

“California is Number One in the Nation...”

Federal dollars come home to build jobs in rural California through USDA Rural Development - California loans and grants.



USDA Rural Development California celebrates reaching NUMBER ONE IN THE NATION with \$4.17 million in Value Added Product Market Development Grants. At the signing ceremony inside the California State Capitol, grant recipients joined dignitaries (left to right behind podium): Hilda Legg, USDA-RD Administrator-Washington, DC; A.G. Kawamura, Secretary California Department of Food and Agriculture and Paul Venosdel, USDA-RD California State Director. See “Value-Added Grants” story on page 5.

“USDA Rural Development means business. We are looking for reliable California banking and business partners who can create rural jobs with the financial backing we have to offer.”

Paul Venosdel
USDA-RD
State Director

USDA Awards Highly Successful California Business and Banking Partners

“Congratulations to the six guaranteed loan business projects and their corresponding Business Banking Partners selected for special recognition by USDA Rural Development California this year,” said Paul Venosdel, USDA-RD State Director. *“We are honored to work with these successful rural entrepreneurs and their community banks to improve the business climate and create jobs for communities throughout our great state.”*

VINO PIASSA - BUSINESS OF THE YEAR is a very successful “boutique winery” business development in Lockeford that utilized a USDA Rural Development guaranteed loan and is expected to bring 15 new jobs to the area. The project’s unique concept and design was featured in *Wine Spoken Here* and *Vine Times* magazines.

Don and Karen Litchfield purchased the original Lockeford Winery in 1998 and began converting the property to accommodate individual small-scale winery production facilities with tasting rooms and sales showrooms. Now over 17 different smaller wineries are located at Vino Piassa, offering visitors the opportunity to tour, taste and purchase a wide variety of wines while also shopping for gifts and wine-related items.



PACIFIC STATE BANK - LENDER OF THE YEAR and **Senior Vice President Laura Maffei** worked with USDA Rural Development to issue a \$1 million guaranteed B&I Loan to the Litchfields that made the renovation of this
(Continued on page 2)

Vino Piazza improved the economic climate in the Lockeford area with 17 new retail winery tasting rooms for the public. Funded by USDA-RD and **Pacific State Bank**.

www.rurdev.usda.gov/ca

**CALIFORNIA :
NUMBER ONE
IN NATION
2003 USDA-RD
RURAL BUSINESS
LOAN AND
GRANT FUNDING**

**Business & Industry
Loans
\$108,506,950**

**Rural Business
Enterprise Grants
\$1,559,238**

**Rural Business
Opportunity Grants
\$137,017**

**Intermediary
Relending Program
\$3,500,000**

**Rural Cooperative
Development Grant
\$327,748**

**Renewable Energy
Grants
\$691,830**

**Value-Added Product
Market Development
Grants
\$4,174,507**

\$118,897,290



Miners Exchange / The Arbors wins the USDA Award for developers Stephan and Janis Drammer. This commercial development funded by USDA and Pacific State Bank will stimulate jobs and business in the Sierra foothills community of Murphys.

Honoring USDA Business and Banking Partners

(Continued from page 1)

property possible. The resulting Italian Villa style exterior and interiors provide a high quality, world class environment for smaller Central Valley regional wineries to present their products to the public.



MINERS EXCHANGE / THE ARBORS - BUSINESS OF THE YEAR is a project in the Sierra Nevada community of Murphys in Calaveras County.

Working with applicants **Stephan and Janis Drammer**, USDA issued two guaranteed loans totaling \$2.3 million for this husband and wife team to renovate existing historic buildings into commercial lease space. Their development project turned several existing western-style brick and stucco buildings in downtown Murphys into ready-to-lease retail and rental housing space. The design and use are consistent with downtown planning and contrib-

utes greatly to the area's expanding retail / gift shop trade and housing market.

Pacific State Bank was the original lender for the USDA-RD Guaranteed Loans and **Loan Officer Ron Ashwanden**, deserves the credit for bringing this project to fruition. These new retail spaces and apartment living units are significant economic

contributions to the downtown Murphys business community and are expected to bring 16 new jobs to Calaveras County.

LASSEN MEDICAL GROUP & TEHAMA MEDICAL ARTS - BUSINESS OF THE YEAR is expanding their clinic and office space in Red Bluff with the help of USDA and **BUTTE COMMUNITY BANK - LENDER OF THE YEAR.**

A new 35,000 square foot two-story building will open early in 2004 and make it possible for Lassen Medical Group to continue to meet the expanded demand for health care services in rural Tehama County.

Because of this facility expansion, rural Tehama County will get eight new salaried doctors for the medical group. The \$4.7 million project is a total of 2.2 acres and consists of three separate but contiguous parcels. The new facility will include 65 exam rooms, 10 procedure rooms, ample reception area and administrative space and 210 on-site parking spaces. The business plan is unique with 12 doctors sharing ownership of the medical corporation while practicing there. In total 74 quality jobs will be created

(Continued on page 4)



Pacific State Bank team members share in the pride of being chosen as a *USDA Bank of the Year*. (Left to right) Steven Rosso, President/CEO; Laura Maffei, Senior VP/Manager; Ron Ashwanden, VP/Loan Officer; Linda Ogata, Senior VP/Manager; Paul Venosdel, USDA-RD State Director; Gary Stewart, Exec. VP/Chief Credit Officer.



Visiting the **Lassen Medical Group's** new building under construction are (left to right) from USDA-RD - Ron Tackett, Community Development Manager; Chuck Clendenin, RBS Program Director; Paul Venosdel, State Director; from Lassen Medical Center - William Clybourn, Operations Manager - and from **Butte Community Bank** - Glenn Rilingier, Vice President of Commercial Lending.



How to Fund Rural Business - Call the Experts

Our California Rural Business team handled over \$108 million in business loans last year and nearly \$8.4 million in grants and revolving loan funds. That's the dollar volume of a small bank. These staff experts as well as our other business program specialists throughout the State can assist you to become a USDA-RD partner in rural business development. Call us at 530-792-5827.

KAREN SPATZ - Cooperative Program Specialist. After nine years with USDA Ag Co-Op Services in D.C. and five years with UC Davis Center for Cooperatives, Karen has a wealth of knowledge and a valuable network of problem solvers. She's been on our RD team for three years and is the expert on Value-Added Grants and Rural Business Enterprise Grants. Karen is a well known provider of training for cooperative boards on policy, roles and responsibilities.

LARRY STRONG - Business Program Specialist. Originally a geological engineer, Larry added economic analysis to his expertise. He's been a business / residential appraiser, a mortgage broker and worked for SBA in disaster recovery. Larry has been on our RD team for six years and has been a strong asset in working with our business lenders and borrowers as the statewide Business Programs Coordinator.

LEE TAKIKAWA - Rural Development Specialist. Lee came to the RD team 1-1/2 years ago after working nine years with the Valley Small Business Development Corp. and earlier with The Bank of Fresno. He's traveling the state to market the Rural Business and Cooperative Programs, conducting Lending Roundtables and visiting with lenders. Lee's commercial lending experience gives our team even greater depth and knowledge.

RON TACKETT - Community Development Manager, Business Program Coordinator. After 14 years of experience with USDA, Ron has in-depth working experience in Business Programs and all other RD programs. While managing the Oroville office, Ron also handles the B & I programs in the northern part of the State. He is known for his friendly approach. "I like to put customer service first."

STEVE CRABTREE - Community Development Manager, Business Program Coordinator.

Steve has a solid 11 years of working experience with USDA, starting as Assistant County Supervisor in Victorville. A former US Army Special Operations Officer, Steve quickly moved up to manage the Indio office and also represent RD's business programs in rural Southern California. "It's rewarding to help get actual dollars to work, building business and jobs for clients."

KRISTA MINGES - Business Services Technician. During her nine years with USDA, Krista has built a reputation for efficiency and courtesy. As our Government Loans System expert, Krista is in charge of account monitoring and reporting. Lenders call Krista to stay on track and get her help in walking through to Guaranteed Loan process.

JOE CHOPERENA - Business Programs Specialist. Joe is our main contact for the Intermediary Relending Program (IRP). He started as an intern 2-1/2 years ago and now works full-time as our main IRP Program staff expert, Joe works closely with a number of Economic Development Councils and Native American Tribes. Our partners appreciate that Joe is knowledgeable, friendly and always ready to help.



Celebrating their awards for a record-setting \$108 million in loans and grants in 2003. (left to right, back row): Krista Minges, Larry Strong, Karen Spatz, Lee Takikawa, (front row) Joe Choperena, Chuck Clendenin, Steve Crabtree and Ron Tackett.

Chuck Clendenin - Experience Helps Businesses

With an impressive 28 years of loan and grant experience, Chuck Clendenin has become one of Rural Development's most respected senior staff in the nation. Over the last ten years, as USDA Rural Development California's Business and Cooperative Program Director, Chuck has approved over \$600 million in loans and grants for rural business development. Projects have ranged from major manufacturing plants and regional medical facilities, creating thousands of new jobs, to small

neighborhood businesses and non-profit job training centers. Chuck's leadership helped the RBS Team in California set a new record in 2003, writing 74 loans totaling over \$108 million. Due to his tenacity, Chuck was successful in working with Rural Development's National Office to expand this last year's original \$26 million allocation, greatly enhancing the amount of loan guarantees to assist rural California businesses and create jobs.



Chuck Clendenin, Business and Cooperatives Program Director

www.rurdev.usda.gov/ca



“The objectives are to create jobs and revenues. . . Local economies do not run on auto pilot. . . I urge communities to invest in local economic development, for economic development is an investment, not an expense.”

Wayne Schell
President / CEO
California
Association for
Local Economic
Development

Awarding USDA Business and Banking Partners

(Continued from page 2)

and retained for Tehama County.

Congratulations to **Glenn Rilinger, Vice President - Commercial Lending** with Butte Community Bank and to the Lassen Medical / Tehama Medical Arts corporation for a great project that will benefit the rural Tehama, Butte and Glenn Counties. USDA Rural Development is proud to be your partner.



Butte Community Bank President Keith Robbins receives an engraved glass award from USDA-RD State Director Paul Venosdel denoting Butte Community Bank as a USDA-RD *Lender of the Year*.

YOUTH FOR CHANGE - BUSINESS OF THE YEAR has a 12-year history serving families and youth in Butte County through a variety of social service programs. With the help of **Glenn Rilinger** and **Butte Community Bank** this valuable community organization is using a \$1.3 million USDA-RD guaranteed loan to consolidate its various locations into 21,000 square feet of office spaces on a 3.7 acre development. Project funds will construct two office buildings, an administrative center and a day care center on the new campus development in Paradise where Youth for Change will be employing 114 persons.

The non-profit Youth For Change provides comprehensive treatment and support for families including mental health and rehabilitation services, foster family administration, transitional living and AmeriCorp Volunteer program services. USDA is proud to be a partner with Youth For Change and Butte Community Bank in providing an increased level of services to families and youth in Butte County.

VALLEY INDEPENDENT BANK - LENDER OF THE YEAR is well-known in Imperial County and other regions for their strong support of local rural community development. Their USDA *Lender of the Year* award this year is for their astute and dedicated work in guaranteed business lending as exemplified by the two new family health care clinics projects in rural Imperial County. Bank **President Dennis Kern** and **Loan Officer Kay Fisher** are value assets for businesses and residents in their service area.

(Continued on page 6)



Youth for Change Executive Director George Siler (center) receives the Business of the Year award and is congratulated by (left to right) Glenn Rilinger, **Butte Community Bank** Vice President Commercial Lending; Paul Venosdel, USDA-RD State Director; Chuck Clendenin, USDA-RD Director of RBS; Ron Tackett, USDA-RD Loan Officer.



Congratulations to **Valley Independent Bank** for being chosen as a USDA *Lender of the Year*. (Left to right) Kay Fisher, VP Commercial Div. ; Paul Venosdel, USDA-RD State Director; Dennis Kern, President; Justina Gamboa-Arce, VP Commercial Div.



www.rurdev.usda.gov/ca

Value-Added Grants Help Grow Rural Jobs

Over \$4.17 million is going to help 20 California businesses compete through the USDA Product Market Development Grants program. That places California top in the nation for this program. *“Federal dollars are coming home today for California’s number one industry - Agriculture,”* said Paul Venosdel, State Director for USDA Rural Development. Authorized as part of the 2002 Farm Bill, the Value-Added Agriculture Product Market Development Grants program provides an opportunity to refine agricultural commodities and products to increase their value in the marketplace.

Nationwide, 184 grants have been awarded in 40 states totalling \$28.7 million. Innovative ideas in this program focus on job creation or retention and reflect the diversity of California business. Products targeted vary from cotton to caviar, from beef to peaches and even includes two projects involving agricultural - related clean energy production .

Rural Businesses Awarded Value-Added Grants from USDA-RD

In 2003, the following 20 rural California business applicants were chosen by USDA-RD to receive Value-Added Product Marketing Development Grant funds to expand their products. California was Number One in the nation in funding for this year’s program.

Blue Diamond
 Cal/West Seeds
 Calcot, Ltd.
 California Canning Peach Association
 California Olive Growers
 California Olive Oil Council
 Cedar Mills EcoFarm
 Community Alliance with Family Farmers
 Diamond Walnut Growers
 Hilmar Cheese Company
 Home Grown Meat Steering Committee
 Lodi Woodbridge Winegrape Commission
 Napa Valley Vitners Association
 Olive Growers Council of California
 San Joaquin Valley Cotton Growers Assn
 Sunsweet Growers
 Superior Livestock.com - Superior Stampede
 Tsar Nicoulai Caviar, LLC
 Valley Fig Growers
 Western United Dairymen



Hilmar Cheese in Merced County is developing a line of pharmaceutical grade lactose products for domestic and international markets through a \$120,414 USDA Value-Added Product Market Development Grant. At the Signing Ceremony (left to right) are Denise Skidmore Education Coordinator; Bernard Corkery, General Manager for Lactose; Paul Venosdel, USDA-RD State Director; Hilda Legg, USDA-RD Administrator; Chuck Ahlem-Hilmar Cheese owner; Dr. Stephen Kellam, R & D Manager .



A.G. Kawamura,
 Secretary
 California
 Department of
 Food and
 Agriculture

“We are grateful to our partners at USDA for all they do on behalf of California agriculture. We are interested in continuing to explore partnership opportunities with the federal government as part of the renaissance for agriculture and the entire state economy.”



“California’s rural counties provide some of the best opportunities to reinvigorate the Golden State economy. Working with our federal counterparts, we must invest in the future of our rural economies and create opportunities for hard-working families. We must all work together to bring jobs, investment and opportunities back to California.”

State Assembly
 Republican Leader
 Kevin McCarthy



Golden State Banks “Partner Up” with USDA-Rural Development

USDA-RD California Rural Business Service Guaranteed Loans - FY 2003

Bank of America: \$819,375
 Bank of the Sierra \$7,768,400
 Bridge Bank: \$6,651,000
 Butte Community Bank: \$16,111,500
 Canyon National Bank: \$1,421,000
 Central California Bank: \$5,000,000
 Coast National Bank: \$4,346,800
 Cuyamaca Bank: \$1,180,000
 First International Cap.: \$2,000,000
 GE Capital Small Business: \$640,000
 Gold Country Bank: \$11,808,375
 Heritage Bank of Commerce: \$6,813,700
 Humboldt Bank: \$2,400,000

Kaweah National Bank: \$320,000
 Napa Community Bank: \$1,500,000
 Oak Valley / ES Bank: \$2,204,000
 Pacific State Bank: \$21,256,000
 Rural Comm. Assist. Corp: \$1,418,500
 Sun Country Bank: \$1,250,000
 Temecula Valley Bank: \$1,440,000
 United Commercial Bank: \$3,785,000
 United Security Bank: \$2,100,000
 Valley Independent Bank: \$5,588,300
 Western Sierra Bank: \$685,000

**TOTAL GUARANTEED LOANS:
\$108,506,950**

“This economy is strong, and it is getting stronger... All the signs in our economy are very strong.”

President
 George W. Bush
 Remarks to Women Small Business Owners at Commerce Department
 January 9, 2004

**United States
 Department of
 Agriculture
 Rural Development
 California**

430 G Street,
 Agency 4169
 Davis, CA 95616

Phone: 530-792-5800
 Fax: 530-792-5837
 Email: RD.info@ca.usda.gov
www.rurdev.usda.gov/ca

Helping Rural People Succeed



USDA Rural Development is an equal opportunity Lender, Provider and Employer. Complaints of discrimination should be sent to USDA Director, Office of Civil Rights, Washington, D.C. 20250

Strong California Job Growth through USDA Loans and Grants



Partners Share Awards

(Continued from page 4)

IMPERIAL VALLEY FAMILY CARE MEDICAL GROUP - BUSINESS OF THE YEAR

has grown by two more locations as a result of USDA and **Valley Independent Bank's** collaboration. The clinics in Calexico and Imperial are the work of **Dr. Mario Ceja** and **Dr. Vechaspathi Palakodeti**. These two dedicated physicians chose to practice medicine where they were needed the most and worked with Valley Independent Bank to obtain two USDA-RD guaranteed loans totaling just under \$2 million. These loans funded the construction of two new clinics near El Centro and the U.S./Mexico border. The Medical Group added six staff with the two new clinics and now employs 97 people. In the new clinic locations they are offering comprehensive outpatient care in modern examination and treatment facilities.

Congratulations to the doctors and to Valley Independent Bank for their integrity, professionalism and service to the economic development and health care needs in rural Imperial County.



Paul Venosdel, USDA-RD State Director (right) congratulates (left to right) **Drs. Mario Ceja** and **Vechaspathi Palakodeti** of **Imperial Valley Family Care Medical Group** for being chosen as a USDA *Business of the Year*.