MASSACHUSETTS DEVELOPMENT FINANCE AGENCY

**Meeting of the Board of Directors**

**Thursday, October 15, 2015**

**10:00 a.m.**

**M I N U T E S**

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

 David Abromowitz (*via telephone*)

 Matthew Demerle, Designee for Secretary of Administration & Finance

 Keon Holmes

 Dennis Kanin

 Richard Kronish

 Patricia McGovern

 Jeffrey Porter

DIRECTORS ABSENT: Gerald Cohen, Vice Chair

 April Lamoureux

Agency Staff: Marty Jones, President & CEO

 Simon Gerlin, Chief Financial Officer

 Patricia DeAngelis, General Counsel

 Richard Henderson, EVP, Real Estate

 Laura Canter, EVP, Finance Programs

 Anne Marie Dowd, EVP, Legislative Initiatives

 Meg Delorier, Chief of Staff

 Teresa Patten, Board Secretary

 Victoria Stratton, Recording Secretary

 Kelly Arvidson

 Naomi Baruch

 Joy Conway

 John Fink

 Sarah Eisinger

 Mike Galligan

 Ken Goode

 Zach Greene

 Anne Haynes

 Thatcher Kezer

 RJ McGrail

 Doreen Lindsay

 Shyla Matthews

 Laura Masulis, TDI Fellow

 Michael Miller

 Leigh Natola

 Deb Rosser

 Pat Sluder

 Lee Smith

 Mark Sternman

Guests: Neil Angus, Devens Enterprise Commission (“DEC”)

 Bob Corrieri, Devens Advisory Committee and Devens Education Advisory Committee (“DEAC”)

 Peter Lowitt, DEC

 William McVey, Chaston Associates

 Robert Pontbriand, Town Administrator’s Office, Ayer

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, October 15, 2015, at MassDevelopment’s offices, 33 Andrews Parkway, Devens, Massachusetts, pursuant to notices duly given.

The Chair welcomed everyone and, noting the presence of a quorum, he called the meeting to order at 10:05 a.m. He asked any guests present to introduce themselves and they did.

[*Secretary’s Note: It was noted that Mr. Abromowitz is participating in this meeting via telephone due to geographical distance, pursuant to the Agency’s Remote Participation Policy. Therefore, approval of all transactions must be taken by roll call votes. Mr. Abromowitz noted no one else was present on the call with him.*]

[*Secretary’s Note: The paragraph numbers below refer to Tab numbers in the materials for the October Board and Committees meetings.*]

**Minutes**

**1. VOICE VOTE – Approval of Minutes (September 10, 2015)**

The Chair asked if there were any comments on the draft Minutes of the Open Session of the September 10, 2015, Board Meeting, and there were none. He asked for a vote to approve the Open Session Minutes of the September 10, 2015, Board Meeting and, upon motion duly made and seconded, it was unanimously by roll call

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Open Session Minutes of the September 10, 2015, Board Meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (September 10, 2015)**

Noting that the matters in these Executive Session Minutes are not completed matters and, therefore, any comments regarding these Minutes must be made in Executive Session, the 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 the Minutes of the Executive Session of the September 10, 2015, Board Meeting and, upon motion duly made and seconded, it was unanimously by roll call

**VOICE VOTED:** That the Board of Directors of MassDevelopment approves the Executive Session Minutes of its September 10, 2015, Board Meeting.

**President/CEO’s Report**

The President/CEO’s Report was held for later in the meeting.

**GENERAL MATTERS**

**3. 2015 Portfolio Review by Chaston Associates**

This presentation was held for later in the meeting.

**Strategic Planning**

**4. MassDevelopment FY2016 Strategic Themes and Business Plan Goals**. For information purposes only, 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 2015)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for September 2015 are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**6. Delegated Authority Report regarding Official Action (“OA”) Approvals**. For information purposes only, the Delegated Authority Report regarding OA Approvals is attached and part of the minutes of this meeting. No discussion of the Report took place.

**7.** **Bond Detail Memorandum**. Mr. Chilton noted no changes from the October Board book materials.

The Chair then asked if there were any recusals on the upcoming bond votes, and there were several, as follows:

Mr. Abromowitz disclosed to the Board that the law firm of Goulston & Storrs, of which he is Of Counsel and a former director, represents the Borrower in the proposed bond issuances for Four Corners Plaza LLC (Tab 10); Talbot Station I LLC (Tab 11), and Westwood Marketplace Holdings LLC (Tab 17) and, therefore, he will recuse himself from any discussions, deliberation, and votes on these proposed bond issuances and leave the room during the deliberation and votes on these matters.

Mr. Holmes disclosed to the Board that the New England Conservatory of Music (Tab 13) is a client of his employer Cambridge Associates and, therefore, he will recuse himself from any discussion, deliberation, and vote on the proposed bond issuance to this entity and leave the room during the deliberation and vote on this matter.

Mr. Kronish disclosed to the Board that he is a former board member of RTH Restoration Housing Limited Partnership (Tab 24) and, therefore, he will recuse himself from any discussion, deliberation, and vote on the proposed bond issuance to that entity and leave the room during the deliberation and vote on this matter.

Ms. McGovern disclosed that she sits on an Advisory Board of Boston Private Bank & Trust, which is the Purchaser and Disbursing Agent in the proposed bond issuance for Alma del Mar Foundation, Inc. (Tab 19) and, therefore, she will recuse herself from any discussion, deliberation, and vote on this proposed issuance and leave the room during the deliberation and vote on this matter.

Mr. Porter disclosed to the Board that the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. (“Mintz”), of which he is a member, currently represents or previously represented, in either the matters before the Board or in other matters, parties involved in the proposed bond issuances and/or issuance of LIHTCs for the New England Conservatory of Music (Tab 13 – Mintz represents the Bond Purchaser in other matters); Holyoke Medical Center, Inc. (Tab 15 – Mintz represents the co-Borrower Valley Health Systems, Inc. in other matters); Walker, Inc. (Tab 20 – Mintz represents the Agency); Malden Catholic High School, Inc. (Tab 21 – Mintz is Bond and Agency Counsel); The Related Companies, L.P. (Tabs 22 and 26 – his colleague may represent a principal of one of the Borrowers); Cottage Brook Apartments Limited Partnership (Tabs 23 and 27 – his colleague sits on the Board of the bond Purchaser and Disbursing Agent); and RTH Restoration Housing Limited Partnership (Tab 24 – Mintz represents the Letter of Credit Bank on other matters) and, therefore, he will recuse himself from any discussions, deliberation, and votes on these proposed bond issuances and leave the room during the deliberation and votes on these matters.

The Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 8 – 28, 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**

**8.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Community Alternative Residential Environments, Inc., in Arlington, Medford, and Somerville, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $8,350,000.

**Official Action Projects with Volume Cap Request**

**9.** Mr. Kronish asked if this project of Washington Heights Preservation Limited Partnership is a prevailing wage project, and Mr. Chilton said it is not. Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Washington Heights Preservation Limited Partnership, in Worcester, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $29,000,000.

**10.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Four Corners Plaza LLC, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $9,000,000.

[*Secretary’s Note: The telephone connection with Mr. Abromowitz was placed on mute and, having previously recused himself from this matter, Mr. Abromowitz did not participate in any discussion, deliberation, or vote on the matter.*]

**11.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Talbot Station I LLC, in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $7,869,122.

[*Secretary’s Note: The telephone connection with Mr. Abromowitz continued on mute and having previously recused himself from this matter, Mr. Abromowitz did not participate in any discussion, deliberation, or vote on the matter. The telephone connection was restored after completion of the above votes.*]

**Final Approval Projects without Volume Cap Request**

**12.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Western New England University, in Springfield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $40,000,000.

**13.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution(s) for Official Action / Final Approval (“OA/FA”) attached and part of these minutes regarding:

a project of the New England Conservatory of Music, in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $16,500,000.

[*Secretary’s Note: Having previously recused themselves from this matter, Messrs. Holmes and Porter left the room and did not participate in any discussion, deliberation, or vote on the matter. They returned to the meeting room after completion of the above vote.*]

**14.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of The Trustees of Hampshire College, in Amherst, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $15,000,000.

**15.** Mr. Kronish asked about additional funding for this project and it was noted there is also before this Board today a request for New Markets Tax Credits financing for this project; in addition, the Borrower is also seeking additional funding from sources other than MassDevelopment. Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Holyoke Medical Center, Inc., in Holyoke, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $15,000,000.

[*Secretary’s Note: Having previously recused himself from this matter, Mr. Porter left the room and did not participate in any discussion, deliberation, or vote on the matter. He returned to the meeting room after completion of the above vote.*]

**16.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution(s) for OA/FA attached and part of these minutes regarding:

a project of CIL Realty of Massachusetts Incorporated, in numerous Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $14,000,000.

**17.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Westwood Marketplace Holdings LLC, in Westwood, Massachusetts, for the issuance of Infrastructure Tax-Exempt Bonds to finance such project in an amount not to exceed $10,000,000.

[*Secretary’s Note: The telephone connection with Mr. Abromowitz was again placed on mute and, having previously recused himself from this matter, Mr. Abromowitz did not participate in any discussion, deliberation, or vote on the matter. The telephone connection was restored after completion of the above vote.*]

**18.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Harbor Health Services, Inc., in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $10,000,000.

**19.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Alma del Mar Foundation, Inc. in New Bedford, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $9,760,000.

[*Secretary’s Note: Having previously recused herself from this matter, Ms. McGovern left the room and did not participate in any discussion, deliberation, or vote on the matter. She returned to the meeting room after completion of the above vote.*]

**20.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Walker, Inc. in Needham and Watertown, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $8,000,000.

[*Secretary’s Note: Having previously recused himself from this matter, Mr. Porter left the room and did not participate in any discussion, deliberation, or vote on the matter.*]

**21.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Malden Catholic High School, Inc. in Malden, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $5,300,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**Final Approval Projects with Volume Cap Request**

**22.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of The Related Companies, L.P. in Boston, Massachusetts, for the issuance of Tax-Exempt and Taxable Bonds to finance such project in an amount not to exceed $122,750,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**23.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Cottage Brook Apartments Limited Partnership in Boston, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $31,000,000.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**24.** The previously identified recusals of Messrs. Kronish and Porter result in a loss of quorum to approve the proposed bond issuance for RTH Restoration Housing Limited Partnership. Therefore, no vote was taken on this matter today. It will be necessary for a Special Board Meeting to convene next week for approval of this matter.

**25.** See below (after Tab 27).

**Low Income Housing Tax Credits (“LIHTC”) Bond Issuer Tax Code Findings**

**26.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of The Related Companies, L.P. in Boston, Massachusetts, making findings regarding and for providing assistance for an annual allocation by DHCD of federal LIHTCs.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter.*]

**27.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Cottage Brook Apartments Limited Partnership in Boston, Massachusetts, making findings regarding and for providing assistance for an annual allocation by DHCD of federal LIHTCs.

[*Secretary’s Note: Having previously recused himself from this matter and left the room, Mr. Porter did not participate in any discussion, deliberation, or vote on the matter. He returned to the meeting room after completion of the above votes.*]

**Final Approval Projects with Volume Cap Request (cont’d)**

**25.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Northbrook Senior Limited Partnership in Leominster, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $9,000,000.

**LIHTC Bond Issuer Tax Code Findings (cont’d)**

**28.** Upon motion duly made and seconded, it was by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves and adopts the resolution attached and part of these minutes regarding:

a project of Northbrook Senior Limited Partnership in Leominster, Massachusetts, making findings regarding and for providing assistance for an annual allocation by DHCD of federal LIHTCs.

**Standing Board Committee Reports**

The Board Secretary advised that the Board Committees did not meet this month, so there are no Board Committee meeting reports.

***Manufacturing & Defense Sectors Committee***

**29. Minutes of Prior Committee Meeting**

For information purposes only, the minutes of the September 8, 2015, Manufacturing & Defense Sectors Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

***Origination & Credit Committee***

**30. Minutes of Prior Committee Meeting**

For information purposes only, the minutes of the September 8, 2015, Origination & Credit Committee meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**Lending**

**31. Delegated Authority Report for Loan Approvals (August 2015)**

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.

**32. VOTE – Cape Dairy Group Real Estate Company LLC, Rosev Dairy Foods, Inc. and Cape Dairy, LLC (Chelsea) – $3,500,000 General Fund Loan Participation and $111,111 DFIF Loan Guaranty**

Mr. Galligan briefly described this request for a loan and guaranty that will support the purchase and construction of a new facility and thereby retain and relocate 60 jobs. He noted the Agency has been working with this borrower for many years to find adequate relocation space, but all existing facilities have been determined insufficient. The Chair asked for a vote and, upon motion duly made and seconded, it was unanimously by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves the requested $3,500,000 loan participation and $111,111 DFIF loan guaranty, subject to the terms of the memorandum and vote dated October 15, 2015, attached and part of the minutes of this meeting.

[*Secretary’s Note: At commencement of the presentation and before the vote on the above matter, Mr. Porter disclosed that Mintz represents a minority owner of one of the buildings involved in the transaction. He immediately left the room and did not participate in any discussion, deliberation, or the vote on the matter. He returned to the meeting room after completion of the above vote.*]

**Community Development**

**33. Delegated Authority Report for Community Development Approvals (August 2015)**

For information purposes only, the Community Development Delegated Authority Report is attached and part of the minutes of this meeting. No discussion of the Report took place.

**34. VOTE – New Garden Park, Inc. (Worcester) – $1,943,800 Brownfields Remediation Forgivable Loan**

Ms. Matthews called attention to the revised memorandum provided and explained this request for funding to support the remediation and redevelopment of a 3.4 acre contaminated lot in Worcester into a venue for ice skating programs and collegiate and youth hockey programs. The proposed remediation costs are $2.7 million, and the Worcester Business Development Corporation has guaranteed cost overruns.

Mr. Porter questioned the timing of repayment and Ms. Canter said there may not be much revenue for repayment, but after construction there will be a more detailed pro forma. Mr. Porter then expressed continued concerns regarding Brownfields projects with what he considers to be minimal contributions from the municipalities in which such projects are located. He asked about the colleges and universities that have expressed interest in using the skating rink, and Ms. Matthews explained that these institutes have each contributed $8,000 and are aware they may be asked to contribute additional dollars.

Ms. Jones said she understands Mr. Porter’s concerns, but said it is often difficult to seek funding from prospective end-users. Mr. Porter commented that he hopes to have a further broader discussion regarding the Brownfields Redevelopment Fund, and Ms. McGovern agreed, suggesting that this item be placed on the agenda for discussion at a future Board meeting.

With no further questions or discussion, the Chair asked for a vote and, upon motion duly made and seconded, it was by roll call

**VOTED:** By all members present, except Mr. Porter who abstained, that the Board of Directors of MassDevelopment approves the $1,943,800 Brownfields Remediation Forgivable Loan for New Garden Park, Inc., subject to the terms of the revised memorandum and vote dated October 15, 2015, attached and part of the minutes of this meeting.

**New Markets Tax Credits (“NMTC”)**

**35. VOTES – Alma del Mar (New Bedford) – $12,000,000 NMTC Allocation**

Ms. Baruch explained this request for NMTC funding that will support the construction of a new building in New Bedford and expansion of this charter school’s operations, which include, among other things, adding a grade a year and allowing for maximum proposed enrollment of 450 students. She described Alma del Mar’s history, noting it is a so-called proven performer and has a wait-list of more than 800 applicants; in addition, the school has been operating out of a 120 year old building that has been deemed uneconomical and will be torn down. Ms. Baruch advised this project will provide 20 new permanent jobs and 89 construction jobs, with occupancy projected to coincide with the 2016-17 academic year.

Mr. Kronish asked for clarification regarding the so-called put price, which Ms. Baruch explained. He then asked about the student/teacher ratio, noting that he hoped NMTC financing would be reserved for projects that provide higher permanent job numbers. He noted, however, he does not oppose this project; but, he thinks NMTC funding could be better used.

With no further discussion, and noting there are three individual votes required under the NMTC program and consolidating them into one verbal approval, the Chair asked for a vote and, upon motion duly made and seconded, it was unanimously by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves the NMTC allocation to Alma del Mar and related NMTC matters, subject to the terms of the memorandum and votes dated October 15, 2015, attached and part of the minutes of this meeting.

[*Secretary’s Note: Having previously recused herself from this matter, Ms. McGovern left the room and did not participate in any discussion, deliberation, or vote on the matter. She returned to the meeting room after completion of the above vote.*]

**36. VOTES – H-C Management Services, Inc. (Holyoke) – $10,000,000 NMTC Allocation**

Ms. Sluder explained this request for NMTC funding to support the construction and build-out of a new and expanded Emergency Department for the Holyoke Medical Center on one floor and multi-specialty outpatient services, including, among others, a weight management clinic and a sleep center on another floor. Forty-three permanent jobs are projected. There then ensued a brief discussion regarding the sources of contributions and overall financing of this transaction. Again, noting there are three individual votes and consolidating them into one verbal approval, the Chair asked for a vote and, upon motion duly made and seconded, it was unanimously by roll call

**VOTED:** That the Board of Directors of MassDevelopment approves the NMTC allocation to H-C Management Services, Inc., and related NMTC matters, subject to the terms of the memorandum and votes dated October 15, 2015, attached and part of the minutes of this meeting.

[*Secretary’s Note: Having previously recused himself from this matter because it is the same project as the proposed bond issuance for Holyoke Medical Center, Inc. (Tab 15), Mr. Porter left the room and did not participate in any discussion, deliberation, or the vote on the matter. He returned to the meeting room after completion of the above vote.*]

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

**37. Minutes of Prior Committee Meeting**

For information purposes only, the minutes of the September 8, 2015, Real Estate Development & Operations Committee meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**38. 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 the items took place.

**39. Statewide Real Estate Projects Updates**

This discussion was held until later in the meeting. See below (after Tab 3).

**40. Springfield – Award of 1550 Main Street Property Manager Contract**

Ms. Eisinger briefly described this request to award a new property management contract for 1550 Main Street, Springfield, to CB Richard Ellis New England (“CBRE”), the current provider of these services and the most qualified respondent to a recent Request for Qualifications, to which there were three responses.

The Chair – disclosing that his wife may have worked at CBRE many years ago but does not now and has no financial interests, therefore, he does not have a conflict – asked for a vote and, upon motion duly made and seconded, it was unanimously by roll call

**VOTED:** That the Board of Directors of MassDevelopment authorizes the Agency to enter into a contract with CBRE for property management services, as outlined in the memorandum and vote dated October 15, 2015, attached and part of the minutes of this meeting.

[*Secretary’s Note: Mr. Holmes departed the meeting immediately after the above vote, at 11:00 a.m.*]

**President/CEO’s Report**

Noting several recent events, Ms. Jones advised that she attended a MassMEP Board meeting, as well as a reception for MassEcon award finalists, which included a wide range of companies that have made investments and added jobs in the Commonwealth. Ms. Jones also attended the ground-breaking for a much-needed multi-family affordable housing project being developed on a small lot in Kendall Square in Cambridge. In Haverhill, Ms. Jones participated in a kick-off meeting for the Transformative Development Initiative (“TDI”) District, which included a walking tour of the District; she said it was an eventful meeting that was broken down into sections, and different groups of people attended each section, including Mayor Fiorentini.

There was also a kick-off event for the E-For-All entrepreneurship incubator at The Groundworks co-working space in New Bedford, which Ms. Jones attended; she noted that representatives from the South Coast Innovation Labs located at Myles Standish Industrial Park in Taunton were also in attendance to explore collaborating and sharing resources. There was also a meeting of the Advanced Manufacturing Collaborative where the discussion focused on current and future priorities. Ms. Jones advised that she is on the jury panel for Round 2 of the Federal Reserve Bank’s Working Cities Challenge focused on design and planning grants.

In addition, Ms. Jones noted that she attended a brainstorming session yesterday with state partners regarding ways to encourage participation by small developers in transactions in Gateway Cities; she noted a focus group on this issue will be organized and that there have been meetings with the National Resource Network funded by the U.S. Department of Housing and Urban Development to leverage funds for the TDI in Gateway Cities. Ms. Jones advised that she attended a ULI program in San Francisco last week. She noted that ULI is convening a conference in Boston in May, where it will showcase housing.

Finally, with respect to scheduling, Ms. Jones advised that the November Committee meetings will take place on Monday, November 9; the Veterans’ Day Holiday is Wednesday, November 11; the Board meeting will occur on Thursday, November 12.

**3. 2015 Portfolio Review by Chaston Associates**

Mr. McVey presented details of the summary, attached and part of the minutes of this meeting. He noted that the Chaston report expresses a generally positive overall review of the Agency’s portfolio, which he noted was penetrated by Chaston’s analysts to 87 percent. He noted lots of activity in higher risk loans, including the downgrade of a 5-rated NMTC loan; lots of construction loans; lots of participations with banks. He stated there were nine new mortgage guarantees totaling $5.5 million.

With respect to staffing issues, Mr. McVey advised there are three very active lenders doing significant new loans, but he cautioned there needs to be better tracking of existing or older loans. He expressed concerns that while lenders are multi-tasking elsewhere, problem(s) could arise due to an unrecognized issue. He expressed the opinion that additional staff may be needed.

Mr. Kronish asked whether some property appraisals may be outdated. Mr. McVey advised that there are several internet sources available for property re-evaluation, if necessary, but that unless the lender is concerned about a particular project, there generally is no need to re-appraise.

Mr. Ash asked if there is a disproportionate number of loans rated “6” in the portfolio. Mr. McVey indicated there is not.

Mr. Kronish then asked a procedural question regarding whether the Board would be given the opportunity to speak with Mr. McVey in Executive Session today or whether he could be invited back to speak with the Origination & Credit Committee in the absence of staff. Mr. McVey agreed to stay today and speak with the Board in Executive Session later about any particular loans or other matters in the Report.

**39. Statewide Real Estate Projects Updates (cont’d)**

With respect to highlights, Mr. Henderson noted briefly that there is substantial demolition and construction activity at the ***Myles Standish Industrial Park, Taunton*** (“MSIP”). In ***Village Hill, Northampton***, the Christopher Heights assisted living facility is scheduled to open next month. Unfortunately, the same developer for a proposed assisted living facility at the former ***Belchertown State Hospital*** did not receive an allocation of low income tax credits in this round. Mr. Henderson advised that the Board Chair went on a tour of Devens including the Grant Road housing development project this morning; the project is well underway. The Chair added that he recently also visited Village Hill, Northampton and the MSIP, and he hopes to visit more Agency projects in the months to come.

Regarding ***Municipal Services***, Mr. Henderson referred to a recent project in the Town Center of ***Orange***. He commented also that an industrial land study is taking place in the ***north region*** of the Commonwealth that will focus on analyzing the land and buildings for industrial use.

With respect to ***TDI Updates***, Ms. Haynes advised briefly that communication efforts with all TDI Districts have expanded; specific work plans have been developed in three Districts; three additional Fellows are being considered; and preparation is ongoing in connection with an internal data report.

**41. VOTE – TDI – Equity Investments Update and Stearns Square (Springfield) – Capital Budget**

Due to components involving valuation of real property and potential purchase and sale terms, the discussion of and vote on this item occurred in Executive Session.

**42. VOTE – Devens – Sale of 249 Barnum Road to Peter Ianuzzi**

Due to components involving valuation of real property and potential purchase and sale terms, the discussion of and vote on this item occurred in Executive Session.

The Chair then advised, at 11:32 a.m., that, pursuant to MGL Chapter 30A, 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 the value of real property and potential purchase and sales terms of real property in Devens and Springfield, as well as other TDI Districts, and to discuss financial and commercial information of applicants for Agency financings. 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 reconvene in Open Session following Executive Session.

 [*Executive Session held*]

Upon reconvening in Open Session, the Chair suspended the meeting following the Executive Session at 12:04 p.m. for a lunch break until commencement of the afternoon session at 1:00 p.m.