Bamberg, SC
Planning for Economic and Fiscal Health
Report and Suggested Next Steps
Building Blocks for Sustainable Communities Program

To: Mayor Blain Crosby, Bamberg, SC
Bruce Watson, City Clerk/Treasurer Bamberg

From: John Robert Smith, Smart Growth America
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Date: 12/21/16

Executive Summary

Pursuant to our technical assistance award with the City of Bamberg through U.S. Department of Agriculture, Rural Development’s Promise Zones Initiative, this Memorandum constitutes Smart Growth America’s final report summarizing the recent Smart Growth 101 workshop, and suggesting possible Next Steps the city and region could take to craft a vision for the City of Bamberg’s future development.

Alex Hutchinson and John Robert Smith, representing Smart Growth America (SGA), met with regional leaders and residents on November 14 and 15, 2016 to provide assistance via the Planning for Fiscal and Economic Health tool, supported by a cooperative agreement with the U.S. Department of Agriculture, Rural Development.

Following a productive discussion with various stakeholders — including residents, advocates, business owners and elected officials — the following Next Steps are recommended:

1. Reclaim Main Highway as a true downtown thoroughfare
2. Create walkable and bikeable connections to Richard Carroll Elementary
3. Actively foster and promote Bamberg’s tourist attractions
4. Found a signature, annual event or festival that gathers and celebrates Bamberg
5. Explore public/private partnerships to fill downtown vacancies
6. Engage MPO’s planning services to develop an actionable Downtown plan
Need for assistance

The city of Bamberg, county seat of Bamberg County, has suffered traumatic population and economic loss in recent decades. Between 2010 and 2014 Bamberg County has shed roughly 5 percent of its population, which hovers above 15,000 citizens. According to current projections, the county is expected to continue that population decline in coming years. The city’s decline mirrors that of the county. Around 3,500 people currently live in Bamberg.

Economic decline in the general area is striking. Jobs opportunities are scarce and some major employers have shut down recently, including a hospital closure which cost the city of Bamberg around 325 jobs. County-wide unemployment is a relatively high 9 percent and rising.

The combination of economic and population pressures have put the city of Bamberg in a precarious position. Declining tax revenues due to population loss or delinquent tax debts have made it difficult for the city to support its historically superb public school system — reportedly among the best in the state — and emergency services. Bamberg City Clerk Bruce Watson reports that the city has more homes for sale today than he has ever seen, a circumstance which indicates that the tax base will shrink even further.

While the city has traditionally supported its public school system — passing a bond referendum to fund the construction of a new elementary school five years ago — the growing tax burden has become difficult to bear, given the depleted tax base.

Occupancy in the city’s downtown is precariously low with little no to foot traffic for what businesses remain in operation. Walkability in the district is poor, in large part due to the traversing presence of U.S. Highway 301, which bears significant trucking and freight thru-traffic. U.S. Highway 301 also serves as Main Highway for the city’s surface street network. State transportation engineers recently widened the roadway, removing street parking and shrinking the available sidewalks. New subsurface utilities were installed as part of the widening project, but what the city gained in updated pipe and drainage is lost to dying commerce.

The city’s declining economic health complicates its plans for revitalization. Without a reliable source of tax revenue, the city lacks the organizational capacity for planning or major public works activity. Over the years, the city has adopted master development plans to little or no effect. Interagency communication is poor, and the city government has been unsuccessful in changing the status quo.
Generally speaking, when a problem arises, the city has little funding to solve it.

**Workshop Review**

Our visit began with a tour of the city of Bamberg on November 14, led by Robert Thomas, the director of a local housing non-profit, Southeastern Housing and Development.

The tour provided a broad view of the city’s assets and challenges. We walked through Bamberg’s recently built Richard Carroll Elementary School, the Ness Sporting Complex, and the county’s industrial park, which houses a manufacturing facility for German oil and gas corporation Freudenberg Group.

We visited Black Water Barrels, a start-up small scale manufacturing operation south of the city’s main crossroads near downtown. Black Water represents a rare economic victory for the city. Using a combination of state tax incentives, Black Water’s owner opened the 20,000 square foot facility in an overhauled Chevrolet dealership. The business employs 20 workers, including some graduates from a nearby technical college, and expects to produce some 30,000 barrels per year.

Bamberg has several historic properties, including some well-preserved homes and churches from the 19th century, which we passed on our driving tour.

A walking tour of Bamberg’s downtown gave an up front view of the district’s vacancy. While some businesses are still operating, very little foot traffic was present. Revitalization efforts are currently confined to a couple of buildings owned by a non-profit foundation called Rising High, which operates a radio station in one of its renovation projects.

That evening our team gave a public presentation at Bamberg’s multi-use community center, formerly a national guard barracks, to a gathering of roughly 20 attendees, including elected officials, city employees, Promise Zones representatives and private citizens.

The evening presentation touched briefly on several topics which would be explored in further detail in day two of the workshop, including emerging economic and demographic trends, and provided an opportunity for the gathered stakeholders to set a tone for the workshop’s proceedings. Our presentation included examples of the revitalization work taking place in towns of a size and setting comparable to Bamberg, including Alton, MO; Bottineau, ND; North Little Rock, AR; Clendenin, WV; and Pelahatchie, MS. An informal discussion raised several specific considerations to be taken up in the next day’s working group sessions.

The principal of Richard Carroll Elementary posed the town’s defining problem — how does Bamberg create opportunities for future generations locally? Without a plan for
growth and new opportunities, she suggested, many of Bamberg’s brightest will be forced to leave the city to “reach their potential.”

Day two began with a brief review of materials from the previous evening’s presentation from SGA’s presenters, followed by a brief presentation by Robert Thomas. Mr. Thomas reinforced many of themes touched on in the SGA presentation on the previous day, and connected them to some of the particular issues facing the city. He noted that the city has a high tax burden, spread over few people who, year by year, are taking on more financial responsibility for the city’s troubled infrastructure and economy. “We’re a promise zone because of our poverty,” he remarked.

After the morning’s presentations, attendees separated into mixed groups of city and elected officials, private citizens, and regional stakeholders for interactive breakout sessions.

The working groups discussed Bamberg’s past, present and future to identify an underlying narrative from which to draw a defining identity. Bamberg does not precisely fit the archetypes discussed in the SGA presentation — e.g. edge communities, retirement communities, gateway communities, main street communities — but the group mostly agreed that Bamberg resembled a hybrid of a gateway community, relative to its proximity to the Edisto River as a hunting, fishing and outdoor sports attraction, and a traditional mainstreet community oriented around the city’s downtown, despite the district’s current condition.

Participants discussed historical themes that would inform the city’s identity moving forward. Bamberg is very proud of its athletic tradition. Several professional athletes hail from the town, and the community views its Little League and other youth sports programs as tremendous resources for community gathering and spirit.

Establishing an identity is a crucial component to developing a foregoing plan for city development. Such an identity will inform a vision of Bamberg’s future and guide what strategic choices are made in implementing any new plans.

Ultimately, the working groups identified three basic challenges/issues for discussion and problem solving: Revitalizing Downtown; Improving Communication and Coordination; and Developing and Marketing Bamberg’s Identity.

**Attending leaders from regional agencies included:**

Dean Van Pelt - Coordinator, South Carolina Promise Zones
Bruce Watson - Clerk/Treasurer, City of Bamberg
Blain Crosby - Mayor, City of Bamberg
Robert Chatman - Bamberg County Development Commission
Amanda Sievers - Planning Manager, Lower Savannah Council of Governments
The intent of these workshops is neither for Smart Growth America to create a plan nor bind the communities to any particular course of action, but to assist ongoing regional efforts to create a more vibrant, successful region, consistent with the goals of their envisioned plans.

The built environment and fiscal and economic health

Communities around the nation are always concerned about their fiscal and economic health. This is especially true of small towns and rural regions.

By fiscal health, we mean a local government’s bottom line: Does the life cycle cost of a project’s investment—upfront infrastructure, ongoing service provision and eventual repair and maintenance—cost more than what it produces in tax revenue?

By economic health, we mean the general economic well-being of the community and its region: How does new investment and development add to or detract from the creation of economic competitiveness, fiscal efficiency and sustainability, jobs, jobs access, retention of local youth, cultural identity and wealth?

In approaching these questions in Bamberg, as in any part of the country today, it is important to bear three trends in mind:

Our nation’s demographics are changing in a way that profoundly affects the housing market in large cities and rural areas alike.

Demographic trends are moving the housing market strongly away from conventional suburban housing.¹ That presents a significant opportunity for rural communities to compete for new growth. The two biggest demographic groups in the nation—retiring baby boomers and millennials (18-39 year-olds) — both express strong preferences for a more walkable, urban/village lifestyle.

Data tells us that ten percent of all city-dwelling Americans would prefer to live in rural locales if those places are walkable, connected to the larger region and possess a strong sense of character and place. That represents a pool of 26 million potential transplants that Bamberg could compete to attract. Indeed, forty percent of millennials prefer to live in rural places, provided those places have a vibrant rural fabric. The vast majority of net new households formed have no children at home, and most of them are one- and two-person households, which are much more likely to prefer a walking lifestyle. These trends depart from those experienced in the latter half of the 20th century.

**The formula for economic growth is changing.**

Business growth used to be driven by large corporations that operated in a fashion that was both private in ownership structure and linear in manufacturing and production. In the past, new research breakthroughs occurred in sealed research laboratories controlled by the companies that owned them. Manufacturing and other business processes occurred in assembly-line situations, with little interaction across or inside industries. These conditions led to communities that featured large, sealed-off campuses and tended to be linear in their arrangements.

Today, business growth is driven by collaboration among many types of entities — private companies, research institutions, universities, and others — that must interact frequently and work together creatively. This trend requires cities and communities that encourage interaction and collaboration — the opposite of the older model described above. How communities are designed directly impacts their ability to create interactive and collaborative environments.

Most significantly, the innovation economy, as it is sometimes called, depends heavily

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“Why urban demographers are right about the trend toward downtowns and walkable suburbs,” Kaid Benfield, bettercities.net, February 28, 2014.


iii For more information, see: [http://www.smartgrowthamerica.org/research/the-fiscal-implications-of-development-patterns/](http://www.smartgrowthamerica.org/research/the-fiscal-implications-of-development-patterns/)

iv A description of the methodology and summary of the results of each case studied can be found in Government Finance Review
on skilled workers. The companies that are driving innovation are pursuing highly educated talent, especially among millennials. Increasingly, companies find it necessary to locate in places that their target workforce wants to live in. Increasingly, that means walkable communities. **People on the move are looking to relocate to places with a high quality of life. In fact, they are willing to sacrifice salary for location.** High quality of life is defined more and more by the character of the town center than by the size of a front yard or square footage of a home.

Similarly, the market for retail is changing. Suburban shopping malls and retail centers that thrived for decades are struggling as a result of oversupply and a shift in shopping preferences. With online buying playing a bigger role for consumers (especially for bargain hunters), many are looking for a more authentic experience when they shop in person. Consumers are demonstrating strong preferences for shopping locally at unique establishments that offer handcrafted, regional products. They prefer this experience to be a short distance from their homes and offices and within a comfortably walkable town center. This is bringing new value to traditional walkable main streets. Bamberg and its neighboring communities, oriented with traditional main street districts, are well-suited to taking advantage of this shift in consumer choice.

**Sprawling development patterns are making it more difficult for local governments to balance their budgets.**

Development patterns that sprawl outward from town center require extensive investments in capital infrastructure and ongoing service delivery. Sprawling development requires more infrastructure to serve relatively few people and requires service providers such as firefighters and school buses to travel farther. More compact development patterns reduce both life-cycle infrastructure costs and operating costs.

A 2013 study by Smart Growth America, *Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development*, concluded that, compared to conventional suburban development, smart growth patterns can achieve savings of one-third or more in upfront infrastructure cost, and 10% annually in ongoing operating expenses. Smart growth development patterns can generate up to ten times more revenue on a per-acre basis.

More recently, SGA’s *Core Values: Why American Companies are Moving Downtown* examines the characteristics, motives, and preferences of companies that have either relocated, opened new offices, or expanded into walkable downtowns between 2010 and 2015. Smart Growth America partnered with global real estate advisors Cushman

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3 The full report can be downloaded at, http://www.smartgrowthamerica.org/building-better-budgets.
Wakefield to identify nearly 500 companies that have made such a move in the past five years. Of those, we interviewed representatives from more than 40 companies to gain a better understanding of this emerging trend. These companies’ new locations are in areas that are dramatically more walkable than previous sites. The average Walk Score of companies’ previous locations was 52; the average Walk Score of the new locations is 88. Similarly, Transit Scores grew from an average of 52 to 79 and Bike Scores bumped from an average of 66 to 78.

This trend is visible across the country, in big cities and small ones alike and should be a factor in the economic development strategy of all communities, including Bamberg.

**Note:** Not all of these trends will be completely relevant in every situation. Rural communities are more reliant on private automobile ownership, and transit is often less feasible in these situations. But it is important to bear all three in mind in considering the fiscal and economic health of any community.

**Participant viewpoints**

By and large, participants agreed on the essential economic and demographic conditions at play in the city. They recognize the fiscal challenges — high property taxes, declining population, high unemployment, and a faltering downtown. Participants remarked that the city currently lacks the amenities generally considered attractive to a younger workforce and the job creators that chase them.

One private developer from nearby Orangeburg recounted that he had lost potential development deals due to a lack of entertainment and nightlife in the area. According to the developer, he once courted the relocation of a National Guard outpost to one of his properties, only to be told that Bamberg County on the whole would have nothing in the way of leisure for the soldiers that would be based there.

There was a sense among participants that economic development strategies had been attempted in the past with little success. At one time Bamberg had a development office for the downtown, but poor communication and cooperation between the organization and the city forestalled any progress. In the interim, the downtown has been left with no unified voice to speak of.

Participants voiced serious concern at the loss of good jobs in the area. Some remarked that broadband access in the area was poor. Clearly, that would obstruct the city’s ability to attract emerging tech-based or knowledge-oriented industries.

Discussion of the various state and federal economic development resources available to the city did spark some optimism. Mayor Crosby recounted our visit to Black Water Barrels, remarking that he was impressed with how the operation took advantage of
state economic incentive programs. That indicates that further education on available regional, state, and federal resources could be of great benefit to Bamberg’s revitalization efforts.

Attendees agreed that the downtown is not walkable, due in large part to infrastructural accommodations for Main Highway — wide traffic lanes, railings, narrow sidewalks and high travel speeds. The working groups believed that improving walkability in the district through short term remedies, such as removing or altering the sidewalk rails that line the street or a major streetscape overhaul, could help bring commerce and vitality back to the city. They also agreed that such measures could serve to provide an asset to retaining or attracting new and younger talent.

Group sessions identified the following goals and concerns:

**Actions for Success**
- Fostering a diverse hospitality businesses that entices visitors to come to Bamberg and stay a while
- Developing and implementing an actionable downtown revitalization plan
- Coordinating efforts among private and public agencies responsible for development
- Better communication between among city agencies, and between the city and regional/state partners
- Expanded marketing of the Edisto River as a tourism attraction

**Obstacles**
- Rapid population decline
- High poverty and few job opportunities
- High property and city taxes relative to the region
- Currently limited hospitality offerings city-wide
- Little retail and hospitality activity in the downtown
- Presence of U.S. Highway 301 through downtown
- No walkability in downtown
- Unreliable broadband service
- Bamberg does not own the right of way adjacent to most of the downtown strip

**Opportunities**
- Regional Promise Zone agency has a fund matching program for fiber installation, a resource that could remedy issues with broadband access
- Regional Promise Zone agency has access to a volunteer labor force that could supplement and support the city’s planning efforts with no-cost manpower
● The Lower Savannah Council of Governments can provide planning support for creating a redevelopment plan needed to secure state funds
● Home Federal Bank is willing to offer low interest loans for property renovation
● Several buildings in downtown are owned by a single owner who is reportedly interested in selling off his holdings at low cost
● Bamberg owns rights of way for the corners on either end of downtown. These spaces could be easily landscaped and beautified.
● A new website is set to launch, an opportune time to update the city’s brochure
● Several properties are eligible for national historic designation

Disconnects
● Institutional distrust of the state’s ability/willingness to help
● Belief that redevelopment efforts have already been tried and failed
● A sense that private and public interests are at odds
● People and organizations share goals but don’t necessarily share information

Assets
● Ness Sports Complex
● Cross Rhodes Industrial Park (including Freudenberg facility)
● Strong and well-supported public education system
● Black Water Barrels
● A national historic district with with more than 60 properties; several more are eligible
● Birthplace of notable 19th century author and poet William Gilmore Simms
● A proud athletic tradition
● A culture of respect and togetherness
● One of the longest hunting seasons in the country
● Edisto River
● New, well-built civic facilities like the courthouse annex and nearby pocket park

Targets for near term success
● Re-establish a downtown development organization
● Share calendars and agendas across civic and public organizations, possibly coordinated and managed by Promise Zones volunteers
● Creation of a unified vision team, modeled on One Orangeburg, that will coordinate multilateral efforts and assign development tasks
● Beautifying downtown areas that are in city-owned right of way
● Breaking up portions of the railings along Main Highway to improve cross-street walkability
● Engage Lower Savannah Council of Governments for planning support on a downtown streetscape
- Connect with fledgling businesses already serving adventure tourism on the Edisto
- Found an annual gathering rooted in Bamberg’s history to promote community spirit and encourage tourism

Recommendations

1. **Reclaim Main Highway as a true downtown thoroughfare**
   So long as Bamberg’s downtown is built to accommodate a highway and not people, the district will struggle to attract and sustain development. Bamberg’s reclamation strategy should begin with an overture to Governor Haley’s office, appealing to her intimate connection to the city to address the downtown highway’s toxicity to economic development and pedestrian hazards. Walkability enhancements like crosswalks, lowered speeds, traffic signals and speed bumps are legally actionable, if undesirable to the state DOT. The governor’s influence can overcome those institutional obstacles. Given the governor’s recent appointment to the Trump administration, Bamberg should move quickly to get that conversation started before governor leaves office to take her new position.

   In the meantime, the city can make progress on its own to prepare for a highway overhaul. Crosswalks can be painted and sidewalk railings on city right of way can be altered to promote cross-street connectivity. Without these steps, downtown will continue to decline.

2. **Create walkable and bikeable connections to Richard Carroll Elementary**
   Bamberg has every reason to be proud of its newest flagship elementary school. Typical of contemporary structures and developments, however, the site provides no obvious walkable or bikeable path connecting the school to surrounding neighborhoods. Poor active transportation connection limits access to the school overall, particularly for low income families. Adding or striping a walking path through the parking lot can encourage pedestrian commutes to school. Studies show substantial personal health benefits when physical activity is integrated into a daily routine like a commute or occupation, and not restricted to planned exercise. Better walking connectivity with the school will also foster a sense of place of and integration between the school and what surrounds it.

3. **Actively cultivate and promote Bamberg’s existing tourist attractions**
   As many workshop attendees observed, Bamberg has several underutilized tourism assets that could give city an economic edge. Access to the blackwaters of the Edisto River and one of the nation’s longest deer hunting seasons presents an opportunity to develop a robust outdoor adventure industry that attracts hunters, campers, kayakers, fishermen and naturalists. Bamberg should also promote nearby trails to recreational cyclists. But it’s not enough to provide these activities, visitors must be
accommodated with food and lodging, two industries currently unavailable or at least unmarketed to the nascent tourism activity in the region.

The city should work to incentivize and attract quality lodging options. Courting a noted hotel chain or working to found a local bed and breakfast would be helpful in that regard. Naturally, any headway in revitalizing downtown with hospitality offerings would be helpful in this regard.

Blackwater Barrels offers a unique opportunity for place-based, industrial tourism. Bamberg should collaborate with the company to market the operation as a city attraction, leveraging its novelty to draw in visitors interested in the process of making barrels for spirits. In turn, the company can serve as an anchor for new businesses near its site — hospitality and otherwise — that would benefit from and contribute to foot traffic.

Finally, Bamberg should replace its collapsed welcome monument. Two monuments, one on either side of town, could signal arrival for visitors and display info on local attractions or events that the city would like to promote.

4. Found a signature, annual event or festival that celebrates Bamberg
An annual gathering or festival will help solidify an in-facing and out-facing cultural identity for Bamberg. Rallying around the city’s history and shared values through a celebratory festival or event promotes unity and provides a channel for marketing the community to the outside world. In a very real sense, a successful small town festival can put an otherwise remote community on the map for visitors, and define the cultural assets that set the city apart from its neighbors.

There’s no shortage of starting points for Bamberg. Workshop attendees exhibited genuine pride for the city’s athletic tradition and its history of cultural inclusion. Mining the city’s past can instruct the production of promotable, city-wide event that creates a in-person brochure for what makes Bamberg a great place to live.

5. Explore public/private partnerships to fill downtown vacancies
As noted, downtown Bamberg is blighted by several vacant and deteriorating storefronts. Many of these properties are reportedly owned by a single out-of-state party, with interest to sell. Developing a public/private acquisition strategy — ironed out between the city and the local housing non-profit — is one way that the city could obtain, develop and deploy these structures for better use. Creative use of tax credits or financing strategies can be used to defray the upfront cost to developers, or the city can work with a community development financing agency or local bank to identify funding opportunities for interested private developers. Whatever method Bamberg opts for should keep an eye on the long-term public good as well as potential return on investment. A reformed downtown development association could lead this effort and provide a conduit for community input on the process. Any such efforts should be executed deliberately and transparently as to encourage community faith in the city’s
USDA Rural Development offers several grants and incentives that would be of use to Bamberg in this effort. See the appendix below for several financial tools that can help the city or private interests develop the beleaguered downtown area.

6. Engage MPO’s planning services to develop an actionable Downtown plan

One major roadblock for Bamberg’s efforts in downtown is a lack of local planning support. Understaffed and underfunded, the city does not have the resources to meet some of the state’s planning requirements to receive grants for streetscaping in the downtown or walkability improvements. Workshop attendees noted that the state funded an impressive streetscape project in nearby Orangeberg, an effort lead by the Lower Savannah Council of Governments, the region’s MPO.

As part of its mission, LSCOG offers planning support to its member jurisdictions. Bamberg should engage the LSCOG planning office to assist in developing a downtown plan that would satisfy the state’s funding requirements.

The region’s Promise Zone office has access to a volunteer labor force that could be used for logistical planning and public outreach work. That could help overcome the resource challenges that face Bamberg’s efforts to produce and take action on a downtown revitalization plan.

Bamberg’s engagement on this issue should be part and parcel of a wider effort to collaborate with its regional partners. Nearby jurisdictions and the county all face similar issues, and there’s great value in shared solutions to common problems. Breaking down institutional communication barriers that obstruct interagency cooperation will be instrumental in Bamberg’ and the region’s future prosperity.

Appendix A: USDA funding and development resources
“To increase economic opportunity and improve the quality of life for all rural Americans.”
Business Programs: 50,000 and below (exception is local foods projects)
Community Programs: 20,000 and below
Housing Programs: 35,000 and below
Water and Waste Water Programs: 10,000 and below
Community Connect Grant

Program Purpose:  
Program helps fund broadband deployment into rural communities where it is not yet economically viable for private sector providers to deliver service.

Who May Apply:  
Most State and Local Governments/Federally-Recognized Tribes/Non-Profits/For-Profit Corporations

Special Considerations:  
SUTA/Strikeforce and Promise Zone Areas (Extra 15 points for scoring)

Application Grant Request Limits:  
MINIMUM = $100,000  MAXIMUM = $3,000,000

FY2015 Funded Projects:  
$11 Million (5 out of 68 applications)

Grant Application Period:  
Opened April 18, 2016 and Closed June 17, 2016 (www.grants.gov or Paper applications)

Distance Learning & Telemedicine Grant

Program Purpose:  
Assists rural communities to use telecommunications by purchasing equipment to connect remote locations to urban areas or other rural areas for purposes of increased education or healthcare opportunities.

Who May Apply:  
Most State and Local Governments/Federally-Recognized Tribes/Non-Profits/For-Profit Corporations

Special Considerations:  
SUTA/Strikeforce and Promise Zone Areas (Extra 15 points for scoring)

Application Grant Request Limits:  
MINIMUM = $50,000  MAXIMUM = $500,000

FY2015 Funded Projects:  
$23 Million (75 out of 191 applications)

Grant Application Period:  
Opened January 12, 2016 and Closed March 14, 2016 (www.grants.gov or Paper applications)
Business and Industry (B&I) Guaranteed Loans

Program Purpose:
Bolsters the existing private credit structure through the guaranteeing of loans for rural businesses, allowing private lenders to extend more credit than they would typically be able.

Who May Apply:
Lenders with legal authority, sufficient experience, and financial strength to operate a successful lending program

Eligible borrowers:
For-profit business, Nonprofits and cooperatives, Federally recognized Tribes, Public bodies

Loan guarantee limits:
80% for loans of $5 million or less
70% for loans between $5 and $10 million
60% for loans exceeding $10 million, up to $25 million maximum

Terms:
Interest rate negotiated between lender and borrower, subject to Rural Development review.
Real estate – 30 years, machinery and equipment -15 years and working capital – 7 years.
Initial guarantee fee of 3% with annual renewal fee of 0.5% on outstanding principal.

Rural Business Development Grant (RBDG)

Program Purpose:
Assist small and emerging businesses in rural areas

Who May Apply:
Public bodies, units of government and community-based non-profit organizations

Special Considerations:
Eligible costs include real estate improvements, equipment, utility/infrastructure, feasibility studies, engineering services, and/or technical assistance to small businesses

Competitive application process

Application Grant Request Limits:
Grants less than $100,000 have highest competitive priority

FY2015 Funded Projects:
$674,519 (18 Grants)

FY2016 Budget Allocation:
$610,000
Rural Economic Development Loans and Grants (REDLG)

Program Purpose:
Assist economic and community development projects in rural areas

Who May Apply:
Rural electric or telecommunications utilities

Special Considerations:
Real estate improvements, equipment, working capital
Pass-through funding
20% Match Required from utility

Application Grant Request Limits:
Up to $300,000 to establish Revolving Loan Fund for electric or telecommunications utility

FY2016 Budget Allocation:
$40,000,000 (National Competition)

Rural Energy for America Program (REAP)

Program Purpose:
Assist rural small businesses and agricultural producers by conducting and promoting energy audits, and providing renewable energy development assistance.

Who May Apply:
Farmers and rural small businesses

Special Considerations:
Grant is 25% of eligible project costs

Application Grant Request Limits:
$500,000 maximum for renewable energy projects
$250,000 maximum for energy efficiency
$100,000 maximum for energy audit and rural energy development assistance

FY2015 Funded Projects:
$1,978,341 (85 Grants)

FY2016 Budget Allocation:
$819,000
Community Facilities Grant Program

Program Purpose:
Provides affordable funding to develop essential community facilities

Who May Apply:
Public body or community-based non-profit organization

Special Considerations:
Essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community. Does not include private, commercial or business undertakings.

Application Grant Request Limits:
Grant for up to 15%, 35%, 55% or 75% of proposed project depending upon population and MHI of proposed service area

FY2015 Funded Projects:
$314,000 (21 Grants)

FY2016 Budget Allocation:
$543,780

Economic Impact Initiative (EII) Grant Program

Program Purpose:
Provides funding to assist in the development of essential community facilities in rural communities with extreme unemployment and severe economic depression

Who May Apply:
Public body or community-based non-profit organization

Special Considerations:
Essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community. Grants may be made in combination with other Rural Development financial assistance.
Community facilities may include

FY2015 Funded Projects:
$118,700 (14 Grants)

FY2016 Budget Allocation:
$118,700
Rural Community Development Initiative Grant (RCDI)

Program Purpose:
Provide funding to help non-profit housing and community development organizations support housing, community facilities, and community and economic development projects

Who May Apply:
Public bodies and non-profit organizations

Eligible Uses:
Training sub-grantees; for example, home-ownership or minority business entrepreneur education
Technical assistance such as strategic plan development, board training, effective fundraising techniques

Application Grant Request Limits:
$50,000 minimum award
$250,000 maximum award
Matching funds equal to the amount of the grant award

FY2015 Funded Projects:
$355,000 (1 Grant)

Housing Preservation Grant (HPG) Program

Program Purpose:
Provides grants to sponsoring organizations for the repair or rehabilitation of housing occupied by low- and very-low-income families and individuals.

Who May Apply:
State and local government entities and non-profit organizations

Eligible Uses:
Home must be in a rural area or community under 20,000 population
Repairing or replacing electrical wiring, foundations, roofs, insulation, heating systems, water/waste disposal systems
Handicap accessibility features
Labor and materials

FY2015 Funded Projects:
$86,273 (3 Grants)
Single Family Housing 504 Grants Program

Program Purpose:
Provides loan and grant funds to be used to pay for needed repairs to dwellings of very low income families. To remove health and safety hazards – leaky roofs, bad heating systems, structural problems, handicap accessibility.

Who May Apply:
Very-low income families or individuals

Special Considerations:
Home must be in a rural area or community under 35,000 population
Lifetime grant assistance up to $7,500. Grants only available to applicants 62 years or older who do not have repayment ability.

FY2015 Funded Projects:
$379,383 (154 Grants)
FY 2016 Budget Allocation
$367,834

Community and Economic Development (CED)

Partners With Potential to Assist Downtowns/Communities
• Missouri Department of Economic Development (DED) Community Development Block Grant (CDBG)
• Small Business Administration (SBA)
• University of Missouri and Lincoln University Extensions
• Missouri Department of Transportation (MoDOT)
• Missouri Department of Natural Resources (DNR) State Historic Preservation Office (SHPO)
• Community Development Finance Institutions (CDFIs)
• Community Foundations
• Environmental Protection Agency (EPA) Local Foods/Local Places Initiative
• Brownfields Program (EPA and DNR)
Let’s Talk!

What projects do you have underway or under consideration in your community?
What barriers/obstacles exist to successful implementation or completion of the project?
Are projects being hindered or threatened by government processes?
What projects would you undertake if money were not an issue?
What assistance or expertise do you need in your community to bring your project to fruition?
What assets are present in your community which are not currently being utilized fully?

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