

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors
Thursday, July 14, 2022
10:00 a.m.**

MINUTES

DIRECTORS PRESENT: Mike Kennealy, Secretary of Housing & Economic
Development, Chair
Brian Kavooogian, Vice Chair
Jessica Andors
Gary Campbell
James Chisholm
Juan Carlos Morales
Julieann Thurlow

DIRECTORS ABSENT: Mark Attia, Designee for Secretary of Administration &
Finance
Joan Corey
Kristina Spillane

Agency Staff: Dan Rivera, President and CEO
Theresa Park, SEVP and Deputy Director
Ricks Frazier, General Counsel and Secretary
Marcos Marrero, EVP, Community Development
David Abdoo, Chief of Staff
Victoria Stratton, Recording Secretary
Rob Carley
Omar Hazoury
Emmanuel Innocent
Lisa Kalinowski
Alejandro Lopez
Jim Moore
Jazmin Murillo, Devens Firefighter
Leigh Natola
Pedro Soto
Rebecca Sullivan
Cyndy Tonucci

Guests: Jaime Hernandez, Program Manager, Teatro Chelsea
Danielle Fauteux Jacquest, Artistic Director, Teatro
Chelsea
Armando Rivera, Artistic Director, Teatro Chelsea

*Approved:
August 11, 2022*

Ashley Stolba, Assistant Secretary of Housing & Economic
Development

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, July 14, 2022, at MassDevelopment’s office, 99 High Street, 11th floor, Boston, Massachusetts, pursuant to notice duly given.

The Chair welcomed everyone and, confirming the presence of a quorum, he called the meeting to order at 10:02 a.m. He asked if there were any guests present in addition to Ms. Stolba and there were those identified.

MINUTES

The draft minutes of the June 23 and July 14, 2022 Board meetings will be included with the materials for the August Board meeting.

PRESIDENT / CEO REPORT

Mr. Rivera reported that the “new Fiscal Year cycle has begun” with a renewed focus on the Agency’s strategic plan, which aligns MassDevelopment’s programs with those developed by the Administration. Colliers has been retained to sell the Agency’s property at 1550 Main Street, Springfield, and ten interested parties have been identified to date. A renewed agreement for MassDevelopment to continue to manage the State Piers in Fall River and New Bedford has been put in place while staff continues discussions regarding a more permanent lease arrangement for this purpose.

With respect to Devens, Mr. Rivera reported that a Request for Proposals (“RFP”) has been issued for construction of the 12 remaining residential housing units allowable under the legislative “cap;” responses are due by July 21. Related thereto, Mr. Rivera attended a meeting at the Devens Enterprise Commission (the “DEC”) last evening, which resulted in Ayer’s support of eliminating “the cap.” Ayer is now the second stakeholder to support this notion. Plans are moving ahead for Devens Day on August 20; it will be a day of food and entertainment, activities for all ages, exhibits, and more, culminating in fireworks over Rogers Field after sundown.

Finally, internally, Mr. Rivera noted the timing of three office moves (Quincy, Fall River, Worcester) and advised that 22 students are currently interning at MassDevelopment; they arrived in late June and will work through August.

1. Employee Introduction(s). Mr. Rivera advised of the following anniversaries: Roy Angel, VP, Commercial Lending (24 years); Karen Davis, Executive Assistant, Devens

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(23 years); David Bancroft, SVP, Community Development Boston Region (also 23 years); John Marc-Aurele, Director of Engineering (22 years); Shirley Kennedy, AVP, Portfolio Administration (16 years). He then introduced the following new hires – Jazmin Murillo, Devens Firefighter; Emmanuel Innocent, VP, Commercial Lending; and Omar Hazoury, VP, Emerging Technology Fund – who each made brief comments.

Mr. Soto then introduced the guest speakers from Apollinaire Theatre Company / Teatro Chelsea and Danielle Fauteux Jacques spoke first. She thanked the Board for today's invitation and summarized the history of the Apollinaire Theatre Company, noting it was first established in 1996 in the old Oddfellows Hall in Chelsea. The theatre company later moved to its current location at the Chelsea Theatre Works building. The focus of the group is on youth programming that is bilingual based. Next, Jaime Hernandez made comments about Teatro Chelsea's impact on the City of Chelsea, including a recent boost to the economy from the successful El Camino Project, which involved the performance of short plays in shop windows. He called attention to the theatre company's focus on Latin performers. Finally, Armando Rivera spoke about Teatro Chelsea's mission of shining a spotlight on Latino performers and artists, and he described numerous recent performances of an original show called *Revitalized*, with a cast entirely of Latino artists, as completely "sold out." In closing, Mr. Rivera said he and his colleagues are deeply humbled by and grateful for the support of MassDevelopment and the Barr Foundation.

[Secretary's Note: Ms. Jacques and Messrs. Hernandez and Rivera departed the meeting following the above presentation.]

GENERAL

2. – VOTE – Signature Authority – Senior Vice President, Green Finance

Ms. Tonucci described briefly this request to grant signing authority to the SVP, Green Finance, for Green Finance Department documents only. She noted that current delegated authority levels require signatures by the EVP of Finance Programs and the SVP of Investment Banking; this request would streamline the process and make it more efficient. The 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 grants signing authority to the SVP, Green Finance, as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

[Secretary's Note: Firefighter Murillo departed the meeting following the above presentation, at 10:25 a.m.]

3. – VOTE – Contract Extension for Consulting Services with RSC Insurance Brokerage, Inc.

Ms. Kalinowski described this request to extend the Agency’s contract with RSC Insurance Brokerage, Inc., also known as Risk Strategies, for consulting services. She said an RFP for such services elicited two responses; the other respondent’s fee was substantially higher (by \$60,000 in the first year alone), and Risk Strategies already has a deep and working knowledge of the Agency’s business model and risk profile. The 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 authorizes the Agency to extend its consulting contract with RSC Insurance Brokerage, Inc., as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

4. – VOTE – Contract Extension for Human Resources Services with AIM HR Solutions

Noting the current contract expired on June 30, Mr. Frazier described this request to extend the Agency’s contract with AIM HR Solutions (“AIM”) to allow the AIM consultant who has been serving as MassDevelopment’s Acting HR Director to continue to do so. An active search for a permanent HR Director is nearing conclusion and it is expected that the extension of this contract will run through the onboarding process. The 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 authorizes the Agency to extend its Human Resources services contract with AIM HR Solutions, as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

There then ensued a brief discussion between Mr. Morales and Mr. Rivera regarding the normal staffing levels for the HR Department. Mr. Morales suggested the incoming HR head review the appropriate ratio for HR versus other staff.

5. – VOTE – Agency Operating and Capital Budget for FY2023

Recalling last month’s detailed presentation and lively discussion of the FY2023 budget, Mr. Rivera reminded everyone that last month’s approval was conditional, based on updates regarding support from the Commonwealth’s Capital Budget. Those factors have now been resolved and the request is to proceed with this final approval. He noted the only change to the budget from last month involves an adjustment to “Salary and Fringe.” He gave a general breakdown of programs and funds, and a brief discussion ensued (see below). Following discussion, the 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 Agency's FY2023 Operating and Capital Budget, which is attached and made a part of the minutes of this meeting.

Ms. Andors advised that there is only \$1.25 million remaining in the Brownfields Redevelopment Fund to last until recapitalization comes from the state. She expressed concern over lingering uncertainty about the Fund's future. The Chair advised that MassDevelopment's budget allocates an additional \$2.5 million to the Brownfields Fund. He noted, too, that there are funding sources for Brownfields projects that are available to community development corporations, and other non-profits; there are also additional, separate funding sources available to municipalities for Brownfields projects. He advised that additional funding for this program is under active consideration.

BOND TRANSACTIONS

6. Bond Detail Memorandum. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Reminding everyone of Mr. Chilton's retirement at the end of June, Ms. Sullivan provided a brief summary, noting no changes to the July Board materials.

Ms. Andors asked about the funding to Park School Corporation, and it was explained that the Agency is a conduit for bond transactions; these are pass-through dollars for which the Agency has no credit exposure. Importantly, it was noted that bond transactions contribute substantial fees to MassDevelopment, which it can then put toward numerous economic development purposes throughout the Commonwealth.

The Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 7 through 11, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

Bonds: Final Approvals

Final Approval Projects without Volume Cap Requests

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 Official Action / Final Approval ("OA/FA") resolution that is attached and made a part of these minutes regarding:

a project of Mass General Brigham Incorporated, 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 \$100,230,000.

[Secretary's Note: Mr. Kavoojian advised the Board of a business relationship with Mass General Brigham 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.]

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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of Berkshire Healthcare Systems, Inc., in several Massachusetts cities and towns, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$80,000,000.

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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of the Park School Corporation, in Brookline, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$40,000,000.

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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of Dexter Southfield, Inc. in Brookline, Massachusetts, for the issuance of a Tax-Exempt 501(c)(3) Bond to finance such project in an amount not to exceed \$12,000,000.

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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of The Edinburg Center, Inc., in several Massachusetts cities and towns, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$6,000,000.

STANDING BOARD COMMITTEE REPORTS

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, July 12, 2022.

Real Estate and Devens

12. – VOTE – Devens – Tax Increment Financing Policy Updates

Mr. Frazier briefly described this request to approve the Agency’s Policy regarding Tax Increment Financing (“TIF”), noting that each TIF is individually negotiated, based on the specifics of each request therefor. Mr. Campbell noted that while there is no perfect formula, this appears to be a good process and it is great to see an actual Policy for this purpose. Ms. Andors asked about accountability and Mr. Frazier advised that recipients of TIF benefits are required to provide monitoring reports both to the Agency and to the Massachusetts Economic Assistance Coordinating Council, which approves each agreement. A brief discussion ensued regarding methodology to recapture payments if conditions are not met, including a prior instance when the Agency decertified a TIF. The 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 Tax Increment Financing Policy Update, as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

13. – VOTE – Devens – Veolia North America, LLC – Water Utility Operation and Maintenance Contract Extension

Mr. Moore briefly described this request for a routine contract extension, noting staff plans to engage in a solicitation in 2023 for a potential new contract. The 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 contract extension with Veolia North America, LLC, as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

14. – VOTE – Devens – Power Purchase Agreement with FirstLight Power Resources Management, LLC / Shepaug and Stevenson (hydroelectric power)

Mr. Moore briefly described the request for approval to enter a Power Purchase Agreement (“PPA”) with FirstLight, noting the attractive pricing. The 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 Power Purchase Agreement with FirstLight Power Resources Management, LLC, as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

15. – VOTE – Devens – Power Purchase Agreement with Great River Hydro, LLC / Moore Station (hydroelectric power)

Noting no relation to Moore Station, Mr. Moore briefly described the request for approval to enter a PPA with Green River Hydro, again noting attractive pricing. The 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 Power Purchase Agreement with Great River Hydro, LLC, as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

16. – VOTE – Devens – Amendment to Contract for Power Management Services with Energy New England LLC

Mr. Moore described this request for approval of a one-year extension of the Agency’s contract with Energy New England LLC for power supply consulting services. Energy New England has provided valuable market intelligence and other advice and guidance concerning Devens electricity. The 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 contract extension with Energy New England LLC, as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

17. – VOTE – Devens – Public Safety Building – \$15,000,000 Bond (Final Approval)

This matter was removed from consideration.

Community Development

18. – VOTE – Transformative Development Initiative (“TDI”) – Creative Catalyst Round 3 Grant Awards

Mr. Soto described this request for authority to award seven grants totaling \$500,000, as follows: \$40,000 for Creative Collaborative Community Kitchen (Chelsea); \$80,000 for Teatro Chelsea (Chelsea); \$100,000 for Shirley Avenue Neighborhood: Activation of Open Spaces and Creative Arts (Revere); \$90,000 for the Arts and Justice Collective (Barnstable); \$50,000 for FRACC Ignition Fund: Artistic Recovery Grants (Fall River); \$75,000 for the Lawrence Art Collective: Deepening Engagement in Our Community (Lawrence); and \$75,000 for Holyoke hARTwork (Holyoke). These grants all support work in current and graduated TDI Districts, and the funding comes entirely from the Barr Foundation. The 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 TDI Creative Catalyst Round 3 Grant Awards, as outlined in the memorandum and vote dated July 14, 2022, which are attached and made a part of the minutes of this meeting.

[Secretary’s Note: Noting her position in relation to the overall economic development of Lawrence, Massachusetts, Ms. Andors recused himself from the consideration of the \$75,000 grant for the Lawrence Art Collective project, individually, thus, prompting a separate vote on that particular grant; she left the room and did not participate in any discussion, deliberation, or vote on the matter. She returned to the meeting room at the conclusion of the above vote.]

QUARTERLY REPORTS

19. Community Development – Quarterly Division Update. For informational purposes, the Community Development Quarterly Division Update is attached and made a part of the minutes of this meeting. Mr. Marrero reported that the Community Development Division has awarded \$7.1 million to various projects since its inception last year; among many other tasks, staff is currently working on Expressions of Interest for the Commonwealth’s One-Stop Program; new partnership agreements are being prepared for execution for ten new Fellows in the TDI Program (recruitment efforts began in March); data from Universal Intake Forms and from the Regional Analysis of Property Transactions On Record, or RAPTOR, are being analyzed and providing good feedback.

Mr. Morales wanted to know whether MassDevelopment has strategies to combine programs and/or employ multiple tools to assess the impact of the Agency’s programs throughout all regions of the Commonwealth geographically. Mr. Marrero stated that the intent is to have as much impact as possible. He cited Chelsea as a good example of using traditional grants versus the TDI Program. When Mr. Morales asked about directing capital

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to the places that will have the greatest regional impact, Mr. Rivera cited support for multiple projects in Fall River as an example. Mr. Morales suggested that there should be a more scientific method to determine who has the most needs. To this, the Chair reminded everyone that the Commonwealth's One Stop Program rolls 13 separate funding programs into one portal where applicants can submit a single request for funds through any of the programs. All applications are analyzed and there is a central map that tracks all successful and unsuccessful applications. Mr. Kavoojian noted the different impact when the Agency is the sole source of funding in a region versus investments from the private sector. Mr. Chisholm agreed, adding that the Agency (and/or the Commonwealth) should analyze where the most distressed areas are, as well as areas that are not receiving any assistance.

INFORMATIONAL ITEMS

20. Lending – Delegated Authority Report for Loan Approvals (May 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.

21. Media Report (June 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 Chair asked if there was any new or old business to consider, and there was none.

There being no further discussion or business before the Board of MassDevelopment, the Board meeting was adjourned at 11:23 a.m.