

Minnesota Rail Service Improvement Grant Program

Questions and Answers

11/9/2018

Do projects need to follow a Disadvantaged Business Enterprise (DBE) requirement?

The Disadvantaged Enterprise Program is a federal program. The current MRSI grant solicitation is strictly for state funds. DBE program requirements would not apply to the MRSI-funded portion of a project. If your project includes federal funds from another source, please check with the agency administering your federal funds. MnDOT encourages grant recipients to provide the opportunity for women- and minority-owned businesses as well as [targeted group businesses and veteran-owned small businesses](#) to participate in contracts.

Are projects required to buy only U.S.-made Products?

There is no requirement for MRSI projects to use US-made products with the current round of state funding. If your project utilizes federal funds from another source, please check with the agency administering your federal funds about any Buy America and/or Buy American Act requirements.

Do prevailing wages need to be followed?

The state prevailing wage requirements that apply to the MRSI program are contained in [Minnesota Statutes Section 177.41 through 177.44](#). The statute defines projects that must comply with state prevailing wages as “erection, construction, remodeling, or repairing of a public building or other public work financed in whole or part by state funds.” If your project is not publicly owned and does not otherwise fall under a “public building or other public work” project, then state prevailing wage requirements likely do not apply. MnDOT will make an official determination for projects selected for grant funding. If your project utilizes federal funds from another source, please check with the agency administering your federal funds about any Davis-Bacon Act requirements.

We are looking to do a much-needed upgrade on a side track at our facility. Would this qualify for grant funding?

This project could potentially qualify if it is for construction of a new track or substantial reconstruction of an existing track. The construction must also support economic development. General maintenance expenses for an existing track are not allowed. Generally, the construction or reconstruction must have a useful life of at least 10 years.

Can MRSI grants be used towards recently completed rail upgrades?

State law does not allow MnDOT to provide grant funds for previously incurred construction costs; only future projects are eligible.

We are thinking of applying for a MRSI grant for rehabbing some track from FRA Class I to Class II standards. What kind of commitments would the state need from us besides completing the project by 12/31/22 and the improvements having a useful life of at least 10 years?

Below is a general list of items needed to complete a grant. **Please note this information does not need to be provided with the grant application unless requested by the application instructions.** MnDOT will work with recipients to help meet grant requirements and gather all necessary documentation.

- Documentation of property ownership
- Security interest in the improved property
 - If the project occurs on property owned by the applicant, the applicant must file a declaration on the property committing to maintain the improvements for 125% of the useful life of the project.
 - If the project occurs on property owned by someone other than the applicant, or the applicant cannot otherwise file a declaration, the applicant may request a waiver of the declaration requirement. If the waiver is approved, the applicant will need to sign a certification that the property will remain subject to the terms of the grant agreement between MnDOT and the applicant.
- Documentation indicating that full funding for the project has been secured and any matching requirement will be met.
- Documentation indicating that the property will be operated in accordance with local zoning regulations if applicable.
- Documentation of ability to plan for and fund the operation and maintenance of the property.
- Documentation indicating that all required permits and licenses necessary for the completion of the project and operation of the property have been obtained.
- Documentation of adequate insurance coverage for the facility or property where the project will occur.
- Documentation indicating that the project contractor will complete construction in conformance with the construction contract, including construction contract and payment and performance bonds.

Is there a maximum dollar amount of grant funds we can apply for?

As noted in the application, there is no matching requirement for the MRSI grant program. Applicants may apply for any amount of grant funds for eligible costs up to the one million dollars in currently available funds. However, this application process is competitive, and many applicants will likely be applying for this funding statewide. In the past, MRSI loan projects have funded projects in the \$200,000 range. If an applicant may be able to accomplish their project with a lower amount of grant funding than what they are applying for, please attach a note to your application indicating how the project could be accomplished with a smaller amount of grant funding.

What if my new company does not have two years' worth of audited financial statements?

You may submit one year of audited financial statements along with an explanation of why the second year is not available or does not exist.

I am having difficulty locating a plat map for a project proposed on railroad property. What information do you need from the plat map, and could we submit something in lieu of a plat map?

A plat map identifies property boundaries, corners and monuments. These maps can typically be obtained from county or city offices. If you have difficulty locating a plat map for the specific railroad property where your project is proposed, you may submit a half section map such as a county tax parcel map, a railroad right of way map or a certificate of survey. The item you submit should clearly identify the property boundaries where the project would occur. MnDOT has some plat maps for highways adjacent to railroad lines and railroad right of way maps available for download on the [Right of Way Mapping and Monitoring website](#).

For question 11, should we provide the total ton-miles of truck traffic avoided just in Minnesota, or for the entire trip?

Applicants should provide the total annual ton-miles of truck traffic avoided for the entire trip, which may include ton-mile savings achieved outside of Minnesota. Applicants may optionally provide a more detailed of this information, such as Minnesota-specific ton-miles of truck traffic avoided in the explanation.

For question 11, should the truck ton-mile savings be a round trip or one-way estimate? Should we base our estimates off the revenue miles traveled with the vehicles loaded?

Applicants may include round-trip ton-mile savings in their estimates, with the option of providing a more detailed breakout of this information in the explanation, including revenue ton-miles and empty ton-miles.

Question 15 asks about any transportation cost savings to shippers or other businesses resulting from this rail project. If our project is more about preserving rail service, how do we answer this question?

For question 15, applicants should provide the estimated transportation cost savings as a direct result of the proposed project. If a project is strictly about preserving rail service, they should provide the information about the added transportation costs that would result from a loss in rail service if the project is not completed. MnDOT recognizes that different project types may not be able to provide information for both questions 15 and 16, but may still have strong economic benefits. Therefore, MnDOT will be evaluating questions 15 and 16 together as a whole and not individually.

For question 17, may we provide greenhouse gas savings information as an economic impact?

Applicants may include greenhouse gas impacts in the economic impact table if they are able to quantify the dollar value of this impact. Applicants should provide a source and description of their assumptions in calculating this value in the explanation.