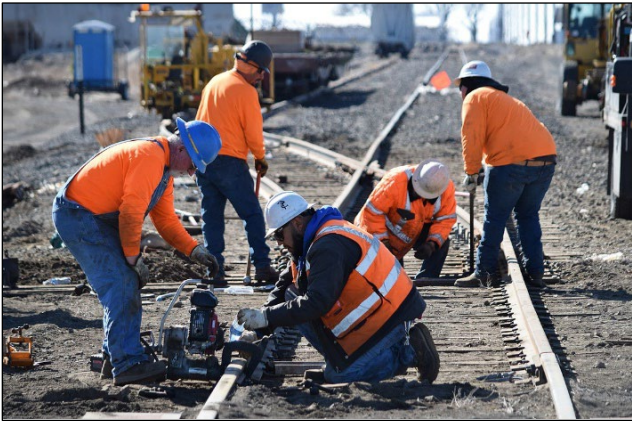


2025-2027 FRAP/FRIB Call for Projects

Freight Rail Assistance Program Freight Rail Investment Bank



APPLICATION PACKET
Funding available for the 2025-2027 biennium



FRAP/FRIB Application

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I. BACKGROUND

The Washington State Department of Transportation (WSDOT) provides two sources of funding for freight rail capital projects across the state.

- **The Freight Rail Assistance Program (FRAP)** provides grants that are available to both the public and private sectors. Eligible entities include cities, county rail districts, counties, economic development councils, port districts, and privately or publicly owned short-line railroads. FRAP grants are directed toward larger projects, where it is difficult to gain a contribution and where the rail location or the project concerned is of strategic importance to the state, as well as the local community.
- **The Freight Rail Investment Bank (FRIB)** is a loan program that is only available to public sector entities, including publicly owned short-line railroads, port districts, rail districts, and local governments. It is intended to fund either smaller projects or to provide a small final part of a larger project, where state funds would enable the project to be completed. All applicants must provide at least a 20% match. Loans come with a repayment period of no more than ten years.

Timeline

Applications for the FRAP and FRIB programs must be submitted by **4 p.m. on September 25, 2024**. If your project is selected, funds will be available in July of 2025, if approved by the Washington State Legislature in the 2025 session.

Available funding

For the 2025-2027 biennium, the Legislature has identified a total of \$7.04 million for the FRAP grants program and a total of \$6.08 million for the FRIB loans program shown [here](#). However, the programmed amount identified is subject to change and funding allotments will be re-evaluated after the completion of the 2025 legislative session and the transportation budget is signed by the Governor. Therefore, funding availability is not guaranteed.

WSDOT charges a 2% interest rate on all FRIB loans, which is necessary to cover the administrative costs of the department and the loan program. This 2% project cost is deducted from the total available funds for both the FRIB and FRAP programs to cover WSDOT's administrative work. FRAP grantees will receive the full amount requested in their application in the event their project is selected. FRIB grantees will reimburse WSDOT as part of their loan repayment an additional 2% of the project cost.

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Required state benefits

As required by RCW 47.76.240, selected projects must show they maintain or improve the state's freight rail system and benefit the state's interests. Examples of benefits include:

- Advance Washington state economic development goals.
- Leverage state participation by allocating cost responsibilities among beneficiaries.
- Demonstrate there is a low likelihood of obtaining public benefits without public involvement.
- Improve freight mobility.
- Increase economic development opportunities.
- Increase domestic and international trade.
- Preserve or add jobs.
- Reduce roadway maintenance and repair costs.
- Reduce traffic congestion.
- Improve port access.
- Enhance environmental protection.
- Enhance safety.
- Support economic viability of branch lines or light density lines.
- Maintain adequate mainline capacity.
- Preserve or restore rail.

Types of projects

Examples of projects that will be considered for funding include:

- Rehabilitating tracks, or restoring tracks that were removed
 - Repairing damaged rail infrastructure
 - Preserving a rail corridor
 - Increasing rail system capacity and/or velocity in general
- Purchase and/or installation of track including ties, rails, ballast or other track material.
- Purchase and installation of railroad signal, communication, or other operating systems, including components that must be installed on locomotives or other rolling stock
- Upgrading tracks to handle heavier rail cars and/or improve system velocity
- Developing rail infrastructure that can be proven essential to attract new businesses
 - Purchase and installation of siding track
 - Improving connections to a port or transload facilities
- Constructing bridges, trestles, culverts, or other elevated or submerged structures
- Purchasing or rehabilitating railroad equipment
- Building or improving terminals, yards, roadway buildings, fuel stations, or railroad wharves or docks, including attached fixtures and equipment used exclusively in the facility

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Acknowledgment of contractual agreement upon the award

WSDOT is required by RCW 47.76.240 to ensure all grants and loans made under its control are used to achieve benefits to the public. Should your application be funded, you will be required to enter into an agreement with WSDOT in order to receive reimbursement for approved expenses.

The agreement has several provisions that are designed to ensure the state receives the benefits described in your application. They include:

- **Contingent Interest** – The project benefits outlined in your application must be achievable. Following completion of the project, WSDOT will require you to verify the following:
 - Over the next 10 years, on an annual basis, the project benefits are being achieved. During this 10-year period, WSDOT will retain a Contingent Interest that allows it to recover state funds if the project benefits are not met or they are terminated in any way. The state will determine if the failure to achieve the stated goals were within the applicant's control. The contingent interest can be pursued in several ways. Typically, either a lien is issued against the improved assets, or a commitment must be made by the applicant to pay back funds for the remaining benefits period. In the event rail service is terminated, WSDOT will conduct a project review and may seek to take ownership of materials commensurate with the unrealized benefit. During the 15-year repayment period, on an annual basis, the project benefits are being achieved. WSDOT will retain a Contingent Interest until the loan is fully repaid that allows it to recover state funds if the project benefits are not met or they are terminated in any way. The state will determine if the failure to achieve the stated goals were within the applicant's control. The contingent interest can be pursued in several ways. Typically, either a lien is issued against the improved assets, or a commitment must be made by the applicant to pay back funds for the remaining benefits period. In the event rail service is terminated, WSDOT will conduct a project review and may seek to take ownership of materials commensurate with the unrealized benefit.
- **Maintenance Obligation** - Any new or improved assets that result from the completion of the project must be maintained for a period of at least 10 years or until the FRIB loan is repaid. Later in this application you are required to describe how the improvements will be maintained and sustained. WSDOT will conduct periodic project reviews to ensure maintenance is occurring in compliance with the agreement.

Review and award process

WSDOT will review the applications and is required to submit a prioritized list by November 15, 2024, of recommended projects to the Office of Financial Management and the transportation committees of the Legislature. As part of that submission, WSDOT also provides an estimate of the schedule and total project costs. During its 2025-2027 session, the Legislature will consider the project recommendations and decide which projects to fund in the upcoming transportation budget. More details on this process are available in the FAQs at the end of this packet.

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II. APPLICATION ELEMENTS

Applicants must include a sentence in this section of their application that says: “The grant/loan applicant has read and understands WSDOT’s Grant/Loan Agreement expectations related to Contingent Interest and Maintenance Obligations.”

Below is the outline of the proposed structure that you must use in submitting your application(s). Please include thorough information under each item that applies to your project. Please submit a maximum of 30 pages for the application packet, excluding financial reporting. Your response to these items will be used to evaluate your project for funding. Any item that does not apply to your project should be noted with the words “Not Applicable.”

1. Contact Information

Please include:

- Contact name and title
- Organization name
- Address
- Phone and fax numbers
- E-mail address

List all organizations and companies that are involved in planning, funding, and/or providing in-kind support, or railroad operation service for the proposal - and provide contact information for each one.

2. Project description

Please provide an executive summary of the project in one to two pages, including:

- Existing conditions
- What you are proposing to do
- Where the project is located
- Which railroad(s) will serve the project’s customers or communities
- The intended outcome

3. Project schedule

Provide actual or target completion dates for each milestone (Use N/A for milestones that are not applicable to your project).

Project Milestone	Month/Year
Complete project definition	
Begin preliminary engineering	
Complete environmental documentation	
Complete right of way certification (may include acquisition)	
Start construction	
Construction complete and project functionally operational	

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4. Project cost

Provide an estimate of project costs using this matrix.

	Design Engineering	Right of Way	Construction Engineering	Construction Other	Construction Contract	Total
Estimated Project Cost						
Committed Local Funds						
Additional Funds Requested						
Other Committed Funds						
WSDOT Funds Requested						

Related attachments required with the application:

- Estimate of project cost reviewed and signed by a licensed engineer.
- Source of additional funding, including that portion of a project's cost paid for with private and/or local agency funds, and the timeline for notification of commitment of those funds. Include funding commitment letters from all funding partners
- Letter(s) of support from the railroad(s)
- A business plan for the project
- Detailed vicinity map clearly showing site plan and project limits
- Photographs of the site of the project that identify specific landmarks, track infrastructure, buildings, and/or shipping areas

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5. Proposed funding

Indicate the various sources of matching funds and indicate if the funds are cash payments or benefits in kind. **Labor match is subject to prevailing wage requirements.**

Funding Source	Public or Private	Cash or In-Kind	Amount
Local - Port District			
Local - Other			
Railroad			
WSDOT	Public		
Federal Funds	Public		
Other			
Total			

Public benefit

Public benefit may be benefits to the state, the local community, or the system-wide freight network.

1. Project Detail – Benefit-Cost Analysis

By statute, the benefits of the project must be greater than the costs to construct/purchase and maintain it. Furthermore, you must be able to quantify the benefits for them to be included as part of the Benefit-Cost Analysis for this project. WSDOT will use costs found in the Congressional Budget Office "Pricing Freight Transport to Account for External Costs" at:

<https://www.cbo.gov/publication/50049>

The U.S. Department of Transportation developed a guide that provides direction for calculating the benefit-cost of a project at:

<https://www.transportation.gov/sites/dot.gov/files/2022-03/Benefit%20Cost%20Analysis%20Guidance%202022%20%28Revised%29.pdf>

You should present both benefits and costs for the project for 10 years after completion, or the project's useful life if it is shorter. You also should briefly describe current conditions and the effects if the project is not funded (also known as "no-build"). Any information that lacks supporting documentation may be omitted from this analysis if it cannot be confirmed. Please provide detailed information that describes and quantifies the economic benefits of the project. Only include information for those sections applicable to the project.

2. Reduction in impacts to roadways

Projects that reduce the total number of truck trips not only result in reduced costs to maintain roadways, but also lead to safer roadways. Please provide the following information to help determine the positive effects of your project:

- Actual truck mileage – round trip from origin to key destination and back (or otherwise if multi-stop) in Washington state.

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- Total annual truck miles traveled (vehicle miles traveled) – include both loaded (include tare weight) and empty. Also, indicate how many vehicle miles traveled (VMT) will be avoided by project completion.
- Actual roadway maintenance cost avoidance information attributable to the project, if available.

3. Reduction in carbon and other greenhouse gas emissions

Shifts in mode from truck to rail transportation of goods will often lead to a reduction in greenhouse gas emissions. Using annual vehicle miles traveled (VMT); calculate the total reduction in tons (2000 pounds) of carbon dioxide (CO₂), volatile organic compounds (VOCs), nitrogen oxides (NO_x), particulate matter (PM), and sulfur dioxide (SO₂).

You also may document any fuel savings because of a shift in mode or converting to electrical equipment. You may only document this benefit once.

4. Environmental effects

Explain the environmental impacts and benefits that will result from the project. Answer the following questions as part of your application:

- Are there wetlands or streams on or near your project site? If yes, how close is your project site to those wetlands or streams?
- Has your project site been evaluated for archaeological or historic resources? If yes, please submit the cultural resources report.
- What animals, birds, and plants are present on your project site (particularly those species that would be considered endangered, threatened, or monitored by state or federal agencies)?
- Have you completed the State Environmental Policy Act (SEPA) process? If yes, please submit a copy of the documentation.
- What federal, state, and local permits will be needed for your project?

5. Economic development and job creation

State the number of permanent, full-time direct jobs created as a result of the economic activity generated by this project. Direct jobs refer to new jobs in companies, developments, or sites specifically resulting from the project. Do not include temporary jobs created in project construction or indirect “multiplier” jobs.

Do not include retaining existing jobs unless there is an immediate threat the company or development will relocate outside of the state of Washington. Please provide documentation of created or retained jobs supported by this project.

- Number of full-time direct jobs created.
- Number of full-time jobs retained that would be relocated without the project.
- Hourly wage for all jobs.
- For each group of jobs that will be sustained or created, please provide a contact person, the company’s name, and a phone number.

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Shipper benefits and transportation savings

Provide specific transportation cost information and supporting documentation for freight that will be shipped by rail as a direct result of this project.

1. Document costs

Consider existing supply chain or mode of transport and how it will change once the project is completed focusing on segments impacted.

- Commodities shipped (e.g. grain, steel, lumber) over segment
- List current and future rail shippers impacted by project
- Tonnage per unit (truck, container, railcar, etc.) historical and projected future tonnage
- Origin and destination of trip
- Cost per ton-mile of shipping freight from origin to destination - provide source
- Track segment impacted
- Trips (total shipments) per year - historical and projected future trips

2. Reduction in ongoing maintenance expense

Provide the estimated annual costs for maintenance on the project starting in the year the costs will be realized. Please indicate if the project reduces maintenance costs for an existing railroad asset. Maintenance costs may include, but are not limited to, vegetation clearing, ballast renewal, and tie replacement. Be sure to also include ongoing maintenance costs in the event the project is not completed. Who will be responsible for ongoing maintenance? If it is someone other than the applicant, please make sure the responsible party accepts responsibility in their support letter.

3. Reduction in operating costs

Projects that lead to safely increased train speeds or reduced travel times will improve efficiency and often reduce the operational costs for the railroad. Please provide detailed information documenting anticipated cost savings that is a direct result of the completion of this project.

Project Business Plan

1. Management profile

Provide a profile of management experience and results for rail operators (and port or regional entity project managers, if applicable). Describe the qualifications of the project manager.

2. Marketing plan

- Describe what new and/or extended freight services the rail operator, port, or local government will be able to provide as a result of this project.
- Where and when will the service be offered?
- Provide a profile of types of customers that will find value in the new/expanded services.
- What additional value will customers derive from this plan?

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- Include an analysis of substitute competition such as trucks and barges.
- Profile current and future demand in rail-dependent sector served in market area (grain, industrial, intermodal, timber/wood products, etc.).
- Provide action plan to reach rail carload sales projections, including plans to evaluate results and make adjustments as necessary.

3. Operations plan

Provide an operations plan for rail services to be provided upon completion of the proposed project (if applicable), including items such as:

- What services will be provided
- Service plan between short-line and mainline railroad
- Switching operations plan
- Projected service metrics and how the company will report actual performance against service metrics
- Safety plans
- Track maintenance plans

4. Financial plan

Related attachments required for **non-public** entities with the application:

- Income statements, cash flow statements, and balance sheets for the years 2022 and 2023
- Pro-formas for three years following completion of the project (if the project is funded)

Other quantifiable project benefits

Many projects have additional benefits that can be quantified and provide value to the users and/or public benefits. In detail, describe other benefits of the project and then document how the completed project achieves that goal. Be as detailed as possible and make sure to show all work when quantifying the benefit.

1. Coordination with regional and statewide goals

If your project already has been included in a regional or statewide planning document, include details. If not documented in any existing plan, outline which priorities discussed in the [2019 Washington State Rail Plan](#) or the [2022 Washington State Freight System Plan](#) apply to your project.

2. Safety improvements

Describe existing hazard(s) within the project limits and how the proposed project improves safety. For example, include specific information on:

- Property damage that may be reduced or eliminated.
- Injuries and accidents that may be reduced or eliminated.
- Public safety improvements.

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3. Urgent need

Explain any special issues that create an urgent need. An urgent need also can be created by special factors that would greatly increase the cost of the project if delayed two years or more. Examples of urgent projects might include:

- Repairs to a tunnel wall that has started to bulge.
- Provision of a temporary trestle while a bridge is repaired.
- If a bridge is not repaired, it may become unusable within the two-year period and have to be entirely replaced.
- A rail line needs to be built in conjunction with a road or other construction project. Without coordinated construction, the rail project will be dramatically more expensive in the future.
- Explain how your project proposal will preserve service on the rail line if it is at-risk of immediate abandonment.

4. Geographic balance and support for regional economies

Identify if the project is in a county listed as economically distressed by the Washington State Department of Employment Security. If the project is not in one of the listed counties, but the rail line on which the project is located runs through one of them, detail any positive economic benefits that would accrue to the distressed county.

Refer to the following web address for a list of distressed counties:

<https://esd.wa.gov/labormarketinfo/distressed-areas>

5. Reducing system-wide rail delays

Explain how the proposal will eliminate or reduce overall rail system delays. Examples of delay reduction:

- Realignment of rail track to increase speeds on the main line or at junctions
- Provision of a longer run-around loop to avoid having to split the train
- Lengthened sidings to enable a facility to receive longer trains and avoid the end of the train standing foul of the main line until removed by a switching locomotive

6. Additional Comments

Please provide any additional information or reasoning that you would like to be considered in support of your project.

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Application Scoring

WSDOT will use the following scoring format to score applications, projects will be rated by highest to lowest scores. The highest rated projects will be recommended to the legislature provided funding is available.

25 points	Matching funds (scaled according to the contribution)
35 points	Strategic benefit (how integral is this to the future development of the rail line, the area, the specific business, etc.).
40 points	Value to the community and state expressed. This may be all or some of the state, the local community, or the freight system

Section 1 – Matching contributions – maximum 25 points							Points
<20%	20%	25%	30%	35%	40%	>45%	
0	5	7	10	13	19	25	
Section 2 – Strategic Benefit – maximum 35 points. Each Yes scores 5 points							Points
<ul style="list-style-type: none"> Does this provide a new rail connection? Yes/No Is the project supporting a short-line operation? (increasing its viability) Yes/No Does this mitigate the impacts of rail traffic on local communities? Yes/No Does the project allow transfer of mode to rail? Yes/No Is the project crucial to the economic operations of a specific business? Yes/No Does this create better integration within the freight systems? Yes/No Will the project protect a rail asset that is deteriorating without the help? Yes/No 							
Section 3 – Value to the Community and State– Maximum 40 points. Each Yes scores 5 points							Points
<ul style="list-style-type: none"> Will this project add new jobs? Yes/No Will this project add 50 or more jobs? Yes/No Is it located in a distressed economic county? Yes/No Reduction in greenhouse gasses (RCW 70.235.070) Yes/No Viability of project based on business plan – range from 0 to 20 points 							
TOTAL SCORE							

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Submitting your application

Please submit applications by email or mail. Faxed applications cannot be accepted.

Application packets must be postmarked no later than September 24, 2024. E-mail submissions must be received by 4 p.m. on September 25, 2024. Applications will not be accepted after the deadline. Choose one of the submittal options below for your applications.

- Email to: Rail@wsdot.wa.gov
- Mail completed applications via USPS to:
Washington State Department of Transportation
Rail, Freight and Ports Division
PO Box 47407
Olympia, WA 98504-7407
- Send completed applications via FedEx, UPS, or similar services to:
Washington State Department of Transportation
Rail, Freight and Ports Division
310 Maple Park Ave SE, Room 3D03
Olympia, WA 98501

If you have any questions regarding the application process, please contact:

Megan McIntyre, Capital Program Manager
WSDOT Rail, Freight and Ports Division
360-870-3755 Cell
360-705-6916 Office
Megan.McIntyre@consultant.wsdot.wa.gov

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III. FREQUENTLY ASKED QUESTIONS

Am I limited to one application?

No, you may submit more than one application. However, please keep in mind that each project requires separate matching funds and the same match cannot be used for more than one project. A single project may not be subdivided into separate proposals to keep within funding thresholds. Each submission must be for a separate and unrelated project.

How does WSDOT evaluate applications?

WSDOT staff and other Washington agencies and entities will review the applications to determine whether they meet the minimum criteria as set out in this packet. Those that do will be rated against the application criteria and verified for correctness of the applicant's self-scoring. Staff may ask the applicant for more information, and may contact shippers, the railroad involved, and others to secure additional information or to verify the information. WSDOT staff may visit the project site to verify information or develop further information.

What is the role of the Legislature and Governor?

WSDOT will prioritize the applications using criteria developed by the department. By November 15, 2024, the department shall submit a prioritized list of recommended projects to the Governor, through the Office of Financial Management (OFM), and the transportation committees of the Legislature.

The list submitted to OFM will be ranked from highest to lowest scores. In the event of a tie score, the project that was submitted first will be ranked higher on the list. The Legislature will consider the project recommendations and decide which projects to fund in the upcoming budget. When the budget is passed, the bill is subject to the Governor's acceptance or veto.

Can I protect confidential information?

All successful applications are subject to public records disclosure laws for the state of Washington. If any information contained in the application is confidential or proprietary, please identify those components clearly. Please note that only specific information may be marked as proprietary; it is not acceptable to mark the whole application as such. The state of Washington will protect information to the extent allowable by law.

If there is a public records request, WSDOT will notify the applicant that such information will be released on a specified date. If the applicant wants to keep the information confidential, it is the applicant's responsibility to obtain a court injunction within 10 days of the notice to protect proprietary data. If the applicant fails to obtain the court order prohibiting disclosure, the Rail, Freight, and Ports Division will release the requested information on the date specified.

What is the "benefit to cost" requirement?

All projects must deliver more benefits than they cost. WSDOT staff will evaluate the economic benefits, project viability, safety, roadway preservation, rail system improvements, and environmental benefits of proposed projects, and provide that information to the Governor's Office and the

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Legislature. WSDOT will perform a cost-benefit calculation for each application based on the responses to the requested information. Applicants must provide justification and documentation for benefits listed in the application. Any benefits that cannot be validated will not be included in the analysis.