



Railroad Revolving Loan and Grant
Funding Recommendation

Commission Workshop
June 13, 2016

FY 2017 RRLG Funding Recommendation **History of the RRLG Program**

1 Program Creation:

- RRLG Program was created by legislation in 2005
 - Chapter 327H.20A of the Iowa Code
 - Administered in accordance with Administrative Rule 761, Chapter 822

2 Program Purpose:

- To provide loans and grants for railroad related improvement projects to benefit Iowa

3 Funding Source:

- Funded by loan repayments and appropriations by the Iowa Legislature

4 Eligible Applicants:

- Available to businesses, cities, counties, economic development organizations and other non-profit organizations through an application program

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FY 2017 RRLG Funding Recommendation

RRLG Program Funding



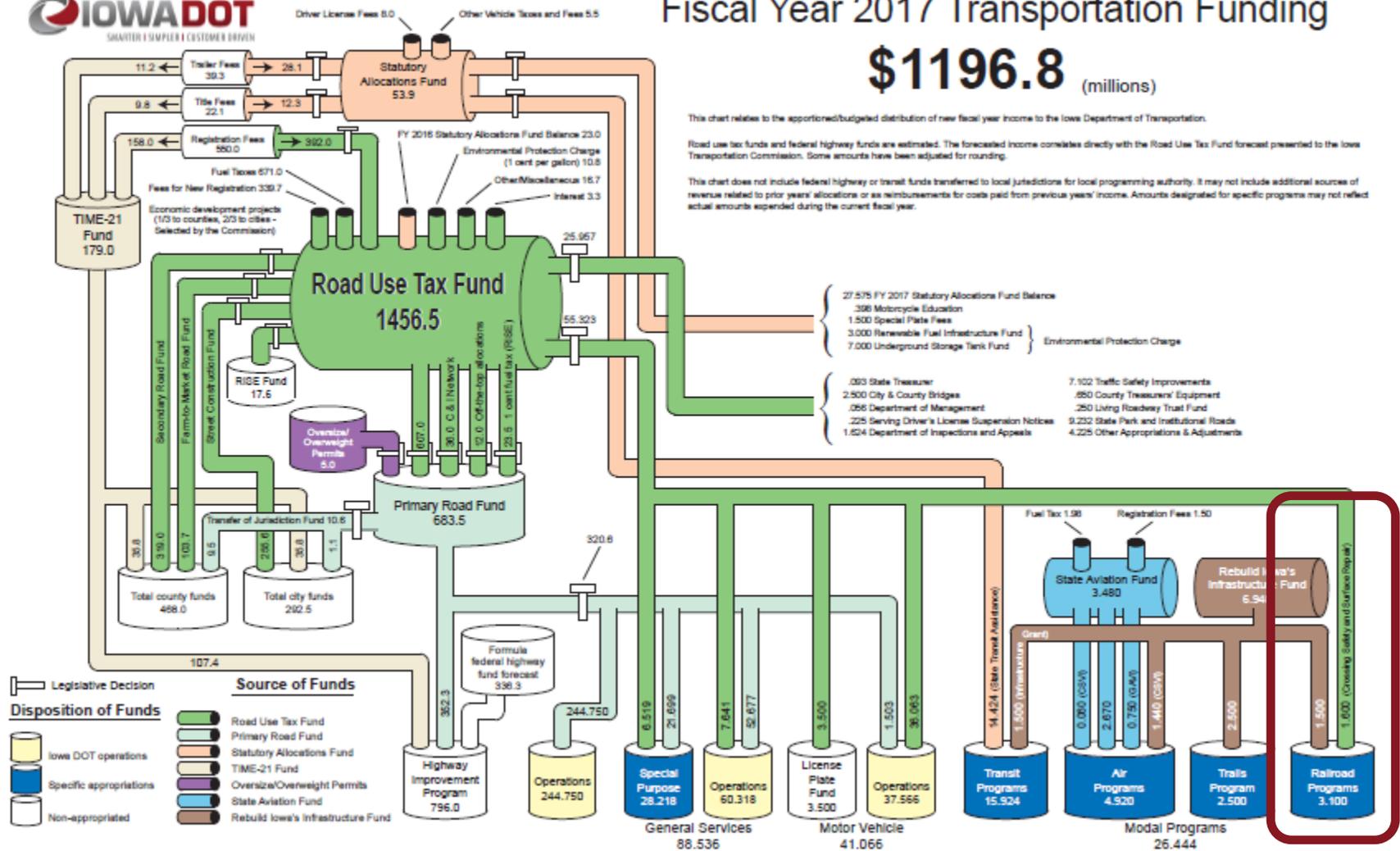
Fiscal Year 2017 Transportation Funding

\$1196.8 (millions)

This chart relates to the apportioned/budgeted distribution of new fiscal year income to the Iowa Department of Transportation.

Road use tax funds and federal highway funds are estimated. The forecasted income correlates directly with the Road Use Tax Fund forecast presented to the Iowa Transportation Commission. Some amounts have been adjusted for rounding.

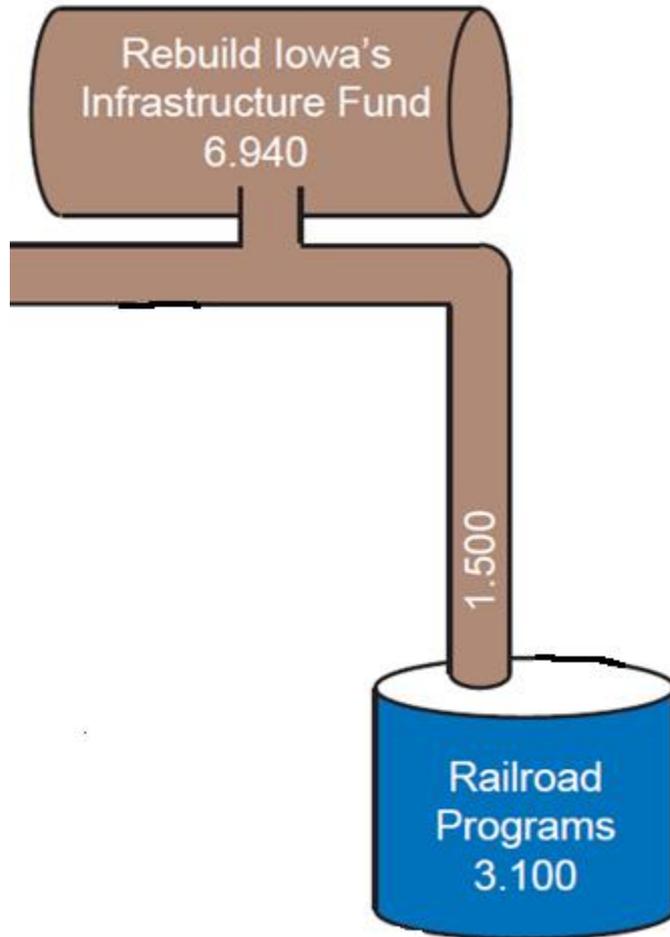
This chart does not include federal highway or transit funds transferred to local jurisdictions for local programming authority. It may not include additional sources of revenue related to prior years' allocations or as reimbursements for costs paid from previous years' income. Amounts designated for specific programs may not reflect actual amounts expended during the current fiscal year.





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FY 2017 RRLG Funding Recommendation RRLG Program Funding



Railroad Revolving Loan and Grant
Fund
\$1,500,000 FY '17 allocation by
legislature

FY 2017 RRLG Funding Recommendation
FY '17 Funding Summary

FY '17 Revenue

FY '17 Appropriation : \$1,500,000

Loan Repayments : \$866,234

Unspent from FY '16: \$1.74 Million

Reverted Funding : \$665,000

Total available: \$4,700,000

FY '17 Applications

Total Number of Applications: 13

Total Rail Project Costs: \$22.3 Million

Total Requested Amount: \$10.27 Million

FY 2017 RRLG Funding Recommendation **Project Evaluation Criteria**

1 Targeted Job Creation Projects

- Hourly wage rates must meet 100% of the average county wage
 - Job leverage: 40 pts
 - Wage quality: 20 pts
 - Capital Investment: 20 pts
 - Loan leverage: 20 pts

2 Rail Network Improvement:

- Project readiness
- Rail Network Impact
- Economic Impact
- Financial Readiness

3 Rail Port Planning and Development Studies:

- Existing/Potential site information
- Goals of the study
- Organizational structure and capacity to complete the study

FY 2017 RRLG Funding Recommendation
FY 2017 Applications

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Targeted Job Applications

<u>Project Name</u>	<u>Applicant</u>	<u>Project Location</u>
Farmers Energy Cardinal Rail Spur	Farmer's Energy Cardinal	Cass County
Barilla America Rail Expansion	Barilla America Inc.	Ames, IA
Pattison Sand CP Unit Train Expansion	Pattison Sand Company	Clayton, IA
Hydrate Chemical Rail Spur	Hydrate Chemical Co.	Waterloo, IA
Progressive Rail Rail line Rehabilitation	Progressive Rail Co.	Appanoose County
Rail.One Storage Yard	Rail.One USA Corp.	Clinton, IA

Rail Network Improvements

<u>Project Name</u>	<u>Applicant</u>	<u>Project Location</u>
BJRY Le Mars Transload Track	Burlington Junction Railway	Le Mars, IA
Crossroads Cold Storage	Des Moines Cold Storage Co.	Des Moines, IA
Oelwein Track Rehab	Iowa Northern Railway	Oelwein, IA
Eastern Iowa Logistics Park	CRANDIC	Cedar Rapids, IA
KJRY Yard Enhancements	Keokuk Junction Railway	Keokuk, IA

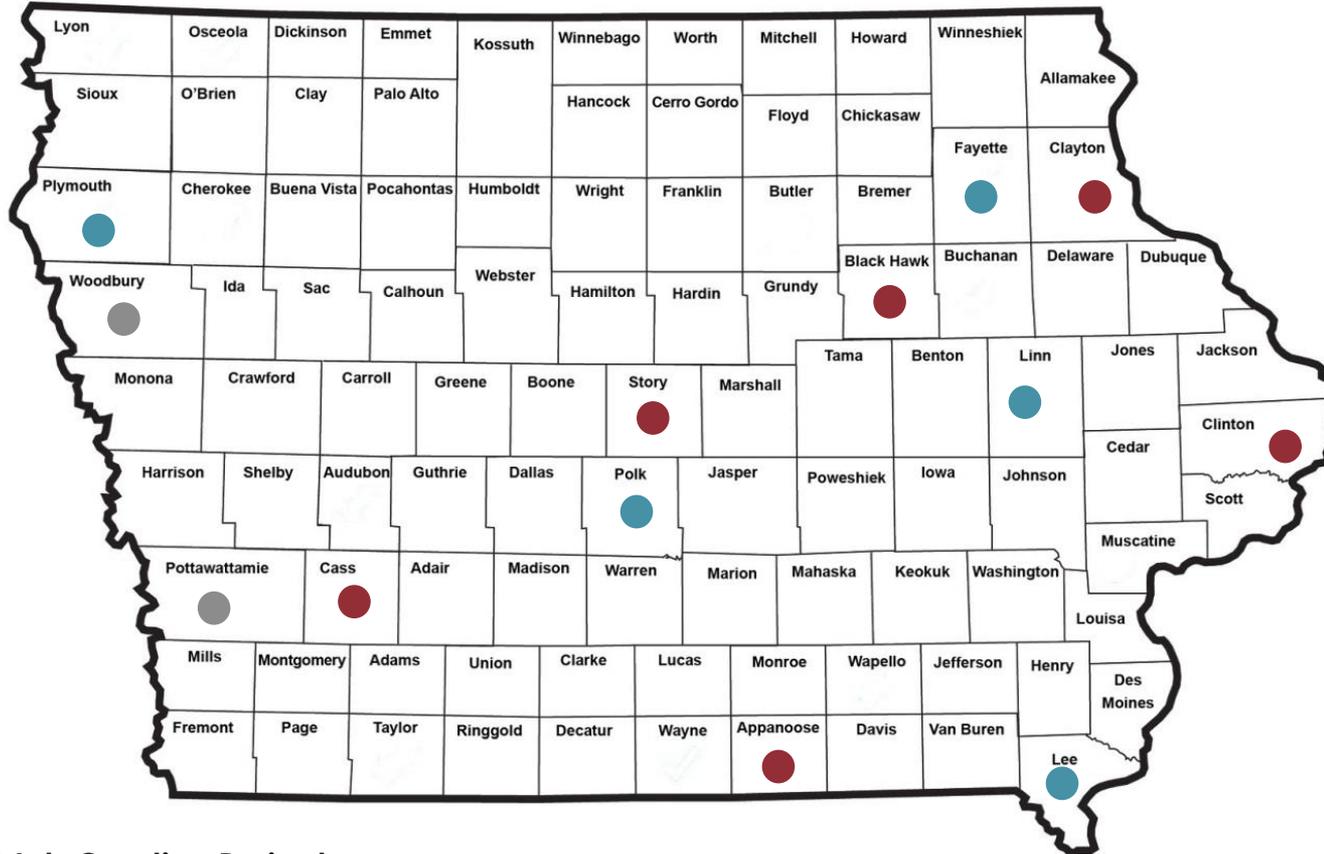
Rail Port Planning Studies

<u>Project Name</u>	<u>Applicant</u>	<u>Project Location</u>
Council Bluffs Transload Study	Iowa Interstate Railroad	Council Bluffs, IA
Sioux City Transload Study	City of Sioux City	Sioux City, IA



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FY 2017 RRLG Funding Recommendation Project Location Map



- Targeted Job Creation Projects
- Rail Network Improvement Projects
- Rail Port Planning Studies

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FY 2017 RRLG Funding Recommendation **Farmer's Energy Cardinal Rail Spur**

1 Project Summary:

- Rehabilitation to existing rail spur serving a grain elevator. Existing spur experiencing capacity issues.

2 Project Investment:

- \$190,000,000

3 Rail Project Cost:

- \$10,282,248

4 Request:

- Grant: \$576,000
- Loan: \$1,152,000

5 Jobs:

- 48 New



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Funding Recommendation :

- Grant: \$576,000
- Loan: \$350,000

FY 2017 RRLG Funding Recommendation
Barilla America Rail Expansion

1 Project Summary:

- Due to continued growth, Barilla is expanding its current rail yard to receive 110 hopper cars with one switch. The plant currently handles 75 rail cars with one Switch.

2 Project Investment:

- \$74,500

3 Rail Project Cost:

- \$3,268,280

4 Request:

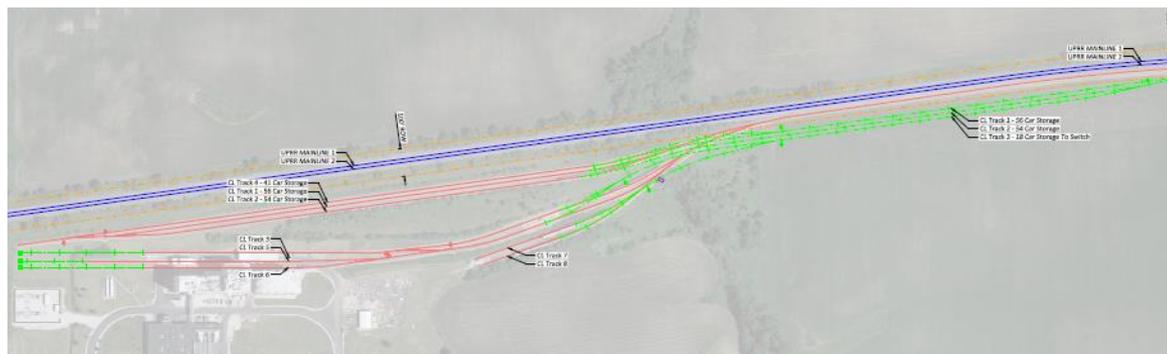
- Loan: NA
- Grant: \$156,000

5 Jobs:

- 13 new

6 Funding Recommendation

- Grant: \$156,000



FY 2017 RRLG Funding Recommendation Pattison Sand CP Unit Train Expansion

1 Project Summary:

- Project is the first of five phases and includes earthwork, installation of a mainline switch, to yard switches, and approximately 6,625 feet of rail.

2 Total Project Investment:

- \$22,856,193

3 Rail Project Cost:

- \$5,427,934

4 Request:

- Loan: \$3,500,000
- Grant: \$500,000

5 Jobs:

- 25 new Jobs
- 100 retained

6 Funding Recommendation:

- Grant: \$500,000
- Loan: \$600,000



FY 2017 RRLG Funding Recommendation
Progressive Rail – APNC Rail Line Rehabilitation

1 Project Summary: Project includes installing 600 ties per mile for the southern most 12 miles of the line. Currently only about 1 in 6 ties on this segment are functioning.

2 Project Investment:

- \$951,866

3 Rail Project Cost:

- \$951,866

4 Request:

- Loan: 417,862
- Grant: \$278,574

5 Jobs:

- Retained: 140
- New: 5

6 Funding Recommendation:

- Grant: \$278,574
- Loan: \$417,862

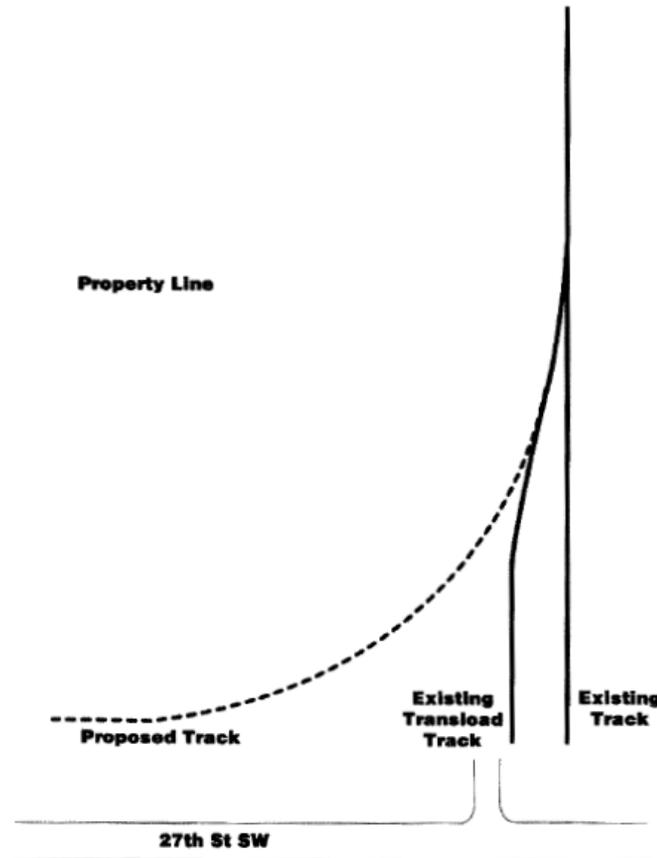




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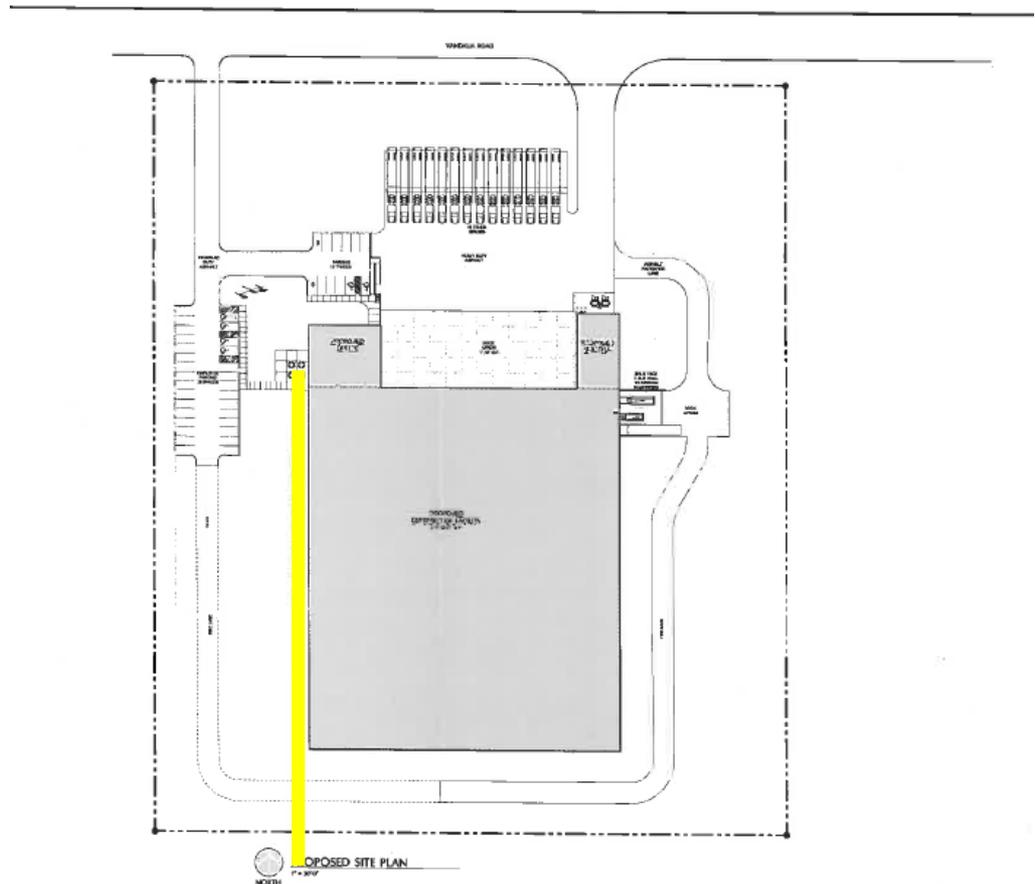
FY 2017 RRLG Funding Recommendation **BJRY Le Mars Transload Track**

- 1 Project Summary:** The project will build approximately 500 feet of rail to serve as a new transload track at BJRY's transload facility.
- 2 Project Investment:**
 - \$196,170
- 3 Rail Project Cost:**
 - \$196,171
- 4 Request:**
 - Loan: \$236,936
- 5 Funding Recommendation:**
 - Loan: \$156,936



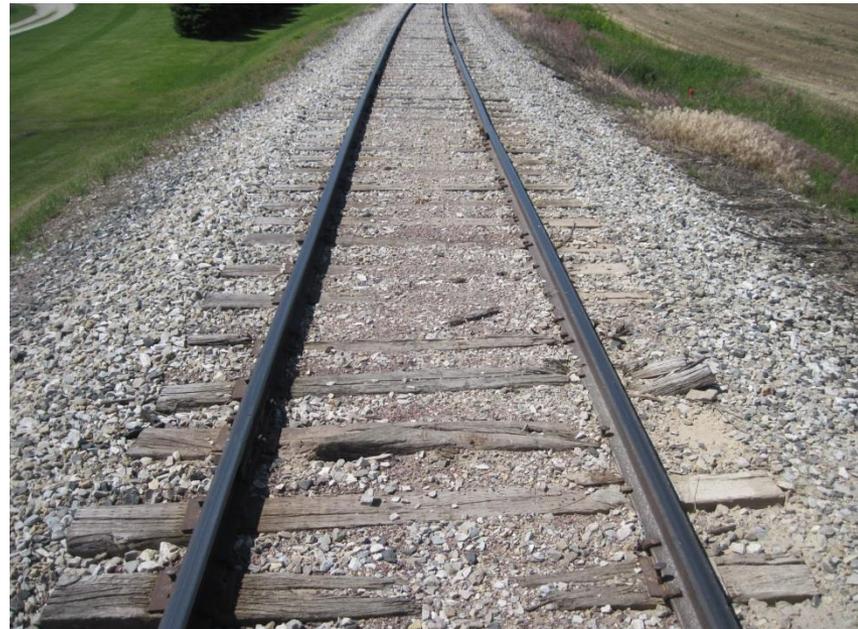
FY 2017 RRLG Funding Recommendation
Crossroads Cold Storage

- 1 Project Summary:** The project will repair and construct a total of 1 600 feet of existing and new rail line for the use of exporting frozen foods at a new cold storage facility in Des Moines.
- 2 Project Investment:**
 - \$16,000,000
- 3 Rail Project Cost:**
 - \$602,312
- 4 Request:**
 - Loan: \$385,000
- 5 Funding Recommendation:**
 - Loan: \$385,000



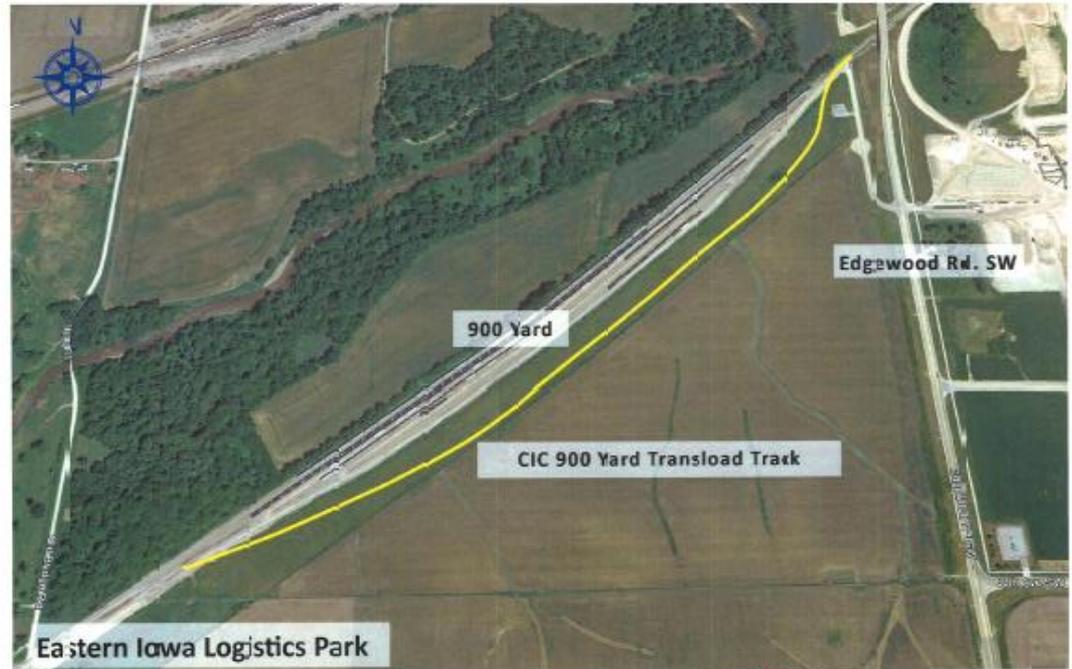
FY 2017 RRLG Funding Recommendation
Oelwein Track Rehab

- 1 Project Summary:** Proposed project is a wood cross tie replacement project on a 14 mile stretch of track from Dewar to Fairbank, Iowa. Approximately 40% of the cross ties across this 14 mile stretch are defective.
- 2 Project Investment:**
 - \$987,551
- 3 Rail Project Cost:**
 - \$987,551
- 4 Request:**
 - Loan: \$493,775
- 5 Funding Recommendation:**
 - Loan: \$493,775



FY 2017 RRLG Funding Recommendation
Eastern Iowa Logistics Park

- 1 Project Summary:** CRANDIC Proposes to build a direct transfer transload facility in SW Cedar Rapids. Money made available through the RRLG program will be used for site grading, and track construction to support the transload facility.
- 2 Project Investment:**
 - \$2,500,000
- 3 Rail Project Cost:**
 - \$2,500,000
- 4 Request:**
 - Loan: \$1,875,000
- 5 Funding Recommendation:**
 - Loan: \$500,000



FY 2017 RRLG Funding Recommendation
KJRY Yard Enhancements Phase III

- 1 Project Summary:** Project will replace ties, rail and switches in KJRY's middle Keokuk yard area. The rail will be upgraded from 90# to 115#, which will dramatically increase the lifespan of the project and provide stability to a heavily traveled section of the yard.
- 2 Project Investment:**
 - \$250,196
- 3 Rail Project Cost:**
 - \$250,196
- 4 Request:**
 - Loan: \$200,157
- 5 Funding Recommendation:**
 - Loan: \$200,157



FY 2017 RRLG Funding Recommendation **Council Bluffs Transload Study**

- 1 Project Summary:** The study will assess the market potential of an expanded transload area in Council Bluffs.

- 2 Overall Study Cost:**
 - \$70,400

- 3 Grant Request:**
 - \$56,320

- 4 Funding Recommendation:**
 - Grant: \$56,320

FY 2017 RRLG Funding Recommendation
Funding Recommendation

FY 2017 DOT Funding Recommendation

<u>Project Name</u>	<u>Loan</u>	<u>Grant</u>
Farmers Energy Cardinal Rail Spur	\$350,000	\$576,000
Barilla America Rail Expansion	---	\$156,000
Pattison Sand CP Unit Train Expansion	\$600,000	\$500,000
Hydrate Chemical Rail Spur	---	\$24,000
Progressive Rail – Rail Line Rehabilitation	\$417,862	\$278,574
BJRY Le Mars Transload Track	\$156,936	---
Crossroads Cold Storage	\$385,000	---
Oelwein Track Rehabilitation	\$493,775	---
Eastern Iowa Logistics Park	\$500,000	---
KJRY Yard Enhancements	\$200,157	---
Council Bluffs Transload Study	---	\$56,320
Total RRLG Recommendation:	\$3,103,730	\$1,590,894

Total: **\$4,694,624**

**FY 2016 RRLG Funding Recommendation
Typical Project Timeline**

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2016

June

Funding Recommendation

September 2016

Award acceptance
deadline ends and 180
day agreement period
begins

2017

March 2017

Agreement Period Ends.
All projects must have a
signed agreement within
180 days



45 days

180 days

3 years for
construction

July 2016

Commission Approval.
Applicants will have 45
days to formally
accept their award

