



**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
April 26, 2023

Board Members Present

John Fredrickson, Chair
Annette Townsley, Vice Chair
Kevin Boyle
Mark Leonard
Gretchen McLain

Board Members Absent

None

Staff Members Present

Nicki Howell, IADD Program Specialist
Tammy Nebola, IADD Program Specialist
Aaron Smith, Chief Bond Programs Director
Becky Wu, Accounting Manager

Others Present

Cris Kuhn, Dorsey & Whitney

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Fredrickson on April 26, 2023 at 8:31 a.m. A quorum was established with the following Board Members present via conference call: Fredrickson, Townsley, Boyle, Leonard and McLain.

ELECTION OF BOARD CHAIR

Ms. Townsley nominated Mr. Leonard to act as Board Chair until the June election of officers.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved the election of Mr. Leonard as the interim Board Chair.

APPOINT IADD REP FOR IFA BOARD

Ms. McLain nominated herself as the IADD representative to sit on the IFA Board of Directors until May of 2024.

MOTION

On a motion by Ms. Townsley and a second by Mr. Leonard, the Board unanimously approved Ms. McLain as the IADD representative for the IFA Board of Directors.

APPOINT LPP COMMITTEE MEMBER

Ms. Townsley nominated Mr. Boyle to fill the empty LPP Committee Member position.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved Mr. Boyle as the new LPP Committee Member.

REVIEW OF MINUTES OF MARCH 29, 2023 BOARD MEETING

Mr. Fredrickson presented the minutes of the March 29, 2023 IADD Board Meeting. Mr. Fredrickson asked if there were any additions or corrections to the minutes.

MOTION

On a motion by Ms. McLain and a second by Mr. Boyle, the Board unanimously approved the minutes of the March 29, 2023 IADD Board meeting.

REVIEW OF MARCH 2023 FINANCIAL STATEMENT

Becky Wu presented the March 2023 financials. She stated that for FY23 year-to-date, IADD had operating income of \$429,000, an operating expense of \$246,000, and net operating income of \$183,000.

MOTION

On a motion by Ms. McLain and a second by Mr. Leonard, the Board unanimously approved the March 2023 financial statement as presented.

REVIEW OF DRAFT FY 2024 BUDGET

Becky Wu presented the draft IADD budget for FY 2024 which was included in the packet documents. The board and staff discussed the decrease in BFTC application revenue.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved the draft FY24 budget.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution AG 17-074M – Travis Lee and Merilee Ann Hamilton – Leighton State Bank in Monroe is the lender. The amendment will do a partial release of original Mortgage for 231.42 acres dated January 19, 2018, due to the sale of land. There was a partial release of 105 acres done on May 24, 2022. This partial release is of 38 acres dated May 3, 2023, leaving 88.42 acres from the original purchase. There will be a required bond proceeds

paydown of \$104,638.32 in order to approve the release of an additional 38 acres. All other loan terms will remain the same. Eff. 05.03.2023

Resolution AG 19-067M – Timothy R. and Tammy A. Klingman – Luana Savings Bank in Luana is the lender. The amendment will do a partial release of original Mortgage for 46 acres dated January 9, 2020, for borrowers to build on. Partial release is of 1.23 acres (Lot 2 of Lot 1 of Lot 1) dated May 3, 2023. All other loan terms will remain the same. Eff. 05.03.2023. All other loan terms will remain the same.

MOTION

On a motion by Mr. Boyle and a second by Ms. McLain, 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 23-024 – Jacob Larry Anderson – Beginning farmer loan of \$539,600 to purchase approximately 80 acres of agricultural land in Dallas County. The loan will have a 5.00% variable interest rate and a loan length of 30 years. The index will be 50% of bank's internal ag real estate base rate. The lender is Rolling Hills Bank & Trust in Adair, Iowa.

AG 23-025 – Slade R. and Sommer Faris – Beginning farmer loan of \$250,000 to construct a 72' x 88' Machine Shed in Hardin County. The loan will have a 4.95% variable interest rate and a loan length of 20 years. The index will be 75% of (5-year US Treasury Index plus 3.00% margin). The lender is Green Belt Bank & Trust in Eldora, Iowa.

AG 23-026 – Lucas G. and Nessa S. Stika – Beginning farmer loan of \$616,100 to purchase approximately 94.61 acres of agricultural land in Winneshiek County. The loan will have a 5.85% variable interest rate and a loan length of 30 years. The index will be 2.29% above the 10-year Treasury Bill. The lender is Cresco Bank & Trust Company a division of Decorah Bank & Trust Co in Cresco, Iowa.

AG 23-027 – Seth M. and Michaela K. Berg – Beginning farmer loan of \$234,540 to purchase approximately 37.23 acres of agricultural land in Hamilton County. The loan will have a 5.71% variable interest rate and a loan length of 20 years. The index will be 1.49% over the five-year FHLB rate; 30 year amortization with balloon at 20 years. The lender is Northwest Bank in Spencer, Iowa.

AG 23-028 – Joshua D. Homann – Beginning farmer loan of \$325,000 to purchase approximately 53 acres of agricultural land in Hancock County. The loan will have a 6.00% variable interest rate and a loan length of 30 years. The index will be equal to the 5-year US Treasury plus 2.25%. The lender is Availa Bank in Holstein, Iowa.

MOTION

On a motion by Ms. Townsley 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 April 26, 2023 at 9:23 a.m. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:24 a.m.

MOTION

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

BEGINNING FARMER TAX CREDIT APPLICATIONS

Nicki Howell presented a summary of the Beginning Farmer Tax Credit applications. There were 18 new BFTC applications for an estimated tax credit amount of \$668,299. She noted that of those 18; 6 are cash rent, 12 are crop share, and one is a cash rent machinery lease.

MOTION

On a motion by Mr. Boyle and a second by Ms. Townsley, 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. Tammy Nebola shared that events and presentations have started to slow down. In April, Tammy did a presentation for DMACC Agribusiness class and joined a tax credit panel for the NIFA conference. Tammy and Nicki also attended the 95th FFA State Leadership Conference. Future presentations include the Iowa Cattlemen's Leadership Webinar in May and the IBA Ag Credit School in June.

OTHER BUSINESS

REVISED IADD BOARD MEETING CALENDAR

A revised IADD board meeting calendar was included in the board packet. The revised calendar reflects a change to the June meeting from June 28th to June 27th.

APRIL IFA BOARD MEETING UPDATE

Aaron Smith gave the IADD Board a brief update of the items discussed at the April IFA board meeting. Mr. Smith shared that John Fredrickson and the IFA Vice-Chair, Ruth Randleman, both went off the board. He also shared details of the Governor's alignment bill which will align multiple state agencies with each other. The Department of Cultural Affairs will be moving into the IFA/IEDA building.

NEXT IADD BOARD MEETING

The next IADD Board meeting will be Wednesday, May 24, 2023 at 8:30 a.m, via conference call.

ADJOURNMENT

On a motion by Ms. Townsley and a second by Ms. McLain, the April 26, 2023 meeting of the IADD Board of Directors adjourned at 9:38 a.m.

Dated this 24th day of May 2023.

Respectfully submitted:

A handwritten signature in blue ink that reads "Aaron Smith". The signature is written in a cursive style and is positioned above a horizontal line.

Aaron Smith
Director's Designee/Board Secretary

Approved as to form:

A handwritten signature in blue ink that reads "John D. Fredrickson". The signature is written in a cursive style and is positioned above a horizontal line.

John Fredrickson, Chair
IADD Board