**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, September 12, 2019**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Mike Kennealy, Secy. of Housing & Economic Development, Chair

 James Chisholm

 Karen Courtney

 Grace Fey

 Francesca Maltese

 Juan Carlos Morales

 Christopher Vincze

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

 James Blake

 Brian Kavoogian, Vice Chair

 Ellen Zane

Agency Staff: Lauren Liss, President & CEO

 Robert Ruzzo, SEVP, Deputy Director

 Ricks Frazier, General Counsel and Secretary

 Simon Gerlin, Chief Financial Officer

 Laura Canter, EVP, Finance Programs

 Dena Kavanagh, Deputy General Counsel

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Graeme Brown

 Sean Calnan

 Frank Canning

 Rob Carley

 Steve Chilton

 Amanda Chisholm

 Jamie Errickson

 Tony Fracasso

 Zach Greene

 Noah Koretz

 Christine Madore

 RJ McGrail

 Leigh Natola

 Doug Robinson

 Kelsey Schiller

 Ed Starzec

 Jessica Strunkin

 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, September 12, 2019, at MassDevelopment’s offices, 99 High Street, 11th floor, 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 if there were any guests in attendance and, if so, to please introduce themselves; there were no guests present.

**MINUTES**

**1. VOICE VOTE – Meeting Minutes (August 8, 2019)**

The Chair asked if there were any comments on the draft minutes of the August 8, 2019 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 August 8, 2019 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (August 8, 2019)**

The Chair stated if there are any comments on the draft Executive Session Minutes of the August 8, 2019 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 the directors present, it was, unanimously

**VOICE VOTED:** that the Board of Directors of MassDevelopment approves the Executive Session minutes of its August 8, 2019 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Ms. Liss began her report by informing Board members that next month’s Board meeting will take place in Devens and, like last year, the start time will be 9:00 a.m., followed by a meeting with Devens residents at 11:00 a.m. She instructed anyone interested in a tour of Devens that day to speak with Meg Delorier. She then called attention to a recent article in the *Boston Business Journal* featuring fellow Board member Jim Blake and his employer, HarborOne Bank. She also advised the Board that a new Transformative Development Initiative Program Fellow, Andrea Monson, had started in Chicopee earlier in the month. Ms. Liss then reported on a recent ribbon-cutting ceremony she attended for Abby’s House in Worcester, a nonprofit that provides housing, shelter, and support services to at-risk, homeless, and low-income women; the renovations of the shelter were supported by proceeds from a MassDevelopment bond.

**STRATEGIC PLANNING / FINANCIAL STATEMENT UPDATE**

**3. Annual Business Plan (FY2020)**. 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.

**4. Fiscal Year End 2019 Financial Statement Update**. Mr. Gerlin summarized the Balance Sheet and Statement of Revenues and Expenses for the Fiscal Year Ended June 30, 2019, identifying certain changes from what had been presented to the Board previously, and noting that the final audited financials will be available in November. Among the changes identified: the property at 8-12 Stearns Square, Springfield, is now listed as an “asset held for sale;” and higher returns on investment projections. Meanwhile, staff anticipates transferring $86,000,000 to the Commonwealth for workforce housing and awaits instructions to do so. Mr. Morales asked whether the sale proceeds were in an interest-bearing account and Mr. Gerlin explained how they are being held. Ms. Maltese asked about the timing of the process to develop the Fiscal Year 2020 budget and Mr. Gerlin advised of kick-off exercises in the spring, followed by 3 to 4 months of projections, discussions, and refinements, before the final budget is presented to the Board for approval in June. There ensued a brief discussion of targets versus projections, and Mr. Gerlin noted that RJ McGrail’s six-month follow-up presentation and discussion regarding his Annual Business Plan, expected in October, will tie in the Agency’s budget and business plan.

**MARKETING / Communications**

**5.** **Media Report (August 2019)**. 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 Chief Financial Officer and Executive Vice President, Finance Programs**. Reference was made to Mr. Gerlin’s Financial Statements update (at Tab 4, above). Then, despite what she identified as a “12 month low” in the bond market, Ms. Canter reported that MassDevelopment’s pipeline remains largely unaffected. Very small bond issuances are slow/hurting, however, due to very competitive interest rates available from commercial banks. Staff is putting together a Request for Proposals (“RFP”) for Bond Counsel, to be issued soon. At this week’s Origination & Credit Committee meeting, the Committee Chair summarized the results of Cobblestone Management, Inc.’s review of the Agency’s 2019 Loan Portfolio, which Ms. Canter noted was stellar. She confirmed that certain technical corrections were adopted in legislation to amend the Property Assessed Clean Energy program; there is a large pipeline and staff continues to prepare the Program’s roll-out. She also engaged in a discussion of the Agency’s interest rate policy.

**BOND TRANSACTIONS**

**6. Bond Detail Memorandum**. For informational purposes, the Bond Memorandum is attached and made a part of the minutes of this meeting. Mr. Chilton advised that the bond issuance for Atlantic Gardens, LLC (Tab 16) has been removed from consideration, and a revised summary was provided today; it is attached and made a part of the minutes of this meeting.

The Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 7 – 15, reiterating that the bond issuance for Atlantic Gardens, LLC (Tab 16) has been removed from consideration this month, 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 with Volume Cap Requests**

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

a project of Chelsea Legacy Portfolio LLC, in Chelsea, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such affordable housing project in an amount not to exceed $16,100,000.

**Bonds: Final Approvals**

**Final Approval Projects without 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 Official Action / Final Approval (“OA/FA”) resolution that is attached and made a part of these minutes regarding:

a project of SRC Pittsfield RE, LLC, in Pittsfield, Massachusetts, for the issuance of a Tax-Exempt and Taxable Bonds to finance such project in an amount not to exceed $50,000,000.

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

a project of Ginger Care, Inc., in Brookline and Harwich, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $34,500,000.

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

a project of VOA Concord Assisted Living, Inc., in Concord, Massachusetts, for the issuance of a Tax-Exempt Non-Profit Housing Bond to finance such project in an amount not to exceed $30,171,289.

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

**VOTED:** that the Board of Directors of MassDevelopment approves and adopts the OA/FA resolution that is attached and made a part of these minutes regarding:

a project of the Hillside School, Inc., in Marlborough, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $16,000,000.

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

a project of The Hospice of the Good Shepherd, Incorporated, in Newton, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $5,200,000.

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

a project of Viability, Inc., in West Springfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $2,140,000.

**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 Third Sector New England, Inc., in Boston, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $2,100,000.

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

a project of Clear Path for Veterans New England, Inc., in Devens, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $2,000,000.

**16.** Agenda item removed from consideration.

**Standing Board Committee Reports**

***Origination & Credit Committee***

The Origination & Credit Committee met on Tuesday, September 10, 2019.

**Lending**

**17. Delegated Authority Report for Loan Approvals (July 2019)**. For informational purposes only, the Delegated Authority Report regarding Loan Approvals is attached and made a part of the minutes of this meeting. No discussion of the Report took place.

**Community Development**

***WALK-IN*. VOTE – Collaborative Workspace Program – Recommended Grant Approvals**

Mr. Calnan described this request to approve the award of 33 grants (28 fit-out grants; 5 seed grants) in Round 4 of the Collaborative Workspace Program, pursuant to an RFP, to which there were 72 responses seeking approximately $8.75 million in funding. Mr. Calnan briefly explained the history of this program, explained that $1,500,000 in funds were available from the Commonwealth and an additional $665,000 from the Barr Foundation. He then described the application and award process, success stories from previous rounds, and more. He provided a breakdown of the award recipients by region, type, etc., and confirmed this year’s funding includes the last installment of a three-year commitment from the Barr Foundation to support arts related spaces. 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 slate of 33 new grants for Round 4 of the Collaborative Workspace Program, as outlined in the memorandum and vote dated September 12, 2019, that are attached and made a part of the minutes of this meeting.

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

The Real Estate Development & Operations Committee met on September 10, 2019.

**18. Devens and Devens Environmental Updates**. For informational purposes, the Devens Updates are attached and made a part of the minutes of this meeting. Ms. Strunkin reported, with respect to Devens Water and contamination from PFAS chemicals, that excellent progress is being made at all three wells and bottled water distribution continues. She said the residents no longer have questions regarding how the Agency has responded to this emergency; rather, they seem to be satisfied that it is being handled proactively and successfully. Several Board members expressed gratefulness and relief that MassDevelopment got ahead of the PFAS situation.

Ms. Strunkin advised of recent outreach visits she has made to various entities in Devens, as well as tours of several Devens businesses and quarterly meetings with these businesses to discuss issues such as staffing needs, the Devens shuttle, signage, infrastructure issues, and more. Autonomous vehicle testing remains popular and strong and Devens staff is looking into software for scheduling purposes in relation thereto.

With respect to Vicksburg Square, Ms. Strunkin reported that staff is working toward a Super Town Meeting in the spring, and meetings and other activities are ongoing.

**19. VOTE – Direct Energy Services, LLC, d/b/a Direct Energy Business Electricity – Electricity Procurement**

Mr. Greene briefly explained this request to approve the Agency’s participation in a three-year contract with the Commonwealth’s Operational Services Division (“OSD”) for electricity supply acquisition for six properties currently owned or managed by MassDevelopment; this arrangement will result in a 25 to 30 percent savings over current rates. 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 MassDevelopment to participate in the a three-year contract with OSD for electricity supply at its state-owned properties, as outlined in the memorandum and vote dated September 12, 2019, that are attached and made a part of the minutes of this meeting.

**20. VOTE – Site Readiness Program – Reallocation of Funds**

Mr. Starzec briefly described this request for approval to reallocate $300,000 in Site Readiness Program funds previously awarded to the City of Gardner to the Westover Metropolitan Development Corporation in Chicopee (“WMDC”). The presence of more extensive wetland areas than previously identified at the Gardner project has resulted in the recognition that the original project will not be feasible, thereby freeing up the funds requested to be reallocated; the City of Gardner has agreed to this arrangement. 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 request to reallocate $300,000 in Site Readiness Program funds from the City of Gardner to the WMDC, as outlined in the memorandum and vote dated September 12, 2019, that are attached and made a part of the minutes of this meeting.

**21. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Mr. Errickson reported great progress at the ***Taunton / Myles Standish Industrial Park***: a fully executed Memorandum of Agreement between the parties has been received, which sets in place a mechanism to allow reimbursement to MassDevelopment for staff time in connection with this project. Various housing developments at ***Village Hill, Northampton***, continue under construction; three units recently sold in the mid $700,000s. There is increasing activity in ***Belchertown***, and the project is progressing well; the Agency received a $500,000 matching grant from the U.S. Economic Development Agency for infrastructure improvements and clean-up is ongoing. Mr. Errickson noted that Amanda Chisholm has returned to the office to supervise the Real Estate Division’s Technical Assistance Program and he thanked Christine Madore for overseeing the Program during Ms. Chisholm’s leave.

**Miscellaneous: Old Business / New Business**

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

**Executive Session**

**22. VOTES – Springfield – 8-12 Stearns Square – Proposed Sale of Property and Proposed Economic Development Grant**

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

* **Devens – Litigation Matter(s)**

The discussion of this item occurred in Executive Session.

The Chair advised, at 10:51 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 certain litigation matter(s), as well as discussion(s) and vote(s) on specific real property transactions in Springfield. 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 Board Meeting ***and*** the Executive Session were adjourned in Executive Session at 11:24 a.m.