MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors**

**Thursday, January 14, 2016**

**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

 Patricia McGovern

 Jeffrey Porter

 Jennifer Sullivan, Designee for Secretary of Administration & Finance

 Christopher Vincze

DIRECTORS ABSENT: Dennis Kanin

 Brian Kavoogian

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 Abbrusseze

 Steve Chilton

 Joy Conway

 Zach Dovitz, Legal Intern

 Tony Fracasso

 Mike Galligan

 Zach Greene

 Anne Haynes

 Lisa Kalinowski

 Thatcher Kezer

 Noah Koretz, TDI Fellow

 Mike Miller

 Paul Moran

 RJ McGrail

 Joe Mulligan, TDI Fellow

 Leigh Natola

 Claire O’Neill

 Deb Rosser

 Mark Sternman

 Rebecca Sullivan

Guests: None

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, January 14, 2016, 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 meeting to order at 10:08 a.m. He welcomed Mr. Vincze to the meeting as the newest Board member. He asked any guests present to introduce themselves and there were none.

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

**Minutes**

**1. VOICE VOTE – Approval of Minutes (December 10, 2015)**

The Chair asked if there were any comments on the draft Minutes of the Open Session of the December 10, 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 December 10, 2015, Board Meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (December 10, 2015)**

Noting that the matters in the 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 Minutes of the Executive Session of the December 10, 2015, Board Meeting and, upon motion duly made and seconded, it was unanimously

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

[*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 would be made available to staff on the Agency’s internal Intranet.*]

**President/CEO’s Report**

Ms. Jones reminded the Board that in December staff began videotaping her monthly President’s Report for viewing on the Agency’s internal intranet, and it was noted the video from December has received 50 hits to date, so staff is watching. The Chair asked if a quick link could be sent to Board members, and Mr. Greene agreed to do so. Ms. Jones advised that she attended holiday pot luck lunches in December in both Devens and Boston.

Ms. Jones then noted she is wearing purple today in honor of the so-called Project Plum, which is the name given to the project of luring General Electric (“GE”) to Boston. The results of this significant effort were made public yesterday when GE announced it will relocate its headquarters from suburban Connecticut to Boston’s busy waterfront district, with the promise of 800 jobs. The Chair offered congratulations on behalf of the Baker Administration to everyone involved, including staff at MassDevelopment, for assisting in the effort to put this important transaction together. He noted that officials from GE are impressed with all that the City of Boston and the Commonwealth has to offer and everyone is very excited about the pending move.

With respect to other recent events, Ms. Jones attended two meetings in connection with the Commonwealth’s military and defense sector, which focused on opportunities for small businesses at the Hanscom and Natick bases; the National Guard also participated in these meetings. Ms. Jones attended a meeting with thirty or more Chief Information Officers from the Department of Defense, which focused on opportunities for both defense contractors and non-defense contractors; follow-up meetings have already occurred, and the Governor is engaged in these discussions.

In Worcester, Ms. Jones attended an event facilitated by an entity known as Civic Moxie to kick off District work to strengthen the theatre district as part of the Transformative Development Initiative (“TDI”). In addition, Ms. Jones met with Secretary Matthew Beaton, Executive Office of Energy & Environmental Affairs, regarding energy efficiency projects and the Military Task Force. She also met with the Town Managers of Framingham and Winthrop to discuss downtown planning and zoning. She toured Devens earlier this week with Messrs. Chisholm and Kavoogian and commented that she learns something new every time she visits Devens.

Finally, Ms. Jones advised that the Administration announced yesterday the annual allocations of volume cap; the Agency’s allocation is $160,000,000 ($100 million for housing transactions; $60 million for job creation). To put this in perspective, Ms. Jones noted that last year the Agency used $395,000,000 in volume cap. She said some tough decisions will need to be made, and there will be internal conversations and discussions with others to make sure the numbers are aligned. This is a complicated problem and priorities must be set. As a result of the limited volume cap, the proposed bond issuance to Manning Apartments LLC (Tabs 20 and 23) is removed from consideration today while priorities are being analyzed.

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

**GENERAL MATTERS**

**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 unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the appointment of Mr. Vincze to the Real Estate & Operations Committee, as outlined in the list provided today, attached and part of the minutes of this meeting.

**3. Reference Materials for Bonds and Loans**. For information purposes, guidance regarding the Agency’s Delegated Authority Loan Approval Limits, Risk Rating System, Loan Interest Rate Guidelines, Bond Fee Schedule, and Volume Cap Overview are attached and part of the minutes of this meeting. Board members were given the opportunity to ask questions, and there were none. No discussion of these items took place.

***Walk-in*. VOTE – Grant to BDC Capital Corporation**

Referring to the Memorandum and Vote provided today, Ms. Jones described this request to award a grant of $1 million to BDC Capital Corporation, which is a private entity that lends to small businesses in New England and operates a Capital Access Program therefor, which has been funded from time to time by federal and/or state funds. She stated that funding for this Program had been in the FY2016 budget, but that line item was cut last week via Mass. GL ch. 29, sec. 9(c). The Program supports bank lending by matching insurance premiums, and all reserves are pooled to cover all the loans in each bank’s Program. Ms. Jones advised that staff has not yet discussed specifics with BDC Capital Corp., and the Chair commented that he thinks this request is an appropriate use of Agency funds and the missions of both entities are aligned. 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 grant of up to $1,000,000 to BDC Capital Corporation for the Massachusetts Capital Access Program, as outlined in the memorandum and vote dated January 14, 2016, attached and part of the minutes of this meeting.

**Strategic Planning**

**4. Agency Strategy Framework – Overview & Alignment with Statewide Economic Development Plan Presentation**. This Presentation was held until later in the meeting. (See after Tab 24).

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

**Bond Transactions**

**7. Bond Detail Memorandum**. Mr. Chilton noted the following changes from the January Board materials: the proposed bond issuance and LIHTC findings for Manning Apartments LLC (Tabs 20 and 23) have been removed from consideration; additionally, he clarified that Boston is the municipality where the proposed project for The Advent School Corporation (Tab 19) will be located.

**8. Delegated Authority Report for Bonds (November 2015).** For information purposes only, the Delegated Authority Report regarding Bonds is attached and part of the minutes of this meeting. For the benefit of the new Board members, Mr. Chilton explained the Report and a brief discussion ensued regarding Official Action (“OA”) and Final Approval (“FA”). It was noted that once OA approval is received, project expenses incurred up to sixty days prior can be included in the bond amount. There is no obligation on behalf of the Agency to grant FA, however, which is the Final Approval of the bond issuance. Ms. Jones clarified that OA makes costs eligible. She noted further that borrowers will be advised of the limitations on bond cap availability.

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 the Trustees of the College of Holy Cross (Tab 15) is a client of his employer Cambridge Associates and, therefore, he will recuse himself from any discussion, deliberation, and vote on the proposed bond issuance to this entity and leave the room during the deliberation and vote on this matter.

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 Wayne at Shuyler, LLC (Tab 12 – Mintz client); Trustees of the College of Holy Cross (Tab 15 – Mintz client); The Advent School Corporation (Tab 19 – Mintz is Agency counsel); and Madison Williams LLC (Tabs 21 and 24 – a colleague is on the board of Eastern Bank, the purchaser and distributing agent). Therefore, he will recuse himself from any discussions, deliberation, and votes on these proposed bond issuances and the related LIHTC findings and leave the room during the deliberation and votes on these matters.

Ms. Sullivan disclosed to the Board that her husband works in the housing finance sector and may have a business relationship with regard to the proposed bond issuances for Wayne at Schuyler, LLC (Tab 12); Lyman Terrace Phase I, LLC (Tab 13); Nuestras Casas Limited Partnership (Tab 14); and Madison Williams LLC (Tabs 21 and 24). Therefore, she will recuse herself from any discussions, deliberation, and votes on these bond issuances and the related LIHTC findings 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 9 – 24, noting that Tabs 20 and 23 have been removed from consideration, 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**

**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 Podium Developer LLC, in Boston, Massachusetts, for the issuance of Infrastructure Tax-Exempt Bonds to finance such project in an amount not to exceed $30,000,000.

**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 Visiting Nurse Communities, Inc., in Somerville, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $4,316,000.

**11.** 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 Ellis Memorial & Eldredge House, Inc., in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $3,940,000.

**Official Action Projects with Volume Cap Request**

**12.** 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 Wayne at Schuyler, LLC, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $15,880,417.

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

**13.** 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 Lyman Terrace Phase I, LLC, in Holyoke, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $15,825,747.

The Chair commented that he recently toured Holyoke and was pleased to see all the development there.

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

**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 Nuestras Casas Limited Partnership, in Worcester, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $4,000,000.

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

**Final Approval Projects without Volume Cap Request**

**15.** 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 the Trustees of the College of the Holy Cross, in Worcester, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $55,000,000.

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

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

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

a project of The Trustees of Hampshire College, in Amherst, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $15,000,000.

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

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

a project of CIL Realty of Massachusetts Incorporated, in numerous Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $14,000,000.

**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 Community Alternative Residential Environments, 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 $9,100,000.

**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 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.*]

**Final Approval Projects with Volume Cap Request**

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

**21.** 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 Madison Williams LLC, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $9,500,000.

[*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. Ms. Sullivan, having previously recused herself from this matter, left the room and did not participate in any discussion, deliberation, or vote on the matter.*]

22. See below (after Tab 24).

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

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

**24.** 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 Madison Williams LLC, 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 themselves from this matter and left the room, Mr. Porter and Ms. Sullivan did not participate in any discussion, deliberation, or vote on the matter. They returned to the meeting room after completion of the above votes.*]

**Final Approval Projects with Volume Cap Request (cont’d)**

**22.** 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 Bianco White LLC, in Medford, Massachusetts, for the issuance of Tax-Exempt IDB Bonds to finance such project in an amount not to exceed $7,293,000.

**Strategic Planning (cont’d)**

**4. Agency Strategy Framework – Overview & Alignment with Statewide Economic Development Plan Presentation (cont’d)**. Mr. McGrail discussed the Agency’s three Strategic Themes, which frame the external programs and internal processes MassDevelopment undertakes to advance its mission. Theme 1: Supporting Economic Growth includes the Agency’s core financing capabilities, such as bonds, loans, and grants, as well as sector work; Theme 2: Building Regional Competitiveness includes TDI and other place-based work, such as planning and consulting, as well as contributions to the Commonwealth’s regional identity; Theme 3: Striving for Organizational Excellence is comprised of the Agency’s internal foundation and structure. Mr. McGrail then pointed out how the Agency’s Strategy dovetails with the Administration’s newly-released Economic Development Plan (a copy of which was provided today), attached and part of the minutes of this meeting; he gave examples thereof and noted the Agency’s plan will continue to align with the Administration’s Plan. The Chair advised that the chart found on p. 5 of the presentation is an excellent display and the presentation as a whole is a useful tool. He noted that staff will be familiar with many if not most of the programs discussed in the Economic Development Plan and in Governor Baker’s upcoming State of the State address.

**Standing Board Committee Reports**

***Manufacturing & Defense Sectors Committee***

Mr. Porter reported that the Committee met on Tuesday, January 12, 2016, and welcomed Mr. Chisholm as its newest member. Mr. Porter advised that the Committee heard a presentation regarding military base sustainability and the efforts of the Military Task Force in connection with potential Base Realignment and Closure (“BRAC”). The Committee also discussed efforts to promote manufacturing in the Commonwealth and building on the work of others. The Committee recommends the vote (below) before the Board today.

**25. Minutes of Prior Meeting**. For information purposes only, the minutes of the December 8, 2015, Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**26. VOTE – University of Massachusetts at Amherst – Grant for an Aviation and Research and Training Center at Westover AFB**

Ms. Dowd briefly described this request to approve a grant of up to $4.9 million – contingent upon (1) receipt of the funds from the Commonwealth; (2) execution of a mutually acceptable agreement between UMass and MassDevelopment; and (3) execution of a lease agreement between the Air Force Reserve and UMass – for the design and renovation of a building for an aviation and research training center at the Westover Air Reserve Base. 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 expenditure of up to $4.9 million for an aviation and research training center at Westover Air Reserve Base, as outlined in the memorandum and vote dated January 14, 2016, attached and part of the minutes of this meeting.

Ms. Jones informed the Board that she attended a briefing in December at the Westover base also attended by Governor Baker, at which discussions focused on the funding of projects that would still have relevance should any of the Commonwealth’s military bases be subject to closure through BRAC. Two reports issued by the UMass Donahue Institute were featured, and it was noted that these reports (the links to which Ms. Jones said will be provided to Board members) tie together all aspects of the workforce strategy, including technical tie-ins, and more. Ms. Jones noted it is important to understand the connections between and needs of the Commonwealth’s military bases and their importance to the Massachusetts economy.

***Origination & Credit Committee***

The Vice Chair reported that the Committee met on Tuesday, January 12, 2016, and recommended for approval the two votes (below) before the Board today.

**27. Minutes of Prior Meeting**. For information purposes only, the minutes of the December 8, 2015, Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**Lending**

**28. Delegated Authority Report for Loan Approvals (November 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.

**29. VOTE – Waterfront Historic Area LeaguE of New Bedford, Inc. (“WHALE”) (New Bedford) – General Fund Flexible Loan**

Mr. Moran described this request for $1 million to finance the proposed renovation into mixed-use space, including retail, art, residential, and more, of two sites currently owned by the nonprofit WHALE, Inc., which was established in 1964 and has renovated more than fifty properties. The sites, located at 139 and 141 Union Street, have been deemed critical to downtown New Bedford and are located within the TDI District. Mr. Moran explained certain terms of the financing that are permitted under the Flexible Loan Program. 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 loans to WHALE, Inc., subject to the terms of the memorandum and vote dated January 14, 2016, attached and part of the minutes of this meeting.

Ms. Jones reminded everyone of the vote approving the Flexible Loan Program, a new and limited loan program established with $5,000,000, approved by the Board in August, which requires that all requests for loans from this Program come before the Board for approval.

**30. VOTE – Carter Street LLC (Chelsea) – General Fund Real Estate Loan**

Mr. Galligan briefly explained this request for a $3.12 million loan that will enable the borrower to refinance existing debt and pay off a second mortgage to the City of Chelsea, which the City can then use for a future development project. Mr. Galligan noted that the Committee requested that a fee of one percent be charged as a condition of this loan. Noting this condition, 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, subject to the terms of the memorandum and vote dated January 14, 2016, attached and part of the minutes of this meeting, and subject to the condition stated above.

**Community Development**

**31. Minutes of September 1, 2015, Brownfields Advisory Group Meeting**. For information purposes only, the minutes of the September 1, 2015, Brownfields Advisory Group Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

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

The Vice Chair reported that the Committee met on Tuesday, January 12, 2016.

**32. Minutes of Prior Meeting**. For information purposes only, the minutes of the December 8, 2015, Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**33. 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.

**34. Devens – Project Overview and Five-Year Cash Flow Projections**. This presentation was delayed. See below (after Tab 37).

**35. VOTE – Devens – Appointment of Thomas Kinch to Devens Board of Assessors**

See below (after Tab 36).

**36. Statewide Real Estate Projects Updates**. With respect to Jodrey State Pier in ***Gloucester***, Mr. Henderson reported that staff is working with the Seaport Council and the Executive Office of Housing & Economic Development on a study of all four state piers in an effort to better understand the revenues and capital needs thereof. There is much activity at the ***Myles Standish Industrial Park*** Expansion in Taunton; demolition at the Martignetti site is almost complete. At ***Village Hill, Northampton***, the developer of the Energy Positive Homes has permits in hand and is commencing Phases I and III.

In ***Devens***, there are four respondents to a Request for Proposals (“RFP”) for senior housing; staff is meeting with the respondents and a recommendation and vote are expected to come before the Board soon. The first house in the Grant Road Housing Project is under construction and will be a so-called “show house” for products promoted on WGBH’s *This Old House*.

With respect to ***Municipal Services***, Mr. Henderson noted several projects are underway. He was pleased to announce new staff member Amanda Maher, Vice President, Real Estate Services. Among her other responsibilities, Amanda will assist with municipal services.

There is a lot of activity in connection with the TDI, which is an Agency-wide effort. Staff has received 103 responses to an RFP seeking interest in the co-working program. Three additional cities have been selected for TDI Fellows, including Brockton, New Bedford, and Pittsfield, and two Adjunct Fellows will support Worcester and Peabody.

There is a property of interest – one of several vacant condominium units (Unit 7) at 200 Merrimack Street, Haverhill – that may be available for purchase by the Haverhill Chamber of Commerce, which is working with the Agency to expand uses at this site. Technical Assistance efforts are underway in all districts of the Commonwealth.

[*Secretary’s Note: Mr. Vincze departed the meeting immediately after the Updates above at 11:10 a.m.*]

**35. VOTE – Devens – Appointment of Thomas Kinch to Devens Board of Assessors**

Mr. Kezer briefly explained this request to appoint Devens resident Thomas Kinch to replace a current member whose schedule has made it problematic for him to attend the Board of Assessors meetings. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment accepts the resignation of James Geller and appoints Thomas Kinch to the Devens Board of Assessors as the Devens resident representative, as outlined in the memorandum and vote dated January 14, 2016, attached and part of the minutes of this meeting.

**37. VOTE – Belchertown State Hospital (Belchertown) – Award of Contract for Phase II Building Demolition and Abatement**

Ms. O’Neill explained this request to award a contract to the lowest responsive and responsible bidder, S&R Corporation of Lowell, MA, for Phase Two Demolition and Abatement, selected pursuant to an RFP process. Ms. O’Neill reminded everyone that MassDevelopment is the agent for this project, not the owner. Demolition and abatement of the school in this phase is pivotal, as it will clear the way for additional funding for infrastructure and assisted living and residential developments. 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 award of a contract to S&R Corporation for Phase Two Building Demolition and Abatement, as outlined in the memorandum and vote dated January 14, 2016, attached and part of the minutes of this meeting.

**34. Devens – Project Overview and Five-Year Cash Flow Projections (cont’d)**. Mr. Kezer summarized historical events of Devens, including the War Department’s purchase of land for Fort Devens via eminent domain for $15/acre in 1919; the purchase was from the landowners themselves and not from the municipalities of Harvard, Shirley, and Ayer. Land control will be a significant issue when the time comes to determine the final disposition of Devens. He reported that today, Devens is home to 91 businesses that support 4,030 jobs (with an average salary of $74,000). Of the total potential 8 million square feet build-out, 4.3 million square feet of commercial and industrial space has been built / permitted. There is much economic activity in Devens to replace that which left when Fort Devens was closed as part of the 1994 BRAC round. Mr. Kezer stated he and other staff members are trying to coordinate the demands of Devens’ senior residents and its aging populace. He noted that operating revenues for Devens are typical of many municipalities. Mr. Kezer explained the breakdown of Devens operating expenses and confirmed his response to a question posed at the Real Estate & Operations Committee meeting on Tuesday that there are 60 full time staff members, including 10 state police and 22 firefighters who directly support Devens operations. He commented on personnel costs and the protracted ongoing contract negotiations with the Fire Department.

Ms. Kalinowski then presented highlights of the Devens projections. She provided details of major assumptions and explained the slides regarding operating sources and uses (noting that revenues are anticipated to exceed expenses in FY2019 and ‘20), municipal income and taxes (noting steady growth of tax revenue from FY2016 to 2020), capital sources and uses (noting that the Agency’s capital sources are greater than capital expenses), and total cash and investments (noting the Agency’s cash position remains strong through the projected period). Mr. Cohen asked if there are any fixed expenses in Devens for which there is no reimbursement, and Mr. Henderson said no; he gave examples, such as the staggered infrastructure development schedule. Mr. Gerlin confirmed the Agency prioritizes spending, and Ms. Jones advised the Agency does not expect and has not anticipated any significant hits to come. Ms. Kalinowski next discussed revenue opportunities and areas for cost containment. She noted that two additional communities – Berlin and Bolton – anticipate joining the regional dispatch facility.

Ms. McGovern suggested that it might be worth taking a fresh look at the original Master Plan and legislation establishing Devens, noting there might be some area(s) worth re-investigating. Ms. Jones said this is a complicated issue, and she commented on the sensitive and onerous process to amend the Master Plan.

Mr. Porter asked whether anyone has explored outsourcing the Devens Fire Department and/or DPW in an effort to cut costs, and Mr. Kezer commented that more likely there is a potential revenue stream there – in other municipalities looking to these Devens departments for their expertise and capabilities.

Mr. Greene discussed the Development Goals for Devens in FY2016 and beyond. There has been limited traffic for available office space, which staff hopes to increase. The use of a third party broker is being considered. The Agency expects to have important environmental permits in hand by the fiscal year-end. Mr. Greene commented that Red Tail Heights would be a great for a research & development facility or a small office park. He presented an overview of project sales.

Ms. Jones thanked everyone for this important and useful presentation, which she noted presents a good summary of the big picture of Devens. Ms. McGovern said it is very helpful.

There being no further business before the Board of MassDevelopment, the meeting was adjourned at 11:46 a.m.