

# Partnering in Health

## Co-ops Invest in Local Health Care

HAVING ACCESS TO LOCAL HEALTHCARE IS IMPORTANT for individuals in communities large and small.

And, co-ops in South Dakota and western Minnesota are helping provide assistance in funding these vital projects.

Since inception, the REED Fund and its member cooperatives in eastern South Dakota and western Minnesota have invested or committed nearly \$7 million in financing to 23 health care related projects. In addition, more than \$1 million has been invested in loans to assist fire departments, which also provide emergency services in rural areas. Electric cooperatives offer two types of financing for health care related projects: direct financing from their nonprofit fund, Rural Electric Economic Develop-

ment, Inc. (REED Fund) and financing through applications to USDA Rural Development's Rural Economic Development Program for zero percent loans to qualifying projects.

**The following is a short list of projects completed or approved in the last year:**

**Sundial Manor**, *Bristol, S.D., Lake Region Electric Association, Webster*, received its third loan for ongoing improvements and upgrades to a skilled nursing and assisted living facility. The loan included funds for upgrading physical therapy, renovating resident rooms, remodeling offices and common areas and improving energy efficiency at the manor, all of which contribute to improved ac-



cess to services and ultimately quality of life of the residents.

**Horizon Health, DeSmet, Kingsbury Electric Cooperative, DeSmet.** Completed in the summer of 2013, the addition of a 9,200-square-foot facility enabled Horizon Health to expand its dental practice from two to eight dental operatory rooms, hire an additional dentist and support staff to reduce the patient waiting for routine services. It also helped grow, improve services and incorporate the medical facility into a new building to provide patients with access to coordinated care and vital support services.

**Hand County Memorial Hospital, Miller, Dakota Energy Cooperative, Huron.** This project includes a new hospital wing addition; renovation of the therapy, wellness and vision clinic; renovation of the clinic office building and upgrade of the assisted living facility. Health care services provided by Hand County Memorial include home health, wellness, community nursing, nutrition and ambulance. REED funds supplemented primary financing to complete the project.

**Tyler Healthcare, Lake Benton, Minn., Clinic, Lyon-Lincoln Electric Cooperative, Tyler, Minn.** Tyler Healthcare is dedicated to helping its neighboring rural communities in achieving economic improvements and stability. The Lake Benton clinic provides the only medical care for the Lake Benton area. Financing from Lyon Lincoln provided important physical improvements to the facility and enabled Tyler Healthcare to obtain Provider-Based Rural Health Clinic designation from the US Department of Health and Human Services for the Lake Benton Clinic, increase staff and hours of service, thereby expanding service to the area.

**Rock County Opportunities, Luverne, Minn., Sioux Valley Energy, Colman, S.D.** Financing will assist Rock County Opportunities to assist with construction of an addition to its existing facility will create space for more work opportunities for developmentally disabled persons. RCO currently has 56 clients receiving training services and employment, serving 25 local employers. Employees are given an opportunity for training and long-term employment and the outcomes are new opportunities for business growth and new jobs in the community both for people with disabilities and for people to work at RCO assisting its clients.

**Madison Community Hospital, Madison, Sioux Valley Energy, Colman, S.D.** MCH is constructing a new facility to replace its existing hospital originally constructed in 1958. The loan funds from Sioux Valley will be used to obtain equipment for the Radiology Department. Madison Community Hospital and its 145 employees are dedicated to providing cost-effective, quality inpatient and outpatient healthcare services. As a critical access hospital, it provides basic inpatient, outpatient, diagnostic and emergency services to Madison and surrounding rural communities in Lake, Kingsbury, Miner, Moody and McCook counties.

The REED Fund, established in 1996, is a nonprofit corporation governed by 21 electric cooperatives in South Dakota and Minnesota. The fund demonstrates cooperative principles of commitment to community and cooperation among cooperatives in a meaningful way that adds value to the local economy. REED provides gap financing to assist business, community projects, value added agriculture and multi-family rental housing. It counts numerous community banks, state, regional and local development corporations as its partners. For more information contact your local electric cooperative.

## About REED Fund, Inc.

**The REED Fund, Inc.** was established in 1997 by electric cooperatives in South Dakota and Minnesota as a 501.c.3, non-profit corporation. Governed by 21 electric cooperative members of East River Electric Power Cooperative, the fund demonstrates cooperative principles of commitment to community and cooperation among cooperatives in a meaningful way that adds value to the local economy.

### Mission:

To provide financing and help leverage investment to improve and make a difference in the region, by assisting development projects that

- promote growth, contribute to job, business and wealth creation
- improve the infrastructure and economic base in rural areas

### Projects:

The REED Fund provides gap financing to both for-profit and non-profit entities. Projects include, but are not limited to:

- Small and medium sized business and cooperatives engaged in manufacturing, retail, service and tourism
- Community projects relating to water/wastewater, healthcare, education, telecommunications and public safety, recreation and arts, etc.
- Producer-owned businesses and cooperatives that add value to agriculture
- Multi-family rental housing with strong community support

### Strategy:

Consideration is given to the level that the proposed project provides opportunities to rural residents and/or communities through

- Business development, expansion, retention and/or attraction
- Job creation/retention and/or wealth creation
- Capital investment and/or community improvement projects are considered high priority if they
- Add value to locally produced raw materials (agriculture)
- Improve the quality of life (facilities and/or services)
- Contribute to future economic growth in the area (business and housing)

### Resources

- Total Lending Capital – \$29 million
- Total Lending – 241 Loans – \$54.5 million, plus \$4.1 million in commitments
- Total Loans Outstanding – \$18.1 million
- Total Project Investment – \$466 million • Total Employment (created and retained) – 6,800 jobs
- Average loan size – \$226,000 (\$8,000 loan dollars per job assisted)