

**MICHIGAN RAIL LOAN
ASSISTANCE PROGRAM**

MICHIGAN DEPARTMENT OF TRANSPORTATION

2021 APPLICATION

MICHIGAN RAIL LOAN ASSISTANCE PROGRAM

The Michigan Rail Loan Assistance Program provides no-interest loans for projects to preserve or improve freight rail infrastructure in the State of Michigan. As outlined in statute, eligible projects include preserving, rebuilding, rehabilitating or constructing facilities or improvements on railroad property. Funds awarded through the program may also be used as a non-federal match for any federal rail infrastructure project and, under certain circumstances, to acquire property to preserve or improve freight rail service.

- Loans are specifically intended to cover material, labor and/or equipment costs associated with **permanently-affixed track materials and related structures** within railroad right of way, including track structure, bridges, train control and drainage projects. Engineering and design costs are not eligible project costs.
- Loan recipients will be responsible for following all state and federal environmental laws/regulations, including DEQ permits, etc. For projects on MDOT-owned property, MDOT will provide the operator with the preliminary review of potential Archaeological, Historic, and Threatened and/or Endangered Species impacts. Any additional surveys or regulatory involvement deemed necessary as a result of that review will be the responsibility of the operator.
- Loans are limited to \$1 million per project and \$1 million per applicant for each year of the program. **Loans can reimburse up to 90% of eligible project costs.** The loan repayment period may not exceed 10 years. Loan recipients must provide appropriate collateral, unless the project is on MDOT property.
- Railroads, local governments, economic development corporations, and current or potential users of freight railroad services are eligible to apply.
- Applications are evaluated in comparison to loan program goals. Loans are awarded on a competitive basis to projects that best meet program goals and provide a measurable benefit to public safety; efficiency; accessibility; capacity; and/or condition.
- It will take approximately 90 days to award most contracts. Proposed projects on state-owned property may require additional time for environmental clearance. *Any costs incurred prior to the contract award are not eligible project costs. Projects should be constructed within one year of award.*

For more information or assistance with the application process, please contact Nikkie Johnson at JohnsonN15@Michigan.gov or (517) 243-6937.

**Applications, including supporting documentation, must be received by
October 30, 2020. Applications can be submitted via mail or e-mail.**

**Michigan Department of Transportation
Office of Rail
P.O. Box 30050
Lansing, Michigan 48909
JohnsonN15@Michigan.gov
Attention: Nikkie Johnson**

MICHIGAN RAIL LOAN ASSISTANCE PROGRAM

This application is for loans made available through the rail infrastructure loan fund, as established and administered in compliance with MCL 474.65a. All materials attached to this application are considered part of the application and must be clearly labeled with the name of the applicant (i.e., organizational name). MDOT reserves the right to seek clarification regarding any materials submitted.

PART A - APPLICANT INFORMATION

APPLICANT NAME		FEDERAL ID NO.
ADDRESS		PHONE NO.
CONTACT PERSON	TITLE	
ADDRESS		PHONE NO.
E-MAIL		

Is the applicant currently in compliance with all administrative orders issued to the applicant by MDOT's Rail Safety Section? YES NO NOT APPLICABLE (*no orders issued to applicant*)

If no, please explain:

PART B - RAIL PROJECT DESCRIPTION

1. Describe the project and the types of improvement(s) proposed, including the location and operating railroad(s). Attach a detailed estimate of the materials, labor and equipment directly related to the project, with maps, plans and additional pages as needed.

For proposed projects on state-owned property, also include:

- The maximum distance of any earthwork from the centerline of the existing track and the existing ballast line.
- Any proposed variances from MDOT Specifications.

-
2. What are the anticipated project start-up and completion dates? Attach a detailed schedule, if available.
-

3. Describe the benefits of the proposed project to public safety; efficiency; accessibility; capacity; and/or condition. Please quantify as much as possible.

4. Will the project necessitate the installation of a new railroad crossing or impact any existing crossings?

YES NO

If yes, please complete and submit [Notification of Proposed Project Involving a Public Railroad Crossing](#) (MDOT Form 1425) with your application.

PART C - RAIL PROJECT FUNDING

PROJECT COST

LOAN REQUEST (90% max)

1. Detail how the non-reimbursable portion of project costs will be funded.

2. Indicate the time period requested for loan repayment (*maximum of 10 years*).

PART D - PROPERTY INFORMATION

Does the applicant own the property on which the project will take place? YES NO

If no, please attach documentation to certify applicant's permission to use property.

PART E - COLLATERAL

The applicant must provide collateral to secure the loan, unless project is on MDOT property. Please specify what collateral will be used to guarantee repayment of the loan. Collateral is not required until reimbursement is requested.

Note: The security and liquidity of the collateral may be considered as part of the project evaluation.

Irrevocable letter of credit from a financial institution. *(The wording in the letter of credit must unconditionally bind the institution to promptly repay the debt should the applicant fail to do so. The initial cost of the letter of credit may be considered an eligible project expense.)*

Attachable funds. *(For eligible governmental entities only.)*

A resolution pledging future allocations or receipt of funds, to the extent needed to provide collateral for the loan, is required from the governmental body requesting the loan.

Source of Attachable Funds:	
-----------------------------	--

Other collateral *(describe)*

PART F - CERTIFICATION

THE UNDERSIGNED CERTIFIES THAT THIS APPLICATION IS TRUE AND COMPLETE.

SIGNATURE <i>(authorized representative)</i>	TITLE
NAME <i>(print)</i>	DATE