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At Rural Development, we are committed to serving rural communities!

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FALL 2009

Rural Development Quarterly News

Federal Support Announced for Main Street Mومence

USDA Rural Development State Director Colleen Callahan announced a \$99,000 grant to Main Street Mومence (MSM) on August 14, 2009 to help the organization fund a revolving loan program. The funds will be used to provide low interest loans to businesses and property owners that will locate or remain in Mومence's historic downtown area.

"Rural communities and the small businesses that support them are the backbone of our economy," said Callahan. "We are happy to help the people of Mومence create an environment for increased economic activity that capitalizes on local leadership and the rich traditions of this town."

The town's downtown area has a 35 percent vacancy rate, and MSM has undertaken a number of actions to reduce that rate. In 2005 they developed the Façade Grant Program to provide funds for signs, awnings and façade improvements. In 2006, they took advantage



USDA Rural Development State Director Colleen Callahan awards Main Street Mومence \$99,000 for a revolving loan fund.

of the town's history, and spearheaded the effort to have the downtown listed on the National Register of Historic Places. The MSM program annually hosts nine special events and sponsors beautification activities in the downtown business district. The revolving loan program will become another incentive available to business and downtown property owners to advance economic development in the downtown core.

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New Business Opportunities for Three Area Communities



Yorkville Mayor Valerie Burd visits with Congressman Foster and USDA Rural Development State Director Colleen Callahan.

Congressman Bill Foster joined Illinois State Director for Rural Development Colleen Callahan to announce that the federal agency's funding is now available to spur business development and job creation in Yorkville, Sugar Grove and Elburn. Businesses, non-profits and public entities in these communities are now eligible for five of the agency's grant and financing programs.

"We are very excited to offer these communities new tools to help them support a dynamic business environment," said Callahan. "All three of these communities have a rich heritage upon which to build a vibrant future, and we are here to offer an affordable way to help them get there."

The agency's business programs are designed to work in partnership with the private sector, local units of government and community-based organizations to provide financial assistance and business planning. The programs support projects that create or preserve quality jobs. The funds are often leveraged with those of other public and private credit source lenders to meet business and credit needs. Eligible applicants include individuals, corporations, partnerships, cooperatives,

(continued on page 2)



Herman Wisslead
Area I Director

Director's Corner

To all of those who may be interested in the Value Added Producer Grant (VAPG) program:

USDA published the revised Notice of Solicitation of Applications (NOSA) in the September 1, 2009 Federal Register inviting applications. \$18 million is available for this nationally competitive program. The maximum individual grant amounts are the same as last fiscal year: \$100,000 for a planning grant or \$300,000 for a working capital grant. A copy of the NOSA can be found at: http://www.rurdev.usda.gov/rbs/coops/VAPG%20NOFA%20REISSUE_09012009.PDF. The deadline for submitting VAPG applications is November 30, 2009 for ALL applications.

To assist you in meeting this timeframe, fillable application templates are available on the VAPG website. To access the application templates, please go to the VAPG webpage at: <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>. This web site also includes an eligibility self assessment tool, which is a good place to start for all applicants.

There have been several changes in the program since last year. It is very important that you read the NOSA carefully to determine whether you and your project are eligible and to ensure you fully comply with all of the application requirements. ■

Momence (continued from page 1)

"The Rural Development Grant provided by USDA Rural Development will prove invaluable in Main Street Momence's mission to stabilize and revitalize Momence's Historic Downtown District", said Janine Loftus, executive director of the local program. "We are grateful to the Economic Alliance of Kankakee County for bringing this opportunity to our attention and their support during the application process."

Following a recommendation made in a 2007 study that identified business development options for the town, Main Street Momence applied for the Rural Development grant to fund a revolving loan program. The program initially is expected to help create or save 15 to 20 jobs by providing gap financing to six or more businesses. It will provide them with a low interest loan component that can offset higher interest loans, making repair and improvement projects financially feasible. As the

initial loans are repaid, MSM will be able to make additional loans. The loans will be made to business owners needing financing for a variety of needs, such as purchasing equipment, tailoring rented space to business needs, and bringing the historic buildings up to code requirements. "Targeting funds to the downtown area are essential to maintaining the character of the community as well as making the vacant spaces ready to rent to prospective entrepreneurs," said Loftus.

The Rural Business Enterprise Grants is designed to help public entities, such as towns, cities, state agencies and authorities, and private non-profit corporations in rural areas finance the development of small and emerging rural businesses, distance learning networks, and adult education and employment programs. The funded projects must be in communities with populations of 50,000 or less. ■

Opportunities (continued from page 1)

public bodies, nonprofit corporations, and private companies. "These development tools will assist Yorkville, Sugar Grove and Elburn to create jobs and grow the local economy," Rep. Foster said. "I am proud that the Farm Bill, which I supported, is giving our communities an opportunity to help themselves during our economic recovery."

The five programs offer a variety of financial support including loan guarantees for businesses, grants for public entities and non-profits to support business development, loan guarantees and grants to help businesses become more energy efficient, and zero interest loans available through a partnership with local rural utility organizations.

"The announcement today is important for business owners, but it is equally important for the 13,000 residents in these communities," said Callahan. "When a town's business climate improves, so does the tax base that supports local services."

The 2008 Farm Bill revised the definition of "rural," which affected the eligibility of certain communities for Rural Development's business resources. Yorkville, Sugar Grove and Elburn had been ineligible because of their proximity to Chicago. The change allows cities and towns with populations under 50,000 that are separated from an urban area by at least two census tracts to be eligible for the five Rural Development business programs. ■

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and the small
businesses that
support them are
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- Colleen Callahan,
Illinois Rural
Development Director**

Ground Broken for Elizabeth Wastewater Project

Dignitaries gathered in Elizabeth on Friday, July 10, 2009 to break ground for improvements to the village's sanitary sewer collection system and wastewater treatment plant. The project will correct the problems created when heavy rainfall overtaxes the treatment plant and untreated sewage is discharged directly to the surface water.

About two years ago, the village determined that it would take more than \$2 million to eliminate the health hazards created by the overburdened wastewater system. Village officials worked with USDA Rural Development to find an affordable way to finance the needed equipment, repairs and construction to upgrade the sewage treatment plant.

Improvements include replacing the lift station, renovating 93 manholes, relining 2300 feet of sewer mains along with a new pump station and an equalization tank.

Rural Development awarded Elizabeth \$2,056,000 through a grant and low cost loan in 2008. After all the preparations were made, construction bids were let. Steep increases in fuel, steel and concrete costs, as well as some increased legal and easement costs, now brought the project cost to nearly \$3 million. The village was able to secure an additional \$896,000



Representatives from the Village of Elizabeth, USDA Rural Development, Community Funding, MSA Professional Services and Staab Construction break ground at the Village's wastewater treatment plant.

in funding from Rural Development. Of the \$1,952,000 provided by the agency, 73 percent of the funding was from grants.

USDA Rural Development's Water and Environmental Program provides loans and grants to ensure that the necessary investments are made in water and wastewater infrastructure to deliver safe drinking water and protect the environment in rural areas. The purpose of the program is to ensure that small rural communities are able to build or revitalize their water and sewer systems while keeping the rates as reasonable as possible. ■

For more information on Rural Development's programs, visit:

www.rurdev.usda.gov

Program Spotlight

Intermediary Relending Program

Purpose: Under the Intermediary Relending Program (IRP), loans are provided to local organizations (intermediaries) for the establishment of revolving loan funds. These revolving loan funds are used to assist with financing business and economic development activity to create or retain jobs in disadvantaged and remote communities.

Applicant: Private non-profit corporations, public agencies, and cooperatives with at least 51 percent rural membership aimed at increasing income for producer members or purchasing power for consumer members may apply for intermediary lender status. Corporations, partnerships, LLCs, individuals, non-profit corporations and public bodies are generally eligible to apply for loans from an intermediary lender.

Eligible Area: Under this program, rural areas and incorporated places having a population of 25,000 or less. For eligible areas, visit: <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>

Financing Features:

- Fixed 1% interest rate
- 30 year term
- No balloon payments
- Terms, interest rates and collateral are negotiated between the intermediary and ultimate recipient
- Local control and delivery



For more information, please visit the Rural Business website: <http://www.rurdev.usda.gov/rbs>. To apply for funding for the Intermediary Relending Program, contact Matt Harris, Business & Cooperative Specialist in the Illinois USDA Rural Development State Office - (217) 403-6211. ■



Multi-Family Housing Award



Pictured l to r: Illinois Housing Programs Director Barry Ramsey, Illinois Rural Development Director Colleen Callahan, Site Manager Shirley Kerley, and Multi-Family Housing Specialist Penny Hexdall.

Colleen Callahan, Illinois Rural Development State Director, along with Barry Ramsey, Housing Programs Director for Illinois and Penny Hexdall, Multi-Family Housing Specialist in Ottawa presented the **Site Manager of the Year** award for an

elderly complex to Shirley Kerley on September 11, 2009.

met and forwarded to the management office in Plainfield.

Shirley also organizes events in the community room for all to participate in, regularly checks on any tenant under the weather and always makes sure the complex is well maintained.

Shirley is well known and respected in the Beecher community. The Beecher Manor tenants and WDC Management staff thank Shirley for her unselfish and tireless efforts to make the Beecher Manor Apartment community one of the most desired places to live.

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QUICK REMINDER

Anyone wishing to live in any Rural Development funded apartments should contact the management company on the complex's sign. For a listing of available apartments, be sure to visit: <http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/>.

Shirley has been the site manager at Beecher Manor Apartments for more than 10 years and also lives at the complex. She takes a personal interest in every tenant who lives at Beecher Manor treating them like family. Shirley constantly goes above and beyond the call of duty to make sure all tenants are taken care of and any special needs are

Area 1 Highlights

Monthly Webinar Series



Join us for any or all of the webinar trainings to find out how to "retool" your business and community using Rural Development financing.

October - Single Family Direct Home Loans

November - Direct Water & Waste Disposal Loans & Grants

December - Direct Community Facility Loans & Grants

January - Preliminary Engineering Reports How-To

The cost is FREE to all participants. If you would like to be included on our mailing list to receive sign-up information, contact any Area 1 office! ▪

A special thanks to: Sarah Borchelt, Penny Hexdall, Joan Messina, Duane Smith and Herman Wisslead for contributing to this quarter's newsletter.

Time in Service



Herman Wisslead

Ottawa Office

~ State Director Colleen Callahan presented Herman with an honorary keepsake for his **30 years** of service with USDA. ~

