Railroad Revolving Loan and Grant Program

Access Rail builds connections to and within Iowa's freight rail system. Iowa's opportunity for funding these connections is the Railroad Revolving Loan and Grant Program (RRLGP).

An appropriation for Access Rail provides these benefits

For businesses, access to a rail line or improved rail facilities can lower inbound and outbound shipping costs, and open new markets that help businesses be more profitable and grow.

For renewable energy manufacturers, rail access is vital to economically shipping bulk quantities of ethanol, high protein animal feed additives, and oversize wind turbine components.

For communities, access to a rail line can spur job growth and development.

For railroads, new customers lead to higher revenues that increase investment capacity for making improvements to Iowa's rail system. Direct loans assist railroads in increasing capacity and efficiency.

For Iowa, connections to the rail system extend the reach of Iowa's goods, help protect the environment by reducing congestion and emissions, and boost the state's economy.

History

The RRLGP was created in 2005 to spur economic development and job growth by connecting Iowa businesses to the rail network, and to support and strengthen Iowa's rail network. The program is funded with repayments of existing rail loans and legislative appropriations. After three years of helping build rail access for businesses, in 2008 the program came to the rescue of seven flood-damaged regional and shortline railroads with nearly $4 million in deferred repayment loans. Today, a redesigned program once again focuses on job creation with an annual set-aside for rail network improvements.

Recipients

Applicants throughout the state have included industrial parks, wind turbine manufacturers, a lumber company, an agricultural cooperative, a meat processor, a metals fabricator, ethanol and biodiesel plants, a chemical manufacturer, and small Iowa railroads. The map on the reverse side shows the applicants and awards from fiscal years 2006 to 2010.

With your help, the RRLGP can encourage new and improved rail infrastructure, create jobs and, with small amounts of public funding, leverage substantial private investment in rail-served business and industry.

The Iowa Department of Transportation is seeking a $2 million appropriation for the RRLGP to support Access Rail.

Iowa Department of Transportation

Office of Rail Transportation
800 Lincoln Way
Ames, IA 50010
515-239-1140

For more information see www.iowarail.com

Energy

"Transportation is a key factor in the wind industry. The very large size of wind turbine parts makes their shipment challenging. With help from this program, we were able to attract Trinity Structural Towers to Newton in part by building a rail spur that lets them use rail cars to ship their inputs and products to the site."

Bryan Friedman, director
Newton Community Development

Jobs

"We are excited to assist in rail infrastructure upgrades when a new industry comes to the Webster County Ag Industrial Center. Fifty new industrial jobs will be created with additional opportunities opening up for derivative industries to locate in this sector of the industrial center."

Phil Condon, chairman
Webster County
Board of Supervisors

Transportation

"With miles of track washed out and the complete loss of a key bridge in Waterloo, our rail line was not only crippled, but cut in half during the 2008 floods. With repair bills piling up and less revenue coming in, the situation could not have been more critical. Thankfully, the Railroad Revolving Loan and Grant Program came through with deferred payment loans to repair our line and a grant to help rebuild the bridge. It was just what we needed to help get back on our feet when things were darkest."

Dan Sabin, president
Iowa Northern Railway Company
Cedar Rapids

Accomplishments *(Fiscal Years 2006-2010)*

68 applications

32 awards

$36.5 million in assistance requested

$12.7 million awarded

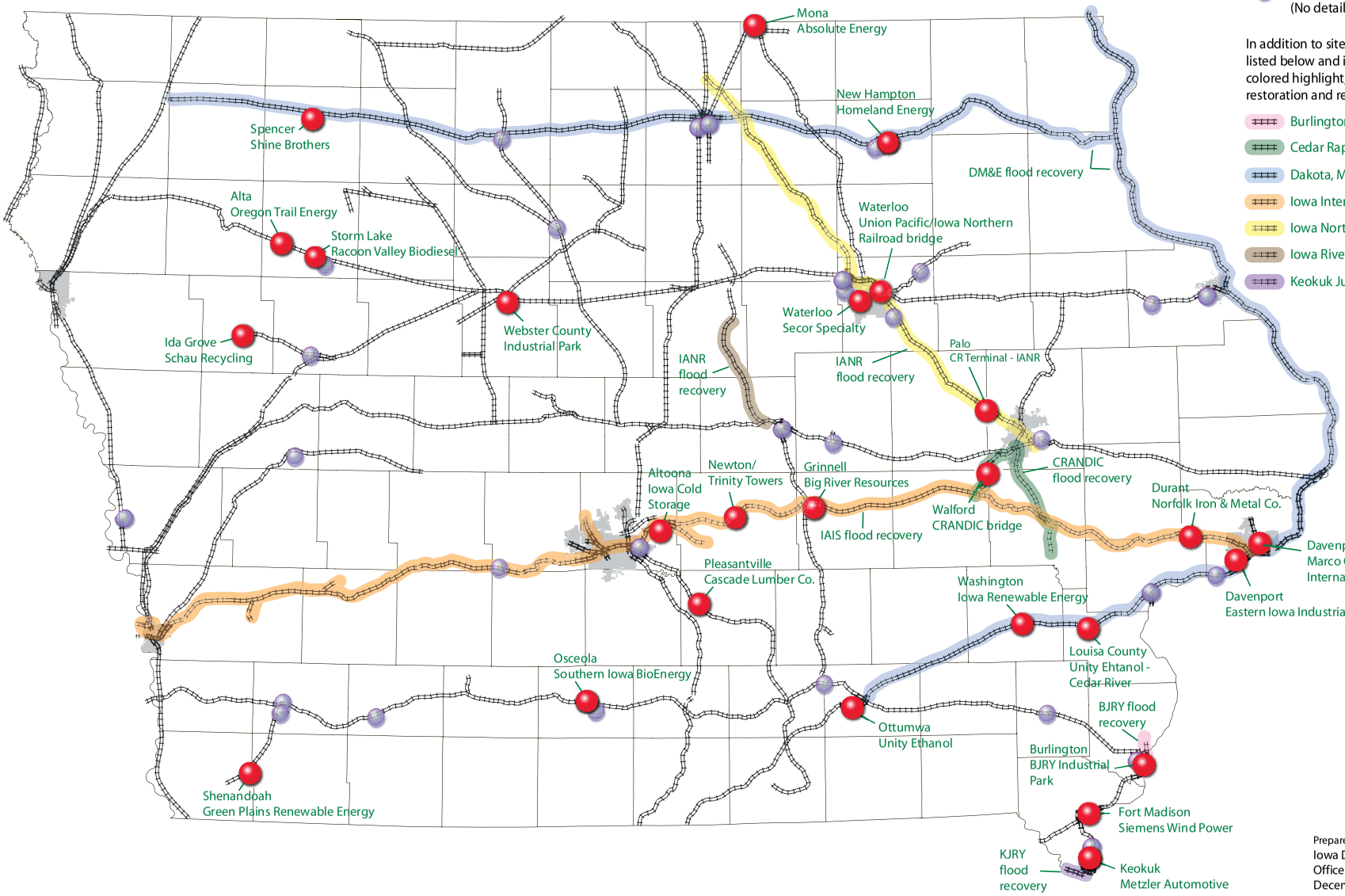
Assisted in creation or retention of 1,355 jobs

Helped build $76 million in rail infrastructure and leveraged $1.4 billion in private capital investment

Railroad Revolving Loan and Grant Program

Funded Projects and Unfunded Applications

Fiscal years 2006 -2010



LEGEND

- Funded projects (Location of project and recipient)
- Unfunded applications (No detail)

In addition to site-specific projects, the railroads listed below and indicated on the map with a colored highlight, received loans for flood restoration and recovery in 2008.

- Burlington Junction Railway (BJRY)
- Cedar Rapids and Iowa City (CRANDIC)
- Dakota, Minnesota & Eastern Railroad (DME)
- Iowa Interstate Railroad Ltd. (IAIS)
- Iowa Northern Railway Co. (IANR)
- Iowa River Railroad (IARR)
- Keokuk Junction Railway Co. (KJRY)

Prepared by
Iowa Department of Transportation
Office of Rail Transportation
December 2009

Federal and state laws prohibit employment and/or public accommodation discrimination on the basis of age, color, creed, disability, gender identity, national origin, pregnancy, race, religion, sex, sexual orientation or veteran's status. If you believe you have been discriminated against, please contact the Iowa Civil Rights Commission at 800-457-4416 or Iowa Department of Transportation's affirmative action officer. If you need accommodations because of a disability to access the Iowa Department of Transportation's services, contact the agency's affirmative action officer at 800-262-0003.