

# THE RURAL MINNESOTAN



Committed to the future of rural communities.

## Official Newsletter of USDA Rural Development in MN East Central Minnesota Edition

### Addressing water and wastewater issues

BYRON — The city of Stewartville, Minn., is located about 15 miles south of Rochester. Like many communities that USDA Rural Development works with, Stewartville is growing.

“It’s a slower and steadier growth,” said Bill Schimmell, Stewartville’s city administrator. “But we’re definitely growing.”

A problem that many growing rural communities face is how to deal with wastewater and water treatment issues. Often, these problems can be overwhelming and intimidating.

USDA Rural Development, along with several valuable partners, are trying to help rural communities confront these issues before they become problems by



*Terry Louwagie of Rural Development presents at the Byron session.*

conducting a series of training sessions. The sessions educate city officials about the importance of proper water and wastewater treatment, assessing what a community needs, where to go for funding and technical assistance, how to hire an engineer, different types of systems for treatment, and system operations. The sessions are free and have been a major success thus far.

“The nuts and bolts of each session is to edu-

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### From the desk of State Director Steve Wenzel

ST. PAUL — Welcome to the new official newsletter of USDA Rural Development in Minnesota. One of my goals as State Director was to improve awareness

and communication with our customers and rural Minnesotans about Rural Development programs and our activity throughout rural Minnesota. We have made tremendous strides in this area, but were lacking a consistent, state-wide newsletter. It is with great pride that I introduce the Rural Minnesotan,

the official newsletter of USDA Rural Development in Minnesota. Each issue will have a lead story that we will feature statewide, information tailored to each specific region of the state where we have office locations and a column from yours truly. These areas include northwest, northeast, west central, east central, southwest, and southeast Minnesota.

Secretary of Agriculture Mike Johanns announced the President’s and department’s proposals for the new 2007 U.S. Farm Bill on Jan. 31. The proposals have been debated and discussed for the past couple of months, but there is one thing I can say with certainty: The Secretary’s proposals are a giant step in providing for an even greater impact by USDA Rural Development on the future of rural America. The plan includes three significant funding initiatives that will impact rural communities:

\*Over **\$1.6 billion** in renewable energy funding

\*Over **\$1.6 billion** in guaranteed loans to rehab the nation’s 1,200 Critical Access Hospitals.

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cate communities before entering into a project,” said Jeff Dale of the Minnesota Rural Water Association at a session in Byron, Minn., on March 20. “There’s never a one-size-fits-all option.”



Schimmel said that Stewartville has begun looking into building a new wastewater plant and upgrading its water infrastructure. The city is seeing a lot of new residential development as it becomes a “suburb” of Rochester. He thought the training session

was extremely beneficial.

“It was a good refresher,” Schimmel said. “It was nice to hear about current trends and revenue sources. We also got to the root of what is working and what isn’t.”

Ten workshops will be completed by the end of April. The first was conducted in 2005. Bill Slininger, Community Programs Director for Rural Development, hopes to conduct six workshops each year as long as there is a need. The locations of each session will vary.

“To my knowledge no other state has done this,” Slininger said. “The Rural Development model is 1-on-1 mentoring and training. These sessions are perfect for that.”

It’s also a way for rural communities to get to know the groups out there to assist with water and wastewater projects.

“All of this is free of charge, but people usually take a day off of work to come here,” Dale said. “We make sure that we get everyone familiar with who’s out there for technical assistance and really make this worthwhile for people.”

The next education and training session will be in Windom on April 24. For more information, contact Bill Slininger at (651) 602-7810.



*The crowd at the Byron session listens to a presentation from Paul Evenson, Rural Development engineer.*

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\*Over **\$500 million** to address a backlog of rural infrastructure projects such as water and wastewater systems.

On top of these key funding initiatives, the Farm Bill would continue to address housing, business, emergency response, high-speed Internet access, and other infrastructure needs that are vital to our rural communities.

Some of you may be asking how Secretary Johanns and the Bush Administration came up with the proposed 2007 Farm Bill. The Secretary and other USDA officials conducted 52 Farm Bill listening sessions last year. These sessions gave farmers and rural citizens a chance to voice their opinions on what they wanted the 2007 Farm Bill to look like. Secretary Johanns reported that Rural Development programs received unanimous support at each and every listening session he conducted.

***“Secretary Johanns reported that Rural Development programs received unanimous support at each and every listening session.”***

I attended the listening session at Farmfest in Redwood Falls on Aug. 3, 2005. Over 1,500 people crowded the tent to voice their opinion on the Farm Bill on a day when the temperature was 100-plus degrees. I witnessed the support of Rural Development programs first-hand that day. It was truly one of the most rewarding days I’ve had as State Director.

Rural Development programs make a positive impact in our rural communities. Minnesota’s rural communities have a unique quality of life and are a great place to live, work and raise a family. Our rural leaders and rural citizens work every day to maintain this unique quality of life. I feel honored to be part of an organization like USDA Rural Development that exists to work with these leaders and rural citizens in close partnership.

The coming months will be busy for USDA Rural Development. I am looking forward to the challenge.

Have an idea for the Rural Development newsletter? E-mail them to Adam Czech or Chris Swedzinski!  
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# USDA Rural Development celebrates grand opening of Riverwood Pines Apartments

LITTLE FALLS — Preserving a community’s history is important. So is planning for the future. An example of how to do both was on display at the grand opening of Riverwood Pines Apartments on Friday, March 23 in Little Falls.

Riverwood Pines Apartments occupies the old Our Lady of Angels Academy building off Riverwood Drive on Highway 371. The school was originally built in 1911 and was headed by the Franciscan Sisters of Belle Prairie until 1968. From 1968-1974, it was used as an alternative option for the school district until a new high school was built. The building has stood vacant since 1974.

The building has been converted into a 24-unit apartment complex thanks to a \$722,250 low-interest loan from USDA Rural Development. The project also received \$2.2 million in low-income housing tax credits, \$650,000 in historic tax credits and \$285,000 in Minnesota Housing Finance Author-



Thanks to Rural Development, Metro Plains Management, and a number of other funding sources, the Our Lady of Angels building was preserved.

ity funding. The building will be managed by Metro-plains Management.

Over 100 people attended the grand opening, including Russ Davis, the Administrator of the Rural Housing Service in Washington D.C.

“This project is an excellent example of the way USDA Rural Development uses direct loans to leverage other resources to rebuild communities and provide affordable rental housing to rural Americans,” Davis said.

The renovation maintained and enhanced the appearance of the building by retaining the existing brick masonry on the exterior and refurbishing the historic main entry. Original staircases were maintained or restored, and the building is fully accessible.

“The renovated building is beautiful and I’m glad that USDA Rural Development was able to provide the funding to help make this project possible,” said Steve Wenzel, State Director of USDA Rural Development in Minnesota. “Our rural communities need to preserve their historic buildings in order to maintain their history. This project goes a step further. It not only preserves a key part of the history of Little Falls, but offers a housing complex that will promote economic development and improve the quality of life in the area.”

There will be 10 one-bedroom units and 14 two-bedroom units averaging 650-800 square feet.



Russ Davis, Karen Thomson (Multi-Family Housing specialist) and Jeff Strelflier (Rural Development attorney) inside one of the units.



Officially cutting the ribbon on Riverwood Pines Apartments.

## Application deadlines for Business Programs announced

ST. PAUL, Minn. — Notice of Funding Available (NOFAs) were recently published and application deadlines announced for many of Rural Development's business programs:

**Section 9006 Renewable Energy and Energy Improvement Program** — May 18 for grants; July 2 for guaranteed loans and loan/grant combinations.

**Value-Added Producer Grants** — Coming soon.

**Rural Business Enterprise Grant** — ASAP!

**Intermediary Relending Program** — Quarterly due dates. Remaining dates are June 20 and Sept. 28.

**Rural Economic Development Loan & Grant** — Same as Intermediary Relending Program.

**Small Minority Grants** — Coming soon.

## Be an informed consumer

ST. PAUL, Minn. — Before investing valuable time and money searching for a magical grant to start your own business, look up Rural Development.

Too often, we see potential customers who have already spent hundreds or thousands of dollars on a seminar or Internet course that promises to deliver free money. If they had called or Googled USDA Rural Development, they would have saved themselves money and heartache.

Kathy Coyle, Business and Cooperative Specialist for Rural Development, recently assisted Amber Swanson, who wanted to open a retail store near her dairy farm.

“Unfortunately Amber sent nearly \$400 to a Texas company she found on the Internet, in return for what she thought would be quality leads on grants to start her business,” Coyle said. “If she had read our web site instead, she would have figured out on her own that she didn’t qualify for what she was applying for.”

Coyle and colleagues also pointed out through a web search that the company was fraudulent and no



longer working out of its Houston office. Coyle also offered further advice to assist Swanson in starting her business.

“I told her she was lucky to not have lost more money because some people have paid \$1,000 for poor advice at workshops,” Coyle said.

Potential new business owners should write a business plan (a prototype is on [www.sba.gov](http://www.sba.gov)), visit one of the many business consultants the federal government supports, contact a commercial lender, and then consider gap financing from one of the many Intermediary Re-lending Programs (IRPs) that Rural Development supports. Examples of business consultants supported with federal funds can be contacted at Small Business Development Centers or other economic development organizations in St. Cloud, Mankato, Brainerd, Moorhead, Willmar, Hutchinson, Ogema, Virginia, Duluth, Badger, and Cass County. A number of cities and counties also offer business assistance through their economic development offices.

“People shouldn’t be discouraged from starting businesses,” Coyle said. “But we want to make sure they’re informed consumers.”



## Onamia Area Assisted Living up and running

ONAMIA — The ribbon was officially cut on the Onamia Area Assisted Living building in August of 2006. Rural Development helped finance the 35-unit facility with a \$5.21 million guaranteed loan. The project was done in conjunction with the adjacent Mille Lacs Area Health Center and Crosier seminary.

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