



**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 27, 2023**

**Board Members Present**

Mark Leonard, Chair  
Gretchen McLain, Vice Chair  
Kevin Boyle

John Fredrickson  
Annette Townsley

**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**

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 December 27, 2023 at 9:31 a.m. A quorum was established with the following Board Members present; Leonard, Townsley, Fredrickson, Boyle, and McLain.

**REVIEW OF MINUTES OF NOVEMBER 29, 2023 BOARD MEETING**

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

**MOTION**

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

**REVIEW OF NOVEMBER 2023 FINANCIAL STATEMENT**

Becky Wu presented the November 2023 financials. She stated that for FY24 year-to-date, IADD had operating income of \$277,000, an operating expense of \$138,000, and a net operating income of \$139,000.

### **LOAN PARTICIPATION PROGRAM**

Tammy Nebola presented information on the following loan participation application.

P0322 - Johnathon Boogerd. The LPP application is for \$200,000. The borrower will purchase approximately 22 acres of agricultural land, house and cattle buildings/yards. Total project cost is \$775,000. The borrower has also applied for a Beginning Farmer Loan AG 23-088. The bank is Premier Bank in Rock Valley.

#### **MOTION**

On a motion by Ms. McLain and a second by Mr. Boyle, the Board unanimously approved the loan participation for Johnathon Boogerd subject to obtaining an Assignment of the Feeding Contract.

### **POTENTIAL CHANGE TO THE 2024 LPP INTEREST RATE**

Tammy Nebola shared that the LPP interest rate will re-price to 8.50% on February 1, 2023. This results in the LPP interest rate more than doubling from 2023 to 2024 and staff has discussed reducing the interest rate to avoid the high interest rate from discouraging use of the program. On December 13<sup>th</sup>, the LPP Loan Committee discussed the issue and recommended reducing the 2024 LPP interest rate to a fixed 5.00%.

#### **MOTION**

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved reducing the 2024 LPP interest rate to 5.00%.

### **BEGINNING FARMER LOAN AMENDING RESOLUTIONS**

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

Resolution AG 17-052M – Allen F. Taylor – Midwest Heritage Bank in Chariton is the lender. The amendment will switch the payment frequency from annual payments to monthly payments beginning January 15, 2024. Due to the change in payment frequency, the payment will change from an annual payment amount of \$7,444.29 to monthly payments of \$612.82 beginning January 15, 2024 and continuing every 15<sup>th</sup> of the month until maturity. All other loan terms will remain the same.

#### **MOTION**

On a motion by Ms. Townsley 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 23-084 – Nathan D. and Melissa M. Moretz – Beginning farmer loan of \$649,400 to purchase approximately 180 acres of agricultural land in Worth County. The loan will have a 4.975% fixed interest rate and a loan length of 30 years. The lender is NSB Bank in Northwood, Iowa.

AG 23-085 – Clay and Schae Geiter – Beginning farmer loan of \$572,600 to purchase approximately 72.55 acres of agricultural land in Grundy County. The loan will have a 6.50% variable interest rate and a loan length of 30 years. The index will be 80% of the Bank's Agricultural Chattel base rate with an adjuster of 2.85% under the index. The lender is Peoples Saving Bank in Wellsburg, Iowa.

AG 23-086 – Thomas Trost – Beginning farmer loan of \$593,750 to purchase approximately 160 acres of agricultural land in Taylor County. The loan will have a 6.00% variable interest rate and a loan length of 25 years. The index will be 1.50% below Wall Street Journal Prime Rate. The lender is Iowa State Savings Bank in Lenox, Iowa.

AG 23-087 – Jordan Andrew Steppe – Beginning farmer loan of \$560,000 to purchase approximately 80 acres of agricultural land in Hardin County. The loan will have a 5.75% variable interest rate and a loan length of 30 years. The index will be 75% of (5-year US Treasury Index + 3.00% margin). The lender is Green Belt Bank & Trust in Grundy Center, Iowa.

AG 23-088 – Johnathon Boogerd – Beginning farmer loan of \$197,350 to purchase approximately 22 acres of agricultural land, house and cattle buildings/yards in Lyon County. The loan will have a 5.75% variable interest rate and a loan length of 30 years. The index will be 2.25% above the 5-year CMT index. The lender is Premier Bank in Rock Valley, Iowa.

**MOTION**

On a motion by Ms. McLain 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 27, 2023 at 9:55 a.m. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:56 a.m.

**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**

Nicki Howell presented a summary of the Beginning Farmer Tax Credit requested changes. There was one change request to increase the number of acres, switch from a cash rent lease to a flex lease, reduce the base cash rent, and add rent for solar panels and bins for the remaining year of the lease.

### **MOTION**

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

### **BFTC 2023 ANNUAL REPORT**

Nicki Howell gave an overview of the 2023 Beginning Farmer Tax Credit program. Staff approved 168 applications for a total of \$3,642,636 in tax credits issued. Of those 168 applications, 99 were cash rent, 58 were share crop, 9 were flex leases, and 2 were hybrid leases.

### **MARKETING UPDATE**

Included in the Board packet is the IADD marketing calendar. Tammy Nebola reviewed some of the recent events that staff have attended which included a presentation for Farm Credit and a radio interview on The Big Show. She also discussed some upcoming events which include presentations in Primghar and Ames and a booth at the Practical Farmers of Iowa annual conference. Tammy also shared that IADD will not have a presence at the annual Farm Bureau Young Farmers Conference.

### **OTHER BUSINESS**

#### **DNR LEASE TO BEGINNING FARMER CERTIFICATION UPDATE**

Nicki Howell shared that staff received 80 applications for the 2023 DNR Lease to Beginning Farmer program. Staff and the board also discussed the possibility of changes to the review process for this program in the future.

#### **IFA BOARD MEETING UPDATE**

Aaron Smith presented the agenda from the December 6, 2023, IFA Board Meeting. He gave the IADD Board a brief update of the items discussed.

Aaron Smith also shared that Director Durham gave approval to hold a joint NARRC and NCOSAFP conference in Iowa in 2025. IADD staff will begin the planning process and an update will be provided at the next IADD board meeting.

#### **NEXT IADD BOARD MEETING**

The January IADD Board meeting will be Wednesday, January 24th, 2024, at 9:30 a.m.

### **ADJOURNMENT**

On a motion by Mr. Boyle and a second by Ms. McLain, the December 27, 2023, meeting of the IADD Board of Directors adjourned at 10:12 a.m.

Dated this 24th day of January 2024.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read "Aaron Smith", written over a horizontal line.

Aaron Smith  
Director's Designee/Board Secretary

Approved as to form:

A handwritten signature in blue ink, appearing to read "Mark Leonard", written over a horizontal line.

Mark Leonard, Chair  
IADD Board