**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

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

**Thursday, March 11, 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

 Joan Corey

 Francesca Maltese

 Juan Carlos Morales

 Christopher Vincze

DIRECTORS ABSENT: James Chisholm

 Kristina Spillane

 Ellen Zane

Agency Staff: Dan Rivera, President and CEO

 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

 Tania Hartford, EVP, Operations and Chief of Staff

 Victoria Stratton, Recording Secretary

Kelly Arvidson

Naomi Baruch

Ivis Batista

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

Tom Dolan

Carol Edwards

Kathryn Fraser

Mike Galligan

Nick Giaquinto

Zach Greene

Joseph Grivers

Roy Herzig

Tonya Ingram

Lisa Kalinowski

Dena Kavanagh

Will Kidston

Claire King

Connie Kirby

Andrew Levine

Alejandro Lopez

Christine Madore

John Marc-Aurele

Shyla Ruffer Matthews

Mike Mitchell

Leigh Natola

Jan Nuzzolo

Claire O'Neill

Rick Pass

Jay Pateakos

Deb Pennick

Kelsey Schiller

Robert Seega

Simmee Silton

Nichole Smith-Benton

Ed Starzec

Rebecca Sullivan

Cynthia Tonucci

Ellen Torres

Eleni Varitimos

Gary Walker

Matt Wamback

Benny Wong

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

 Juliette Mayers, Consultant

 Theresa Park

 Ashley Stolba, Undersecretary of Housing & Economic
 Development, Acting Chair (for first part of meeting)

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, March 11, 2021, by Remote Participation (See Secretary’s Note, below), pursuant to notice duly given.

The Chair welcomed everyone and, confirming the presence of a quorum on the videoconference, called the meeting to order at 10:01 a.m. He asked if there were any guests present and there were only those listed above.

[*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 (February 11, 2021)**

The Chair asked if there were any comments on the draft minutes of the February 11, 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 February 11, 2021 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOTE – Executive Session Minutes (February 11, 2021)**

The Chair stated that if there are any comments on the draft Executive Session minutes of the February 11, 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 February 11, 2021 Board meeting, that are attached and made a part of the minutes of this meeting.

**President / CEO Report**

Mr. Rivera reported that in his first 60 days with MassDevelopment, there is much going on. With respect to Agency news, Mr. Rivera advised that the Transformative Development Initiative team and the current Community Development team will consolidate into a new Community Development Division, under new leadership. This new Division will work to maintain and strengthen the communities of Massachusetts, and will coordinate activities in the Agency’s field offices. The work that began under the Return to the Office Committee will be continued under a new Future of Work Committee, which has been reorganized under the leadership of Eleni Varitimos. This Committee has met a few times already and an email to All Staff recently advised that telework will continue at least through June, in line with advice from the Baker/Polito Administration. Mr. Rivera advised that the FY2022 budget season is underway, and regular revenue meetings are also taking place. Staff is busy promoting the Commonwealth’s One Stop for Growth program.

Mr. Rivera then reported that he visited Joint Base Cape Cod to discuss the redevelopment of Hangar 158, and has plans to visit Westover and Barnes Air Force Base in the coming weeks. These visits, he noted, have been coordinated by Meg Delorier, the former Chief of Staff, who is enjoying her new role as Director of Military Initiatives. Turning to the State Piers, Mr. Rivera reported that a Request for Interest will be issued with respect to New Bedford State Pier, and that he met with the mayor of Fall River to discuss a path to resolve the future development at the Fall River State Pier. He reported that the manager of the Jodrey State Pier in Gloucester is retiring, so that position will need to be filled.

*Employee Introduction(s)*. Noting no new hires this month, Mr. Rivera introduced long-term MassDevelopment employees, Deb Pennick, Manager, IT Helpdesk (33 years of employment), Connie Kirby, Contracts Manager (31 years), Lisa Kalinowski, SVP, Finance (25 years), and Nichole Smith-Benton, VP, Portfolio Administration (25 years). Each gave a brief description of her duties and experiences at the Agency.

**General**

**3. VOTE – Ratification of Board Committee Appointments**

Mr. Frazier explained briefly this request to ratify the existing Board Committees and reaffirm all members. He called attention to recent Committee changes – Mr. Chisholm has joined the Real Estate Development & Operations Committee; Ms. Maltese has joined the Compensation Committee; and Ms. Corey has joined the Audit & Administration Committee – and noted that the Committees’ members offer valuable perspective that will inform subsequent Board discussions. 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 ratifies and confirms the Board Committees, as outlined in the vote dated March 11, 2021, that is attached and part of the minutes of this meeting.

**Marketing / Communications**

**4.** **Media Report (February 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.

**Finance Programs**

**Update from Executive Vice President, Finance Programs**. Ms. Canter said she is optimistic regarding the Agency’s financial performance at the 8 month mark of the fiscal year. She noted the closing of 26 loans, totaling $30,400,000 to date, as well as 33 bond closings, and confirmed that staff expects to end the year ahead of forecasts. Mr. Gerlin agreed with that outlook, noting fee income on loans is favorable, while expenses are down and promise to be well below budget at fiscal year-end. He confirmed that professional services are below budget as well.

**Bond Transactions**

**5. 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 March Board materials.

The Chair then advised that the Board would vote on the approval and findings for the matters in Tabs 6 through 12, noting recusals on Tabs 9 and 10 that will require a separate vote, 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**

**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 Hockomock Young Men’s Christian Association, Inc., in Foxboro, Franklin, and North Attleboro, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $10,500,000.

**Official Action Projects with Volume Cap Requests**

**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 120 Washington 4 LLC, in Worcester, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $11,500,000.

**Bonds: Final Approvals**

**Final Approval Projects without 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 Official Action / Final Approval (“OA/FA”) resolution that is attached and made a part of these minutes regarding:

a project of Lasell University, in Newton, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $70,000,000.

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

a project of South Shore Hospital, Inc., in Weymouth, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $50,000,000.

[*Secretary’s Note:* *Mr. Blake advised of a business relationship with South Shore Hospital, Inc. He, therefore, recused himself from the consideration of this matter; at the time the roll call vote was taken (later in the meeting), he was disconnected from the videoconference and did not participate in any discussion, deliberation, or vote on the matter.*]

**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 CIL Realty of Massachusetts Incorporated, in numerous Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $35,000,000.

[*Secretary’s Note:* *Mr. Blake then advised of a business relationship with CIL Realty of Massachusetts Incorporated. He, therefore, also recused himself from the consideration of this matter; at the time the roll call vote was taken (later in the meeting), he was disconnected from the videoconference and did not participate in any discussion, deliberation, or vote on the matter. He returned to the videoconference after completion of the above votes.*]

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

a project of Glenmeadow, Inc., in Longmeadow, Massachusetts, for the issuance of a Non-Profit Housing Bond to finance such project in an amount not to exceed $8,000,000.

**Final Approval Projects with Volume Cap Requests**

**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 125 Amory Street LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $750,000.

**Standing Board Committee Reports**

***Compensation Committee***

Mr. Attia reported that the Compensation Committee met this morning and welcomed Francesca Maltese as its newest member. He said there was a good conversation regarding strategic Human Resources activities. Staff was asked to start thinking about how the Agency compares to others in connection with staffing levels, compensation, culture, etc., and the Committee will revisit this discussion at its regularly scheduled meeting in the fall.

**13. Minutes of Prior Meeting**. For informational purposes only, the minutes of the February 11, 2021 Compensation Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

***Origination & Credit Committee***

Mr. Blake reported that the Origination & Credit Committee met briefly on Tuesday, March 9, 2021. The Committee discussed a new process of periodically focusing on analytics and details of specific aspects of the loan portfolio, such as yield, deferrals, and risks.

**14. Minutes of Prior Meeting**. For informational purposes only, the minutes of the February 9, 2021 Origination & Credit Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**15. Delegated Authority Report for Loan Approvals (January 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.

**Community Development**

**16. Delegated Authority Report for Community Development Approvals (January 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. No discussion of the report took place.

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

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

**17. Minutes of Prior Meeting**. For informational purposes only, the minutes of the February 9, 2021 Real Estate Development & Operations Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**18. – VOTE – Transformative Development Initiative (“TDI”) – Creative Catalyst Grant Awards, Round 2**

Mr. Koretz described this request to approve seven TDI Creative Catalyst Grant awards totaling $360,000, selected from sixty-five applications received during this second round of a multi-year program funded entirely by the Barr Foundation. There was increased outreach for projects that focus on underserved communities, and a component to support development “clusters,” or applications for multiple individual, but related, projects, was added. 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 seven TDI Creative Catalyst Grant awards, as outlined in the memorandum and vote dated March 11, 2021, that are attached and made a part of the minutes of this meeting.

**19. Devens Updates**. For informational purposes, the Devens Updates are attached and made a part of the minutes of this meeting. Ms. Strunkin reported one new case of COVID-19, but noted the numbers are trending downward, generally; she was pleased to inform everyone that, once again, Devens will be the site of two COVID vaccination clinics (for second doses this time, taking place today and March 25). This year’s recreation season is getting underway. Ms. Strunkin advised that Mr. Rivera joined her for a meeting with the Devens Enterprise Committee on March 4, where the DEC presented its five year parcel plan, including infrastructure and other details. An update was given regarding structural concerns related to the Lovell Street Bridge, including investments, options, and rerouting plans currently being weighed.

Outreach efforts continue, including recent discussions with Quiet 3PF (a company celebrating ten years in Devens), opportunities for local training sessions by Fitchburg State University, and a meeting with GFI Partners. In addition, a public hearing is scheduled for March 30 to formalize temporary restrictions regarding unexploded ordnance in the Nashua River into permanent regulations. Also slated for the end of March is an expected announcement regarding the Agency’s application for a $29 million State Revolving Loan Fund loan to help finance permanent upgrades to the Devens drinking water wells. While no announcement has yet been made in this regard, staff has been encouraged to continue the process.

**20. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. With respect to ***Devens***, Ms. McKenzie said she had literally received signatures pages to the finalized Land Disposition Agreement with Commonwealth Fusion Systems during the course of the meeting. The contract for an Owner’s Project Manager for the Public Safety Facility project has been finalized and the project will now seek LEED certification. Weekly meetings continue with the developers of Emerson Green. In ***Belchertown***, proceeds from a Site Readiness grant will be used for demolition, and selection of a finalist to a recent Request for Interest will be made. At ***526 Main Street, Worcester***, a new sub-slab ventilation system has been installed that will allow redevelopment efforts to proceed, and staff met with the developer regarding extending due diligence under the current purchase and sale agreement. A TDI Equity Investment project is making its way toward Board approval. In conclusion, Ms. McKenzie was happy to report that 18 applications to the Commonwealth’s new One Stop Program have been received and reviewed and another 39 applications are in process.

The Chair acknowledged the “excellent work” on TDI and the news that CFS has signed a Land Disposition Agreement. There then ensued a brief discussion regarding the pace of activity in Devens, including recent sales of commercial/industrial properties to CFS, King/Pathway, GFI Partners, and others, as well as expansion projects at Bristol-Myers Squibb, Little Leaf Farms, BioTechne, and more.

**Strategic Planning**

* **Strategy Session – State of the Agency’s Strengths, Weaknesses, Opportunities & Threats**

Mr. Rivera noted that the Agency is conducting a strategic planning exercise and this is not an academic process. This is a first attempt to frame a strategic pathway for the Finance Programs and Real Estate Divisions. Ms. Hartford then presented an overview of today’s presentation, including the Agency’s overall mission and goals. A copy of the presentation is attached and made a part of the minutes of this meeting, and details supporting the presentations below can be found therein.

With respect to MassDevelopment’s financial position, overall, Mr. Gerlin elaborated on the following:

*Strengths*. The Agency is strong, with very little debt.

*Weaknesses*. The balance in the General Fund account continues to decline, year over year.

*Opportunities*. Staff continues to seek and develop revenue producing programs. The Agency can consider selling assets.

*Threats*. Much of MassDevelopment’s funding depends on activity in other state programs.

With respect to the Finance Programs Division, Ms. Canter spoke about the following:

*Strengths*. Finance Programs’ greatest assets are its team and strong, collaborative, long term relationships with banks and frequent borrowers. The Agency’s programs are generally self-sustaining.

*Weaknesses*. Staff levels are intentionally “thin,” and there is no proper Customer Relations Management system.

*Opportunities*. Staff continues to seek to identify development opportunities among a more diverse group of communities. The Property Assessed Clean Energy, or PACE, program is now available in forty communities. The expansion and extension of the New Markets Tax Credit Program is welcome news.

*Threats*. Limited staff, some of whom are or will be approaching retirement; outdated tax code requirements; shrinking healthcare/colleges market for bond issuances.

With respect to Real Estate, Ms. McKenzie offered the following:

*Strengths*. Staff has vast expertise and extensive experience.

*Weaknesses*. Limited staff capacity to take advantage of growing marketing opportunities; the need for guidance in connection with cross collaborations within the department.

*Opportunities*. Identify new ways of bringing diversity, equity, and inclusion to Real Estate policies.

*Threats*. Recruitment and keeping staff; barriers related to reaching a more diverse set of vendors through the Agency’s procurement process.

To conclude, Mr. Rivera noted the presence at today’s Board meeting of the Agency’s consultant Juliette Mayers and advised that diversity, equality, and inclusivity efforts will be front and center. As to next steps, he advised that working sessions with the Board are in the planning stages, and senior staff hopes to finalize a working strategic plan for the next fiscal year. Noting the extensive amount of information disseminated during the meeting today, the Chair suggested that everyone take some time to digest it for further discussion.

[*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); ratification of Board Committees (Tab 3); the bond transactions (Tabs 6 through 8 and 11 through 12); and the TDI request (Tab 18). Individual votes were taken for the bond issuances to South Shore Hospital, Inc. and CIL Realty of Massachusetts Incorporated (Tabs 9 and 10, respectively), due to the recusals identified above. Accordingly, all items were approved as indicated above.*]

**Miscellaneous: Old Business / New Business**

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

**Executive Session**

**24. VOTE – Devens – 16 Bulge Road – Proposed Land Sale**

Due to components involving the value of real property in Devens, the discussion of this item was reserved for Executive Session.

* **Emerging Technology Fund Investment Discussion**

Due to components involving financial and commercial information regarding the business of applicants for financial assistance from the Agency, the discussion of this item occurred in Executive Session.

The Chair advised, at 11:36 a.m., that, pursuant to Mass. General Laws Chapter 23G, Section 2(l), and Chapter 30A, Sections 21 & 22, the Board of Directors of MassDevelopment was going into Executive Session, following a roll call vote, which was taken and unanimously voted in favor, for discussion and vote on a real property transaction in Devens, as well as the discussion of financial and commercial information regarding the business of applicants for financial assistance from the Agency with respect to the Emerging Technology Fund. The Chair advised that the Open Meeting portion of the Board meeting would adjourn at this time; Board members and staff involved in the discussion(s) were instructed to remain on the videoconference while all others disconnected. He noted that the Board will not reconvene in Open Session following Executive Session.

[*Executive Session held*]

There being no further discussion or business before the Board of MassDevelopment, the Board Meeting ***and*** the Executive Session were adjourned in Executive Session at 11:58 a.m.