

MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors
Thursday, September 14, 2023
10:00 a.m.**

MINUTES

DIRECTORS PRESENT: Yvonne Hao, Chair
Brian Kavogian, Vice Chair
Jessica Andors
Gary Campbell
Kaitlyn Connors (*via videoconference*)
Juan Carlos Morales
Juliann Thurlow

DIRECTORS ABSENT: Joan Corey
Dan O’Connell
Kristina Spillane

Agency Staff: Dan Rivera, President and CEO
David Abdoo, Chief of Staff
Sean Calnan, Acting General Counsel
Marcos Marrero, EVP, Community Development
Tania Hartford, EVP, Real Estate
Cyndy Tonucci, Interim EVP, Finance Programs
Victoria Stratton, Recording Secretary
Roy Angel, SVP, Lending

Guests: Bo Menkiti, Founder, The Menkiti Group
Ashley Stolba, Undersecretary of Community Development,
Executive Office of Economic Development (“EED”),
Acting Chair

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, September 14, 2023, at the Agency’s offices at 99 High Street, Boston, Massachusetts, pursuant to notice duly given.

The Acting Chair advised that the Chair was delayed. She welcomed everyone and, confirming the presence of a quorum in the room and via videoconference, called the meeting to order at 10:04 a.m. She asked if there were any guests and there were none.

[Secretary’s Note: It was noted that this Board Meeting was taking place in person, as well as remotely – via zoom videoconference –in accordance with Chapter 2 of the Acts of 2023, as well as the Agency’s Remote Participation Policy.]

MISSION MOMENT

Mr. Rivera called attention to the new format of today's meeting Agenda and process.

- **President/CEO's Report**

Mr. Rivera reported the following highlights:

Agency News. MassDevelopment has been informed that it has received a State Energy Financing Institution, or SEFI, Certification by the U.S. Dept. of Energy, which allows the Agency to partner with the Dept. of Energy to finance significant energy-related projects, in alignment with MassDevelopment's Climate Bank partnership(s); the Agency is the first entity to be so designated in the state.

Healey-Driscoll Administration. Deputy Director Theresa Park and several EVPs and Senior Managers will join Mr. Rivera for an in-person meet-and-greet with Secretary Ed Augustus and his team at the new Executive Office of Housing and Livable Communities later this month. Meanwhile, Mr. Rivera and the MBTA's Assistant Secretary for Climate, Hayes Morrison, met with Massachusetts Dept. of Transportation Acting Secretary Monica Tibbets-Nutt last month to discuss respective missions and possible collaboration opportunities.

Devens. A partial settlement agreement has been reached in litigation with Veterans, Inc. on its claim to the buildings at Auman and Bates Streets. The Agency will commence rehabilitation of the units immediately and the new service provider can begin assisting veterans with an array of services. Devens hosted and was a significant partner – with the Nashoba Valley Chamber of Commerce and the surrounding towns – in the “Nashoba Valley Celebration of Service” on Rogers Field August 19th; this 2nd annual family-friendly event featured fireworks, food trucks, a beer tent, bands, local vendors, and more.

State Piers. Following a review by the Administration, it will be necessary to resolicit the New Bedford State Pier Redevelopment project and staff expects to reissue a revised Request for Proposals, or RFP, in the Fall. The Gloucester State Pier hosted a celebration event that showcased the importance of the fishing industry in Gloucester and the region.

[Secretary's Note: The Chair arrived at the meeting during the President's Report above, at 10:08 a.m., and took her seat and assumed chairing duties. Mr. Angel and the guest speaker arrived at the meeting immediately following the President's Report, at 10:17 a.m.]

- **Guest Speaker**

Mr. Angel introduced Bo Menkiti, the founder of The Menkiti Group, who made a lengthy presentation regarding development projects in Massachusetts and elsewhere.

[Secretary's Note: Following the presentation above, the guest speakers departed the meeting, at 10:50 a.m.]

STANDING BOARD COMMITTEES

Origination & Credit Committee

Ms. Thurlow reported that the Origination & Credit Committee met on Tuesday, September 12, 2023.

Real Estate Development & Operations Committee

Mr. Kavogian reported that the Real Estate Development & Operations Committee met on Tuesday, September 12, 2023. A discussion ensued regarding the need to develop a policy to address owner versus non-owner recipients of Tax Increment Financing, or TIF, arrangements, from MassDevelopment. The Chair suggested keeping the matter on the Agenda (Tab 3, below) for approval, with staff to develop such policy. Messrs. Kavogian and Morales agreed that at the very least, a conversation must take place to understand the landlord's position/windfall as a result of the transaction at issue.

CONSENT AGENDA

Noting a recusal on the approval of one grant at Tab 5, the Chair asked for a vote to approve all Consent Agenda items below (Tabs 1 through 11), without discussion or opposition, and, upon motion duly made and seconded, by a roll call of the directors present and/or via videoconference, it was, unanimously

1. VOICE VOTE – Meeting Minutes (August 10, 2023)

VOICE VOTED: that the Board of Directors of MassDevelopment approves the minutes of its August 10, 2023 Board meeting, which are attached and made a part of the minutes of this meeting.

2. VOTE – Massachusetts Growth Capital Corporation (Charlestown) – Allocation transfer of \$6 million to MassDevelopment to finance the State Small Business Credit Initiative (“SSBCI”) pipeline

VOTED: that the Board of Directors of MassDevelopment authorizes the Agency to accept the \$6 million allocation transfer from Massachusetts Growth Capital Corporation for the SSBCI pipeline, as outlined in the memorandum and vote dated September 14, 2023, which are attached and made a part of the minutes of this meeting.

3. VOTE – Devens – Approval of TIF Agreement for 39 Jackson Road

VOTED: that the Board of Directors of MassDevelopment authorizes the Agency to negotiate and enter a TIF Agreement in connection with property at 39 Jackson Road, Devens, with the tenant Ascend Elements, Inc., as outlined in the memorandum and vote dated September 14, 2023, which are attached and made a part of the minutes of this meeting.

4. VOTE – Gloucester (Jodrey) Pier – Approval of lease modifications

VOTED: that the Board of Directors of MassDevelopment authorizes the Agency to enter into amended leases with Cape Seafoods, Inc., as outlined in the memorandum and vote dated September 14, 2023, which are attached and made a part of the minutes of this meeting.

5. VOTES – One Stop for Growth – Approval of grant applications for four Agency programs: Brownfields; Collaborative Workspace; Site Readiness; Underutilized Properties

VOTED: that the Board of Directors of MassDevelopment authorizes the Agency to award the grants identified in the materials in each of the respective programs, with the exception of the Underutilized Properties grant to Lawrence CommunityWorks due to a recusal (see Secretary’s Note, below), as outlined in the memoranda and votes dated September 14, 2023, which are attached and made a part of the minutes of this meeting.

VOTED: that the Board of Directors of MassDevelopment authorizes the Agency to award the \$600,000 grant to Lawrence CommunityWorks, as outlined in the memorandum and vote dated September 14, 2023, which are attached and made a part of the minutes of this meeting.

[Secretary’s Note: Ms. Andors disclosed that her employer is Lawrence CommunityWorks, the recipient of an Underutilized Properties program grant. She, therefore, recused herself from the consideration of this individual grant; she exited the meeting room for a moment and did not participate in the vote on the matter above. She returned at the conclusion thereof.]

6. Bond Detail Memorandum

It was noted that the Board would vote on the approval and findings for the matters in Tabs 7 through 11 to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended. There was no discussion or presentation of the bond transactions; there was no opposition.

Bonds: Official Action Approvals

Official Action Projects with State Volume Cap Requests

7. Upon motion duly made and seconded, by the directors present and/or via 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 Windward Supportive LLC in Rowley, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed \$7,300,000.

8. Upon motion duly made and seconded, by the directors present and/or via 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 YNS Affordable Housing, Inc., in Gloucester, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed \$7,250,000.

Bonds: Final Approvals

Final Approval Project without State Volume Cap Request

9. Upon motion duly made and seconded, by the directors present and/or via videoconference, it was, unanimously

VOTED: that the Board of Directors of MassDevelopment approves and adopts the Official Action / Final Approval resolution that is attached and made a part of these minutes regarding:

a project of Applewild School Incorporated in Fitchburg, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$13,000,000.

Final Approval Projects with State Volume Cap Request

10. Upon motion duly made and seconded, by the directors present and/or via 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 32 Marion Apartments LLC in Brookline, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$39,900,000.

11. Upon motion duly made and seconded, by the directors present and/or via 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 CCC River LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$21,816,800.

STRATEGIC DISCUSSION

- **General Fund**

Mr. Rivera referred to a powerpoint provided to the Board members previously (a copy of which is attached and made a part of the minutes of this meeting), calling attention to capital issues, the BlumShapiro analysis conducted in 2019 and its impacts, fundamentals, and more. While MassDevelopment is supposed to be a self-sustaining entity, Board members expressed concerns that more dollars are going out than coming in and wondered how MassDevelopment intends to turn that around.

A frank discussion ensued regarding Agency “investments” (i.e., certain self-funded programs, including, for example, the Brownfields Redevelopment Fund and the Transformative Development Initiative, or TDI, and others) versus restricted funds (i.e., Devens, the Emerging Technologies Fund, the Cultural Facilities Fund, others). Mr. Rivera reminded everyone that the Commonwealth has not committed any funding for certain important Agency programs and pointed to this as the reason why MassDevelopment is not self-sustaining; he suggested that a recapitalization of Brownfields and TDI, for instance, for one year would go a long way. The Chair and Undersecretary Stolba advised that there are no guarantees of recapitalization; Ms. Connors cautioned that there are numerous “asks” related to the budget. The Chair stated that the budget is not within her or the Agency’s control and perhaps the focus of today’s discussions should be on what *is* within

MassDevelopment's control. In light of this, Mr. Morales suggested that continuing to fund programs that provide little or no return on investment, or ROI, is a not sustainable, particularly if such funds could potentially finance other endeavors. Ms. Andors disagreed, noting that the very nature of quasi-public entities like MassDevelopment is to plant the seeds with programs like Brownfields and TDI so that the communities in which the projects are located may reap the rewards. She agreed that the state has an obligation to make a long-term commitment to these kinds of programs.

Mr. Morales clarified that while he acknowledges and commends the Agency's mission and community service, in the event that no funding is forthcoming (from the state or otherwise), then MassDevelopment will need to restructure certain business practices. Ms. Thurlow added that there comes a point at which one must discontinue funding that produces no ROI. Mr. Kavogian suggested that what is needed is an accurate operating budget that clearly reflects "off budget" items that would need to be recapitalized in order to continue. Ms. Conners advised that it would be helpful to have a list of what programs the Agency can and cannot do without state support. Ms. Andors felt it is important to quantify important programs, and Ms. Thurlow wondered how one documents the private dollars spurred by these types of programs. Mr. Rivera mentioned, as well, the political impact of such programs. In conclusion, the Chair requested the preparation of a self-sustaining budget for discussion at the next Board meeting and going forward, including what programs the Agency can and cannot continue without Commonwealth funding.

INFORMATIONAL ITEMS

12. Community Development – Quarterly Report

For informational purposes only, Community Development Quarterly Report is attached and made a part of the minutes of this meeting. There was no discussion of this Report.

13. One Stop for Growth – Approval of grant applications for Commonwealth Places program and Real Estate Services Technical Assistance program

Information regarding grant awards in two additional Agency programs through the Commonwealth's One Stop for Growth portal is attached and made a part of the minutes of this meeting. No discussion of this item took place.

14. Lending – Delegated Authority Report for Loan Approvals (July 2023)

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. Media Report (August 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.

MISCELLANEOUS: OLD BUSINESS / NEW BUSINESS

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

EXECUTIVE SESSION

16. VOTE – Devens – Sale of 27 Antietam Street

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

The Board Secretary advised, at 11:32 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 matters involving the value of real properties in Devens, Massachusetts, and terms of potential land valuation, purchases, and leases, the discussion of which in Open Session would have a detrimental effect on the Agency's negotiating position(s). The Board Secretary 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.]

There being no further discussion or business before the Board of MassDevelopment, the Board Meeting was adjourned at 11:34 a.m.