



**BOARD MEETING MINUTES
Des Moines Marriott Downtown
700 Grand Avenue
Des Moines, Iowa
September 7, 2011**

Board Members Present

Darlys Baum, Chair
David Erickson, Vice Chair
Carmela Brown, Treasurer

David Greenspon
Jeffrey Heil

Michel Nelson
Ruth Randleman

Board Members Absent

Heather Armstrong

Eric Peterson

Staff Members Present

David Jamison, Executive Director/Board Secretary
Lori Beary, Community Development Director
Eric Chatman, Chief Financial Officer/ Deputy
Director
Irene Hardisty, Director of Single Family
Production
Steve Harvey, Chief Operating Officer
Ashley Jared, Director of Communications
Katie Kulisky, Administrative Assistant
Wes Peterson, Assistant to the Director

Carla Pope, Director of Affordable Rental
Production
Terri Rosonke, HousingIowa Development
Specialist
Mark Thompson, General Counsel
Carole Vipond, Director of Section 8
Contract Administration
Nancy Wallis, Administrative Assistant
Karen Winchester, Underwriting Analyst

Others Present

Virginia Bordwell – Washington Title & Guaranty
Company
Bob Burns – BurnsHousing.com
Roger Caudron – Oakleaf Property Management Co
Robert Foggio – Morgan Stanley
Darla Giese – Dorsey & Whitney, LLP

David Grossklaus – Dorsey & Whitney, LLP
Cory Hoepfner – RBC Capital Markets
Paul Koester – Koester Construction
Kyle Rice – State Treasurer’s Office
James Smith – Dorsey & Whitney, LLP
James Stretz – George K. Baum & Company

Call to Order

Chair Baum called to order the September 7, 2011, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 5:05 p.m. Roll call was taken and a quorum was established with the following Board members present: Baum, Brown, Erickson, Heil, Nelson and Randleman.

Review of Minutes

August 3, 2011, Board Meeting

Chair Baum introduced the minutes of the August 3, 2011, regular monthly meeting of the Iowa Finance Authority Board of Directors.

MOTION: On a motion by Ms. Randleman and a second by Mr. Erickson, the Board unanimously approved the minutes of the August 3, 2011, regular monthly meeting of the IFA Board.

August 12, 2011, Board Meeting

Chair Baum introduced the minutes of the August 12, 2011, special telephonic meeting of the Iowa Finance Authority Board of Directors.

MOTION: On a motion by Mr. Erickson and a second by Mr. Heil, the Board unanimously approved the minutes of the August 12, 2011, special telephonic meeting of the IFA Board.

SUMMARY & OVERVIEW

Director Jamison said that in the interest of time he would make no report.

ACCOUNTING AND FINANCE

Review of Financial Statement

Mr. Harvey presented the July 2011 financial results, stating that in FY12, "Operating Income" will include information about Net Interest Income (interest income less interest expense), and Net Grant Income (grant income less grant expense), in an attempt to simplify the statement and make it more understandable.

Mr. Harvey then reported that as a housing agency, year-to-date net operating income of \$853,268 is \$386,111 favorable to budget.

Mr. Harvey noted that State Revolving Fund year-to-date net operating income of \$2,926,751 is \$1,684,218 favorable to budget.

MOTION: On a motion by Ms. Brown and a second by Ms. Randleman, the Board unanimously accepted the July 2011 financial statement.

LEGAL

Adopted and Filed: Amendments to Chapter 39, HOME Partnership Program

Mr. Thompson explained that this is the final step for approving the amendments to Chapter 39, HOME Partnership Program. He provided a brief explanation of the rule-making process, noting that the Board approved the Notice of Intended Action in July 2011.

Ms. Pope then reported that IFA received six letters of comments during the public comment period. She explained that the Board materials included a copy of the proposed rules including comments received from the public along with IFA's response to each of the comments. Ms. Pope summarized the changes being proposed in the adopted and final version of the amendments, which was also included in the Board materials.

MOTION: On a motion by Mr. Erickson and a second by Ms. Randleman, the Board unanimously approved the adoption and filing of amendments to Chapter 39, HOME Partnership Program.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 11-20A, I-Dry Council Bluffs Project

Ms. Beary introduced an application and inducement resolution for \$60,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the I-Dry Council Bluffs Project. She said the proceeds of the bonds will be used to furnish and equip a facility currently owned and operated by Tyson Foods. Ms. Beary reported that the facility will be retrofitted and reconfigured for the purposes of manufacturing and processing varying consumer food products. She noted that the project will require an allocation of Midwestern Disaster Area Bonds.

MOTION: Ms. Brown made a motion to adopt the resolution approving an application for \$60,000,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds (I-Dry Council Bluffs Project), Series 2011, for Tyson Prepared Foods, Inc. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$60,000,000 of Midwestern Disaster Area Revenue Bonds. On a second by Mr. Erickson, the Board unanimously approved Resolution ED 11-20A.

Resolution ED 11-21A, CAS Enterprises, Inc. Project

Ms. Beary introduced an application and inducement resolution for \$3,547,750 of Iowa Finance Authority Manufacturing Facility Revenue Bonds for the CAS Enterprises, Inc. Project. She stated that the bonds will be used for the expansion of their Kreg Tool Company facility and warehouse in Huxley and to purchase new machining tools. Ms. Beary explained that Kreg Tool Company manufactures a variety of woodworking tools. She reported that the project will require an allocation of Private Activity Bond Cap.

MOTION: Mr. Nelson made a motion to adopt the resolution approving an application for \$3,547,750 of Iowa Finance Authority Manufacturing Facility Revenue Bonds (CAS Enterprises, Inc. Project), Series 2011, for CAS Enterprises, Inc. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$3,547,750 of Manufacturing Facility Revenue Bonds. On a second by Ms. Randleman, the Board voted unanimously to adopt Resolution ED 11-21A.

Public Hearing for ED Loan 11-12, GMT Corporation Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$14,445,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the GMT Corporation Project. She explained that the bonds will be used to construct and equip a building in Waverly for the GMT Corporation, which is a contract manufacturer specializing in machining large iron castings and the fabrication of large steel assemblies.

Chair Baum opened the public hearing at 5:20 p.m. regarding the issuance of an amount not to exceed \$14,445,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the GMT Corporation Project. Ms. Beary said IFA had received no verbal or written comments regarding the project. There being no comments from the audience, Chair Baum closed the public hearing at 5:21 p.m.

Resolution ED 11-12B, GMT Corporation Project

Ms. Beary introduced the resolution authorizing the issuance of an amount not to exceed \$14,445,000 of Iowa Finance Authority Midwestern Disaster Area Revenue Bonds for the GMT Corporation Project. She said the Board adopted the inducement resolution on June 1, 2011. Ms. Beary announced that the project will require an allocation of Midwestern Disaster Area Bonds.

MOTION: Mr. Erickson made a motion to approve the resolution authorizing the issuance of not to exceed \$14,445,000 of Midwestern Disaster Area Revenue Bonds (GMT Corporation Project) in one or more series for the purpose of making a loan to assist the borrowers 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; and related matters. On a second by Ms. Brown, the Board unanimously approved Resolution ED 11-12B.

Public Hearing for ED Loan 11-15, Friendship Haven Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$36,000,000 of Iowa Finance Authority Retirement Community Revenue and Refunding Bonds for the Friendship Haven Project in Fort Dodge. She reported that the bonds will be used to refinance outstanding bonds issued in 2004, and to construct, equip and furnish a facility consisting of a 155-bed nursing facility, 56 assisted living apartments, 95 independent living units and a building for their adult day service programs.

Chair Baum opened the public hearing at 5:23 p.m. regarding the issuance of an amount not to exceed \$36,000,000 of Iowa Finance Authority Retirement Community Revenue and Refunding Bonds for the Friendship Haven Project in Fort Dodge. Ms. Beary said IFA had received no verbal or written comments regarding the project. There being no comments from the audience, Chair Baum closed the public hearing at 5:24 p.m.

Resolution ED 11-15B, Friendship Haven Project

Ms. Beary introduced a resolution authorizing the issuance of an amount not to exceed \$36,000,000 of Iowa Finance Authority Retirement Community Revenue Bonds for the Friendship Haven Project. She stated that the Board adopted the inducement resolution on July 6, 2011, and that Friendship Haven is a 501c(3) nonprofit corporation.

MOTION: Ms. Randleman made a motion to adopt the resolution authorizing the issuance of not to exceed \$36,000,000 of Retirement Community Revenue Bonds (Friendship Haven Project), for the purpose of making a loan to assist the borrower in the acquisition, construction and equipping of a project; refunding certain outstanding bonds; 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 Mr. Heil, the Board voted unanimously to adopt Resolution ED 11-15B.

Resolution ED 364F & 462F, Village Court Associates Project

Ms. Beary introduced an amending resolution regarding bonds that were issued in two series in 1985 for the Village Court Associates Project. She reported that Series A, for \$8,000,000, was used to construct a 159-unit multifamily apartment complex completed in November 1986, and that Series B, for \$15,000,000, was used to construct a 259-unit apartment complex completed in November 1987. Ms. Beary state that both projects are in the Green Meadows development in Johnston and that this resolution would allow the trust indenture to be amended so the borrower could purchase bonds in lieu of redeeming them. She said the borrower would like to purchase the bonds, reissue them in a single series and privately place them with Wells Fargo, but that the current trust indenture only allows for redemption of the bonds.

MOTION: Ms. Brown made a motion to approve the resolution authorizing the execution of Second Amendments to Amended and Restated Indentures of Trust, an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement relating to the Authority's \$8,000,000 Small Business Development Multifamily Housing Revenue Bonds (Village Court Associates Project), Series 1985A and \$15,000,000 Small Business Development Multifamily Housing Revenue Bonds (Village Court Associates Project), Series 1985B, and related matters. On a second by Mr. Erickson, the Board unanimously approved Resolution ED 364F and 462F.

Mr. Greenspon arrived at 5:28 p.m.

State Revolving Fund (SRF)

Ms. Beary reported that she had included a report in the Board materials regarding SRF loans closed in FY11. Board members asked questions about the SRF interest rates, and a lengthy discussion about the program and rates followed.

HousingIowa

AFFORDABLE RENTAL PRODUCTION

Resolution HI 11-14, State Housing Trust Fund Project-Based Housing Program Awards

Ms. Rosonke introduced the resolution allocating one award totaling \$50,000 to Iowa Heartland Habitat for Humanity to help acquire three lots in foreclosure, deconstruct for salvage material and demolish a dilapidated home located on one of the lots, and construct three new affordable four-bedroom single-family homes, which will then be sold to eligible households at or below 60 percent of the area median income. Ms. Rosonke noted that the requested grant represents 18 percent of the net project budget.

Ms. Rosonke stated that if the attached proposed grant is awarded, awards to date will total \$115,000 under the Project-Based Housing Program’s FY 2012 funding, with \$58,928 remaining available for allocation. She also reported that awards approved by the Board so far are leveraging an additional \$360,502 in other financing resources, or \$3.13 for every dollar of Project-Based funding.

MOTION: Mr. Nelson 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 Ms. Randleman, the Board unanimously approved Resolution HI 11-14.

Miscellaneous Items

Receive Comments from General Public

Chair Baum 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 Baum closed the public comment period.

Chair Baum announced that the next regular monthly meeting of the Iowa Finance Authority Board of Directors would be held at 11:00 a.m. on October 12, 2011, in IFA’s Presentation Room at 2015 Grand Avenue in Des Moines.

Adjournment

There being no further business, on a motion by Ms. Randleman and a second by Mr. Erickson, the September 7, 2011, meeting of the IFA Board of Directors adjourned at 5:40 p.m.

Dated this 12th day of October 2011.

Respectfully submitted:

Approved as to form:

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

Darlys J. Baum, Chair
Iowa Finance Authority