**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

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

**Wednesday, November 10, 2021**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Ashley Stolba, Designee for Secretary of Housing & Economic Development, Chair

 Brian Kavoogian, Acting Chair

 James Chisholm

 Joan Corey

 Francesca Maltese

 Juan Carlos Morales

 Kristina Spillane

DIRECTORS ABSENT: Mark Attia, Designee for Secretary of Administration & Finance

 Ellen Zane

Agency Staff: Dan Rivera, President and CEO

 Theresa Park, SEVP and Deputy Director

 Simon Gerlin, Chief Financial Officer

 Ricks Frazier, General Counsel and Secretary

 Laura Canter, EVP, Finance Programs

 Cassandra McKenzie, EVP, Real Estate

 Jessica Strunkin, EVP, Devens

 Marcos Marrero, EVP, Community Development

 Tania Hartford, EVP, Operations and Chief of Staff

 Victoria Stratton, Recording Secretary

Rob Anderson

Hillary Andrews

Roy Angel

Kelly Arvidson

Naomi Baruch

Graeme Brown

Jeff Buckley

Sean Calnan

Frank Canning

Robert Carley

Steve Chilton

Laura Christopher

Jennifer Cohen

Sheri Corbeil

Karen Davis

Meg Delorier

Brenda Doherty

Rob Dolan

Carol Edwards

Kathryn Fraser

Mike Galligan

Nick Giaquinto

Amanda Gregoire

Rich Griffin

Joseph Grivers

Roy Herzig

Tonya Ingram

Lisa Kalinowski

Dena Kavanagh

Jim Kenney

Connie Kirby

Noah Koretz

Nivi Kumari

Orlando Lewis

Alejandro Lopez

John Marc Aurele

Shyla Matthews

Marianna McCormick

Mike Mitchell

Matthew Mogavero

Jim Moore

Dan Morais

Lillian Muñoz

Ben Murphy

Leigh Natola

Jan Nuzzolo

Ivette Olmeda

Doug Robinson

Anabelle Rondon

Kelsey Schiller

Simmee Silton

Pat Sluder

Ed Starzec

Nathaniel Thomas

Cyndy Tonucci

Ellen Torres

Shanta Vaughan

Gary Walker

Matt Wamback

Benny Wong

Guests: Melissa Barretta, Acting HR Director, consultant

 John Beatty, Executive Director, Military Asset and
Security Strategy Task Force

 Steve Teasdale, Executive Director, Main South Community Development Corporation, Worcester

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Wednesday, November 10, 2021, by Remote Participation (See Secretary’s Note, below), pursuant to notice duly given.

The Acting Chair welcomed everyone and, confirming the presence of a quorum on the videoconference, she called the meeting to order at 10:05 a.m. She asked if there were any guests present and there were only those identified, including Mr. Teasdale, who introduced himself and thanked the Board for the opportunity to speak, when appropriate.

[*Secretary’s Note: It was noted that this Board Meeting was taking place entirely 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 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 (October 14, 2021)**

The Acting Chair asked if there were any comments on the draft minutes of the October 14, 2021 Board meeting(s), 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 on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves the minutes of its October 14, 2021 Board meeting(s), which are attached and made a part of the minutes of this meeting.

**President / CEO Report**

Mr. Rivera reported on his activities in the field, including participation in a MassInc. board meeting, attending an annual Hispanic celebration at Beth Israel Deaconess Medical Center, and a spotlight event with WGBH celebrating “Hispanic Month.” He thanked the Communications Team for all efforts in connection with these and other events. Mr. Rivera also recently participated in a Brownfields award presentation in Rockland and spoke at the Nashoba Valley Chamber of Commerce annual meeting this morning. He and Mr. Beatty met with military officials from the Futures Command during a trip to Texas to identify potential options for developing the Barnes Building in Boston and to “get a sense of the competition.”

Mr. Rivera offered kudos to the Devens Team on the closing of numerous real estate sales in Devens. He also noted 14 applications for new Transformative Development Initiative, or TDI, Districts, commending the TDI Team. He thanked the Finance Team for working with the state in connection with anticipated federal proceeds and securing funding related to advancing the Agency’s Strategic Plan. He noted that the Strategic Plan would be the focus of an off-site retreat with all Executive VPs next week. Meanwhile, Mr. Rivera said that final plans for the Agency’s Future of Work are rolling out now, and he thanked Melissa Barretta and HR. He announced that 100 percent of staff is vaccinated, as of today. HR continues reviewing benefits. He confirmed that Diversity, Equity, Inclusion efforts are ongoing and the Agency continues to work with Juliette Meyers. In addition, a DEI Culture Council has been established, with co-chairs Cassandra McKenzie and Sean Calnan.

**2. Employee Introduction(s)**. Mr. Rivera introduced Ben Murphy, who joined MassDevelopment as Real Estate Services Program Manager in October. Mr. Murphy made brief comments. Mr. Rivera then commended and introduced long-time employees – Sheri Corbeil, Art Production Manager (23 years); and Laura Canter, EVP, Finance Programs (25 years) – who also briefly commented.

**General**

**3. Chief Financial Officer Update – FY2022 1st Quarter Financials**. Mr. Gerlin began by referring to the “FY2022 Financial Update for the Three Months Ended September 30, 2021,” which is attached and made a part of the minutes of this meeting. He advised that Investment Banking is ahead of its bond fee Q1 budget by 7.5 percent. While activity in some of the Agency’s funding sectors has been soft, housing is strong. He advised that the Loan Portfolio is also performing strongly. The Agency’s tenants are paying and current with leases despite economic dislocations related to the pandemic. Turning to Expenses, Mr. Gerlin said staff continues to track salary and fringe, which are on budget (Mr. Rivera advised of 8 open positions); Administrative and Legal Expenses are both down.

Mr. Gerlin reminded everyone of the Small Business Recovery Loan Fund 2 Program that the Board approved in March 2020 that transferred $10 million from MassDevelopment to the Massachusetts Growth Capital Corporation (“MGCC”) to fund emergency loans to small businesses in the Commonwealth impacted by the COVID-19 pandemic in its early days. He was pleased to inform everyone that MGCC has returned just over $9 million to MassDevelopment from this Program, which greatly exceeded expectations.

**Finance Programs**

* **Executive Vice President, Finance Programs – Update**. Ms. Canter advised that 24 transactions have closed in the first quarter of FY2022, generating $1.798 million in fees; volume cap is behind schedule, mainly due to timing issues. The Agency’s first Property Assessed Clean Energy, or PACE, transaction closed last month. She advised that despite having 2 open positions for Lenders, staff closed 10 Loans with 9 customers. She referred to the Monthly Delegated Authority Report for Loan Approvals (at Tab 20) and the Summary Quarterly Portfolio Report (at Tab 21) for details.

Mr. Rivera then advised of MassDevelopment’s intention to bring to the Board for approval a request to establish Commonwealth Fund IV, LLC, an early-stage equity fund to be managed by MassVentures that will focus on making outreach to Black and Latinx founded companies in the Commonwealth. In the interim, though, MassVentures has identified a candidate that meets the criteria of the new Fund and will be presenting an investment opportunity at a Board meeting soon. Due to a fairly short window to close on the financing, Ms. Canter advised the Board that the Agency intends to fund the new investment through Commonwealth Fund III, LLC. Staff had previously advised that the Commonwealth Fund III would not make any new investments, but felt this opportunity was necessary to pursue due to the timing of the creation of Commonwealth Fund IV.

**Bond Transactions**

**4. Bond Detail Memorandum**. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Mr. Chilton provided a brief summary, noting no changes to the November Board materials.

The Acting Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 5 through 15, 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 Requests**

**5.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Amego, Inc., in numerous Massachusetts cities and towns, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $17,200,000.

**6.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Gándara Mental Health Center, in several western Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $4,300,000.

**7.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Cambridge Family and Children’s Service, in Cambridge, Boston (Dorchester) and Malden, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $3,260,000.

**Official Action Projects with Volume Cap Requests**

**8.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Taom Pacific II LLC, in Lawrence, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $21,350,000.

**9.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Plantation Apartments II LLC, in Stow, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $19,390,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Requests**

**10.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

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

a project of Wellesley College, in Wellesley, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $52,000,000.

**11.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the OA/FA resolution that is attached and made a part of these minutes regarding:

a project of Meadowbrook School of Weston, Incorporated, in Weston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $18,115,000.

**12.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Greater Lawrence Community Action Council, Inc., in Lawrence, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $8,000,000.

**Final Approval Projects with Volume Cap Requests**

**13.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Washington Pine LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $53,551,000.

[*Secretary’s Note:* *Mr. Kavoogian advised that he has a business relationship with Cranshaw Construction, the developer of the Washington Pine project (above). He, therefore, recused himself from the consideration of this matter. He was disconnected from the videoconference and did not participate in any discussion, deliberation, or vote on the matter. He rejoined the videoconference after the vote on this matter.*]

**14.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Chelsea Legacy Portfolio LLC, in Chelsea, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $25,350,000.

**15.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the resolution that is attached and made a part of these minutes regarding:

a project of Dudley Crossing LLC, in Boston (Roxbury), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $15,800,000.

**Standing Board Committee Reports**

***Audit & Administration Committee***

Mr. Gerlin advised that the Audit & Administration Committee met this morning for a report by the Agency’s external audit firm, RSM US LLP. He said it was a clean audit, with nothing material to report. There are sufficient internal controls in place and no material weaknesses or significant deficiencies were identified. He said the Committee members did not find it necessary to speak with the auditors without staff present.

***Origination & Credit Committee***

The Origination & Credit Committee meeting scheduled for Tuesday, November 9, 2021, was canceled.

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

Mr. Kavoogian reported that the Real Estate Development & Operations Committee met on Tuesday, November 9, 2021.

**Real Estate and Devens**

**16. – VOTE – Devens – Broadleaf Solar, LLC – Power Purchase**

Mr. Moore called attention to the revised memorandum provided, which addresses requests made by the Committee at its meeting on Tuesday. Mr. Moore described this request for authorization to enter into a Power Purchase Agreement whereby the Agency will purchase up to 4 percent of the total electric power supply needs for Devens from a large commercial solar plant to be constructed. The Agreement includes Class I renewable energy credits that will help the Agency attain its net-zero carbon emissions goal. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment authorizes the Power Purchase Agreement with Broadleaf Solar, LLC, as outlined in the revised memorandum and vote dated November 10, 2021, which are attached and made a part of the minutes of this meeting.

**Community Development**

**17. – VOTE – Transformative Development Initiative (“TDI”) – FY2022 Equity Investments – Grant Award to 807-815 Main Street, Worcester**

Mr. Koretz recapped the legislative changes (in the Bond Bill) that allow for more meaningful use of TDI Equity Investment dollars, through loans and grants. He summarized the project at *409 Main Street, Fitchburg*.

Next, calling attention to the revised memorandum provided that addresses concerns raised by the Committee, Mr. Koretz described this request to award a grant of $950,000 to the Main South CDC that will leverage access to $2.7 million in additional funds, to assist “mom and pop shops” in an area with great need. He stated that this project, which was the subject of a robust discussion at the Committee meeting, will revitalize a vacant lot and neighborhood that is facing challenging quality-of-life issues. He noted interim activity the Agency had instituted at the site and described the existing retail conditions nearby.

Mr. Koretz then introduced Mr. Teasdale, Executive Director of Main South Community Development Corporation, who described Main South CDC’s 30-year involvement with this developing area, whose population is comprised overwhelmingly of minorities. Mr. Teasdale said the merchants currently do not have leases and are subjected to month-to-month rents that can increase, and often do, at any time without explanation. The proposed project will create “stakeholders” in the neighborhood and provide stability and contribute to racial equity. Noting that MassDevelopment can provide resources that CDCs cannot, Mr. Teasdale explained certain terms and conditions of the proposed project, including that Main South CDC will own the property for the first several years, and offer reasonable rents to tenants with an opportunity to own. A brief discussion followed regarding deed restrictions, first right of refusal, and other strategies to protect the public’s investment.

Mr. Kavoogian confirmed this was the subject of a thorough and thoughtful discussion at the Committee meeting. While this type of project has not been contemplated before by MassDevelopment, he agreed there is a need for stability for these local shops and businesses. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** that the Board of Directors of MassDevelopment approves the $950,000 TDI grant award to the Main South CDC for the project at 807-815 Main Street, Worcester, as outlined in the memorandum and vote dated November 10, 2021, which are attached and made a part of the minutes of this meeting.

Ms. Maltese wondered if there may be a role that UMass/Memorial can play, and Mr. Koretz mentioned a loan program for community health center type projects.

**Informational / Reports / Updates**

**18. Devens Updates**. For informational purposes only, the Devens Updates are attached and made a part of the minutes of this meeting. There was no discussion of this item.

**19. Community Investment – Approved Minutes of Brownfields Advisory Committee Meeting (July 20, 2021)**. For informational purposes only, the approved minutes of the July 20, 2021 Brownfields Advisory Committee meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

**20. Lending – Delegated Authority Report for Loan Approvals (September 2021)**. 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. Lending – Summary Quarterly Portfolio Report (September 2021)**. For informational purposes only, the Summary Quarterly Portfolio Report for the first quarter of FY2022 is attached and made a part of the minutes of this meeting. There was no discussion of this report.

**22. Media Report (October 2021)**. 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 Acting Chair asked if there was any new or old business to consider, and there was none. She expressed her appreciation and that of the Executive Office of Housing & Economic Development for the Agency’s assistance with the Commonwealth’s One Stop for Growth Program, and she looks forward to the next round of applications.

[*Secretary’s Note: At this time in the meeting the Acting Chair asked for one roll call vote, upon motion duly made and seconded, to approve the following: the minutes (Tab 1); the bond transactions (Tabs 5 through 12, and 14 through 15, noting the vote on the bond issuance to Washington Pine LLC (Tab 13) occurred earlier in the meeting, due to a recusal thereon); the Power Purchase Agreement (Tab 16); and the TDI grant award to Main South CDC (Tab 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 11:02 a.m.