**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, February 13, 2020**

**10:30 a.m.**

**M I N U T E S**

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

 Brian Kavoogian, Vice Chair

 James Blake

 James Chisholm

 Karen Courtney

 Juan Carlos Morales

DIRECTORS ABSENT: Mark Attia, Designee for Secretary of Administration & Finance

 Grace Fey

 Francesca Maltese

 Christopher Vincze

 Ellen Zane

Agency Staff: 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

 Roy Angel

 Graeme Brown

 Frank Canning

 Rob Carley

 Steve Chilton

 Jamie Errickson

 Kate Fraser

 Zach Greene

 Jim Kenney

 Will Kidston

 Noah Koretz

 John Marc-Aurele

 Leigh Natola

 Doug Robinson

 Bob Seega

 Simmee Silton

 Pat Sluder

 Ed Starzec

 Jessica Strunkin

 Cyndy Tonucci

 Ellen Torres

 Gary Walker

Guests: None

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, February 13, 2020, at MassDevelopment’s offices, 99 High Street, 11th floor, Boston, Massachusetts, pursuant to notices duly given.

The Acting Chair welcomed everyone and, confirming the presence of a quorum, he called the meeting to order at 10:00 a.m. He asked if there were any guests in attendance and, if so, to please introduce themselves; there were no guests present.

**MINUTES**

**1. VOICE VOTE – Meeting Minutes (January 16, 2020)**

The Acting Chair asked if there were any comments on the draft minutes of the January 16, 2020 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 January 16, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (January 16, 2020)**

The Acting Chair stated if there are any comments on the draft Executive Session Minutes of the January 16, 2020 Board meeting, they must be discussed in Executive Session. There were no comments. He asked for a roll call 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 Executive Session minutes of its January 16, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Noting Ms. Liss’s absence today, Mr. Ruzzo reported that Ms. Canter participated on a panel that provided four hours of testimony regarding, among other things, the New Markets Tax Credits (“NMTC”) Program to the House Ways & Means Committee in Washington, D.C., on January 29. The Agency conveyed the property at 6-8 Stearns Square, Springfield, to the Springfield Business Improvement District, Inc. on January 28.

Turning to a review of Agency programs, Mr. Ruzzo advised that the deadline is February 28 for $300,000 in available funding through the Transformative Development Initiative’s (“TDI”) “TDI Local” small business acceleration grants; in addition, there is $260,000 available in the initial round of new TDI Creative Catalysts grants; feedback for these programs has been very positive. MassDevelopment announced $2.6 million in Brownfields grant awards on January 23, for 16 contaminated and challenging sites. There are votes before the Board today in connection with the Site Readiness Program.

Internally, MassDevelopment’s budget season has kicked off and the Board can expect a vote on the FY2021 Budget at its June meeting. Mr. Ruzzo introduced and welcomed Nick Giaquinto (not present), formerly with the City of Brockton, as the Agency’s government relations specialist. In conclusion, Mr. Ruzzo acknowledged sadly the passing on February 9 of former Board Chair and real estate developer, Robert Beal, noting Mr. Beal led (with his brother Bruce) one of Boston’s truly iconic development companies and was “the driving force behind the Agency as we know it today.”

**GENERAL**

**3. VOTE – Confirmation and Approval of Retirement Committee Member(s)**

Noting the Committee meets quarterly and has good processes in place, Mr. Gerlin briefly described this request for confirmation of the Chief Financial Officer and Senior VP, Investment Banking, as members of the Retirement Committee and to appoint the Human Resources Benefits Manager to fill an open position on the Committee. The Acting 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 current members of the Retirement Committee and appoints the Human Resources Benefits Manager to the Committee, as outlined in the memorandum and vote dated February 13, 2020, that are attached and made a part of the minutes of this meeting.

**4. Six Month Agency Financial Update.** Mr. Gerlin began his presentation by noting the Agency’s balance sheet is heavy with cash, because MassDevelopment continues to hold the proceeds from the sale of General Electric property at Fort Point Channel; approximately $86 million will be transferred to the Massachusetts Housing Finance Agency when the logistics of executing the transfer are finalized. With respect to the Comparative Statements of Revenues and Expenses, Mr. Gerlin called attention to bond revenue, loans and interest; he noted that investment income is up and fringe and salaries are down (due mostly to the vacant senior executive position in the Real Estate Department). He noted that legal and project expenses are also down, being partially attributable to timing issues. With regard to Cash Flow Analyses, Mr. Gerlin advised that revenues are up and savings are being realized in connection with timing issues related to certain capital improvement projects. In conclusion, Mr. Gerlin advised that the General Fund has $6.5 million more than was forecast, due to the prepayment of several loans, which, he noted, cannot be anticipated. When Mr. Morales inquired briefly about capital strategies and themes and areas of focus, Mr. Gerlin responded that Lending continues to grow the balance sheet and while the TDI is funded through 2021, determinations must be made relative to continuing the program beyond that date.

**STRATEGIC PLANNING**

**5. 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.

**6. Annual Report of MassDevelopment’s Diverse Business Enterprise (“DBE”) Participation Program for Direct Contracting**. Mr. Frazier explained that MassDevelopment established a DBE Program in FY2017. Although as a public authority MassDevelopment is not subject to Executive Orders issued by the Governor, the Agency nevertheless modeled its program to be consistent with Executive Order 565 issued by Governor Baker in November 2015. He then reported that 6.1 percent of the Agency’s total direct contracting was procured through DBE vendors in FY2019, and a discussion ensued. Acknowledging that “6.1 percent is not where the Agency wants to be,” Mr. Frazier advised that MassDevelopment requests DBE information on all transactions, but that tracking the Agency’s total spending directed to qualifying vendors remains a work in progress. He said the Agency needs to continue its focus on this issue; Ms. Courtney agreed, asking if a Committee has been established that looks at this information and noting it would be nice to have someone at the senior level responsible therefor. Mr. Ruzzo confirmed that Ms. Liss has made a personal commitment for change with regard to diversity and the need to build an institutional policy in this regard. Mr. Morales suggested that attention to diversity in all aspects of the Agency’s activities should be a major topic for the soon-to-be-formed Strategy Committee, noting the inclusion of targets, goals, objectives, expectations, and more. He expressed the desire to get MassDevelopment funding into local hands and Mr. Ruzzo referenced the “TDI Local” funds that are on the agenda as one example of that. Mr. Morales then asked what the Agency’s current grade is, and wondered, “How do we get to an ‘A’?”

**MARKETING / Communications**

**7.** **Media Report (January 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**

**Update from Executive Vice President, Finance Programs**. Ms. Canter noted briefly that there have been numerous large bond transactions recently (including Massachusetts Institute of Technology, Massachusetts General Hospital, Partners Healthcare), and the Lending portfolio continues to recover.

**BOND TRANSACTIONS**

**8. Bond Detail Memorandum**. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Mr. Chilton noted there are no changes to the materials in the Board book.

The Acting Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 9 – 14, 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**

**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 Friends of Baystate Academy Charter Public 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 $6,800,000.

**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 Trustees of Boston College, in Boston and Newton, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $200,000,000.

**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 Merrimack College, in North Andover, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt and Taxable Bonds to finance such project in amounts not to exceed $43,000,000 and 61,000,000 (in two separate issuances: $43,000,000 is tax-exempt financing for new capital projects; $61,000,000 is taxable advanced refunding).

**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 Milford Regional Medical Center, Inc., in Mendon, Milford and Whitinsville, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $51,000,000.

**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 Trustees of Clark University, in Worcester, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $11,000,000.

[*Secretary’s Note: The Acting Chair advised the Board that he is an Adjunct Professor at Clark University and teaches a class there. He therefore abstained from voting on this project.*]

**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 JHC Assisted Living Corp. and The Jewish Healthcare Center, Inc., in Worcester, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $6,200,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

The Origination & Credit Committee met on Tuesday, February 11, 2020, but it did not have a quorum and, therefore, no votes could be taken. Mr. Blake advised that a robust discussion regarding the Agency’s delegated authority limits and the role of Board members took place at the Committee meeting. He advised the Board to stay tuned for changes to come in this regard.

**Lending**

**15. Delegated Authority Report for Loan Approvals (December 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.

**16. VOTE – Lexvest Chapel, LLC (Shirley) – Modification to Existing Loan**

Noting that the borrower had recently received an “attractive offer” to refinance elsewhere but decided to remain with MassDevelopment due to relationships dating to the year 2000, Mr. Angel briefly described this request to refinance an existing $4.5 million MassDevelopment Commercial Real Estate loan. Mr. Angel confirmed a strong cash flow, a conservative loan-to-value ratio and a personal guarantee by the principal of Lexvest. The Acting 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 Lexvest Chapel, LLC, as outlined in the memorandum and vote dated February 13, 2020, that are attached and made a part of the minutes of this meeting.

**17. VOTE – Armored Things, Inc. (Boston) – $2,250,000 Emerging Technology Fund (“ETF”) Working Capital Loan**

Mr. Kenney pointed out a revision to the Board memo provided at the meeting today, and he described this request for a $2.25 million ETF loan to support the growth of this internet security software company and the salaries of new full-time employees. Mr. Kenney briefly described the product as a “device that controls other devices” and collects data. It automates the monitoring of abnormal activity at large venues (like sporting arenas, for example). He noted an excellent management team at Armored Things, as well as a healthy pipeline, and he advised that co-investors are ramping up. The Acting 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 ETF loan to Armored Things, Inc., as outlined in the revised memorandum and vote dated February 13, 2020, that are attached and made a part of the minutes of this meeting.

**Community Development**

**18. Delegated Authority Report for Community Development Approvals (December 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.

**19.** **Approved Minutes of Brownfields Advisory Group Meeting (October 15, 2019)**. For informational purposes only, the approved minutes of the October 15, 2019 Brownfields Advisory Group Meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

**New Markets Tax Credits (“NMTC”)**

**20. NMTC Calendar Year 2019 Annual Report**. For informational purposes only, the NMTC 2019 Annual Report is attached and made a part of the minutes of this meeting. No discussion of the Report took place.

**21. Approved Minutes of NMTC Advisory Board Meeting (June 18, 2019)**. For informational purposes only, the approved minutes of the June 18, 2019 NMTC Advisory Board Meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

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

The Real Estate Development & Operations Committee met on Tuesday, February 11, 2020.

**22. VOTE – Devens – Construction of Patton Road Sidewalk Project**

Mr. Marc-Aurele briefly described this request to award a contract for the Patton Road Sidewalk Project in Devens to the lowest responsive and responsible bidder, MASS-WEST Construction, Inc., of Granby, MA, for $416,545, pursuant to a Request for Proposals to which three responses were received. The Acting 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 award of a contract to MASS-WEST Construction, Inc. for the Patton Road Sidewalk Project, as outlined in the memorandum and vote dated February 13, 2020, that are attached and made a part of the minutes of this meeting.

**23. VOTE – Devens – Discontinuance of Portions of Roadways**

Mr. Marc-Aurele described this request to discontinue certain portions of Lake George Street and Sherman Avenue, as outlined on the sketch plans provided. He explained that these closures will not impact traffic flow, provision of public safety services or general access to any existing or proposed parcels of land. These discontinuances were part of the original development planning for this area and are being requested now so that potential purchaser(s) may acquire certain parcels of land without roadway impediments. The Acting 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 discontinuance of certain portions of Lake George Street and Sherman Avenue, as outlined in the memorandum and vote dated February 13, 2020, that are attached and made a part of the minutes of this meeting.

**24. VOTE – Devens – Easement to Little Leaf Farms for Water / Sewer**

Mr. Marc-Aurele then described this request, on behalf of Little Leaf Farms, LLC, to approve the granting of an easement across Agency property for the operation and maintenance of a sewer line and a water line providing utility services to the property located at 105 Walker Road, Devens. Little Leaf Farms will pay for the connection from its property to the public utility and, upon completion, it will commence paying usual user fees for these utilities. The Acting 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 easement to Little Leaf Farms, as outlined in the memorandum and vote dated February 13, 2020, that are attached and made a part of the minutes of this meeting.

**25. VOTE – Site Readiness Program – Approval of FY2020 Program Awards (excluding land acquisition applications)**

Noting that in this fourth year of the Site Readiness Program the number of applications has grown by 30 percent and the amount(s) of dollars requested have increased as well, Mr. Starzec presented this request to approve twelve FY2020 Site Readiness program applications for a total of $3,801,000 (including administration and management costs of 5 percent, or $181,000). He then described the individual awards recommended, as follows: *Carriage Grove* (***Belchertown***): $265,000 to serve as partial match for U.S. Economic Development Administration grant funds to be used in connection with various new roadway-related improvements; *Good Samaritan Life Science Center* (***Brockton***): $150,000 for master planning of underutilized land surrounding Brockton’s Good Samaritan Medical Center; *Matthews Street Business Park* (***Gardner***): $80,000 for due diligence work related to the acquisition by the City of Gardner of a 140-acre site; *Revere Copper Site* (***New Bedford***): $735,000 to offset certain costs associated with the development of a timber bulkhead that, once installed, will enable sheltered repair and maintenance services as well as shipbuilding at the new commercial shipyard being developed at the site; *Merrimack Paper Mill* (***Lawrence***): $725,000 for demolition of the burnt-out shell of a dilapidated mill complex to prepare the site for future redevelopment; *Mariner Building* (***Lawrence***): $250,000 to bring the first floor of an abandoned mill building up to code in order to tenant it with commercial users and generate some rental income to offset building expenses; *Ayer’s City Business Park* (***Lowell***): $400,000 to appraise approximately 50 parcels of land – more than 50 acres in total – and conduct Phase I assessment and title examinations of some the parcels, as necessary; *South Shore Smart Growth Analysis* (***Hanover, Hingham, Norwell, Rockland, Weymouth***): $75,000 towards a study seeking to define appropriate areas for smart growth development and redevelopment on the south shore and provide analysis of opportunities and constraints related to water supply and wastewater capacity; *Hedges Pond Road Site* (***Plymouth***): $60,000 to perform a comprehensive review of the site and prepare conceptual development plans to assess feasibility and constraints, including bulk earthwork analyses, soils testing, construction cost estimates, and the like; *Ludlow Mills* (***Ludlow***): $80,000 to update market analysis data and to prepare specific redevelopment build-out concepts for individual mill buildings and areas of the site; *Gardner Street Railroad Bridge* (***Worcester***): $500,000 to lower the elevation of an existing roadway beneath an existing railroad bridge, thereby providing more clearance for truck passage, which will also enhance marketability of approximately 15 acres of industrial zoned land nearby; *70 Church Street Acquisition* (***Lowell***): $300,000 to develop drawings for the rehab of an adjoining building and to assist UTEC Inc. in exercising a purchase option on the property to expand certain of its operations. The Acting 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 twelve grant awards from the Site Readiness Program for the FY2020 round, as outlined in the memorandum and vote dated February 13, 2020, that are attached and made a part of the minutes of this meeting.

**26. 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 with respect to Vicksburg Square that rezoning efforts continue with mostly positive feedback. While some residents have expressed concern about an increase in housing units, others expressed a recognition of the need for more housing for employees of Devens’ businesses. The Vicksburg Square proposal includes approximately 280 units of housing, of which 25 percent will be affordable. Staff is carrying out a public communication campaign in advance of a Super Town Meeting to be held in October, as well as studying the potential impact a revived Vicksburg Square may have on the various recreational events that take part on the parade ground across the street.

In other Devens news, Harvard is building a new elementary school, and Ms. Strunkin confirmed that Devens makes a substantial financial contribution to Harvard’s educational system. The University of Massachusetts’ Donahue Institute has commenced a periodic study on economic development in Devens which will include new sources of information and analytical tools that have been developed since the last study was completed. The Devens Jurisdiction Framework Committee continues to hold regular meetings; the Committee is still looking for two people from Devens to serve as members. Ms. Strunkin said she toured Bristol-Myers Squibb’s facility yesterday and learned about its exciting expansion plans. Finally, with respect to the remediation of PFAS contamination in Devens’ public drinking water wells, Ms. Strunkin reported that everything continues to go well.

**27. 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 reported that the Massachusetts Department of Transportation has finalized its report regarding Rte. 140 infrastructure at the Myles Standish Industrial Park Expansion in ***Taunton***, and that roadwork project is now complete. At Village Hill, ***Northampton***, The Community Builders (“TCB”) is securing financing to purchase Lot 13A, on which is plans to construct a 53-unit, mixed income housing facility. In ***Belchertown***, staff is working through various industrial development projects. In addition, a bid in connection with demolition / remediation projects, as well as a Request for Interest from private developers will be issued soon. Staff is beginning to see increased interest in Belchertown.

With respect to various Real Estate programs, Mr. Errickson reported that staff is working with the nine communities that received grants through the *Technical Assistance Program* in FY2020, as well as preparing documentation for the FY2021 round of grant funding. The most recent Urban Land Institute Technical Assistance Program (“ULI TAP”) was recently held in Wareham; the program went well, and ULI is preparing a report. ULI is also still preparing its report from a recent ULI TAP in Maynard. Staff is working through 22 applications received recently for crowd-funding projects in connection with the popular *Commonwealth Places Program*.

**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**

**28. VOTE – Site Readiness Program – Approval of FY2020 Program Awards (land acquisition applications only)**

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

**29. VOTE – Devens – Approval of Land Disposition Agreement for the Sale of Property at 45 and 59-75 Jackson Road**

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

* **Devens – Vicksburg Square Update – Zoning Change Strategy**

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 11:08 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 potential litigation matter, as well as discussion(s) and vote(s) on specific real property transactions in Devens and Holyoke. The Acting 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 11:21 a.m.