



# 2008 Progress Report Minnesota



## USDA Rural Development 2008 Progress Report



“In such courage and compassion, ladies and gentlemen, we see the spirit and character of America -- and these qualities are not in short supply. This is a decent and honorable country -- and resilient, too. We've been through a lot together. We've met challenges and faced dangers, and we know that more lie ahead. Yet we can go forward with confidence -- because the State of our Union is strong.”

*President George W. Bush*

*State of the Union Address, January 23, 2007*

For more than 70 years, USDA Rural Development's mission has been to deliver a future that brings expanded economic opportunities and an improved quality of life for rural residents. My family's heritage is deeply rooted in rural agriculture, and I will forever be proud of my rural upbringing. Serving USDA has been more than a job; it has been a personal commitment.



*Secretary of Agriculture Ed Schafer*



Rural communities across the country are upgrading hospitals, schools, and other essential community services. Across the country, smaller cities are emerging as regional hubs in a restructuring global economy. As economic opportunity and the quality of life in rural communities continue to improve, the future of rural America is bright.

*Under Secretary for Rural Development Thomas C. Dorr*

“As the leading advocate for Minnesota's rural communities, USDA Rural Development has invested \$4.2 billion throughout the state since 2001. This is the fifth highest total of any state in the nation during that time period. It is our goal to improve the quality of life and increase economic opportunity in Minnesota's rural communities. We achieve this through strong partnerships and a determination to do our very best to meet the unique needs of our rural communities.”



*Steve Wenzel*

*Minnesota State Director, USDA Rural Development*

## USDA Rural Development 2008 Highlights

Since 2001, USDA Rural Development has invested **\$4.2 billion** throughout Minnesota, **the fifth highest total of any state in the nation** during that time period. In 2008, Rural Development broke funding records in Guaranteed Single-Family Housing, Community Programs, and Business Programs. Our Guaranteed Single-Family Housing program financed over 2,400 home loans totaling over **\$273 million**, breaking our previous record by about \$77 million. Our Community Programs division also had a record-breaking year, invest-



ing almost **\$69 million** to deliver safe drinking water, wastewater treatment, hospitals, and essential community facilities. Our Business Programs broke records by investing over **\$51 million** overall and more than **\$38 million** in business loan guarantees. Our renewable energy and energy efficiency programs continued their record of success.

We awarded 61 energy grants and loan guarantees totaling over **\$4.8 million** to help farmers and small businesses build wind turbines, purchase grain dryers, install geo-thermal systems, and make energy efficiency upgrades. Minnesota has been awarded **\$28 million** in energy funding



since 2003. Our Multi-Family Housing programs continued its success in providing affordable rental housing options. We financed over **\$8 million** in rental assistance in 2008 while overseeing the management of 632 properties statewide. Minnesota also hosted the **Rural Renaissance Conference** at the beginning of fiscal year 2008. The conference provided an opportunity for Under Secretary Thomas Dorr, State Directors, and other staff from throughout the nation to discuss the future of Rural Development and how to better deliver programs.

## Northwestern Minnesota



A new garbage truck for the Red Lake American Indian Community.



Steve Wenzel with Randy Nordin of Northwest Community Action.



Checking out a new assisted living in Kittson County.

### Red Lake Solid Waste Department Upgrades

The solid waste department on the Red Lake American Indian Community needed to make improvements and it turned to Rural Development for help. During 2008, Rural Development awarded the Red Lake solid waste department over \$1.7 million to build a solid waste transfer station, an administration building, and purchase a new garbage truck.

The transfer station, building and truck will improve the health and safety of the community and contribute to a safer and cleaner environment.

All three projects were funded through Rural Development's Community Facilities Program and with an Economic Impact Initiative grant.

### RBEG Program Active in Kittson and Marshall

Rural Development has designated Kittson and Marshall counties as Champion Communities. With the help of Northwest Community Action, a nonprofit that focuses on economic development, over \$2 million in Rural Development funds have been invested in the region.

In 2008, two Rural Business Enterprise Grants (RBEG) were awarded in both counties. The Kittson County Economic Development Authority was awarded over \$143,500 and the city of Kennedy was awarded almost \$100,000. Both grants will assist local small businesses with projects that will help create jobs and economic development in the region.

### Kittson Memorial adds Assisted Living

In 2006, Rural Development awarded over \$2 million in direct and guaranteed loans through its Community Facilities program to build an 8-unit assisted living in Hallock and remodel the connected nursing home.

Rural Development partnered with Marshall Bank, an area lender, for the guaranteed loan portion of the project. The result was a beautiful and modern assisted living connected to a renovated nursing home.

State Director Steve Wenzel and area Rural Development staff toured the two facilities on July 17, 2008.

## West Central Minnesota



A Fairfax emergency responder demonstrates a new defibrillator financed by Rural Development.



A new clinic in Bertha built with a Rural Development guaranteed loan.



The Martinez family during June Homeownership Month.

### A New Defibrillator for City of Fairfax

A \$5,700 grant from Rural Development's Community Facilities program helped the city of Fairfax buy a new defibrillator machine for its emergency response team.

A defibrillator is a machine used to shock the victim's heart and restore the heart's normal rhythmic patterns. When used, it kicks the heart into action again, causing it to resume sending blood throughout the body.

Rural Development staff visited the city of Fairfax in early fiscal year 2008 to see a demonstration of the new defibrillator and to raise awareness about Rural Development funds available for similar projects for rural emergency responders throughout the state.

### New Clinic Opens in Downtown Bertha

There were plenty of challenges and obstacles along the way, but the city of Bertha now has a new medical clinic. A \$500,000 direct loan and \$200,000 loan guarantee, combined with funding from other organizations, helped build the new 3,400 square foot facility.

The clinic is run by Tri-County Hospital, Wadena, which has partnered with Rural Development on two other major medical projects since 2004. The Bertha facility celebrated its grand opening on May 15, 2008.

Tri-County and Rural Development also have partnered to renovate its main campus in Wadena and purchase and renovate a nursing home located in Wadena.

### Homeownership Month Celebrated in Kandiyohi

With the help of USDA Rural Development's Direct Single-Family Housing program, Reyna and Jesus Martinez are now homeowners.

The Kandiyohi family recently moved into their new home and were recognized during June Homeownership Month by State Director Steve Wenzel and other Rural Development staff. Rural Development invested almost \$300 million in homeownership during 2008.

Each June, Rural Development recognizes families or individuals that have used Rural Development's Single-Family Housing program to achieve the American Dream of homeownership.

## Southwestern Minnesota



Under Secretary Dorr and State Director Wenzel with Iowa Lakes officials.



A new grain dryer for New Vision Co-Op in Worthington.



Touring a new day care center in Tracy with State Rep. Marty Seifert, State Sen. Jim Vickerman and State Director Steve Wenzel.

### Farm Bill Delivers Clean Water in SW Minnesota

Agriculture Under Secretary for Rural Development Thomas C. Dorr visited Jackson on Aug. 18 to recognize over \$9 million in 2008 Farm Bill funds that will help Iowa Lakes Regional Water deliver clean water to parts of Jackson and Martin Counties.

The 2008 Farm Bill provided over \$357 million to deliver clean water and modern sewer systems to rural areas throughout the nation. Minnesota was awarded about \$14 million for five projects. This funding was in addition to our regular annual allocation.

The Farm Bill funding helped reduce a backlog of water and sewer projects throughout the nation.

### New Vision Co-Op Gets New Grain Dryer

New Vision Co-Op used USDA Rural Development's Rural Energy for America Program (REAP) to purchase a new grain dryer for its Worthington location.

New Vision Co-Op's mission is to provide quality goods and services and innovative technologies with the vision to remain financially strong and committed to the goals of its members.

Rural Development has invested \$28 million throughout Minnesota through the REAP program since the program's inception in 2003. The program continues to grow because of increased funding from the 2008 Farm Bill and growing demand for renewable energy.

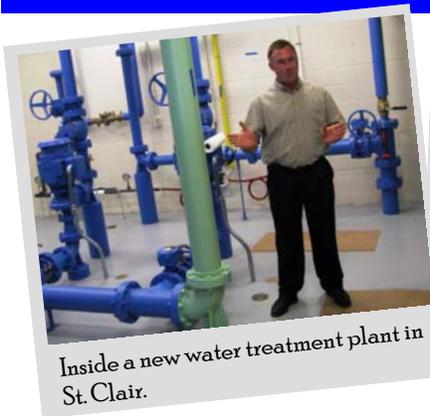
### Tracy Kids World Up and Running

A \$1.3 million Rural Development direct loan and \$100,000 grant were used to help build Tracy Kid's World, a new 74-child day care that will serve 4,300 residents in Tracy and surrounding areas.

Kid's World is located next to the Tracy Elementary School and will work closely with the Tracy school system on after-school programs. About \$500,000 was raised for the project through community donations and the city sold the land for the building for \$1. Utilities also will be delivered to the building at no charge.

Attending the grand opening on Aug. 22 were House Minority Leader Marty Seifert, State Sen. Jim Vickerman and State Director Wenzel.

## Southeastern Minnesota



Inside a new water treatment plant in St. Clair.



Celebrating June Homeownership Month with Shelly Henry in Plainview.



Recognizing home repair program users and the city of Conger.

### Partnership Delivers Clean Water in St. Clair

USDA Rural Development and the State of Minnesota Public Facilities Authority (PFA) teamed up to deliver a \$2.3 million water treatment plant, well and water tower to the town of St. Clair.

The PFA awarded \$1.4 million for the plant and well and Rural Development funded the new tower with an \$878,000 loan. Rural Development leveraged about \$6 million in extra funds through partner organizations in 2008 to help deliver safe drinking water and sewer systems to rural communities in Minnesota.

St. Clair's old system, well and tower were not large enough to meet current and future demand for the city of 827 residents.

### Shelly Henry is a New Homeowner

There was a lot of excitement in the Shelly Henry household on June 16. Shelly and her two children were recognized during a June Homeownership Month event. In addition to Rural Development officials, Shelly's parents and a few family friends joined to recognize Shelly's achievement of homeownership.

Rural Development held four June Homeownership Month events in 2008. The events were located at the homes of residents in Plainview, Willmar, Kandiyohi and Grand Rapids. Klein Bank also was recognized as being one of the top lenders in Rural Development's Guaranteed Home Loan program.

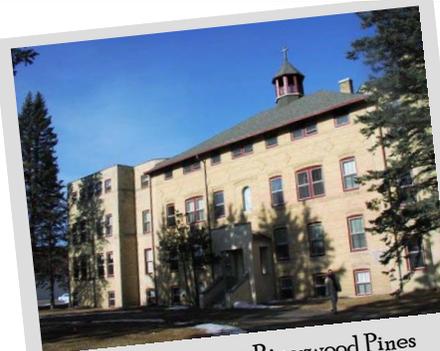
### Conger Residents Hook Up to New Sewer System

Two Rural Development programs were highlighted in Conger on June 20.

With the help of over \$795,000 in Rural Development funds, Conger completed a new wastewater treatment system in 2008. Three long-time Conger homeowners also were recognized for using Rural Development's home repair program to hook into the new system.

Rural Development provides low-interest loans to low-income homeowners living in rural areas to make home repairs and remove safety and health hazards. The maximum loan is \$20,000 with a one percent interest rate. Grants are available to homeowners over the age of 62.

## East Central Minnesota



The award-winning Riverwood Pines apartments in Little Falls.



Working with the Initiative Foundation of Little Falls on an RCDCI grant in 2008.



A new fire truck in Bowlus. This event was held on Sept. 22.

### Riverwood Pines Earns Recognition

Riverwood Pines Apartments in Little Falls received a lot of recognition in 2008. Financed in part with a \$722,250 Multi-Family Housing direct loan from Rural Development, Riverwood Pines won the Preservation Award from the Minnesota Preservation Alliance and was nominated for the J. Timothy Anderson Award for Historic Rehabilitation in 2008.

Built in 1911, the building served as a school until 1974. Vacant since the school closed, the Rural Development loan helped turn the property into a 24-unit family apartment complex.

### Initiative Foundation Awarded RCDCI Grant

USDA Rural Development awarded a grant totaling over \$234,000 to the Initiative Foundation of Little Falls. The grant was awarded through Rural Development's Rural Community Development Initiative and helps expand the Foundation's Healthy Communities Partnership.

The Healthy Community Partnership is a leadership training and community planning program that includes town hall style meetings and strong citizen involvement. Since 2004, the Initiative Foundation of Little Falls has been awarded over \$1.1 million from Rural Development to help create jobs and economic development in central Minnesota.

### New Fire Truck Arrives in Bowlus

A new fire truck in Bowlus was one of several projects funded by Rural Development in 2008 that boosts emergency response efforts in rural communities.

Rural Development invested almost \$2.1 million through its Community Facilities program for new vehicles, equipment and buildings for rural firefighters and emergency responders throughout Minnesota.

In all, 12 rural fire and emergency response departments were awarded financing through Rural Development in 2008.

# Northeastern Minnesota



Minnesota Wild Rice in Aitkin received a business loan guarantee.



State Director Steve Wenzel and Bob Spizzo of Breezy Point cutting the ribbon with Gov. Pawlenty for a new restaurant at Breezy Point.



A new wastewater treatment system in Effie completed in 2008.

## Minnesota Wild Rice Still Going Strong

One of Rural Development's most popular programs in the years ahead may be its Business & Industry loan guarantee program. Minnesota Wild Rice in Aitkin received a \$1.16 million loan guarantee to buy equipment for its wild rice processing operation in Northeastern Minnesota.

Loan guarantees are available to rural businesses that want to expand, purchase equipment or construct new buildings. Loans are guaranteed through local banks and lenders.

USDA Rural Development guaranteed 16 loans totaling about \$38 million to rural businesses throughout Minnesota in 2008.

## Breezy Point Adds Lounge and Restaurant

Thanks in part to a Rural Economic Development Loan passed through TDS Telecom, Breezy Point cut the ribbon on a new dockside lounge and restaurant. The ribbon cutting ceremony was attended by Gov. Tim Pawlenty and was part of the Governor's Fishing Opener weekend at Breezy Point.

Through Rural Development's Rural Economic Development Loan program, loans are awarded to intermediaries, in this case TDS, and passed through to ultimate recipients at a reduced interest rate.

Breezy Point has been in business for over 80 years in the Brainerd Lakes area and draws visitors from throughout the country.

## New Wastewater System Finished in Effie

A \$450,000 grant and \$303,000 loan from Rural Development helped the city of Effie get a new wastewater treatment system.

Rural Development partnered with the State of Minnesota's Wastewater Infrastructure Fund and the Department of Employment and Economic Development to fund the \$1.7 million project. Construction was finished in 2008 and half of the city currently is connected. The new system can support 68 connections.

In addition to financing water and sewer systems, Rural Development conducts trainings for rural communities on various issues surrounding the operation of new wastewater and water treatment systems.

# Summary of Accomplishments 2001-2008

◆ Invested \$4.2 billion throughout rural Minnesota. This was the fifth highest total of any state in the nation.



◆ Ranked 2nd in nation in renewable energy funding with almost \$28 million awarded to farmers and small businesses since 2003.



◆ Rehabilitated nation's first Section 515 Multi-Family Housing Project in Grove City.



◆ Increased efficiency in Minnesota Rural Development program delivery by implementing an Updated Business Plan.



◆ Hosted the inaugural Innovative Rural Initiatives Tour in August of 2006 with Under Secretary Dorr, administrators and other rural leaders.

◆ Hosted Rural Renaissance Conference during October of 2007 in Minneapolis.



## The Rural Renaissance 2001-2008 Financial Report



Housing  
\$1.7 billion



\$408 million  
Community Programs



Business  
\$221 million



Telecom/Electric  
\$1.9 billion

### Funding by Program 2001-2008

502 direct.....	\$150,710,060
502 guaranteed.....	\$1,423,283,262
515 direct.....	\$10,229,693
RA.....	\$95,848,204
CF direct.....	\$70,027,000
CF guaranteed.....	\$58,795,000
W & W direct.....	\$180,215,700
W & W grant.....	\$98,699,439
B & I guarantee.....	\$145,411,738
RBEG.....	\$5,651,013
IRP.....	\$4,462,207
MFH guaranteed.....	\$4,239,366
504 loans and grants.....	\$8,808,711
Electric.....	\$1,443,637,000
Telecommunications.....	\$406,680,219
Value-Added Grants.....	\$13,031,052
RnwEngyGts&Lns.....	\$27,961,973
523 Self Help.....	\$286,055
REDLG.....	\$25,661,467
<b>2001-08 TOTAL.....</b>	<b>\$4,184,246,553</b>

# Rural Development 2001-2008 in Photos



Under Secretary Thomas C. Dorr with Keith Sunderland of Baxter after a Homeownership Month event.



Sen. Norm Coleman, right, joined State Director Wenzel, left, in presenting a \$964,000 check to the city of Lake Bronson for a new sewer system.



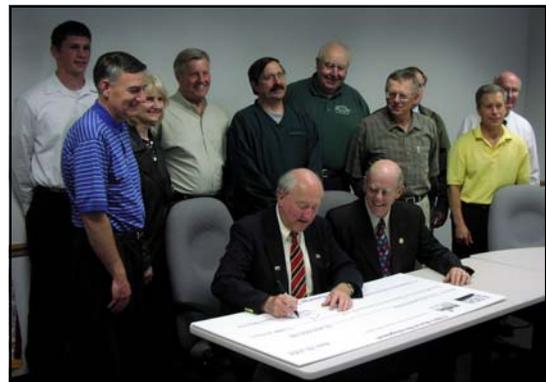
USDA Rural Development financing helped buy equipment for the National Eagle Center in Winona.



State Director Wenzel meeting with Welile Nhlapo, South African Ambassador (3rd from left) and Dr. James McCormick, Chancellor of Minnesota State Colleges and Universities (2nd from left). On the far left is Pat Plonski, Executive Director of Books for Africa in St. Paul. On the right are MnSCU officials.

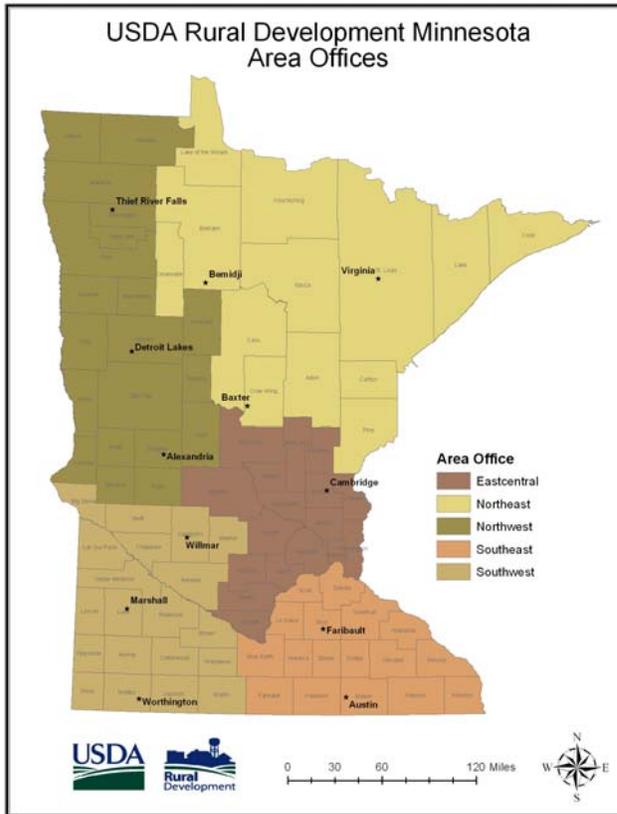


State Director Wenzel with agriculture leaders from the state of Minnesota after signing an MOU with the Minnesota Department of Agriculture. MN Agriculture Commissioner Gene Hugoson is 2nd from left in back.



A new water plant in Long Prairie. That's Rep. Collin Peterson 2nd from left in the back row.

# How to Contact Rural Development



**Visit our Minnesota Web Site:**

[www.rurdev.usda.gov/mn](http://www.rurdev.usda.gov/mn)

**Visit our National Web Site:**

[www.rurdev.usda.gov](http://www.rurdev.usda.gov)

You can also contact a Rural Development staff member at one of our 13 area offices or our state office in St. Paul. The map shows each office's coverage area and all contact information is listed below.

## State Office

### **St. Paul**

375 Jackson St.

Suite 410

P: (651) 602-7800

F: (651) 602-7824

### Southwest

#### **Marshall**

1424 E. College Dr.

P: (507) 532-3234

F: (507) 532-7479

#### **Willmar**

1005 High Ave.

P: (320) 235-5612

F: (320) 235-0984

#### **Worthington**

1567 N. McMillian

P: (507) 372-7784

F: (507) 372-7751

### Northwest

#### **Detroit Lakes**

809 8th St. SE

P: (218) 847-9392

F: (218) 847-8910

### **Thief River Falls**

201 Sherwood Ave.

South, PO Box 16

P: (218) 643-2843

F: (218) 643-4732

### **Alexandria**

900 Robert St. NE

P: (320) 763-3191

F: (320) 763-5502

### East Central

#### **Cambridge**

380 South Garfield St.

P: (763) 689-3354

F: (763) 689-2309

### Southeast

#### **Faribault**

1810 30th St. NW

P: (507) 332-7418

F: (507) 332-9892

#### **Austin**

1408 21st Ave. NW

P: (507) 437-8247

F: (507) 437-7108

#### **Albert Lea**

(Renewable Energy Office)

1400 W. Main St.

P: (507) 373-7960

F: (507) 373-7654

### Northeast

#### **Baxter**

7118 Clearwater Rd.

P: (218) 829-5965

F: (218) 829-8764

#### **Bemidji**

3217 Bemidji Ave.

North

P: (218) 751-1942

F: (218) 751-9531

#### **Virginia**

1202 8th St. South

P: (218) 741-3929

F: (218) 741-9407

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