



## **Message from Mary (Ruth) Tackett Tennessee State Director USDA Rural Development**

**"Committed to the Future of Rural Communities"**

It is my pleasure to present our Fiscal Year 2003 Annual Report for USDA Rural Development. This has been an incredible year for the people of rural Tennessee. We are pleased to report that in Fiscal Year 2003, Rural Development invested over \$242 million in loans and grants in rural Tennessee.

Funding increased by \$14 million from Fiscal Year 2002 and provided assistance to over 77,000 residents in rural Tennessee. I am proud that, in Tennessee, our administrative expenses are only \$.04 cents for every dollar of assistance awarded. However, we will not be complacent with the accomplishments of the past but always preparing for the opportunities and challenges that lie ahead. Our mission continues to focus on increasing economic opportunity, improve the quality of life in rural America and be responsive to customer's needs. We will continue to address the needs of rural America.

*Our organization has gone through numerous changes, including name changes, during the past several decades. I'm very proud to introduce the new Rural Development logo (displayed on the cover). Our new logo represents what USDA Rural Development is about - "Commitment to the Future of Rural Communities". In the months ahead you will see continued emphasis on the marketing of our programs and our commitment to customer service.*

We are an agency with resources that allow significant changes in rural communities. With the changing environment and economy, we as an agency, must raise our standards to meet the needs of our customers. We believe Rural Development will continue to have a positive impact on the people of rural Tennessee.

On behalf of Rural Development, I would like to take this opportunity to thank our employees and our many partners and customers throughout the state who have worked closely with us to expand the use of our programs and funding. Our agency depends on the cooperation of nonprofits, individual families, businesses and local governments. We are so fortunate in Tennessee to have a team of dedicated employees committed to helping others.

*Our front cover spotlights Stony Fork School in Campbell County, TN. This community was the recipient of \$1,376,600 to bring clean water to this small community.*

I invite you to look at all our pictures reflecting some of our success over the past year.

We also want to encourage you to visit our website to find out more about Rural Development and our programs.

[www.rurdev.usda.gov/tn](http://www.rurdev.usda.gov/tn)



## HOUSING -

The Hispanic community gathers together to celebrate Homeownership Month.

## COMMUNITY -

Clinch-Powell Enterprise Community.



## INDUSTRY -

Workers grading tomatoes in a Farm Labor operation.

## PARTNERSHIPS -

East Tennessee Agricultural Exposition.



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# HOUSING PROGRAMS:

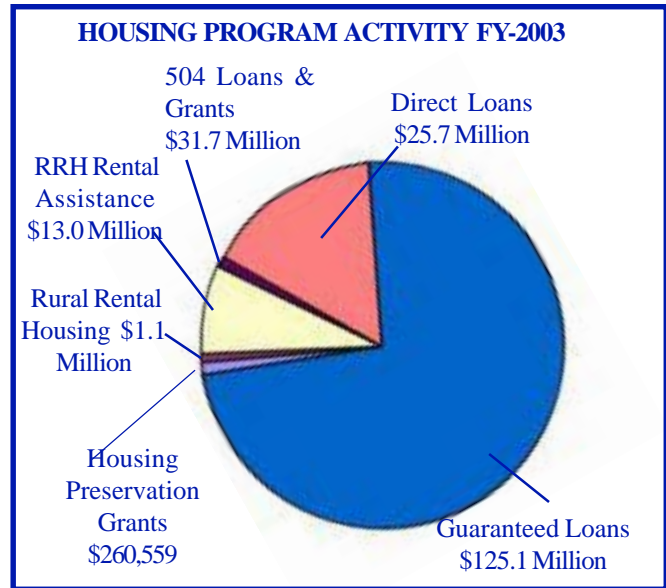
The acquisition of safe and sanitary housing through purchase or construction is the major emphasis of our housing programs. Housing Programs include the Single Family Housing (SFH) Program to buy, build, and repair homes, and the Multi-Family Housing (MFH) Program to assist with rental housing and apartment complexes.

During Fiscal Year 2003, the Housing Program assisted almost 3,200 families in obtaining affordable housing. Funding for the programs consisted of \$165,904,994 in loans and \$1,253,914 in grants.

## Housing Programs Serving Individual Homeowners Include:

**Direct 502 Loans** - Loans made to very-low and low income applicants. Repayment ability and loan payment is based on income.

**Guaranteed 502 Loans** - Families with moderate income, but without funds for a downpayment can buy well-built, affordable housing with loans made by a local bank and guaranteed by Rural Development.



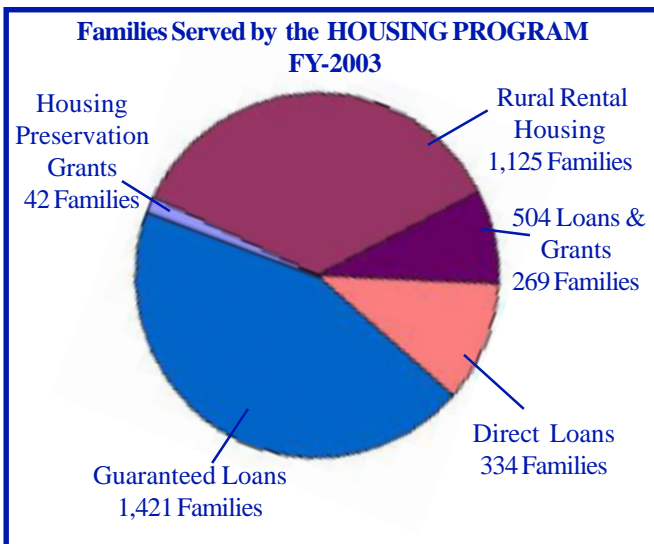
**Self-Help Housing** - Grants are awarded to non-profit and local government organizations that provide technical assistance. They, in turn, supervise groups of 6 to 10 families in constructing their homes using "sweat equity".

## Housing Programs Utilizing Multi-Family Units

**Rural Rental Housing (Direct/Guaranteed)** - Provides decent, safe and affordable rental housing for very-low to moderate income rural Tennesseans. Our present portfolio consists of 386 complexes containing 13,212 units.

**Housing Preservation Grants** - Grants are provided to nonprofit organizations and government entities for renovating deteriorating homes occupied by families whose incomes fall into the low and very-low categories. The homes are refurbished to alleviate health and safety hazards while enhancing the appearance of the community.

**Farm Labor Housing** - Farm Labor Housing provide loans and grants for rental housing in rural areas for domestic farm laborers.







Direct 502 Housing Loan  
Bradley County, TN



Guaranteed Housing Loan  
White Bluff, TN - Dickson County



504 Repair Grant  
Butler, TN - Carter County



Rural Housing Direct 502 Loan  
Jackson County, TN



Farm Labor Housing Brighton, TN - Tipton County

This four-bedroom Migrant Worker Housing unit (pictured above) is located on a farm in Brighton, TN. The migrant workers assist in the production of approximately 35 acres of tomatoes.

This type of housing helps increase efficiency, worker comfort, and allows for a reduction in housing expenses incurred by farming operations.



Multi-Family 515 Loan - Highlander Pointe Apartments  
Huntsville, TN - Scott County

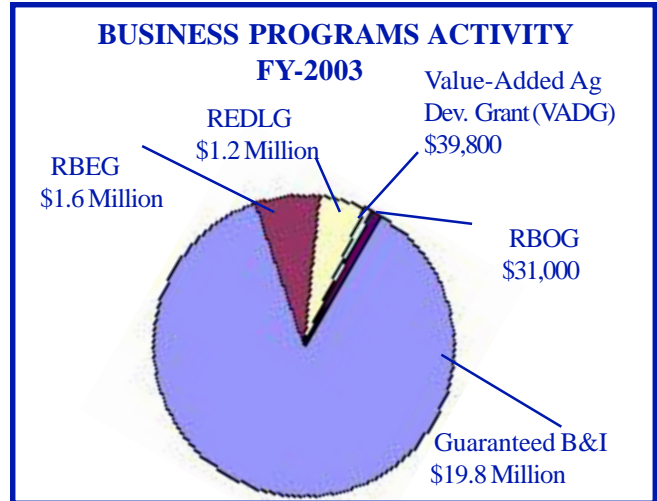
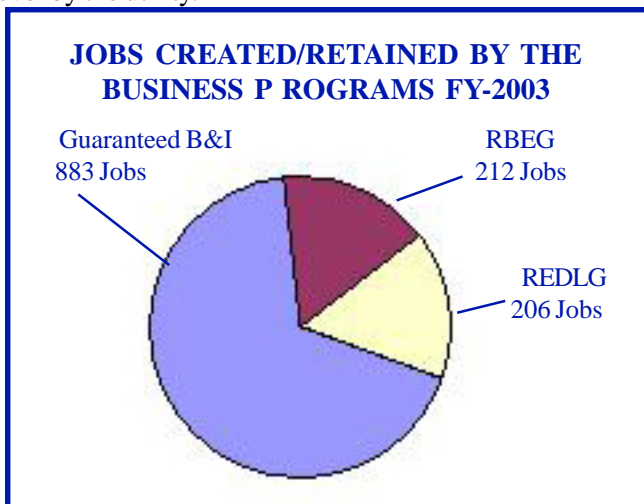
## BUSINESS-COOPERATIVE PROGRAMS (BP)

During Fiscal Year 2003, the Business-Cooperative Programs assisted in the creation or saving of 1,105 jobs in rural Tennessee. Funding for the programs consisted of \$21,305,409 in loans and \$1,854,404 in grants.

The goal of Business-Cooperative Programs is to support the rural economy of Tennessee by providing financial and technical assistance in an effort to create and save quality jobs while protecting the environment. The assistance is provided to small and emerging businesses, lenders, cooperatives, intermediaries, public entities, and nonprofit organizations. Funding comes in the form of loan guarantees, revolving loan funds, and business development grants.

**Business & Industry (B&I) Guaranteed Loans** – The program allows a commercial lender to receive a guarantee up to 80% of the loan made. The guarantee encourages the lender to make larger loans while providing better rates and terms. Loan proceeds may be used for working capital, machinery and equipment, buildings and real estate, and certain types of debt.

**Rural Economic Development Loans and Grants (REDLG)** – Loans and grants are made to Rural Utilities Service electric borrowers for the creation and retention of jobs in rural areas. Zero-interest loans are made to finance business startup ventures and business expansion projects. Grants are made to electric utilities to establish revolving loan programs operated at the local level by the utility.



**Intermediary Relending Program (IRP) Loans** – RBS provides funding to intermediaries, who in turn, relend the funds to ultimate recipients for rural business activities. The intention of the program is to enhance small business development in rural communities.

**Rural Business Opportunity Grants (RBOG)** – Grant funds are provided for technical assistance, training and planning activities that improve economic conditions in rural areas.

**Rural Business Enterprise Grants (RBEAG)** – Grant funds are used to finance and facilitate the development of small and emerging private business in rural communities. Eligible entities include public bodies, nonprofit organizations and federally recognized tribal groups.

**Value-Added Agricultural Product Market Development Grant (VADG)** – The primary objective of the program is to assist eligible independent producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority owned producer based business ventures (1) develop business plans for viable marketing opportunities and (2) develop strategies to create marketing opportunities.

**Cooperative Development Assistance** – Aimed at improving rural economies by assisting in the development of new cooperatives or assisting existing cooperatives. Business plans are developed for new cooperatives while existing cooperatives can receive technical assistance to address emerging challenges.

**Claiborne County School System  
New Tazewell, TN**



The Claiborne County School System in Tazewell, TN, was presented a \$450,000 check by Congressman *Zach Wamp* (third from left) and State Director *Ruth Tackett* (center). The Rural Economic Development Loan funded a geothermal heating and cooling system for the school.

**Union City Main Street  
Union City, TN - Obion County**



Congressman *John Tanner* (second from right, first row) and Union City RD Area Director, *James Sanders* (second from left, first row), present a \$107,990 check for a Rural Business Enterprise Grant to *Glenda Chrisp* (first row, left) of Union City Main Street. Funds were used to rehabilitate a building owned by the group that will be leased to a small business owner.

**Arrow Aluminum Industries, Inc.  
Martin, TN - Weakley County**

Rural Development along with First State Bank assisted Arrow Aluminum (pictured right) with a Guaranteed Business & Industry Loan in the amount of \$1.5 million for the restructuring of debt, purchase of equipment, and working capital. Arrow Aluminum manufactures vinyl and aluminum windows.

**Arrow Aluminum Industries, Inc**



**Ellington Agriculture Center  
Nashville, TN**



State Director *Ruth Tackett*, presents a \$100,000 Rural Business Enterprise Grant to the Tennessee Department of Agriculture. The grant will be used by the state to promote Agri-Tourism in Tennessee.

**Precision Molding  
Sparta, TN - White County**



*Hubert King*, General Manager CFEC, (first row, left) of Precision Molding, Inc.(PMI), was presented a \$450,000 check by *Ruth Tackett*, (first row, center) State Director.. The Rural Economic Development Loan was to purchase equipment for PMI's facilities.



# COMMUNITY PROGRAMS (CP)

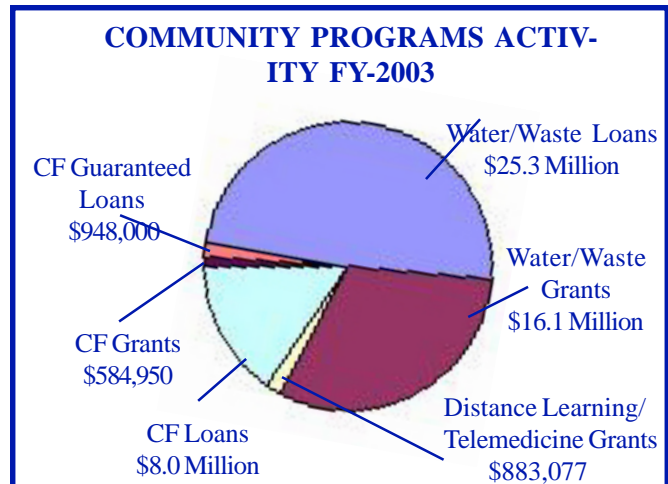
The quality of life in rural Tennessee is dependent upon the services provided to the residents. Community Programs plays a major role in providing basic infrastructure including water, wastewater and solid waste. Community Programs also administers loan and grant programs for electric, telecommunication and distance learning/telemedicine projects.

During Fiscal Year 2003, the Community Programs provided new water and wastewater services to 1,338 users while enhancing current services to nearly 72,000 residents of rural Tennessee. Funding for the programs consisted of \$25,303,900 in loans and \$16,183,100 of other federal, state and local funding.

**Direct Water & Waste Disposal Program** – Funds may be used to extend new water and sewer to rural areas. In addition, funds can be used for rehabilitating or developing water and wastewater systems, including solid waste disposal and storm drainage.

**Guaranteed Water and Wastewater Loans** – Loans are made and serviced by lenders such as banks and savings and loan associations for the same purposes as the direct program. Guarantees are available for up to 90% of any loss of interest and principal on the loan.

**Distance Learning/Telemedicine Program** – This program is specifically designed to meet the educational and health care needs of rural Tennessee. Loan and grant funding is available to provide advanced learning and health care opportunities.



**Solid Waste Management Grants** - Funding is aimed at reducing or eliminating pollution of water resources and improving planning and management of solid waste facilities. Public entities and nonprofit organizations are eligible to provide technical assistance in enhancing operations and maintenance, identifying threats to resources and reduce the solid waste.

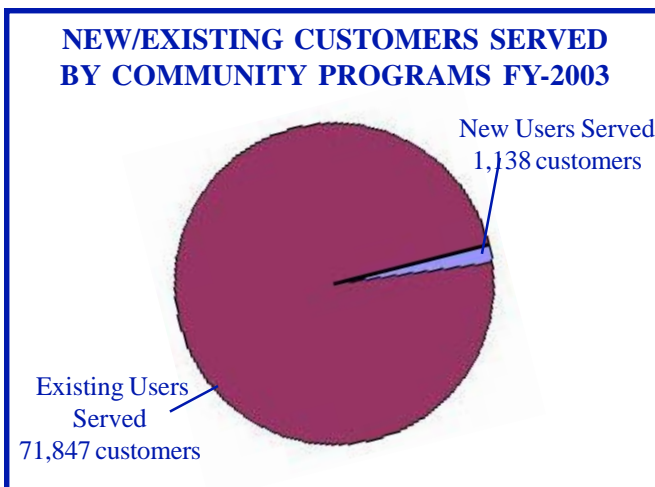
## Community Facilities (CF)

Improvement of health care, public safety and public services leads to pride in a community. The CF program revolves around funding essential community services. Projects range from buying a new pumper truck for the local volunteer fire department to establishing an assisted living facility for the community.

During Fiscal Year 2003, the CF program provided over \$8,080,200 in direct loan funds, \$948,000 in guaranteed loan funds, and \$584,950 in grant funds to 22 nonprofit organizations and government entities to establish or enhance essential community services.

**Direct Community Facilities Loans and Grants** – Loans and grants funded directly from Rural Development to public bodies, nonprofit corporations and federally recognized Native American tribes. Funds can be used for fire, rescue and other public safety services; health care, elder and child care; culture, education, transportation, energy transmission and municipal activities.

**Guaranteed Community Facilities Loans** – Loans are made and serviced by lenders such as banks and savings and loan associations for the same purposes as the direct program. Guarantees are available for up to 90% of any loss of interest and principal on the loan.





### Monroe County, TN



The Monroe Tri-Community Volunteer Fire Department was presented a check for \$46,600 for the purchase of a Brush Truck for the city of Madisonville. \$25,000 consisted of loan funds and \$20,600 involved a grant. In addition, \$91,800 in local funding was contributed for the truck. Making the presentation from Rural Development was *Jerry Amonett* (center, holding check), Knoxville Area Director.

### Henry County, TN



Town of Henry in Henry County was presented a check for \$1,109,200 for the funding of a new Sewer System. State Director *Ruth Tackett* (holding check) Rural Development, made the presentation. The town also received a \$500,000 Community Development Block Grant (CDBG) to help fund the project.

### Campbell County, TN



The City of LaFollette received a \$38,600 check from Rural Development for a vehicle & equipment for the LaFollette Life Saving and Rescue Squad. Included in these funds were a \$5,600 loan and a \$33,000 grant. \$36,000 was contributed by local sources. *Ruth Tackett*, (center) State Director, is shown making the presentation.

### Scott County, TN



The Town of Huntsville held a groundbreaking for a wastewater treatment plant improvement. Rural Development contributed \$1,636,500 in Grants and \$214,000 in loans for a total of \$1,850,500. Additionally, the Town received a CDBG of \$500,000 for the project.

### Benton County, TN



*Ruth Tackett* (center), State Director, Rural Development, presented the Harbor Utility District in Benton County a \$500,000 check for a water system upgrade. The upgrade was funded with a \$300,000 RD loan, \$200,000 RD Grant, and \$18,000 in local funding.

### Roane County, TN



*Keith Head* (center) Director, Community Programs, Rural Development, presents a Grant check in the amount of \$82,000 to the town of Harriman for a water system upgrade. Total funds from Rural Development for this project are \$826,000 in grants and \$260,000 in Loans. In addition, local funding has contributed \$28,500 to the project.

## TENNESSEE RURAL DEVELOPMENT INITIATIVES AND PARTNERSHIPS

### "Tennessee Valley Regional Resource Summit" December 9-10, 2003



The summit provided a forum to highlight the economic and community development resources available from federal agencies in the Tennessee Valley Authority (TVA) region. The purpose of the Summit was twofold: (1) to share information on available programs and resources, and (2) to improve partnerships among the regional, state, and federal agencies to ensure maximum impact for our capital investment and technical assistance. The event was co-hosted by TVA and Rural Development, USDA. Pictured left to right are: RD State Directors *Steve Pelham*(AL) and *Nick Walters*(MS); TN Congressman *Zach Wamp*; RD State Directors *Ruth Tackett*(TN), *Stone Workman*(GA) and *Kenneth Stone*(KY), and *Glen McCullough, Jr.*, Chairman, TVA.

### "Homeownership Express"

The "Homeownership Express" bus (pictured below) brought much excitement as participants traveled across Tennessee to attend Homeownership Week events. The events were sponsored by HUD and Rural Development.



*Gilbert Gonzalez*, Acting Under Secretary, Rural Development, (left) took the opportunity to visit with these children during a "Homeownership Week" event.

### Agriculture Secretary Ann M. Veneman visits Nashville, Tennessee



While in Nashville in April 2003, Secretary *Ann Veneman* announced the selection of over \$6 million in loan and grant requests to meet business, community services, and waste water infrastructure needs throughout rural Tennessee. During the visit, the secretary held a listening forum attended by leaders in the agriculture industry as well as local farmers. This event provided an opportunity to hear concerns, thoughts, and ideas related to agriculture issues in Tennessee. Pictured are *Ruth Tackett* (right), State Director, Rural Development, and *Secretary Veneman* (left) during the forum.

### Tennessee celebrates Homeownership Week June 3-10, 2003



*Ruth Tackett*, Rural Development State Director (second from right, front row), and *Gilbert Gonzalez*, Acting Under Secretary, Rural Development (second from right, back row) are shown participating in the "Homeowners Week" celebration. Other partners participating in the event were representatives from Fannie Mae, HUD, Conexion Americas, THDA, and Habitat for Humanity.





*EARTH DAY - Students from Oneida High School Vocational Classes participate in Earth Day Ceremonies with environmental friendly displays and demonstrations. Johnnie Acres, Manager of Oneida City Utilities gives State Director Mary (Ruth) Tackett a tour of their new Water Treatment Facility during her visit to Oneida.*



Marcella Gomez, President, Hispanic Marketing Group, is shown during her presentation at the Rural Development State Conference in Gatlinburg, TN on September 16, 2003. Ms. Gomez is partnering with Tennessee Rural Development as we seek to increase the number of Hispanics participating in our programs. One of the initiatives of the partnership is that Ms. Gomez provides assistance to Tennessee Rural Development in translating materials into Spanish.

Ms. Gomez was also a presenter at the Hispanic Housing Conference on April 3, 2003. In addition, she made a presentation during the Tennessee Homeownership week of June 3-10, 2003.



**CLINCH-POWELL ENTERPRISE COMMUNITY(EC)**  
*Candy Barbie of the EC provides members a program report during their annual meeting. Projects include several barn murals painted around the communities and funded by the EC.*



# Rural Development Conference, 2003



During the last eight years, USDA Rural Development, Tennessee Valley Authority (TVA), and The College of Business Administration, Tennessee Technological University (TTU), have presented the Annual Rural Development Conference to thousands of participants at the spacious campus of Tennessee Tech University. Approximately 3,000 participants have attended the annual conference and its workshops over the years.



President *Dr. Robert Bell*, TTU, speaks to the attendees during the opening session of the Rural Development Conference. Sharing the platform is *Chuck Shoopman*, General Manager, Economic Development, TVA, and State Director, *Ruth Tackett*, Rural Development.



*Dr. Vaughn Grisham*, Director of the McLean Institute for Community Development, University of Mississippi, was the luncheon speaker for the Rural Development Conference. His topic was "It Can Be Done! The Role of Leadership in Building Successful Communities." Dr. Grisham also led a workshop on Leadership.



*Dr. Robert Koepke*, Emeritus Professor, Southern Illinois University, has this group's rapt attention. This is just one of the great workshops held during the Conference.



*Chuck Shoopman*, TVA, *Dr. Robert Bell*, TTU, and *Ruth Tackett*, RD, share a laugh at the opening session of the Rural Development Conference.





# TENNESSEE RURAL DEVELOPMENT

## Directory of State Office Staff

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# Tennessee Rural Development Offices

