



**IOWA AGRICULTURAL
DEVELOPMENT DIVISION**

IADD BOARD MEETING MINUTES

**Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
December 22, 2014**

Board Members Present

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

Board Members Absent

Annette Townsley

Staff Members Present

Lori Beary, Community Development Director Tim Jansen, Accounting Manager
Steve Ferguson, IADD Program Specialist Tammy Nebola, IADD Program Specialist
Cindy Harris, CFO Mark Thompson, General Counsel
Dave Jamison, Executive Director

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 December 22, 2014 at 8:32 am. A quorum was established with the following Board Members present: Leonard, Borg, Euken and Fredrickson.

REVIEW OF MINUTES OF NOVEMBER 24, 2014 BOARD MEETING

Mr. Leonard presented the minutes of the November 24, 2014 IADD Board Meeting. Ms. Beary stated that Ms. Townsley had requested a change to the way her comments were worded. She asked that the minutes be amended to change the word “rift” to “disconnect” on page 4 of the minutes and to add that she believes it’s because the IADD is still new to IFA board and staff. The minutes will now read:

She also feels that there is a disconnect between the IADD programs and the IFA programs. The IADD is still so new to IFA, many IFA staff and board members aren’t familiar with the purpose, goals and programs of the IADD.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the minutes were amended to reflect the changes described.

On a motion by Mr. Borg and a second by Ms. Euken, the Board unanimously approved the minutes of the November 24, 2014 IADD Board meeting as amended.

REVIEW OF NOVEMBER 2014 FINANCIAL STATEMENT

Tim Jansen presented the November 2014 financials. He stated that for FY15 year-to-date, IADD had operating income of \$204,266, operating expense of \$185,421 and net operating income of \$18,845.

Mr. Leonard asked about the balance of the Rural Rehab Trust Fund monies. It's unclear from the current financial statement the separation between the Trust Fund dollars and the other accounts. Staff said they would get that information to the IADD Board.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the November 2014 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola introduced the following application for a Loan Participation:

P-0191 – Keaven Faber - Loan Participation of \$36,500 with American State Bank in Sioux Center to assist with the purchase of land, a house and hog buildings in Sioux County. This beginning farmer will also have a BFLP for this project. Ms. Nebola explained that one of the LPP requirements was not met. The ratio of total participation to net worth is over 300%. If the feeding contract is assigned to the debt, the ratio is reduced. Because the buildings are older, the loan term will be 10 years. A loan committee consisting of Mark Leonard and Stacie Euken previously reviewed the application and recommended approval.

MOTION

On a motion by Mr. Borg and a second by Mr. Fredrickson, the Board unanimously approved the Loan Participation for Keaven Faber.

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 14-054 – Grant Heineman – Beginning farmer loan of \$100,000 to purchase approximately 20 acres of agricultural land in Boone County. The loan will have a variable interest rate of 4.16% and a loan length of 30 years. The index will be 85% of 2.5% over the 5-year U.S. Treasury rate. The rate floor will be 3.75%. The lender is U.S. Bank in Boone, Iowa.

AG 14-055 – John and Julie Ann Bowers – Beginning farmer loan of \$125,000 to purchase approximately 40 acres of agricultural land and outbuildings in Jones County. The loan will have a variable interest rate of 4.375% and a loan length of 25 years. The index will be 1.125%

over the Wall Street Journal Prime Interest Rate. The lender is The Exchange State Bank in Martelle, Iowa.

AG 14-056 – Dustin and Rachael Houlton – Beginning farmer loan of \$218,500 to purchase approximately 40 acres of agricultural land in Sioux County. The loan will have a variable interest rate of 4.5% and a loan length of 25 years. The index will be 2.5% above the 5-year U.S. Treasury rate. There will be a rate ceiling of 10.75% and a rate floor of 4.5%. The lender is Iowa State Bank in Ireton, Iowa.

AG 14-057 – Garrett and Kourtney Yoder – Beginning farmer loan of \$517,700 to purchase approximately 113 acres of agricultural land, house and outbuildings in Johnson County. The loan will have a variable interest rate of 3.4% and a loan length of 30 years. The interest rate will be 3% over the 1-year U.S. Treasury rate. The lender is Hills Bank and Trust in Kalona, Iowa.

MOTION

On a motion by Ms. Euken and a second by Mr. Borg, 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 December 22, 2014 at 8:47 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:48 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 30 new BFTC applications for an estimated tax credit amount of \$299,938. He noted that of those, 15 are cash rent, 14 are crop share and 1 is a hybrid lease.

Mr. Ferguson also provided a summary of the Beginning Farmer Custom Farming (BFCF) Tax Credit applications received. In 2014, there were 11 applications for an estimated tax credit amount of \$30,046.

Total tax credits for 2014 are estimated to be \$6,576,545.

MOTION

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

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Mr. Ferguson attended the Iowa State Bar Association's 2014 Tax School. He was able to give a brochure to each of the 1,000 attendees.

Other Business

Ms. Nebola reported on the 2014 Private Activity Bond allocation usage for the Beginning Farmer Loan Program. In 2014, \$12,229,585 of beginning farmer bonds were issued.

There was discussion about having the Custom Farming tax credit application be valid for more than one year. Having to apply each year is hindering people from using the program.

The January IADD Board meeting will be Tuesday, January 27, 2015 at 8:30 am via conference call.

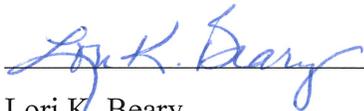
Adjournment

On a motion by Mr. Fredrickson and a second by Ms. Euken, the December 22, 2014 meeting of the IADD Board of Directors adjourned at 9:06 am.

Dated this 27th day of January, 2015.

Respectfully submitted:

Approved as to form:



Lori K. Beary
Director's Designee/Board Secretary



Lyle W. Borg, Vice Chair
IADD Board