**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, February 8, 2018**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Jay Ash, Secy. of Housing & Economic Development, Chair

 Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 James Chisholm

 Karen Courtney

 Grace Fey

 Juan Carlos Morales

 Christopher Vincze

DIRECTORS ABSENT: None

Agency Staff: Lauren Liss, President and CEO

 Simon Gerlin, Chief Financial Officer

 Laura Canter, EVP, Finance Programs

 Richard Henderson, EVP, Real Estate

 Meg Delorier, Chief of Staff

 Dena Kavanagh, Assistant Board Secretary

 Victoria Stratton, Recording Secretary

 Kelsey Abbruzzese

 Roy Angel

 Deb Boyce

 Sean Calnan

 Rob Carley

 Steve Chilton

 Zack Dovitz

 Tony Fracasso

 Zack Greene

 Joe Grivers

 Anne Haynes

 Tonya Ingram

 Jim Kenney

 Thatcher Kezer

 Will Kidston

 Larissa Matzek

 Dan Morais

 Leigh Natola

 Aiden O’Garro

 Meggie Quackenbush

 Simmee Silton

 Ed Starzec

 Cyndi Tonucci

 Ellen Torres

Guests: None

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, February 8, 2018, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notice duly given.

The Chair welcomed everyone and, noting the presence of a quorum, he called the meeting to order at 10:00 a.m. The Chair asked if there are any guests and there were none.

**MINUTES**

**1. VOICE VOTE – Approval of Minutes (December 14, 2017)**

The Chair asked if there were any comments on the draft Minutes of the December 14, 2017 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

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Minutes of its December 14, 2017 Board meeting, attached and part of the minutes of this meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (December 14, 2017)**

Noting that the matters in the December 14, 2017 Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session, the Chair asked if there were any questions or comments on these Executive Session Minutes, and there were none. He asked for a vote to approve these Executive Session Minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Executive Session Minutes of its December 14, 2017 Board meeting, attached and part of the minutes of this meeting.

**3. VOICE VOTE – Approval of Additional Executive Session Minutes (November 30, 2017)**

Noting that the matters in this set of November 30, 2017 Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session, the Chair asked if there were any questions or comments on these Executive Session Minutes, and there were none. He asked for a vote to approve these Executive Session Minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Executive Session Minutes of its November 30, 2017 Special Board meeting, attached and part of the minutes of this meeting.

**4. VOICE VOTE – Approval of Additional Executive Session Minutes (November 9, 2017)**

Noting that the matters in this set of November 9, 2017 Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session, the Chair asked if there were any questions or comments on these Executive Session Minutes, and there were none. He asked for a vote to approve these Executive Session Minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Executive Session Minutes of its November 9, 2017 Board meeting, attached and part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

In connection with tax reforms recently enacted at the federal level, Ms. Liss reported that private activity bonds were included therein, but advanced refundings were not. This necessitated the need for MassDevelopment’s Special Board meeting, which, Board members will recall, took place on November 30, 2017, to accommodate refundings for eight bond transactions, for which the borrowers on these eight projects are grateful. Additionally, Ms. Liss advised that the Agency closed thirty bond transactions in December, representing a total investment of $2.1 billion in Massachusetts, and generating $3.6 million in issuing fees for MassDevelopment, which can be reinvested into the Commonwealth. She stated there are some concerns regarding potential impacts that may result from reduced corporate tax rates and anticipated rising interest rates, and staff is closely monitoring the situation. Mr. Chilton confirmed there is a focus on the indices. He advised the Agency is fifty basis points above where it was in the prior six months. While it appears to be a volatile market, interest rates are still attractive.

Ms. Liss advised that the next phase of the Transformative Development Initiative (“TDI”) has commenced. A Request for Proposals (“RFP”) was recently issued to extend or name new TDI Districts, to which twenty-three responses were received; fourteen responses call for new Districts and nine seek extensions. All responses are being vetted pursuant to the RFP review process, and staff expects to bring recommendations to the Board for approval in March.

Next, Ms. Liss reminded Board members of the recent appointment of MassDevelopment as manager of the New Bedford and Fall River State Piers. She noted these efforts continue to be challenging; the Agency has contracted with third party consultants for an evaluation – expected now to take longer than first anticipated – to better understand “where we are and where we need to go,” with respect to the Piers.

In other news, Ms. Liss reminded everyone of the Agency’s support of the military, in particular, in connection with the Military Task Force, directed by John Beatty, whose office is located within MassDevelopment’s Boston offices. She advised of recent exciting meetings at the Pentagon in Washington, D.C., with Maj. Gen. Gary Keefe (assigned as The Adjutant General, Massachusetts National Guard), Gov. Baker, and others regarding potential opportunities for new initiatives in Massachusetts.

**GENERAL**

**5. VOTE – Appointment of Agency Secretary**

With no 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 appoints Robert M. Ruzzo as Agency Secretary, as outlined in the memorandum and vote dated February 8, 2018, attached and part of the minutes of this meeting.

**Strategic Planning**

**6. MassDevelopment FY2018 Strategic Themes and Business Plan Goals**. For information purposes only, the summary of the Agency’s Strategic Themes and Business Plan Goals is attached and part of the minutes of this meeting. No discussion of this item took place.

**MARKETING / Communications**

**7.** **Media Report (January 2018)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for the previous month are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**8. Bond Detail Memorandum**. For information purposes only, the Bond Memorandum is attached and part of the minutes of this meeting.

The Chair asked if there were any recusals on the upcoming bond votes, and there were none. He then advised that the Board would vote on the approvals and findings for the matters in Tabs 9 – 18, 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 without Volume Cap Request**

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

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of KIPP Lynn Fund, Inc., in Lynn, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $26,200,000.

**Official Action Projects with Volume Cap Request**

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

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Lyman Terrace Phase II LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $18,306,000.

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

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Michael E. Haynes Arms, LLC, in Boston (Roxbury), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $12,000,000.

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

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Cabot Housing LLC, in Beverly, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $8,200,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Request**

**13.** Upon motion duly made and seconded, by 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 attached and part of these minutes regarding:

a project of Wellesley College, in Wellesley, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $110,000,000.

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

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the OA/FA resolution attached and part of these minutes regarding:

a project of Emerson College, in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $25,000,000.

**15.** Upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of The ARC of Bristol County, Inc., in Attleboro, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $2,210,000.

**Final Approval Projects with Volume Cap Request**

**16.** Upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of 61 Heath LLC, in Boston (Jamaica Plain), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $8,620,000.

**17.** Upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Harbor Lafayette Homes Limited Partnership, in Salem, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $3,448,000.

**18.** Upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the OA/FA resolution attached and part of these minutes regarding:

a project of Wayne at Bicknell, LLC, in Boston (Roxbury), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $800,000.

**ADVANCED MANUFACTURING FUTURES PROGRAM (“AMFP”)**

**19. VOTE – Grant to Berkshire Innovation Center, Inc.**

Ms. Matzek described this request to authorize a $450,000 AMFP grant to the Berkshire Innovation Center, Inc. (“BIC”), a nonprofit created to promote and accelerate the innovation and growth of life sciences and advanced manufacturing companies in western Massachusetts. The BIC will occupy a custom 20,000 SF facility being constructed on the former General Electric site in Pittsfield. The project’s entire construction and equipment budget of $13,025,000 is committed and a groundbreaking is planned for July 2018, with an expected project completion date of July 2019. Grant proceeds will close a funding gap in operating costs and will be drawn down monthly once the facility opens. The BIC anticipates funding its annual operating costs with membership and usage fees, leases, and grants and sponsorships; it will bring advanced capabilities to its member companies including, for example, shared access to cutting edge research and development equipment, customized training programs, student internship programs, collaborative research opportunities, and more. The Chair added that the Governor will be making an announcement about this exciting project soon. He 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 $450,000 AMFP grant to Berkshire Innovation Center, Inc., as outlined in the memorandum and vote dated February 8, 2018, attached and part of the minutes of this meeting.

**Standing Board Committee Reports**

***Origination & Credit Committee***

Mr. Blake reported that the Origination & Credit Committee meeting of Tuesday, February 6, 2018 was cancelled.

**Lending**

**20. Delegated Authority Report for Loan Approvals (December 2017)**. For information purposes only, the Delegated Authority Report regarding Loans is attached and part of the minutes of this meeting. No discussion of the Report took place.

**21. VOTE – MedMinder Systems, Inc. (Needham) – $1,500,000 Emerging Technology Fund (“ETF”) Working Capital Loan**

Mr. Kenney described this request to provide working capital to support the growth and salaries of new full-time employees of this expanding mail order pharmacy and pharmaceutical-related medical device company. MedMinder has developed a smart medication dispenser system for chronically ill patients that tracks patients’ behavior around taking medication and provides real time notifications and reminders to the patient, family and care managers and readily integrates with clinical systems allowing predictive modeling, case management and accurate electronic medical records. Mr. Kenney advised that the developer of this product discovered there is real value in an effective mail-order prescription drug system, so he developed this one. The device may include reminders via lights and/or buzzers, and/or locked trays designed to avoid overmedication, particularly in connection with opioids. And, because the devise is paid for by the mail-order prescription medicine companies, there is no cost to the end-user. 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 $1,500,000 ETF loan to MedMinder Systems, Inc., as outlined in the memorandum and vote dated February 8, 2018, attached and part of the minutes of this meeting.

**22. VOTE – Lexvest Chapel, LLC (Pepperell) – $3,700,000 General Fund Commercial Real Estate Mortgage Loan**

Mr. Angel briefly described this financing request involving new and existing money to support completion of ongoing redevelopment, including capital improvements and tenant build-out, of a former manufacturing building in Pepperell; MassDevelopment has had a relationship with this borrower since 2000. Mr. Angel noted the project is ahead of schedule; one tenant has already expanded three times, and a new tenant is about to sign a lease. 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 $3,700,000 General Fund Commercial Real Estate Mortgage Loan to Lexvest Chapel, LLC, as outlined in the memorandum and vote dated February 8, 2018, attached and part of the minutes of this meeting.

**Community Development**

**23. VOTE – MassDevelopment/HEFA Trust and MassCare Capital, Inc. – Community Health Center Grants, 2018 Round – Grant Awards**

Ms. Ingram described this request for approval and recommendation to the Trustees of the MassDevelopment/HEFA Trust of 11 grants totaling $500,000 (as identified on Exhibit A to the memorandum) to be made to community health centers in FY2018 under the Community Health Centers Grant Program, noting this is an annual request that arose out of the 2010 merger between MassDevelopment and the Massachusetts Health & Educational Facilities Authority (HEFA). She briefly described the application and selection process, noting that 22 community health centers in Massachusetts submitted applications. 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 eleven grants totaling $500,000 to community health centers in Massachusetts, as outlined in the memorandum and vote dated February 8, 2018, attached and part of the minutes of this meeting.

***Real Estate Development & Operations Committee***

Ms. Courtney reported that the Committee met on Tuesday, February 6, 2018.

**24. Minutes of Prior Meeting**. For information purposes only, the minutes of the January 9, 2018 Real Estate & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**25. Devens and Devens Environmental Updates**. For information purposes only, the Devens Updates are attached and part of the minutes of this meeting. There was no discussion of the Updates.

**26. VOTE – Devens – Acceptance of Rights of Way of Certain Streets**

Mr. Carley briefly described this request to accept certain proposed rights of way for portions of Jackson Road and Chance Street, Devens. 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 accepts and approves certain proposed rights of way for portions of Jackson Road and Chance Street, as outlined in the memorandum and vote dated February 8, 2018, attached and part of the minutes of this meeting.

**27. VOTE – Springfield – 1550 Main Street – Approval of Contract Award for Wet-Sealing of Windows**

Mr. Greene described this request for authority to enter into a contract with Patriot Restoration, Inc. (“Patriot”) to complete a window wet-seal project at 1550 Main Street, Springfield, pursuant to an RFP, to which Patriot was the only respondent; this is a deferred maintenance project on an Agency-owned property and will result in more energy efficient windows. It was noted that Patriot is very highly recommended, and the project will begin in the spring. 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 President and CEO of the Agency to enter a contract with Patriot Restoration, Inc. to complete the window wet-seal project at 1550 Main Street, Springfield, as outlined in the memorandum and vote dated February 8, 2018, attached and part of the minutes of this meeting.

**28. VOTE – Site Readiness Program – Approval of FY2018 Program Awards (excluding land acquisition applications)**

Mr. Starzec described this request to approve ten grant awards totaling $1,277,200, giving details of each as follows: *Whaling City Golf Course* (***New Bedford***): $100,000 to complete MEPA permitting and ALTA survey for this 100 acre site off Routes I-195 and 140; *Broadway Business Park* (***Haverhill***): $50,000 for due diligence and master planning for a privately-owned, 30-acre piece of undeveloped land proximate to Route I-495; *Vanderbilt Avenue Business Park* (***Norwood***): $150,000 for design streetscape and wayfinding improvements for a 27-acre industrial area off Route 1 experiencing vacancy deficiencies due to access and visibility issues; *Marriner Building* (***Lawrence***): $50,000 for a code compliance study for the building’s first floor; *Brayton Point* (***Somerset***): $160,000 to support master planning, environmental, waterways and other specialized consulting services; *Airpark South* (***Chicopee***): $225,200 for due diligence, master planning and MEPA permitting for a new 80-acre industrial park; *Centech Park North* (***Shrewsbury***): $302,000 for due diligence, master planning and MEPA permitting for a new 45-acre industrial park; *National Avenue Site* (***Georgetown***): $50,000 in connection with due diligence and concept-level planning for a 20-acre site adjacent to Route I-95; *Chicopee River Business Park* (***Chicopee and Springfield***): $70,000 to assist the Westmass Area Development Corporation to undertake additional due diligence and master planning of an existing industrial park; and *Route 129 Industrial Area* (***Chelmsford***): $90,000 to fund a market study and strategic planning for a 263-acre, largely built-out industrial area that is experiencing significant vacancy issues. Mr. Starzec advised the Agency fee of five percent ($63,860) – to partially offset staff labor associated with program administration and project management – brings the total funding request to $1,341,060. He stated that in this second year of this Program twenty applications were received in this grant round, which were reviewed and vetted by an internal selection committee. 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 ten FY18 Site Readiness grants, as outlined in the memorandum and vote dated February 8, 2018, attached and part of the minutes of this meeting.

When Mr. Starzec was asked about projects the Agency is *not* funding from the Site Readiness Program, he advised there is a limited number of projects that include residential components that were not approved for funding from this Program at this time.

**29. Statewide Real Estate Projects Updates**. For information purposes, the Statewide Updates are attached and part of the minutes of this meeting. Mr. Henderson advised that staff continues to evaluate responses to a recent RFP in connection with TDI Districts. In addition, strong proposals have been received for certain *TDI projects* in Holyoke and Worcester, involving acquisition and redevelopment for mixed uses. The Chair then asked if it would have been possible for these projects to have gone forward without MassDevelopment in the middle, and Mr. Henderson advised there is value in having the Agency involved. In Worcester, for example, MassDevelopment was able to remove an unsightly billboard and make certain other improvements to the property; in other locations, for instance, the Agency may be in a position to hold a certain property while developer(s) secure financing.

At the Myles Standish Industrial Park extension project in *Taunton*, Mr. Henderson advised that MassDevelopment is repurchasing Lot 5BR from Martignetti Companies for a potential buyer – a manufacturing firm that is consolidating certain of its offices and will create new jobs at this site, as well as a tax base for the City. Staff is working on executing a Land Disposition Agreement with the selected developer of cohousing units in the northeast corner of *Village Hill, Northampton*. A bid package is being prepared for roadwork in *Belchertown*. Finally, Mr. Henderson noted that a Piers page has been added to the Updates and, to date, the Agency has hired various consultants to assist with management of the Fall River and New Bedford Piers.

**MISCELLANEOUS: OLD BUSINESS / NEW BUSINESS**

The Chair asked if there is any new or old business to consider, and Ms. Liss advised of a potential new litigation matter involving the Conservation Law Foundation – to be discussed in Executive Session.

**Executive Session**

**30. VOTE – Site Readiness Program – Approval of FY2018 Program Awards (land acquisition applications only)**

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

**Springfield – 1550 Main Street – General**

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

The Chair advised, at 10:51 a.m., that, pursuant to MGL Chapter 30A 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 property in Gardner, Springfield and Westfield, Massachusetts, and potential purchase and lease terms, as well as a potential litigation matter, the discussion of any of which in Open Session would have a detrimental effect on the negotiating positions of the Agency. The Chair 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 business before the Board of MassDevelopment, the Open Session and Executive Session portions of the meeting were adjourned in Executive Session at 11:40 a.m.