



## ARIZONA

## Apache Railway

# APACHE RAILWAY ONCE AGAIN RULES THE WEST

## CLEARINGHOUSE CDFI



**Apache Railway Trains are a Familiar Site Again in Arizona**

*“We are delighted to support the dedicated staff at the Apache Railway. Our shared commitment to the railroad’s heritage ensures its bright future as a business and integral piece of the local and national economy.”*

*Andrew Gordon,  
Arizona Market President,  
Clearinghouse CDFI*

In 2012 the Catalyst Paper Mill closed in Navajo County, AZ. The closure of the mill sounded the death knell for the historic Apache Railway in the Town of Snowflake, AZ. The Apache Railway is a critical piece of rural Arizona infrastructure, necessary for connecting Navajo County and Snowflake to markets across the Southwest. Even though its main function was to service the paper mill, the Railway also serves area farms, the forest industry, and provides car storage and maintenance for the Burlington Northern Santa Fe Railroad. Closure of the Railway would have a devastating effect on economic development and the ability to attract and keep jobs in the region.

Concerned Navajo County leaders formed the Snowflake Community Foundation (SCF) and began a three-year effort to save the Railway and protect their economic base. Businesses that relied on the paper mill and the Arizona Commerce Authority (ACA) understood the economic importance of the Apache Railway to the region and the efforts of the SCF. ACA brought the matter to the attention of Clearinghouse Community Development Financial Institution (Clearinghouse CDFI), a certified community development financial institution. In a successful effort to save the Apache Railway, Clearinghouse CDFI loaned \$2.5 million to The Apache Railway Company and

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**Lender:**

Clearinghouse CDFI

**Borrower:**

The Apache Railway Company

**Project Investment:**

- \$2.5 Million Loan—Clearinghouse CDFI (financing also included 51 miles of tracks and 7 locomotives)
- \$5 Million—Other Investors

**Total Cost: \$7.5 Million**

**Community Profile:** Snowflake, Arizona

- Population: 5,753
- Median Income: \$49,018
- 11.1% Poverty Rate
- 6.3% Unemployment Rate

**Project Highlights**

- Rescue of Apache Railway
  - The workforce has increased
  - The Railway's business has expanded to include the repair and maintenance of locomotives
  - Businesses dependent upon the Apache Railway continue to thrive
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other investors provided an additional \$5 Million in financing to buy the railway out of bankruptcy.

This private and public sector collaboration not only saved the Railway, but helped it return to profitability. This was a big win for local companies such as the Snowflake Power biomass plant that uses the Apache railway to ship forest products.

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*Clearinghouse CDFI addresses unmet credit needs in California, Nevada, Arizona, New Mexico, and Indian Country in the Western United States, helping to bridge the gap between conventional lending standards and the needs of low-income and distressed communities. Over the past 21 years, Clearinghouse CDFI reports it has funded \$1.55 billion in total loans for over 1,820 community projects that have benefited over 610 underserved communities throughout California, Nevada, Arizona, New Mexico, and Indian Country. For more information, visit [www.ccdfi.com](http://www.ccdfi.com).*

**FOR MORE INFORMATION  
ABOUT THE IMPACT OF CDFIS  
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