



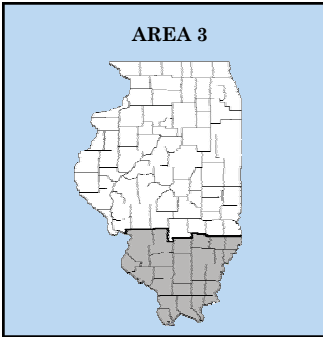
Committed to the future of rural communities.

Rural Development News and Highlights

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United States Department of Agriculture –Area 3: serving 30 Southern Illinois counties

December 31, 2008



Southern Illinois Coal Belt Champion Community Gets Loan Approval from USDA Rural Development

Rural Development has approved the Southern Illinois Coal Belt Champion Community (SICBCC) as an Intermediary Lender. SICBCC applied for and received a \$300,000 loan through the Rural Development Intermediary Relending Program (IRP) to capitalize the organization’s revolving loan fund.

intermediaries are public bodies, non-profit organizations and certain cooperatives.

The Coal Belt Champion Community received loan approval in November and all funds have been reserved for two business loans and a third request being finalized.

This is the 11th organization that has received IRP funds to foster business and community development in Southern Illinois.

One of the loans made was to the James Trogolo Company. The short term (four month) \$100,000 loan was used to purchase materials with which holiday sets and decorations were built in time for sale during the Christmas season. The company recently moved from Christopher, Ill., to a 300,000 square foot warehouse formerly known as Turco Manufacturing in Du Quoin, Ill. Loan funds were utilized from SICBCC with the Rural Enterprise Grant (RBEG) and Peoples National Bank to help bridge the lending gap. *Continued on page 2*

The purpose of the IRP program is to increase economic activity and employment in rural communities. Under the IRP program, loans are provided to local organizations (intermediaries) to establish or capitalize revolving loan funds. These revolving loan funds are used to assist with financing new or expanding businesses and community development activities that help create or retain jobs in rural areas. Eligible

USDA Rural Development Grants Available for Business Development

Rural Development can provide grants to help finance and develop small and emerging businesses in rural areas. Grants do not go directly to businesses, but are available to public entities and non-profit corporations to help attract or expand small business in most communities with a population of less than 50,000. Funds can be for projects such as acquisition or development of land; construction or renovation of buildings; machinery and equipment; access streets and roads, parking areas, utilities; pollution control and abatement. The grant can also be used to capitalize revolving loan funds

including funds that can be lent to businesses for start up costs or working capital. Other eligible uses include training and technical assistance; distance learning for job training and advancement for adults; rural transportation improvements; and project planning. To be eligible for RBEGs, small and emerging private businesses can employ no more than 50 employees and have less than \$1 million in projected gross revenues. There is no maximum level of grant funding; however, smaller businesses are given higher funding priority.



Greetings from Area 3 Director,

With the credit markets still in a bind, lenders are looking to Rural Development for

financing options. Rural Development remains one of the few 100% financing markets for homeowners. Rural Development also offers various low cost financing options to help businesses and communities with financing needs.

We invite you to contact us with any questions or comments you may have concerning our programs. We wish you a safe and prosperous year.

—Rusty Wanstreet

CONTACT US

Rural Development can help you finance a home, multi-family housing, business, community facility, or water and environmental programs in a rural area.

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USDA Helps Create and Save Jobs with Relending Programs



Rolando's Pizza is one of three businesses that utilized Rural Development's Intermediary Loan Programs through Coal Belt Champion Community.

The second loan was made to two individuals doing business as Rolando's Pizza in St. John, Ill., to purchase equipment needed for the restaurant. Rolando's has been in business since 1984 and operated by Lynn Wright's Inc., since 2003. The business has since moved to a new location in downtown Du Quoin and will offer dine-in Italian pizza, pasta and sandwiches along with the delivery service. The loan was for \$50,000 with a fixed interest rate.

The third loan is under consideration for Emery Properties LLC which they would use to renovate a building in Williamson County to house three new businesses.

Revolving loan funds are available to rural businesses and community organizations in every community in Southern Illinois. The funds are offered at below market interest rates. The principal and interest payments collected from these loans are used to repay the loan funds which makes it possible to make new loans to other businesses.

Rural Development provides financing and technical assistance to foster growth in home-ownership, business development, and critical community and technology infrastructure.

Information regarding the Intermediary Relending Program (IRP), Rural Business Enterprise Grants (RBEG) and Rural Economic Development Loans is available by calling the USDA Rural Development office near you or by visiting USDA's RD website at: <http://www.rurdev.usda.gov/il/>.

Businesses and Lenders Benefit from USDA RD Loan Guarantees

Rural Development offers loan guarantees to help businesses access affordable financing through a lender of their choice. The Business and Industry Guaranteed Loan Program provides lenders with a risk management tool for commercial loans. The purpose of the program is to create or retain jobs in rural communities and improve their economic climate.

Some of the benefits of the program include long term fixed or variable interest rates, extended repayment terms, low guarantee fees, and local program delivery.

Eligible borrowers are individuals, corporations, cooperatives, partnerships, and other legal entities that are organized and operated on a profit or nonprofit basis.

Loans can be used for activities such as acquisition, expansion, construction, equipment, working capital, and refinancing. Maximum loan terms are 30 years for real estate, 15 years for equipment and seven years for working capital. The maximum loan amount is \$25 million and the amount guaranteed ranges from 60%-80% depending on the loan amount.

For more information regarding our business programs contact Rural Development Area Director Rusty Wanstreet at 618-993-5396 ext. 125; Mt. Vernon Office Manager Mike Wallace at 618-244-0773 ext. 128; and Gary Mersinger at 618-656-7300 ext. 4. Or you may contact Molly Hammond in our state office at 217-403-6210.

Site Manager of the Year

Doug Wilson, Illinois Director for USDA Rural Development, named Candy Carey the Site Manager of the Year for Multi-Family Housing. Carey is the site manager of Centralia Meadows Apartments under Maco Management and is located in Centralia Ill. This award is based on property curb appeal, the manager's willingness to go beyond what is expected and the overall tenant satisfaction.

Carey received this statewide award for her outstanding managerial practices as well as for her compassion toward the tenants. She takes pride in maintaining the appearance of the property and it is reflected in the attitudes of the tenants. Tenants commented, "We can relate to the site manager."



RD State Director Doug Wilson, Site Manager Candy Carey, Property Manager Chastity Middleton, RD Specialist Bernadette Bronke, and Property Manager Mary Ellis. In the back row is Jim Cummings, Regional Manager for Maco Management.

"She is very compassionate to us and she makes sure the appearance of the building looks nice."

Due to the extra effort of Carey, Centralia Meadows Apartments have been able to keep the occupancy rate up, which has not always been easy for this complex to do. Carey has been with Maco Management for nearly twenty years. Rural Development Area Specialist Bernadette Bronke has worked with Carey over the past several years.

Centralia Meadows is a 24 unit family complex, which started in 1977 and was ready for occupancy in March 1979. Shortly after Maco Management took over Centralia Meadows in 1999, the complex underwent a major rehabilitation which was completed by 2002.

Lake Egypt Fire Protection District Getting New Fire and Ambulance Station



Illustration courtesy of D.A.R.T Design, Inc.

The groundbreaking for the Lake Egypt Fire Protection District new Fire/Ambulance Station is set for early January 2009.

After years of growth, the Lake Egypt Fire Protection District has outgrown its main facility built in 1984.

They are ready to start construction on a new station thanks to a \$2 million loan from the U.S. Department of Agriculture Rural Development.

The Lake Egypt Fire Protection District was formed in 1974 with 18 Volunteers, two old military trucks and covered about 32 square miles. The district now has three locations and eight full-time and thirty five volunteer fire fighters, nine fire trucks and ambulances and covers nearly 200 square miles.

The plans for the new building include more bedrooms and restrooms, kitchen, exercise room, several offices and a public gathering and training room. In addition, the garage area will be large enough to house all of the vehicles assigned to the station.

Rural Development Area Specialist Mike Wallace nominated for Community Champion Award



USDA Rural Development launched the Community Champion recognition program in December. The award was created to recognize employees who excel at customer service, perform above expectations, bring innovation to their work and demonstrate strong leadership skills.

Mike Wallace, an area specialist working in the Mt. Vernon office, was selected as Illinois' Community Champion for Rural Development. State winning nominations are being forwarded to the National Office for selection of a national Community Champion.

Mike won the state award for helping communities in Southern Illinois improve their economic climate and quality of life, and especially for his work over 12 years to help establish Gateway Regional Water Co. Gateway is a water supply and distribution system that is now serving residents and businesses in four counties in south central Illinois. Residents in the region have suffered from persistently low ground water levels, limited surface water and water quality problems. The solution required a large new water source and an extensive distribution system. Thanks in large part to Mike's ingenuity, coordination and commitment, Gateway went online this August, bringing plenty of safe water and economic opportunity to nearly 25,000 people.

As a key figure in the success of this extraordinarily complex project, Mike oversaw a project that required \$19 million in funding from multiple sources including \$16 million from Rural Development, seven construction contracts, agreements

with 12 municipalities and water systems, the Corps of Engineers, the State of Illinois, four banks, and interim financing through the State Treasurer. Without his exceptional expertise and efforts to deliver Rural Development financing, no lender would have made a construction loan to a new entity that had no income and no real collateral at the time.

He saved millions of dollars and years of construction time by coordinating the improvements to most of the member systems while the Gateway project was developing. Members expanded and up-sized 20 miles of water transmission lines so they would be ready to connect to Gateway when the treatment plant and intake and pump station at Carlyle Lake in an adjacent county were completed.

Rural Development in Illinois is very proud of their Community Champion and wishes Mike the best in the national competition.

Points of Interest

- Illinois Rural Water Roundtable meets bi-monthly at Ryan's Family Steakhouse located in Mt. Vernon, 1/4 mile west of I-64 & I-57 on Rte 15. Meetings are open to anyone interested in rural water—legislators, engineers, managers of both electric and water companies, board members, attorneys, etc. The meeting time is from 11:30 a.m. to 1:15 p.m. For further information please contact Area Specialist Mike Wallace at 618-244-0773 ext. 128.
- Interest rate for Water & Waste for Jan 2009 to March 31, 2009 are: Market Rate—5.125%, Intermediate Rate—4.125%, and Poverty Rate—3.125%.
- Interest rate for Community Facility direct loans for January 1, 2009 to March 31, 2009 for Market Rate—5.125% Intermediate Rate—4.750% and Poverty Rate is 4.50%.
- The current interest rate for both Multi-Family Housing (515 Direct) and Single Family Housing (502 Direct) is 5.375% for January 2009.

The newsletter staff extends their appreciation to the Rural Development employees who contributed to this newsletter edition. Area Specialists' Marsha Gajewski, Bernadette Bronke, Doug Grindberg, Molly Hammond, Area Director Rusty Wanstreet and Rural Development Public Information Coordinator Joan Messina.

USDA is an equal opportunity provider, employer and lender.

To file a complaint of discriminations, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S. W., Washington D.C. 20250-9410 or call (800) 795-3272 (voice), or (202) 720-6382 (TDD).

