**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, September 13, 2018**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secy. of Administration & Finance

 James Chisholm

 Karen Courtney

 Michael Kennealy, Designee for Secy. of Housing & Economic Development

 Juan Carlos Morales

 Ellen Zane

DIRECTORS ABSENT: James Blake

 Grace Fey

 Francesca Maltese

 Christopher Vincze

Agency Staff: Robert Ruzzo, Sr. EVP, Deputy Director

 Simon Gerlin, Chief Financial Officer

 Ricks Frazier, General Counsel, Secretary

 Laura Canter, EVP, Finance Programs

 Richard Henderson, EVP, Real Estate

 Meg Delorier, Chief of Staff

 Dena Kavanagh, Deputy General Counsel, Asst. Secretary

 Victoria Stratton, Recording Secretary

 Kelsey Abbruzzese

 Roy Angel

 Frank Canning

 Rob Carley

 Steve Chilton

 Brenda Doherty

 Robert Dolan

 Zack Dovitz

 Jesse Fox

 Tony Fracasso

 Kate Fraser

 Zach Greene

 Joe Grivers

 John Murray

 Leigh Natola

 Jan Nuzzolo

 Aiden O’Garro

 Doug Robinson

 Kelsey Schiller

 Ed Starzec

 Cyndy Tonucci

 Ellen Torres

 Benny Wong

Guests: None

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, September 13, 2018, 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 10:00 a.m. He asked if there were any guests and there were none.

**MINUTES**

**1. VOICE VOTE – Approval of Minutes (August 9, 2018)**

The Vice Chair asked if there were any comments on the draft Minutes of the August 9, 2018 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 August 9, 2018 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (August 9, 2018)**

Noting that the matter contained in the August 9, 2018 Executive Session Minutes is a personnel matter 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, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Executive Session Minutes of its August 9, 2018 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Mr. Ruzzo, SEVP, Deputy Director, reported that on Monday, September 10, he attended a meeting of the Massachusetts Military Task Force, which the Governor also attended, to discuss positioning the Commonwealth’s military assets for favorable consideration in any future Base Realignment and Closure process. Mr. Ruzzo stated that on Tuesday, September 11, he attended a Fallen Firefighter event at the State House, at which a brick inscribed with the name of Lt. Richard F. Stephens, a Devens’ firefighter who passed away late last year, was added to the memorial in a somber and fitting tribute. On Wednesday, September 12, Mr. Ruzzo attended a briefing in Devens with Jim Moore, Utility Manager, Devens, regarding Joint Base Cape Cod; he later attended a ribbon-cutting ceremony at the Christopher Heights Senior Living Center project in Belchertown; still later that afternoon Mr. Ruzzo attended a Women’s Institute event and award ceremony in Boston.

In other news, Mr. Ruzzo reported that the search for a Senior Vice President for Devens is progressing and interviews with potential candidates will commence soon. He advised of recent good byes and hellos at MassDevelopment: Anne Haynes, Director of the Transformative Development Initiative (“TDI”), spent her last day with MassDevelopment on September 4 meeting with four new TDI Fellows (Jessica Martinez for Lawrence; Carlos Matos for Chelsea; Ivette Olmeda for Worcester; and Francisco Torres for Fitchburg) who began working at the Agency that day; Jesse Fox, joined the Real Estate Division on August 20; Ricks Frazier joined the Agency as General Counsel on August 27; and Catherine Fraser, joined the Finance Programs Division on September 4; Kelsey Abbruzzese, Director of Communications, leaves MassDevelopment September 14 after nine years to start her own communications consulting business.

**GENERAL MATTERS**

**3.** **VOTE – Appointment of Board Secretary**

With no discussion and without opposition, 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 appoints Ricks Frazier to the position of Secretary of the Board, as outlined in the memorandum and vote dated September 13, 2018, that are attached and made a part of the minutes of this meeting.

**MARKETING / Communications**

**4.** **Media Report (August 2018)**. 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.

**5. VOTE – Contract for Professional Marketing Services**

Ms. Doherty described this request to approve a new one-year contract with KHJ Integrated Marketing, Inc. (“KHJ”) with an option to extend the contract for two additional terms of one year each, pursuant to a Request for Proposals (“RFP”) for marketing services, to which there were nine responses. After vetting by an internal working group, KHJ was ranked highest, and Ms. Doherty confirmed that KHJ continues to impress. 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 with KHJ Integrated Marketing, Inc., as identified and outlined in the memorandum and vote dated September 13, 2018, that are attached and made a part of the minutes of this meeting.

**Bond Transactions**

* **Overview of I-Cubed Program**

Ms. Canter explained briefly this Massachusetts public infrastructure program, created by statute, to offer tax-exempt bonds to support large scale, private development borrowing. The bonds are repaid by the Commonwealth and there are clawback provisions for projects that do not generate anticipated public benefits. Ms. Canter said the Agency works with the Massachusetts Executive Office of Administration & Finance on this program, and it involves a rather long process. For instance, she noted the length of time from application to the I-Cubed bond issuance for Podium Developer LLC (Tab 6, below) was two years.

Ms. Canter then updated the Board regarding Covanta Holding Corporation (“Covanta”) and a discussion ensued with respect to the Agency’s 2012 bond issuance for Covanta and Covanta’s recent decision to refinance with a private entity in New Hampshire without contacting MassDevelopment to discuss a possible refinancing. Ms. Canter explained the New Hampshire legislation that authorized the transaction and described the lender’s strategy to take bond issuances in other states and share the fee revenue therefrom with the state of New Hampshire. She warned that this may place pressure on the Agency’s fees. Indeed, the Covanta refinancing could have brought approximately $850,000 in fees to the Agency. Absent a legislative response, Ms. Canter stated that MassDevelopment will have to develop a competitive strategy based on price and service. Mr. Ruzzo advised that further discussions of next steps and how to proceed must be undertaken; the Board agreed this is a real issue.

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

a project of Podium Developer LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Infrastructure Bond to finance such project in an amount not to exceed $30,000,000.

**7. Bond Detail Memorandum and Manufacturing Bonds Delegated Authority Report**. For informational purposes only, the Bond Memorandum and Summary, as well as the Manufacturing Bonds Delegated Authority Report, are attached and made a part of the minutes of this meeting. Mr. Chilton reported there are no changes to the materials provided in the September Board book. The Vice Chair asked if there were any recusals on the upcoming bond votes, and there were none.

The Vice Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 8 – 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 Request**

**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 Official Action / Final Approval (“OA/FA”) resolution that is attached and made a part of these minutes regarding:

a project of CIEE, 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 $37,500,000.

**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 Conservation Law 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 $4,500,000.

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

a project of Cooperative Production, Inc., in various locations in southeastern Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $3,104,000.

**Final Approval Projects with Volume Cap Request**

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

a project of O’Connor Senior Housing LLC, in Boston (South Boston), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $11,264,377.

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

a project of Patriot Armored Systems Holding, LLC, in Lee, Massachusetts, for the issuance of a Tax-Exempt Industrial Development Bond to finance such project in an amount not to exceed $3,500,000.

**Bonds: Official Action Approvals**

**Official Action Projects with 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 resolution that is attached and made a part of these minutes regarding:

a project of EAFD Brook Ave Developer LLC, in Boston (Roxbury), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $5,300,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

The Origination & Credit Committee meeting scheduled for Tuesday, September 11, 2018, was cancelled.

**14. Minutes of Prior Meeting**. For informational purposes only, the minutes of the August 7, 2018 Origination & Credit Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**15. Delegated Authority Report for Loan Approvals (July 2018)**. 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.

**16. VOTE – New Garden Park, Inc. (Worcester) – $1,650,000 Loan Modification**

Mr. Angel explained this request to approve $150,000 in additional funding, bringing the total of this loan to $1,650,000, to be used to purchase two more acres of land at the former Worcester State Hospital site adjacent to 44 acres purchased by the Borrower within the last twelve months; the additional acreage will support seven new pad ready sites in this newly created bio-manufacturing park in the City of Worcester (selected via an RFP process issued by the Massachusetts Division of Capital Maintenance and Management (“DCAMM”)), bringing the total of this loan to $1,650,000. 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 $150,000 additional funding for New Garden Park, Inc., as outlined in the memorandum and vote dated September 13, 2018, that are attached and made a part of the minutes of this meeting.

**Community Development**

**17. VOTE – Approval of Collaborative Workspace Program Grants**

Mr. Calnan described this request to approve the award of 28 grants (20 fit-out grants; 8 seed grants) in Round 3 of the Collaborative Workspace Program, pursuant to an RFP, to which there were 68 responses. Mr. Calnan explained the history of this program, including funding sources and the application and award process, as well as success stories from previous rounds, and a brief discussion ensued. He stated that data from previous rounds is still being compiled for an FY2018 Report. The Vice Chair requested that a report regarding the Collaborative Workspace Program be presented to the Board annually. When Mr. Chisholm asked if any unused funds from a particular round go back into the program, Mr. Calnan confirmed they do. When asked if there is a tie-in to the TDI Fellows program, Mr. Calnan advised that the TDI Fellows can and do market this program but there is no direct relationship; recipients do not have to be from Gateway Cities (where TDI Fellows are located) to receive grants from the Collaborative Workspace Program. A brief discussion ensued regarding who received the RFP and the methodology used. 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 award of twenty-eight grants from the Collaborative Workspace Program, as outlined in the memorandum and vote dated September 13, 2017, that are attached and part of the minutes of this meeting.

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

The Real Estate Development & Operations Committee meeting scheduled for Tuesday, September 11, 2018, was cancelled.

**18. Minutes of Prior Meeting**. For informational purposes only, the minutes of the August 7, 2018 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.

**19. Devens and Devens Environmental Updates**. For informational purposes, the Devens Updates are attached and made a part of the minutes of this meeting. There was no discussion of the Updates.

**20. VOTE – Site Readiness Guidelines and FY2019 Schedule**

Calling attention to materials distributed at the meeting, Mr. Starzec described this request to approve revised Site Readiness Program Guidelines and authorize staff to initiate the opening of the FY2019 application round later this month to expend up to $2.5 million in FY2019 funds. Mr. Starzec explained the history of this program, including certain funding sources, and the application and award process. He noted that eight of the twelve selected projects from previous rounds are underway and he described some of these projects in detail. He advised this set of Guidelines replaces the previous version, which had an emphasis on technical assistance; this set contains five eligible categories and there is an emphasis on land acquisition. The Vice Chair requested an annual report on the performance of the Site Readiness Program, as well. 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 revised Site Readiness Program Guidelines and authorizes staff to initiate the opening of the FY2019 application round of funding, as identified and outlined in the memorandum and vote dated September 13, 2018, that are attached and made a part of the minutes of this meeting.

[*Secretary’s Note: At this time, Mr. Starzec explained a typographical error contained the memorandum from the February 8, 2018 Board meeting, regarding the amount of the Site Readiness award of funds for the City of Chicopee, Airport South project; the memorandum stated the award was for $225,200 and the correct amount of the award is and should have been identified as $255,200; the total amount of award funds identified in the vote of February 8, 2018, however, was correct. Accordingly, a Secretary’s Note to this effect has been added to the memorandum dated February 8, 2018.*]

**21. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. With respect to the Whaling City Golf Course, in ***New Bedford***, Mr. Henderson advised the City is working through Article 97 issues with state environmental authorities. In connection with the ***Fall River and New Bedford State Piers***, Mr. Henderson said the Agency is engaged with DCAMM to resolve warehouse issues and with the Department of Conservation and Recreation regarding renovation and repairs at the New Bedford Pier. At ***Village Hill, Northampton***, a groundbreaking by the developer, Sunwood Builders, recently occurred for the co-housing project. In ***Belchertown***, a grand opening event took place on September 12 at the Carriage Grove Christopher Heights multi-generational center. The sale to McInnis USA, Inc., a concrete manufacturer, of a manufacturing facility in ***Devens*** closed in late August; the developers of Emerson Green are doing site work for the next phase of development; recently, meetings have commenced with residents regarding the disposition of Vicksburg Square, and staff is hopeful that public hearings will be scheduled this fall.

With respect to the ***TDI***, Mr. Henderson wanted to extend thanks on the record to Anne Haynes for her tremendous efforts on this initiative over the past four years – for getting the program up and running and getting Fellows on board, among many other achievements. He encouraged Board members to review pps. 28 – 31 of the Statewide Real Estate Projects Updates to see all that is happening in the TDI Districts.

**Miscellaneous: Old Business / New Business**

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

Ms. Delorier advised that next month’s Board meeting will be held in Devens, Massachusetts. The Board meeting will commence at 9:00 a.m., followed at 11:00 a.m. by the annual meeting between the MassDevelopment Board and residents of Devens, as required by the Agency’s Enabling Act. Ms. Delorier advised that details will be provided soon.

There being no further business before the Board of MassDevelopment, the Open Session of the meeting was adjourned at 10:51a.m.