**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**(*conducted entirely by Remote Participation*)**

**Thursday, August 13, 2020**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Jonathan Cosco, Designee for Secretary of Housing & Economic Development, Acting Chair

 Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 Joan Corey

 Francesca Maltese

 Juan Carlos Morales

 Kristina Spillane

 Christopher Vincze

 Ellen Zane

DIRECTORS ABSENT: James Blake

 James Chisholm

Agency Staff: Lauren Liss, President and CEO

 Robert Ruzzo, Deputy Director and COO

 Ricks Frazier, General Counsel and Secretary

 Simon Gerlin, Chief Financial Officer

 Jeff Fuhrer, SEVP and Chief Strategy Officer

 Laura Canter, EVP, Finance Programs

 Cassandra McKenzie, EVP, Real Estate

 Jessica Strunkin, EVP, Devens

 Dena Kavanagh, Deputy General Counsel

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

Kelly Arvidson

Brandon Braxton

Graeme Brown

Jeff Buckley

Denise Callow

Sean Calnan

Frank Canning

Rob Carley

Carol Edwards

Kathryn Fraser

Nick Giaquinto

Amanda Gregoire

Zach Greene

William Kidston

Andrew Levine

Shyla Matthews

Jim Moore

Dan Morais

Paul Moran

Leigh Natola

Rick Pass

Doug Robinson

Bob Seega

Kelsey Schiller

Pat Sluder

Ed Starzec

Louisa Stone

Rebecca Sullivan

Cynthia Tonucci

Benny Wong

Guests: None

A Meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, August 13, 2020, by Remote Participation (See Secretary’s Note, below), pursuant to notice duly given.

The Acting Chair welcomed everyone and, confirming the presence of a quorum on the videoconference, he called the meeting to order at 10:04 a.m.

[*Secretary’s Note: It was noted that this Board Meeting was taking place entirely remotely – via videoconference – due to emergency procedures in connection with the COVID-19 pandemic (see Gov. Baker’s Declaration of a State of Emergency, dated March 10, 2020, and subsequent Order Suspending Certain Provisions of the Open Meeting Law, dated March 12, 2020), pursuant to the Agency’s Remote Participation Policy. Access codes for general public use were included in the Public Notice for this meeting.*]

**MINUTES**

**1. VOICE VOTE – Meeting Minutes (July 9, 2020)**

The Acting Chair asked if there were any comments on the draft minutes of the July 9, 2020 Board meeting, and there were none. He asked for a vote to approve these minutes and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the minutes of its July 9, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (July 9, 2020)**

The Acting Chair stated if there are any comments on the draft Executive Session Minutes of the July 9, 2020 Board meeting, they must be discussed in Executive Session. There were no comments. He asked for a vote to approve these minutes and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the Executive Session minutes of its July 9, 2020 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Ms. Liss was pleased to report that the Agency launched the Commonwealth’s Property Assessed Clean Energy (“PACE”) program on July 28, as part of an energy program announced by Gov. Baker in 2016. She offered kudos to the staff team led by Wendy O’Malley for efforts in overcoming obstacles for more than three years to get this program up and running successfully. In addition, MassDevelopment launched the next round of Technical Assistance grants on August 10, and the next round of Brownfields grants is due to open on August 14. For the second year in a row, the Agency did not receive an allocation of federal New Markets Tax Credits, nor did any other entity in Massachusetts or New England. Ms. Liss recounted expert input earlier in the week from Board members on the Origination & Credit and the Real Estate Development & Operations Committees, and she encouraged others to consider participating on one of the Board’s various Committees.

**STRATEGIC PLANNING**

**3. MassDevelopment FY2021 Agency Business Plan**. Ms. Liss described the Agency’s Business Plan for FY2021 as being the “flip side” of the Agency’s budget, outlining the work that the budget will enable. She explained that the details of the Plan demonstrate how MassDevelopment’s efforts align with those of the economic plan developed by the Baker/Polito Administration, and discussions followed regarding MassDevelopment’s mission, values, performance highlights; and the impacts of the COVID-19 pandemic and how the Agency plans to respond. She summarized FY2021 priorities, how economic indicators reflect profound changes to the marketplace and the Agency’s targets. Ms. Liss referred to the Massachusetts housing crisis and the Agency’s programs to support housing production through bonds and lending transactions. She discussed Finance Programs’ community development grant and new markets tax credit programs. Turning to the Real Estate Department, she reviewed planning and development of real estate, including asset management and programs like the popular Transformative Development Initiative (“TDI”). Finally, Ms. Liss described how the Agency plans to support development and improve services in Devens, as well as planning for Devens’ future. A discussion ensued regarding trends, risk factors, potential available federal funding, and the like.

Ms. Liss then commented on recent social events and protests of racial inequality in the United States. She stated that the Agency’s efforts with respect to diversity, equality and inclusion must be meaningful, thoughtful and long-lasting. She explained that a search for a diversity consultant to assist in the development of an Agency program is underway and committed to the creation of a full time position focused on these issues. Mr. Morales advised that metrics of measurement will need be attached to such endeavors in order for them to be successful. Ms. Zane thanked everyone at MassDevelopment for their efforts in connection with the Business Plan, acknowledging the hard work behind the scenes.

**MARKETING / Communications**

**4.** **Media Report (July 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**

**Updates from Executive Vice President, Finance Programs, and Chief Financial Officer**. With respect to risk, Ms. Canter stated that consideration is being given for adjustments to loan loss reserves. She said the pipelines for new projects look good on paper, but activity is moving slowly. The U.S. Dept. of Commerce Economic Development Administration (“EDA”) awarded $2.85 million to MassDevelopment for grants to finance projects in geographic regions along the coastline. Ms. Canter reminded everyone that the PACE program launched this week, and an assistance program to support the taxi and livery industry (see the “Walk-in” after Tab 20) is ready to launch. She reported that Agency has financed four bonds so far in FY2021. When asked if new payments on loans that had previously been deferred are holding steady, Ms. Canter explained that some payments have restarted, but that other loans are just coming off their deferrals and the situation is still developing. Mr. Gerlin advised that the books for Fiscal Year 2020 are complete and closed, and certain reductions have been made to the FY2021 budget in response to the pandemic. He stated that a detailed first quarter update will be presented to the Board in November.

**BOND TRANSACTIONS**

**5. Bond Detail Memorandum**. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Ms. Canter provided a brief summary.

The Acting Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 6 – 12, 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**

**6.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, 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 the Hampden Charter School of Science West, in West Springfield, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $2,450,000.

**Official Action Projects with Volume Cap Requests**

**7.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, 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 Community Eco Power, LLC, in Agawam and Pittsfield, Massachusetts, for the issuance of a Tax-Exempt and Taxable Bonds to finance such project in an amount not to exceed $14,760,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Requests**

**8.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, 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 the Gordon College in Wenham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $37,900,000.

**9.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, 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 Notre Dame Health Care 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 $35,000,000.

**10.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, 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 Friends of Springfield Preparatory Charter 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 $13,580,000.

**11.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, it was, unanimously

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

a project of the Animal Rescue League of Boston, in Dedham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $13,000,000.

**Final Approval Projects with Volume Cap Requests**

**12.** Upon motion duly made and seconded, by a roll call vote of the directors present on the videoconference, 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 Cabot Housing LLC, in Beverly, Massachusetts locations, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $10,500,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

On behalf of Committee Chairman Blake, who could not attend today’s meeting, Mr. Kavoogian reported that the Origination & Credit Committee met on Tuesday, August 11.

**13. Minutes of Prior Meeting**. For informational purposes only, the minutes of the July 7, 2020 Origination & Credit Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**14. Delegated Authority Report for Loan Approvals (June 2020)**. 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.

**15. VOTE – Seafood Revolving Loan Fund and Gloucester Revolving Loan Fund (“SRLF/GRLF”) – Certification for Revolving Loan Funds**

Ms. Tonucci described this request to certify compliance of the SRLF/GRLF with the Consolidated Plan governing them, as required annually by the federal EDA, for projects that support job creation, with priority status reserved for seafood and fishing businesses. Staff has determined that, for the reporting period of January 1 to December 31, 2019, both the SRLF and the GRLF were/are in complete compliance, as required; details to support this finding can be found in the Exhibits provided in the Board materials. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment certifies that the Funds have been conducted during the reporting period in accordance with the Consolidated Plan, as outlined in the memorandum and vote dated August 13, 2020, that are attached and part of the minutes of this meeting.

**16. VOTE – CapeBuilt Pleasant Street LLC (Hyannis) – $6,601,250 General Fund Loan Participation; and $419,200 Loan Guarantee**

Mr. Moran explained this request for financing to support the construction of a 44 unit, market rate apartment complex for year-round residents in Hyannis, Massachusetts, called Sea Captain’s Row. He cited the need/demand for workforce housing on Cape Cod, then briefly explained certain terms of the loan participation and guarantee. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the loan and guarantee for CapeBuilt Pleasant Street LLC, as outlined in the memorandum and vote dated August 13, 2020, that are attached and made a part of the minutes of this meeting.

**17. VOTE – Friends of Springfield Preparatory Charter School, Inc. (Springfield) – $2,716,000 Charter School Guarantee**

Mr. Braxton briefly explained this request for a $2.716 million Charter School Guarantee to provide credit enhancement to a tax-exempt bond (also before the Board for approval today, at Tab 10) for the Friends of Springfield Preparatory Charter School, Inc. Mr. Braxton advised the School achieved high performance scores on its recent application for renewal of its charter, and he said the Agency has had an extended working relationship with this borrower to secure property for this project. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the Charter School Guarantee for the Friends of Springfield Preparatory Charter School, Inc., as outlined in the memorandum and vote dated August 13, 2020, that are attached and made a part of the minutes of this meeting.

**Community Development**

**18. VOTE – Signing Authority for Senior Vice President, Predevelopment Finance**

For efficiency purposes, Ms. Canter briefly explained this administrative request to give authority to the SVP of Predevelopment Finance – Sean Calnan, currently – to execute certain documents related to transactions that have already received programmatic approval, pursuant to the Agency’s required process. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves this request for signature authority, as outlined in the memorandum and vote dated August 13, 2020, that are attached and made a part of the minutes of this meeting.

**19. Delegated Authority Report for Community Development Approvals (June 2020)**. 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.

**20.** **Minutes of Brownfields Advisory Group meeting (April 14, 2020)**. For informational purposes only, the approved minutes of the April 14, 2020 Brownfields Advisory Group meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

***WALK-IN*. VOTE – Transportation Infrastructure Enhancement Fund (“TIEF”) –
Grant Programs**

Apologies were made for the delay in finalizing and providing this item. Ms. Canter reminded the Board that five cents from every passenger ride carried out by a Transportation Network Company (e.g., Uber or Lyft) in the Commonwealth since 2017 has been deposited into the TIEF to support the taxi, livery, hackney industry, totaling about $11 million to date. She then described the proposal, developed with the assistance of the Metropolitan Area Planning Council, to establish two competitive grant programs to assist this struggling industry during the pandemic. These dollars follow the $525,000 in emergency funding made available for similar purposes, as approved by the Board at a Special Board meeting on May 1, 2020. When asked who within the Agency will be doing the actual work, Ms. Canter said the Community Development team and Nick Giaquinto will administer these grant programs. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves this request to establish two TIEF grant programs, as outlined in the memorandum and vote dated August 13, 2020, that are attached and made a part of the minutes of this meeting.

**New Markets Tax Credits (“NMTC”)**

**21.** **Minutes of NMTC Advisory Board meeting (January 21, 2020)**. For informational purposes only, the approved minutes of the January 21, 2020 NMTC Advisory Board meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

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

Mr. Kavoogian reported that the Real Estate Development & Operations Committee met on Tuesday, August 11.

**22. Minutes of Prior Meeting**. For informational purposes only, the minutes of the July 7, 2020 Real Estate Development & Operations Committee Meeting are attached and made a part of the minutes of this meeting. No discussion of these minutes took place.

**23 – VOTE – Devens – Agreement for Wastewater Conveyance, Treatment and Disposal Services with Town of Shirley**

Mr. Moore briefly explained this request for approval to extend an Agreement with the Town of Shirley for Wastewater Conveyance, Treatment and Disposal Services, noting that a current, similar agreement, in place since 2000, is about to expire. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the extension of the Agreement for Wastewater Conveyance, Treatment and Disposal Services with the Town of Shirley, as outlined in the memorandum and vote dated August 13, 2020, that are attached and made a part of the minutes of this meeting.

**24. Devens and Devens Environmental Updates**. For informational purposes, the Devens Updates are attached and made a part of the minutes of this meeting. Referring to the walk-in vote to follow, Ms. Strunkin reported that two recent incidents involving the retrieval of unexploded ordnance (“UXO”) from the Nashua River by individuals using magnetic devices. While discoveries of UXO in Devens are not uncommon, given its military history, the method of discovery in these instances – so called “magnet fishing” by kayakers – is unusual. Ms. Strunkin assured everyone that all proper authorities were notified and that safety personnel responded to take charge of the munitions and safely dispose of them. Staff is preparing a statement for Devens’ residents.

***WALK-IN*. VOTE – Devens – Emergency Safety Regulation**

Noting the emergency basis on which this item is presented, Mr. Frazier advised that the vote before the Board recites the legal authority under which the Agency may promulgate such emergency safety regulations, thereby eliminating a usual 90 day waiting period. Citing the increasing attention these discoveries are receiving on social media and the resulting concern that new attempts recover munitions will follow, Mr. Frazier called attention to the immediate need to protect the public from themselves. After discussing the proposed regulation’s prohibition of the intent to search for and recover UXOs, in general, the Board suggested that the vote be clarified to prohibit the activity itself, regardless of intent. The Acting Chair asked for a vote and, upon motion duly made and seconded, by a roll call of the directors on the videoconference, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves this request to promulgate an emergency safety regulation regarding UXO, as outlined in the vote dated August 13, 2020 that is attached and made a part of the minutes of this meeting, and incorporating the revised prohibition as expressed by the Board.

[*Secretary’s Note: Immediately following the Board meeting, the vote above was revised to include the condition discussed.*]

Ms. Strunkin then continued her report regarding Devens activities. She advised of an additional positive COVID-19 case in Devens. She noted, too, that the federal prison in Devens reported only one inmate and one staff member that are still affected. Recreation continues on a reduced schedule. Mirror Lake reopened Monday after closing for the weekend due to high bacteria levels caused by heavy rains. The updated Devens Economic Study by UMass/Donahue Institute is ready for publication and identifies, among other things, an increase in employment in Devens in the past five years from 5,000 to 6,000. Residents of Shirley Meadows, the new senior housing facility, have begun moving in under a phased approach reflecting pandemic guidelines. Testing activity for autonomous vehicles remains popular and is on the rise. The Devens Jurisdiction Framework Committee met on August 12 following an extended delay caused by the pandemic.

Ms. Strunkin thanked Mr. Moore for his continued work and expertise in connection with completing permanent treatment facilities for the Devens drinking water wells. Mr. Moore is pursuing financing available on favorable terms from the Commonwealth to support facilities to treat PFAS contamination.

**25. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. With respect to the *Transformative Development Initiative* (“TDI”), Ms. McKenzie reported that the Agency submitted an application to the Barr Foundation on July 22 for a second round of Creative Catalyst grants, as well as additional funding for a specific project in New Bedford. TDI Fellows remain focused on outreach efforts to assist communities to respond to economic disruptions caused by the ongoing pandemic, and Ms. McKenzie advised that Carlos Matos, the TDI Fellow in Chelsea, has left the Agency to join the Chelsea Business Foundation in the position of CEO. In the *Site Readiness* program, thirteen of seventeen agreements in the current round have been executed and those projects are getting underway. The next round of funding – the FY2021 round – is scheduled to open September 16. The *Commonwealth Places* program received fifty-five applications, which are undergoing final review and processing. The *Technical Assistance* program has kicked off its current round of grant funding (with $310,000 available).

Turning to real property transactions, Ms. McKenzie advised that Phase 4 demolition and abatement is underway in ***Belchertown***. A Request for Proposals for property management services for ***1550 Main Street, Springfield***, is being finalized. The Agency recently closed the sale of 36 acres in ***Devens*** for a life sciences development. Finally, the historic vessel, Mayflower, berthed at the ***New Bedford State Pier*** from August 4 through 8 to weather a tropical storm.

[*Secretary’s Note: At this time in the meeting the Acting Chair asked for one roll call vote, upon motion duly made and seconded, to approve the following: the minutes (Tabs 1 and 2); the bond transactions (Tabs 6 through 12); the lending requests (Tabs 15, 16 and 17), the request for signature authority (Tab 18), approval of the Wastewater Agreement with the Town of Shirley (Tab 23) and, finally, the two walk-ins: the TIEF grant programs; and the emergency regulations in Devens. Accordingly, those items were approved as indicated above.*]

**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**

* **Litigation Matter(s)**

The discussion of this item occurred in Executive Session.

The Acting Chair advised, at 10:49 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 litigation matter. The Acting Chair advised that the Open Meeting portion of the Board meeting would adjourn at this time; Board members and staff involved in the discussion(s) were instructed to remain on the videoconference while everyone else was disconnected. 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 11:35 a.m.