

# 2023 USDA REDL&G & REVOLVING LOAN FUNDS REPORT





Iowa's rural utility partners continue to lead the nation in leveraging the USDA Rural Economic Development Loan & Grant (REDL&G) program. In 2023, IADG had another record year by authoring \$41 million of successful REDL&G awards for its members and partners.

Addressing the economic development needs of rural Iowa requires a multifaceted approach. IADG firmly believes that a crucial element of the equation lies in consistent investment in local businesses, communities, and rural areas. The REDL&G program and 76 operating revolving loan funds (RLFs) serve as invaluable, locally controlled and flexible financing tools with the potential for significant impact in rural regions. In fact, today's high interest rate environment makes these programs more important than ever.

This report spotlights the outcomes and trends resulting from the ongoing administration of the RLFs operated by Iowa's rural utilities. It is intended to demonstrate the program's effectiveness and serve as an inspirational resource for other utilities, projects, and communities. We hope these impacts will also demonstrate how effective this program is for Iowa and Rural America to Federal Legislators and USDA Program Administrators.

For over thirty years, IADG has been privileged to support our utility partners in their REDL&G applications and RLF administration. On behalf of the IADG Board of Directors and staff, we express our deep appreciation and acknowledge the continuous efforts of our sponsoring utilities in utilizing these programs. Their commitment serves as a catalyst for business and community development.

**Bruce Nuzum**  
**President/CEO**

## REPORT HIGHLIGHTS

### REDL&G Program Funds

- In 2023, IADG's members secured over **\$41 million in funding** through the REDL&G program, to support economic growth.
- This funding resulted in the generation of **\$111.3 million in new capital investment** and the **creation and retention of 747 jobs**.
- Since the establishment of the program, IADG's members have received a total of **451 REDL&G awards**, amounting to over **\$239.5 million in funding**.
- Through the utilization of REDL&G, IADG's members have made a significant impact on Iowa, with cumulative awards contributing to **\$1.28 billion in new investment** in rural communities and the **creation or retention of 22,446 jobs**.

### Revolving Loan Funds

The rural utility-sponsored REDL&G program grants create, then enhance locally controlled RLFs. IADG members also build RLFs by utilizing USDA's Intermediary Relending Program. Here are the combined highlights of these RLF fund impacts.

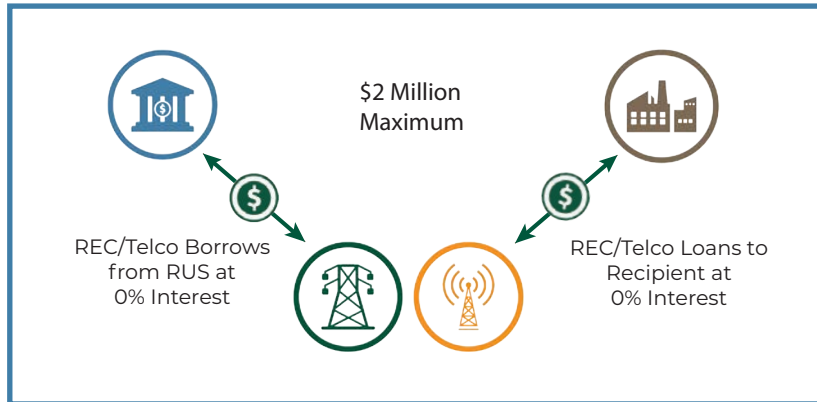
- A total of **76 Iowa rural utility-operated RLFs** have been established. This includes all of IADG's member electric cooperatives as well as a large number of municipal electric and independent telecommunications companies.
- The combined value of these RLFs, which includes USDA funding and local matching funds from the utilities, amounts to **\$84 million**.
- Utilizing these revolving funds, the RLFs have in turn made **1,264** loans totaling **\$123M**.
- These projects have spurred **\$902.5M** of capital investment and **created and retained 17,296 jobs**.



## LOANS OVERVIEW

### USDA Rural Economic Development Loan Program (REDL)

USDA program designed to spur job creation in rural areas. An intermediary (eligible Rural Utilities Service (RUS) borrower) applies for USDA loan on behalf of the project or “ultimate recipient of funds.”



### USDA 0% Loan

Eligible entities: For-profit, non-profit, government, or school district.

- Intermediary guarantees a USDA loan of up to \$2 million or 80% of project costs on behalf of the ultimate recipient.
- USDA loans funds to intermediary who then immediately loans funds to ultimate recipient.
- Terms of loan: 0% interest; 10-year term; up to 2-year deferral, payments amortized over 8 years.
- Ultimate recipient makes loan repayments back to intermediary who then repays USDA immediately.

## GRANTS OVERVIEW

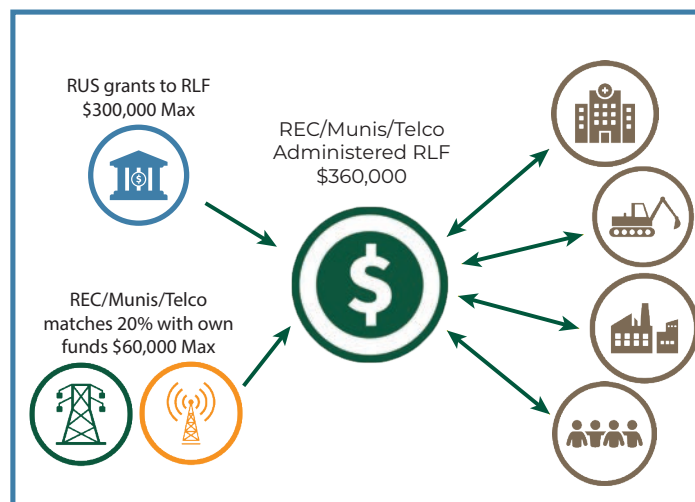
### USDA RURAL ECONOMIC DEVELOPMENT GRANT PROGRAM (REDG)

USDA program designed to spur job creation in rural areas. An “intermediary” (eligible Rural Utilities Service (RUS) borrower) applies for USDA grant on behalf of the project or “ultimate recipient of fund.”

#### Initial USDA Grant

Eligible entities: Non-profit, local government, or school district.

- Intermediary receives grant up to \$300,000 or 80% of project costs
- Intermediary matches USDA grant by 20% and deposits funds in its revolving loan fund (RLF).
- Funds loaned from the intermediary's RLF to the project.
- Terms of loan: 0% interest; 10 years; up to 2 year deferral, payments amortized over 8 years.



#### Revolving Loan Fund

- Loan repayments back to intermediary are placed in RLF.
- Intermediary can make subsequent loans to other projects from its RLF.
- Revolved loan funds have less federal restrictions. Access to RLF loans do not require USDA oversight. Eligible entities: For-profit, non-profit, government, or school district.
- Terms and interest rate set locally by intermediary.

## 2023 USDA REDL&G OVERVIEW - IADG Authored Applications



**23 Loan Projects**



**\$37.5 Million**



**14 Grant Projects**



**\$3.8 Million**



**37 Total Projects**



**\$41.4 Million**



**Total Investment in Iowa**



**\$111 Million**



**Avg. Jobs Created or Retained per Project**



**30**

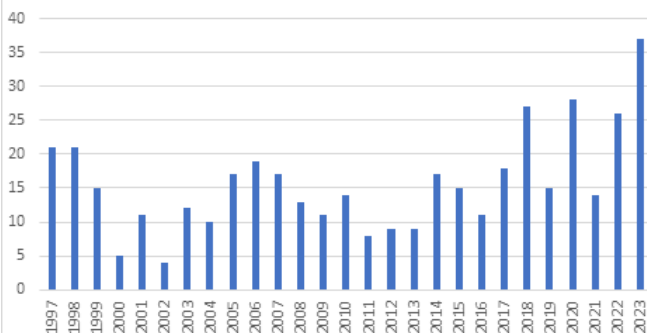


**Total Jobs Created or Retained**

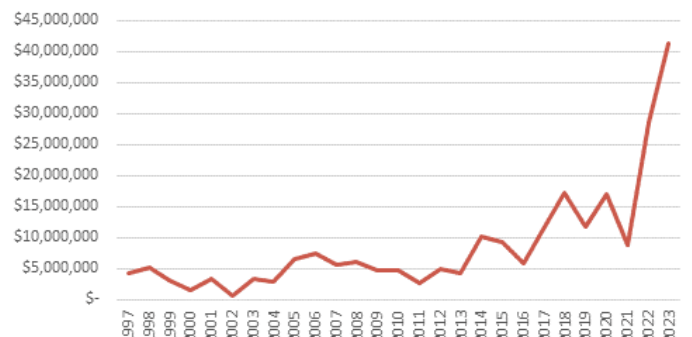


**747**

Number of USDA Loans & Grants Awarded



USDA Loan & Grant Funding



## CUMULATIVE USDA REDL&G OVERVIEW (1989 - 2023)



**193 Loan Awards**



**\$173 Million**



**258 Grant Awards**



**\$ 66.6 Million**



**451 Total USDA Awards**



**\$239.5 Million**



**Total Investment in Iowa**



**\$1.28 Billion**



**Total Jobs Created or Retained**

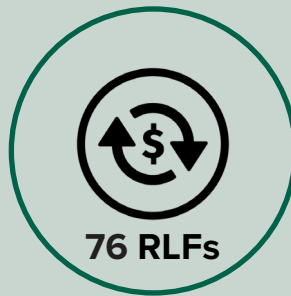


**22,446**

## 2023 RLF HIGHLIGHTS - Iowa Rural Utilities

**Total Balance of RLFs**  
**\$84 Million**

**Total Amount Available  
for Loans \$34 Million**



**Largest Electric Coop RLF**  
**Corn Belt Power**  
**Cooperative \$9.1 Million**

**Largest Telecom RLF**  
**Heart of Iowa**  
**\$1.07 Million**



**Loans Made from  
Intermediary RLFs**



**52**



**Total Investment for  
Iowa Projects**



**\$13.7 Million**



**Avg. Jobs Created or  
Retained per Loan**



**11**

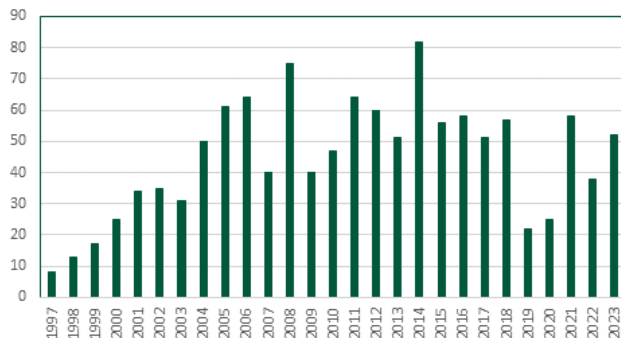


**Total Jobs Created  
or Retained**

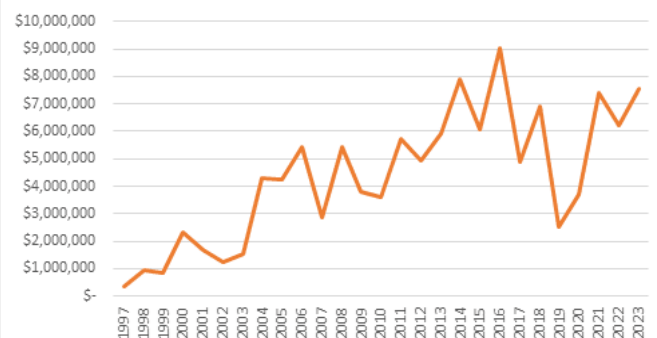


**475**

**Number of RLF Loans Made**



**RLF Funding**



## CUMULATIVE RLF Highlights (1989 - 2023)



**Loans Made from  
Intermediary RLFs**



**1,264**



**Loaned from All 76 RLFs**



**\$123 Million**



**Total Investment in Iowa  
All 76 RLFs**



**\$902.5 Million**



**Total Jobs Created  
or Retained**



**17,296**



## 2023 PROJECT SPOTLIGHTS

### CLARKSVILLE SKILLED NURSING & REHABILITATION CENTER

Clarksville Skilled Nursing & Rehabilitation Center, a 42-patient facility established in 1975, is making significant facility upgrades. The renovation includes a new roof, an upgraded HVAC system, and interior enhancements, alongside extensions to the parking area, courtyard, and sidewalks. These improvements aim to enhance the experience for residents, staff, and visitors. The project is expected to begin in mid-2024.

Butler County REC secured a loan through the USDA REDL&G program to support this project.



### PROMISE COMMUNITY HEALTH CENTER

Promise Community Health Center (PCHC) in Sioux Center, IA, has completed a \$3.2 million construction project, allowing them to increase capacity and better integrate patient services. The project includes a new 10,000 sq. ft., two-story expansion of their existing healthcare facility. The first floor includes behavioral health therapy rooms, administrative offices, exam rooms, and space for IT and maintenance. The second floor features patient meeting spaces, conference and education rooms, and a call center. The renovation also incorporates green and energy-efficient strategies.

North West REC supported this project with a USDA REDL&G program grant. Premier Communications also contributed a loan from their RLF.



### SHELL BUILDING IN SPENCER

The Iowa Lakes Corridor Future Fund and partners are constructing a 30,000 sq. ft. shell building in Spencer to accommodate a new or existing business. The building, located in the Spencer Technical Park South, will feature a steel support system, expandable design, and gravel floor to accommodate varying needs. It will be equipped with one overhead door, three passage doors, and the potential for customization as needed.

Iowa Lakes Electric Cooperative, Spencer Municipal Utilities and Corn Belt Power Cooperative were significant partners with both technical and financial support.



### MONROE COUNTY HOSPITAL

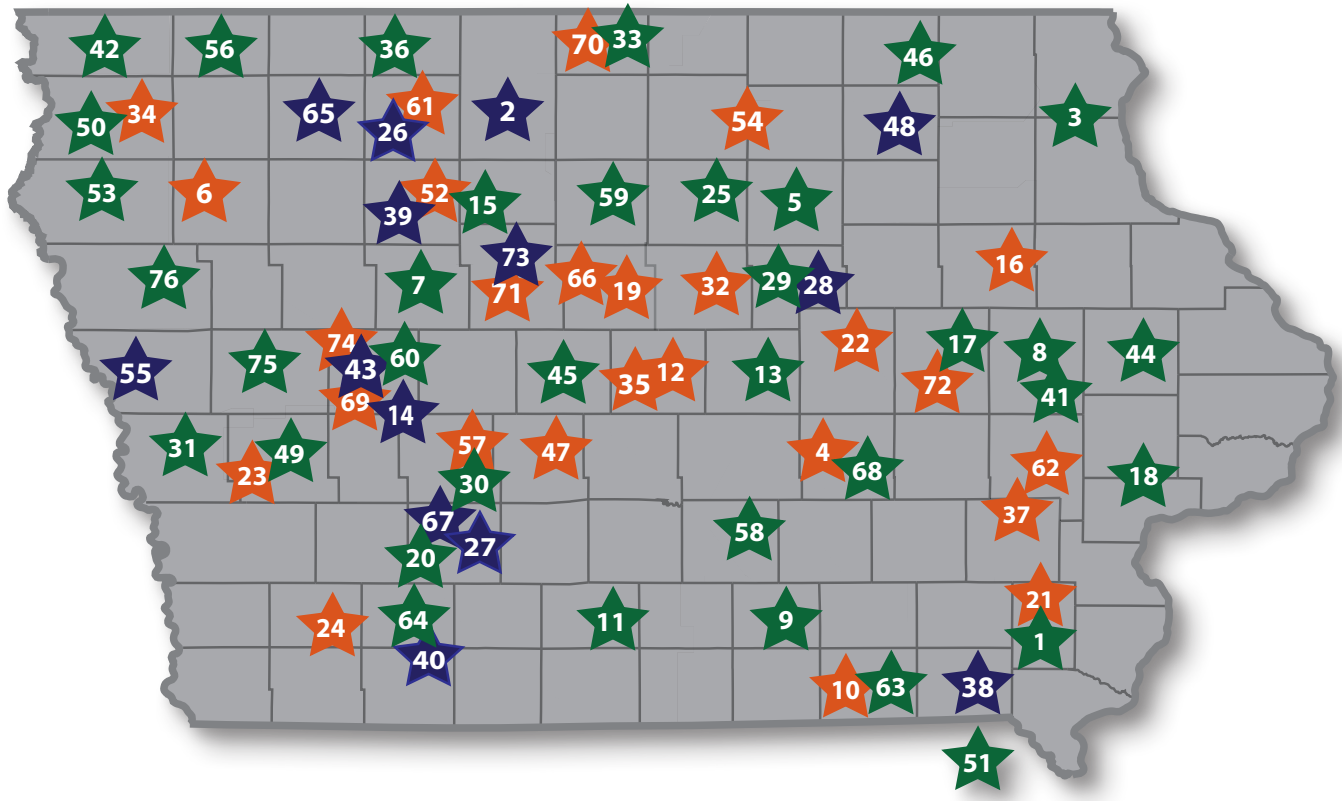
Monroe County Hospital is currently undergoing a multifaceted upgrade to its facilities. This includes adding a 685 sq. ft. MRI scan room to house a permanent MRI machine, renovating the Radiology Department and Acute-Care wing, updating isolation rooms, and enhancing infrastructure. These enhancements will improve patient services and staff retention and enable them to continue to serve as a community health hub. Construction started in 2024 with an estimated 12-month timeline.

Chariton Valley Electric Cooperative and Northeast Power Cooperative made significant contributions to this project, each securing a loan and grant through the USDA REDL&G program.



# IOWA AREA DEVELOPMENT GROUP PARTNERSHIPS

## Electric cooperative, municipal utility & telecommunication cooperative partners operating revolving loan funds throughout Iowa



- |  |  |  |
|--|--|--|
| 1. Access Energy Cooperative               | 28. Grundy Center Municipal Utility          | 55. Onawa Municipal Utilities              |
| 2. Algona Municipal Utilities              | 29. Grundy County Rural Electric Coop        | 56. Osceola Electric Cooperative           |
| 3. Allamakee-Clayton Electric Coop         | 30. Guthrie County Rural Electric Coop       | 57. Panora Communications Cooperative      |
| 4. Brooklyn Mutual Telecommunications Coop | 31. Harrison County Rural Electric Coop      | 58. Pella Cooperative Electric Association |
| 5. Butler County Rural Electric Coop       | 32. Heart of Iowa Communications Coop        | 59. Prairie Energy Cooperative             |
| 6. C-M-L Telephone Coop Assn               | 33. Heartland Power Cooperative              | 60. Raccoon Valley Electric Cooperative    |
| 7. Calhoun County Electric Cooperative     | 34. Premier Communications                   | 61. River Valley Telecommunications Coop   |
| 8. Central Iowa Power Cooperative          | 35. Huxley Communications Coop               | 62. Sharon Telephone Company               |
| 9. Chariton Valley Electric Cooperative    | 36. Iowa Lakes Electric Cooperative          | 63. Southern Iowa Electric Cooperative     |
| 10. Citizens Mutual Telephone Cooperative  | 37. Kalona Cooperative Technology Co.        | 64. Southwest Iowa Rural Electric Coop     |
| 11. Clarke Electric Cooperative            | 38. Keosauqua Light & Power                  | 65. Spencer Municipal Utilities            |
| 12. Colo Telephone Company                 | 39. Laurens Municipal Power & Communications | 66. Stratford Mutual Telephone Company     |
| 13. Consumers Energy                       | 40. Lenox Municipal Utilities                | 67. Stuart Municipal Utilities             |
| 14. Coon Rapids Municipal Utilities        | 41. Linn County Rural Electric Cooperative   | 68. T.I.P. Rural Electric Cooperative      |
| 15. Corn Belt Power Cooperative            | 42. Lyon Rural Electric Cooperative          | 69. Templeton Telephone Company            |
| 16. East Buchanan Telephone Cooperative    | 43. Manning Municipal Utilities              | 70. USA Communications                     |
| 17. East-Central Iowa Rural Electric Coop  | 44. Maquoketa Valley Electric Cooperative    | 71. Webster-Calhoun Coop Telephone Assn    |
| 18. Eastern Iowa Light & Power Coop        | 45. Midland Power Cooperative                | 72. WCTA- Winnebago Coop Telecom Assn      |
| 19. Ellsworth Cooperative Telephone Assn   | 46. MiEnergy Cooperative                     | 73. Webster City Municipal Utilities       |
| 20. Farmers Electric Cooperative           | 47. Minburn Communications                   | 74. Western Iowa Networks                  |
| 21. FarmTel Communications                 | 48. New Hampton Municipal Light Plant        | 75. Western Iowa Power Cooperative         |
| 22. FCTC - Farmers Coop Telephone Co       | 49. Nishnabotna Valley Rural Electric Coop   | 76. Woodbury County Rural Electric Coop    |
| 23. Farmers Mutual Coop Telephone Co       | 50. North West Rural Electric Cooperative    |  |
| 24. FMTC - Farmers Mutual Telco-Stanton    | 51. Northeast Power Cooperative, Missouri    |  |
| 25. Franklin Rural Electric Cooperative    | 52. Northwest Communications                 |  |
| 26. Graettinger Municipal Plant            | 53. Northwest Iowa Power Cooperative         |  |
| 27. Greenfield Municipal Utilities         | 54. OmniTel Communications                   |  |

- ★ Rural Electric Cooperative
- ★ Municipal Utility
- ★ Telecommunications Company

# IADG Utility Network

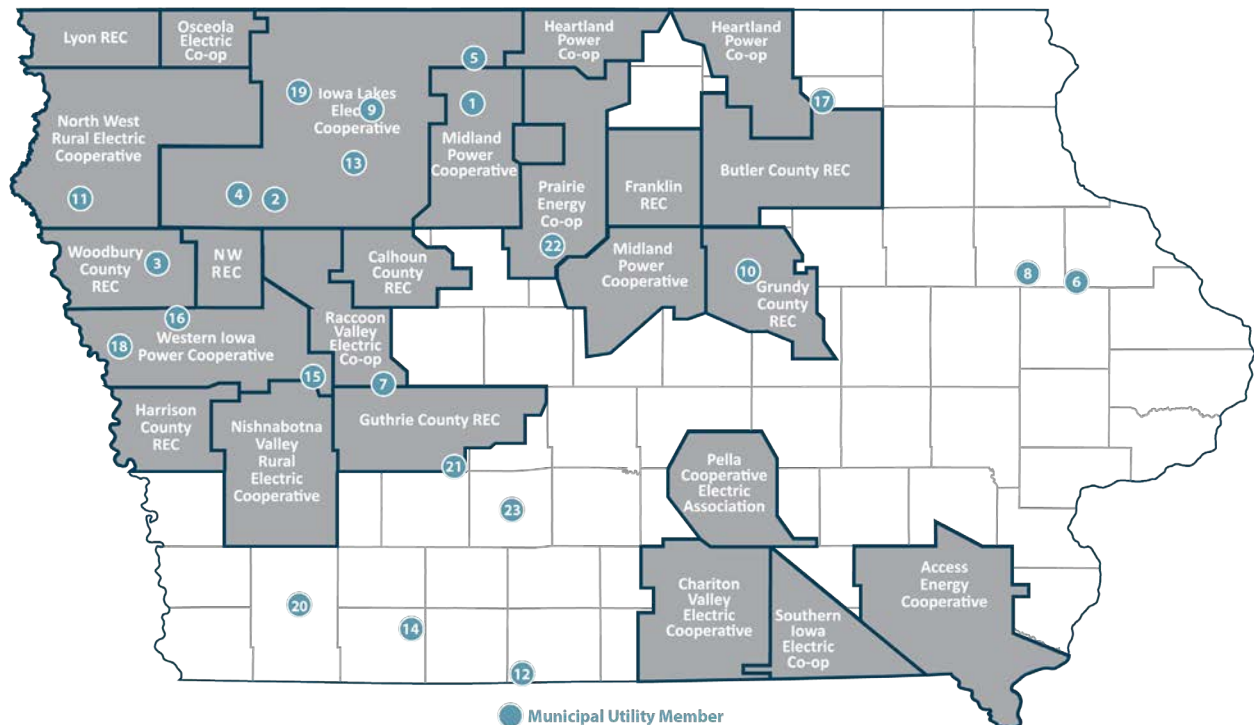
IADG gratefully acknowledges and thanks the rural utilities who make our mission of business and community development possible.



## GENERATION & TRANSMISSION MEMBERS



## REC AND MUNICIPAL MEMBERS



- |                |                   |                  |
|----------------|-------------------|------------------|
| 1. Algona      | 9. Graettinger    | 17. New Hampton  |
| 2. Alta        | 10. Grundy Center | 18. Onawa        |
| 3. Anthon      | 11. Hinton        | 19. Spencer      |
| 4. Aurelia     | 12. Lamoni        | 20. Stanton      |
| 5. Bancroft    | 13. Laurens       | 21. Stuart       |
| 6. Cascade     | 14. Lenox         | 22. Webster City |
| 7. Coon Rapids | 15. Manning       | 23. Winterset    |
| 8. Earlville   | 16. Mapleton      |                  |

## IADG's BROADBAND PARTNERS



For more information on the USDA REDL&G program or RLFs, contact your local utility provider or reach out to Steven Benne, IADG 's VP Development Finance at [sbenne@iadg.com](mailto:sbenne@iadg.com).