

THE RURAL MINNESOTAN



Committed to the future of rural communities.

Official Newsletter of USDA Rural Development in MN Northeastern Minnesota Edition

Another successful year for Rural Development in 2007

ST. PAUL — A new ethanol plant in Eyota, \$12 million for electric infrastructure in southeastern Minnesota and the grand opening of the National Eagle Center in Wabasha. All of these projects were celebrated as Rural Development wrapped up fiscal year 2007.

And what a successful year it was.

USDA Rural Development invested \$470 million throughout rural Minnesota in 2007, raising its investment since 2001 to about \$4.5 billion.

“Credit goes to Minnesota’s rural communities and a proactive Rural Development staff,” said Steve Wenzel, State Director of Rural Development in Minnesota. “There’s a lot of exciting projects happening out in rural Minnesota’s communities.”

Rural Development 2007 Investment in Minnesota	
Housing	\$197 million
Electric	\$165 million
Broadband	\$62 million
Water and Waste	\$29 million
Business and Cooperative	\$9 million
Community Facilities	\$8 million
TOTAL	\$470 million

Rural Development’s business programs. The single-

Minnesota had another good showing in its business programs, highlighted by \$2.6 million for value-added producer grants and \$350,000 in Section 9006 renewable energy grants. Over \$9 million was invested through

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From the desk of State Director Steve Wenzel

ST. PAUL -- While traveling in Southeastern Minnesota on Sept. 19, I received the official confirmation that Mike Johanns would be stepping down as Secretary of Agriculture to return to his home state of Nebraska where he served as governor. Mr. Johanns served rural America and America’s farmers and ranchers with dedication and commitment during his time as Secretary.



I have had the honor and privilege of meeting many Agriculture Secretaries during my 30 years as a Minnesota legislator serving on the House Agriculture Committee and six years as Rural Development State Director. I can say with certainty that Mike Johanns was one of the very best. Mike Johanns as Secretary served President Bush and the nation well.

Mr. Johanns took a grass-roots approach to his duties as Secretary. In preparation for the 2007 Farm Bill, he personally conducted listening sessions throughout the nation to listen to America’s farmers and rural leaders. On Aug. 3, 2005, over 1,500 people braved the 100 degree heat at Farmfest in Morgan, Minn., to offer their input to the Secretary. Mr. Johanns listened to the citizens for over three hours on that sweltering day.

Mr. Johanns grew up on a 160-acre farm in Osage, IA, near the Minnesota border and received his B.A. Degree at St. Mary’s University in Winona, Minn. As Secretary, he helped shape agriculture and rural policies in a way that encouraged rural development, opened new trade routes and funded nutrition

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family housing program also thrived, investing over \$22 million through its direct home ownership loan program and repair grant program and \$164 million in the guaranteed loan program. June Homeownership month was celebrated with events in Baxter, Nashwauk and Bemidji.

Rural Development of Minnesota was fortunate to receive a Section 515 new construction multi-family housing loan. The \$1 million loan will rehab an old hotel in Crookston into an apartment complex. Also highlighting the multi-family housing program was over \$142,000 in housing preservation grants and \$10 million in rental assistance.

In the community programs division, over \$8 million was awarded for community facilities and almost \$29 million was awarded for water and wastewater projects. Highlights include \$12.5 million to expand the Red Rock Rural Water system in southwestern Minnesota and almost \$1.5 million for a new day care center in Tracy.

Rural Development's electric, telecommunications and broadband programs are administered exclusively from the national office in Washington, D.C., but were very successful in Minnesota. About \$165 million was invested to expand electricity infrastructure, highlighted by \$65 million to East River Electric Power in Southwestern Minnesota and South Dakota.



The National Eagle Center in Wabasha celebrated its grand opening on Sept. 29. Rural Development's grant was part of a \$4.5 million project.

million in distance learning and telemedicine grants through the broadband program. A \$366,000 grant will deliver distance learning capabilities to 22 schools in rural Minnesota.

"We do such a variety of projects that we can literally build a community from the ground up," Wenzel said. "The 2007 Farm Bill proposals indicate that Rural Development will only get stronger. I encourage everyone to contact their local office and talk about financing options for development projects."

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programs.

Farm equity, now at \$2 trillion, has increased \$200 billion per year for the last several years. Average farm household income is projected at \$81,500 and exports are expected to reach \$79 billion by the end of this year. America's farmers were truly served well by Mike Johanns.

Mr. Johanns also had a broad vision for America's rural communities. He was a champion for America's rural communities and the Rural Development programs that support them. This support is evidenced in the 2007 Farm Bill, which features over \$1.6 billion for rural healthcare facilities, \$2.1 trillion for renewable energy and \$500 million to address rural water and wastewater problems.

Evidence of his leadership is also highlighted in this newsletter's lead story. We had another tremendous year in 2007 and I know we will enjoy similar success in 2008.

I felt Mr. Johanns truly showed what a great leader he was when he personally visited the Rural Development state office here in St. Paul. He talked to each employee and also posed for pictures with them.

Despite his down-to-earth and "down-home" manner, Mr. Johanns was not afraid to tackle the tough issues that face American agriculture and rural communities. He championed many reforms in the 2007 Farm Bill currently under debate in the Congress. I know some of these reforms were not always popular, but Mr. Johanns led the way and did what he thought was right for the people. Leadership sometimes means making tough decisions, and Mr. Johanns never shied away from making them.

Chuck Connor, the former Deputy Agriculture Secretary, will serve as the Acting Secretary until the President officially nominates a new Secretary. I know Mr. Connor will do a great job filling in for Mike Johanns.

I think President Bush said it best when he announced the resignation of Mr. Johanns on Sept. 20: "I couldn't have asked for a better Secretary of Agriculture," the President said.

I agree 100 percent.

"I couldn't have asked for a better Secretary of Agriculture." President George W. Bush talking about former Secretary Mike Johanns.

Making homeownership dreams a reality in Baxter

BAXTER — Penny Goff now has a back yard for her children to play in.

Goff recently moved in to her new home in Baxter along with her four children, all with different levels of special needs. Goff, who previously rented a residence in St. Cloud, used Rural Development's direct single-family housing loan program to secure financing for her new home.



The future home site of Penny Goff.

Rural Development officials and other local leaders gathered at Goff's future home to celebrate Homeownership Month on June 27. Goff was congratulated by Rural Development State Director Steve Wenzel, presented with an American flag from Sen. Norm Coleman's office and interviewed on a local television station.

"I'm really grateful for all of the help," Goff said. "This home will be ours and I am looking forward to it."

Thomas Leach, a specialist in Rural Development's Baxter office, worked with Goff to help her attain financing.

Nashwauk has a new Homeowner in Pat Lira

NASHWAUK — Rural Development officials didn't quit after Baxter on June 27. They continued to Nashwauk where they honored Pat Lira, another new homeowner who used the direct home loan program.



"There were many obstacles to overcome, but it doesn't do any good to dwell on them if you want to get something done," Lira said as she sat on the steps of her new home.

Lira, who has several pets and enjoys making upgrades to her home, also was presented with an American flag from Sen. Coleman's office and interviewed by local media.

Lira used to rent until she discovered Rural

Development could help her purchase her own home. Kris Zigan of Rural Development's Virginia office helped Lira through the home buying process.

Deer River Opens new Town Hall

DEER RIVER TOWNSHIP — Deer River Township celebrated the grand opening of its new 4,920 square foot township hall on May 18.

State Director Steve Wenzel joined congressional and township officials at the event. "This facility will serve the township well," Wenzel said. "Basic infrastructure is key to the development of all rural communities."

Rural Development helped finance the new building with a \$450,000 low-interest loan. The funding comes from Rural Development's community facilities program, which has grants and direct and guaranteed loans to build essential community buildings and purchase emergency response vehicles and equipment.

The township contributed \$76,244 to the project, which is located near the old hall along county road 19. Roger Clapp of the Baxter office worked on the project for Rural Development.

Leech Lake Community breaks ground on early childhood center



USDA Rural Development helped finance what will soon be a new early childhood learning center with a \$573,000 economic impact initiative grant. This groundbreaking ceremony was held on Aug. 20 at the future home of the center on the village of Onigum. Rural Development enjoys a valuable partnership with all of Minnesota's American Indian tribes. On Sept. 11, Rural Development spent a day touring projects on the Bois Forte reservation. A photo and brief recap of the trip can be found on the next page.

Community Programs News

Additional funding for water and sewer projects

Rural Development in Minnesota expects to receive an extra \$40 million over the next two years to fund water and sewer applications that are on hand at the time the 2007 Farm Bill is signed.

Towns in need of water or sewer improvements are encouraged to file applications with the area office serving them as soon as possible to be eligible for this extra funding.

Steps taken to Make Water and Sewer Systems More Affordable

For water and wastewater loans processed in FY 2008, Rural Development will use a newly reduced similar system cost guide of 1.5% of monthly Median Household Income. This is down from 1.7%. Program Director Bill Slininger says this move will potentially lower the cost of service and open the door to towns between 500 and 5,000 people that have been under-served in recent years.

Other steps taken to make user costs more affordable include: sharing grant needs with other funding agencies such as Public Facilities Authority, Small Cities Block Grant Program, Iron Range Resources, and the Corp of Engineers. Providing longer repayment terms and the lowest interest rates allowed by law.

Applicants Planning on PFA Funds need to Update Project Costs

PFA grants are based on the proposed project cost at the time the City applies to be placed on the Health Department or MPCA Project Priority List. However, PFA is willing to allow an update of the project cost if it is provided to Rural Development prior to the time the State Bonding Bill is enacted by the State Legislature. We recommend that your engineer update the costs this fall or early winter.

Second Year for Minnesota Rural Water's System Planning and Management Seminar (Board Training)

Last winter Minnesota Rural Water, Minnesota Extension Service, Rural Development and Midwest Assistance Program provided 6 hours of training for

approximately 200 City Board Members and interested citizens on things to consider when planning a water or sewer system expansion and things to consider in the ownership and management of the system.

This training was so well received that it is being offered again this winter. You can find full details on the Minnesota Rural Water Website in September, at www.MRWA.com

Class Schedule

November 1, Grand Rapids

December 4, Fergus Falls

January 8, Little Falls

February 12, Bemidji

March 18, 2008, Dodge Center

April 22, 2008, Marshall

Special Emphasis on Health Care

The President has asked Congress for an additional \$1.6 billion over the next five years for Rural Development to fund health care facilities. Priority will be given to Critical Access Hospitals, Clinics, Mental Health Care Facilities, Nursing Homes, Assisted Living Units and Emergency Response vehicles and equipment.

Rural Development Tours Bois Forte Indian Community



Rural Development officials spent Sept. 11 touring projects on the Bois Forte Reservation. Since 1992, Rural Development has invested over \$9.5 million throughout the reservation. A \$30,000 grant announced in July will buy equipment for this wellness center on the reservation. Other projects visited included a fire hall, housing projects and a wastewater system improvement project. "The Rural Development assistance over the years has gone a long way," said Terry Hill, communications director for the Bois Forte Tribe.

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