

## **Section 15a(4) Rail Freight Fund Report**

### **Fiscal Year 2024**

This report on the Rail Freight Fund (RFF) is required by MCL 474.65a(4). The Department's authority to deposit funds in the Rail Freight Fund and to provide financial assistance for facilities of rail freight and marine freight transportation is specified in MCL 474.67.

The amount in the fund at the beginning of FY2024 was \$16,206,782.37. Revenues of \$1,828,378.52 and expenditures of \$2,327.28 provides an FY2024 year-end balance of \$18,032,833.61.

Details of loans awarded under the Freight Economic Development Program (FEDP) that were allocated funding from the RFF, and were still open during FY2024, are reflected on the attached chart. There were no changes.

Office of Rail  
Michigan Department of Transportation

**Status of Active Freight Economic Development Program (FEDP) Loans that Received Funding from the Rail Freight Fund**

<b>Company</b>	<b>Contact Number</b>	<b>Fiscal Year</b>	<b>Amount Funded from Rail Freight Fund</b>	<b>Amount Disbursed</b>	<b>Amount Paid Back</b>
West Michigan Railroad Company <sup>1</sup>	2019-0936	2019	\$369,652.50	\$369,652.50	\$0
Kiros Energy <sup>2</sup>	2018-0029	2018	\$85,185.48	\$85,185.48	\$0

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<sup>1</sup> MDOT will monitor West Michigan's performance relative to meeting its contractual shipping commitments and will invoice the railroad, as appropriate, should any annual commitment not be met.

<sup>2</sup> The Rail Freight Fund was used for a portion of the additional costs needed to complete the project with Kiros Energy, initiated in FY2018. The five-year post-construction reporting period has now ended. Kiros met its contractual shipping commitments throughout the reporting period and did not need to repay any monies to MDOT.

## **Rail Infrastructure Loan Program - Report for Fiscal Year 2024**

This report on the rail infrastructure loan program is required under Section 15a (4) of Public Act 295 of 1976, as amended (MCL 474.65a(4)).

The loan program, also known as the Michigan Rail Loan Assistance Program (MiRLAP), helps preserve and improve freight railroad infrastructure by making interest free loans to railroads, local governments, economic development corporations, and current or potential users of freight railroad services for qualifying projects. Money received as repayment for loans made under this program, together with interest earned and any penalties assessed and received for failure to repay loans on time are credited to the fund to be allocated for the purposes of the program. Through this revolving fund, loans can continue to be made for rail infrastructure improvements in perpetuity.

The program has made \$26 million in loans since its inception. In all, forty-eight loans have been awarded to twenty-eight separate applicants throughout the state.

### **Rail Infrastructure Loan Fund**

At the beginning of fiscal year (FY) 2024, the balance of the Rail Infrastructure Loan Fund was \$8,399,977.95. Interest earnings of \$139,770.71 increased the fund balance to \$8,539,748.66.

### **Status of Projects**

Information on all currently outstanding loans funded under the program as of the end of FY2024 is provided on the attached chart entitled "Status of Rail Infrastructure Loan Agreements".

No new loans were awarded, and eight existing loans were paid in full during FY2024.

### **Loans Outstanding**

At the beginning of FY2024, outstanding loans amounted to \$5,464,203.19. Loan repayments of \$5,443,264.55 and new loan disbursements of \$159,061.36 during FY2024 resulted in an outstanding loan balance of \$180,000.00 at year-end.

### **Amount Available for New Loans**

At fiscal year-end 2024, the Rail Infrastructure Loan Fund had a balance of \$8,539,748.66. The fund has outstanding loans of \$180,000.00 and no unexpended obligations, leaving a balance of \$8,359,748.66 available for disbursement.

## Status of Active Rail Infrastructure Loan Agreements as of September 30, 2024

Company	Contract Number	Fiscal Year	Loan Amount	Amount Disbursed	Amount Repaid	Amount Outstanding
Huron & Eastern Railway <sup>3</sup>	2017-0310	2017	\$887,109.64	\$887,109.64	\$887,109.64	\$0
Indiana Northeastern Railway <sup>3</sup>	2018-0385	2018	\$995,952.07	\$995,952.07	\$995,952.07	\$0
Lake State Railway <sup>3</sup>	2018-0386	2018	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$0
Huron & Eastern Railway <sup>3</sup>	2018-0480	2018	\$879,355.20	\$879,355.20	\$879,355.20	\$0
Coopersville & Marne Railway	2018-0265	2018	\$300,000.00	\$300,000.00	\$120,000.00	\$180,000.00
Lake State Railway <sup>3</sup>	2020-0290	2020	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$0
Huron & Eastern Railway <sup>3</sup>	2020-0508	2020	\$946,827.29	\$946,827.29	\$946,827.29	\$0
Great Lakes Central Railway <sup>3</sup>	2021-0192	2021	\$943,740.25	\$943,740.25	\$943,740.25	\$0
Huron & Eastern Railway <sup>3</sup>	2021-0193	2021	\$643,786.27	\$643,786.27	\$643,786.27	\$0
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>\$7,596,770.72</b>	<b>\$7,596,770.72</b>	<b>\$7,416,770.72</b>	<b>\$180,000.00</b>

<sup>3</sup> Project on state-owned rail line.