**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, November 8, 2018**

**10:00 a.m.**

**M I N U T E S**

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

 Brian Kavoogian, Vice Chair

 Mark Attia, Designee for Secretary of Administration & Finance

 James Blake

 James Chisholm

 Karen Courtney

 Grace Fey

 Francesca Maltese

 Juan Carlos Morales

 Christopher Vincze

 Ellen Zane

DIRECTORS ABSENT: None

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

 Meg Delorier, Chief of Staff

 Victoria Stratton, Recording Secretary

 David Bancroft

 Frank Canning

 Rob Carley

 Kate Fraser

 Dena Kavanagh

 RJ McGrail

 John Murray

 Leigh Natola

 Jan Nuzollo

 Doug Robinson

 Rebecca Sullivan

 Chloe Teboe

 Cyndy Tonucci

 Ellen Torres

 Benny Wong

Guests: Matt McKenna, Sr. Director of Public Affairs, Lynch Associates

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, November 8, 2018, at MassDevelopment’s offices, 99 High Street, 11th floor, Boston, Massachusetts, pursuant to notices duly given.

The Chair welcomed everyone and, confirming the presence of a quorum, he called the meeting to order at 10:08 a.m. He asked if there were any guests present and, if so, to please introduce themselves, and Mr. McKenna did so.

**MINUTES**

**1. VOICE VOTE – Approval of Meeting Minutes (October 11, 2018)**

The Chair asked if there were any comments on the draft minutes of the October 11, 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 October 11, 2018 Board meeting, that are attached and made a part of the minutes of this meeting.

**2. VOICE VOTE – Approval of Residents Meeting Minutes (October 11, 2018)**

The Chair asked if there were any comments on the draft minutes of the October 11, 2018 Devens residents 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 the October 11, 2018 Devens Residents meeting, that are attached and made a part of the minutes of this meeting.

**PRESIDENT / CEO REPORT**

Ms. Liss began her report by noting that many ribbon-cuttings and groundbreakings have taken place throughout the Commonwealth, and it is nice to get out and about to see what becomes of all the work that goes on within the walls of MassDevelopment’s offices. Some of these recent events attended by various staff members include: a groundbreaking at a Cambridge Housing Authority project where 198 affordable housing units will be constructed; a Gateway Cities Innovation Institute ceremony honoring Anne Haynes, the Agency’s former Director of the Transformative Development Initiative (“TDI”); a “game changers” event sponsored by the Worcester Chamber of Commerce; the 9th annual Jobs & Workforce event in Devens, attended by Simon Gerlin; a Collaborative Workspace event in Concord attended by Lt. Governor Polito, where the next round of funding ($2.2 million) for grant awards was announced. New rounds of funding were also announced at events for the Commonwealth Places Program ($500,000) and the Site Readiness Program ($2.5 million). Ms. Liss also highlighted the fact that MassDevelopment was recognized and ranked 59th at the Top 100 Women-Led Businesses in Massachusetts event. The Chair commented that in his travels around Massachusetts, everyone is very complimentary of MassDevelopment, not just in connection with Gateway Cities and TDI, but much more.

Ms. Liss informed the Board of personnel changes: Ruby Alanoly has joined the Agency as a Financial Analyst in the Devens office, and Christine Madore has joined the Real Estate Division in the Boston office as Vice President for Real Estate Services.

**GENERAL MATTERS**

**3.** **VOTE – Massachusetts Harbormasters Association, Inc. – $330,000 Grant for Port Security**

Mr. Gerlin briefly explained this request to award a grant of up to $330,000 to the Massachusetts Harbormasters Association, Inc. (“MHA”), contingent upon receipt of said funds from the Commonwealth, for projects eligible for financing through grants from the Federal Emergency Management Agency when such projects are undertaken in collaboration with the Massachusetts Emergency Management Agency and when such projects are based upon prior or anticipated future commitments of federal funds. Mr. Gerlin advised that the Legislature has appropriated the funds for the purposes noted and the Agency is merely a pass-through. These funds will assist MHA to qualify for a $1 million grant from the U.S. Dept. of Homeland Security. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously,

**VOTED:** That the Board of Directors of MassDevelopment approves a $330,000 grant to the Massachusetts Harbormasters Association, Inc., as outlined in the memorandum and vote dated November 8, 2018, that are attached and made a part of the minutes of this meeting.

**STRATEGIC PLANNING**

**4. Annual Report – MassDevelopment’s Performance (FY2018)**. Mr. McGrail provided details on the PowerPoint presentation entitled, “Annual Performance Report, Fiscal Year 2018,” that is attached and made a part of the minutes of this meeting. Highlights include: supporting the creation of almost 11,000 jobs; total financing of over $4.1 billion, including more than $54 million in loans; gifts to the military to help strengthen the Commonwealth’s bases and make them more competitive against possible closure under the federal Base Realignment and Closure Program; providing places for innovation to happen; and more. Ms. Liss responded to a question regarding job creation in southeastern Massachusetts, and Ms. Canter provided additional information regarding annual fluctuations in market-rate housing loans, which are driven by the timing of loan closings.

**5. Annual Business Plan (FY2019)**. Mr. McGrail then provided details on the PowerPoint presentation entitled, “Business Plan – FY 2019,” that is attached and made a part of the minutes of this meeting. He referred to the summary chart on p. 15, noting the connections between the Agency’s strategic themes, its core activities, and priority strategic goals, and a discussion ensued. Mr. Vincze wanted to know how the Agency is looking to improve its information and/or other technology, and Ms. Liss advised that a Request for Proposals (“RFP”) to evaluate the Agency’s IT system(s) is being developed and will be issued soon. She also noted the Agency recently began using an electronic procurement system internally. When Ms. Zane asked what metrics are being used to measure the Agency’s expectations and projections, Mr. McGrail commented on the integration of strategies, budget, programs, and other considerations.

**6. Annual Report – MassDevelopment’s Diverse Business Participation Program for Direct Contractors**. Recalling the approval thereof in June 2017, Ms. Kavanagh briefly described the Agency’s Diverse Business Enterprises (“DBE”) Program, noting its two major principals: (i) to encourage DBE participation; and (2) to measure such participation for annual reports to the Board. She summarized the implementation of the Program, including identifying and tracking DBE vendors, and confirming that by March of 2018, the Agency had included appropriate DBE Program language in all of its potential contracting documents. Ms. Kavanagh advised that FY2018 baseline results are as follows: of a total of $14,066,509 contract dollars for FY2018, $1,543,375, or 11 percent, was paid to DBE vendors. Currently, 25 percent of MassDevelopment’s vendors are DBE vendors and, through the Agency’s educational outreach, several more vendors are in the process of becoming DBE vendors.

**MARKETING / Communications**

**7.** **Media Report (October 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**

**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. Ms. Sullivan reported one change to the materials provided in the November Board book – the correction of a project location typographical error in the bond issuance for CIL Realty of Massachusetts Incorporated (Tab 12) – and she called attention to the revised resolution provided today.

The Chair then advised that the Board would vote on the approvals and findings for the matters in Tabs 8 – 19, 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 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 resolution that is attached and made a part of these minutes regarding:

a project of Hampden Charter School of Science West, in West Springfield, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $4,400,000.

**Official Action Projects with Volume Cap Requests**

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

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

a project of Nuestra Comunidad Development Corporation, in Boston (Roxbury), Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $8,000,000.

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

a project of Valley Voces General, Inc., in Holyoke, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $7,600,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Requests**

**12.** Reference was made to the revised resolution provided and, upon motion duly made and seconded, by the directors present, it was, unanimously

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

a project of CIL Realty of Massachusetts Incorporated, in numerous Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $32,000,000.

[*Secretary’s Note: Mr. Blake advised the Board that a colleague at his employer, HarborOne Bank, is a trustee of Brockton Area Multi-Services, Inc., a related party to CIL Realty of Massachusetts Incorporated. Mr. Blake, therefore, recused himself from the consideration of this matter; he 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.*]

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

a project of Vinfen Corporation, in numerous Massachusetts locations, for the issuance of a 501(c)(3) Tax-Exempt and/or Taxable Bond to finance such project in an amount not to exceed $30,000,000.

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

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

a project of Emanuel Development Corporation, in Boston (Brighton), Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $24,800,000.

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

a project of South Middlesex Non-Profit Housing Corporation and South Middlesex Opportunity Council, Inc., in Framingham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $19,500,000.

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

a project of Metrowest Young Men’s Christian Association, Inc., in Framingham, Massachusetts, for the issuance of a 501(c)(3) Tax-Exempt Bond to finance such project in an amount not to exceed $7,000,000.

**Final Approval Projects with Volume Cap Requests**

**17.** 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 New 125 Amory Street LLC, in Boston, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $37,150,000.

**18.** 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 BH Chestnut Crossing, LLC, in Springfield, Massachusetts, for the issuance of a Tax-Exempt Bond to finance such project in an amount not to exceed $9,190,000.

**19.** 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 Hye Partners, LLC, Pilot Precision Holdings, LLC, d/b/a The duMont Co., Hassay Savage Co., Inc., in Deerfield, Greenfield, and Montague, Massachusetts, for the issuance of a Tax-Exempt Industrial Development Bond to finance such project in an amount not to exceed $2,800,000.

**Standing Board Committee Reports**

***Audit & Administration Committee***

Mr. Morales stated that the Audit & Administration Committee met this morning with the representatives of the Agency’s audit firm, RSM US LLP. He advised that a certain warrant issue raised in last year’s audit has been resolved and a clean opinion will be issued to MassDevelopment for this year’s audit. Mr. Morales reported a 4 percent increase in the Agency’s cap position, and he noted liquid assets have been decreasing. He acknowledged and thanked the entire Finance Team for their dedication and hard work.

**20. Minutes of Prior Meeting**. For informational purposes only, the minutes of the July 12, 2018 Audit & Administration Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

***Origination & Credit Committee***

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

**Lending**

**21. Delegated Authority Report for Loan Approvals (September 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.

**Community Development**

**22. Minutes of Brownfields Advisory Group Meeting (June 5, 2018)**. For informational purposes only, the approved minutes of the June 5, 2018 Brownfields Advisory Group meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

**23. VOTE – Collaborative Workspace Program – Grant Recommendation**

Mr. Bancroft briefly described this request to approve a supplemental $250,000 fit-out grant to Artists for Humanity, Inc. to support the fit-out and equipping of its newly expanded EpiCenter property at 11 West 2nd Street in South Boston. The Chair encouraged Board members to visit this successful project if they have not already done so, and Mr. Kavoogian said it is a great space to host an event. The Chair asked for a vote and, upon motion duly made and seconded, by the directors present, it was, unanimously

**VOTED:** That the Board of Directors of MassDevelopment approves the $250,000 Collaborative Workspace fit-out grant to Artists for Humanity, Inc., as outlined in the memorandum and vote dated November 8, 2018, that are attached and part of the minutes of this meeting.

**New Markets Tax Credits**

**24. Minutes of New Markets Tax Credits Advisory Committee Meeting (February 13, 2018)**. For informational purposes only, the approved minutes of the February 13, 2018 New Markets Tax Credits Advisory Committee meeting are attached and made a part of the minutes of this meeting. There was no discussion of these minutes.

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

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

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

**26. 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 described the groundbreaking of NN, Inc., in the Myles Standish Industrial Park in ***Taunton***, noting that certain collaborative efforts and/or business relationships may have been spurred as the result of introductions made at the event among and between various tenants of the Industrial Park. Staff continues to work with the Division of Capital Asset Management & Maintenance on a long-term fix for the refrigerator warehouse issues at the ***New Bedford State Pier***, in addition to working with the City and the Commonwealth to try to accommodate shipments of clementines from Morocco while portions of the Pier are being repaired and reconstructed. In ***Village Hill, Northampton***, two responses have been received to an RFP for developers of the last remaining residential parcel, which has been subdivided into five single-family house lots. The construction of roads and infrastructure continues in ***Belchertown***. Meanwhile, traffic issues are being studied in ***Devens***, and a traffic consultant has been engaged; infrastructure work is taking place at Emerson Green, Devens; and hearings to discuss the rezoning of Vicksburg Square will be taking place after Thanksgiving. Mr. Henderson commented that recent meetings with regard thereto have been positive and productive.

Mr. Henderson then referred the Board to the details of the ***Real Estate Services*** Program on p. 22 of the Updates, noting that staff is developing an educational presentation on District Improvement Financing in connection with this Program. Mr. Kavoogian commented that these types of projects and this type of work by MassDevelopment is truly meaningful and he felt it is a good use of the Agency’s limited resources.

Finally, Mr. Henderson advised of the Springfield School Department’s decision to extend its lease at ***1550 Main, Springfield***. The Chair then added that there is a lot happening in Springfield, and he made reference to private development that is taking place in the corridor between the new MGM Casino and Union Station, including, among other projects, the resurrection of the Paramount Theatre and significant interest from hotels.

The Chair then updated Board members regarding several projects taking place around the Commonwealth, including: the disposition of the potential new Amazon headquarters, which looks more and more like it will go elsewhere (the upside is lessons learned from the experience); the revitalization of downtown Worcester, including a new ballpark for the Paw Sox; the development of an indoor water park and sports complex in Palmer; the Berkshire Innovation Center in Pittsfield; and projects in Lawrence, New Bedford, Fall River. There then ensued a brief discussion regarding Opportunity Zones, and the Chair advised of a conference on this topic at UMass Lowell on December 12, sponsored by the Executive Office of Housing and Economic Development, and he invited the Board to attend.

In conclusion, the Chair stated that Massachusetts is experiencing an increase in net domestic population. Many believe this is due, at least in part, to the New England climate and warming temperatures in the South. He said the Commonwealth is “deep in many sectors,” companies are growing, and people want to be here.

**Miscellaneous: Old Business / New Business**

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

There being no further business before the Board of MassDevelopment, the Board Meeting was adjourned at 11:31 a.m.