



**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
February 28, 2024

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 February 28, 2024 at 9:30 a.m. A quorum was established with the following Board Members present: Leonard, Townsley, Fredrickson, Boyle, and McLain.

REVIEW OF MINUTES OF JANUARY 24, 2024 BOARD MEETING

Mr. Leonard presented the minutes of the January 24, 2024 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 Ms. McLain, the Board unanimously approved the minutes of the January 24, 2024 IADD Board meeting.

REVIEW OF JANUARY 2024 FINANCIAL STATEMENT

Becky Wu presented the January 2024 financials. She stated that for FY24 year-to-date, IADD had operating income of \$460,000, an operating expense of \$190,000, and a net operating income of \$270,000.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0323 - Nathan M. Zumbach. The LPP application is for \$188,100. The borrower will purchase 38 acres of agricultural land. Total project cost is \$627,000. The bank is Community Savings Bank in Edgewood.

MOTION

On a motion by Mr. Boyle and a second by Mr. Fredrickson, the Board unanimously approved the loan participation for Nathan M. Zumbach subject to a capital injection gift of \$31,000 to correct the current asset to current liability ratio.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 24-004 – Treyton and Melinda Vander Waal – Beginning farmer loan of \$175,000 to purchase approximately 25 acres of agricultural land in Sioux County. The loan will have a 6.00% variable interest rate and a loan length of 30 years. The index will be 3.50% above the 5 year Treasury. The lender is Security National Bank in Orange City, Iowa.

AG 24-005 – Cade Vander Waal – Beginning farmer loan of \$175,000 to purchase approximately 25 acres of agricultural land in Sioux County. The loan will have a 6.00% variable interest rate and a loan length of 30 years. The index will be 3.50% above the 5 year Treasury. The lender is Security National Bank in Orange City, Iowa.

AG 24-006 – Jackson and Kayla Vander Waal – Beginning farmer loan of \$175,000 to purchase approximately 25 acres of agricultural land in Sioux County. The loan will have a 6.00% variable interest rate and a loan length of 30 years. The index will be 3.50% above the 5 year Treasury. The lender is Security National Bank in Orange City, Iowa.

AG 24-007 – Alex A. Nuehring – Beginning farmer loan of \$443,000 to purchase approximately 117.76 acres of agricultural land in Cerro Gordo County. The loan will have a 5.80% variable interest rate and a loan length of 35 years. The index will be 75% of (10 Year CMT + 3.50%). The lender is First Citizens Bank in Mason City, Iowa.

AG 24-008 – John Raymond Maubach – Beginning farmer loan of \$277,500 to purchase approximately 37 acres of agricultural land in Hamilton County. The loan will have a 5.60% variable interest rate and a loan length of 40 years. The index will be 80% of the 5 year US Treasury constant maturity plus 3.25%. The lender is First State Bank in Webster City, Iowa.

AG 24-009 – Matthew Colbert – Beginning farmer loan of \$445,000 to purchase approximately 110.4 acres of agricultural land in Washington County. The loan will have a 6.76% variable interest rate and a loan length of 30 years. The index will be 3.00% over the 5 year Treasury. The lender is Hills Bank & Trust Company in Kalona, Iowa.

AG 24-010 – Shane William and LeAnn Marie Shekleton – Beginning farmer loan of \$600,000 to purchase approximately 80 acres of agricultural land in Chickasaw County. The loan will have a 6.50% variable interest rate and a loan length of 30 years. The index will be equal to Citizens Savings Banks 5 year tax exempt rate index. The lender is Citizens Savings Bank in Spillville, Iowa.

MOTION

On a motion by Mr. Fredrickson 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 February 28, 2024 at 9:51 a.m. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:52 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 APPLICATIONS

Nicki Howell presented a summary of the Beginning Farmer Tax Credit applications. There were 6 new BFTC applications for an estimated tax credit amount of \$191,457. She noted that all 6 applications were cash rent.

MOTION

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

MARKETING UPDATE

Tammy Nebola reviewed the marketing calendar which is included in the board packet. Staff recently attended the Beginning Farmer Center Conference in Ames and the 2024 Ag Outlook Conference in Spencer. Staff also gave presentations for FSA, DMACC, and the Golden Hills Funding Opportunities Program. Upcoming events include Farm Talk Friday, ISU Ag Marketing and Management Organization, and the IBA Ag Bankers Conference.

OTHER BUSINESS

BFLP NEW LANDOWNERSHIP MAXIMUMS

Tammy Nebola shared that the new Ag Census dropped on February 13th , which changed the landownership maximums for the BFLP program. The county median decreased in 58 counties, increased in 30 counties, and stayed the same in 11 counties.

IFA BOARD MEETING UPDATE

Aaron Smith gave the IADD Board a brief update of the items discussed at the February 7, 2024 IFA Board meeting. He shared that there was a presentation of the Polk County/Des Moines Homelessness System Assessment Results and that the 2023 Wastewater and Drinking Water Treatment Financial Assistance Program awarded \$8 million in grants.

Board members and staff discussed possible farm visits and annual report requirements for LPP loans and the 2025 NARRC/NCOSAFP conference. Staff and board members will meet to share ideas for the conference after the March IADD board meeting.

Mr. Boyle left the meeting at 10:37 a.m.

NEXT IADD BOARD MEETING

The March IADD Board meeting will be Wednesday, March 27th, 2024 at 9:30 a.m.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Ms. McLain, the February 28, 2024 meeting of the IADD Board of Directors adjourned at 11:03 a.m.

Dated this 27th day of March 2024.

Respectfully submitted:



Aaron Smith
Director's Designee/Board Secretary

Approved as to form:



Mark Leonard, Chair
IADD Board