

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 27, 2012
	Agenda Item No. 8A Roll Call No. <u>12-1328</u> Communication No. <u>12-450</u> Submitted by: Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Approving and authorizing the execution of Department of Transportation Conditional and Preliminary Term Sheet for the TIGER Discretionary Grant for the Southeast Connector Project between SE 14th Street and SE 30th Street.

SYNOPSIS:

Recommend approval and authorization of the Department of Transportation Conditional and Preliminary Term Sheet for the TIGER Discretionary Grant as provided by National Infrastructure Investments in the FY2012 Appropriations Act for the Southeast Connector Project from SE 14th Street to SE 30th Street.

FISCAL IMPACT:

Amount: \$50 million

Funding Source: Various Funding Sources, as follows:

- \$10 million – TIGER Discretionary Grant
- \$14 million – Federal STP funding allocated by the Des Moines Metropolitan Planning Organization
- \$12.7 million – Iowa Department of Transportation RISE
- \$13.3 million – 2012-13 CIP, Page Street - 36, Southeast Connector-SE 14th to SE 30th Street, STR249, GO Bonds

All of the Federal funding awarded by the Metropolitan Planning Organization (MPO) will not be available when construction begins. The MPO funding includes \$1,517,000 in Federal FY15 and \$3,229,000 in Federal FY16. Current Federal legislation extends through Federal FY13. Federal funding projects beyond 2013 are estimated based on current funding levels and may be reduced. In order to comply with the TIGER Discretionary Grant required time frame, the City of Des Moines will be responsible for fronting \$4,746,000, which is expected to be reimbursed when available in FY15 & FY16.

ADDITIONAL INFORMATION:

On June 22, 2012, the United States Department of Transportation (DOT) announced funding for 47 projects from the Transportation Investment Generating Economic Recovery (TIGER) 2012 program. This is the fourth round of TIGER Grants. DOT received 703 applications totaling \$10.2 billion for the \$500 million available. The Southeast Connector was awarded \$10 million.

On February 27, 2012, by Roll Call No. 12-0266, City Council authorized applying for \$30 million of TIGER funding for the Southeast Connector. TIGER funding is for surface transportation projects that will have a significant impact on the Nation, a metropolitan area or a region. The primary selection criteria are long-term outcomes and job creation & near-term economic activity. The secondary selection criteria include innovation and partnership. Due to the competitive nature of the program and amount of applications, \$10 million was awarded to the Southeast Connector – SE 14th Street to SE 30th Street.

The TIGER funding will support the first phase of the overall project. The first phase will provide a two-lane roadway from SE 15th Street to SE 30th Street with a multimodal trail, functional intersections, and two bridges that will span rail lines. Right-of-way and grading will accommodate the future four lane arterial. The project is planned to open to traffic by the end of 2016.

The TIGER funding comes with extensive Federal requirements, including:

- All grant funds are to be obligated by June 30, 2013. This will require all property acquisitions and railroad agreements by April 2013, to comply with the Iowa DOT schedule for the July 2013 letting.
- All reimbursement requests are to be submitted by September 2018.
- Performance Measures will be developed as part of the grant agreement and reported on a defined schedule. Reporting will occur as often as quarterly for up to five years after the project is constructed. Pre-project (baseline) reporting and final Project Outcome reporting is also required.
- Progress and Monitoring Reports are required quarterly after the agreement is executed. Reporting includes information on finances, budget, expenditures, schedule, performance objectives.
- The Government reserves the right to terminate and void the Term Sheet if it determines in its sole discretion, that the Project Sponsor has not adhered to the Project Milestone Completion Schedule provided in the Term Sheet or if the Government determines, in its sole discretion that termination is in the public interest.

Final design and property acquisition are underway and are on schedule to be done prior to the dates included in the Conditional and Preliminary Term Sheet. However, railroad agreements are on the critical path for meeting the grant schedule. Negotiations with Burlington Northern Santa Fe and Norfolk Southern Railway are currently underway. Bi-weekly conference calls with staff are being held. An interim milestone of December 2012 has been agreed to for finalizing agreements for City Council consideration. Additional resources are being utilized to work with the railroads, including contact with the US DOT, Iowa DOT, Holland & Knight (lobbyist), and external counsel.

PREVIOUS COUNCIL ACTION(S):

Date: February 27, 2012

Roll Call Number: [12-0266](#)

Action: [Approving](#) and authorizing the application for a Department of Transportation TIGER discretionary Grant for the Southeast Connector Project between SE 14th Street and SE 30th Street. ([Council Communication No. 12-081](#)). Moved by Meyer to adopt. Motion Carried 7-0.

Date: November 21, 2011

Roll Call Number: [11-1939](#) and [11-1940](#)

Action: Items regarding Southeast Connector: (A) [Approving](#) Iowa Department of Transportation (IDOT) RISE Agreement. ([Council Communication No. 11-711](#)) (B) [Approving](#) Professional Services Agreement with Kirkham Michael & Associates, Inc. for design services on SE 14th to SE 30th Street, not to exceed \$2,953,706. ([Council Communication No. 11-709](#)). Moved by Meyer to adopt. Motion Carried 7-0.

Date: September 26, 2011

Roll Call Number: [11-1614](#)

Action: [Approving](#) and authorizing the application for a Department of Transportation TIGER discretionary grant for the Southeast Connector Project between SE 14th and SE 30th Streets. ([Council Communication No. 11-605](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 23, 2011

Roll Call Number: [11-0870](#)

Action: [Approving](#) Professional Services Agreement with Kirkham Michael & Associates, Inc. for Predevelopment Services for Southeast Connector – SE 14th to SE 30th Street, not to exceed \$250,000. ([Council Communication No. 11-308](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: October 25, 2010

Roll Call Number: [10-1786](#)

Action: [Authorization](#) to proceed with acquisition of necessary right-of-way and easements for the SE Connector – SE 14th Street to SE 30th Street. Moved by Meyer to adopt. Motion Carried 7-0.

Date: January 26, 2009

Roll Call Number: [09-137](#)

Action: [Authorizing](#) notification of the City's preferred alternative for the Southeast Connector. ([Council Communication No. 09-031](#)). Moved by Meyer to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Enter into final TIGER grant agreement.

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