**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

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

**Thursday, December 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

 Francesca Maltese

 Juan Carlos Morales

 Kristina Spillane

 Christopher Vincze

 Ellen Zane

DIRECTORS ABSENT: None

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

Ruby Alanoly

John Ambold

Roy Angel

Naomi Baruch

Brandon Braxton

Graeme Brown

Jeff Buckley

Denise Callow

Sean Calnan

Robert Carley

Steve Chilton

Julie Cowan

Mary Ellen DeFrias

Brenda Doherty

Mike Galligan

Nick Giaquinto

Zach Greene

Amanda Gregoire

Joseph Grivers

Michelle Hennigar

Roy Herzig

Brian Horgan

Lisa Kalinowski

Dena Kavanagh

Will Kidston

Brett Kimball

Connie Kirby

Noah Koretz

Andrew Levine

John Marc-Aurele

Jess Martinez

Shyla Matthews

Mike Mitchell

Jim Moore

Dan Morais

Leigh Natola

Jan Nuzzolo

Wendy O'Malley

Claire O’Neill

Julie O’Neill

Doug Robinson

Kelsey Schiller

Robert Seega

Simmee Silton

Pat Sluder

Ed Starzec

Rebecca Sullivan

Cynthia Tonucci

Ellen Torres

Eleni Varitimos

Matt Wamback

Benny Wong

Guests: Allison Corneau, *Eagle-Tribune*

Lisa Lasinski, *Boston Herald*

Andrew Martinez, Bisnow

Al Moynahan, member of the public

Michael Verseckes, Exec. Office of Housing & Economic Development

Unknown reporter, NBC10 Boston

Unknown caller

Unknown caller

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, December 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 10:04 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 use by the general public were included in the Public Notice for this meeting.*]

**MINUTES**

**1. VOICE VOTE – Meeting Minutes (November 12, 2020)**

The Chair asked if there were any comments on the draft minutes of the November 12, 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 November 12, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (November 12, 2020)**

The Chair stated that if there are any comments on the draft Executive Session Minutes of the November 12, 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 November 12, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

The Chair introduced Ms. Liss who, confirming this is her last Board meeting as MassDevelopment’s President and CEO, thanked the members of the Board for the opportunity to lead the Agency for the past three years. On behalf of the Agency, she thanked the Board for its tireless efforts, pointing out that MassDevelopment asks a lot of its Board members for no compensation and little in return. She concluded her remarks with a quote from Martin Luther King, Jr., who said, “The arc of the moral universe is long, but it bends toward justice.”

The Chair added that he has appreciated Ms. Liss’s crucial leadership of MassDevelopment over the past three years, making the Agency a terrific partner, essential in assisting businesses and communities to stabilize. He invited comments, and Mr. Attia said, “MassDevelopment is stronger today thanks to Lauren’s leadership,” and he thanked her for her grace, noting this is not good bye, but good luck. Mr. Vincze thanked Ms. Liss for her grace and professionalism, and Mr. Morales remarked, “the key to walking on water is knowing where the rocks are.”

**GENERAL**

**3. Information Technology Audit and Assessment Update.** For informational purposes, the Agency’s presentation entitled, “Report on the IT Audit and Assessment,” is attached and made a part of the minutes of this meeting. Mr. Pass advised that blumshapiro was retained through a Request for Proposals (“RFP”) process to conduct an audit of the Agency’s Information Technology system(s) and, upon completion, to make recommendations for improvements. Mr. Pass then briefly explained each goal identified by blumshapiro, as follows: (i) transform and enhance processes; (ii) organize and manage all technology initiatives; (iii) provide an IT infrastructure; (iv) maintain security, including such things as an updated written security information plan; (v) promote knowledge and training to end-users; and (vi) control, maintain and improve IT infrastructure. He advised of progress to date, noting the formation of an IT Steering Committee and the development and adoption of governing policy, as well as a project charter template.

**STRATEGIC PLANNING**

**4. 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**

**5.** **Media Report (November 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, and Chief Executive Officer**. Ms. Canter reported there were numerous closings at the end of the second quarter (nine in three weeks). She said bond issuances are strong and, of note, is the financing to renovate the long vacant, former *Lynn Item* building. The City of Boston has opted into the Property Assessed Clean Energy, or PACE, program, making a total of 36 municipalities to date. Ms. Canter commented that the lending portfolio looks good, and only two loans remain with deferred payment terms resulting from the COVID-19 pandemic. A brief discussion of loan loss reserves ensued, particularly related to housing. When asked to speak to the market, generally, Ms. Canter advised that some loan projects are proving more difficult to finance, but the Agency’s assistance is needed more now than ever. Mr. Gerlin stated that while revenue is ahead of budget, one must remember that the budget is operating on a 40 percent lower base. He said staff will have a better idea of the numbers after the first six months of the fiscal year.

**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, noting a minor, immaterial correction with respect to certain dates referred to in the bond issuance for Southcoast Hospitals Group (Tab 8). He noted no other changes from the December Board materials.

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 Action Approvals**

**Official Action Projects with 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 Puddingstone at Chestnut Hill, LLC, in Brookline, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $113,161,146.

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

a project of Southcoast Hospitals Group, 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 $141,000,000.

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

a project of Suffolk University, in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $90,000,000.

**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 Buckingham Browne & Nichols School, in Watertown, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $38,875,000.

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

a project of The Guild for Human Services, Inc., in several Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $22,000,000.

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

a project of Robbins Children’s Programs, Inc., in Attleboro, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $2,900,000

**Standing Board Committee Reports**

***Origination & Credit Committee***

Mr. Blake reported that the Origination & Credit Committee met on Tuesday, December 8, 2020.

**13. Minutes of Prior Meeting**. For informational purposes only, the minutes of the November 10, 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 (October 2020)**. For informational purposes only, the Delegated Authority Report regarding Loan Approvals is attached and made a part of the minutes of this meeting. There was no discussion of this report.

**15. VOTE – Leverage for Charter School Guarantee Program Fund Five**

Confirming capacity, as well as the existence of a robust pipeline of projects for these funds, Mr. Horgan described this request for authority to increase the leverage of the Charter School Loan Guarantee Program’s new Fund Five by 50 percent – or $2.5 million – of the $5 million awarded to the Agency in 2019 by the U.S. Department of Education. This commitment will enable the Local Initiatives Support Corporation to also provide $2.5 million, which in turn will enable the Agency to write a total of $10 million in guarantees from Fund Five. 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 leverage ratio for Charter School Guarantee Program Fund Five, as outlined in the memorandum and vote dated December 10, 2020, that are attached and part of the minutes of this meeting.

**16. VOTE – North Village Lofts, LLC (Holden) – $6,100,000 Commercial Real Estate Loan**

Mr. Angel described briefly this request for a $6.1 million real estate loan for the redevelopment of the former Jefferson Mill on Main Street in Holden into 47 loft style units of market rate housing, in two phases. He noted the Agency has worked with the principals previously, and the loan will require, and is subject to, participation by a third party which will lend 50 percent of the total loan value. 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 $6,100,000 Commercial Real Estate Loan to North Village Lofts, LLC, as outlined in the memorandum and vote dated December 10, 2020, that are attached and part of the minutes of this meeting.

**Community Development**

**17. Delegated Authority Report for Community Development Approvals (October 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.

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

Mr. Kavoogian reported that the Real Estate Development & Operations Committee (the “RE Committee”) met on Tuesday, December 8.

**18. Minutes of Prior Meeting**. For informational purposes only, the minutes of the November 10, 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.

**19.1. Devens – Status of Proposed Public Safety Facility Project and 5-Year Capital Plan**. For informational purposes only, the Status of Proposed Public Safety Facility project presentation and 5-Year Capital Plan are attached and made a part of the minutes of this meeting. No discussion of these materials took place, having been the subject of much conversation at Tuesday’s RE Committee meeting.

**19.2. Devens – 5-Year Cash Flow Projections**. For informational purposes only, the 5-Year Cash Flow Projections for Devens are attached and made a part of the minutes of this meeting. No discussion of these materials took place, having been discussed at length at Tuesday’s RE Committee meeting.

**20 – VOTE – Devens – Contract for Owner’s Project Manager Services of Public Safety Facility**

Calling attention to the revised vote provided today resulting from discussions with the RE Committee, Ms. McKenzie described this request to authorize the Agency to award a contract for Owner’s Project Manager (“OPM”) Services for the Devens Public Safety Facility project, noting that an experienced OPM is required on this type of project. Ms. McKenzie made reference to a 2019 feasibility study and pointed out significant cost savings in renovating an existing structure for this purpose versus new construction. Mr. Kavoogian advised that this is a required preliminary planning step and that the Public Safety Facility will come before the Board again for a status update and discussion prior to advancing the project further. 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 contract for OPM services for the Devens Public Safety Facility, as outlined in the memorandum and revised vote dated December 10, 2020, that are attached and made a part of the minutes of this meeting.

**21 – VOTE – Devens – Residential and Commercial Tax Rates for FY2021**

Mr. Gerlin introduced Ms. Kalinowski who explained this request for approval of the tax rates and residential and commercial shift factors that will be used in setting FY2021 tax rates for Devens and for authorization to implement the residential and commercial tax rates correlating therewith upon recommendation of the Devens Board of Assessors and approval of the Commissioner of Revenue. She advised that decreases in the residential rate (of 2.81%) and the commercial and industrial rates (of 4.16% and 1.89%, respectfully) for FY2021 are possible because property values have increased. A discussion ensued regarding certain agreements addressing payments for municipal services that were executed before the Agency’s authority to assess property taxes was established, and staff was instructed to look into whether a renegotiation of such agreements is feasible. 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 Devens residential and commercial tax rates for FY2021, as outlined in the memorandum and vote dated December 10, 2020, that are attached and made a part of the minutes of this meeting.

**22 – VOTE – Devens – Water – State Revolving Fund Program Loan for Debt Service Authorization for Water Treatment Projects**

Mr. Moore explained this request for authority to proceed with an application for a loan from the Massachusetts Department of Environmental Protection Drinking Water State Revolving Fund (“SRF”) to secure funding up to and including $29.8 million to finance the new Patton and Shabokin water treatment plants, which is necessary to remove contaminants from the raw water supply in Devens. If approved, the SRF loan will amortize over twenty years, with an interest rate of zero percent. Staff submitted a preliminary application to the MassDEP in August and the Board’s approval today will allow staff to proceed quickly if the DEP selects Devens, as anticipated, as a priority project to receive funding. 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 proceed with the SRF process, as outlined in the memorandum and vote dated December 10, 2020, that are attached and made a part of the minutes of this meeting.

**23 – VOTE – Devens – Electric – Delegated Authority to Execute Master Power Supply Agreement Confirmations**

Mr. Moore briefly explained this request for authority to continue to execute certain transaction confirmations from time to time between January 1 and December 31, 2021, as warranted, to secure future electric power supply load requirements for Devens. He noted that securing and hedging recent partnerships in wind-, solar, and hydro-power, move the Agency closer to a net zero carbon footprint and advance the Commonwealth’s renewable energy goals. 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 continue to execute certain electric power transaction confirmations from time to time between January 1 and December 31, 2021, as outlined in the memorandum and vote dated December 10, 2020, that are attached and made a part of the minutes of this meeting.

**24 – VOTE – Devens – Real Estate Broker Contract with Jones Lang LaSalle Americas, Inc.**

Mr. Greene explained this request for authority to select Jones Lang LaSalle as the Agency’s exclusive commercial real estate broker for Devens and authorize staff to negotiate and execute a contract for this purpose. JLL was chosen as the result of an RFP process and recommended unanimously by a vetting committee. Mr. Greene advised that JLL expressly addressed its policies on Diversity, Inclusion and Equity in its response. He noted, too, that going forward the Agency will receive 50 percent of the broker commission when the buyer is introduced by MassDevelopment. When asked if this broker sharing arrangement presents any conflicts, the General Counsel confirmed that the issue will be reviewed, specifically, on a case-by-case basis. 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 contract for exclusive commercial real estate broker services for Devens, as outlined in the memorandum and vote dated December 10, 2020, that are attached and made a part of the minutes of this meeting.

**25. 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 two new cases of COVID-19 in Devens, confirming that efforts in connection with the pandemic are being coordinated with the Devens Enterprise Commission and the local Boards of Health. She referred everyone to the new Devens website, where she said the recently issued Annual Report for Devens can be found. Elections are taking place next Tuesday for two seats each on the Devens Committee and the Devens Education Advisory Committee. The Town of Ayer has received a MassWorks grant for improvements near Verbeck Gate. There are no new incidents involving unexploded ordnances and temporary restrictions related thereto are expected to become permanent over time.

**26. 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 was pleased to inform everyone that MassDevelopment has been reimbursed for all staff costs related to the Myles Standish Industrial Park Expansion project in ***Taunton***, in the amount of $2 million, and she expressed appreciation to the project manager, Mike Mitchell. In ***Belchertown***, Ms. McKenzie reported that the deadline for a Request for Interest has been extended. Twenty-nine applications seeking a total of $12.4 million were received in a recent *Site Readiness* grant program solicitation; staff anticipates bringing recommendation of eleven of these projects to the January Board meeting for the available $3.4 million in funding. A press release for *Technical Assistance* program awards is being issued today.

**HANDOUT. VOTE – Appointment of MassDevelopment President/CEO**

Calling attention to the handout provided, the Chair was pleased to recommend Dan Rivera, currently, the Mayor of Lawrence, to fill the role of President/CEO of MassDevelopment on or about January 1, 2021, upon Ms. Liss’s departure. The Chair remarked that he has known Mayor Rivera for many years and he complimented his management skills and leadership style – citing investments in Lawrence’s public infrastructure and the creation of 2,400 housing units. He noted in particular that the Mayor is very familiar with MassDevelopment’s programs and how to use them. Mr. Vincze was excited about the great selection; he said he worked with Mayor Rivera during the gas crisis in 2018, describing him as “remarkable” and “instrumental.” Mr. Attia agreed, acknowledging that as one looks beyond COVID-19 and the pandemic, the Agency must be impactful and Mayor Rivera’s expertise will be invaluable. 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 selection of Daniel Rivera to serve as President/CEO of MassDevelopment and directs the Chair to negotiate an employment agreement for this purpose, as outlined in vote dated December 10, 2020, that are attached and made a part of the minutes of this meeting.

[*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 requests (Tabs 15 and 16), the Devens-related requests (Tabs 20 through 24), and the appointment of Dan Rivera as the Agency’s President/CEO (hand-out). 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. When asked about the pandemic, the Chair advised that economic recovery is top of the list among the Polito/Baker Administration’s priorities and there is a great deal going on. While COVID cases are indeed rising, there is excitement about the anticipated approval of a vaccine. Mr. Vincze asked if the Chair had any insights with respect to the federal bipartisan stimulus package. The Chair noted the Administration is making final decisions to implement certain small business programs, which will be welcome news. Mr. Attia added that the Executive Office of Administration & Finance is “unpacking every aspect of the stimulus proposal,” and he confirmed the federal government’s focus appears to be on unemployment.

**Executive Session**

**27 – VOTE – Devens – 151 Barnum Road – Proposed Land Sale**

Due to components involving the value of real property in Devens, the discussion of this item was reserved for Executive Session.

* **Litigation Matter**

The discussion of this item occurred in Executive Session.

The Chair advised, at 11:03 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, for discussion and vote on a specific real property transaction in Devens and 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 discussion or business before the Board of MassDevelopment, the Board Meeting ***and*** the Executive Session were adjourned in Executive Session at 11:11 a.m.