**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, June 8, 2017**

**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

 Karen Courtney

 Grace Fey

 Rachel Madden, Designee for Secretary of Administration & Finance

 Patricia McGovern

 Juan Carlos Morales

 Christopher Vincze

DIRECTORS ABSENT: James Blake

 James Chisholm

 Lauren Liss

Agency Staff: Marty Jones, President and CEO

 Simon Gerlin, Chief Financial Officer

 Patricia A. DeAngelis, General Counsel and Secretary

 Richard Henderson, EVP, Real Estate

 Laura Canter, EVP, Finance Programs

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Laura Barrett

 Insiyah Bergeron, TDI Fellow, Holyoke

 Deb Boyce

 Sean Calnan

 Rob Carley

 Steve Chilton

 Robin Churray

 Zack Dovitz

 George Durante, TDI Fellow, Brockton

 Sarah Eisinger

 John Fink

 Zach Greene

 Joe Grivers

 Lisa Kalinowski

 Dena Kavanagh

 Thatcher Kezer

 Noah Koretz, TDI Fellow, Haverhill

 Andrew Levine

 Victoria Maguire

 Mark Martinez, Legal Intern

 RJ McGrail

 Jim Moore

 Paul Moran

 Leigh Natola

 Aiden O’Garro

 Wendy O’Malley

 Claire O’Neill

 Meggie Quackenbush

 Bob Seega

 Simmee Silton

 Ed Starzec

 Mark Sternman

 Rebecca Sullivan

 Benny Wong

Guests: None

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, June 8, 2017, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notice duly given.

The Vice Chair welcomed everyone and, noting the presence of a quorum, he called the meeting to order at 10:02 a.m.

**EXECUTIVE SESSION**

The Chair advised, at 10:35 a.m., that, pursuant to MGL Chapter 30A, sec. 21(2), 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 a matter regarding certain Agency personnel. The Chair instructed all persons who are not Board members or staff involved in this matter to leave the room. He noted that the Board will reconvene in Open Session following Executive Session.

[*Executive Session held*]

**OPEN SESSION RESUMED**

Following Executive Session, the Chair reconvened the Open Session of the MassDevelopment Board meeting at 10:47 a.m.; staff was invited to rejoin the meeting. The Chair asked if there were any guests present and there were none.

**MINUTES**

**1. VOICE VOTE – Approval of Minutes (May 11, 2017)**

The Vice Chair asked if there were any comments on the draft Minutes of the May 11, 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 May 11, 2017 Board Meeting, attached and part of the minutes of this meeting.

**2. VOICE VOTE – Approval of Additional Executive Session Minutes (May 11, 2017)**

Noting that the matters in the additional set of May 11, 2017 Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session, the Vice 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 additional set of Executive Session Minutes of its May 11, 2017 Board Meeting, attached and part of the minutes of this meeting.

**3. VOICE VOTE – Approval of Executive Session Minutes (May 11, 2017)**

Noting that the matters in the May 11, 2017 Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session, the Vice 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 May 11, 2017 Board Meeting, attached and part of the minutes of this meeting.

**President/CEO’s Report**

[*Secretary’s Note: At this time, Ms. Quackenbush 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.*]

Before Ms. Jones began her report, Ms. McGovern informed everyone that Ms. Courtney is this year’s recipient of the Samuel Gompers Distinguished Service Award from the AFL-CIO. Samuel Gompers was the first and longest-serving president of the American Federation of Labor (“AFL”) and was instrumental in organizing the American labor movement. Under his leadership, the AFL became the largest and most influential labor federation in the world. The Board congratulated Ms. Courtney.

Ms. Jones informed the Board that a new television series – expected to be entitled “The Town of Castle Rock” – is filming in Massachusetts; outdoor scenes are being shot in Orange, and other filming, editing, and more is being done at New England Movie Studios in Devens. So, there is finally activity to report at the movie studios. She invited Board members and staff to watch the television series when it airs this fall.

The U.S. Environmental Protection Agency (EPA) announced Brownfields awards, naming thirteen communities in Massachusetts as recipients, including two awards for Belchertown for abatement of hazardous materials in buildings of the former Belchertown State School. In addition, the Belchertown Day School, which is being evicted from its current home, received funding from the Community & Economic Development Assistance Corp. to support construction and fit-out of a new facility in Carriage Grove (MassDevelopment’s Belchertown project). In addition, the U.S. Dept. of Defense Office of Economic Development (OEA) has awarded the Agency a grant for $750,000 to support its continued Defense Sector work.

Ms. Jones advised that she has been out and about. She attended a quarterly meeting in Lynn focused on kick-starting economic development there. She attended a presentation about the Co-work program at which the next round of grant funding was announced and opened; this event took place at Gateway City Arts in Holyoke and combined a workshop regarding co-working with the grant announcement. Ms. Jones went to the ribbon-cutting for the new Martignetti distribution center in Taunton, which combined two locations into one. She participated in a site inspection of the Fall River State Pier with Mr. Henderson and noted that because of a new bridge abutment, the Dept. of Homeland Security requires 24/7 security for the Pier. Ms. Jones attended an event in New Bedford celebrating the tenth anniversary of the Cultural Facilities Fund; the announcement regarding New Bedford’s Whaling City Golf Course project was made the same day. She also attended a Massachusetts Housing Investment Corporation (MHIC) event at Vincente’s Grocers in Brockton.

Ms. Jones advised of several events to come before the end of her term on June 30, including: the J.P. Morgan Corporate Challenge tonight, in which 22 employees are participating; a groundbreaking event tomorrow at Christopher Heights in Belchertown; next week, there is a Developers Tour in New Bedford; a Brownfields Advisory Group meeting in Gardiner; the grand opening of the Advanced Manufacturing Institute at MIT. On June 20, there is a groundbreaking for ServiceNet in Northampton. The manufacturing caucus meets later in June, and there is a groundbreaking for Maxim Motors in Taunton. On June 23, there is an All Staff meeting in Devens.

[*Secretary’s Note: Upon conclusion of the President’s Report, the video recording was terminated.*]

**General Matters**

**4. VOTE – Agency Diverse Business Participation for its Direct Contracting**

Ms. DeAngelis described the MassDevelopment Diverse Business Participation Program for Direct Contracting, which would require outreach by the Agency to women-, minority-, and/or veteran-owned businesses in its contracting opportunities and to track the percentage of participation therewith, consistent with Executive Order 565, signed by Gov. Baker in November 2015. Ms. Courtney asked if there had been any discussion of this new Policy with staff regarding diversity in employment of contractors, and Ms. DeAngelis said no, but it has always been the Agency’s practice to encourage diversity in the contractor workforce – and the contractors are bound by Titles VI and VII of federal employment laws. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes adoption of the Diverse Business Participation Program for Direct Contracting, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

In addition, Ms. DeAngelis advised the Board that MassDevelopment has established a Diversity Committee; she mentioned the Brown Bag Luncheon today at 12:30 p.m., at which Sara Schnorr of Locke Lord will speak about transgender issues, and she invited Board members to stay for the Lunch after conclusion of today’s meeting.

**5. State Budget Update**. For information purposes only, the State Budget Update is attached and part of the minutes of this meeting. It was noted that this Update presents the status of the Commonwealth’s proposed Operating Budget. No discussion of this item took place.

**Strategic Planning**

**6. MassDevelopment FY2017 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.

**7. VOICE VOTE – MassDevelopment FY2018 Business Plan**

Mr. McGrail reminded the Board of its discussion of this item in May and noted that suggestions made then have been incorporated into the FY2018 Business Plan before the Board today. He provided details of the presentation, including the Agency’s performance to date (p. 4 of the presentation); snapshots regarding baseline economic conditions (pps. 6 – 11, in response to a suggestion from Mr. Blake); a new goal regarding the customer experience has been added (p. 20, in response to a suggestion from Ms. Liss); and overall summary (p. 21). Ms. Madden commented this is an excellent presentation; it is well-done and includes lots of data. When asked to clarify the “$3.2 Billion Invested” in FY2017 (p. 4), Mr. McGrail said that number includes a large, single project with Harvard University at $1.5 billion, which closed this fiscal year. The Chair asked for a vote 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 FY2018 Business Plan, attached and part of the minutes of this meeting.

**8. MassDevelopment FY2018 Operating and Capital Budget**. Mr. Gerlin commenced what he termed a “high level” presentation regarding the Agency’s proposed Operating and Capital Budget for the Fiscal Year Ending June 30, 2018, and certain funding requests in connection therewith (see Tab 9 (below) and the request that follows), and a lengthy discussion ensued. He described key highlights of the proposed budget (p. 5 of the presentation), including such projects as General Electric (process and cash flow); he explained that there is nothing in the budget related to the Fall River and New Bedford State Piers because there simply is no data available. He referred to the impact chart (p. 9), noting it does not include the Commonwealth’s funding request discussed below.

With respect to the Revenue and Expenses Statement (p. 17), Mr. Gerlin noted the Agency is predicting declines in investment banking and housing lending for FY2018. He said the Agency is applying for $100 million in the upcoming round of New Markets Tax Credits (deadline is June 21), but it is not yet known, nor will it be known for several months after applying, what the allocation to MassDevelopment, if any, may be. Further, he noted that property taxes in Devens are increasing and certain Tax Increment Financing (TIF) agreements on Devens projects are beginning to unwind.

Mr. Gerlin then spoke about Expenses, generally, noting the Agency currently employs about 181 people and is looking to add only one new full-time position (i.e., SVP Manufacturing & Defense Sector Initiative) in FY2018. He described the breakdown of Full Time Employees (pps. 28-29) and noted a small increase projected for Administrative Expenses (p. 30) for training, as well as costs associated with opening a new branch office in Quincy. He noted an increase in professional services expenses (p. 31) and advised that project expenses (pps. 32-33) such as Belchertown and the Site Readiness program vary and can be unpredictable. He explained that Devens Operating Expenses (p. 34) include the education of Devens students, as well as the state police contract.

With regard to Opportunities and Risks (pps. 39-40), Mr. Gerlin cited the new Property Assessed Clean Energy (“PACE”) program and rising interest rates in the Opportunities column; he cited potential unknown tax reforms at the federal level, and a looming round of Base Realignment & Closure (BRAC) in the Risks column.

Ms. McGovern thanked Mr. Gerlin, Ms. Kalinowski, and the entire Finance & Administration “team” for the excellent budget presentation, noting this is the budget that was presented to and discussed with the Audit & Administration Committee on May 31. She stated that she has grave concerns about the Commonwealth’s “ask” (discussed below (after Tab 9)) and she requested that the Chair put forth a motion to approve the budget as presented to the Committee, which does not include or address the Commonwealth’s request, following the opportunity for discussion among Board members. Accordingly, the Chair asked for a vote 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 Agency’s FY2018 Operating and Capital Budget, attached and part of the minutes of this meeting.

**9. VOTES – Funding Requests – Restricted Funds for Transformative Development Initiative (“TDI”), Advanced Manufacturing, and Commonwealth Places, and more**

Mr. Gerlin described the Agency’s request to continue funding Advanced Manufacturing ($1.2 million), the TDI program ($7 million now and $3 million in FY2019), and Commonwealth Places ($1.125 million). He noted there are no external sources of funding for these programs, and he described certain commitments that have been made with respect to the TDI program. He noted a desire to recapitalize the popular Commonwealth Places program in partnership with Patronicity. In addition and in light of the Commonwealth’s General Fund Grant (discussed below), Mr. Gerlin then described the Agency’s request to unrestrict $7.5 million from the Underutilized Building Program and $5 million from the Non-TDI Equity Investment Program. The Chair asked for votes and, upon motions duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the Agency’s request to restrict certain funds for TDI, Advanced Manufacturing, and Commonwealth Places, as outlined in the presentation and vote dated June 8, 2017, attached and part of the minutes of this meeting.

**VOTED:** That the Board of Directors of MassDevelopment approves the Agency’s request to unrestrict certain funds from the Underutilized Building Program and the NonTDI Equity Investment Program, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

***Walk-in*. VOTE – Commonwealth General Fund Grant**

In connection with the above budget requests, Ms. Madden advised that the Baker administration is asking each of the Massachusetts quasi-public agencies to extend grants to the Commonwealth to close its budget shortfall for FY2017. She explained that by law the administration must end the year in balance and this administration is determined not to touch the Commonwealth’s “stabilization fund.” Further, it was noted that reductions to executive branch agencies have been exhausted. Accordingly, the administration has been identifying revenue sources for its shortfall, and the Commonwealth is asking the Agency for a grant in the amount of $17.5 million.

When asked why there is a shortfall, Ms. Madden said this question is baffling to the economic experts and others who have suggested that there is no good answer. It is a conundrum because the state’s economy is thriving. Noting that revenues are up just over 1 percent, withholdings are up 4 percent, and taxes are flat, the Chair cited “uncertainty” with respect to the economy and he said people are waiting on tax reforms at the federal level before declaring capital gains.

Ms. Madden advised that asking for assistance from the quasi-public agencies was not the first course of action. She stated that the administration enjoys a great partnership with MassDevelopment and it hopes to obtain funding from the Agency in a way that will not adversely affect the programs MassDevelopment manages or the great work the Agency does. The Chair advised there is a symbiotic relationship between the administration and MassDevelopment, and the administration is mindful of this request for funds and will look for other ways to help support the Agency.

Ms. McGovern reiterated her concerns, noting she is deeply troubled by this request, despite that she understands its painful nature. She said she is afraid of the precedent this request will set and wondered: if the administration is asking for $17+ million this year, what might it seek next year?

Mr. Vincze asked for a breakdown of how MassDevelopment will free up funds to provide the $17.5 million to the Commonwealth. Mr. Gerlin referred to the pie chart in the handout provided (p. 4), attached and part of the minutes of this meeting, and explained – to Ms. McGovern’s point – that the Agency does not have a secure or annual source of revenue beyond bond revenues. He noted that staff proposes to free up funds for this request as follows: $2 million from the Charter School Guarantee Program; $7.5 million from the Underutilized Building Program; $3 million from the TDI Program (fourth year funding); and $5 million from the NonTDI Equity Investment Program. The Chair asked for a vote by roll call and, upon motion duly made and seconded, by all but one of the directors present, it was,

**VOTED:** That the Board of Directors of MassDevelopment approves the Agency’s request to award a grant to the Commonwealth in the amount of $17,500,000, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting. Ms. McGovern opposed this request; the other seven Board members present approved it.

**MARKETING / Communications**

**10.** **Media Report (May 2017)**. 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**

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

The Vice Chair asked if there were any recusals on the upcoming bond votes, and there were none. He advised that the Board would vote on the approvals and findings for the matters in Tabs 12 – 16, 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**

**12.** Mr. Chilton noted for the record that the most accurate and correct project description for this proposed bond issuance can be found in Exhibit A of the resolution. 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 East Boston Neighborhood Health Center Corporation, in Revere, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $7,000,000.

**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”) resolutions attached and part of these minutes regarding:

a project of Young Men’s Christian Association of Metro North, Inc., in several locations in northern Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt or Taxable Bond to finance such project in an amount not to exceed $29,000,000.

**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 resolution attached and part of these minutes regarding:

a project of The Benjamin Franklin Educational Foundation Inc., in Franklin, 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 OA/FA resolutions attached and part of these minutes regarding:

a project of CIL Realty of Massachusetts Incorporated, in numerous locations in Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $20,000,000.

**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 Criterion Child Enrichment, Inc., in numerous locations in Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $10,710,000.

Ms. Madden commented that the above bonds represent an amazing package for job creation in the Commonwealth, and she commended the Investment Banking team.

**Standing Board Committee Reports**

***Audit & Administration Committee***

Ms. McGovern reported earlier in the meeting that the Committee met on Wednesday, May 31, 2017, to review the then-proposed Agency’s FY2018 Operating and Capital Budget, and she referred to the budget discussion above. She stated that the Committee as a group recommended approval of the Budget that was proposed at the May 31 meeting, which did not include the Commonwealth’s request for funding. She reiterated (again) her concerns over the precedent set by such a request, questioning if the “ask” is $17.5 million this year, what might it be next year? She stated she remains deeply troubled by this, despite that she fully understands why such a request is necessary.

**17. Minutes of Prior Meeting**. For information purposes only, the minutes of the May 11, 2017 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***

The Committee met on Tuesday, June 6, 2017.

**18. Minutes of Prior Meeting**. For information purposes only, the minutes of the May 9, 2017 Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

***Origination & Credit Committee***

Mr. Kavoogian reported that the Committee met on Tuesday, June 6, 2017.

**19. Minutes of Prior Meeting**. For information purposes only, the minutes of the May 9, 2017 Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**20. Delegated Authority Report for Loan Approvals (April 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 – Seafood Revolving Loan Fund and Gloucester Revolving Loan Fund (“SRLF/GRLF”) – 5-Year Plan Presentation**

Ms. Canter reminded the Board of its approval in April 2017, which is required annually by the U.S. Dept. of Commerce’s Economic Development Administration (“EDA”), to certify compliance with the Plans that specify the manner in which the Agency operates the SRLF and GRLF. EDA also requires the grantee of these two loan Funds to submit five year plans; this vote seeks approval thereof. In addition, she advised that MassDevelopment is seeking authority to consolidate these two loan Funds and the suggestion to do so seems to have been received positively by EDA. 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 resolution approving two five-year Plans to be submitted to the EDA, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

**22. VOTE – The Benjamin Franklin Educational Foundation Inc. (Franklin) – $5,000,000 Charter School Guarantee**

Mr. Moran described briefly this request for a Charter School Guarantee of up to $5,000,000 to provide credit enhancement to a tax-exempt construction/permanent bond extended by Citizens Bank in the amount of $25 million (approved at Tab 14 (above)), the proceeds of which will be used to finance construction of a new charter school facility in Franklin. The School was founded in 1995 and for the past ten years its management team has remained the same. The School is successfully performing under its fifth charter; it has a waiting list of more than 400 students and this guarantee, together with the bond, will enable the School to expand capacity to 14 local communities and increase its enrollment cap to 900. This project is expected to create 56 new jobs and 137 construction jobs. 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 Charter School Guarantee up to $5,000,000 to The Benjamin Franklin Educational Foundation Inc., as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

**23. Property Assessed Clean Energy (“PACE”) Rollout – Discussion**. Ms. Canter advised this is a new program established through legislation, which will launch this fall. Guidelines are expected to be released this summer for a “public comment period” and the Agency anticipates bringing the guidelines, when finalized, to the Board for approval in September or October. PACE is a program that gives commercial property owners access to affordable, long-term financing (maximum term is 20 years) for energy improvements to their buildings; it provides a tool to allow these property owners to make energy retrofits and other related improvements. Repayment of funds is made through a betterment assessment resulting in a lien on the property, which is transferable, and stays with the property in the event of a sale. Ms. Canter noted the Agency’s PACE team includes Ms. O’Malley, Ms. Sullivan, and Mr. Carley.

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

Mr. Kavoogian advised the Committee met on Tuesday, June 6, 2017.

**24. Minutes of Prior Meeting**. For information purposes only, the minutes of the May 9, 2017 Real Estate Development & 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 and Devens Environmental Updates are attached and part of the minutes of this meeting. No discussion of the Updates took place.

**26. VOTE – Devens – Authorization to Enter into Gas and Power Supply Administrative Services Contract**

Mr. Moore described briefly this request to delegate authority to the President and CEO of the Agency, or her designee, to enter agreements to purchase future gas and power supply load requirements for Devens. The current provider’s contract will expire on June 30, 2017, and this vote will authorize negotiation of the next contract via a Request for Proposals process, to which the current provider and one other has responded. The Vice 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 request for delegated authority to enter into gas and power supply administrative services contracts, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

**27. VOTE – Devens – Gas Rate Adjustment**

Mr. Moore was pleased to note a slight decrease in the gas rate due to a decrease in distribution charges. Accordingly, this year’s rate adjustment results in an average reduction of approximately 2 – 3 percent, overall, effective July 1, 2017. The Vice 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 gas utility rate changes, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

**28. VOTE – Devens – Electric Rate Adjustment**

Mr. Moore requested approval to increase electric utility rates, effective July 1, 2017, due largely to the increasing ISO NE Transmission and Forward Capacity Market charges expected for FY2018. The Vice 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 electric utility rate changes, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

**29. VOTE – Devens – Sewer Rate Adjustment**

Mr. Moore requested approval to increase sewer utility rates by 2 percent, effective July 1, 2017. The Vice 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 sewer utility rate changes, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

Mr. Morales asked why such requests are before the Board for approval, and it was explained that the Board of Directors of MassDevelopment serves as the Board of Selectmen for Devens and approvals of this nature by a governing board are required by law.

**30. Statewide Real Estate Projects Updates**. For information purposes only, the Statewide Updates are attached and part of the minutes of this meeting. There was no discussion of the Updates.

**31. VOTE – Belchertown – Civil Engineering Contract with Gale Associates, Inc.**

Ms. O’Neill briefly explained this request to approve a house doctor contract with Gale Associates, Inc. for civil engineering services at Carriage Grove, Belchertown, in an amount not to exceed $500,000 over an initial three year term with options to extend the contract for up to two one-year extensions. Gale Associates is recommended as the result of a Request for Qualifications (“RFQ”) process, to which there were eight responses. Citing work on other Agency projects, Ms. O’Neill said staff has been impressed with Gale’s capabilities. The Vice 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 house doctor contract with Gale Associates, Inc., as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

**32. VOTE – Whaling City Golf Course, New Bedford – Delegated Authority to Award Contract for Engineering Services**

Mr. Starzec explained this request for delegated authority to approve a five-year contract in an amount not to exceed $750,000 for civil engineering services in connection with the redevelopment of the Whaling City Golf Course in New Bedford. The firm will be selected through an RFQ process. The RFQ was advertised on May 31 and responses are due on June 15; delegated authority is requested to enable staff to negotiate and enter the contract with the preferred responder by the end of the month, by which time the funds must encumbered. The Vice 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 request for delegated authority to enter into a house doctor contract for civil engineering services, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

**33. VOTE – Site Readiness Program – House Doctor Contract Increases**

Mr. Starzec described this request to approve increases in two house doctor contracts – a $75,000 increase to Madden Planning Group and a $250,000 increase to Vanesse Hangen Brustlin, Inc. – so that these firms can undertake upcoming assignments funded through the Site Readiness Program, the funds for which program must be encumbered by the end of this fiscal year. The Vice 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 requested increases in the house doctor contracts for Madden Planning Group and Vanesse Hangen Brustlin, Inc., as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

***Walk-in*. VOTE – Site Readiness Program – Additional Grant Awards**

Mr. Starzec described this request to approve two additional grant awards totaling $650,000, giving details of each as follows: *Airport Road Industrial Corridor Modernization* (***Fitchburg***): $250,000 to bring broadband into an underutilized industrial corridor in Fitchburg; *Acquisition of 50 and 52 Parker Street* (***Gardner***): $400,000 to acquire two neglected buildings in downtown Gardner, thereby enabling the City/Redevelopment Authority to better reposition the buildings for redevelopment opportunities in connection with the expansion of Haywood Hospital. Mr. Starzec advised that these grants, unlike others in the Site Readiness Program, will not be subject to repayment. 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 additional FY2017 Site Readiness Program projects in Fitchburg and Gardner, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

***Walk-In*. *VOTE*  – 1550 Main, Springfield – Request for Delegated Authority to Award Construction Contract**

Mr. Greene described this request to authorize the award of a construction contract for up to $300,000 to build out office space for a tenant at 1550 Main in Springfield. Mr. Greene noted this is a time-sensitive matter; the Federal Protective Services of the Government Services Administration needs to relocate into its new space in the building, so it can vacate its current space and free up that space for a new tenant, which is facing an end-of-lease deadline. The Vice 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 award of a construction contract for up to $300,000 to build out office space at 1550 Main Street, Springfield, as outlined in the memorandum and vote dated June 8, 2017, attached and part of the minutes of this meeting.

* **State Piers Update**

Mr. Henderson reported on a recent tour of the Fall River Pier with Ms. Jones, which it was noted operates under a different relationship with the administration in that it is operated by a non-profit on behalf of the Dept. of Conservation and Recreation (“DCR”). Staff is working to understand the operations of the Fall River and New Bedford Piers and, with respect to taking over operations of the Piers, the Agency will focus on New Bedford first and is working through a draft Memorandum of Understanding with DCR. He advised that consultants are reviewing leases, operations manuals, and more, and other reviews are also underway in connection with the operations of the Piers.

**34. TDI Districts – Update and Next Steps**

Mr. Henderson advised that detailed descriptions of each TDI District can be found in the June Board book materials. He noted that the District by District descriptions include discussions of, among other things: (i) effectiveness of the Fellows in going beyond the “usual players;” (ii) Community Champions; (iii) more focus on evaluation regarding benchmarking; (iv) good case studies and peer-to-peer learning. He noted there is an ongoing debate regarding whom to help next and staff is evaluating varying stages of readiness of potential future Districts.

Mr. Henderson then referred to the handout provided today, attached and part of the minutes of this meeting, noting the proposed timeline calls for the selection of up to four new TDI Districts, as well as potentially extending the term for an additional year in 4 to 6 of the existing Districts. Mr. Morales wondered if these options involve expenses only or if there would be any “returns” to the Agency and, when Ms. Jones stated there are some private partnership investments, Mr. Vincze suggested pursuing private foundation funding for the Fellows.

Mr. Morales stated that the information provided does not speak to performance, and he wondered how one sets priorities for this program. It was noted there is a need to manage the expectations of the TDI program, and Mr. Henderson advised there will be a discussion to come regarding parameters.

Noting this is Ms. Jones’ last Board meeting as the President and CEO of MassDevelopment, the Chair commended her service to the Commonwealth and thanked her on behalf of all of the Agency’s Board members; Ms. Jones then received a standing ovation. 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 12:25 p.m.