



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**  
**January 27, 2021**

**Board Members Present**

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

**Board Members Absent**

None

**Staff Members Present**

Lori Beary, Chief Bond Programs Director  
Debi Durham, Executive Director  
Steve Ferguson, IADD Program Specialist  
Tammy Nebola, IADD Program Specialist  
Becky Wu, Loan Servicing Specialist

**Others Present**

Cris Kuhn, Dorsey & Whitney

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**CALL TO ORDER**

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Borg on January 27, 2021 at 8:31 am. A quorum was established with the following Board Members present via conference call: Borg, Townsley, Fredrickson, Leonard and McLain.

**REVIEW OF MINUTES OF DECEMBER 23, 2020 BOARD MEETING**

Mr. Borg presented the minutes of the December 23, 2020 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes.

**MOTION**

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved the minutes of the December 23, 2020 IADD Board meeting.

**REVIEW OF DECEMBER 2020 FINANCIAL STATEMENT**

Becky Wu presented the December 2020 financials. She stated that for FY21 year-to-date, IADD had operating income of \$206,000 operating expense of \$161,000 and net operating income of \$45,000.

**MOTION**

On a motion by Mr. Fredrickson and a second by Mr. Leonard, the Board unanimously approved the December 2020 financial statement as presented.

**BEGINNING FARMER LOAN AMENDING RESOLUTIONS**

Tammy Nebola presented the following resolutions to adjust the terms and conditions on closed BFLP projects:

Resolution AG 14-056M – Dustin and Rachael Houlton – Iowa State Bank in Ireton is the lender. The amendment will lower the interest rate from 4.50% to 4.00% until December 31, 2024 at which time the rate will adjust to the original index of 2.25% above the announced prime rate of 5 year Treasury and be adjustable every five years thereafter. Due to the rate decrease the annual payment amount will decrease from \$14,785.67 to \$14,143.95 beginning on December 31, 2021. Decrease the rate ceiling from 10.75% to 10.25% and the rate floor from 4.50% to 4.00%. All other loan terms will remain the same.

Resolution AG 19-020M – Ryan Daniel and Kathryn Anne Eklund – First Bank in Waverly is the lender. The amendment will lower the interest rate from 4.75% to 3.875% until April 15, 2029 at which time the rate will adjust from the original index of 0.75% below the announced prime rate of New York Prime to the new rate index of 1.75% above the 5-year Federal Home Loan Bank rate and be adjustable every five years thereafter. Due to the rate decrease the annual payment amount will decrease from \$13,159.97 to \$11,881.44 beginning on April 15, 2022. Bank name has changed from First National Bank to First Bank. All other loan terms will remain the same.

**MOTION**

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

**BEGINNING FARMER LOAN APPLICATIONS**

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 21-001 – Paul E. and Amanda Ahrenstorff – Beginning farmer loan of \$476,300 to purchase approximately 125.26 acres of agricultural land, dwelling and out-buildings in Osceola County. The loan will have a 3.00% variable interest rate and a loan length of 30 years. The index will be 1.00% below the United Community Bank prime ag real estate rate. The lender is United Community Bank in Lake Park, Iowa.

AG 21-002 – Nicholas H. Messer – Beginning farmer loan of \$558,000 to purchase approximately 158 acres of agricultural land and out-buildings in Des Moines County. The loan will have a 3.00% variable interest rate and a loan length of 30 years. The index will be equal to the tax-free equivalent rate of Farmers Savings Bank's Ag Real Estate Loan Rate. The lender is Farmers Savings Bank in Wever, Iowa.

AG 21-003 – Joseph James and Andrea Jo Shekleton – Beginning farmer loan of \$440,500 to purchase approximately 95.6 acres of agricultural land in Chickasaw County. The loan will have a 3.25% variable interest rate and a loan length of 30 years. The index will be equal to the Citizens Savings Bank 5 year tax exempt rate index. The lender is Citizens Savings Bank in Spillville, Iowa.

AG 21-004 – Andy P. Miller – Beginning farmer loan of \$327,500 to purchase approximately 138 acres of agricultural land in Allamakee County. The loan will have a 3.25% variable interest rate and a loan length of 30 years. The index will be equal to Wall Street Prime. The lender is Luana Savings Bank in Luana, Iowa.

AG 21-005 – Heath Daniel Muhlbauer – Beginning farmer loan of \$152,400 to purchase approximately 38.41 acres of agricultural land in Story County. The loan will have a 2.76% variable interest rate and a loan length of 30 years. The index will be 2.40% above the 5 year Treasury; Rate floor 2.76%. The lender is Availa Bank in Nevada, Iowa.

### **MOTION**

On a motion by Mr. Leonard and a second by Ms. McLain, 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 January 27, 2021 at 8:45 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:46 am.

### **MOTION**

On a motion by Mr. Leonard and a second by Ms. Townsley, 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 application. There is one new BFTC application for an estimated tax credit amount of \$8,395. He noted that the application is for cash rent.

### **MOTION**

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications as presented.

### **MARKETING UPDATE**

Included in the Board packet is the IADD marketing calendar. There are no scheduled upcoming events on the calendar. However, a webinar training has been scheduled with FSA for their trainees on February 2<sup>nd</sup>. Steve Ferguson is also working with DMACC to get a webinar scheduled for their students on February 23<sup>rd</sup> or 25<sup>th</sup>.

## **OTHER BUSINESS**

### **NARRC POTENTIAL NAME CHANGE**

Steve Ferguson presented documentation from the NARRC Board for a potential name change. The members were given three options for the potential name change:

- 1) Change name to National Association for Restoring Rural Communities
- 2) Change name to National Association of Restoration Corporation
- 3) Keep current name of National Association of Rural Rehabilitation Corporations

The IADD Board discussed the options. The Board unanimously agreed on option 3) to Keep the current name of National Association of Rural Rehabilitation Corporations. They also agreed to move forward and support the new logo.

### **IFA BOARD MEETING UPDATE**

Mr. Borg presented the agenda from the January 6, 2021 IFA Board Meeting. Lori Beary announced that she will be retiring in April of 2021. A national search has been done and a replacement will have some time to work side by side with Lori prior to her retiring. Director Durham discussed the launch of the Iowa Profile Tool, which has been a component of our website for many years, but the new part that was highlighted is the Housing Assessment piece. Most of our programs require a housing assessment, which takes additional time and can be very costly for rural communities. The assessment tool will be very useful for rural community planning departments. She discussed the Governor's legislative condition of the State address and legislative agenda as well IEDA/IFA's robust legislative agenda for 2021. She noted that the Governor's Economic Advisory Board Report will be released on February 4<sup>th</sup> which includes a large ag section that would be of interest, and made available, to the IADD Board.

### **NEXT IADD BOARD MEETING**

The February IADD Board meeting will be Wednesday, February 24, 2021 at 8:30 am, via conference call.

### **ADJOURNMENT**

On a motion by Mr. Fredrickson and a second by Ms. McLain, the January 27, 2021 meeting of the IADD Board of Directors adjourned at 9:07 am.

Dated this 24<sup>th</sup> day of February, 2021.

Respectfully submitted:

  
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Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:

  
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Lyle Borg, Chair  
IADD Board