**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, October 10, 2019**

**9:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Tim McGourthy, Designee for Secretary of Housing & Economic Development, Acting Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 James Chisholm

 Juan Carlos Morales

 Christopher Vincze

DIRECTORS ABSENT: Brian Kavoogian

 Karen Courtney

 Grace Fey

 Francesca Maltese

 Ellen Zane

Agency Staff: Lauren Liss, President and CEO

 Robert Ruzzo, SEVP, Deputy Director

 Simon Gerlin, Chief Financial Officer

 Ricks Frazier, General Counsel and Secretary

 Laura Canter, EVP, Finance Programs

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Roy Angel

 Dave Blazon

 Graeme Brown

 Sean Calnan

 Rob Carley

 Steve Chilton

 Karen Davis

 Zach Greene

 Dena Kavanagh

 Chief Tim Kelly, Devens Fire Department

 Jim Kenney

 William Kidston

 John Marc-Aurelle

 RJ McGrail

 Jim Moore

 Jan Nuzollo

 Doug Robinson

 Kelsey Schiller

 Ed Starzec

 Jessica Strunkin

 Cyndy Tonucci

 Ellen Torres

 Kim Walsh

Guests: Tracy Clark, Devens resident

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, October 10, 2019, at MassDevelopment’s offices, 33 Andrews Parkway, Devens, Massachusetts, pursuant to notices duly given.

The Acting Chair introduced himself and welcomed everyone to Devens and, confirming the presence of a quorum, he called the meeting to order at 9:04 a.m. He asked any guests present to please introduce themselves and Mr. Clark did so.

**MINUTES**

**1. VOICE VOTE – Approval of Minutes (September 12, 2019)**

The Acting Chair asked if there were any comments on the draft Minutes of the September 12, 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 September 12, 2019 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Executive Session Minutes (September 12, 2019)**

The Acting Chair stated if there are any comments on the draft Executive Session Minutes of the September 12, 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 September 12, 2019 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Ms. Liss thanked everyone for coming today to the Board Meeting that occurs annually in Devens. She called attention to the following highlights here over the past year: Jessica Strunkin’s acceptance of the Sr. Vice President, Devens position, a role she has excelled in since she began in February; Tim Kelly now serves as interim Chief, Devens Fire Department, following the retirement of Chief Joseph LeBlanc.

With respect to continued development efforts in Devens, Ms. Liss advised of new phases at the Emerson Green housing project and confirmed that construction is well underway at Shirley Meadows, the senior housing project. Among expansion projects are Bristol-Myers Squibb (adding lab/office/cafeteria space and parking), Little Leaf Farms (additional greenhouse and office space), New England Studios (expanding operations), and more. As a result of all this activity, an uptick in interest in and visitors to Devens has become evident.

Ms. Liss reported that as a result of traffic issues called to the attention of Board members by a group of residents at the Devens Board meeting last year, a consultant was engaged, recommendations have been implemented, including signage and other mitigation, and follow-up evaluations are being conducted now. Ms. Liss also reported on the challenges addressed this year in connection with water contamination issues (related to PFAS chemicals), including working with the Massachusetts Department of Environmental Protection and developing and implementing strategies – both temporary and permanent – which, Ms. Liss was pleased and proud to announce have been successful. As of Tuesday, the drinking water wells in Devens are testing at “non-detect levels” for PFAS chemicals. Ms. Liss thanked everyone involved in these efforts.

In other news, Ms. Liss reported that she attended the groundbreaking of an affordable housing development – Walker Park Apartments in Eggleston Square, Roxbury – with Gov. Baker, Mayor Walsh, and others. She also attended a ribbon cutting at The Plenus Group (creator of gourmet soups, sauces, and more) in Lowell and was impressed by Plenus’ commitment to community. She was pleased to inform everyone that the fourth round of grants in the Commonwealth Places Program launched in early October, and the Site Readiness Program is ready to launch its next round of grants (see the walk-in materials provided today). Further, she reported that the Agency recently received $5 million in federal funding for the Charter School Program and, finally, that staff is busy preparing an application for the next round of funding in the federal New Markets Tax Credits Program; the application deadline is October 28, 2019.

**GENERAL MATTERS**

**3.** **VOTE – Contract Extension with The Roosevelt Group**

Ms. Liss described this request to extend for one additional year the Agency’s contract with The Roosevelt Group (“TRG”), for providing continued assistance to MassDevelopment and the Commonwealth’s Military Asset and Security Strategy Task Force in strategizing with the Congressional delegation, the business community, and local and federal officials to insulate the six military installations in Massachusetts from closures in the event of a Base Realignment and Closure event. Ms. Liss recalled that since 2016, TRG has identified new mission opportunities, facilitated meetings and relationships with key Department of Defense personnel, and provided sound counsel and strategic recommendations. Adding that TRG has provided invaluable administrative and programmatic services and support to better position the Commonwealth’s bases, the Acting 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 extend for one year its contract with The Roosevelt Group, as outlined in the memorandum and vote dated October 10, 2019, that are attached and made a part of the minutes of this meeting.

**Strategic planning**

**4.** **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.

**5. Fiscal Year End 2019 Annual Performance Report.** Mr. McGrail presented the Annual Performance Report, noting details of this comprehensive assessment of the Agency’s prior year’s performance, including expectations and goals, job creation by region, development trends in Devens and elsewhere, increased development of market rate housing, and more. He summarized the Report’s findings as positive overall, including the funding of 317 projects and the creation of 9,700 jobs throughout the Commonwealth.

**MARKETING / Communications**

**6.** **Media Report (September 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**. Mr. Gerlin said the Agency has closed its books on the first two months of this fiscal year; he reported nothing unusual. He stated that MassDevelopment has recently undergone an Information Technology (“IT”) assessment, and a discussion ensued. He confirmed that an internal Steering Committee is reviewing and discussing the comprehensive recommendations contained in the IT assessment report. When Mr. Vincze suggested speaking with other agencies to coordinate efforts, Ms. Liss agreed that MassDevelopment will align with the Commonwealth and others on whether and how to implement recommendations of the IT assessment report. Mr. Gerlin advised that no estimate had yet been prepared regarding any capital requirements for additional IT equipment, and that the preliminary report concluded that the Agency’s cybersecurity measures are robust. After discussion, it was agreed that the Audit & Administration Committee will review any changes the Agency proposes to make in this regard, and the Board will be kept apprised of these efforts.

Ms. Canter referred the Board to the materials in Tab 7, which provide additional details regarding the matters in her report.

**7. Fiscal Year End 2019 Closed Finance Programs Report.** Ms. Canter called attention to this Report, noting it accounts for every single project that closed in FY2019. She advised, briefly, that housing numbers are up and lending reached “historic highs.” The Agency is very happy with the results.

**Bond Transactions**

**8. 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 October Board book. The Acting Chair asked if there were any recusals on the upcoming bond votes, and there were none.

The Acting Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 9 – 12, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Request**

**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 Heywood Healthcare, Inc. in Athol, Gardner, and Petersham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $54,000,000.

**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 the Massachusetts Society for the Prevention of Cruelty to Animals, in Boston and Barnstable (Centerville), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $21,700,000.

**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 the Center for Human Development, Incorporated, in several Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $4,000,000.

**Final Approval Projects with Volume Cap Request**

**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 Bersani Circle LLC, in Quincy, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $5,400,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

Mr. Blake reported that the Origination & Credit Committee did not meet this month.

**Lending**

**13. Delegated Authority Report for Loan Approvals (August 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.

**14. Minutes of Charter School Loan Guarantee Fund Advisory Committee Meeting (September 18, 2018)**. For informational purposes only, the approved minutes of the September 18, 2018 Charter School Loan Guarantee Fund Advisory Committee meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

**15. Minutes of Emerging Technology Fund (“ETF”) Advisory Committee Meeting (June 5, 2019)**. For informational purposes only, the approved minutes of the June 5, 2019 ETF Advisory Committee meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

**16. VOTE – MentorWorks Education Capital, LLC (Boston) – $1,000,000 ETF Loan**

Mr. Kidston described this request for a $1 million ETF Loan to provide working capital (term financing) to support the growth of this company and the salaries of up to 19 new full-time employees. MentorWorks has developed a platform that enables students to fund higher education; it provides an alternative model of education financing that incorporates career mentorship and professional networking. In addition to unique financing (through Income Share Agreements), MentorWorks partners each student with an established professional as a mentor and provides students with access to proprietary networking. Mr. Kidston shared certain details of the terms of the transaction and the principals involved. The Acting 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 $1,000,000 ETF Loan to MentorWorks Education Capital, LLC, as outlined in the memorandum and vote dated October 10, 2019, that are attached and made a part of the minutes of this meeting.

**17. VOTE – 59 Fountain Framingham Owner LLC (Framingham) – $2,500,000 Construction Loan Participation**

Mr. Angel described this request for a $2.5 million construction loan participation with Avidia Bank, the lead lender, and two other banks, the proceeds of which will assist the redevelopment of a former industrial mill building in downtown Framingham into 258 units of rental housing (232 market rate units and 26 affordable units, including 160 loft-style apartments), less than half a mile from a commuter rail station. The complex will also include a two-level parking garage, a resort-style pool deck in a center courtyard, and an amenity center that will include a fitness center, yoga studio, community meeting space, and gallery/event space. Mr. Angel advised that this transaction may need to switch to a fixed rate when Avidia Bank exits the deal in the fifth year and he wanted to make clear that today’s request includes authority to do so, should it become necessary. The Acting 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 construction loan participation to 59 Fountain Framingham Owner LLC, as outlined in the memorandum and vote dated October 10, 2019, that are attached and made a part of the minutes of this meeting.

**Community Development**

**18. Minutes of Cultural Facilities Fund Advisory Committee Meeting (April 24, 2019)**. For informational purposes only, the approved minutes of the April 24, 2019 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.

**19. VOTE – Cultural Facilities Fund – Approval of Round 12 Guidelines**

Mr. Calnan presented this request to approve the funding and Guidelines for the Cultural Facilities Fund Grants Round 12, contingent upon receipt of funds from the Commonwealth for this purpose. He described briefly the four proposed changes to the Guidelines in this Round, involving: advise based on square footage of facilities being studied for systems replacements; making legal costs and fees ineligible for grant funding; clarifying the language regarding availability of matching grant funds; and amending certain financial monitoring requirements. The Acting 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 funding and Guidelines for the Cultural Facilities Fund Grants Round 12, as outlined in the memorandum and vote dated October 10, 2019, that are attached and part of the minutes of this meeting.

**New Markets Tax Credits (“NMTC”)**

**20. VOTE –**  **NMTC Application 2019 – Approval to Submit Application**

Ms. Canter briefly described this request for authority to file the CY2019 NMTC Allocation Application and, if awarded an allocation in this round, to enter into an Allocation Agreement with the U.S. Department of the Treasury’s Community Development Financial Institutions Fund, as required. A brief discussion ensued regarding prior allocations, the application and process, strategy, and more. The Acting 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 proceed with filing the CY2019 NMTC Allocation Application, as outlined in the memorandum and vote dated October 10, 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 did not meet this month.

**21. 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 pointed out and thanked several members of the Devens team – Karen Davis, Kim Walsh, Dave Blazon, Jim Moore, Chief Kelly, John Marc-Aurele, and others – noting her job would be impossible without them. Ms. Strunkin presented five slides, that are attached and made a part of the minutes of this meeting and, with Jim Moore’s assistance, described how MassDevelopment prioritized and successfully managed and resolved the recent water contamination issues in connection with PFAS chemicals in Devens drinking water wells; the Agency’s response to this challenge and the method of achieving “non-detect levels,” as announced on Tuesday, are anticipated to serve as a model for others going forward. She also discussed the preparation of a periodic Devens Business and Industry Study by the University of Massachusetts, the installation of wayfinding signs and the continued monitoring of traffic levels on residential streets, and the formation of a committee with representatives from MassDevelopment and surrounding communities to begin discussions regarding a process for creation of the report contemplated in Section 23 of Chapter 498 of the Acts of 1993 recommending a permanent government structure for Devens by 2033.

**22. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Mr. Ruzzo reported that a District Improvement Financing Memorandum of Agreement has finally been executed in connection with the Myles Standish Industrial Park in ***Taunton*** that will provide a method by which MassDevelopment can be reimbursed for certain administrative and demolition costs related to the project. In ***Northampton***, the co-housing project is ongoing and Lot 20 (with plans for 12 units of multi-family housing) will be conveyed shortly and that project will soon get underway. In ***Belchertown***, design and bid documents are being drafted and exchanged, and demolition continues. The Agency has received an “obligation of federal funds” for use at the ***State Piers***; a $1 million repair has already been completed, and others will begin soon.

**WALK-IN VOTE – Jodrey Pier, Gloucester – Renewal of U.S. Coast Guard Lease**

Mr. Greene briefly described this request for approval to renew a lease with the U.S. Coast Guard for 1 year with 4 one-year extensions for the space the Coast Guard has leased at the Jodrey State Pier in Gloucester since 1991 (including storage units, a 110 ft. berth on the East Pier, and a small office). The Coast Guard also provides security to the Pier and along the coastline. The Acting 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 renew the Lease with the U.S. Coast Guard at Jodrey Pier, as outlined in the memorandum and vote dated October 10, 2019, that are attached and part of the minutes of this meeting.

**WALK-IN VOTE – Site Readiness Program – Amendment to Guidelines**

Mr. Starzec described this request which will align the Site Readiness Program language with that of the Brownfields Program by eliminating certain repayment requirements that have been challenging to implement and, in some instances, have discouraged applicants. The Acting 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 requested amendments to the Site Readiness Program Guidelines, as outlined in the memorandum and vote dated October 10, 2019, that are attached and part of the minutes of this meeting.

**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**

**23. VOTE – Devens – 31 MacArthur Avenue – Propose Sale of Property**

This item was removed from consideration prior to the Board meeting.

**24. VOTE – Devens – Emerson Green – Proposed Amendment to Land Disposition Agreement**

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

* **Devens – Litigation Update(s)**

The discussion of this item occurred in Executive Session.

The Chair advised, at 10:18 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 Devens. The Acting 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 reconvene in Open Session following Executive Session.

[*Executive Session held*]

Following Executive Session, the Acting Chair suspended the meeting at 10:49 a.m. until commencement of the Devens’ residents session at 11:00 a.m.