



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION  
A DIVISION OF IOWA FINANCE AUTHORITY

**IADD BOARD MEETING MINUTES**

**Iowa Finance Authority  
1963 Bell Avenue, Des Moines, Iowa  
January 23, 2019**

**Board Members Present**

Lyle Borg, Chair                      John Fredrickson  
Stacie Euken                          Annette Townsley

**Board Members Absent**

Mark Leonard, Vice Chair

**Staff Members Present**

Lori Beary, Community Development Director      Ksenia Gardino, Staff Accountant  
Steve Ferguson, IADD Program Specialist

**Others Present**

Dave Claypool, Dorsey & Whitney

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**CALL TO ORDER**

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Borg on January 23, 2019 at 8:32 am. A quorum was established with the following Board Members present via conference call: Borg, Euken, Fredrickson and Townsley.

**REVIEW OF MINUTES OF DECEMBER 27, 2018 BOARD MEETING**

Mr. Borg presented the minutes of the December 27, 2018 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the minutes of the December 27, 2018 IADD Board meeting.

**REVIEW OF DECEMBER 2018 FINANCIAL STATEMENT**

Ksenia Gardino presented the December 2018 financials. She stated that for FY19 year-to-date, IADD had operating income of \$261,657 operating expense of \$195,034 and net operating income of \$66,622.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved the December 2018 financial statement as presented.

**LOAN PARTICIPATION PROGRAM – ADJUSTMENTS TO TERMS AND CONDITIONS**

Steve Ferguson presented the following adjustments to the terms and conditions on LPP projects:

P0256 – Tylor Klingenberg – Frontier Bank in Rock Rapids is the lender. The participating lender is changing from Frontier Bank in Rock Rapids to Iowa State Bank in LeMars. The LPP has not closed yet, but the project was approved with the original lender. All other loan terms will remain the same.

P0257 – Brent Klingenberg – Frontier Bank in Rock Rapids is the lender. The participating lender is changing from Frontier Bank in Rock Rapids to Iowa State Bank in LeMars. The LPP has not closed yet, but the project was approved with the original lender. All other loan terms will remain the same.

**MOTION**

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously recommended approval of the changes to the LPP projects.

**LOAN PARTICIPATION PROGRAM – CONDITIONAL COMMITMENT EXTENSIONS**

Steve Ferguson presented the following extension requests for LPP conditional commitments on approved LPP projects:

P0243 – Jacob and Jaime Edmundson - LPP amount of \$150,000 – conditional commitment expired May 3, 2017. Loan committee recommended approval of extension.

P0251 – Jordan & Emily Morris – LPP amount of \$65,000 – condition commitment expired November 2, 2017. Loan committee recommended approval of extension.

P0254 – Andrew Hansen – LPP amount of \$150,000 – conditional commitment expired March 27, 2018. Loan committee recommended approval of extension.

P0256 – Taylor Klingenberg – LPP amount of \$150,000 – conditional commitment expired December 6, 2017. Loan committee recommended approval of extension.

P0257 – Brent Klingenberg – LPP amount of \$150,000 – conditional commitment expired June 6, 2017. Loan committee recommended approval of extension.

P0270 – Keith DeJong – LPP amount of \$150,000 – conditional commitment expired December 6, 2018. Staff recommended approval of extension.

**MOTION**

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously approved the extensions of the conditional commitments at the interest rates that were in place when the applications were originally approved.

At their February Board meeting, the Board wants to discuss further the length of time the interest rate will be locked on future LPP's. The Board also wanted to staff to ask about the possibility of an additional loan from IFA to fund future LPP's.

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

Lori Beary presented the following resolution to adjust the terms and conditions on a closed BFLP project:

Resolution 04775M – William Wiekamp – American State Bank in Sioux Center is the lender. The amendment will lower the interest rate from 7.125% to 4.70% until January 10, 2024 at which time the rate will adjust to the original index of 82% of American State Bank's base rate and be adjustable annually thereafter. All other loan terms will remain the same. Effective January 2, 2019.

#### **MOTION**

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously recommended approval of the BFLP amending resolution.

#### **BEGINNING FARMER LOAN APPLICATIONS**

Lori Beary introduced the following applications for Beginning Farmer loans:

AG 19-01 – Benjamin Bruck – Beginning farmer loan of \$160,542 to purchase approximately 59.46 acres of agricultural land in Shelby County. The loan will have a 5.00% variable interest rate and a loan length of 30 years. The index will be WSJ Prime minus .25%. The lender is Shelby County State Bank in Harlan, Iowa.

AG 19-02 – Daniel Miller – Beginning farmer loan of \$215,000 to purchase approximately 60 acres of agricultural land in Johnson County. The loan will have a 4.75% variable interest rate and a loan length of 25 years. The index will be 80% of the 5-year Treasury plus 3%. The lender is Hills Bank & Trust Company in Kalona, Iowa.

AG 19-03 – Eugene and Megan Miller – Beginning farmer loan of \$215,000 to purchase approximately 60 acres or agricultural land in Johnson County. The loan will have a 4.75% variable interest rate and a loan length of 25 years. The index will be 80% of 5-year Treasury plus 3%. The lender is Hills Bank & Trust Company in Kalona, Iowa.

AG 19-04 – Bradley Wagner – Beginning farmer loan of \$300,000 purchase approximately 80 acres of agricultural land and outbuildings in Wright County. The loan will have a 3.50% variable interest rate and a loan length of 40 years. The index will be 5-year Treasury plus 0.73%. The lender is First State Bank in Webster City, Iowa.

AG 19-05 – Jordan Meyer – Beginning farmer loan of \$543,800 to purchase approximately 148 acres of agricultural land in Butler County. The loan will have a 4.5% variable interest rate and a loan length of 30 years. The index will be Iowa State Bank 5-year Ag real estate rate minus 1.554%. The lender is Iowa State Bank in Algona, Iowa.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board 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 January 23, 2019 at 9:08 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:09 am.

**MOTION**

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously recommended approval of the BFLP Bond documents.

**BEGINNING FARMER TAX CREDIT APPLICATIONS**

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 33 new BFTC applications for an estimated tax credit amount of \$150,046.67. He noted that of those, 15 are cash rent 18 are crop share leases.

**MOTION**

On a motion by Mr. Fredrickson 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. Mr. Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events.

**OTHER BUSINESS**

**NEXT IADD BOARD MEETING**

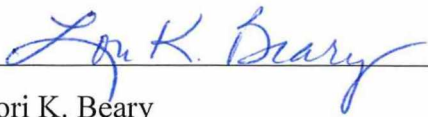
The February IADD Board meeting will be Wednesday, February 27, 2019 at 9:30 am, at the IFA offices.

**ADJOURNMENT**

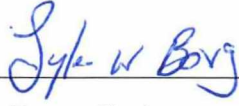
On a motion by Ms. Townsley and a second by Ms. Euken, the January 23, 2019 meeting of the IADD Board of Directors adjourned at 9:24 am.

Dated this 27<sup>th</sup> day of February, 2019.

Respectfully submitted:

  
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Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:

  
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Lyle Borg, Chair  
IADD Board