**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, October 12, 2017**

**9:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Brian Kavoogian, Vice Chair

 James Blake

 James Chisholm

 Karen Courtney

 Mark Attia, Designee for Secretary of Administration & Finance

 Patricia McGovern

 Juan Carlos Morales

 Christopher Vincze

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

 Grace Fey

Agency Staff: Lauren Liss, President & CEO

 Simon Gerlin, Chief Financial Officer

 Patricia DeAngelis, General Counsel and Board Secretary

 Richard Henderson, EVP, Real Estate

 Laura Canter, EVP, Finance Programs

 Meg Delorier, Chief of Staff

 Leigh Natola, Recording Secretary

 Kelsey Abbruzzese

 Kelly Arvidson

 Mika Brewer

 Sean Calnan

 Rob Carley

 Steve Chilton

 Zach Greene

 Dena Fazio Kavanagh

 Thatcher Kezer

 RJ McGrail

 Paul Moran

 Meggie Quackenbush

 Ed Starzec

Guests: Chris Villani, Multimedia Reporter, Boston Herald

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, October 12, 2017, at MassDevelopment’s offices, 33 Andrews Parkway, Devens, Massachusetts, pursuant to notices duly given.

The Vice Chair welcomed everyone to Devens and, confirming the presence of a quorum, he called the meeting to order at 9:00 a.m. He asked if there were any guests present and Chris Villani, Multimedia Reporter, from the Boston Herald introduced himself.

**Minutes**

**1. VOICE VOTE – Approval of Minutes (September 14, 2017)**

The Vice Chair asked if there were any comments on the draft Minutes of the September 14, 2017 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 14, 2017 Board Meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (September 14, 2017)**

Noting that the matters in the September 14, 2017 Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session, the Vice 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 September 14, 2017 Board Meeting.

**President/CEO’s Report**

Ms. Liss welcomed everyone to Devens and identified the month of October as being Massachusetts Manufacturing Month. She announced this is the second Board of Directors Meeting in Devens she has attended, but it is her first Board of Directors Meeting in Devens she has attended in her new role as President & CEO. She remarked how great it is to be here. Ms. Liss communicated many meetings with Agency staff have recently transpired, in order to get her up to speed with all of the Agency’s work. So far, she has visited three regional offices, including Devens. Ms. Liss has been reaching out to partners in the legislature, as well as nongovernmental stakeholders. She reported MassDevelopment continues to be busy as usual.

With reference to ongoing Agency business, Ms. Liss touched on the following highlights: Transformative Development Initiatives (“TDI”) equity investment strategies; the purchase of 526 Main Street, Worcester; a second TDI round for a Call for Districts; a Request for Proposals (“RFP”) has been released for Hotel Jess in Holyoke; as well as a Call for Services with respect to Real Estate Technical Assistance; and a grant solicitation relating to AMP it up! grants, which assists those whom are interested in pursuing advanced manufacturing careers here in the Commonwealth. In closing, Ms. Liss told of an upcoming meeting with the Massachusetts Air National Guard regarding a possible takeover of its wastewater treatment facility. She further indicated that the Agency is conducting due diligence with respect to the facility. Ms. Liss closed by thanking the Board Members for all of their support.

**General Matters**

**3. VOTE – $2,000,000 Grant to Massachusetts Manufacturing Extension Partnership, Inc. (“MassMEP”)**

Ms. DeAngelis explained this request for approval of a grant of up to $2,000,000 to MassMEP, which is a collaborative center comprised of government, business, and academic partners dedicated to helping Massachusetts manufacturers meet the challenges of competing in an ever-changing economy. MassMEP provides these manufacturers with the resources they need to prepare for success in today’s advanced manufacturing environment. The grant funds will be used as the state “match” for a federal U.S. Department of Commerce’s National Institute of Standards and Technology’s (“NIST”) grant that MassMEP expects to receive.

The Vice 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 grant to MassMEP, as outlined in the memorandum dated October 12, 2017, attached and part of the minutes of this meeting.

**Strategic Planning**

**4. MassDevelopment FY2018 Strategic Themes and Business Plan Goals**. For information purposes only, the summary of 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**

**5.** **Media Report (September 2017)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for the previous month are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**6. Bond Detail Memorandum and Delegated Authority Report**. For information purposes, the Bond Memorandum is attached and part of the minutes of this meeting. Mr. Chilton advised there are 10 requests before the Board today.

The Vice Chair then asked if there were any recusals on the upcoming bond votes, and there were none. He advised that the Board would vote on the approvals and findings for the matters in Tabs 7 – 16, 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**

**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 NewBridge on the Charles, Inc., in Dedham, Massachusetts, for the issuance of a Non-Profit Housing Bond to finance such project in an amount not to exceed $260,605,000.

**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 resolution attached and part of these minutes regarding:

a project of Behavioral Health Network, 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 $7,480,000.

**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”) resolutions attached and part of these minutes regarding:

a project of the WGBH Educational Foundation, in various Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $60,000,000.

**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 resolutions attached and part of these minutes regarding:

a project of Endicott College, in Beverly, 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.

**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 attached and part of these minutes regarding:

a project of Brooksby Village, Inc., in Peabody, Massachusetts, for the issuance of a Non-profit Housing Bond to finance such project in an amount not to exceed $30,000,000.

**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 OA/FA resolutions attached and part of these minutes regarding:

a project of Stonehill College, Inc., in Easton, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $18,000,000.

**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 attached and part of these minutes regarding:

a project of the American International College, in Springfield, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $10,550,000.

**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 resolution attached and part of these minutes regarding:

a project of The Mount Pleasant Home, in Boston (Jamaica Plain), Massachusetts, for the issuance of a Non-profit Housing Bond to finance such project in an amount not to exceed $6,200,000.

**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 OA/FA resolutions attached and part of these minutes regarding:

a project of the Austin Preparatory School, in Reading, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $6,000,000.

**16.** 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 resolutions attached and part of these minutes regarding:

a project of The Gavin Foundation, Inc., in Boston (Charlestown) and Quincy, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $4,592,000.

Mr. Morales asked Mr. Chilton how the bond market has been, since the interest rates are at an all-time low. Mr. Chilton responded by saying right now everything is steady. Mr. Morales then asked Mr. Gerlin how the Agency is doing concerning its budget. Mr. Gerlin answered by saying so far the Agency is a bit ahead as it budgets more on the conservative side, while also explaining when the Agency prepares its budget, it looks at historical averages.

**Standing Board Committee Reports**

***Manufacturing & Defense Sectors Committee***

Mr. Chisholm reported the Committee met briefly on Tuesday, October 10, 2017, and recommends future discussions be held with respect to the strategy of this Committee moving forward.

**17. VOTE – Amp it up! Grants – Approval of Sixth Round Solicitation**

Ms. Matzek announced a new manufacturing website is up and running that the Agency is managing: MAManufacturing.com. Ms. Matzek then briefly explained the request for approval to undertake a grant solicitation regarding the 6th round of Amp it up! Grants to promote advanced manufacturing careers to young people, their parents, teachers, guidance counselors, and others. This sixth round of grants will build on previous years’ successes.

In the five previous years of the Amp it up! grant program, MassDevelopment has provided 50 awards totaling $470,000. She added by saying that all awardees submit a final report in order to track the uses and successfulness of such grant awards. Many of the grantees report after their AMP it up! programing/promotion efforts that students become interested in careers in manufacturing and they have also seen an increase in student enrollment in vocational/technical school manufacturing programs. Ms. Matzek then gave examples of AMP it up! grant activities, including: advanced manufacturing career day activities for middle school girls, apprenticeships, Spanish language radio spots and signage, veterans’ events, middle school robotic challenges, career fairs, a marketing campaign with billboards, plant tours, job shadows, teacher externships, middle school girls’ STEM fair participation, and information sessions for guidance counselors.

The Vice Chair asked for a vote and, upon motion duly made and seconded, it was unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the solicitation for the 6th round of Amp it up! Grants, subject to the terms of the memorandum and vote dated October 12, 2017, attached and part of the minutes of this meeting.

***Origination & Credit Committee***

Mr. Blake reported that the Committee met on Tuesday, October 10, 2017.

**18. Minutes of Prior Meeting**. For information purposes only, the minutes of the September 12, 2017 Origination & Credit Committee meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**19. Delegated Authority Report for Loan Approvals (August 2017).** 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.

**20. Minutes of Emerging Technology Fund (“ETF”) Advisory Committee Meeting (June 7, 2017)**. For information purposes only, the approved minutes of the June 7, 2017 ETF Advisory Committee meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**21. VOTE – The Livestock Institute of Southern New England, Inc. (Westport) – $500,000 General Fund Real Estate Construction Loan and $1,190,000 Development Finance Insurance Fund (“DFIF”) Mortgage Guarantee**

Mr. Moran described this request to assist in the financing of a USDA-inspected slaughterhouse and processing facility in Westport. He pointed out studies reveal there is significant need in New England for this type of new state-of-the-art facility, as regional livestock production has dropped by 30% due to a shortage in processing facilities. This project has been in the planning stages for several years, and dozens of planning meetings involving agency staff have taken place during that time. The project has received community support from the Town, the Commonwealth, and from the U.S. Department of Agricultural Resources. Mr. Moran advised that the appraisal was not as high as the project costs; therefore, the bank has asked MassDevelopment to guarantee a portion of the construction loan.

The Vice 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 a General Fund Real Estate Construction Loan of up to $500,000, and a DFIF Mortgage Guarantee of up to $1,190,000 for The Livestock Institute of Southern New England, Inc., subject to the terms of the memorandum and votes dated October 12, 2017, attached and part of the minutes of this meeting.

**Community Development**

**22. Delegated Authority Report for Community Development Approvals (August 2017).** 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.

**23. Minutes of Cultural Facilities Fund Advisory Committee Meeting (April 24, 2017)**. For information purposes only, the minutes of the April 24, 2017 Cultural Facilities Fund Advisory Committee meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**24. VOTE – MassDevelopment/HEFA Trust – Community Health Center Grants – Request to Approve Funds for 2018 Round**

Mr. Calnan explained this request to recommend to the Trustees of the MassDevelopment/HEFA Trust that they approve an allocation of $500,000 for the FY2018 round of grants to Community Health Centers as in prior rounds, with a maximum of $50,000 per grant. This program arose out of the 2010 merger of MassDevelopment and HEFA and has continued each year. Up to ten percent of the Trust’s principal, plus all earned income, may be allocated for this use, and any funds not used in this round are rolled back into the Trust.

An announcement of this grant round will be forthcoming, Mr. Calnan informed. Last year, twenty-eight health centers applied for grants and eleven were selected to receive grants. Mr. Calnan advised that staff will come back to the Board in January or February with a list of the Community Health Centers whose applications for grant funding have been accepted, reviewed and approved. Ms. McGovern commended how great of a program she thinks this is by improving quality health care at a small price.

The Vice 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 authorize the opening of a grant solicitation and approve the allocation of up to $500,000 for the FY2018 round of grants to Community Health Centers, as outlined in the memorandum and vote dated October 12, 2017, attached and part of the minutes of this meeting.

**25. VOTE – Cultural Facilities Fund – Request to Approve Fall 2017 Guidelines**

Mr. Calnan described this request to approve Program Guidelines for grant round 10, as recommended by the Cultural Facilities Fund Advisory Committee at its September 18, 2017 meeting, as in previous rounds. Mr. Calnan briefly explained the three types of grants: capital grants; feasibility/technical assistance grants; and systems replacement plan grants, which are a specific type of feasibility and technical assistance grant specifically, designed for organizations without full-time maintenance staff. He noted this grant funding is contingent upon funding in the Commonwealth’s FY2018 Capital Plan.

Ms. McGovern highly-praised this program and said she is happy to see the Agency provide grant awards of this type, especially during a time when Commonwealth funds are declining. Mr. Morales stated a fair amount of time was spent talking about the program at this month’s Origination & Credit Committee Meeting (“O&C Committee”).

The Vice 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 Program Guidelines for the Cultural Facilities Fund Grant Round 10, as outlined in the memorandum and vote dated October 12, 2017, attached and part of the minutes of this meeting.

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

Mr. Kavoogian reported that the Committee met on Tuesday, October 10, 2017.

**26. Minutes of Prior Meeting**. For information purposes only, the minutes of the September 12, 2017 Real Estate Development & Operations Committee meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**27. 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 Updates took place.

**28. Statewide Real Estate Projects Updates**. For information purposes, the Statewide Updates are attached and part of the minutes of this meeting. Briefly, Mr. Henderson advised of an RFP from developers that will soon be issued for Hotel Jess, Holyoke; a Call for Interest for real estate services will be issued soon regarding Technical Assistance; applications for projects in the Site Readiness Program are now being accepted; and a Call for Districts for the next phase of the TDI Program will be issued soon.

The Vice Chair called attention to the fact that there are a lot of exciting things happening at MassDevelopment. He also let it be known this meeting was the shortest Board of Directors Meeting since he has been a member at twenty-seven minutes. He then adjourned the meeting at 9:27 a.m., for a break until commencement of the open meeting with members of the Devens community at 11:00 a.m.