



Office of Performance Management Oversight (OPMO)

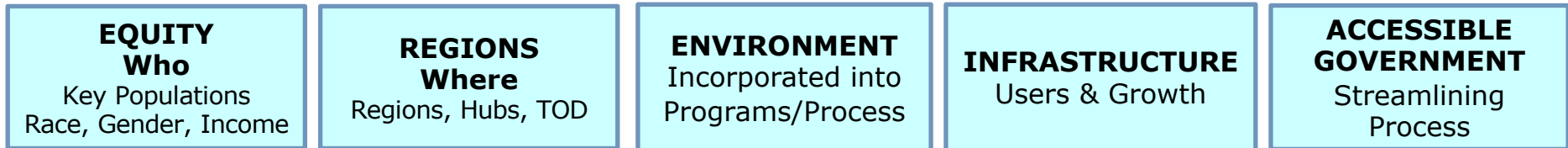
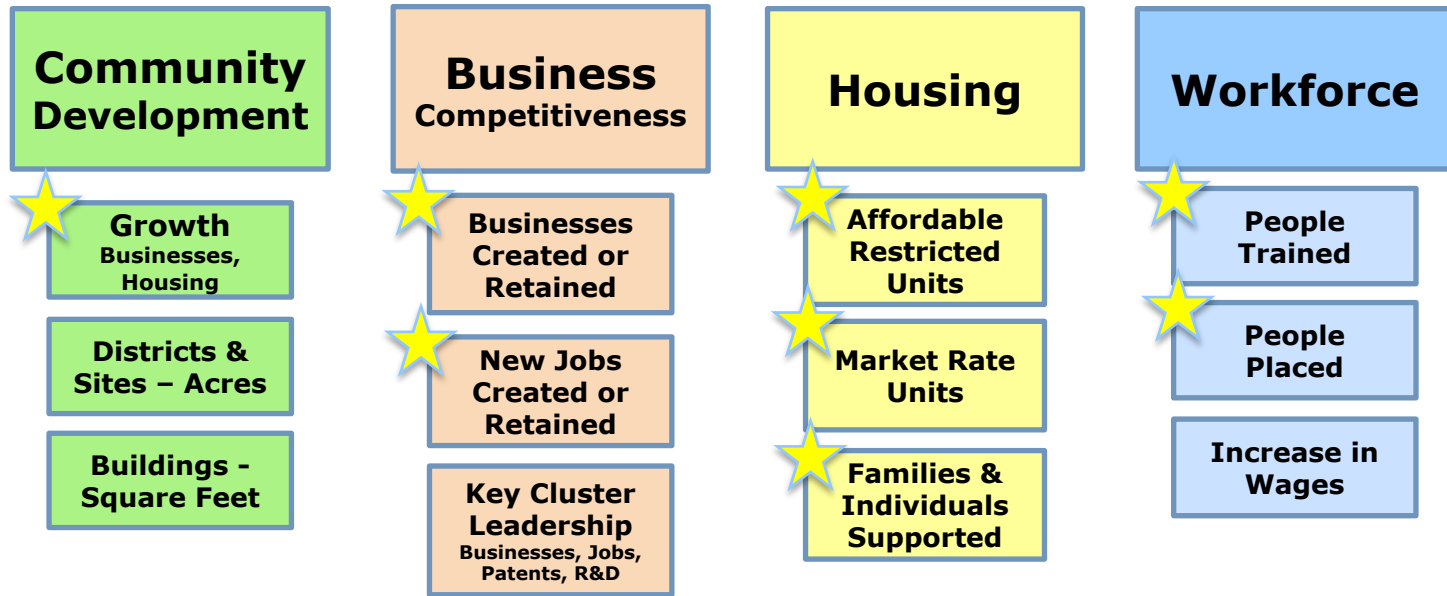
**Massachusetts Port Authority
FY2022 Report**



Economic Development Plan

Key Outcome Metrics

Economic Development Plan Pillars & Principles



Investment Leveraged from Other Sources - \$

Engagement & Technical Assistance – Contact with Individuals & Companies

★ Key Metric



Agency Mission

- **Mission:** A world class organization of people moving people, and goods – connecting Massachusetts and New England to the world – safely, securely, and efficiently, with a commitment to sustainability, our neighboring communities, and diversity, equity, and inclusion.
- **Contribution to Partnerships for Growth:** Over the past year, Massport has transitioned from responding to COVID-19 to preparing for increased business activity with a focus on safety, health, and security for our passengers, partners and employees. With new procedures, technology and policies in place, Massport will focus on rebuilding, and adapting its businesses to thrive in the post-pandemic world.
- The Massachusetts Port Authority’s goals in the next year are to ensure the safety and security of our facilities; keep expenses in line with revenue growth; think of new and creative ways to fulfill our mission; invest in strategic assets to position Massport for the full recovery of air travel and commerce; exhibit environmental leadership and be a good neighbor to surrounding communities.
- To reach these goals and position Massport for future growth the Authority plans to adapt to a “new normal”. Investments will be strategic, creative and innovative to keep the Authority operating in the new environment while fueling the economic growth of the Commonwealth. Massport will focus on generating broader and deeper economic impact for the Commonwealth with an emphasis on enhancing access, opportunity, and equity for people of color and diverse businesses.



Agency Goals

- **Agency Goal 1:** Operate world-class transportation facilities to meet the air transportation needs of the Commonwealth.
- **Agency Targets for Goal 1:** Service 18.5M passengers in FY2022 at Logan International Airport and resume service by at least one commercial airline at Worcester Regional Airport in FY2022.
- **Results of Goal 1:** During Fiscal Year 2022, 31.1 million domestic and international passengers passed through Logan Airport, exceeding the initial goal of 18.5 million passengers, due to the public's increased propensity to travel as COVID restrictions declined and vaccination rates improved. Three airlines restored commercial services at Worcester Regional Airport: JetBlue Airways, Delta Air Lines and American Airlines, exceeding our goal to have at least one commercial airline service reinstated.



Agency Goals

- **Agency Goal 2:** Maximize the flow of Massachusetts and New England foreign and domestic water borne commerce through the Port of Boston by providing efficient, cost competitive facilities and services to Massachusetts businesses.
- **Agency Target for Goal 2:** Commission three new cranes to enable Conley Terminal to accommodate the larger container ships and process at least 140,000 containers during FY2022.
- **Results of Goal 2:** In FY2022, Massport commissioned three new state-of-the-art ship-to-shore cranes at Conley Terminal to accommodate larger ships and expand global connections for New England shippers. Conley Terminal welcomed two new container services in FY2022 and carriers announced two additional services to start in FY2023 increasing the total to six direct services calling the Port of Boston. Conley Terminal now connects New England shippers to over two dozen ports globally in China, Southeast Asia, the Middle East, North Europe, the Mediterranean, and Central America. The four new services added include:
 1. ZIM Shipping Lines, started calling Boston bi-weekly with a service to/from Vietnam and South China
 2. MSC added a new service with direct connections to the Middle East and Asian ports
 3. COSCO will add a new service with direct connections to Southeast Asia and China in FY2023
 4. MSC will add a weekly service that connects Boston to Vietnam, China, South Korea and Singapore in FY2023
- Conley Terminal was not immune to global supply chain disruptions and experienced shipping delays from China's mandated shutdowns and East Coast port congestion. Conley Terminal serviced 79,095 containers during the year with higher volumes anticipated in FY2023.



Agency Goals

- **Agency Goal 3:** Advance commercial developments on Authority-owned assets to create jobs and tax revenue for the Commonwealth and to generate the financial resources necessary to fund capital intensive maritime operations at Conley Terminal and Flynn Cruiseport Boston.
- **Agency Target for Goal 3:**
 - 1.) Begin construction of 401 Congress Street (formerly Parcel A-2) which has approximately 580,000 sq feet of office and lab space to support the Commonwealth's growing life science industry.
 - 2.) Advance the design and permitting for Parcel H, a 730,000 sq feet development with a mix of office and lab space, and a life science & technology career training center to expand skilled jobs to diverse populations.

Results of Goal 3:

1.) In April 2022, the development team began construction on the 10 World Trade project (formerly 401 Congress Street) located on Parcel A-2. This is the second major development project using the "Massport Model" to increase diversity, equity and inclusion throughout the development process. The project includes people of color and women in significant ownership and leadership roles in every aspect of the project, including development, equity, design, construction, and property management. The project consists of a 17-story, 550,000-sf life science/office building with substantial public realm amenities (over 100,000 sf), including a ground floor great hall, a 150-seat auditorium, a park on an adjacent site, and extensive new pedestrian connections between Congress Street and World Trade Center Avenue.



Agency Goals (continued)

- **Agency Goal 3:** Advance commercial developments on Authority-owned assets to create jobs and tax revenue for the Commonwealth and to generate the financial resources necessary to fund capital intensive maritime operations at Conley Terminal and Flynn Cruiseport Boston.
- **Agency Target for Goal 3:**
 - 1.) Begin construction of 401 Congress Street (formerly Parcel A-2) which has approximately 580,000 sq feet of office and lab space to support the Commonwealth's growing life science industry.
 - 2.) Advance the design and permitting for Parcel H, a 730,000 sq foot development with a mix of office and lab space, and a life science & technology career training center to expand skilled jobs to diverse populations.

Results of Goal 3:

2.) Massport approved the development team's design for Seaport Circle located on Parcel H in South Boston. This is the third major project to use the "Massport Model" to instill diversity, equity, and inclusion throughout the development and operational teams. The project consists of a 600,000-sf life science/office building in two connected towers, with lower-level retail and business incubator space. A significant and unique feature of the project is the South Boston Waterfront Life Sciences Job Training Pavilion, which will house multiple non-profit organizations that will offer workforce training to underserved residents across the city for employments in the growing life sciences sector. Seaport Circle will also include a new MBTA Silver Line station on the ground-floor level, which will greatly improve the public transit experience in the area. The project has obtained all of its major permits and plans to begin construction in spring of 2023.



Agency Goals

- **Agency Goal 4:** Advance an Authority-wide Climate Action/Net Zero plan that aligns with the Commonwealth's 2050 Climate Roadmap and Executive Order 594 *Leading by Example: Decarbonizing and Minimizing Environmental Impacts of State Government*.
- **Agency Target for Goal 4:** To enhance Massport's long standing commitment to environmental stewardship, an Authority-wide Climate Action/Net Zero plan is being developed in FY2022 to identify goals, targets, and action items to continuously reduce the Massport controlled emissions footprint.
- **Results of Goal 4:** In FY2022, Massport published a *Roadmap to Net Zero by 2031*. The Roadmap outlines a series of implementation pathways to reduce greenhouse gas (GHG) emissions from facilities and operations under its direct control (Scope 1) and the energy purchased from the power grid (Scope 2) but also lays out actions and strategies to help airlines, shipping lines, cruise operators, tenants and other business partners to reduce their emissions (Scope 3). The plan supports state and federal goals to achieve net-zero emissions by 2050, protects Massport's role as an economic engine for the Commonwealth and New England, and improves the quality of life in neighboring communities. Work on the implementation program is now underway.



Agency Goals

- **Agency Goal 5:** Expand the Massport Diversity Model to procurement to increase diverse vendor spend with businesses of color and other diverse groups
- **Agency Target for Goal 5:** Increase spending to vendors of color and other diverse groups that partner with Massport in FY2022 to approximately 40 businesses.
- **Results of Goal 5:** Massport awarded 38 contracts valued at \$2.85 million to 31 certified diverse vendors and eight contracts to non-SDO (Supplier Diversity Office) certified vendors. Of the 31 certified diverse vendors awarded contracts, \$1.5 million was awarded to 23 existing diverse vendors and \$0.64 million was awarded to eight new certified diverse vendors. The balance of \$0.75 million in contract awards was made to eight non-SDO vendors including five awards to women-owned businesses (WBE), one award to a disadvantaged business enterprise (DBE) and two awards to veteran business enterprises (VBE).



Commercial Airport Facilities

- **Program Description:** Massport operates Logan International Airport, New England's leading commercial service airport and international gateway. Logan Airport expects to reach 18.5 million passengers in FY2022 as it rebounds from the impacts of COVID-19 on domestic and international air travel. Massport also operates Worcester Regional Airport, which was providing commercial service from central Massachusetts to popular leisure destinations in Florida as well as to connecting hubs prior to the pandemic.
- **Program Budget:** \$571.0 million (Logan and Worcester combined Revenue Budget)
- **Fiscal Year Goal 1:** Operate world-class transportation facilities to meet the air transportation needs of the Commonwealth.
- **Fiscal Year Target 1:** Service 18.5M passengers in FY2022 at Logan International Airport and resume service by at least one commercial airline at Worcester Regional Airport in FY2022.
- **Results of Goal 1:** During FY2022, 31.1 million domestic and international passengers passed through Logan Airport, exceeding the goal of 18.5 million passengers, as the public's propensity to travel significantly increased as COVID restrictions declined and vaccination rates increased. Three airlines resumed scheduled commercial services at Worcester Regional Airport: JetBlue Airways, Delta Air Lines and American Airlines, exceeding the goal to have one new commercial airline service reinstated.



Maritime – Conley Terminal

- **Program Description:** Over 2,500 businesses rely on Conley Terminal’s weekly container shipping services: Mediterranean Shipping Company’s (MSC) direct service from North Europe, with connections to Latin America, the Mediterranean, and Southeast Asia and Ocean Alliance, which provides weekly, direct service from Asia. Conley Terminal facilitates the shipment of a variety of commodities, including furniture, recycled fibers, seafood, home décor, wine and spirits, apparel, footwear, and auto parts.
- **Program Budget:** \$62.9 million
- **Fiscal Year Goal 1:** Meet the cargo container shipping needs of Massachusetts and New England exporters/importers.
- **Fiscal Year Target 1:** Commission three new cranes to enable Conley Terminal to accommodate the larger container ships and process at least 140,000 containers during FY2022.
- **Results of Goal 2:** In FY2022, Massport commissioned three new state-of-the-art ship-to-shore cranes at Conley Terminal to accommodate larger ships and expand global connections for New England shippers. Conley Terminal welcomed two new container services in FY2022 and carriers announced two additional services to start in FY2023 increasing the total to six direct services calling the Port of Boston. Conley Terminal now connects New England shippers to over two dozen ports globally in China, Southeast Asia, the Middle East, North Europe, the Mediterranean, and Central America. The four new services added include:
 1. ZIM Shipping Lines, started calling Boston bi-weekly with a service to/from Vietnam and South China
 2. MSC added a new service with direct connections to the Middle East and Asian ports
 3. COSCO will add a new service with direct connections to Southeast Asia and China in FY2023
 4. MSC will add a weekly service that connects Boston to Vietnam, China, South Korea and Singapore in FY2023
- Conley Terminal was not immune to global supply chain disruptions and experienced shipping delays from China’s mandated shutdowns and East Coast port congestion. Conley Terminal serviced 79,095 containers during the year with higher volumes anticipated in FY2023.



Real Estate

- **Program Description:** The Authority owns, develops and manages a range of maritime industrial and commercial real estate assets on more than 600 acres of waterfront property in Charlestown, East Boston, and South Boston. This diversified portfolio generates revenue to support Massport's maritime mission and capital development of port facilities. The development of the Authority's maritime industrial and commercial assets support jobs and creates economic benefits for the Commonwealth.
- **Program Budget:** \$28 million
- **Partnerships for Growth Goal Alignment:** (Housing, Business, Community, Workforce)

Continued on next page



Real Estate (continued)

- **Fiscal Year Goal 1:** Advance commercial projects through the design, permitting and construction phases.
- **Fiscal Year Target 1:**
 - 1.) Begin construction of 401 Congress Street (formerly Parcel A-2) which has approximately 580,000 sq feet of office and lab space to support the Commonwealth’s growing life science industry.
 - 2.) Advance the design and permitting for Parcel H, a 730,000 sq feet development with a mix of office and lab space, and a life science & technology career training center to expand skilled jobs to diverse populations.
- **Results of Goal 1:** In April 2022, the development team began construction on the 10 World Trade project (formerly 401 Congress Street) located on Parcel A-2. This is the second major development project using the “Massport Model” to increase diversity, equity and inclusion throughout the development process. The project includes people of color and women in significant ownership and leadership roles in every aspect of the project, including development, equity, design, construction, and property management. The project consists of a 17-story, 550,000-sf life science/office building with substantial public realm amenities (over 100,000 sf), including a ground floor great hall, a 150-seat auditorium, a park on an adjacent site, and extensive new pedestrian connections between Congress Street and World Trade Center Avenue.



Real Estate (continued)

- **Fiscal Year Goal 1:** Advance commercial projects through the design, permitting and construction phases.
- **Fiscal Year Target 1:**
 - 1.) Begin construction of 401 Congress Street (formerly Parcel A-2) which has approximately 580,000 sq feet of office and lab space to support the Commonwealth’s growing life science industry.
 - 2.) Advance the design and permitting for Parcel H, a 730,000 sq feet development with a mix of office and lab space, and a life science & technology career training center to expand skilled jobs to diverse populations.
- **Results of Goal 1:** 2.) Massport approved the development team’s design for Seaport Circle located on Parcel H in South Boston. This is the third major project to use the “Massport Model” to instill diversity, equity, and inclusion throughout the development and operational teams. The project consists of a 600,000-sf life science/office building in two connected towers, with lower-level retail and business incubator space. A significant and unique feature of the project is the South Boston Waterfront Life Sciences Job Training Pavilion, which will house multiple non-profit organizations that will offer workforce training to underserved residents across the city for employments in the growing life sciences sector. Seaport Circle will also include a new MBTA Silver Line station on the ground-floor level, which will greatly improve the public transit experience in the area. The project has obtained all of its major permits and plans to begin construction in spring of 2023.



Climate Action/Net Zero

- **Program Description:** Advance an Authority-wide Climate Action/Net Zero plan that aligns with the Commonwealth's 2050 Climate Roadmap and Executive Order 594 *Leading by Example: Decarbonizing and Minimizing Environmental Impacts of State Government*.
- **Program Budget:** \$0.4 million
- **Fiscal Year Goal 1:** To enhance Massport's long standing commitment to environmental stewardship, an Authority-wide Climate Action/Net Zero plan is being developed in FY2022 that identifies goals, targets, and action items to continuously reduce the Massport controlled emissions footprint.
- **Fiscal Year Target 1:** Develop a framework for a Climate Action/Net Zero plan in FY2022.
- **Results of Goal 1:** In FY2022, Massport published a Roadmap to Net Zero by 2031. The Roadmap outlines a series of implementation pathways to reduce greenhouse gas (GHG) emissions from facilities and operations under its direct control (Scope 1) and the energy purchased from the power grid (Scope 2) but also lays out actions and strategies to help airlines, shipping lines, cruise operators, tenants and other business partners to reduce their emissions (Scope 3). The plan supports state and federal goals to achieve net-zero emissions by 2050, protects Massport's role as an economic engine for the Commonwealth and New England, and improves the quality of life in neighboring communities. Work on the implementation program is now underway.



Diversity, Equity & Inclusion

- **Program Description:** Expand the Massport Diversity Model to procurement to increase diverse vendor spend with businesses of color and other diverse groups
- **Program Budget:** N/A
- **Fiscal Year Goal 1:** Increase the number of vendors of color and other diverse groups that partner with Massport in FY2022.
- **Fiscal Year Target 1:** Increase spending to vendors of color and other diverse groups to approximately 40 businesses in FY2022.
- **Results of Goal 1: Results of Goal 5:**
Massport awarded 38 contracts valued at \$2.85 million to 31 certified diverse vendors. Of the 31 certified diverse vendors awarded contracts, \$1.5 million was awarded to 23 existing diverse vendors and \$0.64 million was awarded to eight new certified diverse vendors. The balance of \$0.75 million in contract awards was to six diverse businesses that have indicated they are women or minority owned.