

USDA Rural Development



Rural Development

We are a lending arm of the United States Department of Agriculture.

We work to improve the quality of life and increase the economic opportunities in rural America.



Committed to the future of rural communities.

Does Your Community Have Any of These?



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Rural Development Financing

These program may help!

- **Business Programs**
- **Community Facilities**
- **Water and Waste Systems**



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Business Programs



*Bale Band-It,
Pittsfield, IL*

*Diversatech,
Gridley, IL*



Guaranteed Business & Industry **Loan Program (B&I)**

- **Purpose:**
 - **Spur Business activity and growth**
 - **Financial backing for businesses in rural areas**
 - **To create jobs and stimulate economic development**
 - **Build viable and sustainable rural communities with Guaranteed Loans**
 - **Guarantee quality loans that will provide lasting community benefits**

B&I Eligibility

- ***Project***
 - Must be located in a rural area
 - Population less than 50,000
- ***Lender***
 - Federal or state chartered banks
 - Farm Credit System institutions with direct lending authority
 - Savings & loan associations



B&I Eligibility

- ***Borrower***
 - Sole proprietorship
 - Corporations
 - Cooperatives
 - Partnerships
 - Other legal entities, public & private, that are organized and operated on a profit or nonprofit basis
 - Must be at least 51% U.S. citizen/permanent resident alien owned



B&I Loan Purposes

Loans up to \$25 million for:

- Business acquisitions
- Business conversion, enlargement, repair, modernization or development
- Purchase & development of land, easements, right-of-way, buildings or facilities
- Machinery & equipment
- Startup costs & working capital



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Example of Brownfield use:

Community has site that is available to be developed and a business wishes to locate there or wishes to develop the site.

Guaranteed B&I Loan Program could be used to loan funds to business to purchase site and clean it up. There must be adequate security for the proposed loan.

Rural Business Enterprise Grant (RBEG)



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RBEG

Purpose:

- Finance and facilitate development of private business enterprises.
- Help small businesses create/retain jobs.
 - **Small business = employ 50 or fewer new employees and has less than \$1 million in projected gross revenue**
 - **(Manufacturing and merchandising businesses may deduct cost of goods sold to determine “gross revenue”)**

RBEG

Eligibility Requirements:

- **Not For Profit/Public Bodies: Eligible entities receive the grant to assist businesses; the grant does not go directly to a business.**
- **Grant funds may not be passed through directly to a small business.**
- **Communities with less than 50,000 pop.**

RBEG

Uses:

- **Technical assistance for proposed grantee projects**
- **Purchase or develop land, easements and rights-of-way**
- **Construct or renovate buildings, machinery or equipment, access streets and roads, parking areas, utilities**
- **reasonable fees and charges for professional services necessary for the planning and development of the project**
- **providing financial assistance to small businesses through a revolving loan fund**

RBEG

Example of Brownfield use:

- **Community or not for profit wishes to clean up a brownfield in order to facilitate economic development of their community. They have a small business that is interested in renting the site. The community could apply for a Rural Business Enterprise Grant to do the actual clean up and then rent to the business.**

Rural Business Opportunity Grant (RBOG)



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RBOG

Purpose:

Finance technical assistance for business development.

Conduct economic development planning in rural areas.



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RBOG

Eligibility Requirements:

Not For Profit/Public Bodies, and coops with primarily rural members.

Grant funds may not be passed through directly to a small business.

Communities with less than 50,000 pop.



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RBOG

Uses:

Technical assistance, training, new business support centers, economic development plans.



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RBOG

Example of Brownfield Use:

Community or not for profit wishes to clean up a brownfield in order to facilitate economic development in their community. They could apply for a Rural Business Opportunity Grant to: do a study of how to clean it up and to create a plan for the clean up if there will be a benefit to local businesses.

Rural Economic Development Loans and Grants (REDLG)



Country Health, Inc. in Gifford received funds from Eastern Illini Electric Coop for an expansion of their nursing home facilities. EIEC used REDLG funds for this project.

REDLG

Purpose:

Finance economic development and job creation through local utility companies.



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REDLG

Eligibility Requirements:

Electric & telephone utilities who are eligible for financing from the Rural Utilities Service may receive a REDLG to benefit communities with less than 50,000 population.

REDLG

Uses:

Establish revolving loan funds or lend funds to local non-profit and for profit businesses or public bodies that will create or retain jobs. Maximum grant to electric cooperative is \$300,000 and maximum loan is \$740,000.



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REDLG

Example of Brownfield Use:

Community has a brownfield they would like to clean up for business development. The electric coop could apply for a Rural Economic Development Loan/Grant. They then lend the money to the community at 0% interest for 10 years to do the clean up if local businesses would benefit.

Community Programs



*Salem Township
Hospital Salem, IL*



*Piatt County Supported
Living Facility*



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Community Facilities

- **Purpose:**
 - Provide essential public services
 - Create jobs
 - Stimulate local economies



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Community Facilities

USES:

- **Buy and/or renovate facilities**
- **Purchase and equip facilities**
- **Access to health care**
- **Support for first responders**
- **Construction and repair of community facilities**



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Community Facilities

ELIGIBILITY:

- **Local Governments**
- **Not for Profits**
- **Indian tribes**
- **Rural areas and towns of 20,000 or less**



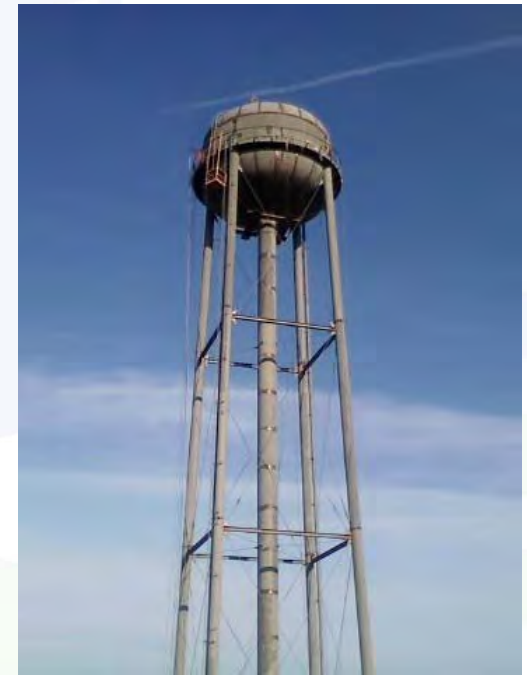
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Water & Waste Programs

Village of Longview, IL



*West Prairie Water District
Arcola, IL*



*Sangamon Valley Public
Water District
Mahomet, IL*



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Loans & Grants

Water & Waste Programs

Purpose:

- Provide water and waste financing to provide safe, reliable drinking water, improve wastewater treatment systems, protect the environment

USES:

- Drinking water systems
- Sanitary sewer
- Storm drainage



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Water & Waste Eligibility

- **Public Entities**
- **Not for Profit Corporations**
- **Rural areas and towns of 10,000 or less**



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CF and Water & Waste

Example of Brownfield use:

Community may use these programs to fund a water treatment plant on a brownfield site or a build a water tower on the site.

Location Eligibility Link

- **<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>**



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USDA RURAL DEVELOPMENT

*Rural Development
Offices*



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