

FREIGHT ECONOMIC DEVELOPMENT APPLICATION RAIL CUSTOMER INFRASTRUCTURE ASSISTANCE

The Michigan Department of Transportation's Freight Economic Development Program (FEDP) helps connect new or expanding businesses to Michigan's rail system. The Grant Program can cover up to fifty (50) percent of costs associated with infrastructure to ship by rail, like rail spurs. Projects are evaluated based on the public benefits, like increased rail volumes and job creation, relative to costs. The Program's goal is to enhance the viability of Michigan's rail system by facilitating its use.

FEDP can cover up to 50% of material, labor and equipment associated with the installation or rehabilitation of rail-customer infrastructure up to a maximum of \$2M. Eligible costs include, but are not limited to, turnouts, track, ties, ballast, and related permanently affixed equipment, like unloading pits, specific to rail. Ineligible work items include engineering and car movers. A full list of eligible costs can be found on the following page. Not all eligible costs will necessarily be approved as part of the FEDP project.

MDOT provides one grant payment for up to 45% of the eligible project costs after actual costs are reported and verified. A second grant payment for up to 5% of the eligible costs is made after actual carloads are reported annually over a five-year period (*1% credited for each report provided*). For purposes of FEDP, new carloads should reflect the increased volume to the statewide rail system as a result of the project.

Applicants must own; hold an easement; have a long-term lease; or otherwise control the property on which improvements are proposed. Applicants can be rail customers or entities, like local units of governments and railroads, that control the property and are undertaking the project to provide access to a rail customer.

[Specific minimum clearances](#) around tracks are required to ensure operational safety. MDOT's Rail Safety Section must approve any [exemptions](#) (*MDOT Form 1433*).

If proposed projects impact or create a railroad crossing of a public roadway, [requests](#) need to be submitted to MDOT's Rail Safety Section (*MDOT Form 1425*).

Applications are accepted at any time. Applications are evaluated for increased rail volume to the state's rail system; job creation; job retention (*If the state is at risk of losing jobs*); public safety; impact to the local economy and other public benefits. All projects, at a minimum, must generate additional rail volume. Please include any cost participation that is over and above the minimum 50%. It takes approximately 6 weeks for the necessary approvals and to award a contract. A contract is required before any reimbursable costs can be incurred.

Submit completed applications or any questions to Alex Nikoloff, Freight Economic Development Project Manager, at NikoloffA@Michigan.gov or (517) 290-9691.

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GUIDANCE ON ELIGIBLE COSTS

Work Items Eligible for Funding

- Construction, repair or rehabilitation of rail spur or siding (*Including, track, ties, and ballast*)
- Site preparation, including grading, excavation and removing/relocating utilities
- Turnouts, including mainline turnouts that are billed as a capital cost directly to the customer/project
- Fixed Rail Scales
- Rail Pits
- Rail bays
- Crossings
- Conveyor systems or other fixed systems needed specifically to load/unload rail cars
- Modifications to existing buildings to accommodate rail loading/unloading (*Including larger doors & fire-suppression systems*)
- Paving in the immediate vicinity of the track necessary for loading/unloading rail cars
- Lighting in the vicinity of the track necessary for loading/unloading rail cars
- Fall-protection systems for the loading/unloading of rail cars
- Track spill containment systems or pads
- Shelter for loading/unloading rail cars
- Work items never previously considered, but determined to be integral to rail service
- Eligible Only at Facilities Serving Multiple Customers: Movable rail scales and loading/unloading systems at ports, industrial parks and transload facilities that will serve more than one rail customer at the completion of the project

Work Items Ineligible for Funding

- Engineering
- Car movers
- Commodity storage
- Construction of new buildings, except for the eligible items above
- Movable rail scales and loading/unloading systems, except if the applicant is a port, industrial park or transload facility that will serve more than one rail customer at the completion of the project

FREIGHT ECONOMIC DEVELOPMENT APPLICATION RAIL CUSTOMER INFRASTRUCTURE ASSISTANCE

Complete this form to request funding assistance through MDOT's Freight Economic Development Program. All attached materials will be considered part of the application. Please note that all information provided for the purposes of this application and potential project is subject to public disclosure, in accordance with MCL 15.233 (Freedom of Information Act).

APPLICANT INFORMATION

APPLICANT NAME (Name associated with federal ID and would be used in a contract, including LLC and incorporation, when applicable)

CORRESPONDING FEDERAL ID

PRINCIPAL OFFICE ADDRESS

PROJECT CONTACT PERSON

PROJECT CONTACT TITLE

PROJECT CONTACT E-MAIL ADDRESS

PROJECT CONTACT PHONE NUMBER

AUTHORIZED CONTRACT SIGNATORY NAME

AUTHORIZED CONTRACT SIGNATORY TITLE

AUTHORIZED CONTRACT SIGNATORY E-MAIL ADDRESS

AUTHORIZED CONTRACT SIGNATORY (If different than above)

PROJECT DESCRIPTION

FACILITY LOCATION (Include township and county)

DESCRIBE THE PROPOSED RAIL PROJECT (For example: The proposed project will construct a 500 foot rail spur, mainline turnout and rail scale at Company XYZ's new ABC facility. Excavation and grading will be necessary for approximately 100 feet...)

Attach plans/drawings to depict layout

Attach detailed estimate (Any contingency reserve included in the estimate should be limited to 10%)

DESCRIBE THE FACILITY & ROLE OF RAIL SERVICE (Please include: What commodity/commodities will rail be used for? Will that be inbound or outbound shipments? Where is the commodity coming from and/or going to? Why is Company XYZ using rail?)

RAIL PROJECT COSTS <i>(Attach estimate)</i>		PROGRAM FUNDING REQUEST <i>(Maximum 50% up to \$2 million)</i>	
PERMANENT FULL-TIME JOBS CREATED AT NEW/EXPANDED FACILITY		EXISTING FULL-TIME JOBS AT FACILITY, IF ANY.	
NEW ANNUAL CARLOADS PROJECTED <i>(Over and above any existing)</i>		FACILITY'S EXISTING CARLOAD VOLUME, IF ANY.	
WILL ANY NEW CARLOADS BE TRANSFERRED FROM ANOTHER FACILITY OWNED BY THE APPLICANT IN THE STATE? IF SO, PLEASE ESTIMATE HOW MANY?			
DESCRIBE ANY ADDITIONAL PUBLIC BENEFITS OF THE PROPOSED RAIL PROJECT <i>(Impact to local economy; public safety; additional associated employment; retaining Michigan jobs otherwise at risk; additional users and associated new carloads.)</i>			
SERVING RAILROAD		CONTACTED YES NO	
PROJECTED CONSTRUCTION DATE		PROJECTED RAIL OPERATIONS DATE	
CERTIFICATION			
THE UNDERSIGNED CERTIFIES THAT THE APPLICATION, INCLUDING ATTACHMENTS, IS TRUE AND COMPLETE.			
NAME		TITLE	
SIGNATURE		DATE	