

Michigan Department of Transportation
Rail Operations and Infrastructure Obligations
2025 PA 22, Section 704

February 25, 2026

Sec. 704.

From the funds appropriated in part 1, the department shall prepare and transmit a report that provides detail regarding the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure. The report shall include a breakdown of the appropriation by program, year-to-date 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. The reports shall also include a listing of all active federal grants. The initial report shall be submitted to the standard report recipients on or before March 1. The department also shall update and resubmit a final report on or before September 30.

The Michigan Department of Transportation's (MDOT) Office of Rail is pleased to present its initial Section 704 Operations and Infrastructure obligations report for FY2026. The Rail Operations and Infrastructure line item in MDOT's FY2025-2026 appropriation bill 2025 PA 22, funds several individual program 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 \$109,588,500 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 dollars are expected to be available for expenditure, so this report reflects the CTF, federal, private, and Rail Freight Fund allocations.

A small amount of the FY2026 CTF appropriation has already been obligated. Remaining capital projects are expected to be firmed up over the next several months. For development projects, the Freight Economic Development Program awards funding to companies for projects as applications are received, reviewed, and approved. The Michigan Rail Enhancement Grant Program provides funding to projects selected through a once-a year competitive process and approved upon review of eligible applications.

The Office of Rail has been successful in securing several federal grants under the State of Good Repair Federal-State Partnership (SOGP) 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. Active rail related federal grants include:

- 2018 SOGR Grant – Kalamazoo – Dearborn State of Good Repair
- 2019 CRISI Grant – Battle Creek Connection Project
- 2019 SOGR Grant – Kalamazoo – Dearborn Track and Signal Infrastructure Reliability Improvement Projects
- 2020 CRISI Grant – Trespass Prevention and Pedestrian Safety Enhancements on the Michigan Line
- 2020 SOGR Grant – Ypsilanti – Jackson Curve Modification Project
- 2021 CRISI Grant – Great Lakes Central Rail Improvements
- 2021 SOGR Grant – Michigan Accelerated Rail Bridge Reconstruction Project
- 2022 CRISI Grant – Manistee River Bridge Replacement Project
- 2023-24 CRISI Grant – Livernois Intermodal Yard Enhancement Project
- Corridor Identification Grant – Chicago to Port Huron Corridor
- Corridor Identification Grant – Chicago to Grand Rapids Corridor
- Corridor Identification Grant – Wolverine Corridor

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

Fiscal Year 2026 Rail Operations and Infrastructure Obligations

Rail Program	Project Description	Obligations as of 2/27/2026	Planned FY26 Obligations
Passenger Operating	Provide federally mandated operating assistance and equipment maintenance	\$27,235,961	\$0
Passenger Operating	Michigan's share of multi-state equipment contract	\$1,452,085	\$0
Michigan Line Maintenance	Stated Owned Track Maintenance	\$0	\$12,000,000
Michigan Line Maintenance	Rail Utilities	\$603,000	\$0
Michigan Line Infrastructure	Signal Mechanism Upgrades on Michigan Line	\$0	\$1,100,000
Michigan Line Infrastructure	Install Bridge Handrailing on Six Structures on Michigan Line	\$0	\$500,000
Michigan Line Infrastructure	Procure Turnouts for Michigan Line - Additional Funding	\$0	\$1,220,972
Michigan Line Infrastructure	Utility Relocations on Michigan Line – Additional Funding (2019 SOGR Grant)	\$85,336	\$0
Michigan Line Infrastructure	Consultant Grant Management and Construction Engineering for Curve Modification Project (2020 SOGR Grant)	\$523,182	\$0
Michigan Line Infrastructure	Install Rail Train on Michigan Line (2020 SOGR Grant)	\$0	\$7,000,000
Michigan Line Infrastructure	TBD - Track/Bridge/Signal Projects	\$0	\$4,383,571
Freight Line Infrastructure	Hinman Yard Building Repairs	\$9,661	\$0
Freight Line Infrastructure	Consultant Design & Environmental Services for Rehab of Four Bridges in Ann Arbor District	\$1,486,175	\$0
Freight Line Infrastructure	Consultant Hydraulic & Design Services for Chilson & Eagle Creek Bridges - Additional Funding	\$20,590	\$0
Freight Line Infrastructure	Consultant Design for Bearing Replacement - Additional Funding	\$76,019	\$0
Freight Line Infrastructure	Consultant Construction Engineering for Multiple Freight Properties	\$0	\$564,000
Freight Line Infrastructure	GLC - Construction Tasks Related to Clam River Bridge Replacement	\$0	\$1,550,000
Freight Line Infrastructure	GLC – Independent Cost Estimate for Muskegon River Bridge Replacement	\$0	\$500,000
Freight Line Infrastructure	GLC - Construction Tasks Related to Salt River Bridge Replacement	\$0	\$520,015
Freight Line Infrastructure	GLC - Consultant Design for Culvert and Bridge Replacements	\$0	\$1,500,000
Freight Line Infrastructure	IN - Construction of Five Bridges	\$0	\$831,000
Freight Line Infrastructure	IN - Consultant Design and Soil Boring Support for Hallett Street Bridge Reconstruction	\$0	\$116,086
Freight Line Infrastructure	LSRC - Consultant Design Support for Pine River Bridge	\$0	\$400,000
Freight Line Infrastructure	GLC - Grant Match (2021 CRISI Grant) - Private	\$0	\$3,700,000
Freight Line Infrastructure	GLC - Manistee River Bridge Replacement Project (2022 CRISI Grant)	\$79,195	\$0

Rail Program	Project Description	Obligations as of 2/27/2026	Planned FY26 Obligations
Freight Line Infrastructure	Consultant Grant Management - Livernois Intermodal Yard Project (2023 CRISI Grant)	\$202,479	\$0
Freight Line Infrastructure	TBD - Track/Bridge/Signal Projects	\$0	\$2,345,163
Economic Development and Freight System Preservation	FEDP - Cooperative Elevator Co. - Rail Spur at Elevator Processing Plant	\$0	\$108,190
Economic Development and Freight System Preservation	FEDP - Quality Roasting - Two Spur Tracks & Unloading Equipment	\$0	\$698,115
Economic Development and Freight System Preservation	FEDP - Cooperative Elevator Co. - Install Rail Loading Equipment	\$0	\$408,131
Economic Development and Freight System Preservation	MREP - Marquette Rail, LLC - Manistee Bridge Modernization Project	\$0	\$3,558,882
Economic Development and Freight System Preservation	MREP - Lake State Railway Company - Dean Subdivision Improvements	\$0	\$1,732,924
Economic Development and Freight System Preservation	MREP - Lake State Railway Company - Blue Water Subdivision Improvements	\$0	\$669,608
Economic Development and Freight System Preservation	MREP - Lake State Railway Company - Mt. Morris to Birch Run Pole Line Elimination	\$0	\$340,824
Economic Development and Freight System Preservation	MREP - Lake State Railway Company - Kearsley Reconfiguration	\$0	\$1,893,654
Economic Development and Freight System Preservation	MREP - Great Lakes Central Railroad, Inc. - Middleton Tie & Surface	\$0	\$2,214,700
Economic Development and Freight System Preservation	MREP - Michigan Southern Railroad Company - MSO/Michigan Safe Crossings Initiative	\$0	\$670,927
Economic Development and Freight System Preservation	MREP - Great Lakes Central Railroad, Inc. - Owosso Tie & Surface	\$0	\$1,186,532
Economic Development and Freight System Preservation	MREP - Coopersville & Marne Railway - Deer Creek Bridge	\$0	\$302,000
Economic Development and Freight System Preservation	MREP - Ann Arbor Railroad, Inc. - Ann Arbor Sub Tie & Surface	\$0	\$1,594,213
Economic Development and Freight System Preservation	MREP - Huron & Eastern Railway Company, Inc. - Locomotive Emissions Reduction Project	\$0	\$1,061,492
Miscellaneous	Provide federally required inspection services at Grand Rapids Station	\$38,500	\$0
Miscellaneous	Consultant Design and Analysis for Rail Projects	\$574,145	\$1,425,855
Miscellaneous	MDOT Staff Support for Rail Projects	\$105,000	\$0
Miscellaneous	Amtrak - Niles/Glenwood 2023/24 CRISI Match PE/NEPA	\$1,000,000	\$0
Miscellaneous	Michigan Technological University & National University Rail Center of Excellence - FRA Research and Education Grant Match	\$200,000	\$0
Miscellaneous	Grant Match Assistance Commitments	\$0	\$2,300,000
Miscellaneous	Corridor ID Federal Grants - Step 2 - Three Amtrak Services	\$0	\$15,060,000
Miscellaneous	Corridor ID Program - Step 2 - Study New Proposed Route Grand Rapids to Detroit	\$0	\$41,000
To Be Determined	To Be Determined	\$0	\$13,343,411

Fiscal Year 2026 Rail Operations and Infrastructure Obligations by Funding Source

Funding Source	Obligations as of 2/27/2026	Planned FY26 Obligations
Comprehensive Transportation Fund (CTF)	\$34,429,807	\$75,158,693
Federal Grant Match	\$472,957	\$13,554,000
Private Funding	\$0	\$3,700,000
Rail Freight Fund	\$3,000	\$0

Freight Corridors Operated by:

GLC – Great Lakes Central

H&E – Huron and Eastern

IN – Indiana Northeastern

LSRC – Lake State Railway Company