



**IOWA AGRICULTURAL
DEVELOPMENT DIVISION**

A DIVISION OF IOWA FINANCE AUTHORITY

IADD BOARD MEETING MINUTES

**Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
November 28, 2018**

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 Ksenia Gardino, Staff Accountant
Steve Ferguson, IADD Program Specialist

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 Borg on November 28, 2018 at 9:30 am. A quorum was established with the following Board Members present: Borg, Leonard, Euken, Fredrickson and Townsley.

REVIEW OF MINUTES OF OCTOBER 25, 2018 BOARD MEETING

Mr. Borg presented the minutes of the October 25, 2018 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes.

MOTION

On a motion by Ms. Euken and a second by Mr. Fredrickson, the Board unanimously approved the minutes of the October 25, 2018 IADD Board meeting.

REVIEW OF OCTOBER 2018 FINANCIAL STATEMENT

Ksenia Gardino presented the October 2018 financials. She stated that for FY18 year-to-date, IADD had operating income of \$153,000 operating expense of \$121,000 and net operating income of \$32,000.

MOTION

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

LOAN PARTICIPATION PROGRAM

Steve Ferguson presented information on the following loan participation application.

P0281 – John and Megan Schutte. The LPP application is for \$200,000. The borrower will construct a 2,499 hog confinement building. Total project cost is \$730,000. The borrower has also applied for a Beginning Farmer Loan AG 18-091. The bank is Readlyn Savings Bank in Readlyn.

MOTION

On a motion by Ms. Euken and a second by Ms. Townsley, the Board unanimously approved the loan participation for John and Megan Schutte subject to an assignment of feeding contract.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

Lori Beary presented the following resolutions to adjust the terms and conditions on closed BFLP projects:

Resolution 03822M – Jerry Butt – United Bank & Trust Company in Dows is the lender. The amendment will increase the interest rate from 4.50% to 5.50% and fix it for another five years until November 1, 2023 at which time the rate will adjust to the original index of 75% of United Bank & Trust Company Commercial Base Rate and be adjustable annually thereafter. All other loan terms will remain the same. Eff. 11/01/2018

Resolution 04109M – Nicholas J. and Lisa M. Smith – Citizens State Bank in Hopkinton is the lender. The amendment will do a partial release of 3.10 acres of the original 20 acres, to allow the borrowers to obtain a first mortgage loan on the home they built. All other loan terms will remain the same. Eff. 10/30/2018.

Resolution AG 16-007-IM – Chad A. and Kristal A. Rave – Leo L. and Mary C. Trumm in Manchester are the contract sellers. The amendment will change the term from a 30-year amortization with a balloon payment at year ten on March 1, 2026 to a 30-year amortization with a call option at year ten on March 1, 2026 and every five years thereafter until the extended maturity of March 1, 2046. All other loan terms remain the same. Eff. 01/01/2019.

MOTION

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

BEGINNING FARMER LOAN APPLICATIONS

Lori Beary introduced the following applications for Beginning Farmer loans:

AG 18-082 – Anthony James McDonald – Beginning farmer loan of \$64,400 to purchase approximately 40 acres of agricultural land in Greene County. The loan will have a 5.25% fixed interest rate and a loan length of 20 years. The lender is Peoples Bank in Scranton, Iowa.

AG 18-083 – Austin and Holly E. Behrens – Beginning farmer loan of \$406,800 to purchase approximately 80 acres of agricultural land in Lyon County. The loan will have a 4.00% variable interest rate and a loan length of 30 years. The index will be 1.70% over the 5-Year T-Bill. The lender is Security Savings Bank in George, Iowa.

AG 18-084 – Kyle P. and Donna J. Newland – Beginning farmer loan of \$384,000 to purchase approximately 120 acres of agricultural land in Harrison County. The loan will have a 5.00% variable interest rate and a loan length of 30 years. The index will be fixed for 5 years then adjust to 1.25% over New York Prime with a 2.00% cap per year with a lifetime cap of 11.00%. The lender is Shelby County State Bank in Harlan, Iowa.

AG 18-085 – Mason J. and Mariah Mentink – Beginning farmer loan of \$82,500 to purchase approximately 10.82 acres of agricultural land and out-buildings in Dickinson County. The loan will have a 4.25% variable interest rate and a loan length of 30 years. The index will be 1.00% below United Community Banks in-house Prime Ag Real Estate Rate. The lender is United Community Bank in Lake Park, Iowa.

AG 18-086 – Chad V. and Jenna L. Steeve – Beginning farmer loan of \$543,800 to purchase approximately 153.31 acres of agricultural land in Page County. The loan will have a 5.00% variable interest rate and a loan length of 30 years. The index will be fixed for ten years then 1.85% over the 10-year Constant Maturity Treasury yield. The lender is Bank Iowa in Clarinda, Iowa.

AG 18-087 – Matthew J. and Jaime M. Kopriva – Beginning farmer loan of \$280,200 to purchase approximately 78 acres of agricultural land in Tama County. The loan will have a 4.90% variable interest rate and a loan length of 30 years. The index will be 80% of Farmers Savings Bank & Trust Ag Real Estate Rate. The lender is Farmers Savings Bank & Trust in Traer, Iowa.

AG 18-088 – Steven Medlang – Beginning farmer loan of \$70,000 to purchase an undivided 1/2 interest of approximately 41.38 acres of agricultural land in Worth County. The loan will have a 5.211% fixed interest rate and a loan length of 30 years. The lender is NSB Bank in Northwood, Iowa.

AG 18-089 – Michelle C. Medlang – Beginning farmer loan of \$70,000 to purchase an undivided 1/2 interest of approximately 41.38 acres of agricultural land in Worth County. The loan will have a 5.211% Fixed interest rate and a loan length of 30 years. The lender is NSB Bank in Northwood, Iowa.

AG 18-090 – Bowen J. and Katelin R. Yoder – Beginning farmer loan of \$289,688 to purchase approximately 112 acres of agricultural land in Iowa County. The loan will have a 4.25%

variable interest rate and a loan length of 25 years. The index will be 1.34% above the 5-Year T-Bill; 2.00% cap per adjustment; 4.00% cap for the life of the loan; with a rate floor of 4.25%. The lender is County Bank in Williamsburg, Iowa.

AG 18-091 – John J. and Megan J. Schutte – Beginning farmer loan of \$250,000 to construct a hog confinement building in Bremer County. The loan will have a 4.25% variable interest rate and a loan length of 15 years. The index will be 65% of the Readlyn Savings Bank Base Rate. The lender is Readlyn Savings Bank in Readlyn, Iowa.

MOTION

On a motion by Mr. Leonard and a second by Ms. Euken, the Board approved the BFLP applications with AG 18-086 subject to getting more information on Carlson Seed, AG 18-089 subject to verifying that borrower will be operator of farm and AG 18-091 subject to a change in allowable acreage with the 2019 crop census.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on November 28, 2018 at 10:34 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 10:35 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 CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There were 2 requests to reduce the cash rent and 2 requests to transfer asset ownership due to deaths.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, 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.

OTHER BUSINESS

NEXT IADD BOARD MEETING

The December IADD Board meeting will be Thursday, December 27, 2018 at 8:30 am, via conference call.

ADJOURNMENT

On a motion by Ms. Townsley and a second by Ms. Euken, the November 28, 2018 meeting of the IADD Board of Directors adjourned at 11:17 am.

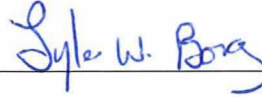
Dated this 27th day of December, 2018.

Respectfully submitted:

Approved as to form:



Lori K. Beary
Director's Designee/Board Secretary



Lyle Borg, Chair
IADD Board