**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

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

**Thursday, July 9, 2020**

**10:00 a.m.**

**M I N U T E S**

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

 Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 James Chisholm

 Joan Corey

 Francesca Maltese

 Juan Carlos Morales

 Kristina Spillane

 Ellen Zane

DIRECTORS ABSENT: Christopher Vincze

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, SEVP and Chief Strategy Officer

 Laura Canter, EVP, Finance Programs

 Cassandra McKenzie, EVP, Real Estate

 Jessica Strunkin, EVP, Devens

 Dena Kavanagh, Deputy General Counsel

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

Roy Angel

Graeme Brown

Denise Callow

Sean Calnan

Robert Carley

Steve Chilton

Brenda Doherty

Mike Galligan

Zach Greene

Amanda Gregoire

Jim Kenney

William Kidston

Marinna McCormick

Paul Moran

Rick Pass

Doug Robinson

Kelsey Schiller

Bob Seega

Simmee Silton

Ed Starzec

Rebecca Sullivan

Cythnia Tonucci

Gary Walker

Benny Wong

Guests: None

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, July 9, 2020, 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, he called the meeting to order at 10:04 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 (June 11, 2020)**

The Chair asked if there were any comments on the draft minutes of the June 11, 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 June 11, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (June 11, 2020)**

The Chair stated if there are any comments on the draft Executive Session Minutes of the June 11, 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 June 11, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Recalling the Board’s approval of the budget last month, Ms. Liss welcomed everyone to the first Board meeting of the new fiscal year. She noted that a presentation of the Agency’s FY2021 Business Plan would be made in August. She noted, too, that the Agency’s Strategic Capital Plan, spearheaded by Jeff Fuhrer, is available in draft form for anyone interested. She advised that the Agency has paused its Enterprise Risk Management review to reconsider the scope provided to its consultant, BlumShapiro.

Ms. Liss then reminded everyone of Gov. Baker’s Reopening Plan, noting that Phase 3 – allowing for such things as indoor dining, for 10 people per 1,000 square feet of office space, and more – began on July 6. When Ms. Liss was asked if she knew whether and how many employees may desire to return to the office full time, Ms. Liss said that would be part of the reopening planning process. The Chair added then that working from home has been working for state government overall and this remains the underlying plan until further notice, basically. Indeed, the Guidelines for Phase 3 state, “Employers are encouraged to have workers continue to telework *if feasible*; external meetings should be remote to reduce density in the office.”

**GENERAL**

**3. MassDevelopment Board Committees and Members**. For informational purposes, a chart identifying Board Committees and Members is attached and made a part of the minutes of this meeting. Ms. Liss encouraged Board members to review the list and consider serving on a Committee or two. She commented on how very important Board input is, as it serves to shape Agency thinking and policy.

**MARKETING / Communications**

**4.** **Media Report (June 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, and Chief Financial Officer**. With respect to year-end numbers for the now-closed FY2020, Ms. Canter stated that Bonds exceeded budget (71 projects yielded $2.6 million in fees; higher education bonds performed better than expected), while Lending lagged ($33.8 million loaned versus a forecast of $52.5 million goal). Many projects simply did not proceed and with only 37 projects advancing, the dollar amount requested decreased by 40 percent. Ms. Canter advised that deferrals (due to the pandemic) had impacted 14 percent of General Fund loans, but that number has now rolled down to 6 percent. When asked if there are any early signs of a “melt down,” Ms. Canter said, “No, but it’s early.” Mr. Gerlin added that earlier this year staff had projected that bond issuance revenue would exceed the FY2020 budget and, indeed, that was and is being seen. He noted that administrative costs went down dramatically in the second half of FY2020, due to the lack of all business-related travel and reductions in other expenses due to the pandemic.

**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 stated there are no changes to the materials provided.

The Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 6 – 15, 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 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 the Friends of Springfield Preparatory Charter School, Inc., in Springfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $13,580,000.

**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 The Somerville Community Corporation, Inc., in Somerville, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $11,444,274.

**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 the Caleb Mohawk Limited Partnership, in North Adams, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $12,486,312.

**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 NHS Copley Gardens LLC, in Rockland, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $7,500,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Requests**

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

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the revised Official Action / Final Approval (“OA/FA”) resolution that is attached and made a part of these minutes regarding:

a project of Milford Regional Medical Center, Inc., in Mendon, Whitinsville and Milford, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $67,000,000.

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

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

a project of Doctor Franklin Perkins School, in Lancaster, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $$21,580,000.

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

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

a project of Malden Catholic High School, Inc., in Malden, Massachusetts locations, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $16,500,000.

**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 Old Sturbridge, Inc., Sturbridge, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $8,500,000.

**Final Approval Projects with Volume Cap Requests**

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

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

a project of Broadway Everett TND LLC, in Everett, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $9,143,000.

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

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

a project of 41 N. Margin Senior Apartments LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $6,400,000.

**Standing Board Committee Reports**

***Audit & Administration Committee***

Mr. Attia reported that the Audit & Administration Committee had a good meeting this morning and reviewed with the Agency’s auditors – RSM US LLP – the Agency’s audit plan for FY2020, which, despite many challenges this year, is being kept to a typical schedule. Certain issues were raised and discussed in connection with working remotely and how internal controls are administered, credit risk and anticipated related policies, and disclosure. Documentation is key.

**16. Minutes of Prior Meeting**. For informational purposes only, the minutes of the April 9, 2020 Audit & Administration 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 on Tuesday, July 7.

**17. Minutes of Prior Meeting**. For informational purposes only, the minutes of the June 9, 2020 Origination & Credit Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**18. Delegated Authority Report for Loan Approvals (May 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.

**19.** **Minutes of Emerging Technology Fund Advisory (“ETF”) Committee meeting (March 4, 2020)**. For informational purposes only, the approved minutes of the March 4, 2020 ETF Advisory Committee meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**20. VOTE – ARC Realty Management LLC (Lynn) – $2,800,000 Construction to Permanent Real Estate Loan Participation; $750,000 Bridge Loan; and $130,000 Brownfields Remediation Loan**

Mr. Galligan explained this request for financing resulting from the expiration of a prior approval (in November 2019) for rehabilitation of the Lynn Item Building in downtown Lynn, which has been vacant for the past five years. Funding and other delays caused ARC to be unable to close the loans under the Board’s previous approval, which has now expired. In addition, a vapor intrusion issue has been identified and, therefore, the Agency is requesting approval for a Brownfields loan. 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 loans to ARC Realty Management LLC, as outlined in the memorandum and vote dated July 9, 2020, that are attached and made a part of the minutes of this meeting.

**21. VOTE – Intigua, Inc., d/b/a JetPatch (Boston) – $1,000,000 Working Capital ETF Loan**

Mr. Kenney explained this request for $1 million ETF Loan to support new hires at this tech company, which has developed software that lessens the duration of a potential breach of a computer program while awaiting a patch (described as a change, improvement or repair to a computer program); it can compress or shorten the “fix time” from 90 days to 30 – 40 days. The software can also improve and predict issues relating to installing patches that interact with other software programs, and JetPatch continuously updates its library of anticipated problems. Mr. Kenney said the company gets its revenue from large companies with auto renewing contracts. JetPatch has a good pipeline, an excellent management team and a Board experienced in enterprise software. 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 ETF loan to Intigua, Inc., d/b/a JetPatch, as outlined in the memorandum and vote dated July 9, 2020, that are attached and made a part of the minutes of this meeting.

**22. VOTE – New Garden Park, Inc. (Worcester) – $1,875,000 Real Estate Loan Participation Increase**

Mr. Angel briefly explained this request to increase the amount of the Agency’s participation in a commercial real estate mortgage loan, due to the recent withdrawal of another bank from the transaction, noting that the loan has performed well since its inception. Mr. Angel briefly described MassDevelopment’s long involvement in this project to redevelop the former Telegram & Gazette Building in downtown Worcester. The building is 95 percent occupied and one additional source of income is parking. 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 increase in loan participation for New Garden Park, Inc., as outlined in the memorandum and vote dated July 9, 2020, that are attached and made a part of the minutes of this meeting.

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

Mr. Kavoogian reported that the Real Estate Development & Operations Committee met on Tuesday, July 7.

**23. Minutes of Prior Meeting**. For informational purposes only, the minutes of the June 9, 2020 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.

**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 a minor fire in the stairwell at Shirley Meadows (the new senior housing facility), which she noted was quickly contained and caused no issues or injuries. She advised of a third positive case of coronavirus among Devens’ residents. The Devens Residents Committee met earlier this week and the residents were complimentary of recent traffic mitigation efforts. The Devens Jurisdiction Framework Committee has not met since February, but these meetings are expected to resume in August, virtually. A formal announcement will be made soon informing everyone that the Super Town Meeting being planned for October 2020 in connection with the rezoning of Vicksburg Square will be postponed.

With respect to Gov. Baker’s Reopening Plan, Ms. Strunkin stated that staff continues to review the Phase 3 Guidelines now in effect to determine what recreation is feasible or permitted. Disc golf has returned, as well as limited activities on Rogers Field, and the beach at Mirror Lake opened a few weeks ago.

Regarding real estate in Devens, Draper Labs has decided to relocate its proposed facilities to Florida to better meet the needs of two of its principal clients and will not purchase 105 Hospital Road. Notwithstanding the minor fire this morning, Shirley Meadows will be seeking a Certificate of Occupancy later this month; Ms. Strunkin said the buildings at this new senior housing facility are beautiful.

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

*Village Hill, Northampton*. Staff is working with Wright Builders regarding the only three commercially developable lots remaining available.

*Carriage Grove, Belchertown*. Carriage Grove has been selected as a “housing choice community” and staff is working with the Town on grant applications in connection therewith. Design concepts are also underway.

*Myles Standish Industrial Park Expansion, Taunton*. The board of Taunton Development/ MassDevelopment Development Corporation met last week and approved certain repayments and reimbursements to MassDevelopment.

*King Street Properties, Devens*. This sale of two parcels remains on track to close at the end of the month.

*Real Estate, generally*. Six of thirty-four tenants have requested rent relief due to the COVID-19 pandemic; one has already paid and another is about to make payment.

*Commonwealth Places Program*. The current grant round kicked off on June 22; eight applications have been received.

*Site Readiness Program*. Six of thirteen agreements are signed and these projects are moving forward.

*Transformative Development Initiative (“TDI”) / TDI Local Program*. This program has been able to pivot to support COVID-19 recovery.

[*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); the bond transactions (Tabs 6 through 15); and the loan requests (Tabs 20 through 22). Accordingly, those 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**

**26. VOTE –Devens – Emerson Green – Amendment to Land Disposition Agreement**

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 Chair advised, at 10:49 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 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 everyone else was disconnected. 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 11:00 a.m.