



**IOWA AGRICULTURAL  
DEVELOPMENT DIVISION**

**IADD BOARD MEETING MINUTES**

**Iowa Finance Authority  
2015 Grand Avenue, Des Moines, Iowa  
January 27, 2015**

**Board Members Present**

Lyle Borg, Vice Chair                      John Fredrickson  
Stacie Euken                                      Annette Townsley

**Board Members Absent**

Mark Leonard, Chair

**Staff Members Present**

Lori Beary, Community Development Director                      Tim Jansen, Accounting Manager  
Steve Ferguson, IADD Program Specialist                      Tammy Nebola, 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 Vice Chair Borg on January 27, 2015 at 8:31 am. A quorum was established with the following Board Members present: Borg, Euken, Fredrickson and Townsley.

**REVIEW OF MINUTES OF DECEMBER 22, 2014 BOARD MEETING**

Mr. Borg presented the minutes of the December 22, 2014 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes. Hearing none, the minutes were approved as presented.

**REVIEW OF DECEMBER 2014 FINANCIAL STATEMENT**

Tim Jansen presented the December 2014 financials. He stated that for FY15 year-to-date, IADD had operating income of \$256,107, operating expense of \$234,189 and net operating income of \$21,918.

We had a strong month with BFLP fees. The marketing expense is higher than budgeted due to the fact that we needed to print more brochures.

The financial statements now show the balance in the Rural Rehab Trust Fund. On the financial statement, Cash – LPP and LPP loans are Rural Rehab Trust Fund monies.

## MOTION

On a motion by Ms. Euken and a second by Ms. Townsley, the Board unanimously approved the December 2014 financial statement as presented.

## BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 4251M – Marcus Fagan – First National Bank in Fontanelle is the lender. The amendment will lower the interest rate from 5.5% fixed to 4% fixed until maturity. All other loan terms will remain the same.

Resolution 4525M – Koal and Ann Deering – Luana Savings Bank in Luana is the lender. The amendment will lower the interest rate from 5.3% variable to 3.75% variable until May 17, 2030 at which time the rate will adjust to the original index of 2.05% above the Wall Street Prime Rate. The rate floor will decrease from 4.5% to 3.75%. All other loan terms will remain the same.

## MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, 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 15-003 – Cody Patrick Meyer – Beginning farmer loan of \$517,700 to purchase approximately 119 acres of agricultural land in Grundy County. The loan will have a variable interest rate of 3.25% and a loan length of 30 years. The index will be 1.554% below Iowa State Bank's Ag Real Estate Rate. The lender is Iowa State Bank in Algona, Iowa.

AG 15-004 – Brian Dennis Tjossem – Beginning farmer loan of \$250,000 to construct a 2,400-head hog finishing barn in Clay County. The loan will have a variable interest rate of 3.75% and a loan length of 15 years. The index will be 0.75% below the in-house Savings Bank Reference Rate. There will be a rate ceiling of 12% and a rate floor of 3%. The lender is Savings Bank in Primghar, Iowa.

AG 15-005 – Scott and Jennifer Swanson – Beginning farmer loan of \$117,450 to purchase approximately 87 acres of agricultural land and outbuildings in Keokuk County. The loan will have a variable interest rate of 4% and a loan length of 30 years. The index will be 80% of the Libertyville Savings Bank Real Estate Rate. The lender is Libertyville Savings Bank in Keota, Iowa.

AG 15-006 – Keaven Faber – Beginning farmer loan of \$195,000 to purchase approximately 9.75 acres of agricultural land, a house and outbuildings in Sioux County. The loan will have a

fixed interest rate of 4.4% and a loan length of 10 years. The lender is American State Bank in Sioux Center, Iowa.

AG 15-007 – James Blaine Chrisman – Beginning farmer loan of \$220,000 to purchase approximately 74 acres of agricultural land in Marion County. The loan will have a variable interest rate of 3.5% and a loan length of 30 years. The index will be 80% of the Marion County State Bank 1-year Ag Real Estate Rate. The lender is Marion County State Bank in Pella, Iowa.

AG 15-008 – Adam Joel and Brooke Michelle Smith – Beginning farmer loan of \$210,000 to purchase approximately 50 acres of agricultural land, house and outbuildings in Henry County. The loan will have a variable interest rate of 3.94% and a loan length of 30 years. The index will be 75% of the Bank's prime rate. The lender is Pilot Grove Savings Bank in Mt. Pleasant, Iowa.

AG 15-009 – Derek and Katie Schutjer – Beginning farmer loan of \$167,000 to purchase approximately 51 acres of agricultural land in Kossuth County. The loan will have a variable interest rate of 3.75% and a loan length of 30 years. The index will be 2.5% above the 5-year U.S. Treasury rate. The lender is Iowa State Bank in Algona, Iowa.

AG 15-010 – Joshua John and Katlyn Rae Henik – Beginning farmer loan of \$232,500 to purchase approximately 60 acres of agricultural land and outbuildings in Linn County. The loan will have a variable interest rate of 3.375% and a loan length of 25 years. The interest rate will be equal to the Mount Vernon Bank Commercial Mortgage Base Rate. The lender is Mount Vernon Bank and Trust Company in Mount Vernon, Iowa.

#### **MOTION**

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously 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 January 27, 2015 at 8:48 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:49 am.

#### **MOTION**

On a motion by Mr. Fredrickson 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 22 new BFTC applications for an estimated tax credit amount of \$196,338. He noted that of those, 9 are cash rent, 12 are crop share and 1 is a hybrid lease.

Steve also noted that all tax credit certificates were mailed out in mid-January.

**MOTION**

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

In other tax credit business, the application for the Beginning Farmer Tax Credit program has been revised. We hope this will reduce the number of incomplete applications we receive. The application fee has also been adjusted. For applications received prior to July 1, the application fee will remain \$200. For applications received on July 1 or after, the application fee will be \$250. This is to encourage people to apply earlier in the year and reduce the number of applications that come in the fall. There was no change to the annual \$50/year fee for cash rent leases or \$100/year fee for crop share leases.

**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**

The February IADD Board meeting will be Wednesday, February 25, 2015 at 8:30 am via conference call.

**ADJOURNMENT**

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the January 27, 2015 meeting of the IADD Board of Directors adjourned at 9:01 am.

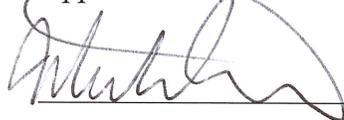
Dated this 25<sup>th</sup> day of February, 2015.

Respectfully submitted:



Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:



Mark W. Leonard, Chair  
IADD Board