

THE RURAL MINNESOTAN



Committed to the future of rural communities.

Official Newsletter of USDA Rural Development in MN Southeastern 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.

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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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Room for All

FARIBAULT — Kak Rik and his wife Nyathol lived in an overcrowded apartment with their 6 children for over four years. They had come to the United States from Sudan in 1995 and choose to make Minnesota their new home.



Kak secured a good job. However with their large family, finding affordable rental units large enough to accommodate them was difficult. They desired to own their

own home with room for all their children but saving money for a down payment and meeting a conventional mortgage payment seemed to make homeownership out of reach.

Through the support of their local church, Kak and Nyathol learned of USDA Rural Development's direct home ownership program and were encouraged to apply for loan assistance. They were eager to learn as much as possible about the process and attend homebuyer's education before making application for assistance. After applying and awaiting funds for over a year, they were able to finally buy their first home.

Kak, Nyathol and their children moved into their home two days after Christmas. Although homeownership is much different than renting as there is not a landlord to be responsible for repairs and upkeep, they are thrilled with their new home that has space for everyone.

Partnerships Make a Dream Reality

KENYON — "I can't believe this is mine!" This is

the sentiment Carolyn Lee expressed over her new home that was financed through the cooperative efforts of USDA Rural Development, Greater Minnesota Housing



Fund, Minnesota Housing Finance Agency, and Three Rivers Community Action, Inc.

Carolyn had rented her apartment for over

seven years. She and her daughter now felt they had outgrown the space and really needed to find more permanent housing.

One of the biggest challenges Carolyn and most working homebuyers face is actually deciding to take the plunge into a market where there are few adequate homes in their price range and limited financing. "I didn't feel I had very many options" Carolyn says. "I had to leave the apartment I was in, but didn't have the funds to put myself and my daughter in a decent place." However, through the direct homeownership program offered by USDA Rural Development and the support of its partners, Carolyn was able to secure financing for a brand new home with an affordable payment. Carolyn's new home is located in the new Countryside Meadows subdivision in Kenyon, MN which was developed by Three Rivers Community Action, Inc.

Carolyn and her daughter started off the New Year in their new home. Carolyn says "it is so much more than I thought it would be!"

Zumbro Falls Water Project Complete

ZUMBRO FALLS — The city of Zumbro Falls undertook a major water and wastewater infrastructure project in 2002. The project was finished last fall, and the city is now enjoying the benefits of the time and effort that went into the project.



Zumbro Falls upgraded its water distribution lines, wastewater collection lines and replaced the community water storage tank. The project is a

prime example of USDA Rural Development partnering with a rural community, and guiding that community through the sometimes difficult process of undertaking a major project like a water and wastewater system upgrade.

Rural Development helped fund the project with a \$1,049,000 low-interest loan and a \$817,000 grant. The funding came from a special provision in the 2002 Farm Bill.

In 2005, the city needed additional funds to cover cost over runs on the project and Rural Development stepped in again, awarding another \$523,000 in low-interest loan funds and \$58,000 in grants.

Rolling Heights an Asset to Area

BYRON — In 2005 Rural Development completed a transfer and assumption along with a subsequent loan of the Rolling Height multi-family housing project to the Olmsted County Housing and Redevelopment Authority (HRA). This is a 16-unit apartment complex located in Bryon. The previous owner applied for loan prepayment of this Rural Development financed complex and the Olmsted County HRA worked with the Rural Development and the Minnesota Housing Finance Authority (MHFA) to finance the ownership transfer of this complex. This project has 16 units of subsidized housing that needed to be preserved in the community. In 2006 the Olmsted County HRA obtained HOME funding through MHFA and completed many updates to the facility. The efforts of the Olmsted County HRA have acquired, improved and preserved 16 units of affordable Rural Development housing in the City of Bryon. Many of the funds provide by the MHFA were in the form of deferred loans that do not require any payments until the RD loan is paid in full. This lessens the need and amount of Rural Development rental assistance.



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 Developments 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.

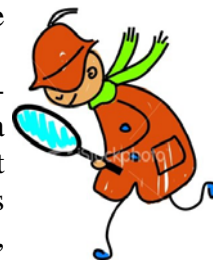
Kathy Coyle, Business and Cooperative Specialist for Rural Development, recently assisted Amber Swanson, who wanted to open a retail store near her dairy farm.

“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), visit one of the many business consultants the federal government supports, contact a commercial lender, and



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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.”

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