

---

# **FY26-FY30 Capital Investment Plan**

Luciana Burdi

February 12, 2026

## Executive Summary

---

- The five-year (FY26-FY30) Capital Investment Plan (CIP or Capital Program) totals **\$4.1** billion, which represents an increase of  $\approx$ \$323 million
- Over **90%** of the FY26-FY30 CIP continues investments in **ongoing projects**
- Massport continues to devote a significant portion of the Capital Program to necessary maintenance and renewal to extend the safe and usable condition of our facilities
- Net Zero initiatives represent a significant portion of the Capital Program as we work to achieve our 2031 commitment
- More than **40%** of the CIP is dedicated to meet ground transportation needs, encourage HOV usage, and improve the passenger ground access experience

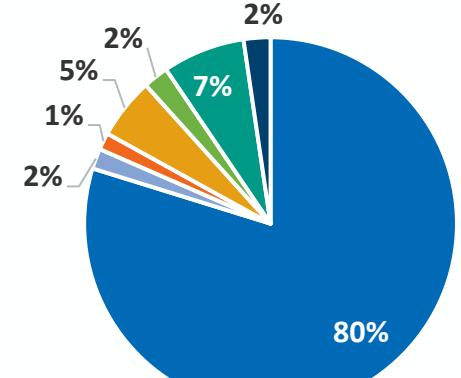
# The \$4.1B FY26-FY30 CIP largely continues investment in on-going projects, while advancing new initiatives to maintain assets and support strategic goals

## Capital Program by Business Line

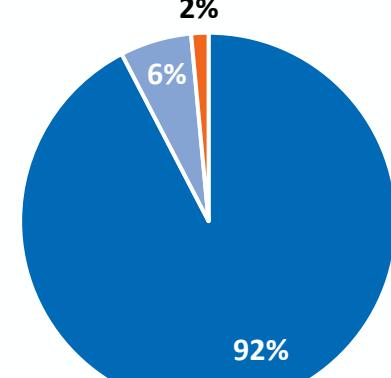
(in millions)

Business Unit	FY26	FY27	FY28	FY29	FY30	Total
Logan	\$630	\$728	\$925	\$645	\$369	<b>\$3,296</b>
Hanscom	\$19	\$24	\$18	\$5	\$6	<b>\$72</b>
Worcester	\$21	\$17	\$12	\$4	\$6	<b>\$60</b>
Maritime	\$71	\$53	\$46	\$31	\$17	<b>\$218</b>
REAM	\$22	\$20	\$26	\$13	\$9	<b>\$90</b>
Agency-Wide	\$63	\$63	\$66	\$45	\$34	<b>\$272</b>
IT	\$38	\$36	\$14	\$6	\$2	<b>\$95</b>
<b>Total</b>	<b>\$863</b>	<b>\$940</b>	<b>\$1,107</b>	<b>\$749</b>	<b>\$444</b>	<b>\$4,104</b>

## By Business Unit



## By Project Status



- **\$3.3B** represents investment in Logan Airport
- **92%** of the CIP, or **\$3.8B**, represents investment in ongoing and recently completed projects
- **6%**, or **\$252M**, is for projects from the prior 5-year CIP that have not yet started
- **2%**, or **\$61M**, is for new projects

# Massport Priorities | FY 2026

---

## MASSPORT'S **2026 PRIORITIES**

PLANNING  
& MANAGING  
FOR GROWTH

CUSTOMER  
SATISFACTION

FINANCIAL  
PERFORMANCE

MASSPORT  
AS AN EMPLOYER  
OF CHOICE

DOUBLE  
DOWN ON  
FIGHT AGAINST  
CLIMATE CHANGE

LEADERSHIP

SAFETY & SECURITY

### Main Projects

#### Aviation

- Runway 9-27 Safety Area Improvements
- Air Traffic Control Tower Program
- North Service Area (NSA) Program
- Rehabilitate Runway 4R-22L
- Logan NPDES Permit Infrastructure
- Terminal E - CBP Optimization and BHS Upgrades
- Rehab TW A and B East and South (from TW N to RWY 4R)
- Taxiway M Rehabilitation – Full-length
- Automated Exit Lanes
- Taxiway E Rehabilitation and Associated Geometry Improvements (Hanscom)
- Worcester UCA (Worcester)

#### Maritime

- Hoosac Pier (REAM)
- Cruiseport Pier Rehabilitation and New Fenders

#### Authority-Wide

- Building Envelope Repairs – Massport-wide
- Infrastructure & Utilities Program
- Massport MICA & ASHRAE Improvements



*CBP Arrivals Hall  
Modernization*



*Automated Exit Lanes  
(Salt Lake City  
International Airport)*

**≈\$1.1B In-Program**

### Runway 9-27 Safety Area Improvements

**The Runway 27 Safety Area Improvements project will enhance the safety area consistent with FAA standards**

- Construct a pile supported deck over Boston Harbor to extend the runway safety area (RSA) to a length of 650' from the runway threshold with an engineered materials arresting system (EMAS) within the new RSA footprint
- Construct emergency access ramps on either side of the deck
- The project includes installation of an EMAS on the pile supported deck

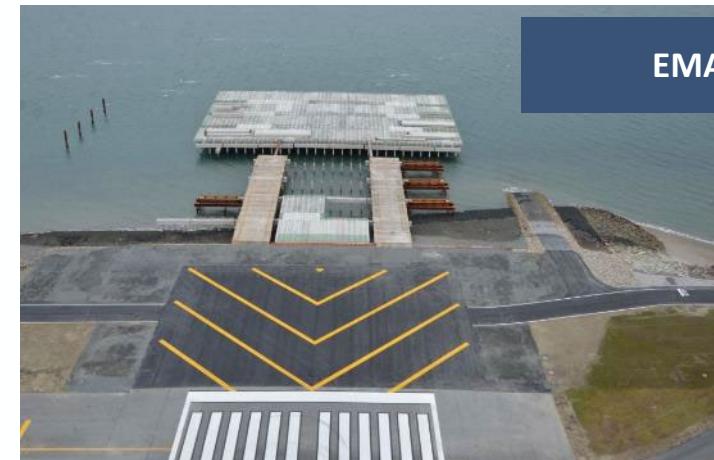
  

- EMAS is a safety system consisting of lightweight crushable concrete blocks in the runway safety area that can safely slow an aircraft in an overrun situation
- EMAS is an FAA-approved measure for achieving safety standards
- This is a required FAA safety project that does not extend the runway or change the operational capacity of the runway
- 75% of eligible costs will be funded with FAA Airport Infrastructure Grants (AIG) funded by the Bipartisan Infrastructure Law

Runway Safety Area



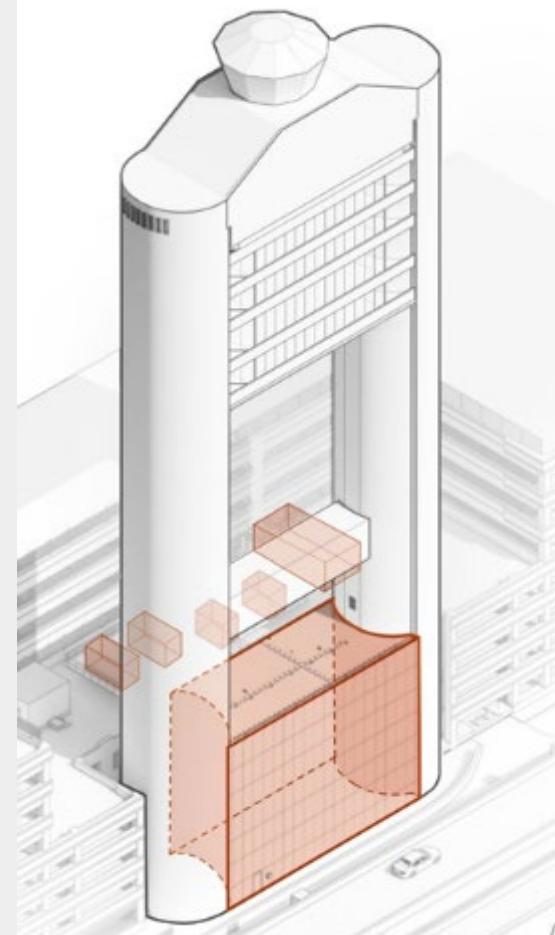
EMAS



### Air Traffic Control Tower (ATCT) Program

#### ATCT Phase 1

- Phase 1 includes the construction of approximately 5,200 SF of new occupiable spaces on Levels 1-4
- New spaces will include an IT data center, technical workspaces, electrical rooms, restrooms, simulator room, and administrative offices
- Additional scope includes new security fencing, expansion of walkways, and telecommunication improvements for Airfields, Massport, and FAA

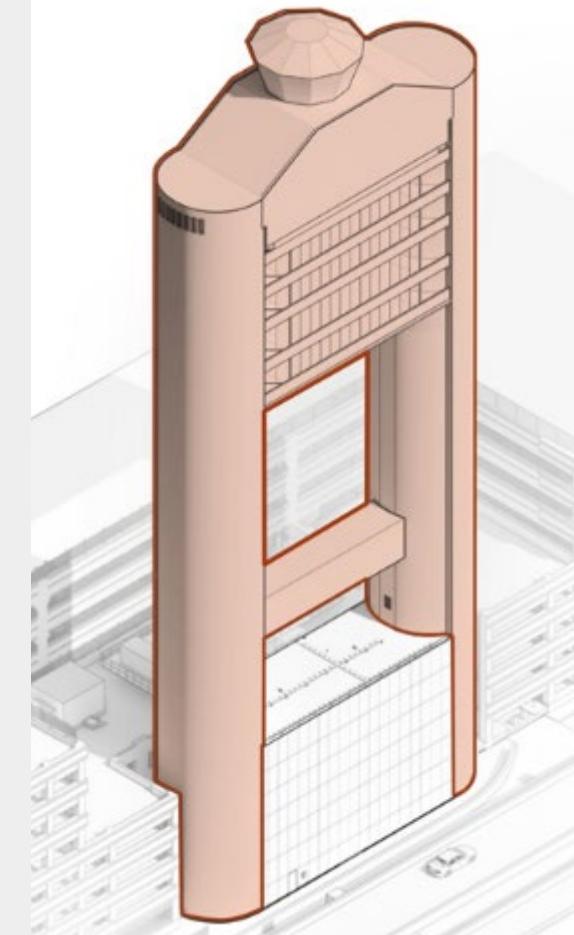


Stage Gate 3+  
Construction

Anticipated Completion  
FY26-FY27

#### ATCT Phase 2

- Replacement of Mechanical, Electrical, Plumbing & Fire Protection equipment that is at the end of its useful life, including back up equipment
- Provides code, envelope and structural repairs to the building
- Upgrades to data, computer and technology infrastructure for operations
- The work will extend the life of the building 12-15 years



Stage Gate 2  
Project Definition

Anticipated Completion  
FY31

### Main Projects

#### Aviation

- Terminal E Garage and Terminal C-E Roadways and Curb (TERC Program)
- Braintree Logan Express Garage/Remote Terminal
- Terminal E Program
- A to B Post Security Connector
- North Service Area (NSA) Program
- Framingham Logan Express Garage Optimization
- Danvers Logan Express
- Residential Sound Insulation Program
- Air Traffic Control Tower Program
- Civil Air Terminal Electrical Capacity Upgrades (Hanscom)
- Worcester Overflow Parking (Worcester)

#### Maritime

- Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power
- Terminal Container Storage

#### Authority-Wide

- Authority-wide Technology Development Program
- Floor Plan Data Conversion and Field Replacement



Terminal E North Garage Vertical Circulation



Terminal E New West Bag Room

≈\$1.3B In-Program

# This program invests \$1.6B toward the ≈\$2.3B required to meet ground transportation needs, encourage HOV usage, and improve the passenger ground access experience

Project Title
Braintree Garage/Remote Terminal
Danvers Logan Express
Framingham Garage Expansion
Woburn Logan Express Site Improvements
Airport Shuttle Bus Replacement Program
Enhanced Electric Hybrid Buses (Silver Line)
Terminal E Garage
Terminal C to E Roadways and Curb
Terminal E Vertical Circulation to the North Garage
Terminal E Curbside Improvements
C to E Garage Connection & PAX Circulation
Terminal B Roadway and Garage Optimization / HOV Improvements
Logan Roadway Rehabilitation and Improvements
Other Ground Transportation Projects



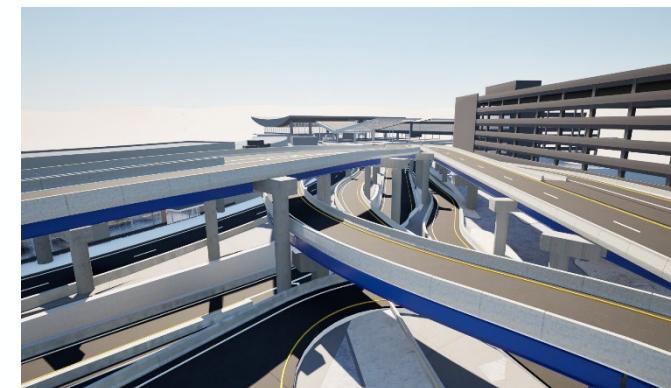
Logan Express Remote Terminal



Terminal E Garage



Braintree Logan Express



Terminal C to E Roadways and Curb

### Braintree Logan Express Garage/Remote Terminal

- The Authority seeks to design and construct a garage in the general vicinity of the existing bus terminal site to increase parking capacity
- Along with the reconfiguration of the site, it is anticipated that a new remote terminal facility will be built along with two future parking garages
- Key project elements address parking demand and customer service needs, including a remote terminal offering reserved parking as well as TSA screening and bag check-in completed prior to passengers arriving at Logan's main terminals



Braintree Logan Express Garage

PHASE 1



Remote Terminal

### TERC Program (Terminal E Garage + Terminal C to E Roadways and Curb)

- Expanded Departures Deck provides increased curb capacity for passenger drop off
- New garage increases available parking supply and provides transportation center functions of passenger pick-up, TNC drop-off/pick-up and Limo pick-up
- New roadways de-conflict Terminal C and E traffic improving the driving experience



*Construction of a 6-story, 2,100 parking space parking garage, connected with elevated pedestrian walkways to Terminal E and Terminal C and with a vehicular bridge to the adjacent West Garage*



*Roadway Improvements*

*New C to E Departures and Arrivals Roadways*

### Main Projects

#### Aviation

- Terminal E Program
- Terminal C Program
- Terminal E Garage and Terminal C-E Roadways and Curb (TERC Program)
- Restroom Improvement Program
- Braintree Logan Express Garage/Remote Terminal
- A to B Post Security Connector
- Terminal B Roadway and Garage Opt./HOV Improvements
- Central Heating Plant Upgrade
- Logan HVAC and Controls Replacement Program
- Terminal Kidport Replacement and Refurbishment
- Civil Air Terminal Architectural and Security Upgrades (Hanscom)
- Worcester Overflow Parking (Worcester)

#### Maritime

- Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power

#### Authority-Wide

- Authority Wide Elevator, Escalator, and Moving Walkway Program
- Terminal B and C Escalators Modernization Project



Terminal C Hold Room



Terminal E Program  
Baggage Claim 7 & 8



Kidport – Terminal C

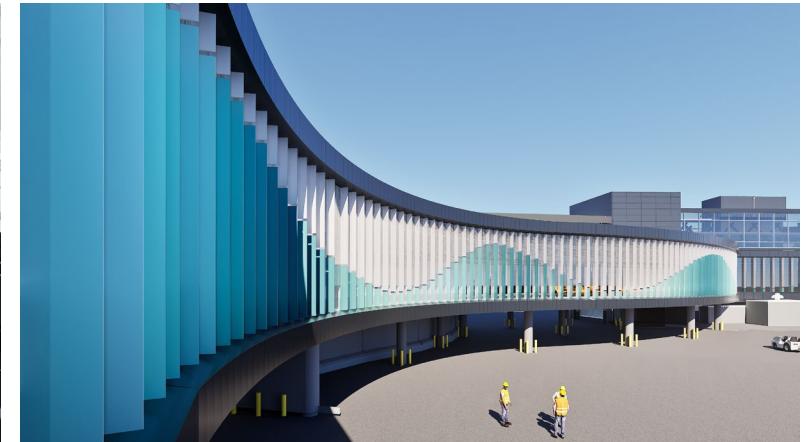
≈\$936M In-Program

### A to B Post Security Connector

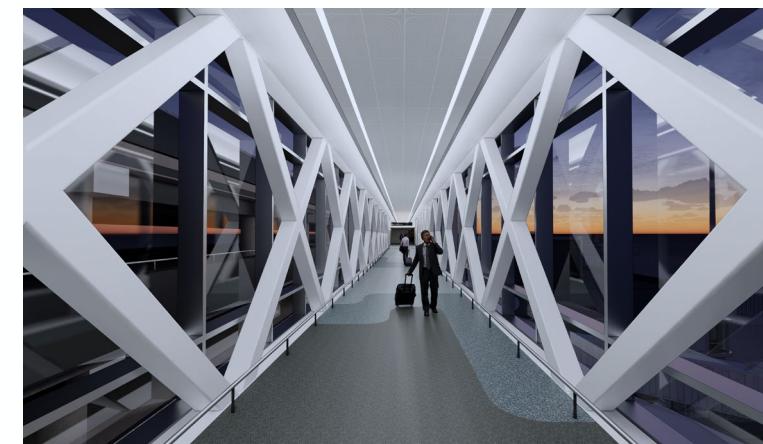
- Final phase of post-security connectivity between all Terminals at Logan, connecting Terminal A to Terminal B
- New Exit Lanes and renovations to existing facilities in proximity of Gates A11 and Gates B1 to B3
- New and repurposed passenger amenities and expanded bus boarding at Terminal A
- Upgrades to four hold rooms
- New and renovated vertical circulation



*Birdseye view of Connection between Terminal A and B*



*Exterior View*



*Pedestrian Bridge*



*Interior view of A to B Corridor*

### Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power

#### Flynn Cruiseport Boston Modernization

- A second passenger boarding bridge, additional escalator, and new sheltered exterior concourse will facilitate boarding and debarking, decreasing wait times
- A new 1,000+ passenger hold room will increase capacity and comfort for passengers during pre-boarding

Stage Gate 3+  
Construction

Anticipated Completion  
FY26-FY27



Passenger Boarding Bridge



**VESSEL CONNECTION**  
14MVA

#### Cruise Terminal Shore Power

- Shore power will eliminate local emissions for connected vessels, improving surrounding air quality

Stage Gate 3  
Detailed Design

Anticipated Completion  
FY29



Hold Room



Shore Power

### Restroom Improvement Program

- Renovation of 20 restrooms in all Terminals
- First 10 are currently in design or construction and the next 10 are to be identified
- Renovation upgrades layout, fixtures, finishes, and wayfinding
- Ongoing data collection of all public restrooms in the Terminals to document existing materials, fixtures, and accessories



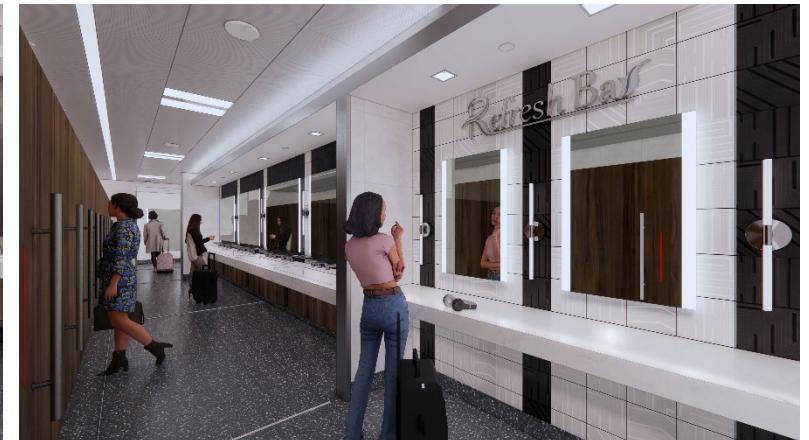
Terminal E Post-Security Restroom



Terminal A, looking west from hold room



Terminal A Satellite Restroom



Terminal E Pre-Security Restroom

### Main Projects

#### Aviation

- North Service Area (NSA) Program
- Terminal E Garage and Terminal C-E Roadways and Curb (TERC Program)
- A to B Post-Security Connector
- Worcester Overflow Parking
- Airside Utility Studies and Improvements - East Ramp and North Airfield (Hanscom)

#### Maritime

- Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power
- Development of New Blue Tech Space at Former No Name and Seafood Processing Structural Rehab

#### Authority-Wide

- ERP System Consolidation
- Utility Metering System Upgrade
- Authority-Wide Parking Revenue System Installation and Upgrades



*Flynn Cruiseport  
Boston Modernization*



*Authority-Wide Parking Revenue System  
Installation and Upgrades  
(Braintree LEX)*



*ERP System  
Consolidation*

### NSA Program (Large Vehicle Service And Maintenance Facility + Existing Green Bus Depot Repurposing & Garage)

- Demolition of four 1960's-70's inefficient and undersized critical operations buildings and consolidation of these functions into one new Large Vehicle Storage and Maintenance Facility, and a renovated Bus Depot Building re-purposed into additional vehicle storage and maintenance
- New service road to move operations airside to improve efficiency of Sky Chef & Gate Gourmet operations



*Aerial view looking SE of LVSMF, repurposed GBD, etc.*



*Greenway landscape and security fence improvement*



*Aerial view looking W.*



*Perspective view of LVSMF entrance from Lovell St.*

### Main Projects

#### Aviation

- Braintree Logan Express Garage
- Terminal E Program
- Energy Optimization Program - Logan Airside Charging Stations

#### Maritime

- Flynn Cruiseport Boston Modernization & Cruise Terminal Shore Power
- Piers Park Seawall

#### Authority-Wide

- Authority-wide Solar Implementation
- Authority-wide Energy Conservation Efforts & Measures
- Massport MICA & ASHRAE Improvements
- Climate Action Initiatives
- Building Envelope Repairs – Massport-wide



Piers Park Seawall – Aerial View



VESSEL CONNECTION  
14MVA



*Flynn Cruiseport Boston  
Modernization & Cruise Terminal  
Shore Power*

≈\$315M In-Program

# The FY26-FY30 CIP reflects ≈\$315M of investments that lay the groundwork for future GHG reductions in support of Massport's Net Zero goal

## Representative Projects

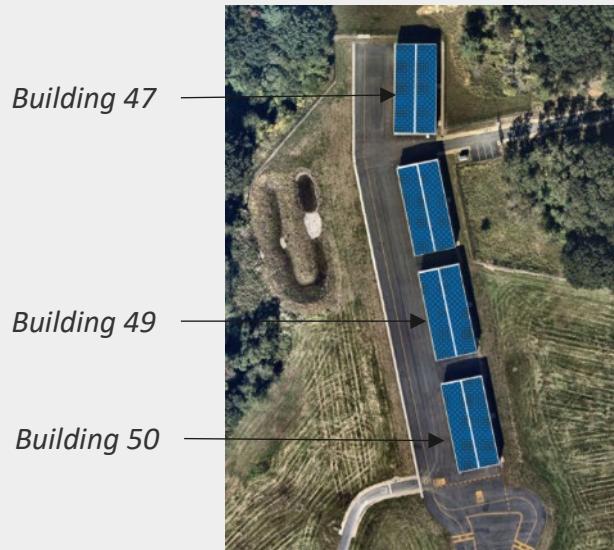
- ENERGY CONSERVATION & EFFICIENCY**
  - Smart Metering and Strategic Energy Management
  - LED Light Conversion
  - Envelope and Insulation Improvements
- CLEAN & RENEWABLE ENERGY SOURCES**
  - Logan On-Site Solar
  - Hanscom On-Site Solar
  - Worcester On-Site Solar
- PARTNERSHIPS**
- SUSTAINABLE GROUND TRANSPORTATION**
  - On-Airport Shuttle Bus Conversion to Electric
  - Conversion to Renewable Fuels
  - Sustainable Aviation Fuel (SAF) (*Operating*)
  - EV and Hybrid Ground Vehicle Fleet Replacements
  - EV Charging Installations



### Authority Wide Solar Implementation

#### Fast Track Solar

- Recently constructed buildings designed with structural capacity to add solar; procurement method -Design-Bid-Build
- Rooftop solar at Hanscom hangar buildings 47, 49, 50 - 243 kW
- Anticipated to achieve Net Zero per building
- Potential reduction of 65 metric tons of CO2e



Stage Gate 3+  
Construction

Anticipated Completion  
FY27

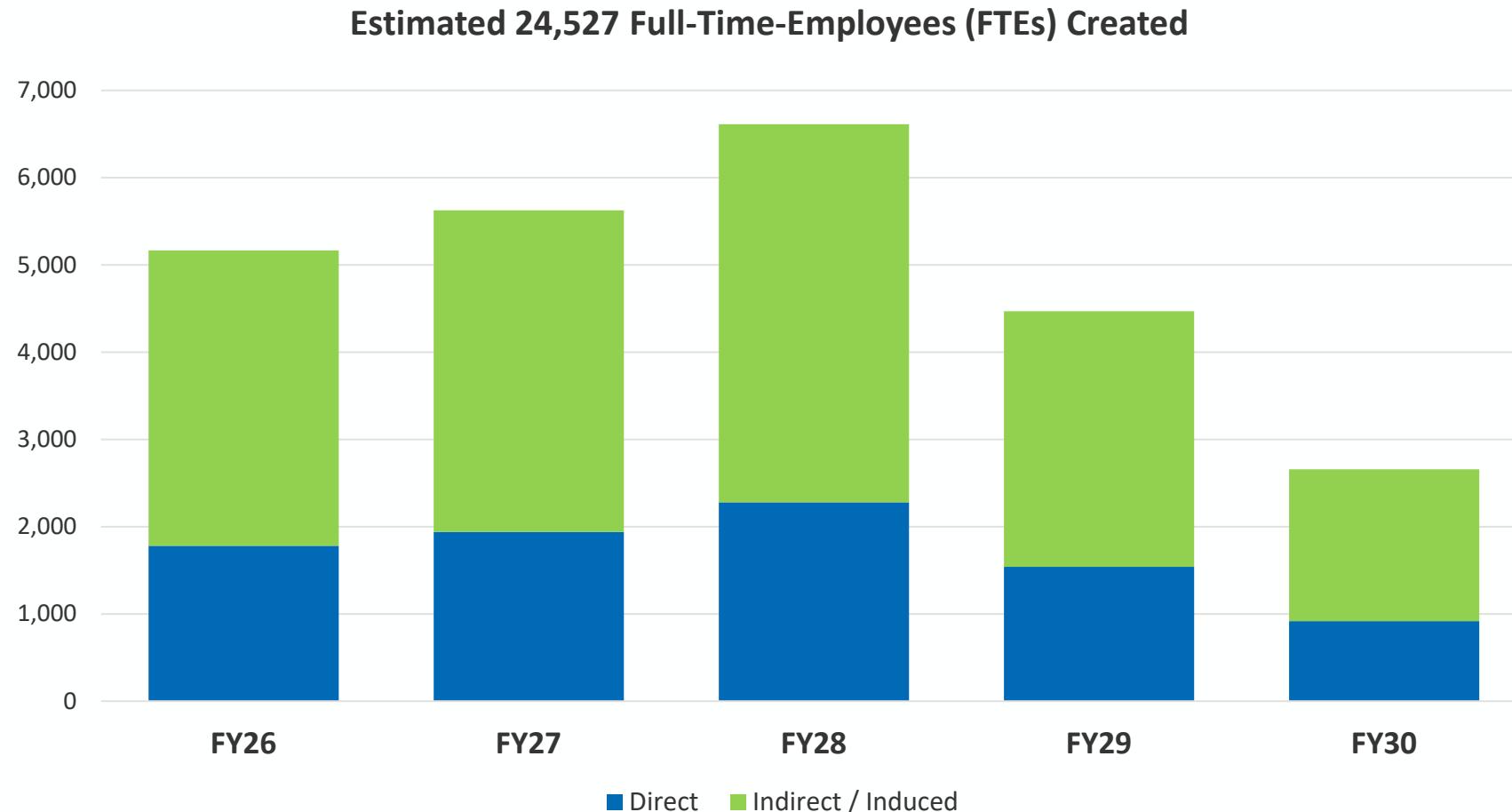
#### Logan South Cargo Solar Project

- Massport's first major MGL Chapter 25A Section 11C Design/Build procurement
  - Rooftop solar at buildings 56, 57, 58, 62, 63, and Logan Office Center Garage (84) – 1900 kW
  - Roof replacement at Building 63
  - Electric upgrades at Building 56
- Environmental Leadership Efforts
  - Potential reduction of 600 metric tons of CO2e
  - Envelope improvements at Building 63
- Design/Build procurement enables expedited design, construction, and commissioning timeline



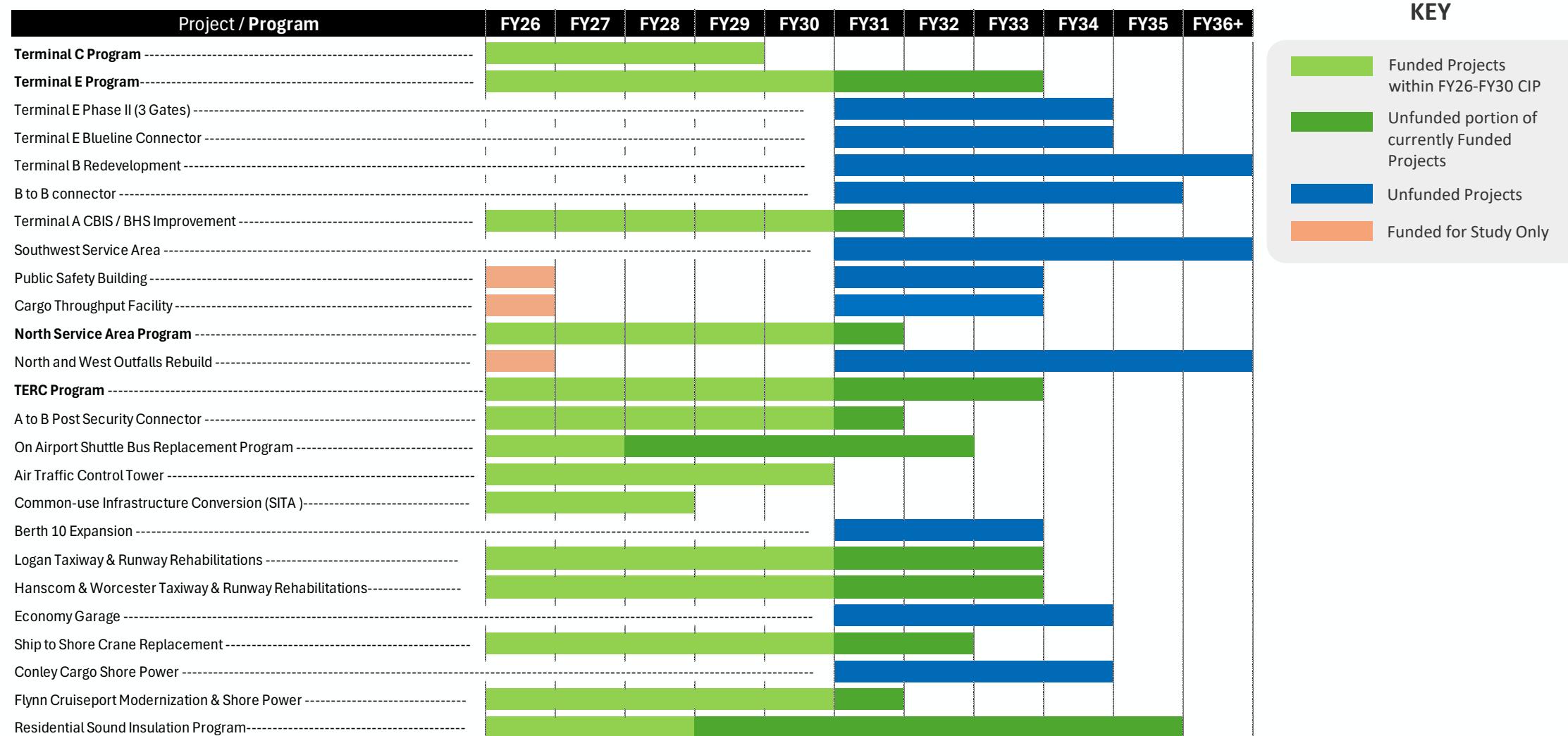
# The Capital Program creates more than 24,500 jobs

---



- **8,458** jobs directly related to Massport construction projects
- **16,069** jobs supported through vendor spending (indirect) and worker re-spending (induced or multiplier effect)

# Beyond the FY26-FY30 CIP, MPA will need to invest an additional \$8.5B-\$10.5B from FY31-FY40 to support Massport's Strategic Plan



## APPENDIX

# Industry Standard: Stage gate process implemented

Stage	Gate 1	Gate 2	Gate 3 (Full Funding Commitment)	Checkpoint (Construction Readiness)	Checkpoint (Operational Readiness)	Gate 4
	Business case development	Capital programming	Project definition (SD-DD) <sup>1</sup>	Detailed design (DD-CD) <sup>2</sup>	Construction	Close-out
Stage goal	Review business case robustness and strategic fit Approve funding for conceptual phase	Decide on best option to deliver project Define contracting strategy Define preliminary execution plan	Ensure basic design for optimized end-to-end solution Approve full investment decision and execution plan	Confirm readiness for construction	Ensure that the full project is built to specifications and is functional Review operational readiness, including handover and detailed start-up plans	
Budget accuracy		-30% / +50%	-20% / +30%	-5% / +10%		
Project budget spent in stage, %	1%	4%	10%	85%		

1. Known as "Schematic Design & Design Development" in Massport's current Milestone system for projects
2. Known as "Design Development & Completed Design" in Massport's current Milestone system for projects

---

# **FY26-FY30 Capital Investment Financial Plan**

John Pranckevicius

February 12, 2026

## **Business Activity Summary & FYTD 2026 Actuals vs Budget**

## Recall: Massport adopted FY 2026 Budget Scenario 2 in June

---

Economic and geopolitical uncertainty lowers forecast to align closer to 2025 results

### Staff Modeled Three Scenarios for FY 2026 Budget

- **Scenario 1 - Growth continues:** 3% growth in business, equivalent to the growth assumptions used to develop the five-year budget supporting the FY25-FY29 CIP financial plan in March 2025
- **Scenario 2 - Business activity resembles FY 2025:** Business activity revisions in line with 2025; FY26 budget follows 2025 spending patterns and revenue forecasts, with some required baseline revenue and spending adjustments
  - **\$35 million of new expenses “chilled” to assess direction of business activity**
- **Scenario 3 -The 2008 “Great Recession”:** A recession takes root and business activity declines around 10%, resulting in a \$140 million +/- revenue loss

## FY2026 YTD: Activity slightly below plan, however a conservative budget, cost discipline, and spending chill have generated additional funding for a \$4.1B CIP

### Massport Business Activity – 1<sup>st</sup> 6 months

Business Line	Budget	Actuals	% Change
Logan PAX	23.1M	22.5M	(2.6%)
Conley Containers	63K	62.5K	(1%)
Cruise PAX	371K	371K	-%
Real Estate	\$29M	\$32M	+3M



6 months Budget (in millions)	Budget	Actuals YTD	\$ change
Operating Revenue	\$643	\$682	+\$39M
Investment Income	\$18	\$41	+\$23M
Total Operating Expense	<u>\$359</u>	<u>\$361</u>	<u>\$2M</u>
<b>Net Contribution</b>	<b><u>\$301</u></b>	<b><u>\$359M</u></b>	<b><u>+\$60M</u></b>
Capital Investment	(\$302)	(\$302)	-
<b>Transfer to new CIP</b>	<b>\$ -</b>	<b><u>\$60M</u></b>	<b><u>+\$60M</u></b>

1. Business Activity trending below forecast ;Government shutdown reduced Nov/Dec Logan passenger volumes
2. Operating revenues 6% ahead of plan from terminal concessions, rental cars, Ride App utilization, real estate, and new container box rates
3. Operating expenses near budget as expense management initiatives keep costs low and spending chill remains in effect
4. Massport's margin adds \$60M of funding for new \$4.1B CIP plan

## 5-Year Business Activity Forecast and Financing Plan

# \$4.1B FY26-FY30 CIP Financial Plan – Executive Summary

---

## Current Forecast and Financial Performance

- Business slightly below plan with revised FY26 forecasts; new spending remains “chilled”
- Revenues currently trending above budget; expenses controlled through efficiency initiatives and spend management

## Economic and External Environment

- Economic and geopolitical risks, coupled with volatility in global travel and trade, increase unpredictability in business activity and revenue streams—necessitating conservative forecasting and disciplined planning to ensure resilience and adaptability

## Funding Strategy

- The CIP plan is supported by modest business growth, revenue alignment with current benchmarks, continued cost discipline, and the strategic use of additional leverage

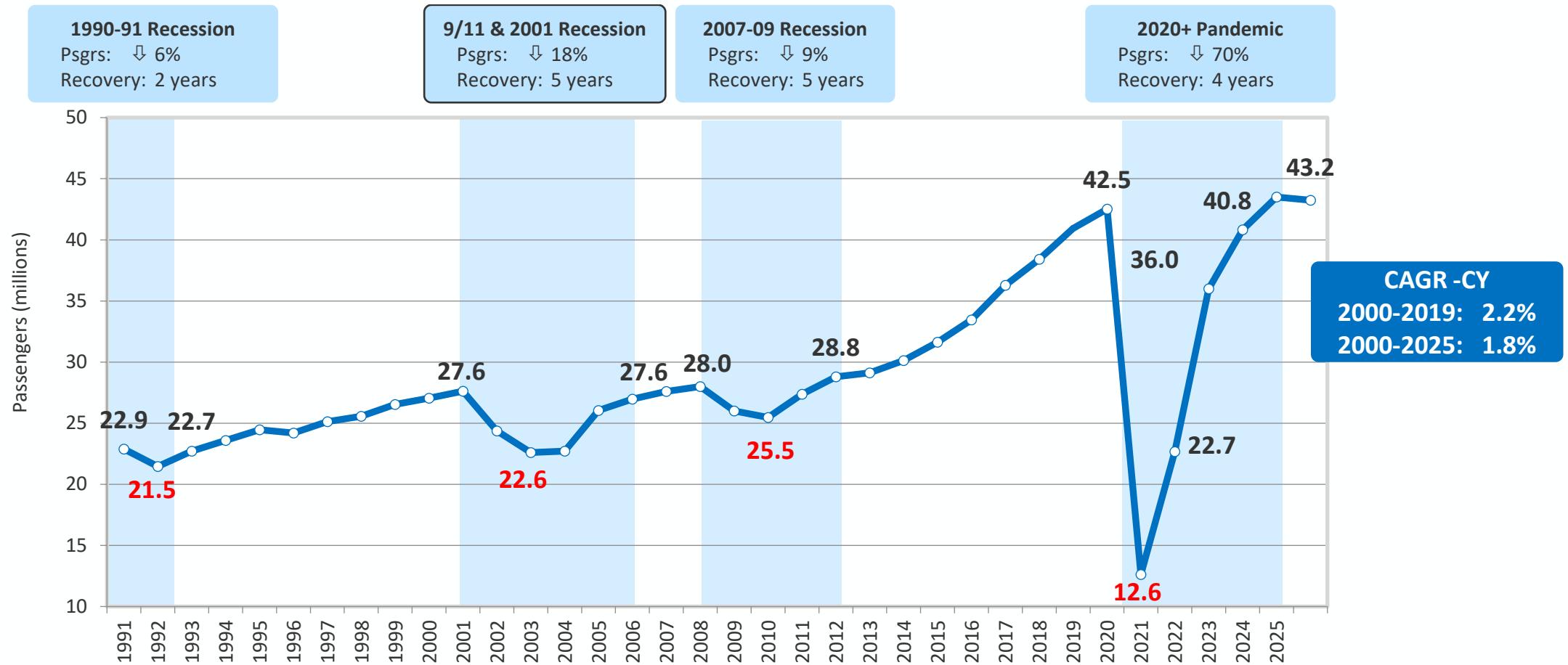
## Strategic Plan and Future Financial Outlook

- While the current CIP advances our agenda, achieving Massport’s Strategic Plan vision will require accelerated business growth, increased public and private capital, expanded partnerships, and new revenue streams beyond the current CIP.

## Commitment to Adaptability

- If business performance varies from revised forecasts, Massport is prepared to adjust as needed while continuing to serve as a critical economic engine for the Commonwealth and the region

# Despite economic swings and external disruptions, Logan's passenger demand has proven resilient, achieving long-term compound annual growth of $\approx 2\%$



# Logan Passenger Forecast (Fiscal Year Basis)

## Recent Demand Indicators

- Weaker demand observed from May – Dec 2025:
  - YTD passengers trending at 2% below last year's actuals
  - November volume was 5% lower than 2024 impacted by the federal Government Shutdown

## Forecast Assumptions

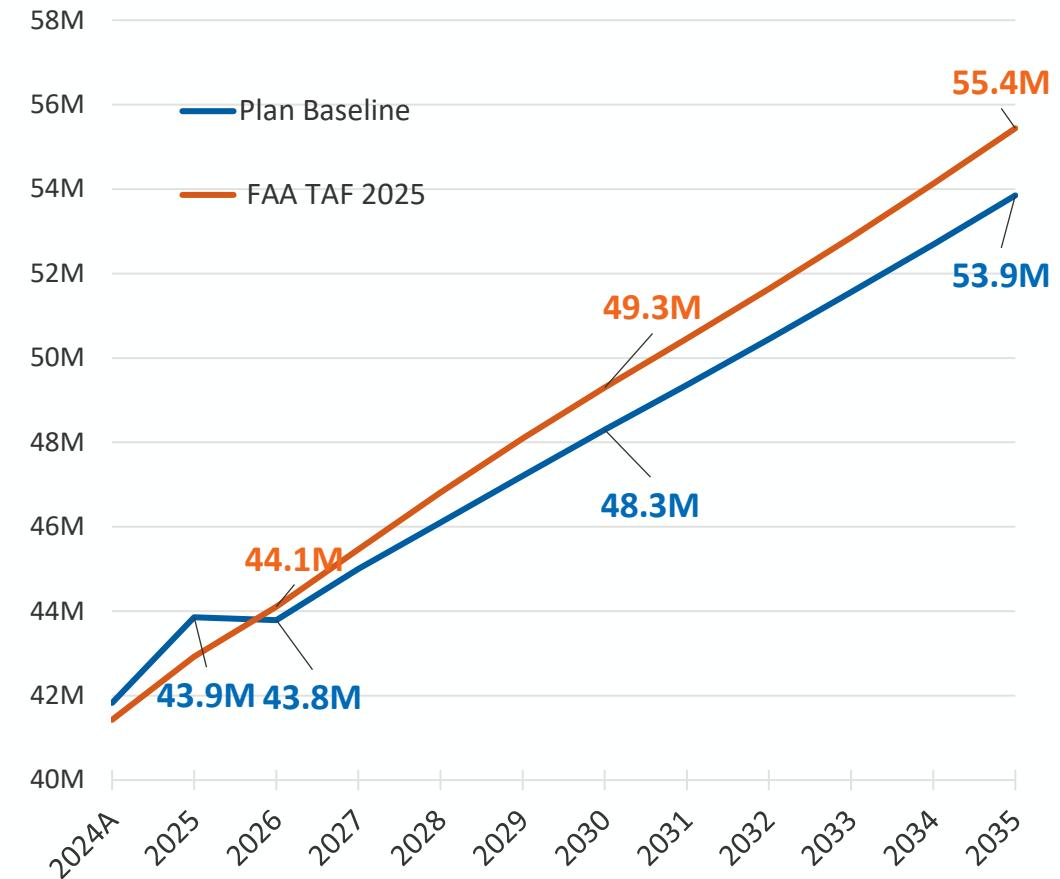
- FY26:
  - 1% YoY decline for Q2 and Q3
  - Growth expected to return in Q4, with passengers increasing +3% YoY to reflect recovery
- FY27: 2.5% growth expected as demand growth stabilizes
- FY28-FY35: return to long-term CAGR trajectory of 2.3%/year

## Outlook

- FY26: 43.8M - flat vs. FY25
- FY30: 48.3M
- FY35: 53.9M

Logan CAGR (CY):	
• 1990-2019	2.2%
• 1990-2024	1.9%
• FAA 2025-2030	2.8%
• BCG 2025-2030	2.7%
• MPA Baseline 2025-2030	2.3%

## Forecast Logan Passengers: FY25 to FY35



Note: FAA forecast is for Federal Fiscal Year

# Maritime Business Activity Forecast

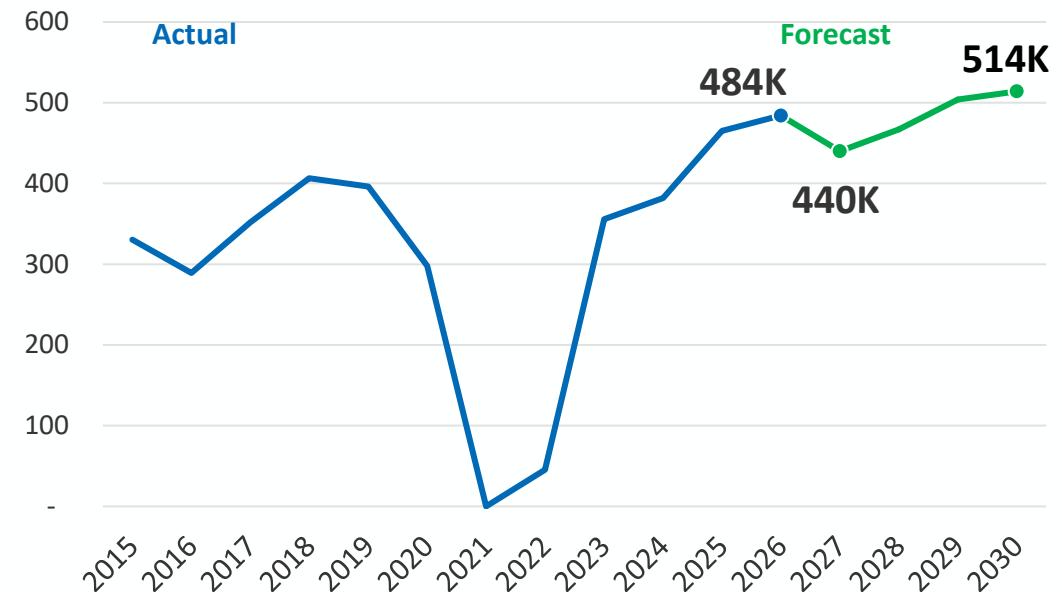
## Industry Trends Impacting Flynn Cruiseport

- Flynn Cruiseport set new record of 465K passengers in FY25
- Norwegian Cruise Line is positioned for growth in FY26, with larger-capacity vessels increasing passenger volume even as ship calls decline
- Facility improvements and shore power construction creates capacity challenges reducing vessel counts
- Upgraded Cruise Incentive Program to strengthen guaranteed volume and encourage higher passenger throughput

## Cruise Forecast

- FY26 expected to close with a new fiscal year record of 480K+ passengers
- Limited berth availability lowers passenger volume by 44K in FY27:
  - The Norwegian *Breakaway* is expected to add 54,000 passengers
  - Accommodating the *Breakaway*'s Sunday sailings caused Royal Caribbean to reposition ships, reducing passenger volume by ≈48,000
  - Carnival repositioned its fleet to the Baltic region, resulting in roughly 50,000 fewer passengers

## Flynn Cruiseport Boston Passenger Volume FY 2015-2030



## Conley Terminal container volume is currently tracking at budget and stable performance is expected through the remainder of FY26

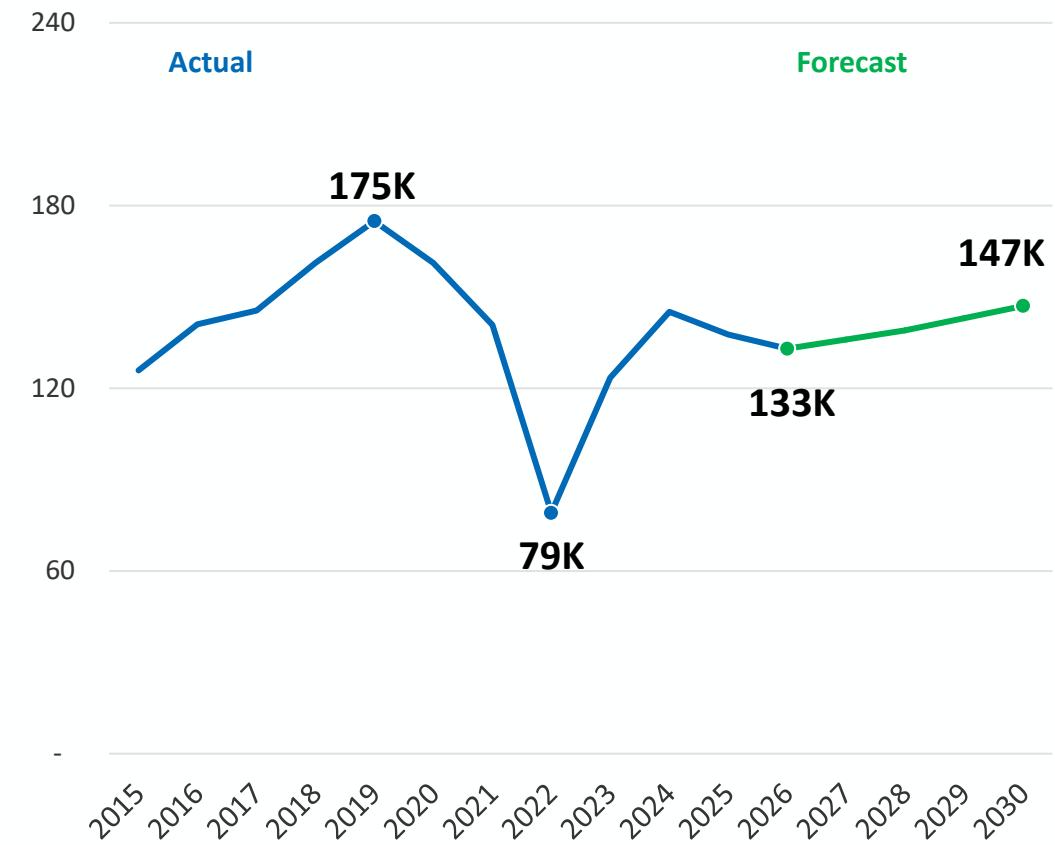
### Industry Trends Impacting Conley Terminal

- The ILA's six-year agreement with USMX continues to provide critical labor stability across East Coast ports
- Shipping line profits contracted in 2025, and softer volumes coupled with weakening consumer demand are expected to persist into 2026
- Higher container box rates are helping offset rising labor costs, but additional efficiency gains remain essential to stay competitive
- Global tariffs, softer consumer spending, and ongoing geopolitical tensions are putting downward pressure on near-term cargo volumes
- The introduction of larger vessels, combined with flight-path restrictions, continues to strain Conley's berth capacity and landside footprint

### Conley Forecast

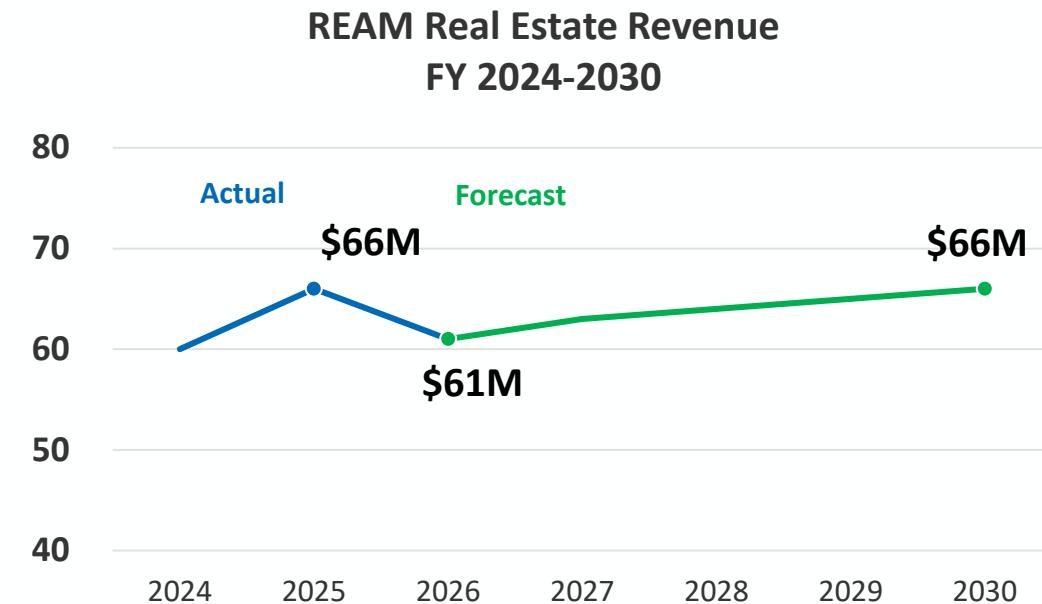
- FY26 container volume is currently tracking at budget and is expected to remain flat through the remainder of the fiscal year

### Conley Container Volume FY 2015-2030



## Massport's diverse real estate portfolio generates reliable revenues; REAM advancing alternative projects to create placemaking and generate additional returns

- Fixed rent continues to generate steady revenue, despite market weakness
  - 10M square feet in stabilized assets
  - Fidelity to repopulate Commonwealth Pier with 3,000 associates in 2026
  - Stable RevPAR at four Massport South Boston hotels
- Active discussions to backfill space and secure interim uses at Fish Pier and MMT following capital projects at both properties
- Advancing planning/permitting for important projects in down market – Reserved Channel Development (Oxford/Pappas), North Jetty Redevelopment (Ocean Havens), potential land acquisitions
- Pursuing placemaking activations (The Rink @ The Tall Ship, Exchange Conference Center, South Boston Maritime Park, Parcel D-3) to generate meaningful revenue, enhance portfolio, and community/customer benefits
- Launched Blue Edge initiative with designation as a Marine Tech Hub, build-out of marine innovation space at the Fish Pier, and maritime industrial start-ups subleasing space
- Challenges remain for leasing, particularly life science and new construction, due to diminished demand, high interest rates, high construction costs, and federal funding uncertainty



# Economic and geopolitical risks increase unpredictability in business activity, necessitating conservative forecasting to ensure resilience and adaptability

While the FY25-FY29 CIP finance plan anticipated business activity growth, the FY26-FY30 finance plan applies a more conservative approach given economic uncertainty and geopolitical risks

Year	Logan Passengers			Conley Containers			Cruise Passengers			REAM		
	Prior Year Forecast	Current Forecast	Variance	Prior Year Forecast	Current Forecast	Variance	Prior Year Forecast	Current Forecast	Variance	Prior Year Forecast	Current Forecast	Variance
<b>5-year Business Activity Forecasts</b>												
FY26	44.8	43.8	-1.0M	143K	133K	-10K	484K	484K	-	\$60M	\$61M	\$1M
FY27	45.9	45.0	-0.9M	147K	136K	-11K	490K	440K	-50K	\$61M	\$63M	\$2M
FY28	46.8	46.1	-0.7M	150K	139K	-11K	500K	467K	-33K	\$62M	\$64M	\$2M
FY29	47.7	47.2	-0.5M	152K	143K	-9K	515K	504K	-11K	\$63M	\$65M	\$2M
FY30	48.6	48.3	-0.3M	154K	147K	-7K	530K	514K	-16K	\$64M	\$66M	\$2M

Change in business activity forecast  **-3.4M**   

# Revised revenue forecast adds a modest \$34 million to support new CIP and operating budget

Revenue Forecast		
	Last Year's Financial Plan	This Year's Financial Plan
FY26 <sup>1</sup>	\$1.325B	\$1.345B
FY27	\$1.37B	\$1.395B
FY28	\$1.45B	\$1.46B
FY29	\$1.52B	\$1.51B
FY30	\$1.58B	\$1.565B
Total	\$7.25B	\$7.28B

**+\$34M**

<sup>1</sup>The original FY26 revenue budget was reduced to \$1.28B to reflect lower business activity driven by economic and geopolitical uncertainty. FY26 revenues exceeding budget are being used to support the FY26–FY30 CIP.

## Logan Airport

- Revenue outlook is strengthened by growth in **terminal concessions, rental car activity, and ride-app utilization**
- Airline Rates and Charges** to increase **4% annually**, reflecting operating cost growth and capital cost recovery needs
- Revised passenger volume forecasts and a **no-new-fees policy** moderate overall revenue growth in the five-year financial plan

## Hanscom & Worcester Airports

- Hanscom revenues improving due to **higher ground rents** from FBOs
- Worcester revenue projections adjusted to **align with updated passenger activity expectations**

## Conley Container Terminal & Flynn Cruiseport

- Conley revenue supported by **negotiated container shipping line rates** and assumed 3% annual volume growth
- New Cruiseport **facility improvement fee**, beginning next year, will partially offset lower passenger volume expectations

## Real Estate

- Real estate revenues benefit from **annual CPI-based ground rent escalations** and placemaking initiatives designed to activate underutilized assets

## Interest Income

- Expected Federal Reserve rate cuts** and increased capital spending are projected to lower earnings on invested funds

# Extending the spending chill for the next five years, creates \$200M in savings to support the \$4.1B FY26-FY30 CIP

## Operating Expense Forecast

	Last Year's Financial Plan	→	This Year's Financial Plan
FY26	\$755M		\$740M
FY27	\$810M		\$777M
FY28	\$860M		\$816M
FY29	\$910M		\$865M
FY30	\$960M		\$910M
Total	\$4.3B	→	\$4.1B
			(\$200M)

## Major Expense Observations:

- Continuation of the FY26 **Spending Chill** of \$35M annually over next five years lowers costs by \$175M
- Business activity adjustments **lower variable expenses** resulting in nearly \$50M in expense reductions
- The **Framingham LEX Remote Terminal Pilot** will begin operations in 2026; program performance will inform future site expansion and financial considerations
- Energy costs are increasing** due to higher electricity and natural gas prices, increased energy usage, and the transition to renewable (“green”) diesel
- Digital transformation investments** are included to improve operational efficiency and overall organizational performance
- Expanded **catch basin cleaning, recycling, terminal cleaning, and snow removal** requirements increase major maintenance budgets
- Employee **healthcare premiums** forecast to rise at high single-digit rates; **pension and OPEB contributions** reflect the amortization of pandemic-related investment losses; **wage assumptions** align with collective bargaining agreements and anticipated merit increases throughout forecast period

## Massport's net earning forecast to improve 7% to fund the \$4.1B FY26-FY30 CIP

Business Activity			
Year	Logan Passengers	Conley Containers	Cruise Passengers
FY26	43.3M	133K	484K
FY27	45.0M	136K	440K
FY28	46.1M	139K	467K
FY29	47.2M	143K	504K
FY30	48.3M	147K	514K



Five Year Financial Plan			
Revenue	Expense	Debt Service	Earnings for CIP
\$1,345M	\$740M	\$180M	\$425M
\$1,395M	\$777M	\$215M	\$403M
\$1,460M	\$816M	\$238M	\$406M
\$1,510M	\$865M	\$269M	\$376M
\$1,565M	\$910M	\$272M	\$383M

New 5-yr Net Earnings Forecast **\$1.993B**

Previous 5-yr Net Earnings Forecast **\$1.865B**

Change **+\$128M, + 7%**

# Massport's 5-year finance plan is structurally balanced, using revenues from activity, Revenue Bond issuances, Federal grant programs, and other sources

CIP Funding Sources			
Sources of Funds for CIP	Last Year	This Year	Change
Net Earnings – Operations	\$ 1.87B	\$1.99B	\$128M
Revenue Bonds	\$ 900B	\$1.45B	\$500M
Previously Funded Projects	\$ 505M	\$373M	(\$132M)
Grants	\$ 336M	\$235M	(\$101M)
PFCs & Other Sources	\$ 169M	\$85M	(\$84M)
<b>Total CIP Sources</b>	<b>\$ 3.8B</b>	<b>\$4.1B</b>	<b>\$ 300M</b>

- **\$2.0B in forecast earnings being used to finance new CIP, \$128M more than last year**
- **\$1.45B in bond proceeds will be used to fund the CIP, an increase of \$500 M**
  - Terminal E Operational Improvements
  - Terminal E Customs and Baggage Handling upgrades
  - Terminal E Garage
  - Terminal C to E Roadways & Curb
  - A to B Post Security Connector
- **\$373M of previously funded projects** is carried over into current-year program, a decrease of \$132M
- **\$235M in Grants** from Federal BIL competitive grants (\$38M), Federal BIL formula grant funds (\$87M), Federal AIP grants (\$102M), and other Federal grant programs (\$9M)
- **\$78M of Logan Passenger Facility Charges (PFCs)** for airfield projects and **\$7M of other project funds** used for Cypher-E Freight Corridor, Terminal A, and other projects
- A debt refinancing and defeasance strategy is under evaluation for implementation Summer 2026

# Risks and challenges to achieving Massport's strategic initiatives and financial plans

---

## 1. Inflation/Economy

- Tariffs/trade wars
- Recessions
- Rising interest rates & Federal Reserve policy
- Inflation on construction & operating costs
- Real Estate portfolio

## 2. Geopolitical Issues

- War in Ukraine
- China and North Korean relations
- Trade wars
- Panama Canal/Suez Canal

## 3. World Public Health

- New pandemics

## 4. Aviation Industry Challenges

- Potential Airline Consolidation
- Evolving Airline business models
- Asia recovery
- Tourism slump
- Air traffic controller shortages

## 5. Climate Change/Environment

- De-Regulation
- Infrastructure investment needs

## 6. Changing Customer Behaviors

- Airport access modes
- Time spent in airport

## 7. Technology

- Autonomous vehicles
- Urban Air Mobility (UAM) –eVTOLs

## 8. Traffic Congestion

- On-airport
- Gateways

## 9. Maritime Challenges

- Supply chain disruptions
- Change in shipping alliances and global trade
- Outflow of distribution centers/warehouses from MA
- Land use pressure and truck access

## 10. External Shocks and Threats

- Terrorism
- Cyber breach
- Active shooter
- Extreme weather

# IRS required “Declaration of Official Intent” for Capital Project financing

---

## Background:

To comply with IRS tax regulations, capital project expenditures that will be reimbursed with tax-exempt bonds or commercial paper must receive prior Board approval

## Board Recommendation:

Staff recommends that the Board adopt the Declaration of Official Intent evidencing the Authority's expectation that it will reimburse itself for some or all of the costs of the capital projects listed in Schedule A to the Vote with proceeds of bonds and/or commercial paper

## Schedule A Summary:

- Five Logan projects with revised budget increases of approximately \$213 million
- One Maritime project with a revised budget increase of \$2 million
- No new projects that will initially be financed with commercial paper and then reimbursed by bond funds

## Next Steps

---

- Today's Vote:
  - Adoption of the FY26-FY30 Capital Investment Plan
  - Declaration of Intent to used bond proceeds for certain project costs
- May Board Meeting Vote:
  - Approve Bond Sale, Debt Refinancing and Defeasance Strategy for July 2026 execution
- June Audit and Finance Committee:
  - Update Business Activity Forecasts
  - Review proposed FY27 operating budget
- June Board Meeting Votes:
  - Approve FY27 Operating Budget
  - Approve FY27 Airline Rates and Charges
  - Approve FY27 funds flow and other operating budget items