**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, August 11, 2016**

**10:00 a.m.**

**M I N U T E S**

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

 Gerald Cohen, Vice Chair

 James Chisholm

 Karen Courtney

 Dennis Kanin

 Brian Kavoogian

 Jennifer Sullivan, Designee for Secretary of Administration & Finance

 Patricia McGovern

DIRECTORS ABSENT: Keon Holmes

 Christopher Vincze

Agency Staff: Marty Jones, President & CEO

 Simon Gerlin, Chief Financial Officer

 Patricia DeAngelis, General Counsel and Assistant Secretary

 Richard Henderson, EVP, Real Estate

 Laura Canter, EVP, Finance Programs

 Anne Marie Dowd, Director of Defense Sector Initiatives

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Kelsey Abbruzzese

 Rob Carley

 Steve Chilton

 Robin Churray

 Veda Clark

 Jacob Dana, Real Estate Intern

 Anthony Fracasso

 Zach Greene

 Dylan Jones, Devens Intern

 Laurie Jordan

 Thatcher Kezer

 Tiffany Leung, Real Estate Intern

 Victoria Maguire

 RJ McGrail

 Paul Moran

 Tanner Munizich, Cultural Facilities Fund Intern

 Leigh Natola

 Grace Ndalla-Watino, Program Policy Impact Intern

 Aiden O’Garro

 Meggie Quackenbush

 Deb Rosser

 Alicia Selman, Legal Intern

 Mark Sternman

 Benny Wong

Guests: None

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, August 11, 2016, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notices duly given.

The Chair welcomed everyone and, confirming the presence of a quorum, he called the meeting to order at 10:04 a.m. He asked any guests present to introduce themselves and there were none.

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

**Minutes**

**1. VOICE VOTE – Approval of Minutes (July 14, 2016)**

The Chair asked if there were any comments on the draft Minutes of the July 14, 2016, 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 July 14, 2016, Board Meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (July 14, 2016)**

Noting that the matters in the July 14, 2016, 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 July 14, 2016, Board Meeting.

[*Assistant Secretary’s Note: At this time, Ms. Quackenbush commenced a video recording of the President’s Report and noted that a link to the recording would be made available to staff on the Agency’s internal Intranet.*]

**President/CEO’s Report**

Ms. Jones stated the focus of much work this month has been regarding the General Electric project, which she noted will be discussed in greater detail in Executive Session later in the meeting. In addition, she advised there have been meetings regarding the Military Task Force involving the Governor, and other leaders. She participated in a meeting with Ms. Dowd, the Military Task Force’s Executive Director, John Beatty, and Brig. Gen. Thomas H. Todd, III, currently the Deputy Commanding General of the Army’s Research, Development and Engineering Command at the Natick Soldier Systems Center, to discuss strategy regarding the proposed Soldier Performance Center (“SPRINT”). She noted two other events she attended recently that had a military connection: (1) a graduation ceremony for the first workforce training program at Hanscom, specifically, for project management certification; and (2) a ribbon-cutting of the new, East Coast Defense Innovation Unit – Experimental (“DIUX”) in Cambridge. Ms. Jones commented the successful and important DIUX event was attended by U.S. Department of Defense Secretary Ash Carter and Massachusetts’ own Secretary Jay Ash of the Executive Office of Housing & Economic Development (“EOHED”), as well as many members of the start-up and defense contracting community.

Ms. Jones advised she spent a morning in an informative and interesting meeting with three fellows from Wentworth Institute of Technology, who presented a very good summary as well as a game they invented regarding manufacturing in Massachusetts.

With respect to Transformative Development, much has been happening in Lynn, thanks to the Lynn Lead Team and a focus on the Transformative Development Initiative (“TDI”). Ms. Jones was pleased to announce that on August 5th the first crowd-funding project through Commonwealth Places – the East Main Street Pocket Park in Orange – reached its funding goal with two days to spare. The second project through Commonwealth Places – a Nature Center at Endicott Park in Danvers – has launched, and additional projects are under consideration.

In conclusion, Ms. Jones reminded everyone that the Agency’s summer interns are in attendance today and will make individual presentations following the Board meeting; she invited Board members to remain after the meeting for some lunch and to see the presentations. She also noted the September Board Committee meetings will take place on Tuesday, September 6 – the day after Labor Day.

[*Assistant Secretary’s Note: Ms. Quackenbush terminated the video recording of the President’s Report at this time.*]

[*Assistant Secretary’s Note: Ms. McGovern arrived at the meeting during the President’s Report (above) at 10:06 a.m. She was not present for the vote on the Minutes at Tabs 1 and 2.*]

The Chair then announced that the Economic Development Bill was signed into law yesterday by Governor Baker, and he thanked everyone in the room, literally, for their contributions thereto. He praised the outstanding work of the Agency, noting that much of the funding authorizations contained in this Bill will pass through MassDevelopment. He described several of these programs, including, among others: bond funding, which will include $500 million for the MassWorks grant program, which provides public funding for projects and from which the funding for the General Electric project will come; TDI funding for transformative development projects, including Lynn and other equity investments; Brownfields funding, which the Chair noted will hopefully be a regular capital budget item going forward; and Site Assembly Program funding. He stated there are additional programs in the Economic Development Bill to fund such things as an Innovation Fund (focused on community innovation), Housing Development Incentive Program (HDIP) funding and technical changes, funding for the creation of new workforce housing, and more. The Chair also advised that the Governor vetoed the establishment of Community Benefits Districts (known as CBDs), noting their similarity to Business Improvement Districts (BIDs), which he said only five communities have used. He recognized Ms. Sullivan and the Executive Office of Administration & Finance for their considerable efforts in connection with the Bill. He advised that while the Commonwealth is still facing tough financial times, this Bill provides a good framework to work within and the Administration is thrilled with the law, as approved. Ms. Jones agreed. She commented that in addition to these provisions, the Bill also provides helpful technical changes to the Agency’s Development Finance Insurance Fund (DFIF), as well as the I-cubed program; the Bill provides increases in MDFA’s export loan program, and, further, it clarifies ownership issues related to the Southfield project in South Weymouth.

Ms. Canter then briefly described two other bills enacted recently, for which MassDevelopment will be the conduit of certain funds: one program promulgates regulation upon transportation-sharing companies (e.g., Uber, Lyft) by assessing a 20¢ tax per ride, 5¢ of which will be used by MassDevelopment to support the taxi / hackney industry; another program – the Property Assessed Clean Energy program (“PACE”) – allows property owners to obtain assistance for energy efficiency projects. She commented this program has come about from a very long process; staff at MassDevelopment and in this and the prior Administrations have been working on revising the statute for this program since 2010. PACE provides a conduit structure through private placement bonds. The next step is to develop guidelines, and there is a meeting on this and other issues with the Massachusetts Dept. of Energy Resources next week.

Ms. Canter then introduced two new Agency employees in the Finance Programs Department: Laurie Jordan has joined MassDevelopment as Ms. Canter’s administrative assistant; Aiden O’Garra has joined the Agency as VP Operations and Continuous Improvement in Finance Programs.

**General Matters**

None.

**Strategic Planning**

**3. MassDevelopment FY2017 Strategic Themes and Business Plan Goals**. For information purposes only, the Agency’s Strategic Themes and Business Plan Goals is attached and part of the minutes of this meeting. No discussion of this item took place.

**MARKETING / Communications**

**4.** **Media Report (July 2016)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for July 2016 are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**5. Bond Detail Memorandum**. For information purposes, the Bond Memorandum is attached and part of the minutes of this meeting.

The Chair then asked if there were any recusals on the upcoming bond votes, and there were none.

**6.** **Priority Matrix for Housing Preservation Transactions**. For information purposes and in response to a request during discussion at the July Board meeting, the Matrix is attached and part of the minutes of this meeting. No discussion of this item took place.

The Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 7 – 8, 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**

None.

**Official Action Projects with Volume Cap Request**

None.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Request**

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

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

a project of the Rashi School, Inc., in Dedham, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $14,500,000.

**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 resolutions for Official Action / Final Approval attached and part of these minutes regarding:

a project of Perkins School for the Blind, in Watertown, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $4,200,000.

**Final Approval Projects with Volume Cap Request**

None.

**Standing Board Committee Reports**

***Manufacturing & Defense Sectors Committee***

Mr. Kanin reported that the Committee met on Tuesday, August 9, 2016. At the meeting, Ms. Clark presented a manufacturing update and noted the Massachusetts Advanced Manufacturing Collaborative is being revived; Ms. Dowd presented an update regarding the defense sectors. Committee members also discussed the possible transfer of the wastewater treatment facility at Joint Base Cape Cod to MassDevelopment.

**9. Minutes of Prior Meeting**. For information purposes only, the minutes of the July 12, 2016, Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

***Origination & Credit Committee***

Mr. Cohen reported that the Committee met on Tuesday, August 9, 2016.

**10. Minutes of Prior Meeting**. For information purposes only, the minutes of the July 12, 2016, Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**11. Delegated Authority Report for Loan Approvals (June 2016).** It was noted that a corrected spreadsheet was provided today. 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.

**12. VOTE – Stergis Aluminum Products Corp. (Attleboro) – Southeast Regional Loan Fund (“SRLF”) / General Fund Loan**

Mr. Moran described this request for a $1,200,000 General Fund or SRLF loan, the proceeds of which will be used for the purposes of purchasing and installing a photovoltaic system upon the company’s newly installed roof, which was built with certain structural improvements to accommodate the new system. Stergis manufactures aluminum doors, windows and siding for the residential and commercial markets. This family owned business has a long and favorable history with the Agency, and construction of its headquarters and state of the art manufacturing facility were financed by MassDevelopment. Mr. Moran described the terms of the current request, noting that as collateral, the Agency will hold a second mortgage on the property (appraised at $4.4 million). He noted 8 construction jobs will be created. A brief discussion then ensued concerning how the PACE assessments legislation would affect a transaction like this one, including the superiority of PACE to a first mortgage holder; Ms. Jones noted that lenders must consent to PACE’s position. 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 SRLF/GF loan up to $1,200,000 to Stergis Aluminum Products Corp., as outlined in the memorandum and vote dated August 11, 2016, attached and part of the minutes of this meeting.

**Lending**

**13. Delegated Authority Report for Community Development Approvals (June 2016).** For information purposes only, the Delegated Authority Report regarding Community Development is attached and part of the minutes of this meeting. No discussion of the Report took place.

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

Mr. Kavoogian reported that the Committee met on Tuesday, August 9, 2016.

**14. Minutes of Prior Meeting**. For information purposes only, the minutes of the July 12, 2016, Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**15. 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.

**16. Statewide Real Estate Projects Updates**. Mr. Henderson stated that roof repairs are underway at Jodrey Pier in ***Gloucester***, and the fish catches from the Pier’s fleet are being moved to another location for storage while the work is ongoing. At the Myles Standish Industrial Park expansion project in ***Taunton***, there will be a dedication tomorrow of a memorial to Charles Crowley, the former mayor of Taunton; this will also commemorate construction of Dever Drive, which provides access to the business park. “This Olde House” is planning an open house event at Emerson Green in ***Devens***. There have been delays in two closings at ***Village Hill, Northampton***; meanwhile, improvements to the Male Attendants Building are moving along with no issues.

Mr. Henderson advised that a Request for Proposals (“RFP”) for improvements to ***8–12 Stearns Square, Springfield***, has been issued. Only two responses were received to an RFP for improvement the former ***Belchertown State School***, now known as Carriage Grove; both proposals include retail components and neither includes assisted senior living. Additionally, conditional low-income housing federal tax credits are being pursued by a Massachusetts-based assisted living developer already selected for a project at Carriage Grove.

With respect to ***Municipal Services***, Mr. Henderson advised that the results of an analysis regarding redeveloping a golf course in New Bedford into an industrial park are being vetted. Opportunities in connection with the possible redevelopment of the former Worcester State Hospital are being discussed with the Division of Capital Asset Management and Maintenance (DCAMM); potential interest from a San Francisco bio-pharma company has been identified.

At this time, Mr. Cohen disclosed to the Board that he recently entered into a business relationship with one of the architectural firms that is the subject of this approval, and, therefore, he will recuse himself from any discussions, deliberation, and vote on the proposed contract for this entity and leave the room during the deliberation and vote on this matter.

**17. VOTE – Award of Real Estate Architecture Services House Doctor Contracts**

Mr. Henderson briefly described this request for authorization to approve awarding contracts to four firms selected by the Designer Selection Board (“DSB”) – BKA Architects, Inc., Brockton, MA; CSS Architects, Inc., Wakefield, MA; LLB Architects, Pawtucket, RI; and Taylor & Burns, Inc., Boston, MA – for architectural services on a “house doctor” basis for up to $1,000,000 each over an initial three-year term with the possibility of two additional one-year terms. This is not a commitment of funds; all work will be done on a work order basis subject to approval. These firms were among twenty-six responses received by the DSB through the DSB’s RFP process in which the Agency has no part; however, Mr. Henderson noted staff was pleased with the DSB’s selections, including firms with extensive experience. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes the Agency to enter into various house doctor architecture services contracts, as outlined in the memorandum and vote dated August 11, 2016, attached and part of the minutes of this meeting.

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

Mr. Kanin then disclosed to the Board that he has a standing business relationship with one or more of the planning and permitting consultant firms that is the subject of this approval, and, therefore, he will recuse himself from any discussions, deliberation, and vote on the proposed contract for these entities and leave the room during the deliberation and vote on this matter. In addition, Mr. Kavoogian noted an indirect relationship with one or more of these planning and permitting consultant firms, and, therefore, he will too recuse himself from any discussions, deliberation, and vote on the proposed contract for these entities and leave the room during the deliberation and vote on this matter.

**18. VOTE – Award of Real Estate Planning and Permitting Consultant Services House Doctor Contracts**

Mr. Henderson called attention to the revised Related Parties Sheet provided, and he then described this request to allow staff to negotiate contracts with the following ten (10) professional planning and/or permitting firms – Fuss & O’Neill, Inc., West Springfield, MA; Horsley Witten Group, Inc., Sandwich, MA; Milone & MacBroom, Inc., Springfield, MA; Utile, Inc., Boston, MA; Donald Powers Architects, Inc., Providence, RI; Epsilon Associates, Inc., Maynard, MA; Stoss, Inc., d/b/a Stoss Landscape Urbanism, Boston, MA; The Cecil Group, Inc., Boston, MA; Over, Under Inc., Boston, MA; and Form + Place, Inc., Newtonville, MA – to provide consulting services on a “house doctor” basis for certain dollar amounts as indicated. The criteria varies from firm to firm: some were chosen for geographical reasons; others for their expertise in certain fields. When asked about the firms in Rhode Island in this and the previous request, Mr. Henderson noted they are good, strong firms that MassDevelopment has worked with in the past. He added that staff tries to use Massachusetts firms whenever possible. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment authorizes the Agency to enter into various house doctor planning and permitting services, as outlined in the memorandum and vote dated August 11, 2016, attached and part of the minutes of this meeting.

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

**19. VOTE – Amendments to Real Estate TDI Consultants Contracts**

Mr. Henderson noted that in the initial round of contracts for TDI consultants, the contract awards were purposely kept at a modest level. However, two firms in particular – Team Better Block LLC, Dallas, TX and CivicMoxie, LLC, Brookline, MA – have done outstanding work to date and staff requests an increase in the contract amounts for these two firms. 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 contract amendments for Team Better Block LLC and CivicMoxie, LLC, as outlined in the memorandum and vote dated August 11, 2016, attached and part of the minutes of this meeting.

**Update – Boston – Purchase of 5 and 6 Necco Court and Related Open Space**

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

**EXECUTIVE SESSION**

The Chair then advised, at 11:02 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 a matter involving valuation of real property and potential purchase and sale and lease terms, the discussion of which in Open Session would have a detrimental effect on the negotiating positions 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 portion of this meeting was adjourned at 11:02 a.m.; the meeting was adjourned in Executive Session at 11:17 a.m.