

Michigan Department of Transportation
Rail Operations and Infrastructure Obligations

PA 166 of 2022 Section 704

January 26, 2023

The Rail Operations and Infrastructure line item in the Michigan Department of Transportation's (MDOT) FY2022-2023 appropriation bill, 2022 PA 166, funds several individual programs and activities, ranging from passenger rail operating assistance to capital and maintenance activities on the 665 miles of state-owned rail lines to programs that enhance economic development and support the state's overall investments in rail infrastructure.

The line item is funded with \$99,650,700 in state Comprehensive Transportation Fund (CTF) dollars, and provides the authority to spend federal, local, and private dollars, as well as monies held in the Rail Freight Fund, should they become available. At this time, no local or private dollars are anticipated to be available for expenditure. Minimal commitments have been made from the Rail Freight Fund, so this initial report reflects mainly the CTF and Federal allocations.

A small amount of the FY2023 CTF appropriation has already been obligated. Remaining capital projects are expected to be firmed up over the next several months. The Office of Rail has been successful in securing several federal grants under the State of Good Repair Federal-State Partnership (SOGR) and Consolidated Rail Infrastructure and Safety Improvements (CRISI) programs in the past few years and CTF funding will be used as state match as required for those projects. An increase in the obligation for Amtrak operating costs is due to the end of Federal Stimulus Funding that provided a pandemic subsidy for those costs over the past several years.

For development projects, the Freight Economic Development Program awards funding to companies for projects as applications are received, reviewed, and approved. The new Michigan Rail Enhancement Grant Program will provide funding to projects selected and approved upon review of eligible applications.

Details about funds already obligated, together with the Department's best estimates for future activity, are reflected on the following page. The bulk of the funding will continue to be used to support passenger rail service in Michigan.

Rail Operations and Infrastructure - FY2023

	Obligations as of 1/31/2023	Planned FY2023 Obligations
Passenger Rail Operating		
Amtrak - Operating Assistance		\$29,300,000
Michigan Line Maintenance (Kalamazoo-Dearborn)		
MI Line Maintenance	\$100,000	\$100,000
MI Line Insurance		\$1,200,000
MI Line Utilities	\$500,000	\$500,000
FEUP Utilities	\$2,500	\$2,500
Michigan Line Capital (Kalamazoo-Dearborn)		
Jackson/Mechanic Bridge Reconstruction - Additional Funding	\$371,463	\$1,371,463
Bridge Design Projects (2021 SOGR Grant)		\$1,652,000
Bridge Superstructure Replacement AML 129.39		\$500,000
PE and Environmental Work for Battle Creek Connection Project (2019 CRISI)	\$1,499,838	\$1,499,838
Trespass Prevention Design and Phase I Projects (2020 CRISI Grant)	\$644,129	\$6,790,779
Turnout Replacement and Equipment Improvements (2019 SOGR Grant)		\$2,809,818
Curve Modifications Jackson to Ypsilanti (2020 SOGR Grant)		\$9,878,513
Track Condition Analysis		\$250,000
Freight Lines Capital		
Great Lakes Central - Bridge Repairs Manistee River	\$740,000	\$740,000
Great Lakes Central - Bridge Repairs Bear Creek Petoskey	\$177,000	\$177,000
Great Lakes Central - Bridge Repairs Muskegon River		\$250,000
Great Lakes Central - Bridge Design Muskegon River Structure Replacement		\$450,000
Great Lakes Central - Bridge Design Clam River Structure Replacement		\$300,000
Indiana Northeastern - Design Hallet Street Railroad Overpass		\$250,000
Indiana Northeastern - Timber and Masonry Repairs Multiple Structures		\$200,000
Bridge Project Design, PE and Construction- Four Structures (2021 CRISI Grant)		\$12,850,000
Quandel - Bridge Design Services Additional Funding	\$46,169	\$46,169
Freight Bridge Loading Inspections		\$350,000
Indiana Northeastern - Tree Removal	\$278,000	\$278,000
Rail Freight Economic Development and Rail Freight System Preservation Projects		
Rail Freight Economic Development and Michigan Rail Enhancement Grant Program (Specific Projects TBD)		\$21,500,000
Miscellaneous		
Grand Rapids Station Track Inspection	\$36,400	\$36,400
Design and Analysis (Consultants)		\$2,000,000
MDOT Staff Support	\$265,000	\$265,000
Miscellaneous Small Projects	\$17,000	\$17,000
Grant Match Assistance Commitments		\$19,000,000
TBD Capital Improvements		\$7,329,793
TOTAL OBLIGATIONS	\$4,677,499	\$121,894,273
TOTAL CTF APPROPRIATION	\$3,228,055	\$99,650,700
FEDERAL GRANT FUNDS	\$1,446,943	\$22,241,073
RAIL FREIGHT FUND	\$2,500	\$2,500

MI Line- State-owned higher speed rail between Dearborn and Kalamazoo

CRISI- Consolidated Rail Infrastructure and Safety Improvements Grant

SOGR- State of Good Repair Federal-State Partnership Grant

TBD- To Be Determined