



Rural Development • Rural Business Service • Business & Industry Loan Guarantee Program

## With Help from USDA, Rural Business Rebounds and Creates Jobs

North River Boats has been producing recreational, commercial, and government boats and providing high-wage jobs to the residents of Roseburg in southwestern Oregon since 1974. During the height of the recession in 2009, however, the company was placed into receivership. There was a high likelihood the business would be sold to an out-of-state strategic buyer and relocated, resulting in the loss of local jobs.

Entrepreneur Brent Hutchings saw potential in North River Boats. He found a lender, Beneficial State Bank (formerly One PacificCoast Bank), willing to make the necessary loans to allow him to purchase the company. The \$2.7 million and \$1.8 million loans were guaranteed through

USDA Rural Development’s Business & Industry Program, which bolsters the existing private credit structure by guaranteeing loans to rural businesses, allowing private lenders to extend more credit than they typically could. In early 2014, Hutchings purchased the company, and it is now thriving.

“We tripled revenue over the past three years and have orders into next year,” said Hutchings. The company was able to retain its staff, hire back many who had lost their jobs, and add 16 high-wage positions. Hutchings consolidated the company’s four Roseburg locations with the purchase of their current 88,000-square foot facility. As the company has prospered, Hutchings has given raises and introduced a suite of employee benefits, including health insurance and 401(k) retirement accounts with a company match.

“Without the loan provided by Beneficial State Bank and guaranteed by Rural Development, there was a very good chance this company would be sold to an out-of-state buyer and these great folks would lose their jobs,” said Hutchings. Instead, they are now the fastest growing heavy gauge aluminum boat manufacturing company in the western United States, with both a local and international customer base. They recently delivered the largest boat the company has produced thus far, a 52-foot crew boat, and just received an order for another.



*North River Boats CEO Brent Hutchings standing beside a newly painted boat in the company's Roseburg facility.*

- Obligation Amount:** \$2,700,000 and \$1,840,000 guaranteed loans
- Date of Obligation:** April 17, 2014 (both loan guarantees)
- Congressional District:** DeFazio-4; Senators Wyden and Merkley
- Partners:** Beneficial State Bank (formerly One PacificCoast Bank)
- Demographics:** City of Roseburg with a population of 21,884
- Impact:** 100 high-wage jobs retained; 16 additional jobs created