

USDA



Rural
Development

Committed to the future of rural communities.

Appalachian Regional Development Initiative Workshop; May 18, 2011

Jack Tarburton
USDA Rural Development State Director
Delaware and Maryland

Business Development/Entrepreneurship & Innovation Programs of USDA Rural Development

Loan Assistance

- Business and Industry Guaranteed Loan (B&I) Program
- Intermediary Relending Program (IRP)
- Rural Microentrepreneur Assistance Program (RMAP Loans)
- Biorefinery Assistance Program Biorefinery Assistance Loan Guarantees (Section 9003)
- Rural Energy for America Program Guaranteed Loan Program (REAP Loans) (Section 9007)
- Rural Economic Development Loan and Grant (REDLG)

Grant Assistance

- Rural Business Enterprise Grant (RBEG Program)
- Rural Energy for America Program Grants (REAP Grants)
- Rural Economic Development Loan and Grant (REDLG)
- Rural Microentrepreneur Assistance Program (Technical Assistance)
- Rural Business Opportunity Grants (RBOG)
- Value-Added Producer Grants (VAPG)
- Rural Economic Development Loan and Grant (REDLG)
- Small Socially-Disadvantage Producer Grant (SSDPG)
- 1890 Land-Grant Institution Initiative
- Rural Cooperative Development Grants

The Programs – Business & Industry Guaranteed Loan

Eligible Applicants

- New or existing businesses in rural areas with a population of 50,000 or less and not part of an urbanizing area.
(Business does not have to be headquartered in the rural community, just conducting business there.)

Important Criteria

Business is improving the economic climate in the rural community and is creating or preserving jobs.



The Programs – Business & Industry Guaranteed Loan

Loan Amounts

Typically from \$250,000 to \$5 million.

(The maximum guarantee is 80% for loans up to \$5 million, 70% for loans of \$5 million - \$10 million.)

Loan Uses

New construction, equipment, expansion, working capital and debt restructuring.



The Programs – Business & Industry Guaranteed Loan

To find a Rural Development State Office

<http://www.rurdev.usda.gov/StateOfficeAddresses.html>



The Programs – Rural Business Enterprise Grant

Eligible Applicants

- Public bodies and private non-profit corporations in rural areas with a population of 50,000 or less. *(Priority to applications for projects in open country, rural communities or towns of 25,000 or smaller, and economically distressed communities.)*

Important Criteria

To facilitate development and expansion of small and emerging private business enterprises. No pass through of grant funds directly to any business!

The Programs – Rural Business Enterprise Grant

Eligible Projects – 1) Technical Assistance, 2) Capital Improvements, and 3) Revolving Loan Fund



Examples and Best Practices

- \$40,000 to a Regional Council for local foods distribution center.**
- \$40,000 to a County for technical assistance to start-up businesses.**
- \$52,300 to a Nonprofit for a revolving loan fund to businesses.**
- \$70,000 to Allegany College for an HVAC Apprenticeship program.**
- \$150,000 to a Municipality for a building to be leased to a restaurant.**
- \$131,000 to a College for a nursing & health professional program.**
- \$500,000 to a Nonprofit for equipment for greenhouse production.**

The Programs – Renewable Energy & Energy Efficiency

Eligible Applicants

- **Agricultural producer**

(individual or entity) producer of agricultural products (including farming or ranching) that gets 50% or more of their gross income from their operations.

- **Small Business** *(As defined by SBA, varies by business type.)*

Private entity including a sole proprietorship, partnership, corporation, and a cooperative.



Rural electric cooperatives may also be eligible to apply.

The Programs – Renewable Energy & Energy Efficiency

How much are the grants?

The grants are awarded on a competitive basis and can be up to 25% of total eligible project costs. Grants are limited to \$500,000 for renewable energy systems and \$250,000 for energy efficiency improvements. Grant requests as low as \$2,500 for renewable energy systems and \$1,500 for energy efficiency improvements will be considered. At least 20% of the grant funds awarded must be for grants of \$20,000 or less.

The maximum amount of grant funds for feasibility study projects will not exceed \$50,000 or 25% of the total eligible project cost of the study.

The Programs – Renewable Energy & Energy Efficiency

**Deadline to apply - June 15, 2011 (for projects)
June 30 (for studies)**

Examples of systems or improvements financed:

- **Anaerobic Digesters converting livestock waste into methane based renewable energy.**
- **Solar panel purchase and installation.**
- **Wind Turbines converting wind energy into electricity.**
- **Installation of HVAC equipment.**
- **Replacement of inefficient lighting or refrigeration systems.**
- **Installing new windows and doors and adding insulation in commercial buildings.**
- **New this year, flexible fuel blender retail pumps.**

The Programs – Renewable Energy & Energy Efficiency

How to apply?

Contact a Rural Development Energy Coordinator

http://www.rurdev.usda.gov/BCP_ReapResEei.html

Notice of Funding Availability in the April 14 Federal Register at,

<http://edocket.access.gpo.gov/2011/pdf/2011-8456.pdf>

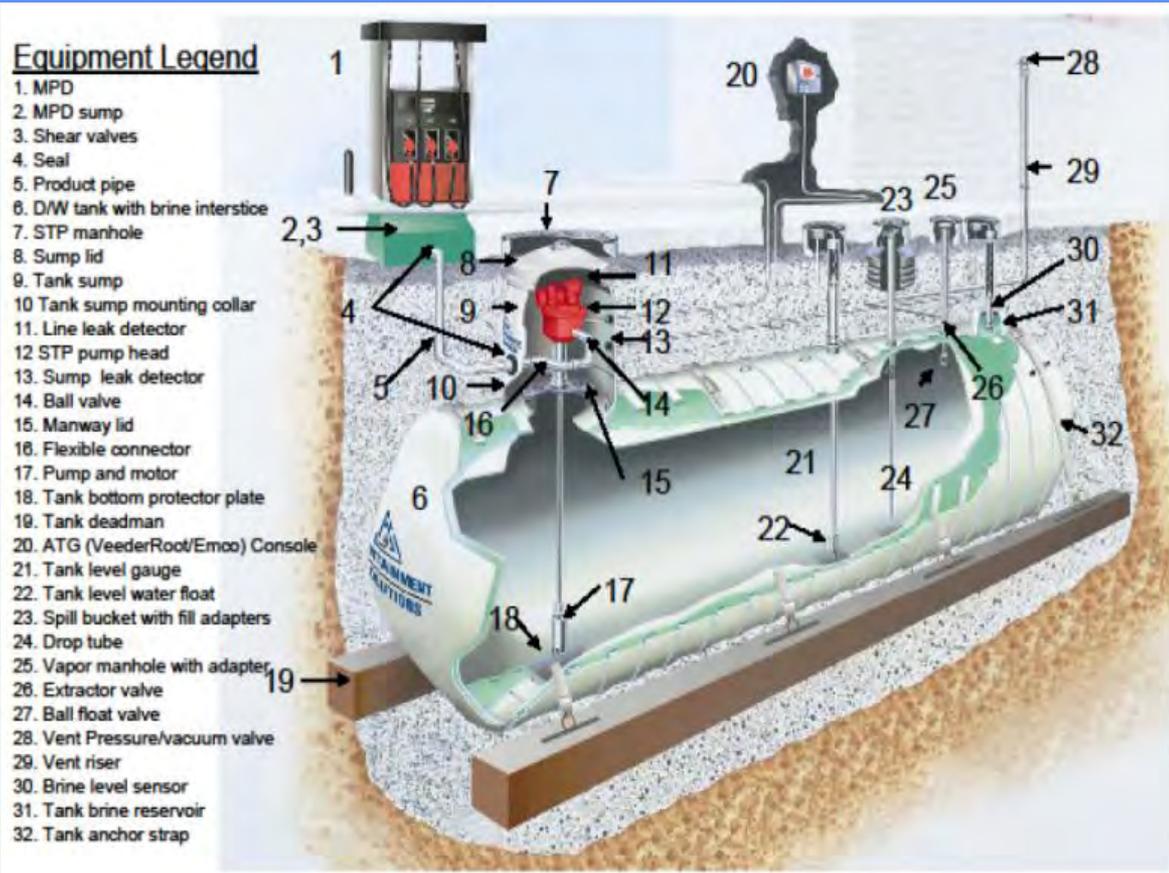


President Obama's Blueprint For a Secure Energy Future

- *Reduce Oil Imports by 1/3 by 2025*
- *Install 10,000 blender pumps over the next 5 years*
- *Increase the production of biofuels and see 4 proof of concept cellulosic ethanol facilities in the next 2 years*
- *For more information on President Obama's Plan go to:
http://www.whitehouse.gov/sites/default/files/blueprint_secure_energy_future.pdf*

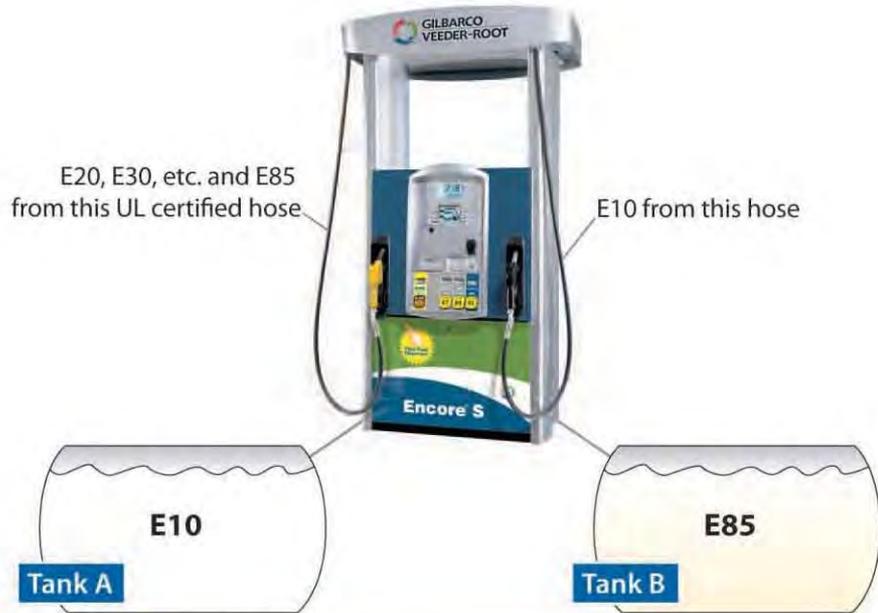
Section 9007- Rural Energy for America Program

▪ *FlexFuel Infrastructure (E85 and Ethanol Blender); FlexFuel Dispensers, components and tanks are eligible under REAP in the Interim Rule and FY11 NOFA*

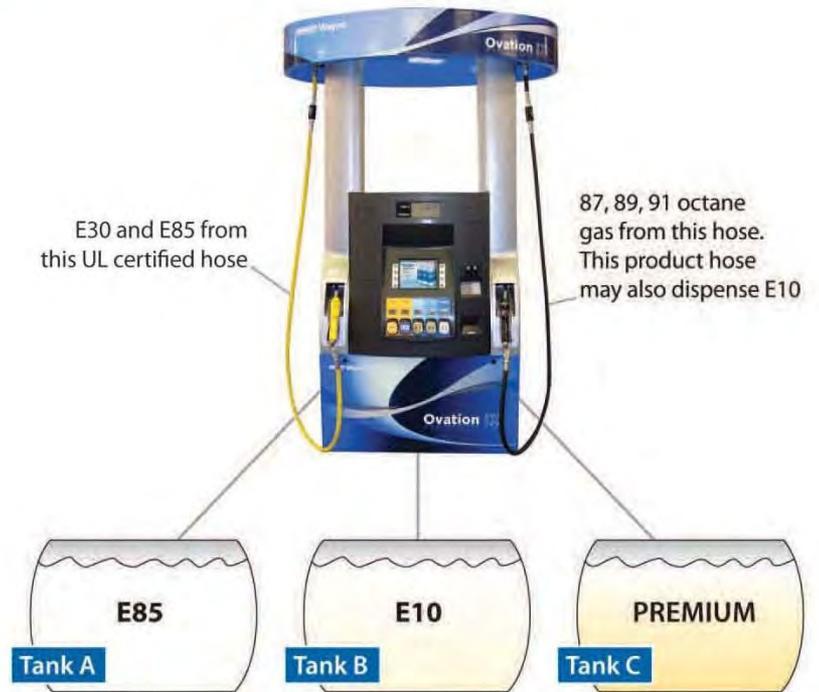


Section 9007- Rural Energy for America Program

Two-Tank Dispensing System



Three-Tank Dispensing System



Section 9007- Rural Energy for America Program Other State and Federal Programs

- *Stakeholder groups will have multiple programs which will work with our program*
 - *State Incentive Programs can be found at:*
<http://www.afdc.energy.gov/afdc/laws/state>
 - *Federal Alternative Fuel Infrastructure Tax Credit of 30%*
http://www.afdc.energy.gov/afdc/laws/fed_summary
- *With federal and state program stacking, likely will offset incremental cost of project*

Contact Information

Thank you!

Jack Tarburton, DE/MD State Director
Phone: 302-857-3580
jack.tarburton@de.usda.gov

Jill Harvey, NY State Director
Phone: 315-477-6400
jill.harvey@ny.usda.gov

Tom Williams, PA State Director
Phone: 717-237-2262
tom.williams@pa.usda.gov



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