



RURAL DEVELOPMENT
PROGRESS REPORT
UTAH 2013



U.S. DEPARTMENT OF AGRICULTURE SECRETARY TOM VILSACK



Each day, assistance from the U.S. Department of Agriculture (USDA) makes a difference in the lives of the proud men and women who live, work, and raise their families in rural America. USDA supports the housing, community facilities, businesses, infrastructure, and renewable energy investments that help to make rural America a place of opportunity, innovation, and economic growth.

Over the past 5 years, the Obama Administration and USDA have worked tirelessly to bolster economic development in our rural communities. In fiscal year 2013 alone, USDA's Rural Development provided more than \$33.3 billion in assistance through its more than 40 loan, grant, and technical assistance programs.

The 2014 Farm Bill brings renewed support for community economic development, including financing for investments in broadband, telecommunications, distance learning and telemedicine, entrepreneurship, and business development and growth. The men and women entrepreneurs, including returning veterans, who operate small business in rural communities help support a healthy and thriving rural economy that benefits all Americans – no matter where they live.

USDA RURAL DEVELOPMENT DEPUTY UNDER SECRETARY DOUG O'BRIEN



Today, USDA Rural Development is strengthening rural America not only by helping individual communities define their strengths and opportunities, but also by developing regional strategies and forging new strategic partners so that one community or program can complement and draw upon the resources of another to create jobs and strengthen economies. We are working directly with local governments, economic

development districts, and community-based organizations to help strengthen regional collaboration and create opportunities for new jobs across rural regions.

Rural Development's capacity and priorities support President Obama's vision of an America that provides for the economic well-being of all Americans, offering opportunities for innovation and growth. What urban America needs, rural America has in abundance: energy, food, and a strong manufacturing base.

The personal relationships that our employees have with local community leaders have allowed us to deliver our programs with great success. I am proud of our employees' service to rural America, proud of our achievements, and pleased to share many of the individual stories of how our programs have touched the lives of so many rural people over the course of the year.

At USDA Rural Development, we look forward to continuing our mission and continuing to contribute our resources toward helping rural Americans and their communities thrive in the years to come.

MESSAGE FROM UTAH STATE DIRECTOR DAVE CONINE



During fiscal year 2013 USDA Rural Development invested more than \$535 million in rural housing, job creation, and community infrastructure in Utah. The RD investment in Utah during fiscal year 2013 for guaranteed

housing loans totaled \$445 million. The housing guaranteed loans are subsidy neutral and federal funds that back guaranteed loans for business and community infrastructure are highly leveraged so that the total investment in our state is many times the level of appropriated funding.

I am tremendously proud of the work the Utah RD employees have done on behalf of rural Utah. They increased our overall productivity with fewer resources available and managed program expansion in spite of staff reductions. Our FY-09 investment in rural Utah was \$394,812,034. If you divide that number by the 53 FTEs we had that year, productivity per-person was \$7.45 million. The FY-13 investment of \$535.7 million in Utah was accomplished with a total of 36 FTE's for a per-person productivity measure of \$14.88 million (a doubling of the FY-09 figure).

Rural Development's investment in our state's rural economy creates thousands of jobs. The new residential construction funded by Rural Housing Guaranteed Loans in FY-13 supported over 2600 jobs*. Our housing programs create economic activity that goes well beyond construction

employment. Each home sale, according to the National Association of Realtors generates \$58,000 of new local economic activity. If the National Association of Realtors is correct our 2139 single family home loans resulted in more than \$124 million in new economic activity (Utah approved a total of 2542 guaranteed loans but the 403 loans that were refinance transactions and are not counted as home purchases). New home sales and construction leads any economic recovery so it is safe to say that our housing programs have made a very significant contribution to Utah's economic health.

During FY-13 Rural Development in Utah approved 171 Rural Housing Direct Loans totaling nearly \$26.8 million. Fifteen million of which went into construction of Mutual Self-Help housing units. The employment and economic activity multipliers described above for guaranteed loans also apply to the direct loans and show a positive employment impact of 390 supported jobs and new economic activity of \$9.9 million.

Our loans for business, and the combination of grants and loans for renewable energy, business planning and economic development, have helped create new business, advance technologies and generate higher wage employment opportunities. Our Business and Cooperative Programs invested more than \$24 million in grants and loans for rural businesses, economic development and renewable energy.

Nearly \$32.5 million in loans and grants from our Community Facilities and Water and Wastewater programs helped develop infrastructure, pay for

community facilities and equipment, and expand rural telecommunications.

Our success in improving housing, infrastructure and economic opportunity in rural Utah is due to the skill and dedication of our employees and their ability to do more with less by being innovative and applying new efficiencies. We must also credit the great partners that participate in finding solutions and funding to make rural Utah an even better place to live and do business. Rural Utah has benefited from the cost sharing between Rural Development and the housing programs in Utah's Division of Housing and Community Development. Our work in rural Utah is also enhanced by the working relationship and cooperation of the Governor's Office of Economic Development, the Governor's Rural Partnership Board, the Utah Division of Indian Affairs, Utah's Colleges and Universities and the banks and financial institutions that invest in our communities.

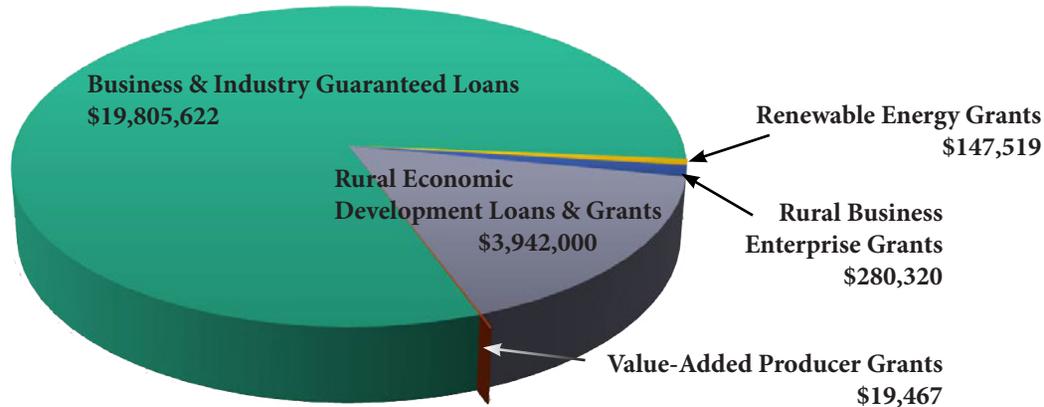
The combined impact of all these programs and cooperative partnerships helps reduce rural poverty and improve the quality of life for Utah's rural residents.

*According to the US Department of Commerce Regional Input Modeling each million dollars spent on residential construction in Utah supports 26 jobs (combined total of direct employment, indirect and induced employment). Total direct employment can be found by dividing total employment by 2.022.

USDA RURAL DEVELOPMENT FISCAL YEAR 2013 STATE FUNDING

In FY 2013, USDA Rural Development invested \$535,685,238 in rural Utah communities.

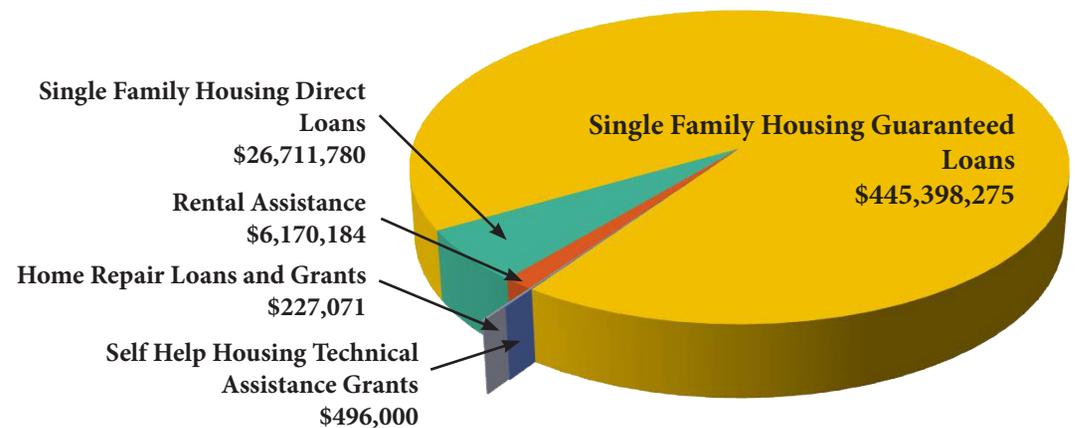
RURAL BUSINESS & COOPERATIVE PROGRAMS



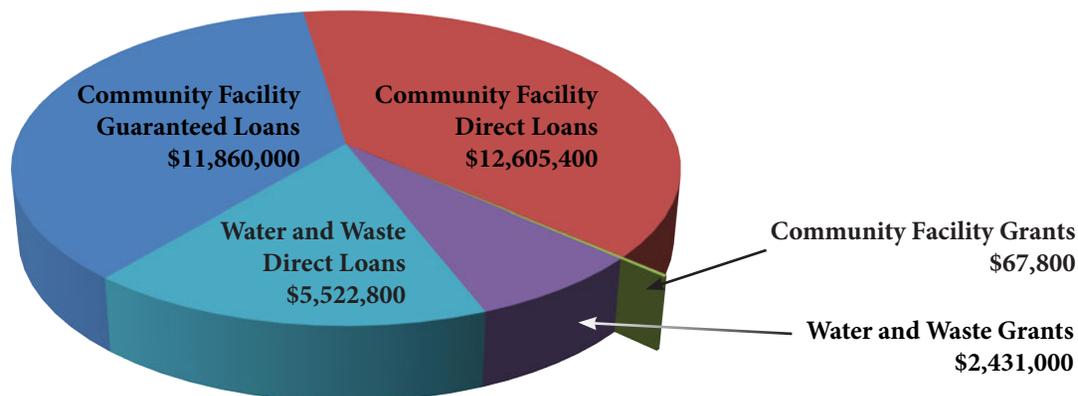
In fiscal year 2013, USDA Rural Development invested \$24,194,928 in Utah's rural businesses, supporting 28 projects. Business and Cooperative Programs serve Utah communities by creating new business, growing production, maintaining jobs, conducting feasibility studies, improving rural energy development, creating professional business plans, and increasing revenue for rural business ventures.

RURAL HOUSING PROGRAMS

USDA Rural Development improved rural housing in Utah with \$479,003,310 in loans and grants to build, repair, rehabilitate, and purchase homes that ultimately improve the quality of life in rural Utah. In fiscal year 2013, 171 direct loans and 2,542 guaranteed loans were obligated to finance homes for rural Utah families.



COMMUNITY FACILITY PROGRAMS & RURAL UTILITIES PROGRAMS



During fiscal year 2013, USDA Rural Development invested \$24,533,200 in rural Utah through community facilities loans and grants. The eight projects, including funding for schools and fire safety equipment was used to benefit more than 87,000 rural Utah residents. USDA Rural Development invested \$7,953,800 during fiscal year 2013 with five projects, improving water and waste conditions for approximately 19,000 residents in rural Utah.

BUSINESS & COOPERATIVE PROGRAMS

USDA Rural Development assisted 26 businesses with its business and cooperative programs in FY 2013. Through both loans and grants, more than 200 jobs are projected to have been created or saved in those businesses.

STORIES OF SUCCESS: RENEWABLE ENERGY

The goal of USDA Rural Development's Energy Programs is to develop a future where America runs on renewable, clean, domestically produced energy. In fiscal year 2013, USDA invested \$147,519 in renewable energy grants for six rural businesses, with a combined energy savings of 108,800 kilowatts per hour.

The Ideal Dairy has a lengthy history in Richfield, Utah. It began in 1926 as a small family owned dairy farm. The retail location opened in 1955 and since then has been a familiar restaurant on Main Street. The Sorensons purchased Ideal Dairy in 2005 and sought to maintain the standard of products, such as ice cream, sandwiches, their signature “punch bags”, and baked goods, as well as the history of the Ideal Dairy itself.

Kristi and Gary Sorenson, owners of Cuisine Concepts, LLC, which owns and operates Ideal Dairy, desired to reduce their utility usage and cost.

Through USDA Rural Development's Rural Energy for America Program, Cuisine Concepts, LLC, received a grant to install a system of solar panels to the roof of Ideal Dairy. These funds supplement the loan provided by Zions Bank and make the project possible.

Since installing the 80 solar modules and two 10 kilowatt inverters, the Sorensons report an energy savings of \$400 per month, on average. This savings allows the Sorensons to keep Ideal Dairy going, and preserve a historic gathering place for Richfield locals.



Eighty solar panels are installed on the roof of Ideal Dairy, located on Main Street in Richfield, Utah. USDA photo.

STORIES OF SUCCESS: PINEAE GREENHOUSES, INC.

Pineae Greenhouses, Inc. (Pineae) has been a familiar presence in northern Utah since 1952. Today Pineae operates 14 acres of greenhouse and 50 acres of container nursery production in Ogden, Utah, and the Golds desire to expand even more, creating more jobs for the local workforce.

USDA Rural Development partnered with Western AgCredit, FLCA to approve a Business and Industry loan guarantee to Pineae Greenhouses, Inc.

Pineae Greenhouses is a premium grower of many types plants, including spring flowering annuals, perennials, container plants, and flowering holiday plants, which are shipped out to stores throughout the Rocky Mountain region. Pineae is still owned by the Gold family and they currently have 85 full time employees and expect to add 20 more employees through 2014 with a total of 38 new employees by 2016. This growth is possible in part by the business being able to expand with USDA's loan.

Brian Gold, owner, said he enjoys the business and is enthusiastic about the prospect of employing more people to work the lush acres of flowering plants. "We have a lot of employees," he said, "We see an opportunity to expand and keep the business for our family and the families of our employees."



Workers clean a row of poinsettia plants before they are wrapped and shipped to regional stores (top). One of Pineae's greenhouses full of seasonal poinsettia plants. The plants will be sold to regional stores (bottom). USDA photos.



COMMUNITY, WATER, AND WASTEWATER PROGRAMS

USDA Rural Development's community programs offer loan and grant services to develop more than 80 different types of essential community facilities, including water and wastewater projects. During FY2013, RD invested \$24,465,400 in loans and \$67,800 in grants to develop schools, purchase emergency equipment and more for rural communities as well as \$2,431,000 in grants and \$5,522,800 in loans to improve rural water conditions.

STORIES OF SUCCESS: SANTAQUIN CITY WATER RECLAMATION FACILITY

Between the years 2000 and 2008, Santaquin experienced dramatic residential growth in a short amount of time, putting a strain on the city's facilities. In 2007, Santaquin city planners discovered the city's wastewater treatment facility, a system of lagoon ponds, was at capacity for aeration and over capacity for disposal. To meet the water treatment needs of the community and to sustain future growth, Santaquin needed a large new system. After USDA Rural Development partnered with three other state and federal agencies to fund the \$18 million project, Santaquin City built a Membrane Bioreactor (MBR) system for wastewater treatment and water reclamation that is expected to serve the community long into the future. This system is the first of its kind in Utah and allows the city to reuse water for the city's secondary irrigation system. This system will not only preserve drinking water, it will also maintain the integrity of the surrounding environment by avoiding the release of wastewater into nearby Utah lake, the largest freshwater lake in the state.

At the ribbon cutting ceremony to celebrate the completion, Mayor Jim DeGraffenried of Santaquin released a statement that read, "Santaquin's 100 percent reuse of the water from this facility will also help the long term cleaning of Utah Lake, by not adding undesired loads of wastewater to the natural system. With this project, Santaquin City has established a model for sustainable water resource development in Utah and the Intermountain West."



Rural Development Community Programs loan specialist Amy Ivie, Santaquin Mayor Jim DeGraffenried, and Community Programs Director Debra Meyer in front of Santaquin City's new Water Reclamation Facility (left). Mayor DeGraffenried gives a speech at the facility's grand opening (above). USDA photos.

HOUSING PROGRAMS

2,657 families became homeowners in FY2013 by securing loans through USDA Rural Development's direct and guaranteed housing programs. Rural Development provided \$479,003,310 in loans and grants to build, repair, rehabilitate, and purchase homes that ultimately improve the quality of life in rural Utah. Programs provide funding for single family homes, apartments for low-income persons or the elderly, and housing for farm laborers.

STORY OF SUCCESS: THE BELTRAN FAMILY'S SELF-HELP HOME



Mutual Self-Help Housing program participants Lacy (top left) and Sheldon Beltran (top right) stand outside their nearly completed home in Heber Valley with their three children, (left to right) Calvin, Sheldon Jr., and Dylan. USDA photo.

Lacy and Sheldon Beltran desired to purchase a home for their growing family and after hearing about USDA's Mutual Self Help program, decided it would be a perfect fit. They applied for the first time almost three years ago and were turned down due to problems with their credit history. Determined to qualify, however, the Beltrons worked to improve their credit and after the third application were finally approved for a loan to begin building a home in northern Utah's beautiful Heber Valley.

USDA Rural Development's Mutual Self Help Housing program requires participants to complete 65% of the home's construction themselves. Participants work in groups of a few families at a time. The Beltrons have six other families in their group and look forward to completing their homes by April 2014.

Sheldon said though it is challenging to squeeze in the 35 hours per week needed to work on the home, help from friends and family has made the construction possible. So far the Beltrons have enjoyed the experience of building their own house. "I was hoping that our group would have good cooperation with us and I just love working with them every day," Lacy said. "My husband feels motivated every day for his family to get a home."

BUSINESS & COOPERATIVE PROGRAMS

Program	Objective	Applicant	Uses	Population*	Loan/Grant	Terms/Conditions
Business and Industry Loan Guarantees	Create jobs and stimulate rural economies by providing financial backing for rural businesses.	Business applies through federal or state-chartered banks, credit unions or savings & loan associations.	Most legal business purposes except production agriculture. Uses include acquisition, start-up and expansion of businesses that create rural employment.	All areas except cities of more than 50,000 and their immediately adjacent urban or urbanizing areas.	Loan guarantee	Lender and borrower negotiate terms. Interest rate tied to published rate that may change no more often than quarterly.
Rural Business Opportunity Grants	Promote sustainable economic development.	Nonprofit economic development groups, tribes, and public bodies.	Pay costs of providing economic planning for rural communities, technical assistance for rural businesses, or training for rural entrepreneurs or economic development officials.	All areas except cities of more than 50,000 and their immediately adjacent urban or urbanizing areas.	Grant	Maximum amount of \$50,000.
Rural Business Enterprise Grants	Finance and facilitate the development of small and emerging private businesses.	Nonprofit economic development groups, tribes, and public bodies (cities/counties).	Buy and develop land, construct buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions and rural distance learning networks. Recipients can make loans to third parties.	All areas except cities of more than 50,000 and their immediately adjacent urban or urbanizing areas.	Grant	When grant funds are used for revolving loan fund (RLF) the intermediary makes loans to businesses with terms consistent with security offered.
Intermediary Relending Program Loans	Finance business facilities and community development projects in rural areas.	Public bodies, nonprofit corporations, tribes and cooperatives that will make loans to rural businesses.	Community development projects, establishment or expansion of businesses, creation or saving of rural jobs.	Rural areas and places with populations of less than 25,000.	Direct loan	The intermediary makes loans to businesses from its revolving loan fund on terms consistent with security offered. Intermediary pays 1% for 30 years.
Rural Economic Development Loans and Grants	Finance economic development and job creation in rural areas.	Electric and telephone cooperatives financed by USDA's Rural Utilities Service.	Business startup or expansion projects that create rural jobs.	Rural areas with populations of 50,000 or less.	Direct loan	The intermediary, electric or telephone cooperatives make loans or grants to profit or non-profit business and public bodies for rural economic development and/or job creation projects. Loans are 0% for 10 years.
Renewable Energy and Efficiency Grants	Matching grant program for renewable energy systems or energy efficiency improvements.	Small businesses, farmers and ranchers.	Pay up to 25% of project costs including wind, solar, biomass, geothermal, or other renewable energy sources. Also can be used to make energy efficiency improvements.	All areas except cities of more than 50,000 and their immediately adjacent urban or urbanizing areas.	Grant	Availability of grant funds is announced annually in the Federal Register. Contact the state office for more information.
Value-Added Producer Grants	Matching grant program for value-added ventures.	Agricultural producers and producer organizations.	Used to conduct feasibility analyses, develop business and marketing plans and conduct other types of studies to help establish a viable value-added business venture. Can also be used to establish working capital accounts.	Not applicable	Grant	Feasibility studies, business plans, and possibly other studies will be required before grant funds can be used as working capital.

Program contact: Perry Mathews, B&CP Director (801) 524-4328

COMMUNITY FACILITIES/WATER AND WASTE PROGRAMS

Program	Objective	Applicant	Uses	Population	Loan/Grant	Terms/Conditions
Water & Waste Disposal Loans & Grants	Develop or improve water and waste disposal projects.	Public entities, tribes, and non-profit corporations apply to Rural Development.	Construct, repair, modify, expand or improve water supply and distribution systems, waste collection and treatment systems, and other related costs.	Rural areas and places with up to 10,000 population.	Grant, direct loan, or loan guarantee	Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment maximum 40 years. Grant funds may be available.
Water & Waste Predevelopment Planning Grants	Pay costs associated with developing a water or sewer preliminary engineering and/or environmental report for funding.	Public entities, tribes, and non-profit corporations apply to Rural Development. The applicant must demonstrate that they do not have the funds available to pay for the preliminary costs.	Pay for items needed for an application such as a Preliminary Engineering Report, Environmental Report, etc. No payment for costs incurred before grant award.	Rural areas and places with up to 10,000 population. MHI below 80% of the State Non-Metro MHI.	Grant	Grant cannot exceed 75% of the planning costs or \$25,000, whichever is less.
Rural Community Development Initiative Grant (RCDI)	Develop the capacity of rural communities to conduct housing, community facility, or economic development projects.	Private nonprofits, including faith-based and community organizations and public intermediaries, including Native American tribes.	Provide new or expand existing programs to undertake housing, community facility, or community and economic development projects.	Cities, towns, and rural areas with populations of less than 50,000.	Grant	Funding is limited; highest priority projects are areas with populations of less than 10,000 and median household incomes of less than \$30,000.
Rural Broadband Loan and Loan Guarantee	The deployment of broadband service to eligible rural communities.	Legally organized entities providing or proposing to provide broadband service in eligible rural communities.	Construction, acquisition, & improvement of broadband transmission facilities and equipment; land and buildings used in providing broadband service.	Eligible rural communities with a population of 20,000 inhabitants or less.	Grant, direct loan, or loan guarantee	Minimum direct or guaranteed loan is \$100,000.
Electric and Telecommunication	Provide financial aid through direct and guaranteed loans for electric and telecommunications services.	Non-profit and cooperative associations, public bodies, and other utilities.	Generation, bulk transmission facilities, and distribution of electric power. Enhance 911 emergency service, digital switching equipment, fiber optic cable, along with traditional main system telecommunications service.	Must serve rural areas	Direct loan or loan guarantee	Interest rates are established in accordance with 7CFR 17145.
Distance Learning and Telemedicine	Development and deployment of advanced telecommunication services throughout rural America to improve education and health care.	Entities providing education and medical care via telecommunications including corporations or partnerships, Indian tribes, or tribal organizations, state or local governments, and private for-profit or not-for profit corporations. Individuals are not eligible to apply.	Equipment for classrooms: cameras, video monitors, computers, and LAN. Also for physician consultation, radiology, x-ray scanners, and digital microscopes.	Must serve rural areas	Direct loan and grant	100% grant: minimum 15 percent match required. 100% loan: matching funds not required. Combination loan/grant: matching funds not required.
Community Facilities Loans and Grants	Provide essential community facilities for rural communities.	Public bodies and non-profit groups. Guarantees apply to intermediary, direct and grant apply to Rural Development.	Build facilities, buy essential equipment, public safety, schools, libraries, hospitals.	Rural areas and communities for 20,000 or fewer population.	Direct loan, grant, or loan guarantee	For loan guarantee, up to 40 years amortization or life of security. For direct loan, long-term fixed rate at or below market rate for public bodies.

Program contact: Debra Meyer, Community Programs Director (801) 524-4326

HOUSING PROGRAMS

Program	Objective	Applicant	Uses	Population*	Loan/Grant	Terms/Conditions
Single Family Home Ownership Guaranteed Loans	Assist eligible applicants in buying homes by guaranteeing loans from private lenders.	Families and individuals apply to a private lender.	Loans may be made to purchase new or existing homes.	Rural areas and communities of 25,000 or fewer population	Loan guarantee	30 years, fixed rate interest negotiated between lender and borrower. Loans to 102% of market value.
Single Family Home Ownership Direct Loans	Provide safe, well-built, affordable homes for rural Americans.	Families and individuals apply to Rural Development.	Buy or build rural homes as the applicant's permanent residence.		Direct loan	Up to 100% of market value. Loan amortized for 33 or 38 years. Applicant may be eligible for payment assistance (subsidy) on the loan.
Single Family Home Repair Loans and Grants	Help very low-income applicants remove health and safety hazards, make essential repairs or make accessible for residents with disabilities.	Families and individuals that currently own their own home apply to Rural Development.	Loan and grant purposes include: winterizing, purchas or repair of heating system, structural repair, water/sewage connect fees and similar uses.		Direct loan and grant	Loan terms to 20 years at 1%. Assistance to individuals may not exceed \$20,000. Grants available to applicants 62 years or older with limited income. Maximum grant is \$7,500.
Mutual Self-Help Housing	Individuals build homes as a group with construction guidance of a non-profit organization.	Families and individuals apply to participating non-profit agency. Grant funding available to non-profits for administration.	Loan applications are processed on an individual basis for each participating family. Loan is provided for site, material and skilled labor.		Direct loan and grant	The individual families receive a direct loan. The non-profit housing organization receives a grant to hire a supervisor and pay other administrative expenses.
Housing Preservation Grants	Repair and rehabilitate housing owned or occupied by very low- and low-income rural families.	Public bodies and non-profit corporations apply to Rural Development.	Operate a program that finances the repair and rehabilitation activities for single family and rental properties.		Grant	2 year grant term.
Rental Housing for Families and Elderly Direct Loans and Loan Guarantees	Safe, well-built and affordable rental housing for rural Americans.	Individuals, profit and non-profit organizations. For guarantees, apply to intermediary; for direct, apply to Rural Development.	New construction or substantial rehabilitation of rental housing.		Direct loan or loan guarantee	Up to 100% of market value (non-profits); 97% (for profit). Long terms for affordable debt service.
Farm Labor Housing	Safe, well-built affordable housing for farm labor workers.	Farms, farm organizations and corporations, non-profits, Tribes, and public agencies.	New construction or acquisition with substantial rehabilitation of farm labor housing. On or off-farm eligible.		No limit	Direct loan and grant

Program contact: Janice Kocher, Housing Programs Director (801) 524-4308



United States Department of Agriculture

USDA Rural Development Agency

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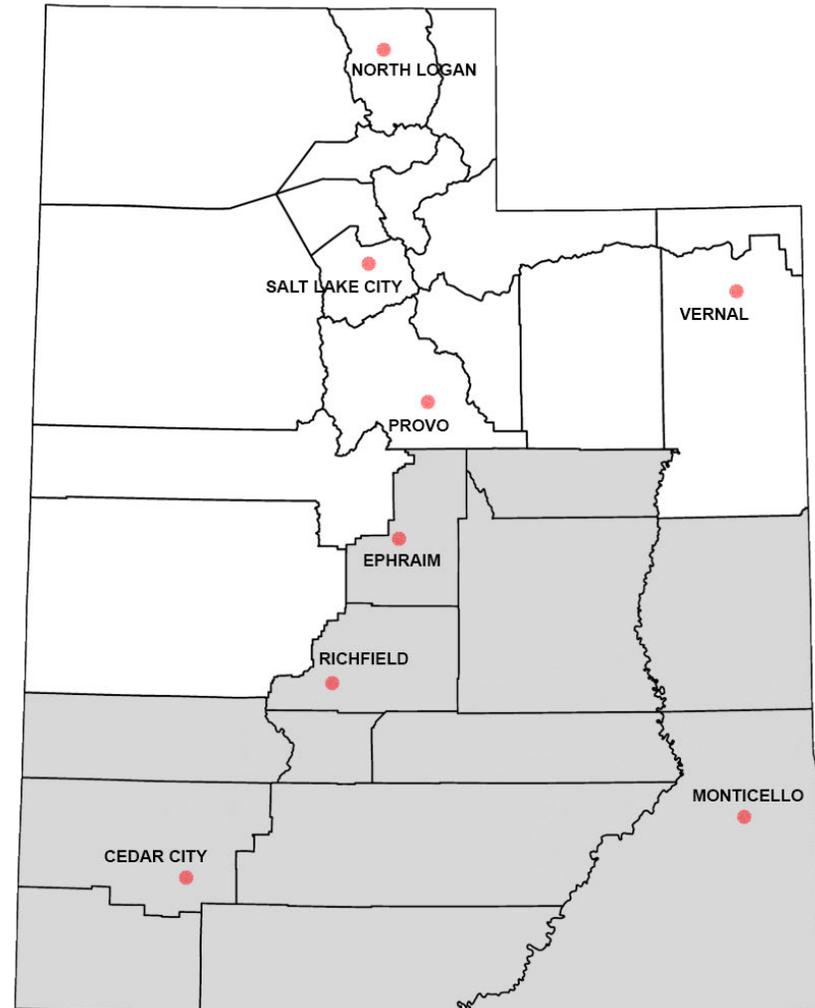
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