



Minnesota Rail Service Improvement Program

Funding Solicitation for the Fall 2023 Freight Rail Service Improvement Grants Supporting Economic Development

This packet contains:

- MRSI Program Description
- Application Instructions

The MRSI Program Application Form is a separate document.

Minnesota Rail Service Improvement Program Description

Background and Program Purpose

The Minnesota Department of Transportation (MnDOT) is soliciting applications for the Minnesota Rail Service Improvement (MRSI) Grants Program. The MRSI Program provides state funding assistance for the purpose of improving freight rail service in the state. The MRSI Program provides grants and loans for freight rail service improvement projects that support economic development in accordance with [Minnesota Statutes §222.50](#), Subdivision 6. A total of \$9,600,000 is available for the current solicitation. **The application deadline is 5pm on December 15th, 2023.**

Goals

The goal of this program is to provide assistance for improvements of rail service with anticipated economic and social benefits in the state of Minnesota.

Who Can Apply?

Eligible applicants include railroads, rail users and political subdivisions of Minnesota and the federal government that seek to complete a major improvement or rehabilitation of railroad rights-of-way or other railroad facilities. Multi-organization collaboration is welcome for this grant program.

Note: This document is available in alternative formats for persons with disabilities and in alternate languages for persons with limited English proficiency by e-mailing adarequest.dot@state.mn.us, by calling 1-651-366-3693, or for persons who are hearing, or speech impaired by calling the Minnesota Relay Service at 1-800-627-3529.

Eligible Projects

To be eligible for a grant or loan under the MRSI Program, a project must be for a major rail service improvement that supports economic development. The source of funding for this solicitation is state bond funds. Therefore, grant funds can only be used for direct railroad-related “fixed assets” on railroad right-of-way or at railroad facilities. Fixed assets are items that cannot easily be moved from one site to another. Examples of eligible projects include:

- Railroad tracks and turnouts (track rehabilitation, new track construction for short lengths, track extensions, etc.)
- Railroad bridge construction or rehabilitation (286,000-pound upgrades or replacement of bridges that have reached the end of their useful life)
- Fixed railroad loading and unloading facilities which are used primarily for the shipment of

goods by rail

- Railroad components of intermodal facilities (i.e. railroad tracks, turnouts and any fixed assets that facilitate the direct loading and unloading of railcars)

Ineligible activities under the current solicitation include:

- General maintenance
- Railroad locomotives, rolling stock, vehicles and other mobile equipment
- Utility hookup
- Incomplete or phased projects that are not fully funded through the construction phase
- Engineering, design and right-of-way acquisition costs

Grant-funded improvements must have a useful life of at least 10 years. MRSI Program funds cannot be used for regular or recurring maintenance activities. For example, grant funds can be used for a major rehabilitation of a rail line that upgrades the track from FRA Class I to FRA Class II standards but cannot be used for a railroad's regular tie replacement program. Preference will be given to projects that can begin rail facility construction before the end of **2025**.

Funding

The MRSI Program does not have any minimum or maximum funding requirements. However, \$9,600,000 of general obligation bonds from the 2023 legislative session is currently available to the MRSI Grant Program, so funding requests should not exceed this amount. MnDOT may provide additional funding for projects as it is available at its discretion.

Applicants are not required to provide a funding match. However, applicants are encouraged to pursue funding from a variety of sources. This application requests information on non-MRSI funding sources and MnDOT considers this information in the application scoring.

This notice does not obligate MnDOT to award a grant or complete any project, and MnDOT reserves the right to cancel the solicitation if it is considered to be in the State's best interest. MnDOT may choose to grant only a portion of the funds requested.

If other sources of funding such as general funds become available to the MRSI Program in the future, MnDOT may expand the list of eligible projects to include items such as rolling stock in future project solicitations.

Reporting Requirements

The MRSI Program has a minimum monthly progress report as part of the grant requirement. Grantee will submit written progress reports at the same time as the submission of the invoices. The progress reports form will be included in the executed grant agreement.

Minnesota Contracting Law

- Municipal contracting must follow the [471.345 Uniform Municipal Contracting Laws, Subd. 3](#).
- Private contracting must follow MnDOT guidelines, please contact MRSI Program Manager for further guidance.

Fall 2023 Grant Solicitation Timeline

The schedule for selecting projects for grants under the MRSI Grant Program is as follows (subject to change):

- **September 29th, 2023:** Solicitation announcement
- **November 15th, 2023:** Solicitation informational meeting
- **December 15th, 2023:** Deadline to submit complete applications to MnDOT by 5pm
- **April 2024:** Anticipated project selection and notification of awards

MnDOT will not consider incomplete applications or applications received after the application deadline.

Please note, project proponents can submit applications for loans under the MRSI Loan Program at any time.

Project Selection

Project selection for the MRSI Grant Program follows a two-step process. During the first step, applications are evaluated for completeness and to determine whether the applicant entity, project type, budget and anticipated completion date meet eligibility requirements for funding under the MRSI Grant Program. As needed, MnDOT may contact applicants during this step to address any questions about an application. Complete applications that meet the program eligibility will move onto the second step.

During the second step of the selection process, a project selection committee will review and score eligible applications based on the information provided in the applications (see below). The selection committee consists of five-six individuals, both internal and external to MnDOT with a mixture of rail

and non-rail knowledge. Once the selection committee scores all eligible applications, the committee will make recommendations for projects to fund with the available grant funds. MnDOT may choose to grant only a portion of the funds requested. Successful applicants will be notified of the next steps in the grant process. MnDOT staff will be able to provide feedback to applicants on their applications upon request after selections are made.

Project Scoring

The selection committee will assign quantitative and qualitative scores to all eligible applications. Projects are scored in seven (7) categories using a 130-point scale (total maximum number of points). The number of points assigned to each category is as follows:

Category	Points
<p>Project Summary</p> <p>Applications are evaluated based on the overall clearly defined scope of the proposed project, how it will be accomplished, including but not limited with preliminary supporting data where appropriate, proposed plans, and pre-design phase. Points are awarded based on the overall scope and benefit to Minnesota and the community, as well as compatibility with local planning and zoning requirements.</p>	15
<p>Rail Service Impacts</p> <p>Applications are evaluated for their impacts on rail service and the overall transportation system. Points are awarded based on the alignment of a project with state rail planning goals, preservation of rail service, rail safety, carloads generated or preserved, and truck ton miles eliminated and/or avoided.</p>	30
<p>Economic Impacts</p> <p>Applications are evaluated for their return on investment based on the economic impacts of the proposed project. Points are awarded based on the jobs created and retained and associated payrolls, shipping costs and cost savings, and additional economic benefits.</p>	30

<p>Equity</p> <p>Applications are evaluated for their impact on areas of environmental justice concern. Points are awarded for projects located in areas of environmental justice concern, as defined, and identified by the Minnesota Pollution Control Agency. More information on environmental justice and areas of concern is available on the Minnesota Pollution Control Agency environmental justice webpage. For information on environmental justice at MnDOT, please visit the MnDOT environmental justice webpage.</p>	15
<p>Environmental Impacts</p> <p>Applications are evaluated for their impact on the environment. Points are awarded based on the potential environmental impacts of a project. Points are also awarded based on the cost effectiveness of a project’s greenhouse gas emission reductions or avoidance.</p>	15
<p>Project Readiness</p> <p>Applications are assessed for potential risks to the deliverability of the project within the timeframe of the MRSI program. Points are awarded based on the status of the project design, environmental review, planning and zoning reviews, ownership and lease agreements, and status of project financing.</p>	5
<p>Project Funding</p> <p>The overall funding packages of applications are evaluated for the leverage of the MRSI funding and return on investment. Points are awarded based on the amount of MRSI funding requested, the percentage of MRSI funding requested relative to the total rail improvement cost, and the percent of MRSI funding requested relative to the total project cost (including other project costs). Projects with higher percentages of non-MRSI funding will receive more points.</p>	20

How to Get More Information

Please direct any questions regarding this solicitation to:

- Megan Neeck at MnDOT Office of Freight and Commercial Vehicle Operations, megan.neeck@state.mn.us, 612-358-3379.

MnDOT will hold an informational meeting near the start of the application period via Microsoft Teams. During the meeting MnDOT will provide a brief overview of the program and application process. The meeting will also include a question-and-answer session where applicants can ask questions and get additional guidance to help them with their applications.

How to Join the Informational Meeting

Date: November 15th, 2023

Time: 1:00-2:00pm

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 268 455 296 296

Passcode: DfCujt

[Download Teams](#) | [Join on the web](#)

Join with a video conferencing device

mn@m.webex.com

Video Conference ID: 119 643 927 3

[Alternate VTC instructions](#)

Or call in (audio only)

[+1 651-395-7448, 816671045#](tel:+16513957448) United States, St. Paul

Phone Conference ID: 816 671 045#

[Find a local number](#) | [Reset PIN](#)



[Learn More](#) | [Meeting options](#)

General Information

Responders must adhere to all terms of this RFP. All costs incurred in responding to this RFP will be borne by the responder.

Proposal Certifications

By submitting a project proposal, responders warrant that the information provided is true, correct and reliable for purposes of evaluation for potential Contract award. The submission of inaccurate or misleading information may be grounds for disqualification from Contract award and may subject the responder to suspension or debarment proceedings, as well as other remedies available to MnDOT, by law.

Public Data

Per [Minn. Stat. § 13.599](#)

- Names and addresses of grant applicants will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by MnDOT as part of the evaluation process (except trade secret data as defined and classified in [§ 13.37](#)) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).

Affidavit of Noncollusion

Responders must complete the attached “Affidavit of Noncollusion” and upload the form to the MRSI Application as part of the proposal.

Conflicts of Interest

Responders must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this RFP. This list should indicate the name of the entity, the relationship, and a discussion of the conflict. Responders must complete the attached “Conflict of Interest Checklist and Disclosure Form” and upload the form to the MRSI Application as part of the proposal.

PDF versions of the documents can be found on the MRSI website:

[Grant - Minnesota Rail Service Improvement Program - MnDOT \(state.mn.us\)](#)

Organizational Conflicts of Interest

The responder warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances, which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of

relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice to MnDOT, or the successful responder's objectivity in performing the Contract work is or might be otherwise impaired, or the successful responder has an unfair competitive advantage. The responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to MnDOT, which must include a description of the action, which the successful responder has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, MnDOT may, at its discretion, cancel the Contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the Contract and did not disclose the conflict to MnDOT, MnDOT may terminate the Contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor, and the terms "contract," "contractor," and "contracting officer" modified appropriately to preserve MnDOT's rights.

Financial Review Process

All Non-Governmental Organizations (NGO's) applying for grants in the state of Minnesota must undergo a financial review prior to a grant execution made of \$25,000 and higher. In order to comply with [Policy on the Financial Review of Nongovernmental Organizations](#).

All selected applicants will be asked to submit the following documents as part of the pre-agreement request:

- For-profit businesses should submit the most recent federal and state tax returns, current financial statements, certification that the business is not under bankruptcy proceedings, and disclosure of any liens on its assets. If a business has not been in business long enough to have a tax return, the grantee must demonstrate to the agency's satisfaction that they have appropriate internal financial controls.
- Nonprofit businesses should submit the most recent Form 990/990EZ filed with the IRS. If the potential grantee has not been in existence long enough or is not required to file Form 990/990EZ, the potential grantee must demonstrate to the agency's satisfaction that they are exempt and must instead submit their most recent board-reviewed financial statements and documentation of internal controls or, if there is no such board, by the applicant's managing group.
- All selected applicants should provide evidence of good standing with the Secretary of State.
- If the selected applicant is required to complete an audit, the selected applicant should submit the most recent audit report performed by an independent third party in accordance with GAAP.
- Certification, provided by the selected applicant, that none of its current principals have been convicted of a felony financial crime in the last 10 years. A principal is defined as a public official, a board member, or staff with the authority to access funds provided by the agency and determine how those funds are used

Title VI Notice

MnDOT, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) other nondiscrimination requirements and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement will be awarded without discrimination on the grounds of race, color, national origin, sex, age, disability, income-level, or LEP.

Sample Contract

You should be aware of MnDOT's standard Grant Contract terms and conditions in preparing your response. A sample State of Minnesota Grant Contract is available at https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=12209981 for your reference. Much of the language reflected in the Contract is required by statute. If you take exception to any of the terms, conditions or language in the Contract, you must indicate those exceptions in your response to this RFP; certain exceptions may result in your response being disqualified from further review and evaluation. Only those exceptions indicated in your response to this RFP will be available for discussion or negotiation.

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STATE OF MINNESOTA

AFFIDAVIT OF NONCOLLUSION

I swear (or affirm) under the penalty of perjury:

1. That I am the Responder (if the Responder is an individual), a partner in the company (if the Responder is a partnership), or an officer or employee of the responding corporation having authority to sign on its behalf (if the Responder is a corporation);
2. That the attached proposal submitted in response to the _____ Request for Proposals has been arrived at by the Responder independently and has been submitted without collusion with and without any agreement, understanding or planned common course of action with, any other Responder of materials, supplies, equipment or services described in the Request for Proposal, designed to limit fair and open competition;
3. That the contents of the proposal have not been communicated by the Responder or its employees or agents to any person not an employee or agent of the Responder and will not be communicated to any such persons prior to the official opening of the proposals; and
4. That I am fully informed regarding the accuracy of the statements made in this affidavit.

Responders' Firm Name: _____

Authorized Signature: _____

Print Name: _____

Title: _____

Date: _____

Subscribed and sworn to me this _____ day of _____
(day) (Month Year)

Notary Public _____

My commission expires: _____

CONFLICT OF INTEREST CHECKLIST AND DISCLOSURE FORM

Purpose of this Checklist This checklist is provided to assist responders in screening for potential organizational conflicts of interest. The checklist is for the internal use of responders and does not need to be submitted to MnDOT, however, the Disclosure of Potential Conflict of Interest form should be submitted in a separate envelope along with your proposal.

Definition of “Responder” As used herein, the word “Responder” includes both the potential Grantee and any sub grantees.

Checklist is Not Exclusive Please note that this checklist serves as a guide only, and that there may be additional potential conflict situations not covered by this checklist. If a responder determines a potential conflict of interest exists that is not covered by this checklist, that potential conflict must still be disclosed.

Use of the Disclosure Form A responder must complete the attached disclosure form and submit it with their Proposal (or separately as directed by MnDOT for projects not awarded through a competitive solicitation). If a responder determines a potential conflict of interest exists, it must disclose the potential conflict to MnDOT; however, such a disclosure will not necessarily disqualify a responder from being awarded a Contract. To avoid any unfair “taint” of the selection process, the disclosure form should be provided separate from the bound proposal, and it will not be provided to selection committee members. MnDOT’s Contract Management personnel will review the disclosure and the appropriateness of the proposed mitigation measures to determine if the responder may be awarded the Contract notwithstanding the potential conflict. MnDOT’s Contract Management personnel may consult with MnDOT’s Project Manager and Department of Administration personnel. By statute, resolution of conflict-of-interest issues is ultimately at the sole discretion of the Commissioner of Administration.

Material Representation The responder is required to submit the attached disclosure form either declaring, to the best of its knowledge and belief, either that no potential conflict exists, or identifying potential conflicts and proposing remedial measures to ameliorate such conflict. The responder must also update conflict information if such information changes after the submission of the proposal. Information provided on the form will constitute a material representation as to the award of this Contract. MnDOT reserves the right to cancel or amend the resulting Contract if the successful responder failed to disclose a potential conflict, which it knew or should have known about, or if the responder provided information on the disclosure form that is materially false or misleading.

Approach to Reviewing Potential Conflicts MnDOT recognizes that responder’s must maintain business relations with other public and private sector entities in order to continue as viable businesses. MnDOT will take this reality into account as it evaluates the appropriateness of proposed measures to mitigate potential conflicts. It is not MnDOT’s intent to disqualify responders based merely on the existence of a

business relationship with another entity, but rather only when such relationship causes a conflict that potentially impairs the responder's ability to provide objective advice to MnDOT. MnDOT would seek to disqualify responders only in those cases where a potential conflict cannot be adequately mitigated. Nevertheless, MnDOT must follow statutory guidance on Organizational Conflicts of Interest.

Statutory Guidance Minnesota Statutes §16C.02, Subdivision 10 (a) places limits on state agencies ability to Contract with entities having an "Organizational Conflict of Interest". For purposes of this checklist and disclosure requirement, the term "Vendor" includes "Responder" as defined above. Pursuant to such statute, "Organizational Conflict of Interest" means that because of existing or planned activities or because of relationships with other persons: (1) the vendor is unable or potentially unable to render impartial assistance or advice to the state; (2) the vendor's objectivity in performing the contract work is or might otherwise be impaired; or (3) the vendor has an unfair advantage.

Additional Guidance for Professionals Licensed by the Minnesota Board of Engineering The Minnesota Board of Engineering has established conflict of interest rules applicable to those professionals licensed by the Board (see Minnesota Rules Part 1805.0300) Subpart 1 of the rule provides "A licensee shall avoid accepting a commission where duty to the client or the public would conflict with the personal interest of the licensee or the interest of another client. Prior to accepting such employment the licensee shall disclose to a prospective client such facts as may give rise to a conflict of interest".

An organizational conflict of interest may exist in any of the following cases:

- The responder, or its principals, own real property in a location where there may be a positive or adverse impact on the value of such property based on the recommendations, designs, appraisals, or other deliverables required by this Contract.
- The responder is providing services to another governmental or private entity and the responder knows or has reason to believe, that entity's interests are, or may be, adverse to the state's interests with respect to the specific project covered by this contract. **Comment:** the mere existence of a business relationship with another entity would not ordinarily need to be disclosed. Rather, this focuses on the nature of services commissioned by the other entity. For example, it would not be appropriate to propose on a MnDOT project if a local government has also retained the responder for the purpose of persuading MnDOT to stop or alter the project plans.
- The Contract is for right-of-way acquisition services or related services (e.g. geotechnical exploration) and the responder has an existing business relationship with a governmental or private entity that owns property to be acquired pursuant to the Contract.
- The responder is providing real estate or design services to a private entity, including but not limited to developers, whom the responder knows or has good reason to believe, own or are planning to purchase property affected by the project covered by this Contract, when the value or potential uses of such property may be affected by the responder's performance of work pursuant to this Contract. "Property affected by the project" includes property that is in, adjacent to, or in reasonable proximity to current or potential right-of-way for the project. The value or potential uses

of the private entity's property may be affected by the responder's work pursuant to the Contract when such work involves providing recommendations for right-of-way acquisition, access control, and the design or location of frontage roads and interchanges. **Comment:** this provision does not presume responders know or have a duty to inquire as to all of the business objectives of their clients. Rather, it seeks the disclosure of information regarding cases where the responder has reason to believe that its performance of work under this Contract may materially affect the value or viability of a project it is performing for the other entity.

- The responder has a business arrangement with a current MnDOT employee or immediate family member of such employee, including promised future employment of such person, or a subcontracting arrangement with such person, when such arrangement is contingent on the responder being awarded this Contract. This item does not apply to pre-existing employment of current or former MnDOT employees, or their immediate family members. **Comment:** this provision is not intended to super cede any MnDOT policies applicable to its own employees accepting outside employment. This provision is intended to focus on identifying situations where promises of employment have been made contingent on the outcome of this particular procurement. It is intended to avoid a situation where a responder may have unfair access to "inside" information.
- The responder has, in previous work for the state, been given access to "data" relevant to this procurement or this project that is classified as "private" or "nonpublic" under the Minnesota Government Data Practices Act, and such data potentially provides the responder with an unfair advantage in preparing a proposal for this project. **Comment:** this provision will not, for example, necessarily disqualify a responder who performed some preliminary work from obtaining a final design Contract, especially when the results of such previous work are public data available to all other responders. Rather, it attempts to avoid an "unfair advantage" when such information cannot be provided to other potential responders. Definitions of "government data", "public data", "non-public data" and "private data" can be found in Minnesota Statutes Chapter 13.
- The responder has, in previous work for the state, helped create the "ground rules" for this solicitation by performing work such as: writing this solicitation, or preparing evaluation criteria or evaluation guides for this solicitation.
- The responder, or any of its principals, because of any current or planned business arrangement, investment interest, or ownership interest in any other business, may be unable to provide objective advice to the state.

DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST

Having had the opportunity to review the Organizational Conflict of Interest Checklist, the responder hereby indicates that it has, to the best of its knowledge and belief:

_____ Determined that no potential organizational conflict of interest exists

_____ Determined a potential organizational conflict of interest as follows:

Describe nature of potential conflict:

Describe measures proposed to mitigate the potential conflict:

Signature

Date

If a potential conflict has been identified, please provide name and phone number for a contact person authorized to discuss this disclosure form with MnDOT Contract personnel.

Name

Phone:

MRSI Grant Application Instructions

To apply for MRSI Grant Program funding, applicants must complete an application form via Formstack, and all other required attachments by **5 p.m. Central Time on December 15th, 2023**. The information requested is intended to provide program evaluators with sufficient information to determine project eligibility, effectively score and rank projects, and to determine the program funding amount to be awarded.

How to Submit an Application

MRSI Grant Program applications must be submitted electronically using the online application form. Please click the link below to access the application form via Formstack.

https://mndotforms.formstack.com/forms/mrsi_fall_2023_solicitation

Complete the online application form for each proposed project. All required attachments (see list below) must be submitted to MnDOT by **5 p.m. Central Time on December 15th, 2023**.

Please note, all required attachments must be uploaded to the online application form in the designated upload box.

This application is designed for railroad and economic development professionals to complete with their own resources. As a general guideline, if applicants feel there is not enough space in a specific question, the applicant can upload a separate narrative document at the bottom of the application form in the designated upload box. Please label the separate narrative document with the application question number to help with reviewing the application.

Required Attachments

In addition to the application form, the following must be included with the online application form:

- A plat map showing the parcel(s) where the project will be located.
- A detailed map, site plan, sketch or other depiction of the project site and its surrounding area, including all transportation access facilities and rail-highway grade crossings within or near the general vicinity of the site.
- Construction plans or sounding reports to the extent they have been developed.
- If the application is for a shipping facility, a letter of support from the railroad(s) that will serve it. This letter should document the railroad's commitment to serve the site as proposed.
- If an environmental review is required and is completed, a copy of the final environmental document signed by the appropriate federal and/or state agency.

- Letters of funding commitment from any “secured” funding sources for the project as listed in the Project Funding table on this application (Question 27).
- Detailed schedule and budget listing the estimated cost and anticipated start and completion date for each major aspect of the project. Project budget should be based on either an engineer’s estimate or actual construction bids

Applications that do not include all of the required attachments will be deemed incomplete and will not be eligible for this round of MRSI Grant Program funding.

Notice

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Public Data

Pursuant to [Minn. Stat. §13.599](#):

- Names and addresses of grant applicants, and amount requested will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by the Department as part of the evaluation process (except trade secret data as defined and classified in [§13.37](#)) will be public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).

Instructions for Application Questions

Cover Sheet: Project Location:

Enter the physical address of the project. If the project is along a railroad line that does not have a physical address, please identify the county, and describe the location, such as its proximity to the nearest town or highway. Township-Range-Section-Quarter can also be used to identify the location in rural areas. In cities, please reference the nearest street or intersection, such as “the 1000-block of Main Street” or “northeast of the intersection of Main Street and First Avenue.”

If the project extends across multiple counties, please list all counties.

Cover Sheet: Project Cost Calculation

This application asks about four different costs, which are defined as follows:

- **Total Project Cost:** Sum of Rail Service Improvement Cost and *Other Project Costs*.
 - *Other Project Costs:* The total cost of other improvements at the site that are not considered rail service improvements as described on Page 1 but are still necessary for the project.
- **Rail Service Improvement Cost:** The total cost of the major rail service improvement that is eligible for grant funding as described on Page 1.
- **MRSI Grant Funds Requested:** The total cost of the rail service improvement project requested from the MRSI Program.

Please note: The costs entered on the cover sheet **should match** the costs entered for Question 27.

Question 4 & 5: Permits & Zoning

Identify the types of any federal, state, and/or local permits and zoning codes, along with approvals needed to construct the project. Examples include, but are not limited to:

- Local permits (city and/or county): zoning (e.g. conditional use permits, variances, etc.), building permits, stormwater management plan, etc.
- State: environmental review, groundwater, wetland, pollution control, etc.
- Federal: Section 404 permit (Corps of Engineers), environmental review, leases, etc.

Also describe the status of each permit or zoning codes, such as obtained, not started, or in process. If in process, describe the stage of the application, such as application submitted, in public hearing process, etc. If you are in the process of determining the needed permits and approvals, indicate that you are in

the process of determining the required permits and approvals, and describe those you have identified and those you are still in the process of determining. If you do not know the types of permits that are needed for the project, indicate the required permits and approvals is unknown and the identification process has not started.

The response to this question should be consistent with your responses to Questions 18, 18a, 19, 19a, and 19c (environmental).

Question 7: Useful Life

Identify the useful life of the improvements that would be funded by the MRSI Grant. All grant-funded improvements must have a minimum useful life of 10 years. If you are not sure of the useful life, please consult with the project designer and/or a tax advisor. For additional information, see [Internal Revenue Service Publication 946: How to Depreciate Property](#).

Question 10: Annual Carloads

Provide the total annual rail carloads handled by this facility in years 2020, 2021 and 2022 if available, and the total annual carloads projected to be handled by the facility after five years of the project being placed into operation. If this will be a new rail facility with no prior rail traffic, enter zero for all the years and check the “new fixed asset” box in question number 1.

When determining the number of annual carloads, please be aware that carrying capacity of railcars varies based on the type of car, its dimensions and weight. Capacities can range from 60 tons up to 130 tons, but typically are 70 to 110 tons range (see Table 1 below). However, while a car may be able to carry 100 or more tons, the weight capacity of a rail line can sometimes be a limiting factor. Most Class I mainlines, and some short lines, in Minnesota can accommodate railcars with a gross vehicle weight (GVW) 286,000 pounds (143 tons), which is the combined weight of the railcar and its cargo. However, some short line, secondary lines, branches, and sidings may have a lower capacity, ranging from 220,000 pounds (110 tons) GVW to 272,000 pounds (131 tons) GVW. *To determine the number of carloads, please consult with the host railroad and railcar provider (if different) to determine the type and number of cars needed factoring in both the capacity of the railcar and rail line. (See **Total Annual Carloads in application**)*

Table 1. Typical Carrying Capacities of Railcars by Type

Railcar Type	Typical Capacity ¹	Notes
Boxcar, Standard (50'-60')	70-108 tons	
Boxcar, Hi-Roof (50'-60')	75-108 tons	

Boxcar, Auto Parts (60'-86')	60-92 tons	
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¹ Typical capacities are based on information available from several representative Class I railroads and railcar lessors: [Burlington Northern Santa Fe](#), [Canadian National](#), [CSX](#), [Union Pacific](#), [GATX](#), and [UTLX](#).

Railcar Type	Typical Capacity ¹	Notes
Boxcar, Insulated and Refrigerated (60'-72')	65-100 tons	
Flatcar, General Purpose (60'-89')	70-115 tons	
Flatcar, Bulkhead (56'-70')	70-105 tons	
Flatcar, Center Beam (60'-73')	95-113 tons	
Hopper, Covered – Small Cube	70-113 tons	
Hopper, Covered – Large and Jumbo	90-113 tons	
Hopper, Open Top	98-115 tons	
Gondola, Rotary	100-120 tons	
Gondola, Bathtub	115-130 tons	
Gondola, Mill (52'-65')	70-115 tons	
Coil Car, Covered	90-120 tons	

Intermodal Car – Spine, Well and Flat	See note	Typical capacity is two 40' shipping containers or truck trailers
Auto Rack Car	See note	Capacity varies based on auto type carried
Tank Car	100-115 tons	Capacity is measured in gallons, ranging from 10,000 to 33,000 gallons

Question 11: Annual Ton-Miles

A ton-mile is a measure of output for freight transportation and reflects weight of shipment and the distance it is hauled. It is calculated by multiplying the number of tons hauled by the distance traveled:

Weight of cargo in tons X number of miles shipped = ton-miles.

For example, if a shipper wants to ship 50 tons of cargo 200 miles from a factory to a warehouse:

$$50 \text{ tons} \times 200 \text{ miles} = 10,000 \text{ ton-miles}$$

Please note the number of ton-miles needed to carry a shipment from Point A to Point B may vary between transportation types depending on which one has the most direct route. As an example, if the distance is 200 miles by rail and 205 by highway, the ton-miles for shipment by rail is less:

- Rail: 50 tons X 200 miles = 10,000 ton-miles
- Highway: 50 tons X 205 miles = 10,250 ton-miles

Please note: For the calculation, please use a short ton (U.S. ton), which is 2,000 pounds.

Railcars and trucks have different carrying capacities (see Table 1 above and Table 2 below).

The carrying capacity of trucks varies based on the number of axels, length of the vehicle, and distance between axels. The maximum allowed gross vehicle weight (GVW), for trucks on highways is 80,000 pounds (40 tons) without an oversize/overwide load permit. GVW is the combined weight of a vehicle and its cargo. Table 1 identifies the carrying of a typical tractor-trailer combination with a two-axel, 40-foot, or 53-foot-long trailer. Shorter trailers and trailers with a single axel have lower capacities.

Table 2. Carrying Capacity of a Typical 40-foot to 53' Over-the-Highway Semi-Trailer

Trailer Type	Typical Capacity
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Flatbed trailer	Up to 24 tons
Dry van trailer	22-23 tons
Refrigerated trailer	21-22 tons

To calculate costs savings for Question 15, Tables 1 and 2 above can be used to calculate the number of trucks and railcars needed to ship a product. As noted in the instructions for Question 10, it is recommended that shippers check with the service provider railroad to confirm the carrying capacity of the rail line to determine the number of cars needed and shipping costs.

Question 12: Consistency with Minnesota State Rail Plan Goals (*See text box below*)

Briefly describe how the project is consistent with the current vision and goals identified in the Minnesota State Rail Plan, listed below. Applicants may also describe how this project is consistent with other local, regional, state and business plans.

Minnesota State Rail Plan: Freight Rail Goals

A successful, viable rail industry that meets the future needs of Minnesota's economy requires continued investment and improvement to its infrastructure. Owned by private firms, the freight railroad industry is unique in that it has largely borne the cost of maintaining its own infrastructure. This is expected to continue, but further improvements to the infrastructure will be necessary, not all of which may be fully self-funded. In recent experience, rail shippers and public entities have partnered in mainline improvements and secondary lines and shipping facilities. Goals for freight rail are as follows:

- **Continue to make improvements to the condition and capacity of Minnesota's primary railroad assets** to accommodate existing and future demand and provide reliable freight rail service to Minnesota's industries. Public-private partnerships, federal grant programs, and other potential state funding mechanisms are necessary to ensure that the state has the ability to make needed improvements and expansions.
- **Address critical rail network bottlenecks** that degrade present service and inhibit the ability of the state's railroads to serve future traffic.
- **Upgrade main line track (all Class I to III railroads) to 25 mph minimum speed, as warranted.** This is needed to ensure commercial viability and safety for rail operators to meet the needs of the current and future shippers that rely on them.
- **Improve the network (all Class I to III railroads) to support the use of 286,000-pound rail cars throughout.** This weight limit has become the industry-wide standard, and the viability of lines and shipper's facilities that do not have this capacity will diminish over time.
- **Implement state-of-the-art traffic control and safety systems** to ensure a safe and efficient rail system on key mainlines.
- **Expand intermodal service access options throughout the state.** Rail intermodal services (the haulage of containers and trailers) available today in Minnesota are limited geographically and by capacity. Existing terminals are all located in the Twin Cities. Quality service to a broader set of markets beyond the state's borders is needed from a competitive and environmental standpoint, as is development of a major new Twin Cities terminal, which will become a necessity if intermodal service is to be developed beyond those lanes currently served.
- **Continue to develop programs promoting safety of freight rail and hazardous material transportation.** Minnesota has made rail safety a top priority, and the legislature has passed several significant bills aimed at understanding and ensuring the safety of crude-by-rail movements. The state should continue to work with industry and stakeholders to improve the safety of freight rail movements.

Question 13 & 14: Jobs

Provide an estimate of the total number of permanent full-time (FTE) jobs created and/or retained within five years directly attributable to the rail service improvements. Do not include numbers for non-permanent temporary and seasonal jobs.

If the project will result in the creation or retention of permanent part-time jobs, calculate the number of equivalent full-time jobs by determining the number of hours per week for each job. Then add the total number of hours per week for all permanent part-time jobs and divide by forty (40) hours per week to determine the equivalent number of permanent full-time jobs. Round the number to the nearest tenth (0.1). See example in Table 3 below:

Table 3. Example of How to Calculate the Number of Full-Time Jobs Created and/or Retained

Number of part-time jobs	Hours per week	Total
4	32	$4 \times 32 = 128$
3	20	60
6	16	96
Total number of employee hours per week		284
Divide by 40		$284 \div 40$
Equivalent Number of Full-Time Jobs		7.1

To calculate the Total Annual Payroll for jobs created and retained, add the salaries and benefits of all jobs. Round to the nearest dollar. See example in Table 4 below:

Table 4. Example of How to Calculate the Total Annual Payroll

Annual Salary	Benefits	Total Compensation	Number of Employees	Annual Payroll
\$70,000	\$5,000	\$75,000	2	\$150,000
\$50,000	None	\$50,000	5	\$250,000
\$30,000	\$5,000	\$35,000	4	\$140,000
Total Annual Payroll				\$540,000

Question 15 & 16: Shipping Cost

Please describe the annual cost savings or added costs resulting from the project. Savings or increases may vary based on the type and nature of the project. Ex. Fuel costs, time savings, safety, etc.

See Tables 1 & 2 from question 10 & 11 for more information.

Question 17: Additional Economic Impact

Describe additional economy impacts that are directly attributed to the proposed rail project along with the annual dollar value associated to the impacts. This question should not include impacts or dollar values included in responses to questions 13-16.

Examples of additional economic impacts include, but not limited to:

- Increase in property tax (property value) and income tax of business, sales tax, income or payroll tax, etc.
- Change in Unemployment Insurance benefits received, earnings and employment, etc.
- Safety impacts on communities in and around surrounding areas, etc.

Questions 18-20

For more information on federal environmental review requirements and processes under the National Environmental Policy Act (NEPA), visit NEPA.gov, which is maintained by the Council on Environmental Quality (CEQ). For additional federal environmental law and requirements, visit the United States

[Environmental Protection Agency \(EPA\) website](#). For information on federal historic preservation reviews (Section 106), visit the [Minnesota State Historic Preservation Office \(SHPO\) website](#), which oversees Section 106 reviews in Minnesota, or the [Advisory Council on Historic Preservation website](#). For more information on state environmental review requirements and processes, visit the [Minnesota Environmental Quality Board \(EQB\) website](#).

Question 20: Environmental Impacts

Identify any project impacts and/or effects identified during the environmental and historic preservation review processes. Describe the nature of the impacts and/or effects, and any measures identified in the environmental and historic preservation review documentation for avoiding, minimizing, and/or mitigating the impacts and effects.

Please note: During the project selection process MnDOT will calculate estimated Greenhouse Gas (GHG) emissions for a project based on the applicant's response to Question 11 MnDOT will use the following formula²:

$$\text{Ton-miles X carbon dioxide (CO}^2\text{) factor} = \text{estimated GHG emissions}$$

CO² factors:

- Medium- and heavy-duty truck: 0.211 kg per metric ton mile
- Rail: 0.022 kg per metric ton mile

Before calculating the estimated GHG emissions, the responses to Question 11 will be converted from short tons (U.S. tons) to metric tons.

² [Emission Factors for GHG Inventories](#), US. EPA, April 2021, p. 5.

Question 21: Ownership Interest

Describe the ownership interest and status of the real property and facility by checking the box that applies.

Definitions:

- "Facility", if applicable, means the improvement that is located, or will be constructed and located, on the Real Property.
- "Real Property" means the real property on which the facility or improvement will be located.

Question 22 & 23: Railroad Involvement

Describe if an agreement with a railroad is or is not required, and if so, describe the type and status of the agreement.

Question 25 & 26: Construction Start & Completion Date

Please give an estimate as to when the project will start and be completed. This will assist MnDOT in planning the workload for all selected projects.

Question 27: Project Funding

List all secured, requested, and expended funding in the Project Funding table. The amounts should match the project costs identified on the application cover sheet.

For each funding commitment identified in the Project Funding table as “secured” sources, please include with the application a letter of funding commitment.