



## **BOARD MEETING MINUTES**

**Iowa Finance Authority Presentation Room  
2015 Grand Avenue  
Des Moines, Iowa  
April 6, 2011**

### **Board Members Present**

Roger Caudron, Chair	Darlys Baum
Douglas Walter, Vice Chair	Virginia Bordwell
Carmela Brown, Treasurer	David Erickson
Steve Adams	Wilfred Johnson
Heather Armstrong (via telephone)	

### **Staff Members Present**

David Jamison, Executive Director/Board Secretary	Loyd Ogle, Director of Title Guaranty Division
Lori Beary, Community Development Director	Wes Peterson, Assistant to the Director
Eric Chatman, Deputy Director/Chief Financial Officer	Carla Pope, Director of Affordable Rental Production
Derek Folden, Underwriter	Terri Rosonke, HousingIowa Development Specialist
Irene Hardisty, Director of Single-Family Production	Mark Thompson, General Counsel
Steve Harvey, Director of Operations/Comptroller	Dave Vaske, Low-Income Housing Tax Credit Manager
Ashley Jared, Communications Director	Joanna Wilson, Associate General Counsel
Katie Kulisky, Administrative Assistant	Nancy Wallis, Administrative Assistant
Tim Morlan, Underwriter	

### **Others Present**

Carrie Andrews - Citizen	Mayor Ruth Randleman – Carlisle, IA
Jim Conlin – Conlin Properties	Kyle Rice – State Treasurer’s Office
David Grossklaus – Dorsey & Whitney, LLP	Sarah Schilty - Citizen
Paul Hoek – Wells Fargo	Tricia Schreiner - Citizen
Cory Hoepfner – RBC Capital Markets	James Smith – Dorsey & Whitney, LLP
Jill Johnson – Citizen	Tera Spears - Citizen
Bret Mills – Conlin Properties	Kim Trego – Wells Fargo
Erica Mullen – Wells Fargo	Ted Witt – Conlin Properties

## Call to Order

Chair Caudron called to order the April 6, 2011, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 11:09 a.m. Roll call was taken and a quorum was established with the following Board members present: Armstrong, Baum, Bordwell, Brown, Caudron, Erickson, Johnson and Walter.

## Review of Minutes

### **March 2, 2011, Board Meeting**

Chair Caudron introduced the minutes of the March 2, 2011, regular monthly meeting of the IFA Board of Directors.

**Motion:** On a motion by Mr. Johnson and a second by Ms. Bordwell, the Board approved the minutes of the March 2, 2011, meeting of the IFA Board.

## Administration

Chair Caudron stated that the four resolutions honoring Board members would be moved to the end of the meeting. *(The minutes, however, will reflect the order shown on the agenda for the meeting)*

### **Resolution GEN 11-02, Recognition of Wilfred (Mickye) Johnson**

Chair Caudron introduced and read the resolution honoring Mr. Johnson for his service to the citizens of Iowa as he served on the IFA Board. Chair Caudron then presented Mr. Johnson with a framed certificate and a plaque.

**Motion:** On a motion by Ms. Baum and a second by Mr. Erickson, the Board unanimously approved Resolution GEN 11-02.

### **Resolution GEN 11-03, Recognition of Douglas Walter**

Chair Caudron introduced and read the resolution honoring Mr. Walter for his service to the citizens of Iowa as he served on the IFA Board. Chair Caudron then presented Mr. Walter with a framed certificate and a plaque.

**Motion:** On a motion by Mr. Erickson and a second by Ms. Brown, the Board unanimously approved Resolution GEN 11-03.

### **Resolution GEN 11-04, Recognition of Virginia Bordwell**

Chair Caudron introduced and read the resolution honoring Ms. Bordwell for her service to the citizens of Iowa as she served on the IFA Board. Chair Caudron then presented Ms. Bordwell with a framed certificate and a plaque.

**Motion:** On a motion by Ms. Baum and a second by Mr. Erickson, the Board unanimously approved Resolution GEN 11-04.

### **Resolution GEN 11-05, Recognition of Steven Adams**

Chair Caudron introduced and read the resolution honoring Mr. Adams for his service to the citizens of Iowa as he served on the IFA Board. Chair Caudron then presented Mr. Adams with a framed certificate and a plaque.

**Motion:** On a motion by Ms. Walter and a second by Ms. Brown, the Board unanimously approved Resolution GEN 11-05.

### **SUMMARY & OVERVIEW**

Director Jamison thanked the IFA staff members for their ongoing patience as he strives to learn more about IFA's programs and mission. He noted that two Board members and three staff members attended the Legislative Conference Sponsored by the National Council of State Housing Agencies (NCSHA) in early March.

Director Jamison then introduced Mayor Ruth Randleman of Carlisle, who was recently appointed by Governor Branstad to serve on the IFA Board, effective May 1, 2011.

Director Jamison thanked Mr. Adams, Ms. Bordwell, Mr. Johnson and Mr. Walter, whose terms expire on April 30, 2011, for their hard work, dedication and service to IFA and the citizens of Iowa.

### **ACCOUNTING AND FINANCE**

#### **Review of Financial Statement**

Mr. Harvey presented the February 2011 financial results, reporting that as a housing agency, year-to-date net operating income of \$8,410,113 is favorable to budget by \$2,821,391.

Mr. Harvey noted that State Revolving Fund year-to-date net operating income of \$27,757,429 is \$7,805,226 favorable to budget.

**Motion:** On a motion by Ms. Brown and a second by Mr. Erickson, the Board unanimously accepted the February 2011 financial statement.

#### **Resolution FIN 11-05, Russell Lamson Waterloo**

Mr. Morlan introduced the resolution authorizing a multifamily construction loan to the Russell Lamson, a former hotel in Waterloo that was converted to apartments in the 1960s. Mr. Morlan stated that the project has received an allocation of 2010 Low-Income Housing Tax Credits, and that the construction loan will be converted to a permanent loan to be held by IFA or another lender. He then explained the terms of the proposed construction loan of \$6,200,000.

**Motion:** Mr. Johnson made a motion to approve the resolution authorizing IFA to commit to and fund one or more loans to the Borrower in an aggregate principal amount not to exceed \$6,500,000 with a maturity not to exceed 30 years, bearing interest at a rate not to exceed 9 percent per annum, and to be secured by a first mortgage on the project. On a second by Mr. Walter, the Board unanimously approved Resolution FIN 11-05.

### **LEGAL**

#### **Adopted and Filed Emergency Re: Rescind Chapter 25, Entrepreneurs with Disabilities Program**

Mr. Thompson reported that the Entrepreneurs with Disabilities Program was previously transferred from IFA to the Iowa Vocational Rehabilitation Services Division of the Department of Education, which has subsequently adopted new rules for the program. He said staff neglected to rescind Chapter 25 at that time.

Mr. Thompson explained that some new wording is included in the proposed amendment to accommodate a new policy that all rulemakings must now include a job impact statement. He said the proposed amendment has no impact on jobs. Mr. Thompson also noted that the Governor's Office must now pre-clear all rules before publication.

**MOTION:** On a motion by Mr. Erickson and a second by Ms. Bordwell, the Board voted unanimously to rescind Chapter 25, Entrepreneurs with Disabilities Program.

### **LEGISLATIVE**

Mr. Peterson reported on various pieces of legislation affecting IFA in the State Legislature. He provided a detailed summary of SF 400, Spousal Homestead Encumbrance, and HF 633, Construction Registry – Mechanics Lien.

Mr. Adams arrived at 11:23 a.m.

Board and staff members then thoroughly discussed HF 590, which would transfer the oversight of the SRF program to the Executive Director of the proposed Economic Development Authority. Following a lengthy discussion, Chair Caudron stated that he would draft a letter to the chair and ranking member of the Economic Growth Committee stating concerns with the proposed bill. A general consensus was expressed that the Board should hold a special telephonic meeting in the near future in order to adopt a resolution stating the concerns of the IFA Board.

Mr. Peterson also provided a brief report about the trip to NCSHA’s Legislative Conference in March.

### **COMMUNICATIONS**

Ms. Jared reported that IFA’s Funnel Cake Day for Funnel Week at the Capitol was a big success. She noted that IFA staff distributed 275 funnel cakes in less than 45 minutes.

Ms. Jared also announced that IFA won an award from the International Association of Business Communicators for last year’s video annual report. She said she would find out the first week of May what level award IFA won.

## **Community Development Programs**

### **ECONOMIC DEVELOPMENT LOAN PROGRAM**

#### **Resolution ED 11-03A, L.L. Pelling Asphalt Plant and Equipment Project**

Ms. Beary introduced an application and inducement resolution for \$5,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the L.L. Pelling Asphalt Plant and Equipment Project in Cedar Rapids. She said the bonds will be used to expand the current asphalt plant and to purchase equipment. Ms. Beary noted that the project will require an allocation of Private Activity Bond Cap.

**MOTION:** Mr. Adams made a motion to adopt the resolution approving an application for \$5,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds (L.L. Pelling Co., Inc. Asphalt Plant & Equipment Project), Series 2011, for L.L. Pelling Co., Inc. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$5,000,000 of Manufacturing Facility Revenue Bonds. On a second by Ms. Bordwell, the Board unanimously adopted Resolution ED 11-03A.

#### **Resolution ED 11-04A, Tama Energy Campus Project**

Ms. Beary introduced an application and inducement resolution for \$262,374,000 of Iowa Finance Authority Revenue Bonds for the Tama Energy Campus Project. She explained that the bonds will be used to construct a 124-million-gallon ethanol plant, which will also produce high-protein distiller’s dried grain used in specialty feeds and pet food, de-oiled corn germ cake that is used as livestock feed and crude corn oil which is processed into food-grade corn oil. Ms. Beary said that although the

details of financing for the project are not yet finalized, the project will require an allocation of Midwestern Disaster Area Revenue Bonds, Private Activity Bond Cap or a combination of the two.

**MOTION:** Mr. Walter made a motion to adopt the resolution approving an application for \$262,374,000 of Iowa Finance Authority Revenue Bonds (Tama Ethanol LLC Tama Energy Campus Project), Series 2011, for Tama Ethanol LLC or a related entity (the “Borrower”), and evidencing the intent to proceed with the issuance of \$262,374,000 of Revenue Bonds. On a second by Ms. Baum, the Board unanimously adopted Resolution ED 11-04A.

**Resolution ED 11-05A, Dexter Energy Campus Project**

Ms. Beary introduced an application and inducement resolution for \$162,374,000 of Iowa Finance Authority Revenue Bonds for the Dexter Energy Campus Project in Dallas County. She reported that the bonds will be used to construct a 62-million-gallon ethanol plant, which will also produce high-protein distiller’s dried grain used in specialty feeds and pet food, de-oiled corn germ cake that is used as livestock feed and crude corn oil which is processed into food-grade corn oil. Ms. Beary said that although the details of financing for the project are not yet finalized, the project will require an allocation of Midwestern Disaster Area Revenue Bonds, Private Activity Bond Cap or a combination of the two.

**MOTION:** Ms. Brown made a motion to adopt the resolution approving an application for \$162,374,000 of Iowa Finance Authority Revenue Bonds (Alpha Holdings LLC Dexter Energy Campus Project), Series 2011, for Dexter Ethanol LLC or a related entity (the “Borrower”), and evidencing the intent to proceed with the issuance of \$162,374,000 of Revenue Bonds. On a second by Mr. Erickson, the Board unanimously adopted Resolution ED 11-05A.

**Resolution10-29A-1, Vermeer Manufacturing Company Project**

Ms. Beary introduced a resolution amending the original inducement resolution regarding \$20,000,000 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the Vermeer Manufacturing Company Project in Pella. She explained that the new application reduces the amount of bonds to \$8,000,000, changes them from Recovery Zone Bonds to Midwestern Disaster Area Bonds, and modifies the use of the bonds. Ms. Beary stated that the bonds will be used to construct and equip a new manufacturing facility, paint facility, office building, parking lot and to upgrade existing electrical and lighting systems as well as other improvements.

**Motion:** Mr. Johnson made a motion to adopt the resolution amending Resolution ED 10-29A in order to amend the application, reducing the amount of the bonds from \$20,000,000 to \$8,000,000 and revising the use of the bonds. On a second by Mr. Walter, the Board unanimously adopted Resolution ED 10-29A-1.

**Public Hearing for ED Loan 10-29, Vermeer Manufacturing Company Project**

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$8,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Vermeer Manufacturing Company Project. She said the bonds will be used for the purpose of financing the costs of constructing, improving and equipping a new manufacturing facility, a new paint facility, a new office building, electrical and lighting upgrades to existing facilities, a new parking lot and repairs to existing parking lots, along with refurbishment of existing office space located at Vermeer’s corporate campus in Pella.

Chair Caudron opened the public hearing at 12:01 p.m. regarding the issuance of an amount not to exceed \$8,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Vermeer Manufacturing 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 12:02 p.m.

### **Resolution ED 10-29B, Vermeer Manufacturing Company Project**

Ms. Beary introduced a resolution authorizing the issuance of an amount not to exceed \$8,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the Vermeer Manufacturing Company Project. She said the project will require an allocation of Midwestern Disaster Area Bonds.

**Motion:** Mr. Walter made a motion to adopt the resolution authorizing the issuance of not to exceed \$8,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (Vermeer Company Project), Series 2011, for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping 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; authorizing the appointment of a trustee; and related matters. On a second by Mr. Erickson, the Board voted unanimously to adopt Resolution ED 10-29B.

## **HousingIowa**

### **AFFORDABLE RENTAL PRODUCTION**

#### **Resolution HI 11-03, State Housing Trust Fund Project-Based Housing Program Awards**

Ms. Rosonke introduced the resolution allocating \$200,000 to four projects. She provided details about each of the projects as set forth in the summary included in the Board materials. Ms. Rosonke reported that if the Board approves the awards, awards to date will total \$597,521 under the Project-Based Housing Program's FY 2011 funding, with \$65,183 remaining available for allocation. She also noted that awards approved by the Board are leveraging an additional \$2,420,978 in other financing resources, or \$4.05 for every dollar of Project-Based funding. Ms. Rosonke explained that the approved projects are anticipated to assist a total of 567 affordable housing units in Iowa with an average per-unit subsidy of \$1,054.

**Motion:** Ms. Bordwell made a motion to approve the resolution awarding grants under the State Housing Trust Fund Project-Based Housing Program as set forth on Exhibit A of the resolution. On a second by Mr. Johnson, the Board unanimously approved Resolution HI 11-03.

## **Title Guaranty Division (TGD)**

### **Transfer of Funds from TGD to IFA's Housing Programs**

Mr. Ogle reported that the TGD Board met on March 8, 2011, and approved a transfer of \$375,000 in excess reserves and \$776,000 of operating profits through January 2011 from TGD to IFA's housing programs.

**Motion:** On a motion by Mr. Adams and a second by Ms. Brown, the Board unanimously accepted the transfer of a total of \$1,151,000 from TGD to IFA's housing programs.

Mr. Ogle summarized two pieces of pending legislation in which TGD has an interest.

## **Miscellaneous Items**

### **Receive Comments from General Public**

Vice Chair Walter opened the public comment period and asked if anyone in the audience would like to address the Board.

Ms. Carrie Andrews, citizen of West Des Moines, addressed the Board on behalf of neighborhood residents who live near a proposed tax credit project property. She asked the Board to reject the application because there are already three tax credit projects within a three-mile radius of the proposed site.

There being no additional audience members wishing to address the Board, Chair Caudron closed the public comment period.

Mr. Adams, Mr. Walter, Mr. Johnson and Ms. Bordwell, whose Board terms expire on April 30, 2011, each made remarks regarding the time served on the IFA Board, speaking of the impact IFA has on the citizens of Iowa, and thanking IFA's Directors and staff members for their hard work. Chair Caudron thanked each of the four members for their friendship and commitment of time and energy to the IFA Board.

### **Adjournment**

There being no further business, on a motion by Mr. Adams and a second by Mr. Johnson, the April 6, 2011, meeting of the IFA Board of Directors adjourned at 12:40 p.m.

Dated this 4<sup>th</sup> day of May 2011.

Respectfully submitted:

Approved as to form:

David D. Jamison  
Executive Director/Board Secretary  
Iowa Finance Authority

Roger J. Caudron, Chair  
Iowa Finance Authority