**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

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

**Thursday, June 10, 2021**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Mike Kennealy, Secretary of Housing & Economic Development, Chair

 Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 James Chisholm

 Joan Corey

 Francesca Maltese

 Juan Carlos Morales

 Kristina Spillane

DIRECTORS ABSENT: Christopher Vincze

 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

 Marcos Marrero, EVP, Community Development

 Laura Canter, EVP, Finance Programs

 Cassandra McKenzie, EVP, Real Estate

 Jessica Strunkin, EVP, Devens

 Tania Hartford, EVP, Operations, and Chief of Staff

 Victoria Stratton, Recording Secretary

Roy Angel

Kelly Arvidson

Naomi Baruch

Brandon Braxton

Graeme Brown

Jeff Buckley

Sean Calnan

Frank Canning

Robert Carley

Steve Chilton

Laura Christopher

Jennifer Cohen

Sheri Corbeil

Julie Cowan

Mary Ellen DeFrias

Meg Delorier

Brenda Doherty

Tom Dolan

Carol Edwards

Kathryn Fraser

Mike Galligan

Nick Giaquinto

Amanda Gregoire

Tonya Ingram

Lisa Kalinowski

Dena Kavanagh

Jim Kenney

Will Kidston

Brett Kimball

Connie Kirby

Nivi Khumari

Alejandro Lopez

John Marc-Aurele

Jess Martinez

Shyla Matthews

Shane Melone

Mike Mitchell

Jim Moore

Dan Morais

Lillian Munoz

Leigh Natola

Jan Nuzzolo

Wendy O’Malley

Claire O’Neill

Rick Pass

Tom Pope

Doug Robinson

Patrick Scalli

Kelsey Schiller

Robert Seega

Simmee Silton

Nichole Smith-Benton

Ed Starzec

Joe St. Pierre

Rebecca Sullivan

Jessica Tang

Cynthia Tonucci

Ellen Torres

Eleni Varitimos

Shanta Vaughan

Gary Walker

Matt Wamback

Benny Wong

Unidentified caller (617-429-3248)

Unidentified caller (857-337-0505)

Guests: Ashley Stolba, Undersecretary of Housing & Economic Development, Chair

 Melissa Barretta, Consultant from AIM

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

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

The Chair confirmed the presence of a quorum on the videoconference and called the meeting to order at 10:01 a.m. He asked if there were any guests present and there were none beyond those identified.

[*Secretary’s Note: It was noted that this Board Meeting was taking place entirely remotely – via videoconference – due to emergency procedures in connection with the COVID-19 pandemic (see Gov. Baker’s Declaration of a State of Emergency, dated March 10, 2020, and subsequent Order Suspending Certain Provisions of the Open Meeting Law, dated March 12, 2020), pursuant to the Agency’s Remote Participation Policy. Access codes for use by the general public were included in the Public Notice for this meeting.*]

**Minutes**

**1. VOTE – Meeting Minutes (May 13, 2021)**

The Chair asked if there were any comments on the draft minutes of the May 13, 2021 Board meeting, and there were none. He 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 May 13, 2021 Board meeting, which are attached and made a part of the minutes of this meeting.

**2. VOTE – Executive Session Minutes (May 13, 2021)**

The Chair stated that if there are any comments on the draft Executive Session minutes of the May 13, 2021 Board meeting, they must be discussed in Executive Session. There were no comments. He 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 Executive Session minutes of its May 13, 2021 Board meeting, which are attached and made a part of the minutes of this meeting.

**President / CEO Report**

Mr. Rivera participated in a tour of Devens with Congresswoman Lori Trahan and others; a tour of New England Studios is in the planning stage. He recently attended a groundbreaking at Barnes Air Force Base, as well as an event known as “Toy Tuesdays” at Natick Soldier Systems Center. Mr. Rivera advised that MassDevelopment staff continues to foster relationships with members of the legislature, and recently provided testimony regarding the Emerging Technology Fund. Outreach efforts to increase MassDevelopment’s abilities to provide assistance that impact communities are ongoing and the Agency’s leadership is returning to the field on a more regular basis. Regional teams are meeting with municipal planners and development partners, as well as reaching out to industry leaders. A task force is being established to research and identify resources made available through federal stimulus dollars.

Internally, Mr. Rivera reported that all MassDevelopment offices reopened on June 1 for employees who want to use them. He noted that designing the Future of Work at the Agency will be an ongoing, thoughtful process. Employees who are able to perform their jobs remotely and who wish to continue to work from home have been advised that they may continue to do so as the process continues. He discussed restructuring in Human Resources, as the Agency has contracted with the Associated Industries of Massachusetts (AIM) for a consultant , Melissa Barretta, to act as Interim HR Director for 20 hours/week. Among other tasks, Ms. Barretta will perform an HR audit and conduct a staff survey. The Agency’s Diversity, Equality, Inclusion consultant is compiling information and meeting with staff, as well. Meanwhile, the internship program is well underway and 15 interns (at least one for every department) will begin next week; an orientation is planned for Monday, June 21.

**3. New Hires / Anniversaries**. Mr. Rivera introduced the following employees: Nivi Khumari, Credit Analyst (started with the Agency in May); Joe St. Pierre, Gloucester Pier Property Manager (started in May); and Quintin Burks, Devens DPW Foreman (with MassDevelopment since 1996), who each made brief biographical remarks.

**General**

**4. VOTE – Retirement Committee – Appointments**

Noting that the Retirement Committee’s Charter requires Board approval of such requests, Mr. Gerlin explained this request to authorize the appointments of Lillian Muñoz and Nichole Smith-Benton as members of the MassDevelopment Retirement Committee, which meets quarterly and provides oversight for the Agency’s Retirement Plans. The 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 appointments of Lillian Muñoz and Nichole Smith-Benton, as outlined in the memorandum and vote dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

**Strategic Planning / Budget**

**5. VOTE – MassDevelopment FY2022 Operating and Capital Budget(s)**

There then ensued a detailed presentation and discussion regarding the Agency’s proposed FY2022 Operating and Capital Budget(s) and the materials provided. Mr. Rivera read the cover letter of the budget package into the record and made references to the PowerPoint presentation, advising, among other things, that it provides a summary of anticipated spending.

Mr. Gerlin then advised of three themes that informed the FY2022 budget process: staff was challenged to make a ten percent reduction in budget numbers from the year prior to the pandemic; increased spending on external programs; organizational realignment to better serve the Agency’s mission. Mr. Gerlin presented and spoke about Key Highlights; Revenues by Categories; Expenses by Categories; Assumptions; restricted funds versus general funds; grant expenses (pass through dollars); Assets / Liabilities / Net Assets; the Comparative Balance Sheet and Balance Sheets by Fund; General Fund cash balances and cash flow; Capital Spending and Improvements; and more.

In response to a question, Mr. Gerlin said the budget assumes that interest rates on loans will earn interest at 4 percent. Ms. Canter confirmed that 3.5 percent is the “floor” for lending in Gateway Cities, while 4.5 percent is charged elsewhere. The Board also asked about staffing numbers and was informed that there has been some turnover, but limited fiscal impact. Mr. Gerlin advised that “net 4.6 positions” have been added since January, and he referred to the Full Time Equivalents chart (p. 21). There was a discussion about the timing impact of loan disbursements and repayment schedules on the General Fund cash balance. Mr. Gerlin noted that the Property Assessed Clean Energy, or PACE, program could be a good source of income in the future. The 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 Agency’s FY2022 Operating and Capital Budget(s), as outlined in the cover letter and presentation dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

**Finance Programs**

**Update from Executive Vice President, Finance Programs**. Ms. Canter reported that several bond issuances closed in May. The Agency received $1 million in funding from the Cares Act and is determining how best to use it. She said staff is watching the impact that increasing construction costs are having on project funding requirement closely. As always, she noted the impacts of variability and timing.

**Bond Transactions**

**6. 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 June Board materials.

The Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 7 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 Project with Volume Cap Request**

**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 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 $34,980,000.

**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 Agawam Village LLC, in Ipswich, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $15,500,000.

**Final Approval for Lease Financing**

**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 Official Action / Final Approval (“OA/FA”) resolution that is attached and made a part of these minutes regarding:

a project of WGBH Educational Foundation in Boston (Brighton) and Springfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Lease to finance such project in an amount not to exceed $12,500,000.

**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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of Ascentria Care Alliance, Inc. (Obligated Group), in several Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $80,000,000.

**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 Berkshire Health Systems, Inc., in Great Barrington and Pittsfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $61,200,000.

**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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of Charles River Association for Retarded Citizens, Inc., in several Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $8,350,000.

**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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of The Williston Northampton School, in Easthampton, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $4,000,000.

**Final Approval Projects with Volume Cap Requests**

**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 BC Baystate Place LLC, in Springfield, Massachusetts, for the issuance of a Tax-Exempt and Taxable Bond to finance such project in an amount not to exceed $40,000,000.

**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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of Lake George Realty, LLC, in Devens, Massachusetts, for the issuance of an Industrial Development Bond to finance such project in an amount not to exceed $4,140,000.

**Standing Board Committee Reports**

***Audit & Administration Committee***

Mr. Attia reported that the Audit & Administration Committee met this morning to review the proposed audit plan for the coming year with the Agency’s auditors, who will provide a further progress update in the October / November timeframe. Meanwhile, the Committee also discussed cybersecurity and the importance of controlling threats to the Agency’s Information Technology systems. A Committee meeting will be scheduled to focus on these issues.

***Origination & Credit Committee***

Mr. Blake advised that the Origination & Credit Committee met on Tuesday, June 8, 2021.

**Lending**

**16. VOTE – Commonwealth Fund III, LLC – Investment Period Extension**

Mr. Kenney described this request from the administration of this $5 Million Fund (managed by MassDevelopment and MassVentures) to extend its investment period to October 1, 2024. There is no intent to make any new investments during the extended time period; rather, the extension will enable the Fund to remain eligible to participate in certain opportunities to protect existing investment(s). Responding to a question posed at the Origination & Credit Committee meeting, Mr. Kenney advised that this item will also be voted upon at the MassVentures Board of Directors meeting on June 14. The 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 extension of the investment period for Commonwealth Fund III, LLC, as outlined in the memorandum and vote dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

[*Secretary’s Note: It was noted that Mr. Blake departed the meeting during the above presentation at 11:08 a.m. and did not return.*]

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

Mr. Kavoogian reported that the Real Estate Development & Operations Committee met on Tuesday, June 8, 2021.

**17. – VOTE – Devens – FY2022 Electric Rate Adjustments**

Mr. Moore briefly described this annual request to adjust the electric rate. He stated that power costs in Devens are down this year, resulting in a 3 – 5 percent decrease in electric rates. The 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 electric rate adjustments for FY2022, as outlined in the memorandum and vote dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

**18. – VOTE – Devens – FY2022 Water Rate Adjustments**

Mr. Moore briefly described this annual request to adjust the water rate. He stated that small increases, like this one, have been made over time in anticipation of operating costs and expenses associated with PFAS remediation. The 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 water rate adjustments for FY2022, as outlined in the memorandum and vote dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

**19. – VOTE – Devens – FY2022 Sewer Rate Adjustments**

Next, Mr. Moore briefly described this annual request to adjust the sewer rate. He noted that the slight increase – 2 percent – is necessary to meet increased maintenance and operating costs. The 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 sewer rate adjustments for FY2022, as outlined in the memorandum and vote dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

**20. – VOTE – Devens – General Contractor Contract for Construction of Water Treatment Plants at Patton and Shabokin Wells**

Mr. Moore then described the process of selecting a General Contractor for construction of water treatment plants at the Patton and Shabokin wells, noting there were four qualified responders to a call for bids. He advised that Waterline Industries Corp. was the low bidder and meets all requirements. The 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 award of a General Contractor contract for construction of water treatment plants in Devens, as outlined in the memorandum and vote dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

**21. Devens Updates**. For informational purposes, the Devens Updates are attached and made a part of the minutes of this meeting. Ms. Strunkin reported that the Devens Jurisdiction Framework Committee met on June 9 after not having done so for several months. The next meeting of the group is scheduled for the August / September timeframe. Ms. Strunkin stated that she attended a Memorial Day ceremony at Fort Devens and will attend a Change of Command event on July 1 for the new incoming Commanding Officer. Fort Devens is currently hosting a number of exercises (called the “Ravens Challenge”) on the North and South Posts with the U.S. Department of Alcohol, Tobacco and Firearms and Explosive Ordnance Disposal officers.

The Devens Fire Department recently announced that two new firefighters – both women – have joined the Department. This is the first time women have served on the Devens Fire Department.

In other Devens and local news, Ms. Strunkin advised that Bristol-Meyers Squibb is adding a self-therapy division, thereby increasing its occupancy to 1 million square feet. MassDevelopment has received a $150,000 grant for PFAS remediation. New England Studios has an active filming schedule under way. Representatives of the City of Fitchburg are meeting with staff from Keolis, the commuter rail operator, regarding possible new services. Clear Path for Veterans, Inc. continues to hold COVID-19 vaccination clinics on Wednesdays. And, finally, a ¾ scale model of the Veterans’ War Memorial (“the Wall” in Washington, D.C.) is coming to Devens next month.

**22. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Ms. McKenzie reported that staff continues to field inquiries regarding three potential land sales in ***Devens***: 16 Grant Road; 11 Grant Road; and 33 Lake George Street. A Request for Proposals regarding support services for veterans has closed and staff is reviewing/vetting the applications received. Master planning exercises are underway in connection with Salerno Circle and the Shirley Village Growth Area. Elsewhere, work related to necessary repairs at the ***New Bedford State Pier*** is ongoing.

In addition, Ms. McKenzie advised that the period for accepting applications to the Commonwealth One Stop Program ended on June 4; 90 applications were received for the Underutilized Properties Program and more than 60 applications were received for the Site Readiness Program. Real Estate and Community Development staff members are busy reviewing and vetting all applications. Lastly, three of six open positions in Real Estate have recently been filled and interviews continue for the remaining three open positions.

***Community Development***

On its two month anniversary, Mr. Marrero reported on continuing changes to the Community Development Division, noting that the Business Development organization is now part of Community Development. The focus has been on revising workflow and driving business in collaboration with others.

**23. VOTE – Cultural Facilities Fund – Grant Award – Worcester Art Museum**

Recalling that a lack of a quorum prevented a vote on this grant at the May Board meeting (the remaining 98 grants were approved), Ms. Muñoz described briefly this request to approve the award of a Cultural Facilities Fund capital grant in the amount of $200,000 to the Worcester Art Museum, contingent as always upon receipt of funds from the Commonwealth. The 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 Cultural Facilities Fund grant to the Worcester Art Museum, as outlined in the memorandum and vote dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

[*Secretary’s Note:* *Ms. Spillane advised that she is a corporate member of the Worcester Art Museum. She, therefore, recused herself from the consideration of this matter; at the time the roll call vote was taken (later in the meeting), she was disconnected from the videoconference and did not participate in any discussion, deliberation, or vote on the matter.*]

**24. VOTE – Berkshire Innovation Center, Inc. – Grant Increase and Extension**

Mr. Calnan described the grand opening of the Berkshire Innovation Center in February 2020, following ten years of project development. He noted then that the Center was forced to shut down two weeks later due to the COVID-19 pandemic and was consequently unable to achieve its anticipated revenue flow in its first eighteen months. The Agency previously provided assistance to the Center through a $450,000 Advanced Manufacturing Futures grant to support operations, and Mr. Calnan stated that this proposal to provide additional funds will continue to support the operations of this important facility. The 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 grant extension and increase to the Berkshire Innovation Center, Community Development, as outlined in the memorandum and vote dated June 10, 2021, which are attached and made a part of the minutes of this meeting.

**25. Transformative Development Initiative (“TDI”) Updates**. For informational purposes, the TDI Updates are attached and made a part of the minutes of this meeting. Mr. Koretz stated that the TDI team is looking at extending all the existing Districts into 2022 due to the impact of pandemic restrictions and updating the agreements related to those Districts accordingly. He said Brockton is “graduating” from the program, and that efforts to the continue the TDI work in Brockton will take place at the municipal level. Eleven new grants are being awarded from the Commonwealth Places Program and the current round of funding is fully spent. A Notice of Funding Availability related to Equity Investments was recently issued and requests therefor are being received.

**Informational / Reports**

**26. Community Development – Delegated Authority Report for Loan Approvals (April 2021)**. For informational purposes only, the Delegated Authority Report regarding Community Development Approvals is attached and made a part of the minutes of this meeting. There was no discussion of this report.

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

**28.** **Media Report (May 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 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); approval of new Retirement Committee members (Tab 4); the Agency’s FY2022 Operating and Capital Budget(s) (Tab 5); the bond transactions (Tabs 7 through 15); the Lending request (Tab 16); the Devens requests (Tabs 17 – 20); and the grant to Berkshire Innovation Center, Inc. (Tab 24). An individual votes was taken for the grant to the Worcester Art Museum (Tab 23), due to the recusal identified above. 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 11:41 a.m.