**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**(*conducted entirely by Remote Participation*)**

**Thursday, September 10, 2020**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Mike Kennealy, Secretary of Housing & Economic Development, Chair

 Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 James Chisholm

 Joan Corey

 Juan Carlos Morales

 Kristina Spillane

 Ellen Zane

DIRECTORS ABSENT: Francesca Maltese

 Christopher Vincze

Agency Staff: Lauren Liss, President and CEO

 Robert Ruzzo, Deputy Director and COO

 Ricks Frazier, General Counsel and Secretary

 Simon Gerlin, Chief Financial Officer

 Jeff Fuhrer, SEVP and Chief Strategy Officer

 Laura Canter, EVP, Finance Programs

 Cassandra McKenzie, EVP, Real Estate

 Jessica Strunkin, EVP, Devens

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

Kelly Arvidson

Jeff Buckley

Denise Callow

Sean Calnan

Rob Carley

Steve Chilton

Brenda Doherty

Rob Dolan

Kathyrn Fraser

Mike Galligan

Mick Giaquinto

Zach Greene

Amanda Gregoire

Joe Grivers

Noah Koretz

Andrew Levine

Jim Moore

Dan Morais

Leigh Natola

Rick Pass

Doug Robinson

Kelsey Schiller

Bob Seega

Simmee Silton

Louisa Stone

Ed Starzec

Rebecca Sullivan

Cynthia Tonucci

Benny Wong

Guests: None

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, September 10, 2020, by Remote Participation (See Secretary’s Note, below), pursuant to notice duly given.

The Chair welcomed everyone and, confirming the presence of a quorum on the videoconference, he called the meeting to order at 10:05 a.m.

[*Secretary’s Note: It was noted that this Board Meeting was taking place entirely remotely – via videoconference – due to emergency procedures in connection with the COVID-19 pandemic (see Gov. Baker’s Declaration of a State of Emergency, dated March 10, 2020, and subsequent Order Suspending Certain Provisions of the Open Meeting Law, dated March 12, 2020), pursuant to the Agency’s Remote Participation Policy. Access codes for general public use were included in the Public Notice for this meeting.*]

**MINUTES**

**1. VOICE VOTE – Meeting Minutes (August 13, 2020)**

The Chair asked if there were any comments on the draft minutes of the August 13 2020 Board meeting, and there were none. He asked for a vote to approve these minutes and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the minutes of its August 13, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (August 13, 2020)**

The Chair stated if there are any comments on the draft Executive Session Minutes of the August 13, 2020 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 a roll call of the directors on the videoconference, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the Executive Session minutes of its August 13, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Ms. Liss remarked that today’s “light” agenda in no way reflects the level of activity at MassDevelopment. With respect to funding, numerous programs all had recent grant rounds, as follows. The Collaborative Workspace program opened in June and closed in September, receiving 67 applications. The Technical Assistance program opened August 10 and closed September 4, offering $310,000 in available funding. The Brownfields Redevelopment Fund round opened August 14 and closes September 18, for $2.5 million in available funding. The new Transportation Infrastructure Enhancement Fund opened August 21 and closes September 21, although a request to extend the question & answer period is being considered. There is a *Site Readiness* program funding round currently underway and approval today of the vote at Tab 17 will enable the Transformative Development Initiative (“TDI”)/ *TDI Local* program to deploy another round of funding immediately to respond to the COVID-19 pandemic emergency. The Cultural Facilities Fund Advisory Committee will meet next week, and the level of interest and activities in Devens is increasing.

In other news, Ivette Olmeda, the Worcester TDI Fellow, will receive an Innovation Award from MassInc. at an event scheduled for October 22. Ken Goode is retiring at the end the month after 20 years with MassDevelopment, and the Agency will miss Ken’s expertise and good humor.

Ms. Liss reminded everyone that, typically, the October Board meeting is held in Devens and a meeting with Devens residents and others usually takes place either immediately following the Board meeting or after a short break. She said staff is reaching out to the stakeholders and others regarding the logistics of holding the Devens Board meeting virtually. Details will be forthcoming.

**STRATEGIC PLANNING**

**3. MassDevelopment FY2021 Agency Business Plan**. For informational purposes only, the Agency’s FY2021 Business Plan summary is attached and made a part of the minutes of this meeting. No discussion of this item took place.

**MARKETING / Communications**

**4.** **Media Report (August 2020)**. 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**

**5. FY2020 Closed Finance Programs Transactions – 3rd and 4th Quarters**. For informational purposes, the Closed Transactions Report is attached and made a part of the minutes of this meeting. Ms. Canter suggested it can be helpful to see all the information in one place from time to time.

**Updates from Executive Vice President, Finance Programs, and Chief Financial Officer**. There was a brief discussion of the loan portfolio. Ms. Canter advised that all first round payment deferrals expired in August and requests for extensions are anticipated. She said the ongoing effects of the pandemic remain unclear on the future pipeline, as well. Accordingly, loan loss reserves are being revised to reflect an increase of 0.49 percent, or $695,000, which will appear as a non-cash “hit” to income in FY2021. Mr. Gerlin advised that several Devens tax payments have been received and deferrals of lease payments on rental properties are expiring. Staff is in the midst of its annual insurance renewal process while the markets are in turmoil.

**BOND TRANSACTIONS**

**6. Bond Detail Memorandum**. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Mr. Chilton provided a brief summary. He advised of a potential change in terms – from a fixed to a floating rate – in the bond transaction for The Brimmer and May School (Tab 10).

The Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 7 – 12, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

**Bonds: Official Actions**

**Official Action Projects without Volume Cap Requests**

**7.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

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

a project of the Equitable School Revolving Fund, LLC, in New Bedford, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $24,960,000.

**8.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

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

a project of the Greater Lawrence Community Action Council, Inc., in Lawrence and Methuen, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $8,000,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Requests**

**9.** Mr. Attia commented on the advantages of refunding this infrastructure transaction and offered kudos to the Agency’s investment banking team. Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, 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:

projects of Fifty Northern Avenue LLC / Eleven Fan Pier Boulevard LLC in Boston; Street Retail, Inc. in Somerville; and NEDRA CHS LLC in Newton, Massachusetts, for the issuance of a Tax-Exempt Special Obligation Bond to refinance such infrastructure projects in an amount not to exceed $54,000,000.

**10.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, 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 Brimmer and May School, in Boston (Chestnut Hill) and Newton, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $17,000,000.

**11.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

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

a project of the Boston Collegiate Charter School Foundation, Inc., in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $12,750,000.

**12.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

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

a project of The Somerville Community Corporation, Inc., in Somerville, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $11,444,274.

**Standing Board Committee Reports**

***Origination & Credit Committee***

Mr. Blake reported that the Origination & Credit Committee met on Tuesday, September 8.

**13. Minutes of Prior Meeting**. For informational purposes only, the minutes of the August 11, 2020 Origination & Credit Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**14. Delegated Authority Report for Loan Approvals (July 2020)**. 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. VOTE – Methuen Street Realty LLC (Lawrence) – $3,817,500 Real Estate Loan Renewal**

Mr. Galligan described this request to re-approve a loan to Methuen Street Realty LLC that was approved under delegated authority in January. The proceeds will support the substantial rehabilitation and conversion of an underutilized warehouse building in a desirable location in downtown Lawrence into 28 market rate rental units. MassDevelopment has been asked to purchase a $1,380,000 interest in the existing loan – to reduce the bank’s lending exposure to its customer so that it may lend on additional projects in conjunction with MassDevelopment. There have been no changes to the property or its cash flow; the only change to the original approval is certain updated financial information for the guarantors and a board approval from an affiliate. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the real estate loan renewal/increase to Methuen Street Realty LLC, as outlined in the memorandum and vote dated September 10, 2020, that are attached and part of the minutes of this meeting.

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

Mr. Kavoogian reported that the Real Estate Development & Operations Committee met on Tuesday, September 8.

**16. Minutes of Prior Meeting**. For informational purposes only, the minutes of the August 11, 2020 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.

**17 – VOTE – TDI – Round 2 of TDI Local Emergency Grants for Small Businesses**

Mr. Koretz explained this request to provide to TDI Districts an additional $510,000 in flexible emergency grant assistance for small businesses impacted by COVID-19 in this second round of such funding through the TDI Local program. He advised that 192 such businesses received funding in the first round, but three of those businesses have since closed permanently. The need for assistance remains significant and these funds, which are available for immediate deployment, were included in the FY2021 budget. Mr. Koretz noted that individual grants are typically between $3,000 and $5,000. MassDevelopment provides funds to municipalities and community groups that have been selected as TDI District Partners and does not oversee or monitor the grant proceeds directly; although the recipients must advise Agency staff as to how the proceeds are used. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the additional $510,000 in TDI Local emergency grant funding, as outlined in the memorandum and vote dated September 10, 2020, that are attached and made a part of the minutes of this meeting.

**18 – VOTE – Devens – Purchase of Hydroelectric Power produced by FirstLight Power Management LLC / Cabot Station / Turners Falls Hydroelectric Power Plants**

Mr. Moore explained this request for authorization to enter into a Power Purchase Agreement (“PPA”) with FirstLight Power for the purchase of power generated by the FirstLight Cabot/Tuners Falls hydroelectric power plant in Montague, Massachusetts, which is anticipated to provide 10 to 20 percent of the total electric power supply needs of Devens over the next 10 years. Hydroelectric power is a qualifying resource for renewable energy under Governor Baker’s climate plan, and participation by the Agency in this PPA will help the Commonwealth reach its the goal of net-zero carbon footprint by 2050. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes the Agency to enter into a PPA with FirstLight Power Management LLC, as outlined in the memorandum and vote dated September 10, 2020, that are attached and made a part of the minutes of this meeting.

**19. 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 activity in Devens continues even under the state of emergency. No new cases of COVID-19 have been reported and the Agency continues to coordinate pandemic-related efforts with the Devens Enterprise Commission (“DEC”) and others. Some recreational activity is occurring and the Agency has even received inquiries regarding cross-country skiing. The seasonal management agreement for Mirror Lake expired as of Labor Day. Parker Charter School is scheduled to open next week; Harvard schools are already back in session.

Ms. Strunkin reminded everyone that the Agency promulgated an emergency regulation, which became effective August 21, prohibiting certain activities that could disturb unexploded ordnance (“UXO”) in Devens and imposing fines of up to $500 for violations. Staff has posted signs warning of the dangers of UXO and the fine. The Devens Jurisdiction Framework Committee met yesterday and voted, in light of the COVID-19 pandemic, to pause its efforts for six months, or less if things improve. The Devens Committee will meet on Monday.

UMass/Donahue Institute released on August 31 an updated study of economic activity in Devens, which has generated favorable press reports. SMC Corp. is building a new “clean room,” for which 60 jobs are open. There has been an uptick in hotel bookings lately due to some recent assignments of U.S. Marines personnel to Ft. Devens. Residents continue to move into Shirley Meadows, the recently opened senior living facility, with one third of the units now occupied and another third spoken for.

**20. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Ms. McKenzie reported that six inquiries have recently been received regarding properties in ***Devens***. In addition, King Street Properties, which recently purchased 26+ acres and an option for 60 more, is working with the DEC on permitting so that it may begin construction this winter. The Agency signed a Letter of Intent (“LOI”) for 111 Hospital Road (approx. 47 acres) with Commonwealth Fusion Systems. It has also presented a Right of Entry Agreement to GFI Partners for 151 Barnum Road (11 acres), which is still under review. An additional LOI is being negotiated for 16 Bulge Road (25 acres at Red Tail Heights) with an international med-tech company that has plans for a two phase project with a research & development component.

Elsewhere, Ms. McKenzie reported that the deadline for responses to a Request for Proposals/Qualifications for property management services at ***1550 Main Street, Springfield***, is September 23. At ***Village Hill, Northampton***, The Community Builders (“TCB”) acquired Lot 13A, a 26 acre parcel on which it plans to construct a 53 unit rental building; TCB will also extend Olander Drive to the site and provide other infrastructure. This acquisition represents the last residential parcel at Village Hill, Northampton, and only three available commercial lots remain. Ms. McKenzie thanked Claire O’Neill for bringing this transaction to closure following Beth Murphy’s recent retirement. In ***Belchertown***, in response to increased interest, a Request for Interest has been issued seeking developers.

Ms. McKenzie advised that the most recent solicitation for funding from the *Commonwealth Places* Real Estate Service Program yielded 55 applications (4 times more than usual), of which 20 projects are being recommended for advancement. Staff is evaluating the timeline for another round of funding. In the *Technical Assistance* program, 40 applications were received – seeking a total of $1.6 million from its most recent grant round with only $310,000 available in funding.

[*Secretary’s Note: At this time in the meeting the Chair asked for one roll call vote, upon motion duly made and seconded, to approve the following: the minutes (Tabs 1 and 2); the bond transactions (Tabs 7 through 12); the lending request (Tab 15), the TDI request (Tab 17) and, finally, the hydroelectric power request (Tab 18). Accordingly, those items were approved as indicated above.*]

**Miscellaneous: Old Business / New Business**

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

There being no further business before the Board of MassDevelopment, the Board Meeting was adjourned in Executive Session at 10:55 a.m.