

*Rural Development Idaho*  
*US Department of Agriculture*



**Creating New Opportunities for Rural Idaho**



**Fiscal Year 2002 Annual Report**





# Ann M. Veneman

## Secretary of Agriculture



I encourage you to review this report from USDA's website at [www.usda.gov](http://www.usda.gov).

Residents in Idaho and from all across this nation are what truly makes America great. We can continue to build on our successes in strengthening our rural communities. And, our Rural Development employees stand ready to assist in any way they can.

## Thomas C. Dorr

### Under Secretary for Rural Development

A strong and vibrant economy in rural America serves as the cornerstone of President Bush's economic agenda. USDA Rural Development is working hard to expand economic opportunities and improve the quality of life for all of the 59 million Americans living in rural communities. Through the efficient and effective delivery of Rural Development initiatives, new jobs have been created, home ownership has increased and families and businesses have been strengthened. New investments and entrepreneurial spirit will continue to grow, bringing increased opportunity to rural areas.

I know and understand that rural Americans are resilient and share a pioneering spirit that will once again forge new frontiers in the future. In this same spirit, USDA Rural Development's challenge is to look beyond today and to envision a better way to work with America's rural communities to improve existing partnerships, and forge new ones.



In looking back over the last year, we have begun to build an economic foundation, shaped like what President Bush advocates. I am proud of the aggressive efforts by USDA Rural Development employees to quickly turn many of the 2002 Farm Bill provisions into new economic hope for America's farmers, ranchers and rural families. These efforts ensured the delivery of \$703 million to finance 377 communities water and wastewater infrastructure projects. Additionally, \$37 million helped support the development of 231 agricultural value-added ventures that will bring new opportunities for increased revenues to our American farmers and ranchers. In total, over \$12 billion was invested through USDA Rural Development programs in rural America in Fiscal Year 2002.

From fire hydrants to fiber optic cable -- from sewers to symphonies -- USDA Rural Development financial and technical assistance is making a positive difference. In Fiscal Year 2002 alone -- 42,000 rural residents became first time homeowners, nearly 7,000 homeowners received loan and grant funding to make needed repairs and improvements, and 1,400 loans and grants were provided to assist communities finance essential community facilities. Electricity, telephone, water and wastewater infrastructure funding totaled over \$6.8 billion. Distance learning and telemedicine funding helped communities in 37 states gain access to modern technologies. Over 1,100 rural areas have clean drinking water and sanitary waste systems.

I am proud of what we have been able to accomplish. However, to meet ongoing and future challenges, USDA Rural Development will focus in 2003 on four critical areas of economic opportunity: Housing; Broadband; Bio-Mass; and Equity Capital.

Housing -- Rural Development has created a Five Star commitment to improving single-family housing lending to rural minority families as part of the President's minority homeownership initiative.

Broadband – Rural Development will implement approximately \$1 billion in Broadband programs, including a one-time “Community Connect” grant program to help small communities obtain access and training related to broadband services.

Bio-Mass – Rural Development will assist in the development of alternative energy combustibles to replace petroleum-based products through value-added grants and business and industry loan guarantees.

Equity Capital – The Farm Bill provides \$44 million in operational assistance grants and \$280 million in debenture guarantees for the Rural Business Investment Program (RBIP). The RBIP will increase the amount of capital available for investment in rural businesses and will provide technical assistance to these businesses.

Again, we have accomplished much in fiscal year 2002. I commit USDA Rural Development to administer all our programs and policies fairly, equitably, and honorably. It is the right thing to do, it is what I believe, and I will tolerate nothing less. Through our collective hard work we will continue to increase the economic opportunities in rural communities and improve the quality of life for all rural Americans.

## *Message from the State Director*

December 2002

Fellow Idahoans:

We are pleased to report on the activities of Idaho USDA Rural Development for Fiscal Year 2002.

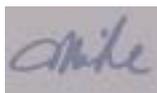
In this annual report, you’ll find information about USDA Rural Development programs and how they help the people of our state. After reviewing it, we hope you’ll have a better idea of how USDA Rural Development is fulfilling its mission to create new opportunities for rural Idahoans.

Helping to create quality housing, good jobs, safe drinking water, and reliable and modern infrastructure for rural communities remains a top priority. Rural Development employees in Idaho are working in partnership with federal, state, and local government officials as well as the private sector to make certain our financial resources are invested wisely and have the greatest impact on improving the quality of life in rural areas of our state.

We want to thank our partners: the private, nonprofit, and government entities that have participated with us in many of these projects. With their assistance, we have helped many more people than we would have acting alone.

We recognize that the best solutions to rural problems are developed by those on the ground. We stand ready to assist Idaho’s rural communities by being an active participant in their growth.

Sincerely,



Michael A. Field  
State Director

## **Synopsis of Rural Development Programs**

### ***Rural Housing Service***

To provide safe, sanitary, and affordable housing for very-low-, low-, and moderate-income rural Idaho families is a central goal of USDA Rural Development. Quality housing provides an economic benefit to communities and gives individuals and families a sound footing, thereby enabling their success.

The Rural Housing Program delivers its services through direct and guaranteed 502 loans, self-help housing loans, 504 loans and grants for housing improvement and renovation, and through housing preservation grants. Direct and guaranteed rural rental housing loans allow for construction and renovation of rental units for very-low-, low-, and moderate-income residents in rural areas. Rural rental housing assistance provides subsidized rent to very-low- and low-income individuals, families, and the elderly who reside in USDA direct-financed apartments.

### ***Rural Business-Cooperative Service***

USDA Rural Development is committed to assisting with economic growth and diversification by providing financing and loan guarantees to rural businesses. It also provides technical assistance to rural businesses, conducts research into rural economic issues, provides cooperative education materials to the public, and assists communities through the Empowerment Zone/ Enterprise Community Program. Rural Business-Cooperative Service helps rural residents form new cooperative businesses and improve the operations of existing cooperatives.

Rural Business-Cooperative Service helps fund projects that create or preserve quality jobs. Financial resources of Rural Business-Cooperative Service are often leveraged with those of public and private credit source lenders to meet business needs in underserved areas. Rural Business-Cooperative Service is delivered through Business and Industry loan guarantees, Intermediary Relending Program loans, Rural Business Enterprise Grants, Cooperative Services Division, Value Added Product Development Grant Program, and Empowerment Zone/Enterprise Community Program.

### ***Rural Utilities and Community Facilities***

Planning for, developing, and maintaining a community's physical infrastructure is essential both for service to current residents and for future economic competitiveness. In order for Idaho's rural areas to succeed, citizens must have affordable access to water, wastewater and solid waste disposal, electricity, and telecommunications services. Rural Utilities and Community Facilities seeks to improve the quality of life in rural America through loans, grants, and technical assistance which develop water, wastewater, storm water, and solid waste disposal systems in rural areas and towns with a population of 10,000 or less. The Community Facilities Program provides financing (loans, loan guarantees, and grants) to local governments and non-profits with a population of 20,000 or less for health care, public safety, and public service facilities.

Community development goes hand-in-hand with economic development. Community leaders require information on alternatives and opportunities if they are to plan adequately for the future. Communities also must be served by a partnership of state, federal, local, and private funding in order to meet their goals.

## Fiscal Year 2002 Accomplishments

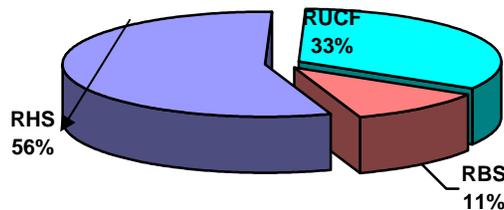
It is the goal of USDA Rural Development to help rural Americans grow and improve their quality of life. We accomplish this by administering programs which help rural residents care for their families and ensure that businesses they start and communities in which they live have the best chance to grow and thrive.

In fiscal year 2002, Idaho Rural Development expended more than \$110 million in grants and direct and guaranteed loans in support of rural development activities across the state. These funds helped provide housing for more than 585 rural households; established safe and sanitary water and wastewater systems

serving more than 20,469 rural residents; provided essential community facilities, including health care, fire protection, and group homes to 148,646 rural residents; created or stabilized approximately 812 rural jobs; and provided numerous additional economic, social, and environmental benefits to rural communities throughout the state.

Of this \$110 million, approximately 56% was devoted to rural housing activities, 33% to the development of community facilities and rural water and wastewater systems, and 11% to rural business and cooperative development activities.

### Fiscal Year 2002 Funds Usage Per Program Area



#### RHS Total - 56%

- 50.3% - SFH Guaranteed loans
- 31.3% - SFH Direct loans
- 15.9% - Rental Assistance
- 2.5% - Multi-Family/Labor Housing loans
- 0.1% - Housing Preservation Grants

#### RBS Total - 11%

- 73.4% - B&I Guarantee loans
- 4.6% - CAIP loans
- 7.2% - IRP loans
- 3.2% - RBEG
- 11.6% - VADG

#### RUCF Total - 33%

- 52.7% - WWD loans and grants
- 14% - CF loans, grants and loan guarantees
- 0.3% - Solid Waste Management grants
- 3% - Native American Set-Aside
- 30% - Telecommunications

## Rural Housing Service

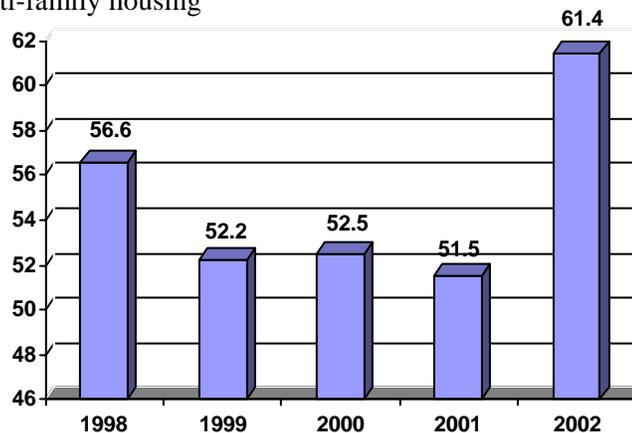
Program Name	Dollars Obligated	Participation Amount	Percent of Participation
Single Family Housing Loans (Section 502)			
Very Low Income	\$9,123,459	\$1,390,518	13.2%
Low Income	\$8,975,786	\$1,919,516	17.6%
Repair & Rehabilitation Grants (Section 504)	\$291,468	\$1,180	.01%
Repair & Rehabilitation Loans (Section 504)	\$326,792	\$-0-	0%
Mutual and Self-Help Housing Grants (Section 523)	\$726,493	\$-0-	N/A%
Single Family Housing Guaranteed Loans	\$31,207,345	N/A	N/A
Farm Labor Housing (Section 514)	\$-0-	\$-0-	0%
Multi-Family Housing Loans (Section 515)	\$1,562,836	\$181,988	10.4%
Housing Preservation Grants (Section 533)	\$50,000	\$50,000	50%
Rental Assistance (Section 521) (RA)	\$9,865,830	N/A	N/A
<b>Totals</b>	<b>\$62,130,009</b>	<b>\$3,843,202</b>	

In 2002, Rural Housing Service provided approximately \$18,099,245 in direct funds and \$31,207,345 in guaranteed funds to help 585 rural families buy single family homes. Also, \$618,260 in grant and loan funds assisted 117 very-low-income homeowners with removal of health and safety hazards or rehabilitation of their existing dwellings. Rural Development provided \$1,562,356 for a new 12-unit housing project on the Duck Valley Indian Reservation and for rehabilitation of 32 multi-family housing units in Parma. Rural Housing Service also

provided a Housing Preservation Grant of \$50,000 to Eastern Idaho Special Services Agency (a non-profit organization) to assist very-low-income families in repairing their homes. In total, Idaho's Rural Housing Service invested more than \$62,130,009 either as direct loans and grants, rental assistance, or guaranteed loans in rural housing.

### Five Year Funding History for RHS

Dollars obligated shown in millions



## Rural Business-Cooperative Service

<b>Program Name</b>	<b>Dollars Obligated</b>	<b>Participation Amount</b>	<b>Total Investment</b>	<b>#Jobs</b>
Business and Industry Loan Guarantee	\$8,594,313	\$6,224,840	\$14,819,153	308
Business and Industry Loan Guarantee (CAIP)	\$ 535,000	\$ 136,158	\$ 671,158	14
Rural Business Enterprise Grant (RBEG)	\$ 369,752	\$ 407,747	\$ 777,499	402
Intermediary Relending Program (IRP)	\$ 850,000	\$ 265,000	\$ 1,115,000	88
Value Added Ag Product Market Development Grant (VADG)	\$1,353,835	\$ 1,353,835	\$ 2,707,670	N/A
<b>Total</b>	<b>\$11,702,900</b>	<b>\$ 8,387,580</b>	<b>\$20,090,480</b>	<b>812</b>

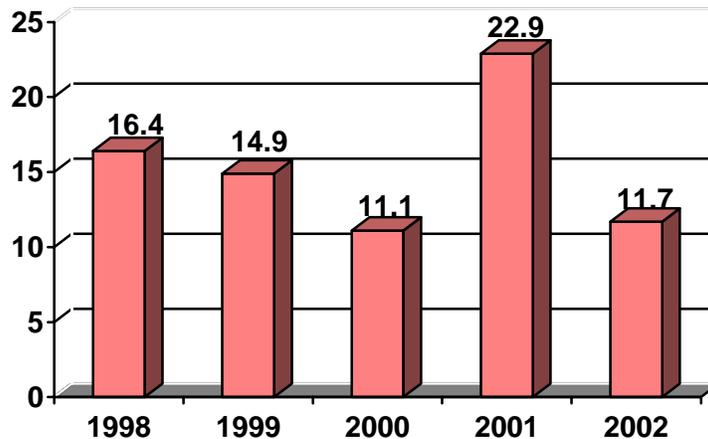
Rural Development provided financing to promote the start-up or expansion of rural business or cooperatives, creating or preserving 812 jobs in the rural areas served. \$11,702,900 in Rural Development, Rural Business-Cooperative Service (RBS) program assistance was provided to rural projects as guaranteed loans, grants made to third parties, or loans made to intermediaries to facilitate the development of rural businesses and cooperatives, or grants made to eligible agricultural producers/producer groups. RBS program assistance was leveraged with \$8,387,580 from our Partners, for a total investment in rural projects and communities of \$20,090,480. Idaho RBS provided technical assistance services to cooperatives and cooperative steering committees to facilitate

cooperative development. RBS assisted rural communities via outreach and education through the Empowerment Zone/Enterprise Community Initiative.

Value-Added Agricultural Product Market Development Grants (VADG) Program – Authorized by Section 6401 of the 2002 Farm Bill, the VADG provides grants to eligible agricultural producers/producer groups. RBS provided \$1,353,835 to five separate groups, thereby facilitating greater participation in emerging markets and new markets for value-added agricultural products.

## Five Year Funding History for RBS

Dollars obligated shown in millions



## Rural Utilities and Community Facilities

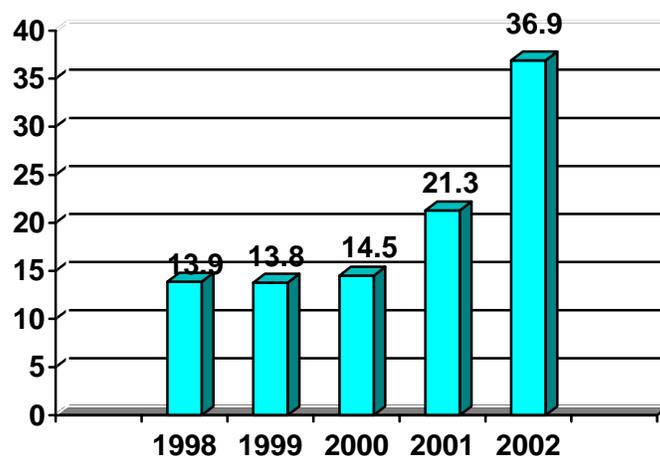
Program Name	Dollars Obligated	Participation Amount	Total
Water & Waste Disposal			
Loans	\$10,500,000	} \$5,097,500	\$25,761,123
Grants	\$8,964,478		
Native American	\$1,199,145		
Solid Waste Management Grants	\$121,796	\$117,030	\$238,826
Community Facilities			
Direct Loans	\$3,548,000	} \$3,699,813	\$8,914,921
Grants	\$92,000		
Guaranteed Loans	\$1,260,000		
Economic Impact Grants	\$315,108		
Telecommunications Loans	\$10,452,100	-0-	\$10,952,100
Distance Learning Telemedicine	\$500,000	-0-	\$500,000
<b>Totals</b>	<b>\$36,952,627</b>	<b>\$8,914,343</b>	<b>\$46,366,970</b>

In fiscal year 2002, \$19,464,478 in loans and grants were provided for rural water or wastewater projects that serve approximately 20,469 rural residents, and \$121,796 in grant funds were provided for two solid waste management technical assistance projects. These monies included a grant to the Shoshone-Bannock Tribes to assist in getting safe drinking water to residents currently using contaminated ground water and a grant to the Nez Perce Tribe to provide wastewater service to Native Americans in the East Kamiah area with failing septic systems. Included in this amount is \$8,744,000 for eight projects authorized by the 2002 Farm Bill to reduce the backlog of water

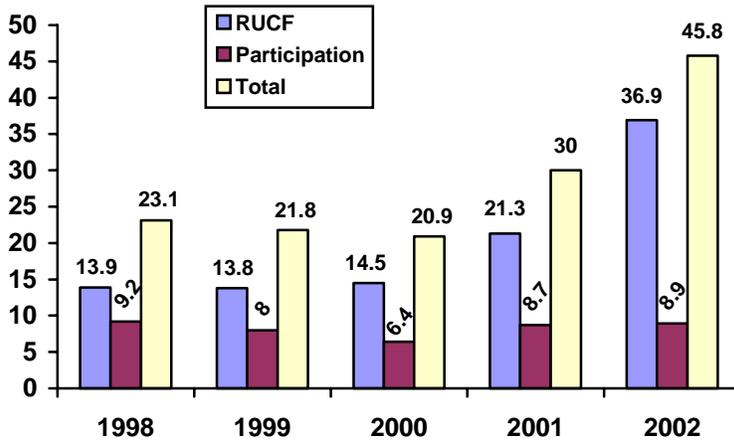
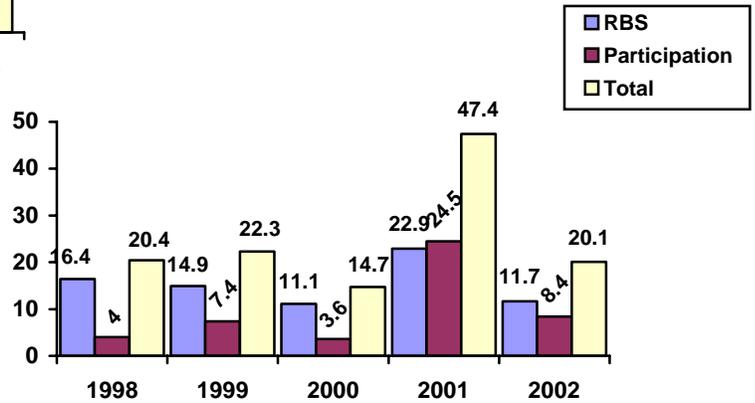
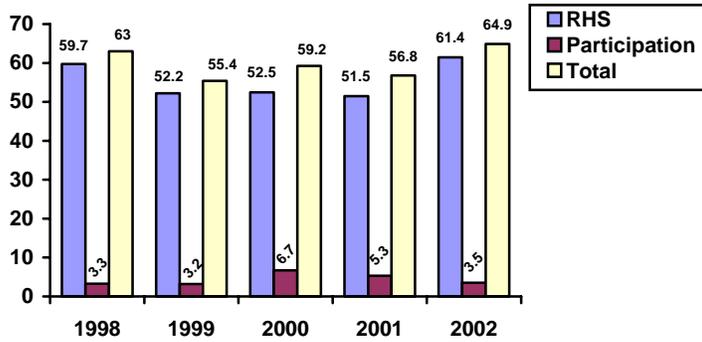
and waste water applications. Rural Development also provided approximately \$5,215,100 in loan and grant funds which assisted in financing new or improved community facilities servicing approximately 148,646 rural residents. The Community Facility funding included a direct and guaranteed loan to the Walker Center for Drug and Alcohol Abuse Treatment in Gooding, a direct loan and grant to the Gooding Basque Cultural Center in Gooding, and a \$75,000 grant to the Duck Valley Housing Authority for a college-level educational facility on the Duck Valley Indian Reservation.

### Five Year Funding History for RUCF

Dollars obligated shown in millions



**Participation** - The following graphs show the dollar amounts leveraged by our partners for Rural Housing Service, Rural Business-Cooperative Service and Rural Utilities & Community Facilities.



**Community Facilities Guaranteed Loans: Fiscal Year 2002**

Lender	Location	Number of Loans FY 2002	Amount of Loans FY 2002
Magic Valley Bank	Twin Falls	1	\$1,000,000
Wells Fargo Bank Northwest, NA	Twin Falls	1	\$100,000
Wells Fargo Bank Northwest, NA	Lewiston	1	\$60,000
<b>Total</b>		<b>3</b>	<b>\$1,260,000</b>

IDAHO GRH LOANS BY LENDER FISCAL YEARS 2001 & 2002					
Name of Lender	TYPE	FY 2001	FY 2001	FY 2002	FY 2002
Academy Mortgage		6	\$581,210	38	\$3,673,086
Action Mortgage	S	4	\$375,269	2	\$248,308
Allied Mortgage		1	\$201,200		
American Mortgage	N				
Bank of Commerce	S	12	905,840	10	\$977,400
Bank of Idaho	S	38	\$2,571,400	43	\$2,987,940
Cache Mortgage	S				
Cache Valley Bank		2	205,000		
Central Pacific Mortgage	N				
Chase Manhattan Mortgage	N	18	1,719,258	18	\$1,705,790
Cherry Creek Mortgage		7	\$575,200		
Colonial Mortgage	N	6	\$464,440		
Continental Savings Bank	N				
Countrywide Home Loans	N	24	\$2,055,700	15	\$1,544,178
Crossland Mortgage	N				
Custom Mortgage	N			1	\$94,703
First Colony Mortgage		12	\$1,035,676		
First Federal Savings Bank		4	\$240,230	3	\$238,900
First Horizon .	N	17	\$1,214,616	15	\$1,172,492
First Mortgage	S	2	\$165,500	2	\$239,890
First Security Bank	N				
FirstBank Northwest	S	16	\$1,460,811	35	\$3,492,695
Global Credit Union		4	\$355,150		
Home Federal Savings & Loan	S	4	\$313,542	2	\$188,890
Home Mortgage	S				
Home Street Mortgage	N				
Idaho Independent Bank	S	14	\$1,390,600	12	\$1,262,984
ISU - Federal Credit Union		1	\$61,900		
Intermountain Community Bank				5	\$452,830
Ireland Bank	S	5	417,250	3	\$222,490
Irwin Mortgage	N				
M&T Mortgage	N	9	\$904,767	5	\$565,500
Magic Valley Bank	S	34	\$2,412,600	9	\$812,200
Major Mortgage	N				
Mann Financial	N			2	\$199,000
Mortgage Capital Resources	N				
Mountain West Bank	S	12	\$1,213,309	32	\$3,343,084
National City Mortgage	N	15	\$1,397,521	33	\$3,478,873
New Freedom Mortgage				1	\$50,000
North American Mortgage	N			2	\$177,000
Old Kent Mortgage	N	10	\$723,000		
Pacific Republic				5	\$452,000
Republic Mortgage	N	12	\$1,130,900	3	\$306,879
Republic Mortgage Home Loan				3	\$308,800
Republic Northwest		7	\$591,900	3	\$260,800
Washington Mutual Bank		28	\$2,603,795	5	\$380,000
Washington Trust Bank	S	3	\$274,790	1	\$498,000
Wells Fargo Home Mortgage	N	29	\$2,803,866	22	\$2,008,976
Young Mortgage		1	\$90,400		
Zion's Mortgage	N	4	\$324,500	3	\$253,500
<b>TOTAL's</b>		<b>361</b>	<b>\$30,781,140</b>	<b>333</b>	<b>\$31,207,188</b>

## Business & Industry Guaranteed Loans: Fiscal Years 2001 & 2002

Lender	Location	Number of Loans FY 2001	Amount of Loans FY 2001	Number of Loans FY 2002	Amount of Loans FY 2002
American West Bank	Pullman, WA			1	\$ 699,600
Bank of Latah	Orofino, ID			1	\$ 572,000
Bank of Whitman	Colfax, WA			1	\$ 575,000
Farm Credit Services	Twin Falls, ID	2	\$ 5,000,000		
Farmers & Merchants	Meridian, ID			1	\$ 2,602,713
First Security Bank, NA	Burley, ID	1	\$ 350,000		
First Security Bank, NA	Nampa, ID	1	\$ 415,000		
First Security Bank, NA/Wells Fargo	Sandpoint, Hayden, Idaho	3	\$ 1,526,000		
Keybank National Association	Twin Falls, ID	2	\$ 3,023,685		
Northwest Farm Credit Services	Spokane, WA	1	\$ 1,500,000		
US Bank, NA	Pocatello	1	\$ 740,000		
US Bank, NA	Preston, ID	2	\$ 485,000		
Washington Trust Bank	Boise, ID			1	\$ 3,000,000
Wells Fargo Bank, NW, N.A.	Lewiston, ID			1	\$ 400,000
Wells Fargo Bank, NW, N.A.	Coeur d'Alene, ID			2	\$ 755,000
Zions Bank	Blackfoot, ID			1	\$ 525,000
Zions Bank	St. Louis, MO	2	\$ 7,400,000		
<b>Total</b>		<b>15</b>	<b>\$ 20,439,685</b>	<b>9</b>	<b>\$ 9,129,313</b>

### *Fiscal Year 2002 Highlights*

#### *Rural Housing*

#### **HOME REPAIRS BRING JOY**

Bonnie Foster was familiar with USDA-Rural Development. With a limited income due to cerebral palsy, she had turned to Farmers Home Administration (the predecessor to Rural Development) in 1975 for a loan to purchase a home. They made her the loan, which she recently paid off, but because of the age of her home, some maintenance work was needed. This included a new roof, new windows, new entrance doors and repairs on the soffit and fascia.

USDA, Rural Development was able to help. They made a **Section 504 Home Repair and Rehabilitation** loan to Ms. Foster so the needed repairs could be completed, allowing her to maintain her home and make it warm and comfortable again. Ms. Foster said, "I'm so proud of how attractive my home looks. Every time my neighbors and

friends tell me how great my house looks, it brings joy to my heart. She added, "I have made such great friends through this experience, people I can trust. I would never hesitate to do business with Rural Development again."



## **Turning Despair into Hope**

Cleanliness is next to godliness to Rosie Smith, a 71-year-old homeowner who takes great pride in her home. The house and yard are immaculate - not a flake of dust inside nor a weed growing outside. She



Rosie Smith & her son

even keeps her dog, a beautiful collie named Rocket, brushed, groomed and looking like a show dog.

She loves to show guests

through her home, explaining that all the furniture was bought at yard sales then taken home and refinished, repainted or otherwise refurbished by her personally, making her home comfortable and homey. She also loves to work in the yard. The result is a home and yard that would show nicely in any home and garden magazine.

Because Rosie's income is limited, (derived solely from Social Security and SSI) she couldn't afford any major repairs, and her roof was old and leaking, causing water damage to her ceilings and beautiful furnishings.



Rosie's 38 year-old son, Carl, who is virtually blind and confined to a wheelchair, lives with her. While Rosie is able to provide most of the care Carl needs, she requires help from Home Health to bathe him.

Carl's bathroom was not handicap accessible. The shower stall was small and had a 4-5 inch high lip around the edge of the base making it necessary to lift Carl and his wheelchair into it, and the sink was set in a cabinet making it inaccessible for Carl's wheelchair.

Although Rosie prides herself on being self-sufficient, she just couldn't afford the needed repairs and upgrades and therefore requested help from USDA Rural Development to remodel Carl's bathroom and replace her roof. The assistance came just in time. Rosie had received a letter



Carl's Remodeled Shower

from Home Health informing her that unless the shower was remodeled, they would no longer come to the home to bathe him.

With funds from Rural Development, the bathroom was redesigned. A handicap accessible shower was installed with handrails and tiled walls. The carpet was removed and ceramic tile installed allowing for better wheelchair mobility. The existing roof was removed and a new roof with 30-year architectural shingles was installed.

In addition to the above repairs, Rosie's family pitched in and removed the old sink and cabinet, replacing it with a free-standing sink that allows Carl better access.

USDA Rural Development helps many people in our local communities through its housing loan and grant programs. Rural Development has turned despair into hope for many individuals who just didn't have the financial ability to help themselves.

## **REMAKING AN INHERITANCE**



Eleanor Erickson's career as an airline stewardess ended abruptly when the airline she worked for filed bankruptcy. Returning to her hometown of Bonners Ferry, Idaho provided additional challenges. She inherited and moved into the home she had been raised in, but it no longer met her needs. It was old, and had extensive structural and mechanical problems, including no heat. USDA Rural Development, in partnership with Wells Fargo Home Mortgage were able



to loan Ms. Erickson the money she needed to build a new home. With assistance from family members, the existing family home that she had grown up in was demolished and she was able to build her new home on that site.

Eleanor is thrilled with her new home. She no longer has to worry about living in a home with no heat, old plumbing, unsafe electrical wiring and structural problems.

## ***Rural Business-Cooperative Service***

### **Business and Industry Guaranteed Loan**

**Cascade Hotel Property, LLC dba The Ashley Inn**



On May 17, 2002, Rural Development State Director Mike Field and Idaho Governor Dirk Kempthorne joined residents of Cascade to celebrate the ground-breaking of *The Ashley Inn*, a 65-unit hotel financed with a loan developed by Fred Knehans, AVP & Commercial Loan Officer with the Meridian branch of Farmers & Merchants State Bank, and guaranteed by a Rural Development Business and Industry Loan Guarantee. Billed as Cascade's biggest business district improvement in more than 60 years, the hotel (which will be built by owners Ashley and Katrin Thompson in a Victorian/French Country style) will total more than 40,000 square feet and will feature a conference/reception center, meeting rooms, and a heated indoor swimming/spa facility.

As described in the Long Valley Advocate: "Word of the project's start comes almost exactly one year after the closure of the Boise Cascade sawmill at Cascade. With that mill's closure, more than 80 mill employees and numerous other timber industry workers lost their jobs. Among those who lost their jobs was Ron Lundquist, who will become the manager of the hotel once it's built. He is presently enrolled in Lewis-Clark State College's Hotel and Restaurant Management program. The project is expected to create 20-25 new jobs in the county; and according to business plans, it is anticipated that the hotel will generate 18,000 overnight visits each year within the first three years."

It is anticipated that The Ashley Inn will become an economic development anchor and a draw for recreationists and tourists who go to Valley County year round. The economic base of Valley County includes timber, mining, tourism, and ranching. Accordingly, over the past decade the economy has been strained as three of the four sectors of the economic base have been under pressure from a number of directions.

Tourism has become an ever-increasing facet of the local economy. The City has limited lodging capacity and the existing motels are dated. The hotel is expected to attract a number of those traveling through the area and in turn benefit local businesses. Additionally, the project was a key component in the City's efforts to obtain an Idaho Department of Commerce Grant for improving sewer and water lines. The project will not only allow the City to improve the current systems to allow the development of the proposed hotel but will also benefit the users on the existing system and increase fire protection capabilities.

As noted by the Thompsons in the groundbreaking invitation sent to Rural Development: "Thanks - this is already making a difference in Cascade - Ashley and Katrin".

### **Rural Business Enterprise Grant**

#### ***Teton County (Teton Valley Hospital & Surgicenter)***

Cardiac patients no longer have to leave the Teton Valley to get treatment. The RBS Rural Business Enterprise Grant (RBEG) of \$39,550 was given to Teton Valley Hospital & Surgicenter in Driggs to pay for equipment that doctors in the valley can use to diagnose heart trouble and monitor patients in their homes.

Terry Patrick, director of respiratory therapy at the hospital, said, "With this grant we'll be able to purchase new diagnostic pieces that basically will get us a lot more insight into what's going on with a patient when we're looking for a diagnosis."

Equipment purchased through the grant includes a portable monitor that cardiac patients can wear 24 hours a day. The monitor records a patient's cardiac rhythms, recording recurring symptoms. Other equipment will allow patients to record heart trouble and transmit the data to the hospital by phone.



Susan Kunz, Hospital Administrator; Terry Patrick, Director of Respiratory Therapy; Ron

The equipment also includes a new electronic interface between the hospital's laboratory and the privately-owned Teton Valley Medical Clinic (TVMC) which will allow test results to be transferred to patient files with more speed and confidentiality. The interface will help both the hospital and the medical center cut down on the amount of work required to transfer records. The new equipment will be used by TVMC, a small and emerging business, owned and operated by two local physicians; and the project will result in the retention of TVMC's 20 employees. The hospital matched the grant with an \$11,000 remodel to house a new cardiopulmonary suite at the hospital.

## ***Rural Utilities and Community Facilities***

### **Gooding Basque Cultural Center**

Euskadi Lane is the location of the Gooding Basque Association's new cultural center in Gooding, Idaho. The Basque community in southern Idaho now has a place to celebrate their "old country" traditions—as well as a place for local community events. The 6,400-square-foot block building features a 3,600 square-foot assembly room, a complete kitchen with a walk-in cooler, bathrooms, office, and an 884-square-foot portico. The rustic, tile-like, metal roof adds a distinctive appearance to the facility.

The project was made possible with a \$240,000 USDA, Rural Development Community Facilities loan and a \$60,000 Community Facilities grant. The Basque Association provided 3.3 acres of land, furnishings, donated labor, and cash contributions. Funds for loan repayment will come from the association's annual festival, rental fees, and traditional Basque dinners served to the public. The Basques recently held their annual meeting and

Christmas party at the center and local residents are already scheduling weddings, family reunions, and other events. The Basque center is a welcome addition to the Gooding, Idaho community.



Basque Cultural Center, Gooding, Idaho

### **Kamiah Regional Wastewater Treatment System**

In June 1999, the City of Kamiah submitted an application to finance a new wastewater treatment plant to meet the City's and Pine Ridge Water & Sewer District's needs. After reviewing the information and the intent of the City and District, Rural Development (RD) recommended that the District submit an application for its share of the project. This was submitted in September 1999. Each entity needed to upgrade its facility to meet the Clean Water Act. Each had its own lagoon system, but agreed that it would be in both their best interests to provide a regional system. The City would own and operate the new treatment facility with the District sending its sewage to the City for treatment. RD financing was approved in March 2000 for both entities.

At the same time Valley View Water & Sewer District had an application pending with RD to upgrade its lagoon system. Valley View is located east of Kamiah. Including Valley View into the Kamiah regional system was considered, but was cost prohibitive for the number of users. The Nez Perce Tribe indicated in the fall of 1999 that the sewage systems at two Tribal Housing Subdivisions located near Valley View were failing. Initial discussions were held January 2000 regarding a regional system that would incorporate Valley View Water & Sewer District and the two Nez Perce Tribal Housing subdivisions. Ongoing discussions were held at each step in expanding regionalization to include the area east of Kamiah. These discussions included revising facility studies to meet IDEQ requirements, locating funding for this amendment, construction/ownership/maintenance of the sewer interceptor from East Kamiah to the City system, responsibilities, permits, rates, costs, financing packages. The Tribe submitted an application to RD in December 2000 to finance its costs associated with becoming part of the regional system. The Tribe's and Valley View's funding was approved June 2001. Discussions began between the 4 entities regarding intergovernmental agreements for sewage treatment and construction of the interceptor and treatment plant.

Intergovernmental contracts were signed between the City of Kamiah and the other entities on February 13, 2002. Bid documents were then finalized and the project advertised for bid May 2002. Bids were received and project budgets reviewed for each entity based on the low bid. Additional funding was needed for the Districts and Tribe to meet the projected cost for the treatment plant. Farm Bill 2002 provided a source for the additional funds needed. Documents were quickly compiled and meetings with the District and the Tribe held so the additional funding could be approved. After many miles on the road and hours on the phone, the City, Districts, Nez Perce Tribe, Rural Development staff and many others involved were relieved to see the construction begin on the wastewater treatment plant in October 2002.



Russ Kirsch, Chairman, Pine Ridge; Sherri Rothfusz, State Assistant for Congressman Butch Otter; Samuel Penney, Chairman, Nez Perce Tribe; Robert Olive, Mayor, City of Kamiah; Mary Hasenoehrl, Regional Director for Senator Michael Crapo; Walter Steed, Grant Administrator for Valley View

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Northern Idaho serves Benewah, Bonner,  
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