**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, October 11, 2018**

**9:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: James Chisholm, Acting Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 Mike Kennealy, Designee for Secretary of Housing & Economic Development

 Francesca Maltese (newly appointed)

 Juan Carlos Morales

DIRECTORS ABSENT: Karen Courtney

 Grace Fey

 Brian Kavoogian

 Christopher Vincze

 Ellen Zane

Agency Staff: Lauren Liss, President & CEO

 Robert Ruzzo, SEVP, Deputy Director

 Simon Gerlin, Chief Financial Officer

 Ricks Frazier, General Counsel and Secretary

 Richard Henderson, EVP, Real Estate

 Laura Canter, EVP, Finance Programs

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 Mika Brewer

 Sean Calnan

 Rob Carley

 Steve Chilton

 Kate Fraser

 Dena Kavanagh

 Jon Kelly

 Jim Kenney

 William Kidston

 John Murray

 Jan Nuzollo

 Rick Pass

 Doug Robinson

 Ed Starzec

 Cyndy Tonucci

 Ellen Torres

Guests: Tracy Clark, Devens resident

 Mike McGovern, Town Administrator, Town of Shirley

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, October 11, 2018, at MassDevelopment’s offices, 33 Andrews Parkway, Devens, Massachusetts, pursuant to notices duly given.

The Acting Chair 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 Messrs. Clark and McGovern did so.

**MINUTES**

**1. VOICE VOTE – Approval of Minutes (September 13, 2018)**

The Acting Chair asked if there were any comments on the draft Minutes of the September 13, 2018 Board meeting, and there were none. He asked for a vote to approve these minutes and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Minutes of its September 13, 2018 Board meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Ms. Liss began her report with an introduction of the Board’s newest member, Francesca Maltese, a retired real estate development expert with vast knowledge of project management, environmental issues, complicated permitting, and much more. Ms. Maltese was most recently a Project Manager for O’Connell Development Group; she has served on several boards in her western-Massachusetts community, as well as the Pioneer Valley Planning Commission as a regional economist, and she has been a Trustee at Worcester Polytechnic Institute since 2008. On behalf of the other Directors, Ms. Liss welcomed Ms. Maltese to the MassDevelopment Board, noting the Board will benefit from her expertise.

Ms. Liss then welcomed everyone to Devens, noting that a Board meeting is held here once a year. She commented that one cannot understand MassDevelopment if one does not also understand the Agency’s role in connection with Devens, from the closure of Ft. Devens in 1994 (as a result of the federal Base Realignment and Closure Program) through the development of the Devens community of today. She opined that Devens is emblematic of what MassDevelopment does.

With respect to recent activities, Ms. Liss advised that Mr. Ruzzo attended a groundbreaking for the EduCare project in Springfield; he also chaired a meeting of the Cultural Facilities Fund Advisory Committee. Together, Ms. Liss and Mr. Ruzzo attended a Downtown Summit in Lowell. In addition, Ms. Liss took part in a groundbreaking in Pittsfield of the Berkshire Innovation Center (which she noted received gap financing from the Advanced Manufacturing Futures Fund); she also participated in a “business call” at the Carroll Center in Newton and attended the grand re-opening of the Fairmont Innovation Lab in Dorchester and a ribbon-cutting at the Artists For Humanity project in South Boston. Finally, Ms. Liss also attended a MassEcon Board meeting, a Leadership in Energy and Environmental Design meeting in Lynn, and a ribbon-cutting at the Boston Street Crossing project in Salem.

**GENERAL MATTERS**

**2.** **VOTE – Contract for Securities Market Data Reporting and Analysis Software**

Mr. Chilton briefly described this request to approve continuing for one additional year the Agency’s contract with Bloomberg L.P. (“Bloomberg”), for the provision of securities market services, background and other information on issuers, interest rate data, internal research, and software, noting that Bloomberg is used by virtually “all underwriters, investors, and more,” and noting, further, the selection of Bloomberg is the result of a Request for Proposals (“RFP”) issued in July. When asked why Board approval is needed for this relatively small expenditure of only $28,000, Ms. Canter explained that the contract is drafted to review automatically every year and the Board’s approval is to authorize a three-year period before the next review. 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 continue for one year its contract with Bloomberg, L.P., as outlined in the memorandum and vote dated October 11, 2018, that are attached and made a part of the minutes of this meeting.

**3.** **VOTE – Telephone Contract with DSCI, LLC, d/b/a TPx Communications (“TPx”) – Increase in Spending Limit**

Mr. Pass briefly described this request to approve the expenditure of an additional $200,000 in funding with TPx over the next two years for continued provision of telephone equipment and cloud-based telephone and voicemail services, pursuant to an RFP that took place when the Agency moved into its 99 High Street, Boston, location and has since expanded to include all of MassDevelopment’s regional offices. This contact extension will also align the individual termination dates for services for the Agency’s home and regional offices to August 1, 2020, at which time the Agency will assess the need to issue a new RFP for said services. 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 expenditure of an additional $200,000 under the Agency’s contract with DSCI, LLC, d/b/a TPx Communications, as outlined in the memorandum and vote dated October 11, 2018, that are attached and made a part of the minutes of this meeting.

**MARKETING / Communications**

**4.** **Media Report (September 2018)**. For informational purposes only, the Selected Press Clips, Media Report, and Web Statistics for the previous month are attached and made a part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**5. Bond Detail Memorandum**. For informational purposes only, the Bond Memorandum and Summary are attached and made a part of the minutes of this meeting. Mr. Chilton reported there are no changes to the materials provided in the 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 6 – 11, to be considered following the opportunity for discussion, pursuant to Section 8 of Chapter 23G of the General Laws, as amended.

**Bonds: Official Action Approval**

**Official Action Project with Volume Cap Request**

**6.** 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 Sirk Chestnut Square LLC, in Lowell, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $6,616,300.

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

a project of Provident Commonwealth Education Resources II Inc. in North Dartmouth, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $136,000,000.

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

a project of Linden Ponds, Inc., in Hingham, Massachusetts, for the issuance of a Tax-Exempt Non-Profit Housing Bond to finance such project in an amount not to exceed $117,245,000.

**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 the Trustees of Tufts College, in Medford and Somerville, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt and Taxable Bonds to finance such project in an amount not to exceed $34,000,000.

**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 Conservatory Lab Charter School Foundation, Inc., in Boston (Dorchester), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $22,300,000.

**Final Approval Project with Volume Cap Request**

**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 MacArthur Terrace, LLC, in Chicopee, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $15,000,000.

**Standing Board Committee Reports**

***Origination & Credit Committee***

Mr. Blake stated that the Origination & Credit Committee met on Tuesday, October 9, 2018.

**Lending**

**12. Delegated Authority Report for Loan Approvals (August 2018)**. For informational purposes only, the Delegated Authority Report regarding Loan Approvals is attached and made a part of the minutes of this meeting. No discussion of the Report took place.

**13. Minutes of Charter School Loan Guarantee Fund Advisory Committee Meeting (July 25, 2017)**. For informational purposes only, the approved minutes of the July 25, 2017 Charter School Guarantee Fund Advisory Committee meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

**14. VOTE – Conservation Lab Charter School Foundation, Inc. and CLCS Realty Corporation (Boston) – $5,000,000 Charter School Guarantee**

Mr. Kelly described this request for a $5 million Guarantee that, together with the $23 million bond approved by the Board (above, at Tab 10), will assist the financing of the acquisition of land and construction of a new school facility for students in grades 3 through 8. This successful charter school, founded in 1998, fuses music and academics with a music-oriented curriculum; the school is at full enrollment of 440 students and has a waiting list of more than 3,000 students. 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 $5,000,000 Guarantee for Conservation Lab Charter School Foundation, Inc. and CLCS Realty Corporation, as outlined in the memorandum and vote dated October 11, 2018, that are attached and made a part of the minutes of this meeting.

**15. VOTE – Massachusetts Materials Technologies LLC (Waltham) – $1,000,000 Emerging Technologies Fund (“ETF”) Working Capital Loan**

Mr. Kenney described this request for a $1 million ETF loan to support the growth of Massachusetts Materials Technologies LLC (“MMT”) and the salaries of up to 25 new full-time employees. MMT has developed a product that can determine the integrity of existing natural gas pipelines (from pre-1970s, for instance) in a non-destructive process whereby the product is affixed to the pipe at an intersection and it gives readings regarding the pipe’s integrity, welding of seams, etc.; MMT plans to lease the product to third-parties. There then ensued a discussion regarding certain terms of this transaction, including warrants to acquire an equity interest, and Mr. Attia suggested that a general briefing regarding the concept of acquiring equity in a borrower’s business in lieu of interest on the borrowed funds would be informative for Board members, perhaps at the December Board meeting. 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 Massachusetts Materials Technologies LLC, as outlined in the memorandum and vote dated October 11, 2018, that are attached and made a part of the minutes of this meeting.

**Community Development**

**16. Minutes of Cultural Facilities Fund Advisory Committee Meeting (April 19, 2018)**. For informational purposes only, the approved minutes of the April 19, 2018 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.

**17. VOTE – Cultural Facilities Fund – Approval of Guidelines – Fall 2018**

Mr. Calnan described this request to approve the funding and Guidelines for the Cultural Facilities Fund Grants Round 11, contingent upon receipt of funds from the Commonwealth for this purpose. He described briefly some history of this successful program, noting more than 800 grants have been approved to date, totaling more than $110 million; he explained the timing as well as the application and review process, and said there are three basic types of grants: capital grants; feasibility and technical assistance grants; and system(s) replacement plan grants. Mr. Calnan noted certain changes to the Guidelines in this round including, among others, making the provision of self-reported financial data optional, rather than mandatory, since the Agency relies on audited financials in its actual decision-making. He noted, too, that the program is moving toward a fully electronic application process. 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 11, as outlined in the memorandum and vote dated October 11, 2017, that are attached and part of the minutes of this meeting.

**18. VOTE –** **MassDevelopment/HEFA Trust – Community Health Center Grants – Funds for 2019 Round**

Pointing out the revised vote provided today and explaining that this program was inherited through the merger of MassDevelopment and the Mass. Health and Education Facilities Authority (“HEFA”) in 2010, Mr. Calnan described this request for approval of an allocation of $500,000 of MassDevelopment/HEFA Trust income and principal for the 2019 round of grants under the Community Health Center Grant program; the maximum grant award is $50,000. This popular program continues to be important to the Commonwealth’s community health centers, and eleven grants were awarded therefrom last year. 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 recommends to the Trustees of the MassDevelopment/HEFA Trust that they allocate $500,000 for the 2019 Round of Community Health Center Grants, as outlined in the memorandum and vote dated October 11, 2017, that are attached and part of the minutes of this meeting.

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

The Real Estate Development & Operations Committee did not meet this month.

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

**20. Statewide Real Estate Projects Updates**. For informational purposes, the Statewide Updates are attached and made a part of the minutes of this meeting. Mr. Henderson advised that new regulations have been imposed on fishing boats, which bans them from fishing for herring within 12 miles of the coastline of Massachusetts and within 20 miles of the coastline of Cape Cod. It is anticipated that these new limits will negatively impact the Agency’s tenants at ***Jodrey Pier***, Cape Ann, Gloucester; staff is discussing business diversification options with the tenants. With respect to the ***New Bedford State Pier***, Mr. Henderson noted that shipments of clementines will begin to arrive soon from South America and all parties are working together to accommodate these shipments safely without impacting the ongoing repairs and reconstruction work currently underway on the Pier. In addition, staff continues to work with the Division of Capital Asset Management and Maintenance regarding ongoing issues with the Pier’s refrigerated warehouse; he said more work must be completed to enable the warehouse to be operational during the summer months. In ***Devens***, the next phase of the Emerson Green housing project is underway. Finally, at the Myles Standish Industrial Park, ***Taunton***, the groundbreaking of NN, Inc.’s new 100,000 SF manufacturing facility took place on October 25 on a parcel conveyed by MassDevelopment. NN, Inc. manufactures precision metal and plastic components and assemblies.

**Miscellaneous: Old Business / New Business**

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

The Acting Chair then suspended the meeting at 9:45 a.m. until commencement of the Devens’ residents session at 11:00 a.m.