**Massachusetts Development Finance Agency**

**and**

**MassDevelopment/Saltonstall Building Redevelopment Corporation**

**Meetings of the Boards of Directors**

**Thursday, May 12, 2016**

**10:00 a.m.**

**M I N U T E S**

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

 James Chisholm

 Karen Courtney

 Dennis Kanin

 Brian Kavoogian

 Jeffrey Porter

 Jennifer Sullivan, Designee for Secretary of Administration & Finance

DIRECTORS ABSENT: Gerald Cohen, Vice Chair

 Keon Holmes

 Patricia McGovern

 Christopher Vincze

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

 David Bancroft

 Naomi Baruch

 Rob Carley

 Steve Chilton

 Veda Clark

 George Durante, TDI Fellow

 Sarah Eisinger

 John Fink

 Charlene Golonka

 Ken Goode

 Zach Greene

 Thatcher Kezer

 Richard Lumley, Legal Intern

 RJ McGrail

 Michael Miller

 Leigh Natola

 Deb Rosser

 Sika Sedzro, TDI Fellow

 Mark Sternman

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, May 12, 2016, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notices duly given.

The Chair welcomed everyone and, confirming the presence of a quorum, he called the meetings to order at 10:06 a.m. He asked any guests present to introduce themselves and there were none. Ms. Jones introduced two of the three Fellows that have recently joined MassDevelopment in connection with the Transformative Development Initiative (“TDI”); she noted Sika Sedzro and George Durante, who will be the Fellows in Pittsfield and Brockton, respectively, are present today; James McKeag, the Fellow selected for New Bedford, was unable to attend.

[*Secretary’s Note: All matters below are matters that were before the MassDevelopment Board except those specifically indicated as being M/SBRC’s.*]

[*Secretary’s Note: The paragraph numbers below refer to Tab numbers in the materials for the May 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 (April 14, 2016)**

The Chair asked if there were any comments on the draft Minutes of the April 14, 2016, Board Meetings, 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 April 14, 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 (April 14, 2016)**

Noting that the matters in the these 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, it was unanimously

**VOICE VOTED:** That the Boards of Directors of MassDevelopment and M/SBRC approve the Executive Session Minutes of their April 12, 2016, Board Meetings.

**Community Development**

**34. VOTE – Cultural Facilities Fund (“CFF”) – 2016 Round – Grant Awards**

Ms. Canter explained this request for approval of ninety-one (91) grant recommendations by the Massachusetts Cultural Council and CFF Advisory Group, after a lengthy vetting and scoring process resulting in a mix of capital grants, feasibility and technical assistance grants, and systems replacement grants totaling $9,302,400. Ms. Canter described certain terms of the grants, including the requirement of the recipients to match the grant funds, and noted these new grants are contingent upon the receipt of committed funds from the Commonwealth.

The Chair stated that the former Chair, Greg Bialecki, made a comment to him that he would never forget; he said, “You will see a lot of good projects, but will only have money for great projects.” The Chair advised that the Administration is continuing to work toward bringing about fiscal responsibility. More and more funds are being directed toward economic development and housing. He noted the Administration recognizes the importance of the CFF and will try to make sure the funds are available.

The Chair then asked if there were any recusals on the upcoming grant awards, and Mr. Porter noted that the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (“Mintz”), of which he is a member, represents Jacob’s Pillow and the University of Massachusetts and, therefore, he will recuse himself from any discussions, deliberation, and votes on these proposed grant awards and leave the room during the deliberation and votes on these matters.

Noting the recusals as stated above, the Chair asked for a vote on the remaining proposed eighty-nine (89) grants set forth in the vote in the Board materials for which there are no recusals and, upon motion duly made and seconded, the directors present unanimously

**VOTED:** That the Board approves the recommendations of the CFF Advisory Group and awards grants to the Applicants, as outlined in the memorandum and vote dated May 12, 2016, attached to and part of the minutes of this meeting, without voting at this time on the grants for the Jacob’s Pillow Dance Festival, Inc., and the University of Massachusetts.

Mr. Porter then left the room and there being no further deliberation, upon motion duly made and seconded, the directors present unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the recommendation of the CFF Advisory Group and awards grants to Jacob’s Pillow Dance Festival, Inc. and the University of Massachusetts, as outlined in the memorandum and vote dated May 12, 2016, attached to and part of the minutes of this meeting.

[*Secretary’s Note: Having previously recused himself from the matters of Jacob’s Pillow Dance Festival, Inc. and University of Massachusetts, Mr. Porter left the room and did not participate in any discussions, deliberation, or votes on these matters. He returned to the meeting room upon completion of the above votes.]*

[*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**

Continuing on the Cultural Facilities theme, Ms. Jones reported that she attended a ribbon-cutting event at the New England Aquarium for a new giant octopus exhibit, which was funded in part by a CFF grant in a prior round. She also attended a day-long event for MassDevelopment’s new initiative – the Massachusetts Innovation Bridge at the Cambridge Innovation Center’s Boston location at 50 Milk Street; Gov. Baker, Congresswoman Tsongas, Air Force Secretary James, and others convened to discuss doing business with the Air Force. Beginning next month, Ms. Jones advised, Ms. Dowd will be providing to the Board a monthly report on the Innovation Bridge’s activities.

The Agency’s Finance Programs Department annually hosts seminars for non-profit agencies, and Ms. Jones participated in a discussion in Sturbridge of some interesting projects and sharing ideas about trends in non-profit financing structures. The Advanced Manufacturing Collaborative met in Devens recently and Ms. Jones thanked Ms. Clark for her efforts in connection therewith. Ms. Jones said it was good meeting between state and business people, and the Chair commented on the rise in manufacturing job numbers. She toured Fitchburg with Mayor Stephen DiNatale, his staff, and representatives of Fitchburg State University. She and the Chair attended the groundbreaking of the Innovation Center in Springfield, which will be home to Valley Venture Mentors, which Ms. Clark will describe later in this meeting. Ms. Jones and the Chair also toured the Agency’s property at 8 – 12 Stearns Square, Springfield. The Chair added his congratulations on both the exciting Innovation Center and Stearns Square.

Ms. Jones advised that MassDevelopment convened 60 – 70 people from various state agencies to share ideas and discuss better ways to leverage resources for the Transformative Development Initiative. The Chair added that TDI work is recognized and valued. Ms. Jones advised also of yesterday’s soldier innovation day at UMass Lowell in connection with the Natick Soldier Systems Center. Ms. Jones reminded everyone that she serves on a steering committee of the federal Working Cities Challenge Program for which grant applications have been received and are being vetted; this round of grant awards will be announced soon.

In conclusion, Ms. Jones advised the Agency’s budget will be coming to the Board for approval in June. The Audit & Administration Committee will meet and review the budget in depth before the full Board, and Ms. Jones invited any members who do not sit on that Committee (which is currently comprised of Mr. Holmes, Ms. McGovern, and Ms. Sullivan) to attend. She also noted that invitations to the 20th anniversary event in Devens on June 10 have been mailed and a calendar appointment has been sent.

The Chair then made comments regarding recent travels to western Massachusetts. He commented on the importance of tourism and outdoor recreation in western Massachusetts, noting that the Executive Office of Housing & Economic Development has taken notice. Ms. Jones advised the Agency has begun to discuss the establishment of some type of hotel financing products, and perhaps there is a tie-in.

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

**General Matters**

**3. VOTE – Contract with PFM Asset Management, LLC for Investment Advisory Services**

Mr. Gerlin explained this request to extend for one year the contract with the Agency’s investment advisory services firm, PFM Asset Management, LLC, which has provided these professional services to MassDevelopment for several years. Mr. Gerlin said PFM is very good and offers competitive rates; there are no issues. Because PFM has provided services to the Agency for seven years, staff will issue a Request for Proposals for investment advisory services at the conclusion of this contract extension. The Chair asked for a vote and, upon motion duly made and seconded, the directors present unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes a one-year extension of the Agency’s contract with PFM Asset Management, LLC, as outlined in the memorandum and vote dated May 12, 2016, attached and part of the minutes of this meeting.

***Walk-in*. VOTE – Appointment of Karen Courtney to Board Committees**

Calling attention to the vote provided today, Ms. Jones advised that Ms. Courtney has spent time attending various Board Committee meetings – to get a better feel for the Agency’s work and mission – and she invited other Board members to do likewise, if they choose. As a result, Ms. Courtney has expressed interest in serving on the Audit & Administration Committee, as well as the Real Estate & Operations Committee. Accordingly, the Chair asked for a vote and, upon motion duly made and seconded, the directors present unanimously

**VOTED:** That the Board of Directors of MassDevelopment appoints Ms. Courtney as an additional member of the Audit & Administration Committee and of the Real Estate & Operations Committee, as outlined in the memorandum and vote dated May 12, 2016, attached and part of the minutes of this meeting.

**Strategic Planning**

**4. MassDevelopment FY2016 Strategic Themes and Business Plan Goals; Rebuilding Renewal (MassINC Gateway Cities Report)**. For information purposes only, the Agency’s Strategic Themes and Business Plan Goals is attached and part of the minutes of this meeting. Also provided for information is the research report entitled, “Rebuilding Renewal,” issued by the Gateway Cities Innovation Institute at Mass INC. No discussion of these items took place.

**5. MassDevelopment FY2017 Business Plan Goals – Draft Plan Discussion**

See below (after Tab 37).

**MARKETING / Communications**

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

**Bond Transactions**

**7. Quarterly Delegated Authority Report for Bond Approvals (March 2016).** For information purposes only, the Quarterly Delegated Authority Report regarding bond transactions is attached and part of the minutes of this meeting. No discussion of the Report took place.

**8. Bond Detail Memorandum**. For information purposes, the Bond Memorandum is attached and part of the minutes of this meeting. Mr. Chilton noted that the proposed bond issuance for Quinsigamond Community College Foundation, Inc. (Tab 24) has been removed from consideration. He advised also that he will have comments regarding the proposed bond issuance for Five Colleges, Incorporated (Tab 20).

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

Mr. Porter disclosed to the Board that Mintz currently represents or previously represented, in either the matters before the Board or in other matters, parties involved in the proposed bond issuances and/or lease financing for Northfield Mount Hermon School (Tab 15) and Five Colleges, Incorporated (Tab 20) and regarding the issuance for Dana-Farber Cancer Institute, Inc. (Tab 16) Mintz is underwriter counsel. Therefore, he will recuse himself from any discussions, deliberation, and votes on the proposed lease financing and these bond issuances and will 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 for BH EHT I, LLC (Tab 13); Dudley Terrace Apartments LLC (Tab 14); and Metropolitan Boston Housing Partnership, Inc. (Tab 21). Therefore, she will recuse herself from any discussion, deliberation, and votes on these bond issuances and leave the room during the deliberation and votes on these matters.

The Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 9 – 27, 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, the directors present 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 Benjamin Franklin Educational Foundation Inc., in Franklin, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $24,000,000.

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

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

a project of Rising Tide Charter Public School, in Plymouth, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $14,880,000.

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

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

a project of Shore Educational Collaborative, in Chelsea, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $11,350,000.

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

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

a project of Southwest Boston Community Development Corporation, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $1,800,000.

**Official Action Projects with Volume Cap Request**

**13.** Upon motion duly made and seconded, the directors present unanimously

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

a project of BH EHT I, LLC, in Springfield, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $12,500,000.

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

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

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

a project of Dudley Terrace Apartments LLC, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $6,401,164.

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

**Official Action Projects Lease Financing**

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

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

a project of Northfield Mount Hermon School, in Gill, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Lease to finance such project in an amount not to exceed $15,000,000.

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

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Request**

**16.** It was noted that the number of recusals among the Board members present results in the loss of a quorum for a vote on the proposed bond issuance for Dana-Farber Cancer Institute, Inc., and, therefore, no vote was taken on this matter. It was noted, further, that a Special Board Meeting will be scheduled soon to consider this proposed bond issuance.

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

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

a project of The Trustees of Emmanuel College, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $220,000,000.

**18.** Upon motion duly made and seconded, the directors present 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 Tax-Exempt Bonds to finance such project in an amount not to exceed $65,000,000.

**19.** Upon motion duly made and seconded, the directors present unanimously

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

a project of The Isabella Stewart Gardner Museum, Incorporated, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $34,000,000.

**20.** Mr. Chilton announced that under the federal tax code, MassDevelopment is required to hold public hearings to allow interested parties to comment on projects being financed with tax-exempt private activity bonds. Members of the New England Regional Council of Carpenters attended the hearing for the Five Colleges financing and expressed the Council’s concerns that the Borrower has selected Cutler Associates as the general contractor for the project, noting the Council’s concerns about certain subcontractors that Cutler hires. Agency staff has checked and Cutler is not listed on any of the state or federal contractor debarment lists. In addition, Five Colleges and Cutler are aware of the Agency’s Contractor Policy and will include the Policy’s language in their contracts. Noting the foregoing, upon motion duly made and seconded, the directors present unanimously

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

the project of Five Colleges, Incorporated, in Hatfield, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $10,080,000.

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

**21.** Upon motion duly made and seconded, the directors present unanimously

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

a project of Metropolitan Boston Housing Partnership, Inc., in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $10,000,000.

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

**22.** Upon motion duly made and seconded, the directors present unanimously

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

a project of Massachusetts Society for the Prevention of Cruelty to Animals, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $7,000,000.

**23.** Upon motion duly made and seconded, the directors present 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 Health Services, Inc., in Brockton, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $7,500,000.

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

**25.** Upon motion duly made and seconded, the directors present 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 numerous southeastern Massachusetts locations, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $1,800,000.

**26.** Upon motion duly made and seconded, the directors present unanimously

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

a project of The Nemasket Group Inc., in Fairhaven and Mattapoisett, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $1,725,000.

**27.** Upon motion duly made and seconded, the directors present 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 Guild of Saint Agnes of Worcester, in Webster, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $1,500,000.

**Standing Board Committee Reports**

***Manufacturing & Defense Sectors Committee***

Mr. Kanin reported that the Committee met on Tuesday, May 10, 2016, and that there is one recommended grant before the Board today for its consideration.

**28. Minutes of Prior Meeting**. For information purposes only, the minutes of the April 12, 2016, Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**29. VOTE – Grant to Valley Venture Mentors**

Ms. Clark described this request for a grant award of $200,000 to Valley Venture Mentors to fund the first year of a three-year pilot program to (i) increase the ability of current Massachusetts manufacturers to find, vet, and profitably enter new markets; (ii) improve the productivity of current manufacturers; and (iii) elevate manufacturing entrepreneurship. A training program / boot camp for executives in manufacturing will be developed and it is anticipated that the first year of this three-year program will result in a curriculum to be recommended for use going forward. Valley Ventures will conduct its operations out of space it leases at the Innovation Center in Springfield, as briefly mentioned by Ms. Jones earlier. The Chair asked for a vote and, upon motion duly made and seconded, the directors present unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the grant award to Valley Venture Mentors, as outlined in the memorandum and vote dated May 12, 2016, attached and part of the minutes of this meeting.

In addition, Ms. Clark was pleased to note that UMass Lowell and UMass Dartmouth have approached Agency staff regarding establishing an initiative to foster private/public partnerships to support and connect manufacturers not only with respect to access to equipment, but also regarding software requirements necessary to keep manufacturing innovation current. This is similar to a proposal called Manufacturing Center for Advanced Design & Manufacturing (MCADM) that had been proposed several years ago. Apparently, interest and the need for small to medium-sized enterprises (SMEs) to access software and equipment continues. She noted this matter is a month or two away from coming to the Board; staff is working on support systems.

***Origination & Credit Committee***

Mr. Kavoogian reported that the Committee met on Tuesday, May 10, 2016; however, there was no quorum for the Committee meeting, so no votes could be recommended.

**30. Minutes of Prior Meeting**. For information purposes only, the minutes of the April 12, 2016, Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**31. Delegated Authority Report for Loan Approvals (March 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.

**32. VOTE – The Lofts at City Place LLC (Leominster) – $790,000 Loan Increase**

Ms. Golonka described this request for an increase of up to $790,000 on a $5 million construction to permanent mortgage loan to a borrower and guarantor with an excellent history with MassDevelopment, having successfully closed prior transactions with the Agency in connection with this mixed-use project in an old mill area in Leominster. Ms. Golonka advised the project is progressing very well and the increase will have the same terms as the mortgage loan. She advised that she received financials last evening and, based on a review thereof, the loan-to-value is good. Mr. Kavoogian commented that this is a great business story due to the nature of the demand; Ms. Golonka agreed it is a successful market-rate project. The Chair asked for a vote and, upon motion duly made and seconded, it was

**VOTED:** That the Board of Directors of MassDevelopment approves the loan increase to The Lofts at City Place LLC, as outlined in the memorandum and vote dated May 12, 2016, attached and part of the minutes of this meeting.

Ms. Canter then informed everyone that Ms. Golonka is retiring at the end of the week after many years with MassDevelopment. Congratulations were offered and Ms. Golonka thanked everyone, noting her experience has been satisfying, especially due to the mission of the Agency’s work.

**Community Development**

**33. VOTE – Jackson Square Partners LLC – 75 Amory Avenue, Jackson Square (Boston) – Brownfields Grant Increase**

Mr. Bancroft described this request for up to an additional $215,266 in Brownfields funds, which will be used to remove and remediate a recently discovered underground storage tank bunker, despite prior reports stating that all tanks were previously removed. Mr. Bancroft explained this is part of a larger redevelopment project that has already received Brownfields Priority Project Designation; the project will create 39 new units of much needed affordable housing in an area of extraordinary poverty within the City of Boston. The discovery of this unexpected environmental condition has caused a financial gap in the development budget. The project sponsor is asking MassDevelopment to provide additional Brownfields grant funds to address this condition and allow for the continuation of this important redevelopment project, which is already under construction with all other financing in place. The Chair asked for a vote and, upon motion duly made and seconded, the directors present unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the Brownfields grant increase to Jackson Square Partners LLC, as outlined in the memorandum and vote dated May 12, 2016, attached and part of the minutes of this meeting.

**34. VOTE – Cultural Facilities Fund (“CFF”) – 2016 Round – Grant Awards**

See above (*after Tab 2*).

**35. VOTES – Harbor Health Services, Inc. and Neponset Community Services, Inc. – $6,100,000 NMTC Allocation; Capitalization; Guarantee**

Ms. Baruch explained this request for NMTC investment approval to finance the purchase and renovation of a former temple into a 27,000 square foot medical facility offering comprehensive, interdisciplinary medical assistance to the 55+ population in the Brockton area. This expansion project will allow Neponset Community Services to better serve many of its elder patients nearer to their homes, instead of making it necessary for those elders to travel to/from its facility in Boston. Noting this transaction includes three votes, the Chair asked for approval and, upon motion duly made and seconded, it was

**VOTED:** That the Board of Directors of MassDevelopment approves the NMTC investment of $6,100,000 for Harbor Health Services, Inc. and Neponset Community Services, Inc., as outlined in the memorandum and votes dated May 12, 2016, attached and part of the minutes of this meeting.

[*Secretary’s Note: The Board Secretary pointed out certain typographical errors in the Memorandum and the guarantee vote, noting they were corrected immediately before the meeting.*]

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

Mr. Kavoogian reported that the Committee met on Tuesday, May 10, 2016. The Committee discussed 8 – 12 Stearns Square, Springfield, and there was a positive discussion regarding the review and due diligence process for acquisition projects of this nature, including putting more procedures in place and refining those procedures.

**36. Minutes of Prior Meeting**. For information purposes only, the minutes of the April 12, 2016, Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**37. 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.

**38. Statewide Real Estate Projects Updates**. Mr. Henderson re-introduced two of the three new TDI Fellows: Sika Sedzro (Pittsfield) and George Durante (Brockton) and he also introduced Victoria Maguire, MassDevelopment’s new SVP, Real Estate Operations, noting the Agency is pleased to have them all. He noted, with respect to the Myles Standish Industrial Expansion project in ***Taunton***, that staff is negotiating the first offer received on land in the business park; the offer is from a European manufacturing company looking to relocate its headquarters to Massachusetts. In ***Devens***, Mr. Henderson was pleased to note an outstanding zoning change request was approved by the Joint Boards of Selectmen and hopefully a Super Town Meeting will be held in September to vote on it. At ***Village Hill, Northampton***, the sale of the Male Attendants Building will close early next week. This is one of the last historic buildings the Agency committed to keep; it will be converted into condominium units.

With regard to ***Municipal Services***, there is lots of current activity and staff continues to provide TDI-type services in communities that do not have a named TDI District.

**Strategic Planning**

**5. MassDevelopment FY2017 Business Plan Goals – Draft Plan Discussion**

Mr. McGrail described the background, themes, annual goals proposed, and impacts of measurement of MassDevelopment’s proposed FY2017 Business Plan Goals, noting alignment with Governor Baker’s statewide business plan. A discussion ensued. With respect to the Agency’s Strategic Themes (i.e., Theme 1: Supporting Growth; Theme 2: Places & Assets; Theme 3: Internal Operations) and theme structure, Mr. McGrail advised, for example, that MassDevelopment will always provide economic development assistance in one form or another, but there may at times be a shift in focus as / when / where needs arise and/or change.

Ms. Jones advised that the Agency is growing in many ways and there is a focus on internal Agency goals; a new Director of Human Resources has been hired and will begin soon and will assist with respect to Theme 3: Internal Operations.

Referring to the Performance Indicators with respect to Theme 1: Supporting Growth, Mr. McGrail wondered if there are other sectors on which the Agency could and should focus. He advised that data collection and a review of past performance will inform this type of planning. Performance Indicators for Theme 2: Places & Assets reveal improvements in the processes for measuring such improvements and/or the success of certain projects. For instance, the TDI Fellows will review and develop plans that will feed into the overall TDI planning process going forward. For now, Mr. McGrail noted the Performance Indicators for Theme 3: Internal Operations remain to be determined; staff will work with the new HR Director, the Information Technology Department, and others to update this information.

Mr. McGrail explained that the information on p. 19 of his presentation is entirely new; the Agency is looking at how it can leverage possibilities across departments. For instance, he noted that the Brownfields Fund is housed in Finance Programs, but it is really about site readiness, which is a focus of Real Estate. Also, there is a determined focus on Small Business Growth and encouraging broad small business entrepreneurialship.

At this time, Mr. McGrail invited feedback to his presentation. Mr. Porter said he likes the matrix, but it seems to follow only the dollars going out on a particular project; it does not monitor budgeted output or returns. He felt it would be helpful to have a matrix that measures, for instance, what was anticipated to be spent on a project versus what actually was spent on the project. Mr. Gerlin advised that MassDevelopment has obtained new software and tools that can delve further into profit and loss and comparison to budget on a per project basis.

Mr. Kavoogian agreed it is important to learn the impact of a given project and he felt a critical component of this is the ability to measure any multiplier effects, among other things. He noted there is only so much time and so much available capital; he said that demands for investment yields are the highest investors may ever see, and investors are racing to beat potential interest rate increases. Mr. Kavoogian felt that the challenge lies in finding those projects that can spark private dollars for investment. Ms. Jones opined it is also important to track how much private money is leveraged. Mr. Kanin agreed. It was noted that it is also important to measure the impact of this type of project on the community in which it is located. Another component Mr. Kavoogian felt is important to track is for how long a project is measured. A determination must be made regarding the length of time an individual project is monitored for feedback.

Ms. Sullivan commented that applying standards throughout various projects is important as well, and this involves opportunity costs. She noted that all economic development projects in the Commonwealth are connected, in that there are real decisions being made as to where the dollars are going. Mr. Kanin agreed completely. He felt it is important to measure what works and what does not work. In addition, he questioned whether there is a way to go beyond what MassDevelopment does. In other words, he wondered whether the Agency should be more proactive and seek out opportunities, or just wait for opportunities and react to those that present themselves. Board members wondered if there is a way to distinguish between these types of opportunities.

Noting perhaps that this is a little more in the technical assistance arena, Ms. Jones mentioned that another component of this matrix is the nurturing of smaller developers that MassDevelopment provides and encourages. This led to a brief discussion regarding the connections between technical assistance projects and TDI projects.

Mr. McGrail advised that he would incorporate comments, and a final draft of the FY17 Business Plan will be circulated.

**Litigation Updates – 100 Cambridge Street, Boston (M/SBRC); Town of Brookline (MassDevelopment)**

Due to ongoing litigation matters, the discussion of these items occurred in Executive Session.

**EXECUTIVE SESSION**

The Chair then advised, at 11:42 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 strategy regarding an M/SBRC litigation matter and a MassDevelopment litigation matter, the discussion of any of which in Open Session would have a detrimental effect on the litigation strategies of the Agency and of M/SBRC. The 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 11:42 a.m.; the meetings were adjourned in Executive Session at 11:47 a.m.