**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, July 11, 2019**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 Jonathan Cosco, Designee for Secretary of Housing & Economic Development

 James Blake

 James Chisholm

 Juan Carlos Morales

 Christopher Vincze

 Ellen Zane

DIRECTORS ABSENT: Karen Courtney

 Grace Fey

 Francesca Maltese

Agency Staff: Lauren Liss, President & CEO

 Robert Ruzzo, SEVP, Deputy Director

 Ricks Frazier, General Counsel and Secretary

 Simon Gerlin, Chief Financial Officer

 Laura Canter, EVP, Finance Programs

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Graeme Brown

 Sean Calnan

 Rob Carley

 Steve Chilton

 Zach Greene

 Dena Kavanagh

 Jon Kelly

 Noah Koretz

 John Marc-Aurele (*via videoconference*)

 RJ McGrail

 Dan Morais

 Leigh Natola

 Jan Nuzzolo

 Doug Robinson

 Patrick Rosand, Legal Intern

 Kelsey Schiller

 Bob Seega

 Simmee Silton

 Pat Sluder

 Ed Starzec

 Jessica Strunkin

 Cyndy Tonucci

 Ellen Torres

 Benny Wong

 George Zhang, Real Estate Intern

Guests: None

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, July 11, 2019, at MassDevelopment’s offices, 99 High Street, 11th floor, Boston, Massachusetts, pursuant to notices duly given.

The Vice Chair welcomed everyone and, confirming the presence of a quorum, he called the meeting to order at 10:01 a.m. He asked if there were any guests in attendance and, if so, to please introduce themselves; there were no guests present.

**MINUTES**

**1. VOICE VOTE – Meeting Minutes (June 13, 2019)**

The Vice Chair asked if there were any comments on the draft minutes of the June 13, 2019 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 June 13, 2019 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (June 13, 2019)**

The Vice Chair stated if there are any comments on the draft Executive Session Minutes of the June 13, 2019 Board meeting, they must be discussed in Executive Session. There were no comments. 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 Executive Session minutes of its June 13, 2019 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Ms. Liss began her report by confirming that the Agency is working to “close the books” on FY2019, and the Board will be updated on final numbers next month. She informed everyone of Gov. Baker’s new housing initiative (announced earlier this week), which is being funded with the proceeds from the recent sale of the General Electric (“GE”) property. Mr. Attia added his thanks, on behalf of the Executive Office of Administration and Finance, for MassDevelopment’s handling of the GE transaction. He noted the Baker Administration’s appreciation for the Agency’s stewardship in connection with this matter and explained that the proceeds therefrom – $86 million – will be invested in the development of workforce housing; anticipated results, among other things, will mean home ownership for more than 500 Massachusetts’ families.

With respect to personnel, Ms. Liss advised of two new interns: Dan Tarallo is assisting Lillian Munoz with administering grants in connection with the Cultural Facilities Fund; and Mahdi Mohamed is assisting Human Resources. In addition, Roy Herzig has joined the staff in the engineering division in Devens. Mr. Herzig replaces Ron Ostrowski, who recently retired after many years with the Agency and who graciously returned to show Mr. Herzig the ropes and share some insight. Lastly, reminding everyone of Richard Henderson’s recent departure after serving as EVP, Real Estate, for fifteen years, Ms. Liss advised that the Agency will take the summer to conduct an analysis of the Real Estate Department, following which an executive search firm will be retained in the fall (through appropriate procurement) to find the best possible replacement for Mr. Henderson in a nationwide search. In the meantime, Ms. Liss, Mr. Ruzzo, and Ms. Delorier are overseeing and supervising the Real Estate Department.

In other news, Ms. Liss reported that Secretary Kennealy, the Agency’s regular Board Chair (not present today due to a scheduling conflict), has instituted and scheduled quarterly meetings for senior staff of all the Commonwealth’s quasi-public agencies. She noted her appreciation of this effort. Finally, she advised of recent trips she made to Worcester and Fitchburg in connection with the Transformative Development Initiative.

[*Secretary’s Note: The following item was presented out of order. The videoconference connection with Devens was established prior to the commencement of the Board meeting, and it was terminated immediately after the discussion and vote on this matter.*]

**23. VOTE – Devens – Approval for Award of Designer Services Contract**

Mr. Marc-Aurele briefly explained this request to award a contract for the Devens Fire Station Feasibility Study and Design to Winter Street Architects, Inc., through appropriate procurement by the Designer Selection Board. Describing the deficiencies of the current and aging fire station (built in 1965), Mr. Marc-Aurele advised that staff has prepared a conceptual layout to relocate the Devens Fire and EMS services into space recently vacated at 270 Barnum Road, which also already houses the regional dispatch facility. The scope of services of the requested contract will include, among other things, initial feasibility and 25 percent design of the vacant space. 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 contract to Winter Street Architects, Inc. for the Devens Fire Station Feasibility Study and Design, as outlined in the memorandum and vote dated July 11, 2019, that are attached and part of the minutes of this meeting.

[*Secretary’s Note: Mr. Vincze advised the Board that he has a business relationship with a party related to the Devens Fire Station Feasibility Study (above). Mr. Vincze, therefore, recused himself from the consideration of this matter; he 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.*]

**STRATEGIC PLANNING**

**3. Annual Business Plan (FY2020)**. For informational purposes only, the summary of the Agency’s Strategic Themes and Business Plan Goals is attached and made a part of the minutes of this meeting. No discussion of this item took place.

**MARKETING / Communications**

**4.** **Media Report (June 2019)**. For informational purposes only, the Selected Press Clips, Media Report, and Web Statistics for the previous month are attached and made a part of the minutes of this meeting. No discussion of these items took place.

**Finance programs**

**Updates from Chief Financial Officer and Executive Vice President, Finance Programs**.

Ms. Canter reiterated what Ms. Liss stated in her President’s Report that the Agency is closing the books on the previous fiscal year. The Finance Programs Department ended the year with $5.464 million in bond transactions and $57.3 million in loans and guarantees, of which $32.9 million is attributable to the General Fund. She advised that the Lending pipeline is lower than last year, but the Bonds pipeline is higher. Noting the very competitive current market, Ms. Canter reported that banks are “hungry” and taking loans that MassDevelopment might previously have made.

Mr. Gerlin advised that $98 million will show on the Agency’s books as of June 30, 2019 (fiscal year end) in connection with the GE transaction, which, obviously, impacts the balance sheets; updated balance sheets, which more accurately reflect the Agency’s finances, are expected for presentation in August.

There then ensued a discussion regarding the progress of a study regarding the Agency’s use of its capital looking forward. Mr. Gerlin confirmed that BlumShapiro is currently conducting a capital analysis and staff hopes to receive a report in August or September. Commenting on the unpredictability of the Agency’s finances, Ms. Liss said she has found it helpful to think of MassDevelopment’s finances in terms of 3 – 5 year trends versus the General Fund balance at a given moment in time. She hopes to have long-term recommendation(s) for the Board following the issuance and review of BlumShapiro’s capital analysis report.

**BOND TRANSACTIONS**

**5. Bond Detail Memorandum**. For informational purposes only, the Bond Memorandum and Summary are attached and made a part of the minutes of this meeting; there was no discussion thereof.

The Vice Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 6 – 13, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Requests**

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

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

a project of Worcester Polytechnic Institute, in Worcester, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $198,000,000.

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

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

a project of Dana-Farber Cancer Institute, Inc., in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $63,235,000.

**8.** 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 revised resolution that is attached and made a part of these minutes regarding:

a project of Lesley University, in various Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt and Taxable Bonds to finance such project in an amount not to exceed $92,000,000.

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

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

a project of CIL Realty of Massachusetts Incorporated, in numerous Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $28,450,000.

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

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

a project of Boston Higashi School, Inc., in Randolph, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $9,350,000.

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

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

a project of the Cambridge Redevelopment Authority in Cambridge, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $7,000,000.

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

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

a project of Riverbend School, Inc. in Natick, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt and Taxable Bonds to finance such project in an amount not to exceed $4,100,000.

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

a project of Youth Service Managers, Inc. in Boxford, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $2,300,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

The Origination & Credit Committee met on Tuesday, July 9, 2019.

**Lending**

**14. Delegated Authority Report for Loan Approvals (May 2019)**. For informational purposes only, the Delegated Authority Report regarding Loan Approvals is attached and made a part of the minutes of this meeting. No discussion of the Report took place.

**15. Approved Minutes of Emerging Technology Fund (“ETF”) Fund Advisory Committee (March 6, 2019).** For informational purposes only, the minutes of the March 6, 2019 ETF Advisory Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**16. VOTE – Seafood Revolving Loan Fund and Gloucester Revolving Loan Fund (“SRLF/GRLF”) – Certification for Revolving Loan Funds**

Ms. Tonucci described this request to certify compliance of the SRLF/GRLF with the Consolidated Plan governing them, as required annually by the U.S. Dept. of Commerce’s Economic Development Administration (the “EDA”). The SRLF/GRLF were initially restricted to the fishing industry, but revisions were made to the guidelines allowing loans to any business in the target area, as long as the project supports job creation, with seafood and fishing businesses retaining priority status. Staff has determined that, for the reporting period of January 1, 2018 to December 31, 2018, both the SRLF and the GRLF are in complete compliance, as required; details to support this finding can be found in Exhibits A, B, and C of the documentation provided in the Board materials. 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 certifies that the Funds have been conducted during the reporting period in accordance with the Consolidated Plan, as outlined in the memorandum and vote dated July 11, 2019, that are attached and part of the minutes of this meeting.

**17. VOTE – Mass College Green LLC (Waltham) – $2,000,000 General Fund Loan**

Mr. Kelly described the pilot program that MassDevelopment funded in 2013 (to provide financial assistance to certain Massachusetts colleges and universities in connection with implementing specific energy efficiency projects), explaining that this request for $2 million in additional funding is aimed at building on the success of the original program. He noted certain changes in this round of funding, including: the pool of eligibility will be increased to include independent schools and certain other non-profits, including federally qualified health centers; the internal rate of return has been reduced from 7 percent to 5.5 percent; distribution of funds is extended from 18 months to 24 months; repayment term is increased from 5 to 7 years; and inclusion of a corporate guarantee (by the parent company, GreenerU, Inc.) in the event of default by Mass College Green. In response to a question, Mr. Kelly observed that there has not been excessive demand for this program, which explains why the eligibility requirements have been expanded. 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 $2,000,000 loan to Mass College Green LLC, as outlined in the memorandum and vote dated July 11, 2019, that are attached and part of the minutes of this meeting.

**Community Development**

**18. Approved Minutes of Brownfields Advisory Group Meetings (October 16, 2018 and February 12, 2019).** For informational purposes only, the minutes of the October 16, 2018 and the February 12, 2019 Brownfields Advisory Group Meetings are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**New Markets Tax Credits (“NMTC”)**

**19. Approved Minutes of NMTC Advisory Group Meeting (October 16, 2018).** For informational purposes only, the minutes of the October 16, 2018 NMTC Advisory Group Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**20. 2018 Annual Report from the NMTC Advisory Board.** For informational purposes only, the 2018 Annual Report from the NMTC Advisory Board is attached and made a part of the minutes of this meeting. The Vice Chair advised that Ms. Sluder is available if anyone has questions about this Report; there were none. No discussion of this Report took place.

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

The Real Estate Development & Operations Committee did not meet this month.

**21. Minutes of Prior Meeting**. For informational purposes only, the minutes of the June 11, 2019 Real Estate Development & Operations Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**22. Devens and Devens Environmental Updates**. For informational purposes, the Devens Updates are attached and made a part of the minutes of this meeting. Ms. Strunkin reported that the Jackson Road Bridge project with the Mass. Department of Transportation is underway and staff is conducting outreach with residents and working to minimize disruptions. The Devens Water team is very busy dealing with issues in connection with contamination related to PFAS chemicals; there is constant activity, and equipment arrives daily. Staff is working toward “non detect” levels of contamination in Devens’ wells by calendar year end, but expects to achieve this level sooner than that. No new dates have been suggested for a Super Town Meeting in Shirley, Ayer, and Harvard regarding the proposed rezoning of Vicksburg Square; meetings continue. Ms. Strunkin advised there are new signs and road restrictions to address certain traffic issues in the Buena Vista / Auman Street neighborhood; there are mixed reactions, and the police have been busy enforcing the new restrictions.

**24. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Mr. Ruzzo advised that staff was able to redeploy certain funds from the Transformative Development Initiative for use in ***Belchertown*** to address certain infrastructure issues. MassDevelopment prepared a Five Year Capital Needs Report regarding the New Bedford and Fall River ***State Piers*** and delivered it on June 20th to the Massachusetts Department of Conservation and Recreation, pursuant to a Memorandum of Agreement between the parties. Staff has secured a five year lease with the City of Springfield, the largest tenant at ***1550 Main Street, Springfield***, and is working with Baystate Health on renewing its lease as well. Mr. Ruzzo said it is shaping up to be a busy summer in ***Taunton*** and ***Devens***, given a recent surge of interest in both locations.

**Miscellaneous: Old Business / New Business**

The Vice Chair asked if there was any new or old business to consider, and there was none.

**Executive Session**

* **Devens – Litigation Matter**

The discussion of this item occurred in Executive Session.

The Vice Chair advised, at 10:39 a.m., that, pursuant to Mass. General Laws Chapter 23G, Section 2(l), and Chapter 30A, Sections 21 & 22, 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 certain litigation matter(s). The Board Secretary instructed all persons who are not Board members or staff involved in these matters to leave the room. He noted that the Board will not reconvene in Open Session following Executive Session.

[*Executive Session held*]

There being no further business before the Board of MassDevelopment, the Board Meeting ***and*** the Executive Session were adjourned in Executive Session at 10:54 a.m.