

Michigan Department of Transportation
Rail Strategic Plan – FY2024-2028
2023 PA119, Section 707
February 29, 2024

Sec. 707. (1) Before March 1, 2024, the department shall provide to the legislature, the state budget office, and the house and senate fiscal agencies its rail strategic plan. The strategic plan must include, but is not limited to, a rolling 5-year rail plan and a summary of the department’s obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure.

(2) The rolling 5-year rail plan must include, but is not limited to, all of the following:

A listing by county of all rail infrastructure projects on rail lines within this state utilizing state funds, and the estimated cost of each project.

The actual or projected state expenditures for operation of passenger rail service.

The actual or projected state expenditures for maintenance of passenger service rail lines.

(3) The period of the rolling 5-year rail plan must include the fiscal year ending September 30, 2024 and the immediately following 4 fiscal years.

(4) The summary of the department’s obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure must include a breakdown of the appropriation by program, year-to-year obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year.

(5) From the funds appropriated in part 1 for rail operation and infrastructure, not less than \$20,000,000.00 must be allocated for the support of rail-related economic development projects and rail freight system preservation projects.

The Michigan Department of Transportation’s Office of Rail is pleased to present its Rail Strategic Plan for Fiscal Years 2024 through 2028. While future available revenues are unknown and some funding needs are not known in advance, this plan provides a listing of anticipated projects and spending representing future obligations and priorities.

The Rail Operations and Infrastructure appropriation line funds several individual programs and activities, including passenger rail operating assistance, capital and maintenance activities on the 665 miles of state-owned freight and passenger rail lines, and enhanced economic development through investments in rail infrastructure.

The majority of funding for this appropriation line comes from the Comprehensive Transportation Fund (CTF). Authority is also provided to spend federal, local, and private dollars, as well as monies in the Rail Freight Fund, should funding from any of those sources be available.

The current FY2024 breakdown by program is included in the chart below:

| | |
|--|-----------------------|
| Passenger Rail Operating | \$ 29,500,000 |
| Kalamazoo-Dearborn Maintenance | \$ 14,000,000 |
| Kalamazoo-Dearborn Capital | \$ 3,818,250 |
| Freight Lines Capital | \$ 16,678,590 |
| Rail Freight Economic Development (FEDP) and Michigan Rail Enhancement Program (MREP) Grants | \$ 31,300,000 |
| Federal Grant Match and Other Miscellaneous | \$ 11,813,400 |
| To Be Determined | \$ 7,297,460 |
| TOTAL | \$ 114,487,700 |

Details of the above planned investments for FY2024, as well as estimated categorical projections for FY2025 through FY2028 for the multiple CTF-funded program areas are contained on the following pages. While there will almost certainly be adjustments based on changing revenues and appropriations, emerging needs, or other factors, this represents the estimated projection at this time. For purposes of this report the annual CTF appropriation is assumed to remain consistent with the FY2024 appropriation amount. In reality, this amount could be higher or lower based on actual CTF revenues received in FY2025 to FY2028.

Under the provisions of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), states are responsible for providing operating assistance for Amtrak routes under 750 miles. That includes all three Michigan services – the Wolverine, Blue Water and Pere Marquette. MDOT contracts with Amtrak and is responsible for costs not covered by ticket and other revenues.

Principally, the Freight Economic Development Program (FEDP) and the Michigan Rail Enhancement Grant Program (MREP) support rail-related economic development and rail freight system preservation. FEDP receives, reviews, and approves applications throughout the year. While the goal is to always be able to assist with qualifying projects that relate to job creation and increased rail usage, this plan includes placeholder amounts based upon historic boilerplate requirements and reasonable projections. MREP provides funding to projects selected and approved upon review of eligible applications through a competitive process.

MDOT Office of Rail

FY 2024

| | Location | Project Description | Estimated Cost | Federal/Other | State |
|--|------------------------|---|----------------|---------------|--------------|
| Passenger Rail Operating | | | | | |
| Amtrak Operating Assistance | Three Amtrak corridors | Provide federally-mandated operating assistance | \$28,600,000 | \$0 | \$28,600,000 |
| Midwest States Equipment | Three Amtrak corridors | Michigan's share of multi-state equipment contract | \$900,000 | \$0 | \$900,000 |
| Kalamazoo-Dearborn Maintenance | | | | | |
| Kalamazoo-Dearborn Maintenance | Kalamazoo to Dearborn | General maintenance/State of Good Repair activities | \$12,000,000 | \$0 | \$12,000,000 |
| Insurance and Utilities | Kalamazoo to Dearborn | Property insurance and utilities | \$2,000,000 | \$0 | \$2,000,000 |
| Kalamazoo-Dearborn Capital (Track/Bridge/Signal) | | | | | |
| Jackson/Mechanic Bridge Reconstruction | Jackson | Additional Funding | \$3,300,000 | \$0 | \$3,300,000 |
| PE/NEPA Work MI Line Bridges (2021 SOGR Grant) | Kalamazoo to Dearborn | PE/NEPA for five Michigan Line Bridges | \$2,067,000 | \$1,548,750 | \$518,250 |
| Freight Lines Capital (Track/Bridge) | | | | | |
| GLC - Manistee River Bridge Replacement (2022 CRISI Grant) | Wexford County | Design, Replacement and Construction Engineering | \$33,707,596 | \$20,160,000 | \$13,547,596 |
| GLC - Bridge Repairs | Petoskey | Bridge Repairs Bear Creek | \$177,000 | \$0 | \$177,000 |
| GLC - Bridge Design | Wexford County | Bridge Design Clam River Structure Replacement | \$218,580 | \$0 | \$218,580 |
| GLC - Bridge Repairs | Clare County | Bridge Repairs Muskegon River | \$189,000 | \$0 | \$189,000 |
| GLC - Bridge Design | Clare County | Bridge Design Muskegon River Structure Replacement | \$1,200,000 | \$0 | \$1,200,000 |
| GLC - Culvert Design | Livingston County | Culvert Design Chilson Creek | \$246,414 | \$0 | \$246,414 |
| GLC - Track Construction | Livingston County | Ann Pere Connection Track Extension | \$600,000 | \$0 | \$600,000 |
| IN - Design Railroad Overpass Replacement | Hillsdale County | Design Hallet Street Railroad Overpass Replacement | \$250,000 | \$0 | \$250,000 |
| Track Condition Analysis | Various Locations | Track Condition Analysis | \$250,000 | \$0 | \$250,000 |
| Freight Economic Development Program (FEDP) and Michigan Rail Enhancement Program (MREP) Grants | | | | | |
| Lake State Railway | Otsego | FEDP - Gaylord Vehicle Distribution Center | \$682,808 | \$0 | \$682,808 |
| Grayling Township Cardlock, LLC | Crawford | FEDP - Multi-User Transload Facility | \$1,960,544 | \$0 | \$1,960,544 |
| Michigan Ethanol, LLC dba Poet Biorefining | Tuscola | FEDP - Construct Railcar Loading Equipment | \$774,605 | \$0 | \$774,605 |
| Midwest Energy & Communications | Cass County | Additional Funding | \$498,326 | \$0 | \$498,326 |
| Projects TBD | TBD | FEDP and MREP Projects | \$27,383,717 | \$0 | \$27,383,717 |
| Miscellaneous | | | | | |
| Grand Rapids Station Track Inspection | Grand Rapids | Provide federally-required inspection services | \$36,400 | \$0 | \$36,400 |
| Conrail - Design Facility | Detroit | Design Detroit New Center Intermodal Facility | \$137,000 | \$0 | \$137,000 |
| Consultant Design and Analysis | Various | Design and Analysis for Rail Projects | \$2,000,000 | \$0 | \$2,000,000 |
| MDOT Staff Support | Various | MDOT Staff Support for Rail Projects | \$120,000 | \$0 | \$120,000 |
| To Be Determined | Various | TBD | \$7,297,460 | \$0 | \$7,297,460 |
| Grant Match Assistance Commitments | Various | | \$9,600,000 | \$0 | \$9,600,000 |

FY 2025

| | Location | Project Description | Estimated Cost | Federal/Other | State |
|--|------------------------|---|----------------|---------------|--------------|
| Passenger Rail Operating | | | | | |
| Amtrak Operating Assistance | Three Amtrak corridors | Provide federally-mandated operating assistance | \$28,600,000 | \$0 | \$28,600,000 |
| Midwest States Equipment | Three Amtrak corridors | Michigan's share of multi-state equipment contract | \$1,400,000 | \$0 | \$1,400,000 |
| Kalamazoo-Dearborn Maintenance | | | | | |
| Kalamazoo-Dearborn Maintenance | Kalamazoo to Dearborn | General maintenance/State of Good Repair activities | \$12,000,000 | \$0 | \$12,000,000 |
| Insurance and Utilities | Kalamazoo to Dearborn | Property insurance and utilities | \$2,000,000 | \$0 | \$2,000,000 |
| Kalamazoo-Dearborn Capital (Track/Bridge/Signal) | | | | | |
| Track/Bridge/Signal Projects | Various Locations | Various Locations | \$15,000,000 | \$0 | \$15,000,000 |
| Freight Lines Capital (Track/Bridge) | | | | | |
| Track/Bridge/Signal Projects | Various Locations | Various Locations | \$16,955,000 | \$6,955,000 | \$10,000,000 |
| Freight Economic Development Program (FEDP) and Michigan Rail Enhancement Program (MREP) Grants | | | | | |
| Projects TBD | TBD | | \$20,000,000 | \$0 | \$20,000,000 |
| Miscellaneous | | | | | |
| Grand Rapids Station Track Inspection | Grand Rapids | Provide federally-required inspection services | \$36,400 | \$0 | \$36,400 |
| Consultant Design and Analysis | Various | Design and Analysis for Rail Projects | \$1,000,000 | \$0 | \$1,000,000 |
| To Be Determined | Various | TBD | \$20,451,300 | \$0 | \$20,451,300 |
| Grant Match Assistance Commitments | Various | | \$4,000,000 | \$0 | \$4,000,000 |

FY 2026

| | Location | Project Description | Estimated Cost | Federal/Other | State |
|--|------------------------|---|----------------|---------------|--------------|
| Passenger Rail Operating | | | | | |
| Amtrak Operating Assistance | Three Amtrak corridors | Provide federally-mandated operating assistance | \$28,600,000 | \$0 | \$28,600,000 |
| Midwest States Equipment | Three Amtrak corridors | Michigan's share of multi-state equipment contract | \$1,400,000 | \$0 | \$1,400,000 |
| Kalamazoo-Dearborn Maintenance | | | | | |
| Kalamazoo-Dearborn Maintenance | Kalamazoo to Dearborn | General maintenance/State of Good Repair activities | \$12,000,000 | \$0 | \$12,000,000 |
| Insurance and Utilities | Kalamazoo to Dearborn | Property insurance and utilities | \$2,000,000 | \$0 | \$2,000,000 |
| Kalamazoo-Dearborn Capital (Track/Bridge/Signal) | | | | | |
| Track/Bridge/Signal Projects | Various Locations | Various Locations | \$15,000,000 | \$0 | \$15,000,000 |
| Freight Lines Capital (Track/Bridge) | | | | | |
| Track/Bridge/Signal Projects | Various Locations | Various Locations | \$10,000,000 | \$0 | \$10,000,000 |
| Freight Economic Development Program (FEDP) and Michigan Rail Enhancement Program (MREP) Grants | | | | | |
| Projects TBD | TBD | | \$20,000,000 | \$0 | \$20,000,000 |
| Miscellaneous | | | | | |
| Grand Rapids Station Track Inspection | Grand Rapids | Provide federally-required inspection services | \$36,400 | \$0 | \$36,400 |
| Consultant Design and Analysis | Various | Design and Analysis for Rail Projects | \$1,000,000 | \$0 | \$1,000,000 |
| To Be Determined | Various | TBD | \$20,451,300 | \$0 | \$20,451,300 |
| Grant Match Assistance Commitments | Various | | \$4,000,000 | \$0 | \$4,000,000 |

FY 2027

| | Location | Project Description | Estimated Cost | Federal/Other | State |
|--|------------------------|---|----------------|---------------|--------------|
| Passenger Rail Operating | | | | | |
| Amtrak Operating Assistance | Three Amtrak corridors | Provide federally-mandated operating assistance | \$28,600,000 | \$0 | \$28,600,000 |
| Midwest States Equipment | Three Amtrak corridors | Michigan's share of multi-state equipment contract | \$1,400,000 | \$0 | \$1,400,000 |
| Kalamazoo-Dearborn Maintenance | | | | | |
| Kalamazoo-Dearborn Maintenance | Kalamazoo to Dearborn | General maintenance/State of Good Repair activities | \$12,000,000 | \$0 | \$12,000,000 |
| Insurance and Utilities | Kalamazoo to Dearborn | Property insurance and utilities | \$2,000,000 | \$0 | \$2,000,000 |
| Kalamazoo-Dearborn Capital (Track/Bridge/Signal) | | | | | |
| Track/Bridge/Signal Projects | Various Locations | Various Locations | \$15,000,000 | \$0 | \$15,000,000 |
| Freight Lines Capital (Track/Bridge) | | | | | |
| Track/Bridge/Signal Projects | Various Locations | Various Locations | \$10,000,000 | \$0 | \$10,000,000 |
| Freight Economic Development Program (FEDP) and Michigan Rail Enhancement Program (MREP) Grants | | | | | |
| Projects TBD | TBD | | \$20,000,000 | \$0 | \$20,000,000 |
| Miscellaneous | | | | | |
| Grand Rapids Station Track Inspection | Grand Rapids | Provide federally-required inspection services | \$36,400 | \$0 | \$36,400 |
| Consultant Design and Analysis | Various | Design and Analysis for Rail Projects | \$1,000,000 | \$0 | \$1,000,000 |
| To Be Determined | Various | TBD | \$20,451,300 | \$0 | \$20,451,300 |
| Grant Match Assistance Commitments | Various | | \$4,000,000 | \$0 | \$4,000,000 |

FY 2028

| | Location | Project Description | Estimated Cost | Federal/Other | State |
|--|------------------------|---|----------------|---------------|--------------|
| Passenger Rail Operating | | | | | |
| Amtrak Operating Assistance | Three Amtrak corridors | Provide federally-mandated operating assistance | \$28,600,000 | \$0 | \$28,600,000 |
| Midwest States Equipment | Three Amtrak corridors | Michigan's share of multi-state equipment contract | \$1,400,000 | \$0 | \$1,400,000 |
| Kalamazoo-Dearborn Maintenance | | | | | |
| Kalamazoo-Dearborn Maintenance | Kalamazoo to Dearborn | General maintenance/State of Good Repair activities | \$12,000,000 | \$0 | \$12,000,000 |
| Insurance and Utilities | Kalamazoo to Dearborn | Property insurance and utilities | \$2,000,000 | \$0 | \$2,000,000 |
| Kalamazoo-Dearborn Capital (Track/Bridge/Signal) | | | | | |
| Track/Bridge/Signal Projects | Various Locations | Various Locations | \$15,000,000 | \$0 | \$15,000,000 |
| Freight Lines Capital (Track/Bridge) | | | | | |
| Track/Bridge/Signal Projects | Various Locations | Various Locations | \$10,000,000 | \$0 | \$10,000,000 |
| Freight Economic Development Program (FEDP) and Michigan Rail Enhancement Program (MREP) Grants | | | | | |
| Projects TBD | TBD | | \$20,000,000 | \$0 | \$20,000,000 |
| Miscellaneous | | | | | |
| Grand Rapids Station Track Inspection | Grand Rapids | Provide federally-required inspection services | \$36,400 | \$0 | \$36,400 |
| Consultant Design and Analysis | Various | Design and Analysis for Rail Projects | \$1,000,000 | \$0 | \$1,000,000 |
| To Be Determined | Various | TBD | \$20,451,300 | \$0 | \$20,451,300 |
| Grant Match Assistance Commitments | Various | | \$4,000,000 | \$0 | \$4,000,000 |

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| Freight Corridors Operated by: GLC - Great Lakes Central H&E - Huron and Eastern IN - Indiana Northeastern LSRC - Lake State Railway Company |
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