



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
July 26, 2023

Board Members Present

Mark Leonard, Chair
Kevin Boyle
Gretchen McLain

Board Members Absent

Annette Townsley, Vice Chair

Staff Members Present

Mike Hogan, IT
Nicki Howell, IADD Program Specialist
Tammy Nebola, IADD Program Specialist
Aaron Smith, Chief Bond Programs Director

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 Leonard on July 26, 2023 at 9:31 a.m. A quorum was established with the following Board Members present: Leonard, Boyle, and McLain with Townsley absent.

REVIEW OF MINUTES OF JUNE 27, 2023 BOARD MEETING

Mr. Leonard presented the minutes of the June 27, 2023 IADD Board Meeting. Mr. Leonard asked if there were any additions or corrections to the minutes.

MOTION

On a motion by Mrs. McLain and a second by Mr. Boyle, the Board unanimously approved the minutes of the June 27, 2023 IADD Board meeting.

REVIEW OF JUNE 2023 FINANCIAL STATEMENT

Aaron Smith presented the June 2023 financials. He stated that for FY23 year-to-date, IADD had an operating income of \$606,000, an operating expense of \$316,000, and a net operating income of \$290,000.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0320 - Anthony Eddy. The LPP application is for \$123,000. The borrower will purchase a 13 acre farmstead with house, cattle building/yards and out-buildings. Total project cost is \$410,000. The bank is Premier Bank in Rock Rapids.

MOTION

On a motion by Mr. Boyle and a second by Mrs. McLain, the Board unanimously approved the loan participation for Anthony Eddy with no subject to conditions.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04772M – Benjamin T. Dittmer – DeWitt Bank & Trust Company in DeWitt is the lender. The amendment will lower the interest rate from 7.00% (which reset on June 1, 2023 from 3.25%) to 5.25% until June 1, 2033, at which time the rate will adjust to the original index of 0.50% below the announced prime rate of National Prime Rate as published in the Wall Street Journal and be adjustable daily thereafter. Due to the rate increase on June 1, 2023 the annual payment was set to increase from \$19,435.00 to \$27,035.92 beginning on June 1, 2024. Due to the rate decrease the annual payment amount will decrease from the projected \$27,035.92 to \$23,846.86 beginning on June 1, 2024. All other loan terms will remain the same.

MOTION

On a motion by Mr. Boyle and a second by Mrs. 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 23-034 – Kael William Richmond – Beginning farmer loan of \$600,600 to purchase approximately 79.27 acres of agricultural land in Butler County. The loan will have a 5.25% variable interest rate and a loan length of 30 years. The index will be 5 Year Federal Home Loan Bank Advance Rate + 1.50%. The lender is First Bank in Waverly, Iowa.

AG 23-035 – Jenny and Shane Schultz – Beginning farmer loan of \$521,150 to purchase approximately 78 acres of agricultural land in Grundy County. The loan will have a 5.25% variable interest rate and a loan length of 30 years. The index will be 1.875% above the 5 year Des Moines FHLB rate. The lender is Lincoln Savings Bank in Reinbeck, Iowa.

AG 23-036 – Jill and Ryan Collins – Beginning farmer loan of 521,150 to purchase approximately 78 acres of agricultural land in Grundy County. The loan will have a 5.25%

variable interest rate and a loan length of 30 years. The index will be 1.875% above the 5 year Des Moines FHLB rate. The lender is Lincoln Savings Bank in Reinbeck, Iowa.

AG 23-037 – John C. and Kamryn M. Armstrong – Beginning farmer loan of \$442,000 to purchase approximately 119 acres of agricultural land in Mahaska County. The loan will have a 6.25% variable interest rate and a loan length of 30 years. The index will be 75% of Libertyville Savings Banks 5 year Real Estate Rate. The lender is Libertyville Savings Bank in Fairfield, Iowa.

AG 23-038 – Michael and Megan Naber – Beginning farmer loan of \$310,569 to purchase approximately 25.44 acres of agricultural land in Buchanan County. The loan will have a 6.95% variable interest rate and a loan length of 30 years. The index will be 85% of Bank's 5 year Ag Real Estate Rate. The lender is Citizens State Bank in Winthrop, Iowa.

MOTION

On a motion by Mrs. McLain and a second by Mr. Boyle, 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 July 26, 2023 at 10:06 a.m. Public hearing included two additional projects: 04772 change request and AG 23-028 increase in bond amount. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 10:10 a.m.

MOTION

On a motion by Mr. Boyle and a second by Mrs. 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 16 new BFTC applications for an estimated tax credit amount of \$452,839. She noted that of those 16; 10 are cash rent and 6 are crop share.

MOTION

On a motion by Mrs. McLain and a second by Mr. Boyle, 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 reviewed some of the recent events she and Nicki have attended. She also discussed some upcoming events, which include FSA loan officer trainings and the 2023 Women in Ag conference.

OTHER BUSINESS

Board members and staff discussed the need for a new board member to fill the empty position on the IADD board of directors. Aaron Smith shared that he will follow up with an update.

IFA BOARD MEETING UPDATE

Mr. Smith presented the agenda from the July 5, 2023 IFA Board Meeting. He gave the IADD Board a brief update of the items discussed which included the state agency alignment bill, an IT update, and a title change for Director Durham.

NEXT IADD BOARD MEETING

The August IADD Board meeting will be Wednesday, August 23, 2023 at 9:30 a.m.

ADJOURNMENT

On a motion by Mrs. McLain and a second by Mr. Boyle, the July 26, 2023 meeting of the IADD Board of Directors adjourned at 10:28 a.m.

Dated this 23rd day of August 2023.

Respectfully submitted:



Aaron Smith
Director's Designee/Board Secretary

Approved as to form:



Mark Leonard, Chair
IADD Board