**Massachusetts Development Finance Agency**

**Meeting of the Board of Directors**

**Thursday, December 8, 2016**

**10:00 a.m.**

**M I N U T E S**

DIRECTORS PRESENT: Brian Kavoogian, Vice Chair

James Blake

Karen Courtney

Lauren Liss

Mark Attia, Designee for Secretary of Administration & Finance

Christopher Vincze

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

James Chisholm

Grace Fey

Patricia McGovern

Agency Staff: Marty Jones, President & CEO

Simon Gerlin, Chief Financial Officer

Patricia DeAngelis, General Counsel and Secretary

Richard Henderson, EVP, Real Estate

Laura Canter, EVP, Finance Programs

Meg Delorier, Chief of Staff

Victoria Stratton, Recording Secretary

John Beatty

Deb Boyce

Sean Calnan

Frank Canning

Rob Carley

Steve Chilton

Zach Dovitz

Tony Fracasso

Zach Greene

Joe Grivers

Anne Haynes

Dena Kavanagh

Thatcher Kezer

Jami Loh

Victoria Maguire

RJ McGrail

Leigh Natola

Aiden O’Garro

Claire O’Neill

Jose Peralta

Meggie Quackenbush

Deb Rosser

Simmee Silton

Pat Sluder

Mark Sternman

Rebecca Sullivan

Eleni Varitimos

Ellen Torres

Benny Wong

Guests: Juan Carlos Morales

A meeting of the Board of Directors of Massachusetts Development Finance Agency (“MassDevelopment” or the “Agency”) was held Thursday, December 8, 2016, at MassDevelopment’s offices, 99 High Street, Boston, Massachusetts, pursuant to notices duly given.

The Vice Chair welcomed everyone and, confirming the presence of a quorum, he called the meeting to order at 10:05 a.m. He asked if there were any guests present and Mr. Morales introduced himself.

**Minutes**

**1. VOICE VOTE – Approval of Minutes (November 10, 2016)**

The Vice Chair asked if there were any comments on the draft Minutes of the November 10, 2016 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 November 10, 2016 Board Meeting.

**2. VOICE VOTE – Approval of Executive Session Minutes (November 10, 2016)**

Noting that the matters in the November 10, 2016 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 November 10, 2016 Board Meeting.

Ms. Jones then advised with respect to scheduling that the January, February, and March 2017 Board meetings will be expanded in length and scope to include presentations and discussions regarding the Agency’s strategic planning. Accordingly, it is anticipated that these meetings will begin at 9:30 a.m. and will continue to approximately 2:00 p.m. (including a working lunch), and, in addition to regular business, each meeting will include discussions and presentations on two or three programs or topics. In addition, Ms. Jones stated that the February Board meeting is likely to be moved from Thursday, February 9, to Thursday, February 16, 2017, with Committee meetings held on Tuesday, February 14th, due to a scheduling conflict identified by the Chair.

**President/CEO’s Report**

[*Secretary’s Note: At this time, Ms. Quackenbush commenced a video recording of the President’s Report and noted that a link to the recording would be made available to staff on the Agency’s internal Intranet.*]

Ms. Jones was pleased to inform the Board that MassDevelopment has received an allocation of $75 million in the latest round of federal New Markets Tax Credits. Staff is reviewing several interesting projects in the pipeline, including manufacturing and others that may qualify for the program. MassDevelopment learned yesterday that it has been awarded a grant of $1.9 million from the Barr Foundation, to be distributed over a three year period, to support the development of artists’ related collaborative workspaces around Massachusetts. Ms. Jones recently attended a ribbon-cutting celebration to commemorate completion of Port Landing – a small, but very important, affordable housing project in Cambridge. She attended a MassInc. event in Springfield, followed by a walking tour of the Springfield Transformative Development Initiative (“TDI”) District with Ms. Haynes (MassDevelopment’s TDI Director, who also organized the tour). Ms. Jones also attended the annual meeting of The Lawrence Partnership, which took place in a renovated mill building in Lawrence. She also attended an annual event of MassEcon to celebrate companies that have grown in Massachusetts. In addition, Ms. Jones advised she serves on the board of the Mass. Tech Transfer Center, which assists smaller institutions with technical transfers, and attended a recent board meeting.

Finally, Ms. Jones was honored to participate in meetings last week at the Pentagon with Gov. Baker and General Mark Milley, Chief of Staff for the U.S. Army, including a historical tour of certain Pentagon offices. She noted that, among other things, the meetings offered a great opportunity for relationship-building and discussion of Massachusetts’ support for its military installations.

[*Secretary’s Note: Ms. Quackenbush terminated the video recording of the President’s Report at this time.*]

**General Matters**

**3. VOTE – Dissolution of Civic Investments, Inc.**

Noting Civic Investments, Inc.’s inactivity and inaction, Mr. Dovitz described this request to ratify a recent vote of the corporation’s Directors (i) to amend the Articles of Organization of Civic Investments, Inc. to allow MassDevelopment to receive the corporation’s assets (of approximately $400,000); and (ii) to voluntarily dissolve the corporation. 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 ratifies and confirms the November 16, 2016 vote of Civic Investments, Inc.’s Board of Directors to amend its Articles of Organization and dissolve the corporation, as outlined in the memorandum and vote dated December 8, 2016, attached and part of the minutes of this meeting.

**4. VOTE – Dissolution of MassDevelopment/Saltonstall Building Redevelopment Corporation (“M/SBRC”)**

Noting that M/SBRC was formed as a limited purpose entity to oversee the renovations, operations and potential sale of the property located at 100 Cambridge Street, Boston, and further noting that M/SBRC’s interests in 100 Cambridge Street were sold in March 2015 and related litigation matters have since then been resolved, Ms. DeAngelis described this request to dissolve the corporation. 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 this request to terminate M/SBRC’s legal existence and dissolve the corporation, as outlined in the vote dated December 8, 2016, attached and part of the minutes of this meeting.

**5. Major Federal Programs used by MassDevelopment**. Ms. Jones introduced various staff members, as identified below, to speak to the presentation providing information regarding certain major federal programs used by MassDevelopment, attached and part of the minutes of this meeting, as follows: Ms. Canter described the *New Markets Tax Credits* program (pp. 4-5 of the presentation) and reminded everyone of the recent allocation of $75 million, noting that the Agency is the only entity in the Commonwealth receiving an allocation that supports Massachusetts-only entities; she clarified that the tax credits are on $75 million worth of investments. Ms. Canter then briefly described the *Charter School Credit Enhancement* program (pp. 6-7) , noting that the Agency has received a total of about $20 million for this program, which provides guarantees to lenders to support charter schools; to date, these guarantees have supported the development of 27 projects throughout Massachusetts. Ms. Canter next described the Agency’s *501(c)(3) and Volume Cap Tax-Exempt Bonds* programs (p. 8) and a brief discussion ensued regarding volume cap; she referred to the summation of tax-exempt debt issued by MassDevelopment (p. 9) and stated, when asked, that the Agency received approximately $190 million in volume cap in the most recent allocation. She then briefly described the *Low Income Housing Tax Credits* (“LIHTC”) program (pp. 10-11), noting that LIHTCs support construction, acquisition and/or renovation of affordable and mixed income rental housing projects.

Ms. Jones then briefly described the *U.S. Department of Defense Office of Economic Adjustment* (“OEA”) grant program (p. 12), which provides funding to mitigate costs associated with potential base closure and sequestration. She noted, for instance, that Joint Base Cape Cod received $300,000 when fighter jets were transferred from Otis to Barnes. MassDevelopment received $1.4 million in 2014 to assess the Commonwealth’s defense industry and identify industries at risk, develop strategies to address industry challenges, and create an asset map; the Agency received an addition $1.7 million in 2015 to address challenges identified in the above assessment and to help the defense industry “ride the tide.” Ms. Jones then briefly described the *National Resource Network* (NRN) program (pp. 13-14), which is administered by a consortium selected by the U.S. Department of Housing and Urban Development (HUD) and which has partnered with 26 cities across the nation since it began in 2014; NRN develops and delivers innovative solutions to American cities to help address their toughest economic challenges. MassDevelopment has created a partnership with NRN to make NRN resources available to a broader set of Massachusetts communities.

Next, Mr. Henderson described the U.S. Department of Commerce *Economic Development Administration* (USEDA) program (pp. 16-17), which provides infrastructure grants to serve distressed areas; he gave examples of specific projects in Devens and Taunton. Citing examples in Taunton and Belchertown, he then described the Environmental Protection Agency *Brownfields* program (pp. 18-19) that provides grants and technical assistance to clean up and reuse contaminated properties. Mr. Henderson briefly described the Department of Homeland Security *Fire Act Grants* program (p. 20), which provides funding to support local fire departments.

Finally, Mr. Sternman described the potential federal outlook, including *Tax Reform* and *Infrastructure* funding (pp. 22-25) and potential impacts on the Agency and the Commonwealth. He noted that recent political changes could provide an opportunity for tax reform. He noted that Massachusetts has powerful allies in Washington, but, at this time, no one knows what certain programs will look like or how they will work. He advised that MassDevelopment is and will continue working with other states to make sure our voice is heard in the coming administration and to track the potential impacts of tax reform or other new legislation on the Agency and its programs.

**Strategic Planning**

**6. MassDevelopment Jobs Survey**. This presentation was held until later in the meeting. See below (*after Tab 37*).

**7. MassDevelopment FY2017 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**

**8.** **Media Report (November 2016)**. For information purposes only, the Selected Press Clips, Media Report, and Web Statistics for November 2016 are attached and part of the minutes of this meeting. No discussion of these items took place.

**Bond Transactions**

**9. VOTE – Delegated Authority regarding Findings for LIHTC Issuances**

Ms. Torres advised briefly that certain MassDevelopment bond issuances for low income housing projects also receive allocations of LIHTCs from the Department of Housing & Community Development, and the Agency makes certain findings required under IRS Code with respect these projects and assists with necessary IRS submissions. Currently, this process involves a separate Board vote authorizing this assistance. However, there is no legal requirement that these findings be made at the Board level or that authority to assist be granted on a project specific basis. In order to streamline the process, the Agency requests that the authority to make these findings and assist the projects as needed be delegated to certain MassDevelopment officers, after final Board approval of the bond issuance for each project. 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 delegates authority to certain MassDevelopment officers to make findings and assist projects as needed, as outlined in the vote dated December 8, 2016, attached and part of the minutes of this meeting.

**10. Bond Detail Memorandum**. For information purposes, the Bond Memorandum is attached and part of the minutes of this meeting. No discussion of the Memorandum occurred.

The Vice Chair then asked if there were any recusals on the upcoming bond votes, and there were none.

The Vice Chair advised that the Board would vote on the approvals and findings for the matters in Tabs 11 – 27, 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**

**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 the Center for Human Development, Incorporated, in Greenfield, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $3,300,000.

**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 resolution attached and part of these minutes regarding:

a project of Sunshine Village, Inc., in Chicopee, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $2,000,000.

**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 Comprehensive Mental Health Systems, Inc., in several locations in southeastern Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $1,555,020.

**Official Action Projects with Volume Cap Request**

**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 242 Spencer Limited Partnership, in Chelsea, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $6,700,000.

**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 resolution attached and part of these minutes regarding:

a project of Boston Street Crossing LLC, in Salem, Massachusetts, for the issuance of Tax-Exempt Bonds to finance such project in an amount not to exceed $3,077,000.

**Bonds: Final Approvals**

**Final Approval Projects without Volume Cap Request**

**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 resolution attached and part of these minutes regarding:

a project of Trinity Health Corporation, in several locations in western Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $15,000,000.

**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 Official Action / Final Approval (“OA/FA”) resolutions attached and part of these minutes regarding:

a project of UMass Memorial Health Care, Inc., in numerous locations in central Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $216,000,000.

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

a project of Mount Ida College, in Newton, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $113,250,000.

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

a project of Wentworth Institute of Technology, Inc., in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $45,000,000.

**20.** 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 Bridgewell, 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 $26,500,000.

**21.** 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 Covenant Health, Inc., in several Massachusetts locations, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $16,000,000.

**22.** 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 Edward M. Kennedy Community Health Center, Inc., in Framingham and Worcester, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $11,900,000.

**23.** 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 Boston Architectural College, in Boston, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $9,400,000.

**24.** 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 American Training, Inc., in several locations in northern Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $9,350,000.

**25.** 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 Riverbend School, Inc., in Natick, Massachusetts, for the issuance of 501(c)(3) Tax-Exempt Bonds to finance such project in an amount not to exceed $4,050,000.

**26.** 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 Mason Wright Senior Living, Inc., in Springfield, Massachusetts, for the issuance of Non-Profit Housing Bonds to finance such project in an amount not to exceed $3,500,000.

**Final Approval Projects with Volume Cap Request**

**27.** 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 D&S Realty LLP, in West Boylston, Massachusetts, for the issuance of Tax-Exempt Industrial Development Bonds to finance such project in an amount not to exceed $9,000,000.

**Standing Board Committee Reports**

***Manufacturing & Defense Sectors Committee***

It was noted that the Committee met on Tuesday, December 6, 2016.

**Defense Sectors**

***Walk-In*. VOTE – Gift to Army for Natick Soldier Systems Center**

Ms. Jones introduced Mr. Beatty who described this request for a gift of $1.2 million to the Army in connection with establishing a Soldier Performance Institute at the Natick Soldier Systems Center. The Institute will consist of a laboratory facility to study and measure outcomes of teams and squads, as well as their leaders, while they go through normal drills. Mr. Beatty noted that the Soldier Performance Institute is in the Department of Defense (“DoD”) budget for 2023, but there have been favorable discussions to date with personnel along the chain of command and staff is confident that getting ahead of this request will place MassDevelopment in a good position for partnering opportunities with the DoD in the future. In addition, Ms. Jones advised that the offering of such a “gift” to the Army is quite a long and involved process and no funds will be disbursed in the short term. Staff is sorting out the logistics of this offer, but wanted to obtain formal approval of the Board before continuing its efforts. 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 gift of $1.2 million to the Army for the Natick Soldier Systems Center, as outlined in the vote dated December 8, 2016, attached and part of the minutes of this meeting.

***Origination & Credit Committee***

Mr. Kavoogian reported that the Committee met on Tuesday, December 6, 2016.

**28. Minutes of Prior Meeting**. For information purposes only, the minutes of the November 8, 2016 Origination & Credit Committee Meeting are attached and part of the minutes of this meeting. No discussion of these minutes took place.

**Lending**

**29. Delegated Authority Report for Loan Approvals (October 2016)**. 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.

**New Markets Tax Credits (“NMTC”)**

**30. VOTES – AFH EpiCenter, Inc. (Boston) – $10,900,000 NMTC Capitalization, Assignment of Allocation, and Guarantee**

Ms. Sluder described this request for funding in partnership with Bank of America, which will assist Artists for Humanity (“AFH”) to expand its facility in South Boston for teaching, learning, performance and Maker Space, thereby increasing access and opportunity for underserved youth and the surrounding communities to participate in the growing “innovation economy” in the Fort Point Channel neighborhood. AFH currently hires/employs about 250 students per year, and there are 160 students on its waiting list; this expansion will allow AFH to double its capacity to 500 students, and to add new programs (e.g., a metal shop). The student artists are paid for their artwork out of the proceeds of the sale of such artwork. Ms. Sluder described the structure of this New Markets financing. Although the project was not in a low income census tract, the project did qualify for a New Markets Tax Credit allocation based on the Targeted Populations regulation. Specifically, more than 95% of the students employed are from low income families, and the percentage of all low income employees was anticipated to exceed 60%. 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 NMTC capitalization of up to $10,900,000, assignment of allocation, and guarantee for AFH EpiCenter, Inc., subject to the terms of the memorandum and votes dated December 8, 2016, attached and part of the minutes of this meeting.

**Community Development**

***Walk-in*. VOTE – Lawrence Community Works, Inc. (Lawrence) – $334,365 Brownfields grant**

Ms. Varitimos explained this request for a $334,365 Brownfields Remediation Grant to Lawrence Community Works, Inc. for costs associated with remediation required due to the unanticipated discovery of asbestos in soil that was intended to be reused as fill under a parking lot and in landscaped areas at the Union Crossing – Phase II, Duck Mill project in the City of Lawrence. Ms. Varitimos explained some history of the project, noting that prior to this construction project, over 90 percent of the Duck Mill building had been vacant for more than 20 years. The completion of the Duck Mill project – scheduled for December 31, 2016, and remains on track to meet that date – will eliminate a long-standing eyesore, provide additional new, safe affordable housing, and solidify the foundation for revitalizing this area of the City. 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 Brownfields Remediation Grant of up to $334,365 to Lawrence Community Works, Inc., subject to the terms of the memorandum and vote dated December 8, 2016, attached and part of the minutes of this meeting.

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

Mr. Kavoogian reported that the Committee met on Tuesday, December 6, 2016.

**31. Minutes of Prior Meeting**. For information purposes only, the minutes of the November 8, 2016 Real Estate Development & Operations Committee Meeting are attached and part of the minutes of this meeting. No discussion of the minutes took place.

**32. 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 Updates took place.

**33. Statewide Real Estate Projects Updates**. For information purposes, the Statewide Real Estate Projects Updates are attached and part of the minutes of this meeting. Mr. Henderson noted with respect to ***Springfield*** that leases have been signed by the GSA at 1550 Main Street and work continues at Stearns Square. He said construction will be getting underway soon on the demolition of several buildings and the construction of the assisted living project at Carriage Grove development in ***Belchertown***. OptoDot Corporation has leased the entire building at 31 MacArthur Avenue, ***Devens***. Regarding ***Municipal Services***, Mr. Henderson advised of a new project in Wareham, and he mentioned projects in Gardner, Malden, Haverhill, Hyannis, and Chicopee. Information session are taking place statewide regarding the Site Readiness Program; a number of sites have already been identified, and staff is drafting guidelines for the program. Finally, TDI partnership agreements are in place in all of the established TDI Districts for Year Two.

**34. VOTE – Devens – Tax Increment Financing (“TIF”) Policy**

Mr. Carley briefly explained the request that the Board approve the proposed TIF Policy for Devens. He noted the policy, among other things, provides the following benefits for the Agency: (i) flexibility; (ii) predictability; and (iii) transparency. Further, the policy language allows the Agency to consider including “claw back” provisions on a case by case basis. 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 Tax Increment Financing Policy, as outlined in the memorandum and vote dated December 8, 2016, attached and part of the minutes of this meeting.

**35. VOTE – Devens – Approval of Fiscal Year 2017 Real Estate Tax Rates**

Mr. Kezer explained the request that the Board approve the tax rates and residential and commercial shift factors that will be used in setting FY2017 tax rates for Devens and authorize the Agency to impose the residential and commercial tax rates correlating therewith upon recommendation of the Devens Board of Assessors and approval of the Massachusetts Commissioner of Revenue. He described the formula used in setting the rates and noted the average assessed valuation increase from FY2016 to FY2017 for the residential class is 2.51%, 1.49% for the industrial class, and 0.90% for the commercial class. He also noted “comparables” for surrounding towns. 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 tax rate and the residential and commercial shift factors that will be used in setting FY2017 tax rates for Devens and authorizes the Agency to impose the residential and commercial tax rates correlating therewith, as outlined in the memorandum and vote dated December 8, 2016, attached and part of the minutes of this meeting.

[*Secretary’s Note: The Vice Chair informed the Board members their signatures are required on a Classification Tax Allocation form certifying that this hearing and vote occurred, in connection with the approval above, to be provided to the Massachusetts Department of Revenue, Bureau of Accounts, and he noted the form is being circulated for signatures at this time.*]

**36. VOTE – Belchertown – Contract Award for Phase III Demolition**

Referring to the revised memorandum and vote provided today, Ms. O’Neill described briefly the request to approve the award of a contract to American Environmental Inc. of Holyoke, Massachusetts, for the Phase III demolition and abatement project at the former Belchertown State School, pursuant to a Request for Proposals (RFP) process, to which American Environmental was the lowest responsive and responsible bidder. Ms. O’Neill advised that three highly visible buildings will be torn down under this contract, two of which have compromised roofs and present a potential danger; removal of the third building will allow the assisted living project to proceed. She also noted this phase of demolition was anticipated in the Belchertown project budget and the bid (at $1,302,310) came in under budget. 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 demolition contract with American Environmental Inc., as outlined in the revised memorandum and vote dated December 8, 2016, attached and part of the minutes of this meeting.

**37. VOTE – Boston Regional Team Office – Authority to Enter into an Office Lease in Quincy**

On the advice of the Real Estate Development & Operations Committee, this item was removed from consideration at this meeting.

**Update – 5 and 6 Necco Court and Related Open Space (Boston) – Purchase**

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

**Update – Energy Positive Homes at Village Hill (Northampton)**

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

**Strategic Planning (Cont’d)**

**6. MassDevelopment Jobs Survey**. Mr. McGrail offered details regarding the MassDevelopment Job Creation Methodology and Data presentation, attached and part of the minutes of this meeting, including examples. He advised that the numbers presented (p. 2 of the presentation) were derived using an economic modeling calculator developed by UMass and used strictly for construction job creation. The survey methodology involved intensive outreach and significant follow-up efforts by staff, resulting in a 90 percent response rate, and aligning actual jobs created versus projections. When Mr. Blake asked if there was any punitive action if Borrowers did not meet their job projections, Ms. Canter said, “No, but we do ask for an explanation.” Ms. Jones noted there are many variables involved; there are usually economic reasons when Borrowers do not meet projections. Ms. Courtney wanted to know what role the projections play in providing financing, and Ms. Jones said the data collected is important to know, but it has little impact on the details of the financing for a specific project. Mr. Gerlin added that bond fees are an important source of revenues for the Agency and that tax exempt financings help to strengthen the financial position of these non-profit organizations.

**EXECUTIVE SESSION**

The Chair then advised, at 11:45 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 matters involving valuation of real property in Boston and Northampton and potential purchase and sale and lease terms, the discussion of which in Open Session would have a detrimental effect on the negotiating positions of the Agency. 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 not reconvene in Open Session following Executive Session.

[*Executive Session held*]

There being no further business before the Board of MassDevelopment, the Open Session portion of the meeting was adjourned at 11:45 a.m.; the meeting was adjourned in Executive Session at 11:54 a.m.