MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

and

MassDevelopment/Saltonstall Building
Redevelopment Corporation

**Meeting of the Boards of Directors**

**Thursday, April 9, 2015**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Jay Ash, Chair

 Gerald Cohen, Vice Chair

 David Abromowitz

 Jay Hurley

 Dennis Kanin

 Richard Kronish

 April Anderson Lamoureux

 Jeffrey Porter

 Jennifer Sullivan, Designee for Secretary of Administration & Finance

DIRECTORS ABSENT: Keon Holmes

 Patricia McGovern

Agency Staff: Marty Jones, President & CEO

 Simon Gerlin, Chief Financial Officer

 Patricia DeAngelis, General Counsel

 Laura Canter, EVP, Finance Programs

 Richard Henderson, EVP, Real Estate

 Anne Marie Dowd, EVP, Defense Sectors & Legislative Affairs

 Meg Delorier, Chief of Staff

 Teresa Patten, Board Secretary

 Victoria Stratton, Recording Secretary

 Kelsey Abbruzzese

 Roy Angel

 Steve Chilton

 Joy Conway

 Zach Greene

 Tania Hartford

 Anne Haynes

 Eric Hunter

 Thatcher Kezer

 Connie Kirby

 Doreen Lindsay

 R.J. McGrail

 Michael Miller

 Leigh Natola

 Jose Peralta

 Lou Pransky

 Deborah Rosser

 Tory Sansom, Legal Intern

 Lee Smith

 Ed Starzec

 Mark Sternman

 Eleni Varitimos

 Jim Walsh

 Jon Weaver

Guests: Thatcher Freeborn, Century Bank

 Mike Kinnealy, Exec. Office of Housing & Economic Development (“EOHED”)

 Tom Potter, Clean Energy Development Director, Mass. Department of Environmental Protection (“DEP”)

 Dr. Elisabeth Reynolds, MIT Industrial Performance Center (“IPC”)

 Branner Stewart, UMass Donahue Institute

 Dr. Yilmaz Uygan, Research Fellow, IPC

Meetings of the Boards of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) and MassDevelopment/Saltonstall Building Redevelopment Corporation (“M/SBRC”) were held Thursday, April 9, 2015, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notice duly given.

The Vice Chair welcomed everyone and, noting the presence of a quorum, he called the meetings to order at 10:04 a.m. He advised that the Chair would be delayed. The Vice Chair asked if there were any guests and the guests present introduced themselves.

[*Secretary’s Note: All matters below are matters that were before the MassDevelopment Board except those specifically indicated as being before the M/SBRC Board.*]

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

**Minutes**

[*Secretary’s Note: For the following item, it was noted that the Board was acting in its capacity as the Agency Board of Directors and the M/SBRC Board of Directors simultaneously.*]

**1. VOICE VOTE – Approval of Minutes (March 12, 2015)**

The Vice Chair asked for a vote to approve the Open Session Minutes of the March 12, 2015 Agency and M/SBRC Board Meetings and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Boards of Directors of MassDevelopment and M/SBRC approve the Minutes of the March 12, 2015 Board Meetings.

 [*Secretary’s Note: For the following item, it was noted that the Board was now acting solely in its capacity as the Agency Board.*]

**2. VOICE VOTE – Approval of Executive Session Minutes (March 12, 2015)**

Noting that the Board Secretary has advised that the matters in these Executive Session Minutes are not completed matters and that any comments regarding these Minutes must be reserved for Executive Session, the Vice Chair asked if there were any questions or comments on these Executive Session Minutes, and there were none. Therefore, he asked for a vote to approve the Minutes of the Executive Session of the March 12, 2015 Agency 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 March 12, 2015 Board Meeting.

[*Secretary’s Note: For the following item, it was noted that the Board was now acting solely in its capacity as the M/SBRC Board.*]

**3. VOICE VOTE – Approval of M/SBRC Executive Session Minutes (March 12, 2015)**

The Vice Chair called attention to the revised Minutes provided today containing clarifying language. He noted that the Board Secretary has advised that the matters in these Executive Session Minutes are completed matters. The Vice Chair asked if there were any questions or comments on these Executive Session Minutes, and there were none. Therefore, he asked for a vote to approve the Minutes of the Executive Session of the March 12, 2015 Agency Board Meeting and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors of M/SBRC approves the Executive Session Minutes of its March 12, 2015 Board Meeting.

**President/CEO’s Report**

The President / CEO’s Report was postponed until later in the meeting.

**GENERAL MATTERS**

**4. VOTE – Appointment of Jennifer Sullivan to Board Committees**

The Vice Chair noted this request to appoint Ms. Sullivan as a member of the Audit & Administration Committee and of the Compensation Committee to fill vacancies on each. The Vice Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment appoints Ms. Sullivan as a member of the Audit & Administration Committee and of the Compensation Committee, as outlined in the vote dated April 9, 2015, attached and part of the minutes of this meeting.

**5. Human Resources – Diversity Reports**. Discussion of these items was postponed until later in the meeting.

**Strategic Planning**

**6. MassDevelopment FY2015 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.

**FY16 Business Plan Process Discussion**. This discussion was postponed until later in the meeting.

**Communications**

**7.** **Media Report (March 2015)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for March are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**8.** **Bond Detail Memorandum**. Mr. Chilton advised that the proposed bond issuance for Hallmark Health System, Inc. (Tab 13) is now before the Board as an Official Action only. He noted no other changes from the materials in the April Board book.

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

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 for Emerson College (Tab 12), Hallmark Health System, Inc. (Tab 13), Berkshire Retirement Community, Inc. (Tab 15), and Miss Hall’s School, Inc. (Tab 16). In addition, Mr. Porter disclosed that his colleague serves on the board of the Kingsley Montessori School (Tab 19). Therefore, he will recuse himself from any discussions, deliberation, and votes on these bond issuances and leave the room during the deliberation and votes on these matters.

Ms. Sullivan disclosed to the Board that her husband works in the housing finance sector and may have a business relationship with regard to the proposed bond issuances for and other matters related to RTH Restoration Housing Limited Partnership (Tab 10), Harborlight House LLC (Tab 11), and KenQuad Limited Partnership (Tabs 21 and 22). Therefore, she will recuse himself from any discussions, deliberation, and votes on these matters and leave the room during the deliberation and votes on these matters.

The Vice Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 9 – 22, 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**

**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 Human Resources Unlimited, Inc., in Northampton, Springfield, and Westfield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $3,545,000.

**Official Action Projects with 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 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 $13,000,000.

[*Secretary’s Note: Having previously recused herself from this matter, Ms. Sullivan 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 Harborlight House LLC, in Beverly, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $4,500,000.

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

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Request**

**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 Emerson College, in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $140,000,000.

[*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.*]

**13.** Noting that this matter is now before the Board only as an Official Action approval and, 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 Hallmark Health System, 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 $35,000,000.

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

**14.** See below.

**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 Berkshire Retirement Community, Inc., in Lenox, Massachusetts, for the issuance of Non-Profit Housing Bonds to finance such project in an amount not to exceed $17,500,000.

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

**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 Miss Hall’s School, Inc., in Pittsfield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $10,000,000.

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

**17.** See below.

**18.** See below.

**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 The Kingsley Montessori School, Inc., in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $5,300,000 (Official Action/ Final Approval (“OA/FA”)).

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

[*Secretary’s Note: Ms. Lamoureux joined the meeting at this time.*]

**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 (OA/FA).

**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 Riverside Community Care, Inc., in several Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt and Taxable Bonds to finance such project in an amount not to exceed $8,000,000.

**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 Neighborhood House Charter School Foundation, in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $6,300,000 (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 Boston Academy of the Sacred Heart, Inc., d/b/a Newton Country Day School of the Sacred Heart, in Newton, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $5,000,000 (OA/FA).

[*Secretary’s Note: Mr. Ash joined the meeting at this time.*]

**Final Approval Projects with Volume Cap Request**

**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 KenQuad Limited Partnership, in Springfield, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $7,107,000.

[*Secretary’s Note: Having previously recused herself from this matter, Ms. Sullivan 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**

**22.** 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 KenQuad Limited Partnership, in Springfield, Massachusetts, making findings regarding and for providing assistance for an annual allocation by DHCD of federal LIHTCs.

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

**President/CEO’s Report**

Ms. Jones stated that The Boston Foundation has issued its annual Boston Housing Report Card regarding housing supply and demand. She called attention to the manufacturing report provided to Board members today entitled “Advanced to Advantageous: The Case for New England’s Manufacturing Revolution,” by The New England Council and Deloitte Consulting LLP, noting that it discusses, among other topics, ways for the New England states to work together and share best practices.

Ms. Jones advised that she participated in a Gateway Cities update for the legislature; she remains engaged in a committee of the Working Cities Challenge, which meets regularly; she attended a NAIOP meeting at which Lt. Governor Karyn Polito spoke and a roundtable meeting where Kristen Lepore, Secretary of the Executive Office for Administration & Finance (ANF), spoke. She attended an FY16 first quarter meeting with newly-appointed Commissioner Carol Gladstone of the Division of Capital Asset Management and Maintenance (DCAMM), as well as a meeting with several officials of the City of Somerville to discuss infrastructure issues with respect to the Union Square redevelopment project. Ms. Jones also attended events at Barnes Air Force Base with U.S. Representative Richard Neal and at Hanscom Air Force Base.

With respect the Legislature, Ms. Jones met with the new Representative of the City of Revere; she has also met with Senator Spilka. The Agency is briefing Senator Montigny later today regarding its latest endeavors in his district.

Finally, Ms. Jones informed the Board that the May Board meeting has been moved to May 21, 2015, and the Board Committee meetings will take place on May 19, 2015.

**5. Human Resources – Diversity Reports**. Reminding the Board of its request for such information on an annual basis, Ms. Lindsay described details of the Report and supporting data provided at Tab 5 of the Board materials. When Mr. Abromowitz asked with what other agencies or entities does MassDevelopment compare with respect to its diversity data, Ms. Lindsay indicated data from comparable agencies does not exist, so the report is based on a comparison to the general population of Massachusetts. Ms. Jones commented that the Devens Department of Public Works and Fire Department are the least diverse, noting the low turn-over in these departments. When asked about training for entry-level positions, Ms. Lindsay noted that there are few of them within MassDevelopment; most are mid-level, so the Agency does not have a formal training program for the few entry-level positions. She noted there is training for managers and that all staff members are encouraged to attend classes, workshops, and conferences for professional development.

**Standing Board Committee Reports**

***Audit & Administration Committee***

Mr. Holmes, who chaired the April 9 Committee meeting, was not present at the Board meeting, so Mr. Hurley reported. He advised that the Committee met this morning for a discussion with Paul Robinson of Ernst & Young and representatives of PFM Asset Management LLC regarding the STAR Fund and that the audit did not show any matters of concern. As is customary when the auditors meet with the Committee, Committee members then met with Mr. Robinson without Agency management present. Mr. Robinson was highly complementary of MassDevelopment’s staff and its handling of the STAR Fund. New governmental regulations will require more analysis of financials in the future; as a result, E&Y has informed the Agency of a proposed fee increase for FY16 from $24,400 to $25,700.

**23. Minutes of Prior Meeting**. For information purposes only, the minutes of the November 20, 2014 Audit & Administration Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

***Manufacturing & Defense Sectors Committee***

Mr. Kanin stated that the Manufacturing & Defense Sectors Committee met on Tuesday, April 7, 2015. He called attention to the article entitled “Plymouth company to test drones,” in Tab 7 of the April Board materials. He advised that The New England Council looked at manufacturing in New England to prepare for the new report distributed today regarding what New England can do to strengthen the manufacturing sector.

Ms. Dowd informed the Board of a technological exchange among the Boston Police Department, Avwatch, and others that will result in video observation from aircraft and communication capabilities along the Boston Marathon route in real time (live streaming). This is facilitated by equipment purchased by Avwatch on behalf of MassDevelopment for its work at Joint Base Cape Cod UAS Test Center. There will be a demonstration of this technology tomorrow during a visit by Governor Baker to Hanscom.

Mr. Kronish requested a more in-depth manufacturing update at a future Board meeting that would include a discussion regarding job creation.

**24. Minutes of Prior Meeting**. For information purposes only, the minutes of the March 10, 2015 Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

***Origination & Credit Committee***

The Vice Chair reported that the Origination & Credit Committee met on Tuesday, April 7, 2015, and conducted a thorough follow-up discussion regarding the proposed Brownfields grant to the Town of Chelmsford for the 27 Katrina Road project (Tab 32).

**25. Minutes of Prior Meeting**. For information purposes only, the minutes of the March 10, 2015 Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**Lending**

**26. Delegated Authority Report for Loan Approvals (February 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.

**27. VOTE – SRLF/GRLF Revolving Loan Funds – Annual Board Certification**

Mr. Hunter briefly explained this annual request that the Board make certain certifications regarding the compliance of the use of the Revolving Loan Funds from the U.S. EDA with the Funds’ approved plans. He asked if there were any questions and there were none. Mr. Abromowitz then described the amended vote provided today, which he noted addresses a request by the Committee to clarify that the Board certification is based on the Agency staff’s review of the Funds and Plans regarding compliance. The Vice 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 Revolving Loan Funds Resolution Regarding Operation of the Funds, as outlined in the memorandum and revised vote dated April 9, 2015, attached and part of the minutes of this meeting.

**28. VOTE – LexVest Chapel, LLC (Pepperell) – $3,000,000 General Fund Loan**

Mr. Angel briefly explained this request for a commercial real estate mortgage loan to finance building improvements and new tenant build-out for commercial uses at 8 Chapel Place in Pepperell; $1,000,000 will be used for immediate improvements to an existing building and the remaining $2,000,000 will be used for future tenant improvements. The Vice 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 $3,000,000 General Fund loan, subject to the terms of the memorandum and vote dated April 9, 2015, attached and part of the minutes of this meeting.

**Community Development**

**29. Delegated Authority Report for Community Development Approvals (February 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.

**30. Minutes of Brownfields Advisory Group Meeting (November 24, 2014)**. For information purposes only, the minutes of the November 24, 2014 Brownfields Advisory Group Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**31. VOTE – City of Attleboro, Former Swank Property (Attleboro) – $1,500,000 Brownfields Recoverable Remediation Grant**

Mr. Walsh described this request for a recoverable remediation grant and Priority Project Designation for the former Swank, Inc. manufacturing property, located at 6 Hazel Street near downtown Attleboro, which is currently owned by the Attleboro Redevelopment Authority (“ARA”), and a discussion ensued. The Chair requested a clearer definition of the term recoverable grant, and Ms. Canter advised that the Agency does not expect to recover any return on this project, but recovery language is included in the documentation if the ARA does receive revenue from the project. Additionally, she noted this is not a typical project, but it will result in retaining a Massachusetts company and saving approximately 250 Massachusetts jobs.

Mr. Walsh stated that the funding under this request will pay for one half the abatement costs; the remaining costs will be committed by the City of Attleboro. Mr. Walsh referred to the revised vote provided, noting that conditions have been added as requested by the Origination & Credit Committee regarding reductions to the grant award should certain funds be received by the City or the ARA in connection with environmental insurance claims and/or if there are cost savings in expected project costs or profit from the project sale.

The Chair asked if there is an estimate of the land value of this project, and Mr. Walsh advised that he examined recent comparable sales for the area, but there are little data available. Mr. Walsh stated there is a purchaser for the property in place, but an appraisal has not yet been conducted, and the final sales price has not yet been determined. The Chair asked if the Board should approve a transaction when the value is unknown. He questioned what incentives the City would have to maximize sale proceeds to repay the grant. Mr. Abromowitz reminded everyone that the City has committed $1.7 million of its own funds to this project.

The Chair noted he is supportive of the transaction; however, he suggested that an appraisal be obtained and more information on the sales price be gathered and then the Board could revisit this request. Accordingly, the Chair asked for a voice vote on a motion to table the vote to approve this grant until receipt of an appraisal and sales price information, and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment hereby tables the vote on this grant until the May Board meeting, provided information on the property’s value and sale terms is provided to the Board for consideration.

**32. VOTE – City of Chelmsford, 27 Katrina Road (Chelmsford) – $1,339,015 Brownfields Remediation Grant Increase**

As a follow-up to the discussion of this matter at the March 12, 2015 Board meeting, Ms. Canter described this request for Brownfields funding for the property at 27 Katrina Road, Chelmsford, to address ongoing contamination issues at the site. Ms. Canter explained that this 3-acre property, which formerly housed an electronics plant, is currently municipality-owned and eligible for 43D expedited permitting. There exists a plume of contamination affecting an aquifer on the site, and any potential purchaser would be obligated to clean the site.

Ms. Canter stated it would be possible to perform an in situ remediation of the site using current technology methods, which have undergone extensive testing, but this type of remediation could take up to twenty years. In the meantime, however, the City is looking for a short-term use (such as solar farms, for example) and is considering leasing options.

The Board was reminded of Mr. Porter’s prior offer to meet with staff and certain parties involved in the project to discuss his concerns about the technology method being proposed for remediation on this project and its ability meet the strict standards required. After participating in certain meetings and, while acknowledging the hard work of everyone involved, Mr. Porter advised the Board of the information he gathered and noted that his concerns persist and that he cannot support this project. Specifically, he does not think that the recommended remediation and use will result in a significant economic impact for Chelmsford based on the current proposed uses, and he does not feel that the remediation proposed is a good fit for the site. Given the current constraints on the Brownfields Redevelopment Fund (“BRF”), he is of the opinion that the funds should be redirected for remediation to a less stringent standard. Mr. Porter pointed out that MassDevelopment has contributed more funding to this project than all the other entities involved and feels the better course of action would be to remediate the site to a lesser standard and to seek uses with more job creation potential. Ms. Canter advised that would require a change in the aquifer standard by DEP.

Ms. Canter then clarified the request at hand – that the Town of Chelmsford would like to issue a new Request for Proposals (“RFP”) that includes a commitment from MassDevelopment to provide Brownfields funds to remediate the site if a developer commits to purchase or lease and redevelop the site. She remarked that the commitment of funds by the Agency would be used by the Town as a tool to attract potential developer interest and the Agency would review the proposals.

The Chair thanked Mr. Porter for his efforts and expertise. He advised that he has reviewed this matter and, noting his own experiences as City Manager of Chelsea, the Chair stated that he recognizes the pressure on cities and towns, which do not have the means to resolve these types of complex issues. He commented that there could be better uses than solar farms in these situations. He advised that he would encourage further conversations with the Town of Chelmsford regarding potential uses and the developer RFP and with DEP regarding cleanup standards. He asked for a voice vote on a motion to table the vote on this grant and, upon motion duly made and seconded, it was unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment hereby tables the vote on this grant until the May Board meeting, provided at that meeting further information on the foregoing issues is provided.

Mr. Porter again requested that the Board at a future meeting conduct a policy discussion regarding the use of the remaining BRF funds.

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

Mr. Abromowitz stated that the Real Estate Development & Operations Committee met on Tuesday, April 7, 2015, and was presented with informative updates regarding the former Belchertown State School site and Village Hill Northampton and marketing efforts at each.

**33. Minutes of Prior Meeting**. For information purposes only, the minutes of the March 10, 2015 Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**34. VOTE – Transformative Development Initiative (“TDI”) – Co-Work Grant Award**

Noting that this is the fifth grant under this program, Ms. Haynes briefly described this request for a TDI co-work fit-out grant of up to $150,000 to Lowell New Vestures, Inc. to relocate to a popular mixed-use building in Lowell. 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 a TDI fit-out grant of up to $150,000 to Lowell New Vestures, Inc. in Lowell, as outlined in the memorandum and vote dated April 9, 2015, attached and part of the minutes of this meeting.

**35. VOTE – TDI – Placemaking Grants Program – Guidelines and Delegation of Awarding Authority**

Ms. Haynes briefly described this request for approval of an expansion of the Guidelines for the TDI Placemaking Grants Program, created by legislation as part of the TDI program to promote community engagement and short term catalytic activity in TDI Districts. She advised that an RFP for parties interested in grants will be issued next week. The total pool award will be up to $100,000; placemaking grants will range from $1,000 – $10,000. The Guidelines before the Board today describe the selection process for grant awards. The Board is also requested to delegate authority to approve placemaking grants to the Agency’s President & CEO. 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 Guidelines for the TDI Placemaking Grants Program and delegates authority to approve these grants to the Agency’s President & CEO, as outlined in the memorandum and vote dated April 9, 2015, attached and part of the minutes of this meeting.

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

**37. VOTE – Devens – Nashoba Valley Regional Dispatch District (E-911)**

Mr. Kezer described this request to adopt the provisions of new legislation regarding the establishment of regional 911 emergency communication districts, to authorize and empower the Agency’s President & CEO to execute a district agreement relating to the Nashoba Valley Regional Dispatch District, and to appoint the SVP, Devens Operations to be the Agency’s representative on the Administration Board of said Dispatch District. Mr. Kezer noted this legislation will make no changes to the current structure of the regional E-911 system; it will simply enable the employees of the Dispatch District to join the state retirement system and establishes an Administration Board. 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 requests regarding the Nashoba Valley Regional Dispatch District, as outlined in the memorandum and vote dated April 9, 2015, attached and part of the minutes of this meeting.

**38. VOTE – Devens – Contract for Jackson Road Phase 4 Construction**

Mr. Kezer described this request to award a contract of $3,749,847.43 to C.J. Mabardy, Inc. of Cambridge, Massachusetts, for Phase 4 of the Jackson Road construction project in Devens. Mr. Kezer advised that bids were solicited and opened; all responders have been vetted; and debarment lists were checked. The selected bid is within the estimate of the Agency’s engineers. The project is expected to begin in July 2015 and be completed in July 2016, and this work is being done now to utilize an existing U.S. EDA grant. 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 a contract with C.J. Mabardy, Inc., as outlined in the memorandum and vote dated April 9, 2015, attached and part of the minutes of this meeting.

**39. Statewide Real Estate Projects Updates**. For information purposes only, the Statewide Real Estate Updates are attached and part of the minutes of this meeting. No discussion of the Updates took place.

**40. VOTE – Contracts for Statewide House Doctor Master Planning Services**

Noting the elimination of Saratoga Associates, P.C. from Saratoga Springs, New York, from the list of seven finalists, Mr. Starzec briefly explained this request to approve contracts with the six remaining finalist firms to provide master planning consulting services on a house doctor basis.

Ms. Lamoureux disclosed to the Board that she does not have a conflict but she could in the future have business transactions with some of these firms as a result of her work attracting developers and businesses to Worcester; therefore, she will abstain from the vote on this matter. The Chair asked for a vote and noting Ms. Lamoureux’s abstention and, upon motion duly made and seconded, it was

**VOTED:** That the Board of Directors of MassDevelopment authorizes the Agency to enter into contracts for master planning consulting services, as outlined in the memorandum and vote dated April 9, 2015, noting the deletion of Saratoga Associates, P.C. from the list of firms, attached and part of the minutes of this meeting.

**41. VOTE – Lawrence – Acquisition of 370 Essex Street**

Due to components involving valuation of real property and potential purchase and sale terms, the discussion of this item occurred in Executive Session.

**EXECUTIVE SESSION**

The Chair then advised, at 11:24 a.m., that, pursuant to MGL Chapter 30A, 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 value and potential purchase and sales terms of real property in Lawrence, the discussion of which in Open Session would have a detrimental effect on the Agency’s negotiating position. The Chair instructed all persons who are not Board members or staff involved in this matter to leave the room. He noted that the Board will reconvene in Open Session following Executive Session.

[*Executive Session held*]

**OPEN SESSION**

Following the Executive Session, the Open Session of the MassDevelopment and M/SBRC Board meetings was resumed.

**Presentation – New England Defense Update – Branner Stewart, Sr. Research Manager, UMass Donahue Institute**

Mr. Stewart informed the Board that the Donahue Institute has just finished two reports – one regarding economic development and one regarding military installations – which will be available in print in the near future.

To begin his presentation, Mr. Stewart noted there has been extensive research activity concerning direct versus indirect effects of military bases and/or base closures upon the local economy, including suppliers and others. He described the total current employment numbers and expenditures of the Massachusetts Military Installations, including employment of 33,095 (full-time and part-time), gross payroll of $1 billion (including salary and benefits), expenditures of $6 billion on research and development and acquisition activities, and $130 million on construction, noting multiplier effects that have impacts felt across state borders as well, not just within the Commonwealth. A discussion ensued about how many employees are full-time and whether the multiplier can be broken down by industry sectors. He summarized that the defense industry contributes approximately $48 billion to the New England economy.

Mr. Stewart explained trends in defense contracts and research and development, noting the decline in defense contracts and the increase in grants for Massachusetts. Mr. Kronish wanted to know, with respect to R&D, to whom the research belongs, and a brief discussion ensued regarding the chain of command and licensing and rights to intellectual property. Military R&D belongs to the military services; in other cases, the researcher, inventor, or university will own it. With respect to defense contract leaders in New England, Mr. Stewart noted that L-3 Communications has just been awarded a $100 million defense contract; the connection between Kollmorgan, a company with a new facility in Northampton located on land the Agency sold to it, was noted.

Ms. Jones thanked Mr. Stewart for the informative data in his presentation, noting that more information would be provided in the future.

**Presentation – Building Innovation Capacity Among Massachusetts Manufacturers: Pathways and Opportunities for SMEs – Dr. Elisabeth Reynolds, Executive Director, MIT Industrial Performance Center**

Dr. Reynolds began her presentation with a description of the Commonwealth’s manufacturing innovation ecosystem, noting that innovation includes products and process and, noting further, that the MIT Industrial Performance Center looks at the process as a whole. She described small and medium-sized enterprises (“SMEs”) and original equipment manufacturers (“OEMs”) and the relationship between them, noting that 97 percent of manufacturing companies are defined as SMEs and 3 percent of the country’s manufacturing represents 70 percent of its employees. She stated that there is great desire to consolidate and grow partnerships and collaborations among OEMs (defined as manufacturers that make something where they own the original design) and to connect with SMEs, but the means of forming such partnerships and/or collaborations is largely unknown among the OEMs. Intermediaries are necessary to point out solutions to these manufacturers on a company-by-company basis.

Dr. Reynolds went on to describe four areas for improving the manufacturing innovation ecosystem, including: (1) developing a statewide advanced manufacturing strategy and agenda; (2) incentivizing OEM collaboration in driving innovation and SME upgrading; (3) providing technological and managerial support for innovation in SMEs; and (4) enhancing the connection between startups and the manufacturing innovation ecosystem, and she offered several recommendations in connection with each area. Mr. Kanin commented on the lengthy discussions at the recent Manufacturing & Defense Sectors Committee meetings regarding Dr. Reynolds’ informative report and encouraged brainstorming by Board members regarding ways to advance the recommendations of the MIT Industrial Performance Center.

When Mr. Kronish expressed concerns regarding trends in the pharmaceutical industry and research going overseas (to India and China, specifically), Dr. Reynolds advised that many pharmaceutical companies are crossing over to become manufacturing companies too and, as a result, incredible opportunities are opening in the United States.

In the interest of time, Ms. Jones advised that the discussion of the Agency’s FY16 Business Plan Process will be postponed and that a memorandum will be emailed to Board members regarding the timeline and process. She also requested that a half hour be added to the length of the May Board meeting for the Business Plan discussion.

There being no further business before either the MassDevelopment or M/SBRC Board, upon motion duly made and seconded, the meeting of each was adjourned at 12:15 p.m.