**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, May 10, 2018**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Jay Ash, Secy. of Housing & Economic Development, Chair

 Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 Karen Courtney

 Grace Fey

 Juan Carlos Morales

DIRECTORS ABSENT: James Chisholm

 Ellen Zane

 Christopher Vincze

Agency Staff: Lauren Liss, President and CEO

 Robert Ruzzo, Deputy Director, General Counsel, Secretary

 Simon Gerlin, Chief Financial Officer

 Laura Canter, EVP, Finance Programs

 Richard Henderson, EVP, Real Estate

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Kelsey Abbruzzese

 Frank Canning

 Rob Carley

 Steve Chilton

 Zack Dovitz

 Tony Fracasso

 Sarah Eisinger

 Zack Greene

 Joe Grivers

 Anne Haynes

 Dena Kavanagh

 Jim Kenney

 Will Kidston

 Victoria Maguire

 RJ McGrail

 Lillian Munoz

 John Murray

 Leigh Natola

 Jan Nuzzolo

 Aiden O’Garro

 Simmee Silton

 Cyndy Tonucci

 Gary Walker

 Benny Wong

Guests: None

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, May 10, 2018, 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 10:07 a.m. The Chair asked if there are any guests and there were none.

**MINUTES**

**1. VOICE VOTE – Approval of Minutes (April 12, 2018)**

The Chair asked if there were any comments on the draft Minutes of the April 12, 2018 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 April 12, 2018 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (April 12, 2018)**

Noting that the matters in the April 12, 2018 Executive Session Minutes are not completed matters and, therefore, any comments regarding these minutes must be made in Executive Session, 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 these Executive Session 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 April 12, 2018 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Ms. Liss began her report with Devens, noting discussions at a recent meeting with officials from Harvard, Ayer, and Shirley regarding: (i) Thatcher Kezer, the former Sr. Vice President of Devens, including, among other things, what qualities they would like to see in his replacement; and (ii) Vicksburg Square. Ms. Liss advised that the attendees at the meeting from all the surrounding communities appear to be generally supportive of the Agency’s efforts to rezone Vicksburg Square to allow for additional use(s) – specifically, residential – that are currently prohibited. She was surprised to find the group quite empathetic regarding the cumbersome Super Town Meeting process, noting there may be support for changes to this required process, including through legislation, if necessary. Nevertheless, staff is spearheading the process under the existing Rules – with public hearings, and more – to advance toward a Super Town Meeting in the fall regarding the rezoning of Vicksburg Square.

Next, Ms. Liss advised that the Army Futures Command has narrowed its search to fifteen locations for its headquarters and Boston has made the “short list.” The Chair remarked this is a wonderful opportunity for the Commonwealth, and he confirmed Boston is finalizing its response in connection with a mid-June deadline. The Agency anticipates a decision in mid-summer, and Ms. Liss offered kudos to John Beatty (head of the Massachusetts Military Task Force, who, while not an employee of the Agency, has an office at MassDevelopment), Doug Robinson, and others for their efforts in this regard.

With respect to New Markets Tax Credits, Ms. Liss reported that the Fund announced the opening of the 2018/19 Round, and applications are due June 28. The Agency intends to apply through an LLC created for this purpose, and Ms. Liss advised that a part of the application process requires the Board to complete a certain written certification that she noted will be emailed with instructions for completion to all Board members in the next few weeks.

Since the last Board meeting, Ms. Liss stated she has attended many events, including: a Devens Residents Dinner, hosted by the Devens Fire Department; the Cultural Facilities Fund Advisory Committee meeting in April, at which the slate of grants before the Board for a vote today was announced; and meetings regarding the Agency’s new role as manager of the New Bedford and Fall River State Piers. She also participated in the announcement of “TDI Next” – the next phase of the Transformative Development Initiative (“TDI”) Program, attended portions of the recent National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) conference hosted by and in Boston, and spoke at the well-attended 2018 Economic Development Summit in Worcester. The Chair agreed that some “incredible ideas” emerged at this very successful Summit. Ms. Liss concluded her report by noting she was attending a meeting in Endicott Park, Danvers, this evening and a MassEcon Board meeting tomorrow.

With regard to legislation, the Chair advised there is a lot happening in Massachusetts, including: the Housing Bond Bill is anticipated soon; the “Housing Choice” Bill has been the topic of much discussion; and the Economic Development Bill is expected in mid-June. He reported, as most people already know, that Amazon has committed to an increased presence in the Seaport District, including hundreds of additional jobs, as well as improvements for public benefit and what he called “things that are public.” He thanked the Agency and its staff for all they do to assist in moving the Commonwealth forward.

**Strategic Planning**

**3. MassDevelopment FY2018 Strategic Themes and Business Plan Goals**. 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**

**4.** **Media Report (April 2018)**. 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.

**Bond Transactions**

**5. Bond Detail Memorandum**. For informational purposes only, the Bond Memorandum and Summary are attached and made a part of the minutes of this meeting. Mr. Chilton reported there are no changes to the materials provided in the Board book.

The Chair asked if there were any recusals on the upcoming bond votes, and Mr. Blake disclosed to the Board that he serves on an executive development committee of Stonehill College, Inc. (Tab 13), which includes fundraising among its responsibilities, and, therefore, he will recuse himself from any discussion, deliberation, and vote on the proposed bond issuance for that entity and leave the room during the deliberation and vote on that matter.

The Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 6 – 17, 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 Requests**

**6.** The Chair asked from where the New Markets Tax Credit equity was coming and whether the subordinate debt had been secured yet, and Mr. Canning replied that the equity is coming from others, not MassDevelopment; he advised the debt has not yet been secured. 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 Way Finders, 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 $8,000,000.

**7.** The Chair commented that the 2.46 acres in Wareham seems a rather large parcel for this project and he wondered whether there were any additional plans for the property; Mr. Grivers said he was aware of no plans beyond the construction of the two duplex residential homes noted. 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 Cooperative Production, Inc., in Dighton, Taunton, and Wareham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $1,800,000.

**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 BH Chestnut Crossing, LLC, in Springfield, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $8,736,000.

**Bonds: Final Approvals**

**Final Approval 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 Official Action/Final Approval (“OA/FA”) resolution that is attached and made a part of these minutes regarding:

a project of Caregroup, Inc., in numerous Massachusetts cities and towns for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $497,000,000.

**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 OA/FA resolution that is attached and made a part of these minutes regarding:

a project of Northeastern University, in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt and/or Taxable Bond to finance such project in an amount not to exceed $68,000,000.

**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 resolution that is attached and made a part of these minutes regarding:

a project of Western New England University, in Springfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $61,000,000.

**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 Brandeis University, in Waltham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $42,435,000.

**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 Stonehill College, Inc., in Easton, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $25,000,000.

[*Secretary’s Note: Having previously recused himself from this matter, Mr. Blake 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.*]

**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 American Youth Hostels – Boston Hostel, Inc., in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt and Taxable Bond to finance such project in an amount not to exceed $24,000,000.

**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 resolution that is attached and made a part of these minutes regarding:

a project of Jewish Community Centers of Greater Boston, Inc., in Newton, 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.

**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 the Willow Hill School in Sudbury, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $3,400,000.

**Final Approval Projects with Volume Cap Requests**

**17.** The Chair asked about his project and Mr. Canning explained the borrower is expanding its precision machine facility and will construct and occupy an additional building on its current property. 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 CJBW Stamp LLC, in Greenfield, Massachusetts, for the issuance of a Tax-Exempt Industrial Development Bond to finance such project in an amount not to exceed $1,900,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

Mr. Blake reported that the Origination & Credit Committee met on Tuesday, May 8, 2018.

**18. Minutes of Prior Meeting**. For informational purposes only, the minutes of the April 10, 2018 Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**19. Delegated Authority Report for Loan Approvals (March 2018)**. 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.

**20. VOTE – Lionano Inc. (Woburn) – $2,500,000 Emerging Technology Fund (“ETF”) Term Loan**

Mr. Kenney explained this request for an ETF loan of up to $2,500,000 to support the testing, development, and manufacture of solid-state lithium-ion batteries that remain charged for 200 percent longer life than current batteries and eliminate fire and explosion hazards. This advanced battery technology is being developed in Woburn, but the product is currently produced and sold in China. Noting certain restrictions regarding the funding of this type of manufacturing (overseas), Mr. Kenney confirmed the transaction has been reviewed thoroughly by outside counsel and the borrower will be protected from Chinese interests by certain conditions of the funding that address these concerns. 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 $2,500,000 ETF loan to Lionano Inc., as outlined in the memorandum and vote dated May 10, 2018, that are attached and made a part of the minutes of this meeting.

**Community Development**

**21. Minutes of Cultural Facilities Fund Advisory Committee Meeting (September 18, 2017)**. For informational purposes only, the approved minutes of the September 18, 2017 Cultural Facilities Fund Advisory Committee meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

**22. VOTE – Cultural Facilities Fund Grant Awards – Spring 2018 Round**

Ms. Munoz described briefly this request for approval of 98 grants – including 63 capital grants, 16 feasibility and technical assistance grants, and 19 systems replacement grants for a total of $9,303,000 – from the Cultural Facilities Fund in this tenth round of funding, contingent, as always, upon receipt of funds from the Commonwealth. The Round 10 guidelines were approved by the MassDevelopment Board in October 2017 and the application was released the same day. Ms. Munoz briefly described the Cultural Facilities Fund program, noting its history, as well as the application and approval process. There then ensued a brief discussion regarding timing and eligibility and from what year(s)’ allocation(s) the funds are drawn, followed by a brief discussion regarding the various types of these grants and dollar amounts. It was noted that MassDevelopment retains 7.5% of each grant in administrative fees. Ms. Munoz confirmed that approval of these grants today will increase the total of Cultural Facilities Fund grant awards to $110.3 Million in 870 separate grants since the inception of the program. 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 98 recommended Cultural Facilities Fund grant awards, as outlined in the memorandum and vote dated May 10, 2018, that are attached and made a part of the minutes of this meeting.

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

Mr. Kavoogian reported that the Committee met on Tuesday, May 10, 2018. The Committee postponed the discussion and vote on the Site Readiness Program item (at Tab 25, below), pending additional research and negotiations, as requested by the Committee.

**23. Minutes of Prior Meeting**. For informational purposes only, the minutes of the April 10, 2018 Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**24. Devens and Devens Environmental Updates**. For informational purposes, the Devens Updates are attached and made a part of the minutes of this meeting. There was no discussion of these Updates.

**25. VOTE – Site Readiness Program – Repayment Waiver for Lawrence CommunityWorks**

As noted above, the discussion and vote on this matter was tabled / postponed.

**26. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Mr. Henderson noted lots of activity, including construction and permitting, going on around the Commonwealth, including in Belchertown, Taunton (Lot B5R, and more), Northampton, Devens (Little Leaf Farms expansion and Emerson Green, among others). He mentioned Project Thrive, noting a biopharmaceutical firm has shown interest in Devens for a large scale project, and he suggested the Board “stay tuned” for information to come. He advised that outreach to the four newest TDI Districts (Chelsea, Fitchburg, Lawrence, and Worcester) is ongoing, and job postings for four Fellows for these new Districts have been advertised. In conclusion, he said staff is working with the Department of Transportation (DoT) to secure approximately $2 million in federal grant money for the State Piers that “no one knew existed.”

**Miscellaneous: Old Business / New Business**

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

**Executive Session**

**27. VOTE – Holyoke – 335-337 Dwight Street – Purchase and Disposition**

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

**28. Springfield – 8-12 Stearns Square – Status of Lease Proposal**

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

The Chair advised, at 10:50 a.m., that, pursuant to Mass. General Laws Chapter 23G, Section 2(l), and Chapter 30A, Sections 21 & 22, and 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 two matters involving valuation of real property in Holyoke and Springfield, Massachusetts, and potential purchase and lease terms, the discussion of either of which in Open Session would have a detrimental effect on the negotiating position of the Agency. 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 Open Session and Executive Session portions of the meeting were adjourned in Executive Session at 11:27 a.m.