



IOWA AGRICULTURAL
DEVELOPMENT DIVISION

IADD BOARD MEETING MINUTES

Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
July 27, 2016

Board Members Present

Lyle Borg, Chair John Fredrickson
Mark Leonard, Vice Chair Annette Townsley
Stacie Euken

Board Members Absent

None

Staff Members Present

Lori Beary, Community Development Director Tammy Nebola, IADD Program Specialist
Steve Ferguson, IADD Program Specialist Debra VanRheenen, Accounting Manager
Austin Moore, IADD Intern

Others Present

Dave Claypool, 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 27, 2016 at 8:36 am. A quorum was established with the following Board Members present: Leonard, Borg, Euken, Fredrickson and Townsley.

ELECTION OF OFFICERS

Mr. Fredrickson nominated Mr. Borg for Chair and Ms. Townsley seconded the nomination. Mr. Fredrickson motioned that nominations cease and Ms. Euken seconded the motion. Mr. Fredrickson nominated Mr. Leonard as Vice Chair and motioned that nominations cease. Ms. Euken seconded the nomination and motion. There being no other nominations, the Board unanimously approved the election of Mr. Borg as Chair and Mr. Leonard as Vice Chair.

REVIEW OF MINUTES OF JUNE 22, 2016 BOARD MEETING

Mr. Borg presented the minutes of the June 22, 2016 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes. There was some discussion about adding the Regional Board Meeting day agenda to the official minutes.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the minutes of the June 22, 2016 IADD Board meeting.

REVIEW OF JUNE 2016 FINANCIAL STATEMENT

Debbie VanRheenen presented the June 2016 financials. She stated that for FY16 year-to-date, IADD had operating income of \$674,883 operating expense of \$499,923 and net operating income of \$174,960, net operating income after the STEM disbursement is \$99,960.

MOTION

On a motion by Mr. Fredrickson and a second by Mr. Leonard, the Board unanimously approved the June 2016 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0224 - Levi P. & Rebecca M. Cook. The LPP application is for \$150,000. The borrower will purchase 7 acres of agricultural land and construct a 499 Hd Cattle Finishing Building. Total project cost is \$750,000. The borrower has also applied for a Beginning Farmer Loan AG 16-031. The bank is Hardin County Savings Bank in Eldora. The applicant did not meet the underwriting criteria and the LPP committee is not comfortable recommending the application for approval without a guaranty from the father. The father, Paul Cook, is not willing to guaranty the project.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously denied the loan participation for Levi P. & Rebecca M. Cook.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04420M – Lance A. Moeller – Green Belt Bank & Trust in Grundy Center is the lender. The amendment will lower the interest rate from 4.20% to 3.50% until March 1, 2021, at which time the rate will adjust to the index of 80% of Green Belt Bank & Trust 5-year ag real estate rate and be adjustable every five years thereafter. Decrease the rate floor from 4.20% to 3.50%. Substitute the original collateral of 47 acres with a new 40 acres to allow the bank to refinance some of their debt and free up FSA funds for the borrower. All other loan terms will remain the same.

MOTION

On a motion by Mr. Leonard and a second by Ms. Townsley, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolution.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 16-031 – Levi P. and Rebecca M. Cook – Beginning farmer loan of \$262,000 to purchase approximately 7 acres of agricultural land and construct a 499 Hd Cattle Finishing Building in Story County. The loan will have a 3.25% variable interest rate and a loan length of 12 years. The index will be 1.00% Under HCSB Real Estate Rate. The lender is Hardin County Savings Bank in Eldora, Iowa.

AG 16-032 – Jonas S. and Leah S. Borntreger – Beginning farmer loan of \$150,000 to purchase approximately 50 acres of agricultural land and out-buildings in Worth County. The loan will have a 3.25% variable interest rate and a loan length of 30 years. The index will be 1/4% under prime fixed for the first five years, then no more than 1.50% up or down based on prime. The lender is NSB Bank in Northwood, Iowa.

AG 16-033 – Parker A. Hunt – Beginning farmer loan of \$260,000 to purchase approximately 80 acres of agricultural land in Delaware County. The loan will have a 3.50% variable interest rate and a loan length of 30 years. The index will be Equal to New York Prime; fixed for 20 years. The lender is Luana Savings Bank in Luana, Iowa.

AG 16-034 – Jordan M. and Danielle M. Hunt – Beginning farmer loan of \$221,000 to purchase approximately 68 acres of agricultural land in Delaware County. The loan will have a 3.50% variable interest rate and a loan length of 30 years. The index will be Equal to New York Prime; fixed for 20 years. The lender is Luana Savings Bank in Luana, Iowa.

AG 16-035 – Marlin and Valerie Hoogland – Beginning farmer loan of \$250,000 to construct a 1,200 hd Hog Building in Sioux County. The loan will have a 3.50% variable interest rate and a loan length of 12 years. The index will be Equal to prime; fixed for 10 years. The lender is American State Bank in Orange City, Iowa.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board recommended approval of 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 27, 2016 at 9:05 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:06 am.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, 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 59 new BFTC applications for an estimated tax credit amount of \$260,474.87. He noted that of those, 39 are cash rent 19 are crop share and 1 is a hybrid lease.

MOTION

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

BEGINNING FARMER TAX CREDIT CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There were 6 change requests, two to lower cash rent, one to add machinery, one to switch farms, one to cancel lease and one to change asset owners due to death.

MOTION

On a motion by Ms. Townsley 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. Mr. Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events. He also discussed several upcoming events that had not been added to the marketing calendar yet. Tammy reported on the Women in Agriculture Conference where she hosted an IADD Booth at the FFA Enrichment Center in Ankeny.

NEXT IADD BOARD MEETING

The August IADD Board meeting will be Wednesday, August 24, 2016 at 9:30 am, at the IFA office.

ADJOURNMENT

On a motion by Ms. Townsley and a second by Mr. Leonard, the July 27, 2016 meeting of the IADD Board of Directors adjourned at 9:33 am.

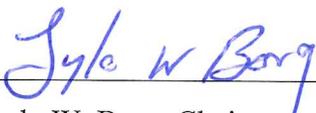
Dated this 24th day of August, 2016.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Lyle W. Borg, Chair
IADD Board