



**IOWA AGRICULTURAL
DEVELOPMENT DIVISION**
A DIVISION OF IOWA FINANCE AUTHORITY

IADD BOARD MEETING MINUTES

**Iowa Finance Authority
1963 Bell Avenue, Suite 200, Des Moines, Iowa
October 24, 2019**

Board Members Present

Lyle Borg, Chair
John Fredrickson
Gretchen McLain
Annette Townsley

Board Members Absent

Mark Leonard, Vice Chair

Staff Members Present

Lori Beary, Community Development Director
Steve Ferguson, IADD Program Specialist
Nicki Howell, Office Assistant
Tammy Nebola, IADD Program Specialist
Becky Wu, Loan Servicing Specialist

Others Present

Dave Claypool, Dorsey & Whitney

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Borg on October 24, 2019 at 8:31 am. A quorum was established with the following Board Members present via conference call: Borg, Fredrickson, McLain and Townsley.

REVIEW OF MINUTES OF SEPTEMBER 25, 2019 BOARD MEETING

Mr. Borg presented the minutes of the September 25, 2019 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously approved the minutes of the September 25, 2019 IADD Board meeting.

REVIEW OF SEPTEMBER 2019 FINANCIAL STATEMENT

Becky Wu presented the September 2019 financials. She stated that for FY20 year-to-date, IADD had operating income of \$167,000 operating expense of \$132,000 and net operating income of \$35,000.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved the September 2019 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0289 - Brant & Marilyn Vande Kop. The LPP application is for \$200,000. The borrower will construct a 2,400 Hd Hog Finisher Building. Total project cost is \$750,000. The borrower has also applied for a Beginning Farmer Loan AG 19-069. The bank is Premier Bank in Rock Valley.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved the loan participation for Brant & Marilyn Vande Kop.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Tammy Nebola presented the following resolution to adjust the terms and conditions on a closed BFLP project:

Resolution AG 15-049M – Kendall Richard Shaw – United Bank of Iowa in Boone is the lender. The amendment will correct the principal and interest payment amount from \$15,058.50 to \$14,270.22 beginning on February 1, 2021 after one interest only payment on February 1, 2020. All other loan terms will remain the same.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolutions.

BEGINNING FARMER LOAN APPLICATIONS

Project AG 19-055 was tabled in September until the lender got back to Tammy Nebola with answers to her application questions.

MOTION

On a motion by Mr. Borg and a second by Mr. Fredrickson, project AG 19-055 was removed from the table for consideration. AG 19-055 – Sarah Jane Miller – Beginning farmer loan of \$261,300 to purchase approximately 69 acres of agricultural land in Fayette County. The loan will have a 4.125% variable interest rate and a loan length of 30 years. The index will be 1.00% below New York Prime. The lender is First National Bank in Waverly, Iowa.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved the previously tabled BFLP application AG 19-055.

Tammy Nebola introduced the following new applications for Beginning Farmer loans.

AG 18-083 – Austin and Holly E. Behrens – Beginning farmer loan of \$406,800 to purchase approximately 80 acres of agricultural land in Lyon County. The loan will have a 4.00% variable interest rate and a loan length of 30 years. The index will be 2.25% over the 5 Year T-Bill. This loan had previously been approved but the lender is being changed to Iowa State Bank in Orange City, Iowa.

AG 19-062 – Marcus W. Vogel – Beginning farmer loan of \$110,000 to construct a sheep barn in Calhoun County. The loan will have a 3.73% variable interest rate and a loan length of 20 years. The index will be 1.00% below banks prime real estate rate. The lender is Security Savings Bank in Farnhamville, Iowa.

AG 19-064 – Dustin R. Bensmiller and Cassidy Mitchell – Beginning farmer loan of \$117,000 to purchase approximately 8 acres of agricultural land, house and out-buildings in Keokuk County. The loan will have a 5.3125% variable interest rate and a loan length of 30 years. The index will be 85% of the bank's 5 years real estate rate. The lender is Libertyville Savings Bank in Keota, Iowa.

AG 19-065 – Paul and Nikole Berns – Beginning farmer loan of \$248,984.77 to purchase approximately 42 acres of agricultural land in Clayton County. The loan will have a 3.70% variable interest rate and a loan length of 30 years. The index will be fixed for 20 years then 1.30% below Wall Street Prime. The lender is Luana Savings Bank in Luana, Iowa.

AG 19-066 – Jordan D. Colby – Beginning farmer loan of \$197,951 to purchase approximately 85.14 acres of agricultural land in Winnebago County. The loan will have a 4.75% variable interest rate and a loan length of 30 years. The index will be 1.00% below the TSB one year adjustable real estate index. The lender is Titonka Savings Bank in Forest City, Iowa.

AG 19-067 – Timothy R. and Tammy A. Klingman – Beginning farmer loan of \$78,725 to purchase approximately 47 acres of agricultural land in Clayton County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 0.50% below Prime. The lender is Luana Savings Bank in Luana, Iowa.

AG 19-068-I – Nathan Mitchell Zumbach – Beginning farmer loan of \$511,072 to purchase approximately 74.07 acres of agricultural land in Delaware County. The loan will have a 3.50% fixed interest rate and a loan length of 15 years. The lender is Roger and Carol Robinson in Manchester, Iowa.

AG 19-069 – Brant and Marilyn Vande Kop – Beginning farmer loan of \$250,000 to construct a 2,400 Hd Hog Finisher Building in Lyon County. The loan will have a 4.00% variable interest rate and a loan length of 15 years. The index will be 2.00% over the 3 year Treasury Bill rounded to the nearest 0.125%. The lender is Premier Bank in Rock Valley, Iowa.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously approved the remaining BFLP applications. Ms. McLain abstained from voting on AG 19-064 due to the application being from the bank where she is employed.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on October 24, 2019 at 8:58 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:59 am.

MOTION

On a motion by Ms. McLain and a second by Mr. Fredrickson, the Board unanimously recommended approval of the BFLP Bond documents.

BEGINNING FARMER TAX CREDIT APPLICATIONS

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications for the year. There were 433 new BFTC applications for an estimated tax credit amount of \$9,648,269.84. He noted that of those 433; 245 were cash rent, 163 were crop share, 12 were hybrid leases and 13 were flex leases.

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Steve Ferguson reported on the upcoming workshops scheduled at several Community Colleges. Tammy Nebola just returned from the NCOSAFP Conference in Troutdale, Oregon and will have a trip report included for the November IADD Board Meeting.

OTHER BUSINESS

NAARC TRIP REPORT

Steve Ferguson reported on the National Association of Rural Rehabilitation Corporations Annual Meeting that Mark Leonard and Steve attended in Rapid City, South Dakota from September 14th-18th.

NAARC MEMBER SPONSORSHIP REQUEST

The NAARC 50th Anniversary Committee advised that NAARC Member States may sponsor NAARC’s 50th Anniversary Conference. The voluntary sponsorship money will help fund the conference expenses that will not be covered by Virginia, the host state. The Board will discuss the option to sponsor the event at the November board meeting.

2020 PROPOSED IADD BOARD MEETING DATES

The 2020 Proposed IADD Board Meeting dates were presented. Lori Beary stated that due to less restrictive publication deadlines on the BFLP program, the dates could be easily changed if needed, especially around the holidays. A hard copy will be provided at the November Board Meeting for the Board Members.

IFA BOARD MEETING UPDATE

Mr. Borg presented the agenda from the October IFA Board Meeting. He gave the IADD Board a brief update of the items discussed and shared his experience at the recent IFA Housing Conference. There are now two state representatives and two state senators sitting in on the IFA Board meetings as ex-officio non-voting members.

NEXT IADD BOARD MEETING


The November IADD Board meeting will be Tuesday, November 26, 2019 at 9:30 am, in the IFA office, unless rescheduled.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the October 24, 2019 meeting of the IADD Board of Directors adjourned at 9:20 am.

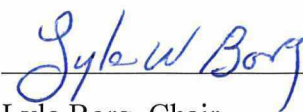
Dated this 24th day of October 2019.

Respectfully submitted:



Lori K. Beary
Director’s Designee/Board Secretary

Approved as to form:



Lyle Borg, Chair
IADD Board