STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

September 5, 2012

The Honorable Ray LaHood, Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, D.C. 20590

Dear Secretary LaHood:

I want to make you fully aware of the support being offered by the State of Michigan to the M-1 Rail project. I am grateful for the personal attention and extensive technical support provided by you and your staff over the past several months to help move this important project from the drawing board to the launching pad. I am also grateful for the personal philanthropic commitments of time and money by the business leaders who comprise the M-1 Rail team. Together, we have established a true public/private partnership dedicated to developing public transportation in the heart of the great city of Detroit.

Attached are two letters from the leaders of the Michigan Department of Transportation (MDOT) and the Michigan Economic Development Corporation (MEDC) that identify sources of financial support that may be used to aid in the construction and operation of the M-1 Streetcar. It is our understanding that M-1 Rail will manage the single project to be constructed in MDOT right-of-way under permit or a similar legal instrument. MDOT will provide expertise and oversight during project design and construction, including design reviews, construction inspection, and materials testing on the road reconstruction and other critical infrastructure of the project.

Another piece important to the success of the project is that MDOT will exercise franchise authority for "private" utility alterations or relocation work necessary for the project. The cost for this work will be the responsibility of the respective utility owners. Alterations or relocation work to "public" utilities, consisting of the Public Lighting Department and the Detroit Water and Sewerage Department, will be at project cost. MDOT will be responsible for costs associated with the road reconstruction and M-1 Rail will be responsible for costs associated with the streetcar system.

As you know, MDOT is conducting the supplemental environmental review required for those parts of the M-1 Rail project that were not assessed as part of the cancelled Woodward light rail project. MDOT will also be providing assistance to M-1 to ensure compliance with myriad state and federal regulations and the terms and conditions associated with each funding source. Expert technical assistance is essential to keep the project on-time, on-budget and on-track, and the State of Michigan will provide this assistance throughout project delivery.

On June 19, 2012, you wrote to M-1 Rail Chairman Roger Penske to lay out five conditions for M-1 Rail to receive $25 million in project funding. Since then, all parties have worked diligently and continue to work diligently to fulfill these conditions. Through a strong partnership we have made enormous progress.

I wish to express my gratitude for the personal support and assistance you have provided, and continue to provide for the passage of pending legislation to create and fund a Regional Transit Authority (RTA) for southeast Michigan. The establishment of an RTA is critical to the governance, planning and funding of an integrated, multi-modal public transportation system for the region. The safe, efficient and speedy transport of people and goods throughout the region is the economic engine that will generate jobs and restore prosperity to the 4.2 million people who live and make a living in southeast Michigan.

I look forward to your affirmative decision regarding the TIGER 1 grant and the opportunity to meet with you in the near future to continue our work together to establish a Regional Transit Authority for southeast Michigan.

Sincerely,

Rick Snyder
Governor

cc: Mr. Roger Penske, Chairman
M-1 Rail

Enclosures