

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	October 12, 2015
	<b>Agenda Item No.</b>	<b>35</b>
	<b>Roll Call No.</b>	<b><u>15-708</u></b>
	<b>Communication No.</b>	<b><u>15-553</u></b>
	<b>Submitted by:</b>	<b>Matthew A. Anderson, Assistant City Manager</b>

**AGENDA HEADING:**

Resolution approving application to the Iowa Department of Transportation (IDOT) Linking Iowa’s Freight Transportation System (LIFTS) program for a rail port transloading facility in the City of Des Moines.

**SYNOPSIS:**

Authorize application to the IDOT for a LIFTS Grant in the amount of \$2.5 million for the development of a rail port transloading facility by a preferred provider who will be recommended by City Council. Anticipated timeframe for recommendation of a preferred provider is late December 2015.

The City of Des Moines is submitting the application in order to compete for this one-time funding source that could significantly assist with the development of the proposed rail port transloading facility. Applications are due by October 26, 2015.

**FISCAL IMPACT:**

Amount: Estimated local match of \$680,000, which is 20% of the estimated project cost of \$3.4 million.

Funding Source: To be negotiated with identified rail port transloading operator. Potential sources are operator contribution through a City development agreement and land/land lease value.

**ADDITIONAL INFORMATION:**

On October 20, 2014, by Roll Call No. 14-1668, City Council approved a series of actions related to the development of a rail port transloading facility on City owned land in an industrially zoned area at SE 15<sup>th</sup> Street and East Martin Luther King Junior Parkway. The site is a former long-term salvage operation location that is adjacent to an existing convergence of Class I rail lines.

The October 2014 actions included the receipt and file of the regional Des Moines Area Rail Port Feasibility Study prepared by the Des Moines Area Metropolitan Planning Organization (MPO) which identifies City-owned land at SE 15<sup>th</sup> Street and East Martin Luther King Jr. Parkway as the preferred site for a rail port transloading facility.

The City Manager was authorized to execute a professional services agreement with McClure Engineering Company (Terry Lutz, President/CEO, 1360 NW 121<sup>st</sup> Street, Clive, IA 50325) and sub-

consultant Engineered Rail Solutions, LLC (David M. Thompson, President, 420 North Front Street, Suite 208, McHenry, IL 60050) for professional advisement, the development of a Request for Proposals (RFP) for the identified City-owned land and a process for evaluation of RFP responses based on potential benefits and impacts of a transloading facility to the City. This process resulted in the development of a committee of the consulting team, City staff, Greater Des Moines Partnership representatives, Des Moines Area MPO representatives and a neighborhood representative to evaluate the concept and provide input on a matrix of City priorities for the development of the project.

The final action taken in October 2014 was to authorize a letter of support to the IDOT for a Rail Revolving Loan Grant (RRLG) in the amount of \$1.7 million to be approved for development of a rail port transloading facility by a preferred provider who will be recommended by City Council. This application was approved and an agreement will be negotiated with a preferred provider when identified by City Council.

As this is a new facility in the Des Moines market, the \$3.4 million cost estimate for the development of the rail port facility is based on the best available information for construction of rail track and other site development components. The actual project cost may be considerably more, depending on construction costs and materials at the time of the project, and whether the development is approached in phases, including potential warehouse square footage. It is important to pursue both the RRLG and the LIFTS source to offset costs for the project and maximize the ability to leverage resources.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: May 4, 2015

Roll Call Number: [15-0771](#)

Action: [Distribution](#) of Request for Qualifications (RFQ) and Request for Proposals (RFP) for the development of a rail port transloading facility in the City of Des Moines. ([Council Communication No. 15-238](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: October 20, 2014

Roll Call Number: [14-1667](#) and [14-1668](#)

Action: Items regarding the Des Moines Rail Transload Feasibility Study:

(A) [Receive](#) and file the study. Moved by Gatto to receive and file. Motion Carried 7-0.

(B) [Approving](#) agreement for professional services with McClure Engineering Company for development of Request for Proposals for Rail Transload Facility and approving Letter of Support to IDOT Railroad Revolving Loan and Grant Agreement. ([Council Communication No. 14-512](#)) Moved by Gatto to adopt. Motion Carried 7-0.

#### **BOARD/COMMISSION ACTION(S): NONE**

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

City Council will be presented with information regarding the proposed rail port facility and recommendations on a preferred operator at a later meeting.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).