



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
November 29, 2023

Board Members Present

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

Board Members Absent

None

Staff Members Present

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

Others Present

None

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on November 29, 2023 at 9:39 a.m. A quorum was established with the following Board Members present: Leonard, Fredrickson, Townsley, Boyle, and McLain.

REVIEW OF MINUTES OF OCTOBER 25, 2023 BOARD MEETING

Mr. Leonard presented the minutes of the October 25, 2023 IADD Board Meeting. Mr. Leonard asked if there were any additions or corrections to the minutes.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Boyle, the Board unanimously approved the minutes of the October 25, 2023 IADD Board meeting.

REVIEW OF OCTOBER 2023 FINANCIAL STATEMENT

Becky Wu presented the October 2023 financials. She stated that for FY24 year-to-date, IADD had operating income of \$197,000, an operating expense of \$114,000, and a net operating income of \$82,000.

MOTION

On a motion by Mr. Boyle and a second by Mr. Fredrickson, the Board unanimously accepted the October 2023 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 04786M – Leon Trappe – Luana Savings Bank in Luana is the lender. The amendment will lower the interest rate from 9.20% to 6.50% until October 18, 2028 at which time the rate will adjust to the original index of 0.70% above the announced prime rate of Wall Street and be adjustable every five years thereafter. Due to the rate decrease the annual payment amount will decrease from \$4,245.10 to \$3,465.37 beginning on October 18, 2024. All other loan terms will remain the same.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, 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 23-071 – Nicholas Harry Riessen – Beginning farmer loan of \$165,000 to purchase approximately 35 acres of agricultural land in Crawford County. The loan will have a 6.40% variable interest rate and a loan length of 30 years. The index will be 3.25% above the five year Treasury. The lender is Bank Iowa in Schleswig, Iowa.

AG 23-072 – Matthew Paul Riessen – Beginning farmer loan of \$165,000 to purchase approximately 35 acres of agricultural land in Crawford County. The loan will have a 6.40% variable interest rate and a loan length of 30 years. The index will be 3.25% above the five year Treasury. The lender is Bank Iowa in Schleswig, Iowa.

AG 23-073 – Timothy James Riessen – Beginning farmer loan of \$165,000 to purchase approximately 35 acres of agricultural land in Crawford County. The loan will have a 6.40% variable interest rate and a loan length of 30 years. The index will be 3.25% above the five year Treasury. The lender is Bank Iowa in Schleswig, Iowa.

AG 23-074 – Cassidy L. Reicks – Beginning farmer loan of \$60,000 to purchase approximately 20 acres of agricultural land in Chickasaw County. The loan will have a 7.00% variable interest rate and a loan length of 30 years. The index will be 2.50% above the five year Treasury. The lender is Bank Iowa in Lawler, Iowa.

AG 23-075 – Kyle L. Reicks – Beginning farmer loan of \$60,000 to purchase approximately 20 acres of agricultural land in Chickasaw County. The loan will have a 7.00% variable

interest rate and a loan length of 30 years. The index will be 2.50% above the five year Treasury. The lender is Bank Iowa in Lawler, Iowa.

AG 23-076 – Adam Michael Kleespies – Beginning farmer loan of \$202,000 to purchase approximately 43.72 acres of agricultural land and out-buildings in Chickasaw County. The loan will have a 7.00% variable interest rate and a loan length of 30 years. The index will be 2.50% above the five year Treasury. The lender is Bank Iowa in Lawler, Iowa.

AG 23-077 – Kaitlin K. Wiley – Beginning farmer loan of \$453,394 to purchase approximately 80.21 acres of agricultural land in Marshall County. The loan will have a 5.90% variable interest rate and a loan length of 30 years. The index will be fixed for ten years then 0.48% above the average weekly yield on the one year Treasury. The lender is State Savings Bank in Baxter, Iowa.

AG 23-078-I – Robert Edward and Sara M. Nosbisch – Beginning farmer contract sale of \$616,100 to purchase approximately 70 acres of agricultural land in Dubuque County. The loan will have a 4.00% fixed interest rate and a loan length of 30 years. The contract seller is Daniel and Laura Clemen in Peosta, Iowa.

AG 23-079 – Colby A. Groe – Beginning farmer loan of \$190,036 to purchase approximately 43.96 acres of agricultural land in Winnebago County. The loan will have a 5.50% variable interest rate and a loan length of 30 years. The index will be 75% of (five year CMT + 2.75%). The lender is First Citizens Bank in Mason City, Iowa.

AG 23-080 – Kooper Dahlstrom – Beginning farmer loan of \$575,000 to purchase approximately 100 acres of agricultural land in Jefferson County. The loan will have a 6.10% variable interest rate and a loan length of 25 years. The index will be 75% of the Bank's five year balloon rate. The lender is Libertyville Savings Bank in Fairfield, Iowa.

AG 23-081 – Chase and Macie Blazek – Beginning farmer loan of \$613,800 to purchase approximately 160 acres of agricultural land in Adams County. The loan will have a 6.50% variable interest rate and a loan length of 30 years. The index will be equal to 2.00% below WSJP rate. The lender is TS Bank in Corning, Iowa.

AG 23-082 – David Alan Balik – Beginning farmer loan of \$600,000 to purchase approximately 200 acres of agricultural land, house and out-buildings in Winnebago County. The loan will have a 6.50% variable interest rate and a loan length of 30 years. The index will be equal to the Citizens Savings Bank five year tax exempt rate index. The lender is Citizens Savings Bank in Spillville, Iowa.

AG 23-083 – Marty and Alicia Dollen – Beginning farmer loan of \$326,563 to purchase approximately 55 acres of agricultural land in Shelby County. The loan will have a 5.85% variable interest rate and a loan length of 30 years. The index will equal to New York Prime. The lender is Shelby County State Bank in Harlan, Iowa.

MOTION

On a motion by Ms. Townsley 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 November 29, 2023 at 10:10 a.m. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 10:11 a.m.

MOTION

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

2023 BFLP EOY BOND ALLOCATION STATUS REPORT

Tammy Nebola reviewed the 2023 EOY beginning farmer program allocation status. She shared that the 2023 total amount of bonds closed is projected to be \$29,268,352 and that there are 26 additional projects projected to close by the end of the year and another 5 that will close in 2024.

BEGINNING FARMER TAX CREDIT APPLICATIONS

Nicki Howell presented a summary of the Beginning Farmer Tax Credit applications. There were 21 new BFTC applications for an estimated tax credit amount of \$308,320. She noted that of those 21; 12 are cash rent, three are crop share, and 6 are flex leases.

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.

BEGINNING FARMER TAX CREDIT CHANGES

Nicki Howell presented a summary of the Beginning Farmer Tax Credit requested changes. There were four change requests and all four were to increase the number of acres.

MOTION

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

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Tammy Nebola shared that she and Nicki Howell recently presented to a class at Iowa State University and to lenders in West Union. She also shared some upcoming events, such as a booth at the Farming for the Future Conference in Ankeny and a presentation for beginning farmers in Atlantic.

OTHER BUSINESS

2024 IADD PROPOSED BOARD MEETING DATES

The board reviewed the proposed IADD meeting dates for 2024, which were included in the board packet.

RECAP AND NOMINATION OF IADD APPRAISAL REVIEW COMMITTEE

On March 23, 2022, it was approved by the IADD Board to form and nominate an "Appraisal Review Committee" to review bank evaluations in lieu of a 3rd party appraisal and to approve full appraisals that establish a per acre value to determine the fair market value. Mark Leonard has proposed that he step down from the committee and has nominated Kevin Boyle to take his place.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved Kevin Boyle to take Mark Leonard's position on the Appraisal Review Committee, along with Gretchen McLain.

IFA BOARD MEETING UPDATE

Mr. Leonard presented the agenda from the November 1, 2023 IFA Board Meeting. Mr. Smith gave the IADD Board a brief update of the items discussed and shared the changes being made to the building signage and front entrance.

NEXT IADD BOARD MEETING

The December IADD Board meeting will be Wednesday, December 27, 2023 at 9:30 a.m.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Mr. Boyle, the November 29, 2023 meeting of the IADD Board of Directors adjourned at 10:54 a.m.

Dated this 27th day of December, 2023.

Respectfully submitted:



Aaron Smith
Director's Designee/Board Secretary

Approved as to form:



Mark Leonard, Chair
IADD Board