

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors
(Hybrid meeting: *In person and by Remote Participation*)
Thursday, June 23, 2022
10:00 a.m.**

MINUTES

DIRECTORS PRESENT: Ashley Stolba, Assistant Secretary of Housing & Economic Development, Acting Chair
Jessica Andors (*newly appointed*)
Mark Attia, Designee for Secretary of Administration & Finance
Joan Corey
Juan Carlos Morales
Kristina Spillane

DIRECTORS ABSENT: Brian Kavoogian, Vice Chair
Gary Campbell
James Chisholm
Julieann Thurlow
Ellen Zane

Agency Staff: Dan Rivera, President and CEO
Theresa Park, SEVP and Deputy Director
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 Abdo, Chief of Staff
Victoria Stratton, Recording Secretary
Mark Boucher, FF
Frank Canning
Kendall Cardwell
Rob Carley
Steve Chilton
John Endicott
Jonathan Gallardo, FF
Michael-Ray Jeffreys
Claire King
Jim Moore
Dan Morais
Claire O'Neill

Shay Plummer
Rebecca Sullivan
Cyndy Tonucci
Gary Walker

Guests: None

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, June 23, 2022, by Remote Participation, as well as in person (See Secretary’s Note, below), pursuant to notice duly given.

The Acting Chair welcomed everyone and, confirming the presence of a quorum in the room and/or on videoconference, she called the meeting to order at 10:02 a.m. She welcomed Ms. Andors, MassDevelopment’s newest Board member and thanked Francesca Maltese, who resigned her Board seat recently, for her service. Ms. Andors said she was honored to be here. Mr. Morales welcomed Ms. Andors, noting he has known her for years.

[Secretary’s Note: It was noted that this Board Meeting was taking place in person, as well as remotely – via zoom videoconference – pursuant to Section 20 of Chapter 20 of the Acts of 2021 Extending Certain COVID-19 Measures Adopted During the State of Emergency, as amended by Section 7 of Chapter 22 of the Acts of 2022, as well as the Agency’s Remote Participation Policy.]

MINUTES

1. VOTE – Meeting Minutes (May 12, 2022)

The Acting Chair asked if there were any comments on the draft minutes of the May 12, 2022 Board meeting, and there were none. He asked for a vote to approve these minutes and Ms. Andors abstained, noting she was not present for the meeting. Upon motion duly made and seconded, by a majority of the directors present and/or on the videoconference, it was,

VOTED: that the Board of Directors of MassDevelopment approves the minutes of its May 12, 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 of recent events: a tremendous turnout for a Brownfields summit in Devens, attended by the Commissioner of DEP and the EPA’s New England Regional Manager, as well as the Agency’s own Mary Ellen DeFrias, Richard

Griffin and David Bancroft; the Executive Team held a quarterly meeting at Westover Air Reserve Base, including a tour of the facilities and a C-5 plane; Community Development is hosting a Transformative Development Initiative (“TDI”) mixer to celebrate graduating districts and welcoming new ones. Several staff members will participate in the JP Morgan Corporate Challenge (a 3.5 mile walk or run in Boston) for the fourteenth consecutive year; this is the final year that Steve Chilton will captain the Agency’s team as he prepares to retire at the end of this month. The owners of Atlantic Shipping, a long-term tenant at the Fall River State Pier, spoke at the Agency’s All Staff meeting in June about their work exporting consumer goods and food products to Cape Verde.

Mr. Rivera then reported the following highlights in the field, among others: a ribbon cutting at minority-owned Brockton Beer Company in Brockton; activities, including an Aviation Caucus event, at Moore Field in Devens, which is supporting unmanned aircraft systems (“UAS”) testing and counter-UAS research and development; participation in a National Security Seminar at the U.S. Army War College in Pennsylvania; a groundbreaking for City Fresh Foods’ production facility in Roxbury; the annual meeting of the Waterfront Historic Area League, or WHALE, of New England

Within MassDevelopment, Mr. Rivera advised that the Agency is in the final stretch of a search for a permanent HR Director and hopes to have that wrapped up by mid-summer. The review of applications for TDI Fellowships is underway. Meanwhile, staff is preparing to welcome 22 interns for the summer. Meg Delorier will be leading Devens staff while Jessica Strunkin is on leave, and the Agency is grateful for Meg’s many years of experience in Devens.

2. Employee Introduction(s). Mr. Rivera mentioned the following anniversaries with MassDevelopment: Tom Pope, Assistant VP of Asset Management (21 years); Kendall Cardwell, Sr. Project Engineer (10 years). He then introduced the following new hires – Jonathan Gallardo, Devens Firefighter/EMT; Mark Boucher, Devens Firefighter/Advance EMT; David Abdo, Chief of Staff (formerly, the Chief of Staff at the MBTA and DCAMM); Shay Plummer, Assistant Development Manager – who each made brief comments.

FY2023 BUDGET

3. VOTE – Agency Operating and Capital FY2023 Budget

Mr. Gerlin presented the request to conditionally approve the FY2023 Budget and a robust discussion ensued regarding the Agency’s complex financial statements. Mr. Gerlin advised of the following highlights: there is no provision in the budget related to the sale of 1550 Main Street, Springfield, because the prospects for any potential conveyance of the property remain too uncertain; an allocation of \$25 million has been received (from the Executive Office of Housing & Economic Development, or HED, and the Brownfields

Fund) for capital investment and continued management related to the New Bedford State Pier; the Profit & Loss Schedule (p. 4 of the presentation) is impacted heavily by the timing of the closing of loans and bond transactions, which creates a certain amount of unpredictability; a breakdown of the Agency's Full Time Employees, including Firefighters (p. 16); Revenues by Categories (p. 6) and the need for strategies to grow fees generated by Investment Banking and New Markets Tax Credits transactions, which are exhibiting the effects of a potential recession.

Discussions ensued focusing on risks, expenses, the costs and effects of inflation, land sales in Devens, and the potential impact of overall economic conditions. When Ms. Spillane asked about investments in technology, Mr. Gerlin described how the Agency continues to make upgrades as recommended by a 2018 report from consultant, BlumShapiro, including: appointing a new Chief Information Officer; outsourcing of certain IT tasks; and selecting an Enterprise Resource Planning software platform. With respect to assumptions underlying budget projections, Mr. Gerlin noted the hospital sector (p. 10) is expected to be less active; he briefly discussed the Real Estate Portfolio (p. 11), and summarized targets for external funding related to and use of the General Fund (p. 12). He stated that salary and fringe, insurance, rent, and other expenses have all increased (p. 13). Mr. Morales commented on "wage pressure" and Mr. Rivera agreed it is difficult to predict or manage; he advised that the FY2023 Budget includes an HR Director.

A discussion regarding pressures on the General Fund and historical General Fund balances (p. 20) followed. Pointing out that the General Fund is at its lowest level in many years, Mr. Morales expressed concerns about its "precipitous decline." Ms. Canter called attention to lending activity (p. 8) and said she expects more demands on the General Fund. A discussion then ensued regarding investments, such as City Fresh Foods, Saint Gobain, Nubian Square, and Mr. Gerlin advised that the Agency wants to be nimble and responsive, but also continue its important mission.

Mr. Morales asked for an update – at a future meeting – on TDI strategy, and Ms. Andors agreed, noting she would like to see the underlying data that quantifies the numbers. In an effort to take full advantage of MassDevelopment's strengths, Ms. Park advised that the Agency has engaged the UMass/Donahue Institute to assess and quantify measures of the impact of the Agency's work. Ms. Andors suggested that this endeavor must include an analysis follow-on development component.

Following the discourse above, the Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment conditionally approves the Agency's FY2023 Operating and Capital FY2023 budget, as presented, which is attached and made a part of the minutes of this meeting, noting a final approval will be requested at the July Board meeting once the Commonwealth's budget has been finalized.

FINANCE PROGRAMS

4. Interest Rate Environment. For informational purposes, the Interest Rate Environment presentation is attached and made a part of the minutes of this meeting. Mr. Chilton described the recent volatile interest rate environment, noting the focus is on the Federal Reserve Bank, which would like to raise the interest rates in an effort to bring inflation in line with its annual 2-percent goal. Impacts will be felt throughout the bond, lending, housing, and other markets. The STAR Fund will also be impacted. In response to a question, Mr. Gerlin advised that 1 percent of the Agency's General Fund is invested in the STAR Fund for FY2023. A brief discussion ensued regarding conduit bonds.

BOND TRANSACTIONS

5. Bond Detail Memorandum. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Mr. Chilton provided a brief summary, noting no changes to the June Board materials.

The Acting Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 6 through 12, including two additional, "walk-in" matters, 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 Project without Volume Cap Request

6. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, 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 Inquilinos Boricuas en Accion, Inc., in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$18,020,000.

Bonds: Final Approvals

Final Approval Projects without Volume Cap Requests

7. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, it was, unanimously

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

a project of Northeastern University, in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt and/or Taxable Bond to finance such project in an amount not to exceed \$432,000,000.

Walk-in. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, it was, unanimously

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

a project of Wentworth Institute of Technology, in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$50,000,000.

8. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, it was, unanimously

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

a project of the Pioneer Charter School of Science II, in Danvers, Everett, and Peabody, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$26,150,000.

Walk-in. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, it was, unanimously

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

a project of MAB Community Services, Inc., in numerous Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$14,000,000.

9. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, it was, unanimously

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

a project of the Dimock Community Foundation, Inc., Dimock Community Health Center, Inc., Dimock Community Realty Corporation, and Dimock Community Services Corporation, in Boston (Roxbury), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$12,000,000.

10. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, 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 The Williston Northampton School, in Easthampton, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$6,000,000.

11. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, it was, unanimously

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

a project of the Center for Human Development, Incorporated, in Chicopee, Easthampton, and Springfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$3,000,000.

12. Upon motion duly made and seconded, by a roll call vote of the directors present and/or on the videoconference, 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 Melmark, Inc. and Melmark Investments, LLC, in North Andover, Massachusetts, for the issuance of a National Finance Authority 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$750,000.

STANDING BOARD COMMITTEE REPORTS

Audit & Administration Committee

Mr. Attia reported that the Audit & Administration Committee met this morning, immediately before this Board meeting, for a discussion of the audit plan for FY2022. He said there is nothing to report and the Committee will meet next in September.

Origination & Credit Committee

Ms. Canter reported that the Origination & Credit Committee met on Tuesday, June 7, 2022.

Lending

13. – VOTE – General Fund and Development Insurance Finance Fund (“DFIF”) Loan and Guarantee Product Updates

Ms. Canter described this request for approval of updates and enhancements to MassDevelopment’s General Fund and DFIF loan and guarantee products. She discussed increasing delegated authority levels for real estate loans from \$7.5 million to \$10 million and for equipment loans from \$2 to \$3 million, as well as establishing a \$1 million maximum delegated authority for the Green Loan program. These updates will expand the Agency’s capabilities, thereby increasing its impact, as well as streamlining and clarifying these loan programs. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the requested updates and enhancements to certain loan and guarantee products, as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

14. – VOTE – City Fresh Foods, Inc. (Roxbury) – \$1,000,000 Forgivable Loan

Mr. Endicott described this request for a \$1 million forgivable loan that will enable City Fresh to pay its current employees a pre-defined “living wage” and hire 85 additional employees. Mr. Rivera explained that the City of Boston will finance the loan through MassDevelopment, which will turn the funds over to City Fresh; the Agency is simply a “pass through” for this funding. Mr. Morales inquired whether this transaction may be viewed as a precedent for other projects. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the forgivable loan to City Fresh Foods, Inc., as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

Real Estate Development & Operations Committee

Ms. Hartford reported that the Real Estate Development & Operations Committee met on Tuesday, June 7, 2022.

Real Estate and Devens

15. – VOTE – Devens – Tax Increment Financing Policy Update

Noting the time and several lengthy and important conversations above, and to allow sufficient time for discussion of this important matter, the presentation, deliberation and vote on this matter was tabled until the next Board meeting (July 14).

16. – VOTE – Devens – FY2023 Electric Rate Adjustments

Mr. Moore advised that even with the requested increase of 14 – 20 percent, the Devens electricity rates remain competitive. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the FY2023 Electric Rate Adjustments, as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

17. – VOTE – Devens – FY2023 Water Rate Adjustments

Once again, Mr. Moore advised that Devens water rates remain competitive even with the requested 10 percent increase. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the FY2023 Water Rate Adjustments, as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

18. – VOTE – Devens – FY2023 Sewer Rate Adjustments

As above, Mr. Moore advised that even with the requested 10 percent increase, the Devens sewer rates also remain competitive. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the FY2023 Sewer Rate Adjustments, as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

19. – VOTE – Devens – Hospital Road Substation Upgrade – Engineering Contract Award

Mr. Moore explained this request for authority to execute a contract with Power Line Models, Inc., for electrical engineering services related to the Hospital Road Substation upgrade, made necessary by increased needs in Devens. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment authorizes the electrical engineering services contract, as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

20. – VOTE – Devens – Francesco Demolition, Inc. – Contract Amendment

Mr. Cardwell explained this request for authority to issue a change order to a previously executed contract related to additional costs associated with the unexpected and sudden closure of a facility in New Hampshire that had been expected to accept hazardous material waste from a pool demolition project in Devens. The nearest alternate location is in Canada and the change order is necessary to cover the increased trucking and disposal fees. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment authorizes the change order to the contract with Francesco Demolition, Inc., as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

21. – VOTE – Gloucester (Jodrey) State Pier – Cape Ann Fisheries Development Corporation / Cape Ann Lobstermen – Sublease Amendment – 3-Year Extension

Ms. King briefly described this request to authorize the Agency to enter into an amendment of its current sublease for a three-year extension, between Cape Ann Fisheries Development Corporation and Cape Ann Lobsterman, for Units C and D at the Cape Ann Fisheries Center, including a 5 percent increase in rent year over year. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment authorizes the sublease extension to Cape Ann Lobsterman, as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

22. – VOTE – Specialized Services House Doctor Contracts

Ms. O’Neill described this request to authorize the Agency to enter into contracts with 29 firms for specialized services, solicited through a Request for Qualifications issued in April, with a focused outreach to Diverse Business Entities. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment authorizes the 29 house doctor contracts for specialized services, as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

23. – VOTE – Northampton – Village Hill – Village at Hospital Hill Association – End of Declarant Period

Noting that the redevelopment of the former Northampton State Hospital property is nearing completion, Ms. O’Neill described this request to effectively turn over management and responsibilities of the common areas to the landowners’ association. The Acting Chair asked for a vote and, upon motion duly made and seconded, by the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the conveyance of eight (8) common areas to the Village at Hospital Hill North Association and approves the termination of the Declarant Control Period as of June 30, 2022, as outlined in the memorandum and vote dated June 23, 2022, which are attached and made a part of the minutes of this meeting.

QUARTERLY REPORTS

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

25. Community Development – Quarterly Update. For informational purposes only, the Quarterly Update regarding Community Development is attached and made a part of the minutes of this meeting. There was no discussion of this update.

INFORMATIONAL ITEMS

26. Lending – Delegated Authority Report for Loan Approvals (April 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.

27. Community Investment – Approved Minutes of Cultural Facilities Fund Advisory Committee Meeting (September 15, 2021). For informational purposes only, the approved minutes of the September 15, 2021 Cultural Facilities Fund Advisory Committee meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

28. Media Report (May 2022). For informational purposes only, the Selected Press Clips, Media Report, and Web Statistics for the previous month are attached and made a part of the minutes of this meeting. No discussion of these items 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.

EXECUTIVE SESSION

29. VOTE – Devens – 105 Sherman Ave – Payment in Lieu of Taxes – The Charles Stark Draper Laboratory, Inc.

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.

***Walk-in.* VOTE – Fall River/New Bedford – Approval to Enter Lease Agreement for the State Piers**

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

The Board Secretary advised, at 11:59 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 valuation of real

*Approved:
August 11, 2022*

property in Devens, Fall River, and New Bedford, Massachusetts, and potential purchase and lease terms, the discussion of which in Open Session may have a detrimental effect on the negotiating position(s) of the Agency. The Board Secretary instructed all persons who are not Board members or staff involved in these matters to leave the room. 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 12:08 p.m.