



**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
December 23, 2019**

Board Members Present

Lyle Borg, Chair
Mark Leonard, Vice Chair
John Fredrickson
Gretchen McLain
Annette Townsley

Board Members Absent

None

Staff Members Present

Lori Beary, Community Development Director
Debi Durham, Executive 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 December 23, 2019 at 8:30 am. A quorum was established with the following Board Members present via conference call: Borg, Leonard (joined at 9:00 am after Tax Credit Change motion), Fredrickson, McLain and Townsley.

REVIEW OF MINUTES OF NOVEMBER 26, 2019 BOARD MEETING

Mr. Borg presented the minutes of the November 26, 2019 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes. Mr. Fredrickson asked that the conversation about the rules update and potential Farm Bureau meeting be added to the November Meeting minutes.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved the revised minutes of the November 26, 2019 IADD Board meeting.

REVIEW OF NOVEMBER 2019 FINANCIAL STATEMENT

Becky Wu presented the November 2019 financials. She stated that for FY20 year-to-date, IADD had operating income of \$236,000 operating expense of \$197,000 and net operating income of \$39,000.

MOTION

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

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0290 - Molly Jean & Ray Jeffrey Lee. The LPP application is for \$115,500. The borrower will purchase approximately 80 acres of agricultural land. Total project cost is \$385,000. The bank is Boone Bank & Trust Co. in Boone. The loan committee reviewed the application and is recommending denial of the project due to the off-farm income ratio not being met.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously denied the loan participation for Molly Jean & Ray Jeffrey Lee.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04170M – Jared M. and Rochelle A. Kane – First National Bank in Waverly is the lender. The amendment will transfer the bondholder from Northeast Security Bank fka Fairbank State Bank, Fairbank, IA to First National Bank, Waverly, IA. Add Rochelle A. Kane to the loan and bond. Lower the interest rate from 4.07% to 3.75% until March 1, 2029 at which time the rate will adjust from the original index of 65% of Fairbank State Bank's Base Rate to the new index of 1.75% above the 5 year Federal Home Loan Bank Rate and will be adjustable every ten years thereafter. Due to the rate decrease and the loan being paid down an additional principal amount of approximately \$15,500 the annual payment amount will decrease from \$8,313.21 to \$5,778.20 beginning on March 1, 2020. Decrease the rate floor from 4.00% to 3.75%. Northeast Security Bank fka Fairbank State Bank will be assigning all loan, security and bond documents to First National Bank. All other loan terms will remain the same.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolution.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 19-081-I – Andrew J. and Paula A. Simon – Beginning farmer contract of \$454,350 to purchase approximately 158 acres of agricultural land, house and out-buildings in Dubuque County. The contract will have a 4.50% fixed interest rate and a contract length of 15 years. The contract seller is Luann Simon in Dyersville, Iowa.

AG 19-082 – Michael T. and Hillary A. Lafrenz – Beginning farmer loan of \$552,500 to purchase approximately 212 acres of agricultural land in Cedar County. The loan will have a 3.89% variable interest rate and a loan length of 30 years. The index will be 80% of the 5 year Treasury plus 3.00%. The lender is Hills Bank in Hills, Iowa.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved the BFLP applications.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on December 23, 2019 at 8:53 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:54 am.

MOTION

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

BEGINNING FARMER TAX CREDIT CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There was one request to change a crop share to a cash rent.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously recommended approval of the Beginning Farmer Tax Credit change request.

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Steve Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events.

OTHER BUSINESS

IFA BOARD MEETING UPDATE

Mr. Borg presented the agenda from the December IFA Board Meeting. He gave the IADD Board a brief update of the items discussed. He discussed some meeting highlights including the Gingerbread Junction event where IFA set a world record for the most gingerbread houses being

constructed simultaneously as a way to commemorate IFA's record-breaking year. He also shared that the City of Muscatine was the winner of the Water Tower Contest.

IADD RULES UPDATE

Lori Beary gave an update on the IADD rules, there were a couple technical corrections that were made clarifying when a project with an existing lease applies, only the remaining years of the lease will receive a tax credit and adding an appeal process.

FARM BUREAU MEETING

Lori Beary pointed out that earlier in the meeting John Fredrickson had discussed an ongoing conversation about a potential meeting with Farm Bureau. In previous board meetings when the subject was brought up Chris Gruenhagen from Farm Bureau stated she felt a meeting was not needed. The IADD Board discussed their concerns with how the BFTC legislation unfolded and feels a meeting with Farm Bureau is still warranted. Debi Durham agreed with those concerns and would still like to meet with Farm Bureau. She feels it is important to meet with them for reasons other than legislation, to ensure we are all on the same page and working towards the same goals. Debi Durham will reach out to Craig Hill and see if they can get something scheduled for the next IADD in house meeting on March 25th.

DAVE CLAYPOOL RETIREMENT

At the November IADD Board Meeting, the IADD Board presented Dave Claypool with Dorsey and Whitney a framed photograph of the City of Des Moines to honor and thank him for his years of service as IADD's bond attorney.

ANNUAL BFLP NUMBERS

Tammy Nebola gave an update on the 2019 BFLP numbers. 70 loans were closed for a total of \$17,162,576 which leaves \$52,430,421 of remaining allocation to be turned over to IFA for housing.

NEXT IADD BOARD MEETING

The January IADD Board meeting will be Wednesday, January 22, 2020 at 8:30 am, via conference call.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the December 23, 2019 meeting of the IADD Board of Directors adjourned at 9:13 am.

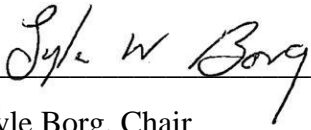
Dated this 22nd day of January, 2020.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Lyle Borg, Chair
IADD Board