

2022 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 2022, IADG authored a **record-setting \$28 million** of successful REDL&G awards for its members. Not only was this a new record for Iowa, but it was also **over \$10 million more than any previous calendar year**; and **\$20 million more than the next closest state** receiving funds.

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 **74 operating revolving loan funds (RLFs)** serve as invaluable, locally controlled and flexible financing tools with the potential for significant impact in rural regions.

This report spotlights the outcomes and trends resulting from the ongoing administration of the RLFs operated by IADG utility partners. It is intended to demonstrate the program's effectiveness and serve as an inspirational resource for other utilities, projects, and communities.

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 throughout Iowa.

Bruce Nuzum
President/CEO

REPORT HIGHLIGHTS

REDL&G Program Funds

- In 2022, IADG's members secured over **\$28 million in funding** through the REDL&G program, to support economic growth.
- This funding resulted in the generation of **\$120 million in new capital investment** and the **creation and retention of 1,172 jobs**.
- Since the establishment of the program, IADG's members have received a total of **414 REDL&G awards**, amounting to over **\$198 million in funding**.
- Through the utilization of REDL&G, IADG's members have made a significant impact on Iowa, with cumulative awards contributing to **\$1.18 billion in new investment** in rural communities and the **creation or retention of 21,700 jobs**.

Revolving Loan Funds

The rural utility-sponsored REDL&G program grants create, then enhance locally controlled RLFs. Here are highlights of these RLF fund impacts.

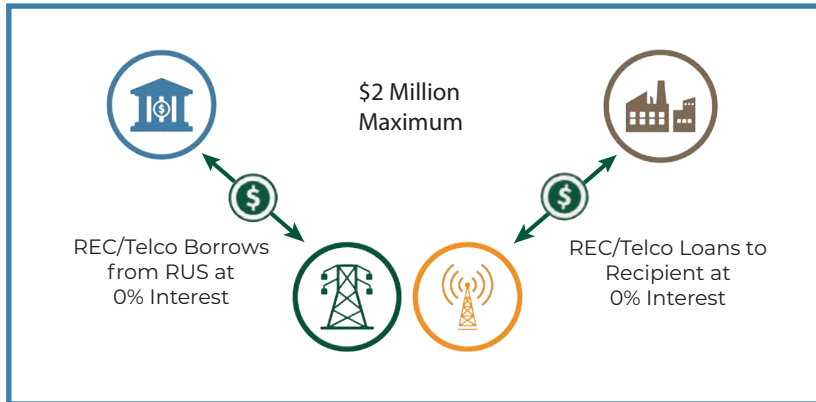
- A total of **74** Iowa rural utility-operated RLFs have been established. This includes all of IADG's member electric cooperatives as well as a large number of municipal electric and independent telecommunications companies.
- The combined value of these RLFs, which includes USDA funding and local matching funds from the utilities, amounts to **\$78.5 million**.
- Utilizing these revolving funds, the RLFs have in turn made **1,118** loans totaling **\$105.2M**.
- These projects have spurred **\$785.1M** of capital investment and **created and retained 14,462 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

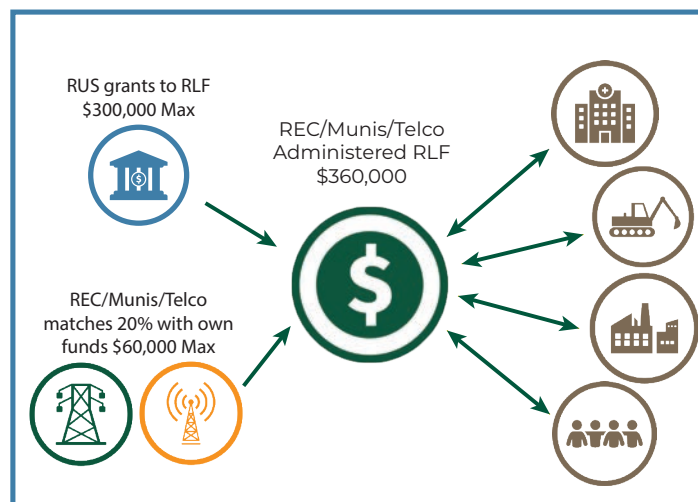
USDA RURAL ECONOMIC DEVELOPMENT GRANT PROGRAM (REDG)

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.

2022 USDA REDL&G OVERVIEW



19 Loan Projects



\$26.6 Million



7 Grant Projects



\$2.1 Million



26 Total Projects



\$28.7 Million



Total Investment in Iowa



\$120 Million



Avg. Jobs Created or Retained per Project



45

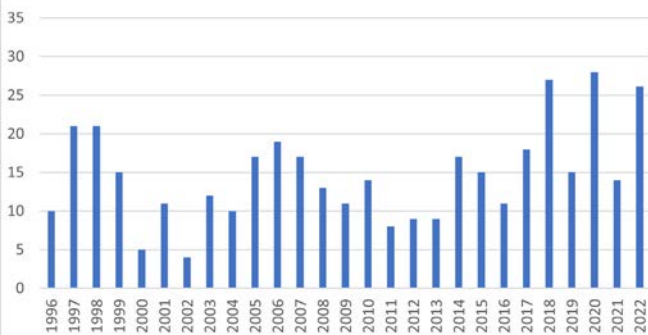


Total Jobs Created or Retained

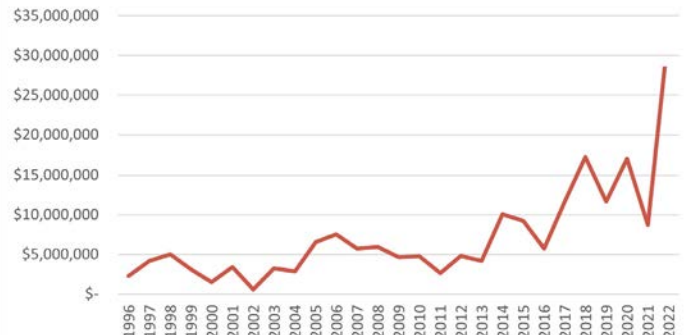


1,172

Number of USDA Loans & Grants Awarded



USDA Loan & Grant Funding



CUMULATIVE USDA REDL&G OVERVIEW (1989 - 2022)



170 Loan Awards



\$135.4 Million



244 Grant Awards



\$ 62.7 Million



414 Total USDA Awards



\$198 Million



Total Investment in Iowa



\$1.18 Billion



Total Jobs Created or Retained

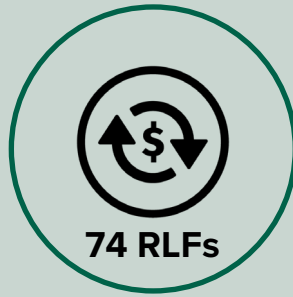


21,700

2022 RLF HIGHLIGHTS

Total Balance of RLFs
\$78.5 Million

**Total Amount Available
for Loans \$32 Million**



Largest Electric Coop RLF
**Corn Belt Power
Cooperative \$8.7 Million**

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



**Loans Made from
Intermediary RLFs**



38



**Total Investment for
Iowa Projects**



\$59.1 Million



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



64.4

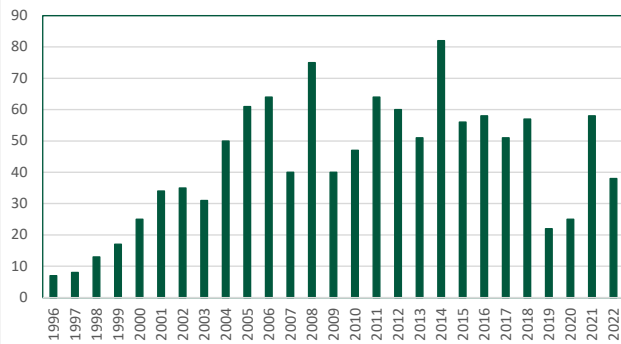


**Total Jobs Created
or Retained**

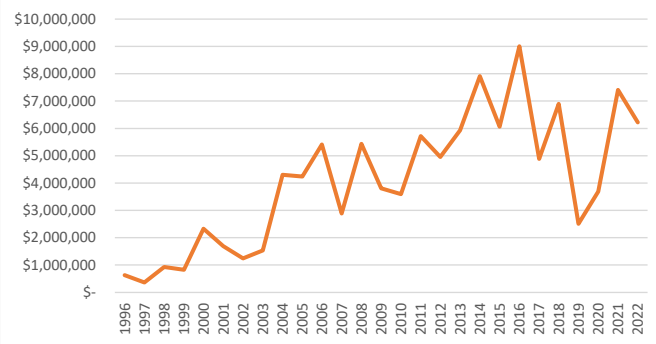


2,447

Number of RLF Loans Made



RLF Funding



CUMULATIVE RLF Highlights (1989 - 2022)



**Loans Made from
Intermediary RLFs**



1,118



Loaned from All 74 RLFs



\$105.2 Million



**Total Investment in Iowa
All 74 RLFs**



\$785 Million



**Total Jobs Created
or Retained**



14,462

2022 PROJECT SPOTLIGHTS

LDJ MANUFACTURING

LDJ Manufacturing added 25,000 sq. ft. to their manufacturing facility in Pella. This expansion was driven by a sharp increase in demand for the Thunder Creek Equipment brand of mobile fueling products.



The expansion added assembly and warehousing space, additional assembly lines, powered bridge cranes, crane runways, and additional workstations for employees. A concrete paved area surrounding the new addition accommodates finished product staging for loading outbound trailers, reducing the congestion of the current shipping and receiving location.



Pella Cooperative Electric Association supported the project with a loan through the with a USDA REL&G program loan.

PARKERSBURG PHARMACY

Brent Boy, Pharmacist and owner of Reinbeck Pharmacy, expanded his services through the purchase of an existing pharmacy in Parkersburg, now operating as Parkersburg Pharmacy.



This business transition included purchasing, renovating, and expanding services to the existing operation. Additions to the space and services include consultation and vaccination rooms, and free delivery to surrounding communities in Butler County. The offering of vaccinations will assist in stemming the spread of infectious diseases among the elderly and at risk individuals and throughout Iowa.

Butler County REC supported this project with a USDA REDL&G program loan.



LAWTON CITY HALL, COMMUNITY CENTER AND LIBRARY

The City of Lawton has a new 8,500 sq. ft. facility that houses City Hall, a community center, library, and city maintenance shop. The community center has a kitchen and can accommodate events up to 150 people. The Woodbury County Library provides books and other educational resources for on-site use or check-out. Computers are also available for citizens to use free of charge during hours of operation.



Woodbury County Rural Electric Cooperative supported this community project through a grant received from the USDA REDL&G program to enhance their Revolving Loan Fund.



WESTERN IOWA ENERGY

Western Iowa Energy has expanded its facility and upgraded systems to increase biodiesel production at its facility in Wall Lake. The project included a 3,092 sq. ft. four-story building expansion and the addition of a cooling tower and hot-oil skid. Western Iowa Energy expects that these upgrades to increase the production of clean-burning, low-carbon biodiesel from 30 million gallons per year (MMGY) to 45 MMGY by increasing process efficiency, adding feedstock capabilities, and increasing the retreatment and process capacity of the new feedstocks.

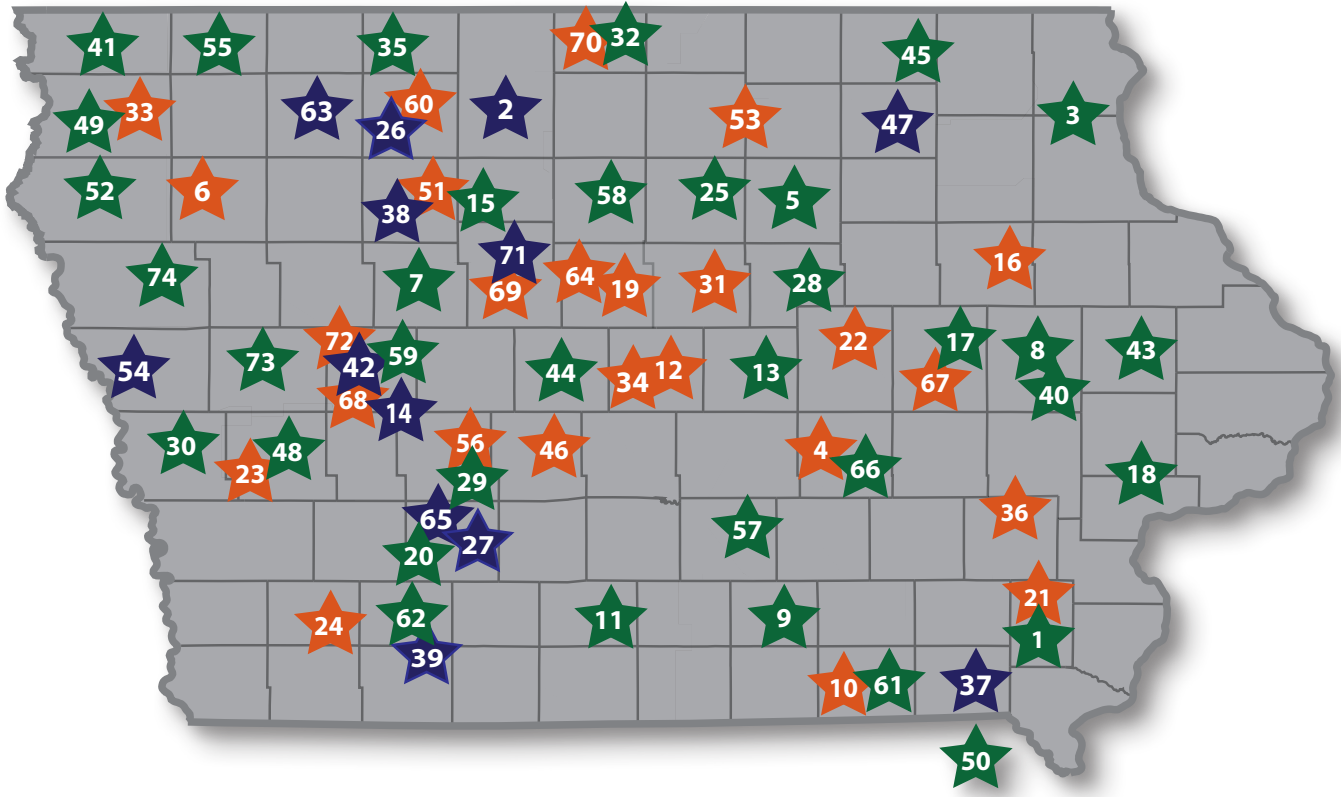


Raccoon Valley Electric Cooperative and Corn Belt Power Cooperative have supported Western Iowa Energy's growth through USDA REDL&G program loans.



IOWA AREA DEVELOPMENT GROUP PARTNERSHIPS

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



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

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

IADG Utility Sponsors



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

Central Iowa Power Cooperative

Clarke Electric Cooperative
Consumers Energy
East-Central Iowa Rural Electric Cooperative
Eastern Iowa Light & Power Cooperative
Farmers Electric Cooperative
Guthrie County Rural Electric Cooperative
Linn County Rural Electric Cooperative
Maquoketa Valley Electric Cooperative
Midland Power Cooperative
Pella Cooperative Electric Association
Southwest Iowa Rural Electric Cooperative
T.I.P. Rural Electric Cooperative
SIMECA Member Systems

Corn Belt Power Cooperative

Butler County Rural Electric Cooperative
Calhoun County Electric Cooperative Association
Franklin Rural Electric Cooperative
Grundy County Rural Electric Cooperative
Iowa Lakes Electric Cooperative
Midland Power Cooperative
Prairie Energy Cooperative
Raccoon Valley Electric Cooperative
NIMECA Member Systems

Northwest Iowa Power Cooperative

Harrison County Rural Electric Cooperative
Iowa Lakes Electric Cooperative
Nishnabotna Valley Rural Electric Cooperative
North West Rural Electric Cooperative
Western Iowa Power Cooperative
Woodbury County Rural Electric Cooperative
WIMECA Member Systems

Northeast Power Cooperative

Access Energy Cooperative
Chariton Valley Electric Cooperative
Southern Iowa Electric Cooperative

Dairyland and L&O Cooperatives

Allamakee-Clayton Electric Cooperative
Heartland Power Cooperative
Lyon Rural Electric Cooperative
Osceola Electric Cooperative

Independent Telecommunications Shareholders of Aureon

The IADG Team



Bruce Nuzum
President/CEO



Bruce Hansen
V.P. Business Development



Brian Tapp
V.P. Value-Added Agriculture



Ethan Pitt
*V.P. Community Initiatives
and Ripple Effect Director*



Kay Snyder
*Director of Marketing &
Communications*



Steven Benne
*Development Finance
Director*



Susie Wilhite
*Sr. Manager, Accounting
& Human Resources*