

MINUTES

TWO HUNDRED AND FORTY EIGHTH MEETING

of the

EXECUTIVE COMMITTEE

of the

MASSACHUSETTS TECHNOLOGY PARK CORPORATION

[OPEN SESSION]

March 30, 2017
Boston, Massachusetts

The Two Hundred and Forty Eighth Meeting of the Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“Mass Tech Collaborative”) was held on March 30, 2017, at the Massachusetts Technology Collaborative, Two Center Plaza, Suite 200, Boston Massachusetts, pursuant to notice duly given to the Directors and publicly posted on the Mass Tech Collaborative website with corresponding notice provided to the Office of the Secretary of State.

The following members of the Mass Tech Collaborative Executive Committee were present and participated: Secretary of Housing and Economic Development Jay Ash (represented by Katie Stebbins of the Executive Office of Housing and Economic Development), Rupa Cornell, Alexandra Drane (arrived at 12:51 p.m.), Ann Margulies, Pam Reeve and Mitch Tyson.

The following Mass Tech Collaborative staff was present: Michael Baldino, Tim Connelly, Philip Holahan, Pat Larkin, Laurance Stuntz and Maeghan Welford.

The following individuals attended the meeting: Bob Handsaker, Town of Charlemont; Carolyn Kirk, Executive Office of Housing and Economic Development; Peter Larkin, Executive Office of Housing and Economic Development; and Chris Lynch, Matrix Design.

Ms. Stebbins observed the presence of a quorum of the Executive Committee and called the meeting to order at 12:32 p.m. She welcomed Ann Margulies to the Executive Committee, who was recently appointed with Alexandra Drane by the Mass Tech Collaborative Board of Directors to serve on the Executive Committee. Ms. Stebbins also confirmed that Dr. Johnson will continue to serve on the Board of Directors and the Executive Committee after he starts his new job as Chancellor of UMass Dartmouth.

Ms. Stebbins reviewed the legal requirements governing public participation at an open meeting of a public body. She stated that: (1) After notifying the Chair, any person may make a video or audio recording of an open session of a meeting of a public body, or may transmit the meeting through any medium, subject to reasonable requirements of the Chair as to the number, placement and operation of equipment used so as not to interfere with the conduct of the meeting. At the beginning of the meeting the Chair shall inform other attendees of any recordings. (2) No person shall address a meeting of a public body without permission of the Chair, and all persons shall, at the request of the Chair, be silent. No person shall disrupt the proceedings of a meeting of a public body. If, after clear warning from the Chair, a person continues to disrupt the proceedings, the Chair may order the person to withdraw from the meeting and if the person does not withdraw, the Chair may authorize a constable or other officer to remove the person from the meeting.

Agenda Item I Approval of Minutes

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation, acting on behalf of the full Board pursuant to section three of Chapter Forty J of the General Laws of the Commonwealth, hereby adopts the Draft Minutes of the Two Hundred Forty Seventh Meeting of the Executive Committee, held on February 28, 2017, in Boston, Massachusetts, as the formal Minutes thereof.

Agenda Item II Report of the Chairperson

Ms. Stebbins delivered the report of the Chair. She mentioned that Worcester was named by TechNet as one of the top 25 cities in the country for the creation of start-up companies. Ms. Stebbins discussed a potential new model that was pioneered with Holyoke for intra-state collaboration that stimulates meaningful discussions among business, academic, civic and government leaders in the Boston-Cambridge area with leaders in other parts of the Commonwealth.

Agenda Item III Report of the Executive Director

Mr. Connelly delivered the report of the Executive Director. He discussed the recent event sponsored by PULSE@MassChallenge. At Mr. Connelly's request, Ms. Welford discussed the key focus areas of the Massachusetts Digital Health Initiative, including the marketplace program, aging and caregiving, cybersecurity and data and analytics. She indicated that strategic plans are being developed for each focus area. A substantial discussion ensued regarding the Mass Tech Collaborative's approach to cluster development. Mr. Connelly discussed the challenges of growing companies to scale in the Commonwealth.

Mr. Connelly announced that Chris Andrews will be stepping down from his position as Chief Financial Officer to pursue other opportunities in his private life. Mr. Connelly indicated that Mr. Andrews will take some time off and is expected to return and continue his involvement with the Mass Tech Collaborative on a project specific basis. He noted that Mr. Andrews has been an important contributor at the Mass Tech Collaborative over the past fifteen years.

[Ms. Drane arrived at 12:51 p.m.]

Mr. Connelly concluded his report by mentioning plans for an event to celebrate the 35th anniversary of the Mass Tech Collaborative that would be held in the spring of 2018, the recent release of the 20th anniversary edition of the *Index of the Massachusetts Innovation Economy*, and the launch of the MassTech Intern Partnership. Ms. Stebbins suggested that it would be appropriate to review the mission of the *Index* after 20 successful years. There was a general consensus that a review of the *Index* at this juncture is appropriate and that feedback on the future direction of the *Index* should be sought from people that read and use the *Index*. The efforts to promote the Intern Partnership were also extensively discussed. It was suggested that the Intern Partnership should be marketed directly to college and university students and that there should be better coordination and cross-promotional efforts among the state's internship programs. There was also a discussion of how to leverage the intern alumni network and utilize participating companies to promote the Intern Partnership.

Agenda Item IV Action Items and Discussion Topics

The order of agenda items was modified by unanimous consent. Carolyn Kirk presented proposed modifications to the Last Mile Grant Program for unserved towns in western Massachusetts. She indicated that the Massachusetts Broadband Institute (“MBI”) Board of Directors spent a considerable amount of time discussing the proposed modifications and unanimously recommended final approval by the Executive Committee. Ms. Kirk explained that the proposal to shift responsibility to the Executive Office of Housing and Economic Development (“EOHED”) to administer the Last Mile Grant Program will free up resources at the Mass Tech Collaborative to focus on other high priority areas, such as digital health and cybersecurity.

Ms. Kirk provided background and context for the proposed modifications to the Last Mile Grant Program and summarized the key themes that emerged from testimony provided by representatives of 17 communities at a public hearing held in February in Worthington. She indicated that unserved towns are looking for faster progress, are seeking direct access to the construction and professional services allocations, and in many instances have expressed a desire to work directly with Westfield Gas & Electric. Ms. Kirk noted that MBI has worked closely with the unserved towns, who are now in a position to choose a path forward.

Ms. Kirk explained that the Last Mile Grant Program would be modeled on the MassWorks grant program, which is currently administered by EOHED to provide grants

to municipalities for certain types of infrastructure projects. She noted that the Last Mile Grant Program will build on the strong foundation established by MBI while leveraging EOHED's speed of execution. Ms. Kirk reviewed the elements of the grant application and the parameters for grant awards. She clarified that MBI's role going forward would involve oversight of the MassBroadband 123 middle mile network, awarding and administering private sector provider grants, implementing the MBI-Assist Program, and providing EOHED with subject matter expertise.

Ms. Kirk reviewed each element of the proposed motion and clarified that EOHED needs the Mass Tech Collaborative's authorization to access the MBI bond funds to cover the Last Mile Grant Program awards. She indicated that the authorization to expend up to \$20 million for Last Mile grants represents an outer limit for EOHED grant awards and that EOHED will only draw down on the bond authorization to fund grant awards that are finalized through fully executed grant agreements. Ms. Kirk noted that MBI still has the ability to simultaneously draw down on MBI bond funds to cover private provider grant awards. She acknowledged that the Commonwealth will need to address the "extra mile" for the most expensive towns that do not draw private sector interest and that additional bond funds will most likely need to be authorized by the legislature to provide a solution for these towns. She indicated that the level of additional funding that will be needed is unclear at this time. In response to a question from Ms. Reeve, Ms. Kirk indicated that approximately \$8 million in bond funds would be left for MBI if EOHED expended the full \$20 million.

During the ensuing discussion some Executive Committee members expressed concerns about the financial risks being assumed by towns that decide to pursue a municipally owned fiber network. Ms. Kirk acknowledged the significance of the town's decision but noted that the Last Mile Grant Program is responding to the wishes of the towns that are paying for a substantial share of the upfront capital costs. Ms. Drane suggested that EOHED document the lessons learned from the early success stories and leverage the knowledge and experience of the lead towns to provide support for the towns that come later. Ms. Kirk discussed the steps that a town has to take to demonstrate the sustainability of a municipally owned network. Mr. Connelly indicated that EOHED and MBI are committed to fiscal transparency and will provide regular updates on the status of last mile commitments and expenditures. Ms. Reeve indicated that it is imperative that sufficient funds be available to honor all commitments made to the unserved towns.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation ("MassTech"), acting pursuant to the authority delegated under Chapter 40J of the General Laws of the Commonwealth, does hereby take the following actions as recommended by the Board of Directors of the Massachusetts Broadband Institute ("MBI") :

- 1. Approves the establishment of the Last Mile Grant Program for Municipally Owned Broadband Solutions (“Grant Program”), as generally presented to the MBI Board of Directors at its March 30, 2017 meeting;**
- 2. Delegates to the Secretary of the Massachusetts Executive Office of Housing and Economic Development (“EOHED”), who also serves as Chairperson the MassTech Board of Directors, the authority to implement the Grant Program, including authority to execute and administer grant agreements under the Grant Program with unserved towns in western Massachusetts who wish to build and operate municipally owned broadband networks; and**
- 3. Authorizes the expenditure of up to \$20,000,000 from the Massachusetts Broadband Incentive Fund for grants awarded under the Grant Program, provided that payment of any grant funds shall be made only with the approval of the Secretary of EOHED and the Secretary of the Executive Office for Administration and Finance.**

Mr. Connelly introduced the update on the private provider RFP and the proposed motion to implement grants awarded pursuant to the RFP. He noted that the status of the RFP and the proposed motion were extensively discussed with the MBI Board of Directors and that the MBI Board recommended final approval of the implementation approach and delegation of authority set forth in the proposed motion. Peter Larkin provided an update on the status of the review of the proposals submitted by private providers in response to the RFP, which in some instances have been revised and updated at MBI’s request.

Mr. Connelly indicated that MBI is in the process of qualifying private providers that have the experience and financial resources to successfully build and operate broadband networks. Mr. Larkin noted that Comcast and Charter have been qualified by MBI under the RFP. Mr. Connelly clarified that the Commonwealth is prepared to offer a broadband solution to the ten towns identified by Comcast and Charter at no cost to each town. It was noted that the ten towns that Comcast and Charter currently propose to cover address over one-third of the unserved homes in western Massachusetts. Mr. Larkin explained that Frontier Communications appears to meet the threshold criteria established in the RFP and will be evaluated even though Frontier applied to a separate RFP released by a four town consortium in southern Berkshire County. It was noted that MBI continues to evaluate Crocker’s proposal and their proposed partnership with Fujitsu.

Mr. Holahan reviewed the proposed motion and highlighted the role of the EOHED Secretary in approving the amount of each grant award. He indicated that this will ensure that MBI does not overcommit on grant awards in an environment where the exact towns to be covered and the associated funding requests will continue to evolve over time. Mr. Holahan also discussed potential delays in the construction of broadband networks resulting from make ready work on utility poles and the cable television licensing process, which can take many months to complete. He indicated that MBI will

explore opportunities to accelerate broadband projects and will seek the approval of the EOHED Secretary to forward fund make ready work, where appropriate.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation (“MassTech”), acting pursuant to the authority delegated under Chapter 40J of the General Laws of the Commonwealth and upon the recommendation of the Board of Directors of the Massachusetts Broadband Institute (“MBI”), does hereby delegate to the MassTech Executive Director the authority to negotiate and execute a grant agreement with each provider that has been qualified under the RFP for Last Mile Grants to Provide Broadband Service to Unserved Towns in Western Massachusetts (RFP No. 2017-MBI-02). The initial list of qualified providers consists of Charter Communications and Comcast. The Executive Director may augment this list from time to time as additional providers are qualified by MassTech.

Each grant agreement shall provide for the expenditure of funds from the Massachusetts Broadband Incentive Fund to support broadband service availability through privately owned and operated networks and in a manner that does not require a municipal capital contribution. The MassTech Executive Committee acknowledges that the list of unserved towns that will be covered under this RFP will evolve over time based on negotiations with the providers.

The Executive Director shall exercise the authority delegated herein in a manner that comports with the following conditions and parameters:

- 1. Where a town has been identified in more than one grant application, only one provider may be awarded a grant to serve the town;**
- 2. Each grant award shall only include town(s) that elect to participate in this grant program through an affirmative vote of each town’s Selectboard;**
- 3. The MassTech Executive Director and the Special Advisor to the Secretary of the Executive Office of Housing and Economic Development shall jointly recommend the amount of each grant award, which shall be subject to the review and approval of the Secretary of the Executive Office of Housing and Economic Development. The Executive Committee acknowledges that negotiations with prequalified providers are ongoing and therefore the final grant amounts are subject to modification;**

4. Each grant award shall be conditioned on execution of a cable television license agreement by the provider and each participating town; and
5. If approved by the Secretary of the Executive Office of Housing and Economic Development, the MassTech Executive Director may structure the grant payments to forward fund costs associated with make ready work on utility poles that are needed for each network for the purpose of accelerating broadband deployment in unserved towns.
6. The MassTech Executive Director shall provide timely updates to the MBI Board of Directors and the MassTech Executive Committee on grants awarded pursuant to his delegated authority.

After the vote on the private provider motion, Mr. Larkin provided a brief update on the Broadband Extensions Program. He noted that the nine participating towns are pleased with the progress being made and he mentioned that Comcast is covering more homes than required in many of the towns and is proceeding ahead of schedule.

Pat Larkin presented a recommendation to authorize a reduction in the matching funds requirement under the grant award previously authorized by the Executive Committee for UMass Lowell under the Scientific and Technology Research and Development Matching Grant Fund. He explained that a significant portion of the funding that UMass Lowell has secured does not satisfy the statutory requirements for matching funds. Mr. Larkin indicated that he did not expect the change in the match requirement to have a significant impact on UMass Lowell's Printed Electronics Research Collaborative Project based on his understanding that UMass Lowell is still expected to invest a comparable amount of funding to support the project. He indicated that the legislature modified the match requirement for the R&D grant program to permit a 1:1 match and that staff is proposing to implement the lower 1:1 requirement for UMass Lowell retroactive to the effective date of the legislature's action. Mr. Larkin and Mr. Holahan noted the change in the match schedule and the proposed departure from the normal requirement that grant funds be expended ratably with matching funds.

Following a period of brief discussion, and upon a motion duly made and seconded, it was unanimously and without abstention VOTED:

The Executive Committee of the Board of Directors of the Massachusetts Technology Park Corporation ("Mass Tech Collaborative"), acting pursuant to the authority delegated under Chapter 40J of the General Laws of the Commonwealth, does hereby delegate to the Executive Director the authority to reduce the private match requirement for the University of Massachusetts at Lowell's Printed Electronics Research Collaborative award under the Scientific and Technology Research and Development Matching Grant Fund, previously awarded by the Executive Committee on June 26, 2014, to reflect amendments made to Section 4G of Chapter 40J of the Massachusetts General Laws by Chapter 219 of the Acts of 2016; provided that the reduced match ratio of 1:1 shall be retroactive to August 10, 2016, and application

and expenditure of the state bond funds referenced herein shall comply with all applicable statutory requirements.

Pat Larkin provided introductory remarks for the long range planning discussion. He reminded the Executive Committee that Mr. Tyson is chairing the Long Range Planning Committee that was created as part of Mr. Connelly's governance restructuring efforts. He indicated that the initial long range planning activities will involve a year long process and will leverage the expertise on the Mass Tech Collaborative Board of Directors and the Innovation Institute Governing Board.

Mr. Tyson presented and discussed the framework for the work of the Long Range Planning Committee. He noted that the long range planning effort is at an early stage and he welcomes feedback that will help to shape the process. Mr. Tyson discussed the purpose and expected outputs of the Long Range Planning Committee's work. He emphasized the importance of thinking long term without constraints related to current budget or organizational capacity, improving our understanding of the innovation economy and how it is defined, developing a plan to invest in the innovation economy and improve the Commonwealth's return on investment, and exploring changes to the Mass Tech Collaborative. A discussion ensued regarding the approach to differentiating between sectors of the economy and the relative strengths of the Commonwealth.

Some of the key points and themes that were raised as the discussion continued include: (1) the importance of thinking about social problems that impact real people as a way to humanize the innovation process; (2) the value of creating a frictionless environment for innovation to flourish; (3) focusing on problems that need to be solved as contrasted with creating technology in search of a problem to solve; (3) the need to balance the role and ability of the Mass Tech Collaborative to think ten years out with the near term sustainability challenges confronting the organization; (4) consideration of whether the Mass Tech Collaborative should be more impact focused as contrasted with a sector-based focus; (5) addressing the challenge of being overwhelmed by an ecosystem that offers so many opportunities for policy makers to consider; and (6) positioning the Mass Tech Collaborative as a thought leader at the "top of the triangle" that examines the entire innovation ecosystem. At the conclusion of the discussion, Mr. Tyson clarified that the schedule of meetings of the Long Range Planning Committee will be circulated and there will be an open invitation to attend and participate.

Ms. Stebbins requested that the Executive Committee convene in executive session to discuss litigation strategy. Ms. Stebbins, in her capacity as Chairperson, stated that she would call for a roll call vote of the Executive Committee to go into executive session to discuss strategy with respect to matters involving ongoing disputes in which the Mass Tech Collaborative is currently involved. She stated that the purpose for meeting in executive session to discuss these matters is that discussion of the Mass Tech Collaborative's strategy with respect to these matters in an open meeting may have a detrimental effect on the litigating position of the Mass Tech Collaborative.

A roll call vote was taken to go into executive session. Ms. Stebbins, Ms. Cornell, Ms. Drane, Ms. Margulies, Ms. Reeve and Mr. Tyson voted in the affirmative to enter into executive session. All staff that was not needed for the litigation strategy discussion left the room.

The meeting proceeded in executive session at 2:30 p.m. The proceedings that occurred in executive session are addressed in a separate set of meeting minutes.

Ms. Stebbins, in consultation with the members of the Executive Committee, determined that the executive session should conclude at 2:44 p.m. At that point the meeting proceeded in open session.

There being no other business to discuss and upon a motion duly made and seconded, it was unanimously and without abstention voted to adjourn the meeting at 2:45 p.m.

A TRUE COPY

ATTEST: (Secretary)

DATE:

Materials and Exhibits Used at this Meeting:

1. Draft Minutes – February 28, 2017 Executive Committee meeting
2. Motion – Private Sector Provider RFP Grants
3. Presentation/Approval Item – Last Mile Grant Program for Municipally-Owned Broadband Solutions
4. Presentation/Approval Item – Modifications to Match Requirement for UMass Lowell Printed Electronics Research Collaborative Project
5. Presentation – Private Provider RFP Update
6. Presentation – Long Range Planning Committee Project Framework