



Charles D. Baker, Governor  
Karyn E. Polito, Lieutenant Governor  
Stephanie Pollack, MassDOT Secretary & CEO  
Frank DePaola, General Manager  
Brian Shortsleeve, Chief Administrator



## Fiscal and Management Control Board

### Executive Session

August 24, 2015

MassDOT Boardroom, 3rd Floor

Ten Park Plaza

Boston, MA 02116

The Board convened in executive Session after a roll call vote to discuss a real estate matter.

On roll call vote:

Chair Aiello:                    yes

Director Poftak:                yes

Director Calise:                yes

Director Tibbits-Nutt:        yes

Director Lang:                 yes

**VOTED:** to go into Executive Session.

Also present were Secretary Pollack, Brian Shortsleeve, Marie Breen, Mark Boyle, Robin Blatt, Thom Cox, Christine Ciampa, Owen Kane and Paula Fallon.

The Board approved the minutes of the executive sessions for July 30,  
August 4 and August 14, 2015.

On motion duly made and seconded, it was;

On roll call vote:

Chair Aiello: yes

Director Poftak: yes

Director Calise: yes

Director Tibbits-Nutt: yes

Director Lang: yes

**VOTED: To approve the executive session minutes of July 30, 2015.**

On motion duly made and seconded, it was;

On roll call vote:

Chair Aiello: yes

Director Poftak: yes

Director Calise: yes

Director Tibbits-Nutt: yes

Director Lang: yes

**VOTED: To approve the executive session minutes of August 4, 2015.**

On motion duly made and seconded, it was;

On roll call vote:

Chair Aiello: yes

Director Poftak: yes

Director Calise: yes

Director Tibbits-Nutt:        yes

Director Lang:                yes

**VOTED: To approve the executive session minutes of August 14, 2015.**

The first item discussed was an update on the position Chief Financial Officer (CFO). Mr. Shortsleeve noted that he has spoken to some people about the position. Director Tibbit-Nutts expressed concern that she has heard that Mr. Davis' retiring was not of his choice and how if perceived that way could be bad moral for the Authority. The General Manager and the Secretary agreed that they felt Mr. Davis knew that his job was going to fundamentally change and that he felt it was his time to leave. Chair Aiello asked that the GM or Secretary speak to Jonathan Davis because it could just be simple misunderstanding from someone misinterpreting something innocent. It was decided that it would be good to send out an official notice of his retirement.

The next item was the South Station Equity Lease presented by Mark Boyle. Mr. Shortsleeve asked if the office sold the lease what are they selling and what is it worth. Mr. Boyle answered \$75 to \$100 million. Director Calise asked if 6 months is a standard construct for the embarrassment clause and if 30% to 15% was a standard provision. Mr. Boyle answered yes with a public entity. The Chair asked if they could get the terminal date of when they are supposed to sell the asset and if they could do a curve sliding scale or a gradual step down instead of the larger step down on the standard provision. The Chair also asked

for them to get the information on if they have unilateral rights to provide access to the future projects and if they have a clear understanding. The Chair also requested a legal due diligence memo of all future possible projects. Director Lang asked what would happen if they tried to connect the two which could double the value of the deal. Mr. Boyle answered that any project at the head house is a MBTA project so the MBTA would have complete control and a private developer could not cut a deal without the MBTA consent. The Chair asked if there is a detailed standard of care on what Equity has to with the systems and have they had an architect make sure it is still accurate. Mr. Boyle answered that they do have a property manager but they can have an architect come out to look at it. The Board ended discussing the next steps. Mr. Boyle stated that he will get back to them with all their follow-up information requests.

On motion duly made and seconded, it was;

On roll call vote:

Chair Aiello:                    yes

Director Poftak:                yes

Director Calise:                yes

Director Tibbits-Nutt:        yes

Director Lang:                 yes

**VOTED:** to Adjourn.

Documents relied on:

South Station Memo