

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors
Thursday, November 10, 2022
10:00 a.m.**

MINUTES

DIRECTORS PRESENT: Ashley Stolba, Assistant Secretary of Housing & Economic
Development, Acting Chair
Brian Kavoojian, Vice Chair
Jessica Andors
Mark Attia, Designee for Secretary of Administration &
Finance
Gary Campbell
James Chisholm
Joan Corey
Juan Carlos Morales
Julieann Thurlow

DIRECTORS ABSENT: Kristina Spillane

Agency Staff: Dan Rivera, President and CEO
Theresa Park, Deputy Director and SEVP
Simon Gerlin, Chief Financial Officer
Ricks Frazier, General Counsel and Secretary
Laura Canter, EVP, Finance Programs
Tania Hartford, EVP, Real Estate
Marcos Marrero, EVP, Community Development
David Abdoo, Chief of Staff
Victoria Stratton, Recording Secretary
Insiyah Bergeron
Graeme Brown
Karen Carswell
Immanuel Innocent
Robert Jenkins
Mary Pederson
Rebecca Sullivan
Cynthia Tonucci
Amanda Wall
Benny Wong

Guests: Jeffrey Porter, Counsel, Mintz, Levin
Mayra Negron-Roche, Inquilinos Boricuas en Acción
("IBA")
Nina Schwarzschild, IBA

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, November 10, 2022, at MassDevelopment’s office, 99 High Street, 11th floor, Boston, Massachusetts, pursuant to notice duly given.

The Acting Chair welcomed everyone and, confirming the presence of a quorum, she called the meeting to order at 10:00 a.m. She asked if there were any guests present and the guests introduced themselves.

MINUTES

1. VOTE – Meeting Minutes (October 13, 2022)

The Acting Chair asked if there were any comments on the draft minutes of the October 13, 2022 Board meeting, and there were none. He asked for a vote to approve these minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the minutes of its October 13, 2022 Board meeting, which are attached and made a part of the minutes of this meeting.

PRESIDENT / CEO REPORT

Mr. Rivera reported the following highlights:

1550 Main Street, Springfield. The Agency closed on the sale of this property, a 130,000 square foot office building in downtown Springfield that was purchased from the federal government in 2009, for \$6 million. MassDevelopment made significant upgrades to the building, which contributed to saving the entire area from economic decay and blight, and it is currently 98 percent leased.

Brownfields Redevelopment Fund. The Legislature recently passed an Economic Development Bill, which contains revised language that allows for more flexibility for this program. It also increases funding limits for cleanup and site assessment projects.

Military Initiatives. Since 2015 the Baker-Polito Administration has invested nearly \$20.5 million across all six installations in the Commonwealth using the 2014 Military Bond Bill. Later today, Mr. Rivera, with John Beatty, the Executive Director of the Massachusetts Military Asset and Security Strategy Task Force, and the Agency’s military consultants, The Roosevelt Group, will brief Gov. Baker and other legislative leaders on the work of the Task Force to date.

Green Finance. Recognition was given to the Green Finance team, consisting of Wendy O’Malley, Rob Dolan, and Dan Morais. Their hard work led to the recent announcement of a \$1.1 million Property Assessed Clean Energy, or PACE, Massachusetts financing for 480 William McClellan Highway, East Boston. The team also noted that the City of Lynn became the 60th community to opt-in to the program.

Devens. MassDevelopment was proud to sponsor the 13th Annual Job & Workforce Summit in Devens, which has become a regional hub of innovation and opportunity as home to over 100 companies and more than 6,000 workers. Mr. Rivera attended a recent good meeting of Shirley’s Select Board, which he said is establishing a “new set of relationships.” In addition, MassDevelopment will host a Devens Residents’ Dinner on November 17.

Transition. On Tuesday night the Commonwealth went to the polls and elected new leadership in the governor’s office. For MassDevelopment, this means spending much time finishing the work of the Baker-Polito Administration, as well as making the case for the many ways that MassDevelopment can help the incoming Healey-Driscoll Administration accomplish its agenda and preparing for a new Chairperson in the new year.

2. Employee Introduction(s). Mr. Rivera advised of numerous anniversaries: Trish Bungkadanara, Corporate Receptionist (26 years); Tony Fracasso, SVP Housing Finance (26 years); Sean Calnan, SVP Community Investment (24 years); Karen Carvalho, Director of Special Projects (24 years); Benny Wong, VP Investment Banking (21 years); Victoria Stratton, Executive Assistant and Recording Secretary (19 years); Shyla Matthews, VP Community Investment (16 years); Yvette Childs, Accounts Receivable Coordinator (15 years); Tonya Ingram, Community Investment Program Administrator (12 years); Jane Kaminski, Sr. Administrative Assistant (12 years) Jose Peralta, AVP Institutional Finance (12 years); and Katie, Rice, Sr. Accountant (12 years). He then introduced the following new hires – Karen Carswell, VP Business Development, West Region; Insiyah Bergeron, VP Strategy and Innovation in the Community Development Division; and Mary Pederson, SVP of Human Resources – who each made brief comments.

Mr. Wong then introduced Mayra Negron-Roche, Chief Operating Officer of IBA, who thanked the Board for this opportunity to make a presentation, which is attached and made a part of the minutes of this meeting. Established in 1968 to oppose Boston’s urban renewal plan to demolish housing in underserved neighborhoods, Ms. Negron-Roche spoke about IBA’s grassroots beginnings and its mission – empowering individuals and families to improve their lives and achieve socio-economic mobility through high quality affordable housing, education, and arts programs – and described five decades of growth into a strong and effective community development corporation. Over time, IBA has become a national model by integrating housing with supportive, culturally relevant programs and services.

Ms. Negron-Roche summarized the project at 85 West Newton Street in Boston’s South End, involving redevelopment of the former All Saints Lutheran Church (26,440 square feet, including 4 levels and a basement) into a Center for Arts, Self-determination and Activism called La Casa; it will serve as a community space that will support and integrate

IBA's programs and services, expand Latinx arts and cultural programs, connect and enhance an adjacent park, and more. In conclusion, she again thanked the Board and MassDevelopment for their support of IBA's mission.

BOND TRANSACTIONS

3. Bond Detail Memorandum

For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Ms. Sullivan provided a brief summary, noting no changes to the November Board materials. Mr. Morales asked if MassDevelopment is seeing a slowdown in bond financing and Ms. Canter said yes, but staff still expects to hit budget targets for FY2022.

The Acting Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 4 through 14, noting the recusal at Tab 10, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

Bonds: Official Action Approvals

Official Action Projects with Volume Cap Requests

4. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of 2Life Development Inc., in Boston (Mattapan), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$40,000,000.

5. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of CCC River LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$20,097,000.

6. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of West Newton Armory LLC, in Newton, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$15,250,000.

7. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of FOH 60 Wells LLC, in Greenfield, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$12,619,262.

8. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of FOH 775 LLC, in Springfield, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$9,700,000.

Bonds: Final Approvals

Final Approval Projects without Volume Cap Requests

9. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the Official Action / Final Approval resolution that is attached and made a part of these minutes regarding:

a project of Merrimack College, in Andover and North Andover, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$35,000,000.

10. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Heading Home, Inc., in Boston (Mattapan), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$5,000,000.

[Secretary's Note: Mr. Kavogian advised the Board that he is a past chair of the board of directors of Heading Home, Inc., and he, therefore, recused himself from the consideration of the bond transaction above; he left the room and did not participate in any discussion, deliberation, or vote on the matter. He returned to the meeting room at the conclusion of the above vote.]

Final Approval Projects with Volume Cap Requests

11. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Puddingstone at Chestnut Hill, LLC, in Brookline, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$126,332,013.

12. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of 50 Pleasant LLC, in Brookline, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$42,625,000.

13. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Harrison Affordable LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$25,978,000.

14. Upon motion duly made and seconded, by a vote of the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of 116 Norfolk Apartments LLC, in Cambridge, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$21,075,000.

STANDING BOARD COMMITTEE REPORTS

Audit & Administration Committee

Mr. Attia reported that the Audit & Administration Committee met this morning with RSM, the Agency's audit firm, to review the results of the FY2022 financial statements audit. The Committee had a good discussion with RSM, and he was pleased to report a "clean" audit with no material issues. MassDevelopment continues to have good management practices and controls in place. The Committee discussed a recent fraud incident (which it was noted resulted in no financial loss to the Agency) and Mr. Attia advised that RSM is reviewing internal controls, etc., related to this cybersecurity event.

Origination & Credit Committee

The Origination & Credit Committee did not meet this month.

Real Estate Development & Operations Committee

Mr. Kavogian reported that the Real Estate Development & Operations Committee met on Tuesday, November 8, 2022.

Real Estate and Devens

15. – VOTE – Devens – Amendment of Environmental Support Contract with Haley & Aldridge, Inc.

Pointing out that Devens is an active superfund site and that MassDevelopment has been working with this contractor in connection therewith for more than ten years, Mr. Frazier briefly described this request to extend and increase the value of the Haley & Aldridge contract, for the sake of continuity. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the amended contract with Haley & Aldridge, Inc., as outlined in the memorandum and vote dated November 10, 2022, which are attached and made a part of the minutes of this meeting.

16. – VOTE – Devens – Revised Sales Price of 31 MacArthur Avenue

See Executive Session, below.

QUARTERLY REPORTS

17. Chief Financial Officer – 1st Quarterly Financial Update

Mr. Gerlin reported that revenue lagged budget projections in the first quarter due to timing issues related to getting dollars out the door, noting, however, that those funds should be booked later during the year. When the Acting Chair asked if the Agency was seeing slowing activity from end users, Mr. Gerlin said, “Not really. There are always delays early in the fiscal year that skew the numbers.” He called attention to the sale proceeds from 1550 Main (\$5.5 million into the General Fund) and Mr. Rivera added that receipt of an additional \$15 million in State Small Business Credit Initiative, or SSBCI, dollars is imminent.

Discussion then turned to the Brownfields Fund and Mr. Gerlin confirmed the Agency’s commitment of \$10 million to the Fund. The Acting Chair noted that anticipated capital funding for this popular program (and many others), unfortunately, did not make it into the recently enacted Economic Development Bill, and Mr. Attia said this contribution on the Agency’s behalf will therefore be particularly impactful. Ms. Andors asked if there are any limitations on Board members with regard to advocating to their Representatives for these programs, and the Acting Chair said there are no restrictions. She said she anticipates a new Economic Development Bill in the first quarter of the new Administration, and the inclusion of any funding for the Brownfields Fund would need to be discussed with the new Administration. Mr. Attia suggested forming the partnerships now and having the conversations.

• **EVP, Finance Programs Update**

Ms. Canter reported that Lending has been busy, closing more than \$4 million in transactions, including a PACE closing in Boston. With respect to SSBCI, federal regulations requiring inclusion of a “private investor” will impact the way MassDevelopment disseminates these funds, but Ms. Canter said she thinks staff can develop opportunities that are sufficiently attractive for private banks to participate with matching funds. The quicker staff can get these dollars out the door, the quicker the Agency can receive additional tranche(s) of funding. It was noted that this is the fourth quarter in a row with increased levels of loans with risk ratings of 6.

INFORMATIONAL ITEMS

18. Lending – Summary Quarterly Portfolio Report

For informational purposes only, the Summary Quarterly Portfolio Report is attached and made a part of the minutes of this meeting. There was no discussion of this report.

19. Lending – Delegated Authority Report for Loan Approvals (September 2022)

For informational purposes only, the Delegated Authority Report regarding Loan Approvals is attached and made a part of the minutes of this meeting. There was no discussion of this report.

20. Media Report (October 2022). For informational purposes only, the Communications & Marketing Report for the previous month is attached and made a part of the minutes of this meeting. No discussion of this item took place.

MISCELLANEOUS: OLD BUSINESS / NEW BUSINESS

The Acting Chair asked if there was any new or old business to consider, and there was none. She called attention to a recent announcement in western Massachusetts of the award of numerous grants totaling \$143 million, noting that the impact of such dollars is real and the municipalities affected are grateful.

EXECUTIVE SESSION

16. – VOTE – Devens – Revised Sales Price of 31 MacArthur Avenue

Due to components involving valuation of real property in Devens, Massachusetts, and potential purchase and lease terms, the discussion of this item occurred in Executive Session.

21. VOTE – Lynn Harbor Park – Approval to Enter into a Memorandum of Understanding to Acquire Property

Due to components involving valuation of real property in Devens, Massachusetts, and potential purchase and lease terms, the discussion of this item occurred in Executive Session.

The Board Secretary advised, at 11:00 a.m., that, pursuant to Mass. General Laws Chapter 23G, Section 2(1), and Chapter 30A, Sections 21 & 22, the Board of Directors of MassDevelopment was going into Executive Session, following a roll call vote, which was taken and unanimously voted in favor, to discuss matters involving the value of real

*Approved:
December 7, 2022*

properties in Massachusetts, and terms of potential land valuation, purchases, and leases, the discussion of which in Open Session would have a detrimental effect on the Agency's negotiating position(s). The Board Secretary instructed all persons who are not Board members or staff involved in these matters to leave the room and/or the videoconference. He noted that the Board will not reconvene in Open Session following Executive Session.

[Executive Session held]

There being no further discussion or business before the Board of MassDevelopment, the Board Meeting *and* its Executive Session were adjourned in Executive Session at 11:55 a.m.