

**MASSACHUSETTS DEVELOPMENT FINANCE AGENCY**

**Meeting of the Board of Directors  
(Hybrid meeting: *In person and by Remote Participation*)  
Thursday, June 8, 2023  
10:00 a.m.**

**MINUTES**

DIRECTORS PRESENT: Yvonne Hao, Chair  
Brian Kavoojian, Vice Chair  
Jessica Andors  
Joan Corey  
Kaitlyn Connors  
Juan Carlos Morales (*via videoconference*)  
Andrew Salmon  
Juliann Thurlow

DIRECTORS ABSENT: Gary Campbell  
Kristina Spillane

Agency Staff: Dan Rivera, President and CEO  
David Abdoo, Chief of Staff  
Simon Gerlin, Chief Financial Officer  
Sean Calnan, Acting General Counsel  
Tania Hartford, EVP, Real Estate  
Marcos Marrero, EVP, Community Development  
Cyndy Tonucci, Interim EVP, Finance Programs  
Victoria Stratton, Recording Secretary  
Caretha Anderson  
Roy Angel  
Kelly Arvidson  
Rob Carley  
Mike Galligan  
Conor Glasheen  
Lisa Kalinowski  
Jim Moore  
Jessica Muldoon  
Simmee Siltan  
Rebecca Sullivan  
Eleni Varitimos  
Bettina Vildort  
Gary Walker  
Amanda Wall  
Benny Wong

*Approved:  
July 13, 2023*

Guests: Ashley Stolba, Undersecretary of Community Development,  
Executive Office of Economic Development (“EOED”)

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, June 8, 2023, at the Agency’s offices at 99 High Street, Boston, Massachusetts, pursuant to notice duly given.

The Chair welcomed everyone and, confirming the presence of a quorum in the room and via videoconference, called the meeting to order at 10:03 a.m. She asked if there were any guests and there were no additional guests present.

*[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.]*

## **MINUTES**

### **1. VOTE – Meeting Minutes (May 11, 2023)**

The Chair asked if there were any comments on the draft minutes of the May 11, 2023 Board meeting, and there were none. Having not attended this meeting, Ms. Connors abstained from this vote. The Chair 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 via videoconference, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the minutes of its May 11, 2023 Board meeting, which are attached and made a part of the minutes of this meeting, noting one abstention.

### **2. VOTE – Special Meeting Minutes (May 24, 2023)**

The Chair asked if there were any comments on the draft minutes of the May 24, 2023 Special Board meeting, and there were none. Having not attended this meeting, Ms. Andors and Mr. Kavogian abstained from this vote. The Chair 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 via videoconference, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the minutes of its May 24, 2023 Special Board meeting, which are attached and made a part of the minutes of this meeting, noting two abstentions.

## **PRESIDENT / CEO REPORT**

Mr. Rivera reported the following highlights:

*Financings.* MassDevelopment added another brewery financing to its portfolio when it announced recently a \$250,000+ equipment loan to Harper Lane Brewery, Middleborough's first brewery and taproom. The Agency is also looking to finance Hotplate Brewery in Pittsfield.

*Events.* The Board Chair and EOED staff are working with the Administration's Economic Development Planning Council to conduct a series of information sessions around the state in connection with the Administration's Economic Development Plan. Upcoming dates include: June 12 at Roxbury Community College; June 19 at Northern Essex Community College in Haverhill; June 20 in Chatham, Cape Cod. Mr. Rivera recently attended a listening session concerning the Post-Pandemic Economy, hosted by the Federal Reserve Bank of Boston, focused on the labor and housing markets, and state and local government fiscal health. He also attended a ribbon-cutting for the Berkshire Family YMCA Pittsfield branch (recipient of a \$5 million loan from the Agency), with Sen. Markey and other dignitaries. Last week, Mr. Rivera and MassDevelopment's Deputy Executive Director, Theresa Park, and the Deputy Director of the Transformative Development Initiative ("TDI"), Anabelle Rondon, represented the Agency at the Massachusetts Supplier Diversity Office's Excellence in Supplier Diversity Awards and accepted a citation presented to MassDevelopment from Gov. Healey.

*Healey-Driscoll Administration.* Edward Augustus, the former City Manager of Worcester, has been appointed to lead the Administration's new Executive Office of Housing and Livable Communities; on June 1, he became the Commonwealth's first Housing Secretary in more than 30 years.

*Devens.* Clear Path for Veterans New England dedicated its new courtyard and flagpole in a Memorial Day ceremony. The Public Safety Facility project is on track for a financing vote by this Board at the August Board meeting; the project was posted in the *Central Register* earlier this month and the bid advertisement date was yesterday.

### **3. Employee Introduction(s)**

Mr. Rivera reported that Mike Galligan, VP Commercial Lending Northeast Region, is retiring at the end of June after 24 years with the Agency. He advised of the following anniversary: Brett Kimball, Sr. Financial Analyst (10 years). He then introduced the following new hires – Caretha Anderson, HR Specialist; Bettina Vildort, Loan Administrator, and Jessica Muldoon, VP of Asset Management (to oversee the three state piers managed by MassDevelopment) – who each made brief comments.

**GENERAL**

**4. VOTE – Agency FY2024 Operating and Capital Budget**

Mr. Gerlin offered details of the budget materials provided in the June Board Book. [The parentheticals in this section refer to the page numbers of the budget materials.] He called attention to: the receipt of \$15 million in federal State Small Business Credit Initiative, or SSBCI, funding; the Property Assessed Clean Energy, or PACE, program is growing; in Devens, capital improvements are being made, including firefighter equipment, which includes a new ambulance and fire truck; roads and bridges are being repaired; and improvements to Veterans’ housing are commencing (p. 3). With respect to Profit & Loss (p. 5), he said the data are skewed by Devens numbers and timing issues.

Mr. Morales commented on the budgeted and sharp decline of the General Fund, and Mr. Gerlin, referring to the Fund’s history to frame the discussion (p. 11), stated that the General Fund is difficult to predict. He pointed to various investments (p. 13), including TDI Equity investments, recapitalization of the Brownfields Fund and TDI programs, and grantmaking, and noted the ability to make fewer loan disbursements in FY23 and FY24 than historically. Mr. Morales said he did not recall this level of liquidity in the prior six years and opined that a discussion regarding long term liquidity will be needed. Mr. Gerlin agreed that the General Fund is at the lowest level it’s been in his tenure; he acknowledged difficulties going forward, noting the well is running dry.

Ms. Andors wondered about the strategy regarding funding going forward; she mentioned the Brownfields Fund, for instance, pointing out that since its inception until last year (when MassDevelopment self-funded this important Fund because the Commonwealth’s budget contained no allocation for it), the Brownfields Fund had been fully funded by the Legislature. Mr. Rivera advised that discussions are taking place with legislators and others regarding the recapitalization of this and other popular programs. Undersecretary Stolba added that “people are definitely talking” about the Brownfields Fund, and Ms. Andors encouraged Board members and others to reach out to their legislators and others for this purpose.

When the Chair inquired as to whether and what the “rule of thumb” is with respect to the General Fund balance, Mr. Rivera said the benchmark balance is roughly \$40 million. Mr. Gerlin called attention to MassDevelopment’s ability to pivot; he referred to success stories of the Agency using its General Fund for good (p. 9); he noted that Investment Banking has had a good year in FY2023 (p. 22); bond transactions used all the volume cap allocated this year and the Agency hopes for a generous reallocation of volume cap in FY2024.

The discussion then turned to budget assumptions for FY2024, including revenue, expenses, salary and fringe, and more. The FY2024 budget includes a 5 percent Cost of Living Adjustment, or COLA, for most staff; Executive Team members will receive a 3 percent COLA. With respect to Restricted Funds (p. 27), Mr. Gerlin said this is the last year of the Taxi Infrastructure Enhancement Fund, or TIEF. He referred to the “head count slide” (p. 28), as well as explaining the division of staff/salary costs paid by the General

Fund versus Restricted Funds (p. 29), noting, too, that certain projects (including, for instance, the North Wharf project in New Bedford) receive 5 percent in administrative costs.

A discussion then ensued regarding strategy and, noting the Agency is “thinly capitalized,” Mr. Kavoojian asked if there is anything MassDevelopment should be doing structurally, and/or if there is a loan structure to recapitalize the General Fund. Suggesting that “this is not the year to cut back on lending,” he wondered whether or not the Agency could and should borrow to lend. Mr. Rivera stated that MassDevelopment is balancing getting the dollars out to the communities it serves against getting revenue back, as well as refocusing on the receipt of capital and operating dollars. The recent receipt of \$15 million in federal SSBCI funding is helpful.

Acknowledging that budget concerns are not going to be resolved today, Board members suggested that conversations between MassDevelopment’s Executives and EOED and the Legislature take place regarding the Agency’s leveragability and building sustainable revenue. The Chair agreed. Following this discussion, the Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or via videoconference, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the FY2024 Operating and Capital Budget for MassDevelopment, as presented and 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. Sullivan provided a brief summary, noting no changes to the June Board materials.

The Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 6 through 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 Project without State Volume Cap Request**

**6.** Upon motion duly made and seconded, by a roll call of 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 Benjamin Franklin Cummings Institute of Technology, in Boston (Roxbury), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$30,000,000.

### **Official Action Project with State Volume Cap Request**

7. Upon motion duly made and seconded, by a roll call of 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 361 Centre St LLC, in Boston (Jamaica Plain), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed \$25,000,000.

### **Bonds: Final Approvals**

#### **Final Approval Projects without State Volume Cap Requests**

8. Upon motion duly made and seconded, by a roll call of 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 (“OA/FA”) resolution that is attached and made a part of these minutes regarding:

a project of Gordon College, in Wenham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$15,000,000.

9. Upon motion duly made and seconded, by a roll call of the directors present and/or via 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 Mary Ann Morse Healthcare Corp. in Framingham and Natick, Massachusetts, for the issuance of a Tax-Exempt Non Profit Housing Bond to finance such project in an amount not to exceed \$14,900,000.

**10.** Upon motion duly made and seconded, by a roll call of the directors present and/or via 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 Mental Health Association, Inc., in Chicopee, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$7,047,000.

**11.** Upon motion duly made and seconded, by a roll call of the directors present and/or via 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 City on a Hill Foundation, Inc., in Boston (Roxbury), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed \$2,500,000.

### **Final Approval Project with State Volume Cap Request**

**12.** Upon motion duly made and seconded, by a roll call of 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 SEHC Elizabeth Brook Apartments Limited Partnership, in Stow, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed \$25,774,124.

### **STANDING BOARD COMMITTEES**

#### **Origination & Credit Committee**

Ms. Thurlow reported that the Origination & Credit Committee met on Tuesday, June 6, 2023. The Committee discussed the loan below, as well as a presentation regarding Cobblestone Management, LLC's annual review of the Agency's loan portfolio.

## **Lending**

### **13. VOTE – Gradam, LLC (Walpole) – Commercial Real Estate Loan – SSBCI Fund**

Mr. Angel introduced and made brief comments in honor of Mike Galligan’s retirement at the end of June. Noting certain terms of the financing, Mr. Galligan then briefly described this request for a \$5,925,000 loan under the federal SSBCI program. Loan proceeds will help support the construction of a new, much-needed veterinary hospital, pain management center and animal neurology facility in Walpole; since opening in 2019, demand for such specialty veterinary services has continued to outpace the borrower’s capacity. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or via videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves the SSBCI Loan to Gradam, LLC, in Waltham, Massachusetts, as outlined in the memorandum and vote dated June 8, 2023, which are attached and made a part of the minutes of this meeting.

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

It was reported that the Real Estate Development & Operations Committee did not meet this month. The Chair called upon Mr. Moore to present the following items.

## **Real Estate and Devens**

### **14. VOTE – Devens – FY2024 Electric Rate Adjustments**

Calling attention to significant increases in the cost of electric power supply over the past year (citing National Grid’s rate increase of 21 percent, for instance), Mr. Moore was pleased to request approval of a decrease to the Electric Rate(s) in Devens for FY2024, which will result in overall electric rate decreases of between 3 and 4 percent depending on the customer’s rate class. While still making sure of the ability to cover any increased costs incurred by the Agency, Mr. Moore said he hopes to come back with an additional rate reduction in the months ahead. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or via videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves the FY2024 Electric Rate Adjustments, as outlined in the memorandum and vote dated June 8, 2023, which are attached and made a part of the minutes of this meeting.

### **15. VOTE – Devens – FY2024 Water Rate Adjustments**

Mr. Moore briefly described this request to approve an adjustment to the Water Rate(s) in Devens for FY2024, which results in a 9 percent increase. The Chair asked for a vote and,



upon motion duly made and seconded, by a roll call of the directors present and/or via videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves the FY2024 Water Rate Adjustments, as outlined in the memorandum and vote dated June 8, 2023, which are attached and made a part of the minutes of this meeting.

**16. VOTE – Devens – FY2024 Sewer Rate Adjustments**

Mr. Moore briefly described this request to approve an adjustment to the Sewer Rate(s) in Devens for FY2024, which results in an 8 percent increase. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or via videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves the FY2024 Sewer Rate Adjustments, as outlined in the memorandum and vote dated June 8, 2023, which are attached and made a part of the minutes of this meeting.

Following the above matters, there ensued a brief discussion regarding cost recovery for utilities improvements, and reserves.

**17. VOTE – Devens – Hospital Road Substation Transformer Purchase**

Mr. Moore briefly described this request to enter into a contract to purchase two substation transformers for the Hospital Road Substation Upgrade project. He provided details of the four responses to the bid solicitation for this project, noting that the two lowest priced respondents did not comport with the project’s timeline and their stated prices were not firm. Given its firm low price and critical delivery time(s), the Agency recommends entering a contract with Virginia Transformer Corp. The Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors present and/or via videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves the Hospital Road Substation Transformer purchase from Virginia Transformer Corp., as outlined in the memorandum and vote dated June 8, 2023, which are attached and made a part of the minutes of this meeting.

**QUARTERLY REPORTS**

**18. Community Development – Quarterly Update**

With respect to the Transformative Development Initiative, Mr. Marrero reported that TDI Fellows are and have been “on the ground” and working hard for nine months, and Technical Assistance has been launched in all 13 TDI Districts. The TDI Creative Cities grant program, sponsored by the Barr Foundation, is “going gangbusters;” indeed, the Barr

*Approved:  
July 13, 2023*

Foundation has invited MassDevelopment to apply for another round of program funding. In addition, most of the dollars in the TDI Equity Investments program have been committed.

In other Community Development news, eleven grants totaling just over a half a million dollars were recently awarded in the FY2023 Community Health Center Grants program, and the demand for this program remains as strong as ever. Mr. Marrero offered kudos to Kelly Arvidson for educating banks regarding the federal SSBCI program, which it was noted survived the recent debt ceiling debate in Washington. Finally, the Agency has partnered with the Council of Development Finance Agencies, or CDFA, on a Minority Capital Loan Guarantee program to help reduce systematic barriers for marginalized populations to access capital. MassDevelopment's Community Development and Finance Programs divisions are working closely on this partnership and will be designing a pilot this summer emphasized on small loans (less than \$350,000) weighted towards character-based lending, revenue-based lending and/or social capital collateral.

#### **INFORMATIONAL ITEMS**

##### **19. Community Development – TDI Creative Catalyst Grants – Round 4 Awards**

For informational purposes only, information regarding TDI Creative Catalyst Grant Awards is attached and made a part of the minutes of this meeting. There was no discussion of this item.

##### **20. Lending – Delegated Authority Report for Loan Approvals (April 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.

##### **21. Media Report (May 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.

*[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);*

*Approved:  
July 13, 2023*

*the bond transactions (Tabs 6 through 12); the Lending request (Tab 13); and the Devens matters (Tabs 14 through 17). Accordingly, all items were approved as indicated above.]*

There being no further discussion or business before the Board of MassDevelopment, the Board Meeting was adjourned at 11:26 a.m.