

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors
(Hybrid meeting: In person and by Remote Participation)
Thursday, February 16, 2023
10:00 a.m.**

MINUTES

DIRECTORS PRESENT: Yvonne Hao, Secretary of Economic Development, Chair
(*newly appointed*)
Brian Kavogian, Vice Chair
Mark Attia
Jessica Andors
Gary Campbell
Joan Corey
Juan Carlos Morales
Kristina Spillane
Andrew Salmon (*newly appointed*)
Juliann Thurlow

DIRECTORS ABSENT: None

Agency Staff: Dan Rivera, President and CEO
David Abdoo, Chief of Staff
Simon Gerlin, Chief Financial Officer
Ricks Frazier, General Counsel and Secretary
Laura Canter, EVP, Finance Programs
Tania Hartford, EVP, Real Estate
Marcos Marrero, EVP, Community Development
Victoria Stratton, Recording Secretary
Kelly Arvidson
Rob Carley
Jordan Clark, Devens Fire Department
Jennifer Cohen
Conor Glasheen
Ch. Tim Kelly, Devens Fire Department
Noah Koretz
Orlando Lewis
Jim Moore
Claire O'Neill
Geetha Ramani
Cyndy Tonucci
Gary Walker
Amanda Wall

Guests: Leo Monteiro, New Gorham LLC, Guest Speaker
Ashley Stolba, Undersecretary of Community Development

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, February 16, 2023, by Remote Participation, as well as in person (See Secretary’s Note, below), pursuant to notice duly given.

The Chair welcomed everyone and made brief self-introductory remarks, noting she is excited to chair this Board and looks forward to working with everyone. She confirmed the presence of a quorum in the room and/or on the videoconference, and she called the meeting to order at 10:01 a.m. She asked if there were any guests present and there were only those identified.

[Secretary’s Note: It was noted that this Board Meeting was taking place in person, as well as remotely – via zoom videoconference – pursuant to Section 20 of Chapter 20 of the Acts of 2021 Extending Certain COVID-19 Measures Adopted During the State of Emergency, as amended by Section 3 of Chapter 107 of the Acts of 2022, as well as the Agency’s Remote Participation Policy. Access codes for general public use were included in the Public Notice for this meeting.]

MINUTES

1. VOTE – Meeting Minutes (January 12, 2023)

The Chair asked if there were any comments on the draft minutes of the January 12, 2023 Board meeting, and there were none. She asked for a vote to approve these minutes and, upon motion duly made and seconded, by a roll call of the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the minutes of its January 12, 2023 Board meeting, which are attached and made a part of the minutes of this meeting. Having not been present for the January 12th Board meeting, Mr. Salmon abstained from the vote on this matter.

PRESIDENT / CEO REPORT

First, on behalf of MassDevelopment and the other members of the Board, Mr. Rivera welcomed Yvonne Hao, the newly appointed Secretary of Economic Development under the Healey-Driscoll Administration and MassDevelopment’s new Board Chair.

Mr. Rivera then reported the following highlights:

Devens. Mr. Rivera joined U.S. Energy Secretary Jennifer Granholm, Senators Elizabeth Warren and Ed Markey, Lt. Gov. Driscoll, Secy. Hao and others for a ribbon cutting at Commonwealth Fusion Systems, or CFS, in Devens last Friday. CFS is erecting the prototype for a fusion device for use as a commercial energy source (for the first time in history) on property it purchased from MassDevelopment and has an option to purchase an additional 13+ acres in Devens. Later that day, members of this group and other dignitaries also toured the Emergency Assistance Intake Center, which provides aid to eligible homeless families, including temporary shelter, medical and social services, and quickly assigns each client to longer-term housing. The Center consistently hosts between 70 and 80 guests daily and represents an important partnership with the Massachusetts Emergency Management Agency (MEMA) and the Massachusetts Department of Housing and Community Development (DHCD). Certain staff members attended a ribbon cutting at the official opening of Seqens, a French life science company now occupying 67 Buena Vista Street, after outgrowing its previous location of almost 20 years off Jackson Road. Finally, Mr. Rivera offered congratulations to Devens Fire Department’s newest – Firefighter Margaret Gabriel and Firefighter Jonathan Gallardo – who were recognized as honor graduates, placing in the top two in their graduating class.

Transformative Development Initiative (“TDI”). Recently, \$1.52 million in Small Business Support program grant awards were announced to 13 organizations for Gateway City downtowns. These grants will fund such projects as storefront improvement efforts, technical assistance, equipment upgrades, branding and marketing plans, and placemaking.

Black History Month. Yesterday, the Agency’s Culture Council presented “Quantum Leap,” a presentation and discussion of the history of anti-Black racism in America by Michael Curry, President and CEO of the Massachusetts League of Community Health Centers and a past president of the Boston branch of the NAACP.

New Bedford State Pier. The Ferry Boat Program Project is nearing completion (next month) and will ensure safe access to the Seastreak operation, including via a roll on/roll off platform for vehicles to access the ferry boats. The North Wharf Project is in the design development phase with permitting and design documents expected to be in place by the end of CY23.

Housekeeping. Mr. Rivera referred to the Board Information Packets – containing an Agency Overview, current strategic plan, enabling legislation, Agency Bylaws, Organization Chart, map of statewide offices, and more – for Board members to take home and review at their leisure.

2. Employee Introduction(s)

Mr. Rivera advised of the following new hires: Amanda Wall, Deputy General Counsel; Geetha Ramani, VP, Business Development; and Jordan Clark, EMT/Devens Fire Dept, who each made brief comments. He then recognized long-time employees – Simon Gerlin, CFO (10 yrs.), and Orlando Lewis, IT Technician (also 10 yrs.).

Ms. Canter introduced Leo Monteiro of New Gorham LLC, which received a \$2.25 million loan from MassDevelopment, for this project. Mr. Monteiro identified himself as the developer / owner / contractor / laborer / “jack of all” of the 80 Gorham Street, Lowell, project, to redevelop the former “Lowell Hotel” – registered with the historical society and condemned by the City – into 12 market rate residential units with 2 commercial storefront units. With the assistance of visual aids, he described the restoration of the building’s façade, noting they were able to save and clean and reuse 90 percent of the original bricks. He thanked the Board and MassDevelopment for their support.

GENERAL

3. Chief Financial Officer Update – 2nd Quarter Financials

Mr. Gerlin referred to his presentation, noting that Agency revenues have been impacted negatively by timing issues. He noted that the Agency cannot recognize as revenue the receipt of certain grant funds from the Commonwealth until the funds are deployed. He identified an increase in revenue producing properties in Devens, but noted this good news is tempered by increasing costs for utilities. He made reference to land sales in Devens where the sales price can only be recognized as revenue upon the expiration of the Agency’s repurchase rights or actual development of the property. He advised that revenue from the issuance of housing and higher education bonds is ahead of projections. Mr. Gerlin stated that much of the Agency’s activity is funded by outside sources. He called attention to interfund transfers that have been budgeted for programs such as Collaborative Workspace, TDI, and Site Readiness. He noted, however, that there has not been a recapitalization for the Brownfields Fund for several years, so MassDevelopment self-funded the continuation of this important program with \$10 million from the General Fund, with potential future relief from the Commonwealth. With respect to cashflow, Mr. Gerlin referred to revenue from the sale of 1550 Main Street, Springfield, for example, augmented by the recovery of reserves for anticipated capital investments related thereto. On the expenses side, the purchase of the former department store in Greenfield reduced the Agency’s cash. When asked if MassDevelopment has increased lending capacity, Mr. Gerlin said the Agency is limited by both the dollars in its General Fund and by staff’s capacity to initiate loans. Mr. Rivera agreed, but added that MassDevelopment is attempting to increase its lending capabilities and numbers, given current resources. When asked if Finance Programs is adjusting fixed rates on its products, Ms. Canter said generally yes, with exceptions. When the Chair asked if the Agency ever “re-forecasts” during the annual budget process, Mr. Gerlin said typically no. He said the Executive Team feels good about the budget, which is and always will be affected by timing considerations, in addition to the unpredictable nature of real estate transactions. Mr. Rivera added that staff is always monitoring ebbs and flows of the annual budget.

There then ensued a brief discussion of strategy, including defining areas of focus for MassDevelopment; where and how to source good, opportunistic projects; identifying what and where the needs are and how and where to put dollars to work to address those needs.

Noting that budget is driven by strategy, the Chair suggested adding a Strategic discussion to the agenda for the March Board meeting.

4. – VOTE – New Markets Tax Credits – Appointment of Jessica Andors to Advisory Board

There was no discussion of this item. Upon motion duly made and seconded, by a roll call of the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment appoints Jessica Andors as its representative on the MassDevelopment New Markets Tax Credits Advisory Board, as outlined in the memorandum and vote dated February 16, 2023, which are attached and made a part of the minutes of this meeting.

BOND TRANSACTIONS

5. Bond Detail Memorandum

For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Ms. Canter provided a brief summary, noting no changes to the March Board materials.

The Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 6, 7 and 8, calling attention to the recusals as noted below, 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 Project without Volume Cap Request

6. Upon motion duly made and seconded, by a roll call vote of the directors present and/or 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 President and Trustees of Williams College, in Williamstown, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$102,000,000.

[Secretary's Note: The Chair advised that Williams College is her alma mater. She, therefore, recused herself from the consideration of this matter; at the time the roll call vote was taken (later in the meeting), she was disconnected from the videoconference and did not participate in any discussion, deliberation, or vote on the matter.]

7. Upon motion duly made and seconded, by a roll call vote of the directors present and/or 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 Sisters of Saint Anne, d/b/a Anna Maria College, in Paxton, 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.

[Secretary's Note: Ms. Spillane advised of a familial relationship with the Chairman of the Board of Anna Maria College. She, therefore, recused herself from the consideration of this matter; at the time the roll call vote was taken (later in the meeting), she was disconnected from the videoconference and did not participate in any discussion, deliberation, or vote on the matter.]

Bonds: Final Approvals

Final Approval Projects with Volume Cap Requests

8. Upon motion duly made and seconded, by a roll call vote of the directors present and/or 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 Agawam Village LLC, in Ipswich, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$32,500,000.

STANDING BOARD COMMITTEE REPORTS

Origination & Credit Committee

Mr. Kavogian reported that the Origination & Credit Committee met on Tuesday, February 7, 2023.

Lending

9. State Small Business Credit Initiative – Certification

Mr. Kavogian described this federal requirement that the Agency obtain certifications from individual Board members, noting that the form provided should be signed and returned to the Recording Secretary.

10. – VOTE – La Colaborativa, Inc. (Chelsea) – Request to Add Funds to Existing Mortgage

Mr. Endicott described briefly this request to add an additional \$500,000 to this borrower’s existing real estate loan to help cover increasing construction costs. He noted this matter was discussed robustly at the Origination & Credit Committee meeting on February 7. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves the increase in funds to La Colaborativa, Inc., as outlined in the memorandum and vote dated February 16, 2023, which are attached and made a part of the minutes of this meeting.

Real Estate Development & Operations Committee

Mr. Kavogian reported that the Real Estate Development & Operations Committee met on Tuesday, February 7, 2023, to discuss the three requests below.

Real Estate and Devens

11. – VOTE – Devens – Patriot – Moscow Maine On-Shore Wind Power Purchase Agreement

Mr. Moore described this request to authorize the Agency to enter into a Power Purchase Agreement, with Patriot Renewables for wind power, and a brief discussion ensued regarding the cost of “going green.” The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment authorizes the Agency to enter into the requested Power Purchase Agreement, as outlined in the memorandum and vote dated February 16, 2023, which are attached and made a part of the minutes of this meeting.

12. – VOTE – Devens – Brookfield – Brunswick/Fife Brook Hydro Power Purchase Agreement

Mr. Moore described this request to authorize the Agency to enter into a Power Purchase Agreement, with Bear Swamp Power Company LLC and Brookfield White Pine Hydro LLC for hydroelectric power. He called attention to the added value of the pondage capabilities of the hydroelectric power facility in Brunswick, Maine, which is the subject of the Agreement. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment authorizes the Agency to enter into the requested Power Purchase Agreement, as outlined in the memorandum and vote dated February 16, 2023, which are attached and made a part of the minutes of this meeting.

13. – VOTE – Devens – Gas Capacity Transaction Confirmation

Next, Mr. Moore described this request to authorize the Agency to execute certain transaction confirmation(s), as necessary, that will allow MassDevelopment to take advantage of an opportunity to lock in a favorable rate on future Devens natural gas utility requirements, thereby saving millions over the term of the arrangement. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or on the videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment authorizes the Agency to transactions confirmations related to Devens natural gas supply, as outlined in the memorandum and vote dated February 16, 2023, which are attached and made a part of the minutes of this meeting.

INFORMATIONAL ITEMS

14. FY2022 Annual Report on MassDevelopment’s Diverse Business Enterprises Program

For informational purposes, the FY2022 Annual Report to the Supply Diversity Office regarding MassDevelopment’s Diverse Business Enterprises Program is attached and made a part of the minutes of this meeting. Ms. Andors began a brief discussion regarding identifying targets and how to measure the Agency’s results versus other similar entities. The Board considered MassDevelopment’s practices in selecting counterparties for its own projects, vendors, land sale transactions, etc. It was suggested that this is a bigger discussion for a future Board meeting.

15. Lending – Delegated Authority Report for Loan Approvals (December 2022).

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.

16. Lending – Summary Quarterly Portfolio Report

For informational purposes only, the Summary of the Quarterly Loan and Guarantee Portfolio Report as of December 31, 2022, is attached and made a part of the minutes of this meeting. There was no discussion of this report.

17. Media Report (January 2023).

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.

[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); the appointment of Ms. Andors to the New Markets Tax Credits Advisory Board (Tab 4); the bond transaction (Tab 8); the funding to La Colaborativa, Inc. (Tab 10); and the Devens utilities items (Tabs 11 through 13). Individual votes were taken for the bond issuances for the Presidents and Trustees of Williams College (Tab 6) and The Sisters of Saint Anne, d/b/a Anna Maria College (Tab 7), due to the recusals 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. A brief discussion ensued regarding the Massachusetts Open Meeting Law and the rules pertaining to discussions in Executive Session.

There being no further discussion or business before the Board of MassDevelopment, the Board Meeting was adjourned at 11:27 a.m.