



BOARD MEETING MINUTES

**Des Moines Marriott Downtown
700 Grand Avenue
Des Moines, Iowa
September 8, 2010**

Board Members Present

Roger Caudron, Chair	Heather Armstrong
Douglas Walter, Vice Chair	Darlys Baum
Carmela Brown, Treasurer	Virginia Bordwell
Steven Adams	

Staff Members Present

Joe O’Hern, Executive Director/Board Secretary	Shawna Lode, Communications Director
Lori Beary, Community Development Director	Loyd Ogle, Director of Title Guaranty Division
Eric Chatman, Deputy Director/Chief Financial Officer	Carla Pope, Director of Affordable Rental Production
Jess Flaherty, Administrative Assistant	Terri Rosonke, HousingIowa Development Specialist
Steve Harvey, Director of Operations/ Comptroller	Nancy Wallis, Administrative Assistant
Joseph Jones, Director of Governmental Affairs	

Others Present

Kristi Boyce – Well Fargo Bank Iowa, NA	David Grossklaus – Dorsey & Whitney, LLP
Bob Burns – BurnsHousing.com	James Stretz – George K. Baum & Company
Joni DeVries – Wells Fargo Bank Iowa, NA	Jeanie Yarbrough – CSG Advisors
Darla Giese – Dorsey & Whitney, LLP	

Call to Order

Vice Chair Walter called to order the September 8, 2010, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 4:53 p.m. Roll call was taken and a quorum was established with the following Board members present: Adams, Armstrong, Baum, Bordwell, Brown and Walter.

Review of Minutes

August 4, 2010, Board Meeting

Vice Chair Walter introduced the minutes of the August 4, 2010, regular monthly meeting of the IFA Board of Directors.

Motion: On a motion by Mr. Adams and a second by Ms. Bordwell, the Board unanimously approved the minutes of the August 4, 2010, meeting of the IFA Board.

August 20, 2010, Board Meeting

Vice Chair Walter introduced the minutes of the August 20, 2010, special telephonic meeting of the IFA Board of Directors. Ms. Bordwell noted that the date in the first paragraph of the minutes was incorrect. Ms. Wallis said she would make that change after the meeting.

Motion: Ms. Bordwell made a motion to approve the minutes as amended. On a second by Ms. Brown, the Board unanimously approved the minutes of the August 20, 2010, telephonic meeting of the IFA Board.

August 31, 2010, Board Meeting

Vice Chair Walter introduced the minutes of the August 31, 2010, special telephonic meeting of the IFA Board of Directors.

Motion: On a motion by Ms. Baum and a second by Ms. Armstrong the Board unanimously approved the minutes of the August 31, 2010, telephonic meeting of the IFA Board.

Administration

SUMMARY & OVERVIEW

Director O'Hern reported that the U.S. Department of Treasury had made some modifications to the New Issue Bond Program. He provided some details about the changes and how those changes would affect IFA. Director O'Hern also noted that IFA recently lowered the interest rate to 4 percent on the 30-year fixed-rate FirstHome mortgages.

Director O'Hern then announced that IFA staff would be preparing new bond issues for the Single-Family Program and the State Revolving Fund Program in the very near future. He closed by thanking Board members for attending the HousingIowa Conference. He also thanked the staff members who arranged the conference.

ACCOUNTING AND FINANCE

Review of Financial Statement

Mr. Harvey presented the July 2010 financial results, noting that as a housing agency, the year-to-date net operating loss of \$262,434, due mostly to shortfalls in Single-Family interest income and State Housing Trust Fund disbursements, is unfavorable to budget by \$806,850. He stated that because it is the first month of the fiscal year, there are no trends available yet.

Chair Caudron arrived at 5:01 p.m.

Mr. Harvey reported that SRF year-to-date net operating income of \$2,067,958 is \$422,255 or 25.7 percent favorable to budget.

Motion: On a motion by Ms. Brown and a second by Mr. Caudron, the Board unanimously accepted the July 2010 financial statement.

Vice Chair Walter turned the chair over to Chair Caudron.

Legislative

Mr. Jones, in the interest of time, referred to the printed report in the Board packets. He noted that IFA staff members have begun to make plans for the upcoming session.

COMMUNICATIONS

Chair Caudron congratulated Ms. Lode on a great HousingIowa Conference.

Ms. Lode reported that she had resigned from IFA, effective September 16, 2010, to become Director of the Iowa Tourism Office at the Iowa Department of Economic Development.

Ms. Bordwell thanked Ms. Lode for the stellar annual reports she has helped to produce during her five years at IFA. Chair Caudron thanked Ms. Lode for having left IFA a much better place.

Ms. Lode thanked the Board for their support and said she had enjoyed her time at IFA.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 10-23A, Zero Energy Systems Project

Ms. Beary introduced the application and inducement resolution for \$7,750,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Zero Energy Systems Project in Coralville. She explained that the bonds will be used to construct a computer-automated insulated concrete wall panel facility to manufacture an energy-efficient and disaster-resilient green wall panel product for use in all construction applications. Ms. Beary noted that the project will require an allocation of Midwestern Disaster Area Bonds.

Ms. Bordwell asked how many jobs would be created with the project, but Ms. Beary said the application doesn't ask for that information.

Motion: Mr. Walter made a motion to adopt the resolution approving an application for \$7,750,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Zero Energy Systems Project), Series 2010, for Zero Energy Systems (the "Borrower"), and evidencing the intent to proceed with the issuance of \$7,750,000 of Midwestern Disaster Area Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously adopted Resolution ED 10-23A.

Resolution ED 10-24A, fyreHOUSE Cedar Rapids Data Center Project

Ms. Beary introduced the application and inducement resolution for \$28,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the fyreHOUSE Cedar Rapids Data Center Project. She noted that she had misspelled the name of the project in the Board materials. Ms. Beary explained that the bonds will be used construct a 90,000-square-foot underground data storage facility. She stated that the project will require an allocation of Midwestern Disaster Area Bonds.

Motion: Ms. Armstrong made a motion to adopt the resolution approving an application for \$28,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (fyreHOUSE Cedar Rapids Data Center Project), Series 2010, Phalanx Technology Holdings, LLC (the "Borrower"), and evidencing the intent to proceed with the issuance of \$28,000,000 of Midwestern Disaster Area Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously adopted Resolution ED 10-24A.

Resolution ED 10-25A, Cedar Rapids Metro Fiber Build Project

Ms. Beary introduced the application and inducement resolution for \$62,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Cedar Rapids Metro Fiber Build Project. She reported that bonds will be used to rebuild and reconstruct fiber optic routes in and around the Cedar Rapids metro area damaged by the floods of 2008. Ms. Beary said the project will require an allocation of Midwestern Disaster Area Revenue Bonds.

Motion: Ms. Armstrong made a motion to adopt the resolution approving an application for \$62,000,000 of Iowa Finance Midwestern Disaster Area Revenue Bonds (Cedar Rapids Metro Fiber Build Project), Series 2010, for Phalanx Technology Holdings, LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$62,000,000 of Midwestern Disaster Area Revenue Bonds. On a second by Mr. Walter, the Board unanimously adopted Resolution ED 10-25A.

Resolution ED 10-26A, Aviation Point Generating Station Project

Ms. Beary introduced the application and inducement resolution for \$65,000,000 (amount was incorrect on cover memo in the Board materials) of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Aviation Point Generating Station Project in Cedar Rapids. She explained that the bonds will be used to construct a 30-megawatt electrical power generation plant using gasification of biomass. Ms. Beary noted that 30 megawatts of electricity can provide power for 45,000 homes. She also said that most of the power generated at this facility will be used by the fyreHOUSE data center. Ms. Beary stated that the project will require an allocation of Midwestern Disaster Area Revenue Bonds.

Motion: Ms. Armstrong made a motion to adopt the resolution approving an application for \$65,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Aviation Point Generating Station Project), Series 2010, for Phalanx Technology Holdings, LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$65,000,000 of Midwestern Disaster Area Revenue Bonds. On a second by Mr. Adams, the Board unanimously adopted Resolution ED 10-26A.

Resolution ED 10-27A, Wesley Master Plans Project

Ms. Beary introduced the application and inducement resolution for \$10,000,000 of Iowa Finance Authority Health Care Facilities Refunding Revenue Bonds for the Wesley Master Plans Project. She announced that the bonds will be used to make improvements to existing facilities in Des Moines, Indianola and Newton, and to refinance bonds that were issued in 2003. Ms. Beary stated that Wesley Retirement Services is a 501c (3) non-profit organization.

Motion: Ms. Brown made a motion to adopt the resolution approving an application for \$10,000,000 of Iowa Finance Authority Health Care Facilities Refunding Revenue Bonds (Wesley Master Plans Project), Series 2010, for Wesley Retirement Services, Inc. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$10,000,000 of Health Care Facilities Refunding Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously adopted Resolution ED 10-27A.

Public Hearing for ED 10-05, Farmers Cooperative Company Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$10,000,000 of Iowa Finance Authority Midwestern Disaster Area Variable Rate Demand Revenue Bonds for the Farmers Cooperative Company Project. She said the bonds will be used to construct grain-handling and storage facilities in Latimer (Franklin County), Churdan (Greene County), Yale (Guthrie County) and Britt (Hancock County). Ms. Beary noted that the Board adopted the inducement resolution on April 7, 2010.

Chair Caudron opened the public hearing at 5:18 p.m. regarding the issuance of an amount not to exceed \$10,000,000 of Iowa Finance Authority Midwestern Disaster Area Variable Rate Demand Revenue Bonds for the Farmers Cooperative Company Project. Ms. Beary said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Caudron closed the public hearing at 5:19 p.m.

Public Hearing for ED 10-19, Rydell Warehousing Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$1,060,800 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Rydell Warehousing Project in Evansdale, located in Black Hawk County. She said the bonds will be used to construct a 60,000-square-foot (typo in application specified 600,000) warehouse and storage facility.

Chair Caudron opened the public hearing at 5:20 p.m. regarding the issuance of an amount not to exceed \$1,060,800 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Rydell Warehousing Project in Evansdale. Ms. Beary said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Caudron closed the public hearing at 5:21 p.m.

Resolution ED 10-19B, Rydell Warehousing Project

Ms. Beary introduced the authorizing resolution for \$1,060,800 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Rydell Warehousing Project. She reported that the Board adopted the inducement resolution on August 4, 2010. Ms. Beary said the project will request an allocation of Midwestern Disaster Area Bonds.

Motion: Mr. Adams made a motion to approve the resolution authorizing the issuance of not to exceed \$1,060,800 of Iowa Finance Midwestern Disaster Area Bonds (Rydell Warehousing, L.L.C. Project) for the purpose of making a loan to assist the borrower in the acquisition and construction of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; and related matters. On a second by Ms. Armstrong, the Board unanimously approved Resolution ED 10-19B.

Public Hearing for ED 10-21, Mid-Eastern Council on Chemical Abuse (MECCA) Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$3,794,000 of Iowa Finance Authority Non-Profit Facility Revenue Bonds for the Mid-Eastern Council on Chemical Abuse Project. She said the bonds will be used to refinance existing debt and to make improvements to an existing facility in Des Moines.

Chair Caudron opened the public hearing at 5:23 p.m. regarding the issuance of an amount not to exceed \$3,794,000 of Iowa Finance Authority Non-Profit Facility Revenue Bonds for the Mid-Eastern Council on Chemical Abuse Project. Ms. Beary said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Chair Caudron closed the public hearing at 5:24 p.m.

Resolution ED 10-21B, Mid-Eastern Council on Chemical Abuse Project

Ms. Beary introduced the authorizing resolution for \$3,794,000 of Iowa Finance Authority Non-Profit Facility Revenue Bonds for the Mid-Eastern Council on Chemical Abuse Project. She reported that the Board adopted the inducement resolution on August 4, 2010. Ms. Beary stated that MECCA is a 501c (3) nonprofit corporation that provides comprehensive substance abuse services.

Motion: Ms. Bordwell made a motion to approve the resolution authorizing the issuance of not to exceed \$3,794,000 of Iowa Finance Authority Non-Profit Facility Revenue Bonds (Mid-Eastern Council on Chemical Abuse Project), Series 2010, for the purpose of making a loan to assist the borrower in the refinancing and renovation of a project; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; and related matters. On a second by Ms. Brown, the Board unanimously approved Resolution ED 10-21B.

Resolution ED 10-22B, Care Initiatives Project

Ms. Beary introduced the authorizing resolution for \$27,700,000 of Iowa Finance Authority Health Care Facility Revenue Refunding Bonds for the Care Initiatives Project. She explained that the bonds will be used to refinance bonds issued by IFA in 2002 and 2006, and that a public hearing is not required because the maturity of the bonds is not being extended. Ms. Beary noted that Care Initiatives is a 501c (3) nonprofit corporation. She stated that the Board adopted the inducement resolution on August 4, 2010.

Motion: Ms. Baum made a motion to approve the resolution authorizing the issuance of not to exceed \$27,700,000 of Iowa Finance Authority Health Care Facility Revenue Refunding Bonds, Series 2010 (Care Initiatives Project), for the purpose of making a loan to assist the borrower in refunding outstanding debt; authorizing the execution and delivery of certain financing documents pertaining to the project; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a second by Mr. Walter, the Board unanimously approved Resolution ED 10-22B.

Resolution ED 06-28B-1, CHF-Des Moines, LLC Project

Ms. Beary introduced an amending resolution for \$36,335,000 of Iowa Finance Authority Variable Rate Demand Student Housing Revenue Bonds for the CHF-Des Moines, LLC Project. She said the bonds were issued in 2007 to construct student housing near Drake University. Ms. Beary reported that this resolution allows amending the Trust Indenture to allow funds in the Debt Service Reserve Fund to be used to pay fees and payments to the bank providing the Letter of Credit, and that all parties agree on the amendments.

Motion: Mr. Adams made a motion to approve the resolution amending Resolution ED 06-28B regarding \$36,335,000 Iowa Finance Authority Variable Rate Demand Student Housing Revenue Bonds (CHF-Des Moines, L.L.C Project), Series 2007A and \$715,000 Iowa Finance Authority Variable Rate Demand Student Housing Revenue Bonds (Taxable) (CHF-Des Moines, L.L.C Project), Series 2007B. On a second by Ms. Bordwell, the Board unanimously approved Resolution ED 06-28B-1.

WATER QUALITY PROGRAMS

Resolution WQ 10-10, Non-Point Source Loan for Iowa Natural Heritage Foundation (INHF) – Woodley Tract

Ms. Beary introduced a resolution approving IFA's participation in a loan to the INHF for an amount not to exceed \$360,000 to purchase 76.7 acres within the watershed of Lower Gar Lake in Dickinson County. She explained that the tract of land has been purchased by the INHF, who will repay the loan within three years.

Motion: On a motion by Ms. Armstrong and a second by Mr. Walter, the Board unanimously approved the resolution allowing up to 100 percent participation in a loan to the Borrower in an amount not to exceed \$360,000, to be funded from available funds held under the SRF Program.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Ms. Rosonke began by displaying a plaque that was recently presented by Jeff Capps (Cedar Valley Habitat for Humanity) to IFA for providing funding for the Habitat for Humanity Build-a-Thon in Cedar Rapids. Director O'Hern reminded the Board that Habitat for Humanity requested funding so the project could proceed on schedule, and that the IFA Board acted very quickly on that request.

Resolution HI 10-28, State Housing Trust Fund Project-Based Housing Program Awards

Ms. Rosonke introduced the resolution allocating an award of \$44,000 to the Iowa Home Ownership Education Project to help support the organization's grant program to nonprofit agencies providing homeownership counseling. She announced that if this award is approved by the Board, \$356,704 will remain available for future awards under the 2011 funding round.

Motion: Ms. Baum made a motion to approve the resolution awarding a grant under the State Housing Trust Fund Project-Based Housing Program as set forth on Exhibit A of the resolution. On a second by Mr. Adams, the Board unanimously approved Resolution HI 10-28.

Title Guaranty Division (TGD)

Mr. Ogle reported that TGD's general revenue for August was more than \$500,000, including more than \$100,000 from the commercial business. He announced that TGD would be hosting their annual conference in November.

Miscellaneous Items

Receive Comments from General Public

Chair Caudron opened the public comment period and asked if anyone in the audience would like to address the Board. There being no audience members wishing to address the Board, Chair Caudron closed the public comment period.

Adjournment

There being no further business, on a motion by Mr. Walter and a second by Ms. Armstrong, the September 8, 2010, meeting of the IFA Board of Directors adjourned at 5:40 p.m.

Dated this 6th day of October 2010.

Respectfully submitted:

Approved as to form:

Joseph O'Hern
Executive Director/Board Secretary
Iowa Finance Authority

Douglas J. Walter, Vice Chair
Iowa Finance Authority