MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors**

**Thursday, August 13, 2015**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Jay Ash, Chair

 Gerald Cohen, Vice Chair

 David Abromowitz

 Keon Holmes

 Dennis Kanin

 Richard Kronish

 Jeffrey Porter

 Liz Thorne, Designee for Secretary of Administration & Finance

DIRECTORS ABSENT: April Lamoureux

 Patricia McGovern

 Vacant seat

Agency Staff: Marty Jones, President & CEO

 Simon Gerlin, Chief Financial Officer

 Laura Canter, EVP, Finance Programs

 Richard Henderson, EVP, Real Estate

 Anne Marie Dowd, EVP, Legislative and Defense Sector Initiatives

 Meg Delorier, Chief of Staff

 Teresa Patten, Board Secretary

 Victoria Stratton, Recording Secretary

 Kelsey Abbruzzese

 Mary Emma Barton, Intern, Program Policy Impact

 Steve Chilton

 Smriti Choudhuri, Intern, Legal

 Joy Conway

 Cheryl Dooley

 Sara Eisinger

 Thomas Grondine, Intern, Recreation

 Tania Hartford

 Anne Haynes

 Jim Kenney

 Michael Kracov, Intern, Engineering

 Doreen Lindsay

 Zhenyang Liu, Intern, Finance Programs (Cultural Facilities Fund)

 Laura Masulis, TDI Fellow

 R.J. McGrail

 Matt McSwain

 Marcus Mello, Rappaport Fellow

 Michael Miller

 Joe Mulligan, TDI Fellow

 Leigh Natola

 Rick Pass

 Natalie Perry, Women’s Leadership Fellow

 Abigail Raisz, Intern, Real Estate

 Ian Roche, Intern, Finance Programs

 Deb Rosser

 Kelsey Schiller, Intern, Marketing and Communications

 Ed Starzec

 Eleni Varitimos

 Jim Walsh

Guests: Brian Eby, TIAA-CREF

 Wayne Perry, Graphic Communications

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, August 13, 2015, 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 10:03 a.m. He asked if there were any guests present, and Mr. Eby introduced himself; Mr. Perry arrived later in the meeting and introduced himself at that time.

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

**Minutes**

**1. VOICE VOTE – Approval of Minutes (July 9, 2015)**

The Chair asked if there were any comments on the draft Minutes of the Open Session of the July 9, 2015 Board Meeting, and there were none. He asked for a vote to approve the Open Session Minutes of the July 9, 2015 Board Meeting and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors approves the Open Session Minutes of the July 9, 2015 Board Meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (July 9, 2015)**

The Board Secretary advised that the matters in these Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session. Accordingly, the Chair asked if there were any questions or comments on these Executive Session Minutes, and there were none. He asked for a vote to approve the Minutes of the Executive Session of the July 9, 2015 Board Meeting and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Executive Session Minutes of its July 9, 2015 Board Meeting.

**President/CEO’s Report**

Ms. Jones informed the Board that MassDevelopment has received $1 million from the U.S. Department of Education for the continuation of the Charter Schools Loan Guaranty program.

With respect to recent events, Ms. Jones advised that she attended a somber ceremony in Natick where Kansas Street was renamed after Army Maj. Gen. Harold J. Greene, who commanded the Natick Soldier Systems Center for two years; sadly, last year, Gen. Greene became the first U.S. General to be killed in Afghanistan. She noted that all speakers at this event declared what an inspiring person Gen. Greene was. Agency staff hosted an informative / overview meeting in Devens with the new staff of the Mass. Office of Business Development (MOBD). Ms. Jones and Ms. Canter toured the Connecticut Center for Advanced Technology, Inc. (CCAT) facility.

Noting that Massachusetts will probably be affected in an upcoming Base Realignment and Closure (“BRAC”) round anticipated to occur in the next two years, Ms. Jones stated that she accompanied Gov. Baker on a trip to Washington, D.C. where they participated in meetings regarding BRAC issues. She noted that the Governor has embraced the work and strategy of MassDevelopment and the Military Task Force in this regard. The Chair stated that Gov. Baker is pleased with the Agency’s commitment and strategy with respect to BRAC issues. In a related item, Ms. Jones noted that Chris Willenborg, who most recently served as Director of Aviation at the Mass. Department of Transportation, has been named the new Executive Director of the Military Task Force.

Ms. Jones described a recent meeting with Secretary Beaton, where they discussed potential collaborations between MassDevelopment and the Executive Office of Environmental Affairs and others.

In conclusion, Ms. Jones stated that the Agency has hired a new Vice President for Manufacturing: Veda Clark will begin in that role in September. She pointed out that the September Board Meeting is Labor Day week, with Committee Meetings taking place the day after Labor Day. She then advised that the October Board Meeting has been moved to October 15, 2015, and will occur in Devens; the Board Meeting will take place from 10:00 a.m. to noon, followed by a lunch break, followed by the afternoon session with Devens’ residents. Board members were encouraged to attend and remain for the afternoon session, if possible.

[*Secretary’s Note: Mr. Kanin arrived at the meeting during the above presentation at 10:07 a.m.; Mr. Abromowitz arrived at the meeting during the above presentation at 10:13 a.m.*]

**GENERAL MATTERS**

**3. VOTE – Extension of Contract with Bloomberg L.P.**

Mr. Pass briefly described this request to approve the evergreen extension of MassDevelopment’s contract with Bloomberg L.P. for provision of a Bloomberg Terminal and access to Bloomberg financial analysis data for use by the Investment Banking Department. He described Bloomberg as the leader in the industry, noting that the Agency has used its Terminal for financial analysis since 2006.

Noting his concerns over self-renewing contacts, the Chair asked why not seek proposals and bids periodically, and a discussion ensued. Ms. Canter noted the ongoing process with respect to the data provided by and use of the Bloomberg Terminal in MassDevelopment’s office. Mr. Kronish wondered if it would be possible to parcel out certain services, and Mr. Chilton agreed that some types of data could be obtained elsewhere, if necessary, but only Bloomberg at this time provides all the financial information MassDevelopment staff needs for analysis. Reiterating that he finds indefinite contracts to be troublesome, the Chair asked if the Agency has negotiated other indefinite contracts; Ms. Jones advised that she is not aware of any such agreements. When asked, Mr. Pass advised that the I.T. Department generally enters into contracts for a period of three years, with renewal options beyond that, and that the Bloomberg contract will remain an annual contract. Accordingly, a motion was duly made and seconded to remove from this contract the component that delegates to the President and CEO the authority indefinitely to renew the contract with Bloomberg at her discretion, limits to a period of three years the authority delegated to renew, and adds the requirement that if the contract is to be renewed after three years it will be brought back to the Board with an analysis of other options for obtaining similar services. The Chair asked for a vote with the changes noted above and it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the contract with Bloomberg L.P., as outlined in the memorandum and vote dated August 13, 2015, attached and part of the minutes of this meeting, and amended to include the conditions discussed above.

**Strategic Planning**

**4. MassDevelopment FY2016 Strategic Themes and Business Plan Goals**

For information purposes only, the Agency’s Strategic Themes and Business Plan Goals are attached and part of the minutes of this meeting. With respect to Theme 2.3 (Build regional knowledge and facilitate regionally based economic growth), Mr. Ash asked for a definition of “regional knowledge,” and it was noted that, for example, MassDevelopment convenes regional seminars at which it seeks to share knowledge and expertise with local communities regarding best practices, and more, for economic growth.

The Chair then advised that he has been approached independently by three communities that have expressed concerns over the Agency’s and the Commonwealth’s focus on Devens, perhaps to the detriment of other Massachusetts communities, and a brief discussion ensued. He wondered if there has been a study on the impact of Devens on its surrounding communities; Ms. Jones stated the Agency has not conducted such a study and the Chair noted he would like to have a conversation about doing so. Mr. Abromowitz added that Devens is often on the agenda of the Real Estate & Operations Committee, and he suggested that the discussion of conducting such a study as part of a larger discussion about Devens and its future, perhaps, should begin in that Committee. The Chair agreed, noting that he felt an obligation to advise MassDevelopment of these municipalities’ concerns.

**Strategic Discussion**

*Brownfields sites presentation on past projects*.

*ULI TAP progress report*.

It was noted these presentations would be held until later in the meeting, time permitting.

**MARKETING/Communications**

**5.** **Media Report (July 2015)**

For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for July are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**6.** **Bond Detail Memorandum**

Mr. Chilton noted there are eighteen approvals before the Board today. He advised there are two changes from the materials in the August Board book: a new Trustee has been named for the proposed bond issuance for the Trustees of Boston University (Tab 11) and the new Trustee is The Bank of New York Mellon Trust Company; and an additional property has been added to the project for the proposed bond issuance for Greater Lawrence Community Action Council, Inc. (Tab 22) and a revised write-up has been provided.

The Chair asked that Mr. Chilton again describe the difference between volume cap and non-volume cap requests. Mr. Chilton briefly described the allocation by the Commonwealth of federal tax-exempt volume cap, noting the Agency’s allocation is mostly for industrial and certain housing transactions. Other bond transactions, mostly in which the borrower is a non-profit, do not require use of volume cap. He described the current status of the federal allocation, noting that to date this year MassDevelopment has received $210 million in volume cap for housing transactions and $100 million in volume cap for economic development. The Executive Office for Administration & Finance (“ANF”) controls the allocation of federal volume cap at the state level, and ANF typically holds back a portion of the cap. It was noted that ANF is holding back $125 million in volume cap this year, and MassDevelopment will submit an application for all or a portion of it. It was noted further that the Massachusetts agencies that receive federal volume cap are: MassHousing; the Massachusetts Education Finance Authority (MEFA); and MassDevelopment. Finally, when asked if it is possible to waive volume cap in particular projects, the response was no.

The Chair then asked for a description of the fee structure in bond transactions. Mr. Chilton noted briefly that all bond transactions are subject to an application fee and an issuance fee, which depends on the type of project; fees for bond issuances for non-profits are reduced.

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

Secy. Ash disclosed to the Board that he is a former officer of Clark University and, therefore, he will recuse himself from any discussion, deliberation, and vote on the proposed bond issuance to the Trustees of Clark University (Tab 16) and leave the room during the deliberation and vote on this matter. He asked the Vice Chair to conduct that deliberation And vote, and Mr. Cohen agreed to do so.

Mr. Abromowitz disclosed to the Board that the law firm of Goulston & Storrs, of which he is Of Counsel, represents the borrower John M. Corcoran & Company, LLC in the proposed bond issuance for The Residences at Fifty West Broadway, LLC (Tab 12) and, therefore, he will recuse himself from any discussion, deliberation, and vote on this proposed bond issuance and leave the room during the deliberation and vote on this matter.

Mr. Holmes disclosed to the Board that his employer Cambridge Associates currently represents or previously represented the borrowers involved in the proposed bond issuances for Lahey Clinic Foundation Inc. (Tab 10) and the Trustees of Boston University (Tab 11). In addition, he is a Trustee of Lasell College (Tab 20). Therefore, he will recuse himself from any discussions, deliberation, and votes on these proposed bond issuances and leave the room during the deliberation and votes on these matters.

Mr. Kronish disclosed to the Board that he is a former board member of RTH Restoration Housing Limited Partnership (Tabs 24, 25) and, therefore, he will recuse himself from any discussions, deliberation, and votes on the proposed bond issuance and issuance of LIHTCs and leave the room during the deliberation and votes on these matters.

Mr. Porter disclosed to the Board that the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (“Mintz”), of which he is a member, currently represents or previously represented, in either the matters before the Board or in other matters, parties involved in the proposed bond issuances and issuance of LIHTCs for Lahey Clinic Foundation, Inc. (Tab 10 – Mintz represents the borrower in other matters); Trustees of Boston University (Tab 11 – Mintz represents the borrower in other matters); Noble and Greenough School (Tab 15 – Mintz represents one principal of the borrower in other matters; Mr. Porter also has a personal friendship with this individual); Lasell College (Tab 20 – Mintz represents the borrower in other matters); and RTH Restoration Housing Limited Partnership (Tabs 24, 25 – Mintz represents the letter of credit bank in other matters) and, therefore, he will recuse himself from any discussions, deliberation, and votes on these proposed bond issuances and issuance of LIHTCs and leave the room during the deliberation and votes on these matters.

The Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 7 – 25, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

**Bonds: Official Action Approvals**

**Official Action Projects without Volume Cap Request**

**7.** Upon motion duly made and seconded, it was

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

a project of Western New England University, in Springfield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $38,700,000.

**8.** Upon motion duly made and seconded, it was

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

a project of George H. and Irene L. Walker Home for Children, Incorporated, in Needham and Watertown, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $8,000,000.

**9.** Upon motion duly made and seconded, it was

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

a project of Community Action Agency of Somerville, Inc., in Somerville, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $1,410,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Request**

**10.** Upon motion duly made and seconded, it was

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

a project of Lahey Clinic Foundation, Inc., in numerous locations in Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $547,000,000 (Official Action/Final Approval (“OA/FA”)).

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

**11.** Upon motion duly made and seconded, it was

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

a project of the Trustees of Boston University, in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $162,740,000 (OA/FA).

The Chair asked how the credit-worthiness of institutions such as Boston University is judged, and a brief discussion ensued. Mr. Chilton stated that Boston University is actually rated so its credit rating is public knowledge, but he noted for deals involving private placements, it is the responsibility of the bank involved in the transaction to do the underwriting. Ms. Canter added that if the bank says it is acceptable, then MassDevelopment does not intervene. Mr. Chilton agreed, noting that, indeed, the Agency wants the bank or other party taking the credit risk to make its own determination. Ms. Jones added that the exception is when MassDevelopment provides guarantees on bonds, then the Agency performs its own analysis. Otherwise, generally, the Agency relies on the bank’s analysis.

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

**12.** Upon motion duly made and seconded, it was

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

a project of The Residences at Fifty West Broadway, LLC, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $46,194,716.

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

**13.** Upon motion duly made and seconded, it was

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

a project of Dexter Southfield, Inc., in Brookline, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $39,235,000.

**14.** Upon motion duly made and seconded, it was

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

a project of Lawrence General Hospital and LGH Charitable Trust, Inc., in Lawrence, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $30,000,000 (Revised Final Approval).

The Chair said it would be helpful to know the total number of jobs created as a result of the proposed bond issuances approved today; he commented that the issuance above indicates no new jobs will be created and he asked if job creation is a condition of approval. Mr. Chilton was not sure why no jobs are projected for this particular bond issuance; perhaps the project does not include an expansion of services. He noted that specific job creation is not a condition of approval.

**15.** Upon motion duly made and seconded, it was

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

a project of Noble and Greenough School, in Dedham, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $27,000,000 (Revised Final Approval).

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

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

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

a project of the Trustees of Clark University, in Worcester, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $19,000,000.

[*Secretary’s Note: Having previously recused himself from this matter, the Chair left the room and did not participate in any discussion, deliberation, or vote on the matter, which were conducted by the Vice Chair. The Chair returned to the meeting room after completion of the above vote.*]

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

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

a project of Preparatory Foundation, Inc., in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $18,000,000 (OA/FA).

**18.** Upon motion duly made and seconded, it was

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

a project of The Protestant Guild for Human Services, Inc., in several Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $14,000,000 (OA/FA).

**19.** Upon motion duly made and seconded, it was

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

a project of Berkshire School, Inc., in Sheffield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $13,385,000 (OA/FA).

**20.** Upon motion duly made and seconded, it was

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

a project of Lasell College, in Newton, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $10,000,000 (OA/FA).

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

**21.** Upon motion duly made and seconded, it was

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

a project of Dean College, in Franklin, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $4,500,000 (OA/FA).

**22.** Mr. Chilton reminded the Board of the revised write-up provided today, in which an additional property is reflected. Upon motion duly made and seconded, it was

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

a project of Greater Lawrence Community Action Council, Inc., in Lawrence and Methuen, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $4,500,000 (OA/FA).

**23.** Upon motion duly made and seconded, it was

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

a project of North Cottage Program, Inc., in Norton, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $1,500,000 (OA/FA).

The Chair wanted to know if MassDevelopment solicits input from the communities before it issues a bond for a particular institution. Mr. Chilton advised that the Agency sends letters to the community, and Ms. Canter noted that public hearings required under the tax code are conducted on every project prior to the issuance of any bonds.

[*Secretary’s Note: Mr. Perry joined the meeting during the above discussion and introduced himself when asked to do so shortly thereafter.*]

Mr. Kronish felt it would be helpful to have a general discussion at a future meeting regarding tax credits in low income areas. Noting an array of issues in connection with housing vouchers and tax credits, he wondered who benefits. The Chair wondered whether it is appropriate to ask MassDevelopment what the response should be. Mr. Abromowitz agreed, noting there is a multi-agency discussion going on regarding this topic.

**Final Approval Projects with Volume Cap Request**

**24.** Upon motion duly made and seconded, it was

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

a project of RTH Restoration Housing Limited Partnership, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $16,800,000.

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

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

**25.** Upon motion duly made and seconded, it was

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

a project of RTH Restoration Housing Limited Partnership, in Boston, Massachusetts, making findings regarding and for providing assistance for an annual allocation by DHCD of federal LIHTCs.

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

**Standing Board Committee Reports**

The Chair asked a procedural question, and clarification was made that each Committee Chair would report to the full Board the information and recommendations from its Committee meeting and that Committee Chairs may conduct the votes by the Board or may ask the Chair to do so.

***Manufacturing & Defense Sectors Committee***

Mr. Kanin advised that the Manufacturing & Defense Sectors Committee met on Tuesday, August 11, 2015.

**26. Minutes of Prior Meeting**

For information purposes only, the minutes of the July 7, 2015 Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**27. VOTE – $2,125,000 grant to the Massachusetts National Guard for Energy Upgrades at Military Bases**

Ms. Dowd described this request to approve a grant of $2,125,000 to the Massachusetts Guard, Joint Forces Headquarters, for energy efficiency projects at Barnes Air National Guard Base, Camp Edwards, and Otis Air Guard National Base, for energy upgrades. She advised that the federal government has indicated it has no funding for these projects (i.e., updating outdated systems), so the source of funding for this request is the FY15 capital budget and the FY14 Military Bond Bill. The Chair asked how much was spent in FY14 and Ms. Dowd briefly described expenditures to date, including: infrastructure (mostly roadways) at Hanscom; a project with UMass Lowell; the Doriatic Chamber in Natick; a new runway at Barnes. When Ms. Jones suggested that staff could put together a summary for the Chair, he said that would be very helpful. She noted further that all base improvements were identified through a Dept. of Energy Resources (DOER) study conducted last year, which weighted 189 individual projects.

Mr. Abromowitz asked if there has been a conversation regarding the recycling of the energy that will be saved by the proposed upgrades, and when the Chair noted that it is assumed the bases would put any energy savings into other base uses, Ms. Jones agreed. Mr. Porter commented that the upgrades are essential for the viability of these bases because Massachusetts ranks high in energy costs among the 50 states. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the award of a $2,125,000 grant to the Massachusetts Guard, Joint Forces Headquarters, for energy improvements, as outlined in the memorandum and vote dated August 13, 2015, attached and part of the minutes of this meeting.

The Chair then asked whether the contract with The Roosevelt Group, which was approved at the July 9, 2015 Board meeting, would require rebidding or if it is a self-renewing contract. He emphasized that all contracts should undergo a rebidding process on a regular basis unless there are extraordinary circumstances. Clarification was made that the approval of the contract with The Roosevelt Group was for a one-year extension of a three year contract, subject to rebidding.

***Origination & Credit Committee***

The Vice Chair advised that the Origination & Credit Committee met on Tuesday, August 11, 2015; however, there was not a quorum present for the meeting, so the Committee only discussed the items before it. No votes were taken, and none could be recommended.

**28. Minutes of Prior Meeting**

For information purposes only, the minutes of the July 7, 2015 Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**Lending**

**29. Delegated Authority Report for Loan Approvals (June 2015)**

For information purposes only, the Delegated Authority Report regarding Loans is attached and part of the minutes of this meeting. No discussion of the Report took place.

**30. VOTE – Salad Bowl Farms, LLC (Devens) – $4,500,000 General Fund Construction/Perm Loan**

Mr. Angel briefly described this request for a general fund term loan in the amount of $4.5 million, the proceeds of which will be used to finance the construction of greenhouses and the purchase of new equipment for automated hydroponic greenhouse operations, all for the growing of baby lettuce and green leafy vegetables to be harvested, distributed, and sold to supermarkets, education institutions, and other end users throughout Massachusetts and New England. The term of the loan will be 6.5 years and is secured by all assets of the company. Mr. Angel described the borrower Paul Sellew as a leader in the organics industry for over 30 years and an experienced entrepreneur who has started and successfully run more than half a dozen companies during his professional career. The Chair wanted to know if MassDevelopment was also selling the land for this project, and Mr. Angel said yes. Mr. Henderson noted there is no infrastructure on this particular parcel and it is difficult to reach; before this use was proposed, it was thought that the site would likely become a solar field. With no more questions, the Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the $4,500,000 loan to Salad Bowl Farms, LLC, subject to the terms of the memorandum and vote dated August 13, 2015, attached and part of the minutes of this meeting.

**31. VOTE – Atentiv Holdings, Inc. and Atentiv, LLC (Waltham) – $3,000,000 Emerging Technology Fund (“ETF”) Loan**

Mr. Kenney described this request for an ETF term working capital loan to provide financing for the growth of this company as it introduces its new product to the consumer and education markets. Atentiv has developed a digital device to treat ADHD replacing prescription drugs, which, in many cases do not work. The financing will support (i) material costs used in inventory manufacture; (ii) costs associated with molds, prototypes, and testing; and (iii) new full-time employment. Mr. Kronish was interested in knowing whether the company’s findings about its product have been published anywhere, and Mr. Kenney noted that the data is internal only, except for any data the U.S. Food & Drug Administration may have as public records. Mr. Kenney described this typical ETF approval, which includes warrants and private equity; he noted that it is anticipated 100 jobs will be created in a call center in Waltham. Due to components involving financial and commercial information regarding the business of this applicant for financial assistance from the Agency and its competitive position in its industry sector, the remainder of this discussion occurred in Executive Session.

**EXECUTIVE SESSION**

The Vice Chair then advised, at 11:22 a.m., that, pursuant to MGL pursuant to Chapter 23G, Section 2, and Chapter 30, Sections 21 and 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 the financial and commercial information regarding the business of this applicant for financial assistance from the Agency and its competitive position in its industry sector. 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 reconvene in Open Session following Executive Session.

[*Executive Session held*]

**OPEN SESSION RESUMED**

Following the Executive Session, the Chair asked for a vote and, upon motion duly made and seconded, noting that Messrs. Kronish and Porter abstained, it was, by a majority of the Board members present,

**VOTED:** That the Board of Directors of MassDevelopment approves the $3,000,000 ETF loan to Atentiv Holdings, Inc. and Atentiv, LLC, subject to the terms of the memorandum and vote dated August 13, 2015, attached and part of the minutes of this meeting.

**32. Charter School Loan Guarantee Fund Leverage**

Ms. Canter recalled for the Board its approval at the May 2015 Board meeting of this leverage recommendation. She noted that the Memorandum in Tab 32 of the August Board materials is provided to clarify that MassDevelopment’s potential total exposure is up to 2 times the cash balances of the Charter School Loan Guarantee Funds at the time of inquiry, which is $10 million at present, but could be more or less in the future as cash balances increase or decrease. No vote was necessary or requested.

**33. VOTE – New Financing Capability**

Ms. Canter called attention to the revised vote provided today, noting that the members of the Origination & Credit Committee requested certain clarifications. She noted that the funds for the Flexible Loan Product, which will be capped at $1,000,000 per property and limited to multi-tenant commercial or residential properties in downtown/village centers, will come from monies set aside from the sale of 100 Cambridge Street as follows: $2.5 million from the $10,000,000 set-aside for a program to address underutilized buildings and $2.5 million from the $10,000,000 set-aside for rental housing lending. The Flexible Loan Product Funds will be used to improve underutilized buildings for commercial or rental housing uses with no restriction on the amount used for each purpose. Further clarification was made that this new loan product, while capped at $1 million per project, is in addition to any other Agency financing products available, including loans, that meet the Agency’s regular underwriting requirements for that project. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the Flexible Loan Product Funds, subject to the terms of the memorandum and revised vote dated August 13, 2015, attached and part of the minutes of this meeting.

**Community Development**

**34. Delegated Authority Report for Community Development Approvals (June 2015)**

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.

**35. Minutes of Brownfields Advisory Group Meeting**

For information purposes only, the minutes of the February 19, 2015 Brownfields Advisory Group Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**36. VOTE – City of Attleboro, 6 Hazel Street (Attleboro) – $1,500,000 Brownfields Remediation Grant and Priority Project Designation**

Mr. Walsh advised that this request was originally brought before the Board in April, at which time the Board requested that an appraisal be performed and sale price information be obtained from the City of Attleboro. Briefly, he recalled the history of this request, noting certain changes in ownership and property transfers. He noted that the property was appraised in May 2015 based on the assumption the building thereon is demolished and the property is free from environmental contamination. Stern/Leach, the current owner of the property, is planning to sell two parking lots on the property and give the proceeds of the sale(s) to the City of Attleboro towards the City’s share of demolition and remediation costs. Because the City has already contributed more than $1.7 million to hazardous materials abatement, building demolition, and parking lot construction, the recommended grant of $1.5 million is requested to be given as a grant with no recoverability on transfer of the site to Stern/Leach. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the $1,500,000 grant to the City of Attleboro, as well as designation of this project as a Priority Project, subject to the terms of the memorandum and vote dated August 13, 2015, attached and part of the minutes of this meeting.

**37. Municipal Contributions for Brownfields Priority Projects**

Ms. Canter noted that the Memorandum in Tab 37 of the August Board materials is provided to clarify the amount and source(s) of required municipal contribution for projects to receive Priority Project designation for funding from the Brownfields Redevelopment Fund, and a brief discussion ensued. Mr. Porter commented this is an improvement over the prior draft, but he still has concerns and would like to continue the discussion. Mr. Porter stated that, in his opinion, it is not inappropriate to ask a municipality to contribute to a project as a condition of approval. Ms. Jones said that staff is asking the Board for guidance to help set the expectations of municipalities at the outset of a proposed project. Mr. Porter felt it is appropriate to advise municipalities that they must contribute more than the bare minimum but amounts could be determined on a case-by-case basis. The Chair agreed and noted some Board members have concerns regarding grants counting toward municipal contribution; he indicated that practice is used in other grant programs such as for urban renewal projects. The Vice Chair, noting time constraints today, advised that the Origination & Credit Committee will continue to discuss this item.

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

Mr. Abromowitz stated that the Real Estate Development & Operations Committee met on Tuesday, August 11, 2015, and recommended for approval the vote before the Board today (at Tab 42, below).

**38. Minutes of Prior Meeting**

For information purposes only, the minutes of the July 7, 2015 Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**39. Devens and Devens Environmental Updates**

For information purposes, the Devens and Devens Environmental Updates are attached and part of the minutes of this meeting. No discussion of the Updates took place.

**42. VOTE – Transformative Development Initiative (“TDI”) – Award of TDI Real Estate Consultants Contracts**

Ms. Haynes briefly described this request to negotiate contracts with up to six professional firms to provide real estate consulting services on a so-called house doctor basis over an initial two-year term, with an additional one-year option for each contract, selected pursuant to a Requests for Qualifications (“RFQ”) process; she noted 47 responses were received to the RFQ, which staff then narrowed down to these six. She advised that there is no obligation to spend any or all of the dollars set aside for these contracts and that these six firms would also be available to the Agency, generally, for projects other than TDI projects. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves entering contracts with six professional firms for real estate consulting services, named in and on the terms outlined in the memorandum and vote dated August 13, 2015, attached and part of the minutes of this meeting.

**TDI – Update of Program Progress**

Noting a question that was posed to her during the Real Estate & Operations Committee meeting, Ms. Haynes advised that, of the $3 million budgeted for TDI Technical Assistance, $1.1 million has been expended to date. No further updates were given.

**40. Statewide Real Estate Projects Updates**

For information purposes, the Statewide Real Estate Projects Updates are attached and part of the minutes of this meeting. With respect to staffing, Mr. Henderson noted briefly that Sarah Eisinger has joined MassDevelopment as Vice President, Real Estate; she will oversee the properties at 1550 Main Street, Springfield; 370 Essex Street, Lawrence; and others. Conroy Development Corp. will close on its purchase of Lot 6R at the Myles Standish Industrial Park extension project in ***Taunton*** on August 22. There is a hearing before the planning board this evening on a matter related to ***Village Hill, Northampton***, regarding the Town’s costly infrastructure/road requirements for a housing developer. In ***Devens***, Health Partners New England closed on its purchase of 85 Patton Road.

With regard to ***Municipal Services***, staff has recently become involved in providing assistance with searches for industrial sites for manufacturers and similar users. Mr. Starzec then informed the Board briefly of an Industrial Land Study about to begin in the North Central Region, including Leominster, Fitchburg, Ayer, Shirley, Clinton, Gardner, Lancaster and Sterling, to address concerns regarding availability of development-ready industrial property and impediments to industrial site development. A team of consultants has been engaged for this study. The study involves a four point scope, including: inventory of properties (land and buildings); classification of properties as to readiness for development/reuse; cross referencing inventory against market demand; and analysis/recommendations. The study should get underway in September and staff hopes to have findings by early next year.

**41. Semi-annual Real Estate Portfolio Review**

This summary was postponed until the September Board meeting.

**42. VOTE – Transformative Development Initiative (“TDI”) – Award of TDI Real Estate Consultants Contracts**

See above.

**TDI – Update of Program Progress**

See above.

**Strategic Discussion**

*Brownfields sites presentation on past projects*.

*ULI TAP progress report*.

It was noted these two presentations would be made after the Board meeting was adjourned and before the Intern Presentations to follow, for which Board members were invited to remain and attend.

The Chair then informed everyone that, regrettably, Board member Jay Hurley has as of August 12, 2015, resigned from the Agency’s Board of Directors. Mr. Hurley noted time commitments of his present job as a major reason for his resignation. On behalf of the full Board and MassDevelopment, the Chair thanked Mr. Hurley for his service to the Commonwealth, and he advised that a replacement is actively being sought to fill this vacancy.

There being no further business before the MassDevelopment Board, upon motion duly made and seconded, the meeting was adjourned at 12:05 p.m.