**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

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

**Thursday, May 14, 2020**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Tim McGouthy, Designee for Secy. of Housing & Economic Development, Acting Chair

 Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 James Chisholm

 Francesca Maltese

 Juan Carlos Morales

 Kristina Spillane

DIRECTORS ABSENT: Christopher Vincze

 Ellen Zane

Agency Staff: Lauren Liss, President and CEO

 Robert Ruzzo, Deputy Director and COO

 Ricks Frazier, General Counsel and Secretary

 Simon Gerlin, Chief Financial Officer

 Jeff Fuhrer, Chief Strategy Officer

 Laura Canter, EVP, Finance Programs

 Dena Kavanagh, Deputy General Counsel

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

Kelly Arvidson

Naomi Baruch

Brandon Braxton

Graeme Brown

Jeff Buckley

Denise Callow

Sean Calnan

Rob Carley

Steve Chilton

Laura Christopher

Brenda Doherty

Jamie Errickson

Mike Galligan

Nick Giaquinto

Zach Greene

Joe Grivers

Jim Kenney

Will Kidston

Andrew Levine

Jim Moore

Lillian Munoz

Leigh Natola

Jan Nuzzolo

Claire O’Neill

Rick Pass

Kelsey Schiller

Simmee Silton

Ed Starzec

Louisa Stone

Jessica Strunkin

Cyndy Tonucci

Benny Wong

Guests: Charles Gessner

 Paul (last name not identified)

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, May 14, 2020, by Remote Participation (See Secretary’s Note, below), pursuant to notice duly given.

The Acting Chair welcomed everyone and, confirming the presence of a quorum on the videoconference, he called the meeting to order at 10:17 a.m.

[*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 general public use were included in the Public Notice for this meeting.*]

**MINUTES**

**1. VOICE VOTE – Meeting Minutes (April 9, 2020)**

The Acting Chair asked if there were any comments on the draft minutes of the April 9, 2020 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

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the minutes of its April 9, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (April 9, 2020)**

The Acting Chair stated if there are any comments on the draft Executive Session Minutes of the April 9, 2020 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

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the Executive Session minutes of its April 9, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**3. VOICE VOTE – Special Meeting Minutes (May 1, 2020)**

The Acting Chair asked if there were any comments on the draft minutes of the May 1, 2020 Special 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

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the minutes of its May 1, 2020 Special Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

To answer the question, “How’s it going at MassDevelopment?,” Ms. Liss said, “It’s going well.” She advised that while it is not business as usual, staff is getting the job done and the Agency is adapting. Certain programs have pivoted to respond to the COVID-19 pandemic and the vast majority of staff has made a seamless transition to working from home with little impact on MassDevelopment’s core functions. During the lockdown of the past eight weeks, the Finance Programs Division has closed 12 bonds (totaling about $800 million) and several loans and guarantees (totaling $1.2 million) and the Community Development program is active. In the Real Estate Division, progress continues on most projects and programs.

Ms. Liss advised that the budget – which is historically presented for Board approval in June – has become challenging in this uncertain, ever changing environment, but a June budget presentation is still on track. In early March, many budget assumptions had already been “baked in,” and since then senior staff has revisited certain assumptions and made adjustments where necessary. She advised that the FY2021 budget will be largely level-funded, will include a provision for modest salary increases, and will be the subject of quarterly sustainability reviews going forward. As always, Ms. Liss advised that MassDevelopment invites and awaits guidance regarding budgetary outlook and forecasting from the Baker Administration.

The Agency has established a Return to the Office Committee – headed by Bob Ruzzo and Jeff Fuhrer –to look at the logistics of returning to work; the Committee anticipates the release of the report of Gov. Baker’s Task Force on Monday, May 18, and will rely thereon for guidance. Ms. Liss advised, however, that whatever recommendations come out of Monday’s report, there are no plans for a formal return to the office any time soon. Indeed, the Agency anticipates that work from home will continue through the summer by the vast majority of MassDevelopment’s staff.

Finally, Ms. Liss was excited to remind everyone that Cassandra McKenzie will join the Agency on Monday, May 18, as EVP for Real Estate; she thanked Mr. Ruzzo for overseeing the Real Estate Division while a lengthy search for a new leader took place.

**STRATEGIC PLANNING**

**4. Annual Business Plan (FY2020)**. For informational purposes only, the Summary of the Agency’s Strategic Themes, Core Activities & Priority Strategic Goals is attached and made a part of the minutes of this meeting. No discussion of this item took place.

**MARKETING / Communications**

**5.** **Media Report (April 2020)**. 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**

**Updates from Executive Vice President, Finance Programs**. Ms. Canter described the current state of Finance Programs portolio(s) and pipeline(s). She said staff is busy trying to accommodate existing customers – and has processed $304,000 in payment deferrals (of 90 days, typically) that will be rescheduled at the end of the borrower’s loan(s) / guarantee(s) – representing 14 percent of the general portfolio. Fifty percent of loans from the Emerging Technology Fund (“ETF”) are impacted. She opined it is too early to make predictions but she confirmed no reduction to revenues anticipated in the FY2021 budget as a result of such deferrals. She advised that no payoffs are anticipated in the coming year.

**Updates from Chief Financial Officer**. Mr. Gerlin confirmed the budget process has been challenging, at best. Noting, for example, significant decreases in Devens revenue related to canceled recreation events and decreased hotel room tax revenue (due to anticipated vacancies), Mr. Gerlin advised that an overall drop in revenues will be budgeted and will impact the Agency’s bottom line. He advised to stay tuned for details in June.

**6. VOTE – Contract Extension with RSC Insurance Brokerage, Inc.**

Mr. Gerlin noted that the Agency originally procured the services of RSC Insurance through a Request for Production (“RFP”) five years ago, and the Agency continues to be satisfied with this vendor. Remarking on the challenges of attempting to issue a new RFP during the COVID-19 pandemic, Mr. Gerlin briefly described this request to continue the contract with RSC Insurance for an additional year at a flat rate. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the contract extension with RSC Insurance Brokerage, Inc., as outlined in the memorandum and vote dated May 14, 2020, that are attached and made a part of the minutes of this meeting.

**BOND TRANSACTIONS**

**7. Bond Detail Memorandum**. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Mr. Chilton advised that comments received as a result of a TEFRA hearing on the bond issuance for The May Institute, Inc. (Tab 12), have been provided as part of the updated Board materials and are appended to the minutes of this meeting. He summarized the comments briefly, noting the Town of Norwood opposes the use of a tax-exempt bond for construction of a private school, which does not pay property taxes. The Town also wishes to preserve the proposed site due to limited parcels for general office space in Norwood.

The Acting Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 8 – 13, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

**Bonds: Official Actions**

**Official Action Projects with Volume Cap Requests**

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

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

a project of Wamsutta Millworker Housing Preservation, LLC, in New Bedford, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $11,000,000.

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

a project of Lafayette Housing II Limited Partnership in Salem, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $8,100,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Requests**

**10.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, except Ms. Maltese, who recused herself (see below), 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 Worcester Polytechnic Institute, in Worcester, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $43,040,000.

[*Secretary’s Note:* *Ms. Maltese advised the Board that she has a relationship with the Borrower. She, therefore, recused herself from the consideration of the bond issuance to Worcester Polytechnic Institute. At the time the roll call vote was taken (later in the meeting), she was disconnected from the videoconference and did not participate in any discussion, deliberation, or vote on the matter. She returned to the main videoconference after completion of the above vote.*]

**11.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, except Mr. Blake, who recused himself (see below), 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 Property, 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 $38,300,000.

[*Secretary’s Note:* *Mr. Blake advised that his employer, HarborOne Bank, is the purchaser of the bond for South Shore Property, 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. He returned to the main videoconference after completion of the above vote.*]

**12.** Reference was made to the additional materials provided (which are attached and made a part of the minutes of this meeting) related to a TEFRA hearing on this proposed bond issuance and, upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

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

a project of The May Institute, Inc., in several Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt and Taxable Bond to finance such project in an amount not to exceed $11,592,000.

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

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

a project of Robbins Children’s Programs, Inc., in Attleboro, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $2,750,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

Mr. Blake advised that the Origination & Credit Committee met on Tuesday, May 12.

**Lending**

**14. Delegated Authority Report for Loan Approvals (March 2020)**. For informational purposes only, the Delegated Authority Report regarding Loan Approvals is attached and made a part of the minutes of this meeting. No discussion of the Report took place.

**15. VOTE – 87 Washington LLC (Haverhill) – Construction Loan Increase**

No presentation was given regarding this request for 87 Washington LLC to increase its existing construction loan from $3.2 million to $3.75 million to cover a funding shortfall resulting from the receipt of fewer historic tax credits than anticipated. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the construction loan increase for 87 Washington LLC, as outlined in the memorandum and vote dated May 14, 2020, that are attached and made a part of the minutes of this meeting.

**16. VOTE – Friends of Baystate Academy Charter Public School, Inc. (Springfield) – $2,185,000 Charter School Guarantee**

No presentation was given regarding this request for a $2.185 million Charter School Guarantee to provide credit enhancement to a MassDevelopment tax-exempt bond in the amount of $6,250,000 (approved by this Board in April) to support Baystate Academy’s purchase for $7,000,000 of the property it has been leasing and operating out of since 2015. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the $2,185,000 Guarantee for the Friends of Baystate Academy Charter Public School, Inc., as outlined in the memorandum and vote dated May 14, 2020, that are attached and made a part of the minutes of this meeting.

**17. VOTE – XRHealth USA, Inc. (Brookline) – $2,000,000 ETF Loan**

No presentation was given regarding this request for a $2 million ETF Working Capital Loan to support the growth of this technology company, which has developed an augmented reality telehealth platform designed to offer cognitive testing, pain management, remote rehabilitation, and psychological assessment services to patients in the comfort and safety of their own homes. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the $2,000,000 ETF loan to XRHealth USA, Inc., as outlined in the memorandum and vote dated May 14, 2020, that are attached and made a part of the minutes of this meeting.

**Community Development**

**18.** **Minutes of Brownfields Advisory Group Meeting (January 21, 2020)**. For informational purposes only, the approved minutes of the January 21, 2020 Brownfields Advisory Group meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**19.** **Minutes of Cultural Facilities Fund Advisory Committee Meeting (September 26, 2019)**. For informational purposes only, the approved minutes of the September 26, 2019 Cultural Facilities Fund Advisory Committee meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**20. VOTE – Cultural Facilities Fund – Spring 2020 Round**

No presentation was given regarding this request for approval of 100 grants in this 12th round of funding (including 68 capital grants, 20 feasibility and technical assistance grants, and 12 system replacement grants, all of which have been approved by the Cultural Facilities Fund Advisory Committee), contingent upon the receipt of funds from the Commonwealth. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the 100 grants in the Spring 2020 Round, as outlined in the memorandum and vote dated May 14, 2020, that are attached and made a part of the minutes of this meeting.

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

Mr. Kavoogian stated that the Real Estate Development & Operations Committee met for discussion only this month, as there was not a quorum present to make recommendations.

**21. VOTE – Devens – MacPherson Well Filter System Procurement**

No presentation was given regarding this request for authority to enter into a contract to purchase four particular filter systems for not more than $800,000 for the future MacPherson PFAS water treatment plant. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes procurement of the MacPherson Well filter system, as outlined in the memorandum and vote dated May 14, 2020, that are attached and made a part of the minutes of this meeting.

**22. VOTE – Devens – Natural Gas Supply Confirmation for FY2021-22**

No presentation was given regarding this request for authority to execute a confirmation document to secure a 12-36 month fixed price gas supply for the Devens gas utility with the current supplier, Shell Energy, or another qualified supplier. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes execution of confirmation document(s) for gas supply for Devens, as outlined in the memorandum and vote dated May 14, 2020, that are attached and made a part of the minutes of this meeting.

**23. VOTE – TDI – District Extensions and New Partnership Development Work**

In describing “Where We Are” relative to the Transformative Development Initiative, Mr. Koretz advised that this is the final year of what was originally envisioned as a 3-year program. He previewed the thinking behind the plans for TDI’s next phase, which will focus on District Involvement – through a partnership development approach that emphasizes collaborative efforts that has proven successful in Chicopee and Fall River – and will inform where staff sees each District in terms of its life cycle. This “life cycle” approach would include an “on ramp” of preparatory work prior to the initiation of the full District program with a fellow in place, followed by an “off ramp” of additional support from TDI. This approach would better focus the program’s core resources, particularly including fellows, in ways that utilize those resources most effectively.

Mr. Koretz reported that an experiment of establishing two-year districts does not work. That amount of time is simply too short to make a real impact. He then advised that the Chelsea and Worcester Main South TDI Districts are scheduled to graduate in September. These two-year Districts have been hit especially hard by COVID-19, and staff feels it would be unwise to remove resources from these Districts just as the communities are starting to rebuild in the aftermath of the pandemic. He noted that the program has sufficient funding to cover the expenses of these two Districts in FY2021. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, except the Acting Chair, who recused himself (see below), it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves TDI District extensions in Chelsea and Worcester for FY2021 and certain early activities for the next phase of the TDI program, as outlined in the memorandum and vote dated May 14, 2020, that are attached and made a part of the minutes of this meeting.

[*Secretary’s Note:* *The Acting Chair advised that he is an Adjunct Professor and teaches a class at Clark University, which is identified as a related party. A discussion followed where it was noted that the presentation did not go into depth regarding Worcester and also was not specific to Clark University. The Acting Chair stayed for the presentation regarding the general outlook for the TDI Program, but he recused himself from consideration of this matter; at the time the roll call vote was taken (later in the meeting by the Vice Chair), the Acting Chair disconnected from the videoconference and did not participate in any discussion, deliberation, or vote on the matter. He returned to the main videoconference after completion of the above vote.*]

**24. Devens and Devens Environmental Updates**. For informational purposes, the Devens Updates are attached and made a part of the minutes of this meeting. Ms. Strunkin reported that Devens staff continues to provide essential and other services and to protect ongoing public safety during the COVID-19 pandemic. She noted that the Devens Residents Committee, at a recent meeting that took place via conference call, expressed not only appreciation for the services provided but also that there has been no disruption in services.

Recent meetings (i.e., in connection with potential rezoning of Vicksburg Square and of the Devens Jurisdiction Framework Committee) have been canceled, but will be rescheduled; efforts regarding scheduling a Super Town Meeting continue. Ms. Strunkin advised that projects to install permanent treatment facilities for three drinking wells in Devens remain on track with no issues to report, and she thanked the Board for its vote today in this regard.

**25. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Mr. Errickson noted the following highlights:

*Women’s Institute, Devens*. This project was interrupted for a time to revise operating protocols to address COVID-19 safety standards, but is now back on track.

*Emerson Green, Devens*. This project had paused also, but is now back. There have been a number of sales in recent weeks and there is lots of interest.

*Village Hill, Northampton*. This is a private development project whose operations are not subject to the mandates governing state projects and has continued to move forward.

*Carriage Grove, Belchertown*. Staff is working on roadway design with a design firm (although no contract is in place yet) with funding from a Site Readiness Program grant, as well as an EDA grant. The contract for demolition (as approved by the Board at the onset of the COVID-19 pandemic and lockdown), however, has not yet been executed, as staff awaits updated guidance from the Administration regarding construction activities for public projects as the economy reopens.

*Site Readiness Program*. This program, under Ed Starzec, continues to move forward.

*Technical Assistance Program*. The current round of Technical Assistance grants is wrapping up. Some projects are on hold and staff may be seeking to carry over the timing and/or funding for tasks that simply cannot be completed under the current state of emergency,.

*Commonwealth Places Program*. The pandemic – and physical and social distancing, in particular – has had a heavy impact on this program, which is designed to bring people together. Staff has been able to engage with all 21 grant recipients and make adjustments that will provide flexibility to address immediate needs.

Ms. Liss then advised that Mr. Errickson has accepted the position of Assistant Town Manager for Natick and will be leaving MassDevelopment before the next Board meeting. She said the Agency is sorry to see Jamie go, but wishes him well. Mr. Errickson noted his pleasure at having worked for MassDevelopment and said that had this too-good-to-turn-down opportunity not sought him, he would not be leaving.

[*Secretary’s Note: At this time in the meeting the Acting Chair asked for one vote – to approve the following: the minutes (Tabs 1, 2 and 3); the contract extension with RSC Insurance Brokerage, Inc. (Tab 6); the bond transactions (Tabs 8, 9, 12 and 13); the loan, increase, and guarantee (Tabs 15 through 17); and the two Devens matters (Tabs 21 and 22) – and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, these items were approved as identified above. Individual votes were taken for the bond issuances for Worcester Polytechnic Institute (Tab 10) and South Shore Property, LLC (Tab 11), as well as for the TDI request (Tab 23), due to the recusals identified above.*]

**Miscellaneous: Old Business / New Business**

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

**Executive Session**

**26. VOTE – Devens – Clear Path for Veterans New England, Inc. – Option to Purchase Land**

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

* **Litigation Matter(s)**

The discussion of this item occurred in Executive Session.

The Acting Chair advised, at 11:14 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, to discuss a litigation matter, as well as a discussion and vote on a specific real property transactions in Devens. The Acting 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 reconvene via videoconference call using the information provided to them prior to the commencement of today’s meeting. 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 Board Meeting ***and*** the Executive Session were adjourned in Executive Session at 11:20 a.m.