

**MICHIGAN DEPARTMENT OF TRANSPORTATION
CONSTRUCTION OF FERRY BOATS AND FERRY TERMINAL FACILITIES FORMULA
PROGRAM APPLICATION INSTRUCTIONS**

I. PROGRAM DESCRIPTION

The Michigan Department of Transportation's (MDOT's) Office of Passenger Transportation (OPT) is administering the Construction of Ferry Boats and Ferry Terminal Facilities Formula Program (FBP) to fund the construction of ferry boats and ferry terminal facilities. The program provides Federal Highway Administration (FHWA) FBP funding for these capital projects. A grantee may submit an application for all or a portion of their allocated funds. Apportionments can be found on the FHWA Construction of Ferry Boats and Ferry Terminal Facilities Formula Program (FBP) website at <https://www.fhwa.dot.gov/specialfunding/fbp/>.

FBP Guidance and Additional Information

- [Guide to Federal-aid Programs and Projects: Ferry Boat and Terminal Facilities Construction Program \(.pdf\)](#) (10/18/2017)
- [FAST ACT Ferry Boat Program Implementation Guidance](#) (12/12/2016)
- [FAST Act Fact Sheet: Construction of Ferry Boats and Ferry Terminal Facilities \(.pdf\)](#) (February, 2016)
- [MAP-21 Ferry Boat Formula Program \(FBP\) Implementation Guidance](#) (11/01/2012)

If you need assistance with your application, please contact the applicable MDOT Project Manager as listed on Appendix 1.

If needed, this application instruction document may be made available in alternative formats such as Braille, large print, audio tape, or compact disc.

Communication Protocol

All communication from the eligible ferry boat entities and cooperating agencies will pass through the MDOT designated Project Manager (PM).

MDOT OPT is the lead agency for the FBP. FHWA Michigan Division Office is responsible for coordination efforts between the FHWA Headquarters and any support personnel

Eligible Projects and Activities

ELIGIBILITY: FBP funds may be used for the construction of ferry boats, ferry terminals, and ferry maintenance facilities in accordance with 23 U.S.C. 129(c) and 147.

- a. An eligible project and entity must meet all the following conditions:
 1. It is not feasible to build a bridge, tunnel, combination thereof, or other

normal highway structure in lieu of the use of such ferry.

2. The operation of the ferry shall be on a route classified as a public road within the State and that has not been designated as a route on the Interstate System. Included are ferry boats carrying cars and passengers and ferry boats carrying passengers only on a fixed route.
3. The ferry boat or ferry terminal facility using Federal funds shall be publicly owned or operated, or majority publicly owned (51 percent) if the Secretary determines that the facility provides substantial public benefits.
4. The operating authority and the amount of fares charged for passage on such ferry shall be under the control of the State or other public entity, and all revenues derived shall be applied to actual and necessary costs of operation, maintenance, and repair, debt service, negotiated management fees, and, in the case of a privately operated toll ferry, for a reasonable rate of return. Reasonable rate of return includes reasonable profit to the private operator when taking into consideration the level of risk that may be involved. "Reasonable" has been defined in 48 CFR 31.201-3 as, "in its nature and amount, it does not exceed that which would be incurred by a prudent person in the conduct of competitive business."
5. The ferry may be operated only within Michigan (including the islands which comprise any territory of Michigan) or between adjoining States or between a point in Michigan and a point in the Dominion of Canada. Except with respect to operations between the islands which comprise any territory of Michigan, operations between a point in Michigan and a point in the Dominion of Canada, including stops at appropriate points in the Dominion of Canada, no part of such ferry operation shall be in any foreign or international waters.

b. Eligible Activities:

1. Construction of ferry boat and ferry terminal facilities, including ferry maintenance facilities.
2. Construction, according to 23 U.S.C. 101(a)(4), includes the following applicable activities:
 - A. Preliminary engineering, engineering, and design related services directly relating to the construction of a highway project, including engineering, design, project development and management, construction project management and inspection, surveying, mapping (including the establishment of temporary and permanent geodetic control in accordance with specifications of the National Oceanic and Atmospheric Administration), and architectural-related services;

- B. Reconstruction, resurfacing, restoration, rehabilitation and preservation;
 - C. Acquisition of rights-of-way;
 - D. Relocation assistance, acquisition of replacement housing sites, and acquisition and rehabilitation, relocation, and construction of replacement housing;
 - E. Elimination of roadside hazards; and
 - F. Improvements that directly facilitate and control traffic flow, such as grade separation of intersections, widening of lanes, channelization of traffic, traffic control systems, and passenger loading and unloading areas.
3. The capital cost of leasing a vessel or facilities. Such lease cannot include the cost of operating such ferry.
 4. Improvements to ferry boats or ferry boat facilities.
 5. Temporary ferry operations are not eligible for this program. Temporary ferry operations that are used for maintenance of traffic for a bridge replacement project, for example, would be an eligible activity for the same funds used for the bridge replacement.
- c. Applicability of Planning Requirements: Projects must be identified in the applicable Statewide Transportation Improvement Program (STIP) or metropolitan Transportation Improvement Program (TIP) pursuant to 23 U.S.C. 135, and they must be consistent with the Statewide and Long Range Transportation Plan and the Metropolitan Transportation Plan(s), if applicable.
 - d. Ferries which serve the NHS: Pursuant to 23 U.S.C. 147(g), projects for ferries that serve as a highway link between two points of the NHS must be designed and constructed under all provisions applicable to the NHS.

Local Match

This program requires a local match of 20 percent. The Federal Highway Administration funds will provide 80 percent up to the allocation amount.

Federal Requirements

All ferry boat projects are to be constructed in accordance with Title 23 of the United State Code and Title 23 of the Code of Federal Regulations. This includes all planning, environmental, design, authorization, advertising and construction requirements. For projects obligated by MDOT Local Agency Program (LAP), LAP will provide oversight for these projects.

Flex Funds

If at the discretion of OPT project funds are to be flexed, or transferred, to the Federal Transit Administration (FTA), OPT will work with the applicable entity and FHWA/FTA to transfer the funds. Once the funds are transferred to FTA, projects will follow the FTA requirements and regulations. OPT will be responsible for oversight of these projects.

If at the discretion of MDOT funds are flexed or transferred to the National Park Service, LAP will work with the applicable entity through the Volpe Center and with FHWA and NPS to transfer the funds. A Memorandum of Agreement will need to be signed between FHWA, MDOT, the Volpe Center and the National Park Service.

II. APPLICATION REQUIREMENTS

Please follow the instructions as provided in Section E. Marine Passenger Program and Ferry Boat Formula Program of the [FY 2022 Annual Application Instructions for Public Transit Programs](#).

A. Required Application Form

The following application form will need to be submitted by **Feb. 15, 2021** to your OPT Project Manager

Project Summary – Ferry Boat Application Form

This form requires specific project information, see Appendix 2. Please be specific with your project description so eligibility determination can be made by MDOT and FHWA.

Appendix 1

Ferry Boat Formula Program Project Managers

Agency

Beaver Island Boat Co.
Charlevoix County Transportation Authority
(Ironton Ferry)
Eastern U.P. Transportation Authority
Grand Island Ferry Service
Isle Royale National Park Service
 Operated Ferry – Ranger III
Mackinac Island Transportation Authority
Manitou Island Transit
*Plaut Transportation Company Inc
The Isle Royale Line

MDOT Project Manager

Tina Makarewicz

Tina Makarewicz
Chuck Lindstrom
Bruce Kadzban

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NA
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**currently ineligible to receive funds*

Project Manager contact information:

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Appendix 2

Ferry Boat Formula Program Application Form

Link: https://www.michigan.gov/documents/mdot/Ferry_Boat_Form_702362_7.pdf