**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, January 16, 2020**

**10:30 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

 Karen Courtney

 Francesca Maltese

 Juan Carlos Morales

DIRECTORS ABSENT: James Blake

 James Chisholm

 Grace Fey

 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

 Laura Canter, EVP, Finance Programs

 Dena Kavanagh, Deputy General Counsel

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Dominic Belcea, NEU Intern

 Jessica Beliveau

 Graeme Brown

 Rob Carley

 Steve Chilton

 Laura Christopher

 Tony Fracasso

 Mike Galligan

 Zach Greene

 Joe Grivers

 Noah Koretz

 Dan Morais

 Leigh Natola

 Doug Robinson

 Kelsey Schiller

 Simmee Silton

 Ed Starzec

 Louisa Stone

 Jessica Strunkin

 Ellen Torres

 Benny Wong

Guests: Matt Murphy, *State House News Service*

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, January 16, 2020, at MassDevelopment’s offices, 99 High Street, 11th floor, Boston, Massachusetts, pursuant to notices duly given.

The Chair welcomed everyone and, confirming the presence of a quorum, he called the meeting to order at 10:39 a.m. He asked if there were any guests in attendance and Mr. Murphy introduced himself.

**MINUTES**

**1. VOICE VOTE – Meeting Minutes (December 12, 2019)**

The Chair asked if there were any comments on the draft minutes of the December 12, 2019 Board meeting, and there were none. He asked for a vote to approve these minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the minutes of its December 12, 2019 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Noting the difficulties in establishing a quorum at recent Board meetings, Ms. Liss thanked the Board members present for their availability to attend today’s rescheduled meeting. She wished everyone a Happy New Year and advised of the Agency’s year-end activities, involving, among other things, compilation of the MassDevelopment Annual Report and several other annual reports called for by statute, including updates on: Devens; the Brownfields Redevelopment Fund; the Collaborative Workspaces Program; the Cultural Facilities Fund; and the Advanced Manufacturing Futures Fund. She advised that all of these reports are available online, or hardcopies by mail upon request. She noted, too, that numerous transactions closed in December, including: six bond issuances (totaling more than $152 million in financings and $1.4 million in fees); three loans/guarantees (totaling in excess of $7 million); and ten Community Development grant awards (for more than $105,000).

Ms. Liss advised that the Lieutenant Governor last week announced a new round of grants in the Collaborative Workspaces Program. Later in the week, the Governor announced additional funding for the Brownfields Redevelopment Fund at an event Ms. Liss attended in Jamaica Plain. She said MassDevelopment is also working with the Executive Office of Housing & Economic Development on op-ed opportunities supporting the Baker Administration’s economic development programs, and with the Barr Foundation on continuing and/or additional funding of certain Agency programs. Efforts in connection with the State Piers continue, and staff is also working on streamlining permitting, generally.

Finally, Ms. Liss introduced/announced two new interns: Emma Roberts from MIT (not present) is working with Real Estate on the Transformative Development Initiative (“TDI”), and Dominic Belcea from Northeastern University is assisting Lillian Munoz in Finance Programs to manage grants in connection with the Cultural Facilities Fund.

**GENERAL**

**2. VOTE – Approval and Confirmation of Agency Officers**

Noting the requirements of MassDevelopment’s enabling statute to elect or appoint – or re-elect or re-appoint – annually the Agency’s President and CEO, Treasurer, and Secretary, Mr. Frazier described this request to approve and confirm the Agency’s current slate of officers. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the slate of Agency officers, as outlined in the memorandum and vote dated January 16, 2020, that are attached and made a part of the minutes of this meeting.

**3. Bond and Agency Counsel Services.** For informational purposes only, the list of firms providing Bond and Agency Counsel Services – selected through a recent, published Request for Qualifications, to which there were 15 respondents – is attached and made a part of the minutes of this meeting. No discussion of this item took place.

**STRATEGIC PLANNING**

**4. Annual Business Plan (FY2020)**. For informational purposes only, the summary of the Agency’s Strategic Themes and Business Plan 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 (December 2019)**. 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 Chief Financial Officer and Executive Vice President, Finance Programs**. Ms. Canter gave a breakdown of numbers for calendar year 2019, including 31 bond closings and 18 loan and guarantee closings. She described the pipeline for bonds as good, and with interest rates at a “40-year-low” of 2.99 percent, refinancing opportunities can be expected. Ms. Canter noted a solid pipeline related to affordable housing bond transactions (requiring volume cap) and she advised that the majority of Agency’s 2019 allocation of volume cap was utilized in 2019, although some projects slipped into 2020. Mr. Gerlin stated that he will present a detailed six-month review at the next Board meeting. In the meantime, he noted a robust December and said there is nothing major to report at this time.

**BOND TRANSACTIONS**

**6. Bond Detail Memorandum**. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Mr. Chilton noted a minor typographical error (the presence of two brackets in the resolution for Simmons University (Tab 10)) and advised that a portion of the bond issuance for Montserrat College of Art, Inc. (Tab 17) may be taxable. He confirmed there are no other changes.

The Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 7 – 17, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended. He asked if there were any recusals on the bond issuances and there were none.

**Bonds: Official Actions**

**Official Action Projects without Volume Cap Requests**

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

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

a project of Cape Cod Pilgrim Memorial Association of Provincetown, in Provincetown, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $5,500,000.

**Official Action Projects with Volume Cap Requests**

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

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

a project of Truman Apartments LLC, in Cambridge, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $18,700,000.

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

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

a project of Putnam School Apartments LLC, in Cambridge, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $10,345,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Requests**

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

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

a project of Simmons University, in Boston, for the issuance of 501(c)(3) Tax-Exempt and Taxable Bonds to finance such project in an amount not to exceed $133,000,000.

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

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

a project of Berklee College of Music, Inc., in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $83,525,000.

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

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

a project of The Trustees of Milton Academy, in Milton, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt and Taxable Bond to finance such project in an amount not to exceed $66,000,000.

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

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

a project of the Collaborative for Regional Educational Services and Training, in Andover, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $17,000,000.

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

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

a project of the Franciscan Hospital for Children, Inc., in Boston (Brighton), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $13,350,000.

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

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

a project of Delta Projects, Inc., in numerous locations in southeastern Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $7,500,000.

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

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

a project of Centerboard, Inc., in several locations in northeastern Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $7,150,000.

**17.** Mr. Chilton again pointed out that a portion of this bond issuance may be taxable. Upon motion duly made and seconded, by the directors present, it was, unanimously

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

a project of Montserrat College of Art, Inc., in Beverly, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt and Taxable Bond to finance such project in an amount not to exceed $5,300,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

The Origination & Credit Committee did not meet this month.

**Lending**

**18. Delegated Authority Report for Loan Approvals (November 2019)**. 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. VOTE – Carter Street LLC (Chelsea) – Modification to Existing Loan**

Mr. Galligan briefly described this request for approval to modify an existing $2,470,000 real estate loan for a borrower with an excellent history. The borrower reported having been approached by an aggressive local lender, but expressed a preference to keep its loan with MassDevelopment, provided the note can be amended similarly to the local lender’s proposal. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the loan modification for Carter Street LLC, as outlined in the memorandum and vote dated January 16, 2020, that are attached and made a part of the minutes of this meeting.

**Community Development**

**20. Delegated Authority Report for Community Development Approvals (November 2019)**. For informational purposes only, the Delegated Authority Report regarding Community Development Approvals is attached and made a part of the minutes of this meeting. No discussion of the Report took place.

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

The Real Estate Development & Operations Committee did not meet this month.

**21. VOTE –TDI – Creative Catalyst Grant Awards**

Mr. Koretz explained this request for authorization to approve eleven TDI Creative Catalyst Grants totaling $340,000, noting the grants will be supported using $260,000 of Barr Foundation funding ($125,000 in year one; $135,000 in year two) and $80,000 in Agency funding. He advised that the Barr Foundation restricted its funding to “artistic spaces” in existing TDI Districts, and these are the first grant awards to be made through this program. A brief discussion ensued regarding the very positive initial response to this program, and Ms. Maltese was interesting in knowing more about the projects that did not receive an award; she wondered if there was a noticeable common thread. A discussion of the application criteria and vetting process followed, and Mr. Koretz remarked that thoroughness and attention to detail were typically the differentiating factors. He pointed out that launching this program has also served as a fact-finding and information gathering exercise, which will inform and assist in building a program pipeline. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes approval of eleven TDI Creative Catalyst Grants, as outlined in the memorandum and vote dated January 16, 2020, that are attached and made a part of the minutes of this meeting.

**22. 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 details are being finalized in connection with a potential development prospect that has chosen Devens over various other locations in New England. Bristol-Myers Squibb (“BMS”) recently acquired a program called Celgene, which is likely to lead to expansion of BMS’s presence in Devens. An upcoming 5-year review under the federal Comprehensive Environmental Response, Compensation, and Liability Act will be the first undertaken since the Agency became aware of PFAS chemical contamination in Devens drinking water. Response to the PFAS contamination continues to go well; treated water from all wells continues to test at non-detect levels and no issues have arisen with winterization of the well facilities.

With respect to recent traffic studies at Buena Vista and Auman Streets, Ms. Strunkin advised that the actions taken to mitigate certain traffic issues have worked; traffic is reduced. Devens residents and businesses are being added as a fifth stakeholder to the Devens Jurisdiction Framework Committee, which has met five times to date; the other stakeholders are the towns of Ayer, Harvard, and Shirley, MassDevelopment, and the Devens Enterprise Commission.

Finally, Ms. Strunkin reported that Little Leaf Farms wants to connect to the Devens water and sewer lines and the Utilities Division is working with Little Leaf on this endeavor. Renewed efforts are taking place in connection with potential rezoning of Vicksburg Square. Staff is gearing up for public hearings and an information campaign. The goal is to convene a Super Town Meeting on June 15, 2020, for a vote/approval to rezone Vicksburg Square.

**23. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Mr. Ruzzo reported that a search for a permanent EVP, Real Estate, is underway in earnest. The closing on the conveyance of *6-8 Stearns Square, Springfield*, is next week and the Springfield Business Improvement District looks forward to taking ownership of the property. In *Taunton*, staff awaits final inspection by the Massachusetts Department of Transportation of traffic lights installed at Rte. 140. A brief discussion ensued regarding the “great story” of *Village Hill, Northampton*. Mr. Ruzzo advised that a federal grant was received in December and infrastructure has been completed on Carriage Drive, *Belchertown*. At *Emerson Green, Devens*, four units have sold and ten more are under agreement; staff continues to remind the developers that they must begin planning and developing a multi-family building soon, as required by their previously negotiated agreements.

Coordination of the next round of grant awards in the *Site Readiness Program* (anticipated for February) is underway. Activity is ongoing on all projects in the *Technical Assistance Program*. There is lots of interest in the *Commonwealth Places Program*.

**Miscellaneous: Old Business / New Business**

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

**Executive Session**

* **Devens – Litigation Matter(s)**

The discussion of this item occurred in Executive Session.

The Chair advised, at 11:15 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 certain litigation matter. The Chair instructed all persons who are not Board members or staff involved in these matters to leave the room. He noted that the Board will not reconvene in Open Session following Executive Session.

[*Executive Session held*]

There being no further business before the Board of MassDevelopment, the Board Meeting ***and*** the Executive Session were adjourned in Executive Session at 11:37 a.m.