-17 therefore there was no public comment period.

Next, was the approval of the December 17, 2018 minutes.

On motion, duly made and seconded, it was;

VOTED: to approve the minutes of December 17, 2018.

Next Chair Pollack provided her report updating the Board on recent activities of and topics of interest to MassDOT, such as: the Baker-Polito Administration proposed road safety legislation; Governor Baker's Fiscal Year 2020 proposed budget; Smart Growth America assessment on pedestrian safety; East-West Passenger Rail Study; traffic congestion in Massachusetts; MBTA's Rail Vision Study and the Cape Cod Study and Bridgework, as set forth in the attached document labeled, "Secretary's Report to the MassDOT Board and FMCB, February 11, 2019."

At the conclusion of the Secretary's report, Chair Pollack introduced and welcomed the new MassDOT Board Member Chrystal Kornegay.

Next, Chair Pollack called upon Jonathan Gulliver, Highway Administrator to present Agenda Item 3, the report of the Highway Administrator. Mr. Gulliver provided the Board with a 2018-2019 snow and ice update and discussed the impending storm forecast for the following day. Mr. Gulliver continued with updates of the Sumner Tunnel demolition project and the Sumner Tunnel traffic volume increase. Mr. Gulliver concluded his report discussing the Storrow Drive pilot and restriping project and additional ongoing work, as set forth in the attached document labeled, "Highway Administrator's Report, February, 11, 2019." Discussion ensued.

Chair Pollack noted for the record that the reports from the Rail and Transit Administrator and Registrar of Motor Vehicles were written submittals and were included in the Board Book.

Next, the Chair called upon Aeronautics Administrator Jeffrey DeCarlo to present Agenda Item 7, the Report from the Aeronautics Administrator. Mr. DeCarlo discussed the Drone Pilot Program (DPP) and drone support across MassDOT and the MBTA. Mr. DeCarlo continued with the program timeline and discussed the Commonwealth UAS (unmanned air system) Integration Program (CUIP).

Mr. DeCarlo concluded his presentation discussing the 2018 Commonwealth Counter-UAS Summit (CUAS) and its objective and technologies needed to address CUAS challenges, as set forth in the attached document labeled, "Board Report, Drone Pilot Program Update and 2018 Commonwealth Counter-UAS Summit, January 11, 2019." Discussion ensued.

Next, David Pottier, MassDOT's Chief Financial Officer presented Agenda Item 8, an update on the FY18 Audited Financial Statements. Mr. Pottier provided a brief overview of the KPMG audited financial statements and the process going forward. Director Taylor indicated that the Audited Financial Statements (attached hereto) were accurate and congratulated both MassDOT

and the MBTA. No formal vote was needed; however, the Board accepted the report from KPMG.

Next, Chair Pollack introduced Agenda Item 9, the Metropolitan Highway System (MHS) Triennial Report and discussed the reporting process, followed by Highway Administrative Jonathan Gulliver who further provided a background of the MHS Triennial Report. Mr. Gulliver discussed the components of the MHS: the tolled highway system, the Callahan Tunnel, the Central Artery and the Ted Williams Tunnel, including all bridges and support structures like vent buildings and pump stations.

Director of Asset Management Jack Moran continued with the presentation and discussed the report findings, the condition of the bridge and tunnel projects and the costs. Mr. Moran concluded his report by discussing the development of a feasible plan to maintain and modernize the MHS that must be planned in coordination with other related MassDOT projects and next steps, as set forth in the attached document labeled, "Metropolitan Highway System and 2018 Triennial Report, Review of Consultant Findings and Next Steps Draft, February 11, 2019." Discussion ensued.

Next, Chief of Strategy Scott Bosworth introduced Agenda Item 10, a discussion of Air Rights and the Prudential Tunnel. Mr. Bosworth discussed the

developments of Parcel 12, Parcel 13 and Parcel 15, a difficult project never done before and the first air rights project since the 1980's.

Mr. Bosworth was followed by Administrator Gulliver who continued to discuss the system improvements over the I-90 tunnel and the MBTA. He discussed the potential schedule and the potential traffic impacts noting the project would likely start in the summer of 2019.

Mr. Bosworth returned to discuss Agenda Item 11, the lease at 1000 Boylston Street, with contribution from Secretary Pollack. Mr. Bosworth reviewed the current summary of the proposed deal. Secretary Pollack commented that there were three sets of issues in this project: the deal itself: the development of the corner of Boylston, Dalton and Scotia Streets in the Back Bay; the impact of approximately \$70 million worth of work to be done (not all MassDOT's responsibility); and how to minimize disruption to MassDOT's customers, as set forth in the attached document labeled, "Turnpike Air Rights and Prudential Tunnel." Discussion ensued.

On motion duly made and seconded, it was:

VOTED:

That the Secretary of Transportation be, and hereby is, authorized in the name of and on behalf of the Massachusetts Department of Transportation, to: a) in accordance with Section 3 of the Acts of 2018, Chapter 228 i) negotiate and execute a 198-year lease of air rights within Massachusetts Turnpike Parcel 15 with ADG Scotia II

LLC, or its approved designee, for the construction of a mixed-use residential and retail development within the air rights of Parcel 15 and certain adjacent parcels and air rights and ii) if, applicable, transfer to the Boston Planning and Redevelopment Agency up to Twelve Percent (12%) of the lease payment referenced below in accordance with said legislation; b) require upon the execution of the lease a one-time lump-sum lease payment to the Massachusetts Department of Transportation in the amount of \$17,500,000; c) enter into such lease and any other necessary documents on such terms and conditions as the Secretary of Transportation and General Counsel deem necessary or desirable; and d) take any and all actions necessary and/or advisable to effectuate the foregoing consistent with the attached Key Terms for Proposed Lease.

Key Terms for Proposed Lease Between

**Massachusetts Department of Transportation (MassDOT) and ADG Scotia II LLC
(Tenant) Pertaining to the Lease of
Massachusetts Turnpike Air Rights Parcel 15 - 1000 Boylston Street (Property)**

Tenant: ADG Scotia II LLC, or its approved nominee

Term: 198 years, as authorized by Section 3 of Chapter 228 of the Acts of 2018 (Act)

Property: Approximately 11,969 SF of air rights over the rail tracks located on the south side of Boylston Street and west of Dalton Street and a portion of the air rights over the Turnpike Extension.

Development: Approximately 439,500 SF of floor area comprised of approximately 108 residential condominium units and retail space on approximately 38 stories, and up to approximately 175 parking spaces, over three other parcels in addition to the Property.

Closing: Not later than June 19, 2019, subject to extension as per the June 19, 2014 Development Agreement between MassDOT and Tenant, as amended

Consideration: \$17,000,000 (NPV of current 99 year lease) plus \$500,000 (NPV of additional succeeding 99 year lease) for a total of \$17,500,000 base rent to be paid to MassDOT at closing, as determined by appraisal of the current fair market value as set forth in the Act.

Statutory
Compliance: Subject to compliance with the Act, which requires that the lease be subject to, among other things:

- (i) MassDOT reserving all easements and rights needed for its transportation purposes;
- (ii) a recognition by the Tenant that MassDOT's transportation needs remain paramount;
- (iii) compliance by the Tenant with MassDOT's requirements for indemnification, covenants not to sue and releases relating to negative impacts from development above the turnpike, roadway and rail lines;
- (iv) compliance by the Tenant with the City of Boston's inclusionary development policy; and
- (v) such other terms and conditions as the Secretary or General Counsel determines are necessary or desirable including terms and conditions for the installation and maintenance of foundations, walls and appurtenances below, or a part of, the air rights.

Affordable

Housing: MassDOT, to transfer 12 percent of the lease proceeds to BPDA as gap financing for affordable housing in accordance with the Act.

Construction,
Tunnel Upgrades
and Traffic Mitigation:

Subject to, and as a precondition to executing the lease:

Tenant shall obtain all Project approvals including without limitation, all work permits and highway access permits and licenses and other approvals from MassDOT and MBTA, as applicable, and Tenant shall obtain MassDOT's approval of all design documents, construction plans, construction management plans and construction schedules.

All construction sequencing, traffic management plans, lane closures, and construction staging and construction plans involving use of, or impact on, any MassDOT operations or facility shall be subject to the approval by the Highway Administrator or his designee.

All construction sequencing, railroad closures, and construction staging and construction plans involving use of, or impact on, any commuter rail operation or MBTA facility shall be subject to the approval by the General Manager or his designee.

MassDOT and MBTA work and access permits and licenses shall be incorporated into the lease, the lease shall include disincentive assessments for failure to comply with road closure timeframes, and Tenant's failure to comply with the terms of the MassDOT and MBTA work permit, access permits or licenses shall be an event of default under the lease.

The Tenant's allocation of responsibility for the construction, maintenance and associated costs of life safety, ventilation, lighting, fire protection, and other work to the existing tunnels and extensions to the Prudential Tunnel and commuter rail tunnel shall be set forth in the lease.

At the call of Chairman Joseph Aiello, a meeting of the Fiscal and Management Control Board (FMCB) was called to order at 2:37 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts joining the MassDOT Board of Directors (Board) Meeting for Joint Board presentations.

Secretary Pollack called upon Chair Aiello to present Agenda Item 12, the report from the Fiscal and Management Control Board. Chair Aiello provided highlights of recent meetings including updates on: FY19 capital programs; capital improvements on the Fairmount Line and completion of the new Blue Hill Avenue station; staff updated the Board on the full commuter rail PTC implementation; parking pricing policy; Better Bus Project; commuter rail performance and the proposal for the Old Colony line late night service; the FY19 Operating Budget and quarterly updates on safety, GLX, Focus 40 and LEAN.

Chair Aiello continued noting the FMCB was notified of the continuation of the \$10 weekend fare pilot, approved a contract for the replacement of seven existing facility

roofs, and was presented with a preview of the FY20 budget and proposal for a fare increase to help maintain and accelerate improvements across the system.

Chair Pollack noted that Agenda Item 13, the Green Line Extension Quarterly was a written submittal and that GLX Project Manager John Dalton was available to answer any questions the Boards may have. There was none.

Next, Chair Pollack called upon Rail and Transit Administrator Astrid Glynn to present Agenda Item 14, the quarterly update on the South Coast Rail and contract on culverts. Ms. Glynn provided an overview of the project and noted independent consultants were hired to review the budget and timeline of Phase 1; the analysis was due in late February and the final finance plan was anticipated by the end of March. Ms. Glynn continued to discuss 2018 Milestones and FY19 activities underway and concluded with an update of early action construction contract and construction management, operations and maintenance cost approach, and community outreach, as set forth in the attached document labeled, "South Coast Rail, Phase 1, February 11, 2019." Secretary Pollack contributed to the presentation, and discussion ensued.

Ms. Glynn continued to request the Board's authorization to approve a contract with JF White that would allow for the replacement, cleanout and removal of culverts within the limits of South Cost Rail Phase I. Ms. Glynn discussed the construction scope of the project and the project benefits, and noted the contract fell within the Board allocated \$108 million in the CIP, as set forth in the attached document labeled, "MassDOT R & T Construction Contract : 609258, SCR Early Action Culverts, February 11, 2019." Discussion ensued, and Director Moylan noted the Capital Program

Committee discussed this contract at an earlier meeting and recommended it for Board approval.

On motion duly made and seconded, it was;

VOTED:

That the Secretary of Transportation be, and hereby is, authorized in the name of and on behalf of the Massachusetts Department of Transportation to authorize the Secretary of the Massachusetts Department of Transportation, or her designee to award and execute MassDOT Construction contract 609258: SCR Early Action Culverts with JF White for an amount not to exceed \$18,347,000.00.

Chair Pollack next called upon Mike O'Dowd, MassDOT Project Manager to present Agenda Item 15, an update on the Allston I-90 project. Mr. O'Dowd discussed work done since November, the Secretary's decision on the Throat Section and next steps, and said discussion on financing options would continue. Mr. O'Dowd discussed details of the upcoming board presentations in April, June and August, as set forth in the attached document labeled, "I-90 Allston Interchange – a Multimodal Transportation Project, February 11, 2019." Secretary Pollack contributed to the presentation, and discussion ensued.

Next, Chair Pollack called upon Michelle Ho, Deputy Chief Financial Officer to present Agenda Item 16, an update on the Capital Investment Plan (CIP). Ms. Ho provided the Board with a review of CIP milestones and a discussion of how the CIP would be developed. Ms. Ho noted the Joint Boards would consider the release of the CIP for public comment in May and would consider the CIP for final approval in June.

Ms. Ho continued outlining the proposed 2020-2024 CIP Preliminary Sources and Proposed Program Sizes for MassDOT and the MBTA, and concluded with next steps, as set forth in the attached document labeled, "FY2020-2024 Joint Boards Presentation, February 11, 2019." Discussion ensued, and Ms. Ho said she was seeking the Boards' feedback on new refined programs and program sizes.

Chair Pollack noted for the record that the Monthly Commuter Rail Performance Update was a written submittal and included in their Board material and that Dan Grabauskas, Executive Director of Commuter Rail was available to answer any questions the Boards may have. There was none.

On motion duly made and seconded, it was:

VOTED: to adjourn at 3:26 p.m.

Documents relied upon for this meeting:

Minutes of December 17, 2018
Secretary's Report, February 11, 2019
Highway Administrator's Report, February, 11, 2019
RMV Update, February 11, 2019
Rail and Transit Administrator's Report, February 11, 2019
Board Report; Drone Pilot Program Update and 2018 Commonwealth Counter-UAS Summit, January 11, 2019
Report to the Finance and Audit Committee, February 6, 2019
FY18 Audited Financial Statements
Metropolitan Highway System and 2018 Triennial Report, Review of Consultant findings and Next Steps Draft, February 11, 2019
Turnpike Air Rights and Prudential Tunnel
Green Line Extension Monthly Progress Report, January 2019
South Coast Rail – Phase I, February 11, 2019
I-90 Allston Interchange, February 11, 2019
FY2020-2024 CIP Update, February 11, 2019
Commuter Rail Update, February 11, 2019