**Massachusetts Development Finance Agency**

**and**

**MassDevelopment/Saltonstall Building Redevelopment Corporation**

**Meetings of the Boards of Directors**

**Thursday, April 14, 2016**

**10:00 a.m.**

**M I N U T E S**

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

 Gerald Cohen, Vice Chair

 James Chisholm

 Karen Courtney

 Keon Holmes

 Dennis Kanin

 Patricia McGovern

 Jeffrey Porter

 Jennifer Sullivan, Designee for Secretary of Administration & Finance

 Christopher Vincze

DIRECTORS ABSENT: Brian Kavoogian

Agency Staff: Marty Jones, President & CEO

 Simon Gerlin, Chief Financial Officer

 Patricia DeAngelis, General Counsel

 Richard Henderson, EVP, Real Estate

 Laura Canter, EVP, Finance Programs

 Anne Marie Dowd, EVP, Legislative Initiatives & Defense Sectors

 Meg Delorier, Chief of Staff

 Teresa Patten, Board Secretary

 Victoria Stratton, Recording Secretary

 Kelsey Abbruzzese

 Rob Carley

 Steve Chilton

 Veda Clark

 Sarah Eisinger

 John Fink

 Zach Greene

 Tania Hartford

 Anne Haynes

 Jim Kenney

 Richard Lumley, Legal Intern

 RJ McGrail

 Michael Miller

 Leigh Natola

 Deb Rosser

 Ed Starzec

Guests: None

Meetings of the Boards of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) and of the MassDevelopment/Saltonstall Building Redevelopment Corporation (“M/SBRC”) were held Thursday, April 14, 2016, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notices duly given.

The Vice Chair welcomed everyone and, confirming the presence of a quorum, he called the meetings to order at 10:03 a.m. He asked any guests present to introduce themselves and there were none.

[*Secretary’s Note: All matters below are matters that were before the MassDevelopment Board except those specifically indicated otherwise.*]

[*Secretary’s Note: The paragraph numbers below refer to Tab numbers in the materials for the April Board and Committees meetings.*]

**Minutes**

[*Secretary’s Note: For the following item, it was noted that the Board was acting in its capacity as the combined Agency and M/SBRC Boards of Directors.*]

**1. VOICE VOTE – Approval of Minutes (March 10, 2016)**

The Vice Chair asked if there were any comments on the draft Minutes of the March 10, 2016, Boards Meeting, and there were none. He asked for a vote to approve these Minutes and, upon motion duly made and seconded, it was

**VOICE VOTED:** That the Boards of Directors of MassDevelopment and M/SBRC approve the Minutes of their March 10, 2016, Board Meetings.

[*Secretary’s Note: For the following item, it was noted that the Board was acting in its capacity as the combined Agency and M/SBRC Boards of Directors.*]

**2. VOICE VOTE – Approval of Executive Session Minutes (March 10, 2016)**

The Vice Chair called attention to the revised Minutes provided today, noting that the matters in these Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session. The Vice Chair noted that comments on these Executive Session Minutes had been given at the Real Estate & Operations Committee meeting earlier this week and revisions were requested, which are reflected in the revised Minutes provided today. The vote on the revised Minutes occurred later in the meeting in Executive Session, wherein, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Boards of Directors of MassDevelopment and M/BRC approve the revised Executive Session Minutes of their March 10, 2016, Board Meetings.

[*Secretary’s Note: The Chair and Ms. Sullivan arrived at 10:07 a.m. and joined the meeting.*]

**President/CEO’s Report**

See below (after Tab 39).

**Strategic Planning**

**3. MassDevelopment FY2016 Strategic Themes and Business Plan Goals**. For information purposes only, 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**

**4.** **Media Report (March 2016)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for March 2016 are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**5. Bond Detail Memorandum**. For information purposes, the Bond Memorandum is attached and part of the minutes of this meeting. Mr. Chilton noted two transactions have been removed from consideration – The Trustees of Emmanuel College (Tab 14) and Hallmark Health Properties, Inc. (Tab 15). He noted no other changes.

The Vice Chair then asked if there were any recusals on the upcoming bond votes, and there were, as follows:

Mr. Holmes disclosed to the Board that the Massachusetts Society for the Prevention of Cruelty to Animals (Tab 7) is a client of his employer Cambridge Associates and, therefore, he will recuse himself from any discussions, deliberation, and vote on the proposed bond issuance for that entity and leave the room during the deliberation and vote on that matter.

Ms. McGovern disclosed that she sits on an Advisory Board of Boston Private Bank & Trust Company, which is the Purchaser and Disbursing Agent in the proposed bond issuance for The Beaver Country Day School, Inc. (Tab 19) and, therefore, she will recuse herself from any discussion, deliberation, and vote on that proposed issuance and leave the room during the deliberation and vote on that matter.

Mr. Porter disclosed to the Board that the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (“Mintz”), of which he is a member, currently represents or previously represented, in either the matters before the Board or in other matters, parties involved in the proposed bond issuances and any related LIHTC findings for Christian Brothers Institute of Massachusetts (Tab 8 – Mintz is bond and borrower counsel); lease financing for Baystate Medical Center, Inc. (Tab 12 – Mintz client); CareGroup, Inc. (Tab 13 – Mintz is underwriter counsel); Baystate Medical Center, Inc. / Baystate Total Home Care, Inc. (Tab 16 – Mintz client); Meadowbrook School of Weston, Incorporated (Tab 17 – Century Bank, the bond purchaser and disbursing agent, is Mintz client); The Beaver Country Day School, Inc. (Tab 19 – Mintz is Agency counsel); and Congress Street Residences Limited Partnership (Tabs 20 and 21– a colleague is on the board of Eastern Bank, the purchaser and distributing agent). Therefore, he will recuse himself from any discussions, deliberation, and votes on these proposed lease financing, bond issuances, and the related LIHTC findings and leave the room during the deliberation and votes on these matters.

Ms. Sullivan disclosed that her husband works in the housing finance sector and therefore she is recusing with regard to the proposed bond issuance and related LIHTC findings for Congress Street Residences Limited Partnership (Tabs 20 and 21). Therefore, she will recuse herself from any discussion, deliberation, and votes on this bond issuance and the related LIHTC findings and leave the room during the deliberation and votes on the matter.

The Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 6 – 21, 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**

**6.** See below (after Tab 13).

**7.** See below (after Tab 6).

**8.** See below (after Tab 7).

**9.** See below (after Tab 8).

**10.** See below (after Tab 9).

**11.** See below (after Tab 10).

**Bonds: Final Approvals**

**Final Approval for Lease Financing**

**12.** See below (after Tab 11).

**Final Approval Projects without Volume Cap Request**

**13.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution(s) for Official Action / Final Approval (“OA/FA”) attached and part of these minutes regarding:

a project of CareGroup, Inc., in numerous Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $321,000,000.

[*Secretary’s Note: Having previously recused themselves from this matter, Messrs. Cohen and Porter left the room and did not participate in any discussion, deliberation, or vote on the matter. Mr. Cohen returned to the meeting room after completion of the above vote.*]

**Official Action Projects without Volume Cap Request (cont’d)**

**6.** Upon motion duly made and seconded, 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 Springfield College, in Springfield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $65,000,000.

**7.** Upon motion duly made and seconded, 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 Massachusetts Society for the Prevention of Cruelty to Animals, in Boston and Centerville, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $10,000,000.

[*Secretary’s Note: Having previously recused himself from this matter, Mr. Holmes left the room (at 10:09 a.m.) and did not participate in any discussion, deliberation, or vote on the matter. He did not return to the meeting.*]

**8.** Upon motion duly made and seconded, 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 Christian Brothers Institute of Massachusetts, in West Roxbury, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $10,000,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**9.** Upon motion duly made and seconded, 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 Quinsigamond Community College Foundation, Inc., in Southbridge, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $4,000,000.

**10.** Upon motion duly made and seconded, 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 Associates for Human Services, Inc., in Taunton, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $2,900,000.

**11.** Upon motion duly made and seconded, 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 Lifestream, Inc., in Acushnet and Rochester, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $1,800,000.

**Final Approval for Lease Financing**

**12.** Upon motion duly made and seconded, 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 Baystate Medical Center, Inc., in Springfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Lease to finance such project in an amount not to exceed $20,000,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**Final Approval Projects without Volume Cap Request (cont’d)**

**14.** This item was removed from consideration.

**15.** This item was removed from consideration.

**16.** Upon motion duly made and seconded, it was unanimously

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

a project of Baystate Medical Center, Inc. / Baystate Total Home Care, Inc., in Holyoke and Springfield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $20,120,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**17.** Upon motion duly made and seconded, it was unanimously

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

a project of Meadowbrook School of Weston, Incorporated, in Weston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $20,000,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**18.** Upon motion duly made and seconded, it was unanimously

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

a project of Ursuline Academy Dedham, Inc., in Dedham, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $16,000,000.

**19.** Upon motion duly made and seconded, it was unanimously

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

a project of The Beaver Country Day School, Inc., in Chestnut Hill, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $13,000,000.

[*Secretary’s Note: Having previously recused themselves from this matter, Ms. McGovern left and room, joining Mr. Porter; they did not participate in any discussion, deliberation, or vote on the matter. Ms. McGovern returned to the meeting room after completion of the above vote.*]

**Final Approval Projects with Volume Cap Request**

**20.** Upon motion duly made and seconded, 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 Congress Street Residences Limited Partnership, in Salem, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $12,997,000.

[*Secretary’s Note: Having previously recused themselves from this matter, Ms. Sullivan left and room, joining Mr. Porter; they did not participate in any discussion, deliberation, or vote on the matter.*]

**Low Income Housing Tax Credits (“LIHTC”) Bond Issuer Tax Code Findings**

**21.** Upon motion duly made and seconded, it was

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

a project of Congress Street Residences Limited Partnership, in Salem, Massachusetts, making findings regarding and for providing assistance for an annual allocation by DHCD of federal LIHTCs.

[*Secretary’s Note: Having previously recused themselves from this matter and left the room, Ms. Sullivan and Mr. Porter did not participate in any discussion, deliberation, or vote on the matter. They returned to the meeting room after completion of the above votes.*]

**Standing Board Committee Reports**

***Audit & Administration Committee***

Ms. McGovern reported that the Committee met this morning and discussed the Agency’s annual audit of the STAR Fund by Ernst & Young and also discussed enterprise risk management. With respect to the latter, Mr. Gerlin stated that the role of risk manager has been a difficult one to fill. Noting that most recently the position of Risk Manager for the Agency has turned over twice in as many years, Mr. Gerlin advised that MassDevelopment has determined that outsourcing the functions of risk management, including financial and operational risks, internal auditing, and certain other tasks, is the most cost-efficient response to this issue. He noted staff is commencing a Request for Proposals process to identify a qualified risk management firm for this purpose, after which a recommendation will be made for Board approval.

With respect to the STAR FUND annual audit by Ernst & Young, Mr. Gerlin noted briefly that Ernst & Young made what is called “no findings,” which means the audit is completely clean and there is nothing to report. Ms. McGovern added that when she learned at the Committee meeting that the Fund’s investments are in funds all over the country, she suggested that management might want to take a closer look at Massachusetts investments when available.

**22. Minutes of Prior Meeting**. For information purposes only, the minutes of the March 10, 2016, Audit & Administration Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

***Manufacturing & Defense Sectors Committee***

Mr. Porter reported that the Committee met on Tuesday, April 12, 2016, and heard a presentation by Ms. Dowd regarding an upcoming informational forum regarding the Massachusetts defense sector and bases, including the Massachusetts Innovative Bridge, at which the Air Force and other military branches will be represented; the Governor and many others are expected to attend.

**23. Minutes of Prior Meeting**. For information purposes only, the minutes of the March 8, 2016, Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**24. VOTE – Grant to Massachusetts Technology Leadership Council (“MassTLC”)**

Ms. Clark briefly described this request for a grant award of $128,000 to MassTLC to develop a pilot program to improve collaboration between local suppliers and manufacturers and the robotics/internet community that will continue beyond the completion of the initial phase of the program. The needs of start-ups and manufacturers will be explored/identified, a program to communicate best practices between start-ups and manufacturers will be established to work collaboratively, and a network for commercializing innovation and converting start-ups to Massachusetts manufacturers will be created. The Vice Chair asked for a vote and, upon motion duly made and seconded, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the grant award to MassTLC, as outlined in the memorandum and vote dated April 14, 2016, attached and part of the minutes of this meeting.

**25. VOTE – Grant to Greentown Labs**

Ms. Clark briefly described this request for a grant award of $95,000 to Greentown Labs to continue a successful program it already has underway, which connects start-ups with the supply chain of manufacturers. In the next phase of the program, a dozen additional incubator start-ups or more will be reached out to regarding promulgating best practices and building upon continued collaboration efforts. The Vice Chair asked for a vote and, upon motion duly made and seconded, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the grant award to Greentown Labs, as outlined in the memorandum and vote dated April 14, 2016, attached and part of the minutes of this meeting.

**26. VOTE – Grant to Massachusetts Manufacturing Extension Partnership, Inc. (“MassMEP”)**

Ms. Jones described this request for approval of a grant award up to $2 million to MassMEP to fund a portion of its operating budget that typically has been funded with an appropriation from the Commonwealth operating budget, but has not been included in the Governor’s FY2017 budget proposal. Ms. Jones advised that as preconditions to advancing any funds, among other things, MassDevelopment would require a formal application from MassMEP to allow for a review of its operations and fund balances so the Agency can be satisfied with the entity’s results and efficiency and be able to make the findings required by statute for a grant, and confirmation that if the Commonwealth appropriation is restored, in whole or in part, during the FY2017 budget process, then the Agency’s grant will be reduced accordingly. The Vice Chair asked for a vote and, upon motion duly made and seconded, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the award of a grant up to $2 million to MassMEP, as outlined in the memorandum and vote dated April 14, 2016, attached and part of the minutes of this meeting.

Mr. Porter then advised that the Massachusetts Technology Collaborative is a client of Mintz, and he recused himself and stepped out the meeting room.

**27. VOTE – Grant to Massachusetts Technology Collaborative (“MTC”)**

Ms. Dowd described this request for approval of a $25,000 grant to MTC to support TechSandBox, an incubator nonprofit founded by Barbara Finer, a tech-sector executive, that provides turnkey support for science and technology companies. The grant proceeds, which will be matched with a grant from MTC, will enable TechSandBox to (i) establish regular entrepreneurship-themed meetups for veterans, (ii) create a veterans resource guide for entrepreneurship, (iii) provide mentoring of a group of five to twelve veterans that commit to the program, (iv) develop a so-called Boot Camp involving training, business development, and other educational resources, and (v) develop benchmarks that validate demand for the program and identify sources to fund the program in the future. The Vice Chair asked for a vote and, upon motion duly made and seconded, it was

**VOTED:** That the Board of Directors of MassDevelopment approves the grant award to MTC to support TechSandBox, as outlined in the memorandum and vote dated April 14, 2016, attached and part of the minutes of this meeting.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter. He returned to the meeting room after completion of the above vote.*]

***Origination & Credit Committee***

The Vice Chair reported that the Committee met on Tuesday, April 12, 2016.

**28. Minutes of Prior Meeting**. For information purposes only, the minutes of the March 8, 2016, Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. It was noted that one correction was made to these minutes at the Committee’s April 12, 2015, meeting and revised minutes were approved by the Committee. No additional discussion of the minutes took place.

**Lending**

**29. Delegated Authority Report for Loan Approvals (February 2016).** 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.

**30. Minutes of Emerging Technology Fund (“ETF”) Advisory Committee Meeting (December 2, 2015)**. For information purposes only, the minutes of the December 2, 2015, ETF Advisory Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**31. VOTE – Aging of America Group, Inc. and PGCM Provider Network, LLC (Boston, Worcester) – $750,000 ETF Loan**

Mr. Kenney explained this request for an ETF loan of up to $750,000 to provide term working capital to fuel growth and expansion of the first accredited and certified private pay care manager network covering all of North America. Calling attention to the country’s aging population, Mr. Kenney noted development by this applicant of a technology platform to work with professional geriatric care providers to assist with home health care (often, for families that are caring for older relative(s)). This network provides Experts on Calls to take telephone calls and triage the situation, bringing all the elements together and offering a concierge platform, which is fully HIPPA compliant and staffed with accredited and certified professionals; it is a purely web-driven program and operates on a pay-per-use system.

Mr. Kenney described certain terms of the loan noting that if the company does not hire professional employees within the five-year term of the loan, MassDevelopment will not advance any loan proceeds. He called attention to a clarification in the conditions listed in the memorandum, noting that submission of requisite invoices would not be required, instead, payroll data would be required with regard to employee hiring. The Vice Chair asked for a vote and, upon motion duly made and seconded, it was

**VOTED:** That the Board of Directors of MassDevelopment approves the ETF loan to Aging of America Group, Inc. and PGCM Provider Network, LLC, as outlined in the memorandum and vote dated April 14, 2016, attached and part of the minutes of this meeting.

**Community Development**

**32. Minutes of Cultural Facilities Fund (“CFF”) Advisory Committee Meeting (August 25, 2015)**. For information purposes only, the minutes of the August 25, 2015, CFF Advisory Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

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

The Vice Chair reported that the Committee met on Tuesday, April 12, 2016.

**33. Minutes of Prior Meeting**. For information purposes only, the minutes of the March 8, 2016, Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**34. Devens and Devens Environmental Updates.** For information purposes only, the Devens and Devens Environmental Updates are attached and part of the minutes of this meeting. No discussion of these items took place.

**35. Statewide Real Estate Projects Updates**. With respect to ***Lawrence***, Mr. Henderson reported that the City has reached a settlement with its prior landlord regarding the dispute over property leased by the City for use by the School Department. The School Department and the City will not move into or renovate 370 Essex Street, which MassDevelopment sold to the City in 2015; rather, they will renovate a property acquired through settlement of their dispute, and the City plans to sell 370 Essex Street. At the Myles Standish Industrial Park Expansion in ***Taunton***, the State 911 Emergency Department has moved out of property it was leasing, so the building can now be demolished and roadwork can be completed. At 1550 Main Street, ***Springfield***, staff is working to reconfigure space on the fourth floor, which is to be vacated by the Federal GSA. Demolition of some buildings is underway at the former ***Belchertown*** State School, and staff is reviewing proposed master planning.

With regard to ***Municipal Services***, there is lots of current activity, including discussions regarding the Worcester Auditorium, investigations regarding the state piers study, and new projects in Fall River, Palmer, and Winthrop. Agency staff participated in an Urban Land Institute panel in Leominster.

**36. Transformative Development Initiative (“TDI”) Update.** Ms. Haynes advised this is the second year of a three-year pilot program. In the first year, the focus was on establishing the foundation for the TDI program and, as a part thereof, technical assistance has been customized for ten named TDI Districts and that technical assistance work is already 30 percent complete. The second year of the program is focused on sustaining the momentum from Year 1, supporting businesses and developing small businesses, specifically, and looking at long-term outcomes. In addition, Ms. Haynes noted there are currently Fellows in the three Districts of Springfield, Lynn, and Haverhill; three additional Fellows have been selected for the three Districts of New Bedford, Pittsfield, and Brockton; they will begin work May 2nd. Introductions of the new Fellows will be made at the May Board meeting.

**37. VOTE – Statewide Placemaking Program: Creation of Program; Approval of Contract with Patronicity; Delegated Authority to Make Grants**

Resurrecting a PowerPoint presentation made to the Real Estate & Operations Committee in March, Ms. Hartford provided a definition of “placemaking,” which aims to improve the quality of a public place and the lives of its community through a participatory process. Placemaking has the potential to activate the social, physical, and economic fabric of the community. Additionally, she noted the new proposed placemaking program will provide a method for discovering and identifying place-based, community-driven projects that MassDevelopment might not otherwise know about. She then described this request to establish a Statewide Placemaking Program, to contract with the private company Patronicity in regard to the establishment and operation thereof, and to award grants to recipients based on certain criteria to be developed. Ms. Hartford explained how the Michigan Economic Development Corporation (“MEDC”) developed a Placemaking Program, which is managed by Patronicity. As part of her presentation, Ms. Hartford linked to Patronicity’s website (www.patronicity.com), where many types of grant awards and projects arising out of MEDC’s successful program are exhibited; she noted the alignment of MEDC’s, Patronicity’s, and MassDevelopment’s goals and mission regarding economic development. Ms. Hartford explained the proposal is for MassDevelopment to replicate MEDC’s program here in the Commonwealth, using $1,078,000 of Agency funds.

A brief discussion ensued regarding scope of work and division of responsibilities, including timeline and budget. Ms. Hartford said this type of program takes a lot of staff time, and outsourcing the management thereof will save many staff hours. She advised Patronicity has stated if approved today, the program could launch by June 1st. Patronicity will charge MassDevelopment a service fee of $128,000, and will collect a 5 percent administration fee on award sourced funds, plus an additional 3 percent processing fee on credit card donations. Patronicity will oversee the vetting and eligibility of all projects, as well as manage the projects from start to finish. All projects would first be coordinated with the regional teams. No projects would be commenced without Agency approval. It was felt that an additional criterion should be added to the guidelines for the program considering how many funds the Agency funds will leverage for a project. Noting this condition, the Vice Chair asked for a vote and, upon motion duly made and seconded, it was

**VOTED:** That the Board of Directors of MassDevelopment approves of the creation of a statewide placemaking program, approves entering a contract with Patronicity in connection with the management of the statewide placemaking program, and delegates authority to the President & CEO of the Agency to award grants from said program, all as outlined in the memorandum and vote dated April 14, 2016, attached and part of the minutes of this meeting, and with the addition stated above.

**38. VOTE – TDI – 8-12 Stearns Square, Springfield – Project Update and Budget Request**

Mr. Henderson recalled the history of this project, noting originally the intent of the Springfield Business Improvement District (“BID”) to transform the area to a premiere dining destination, and a lengthy discussion ensued. The building at 8-12 Stearns Square, Springfield, had been used as a nightclub venue for thirty years or more, until a private church acquired it. Last year, the BID became interested in the property due to its key location and, on the BID’s behalf but at its own cost, MassDevelopment performed some due diligence, identified potential preliminary issues, came up with an approach that staff thought would be appropriate for redevelopment, and then purchased the building. Mr. Henderson informed the Board, however, that after further due diligence on 8-12 Stearns Square, the building is in worse condition than previously thought. Noting that the Agency arrived late in the game and became involved in this transaction in an effort to more or less complete someone else’s deal, Mr. Henderson stated that staff is taking stock of this transaction and reviewing lessons learned. Ms. Jones added that staff is looking at different ways to manage real estate equity investment projects.

Ms. Eisinger then described the request before the Board today for approval of an additional $885,000 in capital dollars to complete baseline work to prepare the building for tenancy; staff could not justify a full build-out with replacement windows, systems, and the like. Ms. Eisinger noted some structural issues, mostly affecting the roof, which is leaking and causing additional damage to the interior of the building; she noted other issues that can be resolved by bracing the structure; lastly, three of five HVAC units are not working. Ms. Eisinger advised that MassDevelopment will paint the interior and exterior as needed, remove the roof deck terrace and replace the roof surface, remove and replace the roof parapets, replace one HVAC unit and attempt to repair other units, and perform some minor hazmat remediation (i.e., remove a minimal amount of asbestos) and some interior work. When asked if there were any mold concerns, Ms. Eisinger stated a mold test will be performed.

Ms. Eisinger then advised that a local brewery has expressed some interest in the property and she described the locally-based entities surrounding the building, as well as local tenants and tenant-interest. When Mr. Cohen asked if staff expects to return to the Board again on this project for additional financing, Ms. Jones advised that the project will likely need an investment for tenant improvements when there is an interested, viable tenant. The Vice Chair asked for a vote and, upon motion duly made and seconded, it was

**VOTED:** That the Board of Directors of MassDevelopment approves the request for an additional $885,000 to complete baseline renovations at 8-12 Stearns Square, Springfield, as outlined in the memorandum and vote dated April 14, 2016, attached and part of the minutes of this meeting.

Following the discussion above, the Chair commented MassDevelopment should not shy away from these types of projects because these are the very types of projects into which private investors will not invest, and these projects can have an important impact on the area. Mr. Kanin agreed, adding that an all-in cost of about $100 per square foot for this building is not excessive.

**39. VOTE – Shirley Village Growth District (Devens) – Sale of Land to Women’s Institute Realty, Inc.**

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

**Litigation Update – 100 Cambridge Street, Boston (M/SBRC)**

Due to ongoing litigation, the discussion of this item occurred in Executive Session.

[*Secretary’s Note: At this time, Mr. Greene commenced a video recording of the President’s Report and noted that a link to the recording would be made available to staff on the Agency’s internal Intranet.*]

**President/CEO’s Report**

Ms. Jones began her report by describing a day she spent with the Agency’s regional teams, hearing about trends, staff suggestions, strategies, and more. Another day was spent briefing Governor Baker and others regarding the Massachusetts Innovation Bridge, to which there was a very enthusiastic response. There will be a kick-off event at the Cambridge Innovation Center on May 22, and staff has been working with CIC to set up the Innovation Bridge office on Milk Street, Boston; an Executive Director has been hired by MITRE, MassDevelopment’s partner in this initiative.

With respect to the Legislature, Ms. Jones advised that she offered testimony during a long day of hearings regarding the Governor’s proposed Economic Development Bill. She noted the House budget was released yesterday; it includes $1 million for TDI and $1 million for I-cubed (debt service). Unfortunately, the House included no funding for the hiring of an Executive Director for the Military Task Force; staff is hoping an amendment to the proposed budget will restore this funding.

Ms. Jones advised she participated in a day-long meeting at Joint Base Cape Cod focused on business and industry, which took place in a hanger at Barnstable Airport; attendance was very good. In addition, she has participated in group meetings to strategize regarding Small Business Growth.

In conclusion, Ms. Jones noted she participated in interesting conversations with representatives of the City of Chelsea regarding neighborhood development and connections, including an interesting debate regarding web-based tools (i.e., Yelp!, others). She also took a tour of the company iRobot and heard about its successful transfer from servicing the military to doing business with the private sector; she noted the company is making a big investment in outreach to promote science, technology, engineering, mathematics (STEM) education at many schools in the area.

[*Secretary’s Note: At this time, Mr. Greene terminated the video recording of the President’s Report.*]

**EXECUTIVE SESSION**

The Chair then advised, at 11:27 a.m., that, pursuant to MGL Chapter 30A, the Boards of Directors of MassDevelopment and M/SBRC were going into Executive Session, following a roll call vote, which was taken and unanimously voted in favor, to discuss and vote on a MassDevelopment matter involving valuation of real property and potential purchase and sales and lease terms in Devens and Northampton and to discuss strategy in an M/SBRC litigation matter, the discussion of any of which in Open Session would have a detrimental effect on the negotiating and litigating positions of the Agency. The Vice Chair instructed all persons who are not Board members or staff involved in these matters to leave the room. He noted that the Boards will not reconvene in Open Session following Executive Session.

[*Executive Session held*]

There being no further business before the Board of MassDevelopment or of M/SBRC, the Open Session portions of these meetings were adjourned at 11:27 a.m.; the meetings were adjourned in Executive Session at 11:50 a.m.