MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

and

MassDevelopment/Saltonstall Building
Redevelopment Corporation

**Meetings of the Boards of Directors**

**Thursday, December 10, 2015**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Jay Ash, Secretary of Housing & Economic Development, Chair

 Gerald Cohen, Vice Chair

 James Chisholm

 Keon Holmes

 Brian Kavoogian

 Patricia McGovern

 Jeffrey Porter

 Elizabeth Thorne, Designee for Secretary of Administration & Finance

DIRECTORS ABSENT: Dennis Kanin

 Christopher Vincze

Agency Staff: Marty Jones, President & CEO

 Simon Gerlin, Chief Financial Officer

 Patricia DeAngelis, General Counsel

 Richard Henderson, EVP, Real Estate

 Laura Canter, EVP, Finance Programs

 Anne Marie Dowd, EVP, Legislative Initiatives

 Meg Delorier, Chief of Staff

 Teresa Patten, Board Secretary

 Victoria Stratton, Recording Secretary

 Kelsey Abbruzzese

 Roy Angel

 Sean Calnan

 Steve Chilton

 Joy Conway

 Zach Dovitz, Legal Intern

 Sarah Eisinger

 Zach Greene

 Anne Haynes

 Thatcher Kezer

 Noah Koretz, TDI Fellow

 Laura Masulis, TDI Fellow

 RJ McGrail

 Matt McSwain

 Joe Mulligan, TDI Fellow

 Leigh Natola

 Deb Rosser

 Lee Smith

Guests: Colin Young, *State House News*

Meetings of the Boards of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) and MassDevelopment/Saltonstall Building Redevelopment Corporation (“M/SBRC”) were held Thursday, December 10, 2015, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notices duly given.

The Chair welcomed everyone and, noting the presence of a quorum, he called the meetings to order at 10:04 a.m. He asked any guests present to introduce themselves and the reporter from *State House News* did so.

[*Secretary’s Note: All matters below are matters that were before the MassDevelopment Board except those specifically indicated as being before the M/SBRC Board.*]

[*Secretary’s Note: The paragraph numbers below refer to Tab numbers in the materials for the December Board and Committees meetings.*]

**Minutes**

**1. VOICE VOTE – Approval of Minutes (November 12, 2015)**

The Chair asked if there were any comments on the draft Minutes of the Open Session of the November 12, 2015, Board Meeting, and there were none. He asked for a vote to approve these Open Session Minutes and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Open Session Minutes of its November 12, 2015, Board Meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (November 12, 2015)**

The Chair called attention to the revised Minutes provided today, noting that the matters in these Executive Session Minutes are not completed matters 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 the revised Minutes of the Executive Session of the November 12, 2015, Board Meeting and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the revised Executive Session Minutes of its November 12, 2015, Board Meeting.

[*Secretary’s Note: For the following item only, it was noted that the Board was acting in its capacity as the M/SBRC Board of Directors.*]

**3. VOICE VOTE – Approval of M/SBRC Executive Session Minutes (November 12, 2015)**

Noting that the Board Secretary has advised that the matters in these Executive Session Minutes are not completed matters and that any comments regarding these Minutes must be reserved for Executive Session, the Chair asked if there were any questions or comments on these Executive Session Minutes, and there were none. Therefore, he asked for a vote to approve the Minutes of the Executive Session of the November 12, 2015, M/SBRC Board Meeting and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors of M/SBRC approves the Executive Session Minutes of its November 12, 2015, Board Meeting.

[*Secretary’s Note: For the remaining items, it was noted that the Board was now acting solely in its capacity as the Agency Board.*]

[*Secretary’s Note: Ms. Thorne arrived at the meeting at 10:11 a.m. She did not participate in any discussions or votes of the minutes at Tabs 1, 2, or 3, above.*]

[*Secretary’s Note: At this time, Mr. Greene commenced a video recording of the President’s Report and noted that a link to the recording* (<http://intranet.massdevelopment.com/2015/12/14/presidents-report-december-10-2015/>) *would be made available to staff on the Agency’s internal Intranet.*]

**President/CEO’s Report**

Ms. Jones informed the Board of numerous events she attended over the past several weeks, including an event with the MetroBoston Housing Partnership, at which awards were presented to Amy Anthony and Helene Solomon. She participated in Mass Inc.’s annual Gateway Cities Summit, at which MassDevelopment conducted three informative, well attended sessions regarding the Transformative Development Initiative (“TDI”) and discussed opportunities presented by the Agency’s partnership with the National Resources Network, which the Board may recall approving at its meeting last month.

Ms. Jones advised that MassDevelopment has in the past convened a large annual half-day seminar for non-profit partners. This year, the Agency has opted to convene smaller groups on a more frequent basis. The first breakfast in this new series was recently held at Bentley University and addressed tax-exempt bond financing for universities and colleges.

There was a great public event in Lynn marking state and federal collaboration to assist in Lynn’s economic development and Ms. Jones also attended a follow-up roundtable event in connection therewith. A breakfast roundtable was also convened in Devens to address the needs of the businesses there. The biggest issues identified by Devens’ businesses continue to be related to workforce and transportation, for example, connecting with and getting workers from the larger surrounding communities of Fitchburg, Gardner, and Leominster, for instance, to Devens and back. Ms. Jones said the Devens breakfast roundtable is likely to become a quarterly event.

The developer of the Devens Grant Round housing project and its marketing team updated Ms. Jones and staff at an informative recent meeting. The marketing team indicated a positive response to the housing product(s) made available by the developer; it also espoused the developer’s willingness to work with the bifurcated market that has been identified (a mix of young families versus empty-nesters) to tweak the product(s) to suit the needs of the buyer(s).

The Brownfields Redevelopment Fund Advisory Group met on December 3rd. Ms. Jones indicated the Fund is just about depleted, and timely discussions have begun regarding possible bond financing as a potential source of recapitalization for this important program. The New England Council Board, of which MassDevelopment is a member, held a meeting this month that Ms. Jones attended at which discussions focused on initiatives that are common to all New England states. She also attended a meeting of the Economic Development Planning Council, held at Greentown Labs in Somerville, at which the Council voted to support the Governor’s Economic Development plan, expected to be announced soon.

Ms. Jones noted an important meeting this evening between the Chief Information Officers of such entities as MIT, Lincoln Labs, Mitre, and others, and the Department of Defense (“DoD”), where the hope is to encourage the DoD to become more engaged with the military bases in Massachusetts.

Ms. Jones spent a day in Springfield with Mayor Sarno and others and toured many sites, including MassDevelopment’s recently acquired building and the historic park at Stearns Square where she learned, among other things, about many artistic sculptures in need of repair before they can be re-installed at the park. Ms. Jones also attended a meeting with Speaker DeLeo where they discussed Brownfields, manufacturing and the TDI; she also met with Rep. Daniel Hunt (D–Dorchester) to discuss challenges regarding increased housing and declining industry in his district.

Ms. McGovern was pleased to share positive and unsolicited comments she has received regarding MassDevelopment and Ms. Jones, in particular. She felt it was wonderful feedback and offered her congratulations to the entire Agency. Ms. Jones thanked Ms. McGovern on the Agency’s behalf.

[*Secretary’s Note: At this time, Mr. Greene terminated the video recording of the President’s Report.*]

**GENERAL MATTERS**

***Walk-in*. VOICE VOTE – Board Committee Membership Appointments**

Attention was called to the list provided today and, after review, with no discussion or objections, the Chair asked for a vote and, upon motion duly made and seconded, it was

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the appointments of Mr. Chisholm to the Origination & Credit Committee and the Manufacturing & Defense Sectors Committee and of Mr. Kavoogian to the Origination & Credit Committee and the Real Estate & Operations Committee, the latter of which he will Chair, as outlined in the list provided today, attached and part of the minutes of this meeting.

**4. VOICE VOTE – Appointments of Board Members**

With no discussion or objections, the Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the appointments of Mr. Holmes to the Emerging Technology Fund Advisory Committee and of Mr. Porter to the New Markets Tax Credits Advisory Committee, as outlined in the memoranda dated December 10, 2015, attached and part of the minutes of this meeting.

Ms. Jones advised that the newest Board member Christopher Vincze has been appointed but not yet sworn in. He is expected to be present for the January Board meeting.

**Strategic Planning**

**5. MassDevelopment FY2016 Strategic Themes and Business Plan Goals**. For information purposes only, the Agency’s Strategic Themes and Business Plan Goals is attached and part of the minutes of this meeting. No discussion of this item took place.

**MARKETING / Communications**

**6.** **Media Report (November 2015)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for November 2015 are attached and part of the minutes of this meeting. No discussion of these items took place.

[*Secretary’s Note: The Chair stepped out of the meeting momentarily at 10:25 a.m., and the Vice Chair conducted the following deliberation, discussion, and vote.*]

**Bond Transactions**

**7. Bond Detail Memorandum**. Mr. Chilton noted the following changes from the December Board materials: the proposed bond issuances for The Trustees of Hampshire College (Tab 16) and Community Alternative Residential Environments, Inc. (Tab 17) have been removed from consideration; additionally, a revised resolution has been added regarding Low Income Housing Tax Credits for a project of Cottage Brook Apartments Limited Partnership, previously approved by the Board.

Ms. Canter commented that while MassDevelopment remains the primary issuer of tax-exempt bond financings in the Commonwealth, there now also exists the potential for out-of-state issuers to operate in Massachusetts. She mentioned an issuer from Wisconsin, specifically, that has issued one bond in Massachusetts in recent years. She noted that one of the proposed bond issuances before the Board today (Trinity Health Corporation at Tab 14) originates in another state (Michigan), but she wanted to assure the Board that staff is watching this bond issuance very closely, and the Agency and others have filed legislation to make sure that out-of-state bond issuers must observe the same requirements as issuers from Massachusetts. The legislation, SB115, is pending in the Committee for Small Businesses.

The Chair then asked if there were any recusals on the upcoming bond votes, and there were, as follows:

Mr. Holmes disclosed to the Board that Partners Healthcare System, Inc. (Tab 11) and Bentley University (Tab 13) are clients of his employer Cambridge Associates and, therefore, he will recuse himself from any discussions, deliberation, and votes on the proposed bond issuances to these entities and leave the room during the deliberation and votes on these matters.

Mr. Porter disclosed to the Board that the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (“Mintz”), of which he is a member, currently represents or previously represented, in either the matters before the Board or in other matters, parties involved in the proposed bond issuances for The Advent School Corporation (Tab 8 – Mintz represents MassDevelopment), Partners Healthcare System, Inc. (Tab 11 – Mintz is bond and borrower counsel), UMass Memorial Health Care, Inc. (Tab 12 – Mintz is underwriter counsel), Bentley University (Tab 13 – Mintz is underwriter counsel), Trinity Health Corporation (Tab 14 – Mintz is counsel to the underwriter Bank of America), and Cottage Brook Apartments Limited Partnership (a colleague is on the board of Eastern Bank, the purchaser and distributing agent) and, therefore, he will recuse himself from any discussions, deliberation, and votes on these proposed bond issuances and leave the room during the deliberation and votes on these matters.

The Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 8 – 19, 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 without Volume Cap Request**

**8.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of The Advent School Corporation, in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $9,000,000.

[*Secretary’s Note: Having previously recused himself from this matter, Mr. Porter left the room and did not participate in any discussion, deliberation, or vote on the matter.*]

[*Secretary’s Note: The Chair returned to the meeting at 10:30 a.m. He did not participate in the discussion or vote on the matter at Tab 8 above.*]

**9.** See below (after Tab 13).

**10.** See below (after Tab 9).

**Final Approval Projects without Volume Cap Request**

**11.** See below (after Tab 14).

**12.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution(s) for Official Action / Final Approval (“OA/FA”) attached and part of these minutes regarding:

a project of UMass Memorial Health Care, Inc., in several Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $225,000,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**13.** See below (after Tab 11).

**14.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Trinity Health Corporation, in Springfield and West Springfield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $25,000,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**11.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the OA/FA resolution(s) attached and part of these minutes regarding:

a project of Partners HealthCare System, Inc., in numerous Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $665,000,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter. Having also previously recused himself from this matter, Mr. Holmes left the room and did not participate in any discussion, deliberation, or vote on the matter.*]

**13.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the OA/FA resolution(s) attached and part of these minutes regarding:

a project of Bentley University, in Waltham, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $40,555,000.

[*Secretary’s Note: Having previously recused themselves from this matter and left the room, Messrs. Holmes and Porter did not participate in any discussions, deliberation, or votes on these matters. They returned to the meeting room after completion of the above votes.*]

**Official Action Projects without Volume Cap Request (cont’d)**

**9.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Harbor Health Services, Inc., in Brockton, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $8,200,000.

**10.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Venture Community Services, Inc., in several Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $3,100,000.

**Final Approval Projects without Volume Cap Request (cont’d)**

**15.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of the YMCA of the North Shore, Inc., in several Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $16,100,000.

**16.** This item was removed from consideration.

**17.** This item was removed from consideration.

**Final Approval Projects with Volume Cap Request**

**18.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Washington Heights Preservation Limited Partnership, in Worcester, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $28,000,000.

**Low Income Housing Tax Credits (“LIHTC”) Bond Issuer Tax Code Findings**

**19.** Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Washington Heights Preservation Limited Partnership, in Worcester, Massachusetts, making findings regarding and for providing assistance for an annual allocation by DHCD of federal LIHTCs.

***Walk-in*.** Clarification was made that this resolution is before the Board for approval to change the amount of LIHTCs included in the proposed bond issuance for Cottage Brook Apartments Limited Partnership, as approved by the Board at its meeting in October 2015. Upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Cottage Brook Apartments Limited Partnership, in Boston, Massachusetts, making findings regarding and for providing assistance for an annual allocation by DHCD of federal LIHTCs.

[*Secretary’s Note: Having previously recused himself from this matter, Mr. Porter left the room and did not participate in any discussion, deliberation, or vote on the matter. He returned to the meeting room after completion of the above vote.*]

**Standing Board Committee Reports**

***Manufacturing & Defense Sectors Committee***

Mr. Porter reported that the Committee met on Tuesday, December 8, 2015, and was presented with thorough and detailed updates of upcoming programs and events, in particular, the DoD meetings commencing this evening and over the next several days. Mr. Chisholm noted there is much going on with respect to the military, and interested parties are working to narrow the scope of various discussions. Ms. Clark advised as to the current status and activities of the Advanced Manufacturing Collaborative.

**20. Minutes of Prior Meeting**. For information purposes only, the minutes of the November 9, 2015, Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

***Walk-in*. VOTE – Natick Soldier Squad Research Institute – Delegated Authority for Contract for Requirements Study**

Ms. Dowd briefly described this request to delegate authority to the President and CEO to enter into a contract for up to $300,000 to the successful proposer to complete a requirements study for the application of civilian uses for a new shared facility to expand operational relevance. The two responses to the Request for Proposals (“RFP”) are still being vetted. The contract awardee, once determined, will study the business case for a soldier squad performance center at Natick’s Soldier Systems Center. There exists the potential to involve numerous Massachusetts technology and medical facilities in this endeavor, as well as academia, which will all be authorized under the contact. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment delegates authority to the President and CEO to enter into the contract for a requirements study, as outlined in the memorandum and vote dated December 10, 2015, attached and part of the minutes of this meeting.

***Origination & Credit Committee***

The Vice Chair reported that the Committee met on Tuesday, December 8, 2015, without a quorum, so discussions only took place; no recommendations for votes were made.

**21. Minutes of Prior Meeting**. For information purposes only, the minutes of the November 9, 2015, Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place. The Vice Chair advised that revisions would be made to these minutes as requested by the Committee to more accurately reflect certain discussions at the meeting.

**Lending**

**22. Delegated Authority Report for Loan Approvals (October 2015).** For information purposes only, the Delegated Authority Report regarding Loans is attached and part of the minutes of this meeting. No discussion of the Report took place.

**23. VOTE – Request for Approval of New Loan Program to Finance Rental Housing Projects Permitted under MGL Chapter 40B**

Ms. Canter described this request to approve a new lending capability to finance rental housing projects that are seeking local permitting under Chapter 40B, and a brief discussion ensued. Ms. Canter noted this new product would help to alleviate some of the demand on the Commonwealth’s limited volume cap available for affordable housing; it would be similar to lending for rental housing in that it would look like tax-exempt bond financing, but it is not bond financing. Loan limits would be the same as for the Agency’s current general fund rental housing financing, and the Agency would be placed in first position. The Chair wanted to know how many projects the Agency expects to finance under this program, and Ms. Canter said staff does not anticipate many of these types of projects, maybe ten; it’s a special niche in affordable housing. The Board was reminded that MassDevelopment is one of four agencies with authority to issue Permit Eligibility Letters under Chapter 40B, and the Chair asked about the relationship between these agencies and whether this new program would be helpful or competitive. Ms. Jones advised that these four agencies – MassHousing, the Dept. of Housing and Community Development, the Massachusetts Housing Partnership, and MassDevelopment – meet on a regular basis to coordinate initiatives, discuss legislation, and share information and updates on projects and operational matters. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the new loan program to finance housing projects permitted under MGL Chapter 40B, as outlined in the memorandum and vote dated December 10, 2015, attached and part of the minutes of this meeting.

**24. VOTE – Worcester Center for the Performing Arts, Inc. (Worcester) – $1,000,000 General Fund – Real Estate Mortgage Loan**

Mr. Angel described this request for a $1 million commercial real estate loan to help finance the build out of first floor space in the Hanover Theatre in downtown Worcester, as well as renovations to an adjacent building to attract a restaurant tenant. There is already an interested chef who runs a successful restaurant locally and wants to expand and include a catering business. The building is unencumbered, and MassDevelopment would be in the first mortgage position. The Vice Chair called attention to the revised vote provided today that incorporates a condition requested by the Committee that a signed lease for the restaurant space must be in place prior to the loan closing. Accordingly, the Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the requested real estate loan mortgage loan, subject to the terms of the memorandum and revised vote dated December 10, 2015, attached and part of the minutes of this meeting.

**25. VOTES – Biomedical Research Models, Inc. (Worcester) – $500,000 ETF Term Loan Guaranty and $500,000 ETF Working Capital Line of Credit and $170,000 General Fund Equipment Loan**

Mr. Angel described this request for a term loan guaranty, working capital line of credit, and equipment loan to assist this contract research organization (“CRO”) to relocate, and for expansion and build-out at its new location. Mr. Porter wondered about the fate of this type of technology in light of advances in the industry, and Mr. Angel assured the Board this CRO fulfills services for many in the life/sciences industry with respect to certain industry requirements that remain in place. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the requested term loan guaranty, working capital line of credit, and equipment loan to Biomedical Research Models, Inc., subject to the terms of the memorandum and vote dated December 10, 2015, attached and part of the minutes of this meeting.

**26. VOTE – LexVest Chapel, LLC (Pepperell) – $2,250,000 CREM Revised Loan Terms**

Mr. Angel described this request to revise the terms of a prior approval of a commercial real estate mortgage for a higher loan amount, a slightly lower interest rate, and a lower commitment fee. Mr. Angel explained certain changes in circumstances, including the departure of a tenant from the mortgaged property. He noted that the LTV will remain at 75 percent, and the owner/investor is putting in a $500,000 guarantee. The Vice Chair recalled some history of this transaction, including the original request for $3 million; Mr. Angel advised of a slight reduction in project costs and Ms. Canter confirmed that after further investigation the borrower did not need the full $3 million to break even. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the requested revised $2,250,000 commercial real estate mortgage to LexVest Chapel, LLC, subject to the terms of the memorandum and vote dated December 10, 2015, attached and part of the minutes of this meeting.

**27. VOTE – New Garden Park, Inc. (Worcester) – Extension of Matured $2,500,000 Bridge Loan**

Calling attention to the materials provided today, Mr. Angel described this request to approve an extension for up to six months of the maturity date on a $2.5 million Agency bridge loan in connection with a multi-layer financing transaction to allow New Garden Park, Inc. additional time to negotiate repayment or refinancing of this matured debt obligation with the borrower. When the Chair asked if Mr. Angel had any long-term concerns, Mr. Angel said he did not, and the company believes it will be cash flowing soon. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the requested extension of a bridge loan to New Garden Park, Inc., subject to the terms of the memorandum and vote dated December 10, 2015, attached and part of the minutes of this meeting.

**Community Development**

**28. Delegated Authority Report for Community Development Approvals (October 2015).** For information purposes only, the Community Development Delegated Authority Report is attached and part of the minutes of this meeting. No discussion of the Report took place.

**29. VOTE – Request for Reserve Cash in Brownfields Redevelopment Fund to Backstop General Fund Loans for Environmental Site Assessment and Remediation**

Ms. Canter described this request to reserve the remaining uncommitted cash (approx. $650,000) and certain future loan repayments in the Brownfields Redevelopment Fund as a backstop for losses on environmental assessment and remediation loans that the Agency would capitalize from its General Fund. With little remaining cash, the Fund would have to stop making financing commitments of any sort in the very near term. This reserve will preserve the program’s capacity to make loans for the foreseeable future. The Chair asked about the likelihood of repayment in the pipeline, and Ms. Canter advised that number could be as much as $4 million in the next few years.

Mr. Porter advised that certain Board members met recently to discuss the status of the Brownfields Redevelopment Fund and strategies related thereto, including ways to be proactive rather than reactive. Mr. Porter said he thinks that as staff begins to implement the program requested herein, the demand for this loan product will grow, and he expressed his support for this request. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the loan program and requested reserve of uncommitted cash in the Brownfields Redevelopment Fund as a backstop for losses, as outlined in the memorandum and vote dated December 10, 2015, attached and part of the minutes of this meeting.

**30. VOTE – Holyoke Redevelopment Authority, 84 Sargeant Street (Holyoke) – $2,000,000 Brownfields Grant**

Mr. Calnan described this request for Priority Project Designation and up to $2 million in grant funding to help facilitate the redevelopment of the former Parsons Paper Mill in Holyoke, in order to keep a business in the Commonwealth that could potentially relocate to another state. MassDevelopment has been involved in discussions regarding this project for many years and has made recommendations during that time, but was unable to offer any financial assistance for various reasons until now. The majority of the former mill was destroyed by fire in 2008 and the debris of the mill buildings, comingled with oil and other contaminants, is the focus of the clean-up efforts. The mill building(s) will be remediated and renovated, thirty jobs will be added (and seventy jobs will be saved), and a solar field will be installed as well, with all expansion expected to be complete by mid-2017. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the requested $2,000,000 Brownfields grant to the Holyoke Redevelopment Authority, subject to the terms of the memorandum and vote dated December 10, 2015, attached and part of the minutes of this meeting.

***Walk-in*. – Brownfields – Trinity Border Street LLC (East Boston) – Proposed Changes to Financing Terms**

Due to components involving financial and commercial information regarding the business of this applicant for financial assistance from the Agency, the discussion of this applicant for financial assistance from the Agency occurred in Executive Session later in the meeting.

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

The Vice Chair reported that the Committee met on Tuesday, December 8, 2015.

**31. Minutes of Prior Meeting**. For information purposes only, the minutes of the November 9, 2015, Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**32. Devens and Devens Environmental Updates.** For information purposes only, the Devens and Devens Environmental Updates are attached and part of the minutes of this meeting. No discussion of these items took place.

The Chair then announced that this meeting of the MassDevelopment Board also constitutes a public hearing under law regarding the setting of tax rates for the commercial and residential classes or property in Devens and that, after presentation of the request, if anyone present has any comments on this matter, they will be allowed to present those to the Board.

**33. VOTE – Devens – Approval of Fiscal Year 2016 Real Estate Tax Rates**

Mr. Gerlin briefly explained the request that the Board approve the tax rates and residential and commercial shift factors that will be used in setting FY2016 tax rates for Devens and authorize the Agency to impose the residential and commercial tax rates correlating therewith upon recommendation of the Devens Board of Assessors and approval of the Massachusetts Commissioner of Revenue. He noted that certain Tax Increment Financing arrangements (“TIFs”) are coming to an end, and companies such as Bristol-Myers Squibb and Maxant Industries, and others, which have been benefiting from TIFs will begin paying regular property taxes soon. He described the formula used in setting the rates and noted this equates to an increase to an average tax bill of 1.69% for residential, 2.63% for commercial, and 3.51% for industrial; the average assessed valuation increase from FY2015 to FY2016 for the residential class is 1.81%, 3.33% for the industrial class, and 2.45% for the commercial class. Mr. Gerlin noted that details regarding this annual request may be found in the presentation at Tab 33 of the December Board materials, attached and part of the minutes of this meeting. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously,

VOTED: that the Board of Directors of MassDevelopment approves the tax rate and the residential and commercial shift factors that will be used in setting FY2016 tax rates for Devens and authorizes the Agency to impose the residential and commercial tax rates correlating therewith, as outlined in the memorandum and vote dated December 10, 2015, attached and part of the minutes of this meeting.

[*Secretary’s Note: The Board Secretary then informed the Board members that their signatures are required on a Classification Tax Allocation form certifying this hearing and vote occurred, in connection with the approval above, to be provided to the Massachusetts Department of Revenue, Bureau of Accounts and that she will circulate the form for signature after the meeting.*]

**34. Statewide Real Estate Projects Updates.** Mr. Henderson reported that the tenant at Jodrey Pier in ***Gloucester*** has patched the roof in an effort to defer maintenance and get through the winter. In both ***Taunton*** and ***Belchertown***, the Agency is seeking bids for the next phase of demolition. At ***Village Hill, Northampton***, the Christopher Heights assisted living facility is open for business, the sale of the Upper Ridge area closed, and there is an important meeting tonight with the Planning Board.

In ***Devens***, there has been no word from the Chinese visitor who toured the area and the vacant barracks in Vicksburg Square last month in connection with a potential project involving a preparatory facility for Chinese high school students to transition to American colleges. The sale of the first phase of Devens Village Green closed yesterday; this phase – of single family homes selling in the $400,000s – is almost completely pre-sold. Four responses have been received to an RFP regarding a senior living facility in the Shirley Growth Area, and staff is vetting them carefully.

With respect to ***Municipal Services***, Mr. Henderson said there was a good workshop regarding so-called “downtowns” and industrial land and buildings. Also, the Agency is exploring opportunities to extend water and sewer services from Devens to service other developments.

There is a lot going on regarding the ***TDI***, including cleaning up the SkyPlex building in Springfield and meeting with potential tenants. Staff is in the process of identifying three additional TDI Districts in which a dedicated Fellow will be placed; five responses have been received to an RFP regarding the selection of Fellows for these additional Districts. In addition, ninety-nine responses have been received to a Request for Expressions of Interest regarding co-working opportunities. Lastly, Ms. Jones advised that the First Year of TDI Report was prepared and presented; Ms. Jones asked Ms. Haynes to provide a link thereto in an email to all Board members.

**35. Lawrence – 370 Essex Street – Project Update**

Due to components involving valuation of real property and potential purchase and sale and lease terms and ongoing litigation, the discussion of this item occurred in Executive Session.

**36. VOTE – TDI – Purchase of Unit 7, 200 Merrimack Street (Haverhill)**

Due to components involving valuation of real property and potential purchase and sale terms, the discussion of and vote on this item occurred in Executive Session.

**37. VOTE – Village Hill, Northampton – Sale of Lot 12B, Earle Street, to VCA, Inc.**

Due to components involving valuation of real property and potential purchase and sale terms, the discussion of and vote on this item occurred in Executive Session.

**EXECUTIVE SESSION**

The Vice Chair then advised, at 11:20 a.m., that, pursuant to MGL Chapter 30A, the Boards of Directors of MassDevelopment and M/SBRC were going into Executive Session, following a roll call vote, which was taken and unanimously voted in favor, to discuss the value of real property and potential purchase and sales and lease terms of real property in Haverhill, Lawrence, and Northampton, as well as to discuss pending litigation and the financial and commercial information of an applicant for Agency financings. The Chair instructed all persons who are not Board members or staff involved in these matters to leave the room. He noted that the Board will reconvene in Open Session following Executive Session.

[*Executive Session held*]

**OPEN SESSION RESUMED**

The Chair reconvened the Open Session of the MassDevelopment and M/SBRC Board meetings to record the following vote.

**32. VOICE VOTE – Brownfields – Trinity Border Street LLC (East Boston) – Proposed Changes to Financing Terms**

Following discussion in Executive Session, the Chair asked for a vote and, upon motion duly made and seconded, it was unanimously, by the directors present and voting,

**VOTED:** that the Board of Directors of MassDevelopment approves a change in the terms of a Brownfields Redevelopment Loan previously approved for Trinity Street Border LLC to allow a change in the repayment period, as discussed in Executive Session.

[*Secretary’s Note: Mr. Holmes exited the meeting immediately following the above discussion in Executive Session at 11:43 a.m. He was not present for the above vote on Tab 32 in Open Session.*]

There being no further business before the Boards of MassDevelopment or M/SBRC, the meetings were adjourned at 12:00 noon.