**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, May 11, 2017**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Jay Ash, Secy. of Housing & Economic Development, Chair

 Brian Kavoogian, Vice Chair

 James Blake

 James Chisholm

 Grace Fey

 Lauren Liss

 Rachel Madden, Designee for Secretary of Administration & Finance

 Patricia McGovern

 Juan Carlos Morales

DIRECTORS ABSENT: Karen Courtney

 Christopher Vincze

Agency Staff: Marty Jones, President and CEO

 Simon Gerlin, Chief Financial Officer

 Patricia A. DeAngelis, General Counsel and Board Secretary

 Richard Henderson, EVP, Real Estate

 Laura Canter, EVP, Finance Programs

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Roy Angel

 Laura Barrett

 Deb Boyce

 Sean Calnan

 Rob Carley

 Steve Chilton

 Robin Churray

 Zack Dovitz

 Tony Fracasso

 Joe Grivers

 Anne Haynes

 Dena Kavanagh

 Jim Kenney

 Victoria Maguire

 RJ McGrail

 Paul Moran

 Lillian Munoz

 Beth Murphy

 Leigh Natola

 Aiden O’Garro

 Meggie Quackenbush

 Deb Rosser

 Bob Seega

 Simmee Silton

 Pat Sluder

 Ed Starzec

 Mark Sternman

 Ellen Torres

 Gary Walker

 Jim Walsh

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

 Frank Gervasio, Project Manager, Executive Office of Administration & Finance

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, May 11, 2017, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notice duly given.

The Chair welcomed everyone and, noting the presence of a quorum, he called the meeting to order at 10:04 a.m.

**EXECUTIVE SESSION**

The Chair immediately advised, at 10:04 a.m., that, pursuant to clause (3) of section 11A ½ of MGL Chapter 30A, the Board of Directors of MassDevelopment was going into Executive Session, following a roll call vote, which was taken and unanimously voted in favor, to discuss a matter regarding certain Agency personnel and performance. The Chair instructed all persons who are not Board members or staff involved in this matter to leave the room. He noted that the Board will reconvene in Open Session following Executive Session.

[*Executive Session held*]

**OPEN SESSION RESUMED**

Following Executive Session, the Chair reconvened the Open Session of the MassDevelopment Board meeting at 10:19 a.m.; staff was invited to rejoin the meeting. The Chair asked if there were any guests present and Mr. Gervasio introduced himself.

**MINUTES**

**1. VOICE VOTE – Approval of Minutes (April 13, 2017)**

The Chair asked if there were any comments on the draft Minutes of the April 13, 2017 Board Meeting, and there were none. He asked for a vote to approve these minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Minutes of its April 13, 2017 Board Meeting, attached and part of the minutes of this meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (April 13, 2017)**

Noting that the matters in the April 13, 2017 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 these Executive Session Minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Executive Session Minutes of its April 13, 2017 Board Meeting, attached and part of the minutes of this meeting.

**3. VOICE VOTE – Approval of Additional Executive Session Minutes (April 13, 2017)**

Noting that the matters in the additional set of April 13, 2017 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 these Executive Session Minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the additional set of Executive Session Minutes of its April 13, 2017 Board Meeting, attached and part of the minutes of this meeting.

**President/CEO’s Report**

[*Secretary’s Note: At this time, Ms. Quackenbush 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.*]

Reporting that many Board members present today are referring to the Board materials on their electronic devices (iPads, tablets, other), Ms. Jones noted this is the first time MassDevelopment has distributed Board materials electronically. She encouraged those who have not yet received training and login information from Diligent Boards, to please do so; however, she pointed out that any Directors who wish to continue to receive hardcopies of their Board materials may do so.

Ms. Jones advised of a recent trip to Attleboro and a meeting with Mayor Kevin Dumas and others who are excited about the Site Readiness program and other opportunities with respect to cleaning up certain properties in downtown Attleboro in advance of an anticipated transit oriented development project. Ms. Jones also participated in a meeting with members of the Mass. Department of Conservation and Recreation and the Environmental Protection Agency regarding the transfer of management of the State Piers to MassDevelopment; due diligence is underway and the parties are hammering out an agreement. She attended the Cultural Facilities Fund (“CFF”) Advisory Committee meeting yesterday and noted there is a vote before the Board today in connection therewith; this year marks the ten year anniversary of the CFF and Ms. Jones invited Board members to a planned event in New Bedford to commemorate the occasion on May 18. She also attended a Devens Business Breakfast, where representatives of the various businesses in Devens are invited to make comments, share ideas, provide feedback regarding Agency services, and more.

In addition, Ms. Jones recently attended what she called “an inspiring Mayors Meeting” with mayors from Grant Rapids, Michigan, Anchorage, Alaska, and San Jose, California, which focused on neighborhood revitalization and community engagement. She attended the groundbreaking earlier this week for the General Electric project located just across Ft. Point Channel. Ms. Jones, Secretary Ash, and others participated in two listening sessions in Western Massachusetts concerning challenges for small businesses; she met in Pittsfield with the Transformative Development Initiative (“TDI”) Fellow and others to discuss opportunities and collaborations. She attended a small business event in Haverhill with Lt. Gov. Karyn Polito, at which the TDI small business accelerator grants were announced.

Lastly, Ms. Jones advised of an award for Excellence in Public Service recently bestowed upon her by CREW Boston; she advised also that at the Power of Preservation Awards event last night, MassDevelopment was awarded the Paul & Niki Tsongas Award for Preservation for ongoing efforts in connection with the management of the TDI program. Ms. McGovern added that she also attended the CREW event and commended Ms. Jones on her elegant acceptance speech.

[*Secretary’s Note: Ms. Quackenbush terminated the video recording of the President’s Report at this time.*]

With respect to the TDI, the Chair asked if the Agency keeps a tally of its contributions per community. Ms. Haynes said that information is recorded and she will compile a report thereof. The Chair congratulated the success of the TDI program, as well as the Agency and Ms. Jones on these impressive awards.

[*Secretary’s Note: Ms. Madden stepped out during the above Report, at 10:25 a.m.*]

**General Matters**

**4. VOTE – Amendment to Compensation Committee Charter**

Noting this request arises out of a discussion at the Compensation Committee meeting in April, Ms. DeAngelis briefly described this request to amend the charter of the Compensation Committee regarding approval of compensation of the President and CEO, Treasurer and CFO, and General Counsel. Going forward, the approval of compensation, retirement, and benefits for these positions will be required by the full Board based on recommendations of the Compensation Committee. The Chair then asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the amendment to the Charter of the Compensation Committee, as outlined in the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting.

**5. Diverse Business Participation Program for Direct Contracting – Discussion**. Ms. DeAngelis advised that while MassDevelopment is not subject to Minority Owned and Women Owned Business enterprise (“MBE/WBE”) requirements, the Agency has nevertheless developed a formal Diverse Business Participation Program which establishes criteria to encourage and measure participation by Diverse Business Enterprises in the provision of services under contract, consistent with Executive Order 565 issued by Gov. Baker in November 2015. The Baker Administration has encouraged quasi-public agencies to adopt a policy that reaches out to women-, veteran-, and/or minority-owned businesses so that hard quotas can be determined and measured. Ms. DeAngelis said the policy provided today, attached and part of the minutes of this meeting, is a draft, the final version of which may come before the Board in June. The Chair suggested it would be helpful to see a table outlining the Agency’s policy compared to the policies of other quasis and identifying how this draft policy differs from current practice. Briefly, Ms. DeAngelis advised that the policy will require, among other things: Agency outreach to Diverse Businesses as outlined in the policy; certification from Agency contractors confirming they reached out to women-, minority-, veteran-owned businesses; and requirements for contractors to file certain report(s) at the project end, from which data for the program will be tracked and recorded, thereby informing participation therein. When asked to what degree the Agency would be involved in the tracking of information, Ms. DeAngelis noted this would involve the presentation of an annual report to the Board, and sharing information with other entities. When asked if the collection and sharing of this data could subject MassDevelopment to potential criticism due to lack of diversity, Ms. DeAngelis advised such an outcome is possible.

**6. VOTE – Emerging Technology Fund (“ETF”) Advisory Committee – Reappointment of Committee Members**

This item was removed from consideration.

**7. MassDevelopment FY2017 3rd Quarter Financial Results.** For information purposes only, the Agency’s FY2017 3rd Quarter Financial Results are attached and part of the minutes of this meeting.

**Strategic Planning**

**8. MassDevelopment FY2017 Strategic Themes and Business Plan Goals**. For information purposes only, the summary of 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.

**9. VOICE VOTE – 2017 Strategies Review – Minutes Approval**

Recalling meetings in January, February, and March of this year, Ms. Jones referred to the slides and minutes that make up the 2017 Strategies Review. The Chair asked if there were any comments on the draft Minutes of the Strategy Session(s) held on January 12, February 16, and/or March 9, 2017, and there were none. He asked for a vote to approve these minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Minutes of the January 12, February 16, and March 9, 2017 Strategy Session Meetings, attached and part of the minutes of this meeting.

**10. MassDevelopment FY2018 Business Plan – Presentation of Draft Plan and Discussion**. For information purposes, the draft FY2018 Business Plan is attached and part of the minutes of this meeting. Noting the Agency’s alignment with the Baker Administration’s Economic Plan, Mr. McGrail advised that guidance is sought from Board members to assist in formulating the Agency’s business strategy for FY2018, which has been under review by staff since January, and a discussion ensued. He noted the final Business Plan would come before the Board for approval in June alongside the FY2018 budget, so staff and others are ready and able to proceed with operations under both the approved Plan and approved budget on July 1st.

Mr. McGrail referred to the Agency’s prominent themes – supporting private sector growth; developing vibrant communities; and achieving operational excellence – giving details about the activities that support them. With respect to core activities, Mr. McGrail stated that MassDevelopment will always be a capital provider; it will always support job creation within the Commonwealth; and, for the foreseeable future, the Agency will have a presence and leadership role in Devens. There then ensued a discussion regarding certain planned strategic priority activities for each theme. For instance, Mr. McGrail advised that “Supporting Quality Places & Partnerships” involves making a place feel like something is happening or about to happen there, which may include, specifically, expanding and/or extending the TDI program. With regard to “Achieving Organization Excellence,” the Agency strives to foster a culture that uses data driven, measured risks to advance creative and innovative solutions to organizational development, and MassDevelopment keeps track of its progress in this regard. Mr. Morales suggested the Agency might also want to track risk and risk performance. Ms. Liss asked about customer service and user experience; she suggested looking inward to examine and identify how the Agency can better serve its customers.

Reference was made to the Summary of the draft presentation (p. 14) and supporting details that follow (pps. 15 – 21), and further discussion ensued. Ms. Madden wondered about the Agency’s vision regarding building affordable and/or market rate housing, and Mr. McGrail briefly mentioned lending tools to finance deals targeted for market rate / mixed income developments specifically focused on Gateway Cities and downtown areas. Mr. Blake opined that with the lack of a preamble the supporting details can be sobering, specifically, with regard to the needs in Gateway Cities; Mr. McGrail confirmed that many do not have a good understanding of Gateway Cities, and he said a summary of current conditions and overview of employment sectors, etc. could be included in the final plan to document the need for the Agency’s focus areas.

With respect to completing the Agency’s Business Plan and annual budget together, Mr. Chisholm wanted to know whether one starts at the beginning – with a Business Plan – then builds the budget around it? Or, does one start with the budget and work backward to develop the Business Plan? Mr. McGrail commented that the process involves a little of both; certain overarching priorities are confirmed, then the budget and business plan are constructed around support thereof. When asked how this translates to employees, Mr. McGrail advised that part of the process involves departments putting together work plans that inform the department managers’ focus areas for the year. He said that tweaking performance management is an ongoing effort and, while it is not a perfect process, staff is continually assessing the factors to measure to evaluate impact and performance. Mr. Gerlin confirmed that Mr. McGrail meets with every department for feedback in this regard.

Finally, Mr. McGrail wanted to know, generally, whether or not the information provided
“feels right” to the members of the Board and whether the Agency is pursuing the appropriate path(s). Mr. Morales opined that there needs to be further discussion regarding whether the Agency focuses on doing a few large projects or lots of smaller projects. Ms. Fey commented that the presentation was very well done and the information provided was put together well; she felt it was very easy to understand.

[*Secretary’s Note: Ms. Madden rejoined the meeting during the Business Plan presentation and discussion (above), at approx. 10:45 a.m. She was not present for the votes on Agenda Items 4 and 9 (above).*]

**MARKETING / Communications**

**11.** **Media Report (April 2017)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for the previous month are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**12. Bond Detail Memorandum**. For information purposes, the Bond Memorandum is attached and part of the minutes of this meeting. Mr. Chilton noted there are no changes to the materials provided.

The Chair then asked if there were any recusals on the upcoming bond votes, and there were as follows:

Ms. Liss disclosed to the Board that the law firm of Rubin and Rudman, of which she is a partner, represents or has represented parties involved in the proposed bond issuance for New 125 Amory Street LLC (Tab 13). Therefore, she will recuse herself from any discussion, deliberation, and vote on this proposed bond issuance and leave the room during the deliberation and vote on this matter.

Mr. Blake disclosed to the Board that one of the officers of HarborOne Bank, of which he is president, serves as the Treasurer of Brockton Area Multi-Services, Inc. (Tab 20) and, therefore, he will recuse himself from any discussion, deliberation, and vote on that bond issuance and leave the room during the deliberation and vote on that matter.

The Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 13 – 22, 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 with Volume Cap Request**

**13.** Upon motion duly made and seconded, by the directors present, 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 New 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 $27,322,464.

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

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Request**

**14.** Upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the Official Action / Final Approval (“OA/FA”) resolutions 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 a 501(c)(3) Tax-Exempt or Taxable Bond to finance such project in an amount not to exceed $35,000,000.

**15.** Upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the OA/FA resolutions attached and part of these minutes regarding:

a project of Lutheran Home of Jamaica Plain, Inc., in Boston (Jamaica Plain), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $24,800,000.

**16.** Upon motion duly made and seconded, by the directors present, 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 Atlantis Charter School and Atlantis Educational Foundation, Inc., in Fall River, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $24,500,000.

**17.** Upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the OA/FA resolutions attached and part of these minutes regarding:

a project of Seven Hills Foundation, Inc. and affiliates, in numerous locations in Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $21,000,000.

**18.** Upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the OA/FA resolutions attached and part of these minutes regarding:

a project of Brandeis University in Waltham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $20,000,000.

**19.** Upon motion duly made and seconded, by the directors present, 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 Hannah BG Shaw Home, Inc., in Middleborough, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $13,200,000.

**20.** Upon motion duly made and seconded, by the directors present, 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 Brockton Area Multi-Services, Inc., in various locations in Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $3,150,000.

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

The Chair then requested that information regarding the interest rates being charged to borrowers be provided to Board members on a quarterly basis; he suggested that such information should be added to the Bond Detail Summary.

**Final Approval Projects with Volume Cap Request**

**21.** Upon motion duly made and seconded, by the directors present, 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 Egleston Infill LLC, in Boston (Roxbury), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $9,576,102.

When asked, Mr. Fracasso confirmed that this project is indeed being completed for less than $400,000 per unit. He said the units are of the highest quality at the lowest costs, calling attention to the collaborative process involved and a strong community effort to drive the costs down. Ms. Fey wondered how you take this model to other places, and Mr. Fracasso replied that MassDevelopment is working closely with the MassHousing Partnership to develop guidelines for this type of “Open Shop Process,” and plans to take the lessons learned on the road after completion of the project.

**Amendments**

**22.** Upon motion duly made and seconded, by the directors present, 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 Fair Havens, Inc., in West Brookfield, Massachusetts, amending the issuance of a 2015 Tax-Exempt Bond to finance such project in an amount not to exceed $20,152,000.

Mr. Morales asked about the outlook for bond issuances for FY2018, and Mr. Chilton stated that the annual investment banking budget is not based on the prior year’s bond issuances or fees; that said, he expects the budget for FY2018 to be the same as for FY2017. Ms. Jones declared that tax reform proposals at the federal level could have an impact on proposed bond issuances.

**Standing Board Committee Reports**

***Audit & Administration Committee***

Ms. McGovern reported that the Committee met this morning for a good discussion with representatives of the Agency’s audit firms. The Committee also followed up regarding the approval process for expenses of the President and CEO. In addition to Chief of Staff approval, the Board Chair has designated that the Committee Chair (or designee) shall be required to approve the expenses of the President and CEO; it was suggested that the Committee Chair shall meet with staff for this purpose on a month to month basis either directly before or after the Board meeting.

**23. Minutes of Prior Meeting**. For information purposes only, the minutes of the April 13, 2017 Audit & Administration Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

***Manufacturing & Defense Sectors Committee***

Mr. Chisholm reported that the Committee met on Tuesday, May 9, 2017, for a discussion of priorities and budget, on which he noted there will be more to come.

**24. Minutes of Prior Meeting**. For information purposes only, the minutes of the April 11, 2017 Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

[*Secretary’s Note: Mr. Beatty joined the meeting at this time for presentation of the following information. He left the meeting immediately after the update below.*]

Mr. Beatty presented the following information / updates regarding Westover and Joint Base Cape Cod (“JBCC”). He noted two items of interest with respect to JBCC: (1) $500,000 has been requested out of the Military Bond Bill for the performance of due diligence in connection with the proposal that MassDevelopment assume management of the water and wastewater treatment plants, and this request is making its way through a 30 day review process in the Legislature now; (2) the Military Task Force is seeking an additional $1.2 million, pending approval, for the establishment of a micro-grid at JBCC, including a wind turbine and solar field. With respect to Westover, Mr. Beatty noted the following two items of interest: (a) the establishment of an aviation training center, which has been moved to the “civilian side” of the airport and will strengthen Westover’s position should a round of Base Realignment & Closure (BRAC) be announced; and (b) there are ongoing discussions, supported by Mass. Dept. of Transportation (MassDOT) aeronautics, regarding support for 24/7 operations at Westover airport, as well as opening the airport to commercial aircraft.

***Origination & Credit Committee***

Mr. Blake reported that the Committee met on Tuesday, May 9, 2017.

**25. Minutes of Prior Meeting**. For information purposes only, the minutes of the April 11, 2017 Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**26. Delegated Authority Report for Loan Approvals (March 2017)**. 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.

**27. VOTE – 551 Main Street Holding Corp. and Worcester Center for Performing Arts, Inc. (Worcester) – Re-Approval of $1,000,000 Loan**

Mr. Angel briefly described this request to finance leasehold improvements to the ground floor of 551 Main Street, Worcester (the remainder of the building has been completely renovated already), for the purposes of attracting a full service restaurant. This building is one of many properties being redeveloped as the result of recent renovations to the Hanover Theatre and other improvements to the downtown. Mr. Angel clarified that this request is equal to a prior approval, which did not pan out. There is now a different restaurant end-user interested in the space, and this approval is contingent upon there being a signed lease in place before any renovations begin. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment re-approves the loan to 551 Main Street Holding Corp. and Worcester Center for the Performing Arts, Inc., as outlined in the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting.

**28. VOTE – Atlantis Charter School and Atlantis Educational Foundation, Inc. (Fall River) – $3,600,000 Charter School Guarantee**

Mr. Moran described this request for a Charter School Guarantee of up to $3,600,000 to provide credit enhancement to a tax-exempt construction/permanent bond being provided by Washington Trust Company, the proceeds of which will be used to finance construction of a new Atlantis Charter School on approx. 43 acres in Fall River. Atlantis Charter School is one of the original fourteen charter schools in Massachusetts; it has been helping to enhance the Fall River school system since 1995 and is on its fourth charter. The new building will allow Atlantis to consolidate three separate campus locations into one, and to add one grade level per year to reach full K – 12 capacity in FY2018; the project is expected to create 10 full time jobs, 5 part time jobs, and 61 construction jobs. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment re-approves the Charter School Guarantee up to $3,600,000 to Atlantis Charter School and Atlantis Educational Foundation, Inc., as outlined in the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting.

There then ensued a brief discussion regarding whether and which charter schools are eligible to use certain funding sources. The discussion also referenced the costs associated with construction of charter schools versus public schools. Ms. McGovern commented this is one of the most under-discussed success factors of charter schools. Ms. Madden offered to share a recent report on this topic with Board members and staff.

**29. VOTE – Dynamo Micropower Corporation (Somerville) – Re-Approval of $175,000 ETF Bridge Loan**

Mr. Kenney described this request to provide revolving bridge financing in support of awarded federal grants from the National Science Foundation not yet received. Dynamo Micropower Corp., located in the Greentown Labs in Somerville, has developed and manufactures fuel flexible micro-turbine based electrical power generation “closed loop” systems for the oil and gas industry that produce a cheaper form of heat and electricity, thereby reducing energy costs; these systems can be made to be self-containing to enable use in remote, off-grid regions (for the gas and mining industry, for example). The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment re-approves the ETF bridge loan to Dynamo Micropower Corporation, as outlined in the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting.

In response to questions posed, Mr. Kenney advised the Emerging Technology Fund was created about ten years ago to support start-ups and provide bridge financing. Mr. Morales noted these are risky endeavors and he was amazed at the success of the Fund; he wanted to know how many start-up incubators the ETF has funded, and Mr. Kenney advised there is an Annual Report (that is provided to Board members when issued), which contains this information.

**Community Development**

**30. Delegated Authority Report for Community Development Approvals (March 2017)**. For information purposes only, the Delegated Authority Report regarding Community Development approvals is attached and part of the minutes of this meeting. No discussion of the Report took place.

**31. Minutes of Cultural Facilities Fund Advisory Committee Meeting (September 12, 2106)**. For information purposes only, the approved minutes of the September 12, 2016 CFF Advisory Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**32. VOTE – Cultural Facilities Fund – 2017 Round – Grant Awards**

Mr. Calnan explained this request for approval of eighty (80) grant recommendations by the Massachusetts Cultural Council and CFF Advisory Group, after a lengthy vetting and scoring process resulting in a mix of capital grants, feasibility and technical assistance grants, and systems replacement grants totaling $9,302,400. Mr. Calnan stated that Agency staff oversees administration of these grants (specifically, Lillian Munoz and an intern from Northeastern, with legal assistance from Ellen Torres); Mr. Blake commented this is a huge effort and he offered kudos to staff. Mr. Calnan noted these new grants are contingent upon the anticipated receipt of committed funds from the Commonwealth. Mr. Calnan described certain terms of the grants, including the requirement of the recipients to match the grant funds. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board approves the recommendations of the CFF Advisory Group and awards grants to the Applicants, as outlined in the memorandum and vote dated May 11, 2017, attached to and part of the minutes of this meeting.

**33. VOTE – Young Women’s Christian Association / Levi Standish House (New Bedford) – Special State Appropriation Grant**

Mr. Walsh described this request for approval to amend certain grant agreements with the YWCA and the Commonwealth to make appropriate revisions to reflect additional grant sources. The Agency has been asked to administer three grants being consolidated and awarded to the Levi Standish House for a total of $2.8 million, contingent upon MassDevelopment receiving funds for the grants from the Executive Office of Administration & Finance. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the grant extension for the Young Women’s Christian Association / Levi Standish House, subject to the terms of the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting.

**New Markets Tax Credits (“NMTC”)**

**34. VOTE – NMTC Application 2017 – Approval to Submit Application and to Execute Allocation Agreement**

Ms. Sluder described briefly this request for authority to submit an application for an allocation in the next round of federal NMTCs and to enter into an allocation agreement, as necessary; the application is due on June 21 and is substantially the same as in prior years. Noting the Agency is the sixth largest one-state-only allocatee, Ms. Sluder advised that MassDevelopment is seeking $100 million in this round of funding (totaling $3.5 billion). The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes staff to submit an application for an allocation in the next NMTC round and to enter into an allocation agreement thereafter if the application is successful, subject to the terms of the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting.

[*Secretary’s Note: Ms. Sluder advised that a certain Certification, a copy of which has been provided today, must be signed by and obtained from each Board member as part of the application process. She requested each Board member to please sign and return the Certification form as soon as possible. An additional copy of the Certification will also be provided electronically to Board members who do not sign and return it today.*]

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

Mr. Kavoogian advised the Committee met on Tuesday, May 9, 2017.

**35. Minutes of Prior Meeting**. For information purposes only, the minutes of the April 11, 2017 Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**36. 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 the Updates took place.

**37. VOTE – Devens – Amendment of Contract with P.J. Albert, Inc.**

Mr. Carley explained briefly this request to authorize the amendment of an existing contract with P.J. Albert, Inc., for road pavement and treatment services to authorize funds for roadway resurfacing projects scheduled for FY2018, which additional services increase the amount of the contract to $475,000, which is beyond the Agency’s delegated authority. Further, he pointed out a typographical error on the Memorandum (the date thereof is incorrect), noting it will be corrected immediately following the meeting. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the amendment of contract with P.J. Albert, Inc. for roadway resurfacing, as outlined in the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting, and revised to correct the date.

**38. Statewide Real Estate Projects Updates**. For information purposes only, the Statewide Updates are attached and part of the minutes of this meeting. There was no discussion of the Updates. Mr. Henderson introduced Gary Walker, the newest member of the Agency’s Real Estate team.

**39. VOTE – Site Readiness Program Awards – FY2017 Final Awards**

Recalling the eight grants approved by this Board last month, Mr. Starzec described this request to approve five additional grant awards totaling $500,000, giving details of each as follows: *New Bedford Municipal Golf Course* (***New Bedford***): $300,000 for planning and engineering services in connection with the proposed conversion of 100 acres of a municipally-owned golf course; *Industrial Land Study* (***Orange***): $40,000 to assess the development potential of 432 acres of vacant and/or underutilized land near Exit 15 off Route 2; *Priority Development Areas (495/MetroWest Partnership)*: $50,000 in connection with updates to the 2012 495/MetroWest Partnership Compact Plan; *Indigo Block* (***Boston***): $35,000 to assist the Dorchester Bay Economic Development Corporation with a market analysis of light industry uses on 2.75 acres in Dorchester; and *“40s Redevelopment Site”* (***Pittsfield***): $75,000 to assist the City of Pittsfield and the Pittsfield Economic Development Agency in gaining a better understanding of conditions to pursue redevelopment of a seven-acre site known as the “40s site,” which includes the remains of a concrete slab from a former GE building. Mr. Starzec reminded everyone that a five percent administration fee is charged on each project to cover certain Agency costs. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves five additional FY2017 Site Readiness Program applications, as outlined in the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting.

**40. VOTE – Amendment of Contract with Wright-Pierce**

Mr. Carley explained briefly this request to ratify previous actions with respect to the Agency’s contract with Wright-Pierce for water and wastewater engineering services and to approve an increase to the contact value to an amount not to exceed $1,989,900 in connection with an ongoing study of the water and wastewater treatment systems at JBCC; the aggregate amount of the contract is beyond the Agency’s delegated authority. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the amendment of the contract with Wright Pierce for water and wastewater engineering services, as outlined in the memorandum and vote dated May 11, 2017, attached and part of the minutes of this meeting.

**41. VOTE – Dwight Street, Holyoke – Acquisition of Land**

Due to components involving valuation of real property and potential purchase and sale and lease terms, the discussion of this item and vote thereon occurred in Executive Session.

**42. VOTE – New Bedford – Acquisition of a Portion of the Whaling City Golf Course**

Due to components involving valuation of real property and potential purchase and sale and lease terms, the discussion of this item and vote thereon occurred in Executive Session.

**43. VOTE – Grafton – Acquisition of Property**

Due to components involving valuation of real property and potential purchase and sale and lease terms, the discussion of this item and vote thereon occurred in Executive Session.

**EXECUTIVE SESSION**

The Chair then advised, at 11:59 a.m., that, pursuant to MGL Chapter 30A, the Board of Directors of MassDevelopment was again going into Executive Session, following a roll call vote, which was taken and unanimously voted in favor, to discuss matters involving valuation of real property in Grafton, Holyoke, and New Bedford and potential purchase and sale and lease terms, the discussion of any of which in Open Session would have a detrimental effect on the negotiating positions of the Agency. The Chair instructed all persons who are not Board members or staff involved in these matters to leave the room. He noted that the Board will not reconvene in Open Session following Executive Session.

[*Executive Session held*]

There being no further business before the Board of MassDevelopment, the Open Session and Executive Session portions of the meeting were adjourned in Executive Session at 12:10 p.m.