**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

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

**Thursday, November 12, 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

 Joan Corey

 Francesca Maltese

 Juan Carlos Morales

 Kristina Spillane

 Ellen Zane

DIRECTORS ABSENT: James Chisholm

 Christopher Vincze

Agency Staff: 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

Graeme Brown

Jeff Buckley

Denise Callow

Sean Calnan

Rob Carley

Steve Chilton

Nick Giaquinto

Amanda Gregoire

Zach Greene

Joe Grivers

Dena Kavanagh

Will Kidston

Noah Koretz

Andrew Levine

Christine Madore

Leigh Natola

Jan Nuzzolo

Yvette Olmeda

Wendy O'Malley

Claire O'Neill

Rick Pass

Doug Robinson

Kelsey Schiller

Bob Seega

Ed Starzec

Rebecca Sullivan

Cyndy Tonucci

Ellen Torres

Matt Wamback

Bennie Wong

Guests: 617-\*\*\*-\*965 (unidentified caller)

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, November 12, 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 10:01 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 (October 8, 2020)**

The Chair asked if there were any comments on the draft minutes of the October 8, 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 October 8, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

No President/CEO Report was presented today because Ms. Liss was not in attendance. Rather, citing recent announcements/publications regarding Ms. Liss’s reported departure from MassDevelopment at the end of this year, the Chair expressed his regret that she was unable to attend and commended her leadership at MassDevelopment over the past three years, noting the result is a welcome partnership between the Commonwealth and the Agency.

**GENERAL**

**2. Chief Financial Officer Update – 1st Quarter Financials.** For informational purposes, the Agency’s Quarterly Financial Results for the Three Months Ended September 30, 2020, are attached and made a part of the minutes of this meeting. Noting that the first quarter of the fiscal year is typically quiet, Mr. Gerlin advised that it would be premature to draw any firm conclusions regarding the Agency’s financial performance, particularly in light of the COVID-19 pandemic. Highlights included, among other things: investment banking revenue is running ahead of budget (but, as Mr. Gerlin cautioned, this is not representative of a full year, with a light pipeline of potential issuances); the largest use of the Agency’s General Fund is lending activity, with a net outflow of $14.6 million budgeted for FY2021. For Q1, net general fund lending was behind budget, but this was mainly due to some large, approved loans not yet funded. Ms. Zane asked whether the salary budget utilizes an employee vacancy factor, and Mr. Gerlin confirmed that it does. There then ensued a brief discussion regarding anticipated growth rate, timing, reduced costs, and more. Mr. Morales suggested that staff should have a good idea of the mid-year financials by mid-December, and Mr. Gerlin advised the second quarter update is scheduled for February’s Board meeting.

**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.

**4. MassDevelopment’s Diverse Business Enterprises Program – FY2020 Annual Report**. Mr. Fuhrer gave an update on the Agency’s Diverse Business Enterprises (“DBE”) program, reporting an increased percentage of payments to DBE vendors during FY2020 as compared to FY2019. Mr. Fuhrer then advised that MassDevelopment, against a backdrop of racially-motivated violence earlier this year, has renewed its commitment to building a systemic environment of Diversity, Equity and Inclusion (“DEI”), and a DEI Committee has been established to set and meet expectations and goals to that end. Mr. Fuhrer was pleased to announce that Juliette Mayers, a highly-regarded diversity and inclusion consultant, has been engaged to assist the Agency in these efforts; Ms. Mayers will begin her work with MassDevelopment in December. In addition, a full time position will be created to focus on these endeavors, and training for all staff is being developed. Mr. Fuhrer suggested that in order to be successful, this program will require commitment from everyone.

**MARKETING / Communications**

**5.** **Media Report (October 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**

**Update from Executive Vice President, Finance Programs**. Ms. Canter referred to the CFO’s update and financials (at Tab 2, above), noting that while the overall pipeline is “healthy,” it continues to be “slow.” All pandemic-related loan repayment deferrals but one – a brewery loan – have expired. She reported that the Agency considers loans related to affordable housing projects to remain the highest risk of defaults in the loan portfolio.

**Property Assessed Clean Energy (“PACE”)**

**6 – VOTE – Authority to Enter into PACE Agreements**

Noting that 30 municipalities have opted into the PACE program thus far and on the advice of outside counsel, Ms. Canter briefly described this request formally authorizing MassDevelopment to enter into certain Agreements. 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 staff to enter into certain PACE Agreements, as outlined in the memorandum and vote dated November 12, 2020, that are attached and made a part of the minutes of this meeting.

**BOND TRANSACTIONS**

**7. 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, noting no changes from the November Board materials.

The 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 Requests**

**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 Amego, Inc., in numerous southern Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $30,500,000.

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

a project of Friends of Springfield Preparatory Charter School, Inc., in Springfield, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $13,580,000.

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

a project of Hampden Charter School of Science West, in West Springfield, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $7,500,000.

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

a project of the Caring Health Center, Inc. in Springfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $7,270,000.

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

a project of Cardinal Spellman High School, Inc., in Brockton, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $3,000,000

**Final Approval Projects with Volume Cap Requests**

**13.** 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 Truman Apartments LLC, in Cambridge, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $18,700,000.

**Standing Board Committee Reports**

***Audit & Administration Committee***

Mr. Attia reported that the Audit & Administration Committee met this morning for discussion of the Agency’s FY2020 audit with representatives of RSM, its outside audit firm. Mr. Attia reported a successful audit with no recommended adjustments or finding of deficiencies. He commented on MassDevelopment’s smooth transition to addressing the COVID-19 pandemic as a testament to the Agency’s nimbleness. He reported that much of the audit focused on the Agency’s $10 million grant to the Massachusetts Growth Capital Corporation (“MGCC”) and a discussion ensued regarding MGCC’s portfolio and the anticipated levels of repayments of loans from these funds. Because it is not yet known how the borrowers’ businesses are performing, more information will be needed to determine whether the Agency should book any financial reserves against potential defaults.

**14. Minutes of Prior Meeting**. For informational purposes only, the minutes of the July 9, 2019 Audit & Administration Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

***Origination & Credit Committee***

Mr. Blake reported that the Origination & Credit Committee met on Tuesday, November 10, 2020, but did not have a quorum, so no recommendations for votes could be made.

**15. Minutes of Prior Meeting**. For informational purposes only, the minutes of the October 6, 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**

**16. Delegated Authority Report for Loan Approvals (September 2020)**. For informational purposes only, the Delegated Authority Report regarding Loan Approvals is attached and made a part of the minutes of this meeting. Mr. Blake commented on the “excellent” new format of the Report and he congratulated staff and thanked everyone for their thoughtfulness regarding its design.

**Community Development**

**17. Delegated Authority Report for Community Development Approvals (September 2020)**. For informational purposes only, the Delegated Authority Report regarding Community Development Approvals is attached and made a part of the minutes of this meeting. No discussion of the Report took place.

**18.** **Minutes of Brownfields Advisory Group Meeting (July 14, 2020)**. For informational purposes only, the approved minutes of the July 14, 2020 Brownfields Advisory Group meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**19. VOTE – Brownfields Redevelopment Fund – FY2021 Competitive Solicitation – Grant Awards**

Mr. Calnan described briefly this request for approval of five grant awards totaling $1.25 million for projects in Boston, Brockton, Lynn, Seekonk, and Springfield, noting the Lynn project also seeks a Priority Project designation. Mr. Calnan stated that 18 proposals seeking more than $3 million were received and vetted; additional technical assistance will be made available to the 13 applicants not selected in this round. 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 five Brownfields grants for projects in Boston, Brockton, Lynn (also seeking designation as a Priority Project), Seekonk, and Springfield, as outlined in the memorandum and vote dated November 12, 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, November 10. The Committee did not have a quorum, so no recommendations for votes could be made.

**20. Minutes of Prior Meeting**. For informational purposes only, the minutes of the October 6, 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.

**21 – VOTE – Devens – Reappointment of Jessica Strunkin to the Devens Board of Assessors**

Noting the Agency holds a seat on the Board of Assessors in Devens, Mr. Gerlin described this routine request to enable Ms. Strunkin to continue to serve as MassDevelopment’s representative thereon. 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 reappoints Ms. Strunkin to the Devens Board of Assessors, as outlined in the memorandum and vote dated November 12, 2020, that are attached and made a part of the minutes of this meeting.

**22 – VOTE – Springfield – 1550 Main Street – Property Management Contract**

Mr. Greene described this request to award a contract to CBRE, Inc., for property management services at 1550 Main Street, Springfield, calling attention to the vetting and selection process. There were two respondents to a Request for Proposals for these services and both – NAI Plotkin and CBRE – were interviewed; the incumbent, CBRE, exhibited more experience and superior qualifications; CBRE also directly addressed a focus on DEI issues. Further, it was noted that NAI Plotkin has plans to migrate to new finance programs software in January, which could prove disruptive. 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 awards a contract to CBRE for property management services at 1550 Main Street, Springfield, as outlined in the memorandum and vote dated November 12, 2020, that are attached and made a part of the minutes of this meeting.

[*Secretary’s Note:* *Mr. Kavoogian advised the Board that members of his immediate family have a business relationship with CBRE. He, therefore, recused himself from the consideration of the Property Management Services contract. At the time the roll call vote was taken (later in the meeting), he withdrew from the videoconference and did not participate in any discussion, deliberation, or vote on the matter. He returned to the videoconference after completion of the above vote.*]

**# VOTE – Transformative Development Initiative (“TDI”) – Transfer of $250,000 to MassHousing in Support of Neighborhood Stabilization Initiative**

Mr. Koretz explained that when the Neighborhood Stabilization Initiative was first developed, the plan was for MassHousing to take the lead in creating, managing, and housing the program, while MassDevelopment would hire and pay the program manager. The Board approved this plan in June, and $500,000 of TDI funds were scheduled to be transferred to MassHousing for this purpose. Discussions among the parties have since determined that it would be more efficient for MassHousing to have one of its existing staff members manage the program. Accordingly, staff recommends the transfer of the remaining $250,000 from the original $750,000 appropriation to cover two years of salary and fringe for the program manager. 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 transfer of $250,000 in TDI funds to MassHousing to support the Neighborhood Stabilization Initiative, as outlined in the memorandum and vote dated November 12, 2020, that are attached and made a part of the minutes of this meeting.

**23. TDI – Presentation on Main South Business Association**. Mr. Koretz was pleased to introduce Yvette Olmeda, the Agency’s TDI Fellow in Worcester and recipient of a recent Gateway Cities Innovation Award. Ms. Olmeda began her presentation by describing a case study of Worcester’s TDI District, which includes about 5 blocks of 90 percent minority-owned, small businesses in an area of the City known as “Main South.” She described outreach efforts – including communications to business owners in Spanish, convening meetings, making introductions, and recognition of Worcester’s Mayor Petty as a “hero.” Ms. Olmeda noted that these components and others have resulted in the formation of the Main South Business Association, comprised of 22 business owners, that serves the small businesses of the Main South neighborhood. In conclusion, Ms. Olmeda thanked the Board for its ongoing support of TDI Fellows, and Board members agreed it is good hear examples of the mission of the program. The Chair agreed it is essential to have this type of work “on the ground.”

**24. 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 – with respect to the state’s color-coded mapping relative to COVID-19 – that Devens will adopt the protocols applicable to the highest color community within the Devens Regional Enterprise Zone. A copy of the fully executed Collective Bargaining Agreement for Devens firefighters was delivered on October 21. Outreach efforts this month have included a meeting with the new warden of the federal medical facility, a kick-off event for the King Street Properties project, meetings with representatives of Shriver Jobs Corps to discuss planning for the future, and with the Loaves & Fishes food bank, which is currently assisting more than 800 families. Ongoing events at Ft. Devens with the U.S. Marines have kept local hotels thriving. Staff has secured the natural gas supply for Devens through 2023 at a competitive rate. Temporary facilities constructed to treat contamination in the Devens drinking water supply continue to perform without issues. Ms. Strunkin deferred to Ms. McKenzie for updates on Devens’ real estate projects.

* **FY2021 Technical Assistance Projects Update**. Ms. McKenzie advised that forty responses to a recent Request for Proposals have been received, noting this is 30 percent fewer responses than usual. Nine projects are being recommended for advancement.

**25. 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 briefly that negotiations are ongoing regarding a potential sale of property to Commonwealth Fusion Systems in ***Devens***. Three more single-family homes sold in the Emerson Green development for an average price of $585,000, and marketing is underway for seven moderate income units available through a lottery. Applications are due today in the current *Site Readiness* grant round and the upcoming schedule is aggressive.

[*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 (Tab 1); authority to enter PACE agreements (Tab 6); the bond transactions (Tabs 8 through 13); the Brownfields grant awards (Tab 19), the reappointment of Jessica Strunkin to the Devens Board of Assessors (Tab 21), and the transfer of TDI funds to MassHousing (walk-in). An individual vote was taken for the property management contract with CBRE, Inc. (Tab 22), due to the recusal identified above. Accordingly, all 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.

**Executive Session**

* **Litigation Matter**

The discussion of this item occurred in Executive Session.

The Chair advised, at 11:16 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 a litigation matter. The Chair advised that the Open Meeting portion of the Board meeting would adjourn at this time; Board members and staff involved in the discussion(s) were instructed to remain on the videoconference while all others disconnected. 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 11:20 a.m.